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📅 COMPLIANCE CALENDAR

Enjoy the extra time this summer since the upcoming month provides a reprieve from compliance deadlines.

✉ FEEDBACK

Our main goal is to provide you with the information you need. Please send your feedback and suggestions to [SponsorConnect](#).

Welcome to the July issue of Sponsor E-News. July is great time for sponsors and participants alike to exercise financial freedom and make well-informed decisions about the future. To provide you with additional helpful investment information, Transamerica is pleased to announce the online Market Resource Center, which offers a wide range of updates, educational tools and information for both you and your participants.

Fee disclosure in 401(k) plans has been a major focus of both the U.S. Department of Labor (DOL) and Congress for the past several years. This issue of Sponsor E-News provides you with a status update on fee disclosure activities on the Congressional and DOL front, as well as the fee disclosure efforts of Transamerica. Because transparency has always been one of Transamerica's priorities, we believe this article is essential reading for our plan sponsors.

This September brings the annual "401(k) Day," a special day dedicated to educating employees about the significant benefits of participating in a 401(k) plan. This year's theme is "Navigating Your Road to Retirement." Find out how we can help you and your employees mark 401(k) Day this year.

And in this month's "Monthly Market Insight," you'll be reminded that it's always a good idea to review investment basics, especially for your participants.

As a plan fiduciary, you will be especially interested in learning more about Transamerica's proprietary Fiduciary Management Program. This comprehensive program not only offers you the tools you need to help meet your plan's fiduciary responsibilities, but also offers a Fiduciary Warranty if the criteria are met.

Finally, we present welcome news for those looking to increase their plan's participation. Making your participants more aware of the IRS Saver's Credit could be just the ticket for boosting participation.



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i INFORMATION

Rely on Transamerica's Online *Market Resource Center* for Investment Updates and Education

Keeping up with the investment markets has become more challenging in the past year, as new developments in the economy have surprised professional investors and individual investors alike. Our clients have asked us to help provide them with timely information on investment markets, in addition to more investment education for their plan participants.



In response, we created the new, online Market Resource Center for you and your participants. You can now visit www.TA-Retirement.com to easily find a breadth of available information, including:

- Weekly market updates
- Quarterly market updates
- Investment education for your participants
- Timely topics from our investment management companies

The Market Resource Center's new [Multimedia page](#) provides audio files, podcasts and video presentations on educational topics.

You and your plan's participants can find these market updates and investment education articles by logging in to www.TA-Retirement.com, and selecting "Market Resource Center" on the menu in the left-hand navigation. Please let us know about other topics that you would find helpful during these unprecedented times. Please call us at (866) 498-4557, or email us at sponsorconnect@transamerica.com. We look forward to hearing your suggestions.

INFORMATION

401(k) Plan Fee Disclosure: Gradual Progress Toward Important Objectives

Fee disclosure in 401(k) plans has been a major focus of both the U.S. Department of Labor (DOL) and Congress for the past several years. You may recall that in the June 2008 edition of Sponsor E-News, we provided you with an update on the status of Capitol Hill's fee disclosure efforts at that time. A year has now passed, and this issue of Sponsor E-News provides an excellent opportunity to give you a status update on Capitol Hill's current fee disclosure efforts.



In the year since our last update, Capitol Hill still has not presented the 401(k) industry with tangible fee disclosure guidance upon which plan providers, plan sponsors and participants can rely, however progress is occurring and — either through legislation or regulation — it appears that the current progress could lead toward establishment of new fee disclosure standards in 2010 with an effective date of no earlier than 2011.

Congressional Fee Disclosure Activities

Thus far in 2009, several fee disclosure bills have seen activity in the House of Representatives. For a list of congressional fee disclosure activities in 2009, [click here](#).

House Ways & Means Committee consideration — or at least consultation — must occur before the full House of Representatives would consider fee disclosure legislation, and September appears to be the earliest that the Ways & Means Committee would take up fee disclosure legislation.

While it is still quite possible that a House vote on fee disclosure legislation will take place in 2009, the odds of a House vote probably decline slightly as each week goes by, given the many other issues on the congressional agenda. While House approval probably remains more likely than not this year, a Senate vote on fee disclosure in 2009 does not seem likely, meaning such legislation is not expected to make it to the President's desk this year.

It appears that legislation on fee disclosure is very likely to be carried over for a Congressional vote in 2010, and it is difficult to predict the prospects for passage of such legislation in 2010.

DOL Fee Disclosure Activities

As you may recall, over the past several years the DOL has been working on highly publicized plan sponsor, participant and Form 5500 Schedule C fee disclosure efforts. Only the Form 5500 Schedule C regulations were finalized. In 2008, the DOL was working on proposed plan sponsor and participant regulations, but the proposed regulations were never issued in final form. The Obama Administration has put both sets of proposed regulations on indefinite hold. At this time, it seems likely that the DOL will wait to see if Congress takes action on fee disclosure in 2010 before readdressing their fee disclosure projects.

If it becomes clear by early 2010 that Congress will not enact fee disclosure legislation then, at that point, the DOL may be likely to resume their plan sponsor and participant fee disclosure projects. If that were the case, one could anticipate the DOL to re-issue the regulations in revised form and to begin taking a new set of comments from interested parties.

Transamerica's Fee Disclosure Efforts

While Capitol Hill has been slow to provide industry-wide fee disclosure guidance, Transamerica Retirement Services has long held to the principle that plan sponsor and participant retirement goals are best served when the plan's fees are transparent and clearly disclosed, the plan's fee structure is flexible enough to meet the evolving needs of both the plan sponsor and the plan's participants, and that the plan's fees are competitive overall, as well as being competitive with respect to the services provided.

Transamerica clients can benefit from our fee disclosure principles, which are demonstrated in the following industry findings:

- Many of our clients and our industry peers have acknowledged that, both in practice and recognition, Transamerica has some of the fairest and most transparent fee practices in the retirement industry.
- Transamerica proactively provides clients with an Annual Retirement Plan Review which includes a detailed fee and expense report that makes fee disclosure transparent and understandable by walking sponsors through an in-depth education process about the types of typical fees, what the fees are called, what the fees pay for and where the fees are found.
- Transamerica provides a reasonably priced, industry-leading retirement plan solution that is highly recognized in the industry for fee fairness and fee disclosure.
 - In the latest *PLANSPONSOR*® Magazine Defined Contribution Survey,¹ Transamerica was rated "Best in Class" for both fee fairness and disclosure in both market segments we serve.
 - In Chatham Partners' most recent Client Satisfaction Analysis,² Transamerica outperformed the proprietary benchmark in every product and service category, including fees. Transamerica was the highest performer against the benchmark for fees.

You can rest assured that no matter what outcome we see from Capitol Hill's fee disclosure efforts, and no matter when those efforts finally become effective, Transamerica will continue to make fee disclosure to you and your participants a high priority.

INFORMATION

401(k) Day: Put Your Employees in the Driver's Seat

The annual 401(k) Day is fast approaching, and we have everything you need to help raise 401(k) awareness among your employees. The Profit



Sharing/401k Council of America (PSCA) created 401(k) Day as an annual event to promote retirement savings education. Each year, PSCA selects 401(k) Day as the Friday following Labor Day. Transamerica encourages our sponsors to focus on their 401(k) benefit any day in September, or any month throughout the year.

Sponsoring a 401(k) Day event is a great way to raise employees' awareness of your plan's benefits and to encourage participation. Transamerica's 401(k) Day Campaign is designed to be flexible and can be used at any time during the year.

The theme of our campaign this year is "Navigate Your Road to Retirement." To find out how we can help you create 401(k) Day for your plan with colorful participant flyers, statement stuffers, and posters, please visit our [401\(k\) Day Tools](#) page on www.TA-Retirement.com, or to request printed copies, please call us at (866) 498-4557. We look forward to helping you make your plan's 401(k) Day a success.

INFORMATION

Monthly Market Insight

To keep you briefed on the investment markets, we are providing you with this [Second Quarter Review and Outlook](#) from one of our investment management companies, J.P. Morgan Asset Management. For the quarter that ended June 30, 2009, J.P. Morgan notes that global equity markets recorded their largest gains since 1998, and that expectations for global corporate earnings improved dramatically, but that the continuation of the recovery in the second half of 2009 remains questionable.

In light of the economy's unanswered questions, your participants may want to get back to investing basics. [Invest for Life](#) is provided by another investment management company, Legg Mason. This investing primer provides a guide to setting goals and priorities, selecting investment types, and reviewing investment principles. We hope that you will make this investing overview accessible to your participants, as a helpful educational resource.



LEGISLATIVE/COMPLIANCE

Fiduciary Focus: Fiduciary Management Program Offers Peace of Mind

Let Transamerica Retirement Services help you fulfill your fiduciary responsibilities with our Transamerica Fiduciary Management Program. The Transamerica Fiduciary Management Program offers peace of mind by providing you with a range of tools to help satisfy the investment portion of your fiduciary responsibilities. Tools range from an investment questionnaire, which helps determine an investment model that can be the basis of your plan's investment menu, to the cornerstone of the program, our Fiduciary Warranty.³



Our Fiduciary Warranty gives extra support to you as your plan's fiduciary by providing covenants that your investment line-up will:

1. Satisfy the applicable requirements set forth under section 404(c) of ERISA,⁴ that plans offer a broad range of investment alternatives;
2. Meet the prudence requirement of section 404(a)(1)(b) of ERISA, that the investment choices be selected according to prevailing industry practices and generally accepted investment alternatives;
3. Be appropriate for long-term investing.

With the Fiduciary Warranty, Transamerica will indemnify your plan and will make your plan whole for any

loss resulting from breach of Transamerica's representations, warranties, and covenants. We also will bear the reasonable costs, including attorneys' fees, of defending a claim that is subject to our Fiduciary Warranty. For Conditions and Limitations, please [click here](#).

To find out more about how the Warranty works and additional tools available within Transamerica's Fiduciary Management Program, [click here](#).

Our goal is to help make your fiduciary duties — and other plan-related duties — as simple as possible and to offer you as much help as we can. If you have any questions about our Fiduciary Warranty and the Fiduciary Management Program, please contact us at (866) 498-4557.

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LEGISLATIVE/COMPLIANCE

Tax Break for Savers in Retirement Plans

As a plan sponsor, you may be looking to motivate retirement plan participants to stay the course. Here's a little extra motivation: the Saver's Credit.

Saving in a 401(k) plan can be a great way for low- and moderate-income employees to save on taxes — and they may be eligible for the Saver's Credit. The maximum Saver's Credit is \$1,000 (\$2,000 for married couples), and is taken in addition to any other tax benefits available to people who save in qualified retirement plans or traditional IRAs.

The Saver's Credit can provide additional motivation for plan sponsors looking to boost plan participation. It's an effective way to help eligible employees save for the future, and receive a tax benefit.

Here is an [IRS summary](#) of this tax break that can help workers save more for retirement.⁵



Footnotes

¹ Transamerica Retirement Services received 40 "Best in Class" cups for sponsor and participant services in *PLANSPONSOR*[®] Magazine's annual Defined Contribution Survey of retirement plans. The 40 "Best in Class" designations—21 in the micro (<\$5 million) and 19 in the small (\$5 million to \$50 million) markets—rank Transamerica Retirement Services among the top cup recipients of the 47 providers evaluated in the micro- and small-plan markets. The results of the Defined Contribution Survey were announced in the November 2008 issue of *PLANSPONSOR*[®] Magazine. The survey polled nearly 6,000 clients of 52 defined contribution plan providers. "Best in Class" cups are awarded to plan providers who score in the top quartile of a specific category. See the November 2008 issue of *PLANSPONSOR*[®] Magazine for complete results.

² Chatham Partners' 2008 Client Satisfaction Analysis Survey, December 2008. Chatham Partners, LLC is an independent, third-party research firm. Questions were asked of 717 Transamerica Retirement Services' clients. Quantitative questions were rated on a 7-point scale with "6" and "7" representing the highest levels of satisfaction. A "Best in Class" rating was received when over 85 percent of the respondents selected a "6" or "7" for a specific area. Transamerica received a total of 9 "Best in Class" rankings in Chatham's 2008 analysis.

³ Transamerica Retirement Services reserves the right to eliminate or change the terms of this Fiduciary Warranty prospectively at any time. See Fiduciary Warranty for terms, limitations and requirements.

⁴ Employee Retirement Income Security Act of 1974 (ERISA). Transamerica Retirement Services does not provide legal advice to clients. On-staff ERISA attorneys provide advice and support to our internal ERISA team and information pertaining to the latest developments in the retirement industry only.

⁵ Transamerica Retirement Services and its representatives cannot give ERISA, tax or legal advice. This material is provided for informational purposes only based on our understanding of material provided and should not be construed as ERISA, tax or legal advice. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here. Although care has been taken in preparing this material and presenting it accurately, Transamerica Retirement Services disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.