

Professional Benefit Services, Inc.

Distribution Procedures & Policies

The following information will be helpful in understanding our policies and procedures should you choose our office to process your plan distributions. We charge a \$75 fee to process a distribution.

In some cases, you may want to choose to process your own distributions. However, here are some of the reasons you may want to choose our firm to assist in the distribution process:

- our firm is familiar with the investment vehicle forms and their requirements,
- we take the responsibility of making sure the investment form or letter is accurate,
- we make sure our forms are in compliance with all regulations and laws,
- our form includes the participant tax notice required by law, and
- we review and determine the correct vesting for each individual.

At the time a participant terminates employment, they should be given a Retirement Plan Settlement of Account Election form. Terminated employees should be encouraged to take their funds from the plan as soon as they are able. Not only does this save dollars to your plan, it eliminates headaches in trying to locate individuals years later.

The most current version of the Settlement of Account Election form can be printed off our website at www.profben.com or call our office and we will email or mail you a copy. Please note that only current versions of the Settlement of Account Election form, Loan Application and Hardship Application will be accepted. Old, outdated forms may be returned and will delay processing the participant's distribution.

The first two pages of the form are to be completed by the separated employee. The third page needs to be completed and signed by a plan trustee.

Once the paperwork is completed, it can be mailed or faxed to our office for processing. We will prepare the necessary paperwork or letter required to release the funds from the investment company. Incomplete or incorrectly completed forms will be returned for completion and may delay the processing of the distribution.

Once the appropriate form or letter is prepared by our office, it will be emailed or faxed to your office with further instructions.

As plan administrator, it is your company's responsibility to make sure employees are paid out of the plan. Not only do you pay fees at annual administration for each terminated participant's account that is still open, the IRS requires an additional form, SSA, be filed on behalf of these accounts. We charge \$50 at administration for this additional form to be prepared. Routinely following up on terminated employee accounts saves you money.

In the case of plan termination, there will be a \$50 fee for each participant we must attempt to locate for you. Please be aware that if your plan is terminated, annual administration fees continue to be charged as long as ANY accounts remain open. 5500 tax forms are required for every year there is a balance of any amount as plan assets.

Reminder: Employees over age 70 1/2 who leave employment after retirement age must begin taking distributions even if they have over \$5,000 in their retirement plan account.