



Rollover Checklist

Part 1. For Financial Advisors

Helping clients to complete retirement plan rollovers can be a great way for financial professionals to build their practices. The traditional IRA rollover market is expected to exceed \$760 billion annually in the next five years.¹ The opportunity is substantial considering the majority of distribution recipients (60 percent) will roll over their plan balances at retirement.²

Financial advisors who do rollover business must be aware that the Department of Labor is focused on ensuring that they have fair, balanced and informative rollover discussions with their clients. The question of whether a rollover is right for a client can only be answered after looking at all available distribution options (e.g., withdrawing the assets, leaving the assets in the plan or rolling them to an IRA or another employer's plan). For each of the distribution options, clients should consider numerous factors such as available investment options, fees and expenses, services, taxes and penalties creditor protection, required minimum distributions and the tax treatment of employer stock.

Following the guidelines of FINRA Notice 13-45 would be the most prudent course of action for financial advisors who wish to assist with rollovers. Those who want deliver rollover advice and receive compensation must follow the tenets Prohibited Transaction Exemption 2020-02. Rollover documentation can be a strategic client communication tool that lets financial advisors demonstrate their understanding and compliance with DOL requirements, while helping to create educated and satisfied consumers of fiduciary services. Use this Rollover Checklist to document compliant rollover discussions with clients.

Financial Advisor Considerations

Do you obtain the following documentation from your clients on a regular basis?

- IRA and retirement plan account statements
- Summary Plan Description and or Plan Document
- Participant Fee Disclosure under ERISA §404(a)(5)
- Annual Funding Notice (Defined benefit plan)
- Beneficiary information

Have you documented your consideration of the Retirement Investor's alternatives to a rollover?

- Yes
- No

Have you taken into account the "Rollover Considerations" identified below with respect to each of your client's distribution options?

- Yes
- No

Use the following Part 2 with your clients.

¹ Secure Retirement Institute, LIMRA 2021

² Investment Company Institute, 2021



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Part 2: For Participants

When you leave employment or otherwise become eligible to distribute your retirement account balance, you have a variety of options, generally, including leaving the money in your employer’s plan (if permitted), rolling the assets to another employer’s plan (if one is available and rollovers are permitted), rolling the assets to an IRA or cashing out the account value. Whether you should distribute or rollover some or all of your retirement savings is an important decision that, long-term, has the potential to affect your financial security in retirement.

There are several types of rollovers:

- Plan-to-IRA,
- IRA-to-IRA,
- Plan-to-Plan and
- Change from a commissioned-based account to a fee-based account.

Financial advisors who are compensated for investment recommendations related to distributions and rollovers are required to provide advice that is in your best interest. The advice could relate to 1) whether the rollover or distribution should be completed; 2) in what amount; 3) in what form and/or 4) the destination.

There are a number of key considerations in a rollover or distribution decision. You and your financial advisor can use the following checklist of considerations in a number of ways:

- As a guide to facilitate a thorough rollover discussion;
- As a way to compare and evaluate your options; and/or
- To document your choices.

Consider the following information with each of your distribution options when determining whether a distribution or rollover is in your best interest.

Rollover Considerations	<input checked="" type="checkbox"/>
Investment Related Expenses	
Sales Loads	
Commissions	
Mutual Funds Expenses	
Investment Advisory Fees	
Plan Administrative Fees	
Recordkeeping	
Compliance	
Trustee Fees	
Access to Customer Service Representative	
IRA Fees	
Administration	
Account Set-Up	
Custodial Fees	
Does your employer pay for some or all of the plan’s administrative expenses?	
Levels of Service	



Rollover Checklist

Rollover Considerations	<input checked="" type="checkbox"/>
Investment Advice	
Planning Tools	
Phone Help	
Educational Materials	
Workshops	
Full Brokerage Services	
Distribution Planning	
Online securities execution	
Investment Alternatives	
Are you satisfied with the options available under the plan?	
Required Minimum Distributions (RMDs)	
Are they required?	
Employer Stock	
Are you overly concentrated?	
Have you considered the special tax rules for Net Unrealized Appreciation (NUA)?	
Other Considerations	
Taxation	
Penalty-Free Withdrawals	
Loans	
Protection from Creditors and Legal Judgments	
Client Preferences	
(e.g., Consolidation of multiple accounts in one institution)	

Based on a discussion with my financial advisor, after consideration of the above listed information with respect to each of my distribution options, I elect the following course of action:

- No action at this time
- Distribution — No rollover
- Distribution with IRA rollover
- Distribution with Roth IRA conversion
- Distribution with rollover to another employer’s plan
- Other, explain: _____
- _____
- _____

Financial advisor _____ Date _____

Investor _____ Date _____