

From: Dale Kennan [mailto:dale.kennan@co.hidalgo.tx.us]
Sent: Thursday, September 23, 2010 3:42 PM
To: Valde Guerra; Sergio Cruz
Cc: Josephine Ramirez
Subject: Closure of the County of Hidalgo Office of Employment & Training retirement plan

To All,

In trying to close the "County of Hidalgo Office of Employment & Training" retirement plan, we have been able to contact and retain "Separation from Service Distribution Request Forms" from 4 out of the 6 participants. These forms have been forwarded to Traci over at AUL

The remaining 2 participants have been a bit more difficult to track down. The funding due to the remaining 2 has caused the question of tax implications for the county to arise. After wading through the murky depths of the IRS tax forms it became clear that a more definitive source was needed. Subsequently a call was placed to get the info right from the source. As per the IRS the tax implications for the county are avoidable, as related to the closure of the "County of Hidalgo Office of Employment & Training" retirement plan, if one of the following options is utilized:

- Option 1 Turn assets over to the Pension Benefit Guaranty Corporation (PBGC)
- Option 2 Turn assets over to the Texas Unclaimed Property Fund
- Option 3 Open up an IRA for the funds to roll into

Basically the closure of the plan should cause to the county to have "zero assets attributable to the county" to avoid any tax implications or responsibilities in connection with the undistributed funds.



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