Advisor Connect

Operations Newsletter

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New! Schwab IRA Check Writing Feature

Does your client make charitable contributions from their IRA account every year? Are they over the age of 59 ½ and a U.S. resident? If you answered yes to all three questions you'll be excited to hear about the new check writing feature available to Traditional, Rollover, SEP, Roth (opened over five years) and SIMPLE (opened over two years) IRA accounts.

It's important to educate your clients! First, their investment accounts are meant to be exactly that… invested! We may need to place trades to free up the amount of cash they need. Second, they will be responsible for any taxes due. Please note, regardless of the tax withholding elections they may have on their account, Schwab is unable to withhold taxes from a check.

This new feature is not intended to support a high frequency of transactions. If your client writes more than five checks in a rolling 30-day period, Schwab will review the transaction history and if determined to be too high of frequency, they could remove the feature from the account. If you believe that this would be beneficial to any of your clients, please contact your Gemmer Operations team and we will send you the "IRA Check Writing Application" to get them set up.

Ask your Operations Expert

Q: Do you need to have original notarized documents?

A: Previously, Schwab required originals for any document containing a notarized signature. This has changed over the years, reducing the need to send originals for many documents. Recently, Schwab expanded this policy. The Power of Attorney form, the Trust Application, and the Trustee signatures page now only require photocopies or scanned images of the notarized document.

However, original notarized documents are still required to add or change a Trustee without a new Tax ID number and for the Irrevocable Stock or Bond Power form.

Similarly, Fidelity and TD Ameritrade do not require originals except for the Irrevocable Stock/Bond Power forms, and any Account Transfers.

Schwab Updates

Phasing out check pick-ups at Schwab branches

Starting in 2018 Schwab branches will slowly be reducing the branches that will allow check pick-ups by clients.

Electronic Check Deposits -

Clients can already use the mobile Schwab Alliance app on their smart phone to do mobile deposits. There are limits and restrictions.

If these changes will affect your clients or you would like to learn more about electronic deposits, please contact your Gemmer Operations team.

Electronic Approval (eAuthorization) at Schwab

One might ask, what is eAuthorization? eAuthorization is the ability for your client to approve wires and 3rd party checks that are initiated by Gemmer, on the client's behalf. All the client needs to do is log into either their Schwab Alliance account online, or the mobile app, review the money movement instructions and click approve. It takes a matter of minutes, and eliminates the need for signed forms being sent back and forth.

You might ask, is this secure? To many this is more secure than wet signatures. Schwab has set up numerous controls to ensure the security of your client in these approvals. The primary security factor is that your client will need to log into their already set up Schwab Alliance account with their personal credentials before they can approve the wire or check. By eliminating forms to be signed, you decrease the ability for fraudsters to interfere in the process.

Attached is more information from Schwab on the eAuthorization process. If you would like to learn more or have a client that would like to try this process, please call your Gemmer Operations team.

Stay Tuned Section:

The annual client seminar is approaching. In mid-December, Gemmer will be sending advisors the details and asking if they would like to contact their clients or have Gemmer send invitations directly to the clients. Please be on the lookout for this email as a timely response is greatly appreciated.