

December 2013 — In this issue:

Information »

- Participant Communication Campaigns More Robust and Engaging in 2014

Market Insight »

- Fed Tapering Likely in Early 2014
- Inflation

Legislative / Compliance »

- Plan Ahead With Our Compliance Calendar
- IRS Issues Guidance on Reducing or Suspending Safe Harbor Contributions During Plan Year

Compliance Calendar »

- Upcoming Compliance Tasks



SPONSOR E-NEWS

View with images

Compliments of
Sponsor Connect
(866) 498-4557



Have feedback?

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

i INFORMATION

Participant Communication Campaigns More Robust and Engaging in 2014

Transamerica Retirement Solutions has big plans to help engage your participants and eligible employees in 2014. Our *Retire OnTrack*SM program will take a multimedia approach to educating and motivating participants to take action toward retirement readiness. To learn more about the participant communication campaigns and to view a communications calendar, sign in to your account at TA-Retirement.com. The campaigns are organized by our six key behavioral objectives:



1. Join the Plan
2. *Know Your Outlook*SM
3. Save More
4. Diversify Your Investments
5. Get Ready to Retire
6. Live Well in Retirement

The campaigns include a wide variety of creative ways to encourage your participants - ranging from Super Saver heroes to hard-hitting statistics. As you view sample materials for every campaign, you will be able to see the strategy behind each campaign, the specific audience each targets, and how and when we'll execute each one. Want a quick peek at the campaigns? [Watch this video.](#)

[Go back to the top ^](#)

MONTHLY MARKET INSIGHT

MARKET COMMENTARY

Fed Tapering Likely in Early 2014

In this month's commentary, the experts at BlackRock offer their views on when they believe the Federal Reserve may begin its [tapering](#) of bond purchases. Although for the second straight month the jobs data indicated that more than 200,000 jobs were created, BlackRock contends that the figures do not offset the weak wage growth numbers, which are an indicator of personal income. Since personal income is linked to spending, and spending impacts economic growth, BlackRock foresees continued modest economic growth and likely Fed tapering in early 2014.



We support your efforts to inform and educate your employees, and hope you will make these articles part of your ongoing communications.

INVESTOR EDUCATION

Inflation

Also from BlackRock, this piece reminds us of the [effects of inflation](#). Inflation can be regarded as a decrease of purchasing power or an increase in prices. Either way, it can make a sizeable difference to your bottom line, and should be taken into consideration when investing.

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

[Go back to the top](#) ^



LEGISLATIVE / COMPLIANCE

Plan Ahead With Our Compliance Calendar

Our 2014 compliance calendar can help you prepare for your plan's compliance requirements in the upcoming year. For your convenience, we offer this [handy reference guide](#) which provides quick access to mandatory annual plan events and reporting.

IRS Issues Guidance on Reducing or Suspending Safe Harbor Contributions During Plan Year



The Treasury Department recently issued final regulations listing requirements an employer must meet in order to reduce or suspend safe harbor contributions to its 401(k) plan during a plan year. From an administrative perspective, the regulations are divided into two periods of time.

Period 1: November 15, 2013 through the last day of the 2014 Plan Year

Keep your plan in compliance by referencing this at-a-glance guide to mandatory annual plan events and reporting.

To reduce or suspend safe harbor **matching** contributions:

1. The employer must amend the plan,
2. Provide a supplemental notice to participants at least 30 days in advance of the amendment's effective date,
3. Allow participants time to change their deferral elections, and
4. Fund the matching contributions through the amendment's effective date.

To reduce or suspend safe harbor **non-elective** contributions:

1. The employer must be operating at an economic loss or must provide certain text in the safe harbor notice,¹ and
2. Meet the requirements listed above in items 1 - 4 for matching contributions.

Period 2: All Plan Years beginning on or after January 1, 2015

During this second period, *regardless of the type of safe harbor contributions being made*, the employer must meet the requirements listed above in items 1 - 2 for non-elective contributions.

Additionally, we have developed [frequently asked questions](#) to help you determine how this final regulation affects your plan. Please note that reduction or suspension of contributions varies based on if your plan is safe harbor for 2013 versus 2014.

For further information contained in the final regulations, including text that an employer may include in the safe harbor notice, please see the TCRS release, available on the attached [link](#).

[Go back to the top ^](#)



COMPLIANCE CALENDAR

December 31

Compliance Deadline

For plan years ending 12/31/2012, make sure any necessary compliance corrections are completed.*

*Compliance and non-discrimination testing refer to a series of tests including the minimum coverage, annual additions, top heavy, actual deferral percentage (ADP) and actual contribution percentage (ACP) tests. Failure to make these corrective distributions could result in plan disqualification.

[Go back to the top ^](#)

¹The "safe harbor notice" is the notice provided to participants at least 30 days, and no greater than 90 days, before the beginning of the plan year, describing the safe harbor contributions to be made and containing other information, such as how to make cash or deferral elections.

This Summary is designed to provide an overview of IRS and Treasury final regulations regarding the reduction or suspension of safe harbor contributions and is not intended to be comprehensive. The Transamerica Center for Retirement

Studies[®] ("TCRS") is a division of Transamerica InstituteSM ("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. TCRS and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here. Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

Transamerica or Transamerica Retirement Solutions refers to Transamerica Retirement Solutions Corporation.