

Special Event

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

When:

February 10, 2010
5:00pm-7:00pm

Where:

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

[Click here to register](#)

In This Issue

[Upcoming Seminar](#)

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

[Resources](#)

Quick Links

[CRG Website](#)

[Newsletter Archive](#)

[Related Articles](#)

Upcoming Seminar

Cassidy Retirement Group is pleased to sponsor a seminar on "The Employer Role in Assisting Retirees and Near-Retirees." This seminar is the first of New England Employee Benefits Council's Strategic Connection Series devoted to retirement issues. This three-part series is designed for experienced benefits professionals seeking in-depth knowledge of benefits-related topics and issues.

[Click here](#) to read more about the topics that will be discussed at the seminar.

The seminar is being held Friday, March 12, 8:30 a.m. - noon at the Massachusetts Medical Society in Waltham. For detailed information or to register, visit www.neebc.org and click on programs.

CRG Retirement Plan Update - DB and DC Plans

Recent Guidance

- **December 28 (DB):** In Announcement 2010-3, the IRS provides guidance that two specific changes in funding methods will receive automatic approval from the agency: (1) a change in the actuarial valuation software used to determine plan liabilities (in many cases, due to changes in calculations required by the Pension Protection Act), and (2) a change in the enrolled actuary and the business organization providing actuarial services to a plan (i.e., an event sometimes called a "takeover plan").
- **December 28 (DB/DC):** The Employee Benefits Security Administration of the Department of Labor announced on its website in a Fact Sheet that it plans to publish a proposed regulation in June 2010 which would "amend the current regulatory definition of 'fiduciary' to include more persons, such as pension consultants [and other plan advisers], as fiduciaries."

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

Looking Ahead

- **January 29 (DB/DC):** Due date for providing the 2009 Form 1099-R to participants.

- **January 29 (DB/DC):** Cycle D submission period for determination letters from the IRS ends.
- **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).

Market Summary - Total Returns Through January 21, 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
Year-to-date	-0.4%	0.1%	0.5%	-0.3%	1.5%
Last 12 Months	27.9%	34.9%	41.9%	44.1%	7.9%

Source: The Wall Street Journal

Investment Review

Both the global economy and equity markets continued their recovery in the fourth quarter of 2009. Inflation in the United States and G7 economies remains muted. In contrast, emerging markets face increased inflation given their strong economic growth. Despite their rebound in 2009, it is believed the valuations of U.S. multi-national equities remain attractive. However, bonds appear expensive with interest rates low and poised to rise. Overall, U.S. economic growth is "Just Right"-enough to boost profits, but not enough to lift inflation. For additional insight and commentary, [click here](#).

Used with permission from Seaward Management. Founded in 1988, Seaward manages \$1.65 billion for individual, retirement, charitable foundation, and endowment clients. For more information on Seaward Management, please visit www.seawardmgmt.com, or call 800.759.1050.

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 December 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)
Qtr through 12/31/2009	-1.4%	-0.7%
Year-to-Date	15.6%	11.7%
Last 12 Months	15.6%	11.7%

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 change in the yield curve as of December 2009, please click [here](#).

IRC §417(e)(3) Lump Sum Rates (DB Plans): For a graph showing the one-month and 12-month change in lump sum interest rates as of December 2009, please click [here](#).

Resources

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