(3)

MICHIGAN ADVISORS, INC.
MICHIGAN SECURITIES, INC.

21415 Civic Center Drive, Suite 200
Southfield, MI 48076

ROLLOVER AND DISTRIBUTION OPTIONS FROM A TAX-QUALIFIED RETIREMENT PLAN

If you are leaving your job and participate in your former employer's tax-qualified defined contribution retirement plan (e.g., 401(k) plan, 403(b) plan, profit sharing plan, or money purchase pension plan), you have a major financial decision to make about your retirement savings held in your plan account. Commonly, your options may include one or more of the following choices depending on the terms of your employer's plan. Your choices and related details, including investment-related options and costs, will vary. There are multiple "pros and cons" to each of these choices; some of these factors may or may not apply, and some may be more or less important to you. This summary is for general education and discussion purposes only and is not a recommendation or investment advice.

Choices

1. Leave your retirement savings in your former employer's plan (if permitted).

There are advantages and disadvantages to leaving your retirement savings in your former employer's retirement plan, if allowed. Some of the most common pros/cons of this option are:

Pros	Cons
• Your retirement savings continue to grow tax-deferred • No immediate income tax obligations or early withdrawal fees • You may roll over your retirement savings to an IRA at any time • Flexible beneficiary designations ensure your savings are passed on per your directions	• You cannot make additional contributions • You cannot take a loan • Non-employees may bear additional costs • Generally, you are limited to the investment options available under the plan • Available investment advice is limited to your plan account and is not integrated with broader financial advice

2. Move your retirement savings to your new employer's retirement plan (if available).

If hired by a new employer, you may be able to roll over your existing retirement plan account into your new employer's retirement plan, although not all companies offer this feature. The attractiveness of this option will largely depend on how your current employer's plan and your new employer's plan compare in their features, investment options, and fees.

Pros	Cons
• Your retirement savings continue to grow tax-deferred • No immediate income tax obligations or early withdrawal fees • You may be able to take loans • Flexible beneficiary designations ensure your savings are passed per your directions	• Investment options may be more limited than under your current employer's plan • There may be limits and/or restrictions on distributions • Available investment advice is limited to your plan account and is not integrated with broader financial advice

3. Take a cash distribution.

You may take a cash distribution. However, you will have to pay taxes on your distribution and, if you're under age 55 when you leave your job, you may also have to pay a 10% penalty for early withdrawal. Sometimes, small account balances (generally, account balances less than $1,000) are automatically cashed-out.

Pros	Cons
• Your vested account balance is available for immediate distribution • Eligible amounts can be rolled over to an IRA or new employer's plan within 60 days of distribution • If you are over 55 when you leave your job, you may take a penalty-free distribution	• Your retirement savings will be reduced or depleted • Your distribution will subject to income taxes and possibly early withdrawal penalties • A cash distribution may push you into a higher income tax bracket in the distribution year

4. Roll over your retirement savings into an IRA.

A popular option is to roll over your retirements savings to an individual retirement account, or IRA. With a "direct" rollover, your account balance is directly transferred from your current employer's plan to your IRA. "Indirect" rollovers occur when cash is distributed to you and then deposited by you into a new IRA (must be deposited within 60 days from the distribution date to avoid incurring income taxes and penalties).

Pros	Cons
• New contributions are permitted; savings continue to grow tax-free until distribution • Your retirement savings continue to grow tax-deferred • No immediate income tax obligations or early withdrawal fees • Rollovers into a traditional IRA or a Roth IRA are permitted (conversion to a Roth IRA triggers a tax payment) • Multiple retirement plan accounts may be consolidated in one IRA • IRAs often offer a broader range of investment options than a plan • Flexible beneficiary designations allow savings to be passed upon your death • Penalty free withdrawals allowed under age 59 ½ for first home purchases and college expenses under certain conditions (income taxes apply to these withdrawals)	• An "institutional share class" of mutual funds is typically not available to "retail" IRA investors; over time holding an institutional share class in a plan account may be less expensive than other "retail" share classes • You pay all IRA account-related administrative, custodial, and other fees and charges; employers often pay for some or all of a plan's investment-related expenses • Personal loans are not permitted from IRAs

Other Considerations

1. Scope of Available Services

Typically, retirement investors in IRAs and plans receive different types and levels of service. For example, some plans provide access to personal investment advice, planning tools, telephone help lines, educational materials, and workshops, but some do not. Some plans pass-through the costs associated with these services, while others do not.

Professional financial advisers offer different types and levels of service to personal accounts, as well as to IRAs, such as financial planning and integrated investment advice covering more than just your plan account, distribution planning, and personal access to securities trading.

2. Applicable Fees

You should carefully review and compare the annual and other ongoing fees of an IRA with the fees and costs charged to your plan account (both your former employer's plan and new employer's plans, if applicable).

You should also check the mutual funds offered and share classes available to you through an IRA (commonly only a "retail" class) versus the retirement plan (often an "institutional" class) to determine the additional costs associated with those funds and share classes, such as the fund's management fee (referred to as the "expense ratio"), redemption fees, and front-end, back-end, and contingent deferred sales commissions (sometimes referred to as "loads"). These are described in each fund's prospectus.

Additional Information

For more general information on your distribution or rollover rights, you should have received and carefully reviewed the distribution notice provided to you by the plan administrator or record-keeper of your former employer's plan. You may also check the "summary plan description" for your former employer's plan and, if applicable, for your new employer's plan. If you have any questions about this plan-related information, you should contact the plan administrator or record-keeper.

Your decisions concerning the money held in your retirement plan account are, indeed, big ones. Before you choose, be sure to consider your overall financial circumstances, investment needs, and the tax consequences of each option.

16002143-1-6/28/2017