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### **i INFORMATION**

## Transamerica Center for Retirement Studies Announces Major Expansion

[The Transamerica Center for Retirement Studies®](#) is now part of the [Transamerica Institute](#).<sup>SM</sup> The Transamerica Institute also includes a new division, [the Transamerica Center for Health Studies](#),<sup>SM</sup> which focuses on health care issues.

Through its national surveys, an educational website, research findings, and consumer guidance, the Transamerica Center for Health Studies offers insights to help families, seniors, workers, and employers make their optimal health coverage decisions, and achieve personal health and wellness.

The Transamerica Center for Health Studies' First Annual Survey: [Benchmark on Health Care Coverage Perceptions and Readiness](#) is a comprehensive examination of the views of both employers and consumers as they face a shifting health care coverage landscape. A key aspect of the survey is understanding workers' information needs, as shown below.

- When asked what they need to make decisions about their health insurance options in the next one to two years, workers responded with the following list:
  1. A description of the benefits available (51 percent)
  2. A comparison of how health insurance costs may change (50 percent)
  3. A comparison of coverage among plans available (47 percent)
- 59 percent of surveyed workers chose online tools as the most helpful channel for seeking health coverage-related information

Full details of the survey, and more information about the Transamerica Center for Health Studies can be found at [www.TransamericaCenterforHealthStudies.org](http://www.TransamericaCenterforHealthStudies.org).



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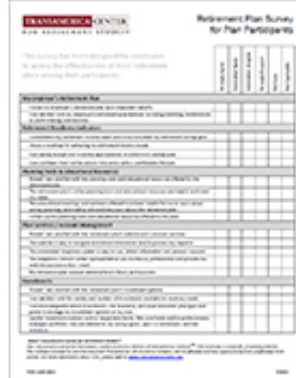


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# Transamerica Center for Retirement Studies Introduces New Survey Tool for Employers

In its 14th Annual Transamerica Retirement Survey, the Transamerica Center for Retirement Studies found that just 29 percent of small-company employers had surveyed employees about retirement plan benefits. To help more plan sponsors uncover their employees' views, the Transamerica Center for Retirement Studies has created an easy-to-use retirement plan benefits [questionnaire](#). Visit [www.transamericacenter.org](http://www.transamericacenter.org) to download the survey and obtain more information.

A screenshot of a questionnaire titled "Transamerica Retirement Plan Survey for Plan Participants". The form includes sections for "Participant Information", "Retirement Plan Information", and "Investment Information". It contains various checkboxes and text boxes for data entry.

## About Transamerica Institute

Transamerica Center for Retirement Studies (TCRS) and Transamerica Center for Health Studies (TCHS) are divisions 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. TCHS surveyed 2,505 of the U.S. general population including 1,704 workers who work full-time, part-time or are self-employed, and 758 employers. For more information visit [www.TransamericaCenterforHealthStudies.org](http://www.TransamericaCenterforHealthStudies.org). TCRS surveyed 750 employers, including 450 small companies (10-499 employees); for more information, visit [www.transamericacenter.org](http://www.transamericacenter.org). All research was conducted by Harris Interactive; full research methodologies can be found at each website.

## Defined Contribution Plans Evolve with Greater Emphasis on Retirement Readiness

There is clearly significant work ahead to make Defined Contribution plans a more effective, meaningful tool in helping Americans to achieve retirement readiness. So, what's being done to confront these rather formidable challenges?



A lot of time and money have been spent educating participants about retirement savings, but no one really wants to go to 'retirement school' in order to retire. And when confronted with too much choice, most people make no choice at all. Therefore, employers need to encourage or incentivize the right participant behaviors. Employers are starting to make the changes required to stimulate employees to save more and save sooner to ensure that they can save sufficiently for retirement.

[Read the full article.](#)

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## MONTHLY MARKET INSIGHT

### MARKET COMMENTARY

## A Closer Look at the Recent Government Shutdown

We hope you will share these articles with your employees, and make them part of your ongoing investor education efforts.

After a 16-day government shutdown, Congress passed a bill that would fund the federal government until January 15, 2014 and suspend the debt ceiling until February 7. In this month's commentary, the experts at JP Morgan [caution](#) investors "not to allow political emotions to overrule investment analysis." Among other information, they offer the following points:



- Another government shutdown is unlikely, as next year is an election year.
- With elections taking place in November of 2014, the debt ceiling will likely be suspended until after 2014.
- The budget deficit has decreased as a percentage of GDP from 8.4% in 2011 to 3.9% in fiscal 2013.

In summary, the professionals at JP Morgan believe the economy can overcome the issues our elected officials create, and they take an optimistic view of the market's future.

#### INVESTOR EDUCATION

### Numbers Trump Emotions

This [piece](#) from INVESCO reminds investors to base their investment risk tolerance on their financial ability to take risk, rather than their emotional willingness to take risk. They suggest investors consider such factors as time horizon, level of portfolio contributions, and income and savings, among others, to accurately assess risk tolerance. Investing too conservatively may prevent investors from reaching their financial goals.

Transamerica Retirement Solutions does not provide investment advice. J.P. Morgan Asset Management and INVESCO provide investment advisory services for some of the investment choices offered in Transamerica's retirement plans. J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. J.P. Morgan and INVESCO are not affiliated with Transamerica.

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## LEGISLATIVE / COMPLIANCE

### Introduce Your Participants to the Benefits of Catch-up Contributions



As some employees approach retirement age, they may realize they have not saved enough for retirement. One solution to underfunded retirements may be catch-up contributions.

Catch up contributions allow an employee who is over age 50 and contributing the maximum \$17,500 to their plan to contribute an additional \$5,500 for a total deferral of \$23,000. A plan is not required to match the catch-up contribution, unless it is a safe harbor plan.

One of the advantages of catch-up contributions is that they do not impact testing because they are not calculated into ADP, 415 or top-heavy tests. Company

owners and other highly compensated employees can make catch-up contributions without any negative consequences. In fact, if your plan fails the ADP test, you can reclassify the refund amount as a catch-up contribution, thereby reducing the taxable distribution made to correct the test, or the total amount of any contribution made to the plan to correct the failure.

If you are interested in adding this beneficial feature to your plan, please consult with your third party administrator (TPA) regarding your specific plan needs.

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## COMPLIANCE CALENDAR

### **October 3 – December 2**

#### **Safe Harbor Annual Participant Notice**

If your calendar-year, defined contribution plan document includes a safe harbor plan design for the 2014 plan year, this is the timeframe for providing the required 2014 annual safe harbor notice.

### **October 3 – December 2**

#### **Qualified Default Investment Alternative (QDIA) Participant Notice**

If your calendar-year, defined contribution plan intends to comply with the U.S. Department of Labor rules for default investments, this is the timeframe for providing the required 2014 annual QDIA notice.

### **October 3 – December 2**

#### **Automatic Enrollment Participant Notices**

If your calendar-year, defined contribution plan document includes an Automatic Contribution Arrangement (ACA), Eligible Automatic Contribution Arrangement (EACA) or Qualified Automatic Contribution Arrangement (QACA) for the 2014 plan year, this is the timeframe for providing the required annual notice to participants.

### **October 15 – December 31**

#### **Required Minimum Distribution (RMD) Processing**

Transamerica will send you detailed information by mid-November regarding participants in your plan who will be age 70 1/2 by the end of 2013. Transamerica will also provide you instructions on how to determine which of these age 70 1/2 participants must receive an RMD by December 31, 2013.

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