

## Special Event

Please join us for cocktails and hors d'oeuvres as we introduce Cassidy Retirement Group's newest staff member, Charlie Cahill.

**When:**

March 2, 2010  
5:00pm-7:00pm

**Where:**

The University Club of  
Boston  
426 Stuart Street  
Boston, MA 02116

[Click here to register](#)

## In This Issue

[CRG in the News](#)

[Converting a Traditional IRA to a Roth IRA](#)

[CRG Retirement Plan Update - DB and DC Plans](#)

[Resources](#)

## Quick Links

[CRG Website](#)

[Newsletter Archive](#)

[Related Articles](#)

## CRG in the News

In the "Regulation & Legislation" section of Pensions & Investment on February 8, 2010, an article titled "The Price of Funding Relief" references a commentary co-written in 2008 by Jeremy Gold and Dan Cassidy. For a link to the article, click [here](#). (For a link to the 2008 commentary, click [here](#).)

## Converting a Traditional IRA to a Roth

With the lure of tax-free distributions, Roth IRAs have exploded in popularity since first introduced in 1998. But if you are a high-income taxpayer, chances are in past years you haven't been able to convert an existing Traditional IRA to a Roth. New rules in 2010 may clear some of those hurdles and the [attached](#) explains the pros, cons, traps and strategies surrounding the topic.

Used with permission from Loring, Wolcott & Coolidge. Loring, Wolcott & Coolidge provides wealth management solutions through an array of integrated services by a team of professionals with expertise in a range of disciplines. For more information on Loring, Wolcott & Coolidge, please visit [www.lwcotrust.com](http://www.lwcotrust.com), or call 617.523.6531.

## CRG Retirement Plan Update - DB and DC Plans

### Recent Guidance

**February 17 (DC):** The Employee Benefits Security Administration of the Department of Labor released Field Assistance Bulletin (FAB) No. 2010-01 which provides supplemental guidance in Q&A format pertaining to the scope and conditions for the transitional Form 5500 relief for 403(b) plans outlined in FAB No. 2009-02 issued in July 2009.

**February 2 (DC):** The Treasury Department and the Department of Labor jointly issued a request for information on whether and how these agencies might issue future rules that would provide individuals participating in employer-sponsored retirement plans and IRAs access to "lifetime income or other arrangements designed to provide a lifetime stream of income after retirement" (e.g., access to financial products such as annuities). Comments, views, and suggestions are requested from participants, employers, plan sponsors, service providers and members of the financial community by May 3, 2010.

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

Looking Ahead

**March 1 (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) for the 2010 Premium Payment Year (calendar year plans).

**March 15 (DC):** Due date for distributing excess 2009 ADP/ACP amounts to highly compensated participants to avoid 10% excise tax on employer.

**March 31 (DB):** Deadline for the preliminary AFTAP certification for the 2010 plan year (calendar year plans). Plans that were certified to be at least 90% funded for the 2009 plan year are deemed to be at least 80% funded as of April 1, 2010 and are generally exempt from benefit restrictions through at least September 30, 2010. Any plan that was certified to be less than 90% funded for the 2009 plan year must certify that the funded status as of January 1, 2010 was at least 80%, or else certain benefit restrictions may apply effective April 1, 2010.

**April 1 (DB/DC):** Deadline for initial required minimum distribution (RMD) from retirement plan for participants who attained age 70.5 during 2009.

**April 15 (DB):** First quarterly contribution deadline for 2010 plan year (calendar year plans).

**April 15 (DC):** Excess deferral amounts are required to be distributed to participants (§402(g)).

**April 30 (DB):** 2009 plan year annual funding notices to participants are due (calendar year plans).

**April 30 (DB):** Due date for PBGC flat-rate and variable premiums for the 2009 Premium Payment Year for small plans (generally, less than 100 participants) - calendar year plans.

Market Summary - Total Returns Through February 22, 2010

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	Barclays Capital Aggregate Index
<b>Year-to-date</b>	-0.4%	-0.6%	1.1%	-4.6%	1.1%
<b>Last 12 Months</b>	45.9%	49.1%	60.2%	49.2%	7.7%

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, 2010 as calculated by Ryan Labs, Inc. (used with permission):

	Ryan Labs, Inc. PPA Liability Index (Funding)	Ryan Labs, Inc. FAS 158 Liability Index (Accounting)
Qtr through 01/31/2010	2.0%	1.3%
Year-to-Date	2.0%	1.3%
Last 12 Months	26.3%	17.6%

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 one-month and 12-month changes in the yield curve as of January 2010, please click [here](#).

IRC §417(e)(3) Lump Sum Rates (DB Plans): For a graph showing the one-month and 12-month changes in lump sum interest rates as of January 2010, please click [here](#).

### **Resources**

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