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### FEEDBACK

Our main goal is to provide you with the information you need. Please send your feedback and suggestions to:  
[\*\*sponsorconnect@transamerica.com\*\*](mailto:sponsorconnect@transamerica.com)

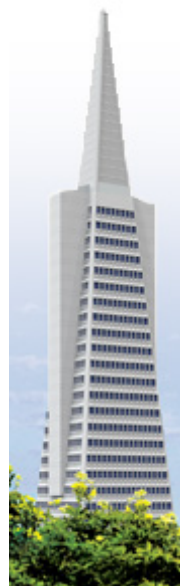
Last month, we provided an article from one of our investment management companies that spoke about time-tested investment strategies. This month, we continue the series with an educational brochure on Dollar Cost Averaging.

This month, we are also featuring an article about the benefits of having Online Enrollment as a part of your retirement plan. Read below to learn more about adding it to your plan.

Maintaining Beneficiary Designation Forms is one of the many responsibilities of being a plan sponsor. To help ensure that you are handling this responsibility effectively, we have included some important information below.

We are also pleased to feature an article this month provided by American Society of Pension Professionals & Actuaries (ASPPA). The article provides tips to help you know when a Domestic Relations Order is "Qualified" and becomes a Qualified Domestic Relations Order (QDRO). We hope this helps when these situations occur.

Ensuring your participants are successful with their retirement plan is as important to us as it is to you. Each quarter, we continue to provide you with support to help your participants understand and manage their retirement account. This month, we return to the basics to ensure that your participants are getting the most out of our Web site and 24/7 Interactive Voice Response phone system. Please read and share our attached brochure with your participants.



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(866) 498-4557

## INFORMATION

### The Strategy of Dollar-Cost Averaging

In times of fluctuating markets, it may be helpful to remind your participants that dollar-cost averaging can help them take advantage of market highs and lows. With dollar-cost averaging, an investor who invests a fixed amount of money at a regular interval will automatically buy more shares when prices are low and fewer when prices are high. Dollar-cost averaging helps investors avoid the pitfalls of investing based on trying to predict future market directions. Your participants may want to read this [information](#) from AIM Investments, one of our investment management companies, to see how dollar-cost averaging works.



### Online Enrollment (24/7 via Web or Phone)

The success of any retirement plan is reflected in its participation rate. Offering your employees the ability to enroll in your company's retirement plan online via Web or phone is a very effective way to encourage participation.

There are many great benefits to using Transamerica's Online Enrollment feature. Here are some of the benefits to your plan:



- Eligible employees may enroll in your plan via the Web or by calling the Participant Call Center. An online enrollment instruction sheet is included in every enrollment kit for online enrollment plans.
- Employees may establish or change their deferral percentages if the plan uses the online enrollment feature.
- Plan sponsors can easily download contribution rate change reports from the "Plan Reports" section on the Web site prior to contribution uploads.
- Employees will automatically receive a Participant Enrollment Letter with instructions about 30 days prior to eligibility
- Online enrollment reduces time spent on year-end census by collecting census data throughout the year.

How do you know if this feature is a good fit for your plan? You may want to consider online enrollment if you experience the following:

- Difficulty collecting paper forms from multiple locations
- Difficulty tracking eligibility
- Difficulty tracking contribution rate changes

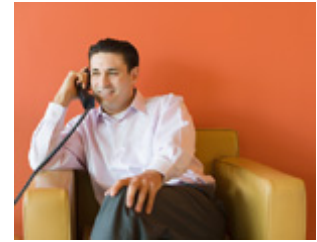
#### Important Notes/Requirements for online enrollment:

- The plan must allow for unlimited daily deferral changes.
- Online enrollment is available to employee-directed plans only.
- The plan must utilize our Payroll Validator feature and provide full census data with each upload.
  - To read more about the data requirements needed for online enrollment, please login to [www.TA-Retirement.com](http://www.TA-Retirement.com) and click on Plan Administration and then Administration Guide. The chapter on Contribution Remittance will provide you the necessary layout for a successful online enrollment feature.

If your plan does not already have the online enrollment feature, it is easy to add. By providing us with a few pieces of additional information in your payroll submission, you can enjoy the many advantages provided by Online Enrollment. Please contact us if you're interested in adding this feature.

## Help at Your Participant's Fingertips

Interactive Voice Response systems and participant Web sites are tools that can be of significant value and assistance to 401(k) plan participants. Unfortunately, many participants do not take advantage of these powerful resources because they find remembering the systems' predetermined security safeguards – the username and password - too burdensome.



For users of Transamerica's Web site, the "self-registration process" of establishing a username and password eliminates much of the burden associated with remembering these critical security safeguards. The self-registration process takes the user through a series of simple steps and is considerably simplified if the participant has his or her Social Security Number, birth date and zip code readily available. During the self-registration process, the participant will select a unique username and password of their own choosing. The last step for a new participant is to create a "hint" question and answer that will enable the system to securely prompt the participant's memory if he or she ever forgets the username and password.

For participants who have forgotten their own username and password, here are a few tips that you can share:

- The "Forgot your Username" link will provide a helpful prompt to remember the username. The participant will need his or her Social Security Number and the answer to his or her previously established "hint" question. This functionality is available 24 hours a day, 7 days a week.
- The "Forgot your Password" link is for the participant who knows his or her username but simply forgot his or her password. This link will provide the necessary password assistance once the participant answers the previously established "hint" question.

Our Interactive Voice Response system provides many of the same features of the Web site but requires a self-chosen PIN number. If your participant has forgotten his or her PIN, our Participant Contact Specialists can help with the reset process.

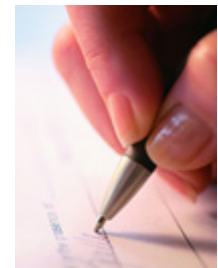
We recently added a new feature to our Interactive Voice Response system that allows participants to hear the status of their distribution requests after entering appropriate security information. With this feature, participants can learn over the phone whether their distribution has been processed, in addition to the expected mailing date of the check.

In addition to the Web site and Interactive Voice Response system, our Participant Contact Specialists are available to provide assistance to your participants. We hope that you will share the attached [TransDirect Brochure](#) with your participants. The brochure will provide them access to a great deal of helpful information about their retirement accounts.

## LEGISLATIVE/COMPLIANCE

### Plan Sponsor Responsibility: Beneficiary Designation

A part of a plan sponsor's responsibility is the retention and maintenance of beneficiary forms for its participating employees and the proper handling of death benefit claims. Here is a brief synopsis of these responsibilities, along with some helpful tips.



#### Death Benefit Claim Requirements:

Following is a list of the documents required for a distribution to a deceased participant's beneficiary. Prior to helping a beneficiary complete the Death Benefit Distribution Claim form, please be sure you review the *Guidelines* listed on the first page of the form.

- Completed Death Benefit Distribution Claim form: Verification by the plan sponsor of the beneficiary should

be determined from a participant's valid Beneficiary Designation form or, lacking a current or valid form, determined in accordance with the plan document.

- Copy of the original **certified** death certificate
- Tax Consent form: This form is needed only if it is required by the state in which the deceased participant lived. This requirement can be verified through the applicable state's Inheritance Division.

#### **Important points to remember:**

- The beneficiary must provide an original copy of the certified death certificate with the appropriate, spousal or non-spousal, completed and signed Death Benefit Distribution Claim form.
- The spouse can opt to leave the participant's funds in the plan and maintain a spousal beneficiary account with it.

#### **Helpful Tips:**

- File the Beneficiary Designation Form portions of the Enrollment/Change forms in the participant's employee files at your workplace.
- Verify a participant's beneficiaries when death benefit claims are received by the authorized plan representative.
- Whether a beneficiary is a spouse or not, he/she has several distribution options when bequeathed a qualified retirement plan account. The following chart shows the options beneficiaries have upon receiving a retirement plan account balance due to the death of a participant.

Option	Who Is Eligible
Leave money in plan	Spouse
Distribution in cash	Spouse and non-spouse
Rollover to IRA	Spouse and non-spouse
Rollover to another qualified retirement plan	Spouse

## LEGISLATIVE/COMPLIANCE

### **When is a Domestic Relations Order a *Qualified* Domestic Relations Order?**

The plan administrator of a plan providing benefits affected by a domestic relations order is responsible for determining if the order is a qualified domestic relations order (QDRO). The attached [article](#) by Sal L. Tripodi and David C. Newman titled "When is a Domestic Relations Order a Qualified Domestic Relations Order?" can assist you in making this determination if you should ever face one.