

A GUIDE TO  
**Self-Directed  
Brokerage  
Account**



# What is a self-directed brokerage account?

A self-directed brokerage account allows you to select from thousands of publicly traded mutual funds in addition to the Minnesota Deferred Compensation (MNDCP) core investment options. A Schwab Personal Choice Retirement Account® (PCRA) is offered within the MNDCP through Charles Schwab & Co., Inc. ("Schwab"). Mutual funds available through PCRA are not offered through the Plan Sponsor. You will not be able to invest in individual securities, such as stocks, bonds, exchange traded funds (ETF's) or options.

There is an additional annual administrative fee of \$30 (\$2.50 monthly) for the use of a Schwab Personal Choice Retirement Account® (PCRA). Additional fees may apply depending on trading activity.

## Is a brokerage account right for me?

A brokerage account is for knowledgeable investors who understand the risks and costs associated with mutual fund investments.

By utilizing PCRA, you acknowledge that none of the available fund offerings have been reviewed for suitability by your employer, Plan Sponsor or Schwab.

You are solely responsible for determining the suitability of the funds in which you invest. You agree to fully indemnify and hold harmless your employer, Plan Sponsor, Schwab, and any/all service providers to the Plan against any claims, damages, or other causes of actions which may arise as a result of any negative consequence resulting from using the Schwab PCRA.



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*Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading policies, charges, and expenses. You can request a prospectus by calling Schwab's dedicated PCRA Call Center at 1.888.393.PCRA (7272). You may also request a prospectus online at [www.schwab.com/prospectus](http://www.schwab.com/prospectus). Please read the prospectus carefully before investing.*

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# How do I open a PCRA?

You must already be enrolled in the MNDCP prior to opening a PCRA.

## To Open a PCRA

1. Login to your MNDCP Account Online at [www.msrs.state.mn.us](http://www.msrs.state.mn.us)
2. Select **Go to Savings Plans** in the upper right
3. Select **Brokerage** under *Investments* in the left navigation menu
4. Click the **Enroll** icon to enroll in a pre-tax or Roth after-tax brokerage account.

If you wish to open a pre-tax AND Roth brokerage account, you must enroll separately in each. This will allow you to track your Roth investments and earnings separately from your pre-tax brokerage account.

Once you enroll, you will receive your PCRA number and be asked to create your own Personal Identification Number (PIN).

Immediately following this step, you will be able to initiate your first transfer into your PCRA. Schwab will send you a Welcome Kit.

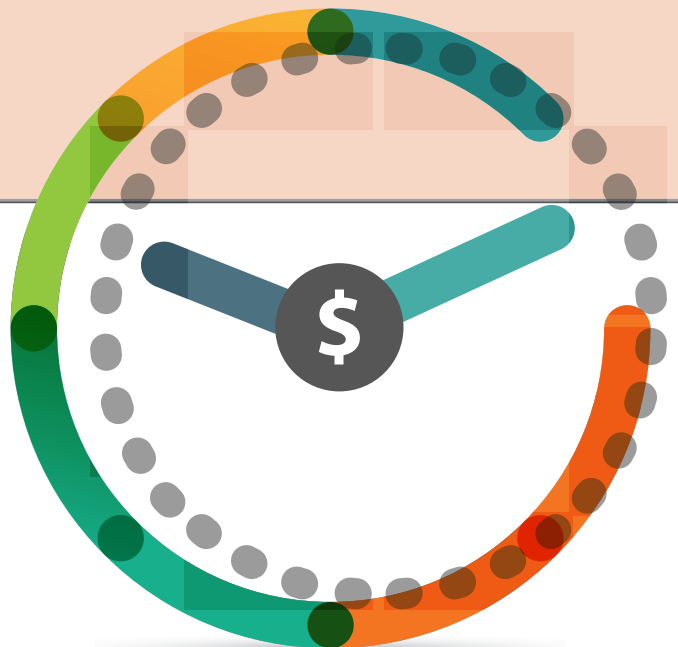


# How do I fund my PCRA?

Your per pay period contribution can be deposited directly to your PCRA or you can transfer a specific dollar amount from your MNDCP core investment option(s) into your PCRA.

You must maintain a minimum balance of \$100 in an MNDCP core investment option.

To deposit contributions directly to your you PCRA	To transfer a specific dollar amount from your core account balance
<ol style="list-style-type: none"><li>1. Login to your MNDCP account online at <b>www.msrs.state.mn.us</b></li><li>2. Select <b>Go to Savings Plans</b> in the upper right</li><li>3. Select <b>View/Manage my investments</b> under <i>Investments</i> in the left navigation menu</li><li>4. Select <b>Change my Investments</b></li><li>5. Select <b>Change how my future contributions will be invested</b></li><li>6. Select <b>Do it Myself</b> - Choose individual funds</li><li>7. Select PCRA SDB Sweep Program or PCRA SDB Sweep Program Roth as applicable</li></ol>	<ol style="list-style-type: none"><li>1. Login to your MNDCP account online at <b>www.msrs.state.mn.us</b></li><li>2. Select <b>Go to Savings Plans</b> in the upper right</li><li>3. Select <b>Brokerage</b> under <i>Investments</i> in the left navigation menu</li><li>4. Select <b>Transfer Info</b></li><li>5. Follow the instructions to transfer 100% or any portion of your account balance.</li></ol>



# Frequently asked questions

## How do I transfer money back to my MNDCP core investment options?

Contact Schwab or login to your PCRA online to liquidate your mutual fund holdings. Once the liquidation is complete, the proceeds are allocated into the cash sweep feature in your PCRA. You may then transfer the proceeds back to your MNDCP core investment option(s). You can initiate the transfer by logging into your MNDCP account online or by contacting an MSRS Service Center Representative.

## How can I manage and/or make changes to my PCRA?

Contact Schwab or login to your PCRA online to inquire about your balance or to change your investment options.

## How do I request a withdrawal?

You are eligible to request a withdrawal 30 days after the date you separate from Minnesota Public employment. Once eligible, login to your MNDCP account online to request a withdrawal or contact MSRS to request a **Distribution/Direct Rollover** form. You cannot take a withdrawal directly from your PCRA. You must first transfer money from your PCRA to an MNDCP core investment option(s). If your requested withdrawal amount is greater than your core account balance, you will receive less than the amount requested.

## Will I receive statements?

Both MSRS and Schwab send quarterly statements. Schwab will also send you a monthly statement if you have account activity in any given month.

*Note: The account balance on your MSRS and Schwab statements may be slightly different due to different period-ending dates (for example, one may be as of the last day of the quarter, while the other may be as of the last business day).*

## Contact Information

### Minnesota State Retirement System (MSRS)

 1.800.657.5757

 [www.msrs.state.mn.us](http://www.msrs.state.mn.us)

### Charles Schwab & Co

 1.888.393.7272

 [www.schwab.com](http://www.schwab.com)

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The Minnesota Deferred Compensation Plan (MNDCP) is administered by Minnesota State Retirement System (MSRS).

## Questions?



Contact the MSRS Service Center:  
**1.800.657.5757 or 651.296.2761**



Go online:  
**[www.msrs.state.mn.us](http://www.msrs.state.mn.us)**



Email us:  
**[info@msrs.us](mailto:info@msrs.us)**



Make an appointment to speak with a retirement specialist at one of our offices.

## Locations

### St. Paul - Main Office

60 Empire Drive, Suite 300  
St. Paul, MN 55103  
Monday – Friday 8 a.m. - 4:30 p.m.

### Additional Offices

Addresses and hours of operation available online.

- Duluth
- Mankato
- St. Cloud
- Detroit Lakes

**Our Mission** - We empower Minnesota public employees to build a strong foundation for retirement.