



manifest.

STREAMLINING YOUR 401(K) TRANSFER JOURNEY

A guide for HR and business leaders
looking to ditch the paperwork and
digitize retirement account transfers for
their employees

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ABOUT



A world leading provider of market intelligence on the Future of Work and HR Technology. **UNLEASH** is a customer-first, global digital media and events business, delivering the latest news, analysis and market trends for HR, technology, learning and recruitment leaders.

UNLEASH has championed HR excellence and disruption since 2011, serving as the strategic transformation engine for Human Resources. We are built to inspire, connect, and empower HR leaders worldwide to navigate the fast-changing world of work.

Our community is a diverse group of leaders, including HR Buyers from over 120 countries, who reimagine work and help optimize, enable and unleash new ideas and thinking that improve the lives of millions of people each year.

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Manifest is the first-ever digital transfer solution for retirement accounts. We make account consolidation safe, easy, and quick.

The current 401(k) transfer process is so tedious that 89% of people who start don't finish. By the time the average American leaves the workforce, they've left three old retirement accounts behind.

We're maximizing retirement outcomes for everyone by making it simple to bring savings from one job to the next.

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INTRO

The 401(k) transfer process has been broken for far too long – and most businesses are still allowing it to hit their people where it hurts.

Employees lose out on billions every year in forgotten retirement funds and cash-outs because they don't have an easy way to track or consolidate their old accounts.

Even those that do manage to get their savings in one place are left to battle with a mess of paperwork, red tape and manual processes that can take weeks, if not months, to resolve. Account rollovers are confusing and frustrating for everyone involved, which quickly adds up to a lot of financial uncertainty and stress for your employees, and a lot of time wasted by HR teams on repetitive admin tasks.

Fortunately, new digital capabilities are beginning to change that narrative. Top employers now see retirement transfers as a quick win to drive financial well-being and engagement across all levels of their workforce. They also realize the biggest obstacle to retirement savings isn't necessarily the market; it's the transfer process itself.

In this guide, we'll explore the most common pain points and inefficiencies associated with account transfers from all angles – and what your business can do to solve the headache.



THE PAIN OF MANUAL 401(K) TRANSFERS

Despite most workplaces embracing digital tools and solutions, the 401(k) transfer process remains a clunky, complicated experience from a bygone era.

When people switch jobs, one of three things happens to their previous 401(k) account:

1. **They leave it behind** – Not only does this impact employee savings, it also increases plan costs and administrative work for past employers.
2. **They cash it out** – This triggers taxes and penalties, which ultimately shrinks the potential full value of a retirement account.
3. **They attempt a rollover** – This is often the preferred option for employees looking to maximize their long-term savings and consolidate separate accounts.

1. Source: [How to Improve Retirement Outcomes](#), Manifest

2. Source: [The New Faces of Fintech](#), Medium

The problem is that the first two options are much easier, whereas attempting a rollover is a sluggish process that takes 60 days on average to complete¹ – which is one of the biggest reasons 89% of account transfers fail².

Employees are usually required to make multiple phone calls or fax physical documents to even start a transfer. Coordination between providers can be a painful process rife with delays and the risk of human error, as well as the need to deal with complex federal regulations.

It's easy to see why many people prefer to avoid the bureaucratic nightmare, even if it means losing track of their accounts, giving up major tax advantages and ultimately being less prepared for their retirement.



Understanding the ripple effect

Poor, ineffective processes are a problem for everyone. Here's a quick breakdown of how mismanaged manual transfers can impact your entire organization:

Employees

Forgotten or lost accounts often go unmonitored, which leads to missed investment opportunities, costly hidden fees and sometimes complete loss of contact with retirement funds. This has major consequences in terms of the way employees feel about their own long-term financial security, which in turn impacts their levels of stress, engagement and day-to-day performance.

Cashing out old accounts is always an option, though every employee should understand that this typically results in a 10%+ loss due to taxes and early withdrawal penalties. People work hard to be able to invest in their future, and leaving funds unclaimed or massively reduced can put a huge dent in their ability to enjoy retirement.

Employers

Inactive 401(k) accounts burden employers with high fees, compliance risks and wasted resources. They increase plan administration costs because recordkeepers tend to charge fees based on the total number of participants, including former employees who left accounts behind.

There's also the underlying impact on individual performance that results from additional stress and poor financial well-being – with 76% of financially stressed employees reporting some form of negative impact on their productivity³.

³. Source: [How does employee financial wellbeing affect productivity and retention](#), Zellis



HR

HR teams bear the brunt of broken 401(k) transfer processes, wasting hundreds of hours annually attempting to manage stranded accounts. Each inactive account generates a stack of tasks, from processing rollover paperwork and fielding ex-employee inquiries to tracking uncashed checks.

For companies with high turnover, this creates a massive administrative drag on internal resources. Time spent manually processing rollover requests and physically notarizing documents could be better spent on more valuable aspects of your people management strategy.

401(k) and IRA providers

Businesses and their employees aren't the only ones that lose out. Stranded accounts and early cash-outs lead to AUM leakage for 401(k) providers, as well as the excessive admin and support team burden that stems from common rollover issues.

More and more providers are also facing scrutiny over high fees, paperwork issues and poor experience ratings left by frustrated customers⁴ – and that dissatisfaction does nothing to help build trust between businesses and their staff.



4. Source: [Beyond Diversification: The pervasive problem of excessive fees](#)
Yale Law Journal

5. Source: [Employer Costs Study](#), Manifest

6. Source: [The Real Costs of Employee Financial Stress](#), Morgan Stanley

Hidden costs by the numbers

- Every inactive 401(k) account adds **\$72** in annual maintenance costs, multiplied across every participant who leaves savings behind⁵
- Over 25 million Americans have left behind retirement accounts during job changes – on average, it's **2.8** old accounts per employee
- With plan admin fees ranging between **0.5%–2%** of total assets annually, each inactive account multiplies your expenses
- Each inactive account adds to your compliance burden and missing an RMD deadline can trigger an excise tax of up to **25%** of the required distribution
- Full-time employees spend more than **156 hours** (or **19.5 days**) distracted from work because of personal money worries⁶



Want to remove inactive accounts from your plan?

Manifest can identify every account and return those savings to the employees who left them behind.

GET IN TOUCH

Chapter 2

RETIREMENT SUPPORT IN THE SPOTLIGHT

Businesses relying on an outdated 401(k) transfer process will continue falling behind.

As employers contend with ongoing labor and skills shortages, financial wellness should be seen as a key component of modern workplace culture, especially for those aiming to attract and retain top talent.

Reinforcing the link between mental health and performance is vital. Research shows that financially stressed employees are nearly five times as likely to admit that personal money issues have been a distraction at work⁷.

Senior business leaders and decision-makers need to understand that employee finances play a critical role in the well-being equation, and significantly impact productivity, focus and motivation at work. Retirement planning and financial benefits packages are a natural area of focus. Providing staff with the tools and resources they need to create a solid foundation for their own future is fundamental, especially in times of economic uncertainty.

Ultimately, the goal is to help people maintain and maximize their standard of living, both now and once they reach retirement age.



The impact of financial stress on health and well-being⁸

1. Sleep – 56%
2. Mental health – 55%
3. Self-esteem – 50%
4. Physical health – 44%
5. Relationships at home – 40%

⁷. Source: [Employee Financial Wellness Survey](#), PwC

⁸. Source: [Employee Financial Wellness Survey](#), PwC

Where is your financial benefits package lacking?

Many employers believe their retirement benefits are competitive simply because they're prepared to match staff contributions. While this remains a fundamental expectation, it's no longer enough to stand out in today's talent market.

Employees now seek holistic financial wellness support, including help with debt management, accessible retirement planning, salary sacrifice options and seamless tools that help maximize their savings - rather than just focusing on the here and now. Unfortunately, financial benefits strategies often lag behind other aspects of well-being programs and professional development, leaving missed opportunities to enhance employee engagement and retention.



So, why aren't more employers taking action? Our research shows that budget limitations and lack of internal resources are the biggest perceived obstacles facing HR leaders looking to develop their employee benefits strategy⁹.

But it doesn't have to be that way. The best financial benefits strategies don't require massive investment – they require intention. Forward-thinking businesses with tight budgets can still enhance financial support by thinking more creatively and uncovering quick wins that improve their benefits package without breaking the bank.

Start by auditing your current offerings: Where are employees struggling with things like retirement planning? What small changes could yield the biggest impact? From there, even incremental improvements can drive meaningful engagement, reduce financial stress and position your company as an employer of choice.

⁹. Source: [Beyond the 401\(k\): HR's next move for retirement success](#), Manifest x UNLEASH

GOING DIGITAL

The answer to the broken 401(k) transfer process isn't just a minor fix. It's full-scale digital transformation.

Manual rollovers are a perfect example of outdated working patterns that are no longer fit for purpose in the modern workplace. While it may seem innocuous, businesses that still rely on paper forms requiring multiple signatures, fax machines for document transmission, and manual account verification steps are undermining the financial well-being of their staff in basic ways.

Unfortunately, as other industries have adapted to digital solutions, retirement is lagging behind. Until now, there has never been a modern transfer platform that consolidates retirement accounts for employees. Transfers remain manual and stressful, taking people many hours and weeks to complete. Even then, only ~1 in 10 people are successful in moving their savings.

Today's mobile workforce relies on tools that support their movement. As more and more people switch jobs, employees are no longer supported by paperwork and wet signatures. They need intuitive, self-service portals, that result in less friction, less stress, and more focus – exactly the conditions necessary to thrive in and outside work (not to mention significantly more money saved for retirement).



10. Source: [Beyond the 401\(k\): HR's next move for retirement success](#), Manifest x UNLEASH

Key features of the first-ever 401(k) transfer system

Retirement planning is a huge industry, fueled by the fact that most people intend to retire someday. However, until now there has never been a digital tool that makes it easy for employees to carry over their savings from job to job, or from 401(k) to 401(k). It's one of the main reasons why 43% of employees choose to cash out instead of rolling over retirement savings, leading them they lose out on potential gains¹⁰.

That's where Manifest is making a real difference as the first and only plan-to-plan transfer tool. To combat the archaic transfer process stifling participant account growth today, there are a few elements Manifest prioritizes with account consolidation:

- **Locate old accounts** – Find previous retirement accounts with just the name of your old employer
- **Real-time tracking** – This allows employees to monitor transfer status, like a package delivery
- **Provider-agnostic compatibility** – Any employer can use Manifest, regardless of their 401(k) provider
- **Mobile-friendly access** – The average time it takes for employees to initiate a transfer is 7 minutes, and they can do this from anywhere, 24/7, in just a few clicks
- **HR dashboard integrations** – HR teams have full visibility into how many participants are consolidating, how many assets have been transferred, and other customizable metrics

Brose – Retirement support in action

CASE STUDY

brose

Brose is an international automotive parts manufacturer that employs a diverse workforce of 11,300 employees, ranging in terms of income, race, gender and age.

Following a company-wide survey, 88% of its employees voiced facing financial stress and mentioned that it was affecting their performance at work. Out of many causes, having enough money saved for retirement ranked as the biggest issue.

Brose's HR team had already implemented auto-enrollment and step-up features that boosted engagement. However, maximizing engagement had proven difficult and HR was struggling to communicate the full value of their retirement plan to certain sections of the workforce, such as manufacturing staff.

That's when the company approached Manifest to develop another dimension of their financial benefits strategy, one that would directly address the worries that employees had raised around retirement. Working closely with the HR team, Manifest helped deliver a seamless, simplified account transfer process, combined with a creative communications plan that would drive buy-in across all corners of the organization.

The campaign resulted in record levels of engagement, as well as an impressive **\$13,450 increase in savings per participant** – with manufacturing employees experiencing the most significant increase in savings.



Conclusion

MAKE 401(K) TRANSFERS EFFORTLESS WITH MANIFEST



Want to help your employees find lost savings and save your HR team from drowning in paperwork?

At Manifest, we're on a mission to make retirement transfers as easy as possible, driving better financial wellness and outcomes for all employees. In less than 30 minutes, you can launch Manifest to help your teams:

- Locate 401(k)s forgotten at past jobs
- Consolidate retirement accounts in 7 minutes, not 60 days
- Make informed decisions with clear rollover options
- Skip manual errors with seamless automation

Uncertain about adding another benefit to your stack? Our platform rests on top of your existing systems – no IT headaches required, just a few lines of code.



[Chat with Manifest today](#)