Did You Lose a 401(k)? New Resource Will Help You Find It

Can somebody lose a 401(k) account? Yes, indeed, almost 30 million "somebodies" have lost their 401(k)s.

Using Department of Labor filings, Capitalize, a fintech company that helps people locate old 401(k)s, estimated that there are about 29.2 million forgotten or left-behind 401(k) accounts involving approximately $1.65 trillion in assets, as of 2023 (tinyurl.com/4xtwhzvx).

How can someone lose a 401(k)? Quoting a U.S. Department of Labor fact sheet, "Workers may lose track of their retirement plans after they change jobs or after a prior employer merges with another company or goes out of business. Retirement plans may lose track of people who are owed benefits due to incomplete recordkeeping, workers and beneficiaries not updating their contact information, and other reasons" (tinyurl.com/2bc5rmj3).

If you think you may have lost track of a retirement account, I have some good news to share.

Thanks to the SECURE 2.0 Act of 2022, we now have the "Retirement Savings Lost & Found Database," with the mission of helping individuals find missing retirement accounts.

The SECURE 2.0 Act called for an online searchable database to be created that would allow a retirement saver "to locate the ... contact information for the administrator of any plan with respect to which the individual is or was a participant or beneficiary, sufficient to allow the individual to locate the individual's plan in order to make a claim for benefits" (tinyurl.com/te95azmv).

That database is now available for you to use. It provides a new pathway for finding retirement money that might have been "lost" somewhere during your working career. The program "finds" 401(k) and other defined contribution plans, as well as pensions (defined benefit plans).

Who would benefit from using the website? People who worked for a private-sector employer or were members of a union that sponsored a retirement plan (but not those who were employed by a government entity or a religious organization). Additionally, those eligible needed to qualify for retirement benefits from the employer or union.

The database is located at the Department of Labor's Employee Benefits Security Administration (EBSA) website (tinyurl.com/zzy2kues).

To access the database, you will need to "register" through Login.gov, a government identity verification tool that is used to sign in to participating government agencies. You can use an existing Login.gov account to access the Lost and Found database, but you might need to provide additional information. Quoting the EBSA website, a Login.gov account requires the following information:

-- Legal first and last name

-- Date of birth

-- Social Security number

-- A mobile device

-- Front and back photo of an active driver's license

Once you verify your account using Login.gov (which might take a few minutes to complete), you can access the Lost and Found database by entering your Social Security number and clicking "Search."

The database will then display a "Results Summary" list of retirement plans linked to your Social Security number so you can review the details. Included in each listing is the plan name, the plan administrator's name and the contact information. There is also a "Full Results" section with information received from the Social Security Administration, details of any pensions (payment frequency, defined benefit amount) and the total value of a retirement account.

Note that the EBSA "has taken great care to ensure that participant and beneficiary data submitted to the Lost and Found is secure and confidential," adding that if plan fiduciaries "prudently and loyally follow the data transmittal instructions, they will have satisfied their duty under ERISA section 404 to ensure proper mitigation of cybersecurity risks" (tinyurl.com/2u5wkyrr).

However, those who have cybersecurity concerns can choose to have information about themselves removed from the Lost and Found database. They can use an opt-out online form, which does not require Login.gov credentials, at tinyurl.com/mskspnrk.

If you think there might be a possibility that you left a retirement plan behind, it is worth the time to access the Lost and Found database to see if you can track it down there. A few minutes of work could lead you to a "buried treasure."

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