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**i INFORMATION**

## Resetting Your Plan's Annual Participant Fee Disclosure Delivery Date

Each year the U.S. Department of Labor (DOL) requires the disclosure of retirement plan fees to plan participants who are eligible to direct investments under the plan. (The recipients include current participants, former employees and beneficiaries.) The Annual Participant Fee Disclosure, as per ERISA section 404(a), ensures that participants have the information needed to make informed decisions about the investment of their retirement plan accounts. The DOL also requires delivery of the disclosure within 12 months after the delivery of the prior year's disclosure.

On July 22, 2013, the DOL released guidance that permitted plan sponsors to make a one-time "reset" of the timing for distribution of the disclosure. Due to the effective date of the original fee disclosure regulations, most of Transamerica's clients have an existing annual delivery date of August 30. Plan sponsors were permitted to reset the future disclosure date to any time within 18 months of the last disclosure date, in either 2013 or 2014. Thereafter, the disclosure would need to be distributed within 12 months after the new "reset" delivery date.

If you choose to reset the delivery date of your Annual Participant Fee Disclosures, the best practice is to consider an easy-to-remember plan date such as two months before the last day of your plan year. For calendar-year plans, the best practice is to include the Annual Participant Fee Disclosure with other required annual plan notices, such as the QDIA, safe harbor, and automatic enrollment notices.

Beginning August 15, 2014, Transamerica will post updated participant fee disclosures to your online Document Center on a quarterly basis, although the participant fee disclosures only need to be sent out on an annual basis. The investment information included will be effective as of the last day of each calendar quarter, and the documents will be posted within seven weeks following quarter-end. These documents may be used to satisfy both your disclosure obligation to newly eligible plan participants and your annual disclosure obligations.



Please call [SponsorConnect](#) if you have any questions on how this might apply to your Plan at (866) 498-4557, 9 a.m. to 8 p.m. Eastern Time, Monday through Friday.

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## MONTHLY MARKET INSIGHT

### MARKET COMMENTARY

## What the Bond Market is Telling Us

In this month's market commentary, the experts at JP Morgan [discuss the causes](#) behind this year's unexpected increase in U.S. and global bond prices and their corresponding drop in yields. In JP Morgan's view, demand for bonds has outpaced supply, and therefore, elevated their prices and reduced their yields. They do not believe, as some have suggested, that the yield decrease is due to expectations of slow economic growth, deflation, or political unrest abroad.



We hope these articles provide you with valuable market and educational insights that you will share with your participants.

### INVESTOR EDUCATION

## Dollar cost averaging: A time-tested strategy for all markets

The professionals at Putnam remind investors of the [benefits of dollar cost averaging](#). Systematically investing the same amount of money into the market at regular time periods may help level out the price of shares, especially in a volatile market. As compared to a lump sum investment, dollar cost averaging buys more shares at a lower average cost per share, over time.

Transamerica Retirement Solutions does not provide investment advice. J.P. Morgan Asset Management and Putnam Investments 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 Putnam Investments are not affiliated with Transamerica.

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## LEGISLATIVE / COMPLIANCE

## IRS Issues Additional Guidance on the Repeal of DOMA

The IRS recently issued additional guidance on the repeal of Section 3 of the Defense of Marriage Act (DOMA), resulting from last June's Supreme Court's decision *United States v. Windsor* (Windsor decision).



Learn more about how the repeal of Section 3 of the Defense of Marriage Act may impact your plan.

## The guidance mainly concerns three areas:

### 1. The operational retroactive effective date

A plan must operate in accordance with the Windsor decision retroactive to June 26, 2013. This means that, effective on or after June 26, 2013, any plan provision that applies because a participant is married, also applies to participants in a same-sex marriage.

Since the operational effective date is retroactive, employers should review their plan operation to see if a distribution and/or death benefit was made on/after June 26, 2013 for which the consent of a same-sex spouse was required but not obtained.

### 2. Whether a plan amendment is necessary

Not all plans need to be amended. If a plan document's definition of spouse does not limit the term to an "opposite-sex" married couple, it is likely that no amendment is necessary. For sponsors who utilize Transamerica's plan document, no amendment is needed; if your plan is not written on Transamerica's plan document, you may wish to ask your document provider whether an amendment is necessary. For most plans, if the amendment is required, it must be signed on or before December 31, 2014.

### 3. Discretionary action an employer may choose to take regarding the Windsor decision

An employer may choose to apply a retroactive date earlier than June 26, 2013. The IRS notes that choosing an earlier retroactive date may trigger unintended consequences, such as a retroactive failure of certain nondiscrimination tests. Thus, an employer contemplating the use of an effective date earlier than June 26, 2013, should seek the advice of an ERISA attorney.

### Suggested next steps:

- Review your plan's definition of spouse (if the plan is not a pre-approved Transamerica plan) and amend the plan on or before December 31, 2014, if an amendment is required.
- Confirm each employee's marital status (besides the plan, this information may be necessary for payroll withholding and health benefits).
- Review past operation of the plan from June 26, 2013, to see if retroactive consent of a participant's same-sex spouse is needed.
- Consult with ERISA counsel to see if other actions are necessary, such as any corrective actions if retroactive spousal consent cannot be obtained.

For more in-depth analysis, see [this release](#) provided by nonprofit Transamerica Center for Retirement Studies®.

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## COMPLIANCE CALENDAR

**July 31**

**File Form 5500 / 9955-SSA**

For calendar-year plans ended December 31, 2013.

1. File Form 5500 or Form 5558.<sup>1</sup> If plan audit<sup>2</sup> is required, employer must

receive accountant's opinion to include with Form 5500 filing.

2. File Form 8955-SSA or Form 5558<sup>1</sup> for those plans required to file a form 8955-SSA registration statement with the Internal Revenue Service.

<sup>1</sup> Form 5558 is an application for extension until October 15 of Form 5500 / 8955-SSA filing. If Form 5558 is not filed, but a Form 7004 is filed (to extend the corporate tax filing), the filing deadline for Form 5500 is extended to September 15.

<sup>2</sup> An audit is generally applicable for plans with 100 or more participants at beginning of plan year. An independent qualified public accountant must conduct an audit of the plan's financial statements, including review of the plan's Form 5500, schedules, internal control practices, and other information.

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