

## IN THIS ISSUE

### i INFORMATION

- [New Customized Investment Reports For Your Plan](#)
- [Our Strength In Tough Times](#)
- [Going Online To Stay On Track](#)
- [Monthly Market Insight](#)

### v LEGISLATIVE/COMPLIANCE

- [Timing of Employee Deferral Remittances](#)

### COMPLIANCE CALENDAR

#### Sponsor Tasks - 7/31

- File Form 5500 or Form 5558. Transamerica will file a Form 5558 on behalf of the employer if necessary.<sup>1</sup>
- If a plan audit<sup>2</sup> is required, employer must receive accountant's opinion letter to include with Form 5500 filing.

### 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).

Welcome to the June issue of the Sponsor E-News. We're now officially halfway through the year, making it a good time to take a step back and assess the status of your retirement plan to make sure you are fully aware of the plan's facts, figures and future. At Transamerica Retirement Services we are pleased to offer you all the tools, information and support to do just that.

One of the recurring themes in this issue of Sponsor E-News is the value of your time and how we can help you save time. For example, find out how Transamerica's enhanced customized investment reports can help you more efficiently stay on top of your particular plan's investment offerings and their performance.

"Our Strength in Tough Times" offers a more general perspective on the strength of your plan's provider — because building a successful retirement plan is always easier when you know the strength of its foundation.

And nothing makes the day-to-day operation of your plan easier than valuable online management tools. In this issue we offer a helpful reminder of all the enhancements we've made to our online features that assist you in managing your plan more easily and efficiently.

For an even bigger financial picture, check out this issue's "Monthly Market Insight" section. You'll learn more about the current economic climate and investing for the long-term.

"Timing of Employee Deferral Remittances" discusses the importance the U.S. Department of Labor places on timely contribution remittance and may help dispel some widespread misconceptions about the appropriate timing of those remittances.

While it may take a few minutes to take a closer look at your plan, the time and money saved by doing so is often immeasurable. We hope you find the information included in this month's Sponsor E-News helpful and enlightening. It's just one more way Transamerica is working to help you master retirement.



Compliments of  
Sponsor Connect  
(866) 498-4557

## New, Customized Investment Reports For Your Plan

Recognizing that your time is extremely valuable, we have made reviewing your plan's investment line-up a lot more convenient. Now when you visit [www.TA-Retirement.com](http://www.TA-Retirement.com), you can review Investment Fact Sheets by selecting only the investment choices currently in your plan's line-up, or by selecting all investment choices available in your product's line-up, or by making your own customized selection of the specific investment choices that you would like to view. To access Investment Fact Sheets, logon to [www.TA-Retirement.com](http://www.TA-Retirement.com), select "Plan Funds" followed by "Plan Performance" on the left-hand menu, and then select "Print Investment Fact Sheets" on the right.



In addition, your upcoming June 30 quarterly Performance Overview and your June 30 quarterly Investment Scorecard will be tailored to show the specific investments currently available to your retirement plan.

By improving the ease of using your investment reports, we are not only making it easier to do business with Transamerica Retirement Services, we are giving valuable time back to you. Please let us know how we can continue to improve our service to you. Contact me at (800) 359-9544 with any of your ideas and suggestions. We look forward to offering you many more innovative solutions.

### INFORMATION

## Our Strength In Tough Times

At Transamerica Retirement Services, we take very seriously the trust that our customers place in us to help ensure their financial security. Throughout our history, our company has remained resilient, strong and dedicated to delivering on our long-term commitments to our customers.



Despite unprecedented market volatility, we have maintained strong capital levels and ample liquidity. Liquidity and capital are monitored closely so that we can respond quickly to changing market conditions. You can find more information on the strength of Transamerica Life Insurance Company [here](#). We remain solely focused on the retirement services market, and on helping you and your participants reach your retirement goals.

### INFORMATION

## Going Online To Stay On Track

Transamerica's goal is to help you manage your plan more easily and efficiently. That's why we'd like to point out the significant enhancements you'll find when you visit [www.TA-Retirement.com](http://www.TA-Retirement.com). All of these online conveniences are designed to help ease your day-to-day administrative duties and save more of your precious time and effort.



- **Participant Loan & Distribution Check Status** – This valuable feature lets you check the status of a distribution check online. After logging into your account, just click on Plan Administration, Distributions, then Check Status. Participants can also view a check's status after logging into their account, clicking on Transactions, Distributions, and then Check Status.
- **Online Tutorials** – These easy-to-understand guides are designed to increase your understanding

of the administrative tools available to you on [www.TA-Retirement.com](http://www.TA-Retirement.com). Tutorial topics include the Sponsor Online User Guide, Payroll Validator, and Distribution and Loan Processing. To access the online tutorials, simply log into your account, click on the Resources tab on the left-hand side of the screen, and enter the Tutorials page to select the topic of interest.

- **Your Plan's Web/Phone Statistics** – This feature displays Web and Interactive Voice Response (IVR) system usage for the last 12 months (as of the end of the previous month), and highlights the top-five most used transactions by your participants. You can access this page by logging into your account, clicking on the Plan Information tab on the left-hand side of the screen, and then Plan Statistics.

We think you'll agree that these resources make it faster and easier to get the information you and your participants need. If you would like to know more about any of these features, please call me at (800) 359-9544.

## INFORMATION

### Monthly Market Insight

Diversified Investment Advisors, one of our affiliated companies, reports that though confidence and optimism continue to trickle into the economy, assisting in its recuperation, investors have remained cautious, waiting for the presence of concrete signs of a recovery. The attached [May 2009 market review](#) recaps the mixed negative and positive market news for the month of May.



Janus, an independent investment management company, points out that stock rallies have historically tended to occur in short bursts. For an investor, missing out on a few days of being invested in the stock market could mean missing out on potentially substantial gains. Read more in "[Taking the Long View](#)," and remember to share these investing insights with your plan's participants.

## LEGISLATIVE/COMPLIANCE

### Timing of Employee Deferral Remittances

If you are one of the many plan sponsors who think that you are in compliance with the Department of Labor (DOL) contribution remittance regulations as long as you fund your plan by the 15<sup>th</sup> of the month following payroll deduction, you may want to think again. While it's true that current regulations state that in no case must contributions be funded later than the 15<sup>th</sup> business day of the month following payroll deduction, it's also true that the entire phrase in the regulations states that "*contributions should be made as soon as administratively feasible*, but in no case later than the 15th business day of the following month."



A significant number of employers seem to have focused on the "15<sup>th</sup> business day" portion of the regulations and seem to have missed the "as soon as administratively feasible" portion. The DOL, however, has not. As a result of DOL audits, in the past several years employers have been routinely penalized for applying the "15<sup>th</sup> business day" standard. The "15<sup>th</sup> business day," the DOL insists, is not the standard, but rather an extreme boundary.

**Proposed regulations are more strict than current regulations**

In 2008, the DOL released proposed safe harbor guidelines for small employers (defined as having less than 100 Participants) clarifying that they have up to *seven business days after money is withheld* to remit employee contributions to the plan. Currently, these regulations are only in the proposal stage but one thing is clear: the DOL is serious about getting employee contributions into a plan more frequently than monthly.

### **What would be considered "safe" remittance timing?**

The best business practice in accordance with the DOL is for plan administrators to remit plan contributions as soon as they can possibly segregate the assets. A good guideline, and one that an auditor looks at as well, is how quickly the employer can remit their FICA and FUTA taxes. In the DOL's opinion, if the employer can segregate and remit these payroll taxes he or she can also remit plan contributions.

### **What may trigger an audit?**

Audits may be triggered for a number of reasons. Following are some examples of triggers as they relate to contribution remittance:

- Employees may call to complain if they feel their Employer is not remitting their contributions timely.
- Form 5500 has a question regarding late contributions. A "yes" answer on this question can make a plan more susceptible to audit. It will certainly cause the Employer to receive an 'invitation' from the DOL to attend a workshop. This is not an invitation to ignore. Always acknowledge the invitation by either attending a workshop or writing a letter that you are aware of the requirements and have made the appropriate corrections.

We will be sure to notify you in the future if the proposed regulations are finalized concerning the timing of employee deferral remittances.

---

## **Footnotes**

<sup>1</sup> Form 5558 is an application for extension (until 10/15) of Form 5500 filing. If Form 5558 is not filed, but a Form 7004 is filed (to extend the corporate tax filing), the filing deadline for Form 5500 is extended to 9/15.

<sup>2</sup> An audit is generally applicable for plans with 100 or more participants at beginning of plan year, an independent qualified public accountant must conduct an audit of the plan's financial statements, including review of the plan's Form 5500, schedules, internal control practices, and other information.

Transamerica Retirement Services ("Transamerica"), a marketing unit of Transamerica Financial Life Insurance Company ("TFLIC"), 4 Manhattanville Road, Purchase, New York 10577, and Transamerica Life Insurance Company ("TLIC"), 4333 Edgewood Road NE, Cedar Rapids, Iowa 52499, and other TFLIC and TLIC affiliates, specializes in the promotion of retirement plan products and services. Investment choices are available from Transamerica Retirement Services under contract form number TA-AP-2001-CONT, a group variable annuity contract underwritten by TFLIC, or under contract form numbers TGP-439-194, TGP-416-192/194, TGP-430-192/194, CNT-TALIAC 05-02 or CNT-TLIC 10-05, group variable annuity contracts underwritten by TLIC. TFLIC is not authorized and does not do business in the following jurisdictions: Guam, Puerto Rico, and the U.S. Virgin Islands. TLIC is not authorized in New York and does not do business in New York. Fees and charges may apply. For complete information, contact your Transamerica representative.