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Late April and May provide a break with respect to upcoming compliance deadlines.

f FEEDBACK

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

Welcome to the April edition of Sponsor E-News. Now, well into 2009, we continue to focus on change — the changes we've experienced in investment markets, and the effects that these changes may have on the future. In this issue, we take a closer look at how Transamerica can offer you the tools, support and information you need to respond to — and even benefit from — those changes.

First, we bring you a recent study from the Transamerica Center for Retirement Studies. It suggests that despite the changes in the economy, most people continue to utilize their employer-sponsored retirement plan as a primary retirement vehicle.

Social Security is another retirement vehicle — one that has been around for almost 75 years — and our article "Understanding Social Security" can help you determine what role Social Security benefits will play in your retirement planning.

We're excited to introduce new online tutorials from Transamerica to our online library. Learn how these tutorials can help make distribution and loan processing for your plan a little easier.

To explore the effects of volatile investment markets, this month's Market Insight provides independent analyses of the securities markets from two industry-leading investment management companies.

With newly issued final regulations, automatic enrollment is quickly becoming a popular plan option among many employers. We discuss some recently clarified provisions to help you learn more, and decide if this new approach to retirement plan participation is right for your plan.



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i INFORMATION

Keeping the Faith: Americans Still Committed to Retirement Savings

How has the recent economic downturn affected the way American workers view retirement planning? Now in its tenth year, the Transamerica Center for Retirement Studies¹ ("The Center") has conducted a national survey of U.S. employers and workers regarding their attitudes toward retirement. The research focuses on employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of



legislative and regulatory changes.

The results of the survey (revealed in an informative [press release](#) from The Center) explore the impact of the economic downturn on workers' retirement outlook, and suggest that employer-sponsored retirement plans continue to play an important role in helping employees save for retirement.

The telephone survey polled 3,466 American workers² in a random, national sample during 2008. The results draw an interesting profile of employees:

- More than one-third of workers (37%) now expect to work past the age of 70, including 15% who do not plan to retire.
- 29% of survey respondents expect to work longer and retire later than they did 12 months ago.
- Relatively few workers (38%) agree that they are building a large enough nest egg.

For complete survey results, visit the [Transamerica Center for Retirement Studies](#).

¹ 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.

² Workers polled are at least 18 years of age and work full-time in companies with at least 10 employees.

INFORMATION

Understanding Social Security

Social Security has been part of the American retirement picture since 1935. The more you understand how Social Security benefits work, the better you can plan for your retirement. We are providing some educational tips on Social Security that you can share with your participants, courtesy of SecurePathSM by Transamerica.*



- [Social Security and Your Retirement](#) provides some need-to-know information based on the participant's current age.
- [Top 10 Social Security Questions](#) answers some frequently asked questions regarding Social Security benefits.

Your participants may also want to view their personalized Social Security statement at www.socialsecurity.gov/mystatement.

*SecurePathSM by Transamerica is a service provided by Transamerica Retirement Management, Inc., which is a marketing affiliate of Transamerica Financial Life Insurance Company and Transamerica Life Insurance Company.

INFORMATION

New Online Tutorials: Distribution and Loan Processing

Transamerica wants to ease plan administration for you. For that reason, we are pleased to offer new online tutorials to help make some of those administrative tasks a little easier, and a little less time consuming.

Our [Online Distributions and Loans](#) and [Distributions and Loans Instructions](#) tutorials are designed to walk you through the distribution and loan processes step-by-step —



from the point of origination (when a participant requests a distribution), to your final approval of the request, to the delivery of the check and signatures for the forms.

Divided into sections, these tutorials save time by allowing you to skip sections and go directly to the topics you are most interested in by simply clicking on the desired section heading.

These new online tutorials, as part of our tutorial library, are just one of the ways Transamerica continues to demonstrate its commitment to supporting your changing needs as a plan sponsor. If you are interested in adding online distribution or loan processing to make your administrative tasks a little easier, please contact me at (800) 359-9544 so we may assist you.

INFORMATION

Monthly Market Insight

In order to provide additional market information to you and your participants, we provide analyses from some of our independent, investment management companies.

To help investors better understand the origins of today's current market situation, Dreyfus/BNY Mellon Asset Management has created [Anatomy of a Meltdown](#), by Robert Jaeger, Ph.D. This sophisticated analysis takes an in-depth look at the role of the housing bubble, government regulation, and how markets can eventually "self-correct."



Fidelity MARE (a unit of Fidelity Management & Research Company) provides some pointers on how to respond to market volatility. In [Dollar-Cost Averaging: The Bear Market Solution](#), Fidelity MARE compares the results generated by four different types of investors in response to our last bear market during the years 2000 through 2002.

We also provide our own market analysis and updates to help you plan for retirement. The RECOVER Plan by Transamerica can help you and your participants understand the current economic situation and develop a plan to regain control of your retirement savings. To view the RECOVER Plan, just login to www.TA-Retirement.com. The RECOVER Plan is just one of the many resources that we offer your participants to help them understand the economy. We hope that you will share these educational pieces with your participants to support their efforts to effectively plan for retirement.

LEGISLATIVE/COMPLIANCE

Is Automatic Enrollment a Good Fit for Your Plan?

On February 24, 2009, the Internal Revenue Service (IRS) published the much anticipated final regulations relating to automatic contribution arrangements — more commonly known as automatic enrollment. Many of the provisions of the final regulations were designed to provide administrative relief and may make automatic enrollment a good fit for your plan.

What is Automatic Enrollment?

Generally speaking, "automatic enrollment" means that any eligible employee who does not affirmatively elect to either participate in your plan, or specifically decline to



participate in your plan, will be automatically enrolled in the plan at a default percentage rate (such as 3% of pay) and these contributions will be invested in your plan's default investment option.

While automatic enrollment helps eligible employees start preparing for retirement, it also helps with increasing plan participation, which can lead to better ADP test results.

Are There Different Types of Automatic Enrollment Provisions?

With the publication of the final regulations, there are now four levels of automatic enrollment. For more details on the four levels of automatic enrollment, [click here](#).

Prior to the passage of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), plan sponsors were required to select a Qualified Default Investment Arrangement (QDIA)¹ in order to take advantage of the automatic contribution arrangement models described in the attachment. With the passage of WRERA, a QDIA is no longer a required feature of any of the automatic contribution arrangement models.

If you are interested in learning more about these models and how they may enhance your plan, please contact me at (800) 359-9544.

¹ A QDIA is a default investment that complies with the Department of Labor regulations providing fiduciaries protection under 404(c), even though the participant did not affirmatively direct their own investments.