

# News Release

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## **SCHWAB CORPORATE SERVICES INTRODUCES NEW ROLLOVER IRA PRODUCT**

New product provides safe harbor for automatic rollover of small retirement account balances

**SAN FRANCISCO, CA – March 10, 2005** – Schwab Corporate Services has introduced The Charles Schwab Trust Company (CSTC) Rollover Individual Retirement Account (IRA), a product that allows plan sponsors a simple, cost-effective way to roll over qualified plan balances of former employees without paying distribution or setup fees.

Federal regulations effective March 28, 2005 require tax-qualified plans with force-out provisions to roll over (instead of directly pay out) retirement distributions between \$1,000 and \$5,000 to an IRA for terminated participants who have not elected to take a distribution. The CSTC Rollover IRA helps plan sponsors comply with these regulations by automatically establishing and funding an IRA for each affected participant.

"This product is a benefit to plan sponsors and the third party administrators who serve them, allowing them to easily roll over balances and comply with new regulations without having to build new processes or systems," said Mark Coffrini, vice president of Schwab Corporate Services. "In addition, we provide the plan participants with all the materials and resources they need to manage and monitor their new IRA."

The features of the CSTC Rollover IRA include:

- Compliance with Department of Labor safe harbor provisions
- No distribution or setup fee for participants or plan sponsors
- Automated distribution process
- Automated IRA account opening and funding
- Competitive low annual account fee of \$50

IRA participant balances will be invested in FDIC-insured bank deposit accounts.

## **About Schwab Corporate Services**

Schwab Corporate Services (SCS) provides services to retirement plan sponsors and participants through Schwab Retirement Plan Services, Inc. (SRPS), The Charles Schwab Trust Company (CSTC), and Charles Schwab & Co., Inc. SCS also provides equity compensation plan services and other financial and retirement services to corporations and executives. SRPS provides recordkeeping and related services with respect to retirement plans. CSTC, a California state-chartered trust company, provides trust and custody services to retirement plan sponsors. Charles Schwab & Co., Inc. (Member SIPC) is a registered broker/dealer, offering the Schwab Personal Choice Retirement Account® (PCRA), as well as other brokerage and custody services to its customers. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation. Total client assets in employer-sponsored retirement plans at Schwab equaled \$131 billion at the end of 2004. The Charles Schwab Corporation (NYSE / Nasdaq: SCH), through Charles Schwab & Co., Inc. (member SIPC), U.S. Trust Corporation

(member FDIC), CyberTrader<sup>®</sup>, Inc. (member SIPC) and its other operating subsidiaries, is one of the nation's largest financial services firms.  
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