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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).

Transamerica Retirement Services is committed to providing excellence in the products we provide to our clients. Part of that commitment is supporting those products with great service and regular access to relevant and timely information. In support of those goals, this month's E-News focuses on service and information.

We would be remiss in not acknowledging the impact of the current market conditions on you and your participants. To help you address any concerns your participants may have, we discuss the financial strength of AEGON and Transamerica, including our ratings from AM Best, Moody's, Fitch and S&P.

We are also providing a reminder of our market volatility brochure to arm you with information to assuage your participants' concerns.

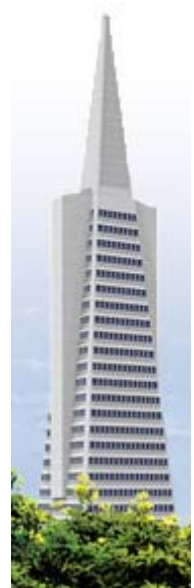
Several recent developments have affected major U.S. based financial institutions. We've compiled these developments into a *Market Summary* for you to share with your participants.

An example of our commitment to providing service to our plan sponsors is SponsorConnect<sup>SM</sup>. SponsorConnect<sup>SM</sup> is a dedicated sponsor resource center—ready and able to support your evolving needs as plan sponsor. In this issue of E-News you will learn more about the management team, and discover more about SponsorConnect's service objectives. SponsorConnect<sup>SM</sup> is looking forward to working with you.

We are providing an update from the Transamerica Center for Retirement Studies regarding participant fee disclosure for participant directed-individual account plans subject to ERISA. The Transamerica Center for Retirement Studies is a center for the study of retirement trends and issues. You can visit the site anytime for Legislative updates and other useful information.

<http://www.transamericacenter.org>

The demands on Plan Fiduciaries and Sponsors seem to increase every year. In this issue of E-News, we have strong articles on a topic that affects your daily responsibilities. We provide an exploration of EGTRRA and its impact on plan documents. The restatement period has begun. This information will be helpful in understanding the steps associated with your plan's restatement.



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Sponsor Connect  
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## The Financial Strength of AEGON and Transamerica

With the recent turmoil on Wall Street and in the financial industry, we believe it is important to address any concerns that you and your participants may have regarding AEGON and Transamerica's financial strength.



Contracts with Transamerica Retirement Services are underwritten by one of the following AEGON companies: Transamerica Life Insurance Company, Transamerica Financial Life Insurance Company, or Transamerica Occidental Life Insurance Company.

On September 16, 2008, AEGON's Chief Financial Officer Jos Streppel said: "AEGON continues to have a strong balance sheet and ample liquidity. Our financial flexibility of EUR 1.8 billion at the end of the second quarter provides additional assurance. We remain confident in AEGON's ability to weather the challenging market environment and fulfill our obligations to our customers and many other key stakeholders."

You can read more information about the financial strength of AEGON and Transamerica Retirement Services [here](#).

### INFORMATION

#### Current Economic Climate

Unsettling economic climates can raise real concerns in the minds of retirement plan participants. It's tough to be an investor when the markets are stormy. We know that you want to provide your participants with as much information as possible, advise them to keep an eye on long-term goals, and to continue to contribute to their retirement plan. Click [here](#) for a link to our, "Investing in a Volatile Market" brochure to help your employees keep the current market fluctuations in perspective.



This brochure focuses on how having a goal-oriented investment strategy can help participants focus on long-term successes not short-term market fluctuations. Please share this piece with your participants.

### INFORMATION

#### Considering Current Market Events

The crisis involving several of the nation's biggest financial institutions has received a great deal of attention during the past several weeks. We have provided this [market summary](#) of recent events that you can review and share with your participants.

With the market fluctuating and reacting to developing news, you may want to remind your participants about some basic portfolio strategies to consider:

- Avoid panic selling or other emotional decisions.
- Review your long-term asset allocation plan.
- Use your September 30, 2008 quarterly statement to check your investment portfolio's percentage allocations in different types of investments to make sure your portfolio is still balanced for your long-term plan.



### INFORMATION

## Meet SponsorConnect<sup>sm</sup>

Transamerica is firmly committed to the delivery of excellent customer service. This means providing you with accurate information in a professional and timely manner. To do this, we created SponsorConnect<sup>sm</sup>, your dedicated sponsor-resource center, ready to assist with your day-to-day plan administration needs.



SponsorConnect<sup>sm</sup> provides support in all areas of managing your plan; including daily administration, distribution status, website navigation, contribution assistance and annual plan reviews. We are also able to assist you with retirement plan questions, process clarifications, and much more.

SponsorConnect<sup>sm</sup> is comprised of 22 plan specialists ready to assist you. SponsorConnect<sup>sm</sup> is managed by an expert team of individuals with combined industry experience of 12 years and an average tenure with Transamerica Retirement Services of three years.

The SponsorConnect<sup>sm</sup> team has an average 10 years industry experience. They are the experts you can turn to when questions arise with your plan. SponsorConnect<sup>sm</sup> takes a proactive approach and will keep you informed of deadlines and timeframes, as well as items that are new, complex, or relevant to your plan.

We take pride in providing high quality services and our call center is no exception. We realize that we earn your business each day by assisting you with your plan duties and resolving your plan issues expeditiously, and to that end, we continuously monitor calls and provide coaching to our SponsorConnect<sup>sm</sup> Plan Specialists in order to ensure continuous improvement of our quality and service levels.

Transamerica Retirement Services utilizes a formal call monitoring and coaching program and several randomly selected calls are proactively monitored and scored each month for each Plan Specialist. The call quality score is comprised of 33 points with our minimum expectation being 90% or 30 points, but we strive to hit 33 points on each call. Each Plan Specialist on SponsorConnect<sup>sm</sup> is certified in our call monitoring and quality program before taking their first client call.

You may reach SponsorConnect<sup>sm</sup> by phone at (866) 498-4557 Monday through Friday between the hours of 6 a.m. and 5 p.m. PST and by email at [SponsorConnect@transamerica.com](mailto:SponsorConnect@transamerica.com).

## ✓ LEGISLATIVE/COMPLIANCE

### Proposed Regulations on Participant Fee Disclosure

Transamerica Center for Retirement Studies<sup>1</sup> has recently posted its latest [Legislative Ledger](#) on the Department of Labor Proposed Regulations regarding Participant Fee Disclosure for participant directed-individual account plans subject to ERISA (Employee Retirement Income Security Act). We encourage you to take a few minutes to read this latest posting and to visit "The Center" often for Legislative updates.



When the regulations are finalized we will ensure that you are informed of the developments and are kept up to date on any impact these changes may have on your plan and your participants

Transamerica Retirement Services is here to assist you in complying with these regulations. We'll keep you informed as the final regulations develop.

<sup>1</sup> The Transamerica Center for Retirement Studies ("The Center") is a collaboration of experts assembled by Transamerica Retirement

## EGTRRA Restatement of Pre-Approved Defined Contribution Plan Documents Begins

In April of this year, the IRS released approval letters to providers of "pre-approved" Master / Prototype and Volume Submitter defined contribution plan documents. With these letters, the IRS approved changes document providers have made to their plan documents to incorporate legislative updates and other retirement plan requirements established by the Economic Growth and Tax Relief Reconciliation Act (EGTRRA). Transamerica provides both Prototype and Volume Submitter plan documents to our clients.



As a result of the IRS' approval (on approximately May 1, 2008), a two year period was established during which all 401(k), profit-sharing, and money purchase pension plans written on pre-approved plan documents must be restated. The two-year restatement period for pre-approved defined benefit plans has not yet been announced by the IRS. If an employer intends to file for a favorable determination letter on their restated defined contribution plan document, those requests must be filed with the IRS by April 30, 2010.

### IRS Reliance

The pre-approval provided by the IRS provides plan sponsors using Master / Prototype and Volume Submitter plan documents with a level of reliance that their plan document is tax qualified. However, reliance on IRS pre-approval is conditioned on the fact that the plan sponsor properly selects the provisions of the pre-approved document *without* making modifications to the document. Any changes that the plan sponsor makes to the pre-approved document could negate the reliance provided by the IRS' "pre-approval."

Despite the fact that these documents are pre-approved, many plan sponsors choose to file for an individual determination letter on their document (as adopted) to ensure that their specific plan conforms to the Tax Code.

Many industry experts feel that requesting an individual determination letter from the IRS is a prudent thing to do, especially with respect to more complex plan documents such as Volume Submitter document. Having an individual determination letter helps to avoid document failures that arise when two conflicting provisions of the plan are selected by the plan sponsor, or when the plan sponsor makes changes to the pre-approved document. It eliminates the need to submit prior plan documents when later submitting a plan amendment, restatement, or termination; and can help assure creditor protection for plan participants who file for personal bankruptcy.

### Individually Designed Plans

Certain employers have special plan needs that cannot fit into a pre-approved document. Those employers must utilize individually designed plans. Individually designed plans are not subject to IRS pre-approval and *must* be submitted to the IRS for a determination letter in order to obtain reliance on the document as adopted. Individually designed plans are subject to a different restatement schedule than the schedule for pre-approved documents. The deadline for the adoption and submission of individually designed plans is generally based on the last number of the employer's EIN.

The deadline for individually designed plans whose employer's EIN ended with 1, 2, 6, or 7 has already expired. Transamerica has already restated the individually designed plans of our clients with EINs ending in these numerals. Employers with an EIN ending in 3 or 8 are required to restate and file by January 31, 2009.

Furthermore, certain classes of individually designed plans are required to be restated based on a specific

deadline not related to the Plan Sponsor's EIN. For example, all government plans have an adoption and submission deadline of January 31, 2009. The restatement program for individually designed plans does not distinguish between defined benefit and defined contribution plans.

### **Transamerica Will Work With You**

Transamerica's plan compliance experts have had many years of experience restating plan documents. For the current restatement cycle, we have implemented a detailed plan to help ensure that all of our plan documents are restated and have been provided to plan sponsors with ample time for the sponsor to review the documents, ask appropriate questions, make changes as necessary, and to file with the IRS for a determination letter if desired.

Many of you may have already received your restated plan documents for review, while others of you have received communications informing you of the restatement and letting you know to expect your restated documents at some point within the two-year restatement window. Either way, Transamerica will work with you to ensure that the restatement process is successful and that your plan document needs are fully addressed.

If your plan is not written on a Transamerica document, your document provider will most likely have a restatement plan very similar to the one that Transamerica has implemented. Contact your document provider if you have any questions about their restatement plan.

We sincerely hope that this article has helped you better understand the current document restatement process. If you have further questions, it will be our pleasure to assist you. Please feel free to call us at (866) 498-4557.

