

RetailLawBCLP

DEPARTMENT OF LABOR WILL INVESTIGATE COMPLIANCE WITH DISTRIBUTION RULES FOR DEFINED BENEFIT PLANS

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Employers in the retail industry often experience significant employee turnover, and it can be difficult to keep track of former employees once they have moved on. Thus, retailers should be aware that the Department of Labor (“DOL”) has recently implemented an initiative to investigate the manner in which large employers comply with the required minimum distribution rules for defined benefit plans.

The initiative is focused on the extent to which large employers have processes in place to (i) locate missing plan participants, (ii) inform deferred vested participants that a benefit is payable, and (iii) commence benefit payments in a timely fashion. The minimum distribution rules generally require qualified plans to begin distributions no later than the April 1 following the calendar year in which a former employee reaches age 70½. Since retail employers tend to face a particularly tough task in keeping track of former employees, those with defined benefit plans will want to make sure they have robust procedures in place to locate missing participants before the DOL comes knocking. [Click here to read more.](#)

MEET THE TEAM



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