



## Multiple Employer Plan Exit Policy

An Adopting Employer of a Multiple Employer Plan may, for any reason, withdraw from participation under the Plan. When an Adopting Employer terminates services with the Plan Sponsor (e.g. PEO, Association of Employers), and/or discontinues making required contributions, the Adopting Employer is considered to have discontinued participation in the plan. Discontinuance from participation does not represent a plan termination.

### Transfer to Successor Plan

The Adopting Employer can establish another qualified defined contribution successor plan and request a plan to plan transfer of all participant assets. If a plan transfer is not initiated within 120 days (or number of days specified in the plan document) of the plan discontinuance, participants in the Plan will become 100% vested. Slavic401k will coordinate the transfer to your new successor plan. **Send completed form to [Planexits@slavic401k.com](mailto:Planexits@slavic401k.com).**

### No Transfer

The Adopting Employer may leave plan assets in the Multiple Employer Plan after plan discontinuance. Participants will become 100% vested and will continue to have online access to their accounts for purposes of monitoring their account balances and making investment changes. Participants who have an outstanding loan may repay the loan in full. If the loan balance is not paid off in full, the loan will be treated as a taxable distribution. Slavic401k will charge annual fees for continued reporting and administration of the plan as provided under our servicing agreement with the Multiple Employer Plan. This is not a distributable event for participants. **Send completed form to [ComplianceDepartment@slavic401k.com](mailto:ComplianceDepartment@slavic401k.com).**

### Spin Off and Termination of Plan

The Adopting Employer who wishes to terminate their portion of the Multiple Employer Plan must first establish a "spin off" single employer retirement plan which may then be terminated. Participants who have an outstanding loan may repay the loan in full. If the loan balance is not paid off in full, the loan will be treated as a taxable distribution. Slavic401k will charge a fee to process a spin off and plan termination. **Send completed form to [PlanTerminations@slavic401k.com](mailto:PlanTerminations@slavic401k.com).**

### Company Sold

Depending on the type of sale (stock or asset) a plan transfer to a successor plan may be initiated, or participants of the Adopting Employer may have a separation of service and a distributable event. If a distributable event occurred, participants can request distributions from the plan. Participants who have an outstanding loan may repay the loan in full. If the loan balance is not paid off in full, the loan will be treated as a taxable distribution. **Send completed form to [ComplianceDepartment@slavic401k.com](mailto:ComplianceDepartment@slavic401k.com).**

### Company No Longer in Business

If the Adopting Employer goes out of business, participants may have a separation of service and a distributable event. Participants will become 100% vested. If a distributable event occurred participants can request a distribution from the plan. Participants who have an outstanding loan may repay the loan in full. If the loan balance is not paid off in full, the loan will be treated as a taxable distribution. **Send completed form to [ComplianceDepartment@slavic401k.com](mailto:ComplianceDepartment@slavic401k.com).**

### Please Note:

In order for a participant to qualify for a distributions from the Plan, one of the following events must occur: separation from service from **all Adopting Employers of the Plan (IRC Sections 413(c) & 1563)**, attainment of age 59 ½, plan termination, disability of the participant under the plan and Social Security rules, or death of the participant.

# Multiple Employer Plan Exit Policy Form



Adopting Employers Name: \_\_\_\_\_

Plan ID: \_\_\_\_\_ Final Payroll Date: \_\_\_\_\_

Name of Contact at Employer: \_\_\_\_\_

Email of Contact: \_\_\_\_\_ Phone Number of Contact: \_\_\_\_\_

**Transfer to Successor Retirement Plan**

We have established a qualified successor retirement plan.

Name of Successor Plan: \_\_\_\_\_

Successor Plan's PEO or Third Party Administrator (TPA): \_\_\_\_\_

PEO or TPA Contact Telephone #: \_\_\_\_\_ PEO or TPA Contact Email: \_\_\_\_\_

**No Transfer at This Time**

We will not establish a successor retirement plan at this time. We acknowledge that all of our employees will become 100% vested upon the earlier of: signing a formal resolution discontinuing the plan, or 120 days (or number of days specified in the plan document) after cessation of all required plan contributions to the plan, unless a plan transfer has been initiated. Slavic401k will continue to charge annual participant fees. This is not a distributable event for participants. We understand we are responsible for notifying Slavic401k of any participants who subsequently terminate from service if we no longer maintain a relationship with the Plan Sponsor (e.g. PEO, Association of Employers).

**Spin Off & Terminate Plan**

We intend to terminate our portion of the Multiple Employer Plan by establishing a "Spin-Off" plan that, once established, will be terminated and distributions made to our employees after at least 30 days. We understand that Slavic401k.com will charge a fee for preparation of the necessary documents for the spinoff and termination and for coordinating the process.. We also understand we may not set up a successor 401(k) plan for at least 12 months following the date the last plan distribution is made.

**Business Sold – Asset Sale**

Date Assets Sold: \_\_\_\_\_

All employees have terminated employment as of \_\_\_\_\_.(Only complete when buyer does not assume plan)

Do not continue to send contributions to the plan after the sale if buyer does not assume plan. Advise PEO to stop deferrals.

Buyer will assume sponsorship of plan (Requires Board/Member Resolution)

Name of purchasing company: \_\_\_\_\_

Name(s) of New Owner(s) with Percentages of Ownership:

<u>Name</u>	<u>Ownership %</u>
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Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_(New Owner)

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_(Seller)

**Business Sold-Stock/Shares**

Date Company Sold: -Stock/Shares \_\_\_\_\_

- Buyer will assume sponsorship of plan (Requires Board/Member Resolution)
- Terminate the Plan – A fully executed Board/Member Resolution terminating the plan should be attached to this Request. The fully executed Resolution must be signed prior to the Close. (See attached sample)

Name of purchasing company: \_\_\_\_\_

Name(s) of New Owner(s) with Percentages of Ownership:

Name

Ownership %

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ (Seller)

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ (New Owner)

**Company No Longer in Business - Pick this section only if the business was not sold to another legal entity**

Date Company Ceased Operations: \_\_\_\_\_ Date all employees terminated \_\_\_\_\_

Authorized Signer: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**To avoid unnecessary delays, please send completed form to e-mail address associated with your request on page 1.**

**BOARD RESOLUTIONS  
SPIN-OFF AND TERMINATION OF 401(K) PLAN**

A meeting of the Board of Directors of (the "Company"), organized and existing under the laws of the State of \_\_\_\_\_, was held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ pursuant to consent to hold the meeting without prior notice, such consent indicated by the signature(s) of all Officers to these minutes.

WHEREAS, \_\_\_\_\_ was chosen as Secretary of the meeting;

WHEREAS, the Company participates in the \_\_\_\_\_ (the "Plan");

WHEREAS, the Company has the right to withdraw its participation in the Plan, to spin off and transfer the assets and liabilities attributable to its portion of the Plan to a newly-established 401(k) plan known as the \_\_\_\_\_ (the "Spin-off Plan"), and to terminate the Spin-off Plan;

WHEREAS, the Company deem it in the best interest of the Company to discontinue contributions to the Plan, spin off the assets and liabilities attributable to its portion of the Plan to the Spin-off Plan, and terminate the Spin-off Plan effective \_\_\_\_\_ (the "Terminate Date"); and

WHEREAS, the Company authorizes any amendment to the Spin-off Plan that may be necessary to bring the Spin-off Plan into compliance with applicable law as of its termination;

NOW, THEREFORE, BE IT, unanimously:

**RESOLVED**, that the Company adopts the Slavic401k.com Defined Contribution Pre-Approved Plan Document ("Plan Document") utilized for the Spin-off Plan and the Trust Agreement which shall be construed to be part of the Plan Document and is hereby adopted by the Sponsor as part of such Plan Document;

**RESOLVED**, that the Company is designated as the Corporate Trustee of the trust created under the Spin-Off Plan, and hereby appoints the following individual(s) as signing agents on behalf of the Trust:

Printed Name

Acceptance Signature

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**RESOLVED**, that, effective as of the Termination Date, the Company's portion of the assets and liabilities of the Plan shall be spun off and transferred to the Spin-Off Plan. Immediately after the transfer, each participant shall have balances equal to the balances immediately prior to the transfer and the transfer shall not result in elimination of any Internal Revenue Code Section 411(d)(6) protected benefits except as permitted. Immediately following the spinoff and transfer, the Spin-off Plan shall be terminated. The Spin-off Plan will allow participant-directed distributions as of the effective date of termination and no successor plan will be set up by the Company for not less than 12 months after the last distribution from the Plan is made. The creation and termination of the Spin-off Plan is effective as of Termination Date.

**RESOLVED**, that, effective as of the Termination Date, all employer contributions in the Spin-off Plan are immediately 100% vested.

**RESOLVED**, that after the Termination Date, no further contributions shall be made to the Spin-off Plan, other than: (i) contributions that have been accrued on behalf of participants in the Spin-off Plan on or prior to the Termination Date, (ii) any corrective contributions, (iii) contributions made on behalf of participants in the Spin-off Plan that are based on compensation earned on or prior to the Termination Date, and (iv) repayment of loan balances (if any) to the extent permitted by the Spin-off Plan.

**RESOLVED**, that the appropriate officer(s) and agent(s) of the Company are hereby authorized, empowered and directed to execute, make, verify, acknowledge, deliver, file and record any and all applications, certificates, instruments, agreements, notices and documents and to take any and all other action as may be necessary or desirable in their judgment in order to give effect to the foregoing resolutions, the execution by any such officer(s) or agent(s) of any such document to be conclusive evidence of such officer(s)' or agent(s)' authority to act in accordance with these resolutions; and

**RESOLVED**, that any and all past actions heretofore taken by the stockholders of the Company, the Directors, any prior directors and any appropriate officer(s) or agent(s) of the Company in the name and on behalf of the Company in furtherance of any or all of the preceding resolutions be, and hereby are, ratified, confirmed and approved.

Being no further business to come before the meeting, it was, upon motion duly made, seconded and unanimously adopted, adjourned.

\_\_\_\_\_, **Secretary's Signature**

**Name**

**Acceptance Signature**

\_\_\_\_\_, Chairman of the Board

\_\_\_\_\_

\_\_\_\_\_, Board Member

\_\_\_\_\_

\_\_\_\_\_, Board Member

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