Tips for Reviewing Distribution Requests

As your service partner, we have taken steps to provide you with as much relevant information as possible to aid you in reviewing distribution requests. Below, please find tips and considerations we have put together to assist you as you fulfill the responsibility of approving plan distributions.

1. **Take your time.** This sounds simple, but in a world where we are all multi-tasking much of the time, it is something worth mentioning. If you have been authorized to approve distributions from your plan, that responsibility is one that deserves a minute or two of your undivided attention. Approving a distribution in haste could be perfectly fine, or it could be a case of someone's hard-earned money being handed over to a clever fraudster. Your careful review makes the latter much less likely.

2. **Consider the participant's eligibility.** When a participant requests a distribution, only the distribution types they are authorized to take based on the data we have received will be available to them. With that said, sometimes data isn't perfect. For example, if you see a request for a large in-service distribution for a participant who you know to be in their 30's, consider that there may have been an error with the date of birth that was provided to us and look into it further before approving.

3. **Carefully review any required supporting documentation.** If the request is for a hardship distribution and your plan does not permit self-certification of these requests or if your plan requires spousal consent, be sure to open and carefully review the attachment(s) provided by the participant to ensure that they meet the requirements of your plan. We once received a photograph of a pig wearing pajamas as supporting documentation for a hardship distribution. True story. You don't want to be the person who approves that!

4. **Evaluate any risk factors that are present.** As part of the initial submission process, we have taken steps to make you aware of any combination of factors that could potentially make the distribution more likely to be fraudulent. Are there cases where a perfectly valid request comes from a participant who failed the security quiz? Absolutely. And are there instances when a legitimate participant updates key contact information immediately before requesting a distribution? Of course. But these are the types of things that can (and should) make you take a closer look at the validity of the request, especially if there are multiple on the same request.

5. **When in doubt, check it out.** If anything about the distribution request seems odd, trust your gut and reach out to the participant using a phone number or email address you have on file to confirm the details. Some of our clients contact the participant to verify every distribution request just to be safe. While that may not work for you, if anything at all seems out of the ordinary, it is ALWAYS better to double check than to risk making a mistake in allowing someone's retirement savings out of the plan. And in the end, if you can't verify the distribution's validity, opt to reject it. The participant can submit the request again and follow up with you to confirm the request.

If you have any questions about your plan or the distribution approval process, please feel free to contact your Plan Consultant. We are here to help!