

## Information on Rollovers to Individual Retirement Accounts

Whether an investor rolls over their employer-sponsored plan assets to an IRA account is an important decision. A decision to roll over plan assets to an IRA rather than keeping assets in a previous employer's plan or rolling over to a new employer's plan should reflect consideration of various factors, the importance of which will depend on your individual needs and circumstances.

**Representatives of Integral Financial are not permitted to make any recommendations as to whether you should roll over your retirement assets.**

Integral Financial strongly recommends that you consult with advisors (e.g., financial, tax, legal, etc.) prior to making a decision whether to roll over plan assets to an IRA. Our representatives at Integral Financial can explain the types of services we offer, but are not permitted to comment on whether you should or should not roll over retirement assets into an IRA.

Some of the factors that you may want to consider are listed below.

- **Investment Options** - An IRA often enables an investor to select from a broader range of investment options than a plan.<sup>1</sup> The importance of this factor may depend in part on how satisfied you are with the options available under the plan under consideration. For example, if you are satisfied by the low-cost institutional funds available in some plans may not regard an IRA's broader array of investments as an important factor.
- **Fees and Expenses** - Both 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.<sup>2</sup> An IRA's account fees may include, for example, administrative, account set-up and custodial fees.
- **Services** - You may wish to consider the different levels of service available under each option. Some plans, for example, provide access to investment advice, planning tools, telephone help lines, educational materials and workshops. Similarly, IRA providers offer different levels of service.
- **Penalty-Free Withdrawals** - Depending on your age, it may be possible to take penalty-free withdrawals from a plan before you reach age 59 1/2. In contrast, penalty-free withdrawals generally may not be made from an IRA until age 59½. It also may be easier to borrow from a plan. We recommend that you consult an advisor so you understand the tax implications prior to making a decision.
- **Protection from Creditors and Legal Judgments** - Plan assets and assets held in IRAs may be treated differently and have different levels of protection from creditors under

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<sup>1</sup> Not all IRAs permit a broad range of investments. For example, an IRA held with a mutual fund complex may limit investment to the complex's funds.

<sup>2</sup> See U.S. Department of Labor publication **A Look At 401(k) Plan Fees**. September 2019

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federal law as well as in bankruptcy proceedings. Furthermore, state laws may vary in the protection of IRA assets in lawsuits. Consulting an expert in this area may be appropriate so you have a clear understanding before making a decision.

- **Required Minimum Distributions** - Once an individual reaches age 72, the rules for both plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. If a person is still working at age 72 however, they are generally not required to make required minimum distributions from his current employer's plan. This may be advantageous for those who plan to work into their 70s. We recommend that you consult an advisor so you understand the tax implications prior to making a decision.
- **Employer Stock** - An investor who holds significantly appreciated employer stock in a plan should consider potential negative tax consequences of rolling the stock to an IRA.

These are examples of the factors that may be relevant when analyzing available options, and the list is not exhaustive. Other considerations also might apply to specific circumstances.

## **Fiduciary Disclosure**

Pursuant to the Employee Retirement Income Security Act (“ERISA”), we are required to provide you with certain disclosures regarding the nature of our relationship with you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of ERISA 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 are required to:

- 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 welcome you to discuss this or any aspect of our relationship with your financial professional or the professionals in our corporate home office.

Very truly yours,  
Integral Financial, LLC



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## **ROTH IRA ROLLOVER DOCUMENTATION FORM**

### **ROTH IRA PARTICIPANT INFORMATION**

Participant's Name: \_\_\_\_\_ Account No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

SSN: \_\_\_\_\_ Birth Date: \_\_\_\_\_ Phone: \_\_\_\_\_

Form of Rollover:  In Cash \$ \_\_\_\_\_  In Kind (Specify): \_\_\_\_\_

(attach list if necessary)

### **PART I. ROLLOVER FROM ANOTHER ROTH IRA**

- I certify that the following statements are true and correct.
1. This rollover contribution is being made within 60 days after my receipt of funds from another Roth IRA in which I was either the participant or surviving spouse beneficiary. In the case of a distribution from a Roth IRA due to a first time homebuyer which is being rolled into this Roth IRA because of a delay in the acquisition of the first time home, this contribution is being made within 120 days after my receipt of funds from the distributing Roth IRA.
  2. During the 12-month period prior to my receipt of the distribution being rolled over, I have not received a distribution from the same Roth IRA, which was subsequently rolled over to another Roth IRA, and the distribution being rolled over has not been part of a distribution from another Roth IRA that was subsequently rolled over. (This rule does not apply to a delay in the acquisition of a residence for a first time homebuyer.)

### **PART II. CONVERSION FROM TRADITIONAL IRA TO ROTH IRA**

- I certify that the following statements are true and correct.
1. If an amount was distributed from a traditional IRA, this conversion contribution is being made within 60 days after my receipt of funds from my traditional IRA.
  2. During the year of this conversion, my adjusted gross income will not exceed \$100,000 (not including the converted amount or any required minimum distribution) and I am not a married person filing a separate Federal income tax return. [Note: Conversion eligibility is eliminated beginning in 2010.]

### **PART III. ROLLOVER FROM A DESIGNATED ROTH CONTRIBUTION ACCOUNT**

This is a  direct rollover or a  60-day rollover from the Designated Roth Contribution Account under my employer's §401(k) or §403(b) plan, and I certify that the following statements are true and correct.

1. The undersigned certifies that my employer's qualified §401(k) plan or §403(b) plan has made or will make an Eligible Rollover Distribution that is either being paid in a Direct Rollover to the Custodian or Trustee of my Roth IRA, or paid directly to me that I am rolling over to my Roth IRA no later than the 60<sup>th</sup> day after receiving the Eligible Rollover Distribution.
2. This rollover/direct rollover solely represents all or a portion of my Designated Roth Contribution Account under the employer's plan and no other account under the employer's plan is being rolled over to my Roth IRA.
3. This rollover/direct rollover is not part of a series of payments over my life expectancy or over a period of 10 years or more.
4. This rollover/direct rollover does not include (1) any required minimum distribution with respect to the employer's plan; (2) any hardship distribution; (3) any corrective distribution; or (4) any deemed distribution from an employer's plan.
5. I certify that I am eligible to establish a Roth IRA with this rollover/direct rollover of an Eligible Rollover Distribution from a Designated Roth Contributions Account, and that I am one of the following: the plan participant; the surviving spouse of the deceased plan participant; or the spouse or former spouse of the plan participant under a Qualified Domestic Relations Order.

### **PART IV. ROLLOVER CONVERSION FROM AN EMPLOYER'S PLAN TO ROTH IRA**

- I certify that the following statements are true and correct.
1. This rollover conversion contribution is being made within 60 days after my receipt of funds from my employer plan or is being paid in a direct rollover.
  2. During the year of this conversion, my adjusted gross income will not exceed \$100,000 (not including the converted amount or any required minimum distribution) and I am not a married person filing a separate Federal income tax return. [Note: Conversion eligibility is eliminated beginning in 2010.]
  3. I understand that the taxable portion of this rollover conversion is includible in my gross income.

**PART V. ROLLOVER CONTRIBUTION OF THE MILITARY DEATH GRATUITY AND SGLI PAYMENTS**

- I certify that the following statements are true and correct and that I am the recipient of one or both of the following eligible rollover payments.
1. This rollover contribution is being made within one year after my receipt of a military death gratuity payment and does not exceed \$100,000.
  2. This rollover contribution is being made within one year after my receipt of a SGLI payment and does not exceed \$400,000.

**SIGNATURE OF ROTH IRA PARTICIPANT**

The undersigned hereby irrevocably elects, pursuant to IRS Regulation 1.402(a)(5)-1T to treat this contribution as a rollover contribution . I acknowledge that, due to the complexities involved in the tax treatment of rollovers between Roth IRAs, conversions from traditional IRAs and employer plans, rollovers from a Designated Roth Contribution Account under an employer's plan and rollovers of the military death gratuity and SGLI payments, the Trustee/Custodian has recommended that I consult with my tax professional or the IRS before completing this transaction to make certain that this transaction qualifies as a valid contribution and is appropriate in my individual circumstances. I understand that these transactions are reported to the IRS and I acknowledge that I am responsible for record keeping Roth IRA contribution information as directed by the IRS. I hereby release the Trustee/Custodian from any claim for damages on account of the failure of this transaction to qualify as a valid rollover contribution or conversion. Furthermore, I acknowledge receiving the DOL PTE Fiduciary Disclosure.

Date: \_\_\_\_\_ Signature of Participant: \_\_\_\_\_

**FOR BROKER USE ONLY**

DOL PTE Fiduciary Disclosure Delivered \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_

DOL PTE Fiduciary Disclosure Delivery Method \_\_\_\_\_

**X** \_\_\_\_\_  
Financial Professional's Signature Date

\_\_\_\_\_  
Financial Professional's Printed Name

**X** \_\_\_\_\_  
Principal's Signature Date

\_\_\_\_\_  
Principal's Printed Name

**X** \_\_\_\_\_  
Authorized Signature of Custodian Date

\_\_\_\_\_  
Authorized Printed Name of Custodian