

Annuity Consolidation

Frequently Asked Questions for Registered Investment Advisors

What is annuity consolidation?

Annuity consolidation enables you to network (link) your client's directly held annuity policy information to a new or existing investment account on the Pershing platform. If your client holds a fee-based annuity policy with one of Pershing Advisor Solutions' approved carriers, it can be linked to show on statements as well as online through NetXInvestor®. For more information on the list of approved carriers, visit the "Annuities Solutions" product suite by clicking "Financial Solutions" in the Marketing Center in NetX360®.

What is the difference between a matched and a non-matched annuity?

A matched annuity means that an investment account with the same Social Security number or Taxpayer Identification Number and account registrations as the annuity has been found on the Pershing platform. The information from matched annuities will be linked to these existing investment accounts.

A non-matched annuity does not have a corresponding investment account on the Pershing platform. A new investment account will need to be opened on the Pershing platform to link information on these non-matched annuity contracts.

Why should we consider annuity consolidation?

Linking annuity information allows you to:

- › Offer a more complete view of an investor's portfolio on NetX360 and on the client's monthly account statements. The investor's contact(s) will be reflected in his or her investment account—including annuity balances, down to the sub-account level.
- › Increase oversight of your investors' annuity holdings by using a consolidated position report in Report Center via NetX360 (Report ID EANXPAP0 "Annuity Position Report"). Report information includes detailed sub-account information and contract values.

- › Track annuity activity. By requesting the Depository Trust and Clearing Corporation's (DTCC) Financial Activity Reporting (FAR) be sent to Pershing, your firm can download the files through Pershing's standard process to track firm and advisor annuity activity.

Are there any additional fees associated with linking annuities to an investment account at Pershing?

If the account is a funded investment account there are no additional fees to link positions. If a new investment account is opened fees may depend on whether the account is set up for statement suppression or e-delivery.

What types of annuities can be linked to a Pershing investment account?

Fee-based annuities held with approved carriers can be linked to an investor's account. The carriers with an approved referral arrangement with Pershing Advisor Solutions can be found on the "Annuity Solutions" tab in the Marketing Center in NetX360.

Will clients receive statements from Pershing, as well as from their insurance company?

Yes. The monthly investment statement will reflect the position held at the approved carrier. The investor will continue to receive statements from the insurance company. However, if your firm wishes to suppress Pershing's quarterly statements for annuity only accounts, speak to your Pershing Advisor Solutions Account Manager or Relationship Manager for details.

Can we still maintain relationships with the insurance companies?

Yes. Registered investment advisors maintain relationships with the approved insurance carriers on the Pershing Advisor Solutions platform. Any administrative work or transactional activity would need to be completed directly with the insurance carrier.

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How do clients benefit from annuity consolidation?

Once their annuity contract information has been linked to their investment account, clients will have a more complete view of their investments on their account statements. Their annuity contract information will be displayed, with annuity sub-account detail, on the same document as the other investments that are held in or linked to their investment account.

Clients also can view daily balances for their annuity, with sub-account details, online through NetXInvestor.

Clients will see their annuity contract information on their monthly, quarterly and annual statements as well as performance reporting if they have opted in for that service.

Will clients need to sign new paperwork?

No. Linking an annuity does not involve the transfer of assets. We will simply link the annuity contract information to the client's existing investment account(s). However, if you would like to notify clients of this linking opportunity, Pershing will be glad to coordinate a client notification mailing.

Can annuity contract information be linked to investment accounts outside of an automated event?

Yes. To link an existing annuity contract to an investor's account, you will need to contact your Pershing Advisor Solutions Client Service Liaison or Account Manager. Prior to contacting Pershing Advisor Solutions, verify the following information:

- › The contract is custodied by an approved Pershing Advisor Solutions insurance carrier. Please refer to the "Annuity Solutions" product suite by clicking "Financial Solutions" menu in the Marketing Center within NetX360
- › The annuity contract and investment account must have the same registration
- › The contract is fee-based
- › Pershing Advisor Solutions LLC is the broker-dealer of record

Once submitted by your Pershing Advisor Solutions team, networking requests will be displayed in Work Status and will include a status provided by the DTCC and by Pershing's Annuity Operations team.

Most requests will be sent to each insurance carrier through the DTCC. You can track them via Work Status under the new Request Type feature where you can select the "Annuity Network/De-Network" drop-down option.

Pending requests will include status information from Pershing's Annuity Operations team and notes, including information obtained from a carrier if there is an issue.

How can advisors learn more about conducting annuity business on the investment platform?

To learn more, entitled advisors can visit the "Annuities Solutions" product suite by clicking "Financial Solutions" in the Marketing Center in NetX360.

Where can I find more information?

For answers to other questions, contact your Relationship Manager or Account Manager.

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