

What you need to know about IRA rollovers



Wealth
Management

INTRODUCTION

RBC Wealth Management, a division of RBC Capital Markets, LLC (“we,” “us” or “RBC WM”) is registered as both a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (“SEC”). When investment professionals are fiduciaries under Title I of The Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or the Internal Revenue Code (“the Code”), the investment professionals have important obligations that are designed to protect your interests. For more information, please see our “Retirement Fiduciary Status Disclosure” on our public website at www.rbcwm.com/disclosures.

If you have assets currently in an Individual Retirement Account (“IRA”), you may consider rolling over (transferring) your assets into a new IRA. Your RBC financial advisor may provide you with education on the advantages and disadvantages on each of these options. Alternatively, your financial advisor may agree to provide you investment advice in connection with your decision.

In order to make a recommendation, your financial advisor may ask you about your goals and objectives to help determine if a rollover would be in your best interest. Your financial advisor may also ask for important information about your current IRA such as its investment options, fees and expenses, and certain provisions and features. This information is used to compare it to the investment options, fees and expenses, and certain provisions and features that would apply in a new IRA. This information is used in order to provide you with investment advice that is in your best interest in the event that we recommend a rollover. For more information, please speak to your financial advisor.

For additional information about our brokerage services, our investment advisory services, or to obtain an updated copy of this “What you need to know about IRA rollovers,” please visit our website at www.rbcwm.com/disclosures.

ACCOUNT TYPE ROLLOVERS

Moving your IRA from one type of an account to another is called an account type transfer or account type rollover. There are two main types of account types rollovers: when

you move your IRA *from* a brokerage or commission account to a managed or investment advisory account, or when you move your IRA *from* a managed or investment advisory account to a brokerage commission account.

Account type rollover considerations

If RBC WM or one of its representatives recommends that you add retirement assets to an advisory program at RBC WM, he or she determined it is in your best interest based on your stated investment profile because:

- The account services and features include one of more of the following: ongoing account monitoring, discretionary management, holistic investment advice, access to affiliated/third party managers, and automatic account rebalancing; and
- The asset-based costs associated with RBC WM advisory program(s) are justified by these services and features.

If RBC WM or one of its representatives recommends that you add retirement assets to a brokerage account at RBC WM, he or she determined it is in your best interest based on your stated investment profile because:

- The account services and features include one of more of the following: no or de minimis account minimums, fees paid on a transactional basis, and the ability to maintain concentrated and illiquid positions; and
- The transaction-based costs associated with RBC WM brokerage account are justified by these services and features.

Notwithstanding whether a recommendation has been made, you understand and agree that with respect to any assets you decide to move into a brokerage or advisory account, you must: (1) evaluate the investment and non-investment considerations important to you in making the decision; (2) review and understand the fees and costs associated with the account; (3) recognize that higher net fees (if applicable) will reduce your investment returns and ultimate retirement assets; and (4) understand the conflicts of interest raised by the financial benefits to RBC WM and its employees resulting from your decision to move assets into the account.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

IRA TO IRA ROLLOVERS

If you want to move money from your IRA to another provider, this is called an IRA to IRA transfer or rollover. This process moves money directly from one financial institution to another and is not a taxable event.

IRA to IRA considerations

If RBC WM or one of its representatives makes a recommendation that you move assets from an IRA at another financial institution to RBC WM, he or she is required to consider, based on the information you provide, whether you will be giving up certain investment-related benefits at the other financial institution, such as the effects of breakpoints, rights of accumulation, and index annuity caps, and has determined that the recommendation is in your best interest for these reasons:

- Greater services and/or other benefits (including asset consolidation and holistic advice and planning) can be achieved with the RBC WM IRA; and
- The costs associated with RBC WM IRA are justified by these services and benefits.

Notwithstanding whether a recommendation has been made, you understand and agree that with respect to any assets you decide to transfer/roll over or move from an IRA at another financial institution now or in the future, you must: (1) evaluate the investment and non-investment considerations important to you in making the decision; (2) review and understand the fees and costs associated with an RBC IRA; (3) recognize that higher net fees (if applicable) will substantially reduce your investment returns and ultimate retirement assets; and (4) understand the conflicts of interest raised by the financial benefits to RBC and its employees resulting from your decision to roll or transfer assets to an RBC WM IRA.

ADDITIONAL INFORMATION

A retirement rollover can result in a range of different tax implications and/or penalties that may require consultation from a tax or legal advisor. Neither RBC WM nor its affiliates provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC WM should be construed as legal, accounting or tax advice. For more information about rollovers, please speak to your financial advisor.