

Automatic Rollover News

Providing Safe Harbor IRA Solutions

WELCOME TO THE SUMMER EDITION OF AUTOMATIC ROLLOVER NEWS!

PREPARING FOR AND SURVIVING A PLAN AUDIT – PRESENTED BY GREAT- WEST FINANCIAL AND MILLENNIUM TRUST

According to PlanAdviser.com, plan sponsors paid a collective \$1.7 billion in plan reimbursements and fines to settle criminal cases and violations in 2013. The DOL and the IRS rely on inconsistencies in 5500 data, areas of ERISA non-compliance and non-discrimination testing to direct investigation efforts and identify audit targets. Once a plan has been identified for an audit, plan sponsors are left scrambling to prepare.

In this webinar held on June 24, Great West's legal expert, Marilyn Collister and Millennium Trust's retirement plan professional, Mark Koeppen discussed:

- Understanding who a Plan Fiduciary is and more importantly what that means
- Identifying IRS audit triggers and factors for audit selection
- The effective review of internal controls and plan design
- Communicating with the IRS and the DOL

The best way to survive an audit is to be efficient and thorough before and during an audit.

Equip yourself to be prepared and ready for an audit, [access our recorded webinar](#), [webinar materials](#) or [read our white paper](#).

FAST FACT – ROLLOVERS OF ACCOUNT BALANCES LESS THAN \$1,000 CAN HELP REDUCE EXPENSES AND FIDUCIARY RISK

Problem: For the plan sponsor and the recordkeeper, there are challenges involved in running a qualified retirement plan. The situation is only complicated when an employee terminates and then frequently “gets lost”.

For balances less than \$1,000, distribution checks, in many cases, can go un-cashed costing employers and recordkeepers time and money trying to find a good address.

Additionally, even while recordkeepers may lose a per person fee on these small accounts, they end up losing money when expenses such as staff time and systems fees are considered. As for the Plan Sponsor, they spend time and money trying to find former employees holding a relatively small balance.

Solution: By amending plan language to include DOL safe harbor protection for participants with balances of \$5,000 or less, plans can reduce the number of inactive participants with small benefit amounts.

Action Steps: The IRS issued model plan amendment language that can be used by plan sponsors to adopt automatic rollover rules into their tax qualified plan. This model plan language can be altered to include safe harbor protection for participants with balances of \$5,000 or less.



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CONFERENCE SCHEDULE

ASPPA Western Benefits Conference
July 27 - 30
Las Vegas, NV

NASRA Annual Meeting
August 2 - 6
Ashville, NC

Third Annual Ftwilliams.com Customer Conference
August 3 - 5
Chicago, IL

Retirement and Healthcare Plan Management Conference
September 7 - 10
Las Vegas, NV

- Enter into a written Automatic Rollover agreement with Millennium Trust.
- Amend the plan document to provide for automatic rollovers with no minimum balance.
- Make appropriate disclosures to plan participants regarding Millennium Trust as IRA provider and investments and expenses via an updated SPD or SMM before automatic rollovers begin.
- Be prepared to modify the “special tax notice” required under section 402(f) of the Code to explain the automatic rollover rules.

FIVE REASONS WHY TPAS WORK WITH MILLENNIUM TRUST

1. **Millennium cares about your success and desire to expand your business** – recommending an automatic rollover provision to your prospect or your client’s plan document is an added value you can bring, saving the plan money and making the retirement plan more efficient.

2. **Easy process** – We’re often asked to explain our onboarding process. It’s as simple as 1-2-3. 1) Sign an automatic rollover service agreement, 2) securely upload participant information using our EZ worksheet and 3) forward funding. It’s really that easy to save time, money and reduce fiduciary liability.

3. **Former participants are well cared for, not ignored** – Plans care about the attention their former employees receive. Millennium searches for all missing and non-responsive participants with the goal of reuniting the accountholder with their retirement assets. In addition, Millennium has a fully staffed, multi-lingual call center answering our accountholder calls.

4. **Dedicated Contact** – At Millennium, you have a dedicated relationship manager handling your day-to-day process and questions.

5. **Reasonable Fees** – Millennium fees are not charged to the TPA or Plan. Accountholders pay a modest fee which covers the administration, tax reporting and communication activities.

THE SOCIAL SECURITY ADMINISTRATION DISCONTINUES LETTER FORWARDING SERVICE

Providing the letter forwarding service to the public since 1945, the Social Security Administration (SSA) discontinued letter forwarding as of May 19, 2014.

With the expansion of effective internet locator resources and having the desire to trim costs, the agency determined the public now has the ability to locate individuals without relying on SSAs letter forwarding services. Similarly, the Internal Revenue Service (IRS) eliminated its letter forwarding as of August 31, 2012.

Read the SSA's announcement titled [“Letter Forwarding”](#).

As a part of the Department of Labor Field Assistance Bulletin (DOL FAB) 2004-02, using either the SSA or the IRS letter forwarding service is required to locate missing participants of terminating plans.

Millennium Trust can fill the gap by providing expert missing participant locator services available pre-rollover. Once accounts are rolled over to Millennium Trust, Millennium continues location services with the goal of reuniting missing participants with their retirement assets.

NABT Annual Conference
September 11 - 14
Salt Lake City, UT

NAGDCA Annual Meeting
September 14 - 17
San Antonio, TX

PSCA National Conference
September 15 - 18
Miami, FL

AXA - Qualified Plan Southeast, Inc.
September 15 - 16
Durham, NC

American Society for Healthcare HR
Administration
September 27 - 30
Chicago, IL

SunGard Omni Summit
September 28 - October 1
Birmingham, AL



LEARN MORE

To learn more about how Millennium Trust’s Automatic Rollover Solution can benefit you, contact:

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