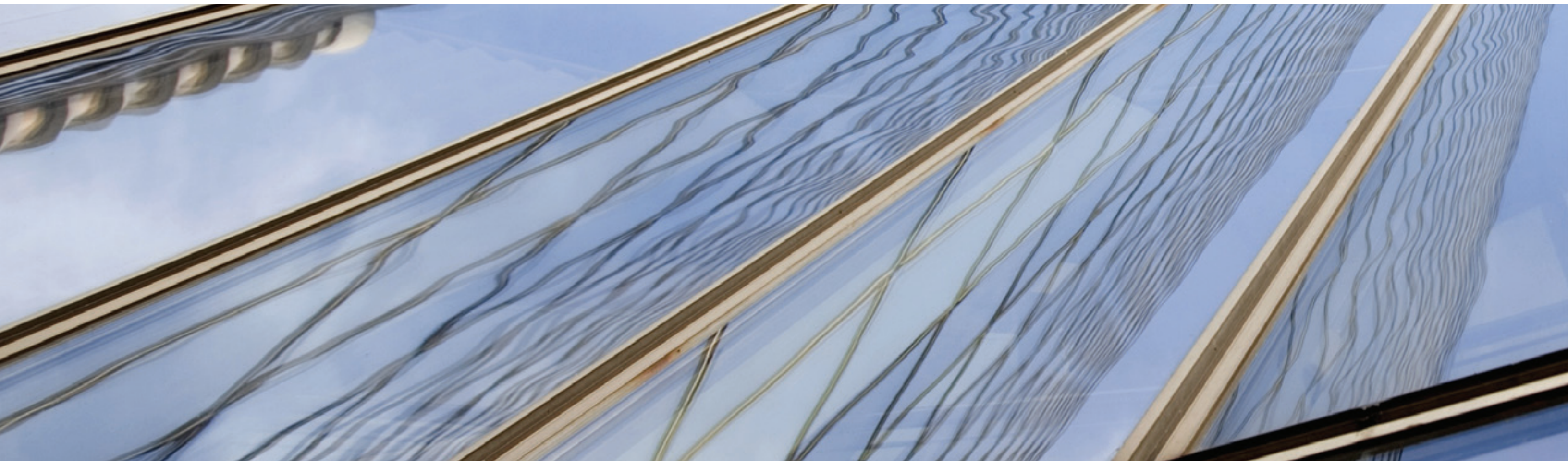
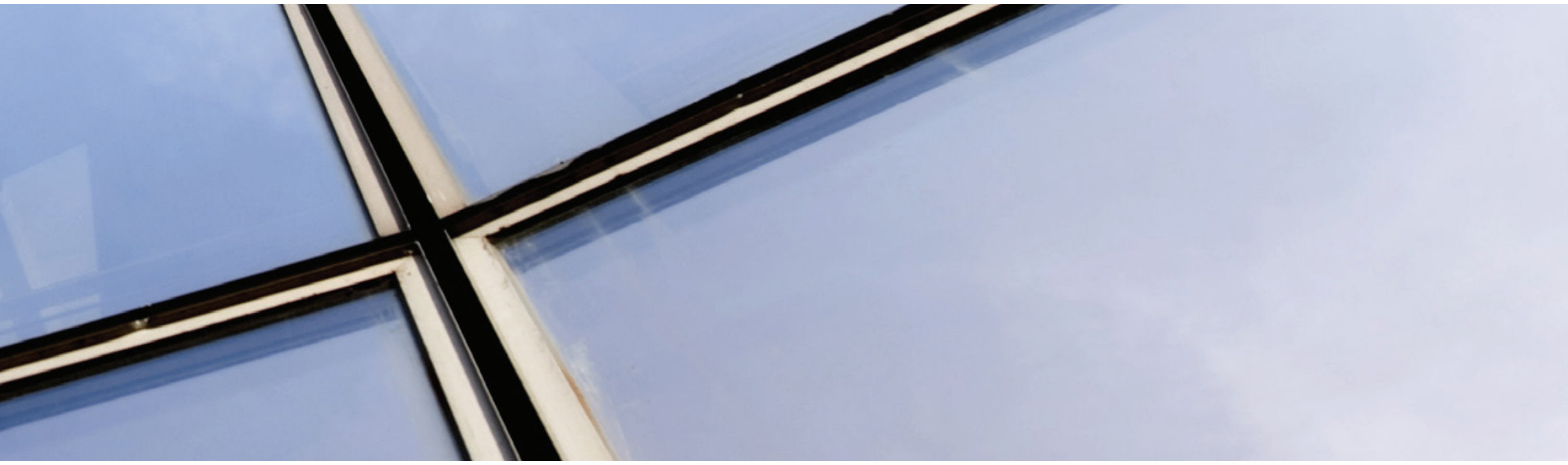
THINGS TO CONSIDER BEFORE MAKING AN IRA ROLLOVER

Cetera Financial Group®, Inc.



Many employers maintain tax-qualified retirement savings plans on behalf of their employees. These include 401(k), 403(b) and 457 plans, among others. If you're changing jobs or retiring, one of the most important decisions you may face is how to handle the money you've accumulated in your retirement plan. You may also be considering a transfer of funds from an existing Individual Retirement Account (IRA) to another. You generally have four options to consider in making an IRA rollover. Each of these has advantages and disadvantages and the one that is best depends upon your individual circumstances.

You should consider features such as investment choices, fees and expenses, services offered, and potential tax consequences, both at the time you leave your job and afterward. Your financial professional can help educate you regarding your choices in order to select the one that makes the most sense for your specific situation. Be sure to speak with your current retirement plan administrator and tax professional before taking any action, as the decisions you make now can have consequences well into the future. The more informed you are, the more confident you can feel that your decision is the right one for you.



AS YOU CONSIDER YOUR OPTIONS, REMEMBER THE FOLLOWING:

- This document is designed to educate you and describe potential actions that you may wish to take with respect to your retirement plan assets. It is not a recommendation by your financial professional, or any of their affiliates, that you take any particular action.

- Neither Cetera Financial Group®, any of its affiliates, or your financial professional, are offering you tax advice with respect to any distribution from an employer-sponsored retirement plan or other retirement plan. Any action you take with respect to your retirement savings may have significant tax implications. We encourage you to consult with your tax professional and the administrator of your retirement plan before you take any action with respect to your retirement account.

In general, you have four options for your retirement plan assets when you leave your employer:

OPTION 1: ROLL YOUR RETIREMENT SAVINGS FROM AN EMPLOYER-SPONSORED PLAN INTO AN INDIVIDUAL RETIREMENT ACCOUNT (IRA)

Rolling your money into an IRA allows your assets to continue their tax-advantaged status and growth potential, the same as in your employer's plan. In addition, an IRA often gives you access to more investment options than are typically available in an employer's plan, as well as access to personalized investment recommendations. An IRA lets you decide how you want to manage your investments, whether that's using an online account with which you can choose investments on your own or working with a professional who can help you choose from investment options.

FEATURES

FEATURES OF AN IRA

- Investments retain tax-deferred growth potential, as in an employer-sponsored plan.
- You may have access to a greater variety of investment choices, which may provide greater potential diversification.
- You have the ability to maintain your retirement savings along with your other financial accounts, and to have them managed by a single investment professional.
- Additional contributions are allowed, if eligible.
- Under some circumstances, you may take penalty-free IRA distributions before age 59½.
- Traditional and Roth IRA contributions and earnings are protected from creditors in federal bankruptcy proceedings to a maximum limit of $1 million, adjusted periodically for inflation.
- Rollovers from qualified plans, SEP, and SIMPLE IRAs have no maximum limit for federal bankruptcy protection.

KEEP IN MIND

- Investment expenses for an IRA are generally higher than those in your employer's retirement plan and depend largely on your investment choices. These expenses may include sales commissions or other sales charges, management or other expenses charged by sponsors of investment products such as mutual funds or annuities, account maintenance fees, investment advisory fees, and others. You should consult with your tax professional and the administrator of your retirement plan to get an understanding of the fees and expenses charged by your current plan and compare those with the expenses that you would incur if your retirement savings are held in an IRA.

- If you choose to have your retirement savings managed by an investment professional on a continuous basis, you may have the option of establishing an investment advisory account. These accounts generally involve payment of fees from your retirement assets, based on the value of your account.

- Required minimum distributions (RMDs) begin on April 1 following the year you reach age 72, and annually thereafter. The aggregated amount of your RMDs can be taken from any of your Traditional, SEP, or SIMPLE IRAs. Roth IRA accounts have no RMDs.

- IRAs are generally subject to state creditor laws regarding malpractice, divorce, creditors outside of bankruptcy, or other types of lawsuits. Assets in an IRA may be reachable by your creditors under some circumstances. You should consult with a legal professional or tax professional about the law in your state of residence.

- If you own securities issued by your employer in an employer-sponsored plan and your investment in these assets has increased in value, the difference between the price you paid (cost basis) and the stock's increased price is referred to as Net Unrealized Appreciation (NUA). Favorable tax treatment of the NUA is lost if rolled into an IRA.

- In addition to ordinary income tax, distributions prior to age 59½ may be subject to a 10% IRS tax penalty.

- If you choose to roll over your assets into an IRA, our firm can offer you recommendations about investments and alternatives. Many other institutions offer similar services, including securities brokerage firms, banks, and investment professionals. You should consider the types of fees and services that all types of financial professionals provide before you make a decision. You'll want to research the different types of accounts and where you would like to open an IRA.

OPTION 2: LEAVE YOUR RETIREMENT SAVINGS IN YOUR FORMER EMPLOYER'S RETIREMENT PLAN

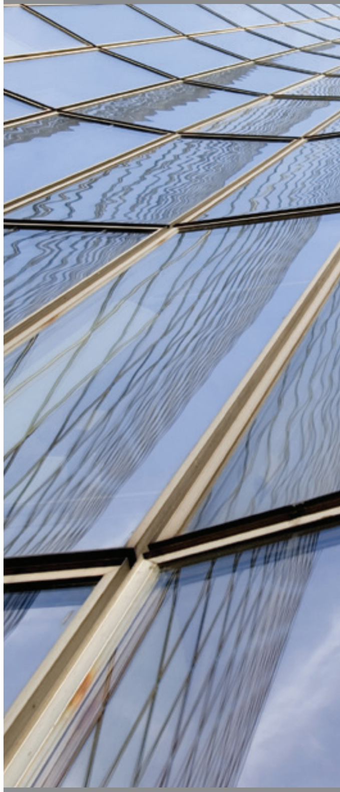
Most employer-sponsored retirement plans allow you to leave your retirement savings in their plan after you terminate your employment. If you choose to leave your retirement savings in the employer's plan, you will continue to be subject to the plan's rules regarding investment choices, distribution options, and loan availability. You will also continue to pay any applicable fees and expenses.

FEATURES

- No immediate action is required from you. For as long as the terms of the plan allow it, you can leave your retirement savings in that plan.
- Assets retain their tax-deferred growth potential.
- Most plans offer you the ability to leave your savings in the current investment selections.
- Fees and expenses are generally lower in an employer-sponsored plan than in an IRA and you will continue to have access to those investment choices. Some employers may even pay administrative and other expenses associated with the plan. Check with your plan administrator for details on applicable fees and expenses.
- You avoid the 10% IRS tax penalty on distributions from the plan if you leave the company in the year you turn age 55 or older (age 50 or older for certain public safety employees).
- Generally, employer-sponsored retirement plans have a greater degree of protection than IRAs from claims of creditors in bankruptcy proceedings and otherwise. Please be aware that not all employer-sponsored plans have bankruptcy and/or creditor protection under the Employee Retirement Income Security Act of 1974 (ERISA).
- Benefits may be insured by the Pension Benefit Guarantee Corporation up to government-imposed limits.
- Favorable tax treatment may be available for employer securities that have NUA and are owned in the plan.

KEEP IN MIND

- Your former employer may not allow you to keep your assets in the plan.
- If you choose to leave your assets in the employer-sponsored plan, you must maintain a relationship with your former employer for so long as your retirement savings stay in the plan. The former employer's plan will determine when and how you access your retirement savings, which investment options are available to you, and the fees and expenses that you will pay.
- Additional contributions to the employer-sponsored plan after you terminate your employment are generally not allowed.
- RMDs from your former employer's plan must be taken by April 1 following the year in which you reach age 72 and continue annually thereafter to avoid IRS penalties.
- In addition to ordinary income tax, any distributions that you take prior to age 59½ may be subject to a 10% IRS tax penalty.
- RMDs must be taken from each employer-sponsored plan including plan Roth accounts. Aggregation is not allowed. If you choose this option, remember to periodically review your investments, carefully track associated paperwork and documents, and take RMDs (once you reach age 72 from each of your retirement accounts.



OPTION 3: MOVE YOUR RETIREMENT SAVINGS DIRECTLY INTO YOUR NEW EMPLOYER'S RETIREMENT PLAN

If you're joining a new company, moving your retirement savings directly into your new employer's plan may be an option. This option may be appropriate if you'd like to keep your retirement savings together, and if you're satisfied with investment choices and other features offered by your new employer's plan. This alternative shares many of the same features and considerations of leaving your money with your former employer.

FEATURES

- Assets retain their tax-advantaged growth potential.
- Retirement savings can be consolidated in one account.
- Fees and expenses are generally lower in an employer-sponsored plan than in an IRA.
- You avoid the 10% IRS tax penalty on distributions from the plan if you leave the company in the year you turn age 55 or older (age 50 or older for certain public safety employees).
- RMDs may be deferred beyond age 72 if the plan allows, if you are still employed and are not a 5% or more owner of the company.
- Generally, employer-sponsored retirement plans have a greater degree of protection than IRAs from claims of creditors in bankruptcy proceedings and otherwise. Not all employer-sponsored plans have bankruptcy and/or creditor protection under ERISA.
- Benefits may be insured by the Pension Benefit Guarantee Corporation up to government-imposed limits.

KEEP IN MIND

- Your new employer's plan may not allow you to roll over assets from another employer's plan. Check with your new employer's plan administrator before making a decision.
- There may be a waiting period after your employment starts before you can enroll in the new employer's plan.
- The new employer's plan will determine when and how you access your retirement savings, which investment options are available to you, whether or not loans are available, and what restrictions may apply in addition to applicable fees and expenses.
- You can transfer or roll over only the plan assets that your new employer permits.
- Some employer-sponsored plans allow you to invest in stock or other securities issued by the employer. If your investment in these assets has increased in value, the difference between the price you paid (cost basis) and the stock's increased price is referred to as Net Unrealized Appreciation (NUA). Favorable tax treatment may be available for employer securities that have NUA and are owned in the plan. Favorable tax treatment of appreciated employer securities is generally lost if moved into another retirement plan.
- If you choose this option, make sure your new employer will accept a transfer from your old plan, and then contact the new plan administrator to get the process started. Also, remember to periodically review your investments, and carefully track associated paperwork and documents. There may be no RMDs from employer retirement plans for those still working.

OPTION 4: WITHDRAW YOUR MONEY AND DO NOT PLACE IT INTO ANOTHER QUALIFIED ACCOUNT

In general, you have the option of removing your retirement savings from an employer-sponsored plan at any time. With a few limited exceptions, all withdrawals from retirement plans are taxable as income to you in the year they are received. In addition, if you are under age 59½, there may be an additional tax equal to 10% of the amount of the distribution. While the option of withdrawing money from a retirement plan account may sound attractive at first, carefully consider the financial consequences before making such a decision. The money you withdraw will be subject to a mandatory 20% federal tax withholding. If you absolutely must access the money, you may want to consider withdrawing only what you need until you can find other sources of cash. In addition, by withdrawing assets from your retirement plan, you will lose the ability to have them grow tax-deferred.

FEATURES

- You have immediate access to your retirement money and can use it however you wish.
- Although distributions from the plan are subject to ordinary income taxes, penalty-free distributions can be taken if you are at least 55 years of age in the year you leave your company, or if you are at least 50 years of age in the year you stop working as a public safety employee—applicable to certain local, state or federal employees such as police officers, firefighters, emergency medical technicians, or air traffic controllers—and are taking distributions from a governmental defined benefit pension or governmental defined contribution plan. Check with your plan administrator to see if you are eligible. Lump-sum distribution of appreciated employer securities may qualify for favorable tax treatment of NUA.

KEEP IN MIND

- The distribution may be subject to federal, state, and local taxes unless rolled over to an IRA or another employer plan within 60 days.
- Your former employer is required to withhold 20% of any distribution that you take in cash for the IRS.
- Funds lose tax-deferred growth potential.
- Retirement may be delayed, or the amount you'll have to live on later may be reduced.

- If you leave your company before the year you turn 55 (or age 50 for certain public safety employees), you may owe a 10% IRS tax penalty on the distribution in addition to regular income tax.
- If you must choose this option, you may want to consider withdrawing only a portion of your savings, while keeping the remainder saved in a tax-favored account, such as an IRA. This can help reduce your tax liability, while growing some of your savings for retirement at the same time.

It may take a few weeks to receive your final check in the mail once requested. Remember, your final check amount will reflect the 20% automatic withholding for federal taxes and any gains or losses due to market fluctuation. You'll want to consider how you'll cover any additional federal taxes due, along with state taxes and the possible 10% early-withdrawal penalty when filing your tax return for the year.

TRANSFERS FROM AN IRA TO ANOTHER IRA

IRA accounts and related services are offered by many financial institutions, including securities brokerage firms, banks, and registered investment advisers. If you currently have an IRA account and are considering transferring all or part of the assets in it to another IRA, you should carefully review all features of both accounts. In particular, ask about the fees and expenses, the investment options that are available, and if you can receive personalized recommendations with respect to your investments. The considerations involved in a transfer from one IRA to another are different than those that apply to a rollover from an employer-sponsored plan to an IRA. You should take this into account in connection with any decision to make a rollover or other similar transfer.

OTHER CONSIDERATIONS AND SOURCES OF INFORMATION

A decision to roll over funds from an employer-sponsored retirement plan may be one of the most important choices you will make about funding your retirement. You should consider all of the above before you make any move. You should also consider consulting with your personal tax professional and the administrator of your current plan to see if there are any other factors that you should take into account.

There are many other sources of information about IRA rollovers and the considerations that may come into play when you make your decision. The Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), a regulatory agency for broker-dealers, have both published information about this process. You may want to review them at the following websites:

SEC: investor.gov/introduction-investing
FINRA: finra.org/investors/alerts/ira-rollover-10-tips-making-sound-decision

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