

How do I remove the small balances of terminated participants from the plan?

Mandatory distributions, also known as sweeps, are a great option for removing small balances from your plan and reducing your fees. Our automated process reviews your plan periodically for terminated participants with vested balances under your plan's cash-out threshold. We will initiate distributions in the form of cash or rollovers to our rollover vendor, Millennium Trust Company, depending on your Plan's provisions. Once transferred, Millennium Trust will take ownership of establishing individual retirement accounts, sending welcome packages, and locating any lost participants.

- Sentinel will provide terminated plan participants with a vested account balance under \$5,000 (or your plan's threshold) the ability to direct the distribution of their account after receipt of termination dates on the payroll contribution file.
 - If the participant fails to direct distribution of their funds after 60 days, Sentinel will initiate a distribution request for your authorization and electronic approval.
 - The plan's Paying Agent will issue payment to the plan participant or rollover institution, remitting federal/state withholding and preparing Form 1099-R.
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