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## Taking Your 401(k) Out to Bid? Don't Go It Alone

A recent study within the defined contribution industry reports that 40 - 50% of plan sponsors expect to conduct a due diligence search in the next 12 months to ensure their existing 401(k) vendor is providing the biggest bang for their (and their employees') buck. Regardless of whether you've conducted a search "in-house" previously, or if you have yet to participate in this daunting task personally, you should consider the benefit of hiring a consultant to assist you. Many plan sponsors lack the time or expertise to evaluate 401(k) vendors and much less monitor the investments. Those familiar enough with ERISA, however, take the Department of Labor's advice: "[I]acking that expertise, a fiduciary will want to hire someone with that professional knowledge to carry out the investment and other functions." This is where a retirement plan consultant comes in handy and where Cassidy Retirement Group shines. To view PLANSPONSOR.com's 7 things plan sponsors should know about a consultant before engaging their services, click [here](#).

## CRG Retirement Plan Update - DB and DC Plans

### Recent Guidance

- **July 20 (DC):** The Department of Labor issued Field Assistance Bulletin No. 2009-02 which provides transitional relief related to the Form 5500 filing requirement, beginning with the 2009 plan year, for 403(b) plans. Specifically, a sponsor does not need to classify annuity contracts and custodial accounts issued prior to January 1, 2009 as plan assets on the Form 5500 (subject to audit requirements) if certain conditions are met. ASPPA recently reported that this relief apparently applies to 2009 and all future years.

For a list of past guidance, please click [here](#).

### Looking Ahead

- **September 11 (DC):** "401(k) Day": an annual celebration spotlighting the importance of employer-sponsored profit-sharing and 401(k) plans. As retirement follows work, 401(k) Day (Sept. 11) follows Labor Day (Sept. 7).

- **September 15 (DB):** Last day that a contribution can be made for the 2008 plan year (for calendar year plans). Contributions made by this date not only cover minimum contribution requirements for the 2008 plan year but also impact key funding targets for the 2009 plan year.
- **September 30 (DB):** Deadline for the final actuarial certification for the 2009 plan year (calendar year plans).
- **October 15 (DB/DC):** Form 5500 due date (for calendar year plans that filed for an extension).
- **October 15 (DB):** PBGC premium filings are due (for calendar year plans).
- **October 15 (DB):** Third quarterly contribution deadline for calendar year plans (for the 2009 plan year).

Market Summary - Total Returns Through August 21, 2009

Year-to-date and one-year returns for key market indexes are summarized below:

	<b>Dow Jones Industrial Average</b>	<b>Standard &amp; Poor's 500 Index</b>	<b>Russell 2000 Index</b>	<b>MSCI EAFE International Equity Index</b>	<b>Barclays Capital Aggregate Index</b>
<b>Year-to-date</b>	8.3%	13.6%	16.4%	19.1%	3.7%
<b>Last 12 Months</b>	-18.2%	-20.6%	-21.2%	-17.6%	7.4%

Source: The Wall Street Journal

Defined Benefit Plans - Liability Returns

The return on assets in a pension trust is clearly a key driver of the funded status of a pension plan. However, pension liability values can also fluctuate significantly with changes in market interest rates. In essence, pension liabilities carry their own market returns. Plan sponsors should therefore focus on the net impact of changes in assets and liabilities on a plan's funded status. The following table provides the estimated return on pension plan liabilities as of July 31, 2009 as calculated by Ryan Labs, Inc. (used with permission):

	<b>Ryan Labs, Inc. PPA Liability Index (Funding)</b>	<b>Ryan Labs, Inc. FAS 158 Liability Index (Accounting)</b>
<b>Qtr ending 7/31/2009</b>	4.8%	4.0%
<b>Year-to-Date</b>	12.0%	8.0%
<b>Last 12 Months</b>	17.8%	13.8%

Source: Ryan Labs, Inc.

Ryan Labs, Inc. Asset Management specializes in managing custom fixed income portfolios for pension plans and institutional clients. For more information on Ryan Labs, please visit <http://www.ryanlabs.com>, or call 800-321-2301.

*Defined Benefit Plans - Key Interest Rates*

- **IRC §430 Corporate Bond Yield Curve (DB Funding):** For a graph showing the year-to-date and 12-month change in the yield curve as of July 2009, please click [here](#). (Note that, in light of the IRS/Treasury guidance released on March 31, 2009, we have included the October 2008 spot rates on this graph.)
- **IRC §417(e)(3) Lump Sum Rates (DB Plans):** For a graph showing the year-to-date and 12-month change in lump sum interest rates as of July 2009, please click [here](#).

**Resources**

For more information on Cassidy Retirement Group, please visit [www.cassidyretirement.com](http://www.cassidyretirement.com).