

Compensation for Investment Professionals



Return Options:

Electronically via Message Center:

Log in and go to Client Services > Message Center to attach the file

Regular Mail:

PO Box 2760, Omaha, NE 68103-2760

Overnight Mail:

200 South 108th Avenue
Omaha, NE 68154-2631

Fax: 866-468-6268

Email: Collateral@tdameritrade.com

The vast majority of our clients are self-directed, meaning they manage their own portfolios and investments. They make their own investment decisions, with objectives ranging from planning for long-term goals like retirement to acting on shorter-term market opportunities—and sometimes both—and they often come to us for education, resources, and ideas. They can find these information sources digitally through our online platforms, apps, and tools. In the case of these self-directed clients, we may receive compensation for our services, including but not limited to trade commissions, but our investment professionals are not compensated for self-directed trades.

Many of our clients may not have the time, experience, knowledge, or aptitude to make their own investment decisions. These people may choose to work one-on-one with licensed financial consultants through our expansive branch network. These investment professionals provide the human element many investors want when making important financial decisions.

TD Ameritrade offers incentive compensation plans for investment professionals that are designed to reward and motivate those that support this important piece of our client experience. Our approach is to balance performance goals with a commitment to providing appropriate solutions for our clients' specific needs. We believe incentive goals should never override our mission to do the right thing for our clients.

This following information summarizes our compensation plans and incorporates all recent changes in effect as of October 1, 2023, including changes to how we pay TD Ameritrade Financial Consultants.

Please read this information carefully. If you have any questions, just log in to your account and go to [Client Services > Message Center](#) to write us. Here are some details regarding how we compensate the financial consultants you may encounter in our branch network.

Types of Investment Professionals

1. U.S. Branch Representatives

- VP-Financial Consultants
- Investment Consultants
- Client Relationship Specialists
- Financial Consultant Partners
- VP-Branch Managers

2. Service Representatives

- Customer Service and Brokerage Service Representatives

3. Specialty Representatives

- Investor Development Consultants
- Advice Consultants
- Trading Solutions Representatives
- Fixed Income Specialists
- Regional Annuity Specialists (Annuity Specialists)
- Portfolio Solutions Group Investment Consultants
- Financial Planning Specialists



1. U.S. Branch Representatives

VP–Financial Consultants

What They Do

Work with clients both in person (through our U.S. branch office locations) and by phone. They develop new and existing client relationships, generally using a planning-based approach to understand a client’s needs and objectives. They provide education and recommendations to help clients select products—including investments, banking, and insurance—that meet client objectives. Each Financial Consultant supports a practice, which includes clients who are assigned to that Financial Consultant as a primary point of contact. Financial Consultants may also assist clients who are not in their practice.

Compensation

Financial Consultants receive a base salary for serving clients. Depending on their professional experience and past work performance, some Financial Consultants also receive Relationship Pay. In addition, Financial Consultants receive Solutions Pay. Financial Consultants may also be eligible to participate in a Career Achievement Award Program, which rewards and retains our top talent for being dedicated to TD Ameritrade and our clients. **Additionally, Financial Consultants may be eligible for a discretionary incentive based on Client Retention and Client Satisfaction.**

Financial Consultants may give financial planning and investment advice to some of their clients. Although TD Ameritrade as a company may earn more or less revenue depending on the investment product or portfolio management service a Financial Consultant recommends, we have designed their compensation based on the time, complexity, and expertise necessary to understand, recommend, and provide ongoing service to a client for different categories of investment products and portfolio management services.

Relationship Pay

Relationship Pay compensates a Financial Consultant for maintaining relationships with and providing service to clients in their practice. Compensation is divided into three categories. The first two have different asset multiplier rates,* which reflect the time, complexity, and expertise associated with recommending and servicing accounts in each category (“compensation factors”). Category 1 covers fee-based portfolio management services, and Category 2 covers portfolio management referrals and non-managed accounts. The asset multiplier rates change monthly based on fluctuations over time in assets and revenue associated with the products and services in Category 1 and Category 2.

We aggregate within each of these two categories a range of advisory programs or investment products that are similar in terms of complexity and the time, on average, it is expected to take a Financial Consultant to work with a client. We do this to guard against a Financial Consultant having undue incentives when giving investment advice. Relationship Pay applies whether a Financial Consultant recommended or sold the product or service to the client, or the client made the purchase or enrollment decision on his or her own.

As shown in the tables below, Financial Consultants receive more compensation for some products and services than others. Financial Consultants are eligible to receive 7%, 8% or 9% of the amount resulting from application of the asset multiplier rate, depending on a Financial Consultant’s professional experience and past work performance.

The third category of Relationship Pay is for credit products.

*The asset multiplier rate range is based on fluctuations in revenue and assets over time.

Relationship Pay Based on Account Balances

Category 1 Portfolio Management Services (typically have more involved ongoing service needs)	Category 1 Annual Relationship Pay per \$100,000 of Client Balances
<ul style="list-style-type: none">• Schwab Wealth Advisory™• Schwab Managed Portfolios™• Schwab Managed Account Services (which includes Thomas Partners™, Windhaven® Portfolios, Wasmer Schroeder® Fixed Income Strategies, Wasmer Schroeder Municipal Bond Ladder Strategies, Wasmer Schroeder Taxable Bond Ladder Strategies, Charles Schwab Investment Management Separately Managed Accounts, Diversified Portfolios, and 3rd Party Managers)• TD Ameritrade – Selective Portfolios• TD Ameritrade – Personalized Portfolios	<p>The asset multiplier rate used for Category 1 could range between 40 and 50 basis points, which is multiplied by a Financial Consultant’s particular payout rate.</p> <p>This results in a payment between: \$28.00 (100,000 x .004 x .07) and \$35.00 (100,000 x .005 x .07), \$32.00 (100,000 x .004 x .08) and \$40.00 (100,000 x .005 x .08), or \$36.00 (100,000 x .004 x .09) and \$45.00 (100,000 x .005 x .09)</p>

Category 2

Portfolio Management Referrals and Non-managed Accounts (typically have less involved ongoing service needs)

- Schwab Advisor Network®
- Schwab Personal Trust
- Wasmer Schroeder™ Ultra Short Strategies
- Wasmer Schroeder™ Treasury Bond Ladder Strategies
- Schwab Intelligent Portfolios™
- Schwab Intelligent Portfolios Premium™
- TD Ameritrade – AdvisorDirect

Balances in self-directed or **nonmanaged** accounts are treated the same, regardless of whether the assets are in affiliated or third-party products or different share classes. The payout is the same for stocks, bonds, mutual funds, ETFs, cash (including Schwab Bank deposits), option positions and 529 accounts

Category 2

Annual Relationship Pay per \$100,000 of Client Balances

The asset multiplier rate used for Category 2 could range between 11 and 14 basis points, which is multiplied by a Financial Consultant's particular payout rate.

This results in a payment between:

\$7.70 (100,000 x .0011 x .07) and \$9.80 (100,000 x .0014 x .07),
\$8.80 (100,000 x .0011 x .08) and \$11.20 (100,000 x .0014 x .08), or
\$9.90 (100,000 x .0011 x .09) and \$12.60 (100,000 x .0014 x .09)

Category 3

Non-Investment Advice Products and Activities

Credit Products:

- Margin Loans Schwab Bank
- Home Equity Line of Credit (HELOC)
- Schwab Bank Pledged Asset Line (PAL)

Financial Consultants receive a payment of 4.4 basis points per \$100,000 of client loan balance. This results in an annual payment of \$44 per \$100,000 loan (\$100,000 x .00044)

Solutions Pay

Solutions Pay compensates a Financial Consultant for attracting new clients and assets to TD Ameritrade and recommending products and portfolio management services. It is a one-time payment and applies whether a Financial Consultant recommends a product or service or the client makes the purchase or enrollment decision on his or her own.

Category 1, asset consolidation, pays the same rate no matter what investment product a Financial Consultant might recommend or a client might purchase on his or her own.

Category 2, which includes most portfolio management services (except for Wasmer Schroeder™ Ultra Short Strategies and Wasmer Schroeder™ Treasury Bond Ladder Strategies) pays the same rate no matter which service a Financial Consultant might recommend.

The different rates paid between Category 1 and Category 2 are based on the additional time, complexity, and expertise necessary to assess a client's needs and recommend our portfolio management services.

Category 3, other products, includes activities in which a Financial Consultant is not providing investment advice.

Generally, if assets leave a Financial Consultant's practice, that loss is netted against asset gains to a Financial Consultant's practice for purposes of calculating Solutions Pay.

Solutions Pay is paid to the Financial Consultant quarterly.

Category 1

Asset Consolidation

Category 1

Financial Consultant's Compensation¹

Category 1

One-Time Solutions Payment

Net Asset Flows (total inflow of client assets minus the total outflow of client assets)

0.0008 × Net Asset Flows

\$80 per \$100,000 of Client Balances

¹TD Ameritrade may cap the amount of incentive compensation that a Financial Consultant can earn from any one client from the Solutions Pay component.

Category 2 Portfolio Management Services*	Category 2 Financial Consultant's Compensation ¹	Category 2 One-Time Solutions Payment
<ul style="list-style-type: none"> • Schwab Wealth Advisory™ • Schwab Advisor Network® • Schwab Managed Portfolios™ • Schwab Managed Account Services (which includes Thomas Partners™, Windhaven® Portfolios, Wasmer Schroeder® Fixed Income Strategies, Wasmer Schroeder Municipal Bond Ladder Strategies, Wasmer Schroeder Taxable Bond Ladder Strategies, Charles Schwab Investment Management Separately Managed Accounts, Diversified Portfolios, and 3rd Party Managers) • Schwab Personal Trust – Full Corporate Trustee • Schwab Intelligent Portfolios & Schwab Intelligent Portfolios Premium (for new Practice accounts or additional funds added to an existing SIP/SIA account with FC involvement) • TD Ameritrade – Selective Portfolios (existing accounts only) • TD Ameritrade – Personalized Portfolios (existing accounts only) • TD Ameritrade – AdvisorDirect (existing accounts only) 	0.002 × amount enrolled	\$200 per \$100,000 of Client Balances
Category 3 Other Products	Category 3 Financial Consultant's Compensation ¹	Category 3 One-Time Solutions Payment
Introductions to Charles Schwab Bank for mortgages by Financial Consultants who are also employees of Charles Schwab Bank	20 bps X loan amount for new mortgages 11 bps X loan amount for refinance	\$200 per \$100,000 of Client Balances \$110 per \$100,000 of Client Balances
Schwab Personal Trust – Successor Trustee	\$175 per household designation	\$175
Referrals to Schwab Charitable	\$175 per converted referral for new accounts over \$25,000	\$175
Referrals to Life Insurance	\$450 per converted referral	\$450
Referrals to Schwab Advisor Services™ of an advisor	\$800 for referrals up to \$30 million \$3,500 for referrals \$30+ million	\$800 or \$3,500
Referrals to Retirement Plan Services and Retirement Business Services	20 bps X amount of assets referred; \$250K Min - \$10M Max	\$500 for a \$250,000 referral
TD Ameritrade - Annuity Referrals	\$150 per Validated Referral	\$150

* Excludes Wasmer Schroeder™ Ultra Short Strategies and Wasmer Schroeder™ Treasury Bond Ladder Strategies

Bringing Together a Financial Consultant's Pay

As an example, suppose an in-practice client of a Financial Consultant brings a portfolio of \$500,000 to TD Ameritrade – and invests it as follows:

\$200,000 into Selective Portfolios™

\$100,000 into Mutual Funds

\$100,000 into ETFs

\$100,000 in Cash

The Financial Consultant would earn annual compensation as follows:

Payment Type	Description	Compensation Amount
Solutions Pay (one-time payments)	\$500,000 transfer into TD Ameritrade	\$400
Solutions Pay (one-time payments)	\$200,000 enrollment into Selective Portfolios	\$400
Relationship Pay (annual payments)	\$200,000 balance in Selective Portfolios	\$56.00 - \$90.00
Relationship Pay (annual payments)	\$100,000 balance in Mutual Funds	\$7.70 - \$12.60
Relationship Pay (annual payments)	\$100,000 balance in Cash	\$7.70 - \$12.60
Relationship Pay (annual payments)	\$100,000 balance in ETFs	\$7.70 - \$12.60
		TOTAL
		\$879.10 - \$927.80

Investment Consultants

What They Do

Investment Consultants assist clients in our branch offices. They meet with clients who are not assigned to a Financial Consultant's practice as well as with potential new clients to identify and analyze their financial needs.

Compensation

In addition to a base salary, Investment Consultants are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade's Retail Net New Assets performance and determined based on manager discretion, which may include consideration of service quality, client satisfaction, teamwork, and the provision of education and recommendations to our clients.

Client Relationship Specialists

What They Do

Client Relationship Specialists respond to the specific needs of clients and may direct clients to the appropriate Schwab/TD Ameritrade representative.

Compensation

In addition to a base salary, Client Relationship Specialists are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade's performance and determined based on manager discretion, which may include consideration of service quality, client satisfaction, sales support, and teamwork.

Financial Consultant Partners

What They Do

Financial Consultant Partners respond to the specific needs of clients and are assigned to specific TD Ameritrade representatives.

Compensation

In addition to a base salary, Financial Consultant Partners are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade's Retail Net New Assets performance and determined based on manager discretion, which may include consideration of service quality, client satisfaction, sales support, and teamwork.

VP-Branch Managers

What They Do

VP-Branch Managers lead a local market team composed of Financial Consultants, Investment Consultants, Financial Consultant Partners, Client Relationship Staff, and various internal and external partners. They provide local strategic direction and execution support, and they recruit and manage the local team. They are responsible for the performance of their branch.

Compensation

In addition to a base salary, Branch Managers are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade's performance and determined based on manager discretion, which may include consideration of branch growth and productivity, client satisfaction, and development of staff. A Branch Manager's bonus can be a significant amount, typically, but not limited to, approximately 45% of their total compensation.

2. Service Representatives

Customer Service and Brokerage Service Representatives

What They Do

Customer Service and Brokerage Service Representatives provide service to clients via telephone, email, and online chat; respond to telephone inquiries from clients about the products and services we offer; and may contact clients by phone or email.

Compensation

In addition to a base salary, these representatives are eligible to earn a quarterly bonus that is based on measured performance in adherence to scheduled availability and customer satisfaction and an annual bonus that is funded based on Schwab/TD Ameritrade's performance and determined based on manager discretion, which may include consideration of productivity, client satisfaction, quality assurance, referrals to internal teams, teamwork, and client feedback.

3. Specialty Representatives

Investor Development Consultants

What They Do

Investor Development Consultants interact with prospects and clients via telephone, through inbound and outbound calls. They work to understand client needs, discuss solutions, and introduce clients to a fully integrated relationship with TD Ameritrade. They also make referrals to partners to help clients select products that meet their objectives.

Compensation

In addition to a base salary, Investor Development Consultants are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade's Retail Net New Assets performance and determined based on manager discretion, which may include consideration of the service quality, client satisfaction, teamwork, and the provision of education and referrals to our clients.

Fixed Income Specialists

What They Do

Fixed Income Specialists serve clients with fixed income investing needs. The group consists of Regional Bond Specialists and Bond Investment Specialists. Neither group earns commissions on transactions. Nor does it matter whether a transaction is executed as agent, as a riskless principal, or from TD Ameritrade's own inventory.

Regional Bond Specialists

What They Do

Regional Bond Specialists provide advice and service to TD Ameritrade clients specific to their fixed income investing needs.

Compensation

In addition to a base salary, these specialists are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade performance and determined based on subjective measures at manager discretion, which may include relationship management, business development, quality assurance, teamwork, client reviews, and field partnerships.

Bond Investment Specialists

What They Do

Bond Investment Specialists advise and serve clients with fixed income investing needs by responding to inbound phone calls

Compensation

In addition to a base salary, these specialists are eligible to earn an annual bonus that is funded based on Schwab/TD Ameritrade performance and determined based on manager discretion, which may include consideration of quality assurance, teamwork, and initiative.

Portfolio Solutions Group Investment Consultants

What They Do

Portfolio Solutions Group Investment Consultants are an ongoing resource for clients who are not currently assigned to a Financial Consultant and are invested in Schwab Managed Portfolios™, ThomasPartners®Strategies, Windhaven®Strategies, USAA Managed Portfolios® or a focused set of Wasmer Schroeder™ or Managed Account Select® strategies. The Investment Consultants are available to provide portfolio analysis, retirement planning, and advice regarding other wealth management topics. As part of any client conversation, the Investment Consultants ensure ongoing suitability of investments and make recommendations from a variety of investment products offered at TD Ameritrade.

Compensation

In addition to a base salary, these representatives are eligible to earn an annual bonus that is determined based on manager discretion, which may include consideration of the quality of the representative's interactions with clients, client satisfaction, teamwork, training, professional development, and accuracy.

Financial Planning Specialists

What They Do

Financial Planning Specialists work with clients to create a financial plan and personalized wealth management strategy that addresses topics such as retirement planning, distribution and income strategies, education planning, risk management, and estate planning.

Compensation

In addition to a base salary, these specialists are eligible to earn an annual bonus based on factors such as corporate and individual performance.

Discretionary advisory services are provided for a fee by TD Ameritrade Investment Management, LLC ("TD Ameritrade Investment Management"), a registered investment advisor and subsidiary of The Charles Schwab Corporation. For more information, including investment risks, please see the Disclosure Brochure (Form ADV Part 2A) <http://www.tdameritrade.com/forms/TDA4855.pdf>.

If a client selects an independent advisor through the AdvisorDirect referral program, the client will pay advisory fees and standard brokerage fees. The client should review an independent advisor's Form ADV, other applicable advisor disclosure document(s), and the AdvisorDirect Disclosure and Acknowledgement Document prior to engaging an independent advisor. The Form ADV contains important disclosure information relative to an independent advisor's services and fees.

Brokerage services provided by TD Ameritrade, Inc. member FINRA/SIPC, a subsidiary of The Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. ©2023 Charles Schwab & Co., Inc. All rights reserved.