

## Understanding How We Are Compensated for Financial Services

# Employer-Sponsored Group Retirement Plans Covered Under the Employee Retirement Income Security Act of 1974 (“ERISA”) Plans

### What are ERISA Plans?

ERISA plans are employer-sponsored retirement plans covered under ERISA. This law covers qualified plans that incorporate both the pertinent Internal Revenue Code (IRC) provisions and labor law provisions. Pension plans, profit-sharing and 401(k) plans are common types of employer-sponsored retirement plans that may be covered under ERISA. For more information regarding employer-sponsored retirement plans, please see [www.edwardjones.com/businessowners](http://www.edwardjones.com/businessowners).

Pooled employer-sponsored retirement plans in transaction-based accounts may have restrictions. You may not transfer investments into these accounts or make new purchases or contributions, other than automatic purchases and reinvestment of dividend and interest payments set up prior to June 9, 2017. If you own a fixed annuity, you may not renew it in this account. For more information, contact your financial advisor.

### How are we paid for our services?

Depending on several factors, including the type of plan you have, we may charge a one-time setup fee to plans for which Edward Jones provides plan installation services and ongoing custodial services, as well as an annual recurring fee. We charge separate fees for additional activities, including adoption agreements, amendments, participant loans, benefit payments, transferring or closing accounts and holding assets that are not publicly traded, if applicable.

In addition, depending on which Edward Jones solution you choose to invest in, you will either be charged asset-based fees, or you will pay transaction-based charges when you buy or sell investments. If you choose a transaction-based solution, depending on what you buy or sell, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. The investments within your ERISA plan also may have ongoing expenses such as distribution and/or service fees (12b-1 fees), and trail commissions

that reduce your investment returns. Edward Jones receives a portion of these ongoing payments. Your ongoing operating expenses also may include investment management or other fees. Details on the operating expenses are in each underlying investment's prospectus or offering document.

At certain investment levels, typically \$1 million, your investments with an individual product provider may carry no sales charges. However, in these instances, the mutual fund or insurance company will pay Edward Jones a commission on these investments. A contingent deferred sales charge will apply if you sell these investments within a certain time frame. Please see your prospectus or offering document for more information.

When you participate in our Advisory Solutions or Guided Solutions programs, you pay asset-based fees – the Program Fee and Portfolio Strategy Fee (if applicable) to Edward Jones instead of commissions. The fee(s) are based on the market value of all assets held in your account and are assessed monthly, in arrears, based on the annual tiered fee rate schedules. If you invest in SMAs, you will pay a monthly fee to Edward Jones for the services provided by the SMA managers in your account. Edward Jones will then pay that fee directly to the SMA managers. A portion of your fees are also paid to your financial advisor. The payout level to your financial advisor will depend on the average daily total asset value of advisory assets, taking into account any discounts or fee reductions. For information about our advisory services, please see [edwardjones.com/advisorybrochures](http://edwardjones.com/advisorybrochures).

When you participate in Retirement Plan Services, you pay a Retirement Plan Services Fee to Edward Jones. The Retirement Plan Services Fee is based on the plan's included assets in the program. If the plan's included assets grow and reach certain thresholds, you are eligible for a reduction of the Retirement Plan Services Fee.

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Edward Jones will not automatically increase the Retirement Plan Services Fee if included assets decrease. For this fee, Edward Jones will serve as an investment advice fiduciary at the plan level, and provide educational services at both the plan and participant levels, if applicable. Your financial advisor receives a portion of the Retirement Plan Services Fee. The payout level will vary based on years of experience and the state in which the branch is located.

If your plan participates in Edward Jones Retirement Plan Services, your plan will be subject to additional fees charged by your Plan Service Provider, Investment Fiduciary and Third-Party Administrator, if applicable. For more information, please contact your applicable service provider.

Depending on the solution you choose for your plan, if your account holds mutual fund investments or variable annuities, Edward Jones may receive shareholder accounting fees and inforce contract service fees. For more information, see [edwardjones.com/revenuesharing](https://edwardjones.com/revenuesharing).

### **How is your financial advisor compensated?**

Your financial advisor’s branch receives P&L credits for certain revenues, expenses and assets under care in the branch. For more information, see Understanding How We Are Compensated for Financial Services at [edwardjones.com/compensationdisclosure](https://edwardjones.com/compensationdisclosure). Your financial advisor also receives a share of any transaction-based charges, asset-based fees, distribution and/or service fees, and trail commissions. As a result, your financial advisor’s eligibility for a bonus will be positively impacted. Your financial advisor does not share in the incidental fees, which include the adoption agreement amendments and participant loans.

In instances where the mutual fund or insurance company pays Edward Jones a commission for purchases at certain investment levels, typically \$1 million, your financial advisor will receive a portion of the commission.

Fee information is generally found in your account agreement and Schedule of Fees, available at [edwardjones.com/retirementaccounts](https://edwardjones.com/retirementaccounts).

The revenue that Edward Jones receives affects Edward Jones’ overall profitability and thus may affect any branch bonus your financial advisor receives.