

Investigations & Enforcement

DOL Issues Missing Participant Guidance After Years-Long Enforcement Initiative

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On January 12, 2021, the Department of Labor (“DOL”) issued sub-regulatory guidance detailing what steps plan sponsors should take to locate and distribute retirement benefits to missing or nonresponsive participants (missing participants).

While this guidance has been a priority request for retirement plan sponsors, service providers, and trade associations, there are mixed opinions as to its impact. Some sponsors may take comfort in having guidance to look to when addressing missing participants in their plans. However, the guidance does not create any clear, bright-line rules that many stakeholders had requested, and certain activities labeled “best practices” highlighted by DOL are costly, of potentially limited practicality, and could instead turn into mandatory demands from DOL in investigations.

Importantly, the guidance does not have the force and effect of law, and does not bind the regulated community. As such, it may be too soon to tell whether this non-binding guidance is helpful or adds increasing burdens to plan sponsors.

In *Bloomberg Tax’s Tax Management Compensation Planning Journal* article, “DOL Issues Missing Participant Guidance After Years-Long Enforcement Initiative,” Groom’s [David Block](#), [David Levine](#) and [Kevin Walsh](#) summarize the DOL guidance and best practices, outlining practical considerations for plan fiduciaries.

[Click here](#) to read the article.