

Parker Brothers 401(k) Plan

Policies and Procedures

The following are basic policies and procedures that should be followed for the above Plan. This is not a comprehensive list of all internal procedures in relation to the Plan.

You should add to this document as you develop additional processes for maintaining the Plan in compliance with the law and the goals of the Company. Further, you should make sure that all the procedures discussed in this document align with what you actually do, and adjust the language of this document where appropriate. **It is very important that this document reflect your actual practices in relation to the Plan and that it is modified as your practices change.**

These Policies and Procedures are being provided to you as a courtesy of Ferenczy Benefits Law Center (FBLC) to assist you in servicing your clients and ensuring that they are following proper practices as they administer their plans. They must be modified and augmented to reflect actual processes of the Plan Sponsor, Administrator, and other Plan principals.

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ERISA Players

There are many individuals and entities involved in operating the Plan. They include:

The Company

Because it has decided to offer the Plan, the Company is commonly referred to as the “plan sponsor.” The sponsor is required to make the contributions to the Plan it has committed to make and may be able to make additional contributions when it wants to do so. The Company is primarily responsible for the Plan, although it may delegate specific responsibilities to others.

The Plan Administrator

The Plan Administrator is designated in the Plan document and is primarily responsible for making sure that the Plan is administered correctly. The Code and ERISA both assign duties to the Plan Administrator.

The Plan document designates the Company as the Plan Administrator. The Company may assign this duty to someone else – most commonly a committee made up of company employees and sometimes outside service providers.

The Plan Administrator is responsible for exercising discretion with regard to the Plan. It will decide, based on the Plan’s terms and the law, such questions as who is eligible to participate, how contributions will be allocated, how benefits are earned, and what should be paid to participants when they leave the Company. The Plan Administrator commonly hires any service providers for the Plan and oversees both the work they do and the fees they charge.

In sum, the Plan Administrator is where the “buck stops.”

If a Plan Committee is appointed, the Company should adopt Committee Bylaws or procedures that outline how the Committee is staffed, operates, and the extent of its authority.

The Trustee

The law requires that qualified plan contributions be placed into trust and segregated from the assets of the Company. The individual(s) or entity that acts as trustee is responsible for safeguarding these assets. In addition, in some situations, the trustee is responsible for making investment decisions for the trust.

The Recordkeeper

The Recordkeeper keeps track of the amounts in each participant’s account, as well as the accounting for the Plan in total. The Recordkeeper follows who is in the Plan, the Plan’s contributions on their behalf, and investments and the returns on the investments in each participant’s account. Commonly, the Recordkeeper also acts as an information source for the Participants who want to find out about their accounts, issuing quarterly statements of the accounts and coordinating the transactions for the participants’ accounts.

The Third-Party Administrator (TPA)

The TPA commonly performs tasks intended to ensure operational compliance of the Plan with the Plan document and the law. These tasks include doing annual analysis (usually called “testing”)

to make sure that the Plan is compliant with mandates that the Plan not be discriminatory in favor of highly compensated employees. This analysis commonly involves several components.

The TPA often acts as a liaison between the Plan Administrator and the Recordkeeper and may also perform some tasks for the Plan Administrator as a delegate of those duties.

Investment Advisors and Investment Managers

Investment Advisors (“IAs” or “3(21) fiduciaries”) and Investment Managers (“IMs” or “3(38) fiduciaries”) are professionals who help the Plan Administrator in dealing with the Plan’s assets. As noted earlier, plan assets are held in trust, and someone must determine how those assets are invested. Sometimes, the trust investments are all managed by a fiduciary for the benefit of the participants. Other times, most commonly with 401(k) plans, participants are given the opportunity to decide how their own accounts are invested, usually from a lineup of options selected for them. Investment advisors provide advice to those who will decide the assets in which the plan is invested. Investment managers will actually choose the investments for the plan and monitor their performance.

Plan Auditor

If the Plan has more than 100 participants with accounts in the Plan or if the trust contains sufficient unusual assets, the law requires that an independent CPA audit the Plan each year and issue an opinion based on this audit. This audit is centered on ensuring that the assets of the Plan are properly safeguarded, but the auditor will also check some of the Plan’s compliance with the laws.

Fiduciaries

The law defines certain people or entities as fiduciaries, and fiduciaries owe special duties to the Plan and the participants.

The technical definition of a fiduciary is someone who:

- Exercises discretionary authority or discretionary control with regard to the plan or exercises any authority or control respecting management of the plan or disposition of the plan’s assets,
- Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so; or
- has any discretionary authority or discretionary responsibility in the administration of the plan.

People or organizations may become fiduciaries by being named in the document or by assuming roles that fit these descriptions. The Plan Sponsor, Plan Administrator, and trustee are always fiduciaries.

Examples of those who may assume fiduciary roles without being named in the document include:

- *Investment fiduciaries.* Investment fiduciaries are those who are responsible for deciding what investments to offer in the Plan. They may be employees or owners of the Plan Sponsor or outside individuals. Often, Plan Administrators hire 3(21) investment advisors or 3(38) investment managers to be investment fiduciaries to the Plan.
- *3(16) fiduciaries.* Sometimes, Plan Administrators delegate certain fiduciary duties to outside service providers who, because of their knowledge and expertise, are in a better position to make the discretionary decisions required. “3(16)” refers to the ERISA section that defines “fiduciary.”

Fiduciaries are obligated to do the following:

- *Be loyal to Plan participants.* In particular, they must operate for the exclusive benefit of the Plan and its participants for the sole purpose of providing benefits and defraying Plan expenses. Part of this duty requires the fiduciaries not to enter into transactions in relation to the Plan themselves, particularly if they will financially benefit from the transactions.
- *Know what they are doing.* Fiduciaries must perform their duties with the skill, care, and diligence of a prudent person who is familiar with these duties. If the fiduciaries are not knowledgeable about what they are doing, they have a responsibility to seek assistance and/or to become educated.
- *Diversify investments to avoid the risk of large losses.* If the fiduciary is actually making the Plan investment choices, the portfolio must be diversified. If the fiduciary is choosing options for investment that are made available to participants, who will make their own account investment decisions, the diversification requires that the available options represent a sufficiently broad group to permit the participants to diversify their accounts.
- *Follow the terms of the Plan.* The fiduciaries must know about and apply the provisions of the Plan in the Plan’s operations.

If the fiduciary does not fulfill these duties, he or she can be *personally liable* for losses that result from this failure.

The Plan Document

While the Plan document is not a person, it is important to recognize its role. The Plan document is the final say about how the Plan operates. It is the “bible” of the Plan. One of the main ways for a Plan to lose its qualification is for it to be operated differently than the Plan provides. Therefore, the first place that the Plan Administrator should go when a question arises about the Plan is the document.

Plan Document Procedure

The Plan is a 401(k) profit-sharing plan. The Plan must be in written form. Commonly, plan documents are divided into two sections: the Adoption Agreement, which contains the variable provisions of a plan document that enables the Plan Sponsor to tailor the plan to its needs; and the Basic Plan, which contains the provisions that all qualified plan documents must have. The Adoption Agreement must be signed by a representative of the Plan Sponsor and sometimes also by the Trustee. Usually, your attorney, your TPA, or your recordkeeper will provide your plan document. Your Plan document may also be modified from time to time. These modifications are called "amendments," and usually must be signed by the Plan Sponsor. If the plan document is amended in its entirety, that is often called a "restatement," and that document will replace any earlier documents.

You must keep copies of all signed plan documents and amendments, even those that are superseded by a restatement, for the entire life of the Plan plus seven years after termination. **Do not dispose of Plan documentation.**

When the Plan document is amended or when a procedure is modified that affects the operations of the responsible parties shown above, it is critical that those changes are communicated to the responsible parties, both inside the Company and at the service providers' offices. That communication should be in writing (including emails), so that it can be retained in the records of the responsible individuals. Sending copies of the signed amendments and/or resolutions of the Company or the Plan Committee is an excellent means of notifying others of such changes. The HR Director and/or the Committee Chair are responsible for making these notifications.

Plan Officials and Service Providers- Contact Information

The following are the people and entities that have been retained to perform the various functions for the Plan, what they are assigned to do, and how and who to contact when issues arise.

Position	Responsibilities	Main Contact	Contact Information ¹
Plan Sponsor	Adopt and amend the Plan, select the Plan's provisions, appoint the Plan Administrator, sign annual return for the Plan. Make and transmit contributions to the Plan on a timely basis. Provide payroll and Company information to the Plan Administrator to enable it to enroll participants and provide benefits to terminated participants. Oversee the operations of the Plan.	Janine Sliders, HR Director Parker Brothers, Inc. 984 Park Avenue Atlanta, GA 30123	X 1234
Plan Administrator	Maintain plan in compliance with its document and with the law; make decisions about how to operate the Plan, resolve ambiguities, interpret Plan document, retain service providers. Default identity is the Plan Sponsor; may be Committee. Some duties may be delegated to service providers.	Plan Committee Parker Brothers, Inc. 984 Park Avenue Atlanta, GA 30123	George Parker, CEO Charlie Parker, CFO Suzy Yahtzee, Controller Janine Slider, HR Director
Recordkeeper	Receive all from the Employer about employees and contributions; account for all amounts deposited to and paid from the Plan and reflect all transactions to the Participants' accounts. Prepare financial statements for the Plan. Perform certain administrative functions.	The Standard	Renee Risk (123) 456-7890 x 5432 Renee.risk@standard.com
Investment Manager (if applicable)	Assists the Plan Sponsor in making decisions about the Plan's portfolio. Select and monitor investment choices offered to the Participants. Report periodically to the Plan Sponsor regarding investment performance and decisions regarding retaining and replacing investment options.	Stratego Investment Services	Ben Stratego 987-654-3210 x 52 ben@cataan.com

¹ Note for POP Attendees: Note, other than the information for Candace Jackson of Moore Colson, none of the information on this page is real. However, feel free to copy down Candace's contact information for future reference!

Investment Advisor	Provide the Plan Sponsor (and, potentially, Participants) with advice regarding plan investments; assist the Plan Sponsor or other investment fiduciary in selecting, monitoring, and replacing Plan investment options, assist in enrolling Plan participants as they become eligible; assist in advising Participants of their distribution options	Stratego Investment Services	Ben Stratego 987-654-3210 x 52 ben@strategoinvestments.com
TPA	Assist Plan Sponsor in Plan design and re-design; assist in creation of and adoption of documents; perform annual compliance testing; prepare Form 5500 for signature by Plan Sponsor and Plan Administrator; coordinate and liaison with Recordkeeper and Financial Advisor as to Plan operations; assist in providing information to Plan auditor; assist with IRS and DOL examinations and inquiries, answer compliance-related questions.	We're Boggled Administrators	Nancy Boggle (192) 837-4655 nboggle@boggled.com
Trustee	Holds and safeguards Plan assets	Monopoly Bank and Trust	Milburn Pennybags (101) 202-3034 mpennybags@mb&t.com
Plan Auditor	Perform annual audit and issue audited financial statements	Moore Colson	Candace Jackson (770) 989-0028 cjackson@moorecolson.com

Internal Responsible Parties

The following Company employees are responsible for Plan-related tasks, their contact information, and who will back up these responsibilities if the assigned party is unavailable.

Title	Responsibilities	Identification of Responsible Employee	Back-up Person (if responsible person is unavailable)
CEO	Assign and monitor all Plan responsibilities	George Parker	Charlie Parker, CFO
Payroll	Reporting payroll information to the individual who determines when employees become eligible periodically and at year-end; ensure that elections as to salary deferrals are entered into the payroll system and check for accuracy; advise party responsible for actually transmitting the salary deferral contribution (and possibly the matching contribution) to the Trustee of the amount and the deadline for deposit	Teddy Winks, Payroll Manager	Assistant Payroll Manager If not available, see: Suzy Yahtzee, Controller
Human Resources	Ensuring enrollment of participants and distribution and completion of forms; retention and safeguarding of participant elections and beneficiary designations; providing annual and occasional notices to participants; reporting events such as termination of employment or significant employee population changes to the Recordkeeper and the TPA; assisting in communications of Plan information to participants; respond to participant questions about the Plan; advising Plan sponsor of employee relations issues related to the Plan; act as manager of Recordkeeper, TPA, and other service providers	Janine Sliders, HR Director	Suzy Yahtzee, Controller
Finance	Determine the impact of financial decisions related to the Plan; determine amounts available for employer contributions; do financial planning for the Plan Sponsor in relation to timing and amounts of contributions; review and pay fees in relation to administration that are not paid by the Plan; assist Plan Sponsor in evaluating performance of investment manager and advisor	Charlie Parker, CFP	Suzy Yahtzee, Controller
Plan Committee Chair and Members	Meet periodically to discuss and decide issues in relation to the Plan's administration; resolve questions and	Chair: George Parker, CEO	

	controversies with regard to Plan interpretations and operations; act as Claims and Appeals Committees when participants apply for benefits; hire and monitor service providers; act as liaison between service providers and the Company; advise and assist in the resolution of controversies; retain administrative records	Members: Charlie Parker, Suzy Yahtzee, Janine Sliders Frequency of meetings: monthly	
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Contact Information and Passwords for Plan-Related Systems

The HR Director will maintain a master list of the means by which the Company may communicate with and access systems for the service providers. Each person on the above list is to be provided only with the access needed to fulfill his or her role.

When Internal Personnel Changes

The HR Director is responsible for taking the following steps when anyone on this list terminates employment or is, for any reason, no longer responsible for the items discussed, the Company must take the following actions:

1. Send a written communication to the service providers that this person is no longer their contact and provide a substitute contact person. If that person has not yet been hired, the HR Director should be provided as the substitute contact person. When the person to fulfill the position is finalized, another communication should be sent to that effect.
2. The written communication must also advise the service providers that any access to any Plan information or systems provided to the person being replaced should be terminated immediately. Again, the replacement person must be provided with his or her own access. **Do not simply carry forward the old username and password.** This would enable the person who left to continue to have access to the system and information.
3. Make sure that the replacement person is provided with all information and procedures needed to fulfill the roles they have taken on.

Procedures for Service Agreements

All service providers to the Plan must provide written service agreements that outline the responsibilities that they fulfill and the fees to be paid.

The Plan Administrator is responsible for reviewing all service contracts to ensure that they are reasonable and that the fees to be charged are commensurate with the tasks to be performed. The Plan Administrator must ensure that the contracts may be terminated within a reasonably short period of time without excessive financial consequences to the Plan.

Section 408(b)(2) of ERISA requires that the service provider give to the Plan Sponsor or Plan Administrator complete information of the fees to be charged to the Plan or Plan Sponsor, as well as any subsidiary compensation to be received by the service provider. This must be received prior to entering into the contract, and must be provided within 60 days of when the fees are changed. A failure to obtain this information may subject the Plan Administrator to charges of fiduciary breach. If the service provider does not make this information available, the Plan Administrator must refuse to enter into the service contract. If the failure relates to a change of fees in an existing contract, a refusal or failure of the service provider to give this information may require that the Plan Administrator terminate termination of the contract and file a report with the DOL.

All service contracts must be retained in the Plan's files.

Procedures for Determining Salary Deferrals

Each payroll period:

1. 5 days before each payroll period, check reports from the Recordkeeper and any elections provided directly to HR to determine if there have been any changes to any participant's salary deferral rates. Register such changes on the payroll system (and create procedures for that process and how to document the changes).
2. Determine the payroll period's salary deferral for each person.
 - a. Make sure that only the correct compensation is included for this purpose. Per Plan Section 1.8, included compensation includes only the following items: all W-2
 - b. There is an annual limit on salary deferrals. For this calendar year, the limit is \$23,000 (\$30,500 if the participant will turn at least age 50 before the end of the calendar year. Make sure the total deferrals for the calendar year do not exceed this amount (turn off deferrals for the participant once the maximum is reached).
 - c. Confirm for such participant whether the deferral election provides for pre-tax or Roth deferrals:
 - i. Pre-tax deferrals are included for FICA withholding but not income tax withholding.
 - ii. Roth deferrals are included for both FICA and income tax withholding.
 - d. Prepare report for Recordkeeper, reflecting the deferrals for each participant and the total to be transmitted.
 - i. The amount transmitted to the Recordkeeper must match the total of the deferrals for all the participants.
3. If determined on a payroll basis, calculate the matching contribution for each participant.
 - a. The Plan limits matching contributions to 6% of compensation, calculated on a [X] per payroll [] annual basis.
 - b. Prepare a report for the Recordkeeper, reflecting the matching contributions for each participant and the total to be transmitted.

- i. The amount transmitted to the Recordkeeper must match the total of the matching contributions for all participants.
4. Advise the Financial Department to contribute the required amount.
5. Deadline for deposit for salary deferrals: within 2-3 days of the payroll date (or as quickly as is normally possible).
6. Deadline for deposit of matching contributions tax return due date (including extensions) for the return including the deduction for matching contributions. However, it is our policy to match deferrals each payroll period at the same time as deferrals are deposited.
7. Confirm with Recordkeeper that the contributions have been allocated to the accounts and that there has been no error preventing allocation.

Procedures for Transmitting Contributions

<Insert procedure from recordkeeper here>

Procedure for Processing Termination Distributions

When a participant terminates employment with the Company, the HR Director should send the participant's name, date of termination, and hours of service for the calendar year to the TPA, Nancy Boggle. Nancy will coordinate the termination process with the recordkeeper, the Standard.

Participants may apply for distributions of their benefits on termination of employment or upon hardship through Nancy and the Standard. Refer them to the Standard's website and/or toll-free phone number.

Participant Loans

All loan requests should be transmitted to the TPA (Nancy Boggle) for processing. Nancy has the Loan Procedure. In addition, a copy of the procedure is kept in the document file by the HR Director.

QDRO Procedure

When participants are divorced or a court is determining the ownership of marital assets, it is possible that a portion of the participant's account will be assigned to his or her spouse, former spouse, children, or dependents (called the "alternate payee"). This assignment occurs through a Qualified Domestic Relations Order or QDRO. (Note, the above listed individuals are the **only** people who may be assigned a participant's benefits. Any QDRO that purports to assign a plan interest to anyone else must be rejected.)

The QDRO procedure is attached.

The TPA is responsible for reviewing proposed QDROs received from participants and/or alternate payees. The proposed QDRO should be transmitted to Nancy Boggle for this process. Nancy has

the QDRO procedure and will provide it to the parties, as required by law. A copy of the procedure is kept in the Plan Document files in the HR Director's office.

The following dates are important for 401(k) plan operations. Please note that on your calendar.

January 1	First day of the plan year. Employees may become eligible to participate. Be sure you have received participant information and that they provide salary deferral elections and investment elections. Provide information to payroll department and recordkeeper.
January 31	Deadline for providing Form 1099-R to participants who received distributions in the prior calendar year.
February 14	Deadline for providing participants with quarterly benefit statement.
February 28	Deadline for filing Form 1099-R with IRS (if not filed electronically). Making distributions made in prior calendar year.
March 15	For rollover distributions to participants and hardship withdrawals: Need to file Form 1099-R by this date (unless waived extended) for them to be deductible for the year.
	Deadline for distributing 1099-Rs to participants without meeting 10% early withdrawal penalty.
	Deadline for filing Form 1099-R with the IRS.
April 1	Deadline for first required minimum distribution for participants who attained age 72 in the calendar year.
April 15	Deadline for distributing Form 1099-R to participants who received distributions in excess of \$3,000 for 2023. (2023) for participants over age 72 during the calendar year if the plan permits catch-up contributions.
	The return due date for C-corporations and non-qualified pension plans to make their contributions by this date (unless waived extended) to remain deductible for the prior year.
May 15	Deadline for providing participants with quarterly benefit statement.
June 30	Deadline for distributing ABAPCT release without meeting 10% early withdrawal penalty for EACA.
July 31	Form 2290 due to the DOE unless extended. Form 2290 due to report and pay any excise taxes to the IRS. If extension desired, deadline to file Form 2290 is October 15th.
	Deadline for providing participants with Summary of Material Modifications for amendments adopted in prior year.

401(k) Compliance Calendar (for Calendar Plan Years)

The following dates are important for 401(k) Plan operations. Please note them on your calendar:

January 1	First day of the plan year. Employees may become eligible to participate. Be sure that they receive enrollment information and that they provide salary deferral elections and investment elections. Provide information to payroll department and recordkeeper.
January 31	Deadline for providing Forms 1099-R to participants who received distributions in the prior calendar year.
February 14	Deadline for providing participants with quarterly benefit statement.
February 28	Deadline for filing Forms 1099-R with IRS (if not filed electronically) regarding distributions made in prior calendar year.
March 15	Tax return due date for S-corporations and partnerships with calendar years. Need to make plan contributions by this date (unless returns extended) for them to be deductible for prior year. Deadline for distributing ADP/ACP refunds without incurring 10% excise tax. Deadline for electronic filing of Forms 1099-R with the IRS.
April 1	Deadline for first required minimum distribution for participants who attained age 73 in prior calendar year.
April 15	Deadline for distribution of deferrals in excess of the \$23,000 for 2023 (\$30,500 for participants over age 50 during the calendar year if the plan permits catch-up contributions) Tax return due date for C-corporations and sole proprietorships. Need to make plan contributions by this date (unless return is extended) for them to be deductible for the prior year.
May 15	Deadline for providing participants with quarterly benefit statements.
June 30	Deadline for distributing ADP/ACP refunds without incurring 10% excise tax for EACAs
July 31	Form 5500 due to the DOL unless extended. Form 5330 due to report and pay any excise taxes to the IRS. If extension desired, deadline to file Form 5558 to obtain extension. Deadline for providing participants with Summary of Material Modifications for amendments adopted in prior year.

August 15	Deadline for providing participants with quarterly benefit statement.
September 15	Extended deadline for filing tax return for S-Corporations and partnerships. Contributions must be deposited by this date for them to be deductible for the prior year. Form 5500 due to DOL if extended in connection with company tax return extensions.
September 30	Deadline for providing participants with Summary Annual Report.
October 1	Beginning of period for providing annual notices to participants, including 401(k) safe harbor, automatic contribution arrangement, qualified automatic contribution arrangement, and qualified default investment alternative notices.
October 15	Deadline for retroactive amendments to correct coverage or nondiscrimination testing failures. Tax return due date for extended C-corporation tax returns. Contributions must be deposited by this date to be deductible for the prior year. Due date for Form 5500 extended through use of Form 5558.
November 15	Deadline for providing participants with quarterly benefit statement.
December 1	Final deadline for 401(k) safe harbor notice, QDIA notice, automatic enrollment notice, QACA notice to be provided to participants.
December 31	Required minimum distributions for the year are due. Deadline for correcting failed ADP/ACP test for prior year. Deadline to adopt discretionary amendments to the plan. Deadline to modify safe harbor status of plan.



[Plan Name]

Record Retention Policy

It is the Plan Sponsor's obligation to maintain records and documents in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan Sponsor may engage certain service providers to assist with the administration of its Plan, and some of those providers may retain Plan records, but it is ultimately the responsibility of the Plan Sponsor to maintain its own records as the primary fiduciary.

Rules to Keep Electronic Records

Records may be maintained in hard copy (paper), electronic files, or a combination of both. If electronic retention systems are utilized, the system must have reasonable controls to ensure integrity, accuracy, authenticity, and reliability. The records must be maintained in a safe, accessible manner that permits easy location and retrieval in the event that they need to be examined or produced.

Electronic records must be maintained in such a way as that they can be readily convertible to hard copy (paper) format. Participants have the legal right to request copies of Plan documents, Summary Plan Descriptions, Summary Annual Reports, trust reports, service contracts, etc.¹ If the participant consents to have these materials sent to him or her electronically, it is legally permissible to do so.² Otherwise, the Plan Sponsor must deliver the requested documents in paper to the participant free of charge.

There are different rules and retention requirements for the various types of documents.

Retention Rules for Plan Documents

Plan Documents must be kept throughout the life of the Plan,³ as they are needed to determine a participant's benefit. Once the statute of limitations on legal action for benefits or fiduciary breach has expired (i.e., seven years after the full termination and distribution of Plan assets), plan documents may be destroyed. This means that all Plan documents, amendments, interim amendments, restatements, loan policies, QDRO policies, etc. must be retained, starting with the inception of the Plan, through this time.

¹ ERISA § 104(b)(4).

² 29 CFR 2520.104b-31.

³ ERISA § 209.



Additionally, the following documents should be retained in the Plan Document folder:

- Summary Plan Description
- Modifications to the Summary Plan Description (also called a "Summaries of Material Modification")
- Corporate Actions relating to the Plan – minutes, agendas, handouts from meetings, etc. involving Plan-related actions
- Service Agreements with Plan service providers
- Fidelity Bond
- Fee Disclosures required under ERISA § 408(b)(2)

Retention Rules for Plan-Level Documentation

The following documents must be retained for six-years from the date the associated Form 5500 is filed:⁴

- Form 5500 filings and all associated Schedules
- Financial reports
- Audited financial statements
- Vouchers
- Worksheets
- Receipts
- Annual Valuations – including participant balances
- Annual Trust Reports from the asset custodian
- Annual Nondiscrimination Testing (ADP/ACP, etc.)
- All participant notices (safe harbor, auto enrollment, QDIA, Summary Annual Reports, participant fee disclosure, black-out notices, etc.)

Retention Rules for Participant-Level Documentation

The following participant documents must be retained indefinitely:⁵

- Proof of date of hire, rehire, and termination
- Proof of Participant eligibility date
- Proof of Participant compensation
- Participant participation (deferral) election form
- Contribution election forms

⁴ ERISA § 107.

⁵ ERISA § 209.



SAMPLE RECORD RETENTION POLICY

- Participant's designated beneficiary form
- Records of any distribution requested by the participant
- Proof of distributions actually made
- Rollover requests
- Qualified Domestic Relations Orders and the Plan correspondence accepting or denying the qualification of such orders
- Plan loan documentation and proof of payments

Records sufficient to permit a Plan Sponsor to determine the benefits due or which may become due to a participant are covered under this "indefinite" standard.

[Company Name] – Internal Procedure for Retention

Individual responsible for maintaining Plan-related records: **<insert name or position>**

Location of documents: **<insert>**

Timing for the purging of documents: **<insert rule, such as October of each year, every April 1 and October 1>**

Any overrides to the retention periods indicated above (should be longer, not shorter): **<insert>**



In accordance with the guidance provided by the Department of the Labor ("DOL") and the Internal Revenue Service in the form of Compliance Assistance Release No. 2021-01 and Revenue Ruling 2019-19, respectively for each agency, a plan fiduciary should have procedures in place that both identify participants with uncashed checks and outline how to proceed once an uncashed check is identified. The DOL has determined that the presence of uncashed checks and a failure to have adequate procedures for identifying and resolving those checks and the payment of benefits to the affected participants is a potential fiduciary breach.

Identification of Uncashed Checks

On a [quarterly][semi-annual] basis, the Plan Administrator should run from Recordkeeper website a report showing all checks issued by the Recordkeeper, or its delegated agent, on behalf of the Plan that remain outstanding as of the date of the report. If no such report is readily available for the Plan Administrator to access, a request will need to be submitted to the designated point of contact at the Recordkeeper/delegated agent.

Data on the report should identify:

- Date of check
- Name of Participant
- Name of Payee (e.g., the participant or the recipient trustee, if a rollover of the benefit was intended)
- Address of Payee/Location check mailed to
- Amount of check
- Withholding taken, if any
- Identification if forced cash-out under \$1,000, if available

Once the report is obtained, the Plan Administrator will need to separate the list into three categories. 1) Amounts intended to be rolled over to IRA/Other Qualified Plan; 2) Intended Lump Sum cash distributions requested by participant; and 3) Forced Cash-Outs of less than \$1,000.

Required Timing and Procedures

A. Rollover Requests

1. Plan Administrator should review a copy of the distribution form to confirm whether the mailing information on the report appears to be correct.
2. Plan Administrator should contact the participant via both phone and email to notify him/her of the delay and request assistance to obtain corrected information, if needed.
3. If participant cannot be contacted or does not respond within five (5) business days, Plan Administrator should contact intended rollover recipient entity and confirm address information.
4. If participant is nonresponsive after five (5) business days, Plan Administrator should send a certified letter to the participant's last known address requesting that s/he contact Plan Administrator regarding the distribution. If phone number appears to be a cellphone, send a text with similar request.



5. If the participant is unable to be located, Plan Administrator must search to locate the missing participant in accordance with the DOL's Field Assistance Bulletin 2014-01, including (at a minimum), the following steps. (Certain vendors, such as XXX, have a fee-based locator service that will handle most or all of these steps):
 - a. Check other plan and employer records for updated address;
 - b. Use another commercial locator service (any fees assessed may be applied to the affected participant's account);
 - c. Contact designated beneficiary on file and coworkers (perhaps through intranet posting); and
 - d. Use free electronic search tools (e.g., Facebook, Snapchat, Google, etc.).
 6. Document all attempts to locate and contact participant and rollover recipient for the plan's records.
 7. If neither participant nor rollover recipient responds within fifteen (15) business days to confirm correct issuing information, notify Recordkeeper/delegated agent to stop payment on original check and return funds to the plan account in the name of the participant until such time as the participant contacts the plan again.
 8. If contact is made with either participant or entity and correct rollover recipient information has been received, stop payment on original check, reissue the check per revised written instructions received by Plan Administrator, and submit to rollover recipient entity.
 9. Advise participant of steps taken and provide contact information for participant questions.
- B. Lump Sum Requests – Affirmative Requests by the Participant**
1. Plan Administrator should review a copy of the distribution form to determine whether the mailing information on the report appears to be correct.
 2. Plan Administrator should contact participant via both phone and email to notify him/her of the delay and request assistance to obtain corrected address information.
 3. If participant is nonresponsive after ten (10) business days, send a certified letter to the participant's last known address requesting that s/he contact Plan Administrator regarding the distribution. If phone number appears to be a valid cellphone, send a text with similar request.
 4. If participant is still unable to be located:
 - a. Check with HR file, other benefit files, etc. to locate an updated address for the participant.
 - b. Contact co-workers, perhaps using posting on company intranet, to obtain updated address for the participant.
 5. If the participant is unable to be located, the Plan Administrator must search to locate missing participants in accordance with the DOL's Field Assistance Bulletin 2014-01 (see Item A.4 above).
 6. If participant still cannot be located or is nonresponsive, and thirty (30) business days have passed since first attempt at contact, request that Recordkeeper/delegated agent stop payment on the previously issued check, pull back taxes, and reinstate account within the plan while performing search.
 - a. Do not allow uncashed check to remain outstanding beyond December 31 for tax purposes, so that the withholding can be recouped.
 7. If the participant can be located, and if the distribution form is now more than 180 days old or the information on the form is incorrect, the Plan Administrator should require the participant to complete a new distribution form (with new spousal consent, if required).



8. If the participant is unable to be located prior to December 31st, leave funds in the plan and continue search.
 - a. If permitted by the terms of the plan, and the participant account balance is below the \$5,000 threshold, force out to IRA at XXX.

C. Lump Sum Requests – Forced Cash-Out

1. Plan Administrator should contact participant via both phone and email to notify him/her of the delay and request assistance to obtain corrected information.
2. If participant is nonresponsive after ten (10) business days, but phone number appears to be accurate, send a certified letter to the participant's last known address requesting that s/he contact Plan Administrator regarding the distribution.
3. If participant is unable to be located or is non-responsive, and thirty (30) business days have passed since first attempt at contact, request that Recordkeeper/delegated agent stop payment on the check, pull back taxes, and reinstate account within the plan while performing search.
 - a. Do not allow uncashed check to remain outstanding beyond December 31 for tax purposes.
4. If the participant is unable to be located, the Plan Administrator must search to locate missing participants in accordance with the DOL's Field Assistance Bulletin 2014-01 (see Item A.4 above).
5. If the participant is located, a new force-out distribution can be initiated using the participant's correct information.
6. In the alternative, if the participant is unable to be located, the Plan can roll funds over to IRA with XXX.
 - a. The Plan Administrator should send a certified letter to the last known address (if not previously returned as undeliverable) with information on XXX rollover and how participant can contact XXX.
 - b. XXX will continue to try to contact participant as part of its due diligence.