

Locating Missing Participants in Your Retirement Plan

It's always a good idea to keep your retirement plan as clean as possible by maintaining good employee records. In the event you do lose track of a plan participant, below are some suggested ways to locate former employees:

- Check the validity of the last known address by using certified mail
- Internet Address Search
- Social Media – Linked In, Facebook, Instagram, Twitter, Pinterest, etc.
- Check the records of any other employee benefit plans
- Ask employees who may have kept in touch with the former employee
- Check with the emergency contact
- Check with the designated beneficiary
- Credit reporting agencies
- National Registry of Unclaimed Retirement Benefits database, www.unclaimedretirementbenefits.com

- EmployeeLocator.com – Charges \$10 per missing participant

The IRS and the Social Security Administration no longer provide letter--forwarding services for retirement plan sponsors. As the plan fiduciary, it is your responsibility to make sure all plan participants are receiving the required plan information. If your plan pays per-participant fees, you can lower your participant count costs by getting former employees located and paid out. Many terminated employees with a vested account balance under \$5,000 can be forced out of your plan once a 30-day notice is provided. Check your plan document for your plan's distribution cash-out threshold.

The best rule of thumb is to encourage participants to take their distribution once they leave employment. Provide terminating employees with a Distribution Form, an IRS Special Tax Notice Regarding Plan Payments (usually included in the distribution form), and information to request an online distribution (if your trading platform allows) will help you avoid future lost participants.

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