

Best Interest Determination Worksheet

Individual Retirement Annuity

INSTRUCTIONS: Effective June 9th, 2017, you will be acting as a fiduciary for your client when you recommend the purchase of a product using tax-qualified funds, most commonly in the context of IRA sales. As a fiduciary, you may not be compensated for the recommended transaction unless you satisfy the requirements of a prohibited transaction exemption (PTE). Sale of an annuity will require satisfaction of PTE 84-24. One of the key requirements of PTE 84-24 is that your recommendation must be in the Best Interest of your customer.

Generally, a recommendation will be considered to be in the Best Interest of the customer only if it:

- Takes into account the totality of the customer's investment objectives, risk tolerance, financial circumstances, and needs;
- Reflects a professional level of skill, prudence and diligence required to help the customer find the investment that is best for him/her; and
- Is based solely on the customer's interest, without regard to your financial interests or to the financial interests of the insurer or any other person.

This worksheet is designed to help you document the best interest process, but is not guaranteed to satisfy your legal obligations. Please consult with your own legal advisor to determine which process is best for you and your sales practice. This worksheet should be kept in your personal files for each client, including those that are either not provided or do not accept a recommendation.

SECTION 1. SOURCE OF FUNDS

Please identify the retirement accounts or plans being used to fund this transaction:

- A. Direct Transfer from an existing IRA (skip to Section 2)
- B. Inherited IRA (skip to Section 2)
- C. After tax funds to new or existing IRA (skip to Section 2)
- D. Rollover from an Employer retirement plan (please complete questions below).
- E. If the customer is funding this purchase by taking a rollover from an employer retirement plan, in your professional opinion, is the rollover in the customer's best interest?
 Yes No
- F. Did you consider all of the following retirement plan features in making this determination?
 - ✓ Plan investment options (applicable to individual account plans)
 - ✓ Interest rate and payout factors (applicable to defined benefit plans)
 - ✓ Plan distribution options
 - ✓ Plan expenses and fees charged to participants
 - ✓ Availability of plan loans
 - ✓ Plan services (for example: investment advice, financial planning tools, educational materials, brokerage services, etc.)
 - ✓ Differences in applicable law for employer retirement plans versus IRAs (e.g., increased protection from creditors, delayed required minimum distributions for working participants, tax treatment of distributions). Yes No

SECTION 2. WHY IS AN ANNUITY IN THE BEST INTEREST OF THE CUSTOMER?

- A. Before recommending this annuity, did you describe the limitations, if any, on the types of financial products you can offer (including, if applicable, that you are not licensed to sell securities products)?
 Yes No N/A (no license limitations)
- B. Based on the customer's objectives, risk tolerance, financial circumstances, and needs, did you determine it is in the customer's best interest to purchase a fixed or fixed indexed annuity, rather than another type of financial product?
 Yes No

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SECTION 2. WHY IS AN ANNUITY IN THE BEST INTEREST OF THE CUSTOMER? (continued)

How do the following factors impact your determination?

	Supports	Neutral	Does Not Support
C. Purpose of the transaction (e.g. to receive income for life, to leave assets to beneficiaries, guarantees, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Retirement and long-term financial goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Estimated liquidity needs and product time horizon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Tolerance for risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Need for diversification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Other (describe): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 3. WHY IS THIS ANNUITY IN THE BEST INTEREST OF THE CUSTOMER?

Identify at least three similar annuity products that you compared before recommending this annuity.

Company	Product
A.	
B.	
C.	

D. In your professional opinion, is this annuity in the customer's best interest, as compared to other annuity options? Yes No

How do the following product features impact your determination?

	Supports	Neutral	Does Not Support
E. Index Options Available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Participation rates/Cap rates/Annual Spread	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Withdrawal Charge and Period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Minimum Guaranteed Contract Value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Income Rider	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Death Benefit Available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Issuer financial strength	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L. Other (describe): _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>