

## **Best Interest Disclosure For Retirement Account**Rollover / Transfers

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#### Instructions

On December 15, 2020, the Department of Labor ("DOL") issued their final interpretation of who is a fiduciary under ERISA and the Internal Revenue Code as well a new class exemption, Prohibited Transaction Exemption ("PTE") 2020-02. PTE 2020-02 requires fiduciaries to comply with the impartial conduct standards, which are:

- 1. The fiduciary must provide advice in the "Best Interest" of the Retirement Investor
- 2. The fiduciary must charge "reasonable" compensation for the services provided.
- 3. The fiduciary must make only "not misleading" statements about investment transactions, compensation, and conflicts of interest.

PTE 2020-02 has a disclosure requirement which this disclosure is intended to satisfy. The scope of the rule includes the sponsor, owner, participant, and/or beneficiary of ERISA plans, SIMPLE, SEP, and solo-participant plans, including IRAs. Also included are Health Savings Accounts, Medical Savings Accounts, and Coverdell Education Savings Accounts ("Retirement Investor"). The list of accounts not subject to the Rule is lean and includes church plans, state pensions, deferred compensation plans, and 529 plans.

This disclosure must be completed by the investment adviser representative ("IAR") and signed by the client prior to making a recommendation with a prospective Retirement Investor and within ten days of making a recommendation to an existing Retirement Investor where there would be additional direct or indirect compensation to the representative, firm, affiliate, or related entity. This disclosure is not required when making recommendations that do not concern retirement assets. If you have any questions as to the scope or applicability of this disclosure, you should inquire with the compliance department.

Client / Prospect and Advisor Data
Date of the Recommendation:
Client / Prospect Name(s):
Representative Name(s):

#### **ERISA Fiduciary Acknowledgement**

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 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.

# Impartial Conduct Standard #1 – Best Interest Reason for the Rollover/Transfer: ☐ Change of Employment ☐ Retirement ☐ Termination of Retirement Plan ☐ Company Closure / Layoff ☐ In-Service Distribution – If checked, has the Client reached age 59 ½: ☐ Yes / ☐ No ☐ Other (Please Describe) **Current Portfolio:** 1. Describe how the retirement assets are currently invested.

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Recon	nmendations:							
2.	Summarize the recommendation and address the services that will be provided and consider the following:							
	a. The alternatives to the rollover/transfer including maintaining current plan, transferring to a new employer's plan, taking a di and penalties may apply).							
	b. The fees associated with both the current plan and the proposed new account.							
	c. Whether the employer pays for some or all of the plan's admir	istrative						
	expenses. d. The different levels of services and investments available unde	r the plar	and the					
	proposed new account.	i ene pian	· and the					
3.	Document the reasons why the recommendation(s) is in the best inter	est of the						
ζ.	retirement investor.							
	Client's Reason(s) for the Rollover/Transfer	Yes	No					
	Does not wish to leave assets with former employer or employer is terminating the plan							
	Dissatisfied with the limited investment options							

Dissatisfied with the performance of the investment alternatives	
Would like a lifetime income option	
Would like to consolidate assets	
Wants more direct control over the assets	
Client is over age 50, current plan does not have distribution	
capabilities, and wants to prepare in case they want to take distributions in the future	
Client is nearing age 59 ½ and the current plan does not have distribution capabilities.	
Prefers to have professional advice/management	
Would like to have more holistic planning services for other matters	
Other (describe below)	

### Impartial Conduct Standard #2 - Reasonable Compensation

4. The second impartial conduct standard mandates that advisers receive reasonable compensation for their services and includes both direct and indirect compensation. Reasonable means the compensation cannot be excessive and does not mandate that compensation be the lowest possible. Compensation must be judged in the context of the services provided, therefore, higher compensation may be reasonable for more comprehensive and detailed services. Whether or not compensation is reasonable depends on how it compares to alternatives. For example, if a 1% per year fee is typical for advisers managing asset allocation portfolios consisting of mutual funds and ETFs, now the firm has a benchmark for how the firm's fees can be judged. Justify how the

compensation for the recommendations is reasonable in light of the proposed services and alternatives.
Impartial Conduct Standard #3 – No Misleading Statements (For the Adviser Only)
5. Advisers must not make misleading statements about investment transactions, compensation, and conflicts of interest. Review the recommendations made with regard to the Firm's disclosures and written procedures. Do you (the Adviser) attest that no misleading statements were made in discussions with the retirement investor?
□ Yes
If you have any questions regarding this attestation, please speak with your designated supervisor.
Attestation

This Best Interest Disclosure is intended to supplement other required disclosures such as **Form ADV Part 2A**, **Form ADV Part 2B**, and **Form CRS brochures**. By signing below, we affirm receipt of these required disclosures.

If I am a participant in a plan where the Adviser is a fiduciary to the plan, the decision to take the distribution/rollover to an IRA is solely my decision, and I was not influenced by the Adviser's role as a fiduciary to the plan.

conflict of interest, however, this recommendation is intended to comply with the impartial conduct standards.							
Client Signature	Date						
Client Signature	Date						
WMS Représentative Signature	Date						

I acknowledge that Adviser's recommendation entails compensation which presents a