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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).

In this month's Sponsor E-News, we offer tools you can use with your participants to help them better understand the recent market volatility. We also have a selection of educational tools that explain investing principles and the economy. We hope you will share these with your participants.

On the legislative front, the Supreme Court handed down a ruling on the La Rue v. DeWolff, Boberg & Associates, Inc. case which affects plan sponsors. This decision and its possible impact are explained in an article. We will update you if any developments occur in this case.

We are also focusing on the Required Minimum Distributions events that occur each year when you have participants turning 70½.

The new Cost of Living Adjustments for 2009 was released earlier this month by the IRS. Please review the table we've put together and see if any of the limits affect your plan. While some limits remain the unchanged, others have increased.



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## INFORMATION

### Understanding Recent Ups and Downs in the Market

Since September 15, the stock market has been reacting to news of bankruptcy filings, reorganizations, buyouts of major financial institutions, and corresponding government intervention. It can be difficult to keep your perspective as an investor during volatile markets.

For all retirement plan investors, we believe that a continued focus on your investment objectives and a diversified investment strategy are as critical today as ever. Keeping a keen eye on your long-term goals will help you steer through today's market volatility.

As a plan sponsor, you may want to provide your participants with information that can help them navigate through uncertain times. Following are some links to tools you can provide to your employees to help them understand the current market environment and to provide some perspective.

This 12-page brochure explaining market fluctuations is provided by one of our investment management companies, BlackRock. "[Weathering Uncertain Markets](#)" provides information on preparing an investment strategy, managing risk, dollar cost averaging, and diversification. You may want to save this to your company's intranet for use by your employees, send this out via email, or print this file to share with your participants.

Transamerica's educational investment [presentations](#) are provided in PowerPoint and other media via our Web site [www.TA-Retirement.com](http://www.TA-Retirement.com). These presentations are comprehensive, in-depth educational tools for those who would like to better understand the economy and learn investment terms that are being used in today's news reports.



If you would like to provide your participants with shorter overviews, consider distributing the historical perspectives from two of our investment management companies:

["Do Stock Prices Rise More Often Than They Fall?"](#) is presented by Oppenheimer Funds. This two-page document provides historical perspective by showing 100 years of stock market returns through 2007.

["Markets Recover From Crisis"](#) is presented by Putnam Investments. This document looks at the pattern of market crisis and recovery, listing newsworthy events from the 1940s and after.

## ✓ LEGISLATIVE/COMPLIANCE

### Fiduciary Liability and the Supreme Court

Fiduciary Focus is brought to you each quarter to help keep you informed about what is happening in the regulatory and legislative environment that might affect you and your plan.

In February of this year, The United States Supreme Court handed down a decision that has captured the attention of the benefits plans industry: *LaRue v. DeWolff, Boberg & Associates, Inc.* In this decision, the Supreme Court held that an individual participant in a 401(k) plan could sue his employer for breach of fiduciary duty and recover losses suffered in his individual account due to a failure to follow his investment directions.



The LaRue decision overturned a lower court ruling which held that Mr. LaRue could not sue his employer for breach of fiduciary duty and recover losses because his claim was an individual claim that related to his individual plan account and not to the plan as a whole, an interpretation of ERISA that had been widely held in Court decisions prior to the Supreme Court's decision in LaRue. While the consequences of this decision are currently being debated, it seems likely that the true impact will only be realized as additional litigation and rulings occur.

We have included a thoughtful article entitled, ["Fiduciary Liability Landscape Uncertain After Supreme Court Decision In LaRue"](#) published by *National Underwriters*. This comprehensive article takes a closer look at the La Rue case in the lower court, the case as it was brought in front of the Supreme Court, and the case's potential impact on the future retirement plan landscape. Finally, the article takes a closer look at the steps a fiduciary should consider in light of this ruling.

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### Required Minimum Distributions: Preparing for the Year End

The Internal Revenue Service requires that minimum distributions from qualified retirement plans begin by a given date.

During November, Transamerica will send out our annual mailing to plan sponsors indicating which of your participants our records indicate may be required to receive Required Minimum Distributions (RMD).



The RMD amount is calculated according to a specific formula defined by regulation. RMDs must generally start no later than April 1<sup>st</sup> of the year following the calendar year in which the participant attains age 70½. A plan may, but is not required to, postpone the beginning date of the RMD for all participants who are not five percent owners to the later of (a) the calendar year in which the participant attains age 70½ or (b) the year in which the participant retires. Please review your plan documents to see what your plan provides.

You will need to provide participants currently subject to RMD with the form for completion. Instructions on how to fill out the form will be included in the upcoming mailing.

Follow these simple steps if you need additional forms:

- Log in to [www.TA-Retirement.com](http://www.TA-Retirement.com) with your sponsor id and password
- Click on Plan Administration on the left hand navigation
- Click on Participant Forms—you will find the link for the Minimum Required Distribution form.

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### Cost of Living Adjustments for 2009

On October 16th, the IRS released the Cost of Living Adjustments for 2009. As a result, there are some increases in statutory limits for retirement plans, while other limits remain unchanged.

The 2009 increase in the cost-of-living index was sufficient to trigger an increase in many of the statutory thresholds, most notably, the deferral limit, the maximum compensation limit, and the highly compensated employee definitional limit. This information is crucial for participants interested in maximizing their contributions to a 401(k) plan.



Other limits, including the Internal Revenue Code section 415 limits (also referenced as the "annual additions" limit) and the compensation limit have increased for 2009. This information may be helpful for employers in instances such as planning for profit-sharing contributions.

For your convenience, the attached [table](#) lists some of the retirement plan limitations for 2009, as well as a Cost of Living Adjustment history from 2005–2008.



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