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5 Steps for Tracking Down Lost Money



Find hidden treasure in old 401(k) plans

by Patricia Amend, [AARP \(http://www.aarp.org\)](http://www.aarp.org), February 9, 2022

 [Illustration of an office being emptied, with a 401\(k\) document left behind in a desk drawer](#)

IMAGEZOO / GETTY IMAGES

How would you like to score your share of \$1.35 trillion?

As of May 2021, that's how much money was in some 24 million 401(k) accounts left behind at previous employers, according to a study by Capitalize, a company that helps Americans roll over their employer-sponsored retirement assets. Each year, the study found, people leave behind funds in about 2.8 million 401(k) accounts when they leave their jobs.

Gone are the days when workers forged their careers with one employer. Data from the U.S. Bureau of Labor statistics shows that individuals who were born during the latter years of the Boomer generation — from 1957-64 — have worked at an [average of 12.4 jobs between the ages of 18 and 54 \(/work/job-search/info-2022/older-workers-switching-jobs.html\)](#). While nearly half of them were held between 18 and 24, that's still an average of six positions throughout adulthood. What's more, recently workers have been quitting their jobs en masse, presumably to get better ones, a movement that has been dubbed "The Great Resignation."

Inaction can be costly

If you have left money behind, it would behoove you to track it down. The average balance in forgotten accounts is \$55,400. Over a lifetime, says Capitalize, failure to reclaim these assets could cost individuals as much as \$700,000 in [retirement savings \(/retirement/planning-for-retirement/info-2020/how-much-money-do-you-need-to-retire.html\)](https://www.aarp.org/retirement/planning-for-retirement/info-2020/how-much-money-do-you-need-to-retire.html), an estimate based on data from the U.S. Department of Labor, the Census Bureau, 401(k) record-keepers, IRAs and the Center for Retirement Research at Boston College.

Forgetting about old 401(k)s, and how much money is in them, is very common, says Kashif Ahmed, a CFP at American Private Wealth in Bedford, Massachusetts. “Recently, we uncovered one for a client that had more than triple what she thought it had.” You’ve worked for this money, so it’s important to locate it and keep building it, says Tess Zigo, a CFP at Emerge Wealth Strategies in Palm Harbor, Florida. “I’ve seen many young folks — believe it or not — who have old accounts sitting in money market funds not earning a dime.”

Follow these steps, with help if you need it

At the same time, finding your old accounts may be challenging for several reasons. In the first year of the pandemic, for example, hundreds of thousands of U.S. businesses closed permanently. In addition, says Zigo, you may have moved, or changed your email address, so your previous employer can’t find you. Your old 401(k) plan may have changed sponsors. “One of my clients has tried 10 times to reach a previous sponsor. It can be a frustrating process. And the bigger the hurdle, the less likely we are to try,” she says. But help is available. A [qualified financial planner \(https://www.plannersearch.org\)](https://www.plannersearch.org) can guide you through the following steps.



1. Take stock of your accounts

First, make a list that includes every employer where you contributed to a 401(k), suggests Charles Sachs, a CFP at Kaufman Rossin Wealth LLC in Miami, Florida. Next, call each one to see if they still have an account in your name, and update your contact information, if needed. Reaching out to them is the only way to find out where you stand, Sachs says. “It’s common for our clients to discover one or two old plans where they still have funds.”

2. If a company has closed, check these websites

In addition, company closings, mergers or 401(k) servicer changes can make an old account harder to trace, says Mark Ziety, a CFP at WisMed Financial Inc. in Fitchburg, Wisconsin. If your attempts at contacting a previous employer or the plan administrator are unsuccessful, search for the plan information at the [U.S. Department of Labor \(https://www.efast.dol.gov/5500search/\)](https://www.efast.dol.gov/5500search/). This site may be helpful for plans dating back to 2010.

You can search for your money, which may be considered unclaimed property, at databases such as [unclaimed.org \(https://unclaimed.org/\)](https://unclaimed.org/) and [missingmoney.com \(https://www.missingmoney.com\)](https://www.missingmoney.com). Both have links to state treasurers, comptrollers or other officials who update their lists of unclaimed assets regularly.





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3. Rollover the money directly to avoid expensive withholding

Once you've located your old plans, work with your financial planner to roll the funds over (</retirement/retirement-savings/info-2019/old-401k-accounts.html>) directly to a specified 401(k) or IRA account. Alec Quaid, a CFP at American Portfolios Denver in Denver, Colorado, says his firm calls the old 401(k) provider to see that the money is sent to the receiving financial institution and does not land in the client's account first. "Failure to do this could result in a mandatory 20 percent tax withholding on the funds distributed," he says.

4. Review and adjust your investment strategy accordingly

The next key step is making sure that all of your accounts are consolidated. "It's very difficult to devise a cohesive investment strategy when they are held at multiple locations. Simplification is the goal when it comes to account management," Quaid says.

Now you can create an overall investment strategy, says John Power, a CFP at Power Plans in Walpole, Massachusetts. You may have a mishmash of the investments that were available at the previous employer's 401(k), and your investment goals at that time. After a direct rollover, Power helps his clients to invest the rolled-over funds — now in an IRA — in a way that works with the choices in their current 401(k) plan. "This makes for purposeful investing and ease of maintenance."

5. Don't procrastinate; consolidate as you go

To keep things as simple as possible, and to make the most of your retirement savings, put consolidating your accounts at the top of your list whenever you leave a job, says Ahmed. While this can be a stressful time, he recommends attending to your 401(k) just like you clean out your desk, look for another position and transition to a new one. "This is immensely important to sound retirement

planning,” he says. If you don’t, you may be saddled with the tedious, time-consuming task of tracking the websites, usernames and personal identification numbers related to old accounts, Zigo says. “If you are managing 10 accounts, what’s the likelihood that you will be implementing the right asset allocation across all of them? That would be a feat for any of us!”

Other forgotten funds and where to find them

Retirement funds aren’t the only assets that may be lost or forgotten. Others include insurance accounts or annuities; unpaid wages; pensions from former employers; FHA-insurance refunds; tax refunds; savings bonds; accounts from bank or credit union failures. In addition, heirs may easily overlook one or more accounts, if the estate plan failed to list all of them.

The National Association of Unclaimed Property Administrators (NAUPA) reports that about 1 in 10 Americans have [unclaimed property \(/money/budgeting-saving/info-2019/find-unclaimed-cash.html\)](https://www.naupa.org/money/budgeting-saving/info-2019/find-unclaimed-cash.html), and more than \$3 billion is returned to owners each year.

Brokerage firms and other financial institutions must report unclaimed or abandoned accounts — once they have made a diligent effort to locate the owner. Should they be unsuccessful, they must report it to the state agency that handles such matters. The agency then claims it through a process known as escheatment so that the owners can find it.

Websites you can use to find lost funds include your state’s unclaimed property site; NAUPA’s [missingmoney.com](https://www.missingmoney.com); the U.S. Department of Labor [database \(https://webapps.dol.gov/wow/Home/Privacy\)](https://webapps.dol.gov/wow/Home/Privacy) for back wages; or the [Pension Benefit Guaranty Corp \(https://www.pbgc.gov/about/pg/contact/contact-unclaimed\)](https://www.pbgc.gov/about/pg/contact/contact-unclaimed) to claim your pension funds. To find accounts at failed banks, try the [Federal Deposit Insurance Corp \(https://closedbanks.fdic.gov/funds/\)](https://closedbanks.fdic.gov/funds/). For credit unions, go to the [National Credit Union Administration \(https://www.ncua.gov/support-services/conservatorships-liquidations/unclaimed-deposits\)](https://www.ncua.gov/support-services/conservatorships-liquidations/unclaimed-deposits).

Whenever Melissa Brennan, a CFP at ARS Private Wealth in Plano, Texas, takes on a new client, she checks the state comptroller’s website for unclaimed funds, returning on an annual basis. “When I find a claim, I screenshot the page from the website, send it to the client, and walk them through the claims process. I’ve helped clients recover several thousand dollars twice,” she says.

A final note: Claiming your assets is free. Beware of anyone who wants to charge you for doing so.

