



## FREQUENTLY ASKED QUESTIONS PARTICIPANT FAQs

### **Q. Where is my retirement account now?**

Your account balance from your previous employer's plan has been rolled over to an Automatic Rollover IRA or personal custody account with M2 Rollover Services, LLC ("M2") and Solera National Bank.

### **Q. Who is M2 Rollover Services?**

M2 Rollover Services, LLC ("M2") is a retirement plan administration firm, located in Denver, Colorado and serves as the named Administrator and agent for Solera National Bank, the custodian of the accounts. If you have any questions regarding your account, please contact M2, as we handle the daily administration of the accounts.

### **Contact Information:**

M2 Rollover Services

Phone: (914) 676-6270

Email: [Clientservices@M2rolloverservices.com](mailto:Clientservices@M2rolloverservices.com)

### **Q. Who is Solera National Bank?**

Solera National Bank is the named custodian and maintains control of participant funds until the participant is located. Solera National Bank is a community bank, located in Colorado, serving individuals and emerging businesses.

### **Q. Who selected M2 and Solera National Bank as the Administrator and Custodian?**

M2 and Solera National Bank were selected by your previous employer to be the Administrator and custodian of your funds.

### **Q. Why was my account rolled over to M2 and Solera National Bank without my consent?**

The Internal Revenue Code, section 411(a)(11), as amended, permits tax-qualified retirement plan sponsors to distribute missing or non-responsive participant account balances with a value of \$5,000 or less *without* the consent of the former plan participant. This provision is referred to as the "involuntary cash-out" rule. The purpose of the involuntary cash out rule is to allow employers to eliminate small accounts and thereby reduce plan administration expenses. In order to preserve assets for retirement, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), amended the regulations to provide that involuntary cash outs of more than \$1,000 must be rolled over to an individual retirement plan (*i.e.*, individual retirement account (IRA) or an individual retirement annuity) if the affected participant does not elect to receive his or her benefit in another manner. This allows companies to roll over funds for missing and non-responsive participants to an IRA custodian that will create and administer the accounts in each individual's name. However, vested balances of \$1,000 or less may also be automatically rolled over pursuant to Treas. Reg. 2550.404a-2, if the employer's plan document contains such a provision. If a participant was issued a distribution check from the plan, but failed to cash the check, the employer can deposit the funds into a personal custody account on your behalf. These funds are not eligible to be deposited into an IRA since Federal Withholding Tax was withheld at the time the check was originally issued.

### **Q. What is the default investment?**

The initial automatic rollover investment is an interest-bearing federally insured bank or savings association account at Custodian or a third-party banking institution selected by M2. Deposits are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000. The interest rate paid on participant balances is tied to the national average rate for a bank savings accounts, as reported on the FDIC's website. The excess of the interest earned from the bank account over the amount paid on participant accounts will be retained by M2.

### **Q. Can I transfer the money in my account to another IRA or my new 401(K) plan?**

Yes, if your funds reside in an IRA at M2, you may transfer your funds to a new or existing IRA. In order to transfer the IRA you will need to complete the new or existing IRA custodian's Transfer Request form and return it to them for processing. The IRA custodian will then forward the Transfer Request form to M2 for processing. Upon receipt we will transfer your funds and close your account (subject to the fees disclosed on our IRA Fee Schedule).

If you are currently a participant in an employer sponsored retirement plan, such as a 401(K), your new employer may allow you to transfer the funds in your IRA into the new plan. Contact your employer to see if this option is available.

If so, have them provide you with the details on how to transfer the funds. Once you provide the information to us we will be able to transfer the funds via a direct rollover.

Note: For participants who were issued checks from their previous employer's retirement plan but never received/cashed the check, the funds now reside in a personal custody account with us and you may roll the funds into an IRA utilizing procedures outlined under IRS Rev. Proc 2016-47. M2 will provide you with a copy of the IRS revenue procedure and sample "Certification for Late Rollover Contribution" letter which can be used to deposit funds into an IRA.

**Q. Will I have to pay taxes on a distribution by my previous employer?**

Maybe. If your funds were deposited into an IRA at M2 then you will not be subject to taxes as long as the funds are maintained in an IRA or transferred to your new employer's retirement plan. If you withdraw the funds from your IRA you may be subject to income taxes and IRS penalties (if you are under the age of 59 ½).

**Q. Can I take the money out of the account now?**

Yes. You may take or transfer the money out your account after you activate it by signing and returning the required paperwork to M2. To request a distribution, you will need to complete and return the M2 Distribution Request form.

**Q. What do I need to do now?**

Although an account has already been established and funded on your behalf, you will need to complete and return the M2 paperwork, which includes an Adoption Agreement, Consent to Electronic Signatures and Documents, and provide a current government issued ID, such as a driver's license or passport. If you may wish to name a beneficiary for your account, you will need to contact us and request the Beneficiary Designation form. The beneficiary designation you may have had on file with your previous employer's plan is no longer valid. You may designate one or more persons or entities as beneficiary of your account. If you intend to take a distribution or have the funds transferred to another retirement account, then you may omit the beneficiary election section in the IRA Adoption Agreement.

**Note: In order to comply with section 326 of the USA Patriot Act you must provide us with a copy of a valid photo I.D. (such as a drivers' license or passport).**

**Q. Can I keep my account with M2?**

No. You will either need to take a distribution of your funds or have them transferred to another retirement account. Please feel free to contact us if you have any questions.

**Q. How much does M2's Automatic Rollover IRA Program cost?**

Please refer to the M2 Fee Schedule that is contained in this packet

**Q. If I have any questions who do I contact?**

If you have any questions related to your account, please contact us. Our phone number is (914) 676-6270.

**Questions?**

If you have any questions concerning M2's Automatic Rollover IRA or Uncashed Check Program, please contact us.

M2 Rollover Services, LLC  
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Tower One, Suite 2000-1092  
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