

EMPOWER Institutional (EI) Documentation

Functional Process: Document Management

Procedures: Returned Checks

Date: April 2018

Overview

These procedures detail the steps to be taken to update participant addresses on the EMPOWER Institutional (EI) recordkeeping system for checks returned due to an incorrect address. Special consideration must be made for groups utilizing PDI, participant employment status (active or terminated), and if the return check has a forwarding address sticker provided.

The Plan Sponsors are able to run a Participant Information Report via the Plan Service Center at any time. The report can identify all participants with a "Mail Hold" indicator on their record.

Procedures

I. Definitions

- A. PDI Participant: Participant indicative data is provided to EI by the Plan via a PDI file (Payroll Data Interface). An indicator is stored at the participant level that indicates the record has been updated via a PDI file within the last 60 days. The recordkeeping system notes a participant with a Y if that participant has been on a PDI file in the previous 60 days.
- B. Non-PDI Participant: Participant indicative data is **not** provided to EI by the Plan via PDI. The recordkeeping system notes a participant with an N if that participant has not been on a PDI file in the previous 60 days.
- C. "Mail Hold": an indicator stored at a participant level that prevents the generation of any correspondence that would be mailed to the participant – such as a participant statement.
- D. A participant record that is updated via a PSC screen entry automatically removes the "Mail Hold" indicator.
- E. Active Participant: A participant with a balance with no termination of employment date in the record.
- F. Terminated Participant: A participant with a balance with a termination date of employment in the record and no subsequent rehire date. The recordkeeping system PDI indicator is removed from participant's account if no participant information is sent via the PDI file for 60 days.
- G. PARVER – Participant Verification Letter – references here will be the Address Change Confirmation letter.
- H. Yellow forwarding address mail sticker: – the U.S. Postal Service will forward mail for 12 months if a forwarding address has been provided. After 12 months, the yellow forwarding address mail sticker is attached with the last known forwarding address and returned to the sender. If no forwarding address is available, mail is returned to the sender.
- I. Participant-Initiated Distribution: A distribution or loan that the Participant requested via a distribution form, phone service representative or through the Website.

II. Plan Service Center (PSC) Employee Address Listing

- A. At any time the Plan Sponsor can run the "Participant Information Report" via the PSC to obtain a list of participants with the "Mail Hold" on their record.
- B. The Plan Sponsor should review the report and update the participant address information with the correct addresses, if available.
- C. When ordering the "Participant Information Report", there are three selections available from the "Mail Hold Indicator" drop down.
 - 1. Include All Participants – this will report everyone whether or not they have a Mail Hold on their record.

2. Exclude Participants with a Mail Hold Date – this will report anyone that does **not** have a Mail Hold on their record.
 3. Only Participants with a Mail Hold Date – this will report anyone that does have a Mail Hold on their record.
- D. In combination with the *Participant Account Status* and *Participant Employment* parameters of the report, the plan sponsors will be able to narrow down the search criteria.

III. Returned Check Procedures

- A. Returned checks are received by the EI Corporate mail room where they are voided and scanned into a workflow system. Once scanned, the originals are destroyed. The images are indexed and forwarded to the Document Management Team for research and further action.
- B. The Document Management Team determines if the check was stop paid or reissued. If the check was previously stop paid and/or reissued, no further action is taken.
- C. If the returned check has an open SR, no further action is taken at this time.
- D. Proceed with the next steps:
Each returned check item is indexed with a priority based on dollar amount.

Priority	Additional Instructions
Priority 1—\$15,000 or higher	<ul style="list-style-type: none"> • Items must be reviewed same day • Run a LexisNexis address search if an updated address is not provided on a participant returned check.
Priority 2—\$1,000 to \$14,999.99	<ul style="list-style-type: none"> • Run a LexisNexis address search if an updated address is not provided on a participant returned check.
Priority 3—\$25.00 to \$999.99	<ul style="list-style-type: none"> • DO NOT run LexisNexis search for non participant-initiated distribution checks returned as undeliverable and no new address is available. • Run a LexisNexis address search on a participant-initiated distribution or periodic payment (PPAY) returned check.
Priority 4—\$0.01 to \$24.99	Under threshold items. Only process if a letter of instruction from the Participant or the Plan is included with the returned check.

- E. The Document Management Team determines if the address on the check was the same as the address that EI received on the request form.
 1. If the check was sent to an incorrect address, Document Management or the proper issuing department reprocesses the request and a new check is mailed to the participant to the address indicated on the original request.
 2. If the check was not sent to an incorrect address, proceed with the next steps.
- F. The Return Check Team will check to see if the participant is a PDI participant or has an employment termination date (not account termination date) and then follow the procedures for active or terminated participants set out below.

IV. Active Employee

- A. PDI Participant
 1. Returned mail with or without a yellow forwarding address sticker
 - a. Mail hold date placed on participant account. The envelope with the yellow address sticker and a copy of the check is imaged to show why we placed a mail hold date on the participant account.¹
 - b. Check is voided and destroyed.
 - c. The Return Checks Team will send a Service Review (SR) Ticket to the Methome Plan Services Team with participant information for the returned check.
 - d. Methome will contact the Plan Sponsor. If the check was mailed directly to the participant, the Plan Sponsor should obtain the proper address and update it through the PSC and update their PDI file.
 - e. The Plan Sponsor should update the address in the PSC immediately, so EI can reissue the check. Due to the timing of the next PDI file, it may be a few weeks before the address can be updated.

- f. When the Plan Sponsor updates an address via PDI file or via the PSC, the mail hold date will automatically be removed from the participant account.
- g. The Plan Sponsor must notify Methome when complete.
- h. Methome will notify the Return Checks Team that the address on the EI recordkeeping system has been updated and a new check can be issued to the participant.

B. Non PDI Participant

- 1. Yellow forwarding address mail sticker on returned mail.
 - a. Participant address is updated with address from sticker to the EI recordkeeping system.
 - b. The envelope with the yellow address sticker is imaged to show why the address was changed.
 - c. The original check is mailed to the new address.
 - d. An address change confirmation letter is not mailed to the participant.
- 2. No yellow forwarding address mail sticker on returned mail.
 - a. The return check is voided.
 - b. An SR Ticket is sent to the Document Management Department to perform a Lexis Nexis (address vendor) query.
 - c. Mail hold date is placed on participant account. The envelope and a copy of the check are imaged to show why we placed a mail hold date on the participant account.
 - d. If an address is successfully obtained through Lexis Nexis, the address will be updated on the recordkeeping system. The Mail hold date is removed and the address change confirmation letter is sent to the new participant address.
 - e. A new check is issued to the new address 15 business days after the address is changed on the recordkeeping system. This gives the participant time to receive the address change verification documents.

¹ Only the first piece of returned mail to cause the mail hold date to be placed on the participant account is imaged to support the mail hold date we added to the participant account. Any subsequent pieces of returned mail that do not have a forwarding address do not need to be imaged.

- f. If an updated address cannot be obtained through Lexis Nexis, the SR Ticket is updated to note that the address search was not successful.
- g. If a participant calls in to request a reissue of one of these checks, the Customer Service Representative (CSR) will first check to see if we have an SR ticket that was opened by the Return Check Team stating we have received a returned check, and if not an SR Ticket will be opened to request a stop pay/reissue of the check.

V. Terminated Employees

A. PDI Participant and Non-PDI Participant

1. Yellow forwarding address mail sticker on returned mail.
 - a. Participant address is updated with address from sticker to the EI recordkeeping system.
 - b. The envelope with the yellow address sticker is imaged to show why the address was changed.
 - c. The original check is mailed to the new address.
 - d. An address change confirmation letter is not mailed to the participant.
2. No yellow forwarding address mail sticker on returned mail.
 - a. The return check is voided.
 - b. An SR Ticket is sent to the Document Management Department to perform a Lexis Nexis (address vendor) query.
 - c. Mail hold date is placed on participant account. The envelope and a copy of the check are imaged to show why we placed a mail hold date on the participant account.
 - d. If an address is successfully obtained through Lexis Nexis, the address will be updated on the recordkeeping system. The Mail hold date is removed and the address change confirmation letter is sent to the new participant address.
 - e. A new check is issued to the new address 15 business days after the address is changed on the recordkeeping system. This gives the participant time to receive the address change verification documents.
 - f. If an updated address cannot be obtained through Lexis Nexis, the SR Ticket is updated to note that the address search was not successful.
 - g. If a participant calls in to request a reissue of one of these checks, the Customer Service Representative (CSR) will first check to see if we have an SR ticket that was opened by the Return Check Team stating we have received a returned check, and if not an AR Ticket will be opened to request a stop pay/reissue of the check.