

# Path to Defined Benefit Plan Termination

When contemplating plan termination, plan sponsors need to understand the complexity of the termination process. Our experts make the process as predictable and smooth as possible.

## Financial Prep

- Additional cash needed?
- Financial statement impact, including settlement charge
- Investment strategy
- Engage annuity consultant

## Plan Design Prep

- Allow lump sums?
- Consider recent legislation
- Design replacement benefits

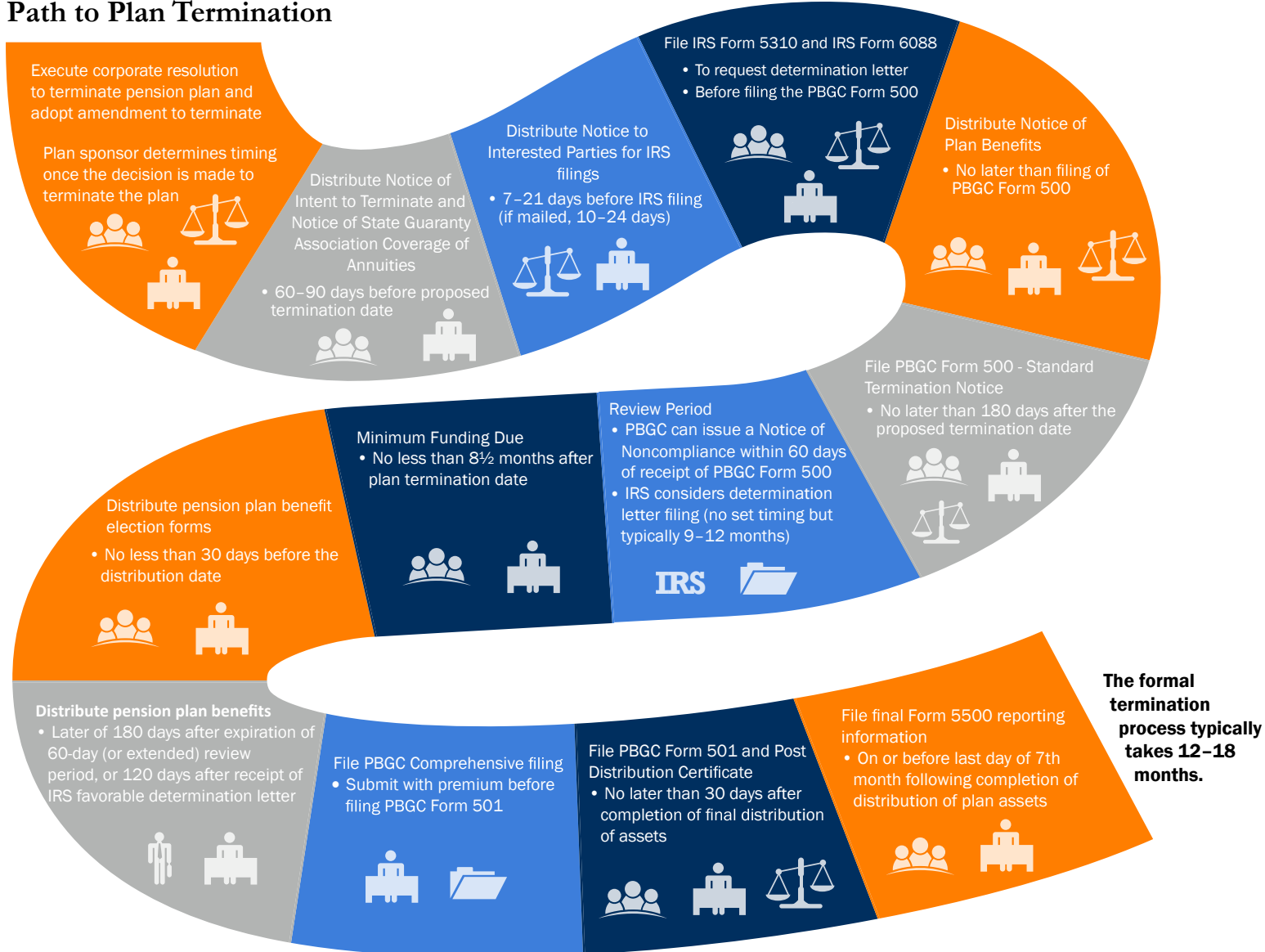
## Data Prep

- Quality of data
- Obtain current addresses
- Search for missing participants
- Qualified Domestic Relations Orders

## Employee Communication Prep

- Technical communication of termination
- Include any benefits enhancements and other communications/PR considerations

## Path to Plan Termination



## Who is Responsible / Involved?



Assumptions - (1) Assumes request made for IRS Determination Letter (strongly encouraged but optional) (2) Does not apply to Distress Termination or Involuntary Termination. (3) Plan is frozen. Steps to freeze plan not included.

The overview of the defined benefit plan termination process is merely a summary and should not be relied on exclusively to determine your actions. You should discuss your situation with your actuarial consultant, accountant, attorney, and others to plan your strategic approach.

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