

SPONSOR E-News



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

Last month we introduced Sponsor E-News to help keep you up-to-date about issues that can affect your company's retirement plan. This month, we are providing more tips and tools for using www.TA-Retirement.com, information about important upcoming dates and ways for your participants to get the most from our Participant Contact Center.

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.

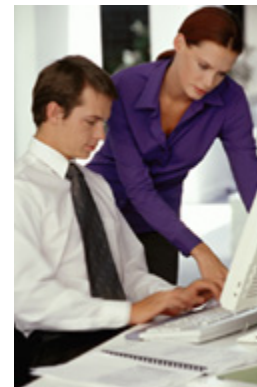
FOR YOUR INFORMATION

Adding Online Enrollment

Did you know that you can add online enrollment to your plan at no cost?

With online enrollment:

- Employees will automatically receive a Participant Enrollment Letter with instructions about 30 days prior to becoming eligible.
- Eligible employees have the convenience of enrolling in your plan online or by calling the Participant Contact Center.
- Employees can establish or change their deferral percentages online or with a phone call to us.



If you would like to add the online enrollment feature to your plan:

- Complete and fax in the attached [Online Enrollment Election Form](#) or call SponsorConnect at (866) 498-4557 for more information.
- With online enrollment, employers are required to upload full census data with each payroll via the online payroll validator, but we believe the benefits gained from this feature far outweigh this extra step!

LEGISLATIVE / COMPLIANCE UPDATE

What's Happening in March and April



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 complete plan testing and government form 5500 we recommend you submit your census now. If your plan fails the ADP or ACP test, we will include instructions on how to correct the failures 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 calendar plan year, the date by which contributions must be deposited may be **March 15th** (depending upon the employer tax year and whether an extension for corporate 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 Form 1099-Rs 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 by calling (800) 708-4482 from 7:00 a.m. to 4:00 p.m. PST.

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

Investment Scorecards Available on TA-Retirement.com

Transamerica Retirement Services¹ offers an award-winning Web site² designed to support you as you manage your plan and execute your fiduciary responsibilities.

Transamerica's Investment Monitor is our proprietary, comprehensive due diligence process for selecting and monitoring all of our investment choices.

To help you monitor your plan's investment lineup, we have created a quarterly Investment Scorecard – the result of the Transamerica Investment Monitor's intensive, quarterly review of each of our investment choices. Our Investment Scorecard methodology employs in-depth qualitative and quantitative analysis to help you evaluate each investment choice on an ongoing basis, in order to determine if it's still appropriate for your plan and your participants.



The image shows a thumbnail of a table titled 'INVESTMENT SCORECARD'. The table has multiple columns, including 'Investment Choice', 'Rating', 'Risk', and 'Return'. It lists various investment options with corresponding scores and ratings.

Follow these simple steps in order to access an online copy of the Investment Scorecard on www.TA-Retirement.com:

1. Login using your Plan Sponsor user ID and password
2. Select "Plan Funds" in the left-hand navigation
3. Select "Investment Scorecard"
4. Select the Scorecard for the time period that you wish to view

FOR YOUR INFORMATION

Adding Funds using www.TA-Retirement.com



If you are interested in reviewing or changing your plan's investment choices, you may want to talk with your financial advisor or your Transamerica representative. Once you've discussed the options with Transamerica, your financial advisor and, if applicable, your Investment Committee, you can use www.TA-Retirement.com to request changes your investment lineup whether you're adding or deleting investment choices. Follow these easy steps to complete the process:

1. Login using your Plan Sponsor user ID and password
2. Select "Plan Funds"
3. Select "Add/Delete Funds"
4. Select which type of change you will be making to your lineup
5. Confirm or edit the changes you have requested
6. An Adobe Acrobat PDF form will be created
7. Select "Open" in the pop-up dialog box to open the form
8. Print the Application to Change Investment Account Option form
9. Have the form signed by a named Trustee
10. Fax the form to the number printed on the form

FOR YOUR INFORMATION

Helping your participants get the most out of the Participant Contact Center

Our Participant Contact Center Specialists are experts at assisting your plan participants. We can assist your participants with many routine inquiries, as allowed by your plan.

Our Specialists can assist your participants with:

- Password and username resets for the Internet
- PIN resets for the Interactive Voice Response system (IVR)
- Duplicate statement copies
- Assistance in reading statements
- Deferral/contribution rate changes
- Investment allocation changes
- Inter-fund transfers or rebalancing
- Enrollments
- Distributions
- Loan modeling or initiation
- Requests for participant forms to be sent by mail, email or fax
- Fund information
- Fund performance
- Fund descriptions



Our Participant Contact Center Specialists are known for providing friendly, professional, and

efficient service. You can download our [brochure](#) for our operating hours, phone number and e-mail address. Feel free to share it with your participants.

LEGISLATIVE / COMPLIANCE UPDATE

Pension Protection Act (PPA) Participant Statement Enhancements



Transamerica has been working to update our participant statements as a result of the recently passed PPA. As of 3/31/07, Transamerica will comply with all PPA provisions for statements including:

- **Timing:** We are required under PPA provisions to provide statements within 45 days of quarter end. Good news for our sponsors - our standard is 10 business days!
- **Employer Contributions:** Certain types of formulas must be disclosed on the statement under PPA. Transamerica will comply with a general statement and refer participants to their Summary Plan Description (SPD) for more details.
- **Diversification Statement:** The PPA requires a statement about the importance of diversification. This statement will be included under "Important Notes" on the participant statement.
- **DOL Website:** PPA also requires the publication of the DOL web address on statements for participants to seek more information on investing and diversification. The web address will also be included under "Important Notes".
- **Vesting:** Lastly, the PPA requires providers to specify the participant's vested accrued balance, or vested balance, on the statement. Transamerica has always made this a practice, so we are already in compliance with this requirement.

Over the coming months, TRS will continue to inform you of significant enhancements we make as a result of PPA and other legislation.

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.

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.

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.
