

FAQs About The Abandoned Plan Program



U.S. Department of Labor
Employee Benefits Security Administration

What is an abandoned plan?

Generally speaking, an abandoned plan is a plan without a responsible plan sponsor or plan administrator. There is no single reason why an employer might abandon its pension plan. In some cases, plan abandonment has occurred when the sponsoring employer ceases to exist by virtue of a formal bankruptcy proceeding. In other cases, abandonment occurs because the plan sponsor has been jailed, died, or simply fled the country.

I just received a letter from a financial institution stating that my 401(k) plan is now terminated because my employer abandoned it. The financial institution also said it will be distributing my retirement money. Is this permissible?

Yes. Under Department of Labor regulations, the asset custodian of an abandoned individual account plan (e.g., 401(k) plan) is permitted to terminate and wind up the plan, including making distributions to participants and beneficiaries. As part of the winding-up process, the asset custodian must send you a notice of plan termination. The asset custodian (e.g., bank, insurance company, or other similar financial institution) terminating the plan is known as a Qualified Termination Administrator (QTA).

I suspect my plan is abandoned, but I have never received a notice of plan termination. How could I find out if a QTA has elected to terminate and wind up my 401(k) pension plan?

EBSA has developed an Abandoned Plan [searchable database](#) to help participants and beneficiaries find out if a particular plan is in the process of being, or has been, terminated. The site is searchable by plan name or employer name and will provide the name and contact information for the QTA, if one exists. If you do not have access to a computer to conduct the search, you may contact one of EBSA's Benefits Advisors to assist you by calling toll-free, 1-866-444-EBSA (3272).

My account balance does not appear to have been calculated correctly in the notice of plan termination. Who may I contact to discuss this?

The notice of plan termination should include a statement of your account balance and the date on which it was calculated. You may contact the QTA of your plan if you think there is a problem with your account balance. The name, address, and telephone number of the QTA (or appropriate designee) should be included in the notice. Before contacting the QTA, gather the documents you have that support your position.

Why is my account balance in the notice of plan termination less than the account balance in my last individual benefit statement?

One reason may be that the account balance in the notice of plan termination reflects the administrative cost of terminating and winding up the plan. The law permits reasonable administrative fees and expenses of terminating the plan to be paid from the plan's assets. Some, or all, of your share of these expenses already may have been subtracted from your account.

How do I get my benefits?

The notice of plan termination should include a description of the distribution options available under the plan and a request that you elect a form of distribution and inform the QTA of the election. If you do not make an election within 30 days, your account balance might be rolled over to an individual retirement plan (e.g., IRA) on your behalf.

When will I receive my benefit distribution?

You should receive your benefits within a reasonable period of time after making an affirmative election regarding a form of distribution. You may contact the QTA at the address and telephone number provided to you in the notice of plan termination for information on exactly when you will receive your money.

I received a notice of plan termination, but I didn't let the QTA know within 30 days how I wanted my account balance distributed. How can I find out where my money is?

The notice of plan termination should describe what the QTA would do with your benefits if you failed to affirmatively elect a form of distribution, and identify how to contact the entity holding the distributed money. If you no longer have the notice, you can find out where your money is by contacting the QTA. The QTA's telephone number is listed on EBSA's Abandoned Plan [searchable database](#).

A QTA rolled my money into an IRA because he could not locate me at the time of the distribution. Can he do this?

Yes. The regulation directs the QTA to make distributions on behalf of participants and beneficiaries who fail to affirmatively elect a form of distribution. In such a case, the QTA generally must rollover the distribution to an Individual Retirement Plan (e.g., IRA). In some cases, if the distributed amount is \$1,000 or less, the QTA may transfer the money to an interest-bearing federally insured bank or savings association account or to a State's unclaimed property fund.

I checked EBSA's Abandoned Plan searchable database and discovered that the termination and winding-up process for my plan has already been completed, but I never received a notice of plan termination. What should I do?

You should call the QTA. The QTA's telephone number is listed on EBSA's Abandoned Plan [searchable database](#). Explain your concern to the QTA. If you are unsatisfied with the explanation given by the QTA, you should contact one of EBSA's Benefits Advisors to assist you by calling toll-free, 1-866-444-EBSA (3272). You should note that in calculating and distributing benefits, the law permits the QTA to treat as forfeited an individual's account if the account balance is less than the estimated share of plan expenses allocable to that account. Thus, if your account balance was very small, this may be why you never received a notice of plan termination.

What if I cannot locate my employer or find my plan in the Web site database?

You should contact one of EBSA's Benefits Advisors to assist you by calling toll-free, 1-866-444-EBSA (3272).

Does anyone oversee the activities of a QTA?

EBSA oversees the termination and winding-up process. A QTA is required under the regulation to notify EBSA of a plan's abandonment and the QTA's intent to terminate and wind up the plan. EBSA has the authority to object to any proposed termination that is not in the best interests of plan participants.