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COMPLIANCE CALENDAR

Sponsor Task²

2/5 — Submit complete census data and the Additional Plan Data form in order to guarantee completion of 401(k) non-discrimination testing by 3/9.³

Transamerica Task

1/29 — Transamerica transmitted Form 945 to the IRS to report income tax withheld from distributions made from your plan. Transamerica also mailed Form 1099-R to participants and beneficiaries to report 2009 distributions, including direct rollovers, from your plan.

FEEDBACK

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

Welcome to the January edition of Transamerica Retirement Services' *Sponsor E-News*, our first edition for the new year and the new decade. For Transamerica, these new beginnings mean new opportunities for us to serve you and your plan in more innovative ways, offering you greater flexibility than ever before.

We strive to continually improve our services to you. In fact, our dedication to outstanding customer service has helped us garner 38 "Best in Class" ratings in the annual Chatham Client Satisfaction analysis.

Our continued improvements can help make the day-to-day management of your plan as efficient and effective as possible. Find out how in **More Online Report Enhancements...More Flexibility**.

Keeping our sponsors up-to-date with all of the regulatory requirements, legislation and increasingly rapid changes in our industry is another important priority at Transamerica. That's why this edition includes information on how to access the most current distribution forms and Special Tax Notice.

You'll also see what some industry experts have to say about the financial scene that unfolded in 2009. Could some unexpected good news bode well for the coming year? Learn more in this edition's **Monthly Market Insight**.

Finally, the U.S. Department of Labor (DOL) is also looking ahead and requiring that all future Form 5500 filings be completed electronically. We've included important information you will need to know to utilize the electronic filing process.

Every new year brings change. One thing you can count on remaining constant throughout 2010 is our continued commitment to you and your participants.



Compliments of
Sponsor Connect
(866) 498-4557

Transamerica Receives 38 "Best in Class" Ratings in Client Satisfaction Analysis

Transamerica Retirement Services has once again received recognition for our outstanding commitment to customer service. In a recently released independent study, Transamerica Retirement Services earned **38 "Best in Class" ratings** from clients on a host of attributes, and was named the **best performing plan provider in seven key areas**:



- Processing Employee Transactions
- Participant Statements
- Employee Education
- Plan Sponsor Web site
- Participant Web site
- Investment Services
- Fees

The study was conducted by Chatham Partners, LLC, an independent, third-party research firm. Plan sponsors were asked to rate their plan provider on 97 key attributes including transaction processing, recordkeeping, investments, statements, Web sites, call centers, voice response systems, education, administration, services, fees and personnel. In an impressive showing, Transamerica exceeded Chatham's proprietary benchmark for plan providers in 90 of the 97 individual attributes rated in the survey. More results are available [here](#).

Transamerica's 38 "Best in Class" ratings were earned for:

- Overall satisfaction with processing of employee transactions
- Accuracy of contributions, disbursements and loans
- Timeliness of contributions, disbursements and loans
- Overall satisfaction with Client Relationship Manager (CRM)
- CRM knowledge of retirement industry
- CRM knowledge of your plan
- CRM responsiveness
- CRM annual plan and investment review process
- CRM accessibility
- CRM problem resolution skills
- CRM providing value-added recommendations
- Accuracy of plan level reports
- Timeliness of plan level reports
- Courteous and professional manner of participant contact center representatives
- Responsiveness of participant contact center representatives
- Overall satisfaction with personnel
- Courteous and professional manner of Account Specialist Team
- Courteous and professional manner of SponsorConnectSM personnel
- Range of investment options offered
- Ease of enrollment process for participants
- Effectiveness of enrollment personnel
- Clarity of employee enrollment kits and materials
- Ease of e-submission of contribution and plan data
- Overall satisfaction with plan recordkeeper
- Plan recordkeeper responsiveness
- Plan recordkeeper accessibility

- Overall satisfaction with participant services
- Overall satisfaction with participant statements
- Timeliness of participant statements
- Accuracy of participant statements
- Clarity of participant statements
- Overall satisfaction with participant contact center representatives
- Plan recordkeeper problem resolution skills
- Third Party Administrator (TPA) plan design that meets your firm's needs
- TPA nondiscrimination testing
- TPA knowledge of retirement industry
- TPA knowledge of plan
- TPA accessibility

We believe that our "Best in Class" ratings validate our dedication to providing the highest quality services to our sponsors. We continually seek valuable feedback from our clients so that we can continually improve our services based on clients' needs. As Stig Nybo, President of Transamerica Retirement Services, said, "These ratings from our sponsors reaffirm our position as one of the very best providers in the small-plan market. We are committed to developing solutions that improve client satisfaction, and to helping our clients make the most of their retirement plans."

To those of you who were asked to participate in the Chatham Partners study, we thank you for your honest feedback. And to all of our sponsors, we pledge that your comments, requests and ideas are always viewed as an opportunity to provide you with even higher quality services.

Chatham Partners' 2009 Client Satisfaction Analysis Survey, December 2009. Chatham Partners, LLC is an independent third-party research firm. Questions were asked of 804 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 85 percent of the respondents selected a "6" or "7" for a specific area. Transamerica received a total of 38 "Best in Class" rankings in Chatham's 2009 analysis. Third Party Administrators cited in the survey are not affiliated with Transamerica Retirement Services. Chatham Partners, LLC is not affiliated with Transamerica Retirement Services.

INFORMATION

More Online Report Enhancements...More Flexibility

In October 2009, we let you know about some helpful upgrades we were making to several of our online reports. These upgrades were designed to offer you greater flexibility by giving you the opportunity to choose how you would like to receive (and work with) your participants' data.



To make managing your plan more convenient than ever, we are pleased to announce that we are now making additional enhancements to even more of our online reports. For example, the next time you visit www.TA-Retirement.com, you'll have the option of choosing either a PDF or CSV file for more of our key reports. Plus, these reports will now provide additional participant data, such as addresses.

We've also created a new **Hardship Suspension Report** to help you manage your participants' hardship "lift" dates. As you know, when a participant takes a hardship distribution, their contributions are required to be suspended for six months. Thanks to this new report, once you enter a date range, the report will provide the date that the participant's suspension period ends and the date that deduction of contributions can resume.

Visit www.TA-Retirement.com to see all the great changes we've made to enhance the functionality and flexibility of the following reports:

- Loans Issued Report

- Hardship Suspension Report (New!)
- Eligibility Report

Please let us know how we can continue to improve our service to you. Contact us at (866) 498-4557 with any of your ideas and suggestions.

INFORMATION

Updated Distribution Forms and Special Tax Notice Are Now Online

If you haven't visited www.TA-Retirement.com in 2010, now's the time. That's because at the end of 2009, a number of updates issued by the Internal Revenue Service (IRS) prompted us to make some important changes to several of the participant distribution forms found on our Web site. The updated forms include all Distribution Request Forms and Death Benefit Claim Forms. We also updated the 402(f) notice (also known as the "Special Tax Notice") which the IRS requires to be provided to all participants requesting a distribution that is eligible for rollover treatment.



The Special Tax Notice explains — among other things — the rollover rules applicable to distributions from qualified retirement plans. The IRS has published two separate, revised Special Tax Notices: one for a distribution "not from a designated Roth account" and the other for a distribution "from a designated Roth account." For your convenience, Transamerica Retirement Services has combined these notices into one.

Transamerica's newly revised notice provides the recipient with a rollover "roadmap" and available alternate options, including tax consequences, in a clearer and more simplified manner than did the prior notice. This revised notice also reflects recent changes in the law and explains rules that apply in special situations.

The updated forms are all available on our Web site. After logging in at www.TA-Retirement.com, click "Plan Administration," then "Participant Forms." Please be sure and replace any outdated forms you may still have on hand with the new, revised forms now available on our Web site.

INFORMATION

Monthly Market Insight

2009 ended on a rather unexpected and positive note in the financial markets, as noted by "[The Top 10 Surprises of 2009 in the Financial Markets](#)," courtesy of Fidelity Management & Research Co.'s unit (the Market Analysis, Research and Education Group). Here are a few highlights for 2009:



- The U.S. stock market, represented by the S&P 500 Index, ended 2009 up more than 20% for the year overall.
- The fixed-income (bonds) category generated surprisingly strong returns as well, with the performance of riskier high-yield corporate bonds posting their best year ever.
- Emerging-market stocks became the best performing asset category in 2009, and the speed with which the developing world got back on its feet after a global recession was a key to the worldwide recovery.
- Gold was one of the best assets to own this decade, up roughly 300% from the beginning of 2000.
- The residential U.S. housing market finally found some stability in 2009, after three years of unprecedented declines.
- Soaring governmental budget deficits could have a future impact on interest rates, tax rates, and growth prospects for several of the world's largest economies.

Even as the economic recovery gains traction moving into 2010, uncertainty remains, and

participants need effective knowledge to build a solid long-term investment plan. AllianceBernstein provides "[The Power of a Diversified Portfolio](#)" which offers in-depth information to help participants better understand balancing stocks and bonds, diversifying by investment style, diversifying geographically, and the effects of periodically rebalancing investment portfolios. These strategies can be used as part of an overall investment plan for retirement.

As part of our ongoing commitment to provide you and your participants with investment education, we hope you will share these articles with your plan's participants.

The Market Analysis, Research and Education (MARE) group is a unit of Fidelity Management & Research Co. (FMRCo.). MARE and FMRCo. are not affiliated with Transamerica or AllianceBernstein. AllianceBernstein is not affiliated with Transamerica, MARE, or FMRCo.

✓ LEGISLATIVE/COMPLIANCE

New DOL Requirements Mean Electronic Filing Only for Form 5500

As of January 1, 2010, the U.S. Department of Labor (DOL) is going "paperless" for Form 5500, requiring all filings of Form 5500 to be submitted electronically. Furthermore, the DOL has announced that there will be no exceptions to this electronic filing requirement.



Getting Started:

Because the Form 5500 filings must be signed, the new electronic filing requirements mandate that the Form 5500 must now be "signed" electronically. To accomplish this, all 5500 signers must first register for signing credentials with the DOL. More than one person may obtain signing credentials to sign a Form 5500 if more than one person may actually sign the filing. Once you are registered with the DOL as a signer, the User ID and PIN that you'll receive can be used for this and subsequent years' filings. If a different person will be signing the Form 5500 filing in the future, that person will need to register for their own signing credentials at that time.

Registering for your Signing Credentials:

To register for your signing credentials, you need to visit the ERISA Filing Acceptance System (EFAST2) database on the DOL's Web site. Once you enter <http://www.efast.dol.gov>, click on the "Register" link located on the navigation panel on the left side of the Welcome screen. This link will take you through the process required for completing your signing credentials.

Please note that the entire registration must be completed in a single session. So be sure to set aside at least 15 minutes to complete this process.

Click [here](#) for more information about obtaining signing credentials from the DOL.

Transamerica is committed to keeping you updated and informed about the mandatory changes to the 5500 filing process. Look for more updates from us in the coming months.

Endnotes

¹Transamerica 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.

²If Transamerica does not process plan distributions and/or perform testing for your plan, please consult with your Third Party Administrator to ensure the appropriate deadlines for filing forms and for testing are met.

³If your plan has an Automatic Contribution Arrangement ("ACA"), Eligible Automatic Contribution Arrangement ("EACA"), or Qualified Automatic Contribution Arrangement ("QACA"), the deadline by which Transamerica must receive complete census data, including the Additional Plan Data Form, is 5/28. This will guarantee completion of 401(k) non-discrimination testing by 6/24.