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i INFORMATION

Timeliness of Loan Repayments

Participant loans are an important feature of many 401(k) plans, and can help participants in a time of need. However, plan sponsors should remember that loan programs can present compliance risks to a plan if the loan program is not carefully administered.

Timely deductions and remittances of loan repayments are important aspects of plan administration, if your plan allows for loans. Loan repayments are due each pay period through payroll deduction, and should be remitted to Transamerica in the same frequency as participants' elective contributions, if applicable.

Plan sponsors are responsible for setting up loan repayment deductions in payroll and submitting them in a timely manner. The repayment deduction should equal the required payment amount listed on the amortization schedule and loan documents provided when the loan was issued.

Internal Revenue Service and U.S. Department of Labor audits have increasingly uncovered participant loan administration as a problem area for plan administration, especially where loans were required to be defaulted due to non-timely remittance of loan repayments. Loan repayments, in much the same manner as elective contributions, should be deposited in plan investment choices as soon as administratively feasible after being deducted from payroll checks.

Requirements for loan administration:

- **Review loan documents and set up loan repayments** — To allow you time to set up the loan on your payroll system, the first payment date is always a few weeks after the loan issuance date.
- **Remit loan repayments as soon as you segregate the loan assets from other payroll items** — Loan remittances should be consistent from one payroll period to the next.



Have feedback?

Just **reply** to this email with your comments or suggestions.

- **Avoid loan defaults** — Loans are considered in default when a payment is missed. If defaulted, the loan may be "deemed distributed" and subject to taxation if not made current in a timely manner.

Many loan issues can be resolved if discovered early. If you have any questions, please contact *SponsorConnect* at 866-498-4557, Monday through Friday, from 9 a.m. to 8 p.m. ET.

Transamerica Retirement Solutions does not provide tax or legal advice. The information provided here is intended solely as general summary information and is not intended to serve as legal or tax advice applicable to particular matters or situations.

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✓ RETIREMENT READINESS

Webinar Helps Sponsors Raise Awareness of the Need for Retirement Readiness

As part of our ongoing education efforts, Transamerica recently hosted a webinar for plan sponsors to help them optimize their retirement plans.



Stig Nybo, President of Pension Sales and Distribution, presented *Awakening the Super Saver in Pursuit of Retirement Readiness*, which explores Transamerica's commitment to creating a more secure future for Americans, and emphasizes the following key points:

- Driving home the importance of saving at least 10%
- Supporting powerful plan drivers that promote higher levels of savings
- Shifting from a nation of spenders to a nation of Super Savers

You can view the full webinar by clicking [here](#).

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Our recent webinar, available online, offers techniques to help you increase your plan's effectiveness, and enhance your employee's retirement readiness.

📊 MONTHLY MARKET INSIGHT

MARKET COMMENTARY

Economic Growth Matched by Slow Rise in Rates

In this month's Market Commentary, the investment professionals at BlackRock [review the economic data](#) released early this month and its relationship to the economy's growth. They believe that although the figures are encouraging, and the economy grew at an unexpected 2.8% last quarter, the economy "remains troubled by the long-term



We hope the information provided in these articles is helpful, and you will make them part of your employee investment education efforts.

structural problems of slow wage growth, weak consumption and a shrinking labor force." BlackRock expects this scenario to continue into early 2014.

INVESTOR EDUCATION

Growing Your Portfolio — Focus on What You Can Control

The experts at Invesco [remind investors in this informative piece](#) that in most market scenarios, contribution amounts play a more significant role in determining the ending values of portfolios than market returns do. Since markets are unpredictable, but contribution amounts can be planned, they advise investors to concentrate on the factors they can control.

Transamerica Retirement Solutions does not provide investment advice. BlackRock and Invesco provide investment advisory services for some of the investment choices offered in Transamerica's retirement plans. BlackRock and Invesco are not affiliated with Transamerica.

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LEGISLATIVE / COMPLIANCE

2014 Pension Plan Limits Announced

The Internal Revenue Service recently announced the 2014 Cost-Of-Living Adjustment (COLA) for amounts that can be contributed to qualified retirement plans. [Click here](#) to see 2014 limits to retirement plan contributions.

Preparing for the 2013 Plan Year-End Compliance Reporting

At Transamerica, keeping your plan in compliance with Internal Revenue Service and U.S. Department of Labor regulations is one of our highest priorities. In preparation for annual compliance testing, we would like to remind sponsors who have a December 31st plan year-end that we will need the following information:

- Annual Employee Census
- Additional Plan Data (APD) Form

To help reduce your day-to-day administrative tasks and make our business practices more environmentally friendly, starting this year, you can access your 2013 annual compliance testing instructions online.

In the next few weeks, we will contact sponsors with December year-end plans and provide detailed instructions on how to submit the information needed to successfully complete the 2013 year-end compliance work. As in years past, you can conveniently upload your census online at www.TA-Retirement.com under the Plan Administration / Compliance Testing tab.

By providing your census information and APD form in an accurate and timely manner, we will be able to properly perform the compliance testing, allocate year-end employer contributions, and prepare the Form 5500 for your plan.



Transamerica teams with you to help ensure that your plan remains in compliance every year.

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COMPLIANCE CALENDAR

December 2

Safe Harbor Annual Participant Notice deadline

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 annual safe harbor notice.

December 2

Qualified Default Investment Alternative (QDIA) Participant Notice deadline

If your calendar-year, defined contribution plan intends to comply with the DOL rules for default investments, this is the timeframe for providing the required annual QDIA notice.

December 2

Automatic Enrollment Participant Notice deadline

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 2013 plan year, this is the timeframe for providing the required annual notice to participants.

December 31

Required Minimum Distribution (RMD)

For participants who are 70 1/2 and older and who are required to receive an Required Minimum Distribution, the RMD check must be issued by no later than 12/31/13. Please note all RMD requests must be submitted no later than December 26th in order to receive a 2013 Form 1099-R.

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