

## RETIREMENT ADVICE DISCLOSURE

### **Fiduciary Acknowledgement & Impartial Conduct Standards**

When we provide investment advice related to your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Because we are paid for our services, we may have conflicts of interest. When we provide advice about retirement plan assets or IRAs, we must act in your best interest and follow the “impartial conduct standards,” which require that we:

- Meet a professional standard of care when making investment recommendations (give prudent advice)
- Never put our financial interests ahead of yours when making recommendations (give loyal advice)
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies and procedures designed to ensure that we give advice that is in your best interest
- Charge no more than is reasonable for our services
- Provide information about conflicts of interest

### **Managing Conflicts of Interest**

Because we receive compensation for our services, certain conflicts of interest may exist. We manage these conflicts through our policies and procedures, conducting due diligence reviews of the products and services we recommend, disclosing material conflicts to clients and prospective clients, and by training our representatives on the need to always act in your best interest.

### **Description of Services Provided**

For detailed information related to the services we offer please see our Form ADV Part 2A which is available either by request or on our website.

### **Description of Costs, Fees and Expenses**

For detailed information related to costs, fees and expenses please see our Form ADV Part 2A which is available either by request or on our website.

### **Making Recommendations on Retirement Assets**

Our representatives are required to conduct a thorough analysis of the rollover and/or transfer of retirement assets. This analysis includes collecting and assessing your financial profile, determining your needs and goals for the investment, assessing your assets as they are currently invested, such as in a 401(k) or other retirement plan. Finally, representatives must not make misleading statements about investment transactions, compensation, and conflicts of interest.

### **Reasonable Compensation**

The impartial conduct standard mandates that representatives receive reasonable compensation for their services and includes both direct and indirect compensation. Reasonable means the compensation cannot be excessive and does not mandate that compensation be the lowest possible. Compensation must be judged in the context of the services provided; therefore, higher compensation may be reasonable for more comprehensive and detailed services. Whether or not compensation is reasonable depends on how it compares to alternative services.

### **Alternatives to a Rollover or Transfer Retirement Assets**

Please review this information to be fully informed of all the options when considering moving retirement assets from an existing plan. Retirement plan assets may represent a large portion of your retirement savings. It is important to consider what distribution option is best for you. Generally, there are four options that are available:

1. Retain assets in the former employer’s plan
2. Rollover assets to a Traditional IRA or Roth IRA
3. Rollover assets to new employer’s plan
4. Receive a cash distribution

The following is general information which may help you form a decision as to what to do with your retirement assets:

- If the former employer's plan was subject to the Employee Retirement Security Act (ERISA), the assets are protected from claims of creditors. However, if the assets are rolled out of the plan to an IRA, assets are only protected as an exempt asset in bankruptcy up to one million dollars.
- You may receive a direct distribution from your employer's plan that is exempt from the IRS 10% early distribution penalty if you separate from the service of your employer during or after the year you turn age 55 or greater. However, if you rollover your assets to an IRA, distributions prior to age 59 ½ are subject to the IRS 10% early distribution penalty.
- All qualified assets must begin distributions at the required minimum distribution age. If you are a participant in an employer plan, are not owner of 5% or more, and continue working beyond the RMD age, distributions may be postponed until you retire. If your assets are rolled over to an IRA, distributions must begin no later than April 1 of the year after attainment of the RMD age and each year thereafter.
- A distribution from a qualified retirement plan must be made payable to a financial institution for the benefit of the account owner for a direct rollover to occur.
- Distributions from a qualified retirement plan made payable to the plan participant will result in a taxable distribution.
- If the employer's plan is funded with employer stock, you may be eligible for special tax treatment under the tax code. This special tax treatment is lost if you roll your assets into an IRA which taxes distribution as ordinary income.
- Direct rollovers from an employer-sponsored qualified retirement plan to a SIMPLE IRA are allowed only after two years have elapsed since the date the employee first participated in the SIMPLE IRA plan.
- Traditional IRAs, SEP-IRAs and SIMPLE IRAs cannot accept rollovers from designated Roth accounts in 401(k), 403(b) or governmental 457(b) plans.

- Distributions rolled over from traditional pre-tax 401(k), 403(b) or 457(b) plans and converted to a Roth IRA will be subject to ordinary federal and state income taxation.

#### **Ineligible Rollover Distributions**

Distributions that can be rolled over are called eligible rollover distributions. You can roll over all or part of any distribution from your retirement plan account, except the following:

- Required minimum distributions
- Loans that are treated as a distribution
- Hardship distributions
- Distributions of excess contributions plus related earnings
- Distributions that are part of a series of substantially equal payments
- Distributions to pay for accident, health, or life insurance
- Dividends on employer securities
- Corporation allocations treated as deemed distributions
- Withdrawals electing out of automatic contribution arrangements

When it comes to retirement advice, we strongly encourage you to:

1. Evaluate the investment and non-investment considerations important to you;
2. Review and understand the fees and costs associated with the account;
3. Recognize that higher net fees (if applicable) will reduce your investment returns and ultimate retirement assets; and
4. Understand the conflicts of interest raised by the financial benefits to our firm resulting from your decision to move assets.

We hope this disclosure assists you in making important investment decisions related to your retirement assets. Please do not hesitate to ask any questions or express any concerns you may have related to the information presented in this disclosure.