

ARGUS CONSULTING

RETIREMENT PLAN CONSULTANTS FOR MID-MARKET CLIENTS

July 2005

Argus in the News

New Client



We would like to welcome our newest client, IXIS Asset Management North America. IXIS is the asset management arm of Groupe Caisse d'Epargne. Headquartered in Boston, IXIS includes fifteen affiliated investment management firms such as Loomis, Sayles & Co. and Harris Associates. The combined firm is one of the 25 largest investment management firms in the world with \$495 billion in assets under management as of March 31, 2005.

You can get more information at their website - <http://www.ixis-amna.com/>

Argus Study – Pension Disclosure for Mass SEC 100

Argus analyzed retirement plan data contained in the 2004 Year End SEC filings of the largest 100 public companies headquartered in Massachusetts, as reported by The Boston Globe. Some interesting findings include:

- Type of retirement plan – The vast majority of companies sponsor defined contribution plans while only 21% sponsor a traditional defined benefit (DB) plan.
- Asset Allocation – Of those who sponsor a DB plan, the average asset allocation was slightly above the traditional 60% equity/40% bonds at 62%/38%. These percentages remain very stable year to year.
- Funded Status – DB plan sponsors saw their overall funded status increase slightly (2%) to 75% funded during 2004. .

If you would like more information, please contact Lesley Cook at Lesley@arguscl.com.

Medicare Part D – Deadline Looming – September 30th!

Mark September 30th on your calendar. This is the date when all employers must complete their applications for the 28% subsidy for Medicare Part D – prescription drug benefit.

Passed in December of 2003, the Medicare Modernization Act introduces a prescription drug benefits – called Part D – for all Medicare-eligible beneficiaries beginning January 1, 2006. Employers have several choices in their compliance with this new act and surveys indicate that the vast majority of mid-sized clients will apply for the 28% subsidy in this first year. Most employers will then reevaluate once the new program gets up and running next year.

28% Subsidy

This subsidy is available to all employers who provide comparable prescription drug coverage to any Medicare eligible beneficiary – active employee, dependent or retiree. Even if your business terminated its retiree medical program, the company may still be eligible for this 28% subsidy. The subsidy filing requires an actuary to sign an actuarial attestation related to plan benefit equivalence.

Next Deadline – Creditable Coverage Notice

It is important to note that even if you don't apply for the subsidy, you must still notify any eligible beneficiaries whether they have "creditable coverage" (coverage at least as comprehensive as Medicare Part D) to assist them in making decisions on their future health coverage. This notice is due to beneficiaries by November 15th.

The link below provides additional information for plan sponsors.

<http://www.cms.hhs.gov/medicarerereform/pdbma/employer.asp>

Argus is well positioned to assist plan sponsors in the associated administrative tasks as well as understanding (and optimizing) the impact of this new legislation. If you would like more information, please contact Cathy McEvoy at Cathy@arguscl.com.

Resources

For more information on Argus Consulting Ltd, please visit <http://www.arguscl.com>.



Argus' Goals and Guiding Principles

Argus' goal is to be the preferred retirement consulting firm for mid-market plan sponsors. To achieve this goal, we embrace the following guiding principles:

- Respect for our clients and staff
- Integrity
- Professional excellence
- Leadership in the actuarial profession

ARGUS

Contact:
Daniel Cassidy | DanC@ArgusCL.com | 978-371-8029