Sponsor E-News







Welcome to the January 2007 edition of Sponsor E-News!

We are pleased to introduce to you to our new e-mail newsletter. E-News will be sent you to each month to help keep you up-to-date about developments that can affect your company's retirement plan. You can look forward to helpful tips about taking better advantage of our Web site (www.TA-Retirement.com), news about current legislative and compliance issues, reminders about

any upcoming "to do" items for your plan, as well as topics and publications that can help you and your participants master retirement.

To help convey important information to you quickly, our newsletter messages are color-coded:



Action Required: Noted in red, these messages will require action, such as a signature, by the Trustee or Fiduciary of the plan.



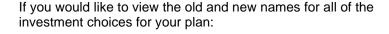
Legislative / Compliance Update: Noted in blue, these messages will discuss legislative or compliance-related topics.



For Your Information: Noted in green, these messages will provide you with general information covering subjects such as participant education, product and service features, and helpful tips for using the Web site.

FOR YOUR INFORMATION

On January 29th, the names of the investment choices in many of our retirement plan products changed. The new names for investment choices show the underlying investment management company's name first. The investment strategies, underlying management company and portfolio makeup for the investment choices have remained the same.





- Login to www.TA-Retirement.com using your user ID and password.
- Your landing page will include an announcement about the name changes. Select "Name Change Grid" to see a complete list of your plan's investment choices.

WLEGISLATIVE / COMPLIANCE UPDATE



Here are a few helpful reminders about important first quarter events.

If your plan is a calendar-year plan, we recommend that you submit your 2006 Census now, in order to assure completion of the required annual nondiscrimination tests.

Excess contributions: For 401(k) plans, completion of the annual nondiscrimination tests is necessary to determine if there are any excess contributions. To avoid a 10% excise tax, excess contributions (if any) must be refunded by March 15th -- so it's best to submit your census file and data quickly. If this is applicable to your plan, we will include instructions with your discrimination testing results.

- **Discretionary contributions:** If you are planning on making discretionary contributions (such as matching and/or profit-sharing) for the 2006 plan year, the date by which contributions must be deposited may be **March 15th** (depending upon your employer's tax year and whether an extension for its tax filing is requested). Completing the annual nondiscrimination tests will allow you, as the employer, to determine the maximum allowable deductible contribution for the 2006 plan year.
- 2006 IRS Forms 1099-R were recently mailed out to the participants who had a taxable or reportable event during 2006. Duplicate or replacement tax forms may be requested, if needed.
- Minimum required distributions ("MRDs") are due by April 1st for certain participants who attained age 70 1/2 in 2006. You will need to instruct us on whether or not we should distribute the MRDs to each participant. Before instructing us, please contact your participants to let them know about MRDs.

FOR YOUR INFORMATION

Transamerica Retirement Services¹ is pleased to offer a variety of award-winning educational tools to help your employees plan for retirement.² Whether you are looking to increase participation, expand your employees' investment knowledge, or fulfill your fiduciary responsibilities, we offer solutions that can help fill your needs. Our educational materials include:

- Enrollment kits (you can also order any components of the enrollment kit separately)
- Investment Option Profiles
- · Payroll stuffers
- Educational posters
- Seminar posters
- Enrollment videos, CDs, and DVDs
- TransDirect® participant access brochure explaining 24/7 phone availability
- Borrowing from your 401(k) brochure (for plans that offer loans to participants)

To place your order for retirement plan materials, please:

- Login to www.TA-Retirement.com using your user ID and password
- Click "Plan Administration"
- Click "ekits"
- Select "Plan Sponsor"
- Click "Order Kits/Supplies"

Take advantage of our educational materials today. You can enhance your enrollment and education program and give participants the tools they need to make more informed decisions.

WLEGISLATIVE / COMPLIANCE UPDATE



Transamerica Retirement Services is dedicated to providing tools and resources to assist you in your role as plan fiduciary/administrator.

View the latest <u>Annual Compliance Calendar</u>, which includes IRS deadlines.

Tip: Set up reminders for key dates now in your electronic calendar. For non-calendar year-end plans, adjust the dates to apply to your year-end filings.

View the current Annual Elective Benefit Limits.

Tip: Ensure these limits are set up with your payroll provider or your in-house payroll. Be sure to notify your payroll provider of any changes to your plan (new HCE's, plan provisions such as Safe Harbor, top paid group, etc.).

We would like to hear your suggestions and ideas for future topics for E-News. Please let us know how we can be of service to you by calling your Transamerica representative. We look forward to hearing from you.

² Transamerica Retirement Services' communication materials have received awards from various organizations, including the Profit Sharing/401(k) Council of America ("PSCA") in 2004, the Insurance and Financial Communicators Association in 2004, Dalton Pen Communications in 2005, and Dalbar, Inc. in 2005 and 2006. For more information, please refer to the Web site www.TA-Retirement.com.



¹ Transamerica Retirement Services, a marketing unit of Transamerica Financial Life Insurance Company ("TFLIC"), Purchase, New York, and Transamerica Life Insurance Company ("TLIC"), Cedar Rapids, Iowa, and other TFLIC and TLIC affiliates, specializes in the promotion of retirement plan products and services. TLIC is not authorized in New York and does not do business in New York.