



## FREQUENTLY ASKED QUESTIONS

### Participant FAQs

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#### **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 Trust Services, LLC ("M2 Trust").

#### **Q. Who is M2 Trust?**

M2 Trust is a state chartered trust company, regulated by the Colorado Division of Banking.

#### **Q. Who selected M2 Trust as my IRA custodian?**

M2 Trust was selected by your previous employer to be the custodian of your funds.

#### **Q. Why was my account rolled over to M2 Trust 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 a Cash Management Account offered by M2 Trust which seeks to minimize risk, preserve principal and maintain liquidity. The interest rate paid by M2 Trust for its Cash Management Account will vary over time. For current rate information, please us. M2 Trust will credit interest to participant accounts monthly, except for the month in which the account is closed or transferred. In such circumstances, interest, if any, will be taken as part of the final closing fees. Deposits maintained in the Cash Management Account are insured by the FDIC, up to \$250,000. Additional information on FDIC insurance coverage is available at [www.fdic.gov](http://www.fdic.gov).

#### **Q. Can I transfer the money in my M2 Trust account to another IRA or my new 401(K) plan?**

Yes, if your funds reside in an IRA at M2 Trust, 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 us. 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 Trust 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 Trust 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).

Note: If the funds M2 Trust received on your behalf were the proceeds from an uncashed check, previously distributed to you from your previous employer's retirement plan and the check was never cashed, you will not be subject to additional taxation or penalties, unless your account earns more than \$10 in interest. If you earned \$10 or more in interest you will receive a 1099-INT form from M2 Trust and will be subject to taxes only on the earnings.

**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 Adoption Agreement and Consent to Electronic Signatures and Documents. You will also be required to provide us with a copy of a current photo ID, such as a driver's license or passport.

Note: If your funds reside in an IRA at M2 Trust, please be aware that in addition to taxes, penalties may apply to any distribution withdrawn before the age of 59 ½. To request a distribution you will need to complete and return our 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 Trust Adoption Agreement, Consent to Electronic Signatures and Documents, and a current government issued ID, such as a driver's license or passport, in order to activate your account. If you may wish to name a beneficiary for your account you will need to return 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 Trust?**

Yes. You can elect to convert your account to a self-directed IRA at M2 Trust Services. For more information, please contact us.

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

Please refer to the M2 Trust 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 toll free number is 888-265-1225.

**Questions?**

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

Client Services  
M2 Trust Services, LLC  
Phone: (888) 265-1225  
Email: ARIRA@M2Trustservices.com