



**Recurring Benefit Payment Service** – Looking for a simple and easy solution for your recurring or periodic payments to plan participants? PenChecks’ Recurring Benefit Payment Distribution Service allows Plan Providers, Administrators, and/or Sponsors to focus their resources on their core business rather than worry about whether or not their retirees receive their annuity payment. The service includes the following:

- ✓ Monthly, Quarterly, Bi-Annual, or Annual payment frequencies
- ✓ Disbursement of funds to plan participants via Check, ACH (Direct Deposit)
- ✓ Payments are dated the 1<sup>st</sup> of every month.
  - Checks are mailed appropriately so that participants receive them on or before the 1<sup>st</sup> of the month
  - ACH (Direct Deposit) payments post to participant accounts on the 1<sup>st</sup> business day of each month
- ✓ Withhold, remit, and report all Federal and State taxes (i.e. IRS 945, CA DE6, NYS-45, etc)
- ✓ Issue annual 1099R to Participants, IRS, and State Taxing Authorities
- ✓ Monitor and resolve all returned/uncashed disbursements. Perform address searches as needed.
- ✓ Perform Quarterly Death Audits and Provide an annual participant tax withholding inquiry
- ✓ Invoice the TPA/Plan for distribution funds and fees monthly or quarterly. Funds may be remitted to PenChecks via Wire, ACH, or check (see below for remittance instructions)
- ✓ Individual or Bulk upload of initial plan and participant information
- ✓ Periodic Reporting as needed

#### **Recurring Benefit Payment Fees**

- ✓ \$250 one-time plan set-up fee and \$10 one-time payee set-up fee
- ✓ Monthly (\$6), Quarterly (\$12), Bi-Annual (\$20), or Annual (\$35) payment frequencies
- ✓ \$5 fee for any changes to address, direct deposit info, tax elections, etc
- ✓ Plans with 250 participants or more may qualify for reduced pricing

#### **Getting Started**

1. Call PenChecks to discuss the service, identify any special needs and to obtain the PenChecks, Inc Recurring Benefit Agreement (included in this document) and the Recurring Benefit Payment Template.
2. Complete and sign the PenChecks, Inc Recurring Benefit Agreement and fax to (619)462-1766 or scan and e-mail to [whenderson@penchecks.com](mailto:whenderson@penchecks.com)
3. Complete the Template (i.e. Participant Name, SSN, DOB, Payment Amount, Frequency, Tax Withholding, etc) for all participants who will be receiving a payment. E-mail completed Template to [whenderson@penchecks.com](mailto:whenderson@penchecks.com).
4. PenChecks will contact the TPA/Plan Sponsor to confirm that the Recurring Benefit Payments Service was requested and to verify starting dates.
5. Send applicable distribution funds and processing fees to PenChecks as follows:

##### **CHECK**

Payable To: **PenChecks, Inc Employee Benefit Distribution Trust**  
Mail To: PenChecks, Inc, P.O. Box 2669, La Mesa, CA 91943-2669  
Memo / Reference: **FBO Plan Name (for multiple participants) AND/OR Name of Participant**

##### **WIRE / ACH**

Bank: California Bank & Trust  
Bank ABA/Routing#: 122232109  
Bank Account#: 2010266011  
Memo / Reference: **FBO Plan Name OR Name of Participant**

Establishing an account and starting participant payments can be completed within 24hrs so long as the agreement is signed, we have the participant information and the funds to distribute. Please note that the Recurring Benefit Payment System is independent of PenChecks online processing system, Benepay, used for non-periodic payments. If you have any questions regarding the Recurring Benefit Payment Service, please call our Client Service Center toll-free at (800)541-3938.