SMARTIRA
Plan Solutions

A Force Out Solution Designed for Participants

SECURE Act: Forcing Out Small Balances Under $7,000

The SECURE Act raised the automatic rollover threshold, allowing plan sponsors to move terminated participants with balances under $7,000 into an IRA. This helps employers cut costs, reduce fiduciary risk, and simplify plan administration, while protecting participants' savings in a tax-advantaged account instead of losing value to fees or penalties.

Your Fiduciary Responsibility

"ERISA regulations require plan fiduciaries to act as experts in the decisions they make on behalf of the plan and its participants. This means fiduciaries must demonstrate prudence, carefully evaluate providers and investment options, and always act solely in the best interest of participants. Failure to meet this standard can expose fiduciaries to personal liability, regulatory penalties, and costly litigation."

Benefits for Employers

- Reduce administrative burden by rolling over small balances
- Lower fiduciary risk and liability exposure
- Simplify plan management and improve efficiency
- Ensure compliance with ERISA and SECURE Act provisions
- Avoid issues with delinquent loans and missing participants
- Provide participants with a safe, low-cost IRA option
- Strengthen the plan's integrity and reputation

Benefits for Employees

- Keep savings tax-advantaged when leaving an employer
- Avoid taxes and penalties from cashing out
- Access to low-cost mutual funds usually reserved for large investors
- Continue building savings with small, consistent contributions
- Benefit from long-term growth through compounding
- Maintain control and flexibility over retirement savings
- Gain peace of mind knowing their future is protected