

Lump sum window checklist

Key considerations as you prepare, design, and execute a lump sum window

With many plan sponsors concerned about market volatility and interest rates falling in 2024, now is the ideal time to review your pension plan's de-risking strategy and evaluate implementing a lump sum window. **Use this checklist to guide you through some of the key questions as you consider a lump sum window to de-risk your plan.**

Preparation

Feasibility study

- Has a feasibility study been completed to analyze the financial impact?
- Are unions involved? Will negotiations be required?

Data clean up

- Do you have reliable addresses and beneficiary data for all eligible participants?
- Have you conducted a search to identify deceased participants lately?
- How accessible and accurate is participant data for calculating benefits?
- Are the benefits final and certified?

Execution

Compliance

- What is the process for drafting and signing plan amendments?
- What updates are needed to participant disclosures and election materials?
- Are new notice and disclosure requirements enacted in SECURE 2.0 in effect?

Participant communications

- What will be the overall communication strategy and roll out plan?
- What communication elements will be included?

Window administration

- Will a separate call center be made available to handle additional call volume?
- Will an election portal be offered for participants to submit their elections and paperwork online?

Lump sum calculations and applicable assumptions

- Which interest rate and mortality table will be used to calculate lump sum amounts?

Financial education and planning

- Will access be provided to unbiased financial planning and coaching services to participants for guidance on lump sum distributions?
- Can the lump sum pay be rolled over into another plan?

Window design

Project management, design, and timing

- Who will be involved to support successful execution of the project, including a project manager, investment advisor, actuary, legal counsel, communication consultant, pension administrator, and financial planner?
- When will the window start, the election and extension periods end, and when will the payments be made?
- What population will be included in the window?
- Will there be a threshold or cap to the lump sum value?

Let's talk

To find out more, reach out to your consultant or contact us at talktous@buck.com or 1 877 414 2676.

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