



## IRA ROLLOVER, TRANSFER, DISTRIBUTION DISCLOSURE ACKNOWLEDGEMENT FORM

When Ceros financial professionals provide investment advice to you regarding 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

### Under this special rule's provisions, we must:

- 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 and
- Give you basic information about conflicts of interest.

We are providing you with this information to help you make an informed choice regarding the handling of your assets your retirement account or individual retirement account. When you leave an employer, retire or transfer your existing individual retirement account (IRA), you have several options on how to move forward with your retirement assets. Please review and consider the following information carefully, along with our Ceros Customer Relationship Summary and Broker-Dealer Disclosure Form as part of your decision-making process regarding your retirement account(s).

You have several options when leaving your current employer, retiring or considering an IRA transfer. Several of these options are listed below and you should discuss these with your financial professional.

### Options:

- **Keep your assets in the employer's plan (if allowed)**
- **Roll over your assets into an Individual Retirement Account ("IRA")**
- **Roll over your assets to another employer-sponsored plan (if applicable)**
- **Take a distribution in cash from the plan**
- **Transfer an Existing IRA to a new IRA**

You should carefully weigh the advantages and disadvantages of each of the above options as features, fees and expenses vary greatly. The final decision to roll over assets into an IRA should be based on your own unique set of needs and circumstances. We hope you will find the following information helpful when making your decision.

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**If you choose to keep your assets in certain employer sponsored plans, please consider...**

- **Tax Deferral.** Your money will remain tax deferred within the plan.
- **Additional Withdrawal Allowances.** There is no federal tax penalty for withdrawals if you are age 59½ or separated from employment during or after the year you reach age 55.
- **Lower Cost Investment Options/Investment Strategy.** You may have access to lower-cost mutual funds or special products that are not available in an IRA, such as company stock, fixed annuity contracts or stable value options. Also, you can maintain your current asset allocation strategy.
- **Protection from Creditors.** Assets in a retirement savings plan such as a 401(k) or 403(b) are generally protected from creditors and legal judgments, while assets in IRAs receive more limited protections from creditors.
- **Deferral of Required Minimum Distributions (RMD's).** Your employer-sponsored retirement plan may offer this feature if you are currently working for the sponsoring employer, over age 72 and do not have a 5% or more ownership interest in the employer.
- **Availability of Company Stock as an Investment Option.** If you hold company stock in your employer-sponsored plan, you should consider the tax impact of net unrealized appreciation.
- **Outstanding Loan Balances.** If you leave your employment, you may be able to continue repaying any outstanding loan. Alternatively, you may be required to repay the loan in full or have it become taxable. (Consult with the Plan's Administrator to determine the consequences of any outstanding plan loan.)
- **Subject to Plan Limitations.** Accounts of inactive or retired participants may have limitations, such as restrictions on plan loans. The employer might change plans or plan provisions in the future. You can no longer make contributions to the plan.

**If you choose to roll over assets into an IRA from an employer sponsored plan, please consider...**

- **Tax Deferral.** Your money will maintain its tax-deferred status. No taxes or penalties are applicable for direct rollovers.
- **More Investment Options.** IRAs generally allow for a broader range of investment options, which may include mutual funds, exchange-traded funds, stocks and bonds. IRAs may also offer you access to products with a defined benefit guarantee and products with an income or withdrawal benefit guarantee.
- **Consolidation of Retirement Accounts.** Combining all retirement plan accounts into a single IRA may make it easier to track your assets and manage required minimum distributions required under federal tax laws.
- **Inability to Take Plan Loans/Limited Access to Monies Prior to age 59½.** You will not have the ability to take penalty-free withdrawals as a plan loan. In addition, your access to IRA assets prior to age 59½ will be limited to certain specific circumstances, such as first-time homebuyers and higher education expenses.
- **Potential Conflicts of Interest.** Your financial professional may have a financial incentive to recommend an IRA rollover because of the compensation that he/she may receive when you transfer funds from an employer-sponsored retirement plan. This potential conflict also pertains to situations where you are a participant in a plan and your financial professional is a fiduciary to the same plan.
- **Loss of Plan Options.** You may lose certain options offered by your former plan, which may include, but are not limited to, guaranteed interest rates, death benefits and protection from creditors (under certain plan types).
- **Potential Charges for Rollovers.** There may be higher costs associated with a rollover and surrender charges could be imposed by the plan provider if the account included an annuity.
- **Additional Services.** IRAs generally offer access to more client related services, including investment advice and management services.

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## If you choose to keep your assets in certain employer sponsored plans, please consider...

- **Tax Deferral.** Your money will remain tax deferred within the plan.
- **Additional Withdrawal Allowances.** There is no federal tax penalty for withdrawals if you are age 59½ or separated from employment during or after the year you reach age 55.
- **Lower Cost Investment Options/Investment Strategy.** You may have access to lower-cost mutual funds or special products that are not available in an IRA, such as company stock, fixed annuity contracts or stable value options. Also, you can maintain your current asset allocation strategy.
- **Protection from Creditors.** Assets in a retirement savings plan such as a 401(k) or 403(b) are generally protected from creditors and legal judgments, while assets in IRAs receive more limited protections from creditors.
- **Deferral of Required Minimum Distributions (RMD's).** Your employer-sponsored retirement plan may offer this feature if you are currently working for the sponsoring employer, over age 72 and do not have a 5% or more ownership interest in the employer.
- **Availability of Company Stock as an Investment Option.** If you hold company stock in your employer-sponsored plan, you should consider the tax impact of net unrealized appreciation.
- **Outstanding Loan Balances.** If you leave your employment, you may be able to continue repaying any outstanding loan. Alternatively, you may be required to repay the loan in full or have it become taxable. (Consult with the Plan's Administrator to determine the consequences of any outstanding plan loan.)
- **Subject to Plan Limitations.** Accounts of inactive or retired participants may have limitations, such as restrictions on plan loans. The employer might change plans or plan provisions in the future. You can no longer make contributions to the plan.

## If you choose to take a cash distribution, please consider...

- **Withdrawals May Be Subject to Withholding, Penalties and Other Charges.** The withdrawal will be subject to mandatory tax withholding, as well as applicable tax penalties for early withdrawal (with limited exceptions) if you are under the age 59½. You may also be subject to surrender charges or penalties assessed under the terms of the applicable investment.

## Please also consider...

- **IRA Transfers.** An IRA transfer occurs when you move IRA funds from one financial institution directly to another, generally between like accounts (such as a traditional IRA at one custodian can transfer to a traditional IRA at a new custodian). As long as there is no distribution payable to you, then the transfer is not taxable. However, fees **and** transactions and services can vary significantly from one financial institution to another and it is important for you to discuss the differences between the costs of your existing IRA and the IRA at the new institution.
- **Roth IRA Conversions.** A Roth IRA conversion is a way to convert a qualified retirement account such as a traditional IRA or a 401k into a Roth IRA. An important factor to consider is that when converting, the investor will have to pay taxes on the amount converted since Roth IRAs are funded with after tax dollars. Other factors to consider include your age, income level, and time horizon, Please also remember that funds may not be withdrawn until 5 years after the initial Roth contribution.
  - **Plan Costs.** Fees and expenses are factors that will affect your investment returns and your retirement income. A comparison between the actual costs of your current employer-sponsored plan and the costs of a potential rollover is an important consideration. You should ask your financial professional to help you compare the fees and expenses between your existing plan and any proposed plan.
- **Types of Costs.** Both employer-sponsored plans and IRAs typically involve (i) investment-related expenses and (ii) plan or account fees. Investment related expenses may include sales loads, commissions, the expenses of any mutual funds in which assets are invested, and investment advisory fees. Plan fees typically include plan administrative fees (e.g., recordkeeping, compliance, trustee fees) and fees for services such as access to a customer service representative. In some cases, employers pay for some or all of the plan's administrative expenses. IRA account fees may include, for example, administrative, account set-up and custodial fees. You

should identify and understand all of the fees and expenses associated with your current retirement plan account, any new retirement plan into which you contemplate a rollover, and any potential IRA. You should ask your financial professional to help you discern the types of costs associated with your existing plan and any proposed plan.

- **Documentation.** You should collect any and all documentation you have available in order to track what costs you currently pay. If you do not have this documentation, or do not understand how to interpret the costs, your financial professional can assist you with your cost analysis.
- **Fee and Expense Comparison.** If you are able to obtain your actual plan costs, you and your financial professional should compare those actual plan costs to any recommended rollover. A cost comparison with your actual plan costs is preferable, since your actual plan costs are specific to you. You should ask your financial professional to provide you with a cost comparison between your current and proposed plan/IRA prior to making your final decision.
- **Service and Investment Type Comparison.** The types of services and investments available to you in your current retirement plan and any recommended rollover may differ. A side-by-side comparison of the services and investments available in each should aid you in determining whether you feel a rollover recommendation is in your best interest. For service type(s), compare your current retirement plan's services with any recommended services. For investment type(s), compare your current retirement plan's investment products with any recommended products. Your financial professional can assist you with completing a comparison of services and investment types.

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## Retirement Plan/IRA Recommendation Analysis Form for Retirement Accounts, Including IRA Transfers

Type of Account:  Brokerage/Commission  Managed

Please summarize how you determined this type of account (fee vs. commission based) is in the best interest of the customer, in consideration of customer's trading history, size of portfolio, alternative fee structures available, and the customer's preferences.

### Fees and Expenses

Please provide a detailed summary of your analysis of the recommended retirement plan or individual retirement account. Please include in your summary, a breakdown of the recommended plan/account fees and expenses, advantages and disadvantages to the client in comparison to that of the other options discussed.

After weighing the advantages and disadvantages of each option, the following recommendation was made (select all that apply):\*\*

- Roll over your assets into an IRA
- Keep your assets in the employer's plan
- Roll over your assets to another employer-sponsored plan
- Take a distribution in cash from the plan
- Other (Explain – Transfer of IRA, Roth Conversion)

If recommending a product other than a traditional managed or brokerage account (i.e., variable product, directly held mutual fund, etc.,) please provide a comparison of the fees and features products reviewed:

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I hereby attest that I have reviewed and discussed the information contained in this disclosure and any supporting documentation, including Form CRS and the Broker-Dealer Firm Brochure, as applicable, with my financial professional. This includes information related to my retirement plan account and, if applicable, any reasons for a recommendation to roll over assets from my retirement plan account, as well as the costs.

The review and discussion of costs included a comparison of plan costs using my plan's actual cost information, or, in the absence of my actual plan costs, comparison to average costs of similar plans. I confirm to the best of my knowledge that any such recommendation is based on this information as well as my investment profile, including, but not limited to, my investment objectives, risk tolerance, financial circumstances, and needs. We have discussed and I understand that my financial professional does not provide tax, legal, or accounting advice and that I should consult with my own tax, legal, and accounting professionals regarding my personal situation.

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Customer Signature      Date

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Customer Name

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Customer Signature      Date

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Customer Name

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FP Signature                      Date