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## Welcome to the August 2010 Edition of Sponsor E-News

Beginning with the September 30 statement cycle, participants will be able to access their quarterly statements online, making it easy for them to view and download their statements at their convenience.

As the plan's primary contact, we remind you to review your personal profile on an annual basis, so we can ensure that you are receiving all of the communications for your plan.

Thank you for your invaluable feedback in June's communications survey. Find out more about the survey results below.

Our Monthly Market Insight contributor, J.P. Morgan, provides three different and distinct pictures of the U.S. economy's recovery. Also, we provide a piece that illustrates the danger of chasing performance and the importance of diversification for your participants.

Finally, the new ERISA regulations, published on July 16, 2010 by the U.S. Department of Labor (DOL), outline disclosure requirements for services performed and fees charged to retirement plans by service providers. In compliance with these regulations, Transamerica will provide the required disclosures on or before next year's deadline. A summary of these regulations is available on the Transamerica Center for Retirement Studies site, on its Legislative Ledger.



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Sponsor Connect  
(866) 498-4557

## Online Delivery of Account Statements for Participants

Transamerica Retirement Services is now offering participants the option to receive their quarterly account statements online. It's fast, convenient, and saves paper! Online delivery will begin with the September 30 statement cycle. Participants may select this option now by updating their communication preferences (located on their personal profile) on the Transamerica website. Additionally, for those participants receiving a paper statement via U.S. mail for September 30, a notice will be included with the statement informing them of this option.



### INFORMATION

## Primary Contact: A Reminder About Your Role

As the primary contact of the plan, you play a critical role in receiving and disseminating information. You are the primary receiver of all plan-related communications. While you may or may not be an Authorized Signer, Fiduciary or Trustee for the plan, you are responsible for forwarding communications to the appropriate person(s) for action.



To ensure that we have your updated information, we suggest that you log in to the website and check your personal profile annually. Here's where you can find your personal profile page after you login to [www.TA-Retirement.com](http://www.TA-Retirement.com):

1. Click "Personal Profile" from the left navigation
2. From the Personal Profile page, verify the information under the Contact Information section
3. To change Contact Information, click the "Change Plan Contacts" link and follow the prompts

### INFORMATION

## Thanks for Your Feedback

We greatly appreciate your participation in the communication survey conducted in the June edition of *Sponsor E-News*. We know that effective and meaningful communication is key to creating a successful relationship with all of our clients. That's why your invaluable feedback will help us enhance our communication efforts.



The survey results indicated that the majority of our responders preferred frequent communications sent via email. We will continue to develop creative and innovative ways to communicate with you electronically. The results of our survey also indicate that you feel the complexity level of our communications is appropriate. Therefore, our focus will remain on developing communications that are easy to understand and not too technical. We will keep you updated on any new improvements in our communications.

### INFORMATION

## Monthly Market Insight

[J.P. Morgan's August Monthly Update](#) paints three different views of the investment environment-the very lackluster economic recovery, the very sharp revival in corporate profits and the very defensive posture of U.S. investors.



On the economic recovery front, real GDP has risen by 3.2% over the last year. Although this is within a reasonable range of the average growth rate for the U.S. economy, it is far less than the growth that could be expected after the deepest recession since World War II.

Looking at the sharp revival in corporate profits, third-quarter S&P 500 operating earnings appear to be coming in above \$20.75. J.P Morgan believes that "operating earnings could hit an all-time high by the second half of 2011," surpassing the previous record of \$24.06 in 2007.

And as for the very defensive posture of U.S. investors, they have not displayed a positive reaction to high corporate profits. In fact, over the last two years, they have invested a net \$476 billion into bond funds while withdrawing \$211 billion from stock funds.

These three distinct pictures of the investment environment support Federal Reserve Chairman Ben Benanke's description of the state of the economy as "unusually uncertain."

Investing all of your money in the latest "hot" asset class can be tempting, but it can also be dangerous. Demonstrate the importance of diversifying a portfolio through asset allocation by sharing this asset class performance chart with participants. Provided by Transamerica Retirement Services, the "[The Danger of Chasing Performance](#)" shows the rankings of the highest to lowest performing asset classes over the last 10 years to illustrate the changing nature of asset class performance.

All investments involve risk, including loss of principal and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance and time horizon before investing. Diversification does not guarantee a profit or protect against a loss.

J.P. Morgan Asset Management provides investment management services for some of the investment choices offered in Transamerica's retirement plans. J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. J.P. Morgan Asset Management is not affiliated with Transamerica Retirement Services.

## ✓ LEGISLATIVE/COMPLIANCE

### New ERISA Regulations to Affect Fee Disclosures by Service Plan Providers

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. On July 16, 2010, the DOL published interim final regulations under ERISA section 408(b)(2) concerning the disclosure requirements for services performed and fees charged to retirement plans by service providers. The Transamerica Center for Retirement Studies has provided a [summary](#) of these regulations on its Legislative Ledger.



We want you to know that Transamerica Retirement Services is considered a "covered

provider" and therefore subject to the interim final regulations. As such, we will be providing the required disclosures related to the compensation received by Transamerica on or before next year's June 2011 deadline.

If you have any questions, please contact us at (866) 498-4557, and we will provide you with the assistance you need. As always, it is our goal to provide you with the highest quality service in the retirement industry.



## COMPLIANCE CALENDAR

### Sponsor Tasks

**9/15** — Deadline for calendar year plans that filed a corporate extension in March (Form 7004) to fund deductible employer contributions for the 2009 plan year.

**9/30** — Mail Summary Annual Report (SAR) to participants or if Form 5558 was filed for extending Form 5500 filing date then mail by 12/15.



## FEEDBACK

We always welcome your feedback and suggestions. Please send your comments to [sponsorconnect@transamerica.com](mailto:sponsorconnect@transamerica.com).

