



News

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Transamerica Reveals Five Top Trends Facing Retirement Plan Advisors *Retirement Plan Advisors are Focusing on Effects of Regulatory and Economic Changes*

LOS ANGELES – November 21, 2011 – Transamerica Retirement Services today announced the results of a national listening tour with retirement plan advisors. Transamerica spoke with financial advisors to learn about the most pressing business issues they face and to seek input about how Transamerica can best serve their needs.

“Transamerica Retirement Services is dedicated to meeting the unique retirement plan needs of small and mid-sized U.S. businesses and their financial advisors,” said Jason Crane, senior vice president and national sales director for Transamerica. “We met with retirement plan advisors from across the country to discuss the top challenges and opportunities currently facing their clients. As anticipated, we found that retirement plan advisors remain focused on increasing client satisfaction and on guiding their clients through market volatility and upcoming regulatory changes. Most of all, plan advisors confirmed that they require flexibility from retirement plan providers to meet their clients’ needs in this ever-changing environment.”

As a result of feedback received from advisors, Transamerica identified five top trends facing plan advisors of small and mid-sized company-sponsored retirement plans:

- 1. As the April 1, 2012 deadline approaches for 408(b)(2) disclosure rules, plan advisors are expanding their efforts on fee education and transparency related to all plan services.**
The current economic environment has reinforced plan sponsors’ concerns regarding the competitiveness of their plan fees relative to the services they receive. The new regulations center on the disclosure of plan fees and the corresponding value for services. Advisors view their role as helping to educate their plan sponsor clients so that they clearly understand plan fees.
- 2. Market volatility has intensified the importance of improving plan participants’ retirement readiness.**
The economic challenges of recent years continue to bring concerns about retirement readiness to the forefront, and employees’ preparedness has become a hallmark of success for many plans. Plan advisors are helping sponsors with plan design options such as auto-enrollment and auto-escalation in order to improve participation and deferral rates. Advisors are also helping sponsors develop, and in some cases implement, participant education strategies. In addition, advisors are partnering with plan providers that offer participant education campaigns which can be delivered through a variety of channels.
- 3. Plan advisors and their clients are seeking greater flexibility and customized “value for service” for their retirement plans.**
Plan sponsor clients look for consultative advisors and plan providers that can provide value that is specific to the plan’s needs. For example, plan design consulting can lead to increased participation rates, while plan administrative service support or certain fiduciary services can reduce a plan sponsor’s liability. The ability to create and deliver customized, flexible services to

the plan is central to demonstrating strong value to the client.

4. Plan advisors are helping sponsors evaluate their plan's success through annual reviews and industry benchmarks.

Once advisors have determined how their clients define a successful plan, they can work to establish measurable goals based on the metrics that matter. Many advisors are providing their plan sponsor clients with an annual check-up on key plan metrics such as participation rates, deferral rates, average account balances, plan fees, and match, vesting and loan provisions. Annual benchmarking of these metrics can help identify strategies to improve the plan.

5. Plan advisors may redefine their fiduciary status in advance of potential regulatory changes.

In 2012, the U.S Department of Labor is expected to re-propose its rule on the definition of "fiduciary" for retirement plans. Regardless of if or when this rule is formalized, advisors are currently in the process of deciding whether or not they are comfortable or allowed to acknowledge fiduciary status. The advisors who will not act as fiduciaries will most likely seek the support of a third-party fiduciary service.

"The findings of the listening tour were enlightening and encouraging," said Crane. "Plan advisors are helping sponsors address the ongoing challenges they face, from mitigating fiduciary concerns to improving key plan metrics, such as participation rates and deferral rates. The feedback we receive from plan advisors continues to drive Transamerica's innovations to improve retirement plans' success."

Transamerica specializes in customized plan solutions such as Plan Administration Service Support (PASS), easily-delivered participant education campaigns, and industry-leading annual reviews that compare retirement plans to industry averages. For more information, advisors can call Transamerica at (888) 401-5826 from 9:00 AM to 7:00 PM Eastern Time, Monday through Friday.

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About Transamerica Retirement Services Corporation

Transamerica Retirement Services Corporation ("Transamerica" or "Transamerica Retirement Services"), which is headquartered in Los Angeles, CA, designs customized retirement plan solutions to meet the unique needs of small and mid-sized businesses. Transamerica and its affiliates service more than 15,500¹ retirement plans totaling more than \$19.5 billion¹ in assets. Plan Administration Service Support (PASS) is an optional menu of additional services that qualifying plan sponsors (and the plan's third party administrator) can select for additional fees. For more information about Transamerica, please refer to www.TA-Retirement.com.

¹As of December 31, 2010.