Plan Termination Checklist for Missing and Nonresponsive Participants

Use this list to track the steps a 401(k) plan takes before moving nonresponsive participants to safe harbor IRAs when the plan terminates.

1. Choose the safe harbor IRA provider

- [ ] Compare providers on fees, default investment, ongoing participant search, and how participants claim accounts
- [ ] Confirm the default investment is designed to preserve principal and provide a reasonable return
- [ ] Confirm fees are no higher than the provider charges for comparable IRAs
- [ ] Sign a written agreement with the provider that participants can enforce
- [ ] Document why the plan chose this provider

2. Notify participants

- [ ] Send each participant a notice that the plan is terminating and explain their options
- [ ] State that their account will go to an IRA if they make no election within 30 days
- [ ] Name the IRA provider and explain the default investment and fees
- [ ] Process rollover and distribution elections as they come in

3. Search for missing participants (DOL Field Assistance Bulletin 2014-01)

- [ ] Send a notice by certified mail to the last known address
- [ ] Check the records of related plans and of the employer
- [ ] Ask the participant's designated beneficiary for current contact information
- [ ] Use free electronic search tools, such as internet search engines and public record databases
- [ ] Consider a paid search service, weighing the account size against the cost
- [ ] Record every search step and its result

4. Distribute the remaining accounts

- [ ] Move accounts of participants who never responded to safe harbor IRAs
- [ ] Send the provider the participant data it needs to open each IRA
- [ ] Confirm every account has left the plan
- [ ] File the plan's final Form 5500

5. Keep the record

- [ ] Keep the provider selection, notices, search steps, and distribution records with the plan's files

AET handles rollover and safe harbor IRAs in one place. Participants who respond can roll to an IRA with you attached, and nonresponders go to a safe harbor IRA you can see in the AET Business Portal. aetrust.com/plan-rollovers

Rules referenced include 29 CFR 2550.404a-2, 29 CFR 2550.404a-3, and DOL Field Assistance Bulletin 2014-01. This checklist is for informational purposes only and is not legal, tax, or investment advice. Plan fiduciaries should confirm how these rules apply to a specific plan with ERISA counsel. American Estate & Trust is a Nevada-chartered trust company regulated by the Nevada Financial Institutions Division.