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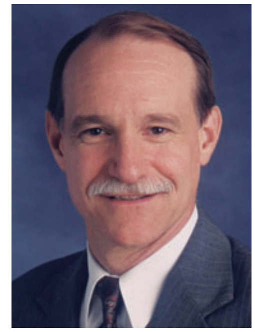
President's Page



Retirement Savings: How Do We Know When We Are Making Progress?

We need to keep the focus on those who need our help the most.

By David Wray

While it is critical that we save more for retirement, it is important that we address this challenge by recognizing the progress we are making and focusing our attention where the need is greatest. Characterizing the U.S. retirement savings situation in catastrophic terms scatters our efforts, results in solutions that are too general, and discourages those who most need to make a retirement savings commitment. For example, I recently talked to an educated young woman who said she believes it's not possible to save enough, so she was not going to try. Instead, she planned to work until she died.

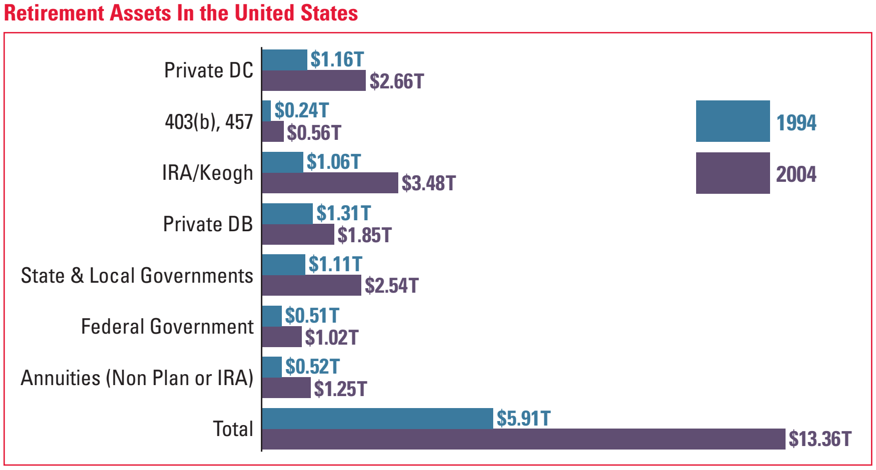
In the PSCA Signature Awards Program that recognizes plan communications excellence, we look not just for an attractive brochure but quantified evidence of success. I suggest we do the same with our retirement savings efforts. Following is a chart that compares the total accumulations in programs designed to encourage retirement asset accumulation. At the end of 2004, we had more than $13 trillion set aside for retirement (more than double what we had 10 years ago). Today's retirees are better off than any before, and retirees have the lowest poverty rate of any age demographic.

It is also important to factor in the role of Social Security for average wage workers. According to the 2005 Social Security Trustees Report, the average 65-year-old retiring in 2005 receives a Social Security benefit that replaces 43.2 percent of pre-retirement income. Those with average earnings at 45 percent of the national average will receive an annuity equal to 65 percent of their pre-retirement income. These annuity payments are subsequently adjusted for inflation. Married couples can each elect to receive their own benefit or 150 percent of the higher benefit. For the average wage earner with a spouse who does not work, social security will replace 64.8 percent of income. According to the 2004 Aon Consulting/Georgia State University Replacement Ratio Study, the income replacement ratio of a retiree with $40,000 in pre-retirement income is 80 percent. Social Security will provide more than half of what is needed for most workers, even if in the future they may have to work longer to get it.

We have made progress, and current programs will be part of future solutions. Those who have access to and take advantage of employer-provided retirement plans, such as a 401(k), are on their way to a financially successful retirement. Our challenge is helping those who are not. The 2006 National Summit on Retirement Savings is focused on what organizers term "at risk groups." The goal of the summit is to develop retirement savings solutions for new entrants to the workforce, workers nearing retirement, low-income workers, and employees of small businesses. I am pleased to be a part of that conversation.

By the way, what do you think of my suggestion to use Federal Reserve reported assets to chart our nation's retirement savings progress? Do you have an alternative? Let me know at davidw@psca.org.

Retirement Assets In the United States



Sources: The Federal Reserve and the Investment Company Institute

Dave Wray is PSCA's president.

Washington Watch

DOL Clarifies Status of Participants' Financial Advisors

Guidelines for investment advice on participants' individual accounts.

By Ian Kopelman

In late December the Department of Labor provided much-needed guidance for plan sponsors on the status of financial planners, investment advisors, or investment managers who provide direction to a plan participant with respect to the investment of that participant's individual account. In Advisory Opinion Letter 2005-23A, the DOL answered three questions on the application of ERISA's fiduciary rules to specific fact sets involving such advisors.

The Opinion addresses the circumstances under which an individual participant's financial advisor is an ERISA fiduciary. More importantly for plan sponsors, trustees, and administrators, it also discusses the responsibilities of other plan fiduciaries in these circumstances. In the Opinion, the DOL concluded that in a participant-directed individual account plan that satisfies Section 404(c) of ERISA, plan fiduciaries would not be liable as fiduciaries for either the participant's selection of an investment advisor or the result of such advisor's investment decisions or recommendations. Further, the DOL stated that when an individual who is already a plan fiduciary answers a participants' questions about the advisability of taking a distribution and how to invest the assets after distribution, he or she is acting in a fiduciary capacity and in responding is subject to all ERISA's standards and rules for carrying out fiduciary duties. The DOL's analysis and response to each of the three questions are examined in more detail below.

Question 1

Is an individual who advises a participant, in exchange for a fee, on how to invest the assets in the participant's account or manages the investment of the assets in the participant's account, a fiduciary with respect to the plan within the meaning of Section 3(21)(a) of ERISA?

The DOL stated that directing the investment of a plan constitutes the exercise of authority and control over the management or disposition of plan assets and makes the person directing the investments a fiduciary, even if that person is selected by the individual participant and has no other connection to the plan. This would apply even to an individual account plan that allows participants or beneficiaries to direct the investment of their accounts, because ERISA's definition of fiduciary as including anyone who provides investment advice to the plan for a fee also applies to investment advice provided to participants with respect to their accounts.

Fiduciary status is also addressed in the context of a Section 404(c) plan. Section 404(c) of ERISA provides that when an individual account plan permits a participant to exercise control over the assets in his or her account and a participant exercises such control, no other person who is otherwise a plan fiduciary is liable for any loss, or by reason of any breach, which results from such participant's exercise of control. The DOL concludes that an investment advisor who is selected by a participant to manage the investment of the participant's account under a Section 404(c) plan would be liable for imprudent investment decisions because those decisions would not have been the direct and necessary result of the participant's exercise of control, even though the participant selected the investment advisor to manage his or her account.

As noted above, the Advisory Opinion states that other fiduciaries of a Section 404(c) plan would not be liable as fiduciaries for either the participant's selection of an investment advisor or the result of such advisor's investment decisions or recommendations and would have no obligation to advise the participant about the investment advisor or its decisions or recommendations. However, in a footnote the DOL makes the point that other plan fiduciaries could be liable as co-fiduciaries under ERISA under some circumstances, such as when they knowingly participated in an advisor's fiduciary breach.

Question 2

Does a recommendation that a participant roll over his or her account bal-

ance to an individual retirement account (IRA) to take advantage of investment options not available under the plan constitute investment advice with respect to plan assets?

The DOL's position is that advising a participant to take an otherwise permissible plan distribution does not constitute "investment advice" under ERISA. This is true even if the advice to take a distribution is combined with a recommendation for the investment of the assets after distribution because the advice is being provided with respect to funds that are no longer plan assets. However, when someone who is already a plan fiduciary responds to a participant's questions about the advisability of taking a distribution or the investment of the assets after distribution, he or she is doing so in a fiduciary capacity subject to ERISA's fiduciary duty standards. Also, if such a fiduciary causes a participant to take a distribution and invest the proceeds in an IRA account managed by the fiduciary, the fiduciary may be using plan assets in his or her own interest in violation of ERISA's prohibited transaction rules.

Question 3

Would an advisor who is not otherwise a plan fiduciary, and who recommends that a participant withdraw funds from the plan and invest the funds in an IRA, engage in a prohibited transaction if the advisor will earn management or other investment fees related to the IRA?

The DOL applied the same analysis to this situation as it used for Question 2. If the advisor is not connected to the plan, advising a participant to take a permissible distribution and directing the investment of the distributed assets is not investment advice for purposes of the plan. Again, this does not apply to an individual who is already a plan fiduciary. In that case the advice would be subject to ERISA's fiduciary duties and could result in a prohibited transaction.

While Advisory Opinion Letter 2005-23A does not contain any new or surprising guidance on the DOL's positions, it does give plan fiduciaries and participants' financial advisors a clear picture of the extent of their responsibilities when a financial advisor is providing the individual participant with advice or direction on the investment of his or her account under the plan.

Ian Kopelman is a partner at DLA Piper Rudnick Gray Cary US LLP. Ian is also PSCA's legal counsel.

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Optimizing Your 401(k) Plan

Reasons why and tips on how to maximize your company's plan for everyone involved.

By Jim Phillips

> Some employers do the minimum and think that 404(c) is going to protect them. Unfortunately 404(c) protection is a lot more elusive than commonly thought.

> Be a Knight in Shining Armor and establish a link between career-long service and life-long security. You can cut liability and turnover and improve employee loyalty.

It's time to shake up the status quo. Defensively-based plan management is shortchanging employees out of millions of dollars in retirement savings. Use this template as a powerful tool to help fulfill your legal and moral obligations. Identify and address your plan deficiencies now.

In ERISA there's an embedded concept known as *Duty of Loyalty*. This is the responsibility of anyone in a plan-level decision making capacity to act in a dedicated way to foster retirement benefits for plan participants and their beneficiaries. We interpret *Duty of Loyalty* as a mandate to do everything you reasonably can to ensure that the largest numbers of eligible individuals are able to retire with the greatest amount of financial security that their risk tolerance and circumstances will allow.

If you already perform a comprehensive annual review, some of these ideas may help to make it even more effective. If you're behind the curve, then make the commitment today to get serious about your *Duty of Loyalty*, and start enjoying:

- Reduced liability for the employer and the plan's individual decision makers
- Better testing results, perhaps increasing the amount your Highly Compensated Employees ("HCEs") can contribute
- Greater employee satisfaction with this part of the benefits package
- Enhanced efficiencies in plan operations, saving time and money
- Greater and broader wealth accumulation within your plan
- Enhanced corporate reputation, with recruitment and retention benefits
- Friendlier discussions when you get cornered at the water cooler

Action vs. motion: Don't accept mediocrity in this segment of your business' operations.

Please note: As you read through this template, your task may seem overwhelming. It's not. You aren't expected to possess all of the specialized skill sets needed. There is an expectation that you will use experts and resources to support your fiduciary actions, including:

- Knowledgeable employees could be invited onto your committee
- Plan recordkeeper or TPA
- Plan broker
- ERISA attorney
- Paid advisor

Review Basics

Who?
Usually fiduciary committee.

When?
At least annually. Mid-quarter works well, as it allows for compilation of metrics through prior quarter-end, and may improve attendance by key members who have more quarter-end time demands.

How?
Written report with documentation of all decisions.

What?
Content encompasses all relevant plan factors, including those listed on the next page.

Mission

Start the review with a statement of your plan's mission and make decisions accordingly. Make your mission consistent with ERISA and your organization's intentions.

Recent Events

Chronicle and discuss as necessary. These might include:

- amendments
- investment/provider changes
- HR/committee personnel changes
- demographic changes
- compliance issues
- audit activity
- progress toward stated goals
- discrimination testing results

The last item, testing results, offers a good segue into a review of plan participation and participant contributions.

Participation Review

Your mission statement (and ERISA) should point you toward the ideal of enrolling all eligible employees. Identify your non-participants and formulate an action plan. Collect relevant information, including:

- name
- compensation
- job title or description
- location
- age
- communication challenges

Look for patterns and formulate an action plan to communicate with each non-participant, in groups or individually. Illustrate for your non-participants the:

- availability of any company match
- availability of any federal tax credits
- availability of loans
- availability of help selecting investments
- retirement income gap they will face
- fact that only they or their beneficiaries can take their money out

If you have a widespread problem, have an internal discussion about using auto enrollment to pull non-participants into the plan. Your efforts could be worth millions. Converting "zeros" is hard but rewarding work, and it is part of your *Duty*.

Contribution Review

Analyze your most recent discrimination test results. Identify your low contributors and focus extra efforts on this population. Devise a plan to encourage all your Non-Highly Compensated Employees ("NHCEs") to contribute as much as they can afford. Provide personalized illustrations of the potential benefits.

Your HCEs need to maximize their 401(k) contributions, as Social Security will replace an even smaller part of their pre-retirement income. If your testing results currently limit them, discuss:

- the costs and benefits of adopting a Safe Harbor contribution feature
- an alternate testing method
- adoption of an alternate method of defining your HCE group
- a campaign to raise NHCE contributions

If you can add one or two percentage points to your plan's average contribution rate, the benefit could add up to millions of dollars of additional retirement security for your employees.

Allocation Review

Because more than 90% of an investor's return is determined by their asset allocation, we aren't fulfilling our *Duty* if we aren't providing effective allocation help. We all know that the average participant will not get this critical decision right without help, so form an action plan and make it happen. An allocation should be based upon a participant's risk tolerance and time frame. Age allows us to infer time frame, but age and risk tolerance don't necessarily correlate well.

- Consider *requiring* all participants to complete a risk assessment questionnaire
- Reconcile allocations to available risk tolerance and age data
- Look for allocation concentrations at the high- and low-risk ends of the menu
- Offer asset allocation models for conservative, moderate and aggressive temperaments
- Provide effective education on the importance of suitable allocation

If improved allocations add one or two percentage points to your plan's annual returns, the benefit could add up to millions of dollars of additional retirement security for your employees.

Investment Review

The design of your investment menu can impact participation and contribution rates, as well as rates of return so it is absolutely critical. Perform your review against the backdrop of your Investment Policy Statement ("IPS"). If you don't have an IPS, adopt one. Templates are available, including one from the PSCA's Web site, www.psca.org. Be specific, but retain flexibility. Some IPS elements to consider include:

- overview of the plan
- investment objectives
- selection of asset classes
- monitoring and reporting
- education and communication
- purpose of the IPS
- roles and responsibilities
- selection of managers
- investment replacement
- coordination with document

Under ERISA, you are also held to a *Duty of Care*. This is an unusually high standard — that of an expert in plan and investment matters. You are required to use the principles of Modern Portfolio Theory ("MPT") in your work. If you don't have this expertise in-house, you need to educate yourselves and/or use an outside expert to support your decision making.

A diversified representation of the major asset classes is a must. Consider your employee population and plan features. For example, unless your population is uniformly investment savvy, you might wish to avoid esoteric or highly volatile options. Another example: If your plan offers asset allocation models as investment options, include enough asset classes for proper model construction. Here's a list of some of the available asset classes:

Equity Investments

- Large-cap
  - Value
  - Blend
  - Growth
- Mid-cap
  - Value
  - Blend
  - Growth
- Small-cap
  - Value
  - Blend
  - Growth
- Other
  - Global/Int'l
  - Specialty
  - Company Stock

Hybrids

- Balanced
- Lifestyle
- Target Maturity

Income Investments

- Short-term
  - U.S. Gov't
  - Invest. Grade
- Intermediate
  - U.S. Gov't
  - Invest. Grade
- Long-term
  - U.S. Gov't
  - Invest. Grade
- Other
  - Global/International
  - Mortgage-backed
  - High Yield
  - Inflation Protected

Consider additions and deletions and whether any special participant education is warranted.

If you offer Company stock as an investment option, discuss these and related issues:

- Does it belong in your plan?
- Should you limit allocation %?
- Do you have enough insurance?
- Does it create insider trading issues?
- Have you consulted ERISA counsel and a good securities attorney?

Select a manager for each new class and decide whether to retain your existing managers. For most plans, the term "manager" is largely interchangeable with "mutual fund," although it's possible to have a manager without a mutual fund or to have a mutual fund without a manager. In any case, look for above-average, risk-adjusted, relative net performance over relevant reference periods.

Above average
Better than 50th percentile ranking.

Risk-adjusted
Use MPT metrics such as alpha, Sharpe Ratio and standard deviation.

Relative
Use peer comparisons, e.g. against all Large-cap Blend funds.

Net
Utilize performance figures that have been netted of all costs.

Performance
Mean return.

Relevant reference period
Weigh more heavily the fund's performance under the current manager or team. Examine performance over a range of market and/or interest rate cycles.

Other review points could include:

Fees
Review the investments' and service providers' expenses for their reasonableness. They don't have to be the lowest, but they must be justifiable. Look carefully for all costs if you have a group annuity.

Stewardship
Are there any ethical or legal issues haunting your providers?

Asset bloat
Have any of your funds increased in size to the point where their future performance may be impaired?

Style drift
Are your funds still in their original asset classes or have they morphed into something else? (e.g. drifted from Large-cap Blend into Large-cap Growth, or Large-cap Blend to Mid-cap Blend)

If your menu is likely to cause confusion, clarify any ambiguities. If you have multiple entries in an asset class, explain why. If you have a target maturity fund that invests in zero coupon bonds, educate your participants about unusual price volatility.

Does your plan offer automated asset allocation models or another form of managed accounts? If so, evaluate their risk and reward characteristics. If not, why not?

If changes are deemed necessary, follow the process outlined in your IPS. This presumes your plan vendor affords you the flexibility you need to carry out your fiduciary mandate. For example: If you need to replace your International Fund, will your vendor provide a satisfactory list of alternatives? If not, consider a move to "open architecture" for the flexibility it brings to your investment selection and replacement process. Properly communicate changes to all plan participants, including terminated employees who still have a balance in the plan. If improved investments add one or two percentage points to your plan's annual returns, the benefit could add up to millions of dollars of additional retirement security for your employees.

Compliance Review

Cover any items not yet discussed, possibly including:

- Are you satisfied with the job of your recordkeeper or TPA?
- Are there any outstanding issues?
- Have all contributions and regulatory filings been made on-time?
- Have any required notices been distributed? (Safe Harbor, SOX, SAR, SMM, etc.)
- Are you covering everyone who is technically eligible?

Consider the advisability of having an operational compliance audit performed every few years by your ERISA attorney or other outside specialist.

Education Review

This is the lynchpin of the "3 Es" — Encouragement, Education, and Empowerment. Education will do more to improve your plan's performance and to reduce your headaches than you might imagine. Perform a continuing education needs assessment.

- What have you done in the way of participant education over the past year?
- What has been learned about the effectiveness of the content and delivery method? Remember, motion is different from action. We want to actually help the participants!
- Target your efforts where they're needed. If you have a participation problem, target that. If you have a contribution problem, target that. If you have a problem with participant investment elections, target that.
- Some education should be population-wide, while some should be group specific.
- If language is an issue, find a way to make it work. This not only makes common sense, but in some instances it's federally mandated.
- *Make your efforts relevant to the audience.* An older HCE might want to know about being able to contribute $20,000. However, a worker earning $20,000 would better benefit from learning about federal tax credits available toward their contributions.
- Ask representative segments of your population what sort of training they would like to receive. Think about inviting spouses to some types of education sessions.
- Provide education on risk. Help participants evaluate their individual risk temperament and to match it with an investment allocation.

You can be a Knight in Shining Armor to the people who depend upon you.

- Take clues from participant behavior. Get statistics from your plan vendor on website use. If there is little web use, it may be because they don't know how. Ask HR what the most common questions are. If you have too many loans outstanding, address the pitfalls. Be proactive.

Don't underestimate the importance of targeted education. It will lead to a greater amount of wealth accumulation in your plan, and that helps you fulfill your *Duty of Loyalty*.

Goals

Set goals for the coming year and assign tasks as necessary to carry them out. Make them relevant to your organization and population. Some goals could include:

- Raise participation rate by ____ percentage points
- Raise NHCE contributions by ____%
- Implement fund menu improvements
- Implement a system to help participants select a suitable investment mix
- Form a 401(k) Education Advisory Group to report recommendations to the Committee
- Conduct or contract for a compliance audit to identify any areas of weakness
- Secure training for Committee members and/or retain an expert to support the Committee's decision-making process

Conclusion

You can be a Knight in Shining Armor to the people who depend upon you. The average Social Security benefit is currently $959 per month. We all know you can't enjoy a secure retirement on that amount. Begin a campaign now to enroll your zeros, to bump up your average contributions, to rationalize your asset allocations, and to improve your investment menu.

Don't rubber-stamp the status quo! Use this template to improve your plan and show your employee population how much you care about their long-term well-being! Your hard work to Encourage, Educate and Empower your workforce could have a big dollar payoff, for them and for you.

Jim Phillips is the President of Retirement Resources. He may be reached at jim@ret-res.com.

Survey

Spotlight On Lifestyle Funds

Fund availability continues to increase.

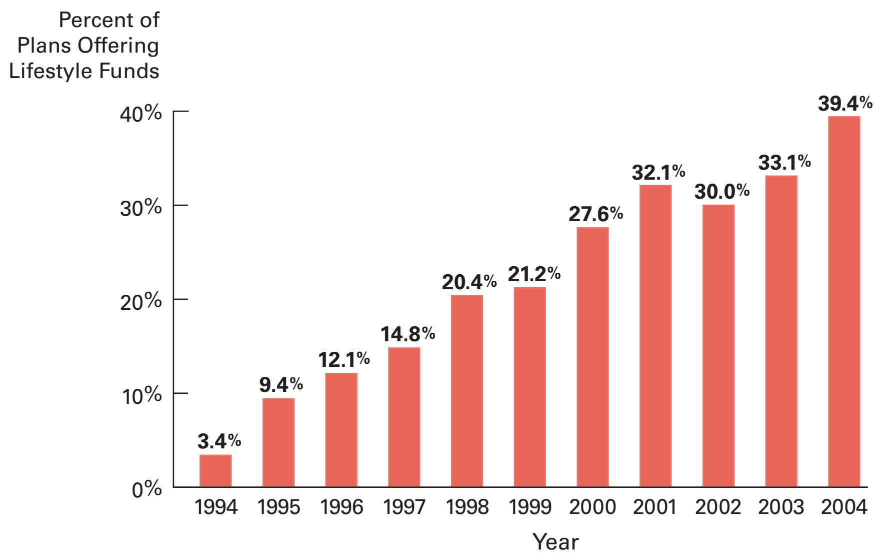
By Patty Alman

PSCA has been collecting data on the use of lifestyle funds for several years. For this article, we analyzed data from PSCA's annual surveys of profit sharing and 401(k) plans to take a more detailed look at the usage of lifestyle funds.

Lifestyle Fund Trends

The trend toward increasing availability of lifestyle funds continues. According to PSCA's 48th Annual Survey of Profit Sharing and 401(k) Plans, lifestyle funds were available in 39.4 percent of 401(k) plans in 2004, up from 30.0 percent of plans in 2002, 27.6 percent of plans in 2000, and 20.4 percent of plans in 1998. (Exhibit 1)

Exhibit 1: Percentage of plans offering lifestyle funds as an investment option for participant contributions



A Look At Participation Rates

Does the availability of lifestyle funds affect participation rates? Our current data indicate no relationship between participation rates and the availability of lifestyle funds. Among 401(k) plans in PSCA's 48th Annual Survey, participation averaged 77.9 percent among plans with lifestyle funds and 77.1 percent among plans without lifestyle funds. This difference is not large enough to show a significant correlation between participation rates and availability of lifestyle funds. (Exhibit 2)

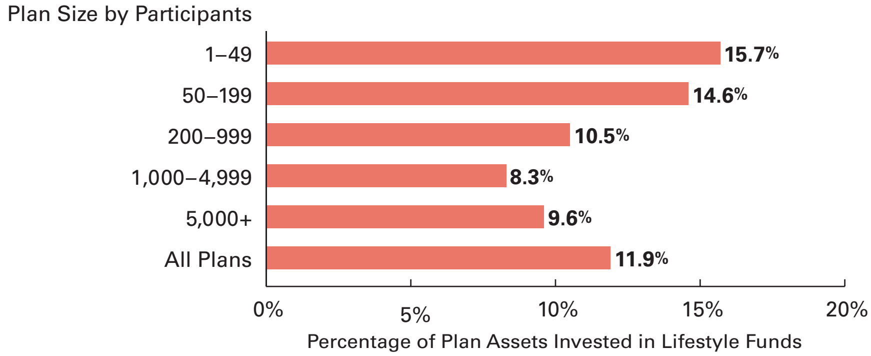
Exhibit 2: Rate of 401(k) Participation — Plans with lifestyle funds vs. plans without lifestyle funds

	Participation Rate	
Plan Size by Number of Participants	Lifestyle Funds Available	Lifestyle Funds Not Available
1–49	84.4%	84.5%
50–199	80.0%	79.9%
200–999	74.7%	75.1%
1,000–4,999	76.6%	69.0%
5,000+	78.4%	76.2%
All Plans	77.9%	77.1%

Assets Invested In Lifestyle Funds

Significant assets are invested in lifestyle funds. Among plans that offer lifestyle funds, an average of 11.9 percent of plan assets is invested in them. (Exhibit 3)

Exhibit 3: Percent of assets invested in lifestyle funds (for those plans that offer lifestyle funds)



What's Next?

Our members have increasingly asked us about the form of lifestyle fund known as "target retirement date," in which participants select a fund based on their age or projected number of years until retirement. Beginning with our next annual survey, we will collect data on how many companies offer target retirement date funds, and we will report this data separately from other types of lifestyle funds. This will enable us to better track and report the types of lifestyle funds being used in today's plans.

Patty Alman is PSCA's director of research and information systems.

Reserve your free survey today! Complete and return your PSCA 2006 Annual Survey Questionnaire

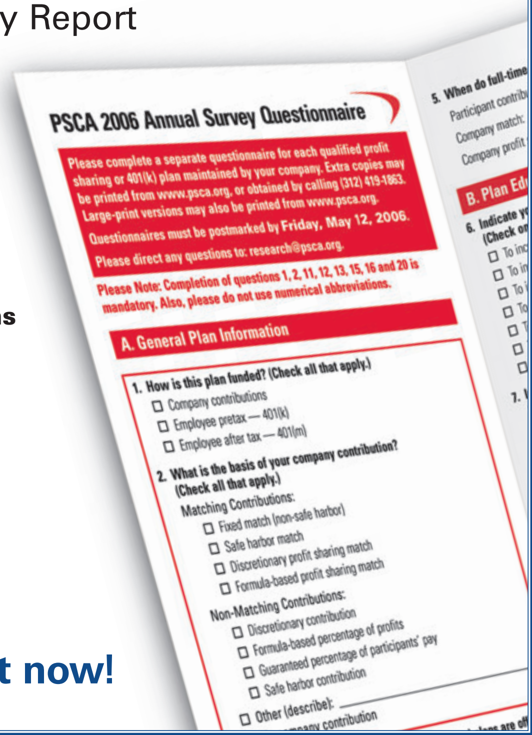
Return your completed questionnaire to PSCA by **May 12** and receive a **free** copy of the Annual Survey Report — a $125 value ($325 for non-members).

Additional questionnaires, including large-print versions, may be downloaded from **www.psca.org**.

Questionnaire deadline is May 12, 2006

PSCA's Annual Survey of Profit Sharing and 401(k) Plans features over 100 tables of useful, up-to-date data on important topics including:

- ✓ Company contributions and matching formulas
- ✓ Participation and deferral rates
- ✓ Investment options and asset allocation
- ✓ Company Stock
- ✓ Education and advice
- ✓ Investment monitoring
- ✓ and more...



Don't miss this exciting opportunity! Act now!

Proposed Regulations Provide Limited Relief Under Section 409A

Changes would affect nonqualified deferred compensation plans linked to tax-qualified plans.

By Kenneth A. Raskin, Esq. and Randall C. McGeorge

The IRS recently issued long-awaited proposed regulations under Internal Revenue Code Section 409A, the landmark provision that marked a major change in the tax treatment of certain deferred compensation plans. The proposed regulations, issued on September 29, 2005, provide guidance on Internal Revenue Code Section 409A and clarify the prior guidance on 409A provided in IRS Notice 2005-1. Since the release of the proposed regulations, the IRS has released Notice 2005-94 and Notice 2006-4, and the President has signed the Gulf Opportunity Zone Act of 2005 (P.L. 109-35), providing further guidance under, and amendment to, 409A. 409A imposes significant restrictions on a wide variety of nonqualified deferred compensation plans and arrangements. If a nonqualified deferred compensation plan fails to meet the rules contained in the legislation and related IRS guidance, there are adverse tax consequences for the individual with respect to whom the failure relates. This article summarizes 409A's rules under the newly promulgated proposed regulations with respect to the linking of: (a) deferral elections and/or formulas for benefit accruals under a tax-qualified retirement plan and a nonqualified deferred compensation plan; and (b) the timing and form of benefit payment elections under a tax-qualified retirement plan and a nonqualified deferred compensation plan.

Summary of 409A

According to 409A, all amounts deferred under a nonqualified deferred compensation plan are included in income when deferred (or, if later when the amounts are no longer subject to a substantial risk of forfeiture) unless certain requirements are satisfied. The requirements include rules regarding the timing of deferral and distribution elections and permissible distribution events. Generally, a distribution can be made upon an employee's separation from service, disability, death, a specified time, a change in ownership or effective control, or in the ownership of a substantial portion of the assets, of a corporation (or partnership) or an unforeseeable emergency. If an amount of deferred compensation is required to be included in income under 409A, that amount is subject to ordinary income tax plus an additional 20 percent income tax, and interest may be assessed on tax underpayments in certain circumstances.

409A is applicable to (i) amounts deferred in taxable years beginning after December 31, 2004, and (ii) amounts deferred in taxable years beginning before January 1, 2005, if the plan under which the deferral is made was materially modified after October 3, 2004. The proposed regulations will not be effective until adopted as final regulations (the regulations are proposed to be generally applicable for taxable years beginning on or after January 1, 2007). However, taxpayers may rely on the proposed regulations until the effective date of the final regulations. Taxpayers may also rely on Notice 2005-1 until the final regulations are effective.

Linked Plans

The proposed 409A regulations provide certain rules with respect to the linking of: (a) deferral elections and/or formulas for benefit accruals under a tax-qualified retirement plan and a nonqualified deferred compensation plan; and (b) the timing and form of benefit payment elections under a tax-qualified retirement plan and a nonqualified deferred compensation plan.

Background

Employers often "link" a tax-qualified retirement plan to a nonqualified deferred compensation plan in order to provide certain of their designated employees with benefits under the nonqualified deferred compensation plan to the extent that the Internal Revenue Code's maximum contribution limits, benefit limits and/or discrimination rules limit the amount of benefits that can be provided to such employees under such tax-qualified retirement plan. In this regard, where contributions and/or distributions under a nonqualified deferred compensation plan are linked to contributions and/or distributions under a tax-qualified retirement plan, changes in the applicable provisions of, and/or elections under, the tax-qualified retirement plan typically have a related effect on the nonqualified deferred compensation plan. For example, absent regulatory relief, (i) a deferral election decrease under a tax-qualified retirement plan that results in a corresponding increase in the amount credited under a linked nonqualified deferred compensation plan may not comply with 409A's rules with respect to the timing of deferral elections, and (ii) a deferral election increase under a tax-qualified retirement plan that results in a corresponding decrease in the amount credited under a linked nonqualified deferred compensation plan may violate 409A's general prohibition on the acceleration of payments under a nonqualified deferred compensation plan. Similarly, provisions in a nonqualified deferred compensation plan linking distributions to tax-qualified plan distributions could violate 409A's rules that require a deferral election to state the time and form of payment and that strictly limit subsequent changes to the time and form of payments.

Linking of Deferral Elections and/or Formulas for Benefit Accruals

Prior to the enactment of 409A, the IRS issued a number of private letter rulings authorizing arrangements pursuant to which a 401(k) arrangement in a tax-qualified retirement plan was "wrapped around" a deferral right in a nonqualified deferred compensation arrangement. In the typical so-called "wrap-around plan," an employee eligible in both the tax-qualified retirement plan and the nonqualified deferred compensation plan would make deferral elections in the nonqualified deferred compensation plan and the tax-qualified retirement plan. The employee's deferral election (and any related company matching contribution) in the tax-qualified retirement plan would be for the maximum amount permissible in the Internal Revenue Code that would not cause such plan to fail the applicable non-discrimination tests (i.e., the so-called "ADP" and "ACP" tests) for the year. However, because such amounts would not be determinable until after the end of the applicable tax year, all deferrals (and any related matching contributions) would initially be made to the nonqualified deferred compensation plan. As soon as practicable following the close of the plan year, the plan sponsor would perform the applicable non-discrimination tests to ascertain

the maximum amount of deferrals (and related matching contributions) the employee could make under the tax-qualified retirement plan, at which time the nonqualified deferred compensation plan would transfer such deferrals (and related matching contributions) to the tax-qualified retirement plan.

Notably, wrap-around plans generally benefit highly compensated plan participants by preventing the tax-qualified retirement plan from failing the Code's non-discrimination tests, thereby preventing the need for the highly compensated participant to receive corrective distributions of any portion of the amounts he or she attempted to defer under the tax-qualified retirement plan to the extent that such plan failed the applicable non-discrimination tests. Because nonqualified deferred compensation plan benefits are reduced by the deferrals that are transferred to a tax-qualified retirement plan that is "wrapped around" such nonqualified deferred compensation plans, after the passage of 409A and the release IRS Notice 2005-1, it was widely believed that such a "reduction" (and the related "transfer" of such benefits from the nonqualified deferred compensation plan to the tax-qualified retirement plan) would result in a prohibited acceleration of payments because nonqualified deferred compensation may generally only be accelerated and paid prior to the permissible payment events initially elected under the limited exceptions prescribed by the proposed regulations. However, the proposed regulations provide relief for the "wrap around" plan arrangement described above under 409A by clarifying – with respect to amounts deferred under a nonqualified deferred compensation plan that is linked to a tax-qualified retirement plan – that neither the operation of the tax-qualified retirement plan with respect to changes in benefit limitations applicable to such plans under the Internal Revenue Code (provided that such operation does not otherwise result in a change in the time or form of a payment under the nonqualified deferred compensation plan) nor the following actions or inactions will constitute a deferral election and/or an accelerated payment of deferred compensation under the 409A rules. This is the case even if such operation or such action or inaction results in an increase or decrease in amounts deferred under the nonqualified deferred compensation plan:

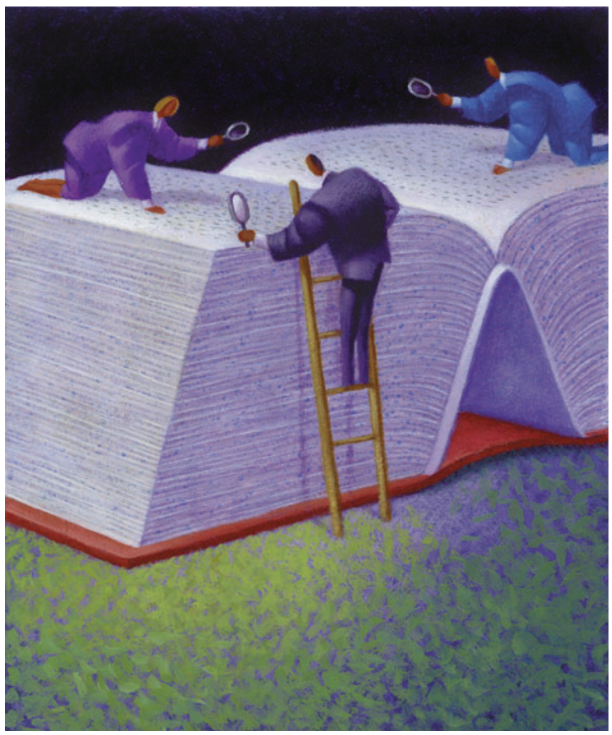
(i) an employee's election of, or failure to elect, a subsidized benefit or an ancillary benefit under the tax-qualified retirement plan that results in amounts payable under a nonqualified deferred compensation plan being increased or decreased relative to the lesser or greater benefit payable under the tax-qualified retirement plan;

(ii) an employer's amendment of the tax-qualified retirement plan to increase, decrease or freeze benefits under such plan, or to add or remove a subsidized benefit or an ancillary benefit (e.g., a benefit increase under the tax-qualified plan that results in a corresponding decrease in the amounts payable under the nonqualified deferred compensation plan);

(iii) an employee's action or inaction under a plan that is intended to qualify under Section 401(k) of the Internal Revenue Code (including an adjustment to an existing deferral election under such plan), provided that such action or inaction does not result in an increase or decrease in the amounts deferred under all nonqualified deferred compensation plans in which the participant participates in excess of the maximum annual 401(k) contribution limit (which limit is $15,000 for 2006).

While the limitation set forth in (iii) immediately above does not adversely affect the "wrap around" arrangement, it does not provide complete relief for a similar linked arrangement commonly referred to as a "spill-over" arrangement, whereby a highly compensated employee is permitted to make his or her deferred compensation contributions first to the tax-qualified retirement plan and then, once such contributions reach the maximum annual 401(k) contribution limit and/or the maximum amount that would not cause such plan to fail the applicable non-discrimination tests for the year, to the nonqualified deferred compensation plan. Under the proposed regulations, the maximum amount that would be allowed to "spill over" into the nonqualified deferred compensation plan pursuant to an election change under the qualified plan would be the maximum annual 401(k) contribution limit.

For example, an executive whose compensation is $200,000 in 2006 and who makes a deferral election of 10% of his or her compensation to the spill-over arrangement will contribute a total of $20,000 to the plans, with $15,000 going to the tax-qualified retirement plan (assuming passage of the applicable non-discrimination tests) and $5,000 spilling over into the nonqualified deferred compensation plan. However, if during the calendar year the executive were to increase his or her deferral election to 20%, he or she would be seeking to contribute a total of $40,000 to the plans, with $15,000 going to the tax-qualified retirement plan and $25,000 spilling over into the nonqualified deferred compensation plan, resulting in a violation of 409A because, under the relief described in item (iii) above, an employee's adjustment to an existing deferral election under a 401(k) plan may not result in an increase in the amount deferred under a nonqualified deferred compensation plan in excess of the maximum annual 401(k) contribution limit (i.e., $15,000 for 2006).



Since the proposed regulations provide little practical relief under 409A for these "spill-over" arrangements, employers currently sponsoring or maintaining such arrangements should consider converting such arrangements to the "wrap around" arrangements described above, because they accomplish the same result as the spill-over arrangement, but without any adverse results under 409A.

Linking of Time and Form of Payment Elections

Provisions in a nonqualified deferred compensation plan that link distributions under such plan to distributions under a tax-qualified retirement plan could violate 409A's requirements relating to the time and form of benefit payments. Specifically, the applicable rules under 409A require an election to defer the payment of compensation to state the time and form of payment and strictly limit subsequent changes to such time and form of payment, whereas tax-qualified retirement plans often permit elections as to time and form of payment to be made at a future point in time (e.g., upon reaching a particular age and/or a separation from service). Recognizing this issue, IRS Notice 2005-1 provided transition relief in this regard for nonqualified deferred compensation plans linked to tax-qualified retirement plans. Specifically, IRS Notice 2005-1 provided that, for periods ending on or before December 31, 2005, an election as to the timing and/or form of a payment under a nonqualified deferred compensation plan that is linked to a payment election made by a participant under a tax-qualified retirement plan will not violate 409A, provided that the determination of the timing and form of the payment is made in accordance with the terms of the nonqualified deferred compensation plan as of October 3, 2004. The proposed regulations extend this relief through December 31, 2006. For example, where a nonqualified deferred compensation plan provided as of October 3, 2004, which the time and form of payment to a participant will be the same time and form of payment elected by the participant under a related tax-qualified retirement plan, it will not be a violation of 409A for the nonqualified deferred compensation plan to make or commence payments during 2005 or 2006 pursuant to the payment election under the related tax-qualified retirement plan.

Thus, as of January 1, 2007, the timing and/or forms of benefit payment options under a nonqualified deferred compensation plan and a tax-qualified retirement plan must be de-linked. In order to de-link such plans, the time and form of payment options under the nonqualified deferred compensation plan will need to be brought into compliance with 409A as of January 1, 2007. Participants will likely need to make new payment elections for amounts previously deferred under such a nonqualified deferred compensation plan, to the extent that such amounts are treated as grandfathered under 409A.[1] Such new payment elections must be made by December 31, 2006. Going forward, elections with respect to the timing and/or forms of distributions of deferred compensation will need to be made by participants in the nonqualified deferred compensation plan at the time of the deferral election, as opposed to at some later date, as is typically permitted under a tax-qualified retirement plan, and such participants will have a limited ability under 409A to make changes to their initial elections.

Notably, the result of this change in law is that the timing of distribution elections under a nonqualified deferred compensation plan, after the requisite changes are made to bring such plan into compliance with 409A, and the timing of distribution elections under a tax-qualified retirement plan may not match, notwithstanding the fact that such plans were originally established to be "mirror" plans in this regard.

Kenneth A. Raskin, Esq., is head of the Global Executive Compensation, Benefits and Employment Law practice at White & Case LLP, headquartered in New York City and Randall C. McGeorge is an attorney with White & Case LLP in New York City, and is a member of White & Case LLP's Executive Compensation, Benefits and Employment Law practice.

[1] Note that the proposed regulations provide no relief from the material modification rules that apply to otherwise grandfathered amounts under a nonqualified deferred compensation plan that is affected by changes to a linked tax-qualified plan.

Get the national recognition your plan communication and education deserves!

- From industry experts
- In the media
- At the National Conference
- In PSCA's publications

SIGNATURE • 2006 AWARDS
PROFIT SHARING/401k COUNCIL OF AMERICA
WINNER

Join PSCA's 2006 Winner's Circle

A PSCA Signature Award honoring excellence in plan design and communication will give your plan the attention it deserves.

Early registration is May 19, 2006 for reduced entry fees. Final registration deadline is June 16, 2006.

Log on to **www.psca.org** for a 2006 entry form, measuring results worksheet, and category explanations.

Questions? Contact Connie Mullis at 205-995-6743 or by e-mail at cmullis@psca.org

Leading the Evolution

PSCA celebrates success in 2005.

By Kara Schappa

PSCA delivered in 2005. Through the efforts of committed volunteers and dedicated staff, PSCA continued to bring expert profit sharing and 401(k) information to its unbiased members. PSCA effectively represented plan sponsors and their participants in Washington and maintained its role as the voice for defined contribution plan sponsors by maintaining an active presence in the media, providing a balanced perspective of profit sharing and 401(k) plans. PSCA continued to develop and implement innovative solutions to make profit sharing and 401(k) plans more beneficial for plan sponsors and their tens of millions of employees.

Government Affairs

Establishing EGTRRA permanency is the top priority for PSCA's Washington office. The Economic Growth and Tax Reform Reconciliation Act of 2001 includes, among many other beneficial pension changes, provisions that increase the limits for elective deferrals, covered compensation, the section 415 overall contribution limit, and create the new catch-up contribution and Saver's Credit. In 2005, PSCA moved forward with their goal by organizing a large group letter encouraging policymakers to include EGTRRA pension provision permanency in the pension reform bills. In December, the House Ways and Means Committee included this provision in their bill, and the House passed the bill. PSCA is taking a strong leadership role in ensuring that EGTRRA pension provision permanency is included in the final pension reform bill.

PSCA also saw huge success in Washington when, on April 20, 2005, President Bush signed the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. PSCA's former chief lobbyist, Sam Murray, put in several years of effort to ensure the protection of retirement savings during bankruptcy. Sam is widely recognized as being uniquely responsible for this milestone protection of retirement assets. The Act forbids a court from staying, modifying, or discharging a plan loan and clarifies that a participant's plan assets cannot be reached by any bankruptcy proceeding.

Other projects at the forefront of PSCA's lobbying efforts included: Enacting legislation to clarify governmental plan status of tribal-sponsored plans, continuing to assert plan sponsor perspective to the Security and Exchange Commission's responses to the mutual fund scandals, monitoring tax reform and simplification to assess and react to any impact on defined contribution plans. PSCA is also taking a leadership role in crafting provisions in the pension reform bills that will encourage the adoption of automatic enrollment plans by creating a nondiscrimination and top-heavy safe harbor for automatic enrollment plans that meet certain criteria, including an automatic increase in the deferral rate clarifying several ERISA issues that are viewed as impediments for all automatic enrollment arrangements.

PSCA also provided input to the DOL in 2005 for regulatory relief and clarification regarding automatic enrollment plans. The DOL is expected to provide proposed regulations in 2006. PSCA President David Wray testified before working groups of the ERISA Advisory Council studying plan communications and distributions in 2005. We also continue to meet with the DOL as they implement regulations that are consistent with PSCA's previous testimony before the Advisory Council's working groups on plan fees. PSCA also provided formal comments on the DOL's proposed mandatory electronic filing of the Form 5500 in October 2005.

In the coming months, PSCA plans to continue to work toward these goals to ensure that the interests of plan sponsors and their participants are heard in Washington.

Member Services

Toll-free Helpline

PSCA continued its mission of delivering expert, one-on-one attention to members who have benefit plan questions. Members who submitted questions via the toll-free hotline or PSCA e-mail received timely and expert responses to even their most challenging plan compliance and administration questions.

Benchmarking

In 2005, PSCA collected an impressive 1,042 responses for its 48th Annual Survey of Profit Sharing and 401(k) plans. PSCA also published the results of an important mini-survey on the new Roth 401(k). Throughout the year, PSCA continued to provide customized analysis for plan sponsors and conducted small, snapshot surveys upon request of PSCA members.

PSCA *Executive Report*

The *Executive Report* continued to be a monthly membership benefit in 2005. Through this electronically-distributed report, members stay up-to-date on legislation and litigation affecting profit sharing and 401(k) plans.

Bimonthly Magazine

January 2005 marked the debut of PSCA's new bimonthly magazine, *Defined Contribution Insights*, one of PSCA's largest triumphs of the year. The launch of the newly redesigned format of the magazine has been hugely successful, and we have received significant positive feedback. Color graphics, outstanding articles by industry experts, and reminders of significant membership benefits are among the highlights of this informative publication. Through *Defined Contribution Insights*, PSCA communicates the latest information about profit sharing and 401(k) plans to its members.

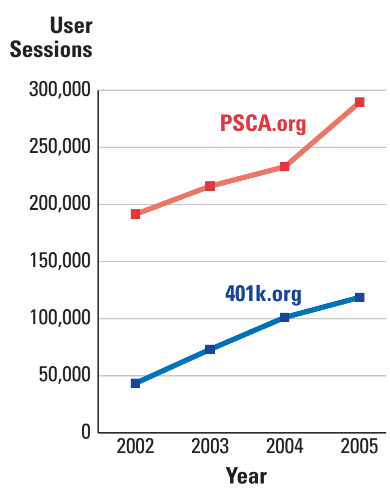
401(k) Day

401(k) Day is a nationally-recognized day that celebrates and raises awareness about the benefits of 401(k) programs. PSCA supports 401(k) Day by providing its members ready-made educational materials for plan participants. In 2005, Captain 401(k) came to the rescue with a variety of online and print materials created specifically to inform employees about the benefits of joining their company's 401(k) plan. This easy-to-use and educational material included games, brochures, and posters in English and Spanish.

Web sites

PSCA maintains three separate Web sites, which are: www.psca.org, www.401k.org, and www.401kday.org. These Web sites provide useful information about PSCA as well as information about profit sharing and 401(k) plans. Each site has special sections for PSCA members only. In 2005, PSCA recorded a record number of user sessions. The main Web site, www.psca.org, logged 248,430 user sessions, and the site www.401k.org logged 118,605 user sessions. Also in 2005, PSCA began planning its new Web site look, which will be unveiled later this year.

PSCA Web Site User Activity



Conferences

In 2005, PSCA hosted the Washington, DC Public Policy Fly-In, the Midwest Regional Conference, and the 58th annual National Conference in San Diego, California. Leading benefits experts shared their knowledge with attendees on topics including: benchmarking, fiduciary responsibility, legislative updates, and the latest changes in the benefits industry.

The conferences were all highly-attended and received extremely positive feedback; the Midwest Regional Conference received an outstanding 4.9 out of 5.0 rating! PSCA conferences continue to be the premier benefits conferences in the country.

Volunteer Leadership

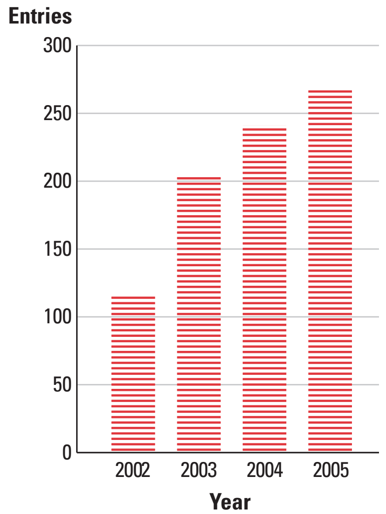
PSCA relies heavily on its volunteer leadership. The effort and support of volunteers enable PSCA to continue to deliver quality services to its members. Volunteers help in a variety of ways, including: serving as officers, board members, or committee members; speaking at PSCA conferences; and contributing to PSCA publications.

PSCA has several committees on which members can participate. These committees include: the Education and Communication Committee, the Legal and Legislative Committee, the Provider Advisory Committee, the National Conference Planning Committee, the Membership Committee, and the Research Committee. New in 2005 is the Editorial Advisory Committee. Members of the EAC contribute article and editorial ideas for the bimonthly magazine, *Defined Contribution Insights*.

Signature Awards

The 2005 Signature Awards were a huge success. PSCA received a record number of 268 entries! Competition this year was especially tough, as many of the entries demonstrated exceptional programs to communicate with and educate their plan participants. The 2005 Signature Award winners were honored at a special ceremony at the 58th annual National Conference. This year, two companies received the prestigious Best of Show award — Publicis and Karsten Manufacturing Corporation. Also, several "Special Recognition Awards" were handed out to companies that demonstrated how the employer adds value through innovative programs that encourage and support retirement savings.

Yearly Signature Awards Entries



The 2005 Signature Awards were also successful because of dedicated members who donated their time to review and judge numerous entries and write summaries about the winners for the annual Signature Awards magazine. The magazine, which was filled with best-practices ideas, was distributed to attendees at the National Conference and PSCA members.

Public Education and the Media

2005 was a big year for PSCA in the media. PSCA generated a number of articles on the continued success of the defined contribution system. Additionally, PSCA was a media resource for thousands of other articles on topics related to profit sharing and 401(k) plans. Throughout 2005, PSCA representatives were quoted in hundreds of influential media outlets, including the *Wall Street Journal*, *New York Times*, *USA Today*, *L.A. Times*, *Chicago Tribune*, NBC, MSNBC, and CNN. Media appearances help keep the public informed about the benefits and issues affecting profit sharing and 401(k) plans.

Additionally, on Dec. 1, 2005, PSCA published a special "advertorial" in the *Wall Street Journal*. This two-thirds-page document was a statement of facts about the enormous success of profit sharing, 401(k), and other defined contribution plans. PSCA took this action to rebut the negative representation of defined contribution plans in the media, including the *Time* magazine cover article, "The Great Retirement Rip-Off." This same "advertorial" was also published in *Roll Call* a couple weeks later. *Roll Call* is a publication that reaches those who work on Capitol Hill and in the Washington, DC area.

Also in 2005, PSCA also unveiled it's "Value of the Employer" campaign. This public education campaign will educate the public about the critical contribution employers make in providing retirement benefits to their employees. Throughout this effort, PSCA will provide literature research in the form of Issue Briefs, Case Studies, Papers, and public opinion data. PSCA's goal is to emphasize the valuable contributions employers make to their company, their employees, and America by making retirement savings available.

Administration

Throughout 2005, PSCA put significant effort into updating its member database, ensuring that members' information was up-to-date and accurate. PSCA strives to maintain an efficient system of keeping track of member data, conference registration information, and a list of prospective members.

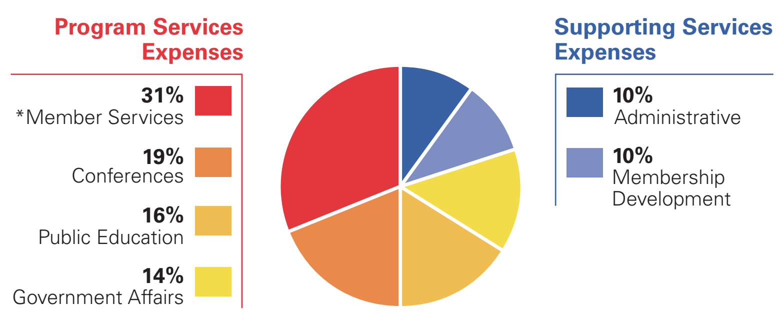
PSCA received a clean audit letter following the audit of the 2005 income and expenses. PSCA's total 2005 income was $1,852,331, and its total 2005 expenses were $1,842,708. This left PSCA with a $9,623 surplus at the end of the year. The focus of PSCA's financial priorities was on member services, government affairs, and conferences. Please refer to the chart below for a breakdown of PSCA's expenditures in 2005.

Conclusion

Supported by its growing list of dedicated members, supportive volunteers, and expert and committed staff, PSCA provided its members with timely notice of regulatory developments, customized benchmarking information and continued its work to preserve an environment conducive to employer-provided retirement plans. As PSCA enters 2006, it carries with it the momentum from the success of 2005, and it continues in its leadership role as an advocate for employers and benefits they provide.

Kara Schappa is Editor for PSCA.

PSCA 2005 Expenses



*Member Services include: the toll-free hotline, Signature Awards program, the *Executive Report*, the bimonthly magazine, members-only Web pages, professional growth, and surveys.

PSCA Member Benefits

The Profit Sharing/401(k) Council of America offers many benefits specifically to its members to assist in the various aspects of the administration of their defined contribution plans. Here is a list of just a few of the benefits PSCA membership offers:

Members-Only Web page
The interactive community for profit sharing and 401(k) practices and legislation. This valuable resource also provides solutions to technical questions.

Media Involvement
PSCA works to ensure that members see media articles and reports that offer balanced coverage of profit sharing and 401(k) plans.

401(k) Day
Helps employers promote plan participation. PSCA provides communication tools and ideas for increasing participation during 401(k) Day events.

Washington Representation
Stay connected to events in Washington affecting profit sharing and 401(k) plans with personalized telephone and e-mail access to PSCA's Washington office.

PSCA's *Executive Report*
A monthly legislative newsletter that provides members with concise information on Washington's most recent events.

Conferences and Training
National and regional conferences provide education and networking among industry leaders.

Signature Awards
Allow meritable plans to receive the recognition they deserve.

Web casts
Comprehensive, unbiased training available 24-7. Exclusively for PSCA members, four concise plan sponsor Web casts provide a nuts-and-bolts overview of profit sharing and 401(k) plans.

Members Only Toll-Free Help Line
Available for technical assistance and best-practice information.

Benchmarking
PSCA provides the industry's most comprehensive annual survey of profit sharing and 401(k) plan practices. Several profit sharing and 401(k) trend surveys are additionally provided throughout the year. **Free** to member companies that participate.

Bimonthly magazine, *Defined Contribution Insights*
An essential 401(k) and profit sharing resource that provides constructive solutions to the most current industry concerns.

Professional Growth
Member company representatives are often invited to speak at PSCA regional and national conferences, have trade articles published in PSCA's magazine, and serve on various PSCA committees.

For PSCA member benefits questions, please call us at 312-419-1863, ext. 203.

This Issue's Member Benefit Highlight:

PSCA Issue Briefs Offer In-Depth Analysis and Perspective

PSCA recently released its first Issue Brief, which is titled "The Employer's Role and Importance in Providing Retirement Income Security for America." This Issue Brief is the first in a particular series of "Role of the Employer" Issue Briefs. This particular series of Issue briefs highlights various benefits employers contribute by offering 401(k), profit sharing, and related defined contribution plans to their employees. Going forward, PSCA will continue to publish Issue Briefs related to this series as well as other topics relevant to the profit sharing and 401(k) industry. Additionally, some Issue Briefs may not be part of a larger series, but they will stand alone.

The goal of PSCA Issue Briefs is to provide our members with an in-depth and comprehensive analysis of a specific topic. Although they may be part of a wide-reaching topic, each Issue Brief will serve to educate readers with details about explicit aspects of the overall theme. Each Issue Brief will keep readers up-to-date with the latest research and statistics related to a particular topic.


Profit Sharing/401(k) Council of America
Issue Brief
Role of the Employer Series
The Employer's Role and Importance In Providing Retirement Income Security for America

The PSCA Issue Briefs will mainly be sent out via e-mail. They will also be available to download from our Web site, www.psca.org. PSCA is currently looking for people interested in writing an Issue Brief. If you are interested in writing an Issue Brief of approximately 1,500 words, or if you have any ideas about a topic you would like to see addressed in an Issue Brief, please contact David Wray at davidw@psca.org.

Upcoming Dates & Events

Education and Communication Committee Meeting
March 28, 2006 • Chicago, Ill.

Midwest Regional Conference
March 29, 2006 • Chicago, Ill.

Legal & Legislative Committee Meeting
March 30, 2006 • Chicago, Ill.

Board of Directors Meeting
May 3–5, 2006 • Hot Springs, Va.

PSCA 2006 Annual Survey Questionnaires Due
May 12, 2006

Signature Awards Entry Deadline
May 19, 2006 • Early Registration (reduced entry fees)
June 16 2006 • Final Registration Deadline

Public Policy Fly-In
June 14, 2006 • Washington, DC

Legal & Legislative Committee Meeting
June 15, 2006 • Washington, DC

401(k) Day
September 8, 2006

2006 National Conference and Exhibition
September 13–15, 2006 • Amelia Island, Fla.

Additional PSCA Information

PSCA on the Web

- www.psca.org — Everything you need to know about PSCA.
- 401k.org — PSCA's Web site for plan participants.
- 401kday.org — See PSCA's 401(k) Day Web site with new games and materials.

Toll-free technical assistance helpline for members only.
Please call 1-800-255-2710.

Join a PSCA committee! See the "Upcoming Dates & Events" above for meeting dates and locations. Call PSCA at 312-419-1863 to sign up.

Also Available

- 401(k) Day materials, including Spanish versions.
- *Take Control of your 401(k)*, by David Wray (available at a discounted rate for members.)
- Artwork to reprint PSCA's *Take Control!* brochure, which discusses the importance of saving for retirement through profit sharing and 401(k) plans. Customize the brochure with your company's name and logo!
- *47th Annual Survey of Profit Sharing and 401(k) Plans*, reflecting the 2003 plan year.

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