

Please note: This is a transcription so there may be slight grammatical errors.

With baby boomers retiring corporate mergers and acquisitions on the rise in an evermore mobile workforce, the challenge of keeping track of your participant address data is increasing. Today I'll talk about some of the reasons missing participant numbers increase how plan sponsors should prepare, and what happens when a plan gets investigated by the DOL. There are four key steps that the Department of Labor has outlined that plan fiduciaries must take at a minimum before abandoning efforts to reach missing participants.

Number one, use certified mail. Certified mail is an easy way to find out at little cost, whether the participant can be located in order to distribute benefits.

Number two, review related plan and employer records. It's possible that the employer or another of the employer's plans, such as a group health plan may have more up-to-date information. For this reason, plan fiduciaries must ask both the employer and administrators of related plans to search their records for more current address for any missing participant.

Number three, check with the designated plan beneficiary. In searching the terminated plans records or the records of related plans, planned fiduciaries must also try to identify and contact any individual that the missing participant has designated as a beneficiary, for example their spouse or their children, in order to find updated contact information for the missing participant.

And lastly, planned fiduciaries must make reasonable use of free internet search tools to search for missing participants or their beneficiaries. This includes internet search engines, public record databases such as those for licenses, mortgages, and real estate taxes, online obituaries, and social media. The process to locate missing participants should be repeated on a regular basis. For large plans it may make sense to do this annually, for smaller plans maybe every few years.

If a plan administrator follows the required search steps but does not find the missing participant or beneficiary, the duties of prudence and loyalty require the fiduciary to evaluate other factors as well. A planned fiduciary should consider the size of a participant's account balance and the cost of engaging in further search efforts when deciding if additional steps are appropriate. As a result, the specific additional steps a planned fiduciary takes to locate a missing participant may vary depending on each individual case. If necessary, sponsors may decide to engage in additional search efforts such as the use of commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous internet search services that may involve charges.

Like the Department of Labor, the IRS has also provided guidance on the topic of finding missing participants. Information can be found on both of their websites. So what happens when missing participant accounts cannot be found? Plan sponsors who cannot locate participants will often have to turn to their plan documents and legal counsel to determine what options they might have to distribute accounts. This becomes especially important for plans that are trying to terminate, which requires the distribution of all plan assets, or where corporate actions are bringing multiple plans together.

Finding missing people and reuniting them with their money is your fiduciary responsibility. Benefits must be paid timely and accurately, and you're required to provide plan documents and disclosures to all participants, including former employees who still have an account balance with the plan. In addition, required minimum distributions must be made annually and your plan document may require former employees with less than \$5,000 to be distributed in whole. One benefit of finding missing participants is that administrative and audit costs for a plan may decrease with fewer terminated and inactive accounts. If you have questions regarding the Department of Labor or IRS guidance, CAPTRUST can help

you navigate those requirements and work with you, your record keeper, and even a third party to develop a plan.

Looking for more information, visit CAPTRUST.com and search missing participants. Missing participants are one time that out of sight should not be out of mind.

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