

Newkirk's

AUTOMATIC IRA ROLLOVER SERVICE

Fact Sheet

Newkirk's Automatic IRA Rollover Service enables retirement plans with mandatory distribution provisions to satisfy the government's requirements with respect to distributions between \$1,000 and \$5,000.

Mandatory distributions can save the time and expense associated with administering low-balance accounts. But forcing out such participants can only be accomplished if certain requirements are met. Participants must be informed of their distribution options, and IRAs must be set up to receive participant distributions when the participant fails to provide specific directions.

Newkirk's Automated Solution:

- Includes explanatory materials (customized with the provider's logo and contact information) that explain the program to plan sponsors and encourage their participation.
- Retrieves participant data from the provider's recordkeeping system.
- Prepares and distributes the required participant communications explaining the low-balance participant's distribution options (including the 402(f) notice).
- Identifies participants for whom mandatory distributions will be made.
- Returns an electronic report to the provider for distribution processing.
- Sets up the rollover IRAs through E*TRADE Securities, LLC.

The E*TRADE Securities IRA meets all of the government's requirements for receiving mandatory IRA distributions.



Features

- Provider-to-plan-sponsor promotional materials explain the government requirements and the proposed solution.
 - Printed in full color and customized with the provider's name, logo, and contact information.
 - Include E*TRADE Securities service agreement and sample participant communication.
- Extract software is available for many major recordkeeping systems. Once installed on a provider's server, participant information is automatically sent to Newkirk for processing.
- Participant communications are fully customized with both plan and participant information and satisfy government requirements.
 - 402(f) notice is included as part of participant communication.
 - Reports substantiate that communications have been distributed.
- Electronic report identifying eligible rollover participants distributed to provider for processing.
- E*TRADE Securities IRA satisfies government requirements for forced rollovers.
 - Rollover funds are invested in a product designed to preserve principal and provide a reasonable rate of return, consistent with liquidity.
 - Fees and expenses do not exceed the fees and expenses that E*TRADE Securities charges for comparable IRAs.
 - The terminated participant controls the IRA.
- E*TRADE Securities assumes responsibility for participant accounts after distribution is completed.

Benefits

- Avoids the need to amend plans to eliminate mandatory distributions between \$1,000 and \$5,000.
- Satisfies plan sponsor expectations concerning proper and effective servicing of their plans and their participants.
- Satisfies the plan sponsor's fiduciary requirements concerning terminated low-balance participants.
- Enables smaller providers to compete with larger providers who have developed in-house solutions.
- Moderate cost, most of which can be passed along to participating plan sponsors.
- Easily installed software (for many provider recordkeeping systems) contributes to automated processing.
- Bundled components can be separated. Communications and E*TRADE Securities IRA can be replaced with provider's own solutions.

Learn More

For further information or to speak with a Newkirk sales consultant, please contact Jim Lawler by phone at 518-862-3221 or by e-mail at jlawler@newkirk.com.