Your Retirement Plan Considerations

The decision to rollover (or transfer assets) from an employer-sponsored retirement plan (including 401(k) or 403(b) plans) to an individual retirement account ("IRA") is an important one and you should carefully consider the advantages and disadvantages of doing so. The information below explains your options and the considerations you should make in selecting the option that is right for you.

D.A. Davidson and its financial professionals do not provide verbal recommendations to you regarding rollovers. A recommendation to roll assets out of a qualified retirement plan to D.A. Davidson will be valid only if made in writing, after a comprehensive review of the costs and services of the plan based on the information you provide or make available to us.

If you are eligible to receive a distribution from an employer-sponsored plan, you have multiple options which include:

- **Leave your money in your current/former employer's retirement plan (if allowable).**
- **Transfer your money out of the plan to an IRA with a financial institution.**
- **Transfer your money directly to your new employer's retirement plan (if applicable).**
- **Take a taxable distribution.**

There is no one option that is the right choice for everyone. Prior to choosing any of these options, carefully consider the factors described below and any other factors that are relevant to your personal and financial situation. In order to evaluate your options, you may need to collect information about your existing plan and any new plans, including available investments and plan services, your current investments and asset allocation, plan services you use, benefit distribution options, requirements, and applicable fees and expenses.. Please consult your 404(a)(5) Participant Fee Disclosure and your Summary Plan Description for important plan level details to compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions ("RMDs"), other plan features, and tax treatment.

Option 1: Leave your money in your current/former employer's retirement plan

Potential Advantages	Issues to Consider
• Plan may have **lower fees** than other options, potentially resulting in increased investment returns • Can keep money in plan-specific investment options, which likely include **lower-cost, institutional-class products** • Continued opportunity for **tax-deferred growth** • Some plans have access to more investment options through a **brokerage window** • Some plans have access to **plan-specific advice, planning tools and education** • **Loans and hardship withdrawals** may be permitted • **Penalty-free withdrawals** permitted if separated from service after age 55* • Plans generally have **unlimited protection** from bankruptcy, creditors and civil lawsuits • **RMDs may be delayed** beyond age 72 if still working and not a 5% business owner • Tax benefits of **Net Unrealized Appreciation (NUA) election** with company stock, if applicable • Plans are subject to **more stringent fiduciary obligations** regarding investment options and costs • Investment options are **prudently selected and monitored** by a fiduciary	• IRAs may have **higher fees and expenses** than plans such as managed account fees, commissions, and higher mutual fund expense ratios, potentially resulting in reduced investment returns • May have **limited number of investment options** • **Managing assets across multiple plans** or accounts may be difficult • May have **restricted withdrawal options** • Some plans may not provide access *to* **plan-specific advice** • **Plan may impose limitations** (e.g., income distribution, spousal waivers, 20% mandatory withholding, or not allow accounts to remain if the account has less than $5,000) • **Plan may be changed by employer** (e.g., investments, fees, services, providers, termination provision) • Can only make **contributions to current employer plans** (not former employer plans) • May still have to **pay plan administrative fees** (e.g. recordkeeping, compliance, trustee fees) **though, some employer plans pay for these administrative expenses at no cost to you**

**If you separate from service between the ages of 55 and 59.5, the IRS allows you to withdraw money from a qualified plan, other than an IRA, without paying an additional 10% tax penalty. This "Rule of 55" applies to employees who leave their jobs for any reason during or after the year of their 55th birthday.*

Option 2: Transfer your money out of the plan to an IRA with a financial institution

Potential Advantages	Issues to Consider
• Generally IRAs offer a **broader range of investment options** • Continued opportunity for **tax-deferred growth** • Access to **managed accounts**, which can provide professional portfolio management tailored to your investment preferences • You can **consolidate multiple accounts** into one IRA which may be easier to manage • Typically offers more **personalized and comprehensive financial services**, including advice on your IRA assets • Typically offers **flexible income and distribution options** with the ability to establish periodic and on-demand withdrawals • Depending on the type of rollover, there **may be no income tax or penalties** • **Ability to make IRA contributions** subject to IRS limits • **Ability to convert to a Roth IRA** which does not have RMDs (subject to applicable taxes)	• IRAs may have **higher fees and expenses** than plans such as managed account fees, commissions, and higher mutual fund expense ratios, potentially resulting in reduced investment returns • May need to **liquidate plan investments** before rolling over to an IRA, which may include liquidating employer stock • May have to **pay additional fees, sales charges or commissions in order to liquidate plan investments**, which will be paid in addition to fees, commissions and sales charges previously paid on the transactions • Access to **plan-specific investments may not be available** • **No penalty-free withdrawals** prior to age 59.5 (exceptions may apply) • **Cannot take a loan** from an IRA • IRA assets are protected in bankruptcy but an IRA **may not be protected against lawsuits and creditors** like the protection offered by an employer-sponsored plan (varies by state) • Traditional IRAs have **RMD** requirements starting at age 72 • There may be custodial and other **maintenance fees**

Option 3: Transfer your money directly to your new employer's retirement plan

Potential Advantages	Issues to Consider
• New plan may have **less expensive investment options and lower administrative fees** than other options potentially resulting in increased investment returns • Continued opportunity for **tax-deferred growth** • New plan may have **access to plan-specific advice** or more investment options through a **brokerage window** • **Consolidate assets** in to one account • New plan may allow for **loan or hardship withdrawals** • **No income tax or penalties** with a direct rollover • **Penalty-free withdrawals** permitted if separated from service after age 55* • Plans generally have **unlimited protection** from bankruptcy, creditors and civil lawsuits • **RMDs may be delayed** past age 72 if still working and not a 5% business owner • Tax benefits of **Net Unrealized Appreciation (NUA) election** with company stock, if applicable • Investment options are **prudently selected and monitored** by a fiduciary	• New plan may offer **more expensive investment options and higher administrative fees** than your former employer's retirement plan • May need to **liquidate investments** prior to rollover, which may include liquidating employer stock • New plan may have **limited number of investment options** • Having multiple plans may provide more investment options overall (allowing you to keep certain investments you like in plans you already have), but also requires you to **manage assets in multiple plans** • **Outstanding loans on current plans** may limit the ability to rollover into new plan • New employer's plan may **not accept rollovers** or may **impose a waiting period** to roll over assets • **Withdrawal options** may be restricted • Plan may **impose limitations** (e.g., income distribution) • Plan may be **changed by employer** (e.g., investments, fees, services, providers, termination provision)

**If you separate from service between the ages of 55 and 59.5, the IRS allows you to withdraw money from a qualified plan, other than an IRA, without paying an additional 10% tax penalty. This "Rule of 55" applies to employees who leave their jobs for any reason during or after the year of their 55th birthday.*

Option 4: Take a taxable distribution

Potential Advantages	Issues to Consider
• **Immediate access** to your cash • **No investment risk** • Taking a **distribution of shares of employer stock may lower taxes**, if eligible.	• Mandatory **20% federal income tax withholding**; **state taxes** may also apply • Distributions will be **taxed as ordinary income** in the year distributed, which includes both state and federal taxes • Potential **10% early withdrawal penalty** may apply if you are under age 59.5* (exceptions apply) • **60-day window to roll over** before funds are taxed as ordinary income and could incur potential penalties • Un-invested assets have **inflation risk and loss of investment opportunity** • **Loss of potentially tax-deferred, long-term growth**

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If you are thinking about cashing out, be sure to factor in the above noted penalties and consider if you would be better off keeping your money invested for the long term. Please consult with your tax advisor for additional information.

Important Information

This material is for informational or educational purposes only and is not intended to be viewed or construed to constitute fiduciary investment advice within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, or a securities recommendation under securities laws. All information, education or general descriptions provided are designed to help you understand the factors that should generally be considered when evaluating the advisability or appropriateness of any transaction, service, or product. This material does not take into account your specific objectives or circumstances, or suggest any specific course of action. Investment decisions should be made based on your own objectives and circumstances.

D.A. Davidson and its financial professionals do not provide verbal recommendations to you regarding rollovers. Any discussions you have regarding a rollover is not reasonably intended to be viewed or construed as an individualized/personalized suggestion for you to take a particular course of action with respect to your retirement assets. A recommendation to roll assets out of a workplace retirement plan to D.A. Davidson will be valid only if made in writing, after a comprehensive review of the costs and services of the plan based on the information you provide or make available to us.

If you choose to roll your retirement plan assets into an IRA at D.A. Davidson without receiving a written recommendation, we will confirm with you in writing that you made the decision independently, without receiving advice or a recommendation from your D.A. Davidson financial professional.

If you are eligible to receive a written recommendation and choose to request one, your D.A. Davidson financial professional and a centralized review team will require you to provide additional information and documentation to help formulate the recommendation. You will not receive a recommendation if you fail to provide this information. The written recommendation will contain an analysis of the costs, services, and other factors regarding the above options and will determine which of these options are in your best interest. We are fiduciaries (within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code) for purposes of the roll out recommendation only when we provide this written recommendation to you. In that case, you will receive a fiduciary acknowledgement along with our written analysis. Alternatively, a discussion of issues and options that should be considered when deciding whether to roll out of a plan, as outlined above, without a written analysis of your personal information or circumstances should not be viewed as creating a fiduciary relationship.

This fiduciary acknowledgment does not create an ongoing duty to monitor your accounts or create or modify a contractual obligation or fiduciary status under state law. We are a not a fiduciary under ERISA for recommendations provided for accounts that are not retirement accounts, for transactions you undertake that are unsolicited or self-directed, for recommendations that are executed at another financial institution and for recommendations that are not fiduciary "investment advice" as defined in Department of Labor regulation section 2510.3-21 (i.e., investment advice for a fee or other compensation rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for your investment decision, and that will be individualized to your particular needs).

Conflicts of Interest

D.A. Davidson and our financial professionals both make more money when you increase your assets with us, including rolling assets over from workplace retirement plans into IRAs. *See D.A. Davidson's Form CRS, Regulation Best Interest Disclosure and/or Wrap Fee Disclosure Brochure for more information on how our financial professionals are compensated.* To mitigate this conflict of interest with regard to rollovers, any written recommendation you receive is prepared by a centralized department at D.A. Davidson that is not compensated based on the assets you invest through D.A. Davidson.

This is not legal or tax advice and neither D.A. Davidson nor its financial professionals offer legal or tax advice. We strongly encourage you to consult with your tax and legal advisors on the issues discussed in this summary.

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