# Advisor Connect
## Operations Newsletter

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### *Schwab now offers a Roth 401k*

We are happy to let you know that as of January 5, 2024, Schwab has started offering an Individual Roth 401(k) as an account type.

***Important Facts about the Individual Roth 401k Plan:***

• The plans allow for after-tax contributions that provide tax-free growth and tax-free withdrawals if certain conditions are met.

• When a participant's income exceeds $145,000 in the prior tax year, SECURE 2.0 requires catch-up contributions for qualified plans be characterized as Roth contributions.

• Contributions to an Individual Roth 401(k) Plan started this year (2024).

***Important Schwab Notes:***

• In mid-January 2024, clients with existing Individual 401(k) plans as of 12/31/2023 were sent an Individual Roth 401(k) Amendment, amending Schwab's Individual 401(k) Adoption Agreement to include the Roth option. Clients do not need to return the Individual Roth 401(k) Amendment but should sign, date, and retain the amendment for their records.

• Existing 401k accounts cannot be converted into Roth 401k accounts.

• For clients that choose to establish both a traditional individual 401(k) account and a Roth 401(k) account, an account application will be required for each account.

### *Changes to Schwab IRA Distribution Form*

Charles Schwab now allows for incoming moneylink instructions to be added to a Schwab IRA via their IRA Distribution form.

By establishing standing authorization for outgoing moneylink requests, instructions for incoming requests are automatically set up. Incoming instructions are always set up without IA authority, meaning Gemmer cannot request incoming deposits on the behalf of the client.

If the client does not want the instructions on their account, Gemmer can request its removal on their behalf. Clients can remove the instructions themselves by calling Schwab 1-800-515-2157 or logging into their Schwab Alliance account and cancelling them.

If a client would like to add IA authority to the incoming moneylink, please let the Gemmer Ops team know and we will set up a moneylink form for them to sign.

### *Schwab's 2023 Tax Tips & Resources*

The 2023 tax season has begun, and for some clients this can be stressful trying to gather all of their tax documents.

Schwab has provided some helpful tips and resources for clients to help alleviate some of their stress during this time.

Schwab launched the 1099 Dashboard and clients can easily access their 1099 documents right from the dashboard via Schwab Alliance or through the mobile app.

To view what clients will see when they log into their 1099 Dashboard, please click on: "What will my clients see."

For all former TD Ameritrade accounts, Schwab will display the Consolidated 1099 and 1099-R forms on the client's Schwab 1099 Dashboard.

### *Trusted Contacts*

Both Schwab and Fidelity provide an additional layer of account protection for clients through Trusted

Contacts.

***What is a Trusted Contact?***
A Trusted Contact is a designated person authorized by a client to confirm contact information, discuss physical and mental health status, and address suspicions of potential exploitation or fraud when direct communication is limited.

***Why add a Trusted Contact?***
Initially designed to protect the elderly from exploitation, Trusted Contacts can be added by clients of any age. For instance, a client dealing with severe illness might designate a Trusted Contact to address concerns about potential caregiver exploitation.

***What can the Trusted Contact be told?***
They are not granted access to account information or decision-making authority but serve as a point of contact for additional support and verification.

***When selecting a Trusted Contact, please consider the following:***
• They are at least 18 years old.

• Opt for someone trustworthy and reliable, like a family member or friend.

• Someone without financial control or authorization over the accounts.

***Who can talk to a Trusted Contact?***
Gemmer, Schwab, Fidelity.

***For Schwab account holders:***
Clients can manage their Trusted Contacts through various channels, including on new account applications, www.schwaballiance.com, by calling 1-800-515-2157, or completing the Schwab form titled "Add a Trusted Contact Person" for existing accounts.

***For Fidelity account holders:***
The Trusted Contact Authorization form is available in the Forms Library, on new account applications and can be reviewed in their respective "Personal Information" sections.

We encourage advisors to present this option to both existing and new clients.

## *Compliance Corner*

*Gemmer's Required "Annual Notification to Clients"*

***Heads Up!***
The following compliance notifications will be included in the1Q-2024 client mailing in April:

- Investment Objective Changes
    - o ***Clients will be reminded of the importance of notifying PFA /Gemmer of significant life changes****

•Gemmer's updated Form ADV 2A Brochure

•Gemmer's updated Form CRS

•Gemmer's Privacy Policy

*As a Registered Investment Advisor, Gemmer has a duty to provide advice and ongoing monitoring at a frequency that is in the best interest of the client. Please continue to reach out to your client at regular intervals.

If you have any questions or concerns, please contact Patti atpatti@gemmerllc.com, or 925-933-3786.

Questions? Contact the Operations team at clientrequest@gemmerllc.com