

# Automatic Rollover News

Providing Safe Harbor Solutions



ISSUE 1.1 | SEPTEMBER 2009

Welcome to the first edition of Millennium Trust's quarterly newsletter providing you with industry updates and insights about Automatic Rollover IRAs and the value they bring your firm.

## Millennium Trust's Automatic Rollover Solution Helps Retirement Industry Address Economic Challenges

Over the past few months, the markets have begun to show signs of improvement and recovery. However, with over 14.9 million people unemployed in the United States and the unemployment rates continuing to climb, it is clear there is still work left to be done.

With revenues and profits tough to come by, retirement industry professionals face increased pressure to reduce costs including those associated with retirement plans. We have seen an increased adoption of the force-out provision to use Automatic Rollovers by large plan sponsors in the last 8 months.

Automatic Rollovers can be an easy solution to trim administrative expenses associated with missing and non-responsive participants who have terminated from a company. By turning to Automatic Rollovers, plan sponsors can save time and money while complying with DOL regulations all at no cost to the plan sponsor. At the same time, the plan sponsor helps preserve tax deferred retirement savings for their former employees while reuniting former employees with their money.

Millennium Trust's **Automatic Rollover Solution** offers great value. We work with many record keepers and TPAs to provide IRA rollover services to their plan sponsor clients and have opened over 55,000 Automatic Rollover IRA accounts.

### DOL Safe Harbor Requirements

To help reduce plan administration costs associated with missing and non-responsive participants, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) amended the Internal Revenue Code to allow plans to establish IRAs for former employees. This allows a plan sponsor to effectively outsource these participant accounts to a qualified IRA provider saving money, time and valuable resources and at the same time preserving tax deferred retirement savings for its former employees.



### IN THIS ISSUE

[Millennium Trust's Automatic Rollover Solution Helps Retirement Industry Address Economic Challenges](#)

[Department of Labor Safe Harbor Requirements](#)

[Millennium Announces New Relationships](#)

[MTC Rolls Out Secure Portal](#)

### CONFERENCE SCHEDULE

**ICMA Annual Conference**  
Sept. 13-16  
Montreal, Canada

**PSCA National Conference**  
Sept. 21-24  
Scottsdale, AZ

**Defined Contribution West Coast**  
Nov. 1-3  
San Francisco, CA

**ASPPA Annual Conference**  
Nov. 1-4  
Landover, MD

**ABI Winter Leadership Conference**  
Dec. 3-5  
La Quinta, CA

## Next Issue

- Terminating, Abandoned Plans
- Health Savings Accounts

## LEARN MORE

To learn more about how Millennium Trust's Automatic Rollover Solution can benefit you, contact ARP Sales at 630.368.5675.

In 2004, the Department of Labor published final regulations providing plan sponsors a safe harbor for rolling over plan distributions to IRAs. If done in accordance with these rules, the plan sponsor will be deemed to satisfy its fiduciary duties under the Employee Retirement Income Security Act (ERISA). In order to meet the safe harbor requirements 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, \$5000 plus amounts and earnings rolled over from other plans, and certain steps must be followed.

If the safe harbor requirements are met, the individual is no longer a participant in the plan after the rollover. Plan fiduciaries are not required to monitor the IRA provider and have no responsibility for the IRA provider's compliance. To read our white paper on this subject, [click here](#).

## Millennium Announces New Relationships

Despite a challenging economic environment, Millennium continues to create opportunities for increased growth and efficiencies by establishing relationships with new organizations.

- **Wealth Management Systems (WMSI)** is a leading provider of technology for rollover services.
- Premier search solutions provider, **The Keane Organization**, will assist in locating missing plan participants.

Both **John Hancock** and **Transamerica** have selected Millennium Trust as the sole custodian for their terminating plan accounts.

Recognized companies that recently signed Automatic Rollover agreements with us include: **Kimberly-Clark, General Dynamics, Martin Marietta, Microsoft and others.**

A partial list of Millennium's relationships can be found by [clicking here](#).

## MTC Rolls Out Secure Portal

Enhancing the security of client data and expediting the rollover process is a top priority. To this end, we have developed a secure access **Automatic Rollover Portal** to upload confidential participant data.

Additionally, our forms, marketing materials and the MTC ez worksheet are available from the portal which is easily accessible through our website at [www.mtrustcompany.com](http://www.mtrustcompany.com). It's simple, safe and efficient.

Contact a Sales Representative today for more information and portal access.

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

## Automatic Rollover Portal

