



## CAPTRUST Financial Advisors

### FIDUCIARY BEST PRACTICES FOR RETIREMENT PLAN ROLLOVERS

Retirement Plan Rollover Checklist

(INTERNAL USE ONLY)





## **Overview of Fiduciary Best Practices for Retirement Plan Rollovers and Introduction To the Checklist**

Internal Use Only

**As fiduciaries, we must ensure that rollovers to CAPTRUST are in the best interest of retirement plan account owners and/or beneficiaries. The following is a summary checklist of items to aid advisors as they document the best interest of any such rollovers. Advisors are responsible for all checklist items unless noted. This documentation should be saved to CAPConnect along with any other corresponding documentation or exhibits. A checklist is needed for each retirement plan rollover transaction.**



## Retirement Plan Rollover Checklist

Internal Use Only

IRA owner name: \_\_\_\_\_ Advisor name: \_\_\_\_\_

CAPTRUST IRA account number: \_\_\_\_\_

Rollover from: \_\_\_\_\_

☐ Check here if rollover is from a CAPTRUST Retirement Plan Client

*Please note: Checklist only applies to IRAs funded via rollover from a retirement plan.*

### **Step #1 – Document reason prospect or client is considering a rollover**

- Please check which applies: ☐ retirement; ☐ job change; ☐ consolidation of assets; ☐ plan termination; ☐ Other: \_\_\_\_\_

### **Step #2 – Compare account options with prospect or client (see page 4 for details)**

- Potential options include: 1) leave assets in plan 2) IRA rollover 3) cash distributions or 4) move to new employer plan

### **Step #3 – Gather documents related to current plan account and save to CRM**

- Request plan statement with fund lineup and 404(a)(5) annual fee disclosure.

### **Step #4 – Discuss fee and service comparison between plan and a CAPTRUST IRA. (see page 5 for fee and service comparison best practices)**

### **Step #5 – Execute Investment Advisory Agreement detailing CAPTRUST fees and services**

### **Step #6 – Save all marketing materials that were used in CAPConnect**

- Examples include: presentations, portfolio analytics, proposals, etc.

### **Step #7 – Document best interest conversations in CAPConnect (see page 6 for examples)**

Advisor Initials: \_\_\_\_\_



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### **DETAILS for Step #2 – Compare account options with prospect or client**

#### **Options for a Retirement Plan account:**

##### **1) IRA rollover**

###### **A. Potential Benefits**

- Consolidation of assets in one place
- More control and flexibility of assets
- Access to greater investment universe
- Ability to hire a financial advisor
- Discretionary portfolio management
- Penalty free withdrawals under age 59½ such as withdrawals for higher education and first-time home purchases

###### **B. Potential Considerations**

- IRA assets may not be protected from creditors and legal judgment
- Investment fees may increase

##### **2) Leave assets in plan or move to new employer plan**

###### **A. Potential Benefits**

- Potentially lower investment related fees
- May have access to plan loan, if active
- Active participants may be able to delay required minimum distributions
- Current investment advice, planning tools and educational information provided are sufficient
- Plan assets are protected from creditors and legal judgment

###### **B. Potential Considerations**

- Limited investment options
- Limited or no access to financial advice

##### **3) Cash distributions**

###### **A. Potential Benefits**

- Cash in hand

###### **B. Potential Considerations**

- Distribution amount is fully taxable as earned income
- Loss of future tax-deferred growth
- 10% penalty if under the age of 59 ½
- Decreases retirement savings

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**DETAILS for Step #4 – Refer to the below for best practices on comparing fees and services between the retirement plan account versus the proposed CAPTRUST IRA**

	PROPOSED	CURRENT	
	CAPTRUST IRA	Retirement Plan	Retirement Plan: CAPTRUST Client
<b>SERVICES</b>			
Investment Advisory Services			
Dedicated financial advisor	Yes	No	No
Develop Investment Goals & Objectives	Yes	No	No
Provide Comprehensive Asset Allocation Analysis	Yes	No	No
Formulate & discuss portfolio recommendations	Yes	Maybe, plan only	If PAS, plan only
Implement agreed-to recommendations	Yes	No	No
Discretionary portfolio management	Yes	Maybe, plan only	Maybe, plan only
Ongoing investment due diligence	Yes	Yes	Yes
Access to unique and broader investments	Yes	No	No
Consolidated reporting online & quarterly	Yes	No	No
Revisit and re-evaluate periodically (in-person)	Yes	No	No
<b>Wealth Planning Services</b>			
Discuss wealth planning goals and objectives	Yes	No	No
Balance sheet analysis and tracking	Yes	No	No
Customized financial projections (as needed)	Yes	No	No
Evaluation of estate planning and insurance needs	Yes	No	No
Coordination of objectives with other advisors	Yes	No	No
Monitor progress towards wealth planning goals	Yes	No	No
<b>FEES</b>			
Fund Expense Ratios	Varies by strategy	Discuss plan fees	Discuss plan fees
Managed Account Fee (Discretionary Strategy)	0 bps	with client or	with client or
Transaction Costs	Based on custodian	prospect and refer	prospect and consult
Wealth Management Advisory Fee	See IAA	to 404(a)(5), if	with CAPTRUST
Other fees	none	attainable	Wealth Solutions
<b>TOTAL FEES</b>	To be discussed	To be discussed	To be discussed
<b>Data Source</b>	CAPTRUST	404 (a)(5) (annual fee disc.) Fund lineup	CAPTRUST

## **Retirement Plan Rollover Checklist**

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### **DETAILS for Step #7 – Document best interest conversations in CAPConnect**

Sample conversation topics to include:

- Initial rollover inquiry from client and reason for the conversation
- Discussion of account options – benefits and considerations
- Discussion of fees and services
- Client reasons for making rollover decision

### **IMPORTANT NOTE RELATED TO ROLLOVERS FROM PARTICIPANTS IN CURRENT CAPTRUST INSTITUTIONAL CLIENT RETIREMENT ACCOUNTS**

- CAPTRUST can't solicit or recommend an IRA rollover to CAPTRUST
- Solicitation would include promoting or proactively requesting a rollover discussion. It would also include direct recommendation of an IRA rollover to CAPTRUST.
- Examples of non-solicitation conversations include discussions around retirement planning, reactive conversations about distribution options, and presenting a participant with their distribution options.
- It is important to document that we did not solicit rollovers from participants in current CAPTRUST institutional client retirement accounts