

Refresher: What to do with Uncashed Distribution Checks

April 12, 2016

We recently reported on the DOL's investigation of failures by large defined benefit plans to locate and pay benefits to vested, terminated participants (please see our prior blog post [here](#)). A related issue for all retirement plan sponsors to consider is how to handle uncashed distribution checks. The funds represented by such checks remain plan assets, so plan sponsors retain fiduciary responsibility for them. Consequently, plan sponsors should have procedures in place to locate missing participants and beneficiaries, and to address how unclaimed funds will be handled if a participant or beneficiary cannot be located, including when unclaimed funds may be forfeited and procedures for reinstating the funds if later claimed by an individual. Plan sponsors should work with their benefits counsel to ensure that their plan document and administrative procedures adequately address how to handle uncashed distribution checks and that such procedures are being followed on a consistent basis. For additional information on the steps required to locate missing participants and beneficiaries, please see our prior blog post [here](#).