

Unclaimed Property Services



ABOUT THE PETERSEN GROUP

The Petersen Group offers a comprehensive range of unclaimed property consulting, compliance, education, and training services. We can be your partner of choice to design and implement an efficient and adaptable unclaimed property compliance and due diligence process, stay compliant with regulatory changes, and employ technology solutions to innovate with speed and agility.

For more information, contact us at [\(303\) 551-1773](tel:3035511773) or visit our website at: TPGunclaimed.com.

MISSING PARTICIPANT LOCATION

The Petersen Group utilizes proprietary algorithms, technologies, and methods to query various databases (i.e., up to 9 public and private databases) for enhanced search efforts to locate a better address and contact information for missing and nonresponsive plan participants, including a query of the U.S. Social Security Administrations’ Death Master File (“DMF”) to determine if the participant is deceased and make efforts to locate heirs/beneficiaries.



When ongoing search efforts are required, The Petersen Group employs a “**Watch Dog**” notification program for any updates or changes to remaining missing participant’s information within the various public and private databases being queried. This Watch Dog program has been an efficient way to minimize recurring costs for search and notification efforts for specified missing participant accounts.

OUTREACH AND NOTIFICATION

Mailing – The Petersen Group can assist with preparing notification letters, emails, or other public announcements to establish contact with missing and nonresponsive plan participants. Letters may be returned to the Company or directly to The Petersen Group for tracking and processing. Actual cost of first-class or required certified postage is metered and printed on each letter/envelope mailed.



Response Tracking - Upon return to The Petersen Group, owner responses are tracked and provided to the Company in a report coded as either:

- ✓ *Return Post Office (RPO)*
- ✓ *Refund or IRA Rollover Requested*
- ✓ *Not Owed (per owner authorization)*
- ✓ *No Response*

Copies of printed letters, tracking information, owner responses, and RPO envelopes are retained and accessible to the Company 24/7 via the team collaboration site.

Customer Service - An automated telephone and/or email message can be established to filter and track inquires to notification letters. Should inquiries by plan participants require the Company’s attention or action, The Petersen Group will provide the Company with a report detailing such inquiries.

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SAFE-HARBOR IRA ROLLOVER

The Department of Labor and courts have consistently reached the conclusion that ERISA plan assets cannot be compelled to escheat under state unclaimed property laws. Yet, uncashed 401k plan distribution checks and missing plan participants create costly risks to plan sponsors and record keeping administrators, especially for small account balances under \$5,000. Combining technology solutions and subject matter expertise, The Petersen Group and has joined efforts with a qualified trust company to offer plan custody and recordkeeping services that is leading a next generation of innovation in the financial services industry.



The product features and services a Safe-Harbor Auto Rollover IRA provider can fulfill include:

- ✓ Enhanced technologies and methods for locating missing participants
- ✓ Master Death File search
- ✓ Notification mailing
- ✓ Low cost Safe-Harbor IRA
- ✓ Account protection with a Safe Harbor default investment that guarantees principal and interest
- ✓ Multiple address searches using various sources for every account each year
- ✓ Communication to the account owner upon receiving an updated address
- ✓ Paperless account setup and distribution for the account owner
- ✓ U.S. based customer service accessibility to the account owner

We are committed to maintaining contact with the participant, increasing, and protecting their savings, reducing leakage and plan risk by offering a comprehensive approach that follows current regulations and helps target the enforcement priorities of the Department of Labor and the Internal Revenue Service.

When considering alternative approaches to address uncashed checks, a better option to a voluntary transfer of plan assets to a state as unclaimed property is a rollover to a Safe-Harbor IRA. When a Plan Sponsor elects to execute the mandatory distribution, a force-out notice is sent to all terminated participants with a vested balance less than \$5,000. Unless the participant makes a positive election a Safe-Harbor IRA is established in the name of the participant. The Safe-Harbor IRA allows for the fiduciary to lawfully eliminate those accounts and dutifully eliminate their fiduciary responsibility.

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STATE UNCLAIMED PROPERTY REPORTING

The DOL and courts have consistently applied a broad view of ERISA federal preemption and reached the conclusion that ERISA plan assets cannot be compelled to escheat under state unclaimed property laws. As a fiduciary cannot provide any meaningful oversight of a state’s unclaimed property program, the voluntary reporting of plan assets as unclaimed property may leave the plan sponsor vulnerable to risks of fiduciary breach.

Before considering a *voluntary* transfer to state unclaimed property programs, plan fiduciaries and recordkeepers should weigh the risks of fiduciary breach and the potential for class-action lawsuits on behalf of missing plan participants. Uncashed distribution checks of missing participants are still plan assets protected under ERISA. Therefore, accounts that are *voluntarily* transferred to state unclaimed property programs are technically still a plan asset because the participant has not executed constructive receipt.



For uncashed checks that are not eligible for Safe Harbor IRA rollover, such as required minimum distributions, loan overpayments, etc., The Petersen Group can assist with state unclaimed property reporting.

TECHNOLOGY SOLUTIONS

Data Analytics – One of the most challenging aspects of unclaimed property compliance is Identifying transactions that are eligible for due diligence and reporting based upon various state dormancy triggers, dormancy periods, cut-off dates and reporting deadlines. The Petersen Group utilizes quantitative and qualitative data analysis to validate, cleanse and model unclaimed property data for determining proper reporting eligibility.



Process Automation – To achieve cost minimization, greater efficiency, and streamlined processes, The Petersen Group can help companies implement process automation through technology designed to execute recurring tasks or processes in an unclaimed property annual compliance function where manual effort can be replaced. With process automation, the details of each

Retirement Savings Plans – Missing Participants and Uncashed Checks

task can be recorded, whereby essential information can be presented to demonstrate compliance during audits.

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