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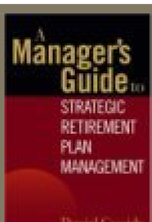

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New Client

We would like to welcome our newest client, Cotting School. Cotting is America's first day school for children with a broad spectrum of learning and communication disabilities, physical challenges, and complex medical conditions.

To learn more, please visit their website at - http://www.cotting.org

401(k) Fund Options: A Prediction

During the last twenty years, we've seen 401(k) plans develop a vast array of services and options, such as daily valuation, telephone call centers, websites, brokerage windows, retirement date funds, etc. Mutual fund and insurance companies, in their competitive spirit, continually try to outdo each other. Overall, plan sponsors and participants have been the beneficiaries of all this progress. During this period, the focus has typically been paid to the active participant - the one who is still making contributions and receiving a company match. This was where the money was. Now, 401(k) plans are maturing and baby-boomer participants are starting to retire. The industry as a whole is entering a new phase where distribution issues will be put to the forefront, and we hope their product development people are up to the task.

We encourage plan sponsors to focus on the specific risks retirees face during retirement years - inflation and longevity. Age-based retirement fund options are a great step in the right direction, but plan sponsors need more choices. This shortfall in robust distribution options within 401(k) plans has given outside financial advisors an opening to make a sales pitch to participants. These financial advisors offer to manage a participants account during retirement - or even earlier through use of a plan's in-service withdrawal provision. These advisors argue that the plan is not up to the task of addressing a particular individual's needs. Plan sponsors need to fix this, and they need the help of their fund providers.

Here, we can say that all involved have a common interest. Plan sponsors, participants, and financial services firms all need better, more effective and efficient (i.e. lower cost) options for retirees. Fund providers like T. Rowe Price, Citistreet, Hewitt, and Fidelity are now rolling out a variety of annuity options to handle the special needs of retirees. Given the specific issues surrounding annuities (credit risk, interest rates, competition, etc.), plan sponsors may need additional counsel beyond their normal investment reviews to fulfill their fiduciary duty before offering these new options.

Book Gets Great Review

Dan's book, A Manager's Guide to Strategic Retirement Plan Management, was reviewed by Alexander Sussman, FSA, in a recent edition of *The Journal of Pension Economics and Finance* (Volume 6, Issue 2). Some quotes from the review include:

"book offers strategic and pragmatic 'tell it like it is' advice"

"book has so many useful nuggets that failure to acquire it would constitute a lost opportunity"

"given its thoroughness and logic, Cassidy's book is a 'must read'"

To see the book review in PDF format, click here.

To visit The Journal of Pension Economics and Finance website, please visit http://www.pensions-journal.com.

New Global Pensions Survey

Dan Cassidy was invited to participate in the Global Pensions Survey: "Bridging Pension Plans Worldwide." AEGON Pension Network conducted the survey as a Delphi study by LIMRA International.

To view the survey in PDF format, click here.

Resources

For more information on Cassidy Retirement Group, please visit **http://www.cassidyretirement.com**.