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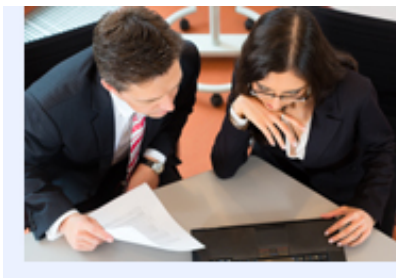
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i INFORMATION

Annual Participant Notice Season is Coming

If you currently have a safe harbor or automatic enrollment provision, or if you provide a Qualified Default Investment Alternative (QDIA), you are required to distribute an annual notification no more than 90 days and no less than 30 days prior to the start of the new plan year. For calendar-year plans, this means that you will need to distribute the notice (provided to you by Transamerica) between October 1 and December 1.



If you don't have a QDIA, automatic enrollment or a safe harbor provision, but you were thinking of adding any of these features, now is the time to submit your request to ensure you receive your notice in a timely manner.

It is also important to make sure that you return any outstanding amendments that you requested to change plan provisions. Not only do these impact the content of the annual notices, but all discretionary amendments are required to be signed no later than the end of the plan year and in some cases, sooner.

If you are unsure if you have any outstanding amendments or if you are looking to make changes to your plan for January 1, please contact us at (866) 498-4557 .

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INVESTMENT COMMENTARY

Europe's Problems and Lessons for the U.S.

The experts at [American Century](#) comment on the ongoing problems in the eurozone which have caused the economies of some of its 17 member-nations to slip into a recession, and say that the solution is obvious. Deficits must be drastically reduced by decreasing social benefits and future entitlement programs, and outstanding taxes must be collected. However, implementing these changes "will not be politically popular or economically painless." American Century believes the U.S. can learn some lessons from the eurozone considering our burgeoning government deficit and debt.



We hope these articles provide valuable information to your participants as they plan for their retirement futures.

INVESTOR EDUCATION

The Power of Buying Low

This [Classic Concept](#) by Pioneer Investments reminds us that investing in stocks during market lows, rather than highs, has historically produced better results for long-term investors.

Transamerica Retirement Services does not provide investment advice. American Century Investments and Pioneer Investments provide investment management services for some of the investment choices offered in Transamerica's retirement plans. American Century and Pioneer Investments are not affiliated with Transamerica.

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LEGISLATIVE / COMPLIANCE

PLAN MANAGEMENT

Could Your Plan Benefit from a Safe Harbor Design?

A safe harbor design may benefit your 401(k) plan by providing the following advantages. A safe harbor design can:

- Eliminate the possibility of actual deferral percentage (ADP) and actual contribution percentage (ACP) test failures
- Allow highly compensated employees (HCEs) to maximize their deferrals and receive matching contributions without worry of refund or forfeiture



Transamerica strives to provide the information you need to help you create the optimal design for your retirement plan.

You may want to consider a safe harbor design if your plan is:

- Top-heavy
- A New Comparability plan (NCP)*

- Already providing matching contributions **close to safe harbor levels**
- Unable to maximize HCEs' deferrals due to ADP testing limitations
- Featuring short or no service requirements for full vesting
- Using qualified non-elective contributions (QNECs) to pass ADP or ACP tests

Bear in mind, although your plan may benefit from these advantages, you may incur additional costs for maintaining a safe harbor plan.

To help you explore whether a safe harbor design is right for your plan, Transamerica offers a safe harbor [brochure](#).

*A New Comparability Plan (NCP) is a plan that uses a profit-sharing allocation formula that allows a greater allocation rate for a target group(s) of participants. The NCP gateway is the minimum contribution percentage for any non-highly compensated employee. The gateway/minimum contribution percentage must be at least either (1) one-third of the highest percentage for any highly compensated employee or (2) 5%.

How Fee Disclosure Regulations Affect Participant Statements



Starting this year, the U.S. Department of Labor (DOL) is requiring retirement plan sponsors to provide more information about the fees associated with their plans. The purpose of the DOL regulation is to provide uniform guidelines and make sure that employees have the information they need to make informed decisions about the investment of their retirement plan accounts. The plan sponsor's role is to ensure that everyone who may direct investments in your retirement plan receives the required disclosure (prepared by Transamerica) by the effective date of August 30, 2012.

To comply with regulations, the fees deducted directly from a participant's account balance must be disclosed to the participant on a quarterly basis. Transamerica began displaying these fees on participants' quarterly plan statements (as of 7/31/12 and following).

With plan fees being far more visible than they have been in the past, you may want to consider informing plan participants of any fees that you authorize to be paid directly from plan assets. Typical examples of such fees include auditors' fees, plan legal fees, investment advisory fees, etc. When fees are paid directly from the plan assets they are typically deducted from participants' account balances on a pro-rata basis and will be shown on the participant quarterly plan statement. Advance notice to participants of the payment of such fees from plan assets could prevent many participant questions.

Transamerica will continue to support your participant disclosure obligations. In next month's issue we will feature an article regarding your ongoing participant fee disclosure responsibilities. If you have any questions, please do not hesitate to contact your Transamerica representative and we will be happy to assist you.



COMPLIANCE CALENDAR

August 30

Deadline for employees to receive annual fee disclosure

By August 30, all employees, former employees, plan beneficiaries and alternate payees who have the right to direct investments in your retirement plan should have received the 2012 Disclosure and Comparative Chart for Retirement Plan Participants. This Disclosure was recently provided to you by Transamerica.

September 15

File Form 5500 if on extension

If corporate extension was filed in March (Form 7004¹), file Form 5500 with a copy of Form 7004.

September 30

Mail Summary Annual Report (SAR)

Mail SAR to participants or if Form 5558 was filed for extending Form 5500 filing date then mail by 12/15. If corporate extension was filed in March (Form 7004¹), file Form 5500 with a copy of Form 7004.¹

¹ Form 7004 extends the deadline for filing corporate taxes, making employer contributions to the plan, and filing Form 5500. Form 7004 must be filed within 2 1/2 months following fiscal year-end. If your fiscal year does not end on 12/31, please discuss actual dates with your TPA and/or tax counsel.

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Transamerica or Transamerica Retirement Services refers to Transamerica Retirement Services Corporation, which is headquartered in Los Angeles, CA.