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Hold the Date

CRG will be an exhibitor at NEEBC's Annual Benefits Fair and Trade Show on May 14, 2009 at the Westin Waterfront Hotel in Boston, MA. CRG is helping to organize two breakout sessions focused on retirement plan issues: "Post-Madoff - What now?" and "Target Date Funds - The great debate, are they an appropriate vehicle for participants near/in retirement?" More information will follow as the program is organized.

For more information, please visit www.neebc.com.

CRG Retirement Plan Update - DB and DC Plans

Recent Guidance

- **January 16 & 20 (DC):** On January 16, the Department of Labor (DOL) issued what was to be a final regulation on the provision of investment advice by a fiduciary adviser to participants and beneficiaries in participant-directed individual account plans (such as 401(k) plans). This final rule was to be published in the Federal Register on January 21, with an effective date of March 23, 2009. However, on January 20 (Inauguration Day), a White House order froze this regulation (and all other pending regulations) so that new and pending regulations that had not yet been published in the Federal Register could be reviewed and approved by the new administration. It is likely that the effective date of the final regulation, when published, will be extended beyond March 23.
- **January 9 (DC):** The IRS issued Notice 2009-9 providing guidance on reporting required minimum distributions for 2009 based on provisions contained in the Worker, Retiree, and Employer Recovery Act (WRERA) of 2008, passed on December 23, 2008.
- **January 9 (DB):** The PBGC issued Technical Update 09-1 which provides guidance on the calculation of asset values and unfunded vested benefits for plan years beginning in 2009 for satisfying the advance reporting requirements contained in the reportable events regulations contained in ERISA §4043.
- **January 2 (DB/DC):** The DOL issued a final regulation which establishes procedures for assessing civil penalties on plan administrators under

ERISA as mandated by the Pension Protection Act of 2006 (PPA) for failure to provide certain required notices and documents to plan participants. Rules related to the notices and documents are contained in ERISA §§ 101(j), 101(k), 101(l), and 514(e)(3), and the DOL's regulation carries a retroactive effective date of March 3, 2008.

- **December 31 (DB):** The PBGC issued Technical Update 08-4 which provides guidance required by the Pension Protection Act of 2006 (PPA) on the valuation of lump sums for single-employer plans that terminate (in a standard termination process) on or after January 1, 2008.
- **December 30 (DB):** As a follow-up to its vote on October 31, the Financial Accounting Standards Board (FASB) issued a Staff Position (FSP No. FAS 132(R)-1) which amends FASB Statement No. 132 (revised, 2003) requiring sponsors of defined benefit pension plans (and other postretirement plans) to disclose additional information about their plans' assets, including disclosure of asset categories, valuation techniques, investment strategies, and concentration of risk. These rules are effective for sponsors with fiscal years ending after December 15, 2009.

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

Looking Ahead

- **March 2 (DB):** PBGC estimated flat-rate (per participant) premium payments are due for large plans (i.e., generally, more than 500 participants during the prior plan year).
- **March 16 (DC):** ADP/ACP corrective distributions (for excess contributions/earnings) are due to participants.
- **March 16 (DC):** Employer matching and/or profit-sharing contributions for the 2008 plan year are due (for calendar-year plans in which sponsor does not file for a corporate tax extension).

Market Summary - Total Returns Through February 9, 2009

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

	Dow Jones Industrial Average	Standard & Poor's 500 Index	Russell 2000 Index	MSCI EAFE International Equity Index	Lehman Brothers Aggregate Index
Year-to-date	-5.8%	-3.7%	-6.3%	-6.8%	-1.1%
Last 12 Months	-32.4%	-35.0%	-33.1%	-40.8%	2.5%

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 January 31, 2009 as calculated by Ryan Labs, Inc. (used with permission):

	Ryan Labs, Inc. PPA Liability Index (Funding)	Ryan Labs, Inc. FAS 158 Liability Index (Accounting)
Last Month	-4.1%	-1.5%
Last 12 Months	-4.0%	-0.1%

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 change in the yield curve from January 2008 to January 2009, please visit the Industry Resources section of our website [here](#).
- **IRC §417(e)(3) Lump Sum Rates (DB Plans):** For a graph showing the January 2009 lump sum interest rates (and a comparison to rates as of 12 months ago), please visit the Industry Resources section of our website [here](#).

Resources

For more information on Cassidy Retirement Group, please visit www.cassidyretirement.com.