



Step-by-Step 401(k) Plan Administration Transfer

Pension Services, Inc.
200 N. Denning Dr., Suite 3
Winter Park, FL 32789
Phone: 888-412-4120
Fax: 321-397-0409
Email:
Bill@PensionSpecialist.Net

Step-by-Step 401(k) Plan Administration Transfer

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Steps for a Successful Transfer

Step 1: Submit all of the documentation for your current 401(k) plan.

Gather the following documents for your current plan and send them to Pension Services, Inc. (PSI) for review.

- Plan Adoption Agreement with any amendments
- Basic plan document
- Latest discrimination testing
- Latest participant statements with individual investment allocations
- Latest IRS Favorable Determination Letter
- Valuation for the most recent plan year end
- Copy of Form 5500 and related schedules for the most recent plan year end
- Completed Plan Takeover Questionnaire

Step 2: Review new 401(k) Plan Provisions

Following PSI's review of your current plan, a conference call will be scheduled. We will discuss any changes to the plan and agree on provisions for the new plan. At this time we will also explain the conversion process and the role you play – for document signature, notification of employees and notification of your previous 401(k) provider.

Step 3: Sign new 401(k) Documents

PensionSite.Org will draft new documents and they will be emailed to you for signature. Print, sign and return all of the signed plan documents and custodial agreements to PensionSite.Org.

Step 4: Send Notices

Two important letters must be sent at the time of document signature.

- A termination letter to your previous 401(k) provider (sample included on page 3)
- A blackout notice to all of your employees, notifying them that their 401(k) account will be frozen 30 days from the date the notice is sent. (sample included on page 4)

Be sure to review your contract with the terminating 401(k) provider to check their notice requirement for termination of services.

Step 5: Attend a Plan Sponsor Tour

PSI will schedule a sponsor tour to introduce you to the tools available to manage your 401(k) plan. Following the tour you will enter your company's census information and a welcome e-mail will be sent to all of your employees. The email will include instructions for logging onto the website to manage their personal accounts.

Step 6: Request Wire Transfer and Liquidation Statements

PSI will take you through the final steps for completing the plan transfer. The following documents and actions will need to be requested from your prior 401(k) provider at this time:

- Wire Transfer
- Liquidation Statements
- Data for any outstanding loans transferring (instructions on page 7)
- Vesting Information needed to record prior years of service for employees (instructions on page 7)

Once PSI receives confirmation that plan assets have transferred, as well as the asset breakdown report, we will reconcile and post 401(k) balances to participants' accounts. This process takes 10-15 business days.

Sample Termination Letter

<DATE>

<Mr./Ms. Example>

<Custodian/Investment Institution>

<12345 Place Street>

<Anywhere, USA 09876-5432>

Re: <401k Plan Name>
<Account/Contract Number>

Dear <Mr./Ms.>:

This letter shall serve as notice to terminate all recordkeeping and administrative services for the <401k Plan Name>. This termination shall be effective <insert date>.

We are transferring our retirement plan to a new provider, Pension Services, Inc. A transfer letter with liquidation and transfer instructions to move our plan's assets will be provided under separate cover. At that time we will also provide instructions on information needed for the final valuation, corresponding reports, and the reconciliation of records to assets

Please note, we expect that all year end government filings and testing for this plan year ending 12/31, will be taken care of by your firm.

At this time we will need to know the following dates:

- Initial date of participant blackout period (must be a minimum of thirty days away)
- Date that funds will be transferred
- Anticipated date for reporting on the liquidation of assets

Please also confirm receipt of this letter and advise us of any further actions required on our part by your firm to facilitate a smooth transition of the plan.

If you need additional information, please don't hesitate to call Pension Services, Inc. at 888.412.4120.

Sincerely,

<Trustee Name>

Trustee for the <401k Plan Name>

CC: Pension Services, Inc.
Investment Advisor

Sample Blackout Notice to Participants

Important Notice Regarding Your Rights as a Participant Under the <Insert Company Name> Retirement Plan

This notice is to inform you that <Insert Company Name> has decided to change 401(k) providers, resulting in new investment options for the plan. Our new provider will be Pension Services, Inc.

During the transition period, you will be temporarily unable to direct or diversify the investments in your individual 401(k) account, or to obtain a loan or distribution from the plan. This temporary account access restriction is referred to as the “blackout period.”

The blackout period for the transfer of our 401(k) plan assets is expected to begin during the week of <insert start date> and end during the week of <insert end date>.

Whether you are planning retirement in the near future or not, we encourage you to carefully consider how this blackout period may affect your current retirement planning. Please review and consider the appropriateness of your current individual investments in light of your inability to direct or diversify those investments during the blackout period. For the security of your retirement, give careful consideration to the importance of a well balanced and diversified portfolio, taking into account all of your assets, income and investments.

Federal law now requires that you receive this blackout notice at least 30 days in advance of the last date in which you will have access to your accounts. This provides you with sufficient time to consider the effect of the blackout period on your retirement and financial plans.

In the next few weeks you should expect to receive a welcome email from our new provider, Pension Services, Inc., prompting you to attend an enrollment meeting. At that time you will need to print an enrollment form and a beneficiary designation form. Use these to indicate your current deferral elections and update your beneficiary information. The forms must be returned to your Human Resources department.

Should you have any questions regarding this notice, please contact me at <insert phone number/email address>

Sincerely,

<Insert Company Contact>

Sample Wire Transfer Instructions

<Insert Date>

To:<401(k) Provider/Recordkeeper>
Re: <Insert Name of Retirement Plan>

Dear <Mr./Ms.>:

This letter is your authorization to liquidate the above referenced accounts of the <insert name of retirement plan>.

Please liquidate all core plan assets on <insert date>. Upon settlement, transfer all of the assets to <institution> by way of wire transfer. Instructions are included below.
<Wire transfer instructions>

You will also need to provide Liquidation Statements for each participant. We will require the following information in the reports:

- Participant breakdown (by money source) of the asset transfer.
- Years of service information for vesting purposes (if applicable)
- Outstanding loan information (if applicable)
-

We require that all reporting be submitted in electronic format (.csv or .xls).

Please send reports to:
Pension Services, Inc.
3150 SW 38 Avenue
Suite 900
Miami, FL, 33146

We appreciate your assistance with the transfer of assets in this plan. Should you have any questions, please call.

Sincerely,

<Plan Trustee>
Trustee for the <Plan Name>
Cc: Pension Services, Inc.
Investment Advisor

Instructions for Breakdown Report of Asset Transfer

Your previous custodian will need to provide us with specific details of the assets being transferred, broken down by participant and source.

These source breakdown reports must be given to us in a file format we can easily work with; specifically Excel or .csv format. This breakdown report is essential to our administration takeover. It allows us to properly record your plan assets in our system and begin reporting to the government.

We require precise information regarding each participant's balance by "source type." The following is a list of source types:

- Employee deferrals
- Employer match
- Employer Profit Sharing (P/S) Contribution
- Rollovers (into the plan)
- Distributions/Withdrawals/Loans (out of the plan)
- Qualified Non-Elective Contribution (QNEC)
- Qualified Matching Contribution (QMAC)
- Forfeitures

Each of the above source types will need to be accounted for and broken down into the following three categories:

1. Balance as of the end of the last plan year
2. Year to date plan activity prior to transfer (including income accrued)

The total of all contributions or distributions (including payouts, partial withdrawals and loans) into or out of the plan from the last day of the last plan year up to the date of the conversion.

3. Conversion Date Balance

The source type balance as of the date of conversion to Pension Services, Inc.

Instructions for Years of Service Credit for Plans with Vesting Schedules

Please request the following information from the terminating 401(k) provider so we may credit your employees (participant or not) with the correct amount of service credit vesting:

- Vesting percentage for each employee as of the last plan year (ending 12/31)
- Information on any rehired employees – original date of hire, termination date and rehire date.
- Current year to date hours worked (prior to the first payroll submission with Pension Services, Inc.)

Instructions for Participants with Outstanding Loan Balance

For every employee with an outstanding 401(k) loan, your prior 401(k) provider will need to provide us with the following data:

- Type of Loan (residential or general purpose)
- Outstanding principal loan balance by money type
- Amortization schedule copies (per payroll payments)
- Original loan amount and effective date
- Original payment schedule
- Original interest rate
- Payment amount and frequency
- Payments remaining
- Year-to-date Principal
- Year-to-date Interest