



The Ultimate Guide to Locating Lost Benefit Plan Participants

Benefit plan administrators in-house or third-party administrators, often need to locate people who terminate employment without leaving a forwarding address and have benefits due from a qualified plan. By law, these companies must perform due diligence in attempting to locate a lost plan participant in order to meet ERISA, GATT, IRS requirements. Unfortunately, the IRS does not publish specific guidelines as to what constitutes a diligent search. However, there are several options available to you for locating lost participants that are described below:

Internet-Based Locator Services

This method is probably the easiest, fastest and most effective way to locate missing participants and doesn't require you to have a working knowledge of the internet. It saves you time and money, and by far the best provider for this service is EmployeeLocator.com. You can get results within one day for \$10 a name. It doesn't get any simpler!

If you are determined to spend your own time hunting down a current address for your person, here are some of the options available:

1. Surf the internet: Try websites like www.four11.com, www.bigfoot.com, www.anywho.com, www.whowhere.com, and www.infospace.com

2. Check your plan or employer records for updated addresses:

-Mail a letter to the last known address that you have and see if they contact you. You might get lucky and the letter gets forwarded to the right person.

-If you know the area they moved to, try directory assistance there.

-Check personnel files to see if they have contacted you for a missing W-2.

-Ask current employees to help you locate the missing person. Post the names on the employee bulletin board.

-Look at the person's work application and contact the emergency or business references.

-Check the participant's beneficiary designation form and contact the beneficiary.

-If they were married, contact the spouse or if possible, friends and relatives.

3. Check with other companies in the loop where privacy concerns are not an issue:

-You can contact the subsequent employer to see if they are still working there.

-If the missing person is a member of a professional association; try contacting them through the association.

-If they filed a claim for health benefits, the spouse's employer maybe been listed on the insurance claim forms.

4. Use of the IRS & SSA's letter-forwarding services:

IRS Lost Participant Locator Program

The IRS administers a letter-forwarding program that helps you locate missing retirement plan participants. You must submit a request to the IRS via mail and provide the following information:

-A brief explanation why you need to use the program (for example, to locate a missing plan participant is sufficient);

-The name(s) of the missing individual(s);

-The social security number(s) (SSN) of the missing individuals. The SSN is the key element used to access the right tax account and get a mailing address. The request cannot be processed if a SSN is not furnished; and

-The actual letter that is being forwarded.

A separate letter should be addressed to each participant involved and it should include a statement asking the participant to contact the plan administrator directly.

Once the IRS gets your request, and if an address is found in their databases for this individual, they will then forward your request to the lost plan participant. The IRS lets the individual know that they do not divulge the recipient's address or any other tax information and that the decision to respond is entirely up to the recipient.

If an address cannot be found, or the letter is returned undeliverable by USPS, the letter is destroyed. Due to disclosure laws, the IRS cannot provide the requester with the results of the request. The law does NOT allow the IRS to provide the sender of this letter with the result of its efforts and response time is based on overall workload of the Officer. The IRS estimates that in 2001 alone, there were requests for nearly 800,000 letters to be forwarded. Because of the volume of requests, the response time is based on the overall workload of the Disclosure

Officer. Based upon anecdotal information, it is possible that your request for forwarding could take up to a year.

Each request should be sent to the attention of the Disclosure Officer at the Service's district office nearest the requester (it does not matter where the recipient last resided). To find the office nearest you, go to www.irs.gov and click on "About the IRS" and then "Contact My Local Office."

Requests involving 50 or more potential recipients, including multiple requests from a single entity that can be expected to total at least 50 recipients, are processed separate from the free program. If you need to locate more than 50 people, the fee is \$1,750. Plan sponsors who want to use this program should call the Disclosure Office in Washington, D.C. at (202) 622-3324 for additional information.

Social Security Administration (SSA) Letter Forwarding Program

About 25,000 people ask the SSA for help in locating a missing person each year. Social Security regulations and federal law protect the privacy of all social security number holders. Social Security will forward a letter only if there is a compelling humanitarian or financial reason and it is reasonable to assume that the missing person would want to be notified. If the missing person receives monthly benefits, Social Security will mail the letter directly. If the missing person is not receiving benefits, the letter is sent in-care-of the last employer on the missing person's Social Security earnings record.

Following is the procedure outlined by the SSA to locate a lost participant:

1. Write a letter to the missing individual (be sure to explain whom to contact and where or how to contact you for more information) and place in an unsealed, unstamped envelope bearing the individual's name and social security number.
2. Prepare a letter to the SSA explaining the circumstances that require you to locate the missing person. There is a \$25.00 charge per letter to cover the cost of a record search and it is payable by cashier's check or money order.
3. Place both letters and the unsealed, unstamped envelope in a second envelope and take it to your local Social Security Office or mail it to:

Social Security Administration, Wilkes-Barre Data Operations Center
1150 East Mountain Drive
P.O. Box 3150
Wilkes-Barre, PA 18767-3150