

Retirement Reimagined® | 2020

# YOUR OPTIONS FOR LUMP SUM DISTRIBUTIONS



Your life may change...

...your plans for retirement don't have to.

One of the most consistent elements of life is change — career changes, family changes, and life changes as you transition to your retirement. And while change can sometimes be unsettling, it always presents new opportunities, challenges and dreams.

# YOU HAVE SEVERAL OPTIONS TO CONSIDER



Retirement no longer means slowing down. It's really all about new beginnings and opportunities to do the things you've always wanted to do.

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As you continue to map out your career or make plans for retirement, think about how the whole idea behind work and retirement has changed. A successful career no longer means being tied down to a single employer, doing the same job for your entire working life.

Before leaving your current employer to start a new chapter in your life, consider any savings that you might have accumulated under your employer's retirement savings plan. This may be a substantial amount of money, and you'll want to keep it growing in a way that will help you achieve your retirement dreams.

As noted on pages 3–5 of this brochure, a plan participant leaving an employer typically has four options for handling a lump sum distribution. Each option offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distribution requirements, tax treatment, and the investor's unique financial needs and retirement plans. Other considerations also may apply.

As noted in this brochure, a Rollover IRA is not the right choice for all investors. For many investors, however, a Rollover IRA can be an attractive alternative. With a Rollover IRA, you'll enjoy the same benefits of tax-deferred growth that a retirement savings plan provided by an employer typically offers, but you also may have more choice and flexibility to manage your retirement assets. What's more important, you will be able to receive advice from a financial professional who can be a source of stability during a time of change. Your financial professional will be able to advise whether you may be subject to transaction costs or fees to initiate a transfer or to open a Rollover IRA account, and also inform you of all the ongoing investment-related and administrative expenses that will apply to a Rollover IRA account. While this brochure provides certain general information concerning the tax rules applicable to your options for handling your lump sum distribution, you should consult your tax professional for guidance as to how these rules apply to your particular circumstances.

# UNDERSTANDING YOUR OPTIONS



When you become eligible to receive a lump sum distribution from your employer's 401(k) plan, you can handle it in a number of ways:

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- 1 Receive a cash distribution**
- 2 Keep it in your current employer's plan**
- 3 Move it to your new employer's plan**
- 4 Reinvest it in a Rollover IRA**

Each option above has its advantages and disadvantages. You should weigh all options carefully before making a final decision.



Option	Cash distributions	Leave your money with your current employer's retirement plan
Considerations	This can have significant tax consequences and it may jeopardize your retirement savings.	This may be a convenient option, but it has its drawbacks.
Pros	<ul style="list-style-type: none"> <li>You will have immediate use of your money.</li> </ul>	<ul style="list-style-type: none"> <li>Your account will continue to benefit from tax-deferred compounding.</li> <li>If you own company stock, you may not be charged commissions or fees when you sell it.</li> <li>If you own company stock, you may be able to preserve ability to take advantage of Net Unrealized Appreciation rules.</li> <li>You may be able to invest in options that are unique to your plan.</li> <li>You may have access to investment options with institutional-level fees and expenses.</li> <li>Your employer may pay any plan-related administrative expenses.</li> <li>You will not be required to take required minimum distributions if you keep working once you reach age 72 (age 70½ if you attained that age on or before December 31, 2019)<sup>2</sup>.</li> <li>You will be able to take withdrawals between age 55 and 59½ without having to pay an additional 10% federal tax.</li> <li>No administrative or paperwork hassles.</li> <li>Possibility of loans.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Your withdrawal will be taxed as ordinary income</li> <li>You will pay federal income tax</li> <li>If you are under 55, you will pay a 10% additional federal tax (if no exception is applicable).</li> <li>Even with a partial withdrawal, you may put your retirement at risk because any earnings outside of a tax-advantaged account will be taxable and you may end up spending the sum withdrawn.</li> </ul>	<ul style="list-style-type: none"> <li>You may have a limited number of investment options.</li> <li>Your ability to reallocate or transfer to different funds may be subject to restrictions.</li> <li>Your employer may change or eliminate investment funds without your approval.</li> <li>Your plan account may be subject to administrative fees and expenses.</li> </ul>
Dollars and sense	<p>You're 35, changing jobs, and have saved \$50,000. With a withdrawal, you'll pay:</p> <ul style="list-style-type: none"> <li>A \$5,000 additional federal tax for early withdrawal</li> <li>\$12,000 in taxes, assuming a marginal federal income tax rate of 24%</li> <li>You'll be left with only \$33,000 after taxes</li> </ul>	<p>At 35, you have saved \$50,000. At 60 (25 years later), your account has the potential to grow to \$271,372, assuming a 7% hypothetical pre-tax rate of return.<sup>1</sup></p>

<sup>1</sup> Legg Mason, 2020. This projected account balance assumes a hypothetical pre-tax return of 7%, compounded annually over a 25-year period. It assumes no contributions or distributions are made during this period and does not take into account any applicable fees and expenses. This illustration is not representative of any investment product. Actual returns will vary over time. Withdrawals of pre-tax contributions and earnings from a Rollover IRA or a 401(k) plan are taxable as ordinary income when made. Early withdrawals from a Rollover IRA prior to age 59½ are also generally subject to a 10% additional federal tax. Early withdrawals from a 401(k) plan prior to age 55 generally are subject to a 10% additional federal tax.

<sup>2</sup> The increase in the age at which required minimum distributions must begin was included in the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "Secure Act"), which was enacted into law in December 2019.



### Move your assets to your new employer's retirement plan

While this may help consolidate your retirement money into a single account, you should review your new employer's plan to determine if its features have the potential to enhance your account.

- Your account will continue to benefit from tax-deferred compounding
- Your new plan may have some unique investment options
- You may have access to investment options with institutional-level fees and expenses
- Your employer may pay any plan-related administrative fees and expenses
- You will not be required to take required minimum distributions if you keep working once you reach age 72 (age 70½ if you attained that age on or before December 31, 2019)<sup>2</sup>
- You will be able to take withdrawals between age 55 and 59½ without having to pay an additional 10% federal tax
- You may be able to consolidate all of your retirement funds
- Possibility of loans
- You will not be required to pay taxes or penalties

- You may have limited investment options
- Your ability to reallocate or transfer to different funds may be subject to restrictions
- Your employer may change or eliminate investment funds without your approval
- Any employer securities from your prior plan cannot be transferred to the new plan
- You will not be required to pay taxes or penalties

At 35, you have saved \$50,000. At 60 (25 years later), your account has the potential to grow to \$271,372, assuming a 7% hypothetical pre-tax rate of return.<sup>1</sup>

### Move assets from your current employer's plan (and any prior employer's plans) to a Rollover IRA

You can roll over your assets from qualified retirement plans to a Rollover IRA.

- Tax-deferred compounding will continue
- You'll have a broad range of investment choices
- No taxes or penalties with a direct rollover
- It will simplify account management, recordkeeping and tax reporting
- You'll have access to a financial professional

- No possibility for loans
- You may be subject to transaction costs or fees to initiate a transfer or to open a Rollover IRA account
- Your Rollover IRA account may be subject to higher administrative fees and expenses
- Your Rollover IRA account may be subject to higher investment-related expenses, including sales loads, commissions and mutual fund expenses and fees
- You will be required to take required minimum distributions at age 72 (age 70½ if you attained that age on or before December 31, 2019)<sup>2</sup> even if you continue to work past that age
- You will be subject to an additional 10% federal tax if you take withdrawals prior to age 59½

At 35, you have accumulated \$50,000. At 60 (25 years later), your account has the potential to grow to \$271,372, assuming a 7% hypothetical pre-tax rate of return.<sup>1</sup>

<sup>1</sup> Legg Mason, 2020. This projected account balance assumes a hypothetical pre-tax return of 7%, compounded annually over a 25-year period. It assumes no contributions or distributions are made during this period and does not take into account any applicable fees and expenses. This illustration is not representative of any investment product. Actual returns will vary over time. Withdrawals of pre-tax contributions and earnings from a Rollover IRA or a 401(k) plan are taxable as ordinary income when made. Early withdrawals from a Rollover IRA prior to age 59½ are also generally subject to a 10% additional federal tax. Early withdrawals from a 401(k) plan prior to age 55 generally are subject to a 10% additional federal tax.

<sup>2</sup> The increase in the age at which required minimum distributions must begin was included in the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "Secure Act"), which was enacted into law in December 2019.

# DEVELOPING YOUR RETIREMENT STRATEGY



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As you change jobs, remember there are a host of options available to you, each with its own set of advantages and disadvantages.

For example, if you're leaning toward taking your lump sum distribution in cash, take a minute to consider what you could lose. The value of your money will be eroded by taxes and possibly by an additional 10% federal tax for early withdrawal. The chart on the next page shows the potential advantages of reinvesting your distribution in a Rollover IRA. Your money may continue to grow and it may not be subject to current taxes and additional federal taxes for early withdrawal. The same advantages would apply if you leave your money in your employer's retirement plan or move it to your new employer's retirement plan.



## Case study

### Preparing for the unexpected

A few years ago, Pete broke his leg skiing. While his health insurance paid for a lot of his medical expenses, he still had to pay a substantial amount of out-of-pocket costs. When he was laid off from his job as a computer programmer because of a merger, he decided to transfer the assets in his employer's

retirement plan to a Rollover IRA. Not only will his assets continue to grow tax-deferred, he will also be able to withdraw them (subject to ordinary taxes) without having to pay an additional 10% federal tax for early withdrawal if they are used to pay for medical costs that exceed 7.5% of his Adjusted Gross Income.

Pete plans to "retire" at 55 to start a business, and he intends to keep his money invested for the long haul. But he has peace of mind knowing that his money is available if he needs it for medical bills or any other unexpected emergencies.

### The potential benefit of reinvesting your money in a Rollover IRA<sup>3</sup> (\$)



<sup>3</sup> Hypothetical illustration assumes an investment of \$50,000 in a Rollover IRA vs. a \$33,000 investment in a taxable account. Rollover IRA amounts reflect payment of taxes on full distribution from Rollover IRA at end of indicated periods. Taxable account amounts reflect payment of taxes upon receipt of \$50,000 cash distribution, reinvestment of after-tax amount in a taxable account, and payment of taxes on account earnings each year. See notes below.

Source: Legg Mason, 2020. The chart above compares the hypothetical growth of \$50,000 investment in a Rollover IRA and the investment of the after-tax proceeds from an equivalent cash distribution from a 401(k) plan in a taxable account. Assuming that the cash distribution was made before age 55, the net amount invested in the taxable account is \$33,000, after a 24% marginal federal tax rate and a 10% additional federal tax on early withdrawals. The above illustration assumes a hypothetical pre-tax return of 7%, after the deduction of applicable fees and expenses, compounded annually over 10-year, 20-year and 30-year periods for both the Rollover IRA and the taxable account. It assumes no distributions are made during these periods. For the purposes of the illustration, it has been assumed the taxable account will generate a combination of long-term capital gains and qualified dividends taxable at a maximum rate of 15% under current federal income tax law, and short-term capital gains and interest taxable as ordinary income, resulting in an annual blended federal tax rate of 22%. The 7% hypothetical pre-tax rate is equivalent to an after-tax rate of return of 5.25% for the taxable account when the 22% blended federal tax rate is considered. Although earnings in the Rollover IRA accumulate on a tax-deferred basis, distributions from the Rollover IRA are subject to taxation. The account values for the Rollover IRA at the end of the 10-year, 20-year and 30-year periods have been calculated on an after-tax basis, assuming a 24% post-employment federal tax rate. This illustration is not representative of any investment product. Actual returns will vary over time. Withdrawals from the Rollover IRA are taxable as ordinary income when made, and early withdrawals made before age 59½ are generally subject to a 10% additional federal tax. Your actual experience will vary depending on your actual investment returns and your specific tax rate (which may be more or less than the figure shown). A lower tax rate on capital gains and dividends may make gains in the taxable account more favorable. You should consider your investment time horizon and tax brackets, both current and anticipated.

# SETTING UP A ROLLOVER IRA



When you set up a Rollover IRA, you will have two ways of moving your money to your new account — directly and indirectly.



**A direct rollover** is the easiest way to move into a Rollover IRA. Your retirement plan assets will be transferred directly by your plan administrator. By doing a direct rollover, you will avoid having 20% of your distribution withheld for federal income tax purposes. In addition, your distribution from your employer's retirement plan will not be subject to ordinary income tax or the additional 10% federal tax on early distributions. You minimize paperwork, phone calls and other hassles.



**Be cautious** about an indirect rollover. With this method, your plan administrator will issue a check in your name for only 80% of the amount of the distribution (minus any withholding for state and local taxes); 20% will be withheld for federal income tax purposes. You have 60 days to deposit this money in a Rollover IRA or the distribution will be taxable to you as ordinary income and may also be subject to an additional 10% federal tax on early withdrawals if you are under 55. You will also need to fund the 20% of your distribution that was withheld from your other assets.



## Case study

### Changing jobs

Eileen is 35 years old. After working for the same company for 10 years, she has taken a new job that offers her a better opportunity for advancement and a bigger salary. She had planned to leave her retirement-plan money with her employer, but then decided that putting it in a Rollover IRA would be a wise move

based on her personal circumstances. In addition to having more investment choices, she would be able to work with a financial professional. After assessing Eileen's goals, which included overseas travel during retirement, Eileen's financial professional worked with her to develop a clear, balanced investment

strategy that took into account her objectives, risk profile and time horizon. Eileen plans to rebalance her Rollover IRA regularly, taking into account the investments she makes through her new employer's plan.

**To roll over** the full amount of your retirement account, you will need to contribute the net amount that was actually paid to you from the plan administrator, and you will also need to raise enough cash from your savings to contribute the shortfall (i.e., the portion of your account that was withheld for taxes) to the Rollover IRA. If you don't have the money to make up the shortfall, the amount withheld will be treated as a distribution subject to ordinary income tax and possibly the additional 10% federal tax on early withdrawals.



**Please consult** your current qualified plan administrator, trustee or plan document to determine if you are eligible to take a current distribution from your plan and move it to a Rollover IRA. Withdrawals from an employer plan that are not rolled over are taxable as ordinary income upon withdrawal, and withdrawals from an employer plan made prior to age 55 (upon retirement) generally are subject to an additional 10% federal tax on early distributions. Keep in mind that IRA distributions must begin when you reach 72 (age 70½ if you attained that age on or before December 31, 2019).<sup>2</sup>



<sup>2</sup> The increase in the age at which required minimum distributions must begin was included in the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "Secure Act"), which was enacted into law in December 2019.

# CONSOLIDATING YOUR IRA



While you're considering moving funds from your employer's retirement plan to a Rollover IRA, you may also want to think about consolidating your regular IRA accounts.

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Just as you can move money from multiple employer plans to a Rollover IRA, you can also move money from several IRAs to a single Rollover IRA. There are two ways of doing this, a trustee-to-trustee transfer or a 60-day rollover. Generally, a trustee-to-trustee transfer is preferable to a 60-day rollover.

## **Trustee-to-trustee transfer**

With this option, the trustee or custodian of each of your IRAs will directly transfer your assets to the trustee or custodian of the new Rollover IRA. You will not have to worry about taxes or penalties, and you can minimize paperwork.

## **60-day rollover**

With this option, you receive a distribution from the trustee or custodian of each of your IRAs and roll it over to the trustee or custodian of the new Rollover IRA. You must complete the rollover within 60 days of receiving your distribution. If you do not complete the rollover on a timely basis, your distribution will be subject to ordinary income taxes and potentially the 10% additional federal tax on early distributions. Only one rollover is allowed in any 12-month period. The one rollover in any 12-month period limitation will apply on an aggregated basis to all of a taxpayer's IRAs and not to each IRA separately.



## **Case study**

Bringing it all together

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Mike is 65 years old and he is retiring from his company. His wife will continue to work for another two years. With Mike's Social Security benefits and his wife's salary, the couple can live comfortably without taking money out of Mike's 401(k) plan account. In addition to this 401(k) plan account, Mike has assets in two previous

employers' plans. He receives quarterly statements from his various plans, and every quarter he becomes frustrated trying to figure them out. After talking with a financial professional, he learned that he could consolidate the assets in all of his employers' plans in a Rollover IRA. Working with his financial professional, Mike adopted an allocation

strategy that was appropriate for Mike's age and financial situation — one that keeps a portion of his money growing and at the same time will pay income when Mike needs it in a few years. Mike now receives one statement showing the investment activity in his Rollover IRA.

# PUTTING IT ALL TOGETHER



A consolidated Rollover IRA gives you an opportunity to streamline your investment accounts and to build a new portfolio that can help you attain your retirement goals.

When you establish a consolidated Rollover IRA, you will not only be able to invest assets from your most recent employer's retirement plan, but you will be able to transfer assets from other employer-sponsored plans. This will make managing and monitoring your accounts easier.

#### Here's why:

- You will be able to select investments from all asset classes and from all types of securities — stocks, bonds, mutual funds and money market funds. While some of these choices may be available in your employer-sponsored plan, with a consolidated Rollover IRA, you will have more choices within each asset class. You should also consider the fees and expenses that may apply with respect to your Rollover IRA expenses relative to the fees and expenses that apply to the investment options in your employer's retirement plan.
- You will receive one account statement that will detail your investment activity and show the performance of your assets over a given period. This will simplify your recordkeeping, tax reporting, and calculation of required minimum distributions when you reach 72 (age 70½ if you attained that age on or before December 31, 2019).<sup>2</sup>
- Early withdrawals before age 59½ are subject to ordinary income tax, but not the 10% additional federal tax if used for a first-time home purchase, to pay for qualified higher education expenses, or to cover medical costs in excess of 7.5% of your Adjusted Gross Income. Other exceptions may apply.
- The cost of maintaining multiple retirement accounts may be reduced by having a single account. As previously noted, there may be costs and fees associated with a transfer or with opening a Rollover IRA account.
- You will have access to a financial professional who will be available to answer your questions and guide you through the investment decision-making process.
- As your time horizon and investment goals change, a consolidated Rollover IRA will make it easier to switch your assets into appropriate investments.

<sup>2</sup> The increase in the age at which required minimum distributions must begin was included in the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "Secure Act"), which was enacted into law in December 2019.



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### **When a rollover may not be the right choice**

If you hold company stock that has appreciated in value in your former employer's retirement plan, it may be more advantageous to leave the shares in the plan, rather than transfer them to a Rollover IRA. Assuming the shares are distributed in a lump sum from the retirement plan, ordinary income tax will be due only on the amount the retirement plan paid for the stock, not on the current fair market value. The difference between the value of the stock when the retirement plan bought it and the value at the time of the lump sum distribution is called the Net Unrealized Appreciation (NUA). This NUA is taxed only when the securities are sold, and under current federal income tax law, it will be taxed at long-term capital gain rates regardless of the holding period for the shares.

Once you terminate employment with your current employer, you may take distributions from your 401(k) plan or 403(b) account at age 55 without incurring the 10% additional federal tax on early withdrawals. You will simply pay the taxes on the amount withdrawn at your regular tax rate. If you anticipate terminating employment at age 55 and need to take distributions prior to age 59½, leaving your assets in your employer's plan may be a better strategy than putting your 401(k) plan or 403(b) account assets into a Rollover IRA, because withdrawals prior to age 59½ from the Rollover IRA will be subject to the 10% additional federal tax on early withdrawals. Please note the other potential benefits of leaving your plan assets in your employer's retirement plan listed on page 4.

# BENEFITING FROM PROFESSIONAL ADVICE



Because of longer life spans and more active lifestyles, retirement can be more expensive; and you may have underestimated the amount of money you'll need.

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A financial professional can suggest ways to boost your savings and can recommend a mix of investments designed to help you reach your retirement goal.

Having a financial professional is like having a coach — a person with whom you can discuss your strengths and weaknesses. A financial professional can size up your unique situation, taking into account your short-term and long-term goals and determining if you are on track for achieving the retirement you've always imagined.

Working with a financial professional has other benefits beyond retirement planning. You may want to save money for a house, or you may be facing hefty college tuitions down the road. Your financial professional can help you plan for these situations, too. Your financial professional will work closely with you through all of life's changes, establishing new investment strategies as needed to help you realize the dreams and aspirations you have for yourself and your family.

Financial professionals are available to help you manage your retirement plan assets during these transitions. Learn more about how a financial professional may help you manage your retirement plan assets, and simplify your account experience. Through Rollover IRA consolidation, you could benefit from lower fees, break points on fund investments, and the clarity of a single statement.

# FREQUENTLY ASKED QUESTIONS



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## **What is a Rollover IRA?**

A Rollover IRA is a retirement account that is used to hold assets that have been distributed from an employer-sponsored retirement plan, such as a 401(k), 403(b) or 457 plan, or from another IRA.

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## **How can I roll over a lump sum distribution to a Rollover IRA?**

Working with your financial professional, you can have the distribution rolled over directly from your employer-sponsored retirement plan to a Rollover IRA. You will not take possession of the assets.

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## **What if I take possession of the distribution and invest it in a Rollover IRA myself?**

This is an option, but the net payment you receive from your retirement plan will be less than your account balance. Your plan administrator will withhold 20% in federal taxes. To roll over your full account balance, you must contribute the entire amount to the Rollover IRA, including the amount subject to 20% withholding, which you will have to pull together and contribute from your savings. If you don't have the money to make up the shortfall, the amount withheld will be treated as a distribution subject to ordinary income tax and possibly the 10% additional federal tax on early withdrawals.

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## **What if I don't roll over the distribution?**

If you don't contribute the distribution from your retirement plan to a Rollover IRA within 60 days of receiving it, it will be taxable as ordinary income and may be subject to a 10% additional federal tax for early withdrawals if you are under 55.

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## **What is the 20% federal tax withholding law?**

Employers are generally required by law to withhold 20% of lump sum distributions from qualified retirement plans, such as 401(k) plans, 403(b) plans and profit-sharing plans. The 20% is not an additional tax. The withheld amount is credited to you for purposes of your federal income tax return, just like money that is withheld from your salary. You can avoid this withholding and any penalties by directly rolling over 100% of your retirement plan distributions into your new employer's eligible retirement plan or to a Rollover IRA.

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### **Are there other taxes and penalties?**

If you do not roll over the distribution, it will be taxable as ordinary income and subject to a 20% federal withholding (and any additional withholding for state and local taxes). You may have to pay a 10% additional federal tax for early withdrawals in addition to taxes at ordinary income rates.

If you have already taken a distribution, to avoid current taxes on any part of your distribution, contribute the full amount to another employer-sponsored retirement plan or Rollover IRA within 60 days from the date it was received. Contribute the entire amount you received, plus an additional amount to make up for the amount withheld. Note that when you take a cash distribution, you will not be taxed on any after-tax contributions you have made. But, your earnings on these contributions are subject to income taxes (and an additional 10% federal tax for early withdrawals, if applicable).

#### **Example:**

If you were eligible to receive a \$50,000 lump sum distribution but received only \$40,000 because 20% was withheld, to avoid taxation, you must make a rollover contribution of \$50,000 (the \$40,000 distribution check plus \$10,000 from your personal funds). To recoup the \$10,000 withheld, you will need to credit and reflect the withheld amount on your federal income tax return.

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### **What are my employer's responsibilities?**

Your retirement plan administrator is required to notify you that you can take a distribution from your employer's retirement plan, and the distribution must be complete at your request.

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### **Can I roll over money between IRA accounts?**

You can take a distribution from your IRA and roll those assets into another IRA within 60 days of receipt of those assets. These assets can even be rolled back into the original IRA, but the same assets must be re-deposited. Only one rollover is allowed in any 12-month period. The one rollover in any 12-month period limitation will apply on an aggregated basis to all of a taxpayer's IRAs and not to each IRA separately.

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### **What's the difference between rolling over retirement plan assets and a trustee-to-trustee transfer between IRAs?**

The difference is in whether you are ever in possession of the assets. With the trustee-to-trustee option, the trustee or custodian of one IRA directly transfers your assets to the trustee or custodian of the new Rollover IRA. Taxes do not apply because a distribution from the original IRA has not occurred.

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### **What should I do if I have several retirement plans from past jobs?**

You can consolidate assets from several retirement plans to a single Rollover IRA. Your financial professional can work with you to contact each plan administrator and request a direct transfer of assets into your Rollover IRA. A consolidated Rollover IRA will make it easier for you to manage and monitor your assets. It will simplify your recordkeeping, tax reporting, and calculation of required minimum distributions when you reach age 72 (age 70½ if you attained that age on or before December 31, 2019).<sup>2</sup>

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<sup>2</sup> The increase in the age at which required minimum distributions must begin was included in the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "Secure Act"), which was enacted into law in December 2019.

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  - We offer an unmatched range of specialist investment managers, consisting of more than 1,300 investment professionals
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