



This Disclosure Statement is provided in accordance with the tax laws applicable to your SIMPLE individual retirement account (SIMPLE IRA). It provides only a summary of the rules that apply to your SIMPLE IRA. Additional information can be obtained by contacting your District Office of the Internal Revenue Service (IRS) or from IRS Publications 590-A and 90-B, which are available at the IRS website at [www.irs.gov](http://www.irs.gov).

## A. IN GENERAL

Contributions to a SIMPLE IRA and earnings on them generally are not subject to federal income tax until you or your beneficiary actually begin to receive distributions from it.

The state income tax treatment of your SIMPLE IRA may differ. Information regarding state income tax rules that apply to your SIMPLE IRA should be available from your state taxing authority or a tax professional.

## B. RIGHT OF REVOCATION

You have the right to revoke your Madison Trust Company Inc. (MTC) SIMPLE IRA within seven days of the date you receive this Disclosure Statement. If you revoke, the entire contribution you have made to your SIMPLE IRA, plus any establishment fees you paid, without adjustment for such items as sales commissions, administrative expenses or fluctuations in market value, will be returned to you. You may make your revocation by either delivering your written notice of revocation personally to MTC at Madison Administration Company, One Paragon Drive Suite 275, Montvale, NJ 07645 or by mailing, with postage prepaid, the written notice of revocation to MTC at that address. If the written notice is mailed by regular first-class mail, it will be deemed mailed on the date of postmark.

## C. STATUTORY REQUIREMENTS FOR A SIMPLE IRA

The statutory requirements for a SIMPLE IRA, which are described in sections 408(a) and 408(p) of the Internal Revenue Code (Code), are as follows:

1. Except in the case of rollover contributions or transfer from another SIMPLE IRA of yours, contributions may consist solely of cash contributions made by your employer under the terms of the SIMPLE plan your employer has adopted.
2. Contributions on behalf of any individual will not be accepted for the taxable year in excess of the limits discussed below.
3. No part of the SIMPLE IRA may be invested in life insurance or be commingled with other property, except in a common trust fund or common investment fund.
4. The entire SIMPLE IRA balance must be nonforfeitable (vested).
5. No part of the SIMPLE IRA may be invested in any collectible, which is defined in Code section 408(m) to include any work of art, rug, antique, metal, gem, stamp, coin, alcoholic beverage, or any other tangible property specified by the IRS. However, investment in certain coins and bullion specified in Code section 408(m) is permissible.
6. You must begin to take distributions from the SIMPLE IRA in at least minimum amounts specified in the tax laws by April 1 of the year following the year you reach age 70½, or, if you had not attained age 70½ before 2020, April 1 of the year following the year you reach age 72. If any amount remains in your SIMPLE IRA when you die, the balance of your SIMPLE IRA must be distributed to your death beneficiary(ies) in compliance with the tax laws.

## D. SIMPLE IRA CONTRIBUTIONS

### 1. Types of Contributions

You may choose to have salary deferral contributions made to your SIMPLE IRA. Your pay will be reduced by the amount you so choose, and your employer then will contribute an equal amount to your SIMPLE IRA. The maximum salary deferral contribution amount for the year 2020 is \$13,500 (\$16,500 if you will be at least age 50 during the year). These dollar limits may be adjusted by the IRS in future years to reflect changes in the cost-of-living.

In addition, your employer will contribute as a matching contribution an amount equal to your salary deferral contributions, up to a maximum of 3% of your compensation for the year. Your employer instead may choose to contribute 2% of your compensation for the year instead, regardless of whether or in what amounts you have chosen to have salary deferral contributions made. The maximum amount of annual compensation which may be taken into account for employer contribution purpose is \$285,000 for 2020. This dollar limit may be adjusted by the IRS in future years to reflect changes in the cost-of-living.

### 2. Rollover Contributions and Transfers

A SIMPLE IRA also may be funded with rollover contributions or transfers from another SIMPLE IRA, or after two years, or with a rollover contribution that is an "eligible rollover distribution" from "an eligible retirement plan." An "eligible rollover distribution" generally is any distribution, other than a required minimum distribution, hardship distribution, or distribution that is one of a series of substantially equal periodic payments made at least annually over your lifetime (or life expectancy) or over the joint lifetimes (or life expectancies) of you and your beneficiary, or over a specified period of 10 years or more. An "eligible retirement plan" is generally any tax-qualified plan, qualified annuity plan, tax-sheltered annuity, governmental eligible deferred compensation plan, deceased spouse's IRA (other than a Roth IRA) or another IRA (other than a Roth IRA) of yours. The contribution to the receiving SIMPLE IRA must be made within 60 days of the eligible rollover distribution. (The IRS may, but it is not required to, waive this 60-day requirement in limited situations, such as where a casualty or disaster prevented you from making the contribution within the 60-day period.)

If you make a rollover from one SIMPLE IRA or traditional IRA to any IRA (other than a Roth IRA), you may not make another tax-free rollover from any IRA for at least twelve months after you received the amount you rolled over. There is no maximum dollar amount or age restriction for rollover contributions.



If you received a “coronavirus-related distribution” from an IRA or an employer plan during 2020, check with your tax advisor on whether you may repay all or a portion of that distribution to your SIMPLE IRA within three years of the distribution. A “coronavirus-related distribution” is one you received when either (a) you, your spouse or a dependent was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention, or (b) due to SARS-CoV-2 or COVID-19 you experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off, having work hours reduced, being unable to work due to lack of child care or as a result of closing or reducing hours of a business you own or operate. The total amount of “coronavirus-related distributions you may receive from all plans and IRAs is \$100,000.

If you have taken a distribution from an IRA or an employer plan within one year of a birth or adoption of a child, check with your tax advisor on whether you may repay up to \$5,000 of that distribution to your SIMPLE IRA. The adopted child may not be over age 18, unless he or she was physically or mentally incapable of self-support, or your spouse’s child.

A transfer is a tax-free movement of assets from one SIMPLE IRA directly to another for the same person. There is no restriction on the time, number or frequency of transfers. Acceptance of rollovers or transfers to your MTC SIMPLE IRA is subject to the acceptance of MTC.

## E. DISTRIBUTION REQUIREMENTS

The tax rules require that, beginning no later than your “required beginning date,” which is April 1 following the close of the calendar year in which you attain age 70½, if you attained that age before 2020, and April 1 of the calendar year following the close of the calendar year in which you attained age 72 if you had not attained age 70½ before 2020, and by each December 31 thereafter, you take a distribution from your SIMPLE IRA of at least the required minimum amount. (However, under a special rule, the requirement that you receive a minimum distribution has been waived for 2020.) In general, the required minimum amount for any year is your SIMPLE IRA account balance as of the December 31 of the preceding year divided by the applicable divisor set out in IRS life expectancy tables. The applicable divisor under the table is the joint life expectancy of you and a beneficiary presumed to be 10 years younger than you. However, if the sole designated beneficiary is your spouse, and he or she is more than 10 years younger than you, the applicable divisor will be the joint life expectancies, under IRS tables, of you and your spouse based on your actual ages. If you also have other SIMPLE or traditional IRAs (IRAs that are not Roth IRAs), your required minimum distribution must be calculated separately for each SIMPLE or traditional IRA, but you may take the aggregate of the required minimum distributions from any one or combination of those IRAs as you choose.

If you die on or after your required beginning date, any balance remaining in your SIMPLE IRA generally must be distributed to your beneficiary as rapidly as under the method of distribution applicable during your lifetime. If you die before your required beginning date, any balance remaining in the SIMPLE IRA must be distributed to your beneficiary in full by the end of the year which contains the ten-year anniversary of your death, except that payments may be made in annual payments over the life expectancy of your beneficiary, beginning in the year following the year of your death, for a beneficiary who is either (1) your surviving spouse, (2) a disabled or chronically ill individual (or certain trusts for the same), (3) a beneficiary no more than ten years younger than you or (4) your minor child (generally until the child reaches the age of majority). If distribution is made over your beneficiary’s life expectancy, each year’s annual amount must be at least a minimum amount, based on the amount in your SIMPLE IRA and the beneficiary’s life expectancy, as detailed in tax regulations.

However, if your surviving spouse is your beneficiary, he or she may delay distributions until the later of December 31 of the year following the year of your death or December 31 of the year you would have attained your required beginning date. Also, your surviving spouse may roll over the funds to his or her own IRA or treat your SIMPLE IRA as his or her own.

## F. TAX CONSEQUENCES

### 1. Taxes on Contributions and Earnings

Contributions to your SIMPLE IRA and earnings on them are not subject to income tax until they are distributed to you, except to the extent the earnings are “unrelated business taxable income,” explained below. However, salary deferral contributions are subject to the social security and other federal employment taxes the same is if they were paid to you as regular compensation.

### 2. Income Taxes on Distributions

Distributions you receive from your SIMPLE IRA will be taxable to you as ordinary income (and may be subject to the additional tax for early distribution explained below). However, any amount that you transfer directly to a SIMPLE IRA will not be taxable to you at that time. Also, if the distribution is more than two years after you first participated in your employer’s SIMPLE plan, distributions also may be rolled over tax-free to any other SIMPLE or other IRA (or taxable if rolled over to a Roth IRA) or employer plan that accepts rollover contributions.

The state tax treatment of SIMPLE IRA distributions varies from state to state.

### 3. Qualified Health Savings Account Distribution

If you are eligible to contribute to a health savings account (HSA), you may make a one-time, tax-free distribution from your SIMPLE IRA to an HSA. However, you cannot make this distribution in year that a SIMPLE IRA contribution was made for you. The distribution must not be for more than your maximum annual HSA contribution, reduced by other HSA contributions made for the year, and must be made directly from your SIMPLE IRA to the HSA. You must make the distribution by the end of the year (the special rule allowing contributions to your HSA for the previous year if made by your tax return filing deadline does not apply) and must be reported to the IRS on Form 8889.



#### 4. Transfer Incident to Divorce

If all or part of your SIMPLE IRA is awarded to your spouse or former spouse by a court order or judgment (or court approval of a marital settlement agreement) in a divorce or legal separation proceeding, the awarded amount may be transferred to a SIMPLE IRA for the benefit of your spouse or former spouse. The transfer will not be taxable to you, and only your spouse or former spouse will be taxable on distributions from the SIMPLE IRA that received the transfer.

#### 5. Additional Tax for Early Distribution

If you receive a distribution from your SIMPLE IRA before you reach age 59½, an additional federal tax of 10% (25% if the distribution is made less than two years after you first participated in your employer's SIMPLE plan) will apply to the taxable portion of the distribution, unless one of the following exceptions applies:

The distribution is made to your death beneficiary following your death;

The distribution is made after you became disabled. You are considered disabled for this purpose only if you are medically determined to be unable to engage in substantial gainful activity due to an impairment that is expected to result in death or continue indefinitely;

The distribution is within one year of a birth or your child, or your adoption of a child, other than a child who either has attained age 18, unless he or she was physically or mentally incapable of self-support, or is your spouse's child;

The distribution is a "coronavirus-related distribution," explained above;

The distribution is part of a series of substantially equally periodic payments (made at least annually) over your life expectancy or the joint life expectancies of you and your beneficiary. This exception will be lost retroactively if the payments do not continue for at least 5 years and until you are at least age 59½;

You use the distribution to pay medical expenses which exceed 10% percent (7.5% if your spouse was born before January 2, 1949) of your adjusted gross income,

You use the distribution to pay "qualified higher education expenses" of yourself, your spouse or your or your spouse's children or grandchildren;

You use the distribution to buy or build a principal residence and did not own a principal residence in the previous two years. The maximum lifetime amount to which you can apply this exception is \$10,000;

You use the distribution to pay for health insurance if you are unemployed and have received federal or state unemployment compensation for at least 12 consecutive weeks; The distribution is made on account of an IRS tax levy on your SIMPLE IRA; or

The distribution is a "qualified reservist distribution." In general, a "qualified reservist distribution" is a distribution made to an individual who is ordered or called to active armed service duty after September 11, 2001 for at least 180 days or indefinitely.

You are required to file IRS Form 5329 for any year for which this additional tax is due. Your state also may impose a penalty for early distributions.

#### 6. Penalty Tax for Failure to Take Required Minimum Distributions

You or your beneficiary will be subject to a 50% penalty tax on the amount of any required distribution (explained above) that was not taken timely. The IRS may waive this tax if the distribution shortfall was due to a reasonable error and steps are being taken to remedy it.

You (or your beneficiary) are required to file IRS Form 5329 for any tax year for which this penalty tax is due.

#### 7. Unrelated Business Taxable Income

If your SIMPLE IRA conducts an active trade or business, or invests in a partnership or limited liability company (LLC) taxed as a partnership that conducts an active trade or business, or if the SIMPLE IRA (or a partnership or LLC taxed as a partnership in which the SIMPLE IRA invests) realizes investment gains through debt-financing, the SIMPLE IRA may have "unrelated business taxable income." Unrelated business taxable income, net of any allowable deductions, in excess of \$1,000 in any year may be taxable to your SIMPLE IRA. Applicable taxes are an expense of your SIMPLE IRA and must be paid with SIMPLE IRA funds. For any year that your SIMPLE IRA has unrelated business taxable income, before deductions, of more than \$1,000, (1) you must have obtained a tax identification number from the IRS for your SIMPLE IRA, (2) you must prepare on behalf of the SIMPLE IRA and submit to MTC fully completed federal, state and other tax return forms, including requests for filing extensions, and any other documents required to be filed with the Internal Revenue Service or other agency in connection with those forms, at least 5 business days before the filing deadline for each such form and (3) at the time the forms are submitted to MTC, you must authorize and direct MTC in writing (or in another manner acceptable to MTC) to sign those forms on behalf of the SIMPLE IRA and to pay to the appropriate taxing authority all amounts that are due.

#### 8. Prohibited Transactions

A SIMPLE IRA can lose its exemption from federal income tax if the individual establishing the SIMPLE IRA or a beneficiary engages in a "prohibited transaction" with the SIMPLE IRA. If any other "disqualified person" engages in a prohibited transaction with a SIMPLE IRA, he or she will be subject to an excise tax equal to 15% of the amount involved each year until the transaction is corrected. Prohibited transactions generally include any direct or indirect:

Sale, exchange or lease of any property between the SIMPLE IRA and a disqualified person;

Lending of money or any other extension of credit between the SIMPLE IRA and a disqualified person; Furnishing of goods, services or facilities between the SIMPLE IRA and a disqualified person;

Transfer to or use for the benefit of a disqualified person of the income or assets of the SIMPLE IRA;

Act by a disqualified person who is a fiduciary whereby he or she deals with the income or assets of the SIMPLE IRA in his or her own interest or for his or her own account; or

Receipt of any consideration for the personal account of any disqualified person who is a fiduciary dealing with the SIMPLE IRA in connection with a transaction involving the income or assets of the SIMPLE IRA.



In general, a “disqualified person” includes the individual establishing the SIMPLE IRA, certain members of his or her family, any person who is a fiduciary or who provides services to the SIMPLE IRA, and certain related partnerships (and certain of their partners and employees), corporations (and certain of their shareholders, officers, directors and employees), and trusts and estates (and certain of their beneficiaries). If the SIMPLE IRA loses its tax exemption because you (or you beneficiary) engaged in a prohibited transaction, the fair market value of the SIMPLE IRA assets as of the first day of the year of the transaction must be included in your gross income for the taxable year in which the loss of exemption occurs. If this occurs before you have attained age 59½, you also will be subject to the additional early distribution tax explained above on the amount included in gross income unless an exception applies.

If you pledge any part of your SIMPLE IRA as security for a loan, the part pledged will be treated as a distribution in the taxable year in which the pledging occurs and will be taxed accordingly.

#### 9. Federal Estate Tax and Gift Tax

All funds held within a SIMPLE IRA will be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. However, an estate tax deduction may apply for amounts distributed to a beneficiary that is your spouse, a marital trust which meets certain conditions or a charity.

#### 10. Special Tax Treatment Related to Designated Disasters

If you are affected by an IRS-designated disaster, you may be eligible for special tax treatment for your SIMPLE IRA funds. You may obtain information on specific disasters by visiting the IRS website at [www.irs.gov](http://www.irs.gov).

### G. ADDITIONAL INFORMATION

#### 1. Use of IRS Model Language

Articles I through VII of the MTC SIMPLE Individual Retirement Account Custodial Agreement use the language of the corresponding articles of the IRS Model SIMPLE Individual Custodial Agreement (Form 5305-SA). For that reason, your MTC Individual Retirement Account Custodial Agreement is treated as satisfying all applicable IRS requirements as to form. It is not an approval or endorsement of any investment or transaction.

#### 2. Custodial Agreement Amendments

MTC will furnish any amendment to you within 30 days of the date it becomes effective or is adopted. You may notify Madison Trust within 30 days of the mailing that you do not consent to the amendment. If you do not consent, MTC may elect to terminate the Custodial Agreement.

#### 3. Future Value

The value of your SIMPLE IRA at any time will depend on the amount of contributions to it, the performance of its investments, and the time and amount of charges to and distributions from it. Therefore, no projection of the value of your SIMPLE IRA at any future time can be predicted or guaranteed.

#### 4. Minimum Cash Balance and Uninvested Cash

Your SIMPLE IRA must maintain a minimum balance of \$500 of uninvested cash. MTC may disregard any investment direction to the extent necessary for that minimum balance to be maintained, and may terminate your Custodial Agreement if the required minimum balance is not maintained. In addition, MTC may elect to resign as custodian of your SIMPLE IRA in the event that its cash balance is less than \$300 for a continuous period of more than 30 calendar days.

All cash for which investment directions are not provided are deposited into one or more of the following, as determined by MTC: checking, savings and money market accounts; certificates of deposits; short-term government and agency obligations; and other short-term investments (collectively, “entities”). MTC may retain all or a portion of the income generated by such deposits as part of its compensation for all services it performs for you. MTC may enter into agreements with the entities under which it will maintain all records pertaining to your IRA’s interest in the entities, and may make withdrawals from such entities for purposes of IRA distributions, investments, fees and other disbursements that you or your authorized representative agree to.

#### 5. No Advice from MTC

MTC does not provide tax, legal, investment or other advice and no communication or other act by MTC or any of its employees or agents serves as or may be relied upon as any such advice. Because the tax laws affecting SIMPLE IRAs are complex and may change through legislation, regulatory developments or judicial interpretations, and the suitability of an investment or transaction can vary from individual to individual, you should consult a knowledgeable attorney, accountant or other advisor to assess whether any investment or transaction of your SIMPLE IRA may result in adverse consequences and is suitable for you.

#### 6. Service Fees

MTC charges service fees for the administration of your SIMPLE IRA. The complete schedule of fees applicable to your MTC SIMPLE IRA is being given to you along with this Disclosure Statement and is a part of your Custodial Agreement. If different or additional fees are charged in the future, MTC will furnish you with a written notice, stating the nature and amount of the different or additional fees, at least 30 days before they take effect.

Fees are automatically deducted from your SIMPLE IRA (or charged to your credit card if you have authorized MTC to charge fees to a credit card). If MTC does not have a valid credit card on file for you and your SIMPLE IRA does not have sufficient funds to pay fees that are due, you will be invoiced for the fees due. Failure to timely pay the invoice may result in termination of the Custodial Agreement and distribution of your SIMPLE IRA assets to you.

MTC also receives additional fees for administrative services from the financial organizations with whom uninvested cash is deposited. These fees are not paid by you or your SIMPLE IRA. Additionally, at the option of MTC, MTC is authorized to liquidate assets of your Custodial Account for any unpaid fee balance and can sell



the assets or use the uninvested cash to pay the fee balance., The choice of the selling broker and assets to be sold shall be at MTC's sole discretion. Should fees or expenses not be collected, MTC shall have the option to cease performing any functions, including, but not limited to, processing investment transactions until such time as all fees and expenses charged against the account are fully paid. If fees are not paid within thirty (30) days after MTC has mailed you the past due notice and invoice, MTC will begin the process of closing your Custodial Account. Any asset distributed directly to you as part of closing the Custodial Account will be reported to the IRS on Form 1099-R and may subject you to possible taxes and penalties. Accounts with past due fees, unfunded accounts, and accounts with zero value will continue to incur administration fees until such time as you notify MTC in writing on a form as required by MTC of your intent to close the account or until MTC resigns and closes the Account as stated above.

#### **7. Telephone Authorization**

MTC is authorized, at its option, to honor telephone transaction requests placed by you or your authorized representative with respect to your SIMPLE IRA. These requests may include purchases, sales and exchanges of assets whose sponsors accept telephone authorizations from MTC on your behalf. MTC may require you to complete and provide a Telephone Authorization Form. MTC may require the use of a special identification number and Social Security number for each transaction. MTC is not responsible for determining whether a caller is authorized other than verifying that such caller is using the proper identification number for the account. You agree that MTC is not responsible for unauthorized transactions in your SIMPLE IRA by callers who provide the proper identification number for your account.

#### **8. Statements**

Each year MTC will furnish you a statement of account which will state the amount of the contributions to your SIMPLE IRA, distributions from the SIMPLE IRA and the total value of the SIMPLE IRA as of the end of the year. Information relating to contributions and withdrawals must be reported annually to the IRS by you. Statements will reflect information provided to MTC by you and/or your representative. MTC assumes no responsibility for the accuracy of information provided.

#### **9. Account Termination**

You may terminate your MTC SIMPLE IRA at any time upon written notice. The notice must identify your MTC SIMPLE IRA account number, give instructions on the disposition of your SIMPLE IRA's assets and be sent to:

Madison Trust Company Inc. 401 East 8th Street Suite 200 Sioux Falls, SD 57103; or  
Madison Administration Company One Paragon Drive Suite 275 Montvale, NJ 07645

Your MTC SIMPLE IRA will terminate upon the earliest of:

The date the SIMPLE IRA assets have been disposed of in accordance with your instructions if you terminate MTC as custodian;

The date all the SIMPLE IRA's assets have been distributed;

The date the SIMPLE IRA ceases to meet the requirements of Code section 408; or

The date the SIMPLE IRA assets have been transferred to and accepted by a successor custodian or trustee as a result of the resignation of MTC and selection of a successor custodian or trustee.

#### **10. Availability of Funds Available After Deposit**

Funds deposited through bank or other financial institution checks will be available after 5 business days. Funds deposited through other checks will be available after 7 business days. Funds deposited through wire transfers are available the next business day.

#### **11. Affiliated Business Disclosure and Conflict of Interest Waiver**

MTC, Broad Financial LLC and Madison Administration Company are companies affiliated by their common ownership and management. Because these entities are under common ownership and management, the retention of MTC as Custodian of your SIMPLE IRA may result in an indirect financial benefit to the owners of Broad Financial LLC and/or Madison Administration Company. Your SIMPLE IRA's uninvested cash may be invested in an entity in which a shareholder of Madison Trust may have an interest, although the entity will provide no benefit to the shareholder from that investment. You are under no obligation to retain MTC as custodian of your SIMPLE IRA and are free to retain another to serve as the custodian. In retaining MTC, you will be waiving any conflict of interest that may result from such common ownership or investment.

#### **12. Investments in Limited Liability Companies**

Your MTC SIMPLE IRA may invest in a limited liability company (LLC), provided that it does so without engaging in a prohibited transaction or otherwise violates any Code requirement, and complies with MTC's requirements for an investment in an LLC by your SIMPLE IRA. In order for your MTC SIMPLE IRA to invest in an LLC, the following documents must be furnished to MTC:

A file-stamped copy of the Articles or Organization (or similar document) filed with the state in which the LLC is formed.

A copy of the LLC's operating agreement (or similar agreement) which must clearly provide, among other things, that:

The LLC is to be manager-managed

The SIMPLE IRA will be a member of the LLC

The SIMPLE IRA selects the manager, who shall not be compensated and shall not provide any services to the LLC that may be considered non-cash contributions to the SIMPLE IRA

The manager will not hire any "disqualified persons" to perform services to the LLC

The LLC will not invest in any "collectibles" or life insurance, engage in any prohibited transactions, or violate any requirement of Code Section 408

No "disqualified person" may use that person's own assets as security for, or otherwise guarantee, any loan of the LLC

The LLC will annually provide the member a statement of good standing (or similar document), and a valuation, and all other information necessary for MTC to complete required tax forms or other forms concerning the LLC



The LLC will be responsible for any tax reporting, tax accounting, and valuations requested or required by the member or required under state or federal law, and will take all actions necessary to keep the LLC in good standing in its state of formation

A copy of the LLC's federal employer identification number

Written instructions directing MTC to invest some or all of the SIMPLE IRA's funds into the LLC in exchange for its membership interest and directions regarding the account into which such funds are to be transferred or deposited