

AUTOMATIC ROLLOVER SOLUTIONS



ROLLOVER IRAS FOR MISSING AND NON-RESPONSIVE PARTICIPANTS

Millennium Trust Company's comprehensive Automatic Rollover solution helps plan sponsors save time and money, while preserving deferred retirement savings for its former employees. Our solution is flexible, efficient and fully complies with the Department of Labor's (DOL) safe harbor regulations. We are uniquely positioned to work with record keepers, TPAs and plan sponsors to service a large volume of small IRA accounts. Today, hundreds of TPAs work with us and we have over 10,000 Automatic Rollover agreements with plan sponsors.

In today's workplace, most employers offer retirement plans to their employees. But what happens to those employee retirement accounts when employees leave the company? While many choose to roll over their account on their own, there are a large number of missing and non-responsive participants who remain in the retirement plan and increase plan administration costs each year. To help reduce these expenses, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) amended the Internal Revenue Code to allow plans to establish Individual Retirement Accounts (IRAs) for former employees with plan balances less than or equal to \$5,000. This allows a plan sponsor to effectively outsource these participant accounts to a qualified IRA provider, thereby saving money, time and valuable personnel resources and, at the same time, preserving tax deferred retirement savings for its former employees.



AUTOMATIC ROLLOVER SOLUTIONS

WHY CHOOSE MILLENNIUM TRUST FOR AUTOMATIC ROLLOVERS?

ENHANCED FLEXIBILITY AND FEATURES

- No cost to the TPA or plan sponsor.
- No minimum balance requirement – even balances less than \$1,000 are accepted.
- IRAs opened for participants of active, terminating and abandoned plans.
- IRAs opened for uncashed checks.
- Roth IRAs opened for Roth 401(k) rollovers.
- Default investment choices including FDIC-insured money market vehicles and annuities.

UNMATCHED SERVICE AND SUPPORT

- Dedicated client service team available by phone, email, fax or in person.
- State-of-the-art accounting systems to track underlying investments, transactions, tax reporting, etc.
- Experience with IRA accounts and well trained on IRS distribution rules.
- Comprehensive Welcome Kit sent to new account holders.
- Ongoing access to account information and annual statements available through secure Website.

PROVEN AND INNOVATIVE TECHNOLOGY

- Secure interface with all retirement record keeping systems.
- Participant information gathered via secure portal or through automated file transfer with an encrypted file format.
- IRA accountholders have Web access to their accounts and statements.

COMPREHENSIVE SEARCH PROCEDURES

- No cost for conducting searches for missing IRA accountholders.
- External search tools used to find missing participants.

SUPERIOR INVESTMENT CHOICES

- Default investment of FDIC-insured money market vehicle designed to minimize risk, preserve principal and maintain liquidity.
- Annuities can also be held as the original rollover asset.
- Wide range of other investments available to the IRA accountholder including mutual funds, ETFs, stocks, bonds and CDs.



OTHER CUSTODY SOLUTIONS

UNCASHED CHECKS

- Rollover uncashed checks of participants of active and terminated plans into IRAs.
- IRA funds invested in FDIC-insured, interest-paying bank accounts.
- Comprehensive search efforts for missing participants.
- Welcome kits sent to the IRA accountholder.

PLAN TERMINATION SERVICES

- FAB 2004-02 compliant search program.
- Notification services available.
- Distribute account balances to found participants.
- If participant not found, account balance rolled into an IRA at Millennium.
- Can act as Qualified Termination Administrator (QTA) for abandoned plans.

CHECK DISTRIBUTION/TAX REPORTING SERVICES

- Helps TPA with electronic solution for depositing federal taxes.
- Execute benefit disbursements including remitting checks, withholding and reporting all appropriate Federal and State withholding and administering all applicable reporting (e.g. 1099Rs).
- Facilitate and remit TPA benefit distribution fees, as applicable.

PAYROLL DEDUCTED IRA SOLUTIONS

- Designed for employees not covered by an employer retirement plan and allows them to save for retirement.
- Employer sets up the payroll deduction IRA program with Millennium Trust.
- Employees choose whether to invest and the amount to put into IRA.
- Wide array of investment choices.

NOTIFICATION SERVICES

- Notices to all participants and coordinate distributions with found participants.
- If participant not found, account balance rolled into an IRA at Millennium.
- Additional search efforts available.



CONTACT US TODAY TO SEE HOW WE CAN OPTIMIZE YOUR BUSINESS POTENTIAL

YOU CAN START ROLLING OVER YOUR RETIREMENT PLANS IN THREE EASY STEPS:

- 1) Sign an Automatic Rollover Services Agreement
- 2) Send us participant information
- 3) Transfer participant funds to Millennium Trust

WWW.MTRUSTCOMPANY.COM

Millennium Trust performs the duties of a custodian and, as such, does not provide investment advice or sell investments, nor offer any tax or legal advice.

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DOL SAFE HARBOR REQUIREMENTS

On September 28, 2004, the DOL published final regulations providing plan sponsors a safe harbor for rolling over plan distributions to IRAs. In order to meet the safe harbor regulations for ongoing retirement plans, the present value of the participant's vested account balance may not be more than \$5,000, or, if the plan so provides, \$5,000 plus amounts and earnings rolled over from other plans. Other safe harbor requirements include:

- The plan fiduciary must enter into a written agreement with an IRA provider addressing the initial investment, services and related fees and expenses.
- The initial investment product must be offered by a state or federally regulated financial institution, such as a bank, trust company, credit union, insurance company or '40 Act Investment Company.
- The initial investment product must be designed to minimize risk, preserve principal, provide a reasonable rate of return and maintain liquidity.
- The fees and expenses cannot exceed those charged by the selected IRA provider for its other comparable IRAs.
- The plan sponsor must provide information about the Automatic Rollover provider and the investment products offered to all participants in either a Summary Plan Description (SPD) or Summary of Material Modification (SMM).

Plan fiduciaries are not required to monitor the IRA provider and have no responsibility for the IRA provider's compliance.

TERMINATED PLANS

For terminated plan distributions, the DOL has issued separate guidance on the steps that plan sponsors must take to search for lost participants in Field Assistance Bulletin No. 2004-02. This advice relates only to terminated defined contribution plans. Generally, the notice details what the DOL expects from fiduciaries of terminated plans in terms of looking for missing participants and distributing plan assets. If participants remain missing after following the search steps as outlined by the DOL, plan fiduciaries may be deemed to have satisfied their ERISA fiduciary responsibilities by rolling over benefits to an IRA, regardless of the amount.