

Compensation for Investment Professionals



Return Options:

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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 January 18, 2022, 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
- Associate Financial 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.

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% or 8% 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
TD Ameritrade – Selective Portfolios TD Ameritrade – Personalized Portfolios	The asset multiplier rate used for Category 1 could range between 42 and 52 basis points, which is multiplied by a Financial Consultant’s particular payout rate. This results in a payment between: \$29.40 (100,000 × .0042 × .07) and \$36.40 (100,000 × .0052 × .07), \$33.60 (100,000 × .0042 × .08) and \$41.60 (100,000 × .0052 × .08)
Category 2 Portfolio Management Referrals and Non-managed Accounts (typically have less involved ongoing service needs)	Category 2 Annual Relationship Pay per \$100,000 of Client Balances
Mutual Funds ETFs Individual Securities 529s Cash and Money Market Funds Brokerage Cash TD Ameritrade – AdvisorDirect	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 × .0011 × .07) and \$9.80 (100,000 × .0014 × .07), \$8.80 (100,000 × .0011 × .08) and \$11.20 (100,000 × .0014 × .08)

Category 3 Non-Investment Advice Products and Activities	Category 3 Annual Relationship Pay per \$100,000 of Client Balances
Credit Products Margin Loans	Financial Consultants receive a payment of 4.4 basis points per \$100,000 of client loan balance This results in a payment of: \$44 (100,000 × .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 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.

Relationship Pay Based on Account Balances

Category 1 Asset Consolidation	Category 1 Financial Consultant's Compensation ¹	Category 1 One-Time Solutions Payment
Net Asset Flows (total inflow of client assets minus the total outflow of client assets)	$0.0008 \times \text{Net Asset Flows}$	\$80 per \$100,000 of Client Balances
¹ TD 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
TD Ameritrade – Selective Portfolios TD Ameritrade – Personalized Portfolios TD Ameritrade – AdvisorDirect	$0.002 \times \text{amount enrolled}$	\$200 per \$100,000 of Client Balances
Category 3 Other Products	Category 3 Financial Consultant's Compensation ¹	Category 3 One-Time Solutions Payment
TD Ameritrade – Referrals for TD Ameritrade – Trader Walkthrough	\$150 per Converted Referral	\$150
TD Ameritrade – Annuity Referrals	\$150 per Validated Referral	\$150
TD Ameritrade – ACAT Saves	10bps per \$ saved – remaining 90 days post-save	$\$1,000,000 \times .0010 = \$1,000.00$

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	\$58.80-\$83.20
Relationship Pay (annual payments)	\$100,000 balance in Mutual Funds	\$7.70-\$11.20
Relationship Pay (annual payments)	\$100,000 balance in Cash	\$7.70-\$11.20
Relationship Pay (annual payments)	\$100,000 balance in ETFs	\$7.70-\$11.20
		TOTAL
		\$881.90-\$916.80

Associate Financial Consultants

What They Do

Associate Financial 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, Associate Financial Consultants are eligible to earn an annual bonus that is 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 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 TD Ameritrade 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, Associate Financial 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, these consultants are eligible to earn additional incentive compensation based on the following criteria:

- Client Navigation—A measurement of Net Assets Flow and enrollments in Portfolio Management Services. The Investor Development Consultant is paid the same for Portfolio Management Services, regardless of what solution the client elects.
- Manager Discretion—A quarterly discretionary incentive determined based on manager discretion, which may include consideration of 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 TD Ameritrade's 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 TD Ameritrade's 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.

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