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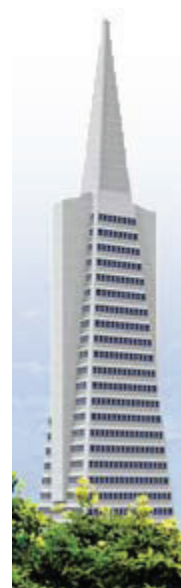
Welcome to the September 2010 Edition of Sponsor E-News

Transamerica has created special audio presentations on the new ERISA regulations for fee disclosures, in addition to a reference FAQ document.

Earlier this month, Transamerica launched our seventh annual client satisfaction survey. Through our independent survey, we reach out to you for feedback on topics ranging from overall satisfaction with Transamerica to specific products and services. Thank you in advance to the randomly selected clients who participate in the survey.

In Monthly Market Insight, AllianceBernstein explains why the unprecedented net inflow of money into bond mutual funds may be the engine that sustains our economic recovery. Also, Putnam Investments provides illustrations to remind participants how various withdrawal rates and investment strategies can affect how long your savings will last.

Mock audit drills may provide important information about how well prepared your plan is in case of an emergency. Transamerica can work with you to ensure that your plan's documentation is complete.



Compliments of
Sponsor Connect
(866) 498-4557

INFORMATION

Understand the New ERISA Regulations for Fee Disclosures with Our Innovative Online Guides

On July 16, 2010, the U.S. Department of Labor 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. In an effort to help our plan sponsors better understand the new regulations, Transamerica Retirement Services has created a [special audio presentation](#), along



with an [audio FAQ](#) and an [FAQ document](#). You can learn:

- What the regulations are and how they affect plan sponsors and fiduciaries
- The deadline for compliance and non-compliance penalties
- The timeline for plan sponsor communications in the coming months

If you have any additional questions, please contact us at (866) 498-4557 . We are committed to providing you with the most up-to-date information on new regulations affecting the retirement services industry.

INFORMATION

Monthly Market Insight

Over the last year, risk-averse investors have funneled \$416 billion into fixed income (bond) mutual funds, while withdrawing \$19 billion out of equity (stock) funds. This investment behavior is in sharp contrast to the late 1990s and early 2000s, when record amounts poured out of fixed income (bonds) and into equity (stock) mutual funds.



Investment manager AllianceBernstein states that the difference in behavior between today's investors and investors of a decade ago can be linked to the levels of consumer and investor confidence. Unlike in the early 2000s when consumer optimism about the future was almost unparalleled in the postwar period, today, the opposite is true. AllianceBernstein adds that today's investors "expect difficult economic times as far as the eye can see and, as a result, are more concerned about whether they get their money back than what they earn on it."

Some contrarians would point to this recent preference for fixed income funds as the beginning of a "bond bubble," which could cause investors to lose their principal. However, in "[The Thundering Herd—Why Individual Investor Behavior Should Help Sustain the Recovery](#)," AllianceBernstein asserts that this year's unprecedented net inflows into fixed income mutual funds is not a negative condition, but rather has kept interest costs low, thereby helping to sustain economic recovery.

Participants can affect how long their retirement savings last through [their withdrawal rate and the way they choose to invest](#). Putnam offers charts that simply illustrate the effects of these factors. The first chart depicts how long a hypothetical investment portfolio comprised of 60% stocks, 30% bonds and 10% cash can last given various withdrawal rates from 3% to 10%. The second chart compares investing in a conservative, balanced, or growth strategy, and shows that investing too conservatively can limit how long your savings last.

We hope you will share these pieces with your plan's participants to help provide them with the information they need to plan wisely for a secure retirement.

AllianceBernstein L.P. and Putnam Investments provide investment management services for some of the investment choices offered in Transamerica's retirement plans. Transamerica is not affiliated with AllianceBernstein L.P. and Putnam Investments and their affiliates.

INFORMATION

Transamerica Launches Seventh Annual Client Satisfaction Survey

Earlier this month, we launched our seventh annual client satisfaction survey conducted by Chatham Partners, LLC, a leading market research firm.¹ At Transamerica Retirement Services, our mission is to lead the retirement services industry in offering innovative, "Best in Class" retirement plan services and solutions. Our mission sets the standard for, and drives, our client-focused efforts. Transamerica's annual client satisfaction survey ensures that our client-focused efforts are translated into actions.



The fulfillment of our mission and the success of our client-focused efforts are anchored by the high priority we place on client feedback. Each year, through our annual client satisfaction survey, we reach out to a randomly selected group of plan sponsors for feedback on a variety of topics, ranging from overall satisfaction with Transamerica to specific products and services. Chatham Partners assesses the results of the survey and creates a "report card" on the success of our mission and client-focused efforts. That report card is then developed into a prioritized action plan that enables us to implement services, technology and investment enhancements that directly respond to your input. Some of the services that we have recently launched as a direct result of your feedback include Web chat for plan sponsors and participants, eStatements for plan participants, enhancements to our online reporting capabilities, the introduction of the Market Resource Center, and improvements to our Web-based message center.

During the month of September, Chatham Partners contacted almost 1,300 randomly selected Transamerica clients to ask for their input. At the end of October, they will close the survey and begin their analysis of the data. In December, Chatham Partners will provide Transamerica with detailed survey results, which we will prioritize and incorporate into our strategic plans for 2011 and beyond.

As we embark on the 2010 Annual Client Satisfaction Survey, we would like to thank those of you who have participated in prior surveys as well as those of you who will be participating in the 2010 survey. Your feedback helps us provide you with even better service and helps ensure that our mission to lead the retirement services industry in providing innovative, "Best in Class" retirement plan services and solutions remains alive and vital year after year.

¹ Chatham Partners' 2009 Client Satisfaction Analysis Survey, December 2009. Chatham Partner, 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 over 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.

✓ LEGISLATIVE/COMPLIANCE

Mitigating Fiduciary Risk through Routine Drills

How prepared would you be if you received a letter from either the Department of Labor (DOL) or Internal Revenue Service (IRS)



announcing its intention to audit your plan in 10 business days?

As a plan sponsor, incorporating a mock audit of your retirement plan may become an essential part of your annual routine.

Performing such a drill can serve two very important purposes. First, it can ensure that everyone knows their roles and what they need to do in case of an emergency. Second, it can reveal areas that need improvement or critical gaps in the process.

Even if you currently submit to voluntary annual audits for Form 5500 purposes (if applicable), they may not be comprehensive enough to meet the requirements of the DOL or IRS. To help you check your level of preparedness, we have provided two [sample audit lists](#) that outline some of the typical items that the DOL or IRS may request during a plan audit. After reviewing these lists, if you find that there are gaps in your plan's documentation and would like assistance in putting together a complete set of documents, please contact SponsorConnect or visit the Sponsor Connect page of our website.

Transamerica Retirement Services is committed to helping ensure your plan's ongoing compliance.



COMPLIANCE CALENDAR

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.

10/1 — First date by which an employer should provide a notice to participants regarding automatic enrollment.*

10/15 — Due date for Form 5500 for plans on extension.

*Applies to plans with an Eligible Automatic Contribution Arrangement (EACA) and where the plan year coincides with the calendar year.



FEEDBACK

We always welcome your feedback and suggestions. Please send your comments to sponsorconnect@transamerica.com.

Endnotes

Transamerica Retirement Services ("Transamerica"), a marketing unit of Transamerica Financial Life Insurance Company ("TFLIC"), 440 Mamaroneck Avenue, Harrison, New York 10528, 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.

