

# PENCHECKS TRUST RESOLUTION SERVICES: UNCASHED CHECK SERVICE

UnCashed distribution checks from a retirement plan pose a very serious problem. Unsettled plan payments (UnCashed Checks), create significant Plan/Custodian fiduciary and compliance issues. In addition, resolving them is complicated and takes time and effort away from more productive business endeavors. At no cost to the Plan or Custodian, PenChecks UnCashed Check Solution offers compliance, simplicity and peace of mind.

## WHY UNCASHED CHECKS ARE A MAJOR CONCERN?

Every UnCashed distribution payment represents a former plan participant who never received their retirement benefit. A Fiduciary (Plan Trustee or Custodian) has an explicit responsibility to ensure that plan participants receive the benefits they are entitled to. The most common mistake Fiduciaries make is to assume it is no longer their problem once a check is issued. Additionally, failure to comply with state escheat regulations for uncashed checks (after specified dormancy periods) can result in severe penalty levies.

## HOW CAN PENCHECKS HELP SOLVE THIS PROBLEM?



PenChecks UnCashed Check Solution Service will:

- Reunite former plan participants with their retirement benefits
- Reduce outstanding fiduciary liability for Trustees/Custodians
- Comply and satisfy state escheat laws for uncashed checks

For more information  
[www.PENCHECKS.COM](http://www.PENCHECKS.COM)  
 800.541.3938



FEATURES AND BENEFITS	TAXES WITHHELD FROM ORIGINAL DISTRIBUTION	NO TAXES WITHHELD FROM ORIGINAL DISTRIBUTION
Set-Up	One-step, Fast and Simple Transfer of Data	One-step, Fast and Simple Transfer of Data
Cost	No Cost to Plan/Custodian; Fees Charged Directly to Participant Account	No Cost to Plan/Custodian; Fees Charged Directly to Participant Account
Participant Location	Search & Update Original Payee's Address	Search & Update Original Payee's Address
Participant Notification	Notify Original Payee of Unpaid Benefit	Notify Original Payee of Unpaid Benefit
<b>FOR RESPONSIVE PARTICIPANTS</b>		
Identity Adjudication	Patriot Act Compliant	Patriot Act Compliant
Disbursement of Funds	Check, ACH, Wire and Debit Card	Check, ACH, Wire, Debit Card Fed & State withholding, remittance and filing as required
<b>FOR NON-RESPONSIVE PARTICIPANTS</b>		
Online Registry	Registration with National Registry of Unclaimed Retirement Benefits	Registration with National Registry of Unclaimed Retirement Benefits
Funding Vehicle	Establish & Administer Taxable Savings Account (Investments Comply with DOL Safe Harbor)	Establish & Administer DOL Safe Harbor Compliant Default / Missing Participant IRA
IRS Filings	Issue Required Annual Form 1099INT with IRS	Issue Required Annual Form 5498 with IRS
State / DOL Compliance	Escheat to State of Last Known Residence	Maintain IRA until participant is located or mandatory RMDs

To learn more about PenChecks UnCashed Check Solution and stale-dated check issues, visit us online at [www.MISSINGDISTRIBUTEES.COM](http://www.MISSINGDISTRIBUTEES.COM).

# PENCHECKS TRUST RESOLUTION SERVICES: ABANDONED PLAN PROGRAM

## PENCHECKS' ABANDONED PLAN PROGRAM

Retirement plans that have been abandoned by Plan Sponsors/Trustees present unique and challenging circumstances for Plan Participants, Custodians and Administrators. PenChecks Trust Company of America (PTCA) provides a simple solution to properly terminate abandoned plans.

### WHY ARE ABANDONED OR ORPHANED RETIREMENT PLANS A PROBLEM?

- The company sponsoring the Plan (Plan Sponsor) goes out of business – no more place of business or contacts
- The Plan Fiduciary fails to fulfill their responsibility of administering & terminating the Plan
- The Custodian/Trustee of Plan Assets will only act upon receiving instructions from the Plan Fiduciary – who is missing
- Plan administration and support services are generally no longer provided by any party

The end result is that a Custodian/Trustee holds Plan Assets for the benefit of Plan Participants with no direction, administration or support from a Plan Fiduciary or Administrator

#### PLAN PARTICIPANT

- Loss of Communication with Plan Sponsor and/or TPA
- Unable to move funds - Custodian/Trustee must have instructions from Plan Fiduciary
- Investment Risk - No one monitoring investments
- Custodial Fees Continue
- Overall Confusion and Frustration

#### CUSTODIAN/TRUSTEE OF ASSETS

- No plan fiduciary to provide direction
- Increased fiduciary liability to custodian/trustee
- Increased Cost – more administration and no additional compensation
- Negative customer experience - plan participants are frustrated
- Potential litigation from participants

#### PLAN ADMINISTRATOR

- Without Fiduciary Direction there is no authority to continue to work
- No additional compensation
- Negative plan participant experience

ASAP

## AUTOMATED SOLUTION FOR ABANDONED PLANS PROGRAM FEATURES

- PTCA serves as Successor Custodian OR
- PTCA will partner with Custodian/Trustee to perform back office abandoned plan termination services
- Compliance with the DOL Abandoned Plan Termination Requirements
  - » PTCA requests Qualified Termination Administrator (QTA) designation with DOL
  - » Terminate/Wind Down the Plan according to DOL and QTA requirements
- Locate and Notify Plan Participants of Pending Distribution
  - » Perform an address search and locate participants
  - » Distribute Funds to Participants – rollover or lump sum, check, wire or Debit Card
  - » Notify Participants of pending distribution - Provide IRS 402(f) Notice
  - » Federal & State Taxes – Withhold, remit and file all necessary taxes and tax forms
  - » Collect Participant Benefit Election – electronic or paper forms
- Establish Missing Participant IRA for non-responsive participants
- Register Missing Participants with the National Registry of Unclaimed Retirement Benefits
- Locate and partner with former Plan Administrator to help close the plan

For more information  
www.PENCHECKS.COM  
800.541.3938

