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**Welcome to the April 2011 Edition of Sponsor E-News**

Transamerica offers a wealth of tools on our website to help you manage and grow your business. We encourage you to view our website tutorial to discover more of the valuable resources our website can provide you.

We would like to remind you to check your personal profile annually to ensure that your information as primary contact for your plan is current.

The experts at AllianceBernstein explain why they believe the unrest in the Middle East and earthquake in Japan may act as catalysts for a prolonged investment cycle. Also, Wells Fargo Advantage Funds provides a detailed worksheet that may help participants identify "extra dollars" to invest in their monthly retirement savings plans.

We conclude with a primer on fidelity bonds, including a link to "Guidance Regarding ERISA Fidelity Bonding Requirements."



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(866) 498-4557

**i INFORMATION**

**Discover More Valuable Online Resources through our Website Tutorial**

Many of you have visited [www.TA-Retirement.com](http://www.TA-Retirement.com) and are already familiar with some of the valuable resources available to you. Our website includes tools and information to help you efficiently manage your plans and grow your business.

To assist you in fully utilizing the site's features, Transamerica has developed an informative, user-friendly website tutorial for plan sponsors. The tutorial covers topics such as plan administration, reporting, accessing participant information, market updates, participant communications, and much more.

To access the website tutorial, log in to your account, select "Resources" from the left-hand navigation menu, and click on the "Tutorials" link. We hope you will visit [www.TA-Retirement.com](http://www.TA-Retirement.com) today and take advantage of this helpful online resource.



## Primary Contact: A Reminder to Update Your Personal Profile

Please check your personal profile annually to ensure that the information is up-to-date. As the primary contact of your plan, you play a critical role in receiving and disseminating information, since all plan-related communications are sent directly to you. While you may or may not be an Authorized Signer, Fiduciary or Trustee for the plan, you are responsible for forwarding these communications to the appropriate person(s) for action. Therefore, it is essential that your contact information remains accurate.



We suggest that you check your personal profile annually by logging in to [www.TA-Retirement.com](http://www.TA-Retirement.com) and completing the following instructions:

1. Click "Personal Profile" from the left navigation menu.
2. From the Personal Profile page, verify the information under the Contact Information section.

To change your contact information, click the "Change Plan Contacts" link and follow the prompts.

## Monthly Market Insight

The experts at AllianceBernstein believe that [Global Disruption May Create New Investment Catalysts](#). This economic perspective explores the impacts of the turmoil in the Middle East and the earthquake in Japan on the strong global investment cycle that is currently underway.



As the situation in the Middle East remains unsteady, oil prices continue to rise. In fact, AllianceBernstein has revised its 2011 oil forecast from an average \$90 to \$98 per barrel, with a caveat that this number could change due to the volatility of the factors influencing supply and demand. They believe the uncertainty surrounding oil prices may act as a catalyst for new investment, further fueling the current global investment cycle.

This new investment may take the form of increases in domestic drilling for oil and gas, as the U.S. attempts to reduce its dependence on foreign oil. Also, the Obama administration recently requested "additional incentives for renewable energy sources, as well as subsidies for the purchase of trucks and fleets that run on domestically produced natural gas" from Congress, further feeding investment growth.

Meanwhile, the tragic earthquake in Japan caused a large number of its manufacturing facilities to temporarily close. Since many of the assembly, auto parts and technology facilities remained closed as of the beginning of this month, the experts at AllianceBernstein believe the impact on global vehicle assemblies and technology-related output will be substantial for the months of March and April. However, they expect production outside of Japan to recover in the second half of the year and, therefore, have only slightly revised their global Gross Domestic Product (GDP) estimate from 3.6% to 3.4%.

The situation in Japan has exposed the vulnerability of some of the world's largest firms in their global supply chains. This vulnerability may provide cause for some of these companies to expand their current single supplier relationships to multiple supplier relationships, including domestic ones where possible, all of which would require new investment in productive capacity and transportation systems.

AllianceBernstein concludes that investment growth has been fueling the economic recovery, both globally and domestically. In fact, in 2010, global business investment increased by 5.4%, whereas consumption grew by 2.9%. The same was true in the U.S. where business investment gained by 3.9% versus a 1.8% increase in consumption. The experts at AllianceBernstein believe the situations in the Middle East and

Japan may act as catalysts to even more new investment that "could add fuel for a prolonged investment cycle that would have been impossible to predict a year ago."

Your employees may appreciate this Wells Fargo Advantage Funds [worksheet](#) of common monthly expenses that may be reduced or even eliminated, providing participants with the "extra dollars" they need to begin or increase their monthly retirement savings plan.

We hope you will share these pieces with your participants as part of their ongoing investment education.

AllianceBernstein L.P. provides investment management services for some of the investment choices offered in Transamerica's retirement plans. Transamerica is not affiliated with AllianceBernstein L.P.

Wells Fargo Funds Management, LLC ("Wells Fargo") provides investment management services for some of the investment choices offered in Transamerica's retirement plans. Wells Fargo and Advantage Funds are wholly owned subsidiaries of Wells Fargo & Company. Wells Fargo and Advantage Funds are not affiliated with Transamerica.

## ✓ LEGISLATIVE/COMPLIANCE

### Fidelity Bonds: What are the Requirements?



Fidelity bonds are designed to protect a plan and provide safety for anyone who handles, receives, safe keeps or disburses funds on behalf of a plan. Fidelity bonds are required under Section 412 of ERISA and U.S. Department of Labor (DOL) regulation 29 CFR 2580. These code sections provide the bonding requirements, and define the "handling" of plan assets as well as the required amounts of the fidelity bond.

Plan fiduciaries (and any other person who handles plan assets) must be bonded because their responsibilities expose the plan to the risk that plan assets could be lost in the event of fraud or dishonesty. A plan fiduciary is defined as any person who exercises discretionary authority over the management or administration of an employee benefit plan, regardless of their actual title.

Fidelity bonds are issued by an approved surety company and include the following types:

- **An individual bond**, which covers a specifically named person.
- **A name schedule bond**, which covers a named group of individuals or positions.
- **A position schedule bond**, which covers each of the occupants of the positions listed in the schedule.
- **A blanket bond**, which covers all the insured's officers and employees.
- **Or a combination of the above four bond types.**

Generally, the amount of the fidelity bond must be fixed at the start of each plan year in an amount that is not less than 10% of the value of the funds in the plan. The minimum amount for a fidelity bond is \$1,000, while generally the maximum amount required is no more than \$500,000. However, if the plan holds employer securities, the maximum bond amount increases to \$1 million. Because the fidelity bond is "for the benefit of the plan" it may be purchased by the plan with plan assets.

As last updated in November 2008, the DOL issued Field Assistance Bulletin No. 2008-04, which provided a comprehensive overview on fidelity bonds in a question and answer format. To access this Field Bulletin, visit the DOL website at [Guidance Regarding ERISA Fidelity Bonding Requirements](#). For more information about fidelity bonds, contact your financial advisor or Transamerica at (866) 498-4557.



## COMPLIANCE CALENDAR

Late April and May provide you with a break with respect to compliance deadlines.



## FEEDBACK

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

