

# TD Ameritrade

## Self-Directed Brokerage Account

S A V E M O N E Y A N D R E T I R E T O M O R R O W

### What is the TD Ameritrade Self-Directed Brokerage Account?

The TD Ameritrade Self-Directed Brokerage Account (SDBA) is an option available to you in addition to the investment options offered through the Massachusetts Deferred Compensation SMART Plan (herein referred to as the “core account”). This option gives you the freedom to invest a portion of your assets, for additional fees, in an SDBA that provides access to a wide array of open-end mutual funds.

Upon opening an SDBA, a one-time \$50 initial set-up fee is charged. Please contact TD Ameritrade for any potential additional fees related to your SDBA.

### For whom is this investment option appropriate?

The SDBA is for knowledgeable investors who acknowledge and understand the risks associated with many of the investments contained in the SDBA. By utilizing the SDBA, you acknowledge that none of the available options in the SDBA have been reviewed for suitability by your employer, the Office of the State Treasurer, TD Ameritrade or Empower Retirement. You are solely responsible for determining the suitability of the investments that are available in the SDBA. You agree to fully indemnify and hold harmless your employer, the Office of the State Treasurer, TD Ameritrade, Empower Retirement, and any and all service providers against any claims, damages or other causes of actions that may arise as a result of any negative consequences resulting from using the SDBA.

*Before investing in any investment company, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information and may be obtained by calling TD Ameritrade at (866) 766-4015. Investors should read prospectuses carefully before investing.*

### How do I get started?

Log in to your core account at [www.mass-smart.com](http://www.mass-smart.com). Click on the *Investments* tile and then click on *Self-Directed Accounts*. From there, click on the *Enroll* icon to complete the online enrollment process.

During the enrollment process, you will receive your account number. For security purposes, you will be asked to create your own personal identification number<sup>1</sup> (PIN). You will need both your account number and PIN to access your SDBA. Once your account is opened, you will receive a Welcome Kit from TD Ameritrade that explains services and procedures.

You may open a separate Roth SDBA account. This will allow you to track your Roth investments and earnings separately from your regular SDBA account.

Please note that your account will be opened within three business days of receipt of your completed enrollment application. Once your account has been opened, you may transfer money from your core account to your SDBA.

Your SDBA can only be funded through transfers from your core account.

### How do I transfer money from my core account to my SDBA?<sup>2</sup>

Log in to your core account at [www.mass-smart.com](http://www.mass-smart.com). Click on the *Investments* tile and then click on *Self-Directed Accounts*. From there, click on *Transfer Into SDBA*. You may also call (877) 457-1900.

Select English or Spanish, then enter your Social Security number (SSN) and PIN.<sup>2</sup> From there, say “representative.”

### Are there any restrictions on transferring my money from my core account to my SDBA?

To fund your SDBA, you must first transfer assets from your core account to the SDBA Insured Deposit Account (IDA) at TD Ameritrade. Due to equity wash trading restrictions, you may not transfer money directly from the SMART Capital Preservation Fund in your core account to the SDBA IDA. When the transfer from your core account is complete, you may begin purchasing investments available through the SDBA.

There is a minimum transfer requirement of \$500 from your core account to your SDBA. You are also required to maintain a minimum balance of \$1,000 in your core account. If your transfer request does not meet the minimum amounts, your transfer will not be completed.

## How do I transfer money from my SDBA to my core account?

Call TD Ameritrade at **(866) 766-4015**

or log on to your SDBA at

**www.tdameritraderetirement.com**

to liquidate securities. Once the liquidation is complete and funds are swept to the SDBA IDA at TD Ameritrade, you may transfer the assets back to your core account. To initiate a transfer back to your core account, log in to your Plan's website at **www.mass-smart.com**. Click on the *Investments* tile and then click on *Self-Directed Accounts*. You may also initiate a transfer from your SDBA to your core account via the SMART Plan Service Center. Call **(877) 457-1900**. Select English or Spanish, then enter your SSN and PIN.<sup>2</sup> From there, say "representative."

Once the money is received in your core account, it will be invested in the investment option(s) that you indicated when you initiated the transfer.

## Are distributions available from my SDBA?

Distributions can only be made from your core account. Your SDBA cannot be directly accessed for any type of distribution.

If you are requesting a distribution from your core account, please ensure that you have an adequate balance in your core account to cover the amount of your distribution request as well as the minimum balance requirement of \$1,000.

If you do not have sufficient funds in your core account, your distribution request will be processed to the fullest extent possible; however, this may result in a smaller payout than requested.

## What if I have required distributions for my core account?

If you do not have sufficient funds in your core account to generate the funds needed for your required distributions, you are required to liquidate the funds in your SDBA.

Your SDBA can be liquidated in order to make required payments for the following circumstances:

- 1) To fund a required minimum distribution.
- 2) To comply with the requirements of a Domestic Relations Order.
- 3) To fund a processing error or corrective distribution or for collection of fees.
- 4) Upon notification of the death of a participant.
- 5) When the participant account is to be 100% liquidated due to the de minimis payout requirements.

It is your responsibility to ensure you have an adequate account balance in your core account to cover your required distributions and maintain the minimum balance requirement of \$1,000.

If you do not initiate trading instructions and transfers in time to make these payments, all securities in your SDBA may be liquidated and your account closed. You will be responsible for any losses or expenses associated with the liquidation.

## How do I manage and/or make changes to my SDBA?

Visit TD Ameritrade at **www.tdameritraderetirement.com**

or call TD Ameritrade at

**(866) 766-4015** to inquire about your daily account balance or change your investments in your SDBA.

## Who sends me statements?

The Massachusetts Deferred Compensation SMART Plan will issue you quarterly statements that include details of your core account as well as the gross balance of your SDBA. TD Ameritrade will send you quarterly or monthly statements, depending on activity within your SDBA, detailing all activity and positions in your SDBA.

**Note:** The account balance on both your core account and SDBA statements may vary slightly due to different period-ending dates (for example, one may be as of the last day of the quarter, while the other may be as of the last business day).

<sup>1</sup> The account owner is responsible for keeping the assigned PIN confidential. Please contact Client Services or TD Ameritrade immediately if you suspect any unauthorized use.

<sup>2</sup> Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

### Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Brokerage services provided by TD Ameritrade Inc., Member FINRA/SIPC/NFA. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. All rights reserved. Used with permission. Additional information can be obtained by calling TD Ameritrade at 866-766-4015. TD Ameritrade and GWFS Equities, Inc. are separate and unaffiliated. Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks and design elements used are owned by their respective owners and are used by permission. ©2017 Great-West Life & Annuity Insurance Company. All rights reserved. Form 98966-FLY-5287-1706-SDBA AM181608-1706

