



# FINDING FORMER PLAN PARTICIPANTS WHO LEAVE 401(k) FUNDS BEHIND

If you've tried to locate employees who have left your company and their 401(k) funds behind, they don't respond to your communication or may be deceased, what is your responsibility to them?

As a plan sponsor, your fiduciary role extends to all plan assets, including those of "missing" plan participants. These participants present a particular challenge as they near the required minimum distribution (RMD) age of 72. The Department of Labor (DOL) wants participants to receive their benefits and the IRS wants to tax the distribution.

## DOL Highlights the Issue

The DOL is putting the spotlight on missing participants, which means, if your plan is audited, the DOL will take a close look at your policies and procedures for locating those participants. If you don't have a process in place, now is the time to take care of that and be sure to document it, so you can be prepared should the DOL audit your plan. Your recordkeeper may already be doing this for you.

## Limited Guidance So Far

The challenge you'll face is that, so far, the DOL hasn't provided much guidance on this issue in terms of ongoing plans. However, the guidance offered for terminated 401(k) plans may be helpful for ongoing plans too (See minimal steps below). The IRS has provided a little help as far as how to report and withhold from plan distributions for a recipient who has received but did not cash his or her check.

## Legislation Proposed to Find Participants

A bipartisan bill was introduced this summer that tasks the Treasury Department with building an online system to track accounts, so that, in essence, a worker can click a button and locate their previous employer-sponsored retirement accounts. The retirement services industry supports the measure.



## Next Steps: Ways to Locate Participants

For now, here are minimal steps the DOL suggests you take to search for participants:

1. Send a notice to the participant via certified mail
2. Check employer and related plan records
3. Send an inquiry to the designated beneficiary of the missing participant
4. Use free internet search tools, such as public record databases

If unsuccessful, you can try additional ways, which may involve fees:

5. Fee-based internet search services
6. Commercial locator services
7. Credit reporting agencies
8. Information brokers
9. Investigative services

**Sources:**

["How You Should Deal With Missing Plan Participants,"](#) Ary Rosenbaum, JD Supra.

["'Lost and Found' 401\(k\) Bill Resurfaces,"](#) Investment News.

["Finding Lost Participants: Best Practices From DOL Guidance,"](#) Findley.

This article is limited to the dissemination of general information pertaining to Mariner Wealth Advisors' investment advisory services and general economic market conditions. The views expressed are for commentary purposes only and do not take into account any individual personal, financial, or tax considerations. As such, the information contained herein is not intended to be personal legal, investment or tax advice or a solicitation to buy or sell any security or engage in a particular investment strategy. Nothing herein should be relied upon as such, and there is no guarantee that any claims made will come to pass. Any opinions and forecasts contained herein are based on information and sources of information deemed to be reliable, but Mariner Wealth Advisors does not warrant the accuracy of the information that this opinion and forecast is based upon. You should note that the materials are provided "as is" without any express or implied warranties. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Past performance does not guarantee future results. Consult your financial professional before making any investment decision.

Mariner Wealth Advisors ("MWA") is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. MWA is in compliance with the current notice filing requirements imposed upon registered investment advisers by those states in which MWA maintains clients. MWA may only transact business in those states in which it is notice filed or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by MWA with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about MWA, including fees and services, please contact MWA or refer to the Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). Please read the disclosure statement carefully before you invest or send money. Securities Offered through MSEC, LLC, Member FINRA & SIPC, 5700 W. 112th Suite 500, Overland Park, KS 66211.