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Advisory Council

Lost Defined Benefit Plans a Challenge For Those Nearing Retirement, Speakers Say

Pension specialists recommended June 4 that the Department of Labor's Employee Benefits Security Administration develop a lost-plan registry to help individuals find retirement income when they have difficulty locating a former employer.

Lost plans are a "significant problem for our society," especially because many people have not sufficiently saved for retirement, said Ellen A. Bruce, director of the Pension Action Center of the Gerontology Institute at the University of Massachusetts Boston. Speaking during a meeting of the ERISA Advisory Council, she advised the creation of a lost-plan registry to keep track of plans even when a company changes name or goes out of business.

"This registry would provide the information participants need to locate their plans" in the event that their former employer changed names, location, or corporate structure, said Jane Smith, a policy analyst for the Pension Rights Center in Washington.

"Participants would be able to find the new name and contact information for an employer by searching un-

der the old name," she said, adding that "a registry like this could be established with minimal effort and at a very low cost."

In the "Plan Administrator Information" section of Form 8955-SSA, the Internal Revenue Service asks whether the employer identification number or name of the plan's administrator or sponsor had changed since last filing. "Using these two questions only, you could begin to establish a lost-plan registry," Smith said.

Legislative changes to the Employee Retirement Income Security Act would more easily facilitate a lost-plan registry by involving the Pension Benefit Guaranty Corporation, she added. "A requirement for the PBGC to establish a lost-plan registry would need legislation but could easily be added" to the ERISA section on missing participants, and "the Form 8955-SSA information for the registry could be transferred electronically by the IRS to the PBGC, and that would need legislation, too," Smith said.

The session came during the first of three days of council meetings, during which the panel heard testimony on the topics it is studying this year, including private-sector pension de-risking, locating missing and lost participants, and successful retirement plan communications for various population segments.

By STEFANIE TRILLING