

## In This Issue

[Upcoming Presentations](#)

[Dan Elected to CCA Board](#)

[Recent Article](#)

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

[Resources](#)

## Quick Links

[CRG Website](#)

[Newsletter Archive](#)

[Related Articles](#)

## Check out Dan's book:



[Buy from Amazon.com](#)

## Upcoming Presentation

Dan will be speaking at a program titled "Are Employee Benefits Safe in a Credit and Financial Crisis?" at the upcoming NEEBC Benefits Club Breakfast. Topics to be discussed include:

- Retirement Plan under-performance: Are you at risk of a lawsuit?
- Do you have plan participants retiring in the next three months? What should they do? What, if any, is your responsibility?
- Do you have a sound 404(c) arrangement?
- Is your stable value fund under water? What steps should you take now?
- Are you in the process of switching plan investment options? If so, what additional steps should be taken in the new financial environment?

The program will be held at Bentley College in Waltham, MA on Tuesday, November 18 from 8:30-10:30 a.m. For registration information, please click [here](#).

For more information about NEEBC, please visit their website [here](#).

## Dan Elected to CCA Board

Dan was elected to the Board of Directors for the Conference of Consulting Actuaries. Dan will act as Vice President of the Committee for Continuing Education. The Conference of Consulting Actuaries is a 1,200 member organization representing the interests of consulting actuaries in the US and Canada.

For more information about the Conference of Consulting Actuaries, please visit their website [here](#).

## Recent Article

Tom Sablak's article titled "Trickle Termination: Consider a Gradual Approach to Closing a Frozen DB Plan" was recently published in the November 2008 edition of *Employee Benefit News*. This article deals with actions that sponsors of defined benefit plans - particularly frozen DB plans - might consider taking as they prepare their plans for termination some time in the future.

To read his article, please click [here](#).

## CRG Retirement Plan Update - DB and DC Plans

### *Recent Guidance*

- **October 31 (DB):** The Financial Accounting Standards Board (FASB) voted to require increased disclosures about the fair value of pension plan assets, effective for fiscal years ending after December 15, 2009. This is a follow-up to the proposed staff position in March (FSP FAS 132R-(a)) that had called for such increased disclosures for fiscal years ending after December 15, 2008.
- **October 9 (DB/DC):** The IRS issued proposed regulations outlining required Pension Protection Act (PPA) changes to the disclosures to participants under IRC Section 411(a)(11) (i.e., the section that prohibits the distribution of a qualified plan benefit without a participant's consent prior to the later of age 62 or the plan's normal retirement age). PPA requires that the participant notice include a description of the "consequences of failing to defer receipt of distribution". The proposed regulations are intended to be effective for plan years beginning after 2009, but plans are expected to use either the safe harbor language provided by IRS Notice 2007-7 or other similar "reasonable" language in the interim.

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

### *Looking Ahead*

- **December 1 (DC):** The special notice to participants of intent to use a safe-harbor formula for calendar year 2009 plans is due.
- **December 1 (DC):** A notice to participants who will be defaulted into a qualified default investment alternative (QDIA) is due (for calendar year 2009 plans).
- **December 1 (DC):** A notice to employees who are eligible for automatic enrollment for calendar year 2009 plans is due.
- **December 15 (DB/DC):** Due date for the Summary Annual Report (SAR) for plan year 2007 (for calendar-year plans that were granted an extension of time to file the Form 5500).
- **December 31 (DB):** Due date for annual notice outlining how participants may obtain benefit statements (as required by PPA) for plan sponsors who "opt out" of providing automatic statements every three years to vested active participants.
- **December 31 (DB/DC):** Due date for several plan amendments (e.g., discretionary PPA changes adopted during 2008, certain IRC Section 415 amendments, certain PFEA amendments related to lump sums, etc.).
- **December 31 (DC):** Sponsors of Section 403(b) programs must update their plan documents (or draft new plan documents) by this date.

## Market Summary - Total Returns Through November 10, 2008

	<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>Lehman Brothers Aggregate Index</b>
<b>Year-to-date</b>	-33.1%	-37.4%	-35.6%	-43.9%	0.1%
<b>Last 12 Months</b>	-31.7%	-36.1%	-35.7%	-44.1%	1.5%

## 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 October 29, 2008 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>Year-to-date</b>	-19.9%	-16.9%
<b>Last 12 Months</b>	-19.7%	-16.4%

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>.

## 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 October 2008, please visit the Industry Resources section of our website [here](#).
- **IRC §417(e)(3) Lump Sum Rates (DB Plans):** For a graph showing the October 2008 lump sum interest rates (and a comparison to rates as of the beginning of the year), please visit the Industry Resources section of our website [here](#). (Note: the October 2008 lump sum rates for plan years beginning in 2009 - reflecting the next level of phase-in under PPA - are included in this graph.)

## Resources

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