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Using the Internet to Service Retirement Plans

by Dharmesh Shah



RETIREMENT PLAN PROVIDERS HAVE ALWAYS BEEN LEVERAGING TECHNOLOGY TO PROVIDE IMPROVED SERVICE TO PARTICIPANTS AND PLAN SPONSORS. IN THIS ARTICLE, WE WILL EXPLORE WHY THE INTERNET QUICKLY BECAME THE PREFERRED SERVICE CHANNEL FOR MANY USERS AND HOW PROVIDERS ARE USING THIS TECHNOLOGY TO INCREASE SERVICE LEVELS AND DECREASE THEIR COSTS.

HISTORY OF PARTICIPANT SERVICING

Call Centers

Most plan providers have been offering some type of call center capability to their customers for some time. Participants are given the ability to call a phone number and speak to a customer service representative to get information about their accounts or to request changes. Given the high expense of staffing a call center, most providers only offer these services during normal business hours.

Voice Response

The introduction of daily-valued plans caused a significant shift in how retirement plans were serviced. Participants quickly became interested in more convenient and frequent access to their accounts. Traditional means of account access, such as paper-based

statements and call centers available only during normal business hours, were no longer sufficient.

Once participants could modify their accounts daily (instead of quarterly or semi-annually), their level of interest in accessing their accounts grew quickly. This change in the participants' expectations caused a need to supplement the existing channels of service.

As a result, providers introduced Interactive Voice Response (IVR) systems. These systems are computer-based systems that allow users to interact with their accounts using a touch-tone telephone. Servicing participants through an IVR was significantly less expensive than through a call center. Additionally, because of their lower cost, these systems were often made available 24 hours a day, 7 days a week.

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WASHINGTON UPDATE

Promoting Guaranteed Benefits Through the DB(k)

by Brian H. Graff, Esq.



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ASPA has long sought to promote greater defined benefit plan coverage through more favorable regulations and legislation. A critical component of this objective has been the need to improve defined benefit coverage rates of employees working at small and mid-sized businesses. For example, of the more than 40 million American workers employed at firms with less than 100 employees, less than 2 percent are covered by a defined benefit plan.

Workers at small and mid-sized businesses are, of course, much more likely to be covered by a 401(k) plan. However, many Americans with only defined contribution plans for retirement savings have

been forced to either delay retirement or seriously reevaluate their retirement standard of living expectations. According to a study by the Employee Benefits Research Institute, a three-year bear market immediately prior to retirement can significantly reduce income replacement rates generated by 401(k) plan accounts. Thus, according to a *Plan Sponsor* survey, interest in defined benefit plan coverage among employees has increased by 20 percent, due to increasing concerns about relying solely on 401(k) plan accounts for retirement in uncertain economic times.

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FROM THE EDITOR

Happy Birthday, ERISA!

by Chris L. Stroud, MSPA



SEPTEMBER 2004 MARKS THE 30TH ANNIVERSARY OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA). THE PROVISIONS OF TITLE I OF ERISA WERE ENACTED TO ADDRESS PUBLIC CONCERN THAT THE FUNDS OF PRIVATE PENSION PLANS WERE BEING MISMANAGED AND ABUSED. ASPA MEMBERS WHO WERE PRESENT WHEN ERISA WAS “BORN” HAVE A FULL APPRECIATION OF THE TREMENDOUS EFFORTS THAT PRECEDED ITS BIRTH AND ALSO OF THE ABUNDANT CHANGES THAT HAVE OCCURRED SINCE.

Instead of providing a review of 30 years of pension reform, I thought it would be more fun to look at how the world has progressed since 1974. Let’s travel backward in our time machine and review some of the significant events. What a year it was! Here are just a few noteworthy 1974 events:

- Hank Aaron breaks Babe Ruth’s home run record.
- The theme of the ASPA Annual Conference is “ERISA—A Whole New Ballgame!”
- President Richard Nixon resigns.
- Gerald Ford becomes the 38th President and pardons Nixon.
- Patricia Hearst, daughter of publisher William Randolph Hearst, is kidnapped.
- Muhammad Ali knocks out George Foreman and reclaims the world heavyweight boxing championship.
- Singer Mama Cass Elliot, jazz musician Duke Ellington and TV host Ed Sullivan die.
- Supermodel Kate Moss, actor Leonardo DiCaprio and triple-crown winning horse Seattle Slew are born.
- *Happy Days* premieres on TV.
- *Chinatown*, *Godfather Part II* and *Blazing Saddles* are in the movie theaters.
- *American Graffiti* (soundtrack) is released and Barbra Streisand releases *The Way We Were*.
- Dick Clark launches the American Music Awards.
- *People* magazine makes its debut.

Just for fun, let’s do a quick “then and now” comparison. In 1974, the price of a postage stamp was raised from eight cents to ten cents, and the first self-adhesive stamp was introduced. Today, a postage stamp is 37

cents. The Dow Jones average bottomed out at 570; today, it is over 10,000. A cup of coffee cost between 25 and 50 cents, and the only choices were cream or sugar! Today, a cup of coffee can range from \$2–\$5 and supposedly can be ordered in 19,000 different ways! (Rumor has it that Starbucks tallied the combinations to achieve this result.)

Many inventions have had a significant impact on our day-to-day lives and our working environment. “Portable” computers (1981—weighed in at 24 pounds), cell phones (1983—weighed in at 28 ounces and cost \$4,000) and the World Wide Web (1991) have revolutionized the way we do business. Compare the 8-track player (1974), which could hold an entire record album, to today’s 40 GB iPod, which can hold 10,000 songs. Compare the incredible improvements between Betamax (1975) and TIVO (1999). Interestingly enough, in the pension world, the IRS created VCR (1992) and now we have EPCRS (1998). The world had Watergate then; now, we have the Gateway test. If we really put our minds to it, we could probably draw other parallels between the real world and the pension world. For instance, the real world gained the Heimlich maneuver (1974) and the pension world gained QDROs (1984) with REA. (“Cough it up”—get it?). And one can’t help but wonder if the sports bra (1977) gave someone the idea to create the TEFRA concept of top heavy (1982)!

As we step out of our time machine and return to 2004, we can be thankful that we are benefiting in many ways from the past 30 years of progress. After all, imagine life without ERISA (1974), Post-It Notes (1980), carry-on luggage with wheels (1989) and electronic ticketing (1992)! We’ve come a long way, baby! ▲

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ASPA members are retirement plan professionals in a highly diversified, technical, and regulated industry. ASPA is made up of individuals who have chosen to be among the most dedicated practicing in the profession, and who view retirement plan work as a career.

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To submit comments or suggestions, send an e-mail to theaspajournal@aspa.org.

ASPA

4245 North Fairfax Drive
Suite 750
Arlington, Virginia 22203
Phone: (703) 516-9300
Fax: (703) 516-9308
E-mail: aspa@aspa.org
Web: www.aspa.org



DOL Issues Final Regulations on COBRA Notice Requirements

by Lawrence L. Grudzien

ON MAY 26, 2004, THE DEPARTMENT OF LABOR (DOL) ISSUED NEW FINAL REGULATIONS (§§2590.606-1 THROUGH -4) ON THE REQUIREMENTS FOR NOTICES IN COBRA ADMINISTRATION. THESE REGULATIONS ARE EFFECTIVE ON JULY 26, 2004, AND APPLY TO NOTICE OBLIGATIONS ARISING ON OR AFTER THE FIRST PLAN YEAR BEGINNING ON OR AFTER JULY 26, 2004 (JANUARY 1, 2005, FOR CALENDAR YEAR PLANS). THESE FINAL REGULATIONS ARE A FOLLOW-UP TO THE PROPOSED REGULATIONS THAT THE DOL RELEASED A YEAR AGO.

The final regulations follow the basic structure of the proposed regulations, but provide a few changes. The final regulations provide:

- Minimum standards for the timing and content for COBRA notices;
- New safe harbor model forms for the COBRA general notice and the COBRA election notice requirements;
- New deadline for the delivery of the COBRA initial general notice;
- A revision to the requirements for “reasonable procedures” for COBRA notices provided by covered employees and qualified beneficiaries; and
- Retention of two new COBRA notice requirements introduced in the proposed regulations.

The following summary outlines the contents of the final regulations in a question and answer format.

IN GENERAL, WHAT ARE THE NOTICE REQUIREMENTS FOR COBRA ADMINISTRATION?

COBRA notice requirements generally fall into the four following categories:

Notice to participants upon entering the plan—A written notice of COBRA rights must be distributed to each employee and spouse when first entering the health plan. The DOL has issued a model notice for employers to use for this purpose. Employers would be considered as having demonstrated good-faith compliance with the law, according to DOL, if the notice is mailed, first class, to the covered employee’s and spouse’s last known address(es). (In addition to providing employees with special written notices, employers also were advised to incorporate an explanation of COBRA rights as part of the plan’s summary plan description provided to employees.)

Notice from the employer to the plan administrator—In cases where the employer is not the plan administrator, the employer is responsible for notifying the plan administrator of certain qualifying events. The employer has 30 days from the date coverage ceased (if provided under the terms of the plan) or the date of the following qualifying events:

- (1) The death of the covered employee;
- (2) The covered employee’s termination (for reasons other than gross misconduct);
- (3) The covered employee becoming entitled to Medicare; and
- (4) The employer’s bankruptcy.

Note: Multiemployer plans are permitted to take more than 30 days to notify the plan administrator, if permitted by the terms of the plan.

Notice from the plan administrator to qualified beneficiaries (“Election Notice”)—The plan administrator of the health plan is obligated to notify qualified beneficiaries of their COBRA rights when a qualifying event occurs. Such notice must be provided within 14 days of receiving notice of any qualifying event. Multiemployer plan administrators are allowed more than 14 days to notify qualified beneficiaries as long as the length of the notification period is spelled out in the plan document and summary plan description.

Notice from employees or qualified beneficiaries to the plan administrator—COBRA requires spouses who become divorced or legally separated from a covered employee, as well as dependents who lose their “dependent status” under the employer’s plan, to notify the plan administrator that these qualifying events have occurred. Such notice must be made within 60 days of the qualifying event or the date the qualified beneficiary would lose coverage as a result of the qualifying event, whichever is later. The group health plan does not have to offer the qualified beneficiary the opportunity to elect COBRA coverage if the covered employee or qualified beneficiary fails to make the required notification.

Group health plans could meet the COBRA election notice requirements, in some cases, by mailing one election notice where more than one qualified beneficiary resides at the same address (DOL Advisory Opinion Letter 99-14A). Each qualified beneficiary has a separate right to receive a written election notice when a qualifying event occurs. If the last known addresses of the covered employee, the

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Form 5500 Reporting of Delinquent Participant Contributions

by Stephen W. Forbes



ONE OF THE MORE COMMON PROBLEMS 401(k) PLAN PRACTITIONERS AND FORM 5500 PREPARERS FACE IS THE CORRECTING AND REPORTING OF LATE DEPOSITS OF PARTICIPANT CONTRIBUTIONS. RECENTLY, THE DOL ISSUED MORE GUIDANCE IN THE FORM OF FREQUENTLY ASKED QUESTIONS ON ITS WEB SITE ON THE REPORTING OF DELINQUENT 401(k) PARTICIPANT CONTRIBUTIONS. THE DOL ISSUED THE ADDITIONAL GUIDANCE AS A RESULT OF RESPONSES BY THE ACCOUNTING COMMUNITY TO THE MODIFIED 2003 FORM 5500 INSTRUCTIONS.

Previously, the Form 5500 required an employer to report delinquent participant contributions both on lines 4a and 4d (Schedules H and I). However, for the 2003 plan year, the Form 5500 instructions require an employer to report delinquent contributions on line 4a, but not on line 4d. For large plans, this modification also means the employer will not need to report the delinquent contributions on Schedule G. The change in the instructions does not mean the delinquent contributions are not a prohibited transaction. The DOL simply felt the reporting of the delinquent contributions on line 4d was redundant and unnecessary. Therefore, an employer who reports delinquent contributions on line 4a still must correct the prohibited transaction.

CORRECTION OF DELINQUENT CONTRIBUTIONS

The employer corrects the delinquent contributions by: (1) forwarding the elective deferrals to the plan trust; (2) making up lost earnings; and (3) paying the prohibited transaction excise tax on the value of the use of the money. The employer can avoid the prohibited transaction excise tax by correcting the delinquent contributions under the Voluntary Fiduciary Correction Program (VFCP). However, an employer who corrects its delinquent contributions under VFCP still must report the delinquent contributions on line 4a (*i.e.*, answer "yes" to the question). Since the excise tax is nominal (calculated on the use of the money) when compared to the cost of filing under the VFCP, many employers see little incentive to filing.

The DOL does not consider the delinquent contribution as completely corrected until the employer makes a contribution to the plan for the lost earnings. The lost earnings on delinquent contributions are the greater of: (1) the plan's investment return; (2) any profit the employer made on the use of the delinquent contributions; or (3) the Code §6621(a)(2) interest rate. Typically, the employer simply commingles the participant contributions with other assets and will not be able to determine any employer profits. Accordingly, the earnings will be the greater of the investment return or the Code §6621(a)(2) interest

rate. For participant-directed accounts, the employer may determine the investment return using the investment option available under the plan that earned the highest rate of return during the applicable period. If the employer contributes the earnings after the date on which it deposits the delinquent contributions, the employer also must calculate and contribute earnings on the earnings. The DOL's Web site provides a detailed explanation of the earnings calculation methodology: <http://www.dol.gov/ebsa/faqs/faq-vfcp.html>.

FORM 5500 INSTRUCTIONS

As part of the change in the reporting of late deposits, the DOL added a note to the instructions that has caused much concern in the accounting community. The note indicates that the independent qualified public accountant (auditor) must treat the participant contributions reported on line 4a as part of the supplemental schedules for purposes of reporting on the plan's financial statements. The note also requires the auditor to verify that the employer has presented the information contained on line 4a in accordance with the regulatory requirements. If the auditor determines the employer has not presented the information on line 4a consistent with the regulatory requirements, the auditor must make the appropriate disclosures in its report.

The DOL stated that it did not intend for the addition to the instructions to change the auditor's responsibilities. Rather, the DOL only wanted to make certain that: (1) the plan continues to include the delinquent contributions in the financial statements and the supplemental schedules; and (2) the auditor's opinion covers delinquent contributions even though delinquent contributions are no longer reported on line 4d and Schedule G. Although the DOL did not intend to change the auditor's responsibilities, for some auditors the note identifies a responsibility that they had not assumed previously. Some auditors only reviewed the timing of participant contributions if the employer indicated that it had failed to forward the contributions timely. The note appears to require the

2003 Form 5500 Line 4a Schedule of Delinquent Participant Contributions	
Participant Contribution Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions
\$40,000	\$40,000

2003 Form 5500 Line 4a Schedule of Delinquent Participant Contributions				
Participant Contribution Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$40,000	\$0	\$40,000	\$0	\$0

auditor to confirm that the employer is answering line 4a accurately—a responsibility made even more difficult by the subjective nature of the deadline.

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For plans subject to the audit requirement, the DOL has provided two samples of an attachment the preparer may use to comply with the requirement to report delinquent contributions on a supplemental schedule. In preparing the schedules, the preparer should use the same size paper as the Form 5500. Although the employer may use either sample schedule, the more detailed schedule permits the employer to report corrections and may prevent a DOL investigation. The following example illustrates the two sample schedules:

Example: Corporation X deposited \$40,000 of deferrals two months following the date on which it should have deposited the deferrals. The employer did not correct the late deposit under VFCP, but used the methodology outlined in the procedure to correct the delinquent contributions (*i.e.*, made up the lost earnings and paid the prohibited transaction excise tax). The employer reports the delinquent contributions and the correction with one of the alternative schedules illustrated above.

Comment: A small plan not subject to the audit requirement would not need to include the supplemental schedule. However, a preparer for a small plan may consider using the schedule because it provides a format for reporting a correction of delinquent participant contributions.

INACCURATE INFORMATION ON LINE 4a

If an auditor concludes that the information contained on line 4a is incomplete or does not contain accurate information, the auditor must consider including in his/her audit a paragraph describing the incomplete or inaccurate information or expressing a qualified or adverse opinion.

CONTINUED REPORTING OF DELINQUENT PARTICIPANT CONTRIBUTIONS

The DOL guidance also confirms that an employer reports the delinquent contributions on line 4a for each plan year until the employer has corrected the delinquent contributions.

Example: Corporation X maintains a calendar year 401(k) plan. X fails to forward the elective deferrals from the November 30, 2003, payroll until February 10, 2004. X must report the delinquent contributions on the Form 5500 for 2003 and 2004.

An employer has not completely corrected the delinquent contributions until it has contributed the earnings. Therefore, if an employer contributes the delinquent contributions in a plan year, but does not contribute the earnings until the following plan year, the employer must report the delinquent contributions on the Schedule H or I in both plan years.

Comment: A question the DOL failed to address in its guidance is whether an employer may report on the attachment a correction that occurs after the close of the plan year. Although the Form 5500 generally reflects data as of the close of the plan year, reporting a correction that occurs by the filing date reduces the chance of a DOL investigation.

Example: Corporation X fails to deposit its November 15, 2003, deferrals until January 10, 2004 (calendar year plan). X contributes the earnings (and earnings on earnings) on February 1, 2004. X files its Form 5500 on July 31, 2004, and shows the delinquent contributions as corrected on the attachment.

PARTICIPANT LOAN REPAYMENTS

In DOL Advisory Opinion 2002-02A, the DOL stated that participant loan payments paid to, or withheld by, an employer are subject to the same requirements that apply to participant contributions. Therefore, an employer should correct the late deposit of the loan repayments in the same manner as the late deposit of participant contributions. The employer may report delinquent loan repayments on line 4a or on line 4d (and Schedule G for a large plan) of the Schedule H or I. If the employer chooses to report the delinquent loan repayments on line 4a, the employer should use the same supplemental schedule the employer uses for delinquent participant contributions.

CONCLUSION

The additional Form 5500 reporting requirements demonstrate that the DOL continues to consider the enforcement of the rules regarding the timely deposit of participant contributions as a significant responsibility. The new requirements also indicate the importance of timely and proper correction of delinquent contributions. ▲

Stephen W. Forbes is an attorney and vice president for SunGard Corbel in Denver, CO. Stephen is the author of The 5500 Filing Guide and a contributing author of The Pension Library.

REMINDER: Participant Notice Voluntary Correction Program

On May 7, 2004, the PBGC announced that it is expanding its Participant Notice Enforcement Program, with a view toward more actively auditing compliance and assessing penalties for noncompliance.

As a transition to this expanded enforcement program, the PBGC has launched a Participant Notice Voluntary Correction Program (VCP) that is designed to encourage plan administrators to correct recent compliance failures and to facilitate their future compliance.

The VCP is a chance to “wipe the slate clean”—without any penalty—before the PBGC steps up its enforcement. The deadline for taking advantage of this program depends on the plan’s Form 5500 deadline for the **2003** plan year, and may be as early as October 4, 2004.

For details, review *ASPA ASAP* 04-23 (May 14, 2004) or visit the PBGC’s Web site at:

www.pbgc.gov/participantnotice/



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Notice of ASPA's Annual Business Meeting

The ASPA Annual Business Meeting will be held during the 2004 ASPA Annual Conference on Sunday, October 24. Watch for the ASPA 2004 Annual Conference brochure, available this summer, for a full Conference schedule.

All ASPA members are encouraged to attend and participate in the business meeting discussion. Credentialed members will vote on the new members of ASPA's 2005 Board of Directors.



Continued from page 1

Washington Update

Promoting Guaranteed Benefits Through DB(k)

Most retirement experts believe that an ideal mix of retirement savings for workers is a combination of employer-funded guaranteed benefits and discretionary employee savings. Unfortunately, employers already providing a 401(k) plan for their workers, but considering adding a defined benefit plan, are faced with some unnecessary administrative and regulatory impediments. Due to the importance of this issue from a retirement policy perspective, ASPA's Government Affairs Committee has been working for some time on a proposal to remove many of these obstacles. At the same time, representatives of the Principal Financial Group, including ASPA Past President John Parks, MSPA, have been working on a similar proposal. ASPA is pleased to join forces with the Principal Financial Group to create a joint proposal—called the DB(k)—designed to encourage the adoption of defined benefit plans by small and mid-sized businesses. Through the DB(k), employers would be allowed to provide both guaranteed defined benefits and 401(k) employee savings in a single plan.

The full features of the DB(k) are summarized in more detail in the chart shown on page 9. Since this year is an election year, it is extremely unlikely that a major proposal of this nature could get enacted before the end of the Congress. Instead, we hope to get this legislation introduced this year, with a view toward enactment in the next Congress, perhaps as part of legislation already in the works, addressing more global defined benefit issues (e.g., funding reform). Any measures to increase defined benefit plan coverage will always be an ASPA policy priority. ▲

Brian H. Graff, Esq., is the Executive Director/CEO of ASPA. Before joining ASPA, he was pension and benefits counsel to the US Congress Joint Committee on Taxation. Brian is a nationally recognized leader in retirement policy, frequently speaking at pension conferences throughout the country. He has served as a delegate to the White House/Congressional Summit on Retirement Savings, and he serves on the employee benefits committee of the US Chamber of Commerce and the board of the Small Business Council of America.

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DB(K) PLAN—401(K) PROVISIONS IN A DEFINED BENEFIT PLAN

PLAN FEATURES/ REQUIREMENTS	DESCRIPTION										
Single plan	The DB and 401(k) portions of the plan are both contained in a single plan and trust. However, assets for both plans must be strictly accounted for separately.										
DB benefit formula	<p>Any defined benefit formula that will meet the requirements of IRC Section 401(a) is acceptable.</p> <p>In order to avoid ADP/ACP, general nondiscrimination and top heavy testing, a minimum (safe harbor) benefit must be provided that is at least equivalent or greater than 20% of final average pay (accrued at 1% of pay per year over up to 20 years of service).</p> <p>The DB(k) proposal would also permit an alternative cash balance safe harbor formula as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Age 30 or under.....</td> <td style="width: 10%; text-align: center;">2% of pay</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">40 or over but less than 50.....</td> <td style="width: 10%; text-align: center;">6% of pay</td> </tr> <tr> <td>Over 30 but less than 40.....</td> <td style="text-align: center;">4% of pay</td> <td></td> <td>50 or over.....</td> <td style="text-align: center;">8% of pay</td> </tr> </table> <p>However, the cash balance safe harbor would not be available until Congress provides further guidance regarding the legal status of cash balance plans.</p>	Age 30 or under.....	2% of pay		40 or over but less than 50.....	6% of pay	Over 30 but less than 40.....	4% of pay		50 or over.....	8% of pay
Age 30 or under.....	2% of pay		40 or over but less than 50.....	6% of pay							
Over 30 but less than 40.....	4% of pay		50 or over.....	8% of pay							
401(k) feature	Employee elective deferrals are allowed up to the IRC Section 402(g) limit for the year (\$13,000 for 2004).										
Match	Matching contributions would be permitted provided that they follow the IRC Section 401(m) safe harbor match rules (<i>i.e.</i> , the match does not exceed 6% of compensation and the rate of match does not increase with pay). Once cash balance legislation is enacted, employers could give participants the option of directing matching contributions into the cash balance component of a DB(k), providing a guaranteed investment return.										
Non-elective contributions	Non-elective contributions are permitted, provided such contributions otherwise satisfy the requirements of IRC Section 401(a).										
410(b) application	Some employees may be excluded, but the plan must satisfy the minimum coverage rules under IRC Section 410(b).										
401(a)(26) application	The minimum participation rules of IRC Section 401(a)(26) apply for purposes of the DB portion of the plan only.										
410 application	The plan must satisfy the minimum age and service requirements of IRC Section 410 for plan entry.										
415 limits	DB and DC components of the plan are treated separately for 415 limit purposes.										
ADP/ACP tests	The minimum benefit provided by the DB portion of the plan (described above) satisfies a safe harbor so that ADP and ACP testing is not required.										
Top heavy testing	DB minimum safe harbor benefit (described above) satisfies the top heavy requirements, so that no testing is needed.										
Minimum funding	Minimum funding standards apply to the DB portion of the plan, but do not apply to the DC portion of the plan.										
404 deduction	The deductibility of the contributions limit apply separately to each portion of the plan (not limited to 25% of payroll in total for the plan).										
Funding flexibility	The plan would allow an employer to create a funding cushion during a good economic period to cover a funding shortfall during an economic downturn by permitting the employer to fund up to 130% of current liability on a deductible basis.										
Vesting schedule	The plan would be required to have a schedule that would satisfy the top heavy minimum vesting schedule requirements for both the DB and DC components of the plan, whether or not the plan is top heavy.										
Distributions/loans	<ul style="list-style-type: none"> • Spousal consent would be required for all distributions. • Lump sum distributions would be allowed. • Age 59½ and hardship distributions would be allowed on the 401(k) portion of the arrangement. • HCE restrictions on distributions (if applicable) would apply to the DB portion only. 										
PBGC premiums	PBGC premiums would only apply with respect to the DB portion of the plan. Further, there would be reduced PBGC premiums for new plans and for plans maintained by small businesses.										
Reporting requirements	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • One 5500 • One plan document </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • One Summary Plan Description • One plan audit (if required) for both portions of the plan </td> </tr> </table>	<ul style="list-style-type: none"> • One 5500 • One plan document 	<ul style="list-style-type: none"> • One Summary Plan Description • One plan audit (if required) for both portions of the plan 								
<ul style="list-style-type: none"> • One 5500 • One plan document 	<ul style="list-style-type: none"> • One Summary Plan Description • One plan audit (if required) for both portions of the plan 										
Participant information	Minimum of annual defined benefit and quarterly 401(k) participant statements would be required.										

Using the Internet to Service Retirement Plans



One of the ongoing trends within daily-valued plans was the continual increase in the number of investment options available to participants within their plans. The general thinking was that an increased number of investment options provided participants with an opportunity for more diversification and greater control of their retirement accounts. This increase in the number of investments started creating challenges for voice response systems. Since these systems delivered information to customers by spoken words, they became increasingly cumbersome to deal with. Participants did not enjoy listening to: “Your balance in the ABC mutual fund is two thousand four hundred twenty-six dollars and eighty-seven cents. Your balance in the XYZ fund is three thousand nine hundred fifty-nine dollars and twenty-two cents. Your balance in the....” Clearly, there was a need for a more usable interface.

Internet Access

In the mid-1990s, use of the Internet grew rapidly. Individuals were increasingly relying on the Internet for news, shopping, entertainment and communication. Various sectors of the financial services industry, such as banking and brokerage, began offering Internet applications to their customers.

Plan sponsors and participants began expressing a desire to have access to their retirement accounts over the Internet. Plan providers responded by developing and deploying Internet applications for retirement plans. The earliest of these solutions was introduced in 1997, and soon thereafter most leading providers offered some type of Internet access for their customers.

Participants, especially those who had already been using voice response systems, quickly adopted the Internet. This popularity was primarily driven by two factors:

- Easy access to Internet connections within the home and/or office; and
- An intuitive, visual interface that was much easier to navigate and more convenient than voice response.

INTERNET: FEATURES AND FUNCTIONALITY

Participant Servicing

First-generation Internet products for participants delivered comparable, if not identical, features as their voice response system predecessors. These features included the most commonly accessed information

and services, including:

- Balance information by investment and money source;
- Allocation information and changes;
- Amounts available for loans and withdrawals; and
- Inter-fund transfers and account realignment.

As an increasing number of participants started using the Internet, providers recognized the opportunity to introduce advanced functionality that would further promote the use of automated service channels (instead of pushing participants towards the call center). Although many of these features were also available on a selected number of voice response systems, usage was limited due to the complexity of navigating a touch-tone interface. The Internet clearly provided a vehicle for the delivery of much more sophisticated functionality. This transition led providers to introduce the following new capabilities over the Internet:

- Online enrollment;
- Loan requests (both paper-based and paperless); and
- Automated distributions.

With the introduction of Web browsers, end users were able to access information over a public network and the Internet was quickly becoming a pervasive communications tool. It had the primary benefit of being a *visual* tool that provided the capability of delivering automated services in a much more compelling manner than the automated voice response systems.

A number of variables contributed to the rapid adoption by participants of Internet applications as the preferred channel for accessing their accounts:

- The visual nature of a Web browser provided quick, convenient access to information. It was much simpler for a user to scan a Web page with information about balances or prices for many investments than was possible over a voice response system.
- Users were already becoming accustomed to using the Internet for other parts of their daily lives, such as news, entertainment and research.
- Large-scale Internet service providers provided unlimited access to the Internet for a fixed monthly fee.

The result was a rapid movement of participants away from voice response systems and towards the

Internet as a preferred method of interacting with their accounts.

It is interesting to note that although many participants transitioned to using the Internet as their primary and preferred servicing channel, providers continued to support and maintain their voice response systems. The rationale for these actions is probably that not all consumers have Internet access and even those who do might prefer a voice interface in special circumstances. Regardless, the Internet became an *additional* channel of service and did not displace either the voice response system or the call center.

Online Guidance and Advice

In addition to using the Internet to provide account management services, providers also began to capitalize on the ability to use the Internet as a channel for providing educational content to participants. At first, services consisted of informational Web pages that described the fundamentals of retirement planning, including the importance of saving early, tax advantages and investment fundamentals such as diversification.

In addition to this static information content, providers also started delivering retirement planning tools. In most cases, these tools were simple calculators that allowed participants to project and forecast the future of their retirement savings and to determine whether their current contribution levels would provide them sufficient savings for their retirement.

As more and more participants began using the Internet, a new opportunity emerged to provide sophisticated tools to participants to help them manage their retirement savings. These tools helped participants answer the most common questions regarding their retirement planning:

- How much should I be saving for retirement?
- Where should my contributions be invested?
- Will I have enough saved for retirement?

To meet this need, a number of vendors began to provide online guidance and advice tools to help

participants answer the above questions. These offerings were highly sophisticated analysis tools delivered over the Internet. The vendors supplying these tools invested considerable funds in their development. From a user experience perspective, it was necessary to somehow integrate these tools into the core account management applications that providers were already offering to their participants. This integration allowed the online advice tools to access information about the participant (so that data would not have to be re-entered). In a number of cases, it was also possible for participants to conveniently accept the advice offered and request a change to their account.

Plan Sponsor Servicing

As discussed, the early Internet applications delivered to participants paralleled that which was previously available through voice response systems. However, the voice response systems provided very little (if any) functionality to plan sponsors. Plan sponsors were still relegated to using paper reports and direct calls to account managers as their primary vehicles for access to information. With the availability of the Internet came the first meaningful opportunity to provide plan sponsors convenient, around-the-clock access to their data.

Plan sponsor Internet applications were designed to deliver the most commonly needed information and functionality. These applications included the ability to check plan balances, review investment pricing and performance and access individual participant accounts. This last feature was commonly used by the HR departments of plan sponsors to provide a “high touch” solution for their employees. The ability for plan sponsors to access (and in some cases modify) participant accounts made it possible for participants to consult with their employer when they needed to check on their accounts. This capability was particularly important within organizations whose employees did not have ready access to the Internet.

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Another important feature for plan sponsors, offered by a number of plan providers, is a robust reporting solution over the Internet. This type of reporting solution supplements or replaces the traditional quarterly reports that are often sent to plan sponsors. An important distinction of most Internet-based reporting systems is that many of them allow plan sponsors to create their own reports instead of having to exclusively rely on pre-designed or “canned” reports. The advanced reporting capabilities help plan sponsors gain important insights into the plan and participant trends.

TECHNICAL OVERVIEW

Security and Privacy

Unfortunately, because of its widespread use, the Internet introduced a new set of challenges for organizations that make information and services available through a Web browser. Now that information is literally available to anyone with a computer connected to the Internet, providers need to invest significant resources in their computer systems to ensure that users’ data is protected. The following are the key elements that need to be considered:

AUTHENTICATION

The system needs to ensure that the user who is attempting to access it is authorized to do so. Authentication can be done through a variety of mechanisms, but the most common is the user ID with a password or phrase.

ENCRYPTION

Since data made available by an Internet application travels across many individual computers before it arrives at its intended destination, it is critical that the information be protected. The most common method of encryption between a user’s Web browser and the provider’s Web server is Secure Sockets Layer (SSL). SSL is available as a feature of just about all contemporary Web browsers. The strength of the encryption algorithm that is used is measured in part by the length of the encryption key. There are two commonly used encryption strengths available today via Web browsers: 40-bit and 128-bit. Most financial organizations mandate the use of a minimum of 128-bit encryption to best protect important user data.

Advanced Capabilities

In addition to the standard account management, reporting and transactional capabilities discussed above, many providers are leveraging the Internet to deliver increasingly sophisticated capabilities. The following are some of the emerging capabilities that are currently being deployed by leading providers:

PERSONALIZATION

This capability allows users to customize or personalize their Web experience based on individual needs.

This capability has existed on many other frequently used Internet sites. As Internet applications become increasingly complex, some type of personalization capability makes it easier for users to tailor them for their own use.

PAYROLL DATA PROCESSING

Most plan sponsors need to supply payroll data to their provider on some type of recurring basis. Historically, this data was sent electronically using private network links, by mail on a diskette or on paper. The Internet has made it possible for plan sponsors to securely transmit this data to their service provider. Additionally, with the right types of automation software, transmitted payroll data can immediately be validated and the results sent back to the sponsor.

SINGLE SIGN-ON

This feature allows users to authenticate themselves once to the system and then to access multiple Internet applications—without having to log on multiple times. Single sign-on solutions have been deployed by large financial institutions with multiple product offerings. Their customers sign on to a single system (usually an Internet portal) and subsequently access the various accounts they have within that institution, such as 401(k), banking, brokerage, insurance, etc.

LOOKING FORWARD

Today, Internet capabilities are a critical component of services offered by plan providers to their sponsors and participants. In the future, providers will continue to seek new ways to leverage the Internet to improve service to participants and sponsors—and to increase the efficiency of their operations. Much of this new functionality will be centered around integrating the various Internet applications that users interact with and developing advanced collaboration and communication capabilities. Much of the new innovation will result from evolving user expectations. As the Internet continues to become increasingly critical in our daily lives, it is inevitable that the retirement services industry will develop additional solutions to leverage the Internet for participants, sponsors and other potential users. ▲

Dharmesh Shah is president and CEO of Pyramid Digital Solutions in Birmingham, AL, a provider of automation software for the retirement plan industry. Dharmesh is a frequent speaker at industry conferences and has authored articles for Benefits & Compensation Solutions, the Profit Sharing/401(k) Council of America’s Profit Sharing, The SPARK Journal, and 401kWire.com. In 2001, Dharmesh won the Birmingham Area Chamber of Commerce’s Small Business “Person of the Year” award.

DOL Issues Final Regulations on COBRA Notice Requirements

spouse and dependent children were the same, the DOL indicated that an employer could be deemed in good-faith compliance with ERISA §606(a)(4) if the employer sent a single first-class mailing addressed to the employee, spouse and children.

Qualifying beneficiaries who are disabled at the time they experience a change in employment status (*e.g.*, a termination, reduction of hours below the level required for coverage, etc.) are eligible for an extra 11 months of continuation coverage in addition to the regular 18-month continuation coverage period. To qualify for this extended period of COBRA coverage, disabled qualified beneficiaries must notify the plan administrator of their disability status within 60 days of their disability determination under Title II or Title XVI of the Social Security Act. Such notice must be given no later than the end of the regular 18-month COBRA coverage period that applies whenever there is a change in employment status.

Where there is a subsequent determination that the individual no longer is disabled, the person is required to notify the plan administrator within 30 days of such determination. The plan administrator then may terminate COBRA coverage at the beginning of the next month after the determination that a beneficiary is no longer disabled.

WHAT ARE THE CHANGES TO THE INITIAL GENERAL NOTICE REQUIREMENT?

The DOL retains the requirement from the proposed regulations that the initial general notice must be provided to the covered employees and covered spouses within 90 days after coverage under the plan begins, with some exceptions.

The final regulations now provide that any general notice provided according to the timing requirement under the final regulations will be deemed to be provided at the time of the commencement of coverage under the plan.

This requirement is met if one notice is addressed to both the covered employee and the spouse, if they reside in the same location. One exception to this rule is if a spouse becomes covered at a different time (special enrollments under HIPAA), then a separate initial notice must be provided to the spouse within the above deadline, unless the spouse's coverage begins before the date on which the notice must be provided to the covered employee. The final regulations clarify that a general notice does not need to be provided to dependent children.

This general notice can be provided in the employer's Summary Plan Description and deemed to meet the requirements, if provided within the 90-day deadline period.

If an election notice is required to be given to an individual within the 90-day period for furnishing the initial general notice, the plan administrator may satisfy its general notice obligation by furnishing an election notice to the individual. The following information must be contained in this initial general notice:

- Name of the employer's plan;
- Name, address and telephone number for the plan administrator, or (if different) COBRA administrator (only the party or parties responsible for providing information about the plan and COBRA upon request need(s) to be indicated);



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CCA Small Consulting Firms & Practices Roundtable

Co-Sponsored by CCA, CAS, SOA, AAA, CIA and ASPA

The Conference of Consulting Actuaries (CCA) is offering a half-day seminar on Tuesday, September 14, 2004, 2:00 p.m. to 5:00 p.m., at The Mirage in Las Vegas, NV. The roundtable will focus on running and marketing a small business. The discussions will be led by CCA members Margaret Tiller Sherwood and Robert E. Wilcox, who have multiple years of consulting experience and run successful smaller consulting firms. The seminar will be appropriate for actuaries currently at smaller consulting firms, those thinking about starting a consulting firm or those planning to consult part-time after retirement. Much of the discussion will apply to small consulting practices at large firms as well.

Note: The proposed regulations required that the names and contact information of both the plan administrator and the COBRA administrator be provided.

- An explanation of the importance of keeping the plan administrator informed of the participant's or qualified beneficiary's current address;
- A description of the plan's requirements for the qualified beneficiary to provide the notice of qualifying events and the plan's procedures of providing such notices;
- A description of the COBRA coverage made available under the plan (see box below);

Note: The requirement in the proposed regulations that information on possible extensions of the 18-month period, due to a second qualifying event, be disclosed has been eliminated.

- A statement that the notice does not fully describe COBRA coverage or other rights under the employer's plan and that more complete information is available in the Summary Plan Description;
- The model general notice, attached to the final regulations, is used for satisfying the initial notice requirement. It is a safe harbor and its use is not mandatory;
- Use of earlier released model initial notices is no longer considered good-faith compliance for this requirement;
- The final regulations provide that plan-specific identification information can be placed at the end of the notice; and

- The final regulations make it clear that the general notice is not required to provide information on COBRA coverage beginning dates.

WHAT ARE THE CHANGES FOR THE NOTICE FROM THE EMPLOYER TO THE PLAN ADMINISTRATOR?

The notice must contain sufficient information to enable the plan administrator to identify the plan, the covered employee, the qualifying event and the date of the qualifying event.

The 30-day requirement provided above is retained, but what is further clarified is that in those situations where COBRA coverage begins with the date of loss of coverage, the 30-day period must also begin with the date of loss of coverage rather than the date of the qualifying event.

These notice requirements only apply to single employer plans and not to multiemployer plans.

WHAT ARE THE CHANGES TO THE NOTICE FROM THE PLAN ADMINISTRATOR TO THE QUALIFIED BENEFICIARY(IES) REQUIREMENT ("ELECTION NOTICE")?

These notices must now be in writing, be written in a way to be understood by the average participant and contain the following items:

- The name of the employer's plan;
- The name, address and telephone number of the party responsible for COBRA administration;
- The identification, by name or status, of the each qualified beneficiary and his or her period of coverage;

Note: Final regulations clarify that the notice need not identify by name each qualified beneficiary. Qualified beneficiaries can be identified by their status (e.g., employee spouse, dependent child).

- An explanation of the importance of keeping the plan administrator informed of the participant's or qualified beneficiary's current address;
- A description of the qualifying event;
- The COBRA coverage made available;
- The maximum period of COBRA coverage available;
- COBRA coverage termination date;
- Events that may cause early termination of COBRA coverage;
- Manner in which the qualified beneficiaries must exercise their COBRA rights, including an explanation of the election time periods;
- A statement that each qualified beneficiary must have an independent right to elect COBRA coverage;
- Payment requirements;
- Payment schedule;

The initial general notice must have a description of COBRA coverage available under the plan, which includes the following items:

- Identification of classes of individuals who may become qualified beneficiaries;
- The types of qualifying events that give rise to the right to COBRA coverage;
- The obligation of the employer to notify the plan administrator of the occurrence of certain qualifying events;
- The maximum period for which COBRA coverage may be available;
- When and under what circumstances COBRA coverage may be extended beyond the maximum period; and
- The requirements for paying COBRA premiums.

- Payment policies (including grace periods and the consequences of late payment or nonpayment);
- A statement that the notice does not fully describe COBRA coverage or other rights under the employer's plan and more complete information is available in the summary plan description;
- Consequences of not electing COBRA coverage (The notice must explain that a covered employee or qualified beneficiary may lose rights under HIPAA by not electing COBRA coverage.); and
- Information on possible extensions of the 18-month period due to disability or second qualifying event.

Note: The final regulations eliminate the requirement that if the plan offered either alternative coverage or conversion options, the options must have described and explained how electing these options would affect their COBRA rights.

These notices must be furnished to each qualified beneficiary, except that a single notice may be provided to a covered employee and spouse residing at the same address or the covered employee or spouse for each dependent child residing at the same address "on the basis of the most recent information available to the plan."

Employers who also serve as plan administrators have 44 days to provide the notice. The final regulations clarify that this 44-day rule applies only in those cases where the employer is required to provide notice of a qualifying event to an administrator.

WHAT ARE THE CHANGES TO THE NOTICE FROM THE EMPLOYEE OR QUALIFIED BENEFICIARY(IES) TO THE PLAN ADMINISTRATOR?

Plans must establish "reasonable procedures" for furnishing these notices. Plans are deemed to meet this obligation if they:

- Describe the procedures in the plan's SPD;
- Specify who is designated to receive notices;
- Specify the means qualified beneficiaries must use for giving the notice;
- Specify the information concerning the qualifying event or determination of disability that the plan deems necessary to provide COBRA coverage; and
- Comply with the required time periods for providing notices and the requirements for the notice contents.

If a plan has not established "reasonable procedures," a qualified beneficiary will be deemed to have made a valid notice when he or she provides either a written or oral communication identifying a specific qualifying event in such a manner to bring the information to the attention to:

- The department of the employer which handles employee benefits in the case of a single employer plan;

Note: The proposed regulations had allowed notice to be given to any officer of the employer. The final regulations eliminate the requirement.

- The joint board, association committee or similar group, or the person or entity to which claims are referred to, in the case of a multiple employer or multiemployer plan; or
- The insurance company or any officer of the insurance company, in the case of a plan where benefits are provided or administered by an insurance company.

Because of the administrative nightmares that would occur if a plan did not establish "reasonable procedures," it is strongly recommended that employers adopt them.

A plan's procedures will not fail the reasonableness requirement solely because the procedures require the covered employee or qualified beneficiary to use a specific form to provide the notice.

The covered employee's or qualified beneficiary's failure to provide timely notice to the plan administrator does not affect the plan's obligation to make COBRA coverage available when the notice is received. This exception applies when a covered employee or qualified beneficiary has not been adequately informed of the obligation to provide notice.

The plan must allow an employee or qualified beneficiary at least 60 days to provide notice of a qualifying event. In the proposed regulations, the starting date was based, in part, on what the plan provided for the start of the COBRA coverage. The final regulations now provide that the 60-day period begins to run from the latest of:

- (1) The date of the qualifying event;
- (2) The date on which there is a loss of coverage; or
- (3) The date on which the qualifying beneficiary is informed, through the plan's SPD or the general COBRA notice, of his or her obligation to provide such notice and the procedures for providing such notice.

The plan may establish deadlines for providing notices that are greater than the 60-day period provided above. If a covered employee or qualified beneficiary fails to meet the notice deadlines, the plan does not have to offer COBRA coverage to such beneficiary. For these consequences to apply, a covered employee or qualified beneficiary must be informed of them.

A plan administrator may not reject an incomplete notice as untimely if the notice is provided within the plan's time limits and contains enough information

Because of the administrative nightmares that would occur if a plan did not establish “reasonable procedures,” it is strongly recommended that employers adopt them.

to enable the plan administrator to identify the plan, the covered employee and qualified beneficiaries, the qualifying event or disability determination and the date on which the related event occurred. If a timely notice does not contain all the required information, the plan administrator can require qualified beneficiaries to supply the missing information.

In regard to the disability extension, a plan may only refuse to grant the extension if a notice was not provided timely and the qualified beneficiary was notified of the consequences. The final regulations provide that qualified beneficiaries must provide a disability notice within 60 days after the latest of:

- (1) The date of the SSA disability determination;
- (2) The date on which the qualifying event occurs;
- (3) The date on which the qualifying beneficiary loses coverage; or
- (4) The date on which the qualified beneficiary is informed of the obligation to provide the disability notice.

As in other notice situations, the plan administrator may provide for a deadline greater than the 60-day period. Qualified beneficiaries must be informed of this greater period for it to apply.

A plan may not reject an incomplete notice as untimely if the notice is provided within the plan’s time limits and contains enough information to enable the plan administrator to identify the plan, the covered employee and the qualified beneficiary(ies), the qualifying event or the disability determination and the date on which such event or determination occurred. If all information required by the plan procedures is not provided, the plan administrator can require qualified beneficiaries to supply the missing information. If such missing information is not provided within a reasonable period of time, the final regulations indicate that the plan administrator can reject the notice.

WHAT ARE THE NEW NOTICE REQUIREMENTS?

The proposed regulations added two new notice requirements, the Notice of Unavailability of COBRA Coverage and the Notice of Early Termination of COBRA Coverage. The final regulations retain both requirements with a few changes:

- If a plan administrator receives a notice of a qualifying event from a participant or beneficiary not entitled to receive COBRA, the plan administrator is now required to provide a notice to such individuals explaining why he or she is not entitled to COBRA coverage. Such notice must be provided no later than 14 days after the plan administrator has received notice of a qualifying event.
- A plan administrator is now required to provide a notice to qualified beneficiaries in the event it terminates a period of COBRA coverage before the end of the maximum period. Such notice must be provided as soon as administratively practicable after the termination decision has been made. The notice must explain why and when the COBRA coverage is being terminated and must describe any rights to other coverage that these beneficiaries have upon termination. This notice can be combined with a certificate of creditable coverage. ▲

Lawrence L. Grudzien, JD, LLM, is an attorney practicing exclusively in the field of employee benefits. He has experience in the qualified plans, health and welfare, fringe benefits and executive compensation areas. Larry has more than 26 years of experience in employee benefit law. He has an extensive practice advising on all aspects of employee benefit law including: drafting and reviewing individually designed and prototype retirement plans, performing due diligence on employee benefit issues for merger, acquisition and outsourcing transactions and advising on administrative and design issues. Larry is the author of the Simplified Employee Survivor Manual, co-author of Designing & Administering 401(k) & SIMPLE Retirement Plans, and a contributing editor for the Journal of Pension Benefits. He is an adjunct faculty member of John Marshall Law School’s LLM program in Employee Benefits and at the Valparaiso University’s School of Law. Larry is also a member of Great Lakes Area TE/GE Council of the Internal Revenue Service and a member of the Indiana and Illinois Bars.

E-Filing Your PBGC Premiums

THE PBGC RECENTLY LAUNCHED AN ONLINE PREMIUM "E-FILING" SYSTEM CALLED MY PLAN ADMINISTRATION ACCOUNT (MY PAA). YOU CAN ACCESS MY PAA THROUGH THE PBGC WEB SITE AT WWW.PBGC.GOV. WITH MY PAA, YOU AND YOUR CLIENTS CAN ELECTRONICALLY CREATE, SIGN AND ROUTE PREMIUM FILINGS AND SUBMIT THEM, ALONG WITH THEIR ASSOCIATED PAYMENTS, TO THE PBGC. MY PAA IS NOW AVAILABLE FOR 2004 PLAN YEAR FILINGS.

SETTING UP A MY PAA ACCOUNT

The person who is authorized to coordinate the preparation and submission of a plan's premium filings to the PBGC through My PAA (e.g., the plan administrator or the enrolled actuary) is called the "Filing Coordinator." From the PBGC Web site, the Filing Coordinator registers to use My PAA and then invites others to be on the plan's "e-filing team"—for example, the plan administrator and the person who is authorized to make premium payments. The Filing Coordinator assigns authorities to each person added to the filing team, such as the authority to act as plan administrator or enrolled actuary.

When you register to use My PAA as the Filing Coordinator, My PAA establishes an individual account for you with a unique user ID and password. Each person you add to a plan's e-filing team will have a separate individual account (with a separate user ID and password). Once your account is established, you can add more plans to it, but those additional plans will not automatically show up on the accounts of the team members for the first plan. To build a team for each plan you add to your account, you will need to go through the invitation process you used for the first plan. Similarly, the Filing Coordinator for a plan that is not on your account can invite you to participate in the filing team for that plan. When you accept, that plan will show up on your account.

Each person who uses My PAA will have a separate individual account for all of that person's My PAA plans and activities, accessed by a single unique user ID and password. You can check the status of premium filings for each of the plans in your account by logging on to your My PAA home page.

FILING WITH MY PAA

When you or another team member creates an e-filing for a plan, the draft filing resides on a PBGC server and is accessible to all of that plan's team members. Team members pass "control" of the draft filing from one to another by e-mail for the addition of information, review, authorization of payment or "e-signature." (The Filing Coordinator can always resume control of a filing at any time.)

You draft a filing using a "filing wizard" that prompts for the information needed (and does not require you to answer questions that do not apply). Instructions are available right on the screen—just click next to any item to see the instructions for that item.

Each team member's account indicates the current status of the filing, and the e-mail that passes control of the filing from one team member to the next alerts the team member to whom control is passed that some action is required. In this way, the filing is completed and electronically signed, e-payment is authorized and the completed package is submitted to the PBGC. Only when the filing is formally submitted does it pass into the PBGC's premium system. At that point, a filing receipt is generated that all team members can access and print out.

ADVANTAGES OF MY PAA

The key advantages of My PAA are:

- You can prepare, review, authorize, pay and submit using the Internet and e-mail. The mailing of paper forms and checks is no longer required.
- You can keep track of multiple plans. My PAA provides real-time filing status information and electronic receipts. No longer do you need to wonder if a filing has been completed on time.
- Filing preparation is broken down into six manageable steps, and "in context" help is provided so that you can more easily and accurately complete each item in a filing.
- Key aspects of file preparation and premium calculation are automated and validated.
- You have three electronic payment options: ACH, Internet Check and Credit Card. No longer do you have to wait for paper checks to be cut by a finance department.
- E-filing reduces the lag time between when you submit a filing and when it is received by the PBGC. An e-filing's "Received Date and Time" is the exact moment that it "hits" PBGC's server (located in Washington, DC) based on eastern time. Rarely will it take more than a few minutes for an e-filing to be received.

The PBGC encourages you to try My PAA for your next premium filing.

For more information or to register to use My PAA, visit the PBGC's Web site, www.pbgc.gov, and click on the link to "Online Premium Filing (My PAA)."

Note: The PBGC will be conducting a demonstration at ASPA's Annual Conference in Washington, DC, in October. You can attend the demonstration session or stop by the PBGC booth for more information. ▲



Letter from the President

by Bruce L. Ashton, APM



Dear Fellow Members:

ASPA is coming of age. As we approach our 40th year, we are well on our way to 6,000 members, spanning a broad spectrum of professionals in the retirement plan industry. Partially in recognition of this maturation of our industry and our organization, ASPA's Board of Directors adopted a bold new strategic plan last January (as discussed in the January-February 2004 issue of *The ASPA Journal*) that should carry us through this decade and beyond.

Our growth has helped to fuel greater recognition of ASPA in the industry, but it does not come without challenges. One of those challenges has been what to call ourselves. While we must never abandon our actuarial roots, we must recognize that we are more than an actuarial organization. Over the last couple of decades, we have succeeded in bringing our actuaries together with a diverse cross-section of other pension professionals, and it is the combined efforts of all of these individuals that makes today's employer-sponsored retirement plan industry work. To address this amalgam of talents, as this is being written, we are sending our voting members a proposal to change ASPA's name to "American Society of Pension Professionals & Actuaries."

Another significant challenge has been organizational. I suspect that for many members, especially those

who have not had the opportunity to get involved as a volunteer in the activities of the organization, how we get things done is less relevant than the fact that they get done. While that may be a fair position to take, it fails to recognize that one of our great strengths has been the dedication and hard work of the hundreds—by now thousands—of members who have devoted enormous amounts of time to furthering our programs for the benefit of all our members:

- Preparing educational and examination materials so that we can offer a credentialing program;
- Planning and putting on eight significant conferences that draw in the aggregate upwards of 4,000 attendees annually so that our members and others can remain abreast of the latest developments, techniques and pitfalls of our industry;
- Monitoring legislative and regulatory developments and educating and cajoling elected representatives and regulators to help us preserve and enhance the employer-based retirement system; and
- Providing a host of other member benefits that we now take for granted.

As we grow, however, it is time to recognize that we cannot continue to place this burden exclusively on volunteers; it is necessary to enlist the assistance of the professionals on our paid staff in a more participatory way to achieve ASPA's goals. To this end, at an historic electronic Board meeting webcast in early June, the Board created a new management structure, unique to volunteer organizations such as ours, that recognizes our senior staff officers (referred to as "chiefs" of the various areas of responsibility within the organization) as peers of the volunteer committee leaders and creates a team to help manage our affairs. Here's the structure:

- The President, President-Elect and Executive Director of ASPA form what we have labeled the "Management Council" to oversee day-to-day operations of the organization. The Management Council operates within the strategic directives of the Board of Directors and Executive Committee and has overall management oversight of the staff and volunteers of ASPA.
- The chairs of our major committees—E&E, Conferences, GAC, Membership, Marketing and the ABC Committee—along with their peers on the

ASPA WANTS YOU...

To Nominate a Fellow Member to the ASPA Board of Directors!

**ASPA Credentialed Members:
Your input is needed!**

A nomination form is included in this issue of *The ASPA Journal*. Nominations must be submitted no later than August 25, 2004. See the May-June 2004 issue of *The ASPA Journal* (page 27) for a complete explanation of the nomination process.

staff (the “chiefs” as described in the next bullet) form the newly created ASPA Management Team (AMT) that will oversee the specific functions in these areas and help coordinate the activities of the organization in an effort to achieve a higher level of synergy among these areas.

- Among our staff, we now have five senior officers—the chiefs I referred to above—who will serve on the AMT: a Chief of Program Services (Jane Grimm, who supervises the Meetings, Membership and Data Services staffs, serves as a senior editor of this publication, functions as the HR director for ASPA, oversees other internal office operations and serves as the staff liaison for the Board and Executive Committee); a Chief Financial Officer (Tom Hopkins, CPA, MBA, who also manages information technology within the national office); a Chief Marketing Officer (Pecanne Jennings, MBA, who supervises the marketing, communications, sales and press relations functions); a Chief of Government Affairs (currently Brian Graff, Esq., CPA, who is serving in this capacity in addition to his responsibilities as Executive Director pending the hiring of an additional senior government affairs advisor for ASPA); and a Chief of Pension

Education (who will work with the E&E Committee on our education and examination functions on a basis that the Board is still in the process of determining).

It is our hope and expectation that the AMT will create a true partnership between the members and the staff, that we will be able to place operational responsibility where it belongs and relieve both volunteers and staff members of burdens that are inappropriate for their positions and that we will achieve efficiencies and effectiveness to help ASPA meet its strategic goals.

If you would like more information about the new structure or would like to become a volunteer in ASPA, please e-mail me at bruceashton@reish.com. Thanks for your membership in our vital, dynamic and growing Society. ▲

Bruce L. Ashton, APM, is a partner with Reish Luftman Reicher & Cohen. His practice focuses on all aspects of employee benefits issues, including representing plans and their sponsors before the IRS and DOL's EBSA. Bruce currently serves as ASPA's President. He has served on ASPA's Board of Directors and as Co-chair of ASPA's GAC.

MARK YOUR CALENDAR!

Central and Mountain States Benefits Conference

*Early Registration Ends
August 22!*

September 13-14, 2004
Hyatt Regency Denver
Denver, CO



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- IRS Guidance
- Treasury Initiatives
- EBSA Audits
- Voluntary Compliance
- Recent Court Cases
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Special room rates are available through the Hyatt Regency for conference attendees (\$149/single and \$169/double).
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A Recap of the 2004 Great Lakes Benefits Conference

by Barry Kozak, MSPA



ON APRIL 29 AND 30, THE WINDY CITY ONCE AGAIN PLAYED HOST TO THE ANNUAL ASPA/IRS GREAT LAKES BENEFITS CONFERENCE. THIS YEAR, WE WERE BACK IN CHICAGO'S PRESTIGIOUS FAIRMONT HOTEL—RIGHT IN THE HEART OF THE LOOP AND WITHIN A STONE'S THROW OF LAKE MICHIGAN. AS A MEMBER OF THE STEERING COMMITTEE AND AS AN ATTENDEE, I TRUTHFULLY BELIEVE THAT THIS WAS ONE OF THE BETTER EMPLOYEE BENEFITS CONFERENCES IN A LONG TIME. THE MEETING CO-CHAIRS, LESLIE A. KLEIN, APM, A PARTNER AT SONNENSCHN NATH & ROSENTHAL LLP AND FORMER MEMBER OF ASPA'S BOARD OF DIRECTORS, AND MONIKA A. TEMPLEMAN, AREA MANAGER OF THE IRS GREAT LAKES TE/GE GROUP, ALONG WITH THEIR ACE EXECUTIVE TEAM OF SHANNON SKINNER ANGLIN, APM, JANE L. OSA, MSPA, RICHARD BEDDOME AND WILEY RANSOM, DESERVE ALL OF THE CREDIT FOR HOSTING SUCH AN OUTSTANDING AND WELL-RECEIVED PROGRAM. THEY HAVE BEEN CO-CHAIRING THIS PROGRAM FOR SEVERAL YEARS NOW AND IT'S NICE TO SEE THAT, AT LEAST IN THEIR CASE, SUCH REPETITIVE PLANNING INSPIRES CREATIVITY RATHER THAN INDOLENCE.

Obviously, there are a lot of hot issues that need to be addressed at any such employee benefits conference, and this program included the expected panel discussions regarding plan administration and design [such as the IRS examination initiatives, self-correction programs and tax abuse targets, nondiscrimination testing in 401(k) and pension plans and defined benefit plan funding and Schedule B problems]. However, the program also included some unique panels, such as a mock DOL audit led by Steven L. Haugen, Chicago's Deputy Regional Director of EBSA, and an update on ERISA Title IV terminations, with Terrence Deneen, a high ranking attorney from the PBGC. Some of the more memorable speakers included: ASPA's own Brian H. Graff, Esq., and a panel of IRS and Treasury experts (such as Martin L. Pippins, Paul T. Shultz and Marjorie Hoffman) providing a Washington legislative and regulatory update; Treasury's fresh new face of Daniel Hogans, who substituted for boss, William F. Sweetnam, and opined on future guidance in *views that were his own and not necessarily those of the Department of Treasury*; Alex M. Brucker, APM, with his highly anticipated annual comedic (yet in depth) review of employee benefits litigation issues; Joyce Kahn and Prof. Kathryn J. Kennedy analyzing the EPCRS program (and assuring us that there would not be any new acronyms as the self-correction program continues to evolve); and Les Klein's unique insight into both IRS and DOL audits (yes, he advised on how to prepare for them as well as how to win them). The lunches, in the hotel's infamous Moulan Rouge room, were special as well, as they featured Preston R. Butcher, the IRS Director of EP Examinations, speaking on the first day of the program, and, on the second day, S. Derrin Watson, APM, who entertained

us with comedy skits and song parodies about the topic dear to all of our collective hearts—employee benefit plans.

These regional programs sponsored by ASPA also provide great networking opportunities. At the Great Lakes Benefits Conference, the several hundred attendees got to enjoy an intimate cocktail reception, where new professional and personal friendships are bound to be formed, and where existing ones are usually reinforced. As someone who has somewhat mastered the art of networking (or, at the very least, someone who can successfully weave through the crowd, ever-ready to exchange a business card or two, and all the while chatting with colleagues and simultaneously balancing a plate of cheese and crackers with a glass of merlot), I try to find those lonely-looking first time attendees and help ease them into the way of the professional reception. It is very worthwhile to integrate the new attendees into the mix, and I recommend that everyone try to find those fresh new faces at any type of business reception and do your best to make them feel comfortable. On a personal note, I wish to thank Les and Monika for an especially memorable speaker's dinner. Although most of us in the room knew each other professionally, we had to go around the table and offer up a personal hobby or other little known anecdote about ourselves. It was great to learn who plays piano and who collects porcelain frogs (and I think we all already knew which IRS personality fervently goes fishing).

All in all, the two-day benefits conference held in the heart of Chicago in April 2004 attracted attendees and speakers from all over the nation. There are a lot of renewed examinations and outreach activities within the IRS, and a lot of the benefits issues that have lain



dormant for the last few years are now starting to bubble up again. The 2004 ASPA/IRS Great Lakes Benefits Conference definitely captured the spirit of employee benefits practice in this exciting and ever-changing environment. I am looking forward to next year's conference and to meeting other ASPA members who venture out to The City of Big Shoulders (please note that as a native New Yorker, I purposely avoided using Second City to refer to my now-beloved Chicago). ▲

Barry Kozak, MSPA, is an associate attorney at Bell, Boyd & Lloyd, LLC in its Chicago, IL, office, where he works exclusively in its Employee Benefits and Executive Compensation group. Before receiving his JD and LL.M. (Employee Benefits) degrees from the John Marshall Law School in Chicago, Barry earned his Enrolled Actuary, Chartered Financial Consultant and NASD Registered Representative professional designations. Barry is an adjunct professor at the John Marshall Law School and teaches classes in its Master of Laws (LLM) program in Employee Benefits. Barry is the founder and current co-chair of the Chicago Bar Association Young Lawyers Section Employee Benefits Task Force and has been honored for his leadership potential as a John S. Nolan Fellow of the American Bar Association Section of Taxation.

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ASPA BENEFITS COUNCILS CALENDAR OF EVENTS

Date	Location	Event	Speakers
August	Western Pennsylvania	Pirates Baseball Game for Members Only	N/A
August 24	North Florida	Investments and Fiduciary Responsibility	Don Trone, Director, Center for Fiduciary Studies
August 31	North Florida	Plan Retirement Issues and Investments	TBD
September 9	Delaware Valley	Important Technical and Compliance Issues	Sal L. Tripodi, APM, and Brian H. Graff, Esq.
September 16	Great Northwest	ERISA Issues	Sal L. Tripodi, APM
September 21	Northern Indiana	Hot Topics	Brian H. Graff, Esq.
September 22	Western Pennsylvania	Pertinent Issues Regarding Plan Audits	Tom Schutzman, Group Manager, Employee Plans Audit Team, IRS
November 16	Texas Gulf Coast	Washington Update	Brian H. Graff, Esq.
November 30	North Florida	ASPA Annual Update and Holiday Mixer	Craig P. Hoffman, APM
December 4	Western Pennsylvania	Year-End Gala	TBD



Atlanta Benefits Council— Continued Membership Growth!

by Joni L. Jennings, CPC, QPA

THE ASPA BENEFITS COUNCIL (ABC) OF ATLANTA IS PROUD TO ANNOUNCE THAT WE CONTINUE TO EXPERIENCE GROWTH IN BOTH OUR MEMBERSHIP AND EDUCATIONAL SUCCESS. NOW IN OUR NINTH YEAR, WE CURRENTLY HAVE 17 CORPORATE MEMBERS (MADE UP OF 148 INDIVIDUALS) AND 49 INDIVIDUAL MEMBERS. WE WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK ALL OF OUR MEMBERS FOR THEIR CONTINUED SUPPORT.

2004 is proving to be an exciting year for the ABC of Atlanta! We have had an all-star cast of speakers for our workshops and have booked several more for this year.

Our first breakfast workshop this year, entitled "Selection of Economic Assumptions," was presented in late February by Larry Deutsch, MSPA, of Larry Deutsch Enterprises and Larry Deutsch Penguin Consulting and Design, Ltd. The discussion included recent economic events and the effects of selecting different assumptions on rates of return used in funding a pension plan. This presentation was very beneficial for those who are involved in both pension funding and those interested in selecting fund options in defined contribution plans due to changing market conditions.

In April, we were honored to have Sal L. Tripodi, APM, present a full day workshop on "Current Developments and Regulatory Updates." Sal and his consulting firm, TRI Pension Services, are best known for authoring *The ERISA Outline Book*, published by ASPA. Sal spoke on the practical impact of recent IRS and DOL rulings, regulatory changes and court decisions. He presented useful case studies and gave our audience the opportunity to ask practical questions regarding the implementation of new regulations regarding 401(k) and other types of qualified plans. We are excited to thank Transamerica Retirement Services for sponsoring this workshop.

On May 27, we had a question and answer workshop called "Ask Janice" by Janice Wegesin, CPC, QPA, a renowned expert in the retirement plan area. She is the author of Aspen Publishers' *5500 Preparer's Manual* and is a frequent speaker at ASPA and NIPA conferences. Janice joined us for an informal breakfast where pension professionals had the opportunity to present questions directly to Janice for her practical answers to administrative issues. As an experiment, we asked attendees to post questions to our Web site ahead of time. Even though this approach to participant involvement was not widely used in our first attempt, we hope that it will become an important part of the planning process for future workshops.

On June 22, the ABC of Atlanta hosted its first "free" half-day workshop. In order to acknowledge our current members and to attract new membership in the Atlanta area, we hosted the "Nuts and Bolts of Form 5500." Adam C. Pozek, our current ABC President, presented. We had hoped that this particular seminar would appeal to a wide variety of benefit professionals. Adam walked through the basics of Form 5500 and its required attachments, and he highlighted some of the changes to the 2003 forms. He also discussed some of the implications of common answers on the forms and provided an overview of proposed changes to the electronic filing process.

In September, Richard A. Hochman, APM, will present a workshop on "Plan Compensation," and in November we will welcome ASPA's Executive Director/CEO, Brian H. Graff, Esq., for a legislative update in this election year. We have also tentatively scheduled a workshop on non-qualified plans later in the fall.

In addition to our successful workshops, the Atlanta ABC Board has been busy updating our Web site to make it more informative, approving new bylaws and creating a new Public Relations Committee. We would like to thank our ABC Board members for their continued hard work and dedication to providing education in Atlanta and the surrounding areas. If you would like more information about who we are and who is involved, please visit our Web site at www.atlantaabc.com. ▲

Joni L. Jennings, CPC, QPA, has over 12 years of experience in the retirement plan industry and is currently a senior consultant with Pension Financial Services, Inc. She has been with PFS for the last nine years and has focused primarily on the compliance administration of defined contribution plans. At PFS, Joni provides consulting, administration and design services to clients in the takeover and implementation phase. In addition, a significant portion of her time is devoted to providing ongoing administration and consulting services to clients who maintain Employee Stock Ownership Plans. Joni has been a member of ASPA since 1999.



Western Pennsylvania Benefits Council—Strong Out of the Gate!

by Stephanie M. Hepler



IT IS HARD TO BELIEVE THAT THE ASPA BENEFITS COUNCIL (ABC) OF WESTERN PENNSYLVANIA (LOCATED IN PITTSBURGH) IS NOW IN ITS FOURTH YEAR. WE STARTED 2004 STRONG OUT OF THE GATE AND LOOK TO MAINTAIN THE PACE. OUR MEMBERSHIP AND ATTENDEES MUST ENJOY THE SPIRITED QUARTERLY LUNCH MEETINGS!

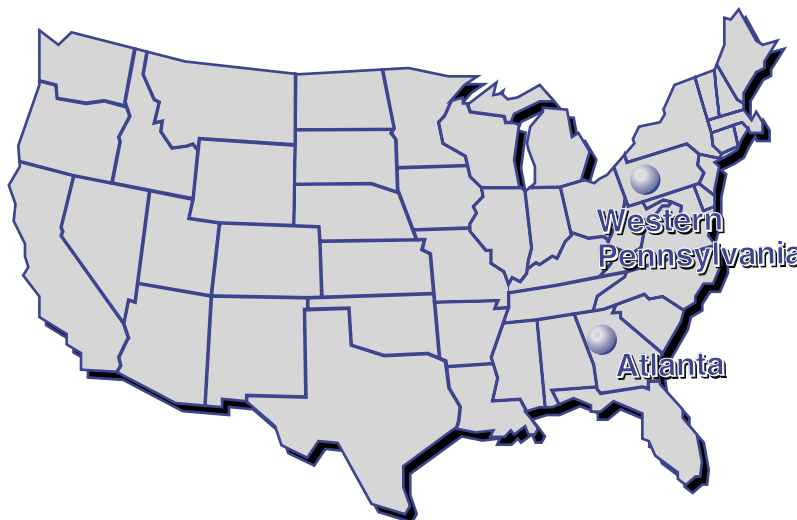
In April, we were fortunate to have ASPA's Executive Director/CEO, Brian H. Graff, Esq., present our group with an update on what's happening in Washington, DC. As always, his presentation was both educational and entertaining. Believe it or not, we could have listened to him for another few hours!

Our June meeting was highly anticipated. Alex M. Brucker, APM, was here to give an update on recent court cases involving plan sponsors, the government, plan participants and other interested parties. When the quote, "If you don't settle reasonably, we'll call in Brucker," appeared in his biography, we knew we had to have him as a speaker.

Last year's "members only" social gathering in August combined socializing and caricatures. It was so much fun that it was hard to imagine we could top it in 2004. We're going to give it a try by hosting a night-out at PNC Park this summer and cheer the Pirates to victory. Let's go Bucs!

On September 22, Tom Shutzman, Group Manager, Employee Plans Audit Team from the Pittsburgh office of the Internal Revenue Service, will discuss pertinent issues regarding plan audits. We're hoping this will give our attendees some insight on IRS procedures and what types of plans and/or employers may be targeted in the near future.

The final meeting of the year is our gala event, which will be held in early December. Once again it will be an afternoon that begins with education and concludes with a cocktail reception and an auction. Our auction is a great way to have fun and win some really nice prizes. Our attendees purchase raffle tickets and then choose the prize (or prizes) they hope to win. The higher the number of raffle tickets entered for a prize by the bidder increases the odds of winning that prize at the end of the auction. One prize package that has been extremely successful is "Parents' Night Out." This prize package comes with popcorn, soda pop and a video rental gift certificate for the kids and



the babysitter as well as movie tickets and a dinner gift certificate for the parents.

Our gala is always a great way to end the year and get ready for the upcoming busy season. Be sure to stay tuned to the ASPA Web site for more information on the exciting conclusion to our 2004 year!

For more information about the ABC of Western Pennsylvania, including membership registration and upcoming events, contact Russ Smith, CPC, QPA, QKA, Public Relations Chair, at russ@metrobenefits.com or (412) 931-4000. ▲

Stephanie M. Hepler is an administrator with Dunbar, Bender & Zapf, Inc., an actuarial and employee benefit consulting firm in Pittsburgh, PA. She has been in the employee benefits field for 18 years and her experience includes plan design, administration and compliance. Stephanie has been involved with the Western Pennsylvania ABC Board since its inception in the fall of 2000.



EBSA Launches National Education Campaign: “Getting It Right—Know Your Fiduciary Responsibilities”

In May 2004, the Employee Benefits Security Administration (EBSA) launched its newest compliance assistance program: Getting It Right—Know Your Fiduciary Responsibilities. The program is meant to improve workers’ health and retirement security by helping plan sponsors meet their fiduciary responsibilities in understanding the law under ERISA and their basic fiduciary responsibilities when operating a retirement plan. The program is designed to help employers avoid the most common problems EBSA encounters in its enforcement activities.

EBSA acknowledges that getting it right can be challenging, especially true for small and medium-sized employers who have limited time, resources and access to professional help with benefit programs.

For plan sponsors and other fiduciaries, getting it right means:

- Understanding the terms of their plans;
- Selecting and monitoring service providers carefully;
- Making timely contributions to fund benefits;
- Avoiding prohibited transactions; and
- Making timely disclosures to workers and their beneficiaries and reports to the government.

The campaign combines free seminars around the country, new educational materials on topics such as understanding fees and selecting an auditor and a dedicated Web page on EBSA’s Web site. Seminars, which began in June 2004, are scheduled for Florida, Ohio, Massachusetts and Arizona.

The publications and information on the upcoming seminars is available at the program’s Web page at www.dol.gov/ebsa/fiduciaryeducation.html or by calling toll-free (866) 444-EBSA (3272).



WELCOME NEW MEMBERS!

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Kenneth K. Lining
Philip Oreto
Julius Smetona

GPC

Lori F. Berliner
April M. Fuller
Thomas E. Poje

QPA

Terry A. Blanton-Pastor
Mark C. Graham
Weixing Han
Marie Herron
Leah L. Litten
Joseph A. Plaia
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Attention QKAs! Sharpen Your DC Administration Skills and Take the Next Step in Your Pension Career!

by Dana C. Miller, CPC



CONGRATULATIONS! YOU'RE NOW A QUALIFIED 401(k) ADMINISTRATOR (QKA). YOU HAVE DEMONSTRATED THAT YOU KNOW A LOT ABOUT THE ADMINISTRATION OF 401(k) PLANS UNDER NORMAL CIRCUMSTANCES. YOU HAVE INCREASED YOUR VALUE TO YOUR EMPLOYER AND HAVE ENHANCED YOUR CAREER PATH BY DEDICATING YOURSELF TO INCREASING YOUR PENSION KNOWLEDGE AND ACCOMPLISHING YOUR GOAL.

After you have given yourself a few minutes to congratulate yourself on your achievement and bask in the glow of your success, you need to start thinking about what your next step should be in your pension career. You do not need to think long because I have an answer ready for you. The most logical and compelling way to advance yourself further would be to prepare for the DC-3 examination that will be offered for the first time during the August 2004 examination window. The DC-3 examination covers advanced topics in defined contribution administration. These topics include:

- Controlled and Affiliated Service Groups
- Compensation Issues
- Average Benefits Testing and Other Nondiscrimination Rules
- Employee Stock Ownership Plans
- Fiduciary Standards
- Prohibited Transactions
- Life Insurance and Distributions

Now that you have mastered the basic concepts and compliance issues for defined contribution plans, it is a good time to round out your education by tackling the complex issues that can come up now and then during your day-to-day working lives. Preparing for the DC-3 examination is an excellent way to fill in any missing gaps in your pension experience and to take another step in advancing your pension career toward the Qualified Pension Administrator (QPA) designation, and ultimately the Certified Pension Consultant (CPC) designation.

You can next register to take the DC-3 examination during the fall examination window by completing the application in the ASPA *Program Catalog* or by going to the ASPA Web site at www.aspa.org. The early registration deadline is September 30, 2004, and the final registration deadline is October 31, 2004. The fall examination window begins November 1, 2004,

and ends December 15, 2004. The early registration fee for ASPA members is \$175. If you have any questions, feel free to contact the ASPA Education & Examination department at (703) 516-9300 or educaspa@aspa.org. ▲

Dana C. Miller, CPC, is the vice president of operations at CPI Qualified Plan Consultants, Inc. in Great Bend, KS. Dana has over 20 years of experience with CPI, a third party recordkeeping firm that provides administration/recordkeeping services nationwide for qualified retirement plans, specializing in daily 401(k), 403(b) and 457 plans as well as flexible benefit plans. Dana is the Examination Chair of ASPA's Education and Examination Committee and serves on the Central and Mountain States Benefits Conference subcommittee.



Attention ASPA Designated Members

Don't Forget! ASPA's 2003–2004 Continuing Education cycle ends December 31, 2004.

For more information go to:

<http://www.aspa.org/faq/conted.htm>



ASPAC is proud to announce the following members of its Presidents and Leaders Clubs.

*Karen A. Jordan, CPC, QPA, QKA; Co-chair,
C. Frederick Reish, APM; Co-chair*

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Sally J. Zavattari, FSPA, CPC

ASPAC Leaders Club members have contributed \$500 or more from January 1, 2003, through June 30, 2004. Members of the ASPAC Presidents Club have contributed more than \$5,000 cumulatively within a five-year period. Only ASPAC members may join ASPAC (corporate donations are not allowed). Contributions to political action committees are not deductible for federal income tax purposes. Federal law requires political action committees to report the name, mailing address, occupation and name of employer for each individual whose contributions exceed \$200 in a calendar year. This member list is a partial listing and only includes those who have given permission to use their name.

Weekend Classes—ASPAC Exams



Weekend preparatory classes for ASPAC's exams are being offered October 16-17, 2004, in Philadelphia, PA. The six classes (DC-1, DC-2, DC-3, DB, C-3 and C-4) will be presented by instructors who have previously taught ASPAC weekend and semester-long courses or have been on the ASPAC Education and Examination Committee. For more information or a registration form, contact Bill Karbon at bkarbon@optonline.net or (609) 712-3351.

The announcement of these weekend classes does not constitute endorsement by ASPAC. In order to preserve the integrity of the examination process, measures are taken by ASPAC to prevent class instructors from having any access to information that is not available to the general public. Accordingly, the students should understand that there is no advantage to participation in these classes by reason that they are publicized by the sponsor of the examinations.

2004

Jul 31	Final Registration Deadline for Summer Examinations	
Aug 1-31	DC-1, DC-2, DC-3 and DB Summer Examination Window	
Aug 15	Postponement Deadline for Summer Examinations	
Aug 18	What Does It All Mean? Late-Day Trading Webcast	2
Sep 13-14	Central and Mountain States Benefits Conference Denver, CO	15
Sep 22	New Distribution Rules for Defined Benefit Plans Webcast	2
Sep 30	Early Registration Deadline for Fall Examinations	
Oct 24-27	Annual Conference Washington, DC	20
Oct 31	Final Registration Deadline for Fall Examinations	
Nov 1-Dec 15	DC-1, DC-2, DC-3 and DB Fall Examination Window	
Nov 12	C-3, C-4 and A-4 Postponement Deadline for Fall Examinations	
Nov 17	C-3 and A-4 Examinations	
Nov 18	C-4 Examinations	
Dec 1	DC-1, DC-2, DC-3 and DB Postponement Deadline for Fall Examinations	
Dec 15	PA 1-3 2004 Edition Paper Examinations Deadline	

Education

August 1-31
DC-1, DC-2, DC-3 and
DB Summer
Examination Window

September 30
Early Registration Deadline
for Fall Examinations

Membership

Remember 2004
Nominations to the
Board of Directors
Due August 25

Conferences

September 13-14
Central and Mountain States
Benefits Conference
Denver, CO

October 24-27
Annual Conference
Washington, DC

ASPA Annual Conference

October 24-27, 2004
Washington, DC

Washington Hilton and Towers
1919 Connecticut Avenue, NW

For more information, contact
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