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FEEDBACK

Our main goal is providing you with the information you need. Please send your feedback and suggestions to:
sponsorconnect@transamerica.com

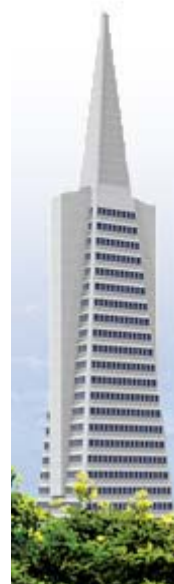
Transamerica is pleased to introduce our new enrollment kit with enhancements to make it easier for your participants to join your plan. Please read below about the new kit available on March 31st.

A new quarterly feature to help you keep up to date on compliance topics associated with running a retirement plan is starting in this issue of Sponsor E-News. This quarter we're talking about the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the new Section 415 limit changes.

We know that the stock market's volatility can create questions and concern about your participant's retirement plan. In response to the recent market volatility, we've updated our market volatility brochure which we hope you will share with your participants.

Want to know what other employers and their employees think about employer-sponsored retirement plans? The Ninth Annual Transamerica Retirement Survey, a national survey of employers and workers regarding their sentiments towards retirement, contains interesting insights.

And, rounding out the month we continue to discuss privacy and Transamerica's commitment to keeping your plan data safe. Read below about the steps we're taking to keep your data with us safe.



Compliments of
Sponsor Connect
(866) 498-4557

INFORMATION

New Enrollment Kit Available for Order March 31, 2008

Our award-winning Retirement. A Journey Made Simple[®] enrollment kit is now better than ever¹. We have replaced the previous multi-piece enrollment kit with a single workbook.

The new format consists of a single-bound enrollment kit containing sections for education, investment choices, instructions and perforated sheets for enrollment forms. Your employees will find the new format easy to read and to follow, with color-coded

sections guiding them through the plan education and enrollment process.

Beginning March 31, 2008, we invite you to place orders on eKits for the new enrollment kit, by logging into your Plan Administration page at www.TA-Retirement.com.

For a preview of the enrollment kit, [click here](#).

¹Transamerica Retirement Services' enrollment kit received a first place 2008 Eddy Award for excellence in plan participant education from Pensions and Investments, the international newspaper of money management.



INFORMATION

Ninth Annual Transamerica Retirement Survey

For each of the past nine years, the Transamerica Center for Retirement Studies² ("The Center") has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The research emphasizes employer-sponsored retirement plans, issues faced by small- to mid-sized companies and their employees, and the implications of legislative and regulatory changes.

The telephone survey polled 2,011 American workers³ in a random, national sample during 2007. The results draw an interesting profile of employees:



- When workers were asked what their greatest financial priority is right now, 32% cited paying off consumer debt and only 27% cited saving for retirement.
- To further cloud the financial situation many workers are facing, an alarming 20% of all workers who took a loan in the past 12 months cited "paying off debt" as the reason.
- Forty-nine percent of American workers expect their 401(k) account and /or IRA to be their primary source of retirement income.
- Plan participation rates vary significantly by household income and for homes with a household income of less than \$50,000, the participation rate is only 68%.

The complete survey results and recent press release are posted on the homepage of the [Transamerica Center for Retirement Studies Web site](#). We would also like to share a recent interview on National Public Radio that talks about the changing statistics of loan usage in a retirement plan: [click here](#).

² The Transamerica Center for Retirement Studies ("The Center") is a collaboration of experts assembled by Transamerica Retirement Services to promote public awareness of emerging trends surrounding retirement security in the United States. The Center's research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes. For more information about The Center, please refer to www.TA-Retirement.com/TheCenter.

³ Workers polled are at least 18 years of age and work full-time in companies with at least 10 employees.

INFORMATION

Spotlight on Participant Education: Market Volatility

There is no getting around it; the stock market is volatile and we are experiencing that first hand right now. Every day you and your participants watch as the stock market goes up and down in reaction to any number of issues involving business, the economy, or geopolitical events. This fluctuation can be unnerving and even scary.

A new brochure, [Investing in a Volatile Market](#), is available to you and your participants. This brochure puts market volatility in context; expanding on the history of the stock market over time, and providing insight into how different types of investments are affected by different types of volatility.



This brochure and the other participant education materials available through www.TA-Retirement.com can be part of your overall plan to communicate with your plan participants.

LEGISLATIVE/COMPLIANCE

Compliance Quarterly: Understanding EGTRRA and the new 415 limit changes

Understanding EGTRRA: Defined contribution plan document providers are gearing up for the Internal Revenue Service (IRS) mandated plan restatements. A "plan restatement" is when your current plan documents are reissued on an updated document. This current restatement cycle is known as the "EGTRRA" restatement (named after the Economic Growth and Tax Relief Reconciliation Act of 2001). It will incorporate various pieces of legislation enacted from 2001 through 2004 into the new document. Generally, this restatement will not affect the plan provisions you have previously chosen, such as age and service.



The IRS will begin issuing their approval letters to document providers in March 2008. Accordingly, plan sponsors who have adopted a pre-approved plan (prototype and volume submitter documents) will have a two-year window to adopt their restated plan, ending April 2010.

As a plan sponsor, this restatement provides a good opportunity to review your current plan documents to ensure that they are complete and up-to-date and to evaluate whether any provisions should be changed. During this period, you also have an opportunity to file your plan with the IRS for a Favorable Determination Letter. You may want to discuss with your document provider the many benefits of having a Favorable Determination Letter for your plan with your document provider.

415 Limit changes: On April 5, 2007, the IRS finalized regulations for Section 415 of the Internal Revenue Code ("Code"). Section 415 limits the amount of contributions that may be allocated to participants annually (e.g. employer contributions, employee contributions, and forfeitures) and also is used in determining a plan's highly compensated employees, key employees, and the amount of any required top-heavy contribution. The final regulations primarily impact definitions of compensation.

The final Section 415 regulations require that your plan be amended to comply with mandatory changes. Depending upon your plan's definition of compensation, you may also have options which you may elect (but which you are not required to elect) to expand your definition of compensation.

The deadline for signing the amendment depends upon several variables, such as your plan's "Plan Year" and whether participants need to meet any requirements to receive employer contributions (such as completing 500 hours of service).

Please talk with your document provider for specifics on dates and upcoming events specific to your plan.

✓ LEGISLATIVE/COMPLIANCE

Transamerica Retirement Services' Commitment to Your Privacy

Nowhere is Transamerica Retirement Services' commitment to earning our customers' satisfaction through their trust in our business practices more evident than in the protection of our clients' privacy. Every Transamerica employee has the responsibility to protect client information entrusted to them. The information subject to protection includes information from you, the plan sponsor, your participants, our recordkeepers, third party administrators (TPAs), and the financial advisors who work with us. Furthermore, our employees are expected to protect your information with the same level of care that we use to protect Transamerica's own information.



To ensure that everyone within Transamerica understands our commitment to privacy and applies our privacy standard consistently, we have a published and monitored privacy policy that is a part of the training process for every Transamerica employee. Our privacy policy was designed to help all of our employees easily understand their responsibilities with respect to the identification, classification, and handling of our clients' information.

At Transamerica we utilize the "*Need-to-Know*" concept of information sharing. Information in employees' possession may not be shared with anyone who does not have a legitimate and demonstrable business need for that information - even another Transamerica employee. If an employee is unclear whether or not anyone has a legitimate and demonstrable business need for information, he or she may not share that information until the legitimacy of the need has been established. If any employee is ever uncertain about another individual's right to access information in his or her possession, the employee must raise the situation to his or her manager.

At Transamerica, most client information is considered *sensitive* for handling purposes. Sensitive information includes (but is not limited to):

- Non-public personal information (as defined in the Gramm Leach Bliley Act)
- Customer or contract holder data
- Plan sponsor and participant's personal and private information
- Social Security Numbers
- Passwords and data encryption keys
- Plan information necessary to establish, maintain, and terminate recordkeeping files
- Plan sponsor and participant recordkeeping data
- Plan investment information
- Plan reports and logs necessary to facilitate required recordkeeping functions

Sensitive information must be identified and may not be removed from the company premises unless there is a legitimate business requirement. If sensitive information is lost, disclosed to unauthorized parties, or is even suspected of being lost or disclosed, the employee must immediately notify his or her manager and the corporate legal department immediately. Furthermore, when sensitive information must be transmitted over

any network, it must be marked secure and sent via a "secure" transmission method. Networks include e-mail systems, the Internet and dial-up lines.

Our privacy policy even extends the protection of our clients' data to conversations between employees. Sensitive information may not be discussed where, or in a manner in which, unauthorized people may overhear the conversation. We also discourage employees from leaving voicemails containing sensitive information on our secure, password-protected internal voicemail system. Employees are discouraged from sharing sensitive information until they can actually speak directly with individuals who have authorized access to the information. Obviously, in certain exceptional situations, it is permissible for employees to leave a voicemail containing sensitive information on our internal voicemail if the urgency of resolving the issue as soon as possible dictates that. However, voicemail messages left under those circumstances are subject to strict rules designed to ensure the protection of the information. Under Transamerica's privacy policy, it is never permissible to leave messages containing sensitive information on any outside voicemail system.

Protecting our clients' privacy and the data we hold on their behalf ranks as one of Transamerica's highest priorities, and our privacy policy clearly reflects that priority. We sincerely believe that if you are to have faith in our ability to protect your information, only a safety net built on this level of detail can prompt that level of trust.

