Distribution Update Information

This notice is informational regarding distributions from your retirement plan and does not require any action. Please review the information and pass along to your employees requesting a distribution from the plan as needed.

We are processing an exceptionally high number of distributions. We receive *most* forms in good order are processed without delay. However, the forms that are not in good order require additional processing and potentially causes additional follow-up from EIP, your office and the employee. Reasons for incomplete requests are as follows:

Lump Sum as a direct payment and/or rollover of account balance:

1) Incomplete address section
2) Not providing address for the check to be sent, if rollover elected
3) Not providing account number if required by investment company
4) Missing Benefit Election Form, if required – All distributions from Money Purchase (MP) plans or plans with transferred accounts from a MP plan require this form and, if married, a spouses' signature if account balance exceeds $5,000. The participant's spouse signature is also required to be notarized.
5) Not providing correct wire or direct deposit information

Hardship Distributions:

1) Not attaching back up if distribution is a Hardship
2) Not providing the associated costs on the backup for hardships
3) Not providing correct wire or direct deposit information

Loan Distributions:

1) Not indicating the participant currently has an existing loan
2) Not paying off an existing loan in advance of applying for new loan, if required (should be indicated on form)
3) Not selection length of loan
4) Not completing all required forms (including witness signature where needed, spouse signature if applicable, etc.)
5) Not providing correct wire or direct deposit information

All distributions require review by EIP and approval by the employer. We obtain the plan administrators signature primarily to determine that the employee is eligible for the type of distribution that is being requested. If a terminated participant is requesting a distribution, we need to confirm Date of Term (and not a rehire), hours worked for the year and 401(k) contributions to date if not provided to EIP throughout the year. If the request is a hardship or loan, we need to confirm the employee is still employed.

Our standard procedure for distributions is as follows:

1) Participant obtains forms (via eip.net, fax, mail, or employer)
2) Participant (or employer) sends distribution forms to EIP
3) EIP reviews for good order – If the form is not in good order, we contact the participant to collect missing information. *We will allow 10 days to receive complete information. If updated information is not provided within the 10 business days we will return the paperwork to participant and not retain a copy in our office.*
4) Good order forms continue as follows.
5) EIP obtains employer authorization if needed – Turnaround time affects the time frame.
6) EIP processes the distribution from the plan's investment platform.
7) EIP confirms that funds have been sent according to participant request.

Each of the steps requires review and logging in of the data and timing. Several participants call regarding their distributions and we inform them that the time frame to receive the check is usually 4-6 weeks if the distribution request is in good order. Most distributions are processed prior to 4 weeks. We cannot control any of the distribution processing from the investment company, the mail speed or the investment company receiving the rollover. We do try to expedite distribution timing for hardships and loans due to the urgency in most cases. However, our timeframe is still dependent on receipt of forms in good order and the turnaround time of employer authorization. Please inform all participants requesting a distribution to read the distribution information completely and fill out the forms in their entirety to avoid delays.