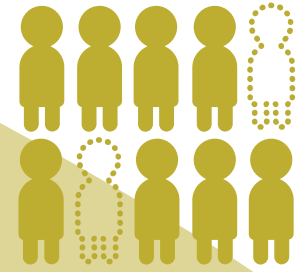


HOW CLEANING UP YOUR PLAN PAYS

If you have former employees with account balances, it could.



Missing participants are former employees who still have an active retirement plan account balance, and if they left before their account was fully-vested, you could have access to free money. In addition, having a clean plan frees you from the administrative burden of sending notices and additional important plan information.

When terminated employee accounts are distributed, the unvested portion of that account will be deposited in a **forfeiture account**. This account is available to the plan sponsor to:

- ✓ **PAY PLAN ADMINISTRATIVE EXPENSES**
- ✓ **OFF-SETTING COMPANY CONTRIBUTIONS**
- ✓ **ALLOCATING AS ADDITIONAL COMPANY CONTRIBUTIONS**

Learn more with this easy-to-use checklist to help you get started and find out if there is free money waiting for you.

Identify terminated participants with balances. Have your service provider run a report on terminated participants.

Review balances of former employees. Look for participants with small balances of \$1,000 or less who are candidates for automatic cash-outs. For employees with account balances between \$1,000 - \$5,000 consider adding a Safe Harbor IRA to your plan (see recordkeeper for more details).

Review DOL steps to locate missing participants. Although **FAB 2014-01** is aimed at terminated plans, many sponsors of ongoing plans are using the guidance to try to locate their missing participants.

Conduct vigorous address searches. Send the DOL-provided notice using the DOL checklist until the participant is either located or unable to be. Include searches before required planned distributions such as RMDs or cash-outs.

Document your search results. Keep meticulous records of each step taken and the results in case of a DOL audit.

Maintain up-to-date participant contact information. Diligently making sure that plan records are accurate and up-to-date results in low numbers of missing participants.

Setup a forfeiture account. A forfeiture account is a special holding account and it has its own rules. The most important to remember is that the account must be used either by the end of the plan year or by the end of the following year.

Use the found money from the forfeiture account. Keep your cash on hand and pay for plan expenses, off-set company contributions and/or additional company contributions from the forfeiture account.

Contact distributions@crossplans.com for more ideas and tips to optimize your retirement plan.



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