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i INFORMATION

How to Become a “Power Planner”: Tips for Success from Everyday Americans



New research from the Transamerica Center for Retirement Studies® (TCRS) finds that retirement confidence is on the rise, with 55 percent of workers being “somewhat” or “very confident” about retirement, up from 51 percent in 2012. In its new study, [Unlocking the Secrets of Retirement Readiness: Meet the Power Planners](#), TCRS identifies a new group of Americans called the “Power Planners,” who are on the path to retirement readiness as a result of savvy retirement planning behaviors.

Who is a Power Planner?

The TCRS research identified and defined five categories of Power Planners and found that they are everyday people, not just the ultra-affluent. A full 59 percent of today’s American workers fall into at least one of the following categories:

- **Future Early Retirees (21 percent)** plan to retire sooner than age 65.
- **10 Percenters (22 percent)** defer 10 percent or more through company-sponsored 401(k) or similar retirement plans.
- **Strategists (12 percent)** have a written retirement plan.
- **Knowledgeables (31 percent)** believe they know what they should about retirement investing.
- **Conversationalists (nine percent)** frequently discuss saving, investing and planning for retirement with family and friends.

The research also found that just 26 percent of American workers fall into two or more categories, and the number of ultimate Power Planners – those who engage in all five activities – is less than one percent of American workers. The conclusion is that while many Americans are making progress, they can still do more to achieve retirement readiness.

The Defining Characteristics of Power Planners

The difference between Power Planners and other American workers is that Power Planners:

- Value employer-sponsored plans — nine out of 10 value employer-sponsored plans
- Are more likely than other workers to choose a job that offers a competitive retirement benefit (versus considering salary alone)
- Take retirement saving action — they have higher participation and deferral rates
- Are more confident about their retirement outlook
- Take the time to formulate and write down a retirement strategy
- Are disciplined — two-thirds are saving the same or more since the recession began

An impressive number of Americans, nearly six in 10, have taken important first steps toward retirement readiness. However, most have an opportunity to engage in more than one type of power planning behavior. Each additional step can increase their confidence about their retirement readiness.

About Transamerica Center for Retirement Studies®

The Transamerica Center for Retirement Studies (TCRS) is a division of Transamerica Institute (TI), a nonprofit, private foundation. TI is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. For more information about TCRS, please refer to www.transamericacenter.org.

About the 14th Annual Retirement Survey

This survey was conducted online within the U.S. by Harris Interactive on behalf of Transamerica Center for Retirement Studies between January 21 — February 21, 2013, among a nationally representative sample of 3,651 full-time and part-time workers in for-profit companies, and employer size of 10 or more. For a full methodology visit www.transamericacenter.org.

Participant Data Changes

At Transamerica, we want to help you manage your plan more easily and efficiently, so we allow you to update or add participant information directly on our website, www.TA-Retirement.com.



Mailing addresses, phone numbers, email addresses, and other important participant information can all be updated or added online by following these simple steps after you sign in to the site:

1. Click "Participant Information"
2. Click "Indicative Data"
3. Input the participant's Social Security Number or last name, and click "Search" to continue
4. Under "Indicative Data," select the participant for whom you would like to access information, and click "Submit" to continue
5. Under "Change Indicative Data," update the information for the selected participant in the appropriate fields, and click "Submit"

Please note if you update Indicative Data on our website, it's important to also download and save a copy to your desktop of the new contribution remittance spreadsheet that contains your most recent updates.

To update information for multiple participants, upload a file using our [approved template](#) after you sign in to the site.

If you have additional questions regarding this or any of our online features, please contact us at (866) 498-4557. Enabling you to update participant information online is one more way that Transamerica strives to help ease your

day-to-day administrative duties, and save more of your valuable time.

MONTHLY MARKET INSIGHT

INVESTMENT COMMENTARY

Solid U.S. Manufacturing in July Points to Faster Economic Growth



The experts at AllianceBernstein believe the spike in July's Institute for Supply Management (ISM) composite index for U.S. manufacturing signals a faster [expansion of the U.S. economy](#) during the second half of this year. The ISM index provides an early view of the condition of the industrial sector, which is considered an indicator of cyclical changes in the economy. In AllianceBernstein's view, the fate of the manufacturing sector often determines the fate of the economy. AllianceBernstein's experts believe that the July ISM index offers strong support for their forecast that the U.S. economy will enjoy stronger second-half growth, with real GDP expanding between 3% and 3.5%.

Investor Education

In 1994, *USA Today* published the story of a man who had collected [\\$80,000 worth of pennies over 65 years](#). Putnam Investments shows that if that man had invested his pennies in the stock market (\$102 each month from December 1947 to December 2012), his money would have grown to over \$8 million after 65 years. An amazing difference!

Transamerica Retirement Solutions does not provide investment advice. AllianceBernstein L.P. provides investment advisory services for some of the investment choices offered in Transamerica's retirement plans. Putnam Investments provides investment advisory services for some of the investment choices offered in Transamerica's retirement plans. AllianceBernstein L.P. and Putnam Investments are not affiliated with Transamerica Retirement Solutions.

We hope you will share these informative articles with your employees as part of your ongoing efforts to help them prepare for a successful retirement.



LEGISLATIVE / COMPLIANCE

Help Reduce Fiduciary Risk by Including a QDIA in Your Plan

Plan sponsors can help reduce their fiduciary risk by including a Qualified Default Investment Alternative (QDIA) in their plan. In 2008, the U.S. Department of Labor (DOL) introduced the concept of the QDIA for use in participant-directed plans. The QDIA is a default investment choice for eligible employees who fail to provide investment instructions for contributions made to a plan on their behalf.



Under ERISA 404(c), if a plan sponsor defaults an eligible employee's money into a QDIA (typically a balanced or target date maturity investment choice), the

Help reduce your fiduciary risk by adding a QDIA to your plan's investment choice line-up.

plan sponsor is given significant protection should the employee later take issue with the default investment chosen. This protection is not available for non-QDIA default investment choices.

Plan sponsors must distribute an annual QDIA participant notice, which is provided by Transamerica via the online Document Center, to eligible employees. If you already have a safe harbor or automatic enrollment in your plan, the QDIA required language is included as part of this notice.

Please contact me, if you have any questions or would like to add a QDIA to your plan. As always, our goal is to help you manage your plan in the most compliant and prudent manner.



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 2013 Disclosure & 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 7004¹.

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.

¹Form 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 ½ months following fiscal year-end. If your fiscal year does not end on 12/31, please discuss actual dates with your CPA and/or tax counsel.