



# Understanding the Blackout Period — frequently asked questions

**AT ADP RETIREMENT SERVICES, WE'RE COMMITTED TO TAKING THE COMPLEXITY OUT OF THE PLAN CONVERSION PROCESS AND KEEPING YOU INFORMED EVERY STEP OF THE WAY.** We recognize that you and your Plan's participants may have questions related to the blackout period. Below are answers to the most commonly asked questions that we hear from our new clients.

## Why is a blackout period necessary?

A blackout period is a normal industry transition period needed when you choose to move your 401(k) plan to a new 401(k) provider, or recordkeeper. While a blackout period may be short-term inconvenience, the goal is to make positive changes to the Plan (i.e., new investment options, plan features, etc) which are beneficial to you and your participants. The law requires that participants be provided with written notice in advance of any changes made to your Plan.

## What is a blackout period?

During the blackout period, participants will only be permitted to make contributions and loan repayments to the Plan. They will be required to wait until the blackout is lifted to take loans, distributions, and make investment elections. The blackout period commences once your current provider transfers the plan assets and participant account data. Upon receipt of this information, ADP Retirement Services will verify your plan details and establish participant accounts onto our recordkeeping system. Upon complete reconciliation, your blackout will be lifted and all participant capabilities will be made available on our recordkeeping system.

## What can participants expect during the blackout period?

During the blackout period, contributions and loan repayments (if applicable) will continue to be made into the Plan, however, participants will not be permitted to request distributions and/or loans while their accounts are being established.

## What is the timing to get the Plan out of blackout?

Once ADP receives your plan assets and complete records from your current recordkeeper, we are typically able to establish participant accounts and lift blackout within 3 to 5 business days.

## What is a blackout notice and why is it required?

The Department of Labor (DOL) requires that participants be notified at least 30 days in advance of the blackout period start date. ADP's blackout notice is compliant with the DOL requirements. We recommend that you quote a blackout period up to 45–60 days to account for unforeseen circumstances which will avoid the need to send an updated blackout notice to participants.

## Should participants do anything before the blackout period begins?

Participants should take some time to review their current retirement account to determine if they need to make any changes to their investment options, contribution rate, and/or request a loan or withdrawal, if eligible.

To help your participants better understand the blackout period, we have prepared a special communication that you may distribute to them. [Click here](#) to download.

## How can I minimize any market exposure to my participants?

We have a number of conversion strategies you can utilize, including in-kind share transfers for those funds which qualify.

## What happens if I have contributions that occur prior to the ADP effective date and my previous recordkeeper will not accept them?

Once your Plan starts with ADP, these contributions can be posted to the Plan and participant accounts. It is important that you ensure that these contributions are remitted under the ADP Plan within the required timeframe.

## How will participants be notified that the blackout period has lifted?

Your employees will receive a welcome letter (via U.S. mail) which will include unique credentials and instructions for accessing their account. If they utilize the participant website or the ADP Mobile Solutions App, they will have access to their account at time the blackout has been lifted.

## How will participants be able to access their 401(k) account once the Plan is no longer in blackout?

Participants may access their retirement savings account — 24 hours a day, 7 days a week — through your Plan's participant website, the ADP Mobile Solutions App, or via the automated voice response system (VRS). Participants can also speak to a Participant Service Representative Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern time.



## Still have questions?

For additional information, please contact your ADP Implementation Manager.

**ADP RETIREMENT SERVICES** 71 Hanover Road, Florham Park, NJ 07932

ADP, Inc. owns and operates the ADP.com website and ADP mobile app. ADP, Inc. is a retirement plan record keeper and/or plan administrator and is responsible for the content as shown. Illustrations are representative of technological features only and are not meant to reflect any specific investment strategies nor any account or investment options. Only registered representatives of ADP Broker Dealer, Inc. (ADP BD), Member FINRA, or, in the case of certain products, a broker-dealer firm that has executed a marketing agreement with ADP, Inc., may offer and sell ADP retirement products or speak to retirement plan features and/or investment options available in such ADP retirement products.

ADP, the ADP logo and Always Designing for People are trademarks of ADP, Inc. All other trademarks and service marks are the property of their respective owners. 99-5922-PS-0721 ADPRS-20210706-2256 Copyright © 2020-2021 ADP, Inc. All Rights Reserved.

2 ■ FOR PLAN SPONSOR USE ONLY — NOT FOR DISTRIBUTION TO THE PUBLIC.

