



T P A T O D A Y

KEEPING TPAs UP-TO-DATE ON IMPORTANT RETIREMENT INDUSTRY NEWS

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Transamerica Makes Your Online Loan and Distribution Processing Easier

The latest step in exceeding TPA, Sponsor, Advisor, and Participant Expectations

Transamerica Retirement Services¹ ("Transamerica") has launched its Partner iSeries online loan and distributions feature. In addition to creating faster processing times, online loans and distributions also help create efficiencies for Third Party Administrators (TPAs), plan sponsors, and participants.

There are three types of online loans available; general loans, residential loans, and TPA entered loans.

ONLINE LOANS & DISTRIBUTIONS

GENERAL LOANS

General loans may be processed completely online. A participant can logon to www.TA-Retirement.com and enter a loan request including loan type, amount of loan, repayment terms in months, and pay period frequency.

The TPA is notified via e-mail of the request, and may logon to Transamerica's Web site to review, and process the request in accordance with procedures developed by the plan sponsor. The participant will receive an e-mail notification of the denial or approval. Once the TPA finalizes the process online, the transaction is routed to the recordkeeper who then produces the loan documents and cuts the check for the plan sponsor's receipt.

An e-mail notification is sent to all three parties (the TPA, plan sponsor, and participant) noting loan document availability online, along with its appropriate amortization schedule. The plan sponsor then downloads the forms and provides them to the participant for signing, (*along with the mailed check*). After the participant signs the loan documents, the plan sponsor may give the documents to the TPA, file the documents themselves, or do both.

RESIDENTIAL LOANS

Residential loans are also processed online with a slightly different procedure. A participant can make the request online, but will need to print and submit the hardcopy of a **Residential Loan Form** that must be reviewed and signed by the plan sponsor.

Once the plan sponsor reviews and verifies any spousal consent requirements (*if applicable*), the **Residential Loan Form** is then turned over to the TPA for online entry (please see TPA Entered Loans), and the participant is notified of loan approval or denial.

The TPA is notified via e-mail of online loan document availability, and sends the documents to the plan sponsors, so that they may be provided to the participant for signature and execution, (*along with the check*).



TPA ENTERED LOANS

This type of loan request is more paper-centric, and appropriate for participants who may not have internet access, or who are uncomfortable with using the internet for purposes such as this.

In short, the TPA receives the completed **Loan Request Form** via mail, fax or e-mail from the plan sponsor. The TPA enters the online loan request, and the participant is notified of loan approval or denial. The transaction is routed to the recordkeeper who then produces the loan documents and cuts the check for the plan sponsor's receipt.

The TPA is notified via e-mail of online loan document availability, and sends the documents to the plan sponsor so that they may be provided to the participant for signature and execution, (*along with the check*).

Transamerica has developed these online loan features to help the TPA provide faster and more efficient service to their plan sponsor and participants. All loan approvals received by Transamerica before 4:00 p.m. Eastern Time are processed overnight, and the check is cut the very next business day.

ONLINE DISTRIBUTIONS

A participant may now request a distribution online at www.TA-Retirement.com. There are currently four different types of distributions a participant may request online:

1. Termination distributions
2. Hardship distributions
3. In-Service distributions, and
4. Roth distributions

As with loans, each distribution type has a slightly modified request process. However, they all do have the same basic steps. A participant enters a distribution request online, the sponsor receives notification of the request, and logs onto www.TA-Retirement.com to review and approve the request. Once approved by

the sponsor, the TPA will receive an e-mail notification to logon to Transamerica's Web site, and review the distribution request in accordance with procedures developed by the plan sponsor. If any spousal consent is required, this important step is maintained in the processing.

If a request is denied, the participant and sponsor are notified via e-mail. If the request is approved, the participant and plan sponsor receive an e-mail notification and the request is processed. Payment is sent directly to the participant or to the financial institution of the participant's choosing.

All distribution approvals received by Transamerica before 4:00 p.m. Eastern Time are processed overnight, and the payment is released the very next business day.



An interactive User's Guide that covers the Loan and Termination Distribution process is available on www.TA-Retirement.com behind login.

Contact *TPAConnect*SM at (877) 398-7526 Monday through Friday between 9:00 a.m. through 8:00 p.m. Eastern Time with any questions that you may have.

ONLINE DISTRIBUTION TYPES ON THE HORIZON

Participants and plan sponsors will soon be able to process death and disability distributions, Qualified Domestic Relations Orders (QDROs), Required Minimum Distributions (RMDs), testing failure refunds, and splits online.

IN SUMMARY

Transamerica has strategically mandated TPA intervention with online loans and distributions to avoid processing requests that do not qualify. There are times when a plan sponsor will approve a request or distribution with the incorrect vesting, or a TPA may be inadvertently left out of the process due to a breakdown in communication between the plan sponsor and the TPA.

In either case, the TPA now helps ensure proper approval of loans and distributions to help avoid plan violations.

All online loan and distribution requests and approvals are tracked online.

ERISA CORNER

Guidance Released: Automatic Contribution Arrangements

By Emily Urbano, Vice President Plan Compliance, Transamerica Retirement Services

On September 5, 2009, the Internal Revenue Service and Treasury Department (IRS) issued guidance in the form of a revenue ruling and a notice in response to the Obama Administration's new retirement initiative aimed at making saving for retirement easier for working Americans through automatic enrollment and automatic deferral increases (automatic escalation) in 401(k) plans.

Revenue Ruling 2009-30 provides guidance in two situations involving two different employer automatic escalation features. Notice 2009-65 provides two sample amendments that plan sponsors can use to facilitate adoption of an Automatic Contribution Arrangement (ACA) or an Eligible Automatic Contribution Arrangement (EACA). Both sample amendments contain an optional automatic escalation feature which plan sponsors can also adopt. The IRS did not provide a sample amendment for adding a Qualified Automatic Contribution Arrangement (QACA).

This bulletin only addresses the structure and timing of the automatic escalation features described in the Revenue Ruling and for the sake of brevity, facts not directly related to the automatic escalation features have been omitted. As provided in the Revenue Ruling, the employee notice and other applicable requirements of the automatic contribution arrangement contained in each of the plans were met and both plans are intended to qualify under Internal Revenue Code sections 401(a), 401(k) and 401(m).

REVENUE RULING 2009-30

The issues addressed in this Revenue Ruling are:

- Whether automatic deferrals made pursuant to an automatic contribution arrangement that includes an automatic escalation feature are considered "elective contributions" properly made to a 401(k)/profit sharing plan; and
- Whether the structure and timing of the increases under the two automatic

escalation features described in the Revenue Ruling meet the qualified percentage requirement (including the uniformity and minimum percentage requirements) in the Treasury Regulations relating to an automatic escalation feature that is part of a QACA or the uniformity requirement relating to an EACA when the automatic increases occur on a date other than the first day of a plan year.

Automatic Escalation – Situation 1

Under Situation 1, the employer maintains a plan that is intended to be an ACA. The employer typically provides annual increases in base pay on and after an employee's employment anniversary date. Under the plan's automatic escalation feature, the increase is scheduled to occur starting with the first pay period that begins on or after an employee's employment anniversary date and is equal to the greater of (1) 1% of base pay or (2) 30% of the employee's percentage increase in base pay. Under the plan, the maximum automatic deferral percentage can never exceed 11%.

Automatic Escalation – Situation 2

Under Situation 2, the automatic deferral percentage for the plan year an eligible employee is first automatically enrolled is 3% of plan compensation. The employer typically provides annual increases in pay effective for pay periods beginning on or after April 1 of each year. Under the plan's automatic escalation feature, the increase is scheduled to occur at the rate of 1% of plan compensation, starting with the first pay period that begins on or after April 1 of the plan year after an employee is first automatically enrolled. The maximum automatic deferral percentage under the plan can never exceed 10%.

The IRS concluded that the structure and timing of this automatic escalation feature is permissible under an EACA or a QACA because:

- It applies uniformly to all eligible employees for whom the same number of years have elapsed since automatic deferrals were first made on their behalf to the plan;

- Under the plan in Situation 2, the automatic deferral percentage for each plan year after the plan year an eligible employee was first automatically enrolled meets the minimum automatic deferral percentages (see below) under the Treasury Regulations relating to a QACA or an EACA earlier than is required. These minimum automatic deferral percentages are not required to apply until after the end of the plan year following the plan year the eligible employee is first automatically enrolled, whereas the automatic deferral percentages under the plan in Situation 2 apply earlier, i.e. by the first pay period that begins on or after April 1 of each plan year following the plan year the eligible employee was first automatically enrolled. Under the Treasury Regulations, the minimum automatic deferral percentage cannot exceed 10% and must be at least:
 - o (1) 3% during the period ending on the last day of the plan year following the plan year the eligible employee is automatically enrolled
 - o (2) 4% during the plan year following the plan year in (1)
 - o 5% during the second plan year following the plan year in (1), and
 - o 6% during any subsequent plan year, with no increases required during any subsequent plan year; and
- The maximum automatic deferral percentage under the plan is 10%.

This Summary is designed to provide an overview of Revenue Ruling 2009-30 and Notice 2009-65 relating to automatic contribution arrangements and is not intended to be comprehensive.

To learn more about this topic from the Transamerica Center for Retirement Studies®, visit www.transamericacenter.org for more information.²

TPA Preferred Program³

The fourth quarter is here and you have three more months to qualify for our TPA Preferred Program! The qualifications for membership into Transamerica's 2010 program are:

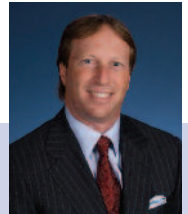
Platinum Membership requires \$12 million in assets and 12 plans generated in 2009;
Premier Membership requires \$10 million in assets and 10 plans generated in 2009.

Keep in mind that if you are not a current 2009 member, your 4th quarter 2008 sales have already been automatically rolled over toward your 2009 new business tally. To find out where you stand with qualification, please send an e-mail to Angela.Murphy@transamerica.com.



SPOTLIGHT

Introducing **LOU BACHETTI**
*Transamerica Retirement Services, Senior Vice President
Head of Sales and Distribution*



Lou Bachetti

Transamerica is pleased to introduce, Lou Bachetti, who was recently hired as our National Sales Director.

Lou has over 16 years of experience in the financial services industry, and has most recently served as Senior Vice President of sales and distribution for ING's defined contribution business. Prior to that role, Lou served as National Head of 401(k) Sales for ING. He joined ING through its acquisition of Aetna Financial Services, where he has worked since 1992.

Lou has deep experience in fostering mutually beneficial relationships, particularly within the TPA sector.

Lou may be contacted at (917) 902-0361 or e-mailed at Lou.Bachetti@Transamerica.com, and works out of Boston, MA.

SPOTLIGHT

Introducing **LUKE SZAFRANSKI, ARPC, CRPS[®]**
Transamerica Retirement Services, Central TPA Development Manager



Luke Szafranski

Luke Szafranski is Transamerica's Central TPA Development Manager and services 12 states across the Midwest.

As a TPA Regional Manager, Luke helps local TPAs establish stronger relationships within the financial advisor community, as well as provides support relating to marketing, new products and product enhancements, and business building activities.

With nearly six years of experience in the financial services industry, Luke has worked for Merrill Lynch as a financial advisor focusing exclusively on selling retirement plans. Luke holds Series 7 and Series 66 licenses, and received his Bachelor of Science Degree with an emphasis in Finance from the Kelley School of Business Honors Program, at Indiana University. Luke lives and works out of Chicago, Illinois.

Luke is here to help you grow your business and serve your clients more efficiently.

Luke may be contacted at (312) 946-9000 ext. 304 or e-mailed at Luke.Szafranski@Transamerica.com.

Additional TPA Development Managers

James Swartz
Western TPA
Development Manager
(213) 742-2919

Kalene Widerman
Southern TPA
Development Manager
(770) 510-5410

Brenda Rynski
Eastern TPA
Development Manager
(949) 254-6099

DID YOU KNOW?

Transamerica offers a TPA product
exclusively for Multiple Employer Plans?

Contact **TPAConnectSM** to learn more or to request
a Multiple Employer Plan Capabilities brochure.





Message From The Senior Vice President:

Persevering Through Today's Market Challenges

A LOOK BACK

Looking back to August 2008, I could not have imagined the level of uncertainty 2009 would have brought to our company or to our industry. It is not difficult to understand how some of our most formidable competitors have lost focus.

On the contrary, Transamerica has had incredible growth this year, in large part to two important factors: **Tremendous organizational focus** and **strong relationships** with firms like yours.

Thank you for helping to make the first nine months of the year our best performance to date for TPA Services. I'd like to believe our success is a strong testimony to our value in the marketplace and our ability to execute on our commitments.

As we head into our busiest selling season, when you are working with your clients and trusted financial advisors, consider how Transamerica Retirement Services' unique differentiators set us apart from other providers.

Specifically, I ask you to consider our tremendously flexible and sophisticated recordkeeping platform, our commitment to always innovate when fulfilling customer needs, and our unparalleled commitment to customer satisfaction.

PLATFORM FLEXIBILITY

No two clients are alike. We recognize you are asked to accommodate many specific requests that differ from one client to the next, and asking your staff to manage those nuances is tough. Our platform flexibility sets us apart from the rest. It enables you and your staff to say "yes," without having to consider the consequences of manual interventions.

CLIENT SERVICES INNOVATION—PLAN ADMINISTRATION SERVICE SUPPORT⁴ (PASS)

Times are lean. Plan sponsors are asking you to provide support for day-to-day tasks that normally fall squarely in their column of roles and responsibilities. Worse still, they may be asking you to handle these responsibilities without charging a fee. *PASS* is here to help!

If you have clients who don't have the expertise or a team to manage the day-to-day retirement plan administrative requirements, our *PASS* suite of services is here to compliment the support you are willing to provide, and step in where you are not. Request a *PASS* brochure from your Regional TPA Development Manager.

COMMITMENT TO EXCELLENCE

Transamerica has not lost focus. Our commitment to excellence begins at the point-of-sale and continues through the client experience while in installation, throughout the year, and throughout the life of their plan with Transamerica.

Take a look at our rankings by *PLANSPONSOR*[®] Magazine's annual Defined Contribution Survey⁵ and Chatham Partners' 2008 Client Satisfaction Analysis Survey⁶—compare our results and you will see, we're a recommendation that will let you sleep well at night.

You have many companies from which to choose. We are confident in our abilities and committed to our relationships. I would like to ask you to trust us with your business.

On behalf of the TPA Services team, as well as the entire Transamerica organization, thank you again for making this year the very best.

We will continue to look to you for feedback on what we're doing well and where you'd like to see something new. We look forward to uncovering mutually beneficial opportunities, now and in the future.

Kelly Michel
Senior Vice President
Institutional Sales and Business Development
Kelly.Michel@Transamerica.com

The RECOVER Plan by Transamerica Has Received Numerous Awards⁷

Since its launch, the RECOVER Plan by Transamerica has received industry-wide recognition and numerous awards, including:

- Top honors with a Gold Signature Award from the Profit Sharing/401k Council of America—PSCA's Signature Awards honor excellence in profit sharing and 401(k) plan communication and education.
- A Platinum Hermes Creative Award—an international competition recognizing outstanding creativity, concepts, writing and design.
- An Award of Excellence from APEX (the Awards for Publications Excellence)—that recognizes excellence in graphic design, editorial content, and overall communication effectiveness





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¹Transamerica Retirement Services ("Transamerica"), a marketing unit of Transamerica Financial Life Insurance Company ("TFLIC"), 4 Manhattanville Road, Purchase, New York 10577, and Transamerica Life Insurance Company ("TLIC"), 4333 Edgewood Road NE, Cedar Rapids, Iowa 52499, and other TFLIC and TLIC affiliates, specializes in the promotion of retirement plan products and services. This product is available from Transamerica Retirement Services under contract form number TA-AP-2001-CONT, a group variable annuity contract underwritten by TFLIC, or under contract form number CNT-TLIC 10-05, a group variable annuity contract underwritten by TLIC. TFLIC is not authorized and does not do business in the following jurisdictions: Guam, Puerto Rico, and the U.S. Virgin Islands. TLIC is not authorized in New York and does not do business in New York. Fees and charges may apply. For complete information, contact your Transamerica representative.

²The Transamerica Center for Retirement Studies® ("The Center") is a non-profit corporation and private operating foundation. The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. For more information about The Center, please refer to www.transamericacenter.org.

³This program is subject to change without notice.

⁴Plan Administration Service Support (PASS) is an optional menu of varying services that the plan sponsor (and the plan's third party administrator, if any) can select. PASS allows Transamerica to perform non-discretionary administrative services for the plan at the discretion of the Plan Administrator under guidelines established by the Plan Administrator in its sole discretion, and is available depending upon the plan's assets. Additional fees will apply for the PASS services that you choose. The plan's third party administrator (if any) may determine availability of these services.

⁵Transamerica Retirement Services received 40 "Best in Class" cups for sponsor and participant services in *PLANSPONSOR® Magazine's* annual Defined Contribution Survey of retirement plans. The 40 "Best in Class" designations—21 in the micro (<\$5 million) and 19 in the small (\$5 million to \$50 million) markets—rank Transamerica Retirement Services among the top cup recipients of the 47 providers evaluated in the micro- and small-plan markets. The results of the Defined Contribution Survey were announced in the November 2008 issue of *PLANSPONSOR® Magazine*. The survey polled nearly 6,000 clients of 52 defined contribution plan providers. "Best in Class" cups are awarded to plan providers who

score in the top quartile of a specific category. See the November 2008 issue of *PLANSPONSOR® Magazine* for complete results.

⁶Chatham Partners' 2008 Client Satisfaction Analysis Survey, December 2008. Chatham Partners, LLC is an independent, third party research firm. Questions were asked of 717 Transamerica Retirement Services' clients. Quantitative questions were rated on a 7-point scale with "6" and "7" representing the highest levels of satisfaction. A "Best in Class" rating was received when over 85 percent of the respondents selected a "6" or "7" for a specific area. Transamerica received a total of 9 "Best in Class" rankings in Chatham's 2008 analysis.

⁷Transamerica Retirement Services' communication materials have received awards from various organizations, including the Gold Award in the Generic Participant Education Campaign Category from the Profit Sharing/401k Council of America in 2009; the Awards for Publications Excellence (APEX) in 2007-2009; DALBAR, Inc. in 2005-2009; Hermes Creative Award in 2007-2009; MarCom Awards in 2007-2008; Communicator Awards 2005-2008; and the Insurance and Financial Communicators Association ("IFCA") in 2008. For more information please refer to the Web site www.TA-Retirement.com.

