

RETIREMENT ROADMAP

April 5, 2007

Let us help you make sure you're on the right track...



PENSION PROTECTION ACT SIGNIFICANTLY EXPANDS 401(K) PLAN AUTOMATIC ENROLLMENT FEATURE...

One key impact on defined contribution plans due to the Pension Protection Act of 2006 was the expansion of the Automatic Enrollment rules for 401(k) plans.

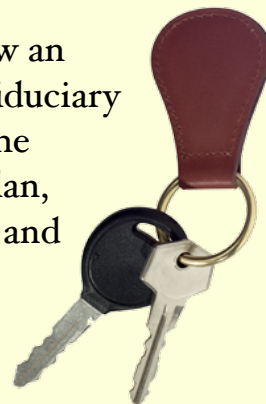
Automatic enrollment in 401(k) plans was started in the early 1990s by large companies, such as McDonalds, concerned that low participation rates in their 401(k) plans were harming the long term financial future of their employees and limiting the contributions their key executives could make to the plan.

PAUL GOODWORTH EARNS AIF® DESIGNATION

Paul Goodworth, Director of Fiduciary Services for Retirement Solutions Advisors, recently completed coursework and certification testing earn the Accredited Investment Fiduciary® (AIF®). AIF® is a professional designation signifying knowledge and competency in fiduciary responsibility.

Please feel free to contact Paul directly for more information regarding how an independent fiduciary can benefit the retirement plan, plan sponsor and participants. Paul can be reached via email at

pgoodworth@goodkitch.com
or phone at 312-923-8700 ext 226.





Automatic enrollment (also known as negative enrollment) forces participants to make an election **not** to participate in the plan. Employers have found that the same factors that cause many employees not to participate in the plan, such as procrastination, reluctance to make a decision, or apathy, are the same factors that cause many employees who are automatically enrolled in their 401(k) plans to simply allow the 401(k) contribution to continue.

The Pension Protection Act has added several provisions

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relating to the automatic enrollment feature, which makes it easier for employers to add the feature to their plan such as the following:

ERISA PRE-EMPTION OF STATE WAGE WITHHOLDING LAWS: Employers no longer need to be concerned that the automatic deduction of salary deferral contributions may violate state law.

90 DAY OPT OUT PERIOD FOR PARTICIPANTS: Participants have 90 days to void their automatic enrollment and receive a full refund of the contributions plus earnings with no tax penalty.

EXTENDED DUE DATE FOR MAKING CORRECTIVE DISTRIBUTIONS: The due date for making refunds required for failed ADP or ACP tests has

been extended from March 15 to June 30.

EMPLOYER PROTECTION FOR DEFAULT INVESTMENT OPTIONS: The Department of Labor has issued specific guidelines that plan fiduciaries may follow to protect themselves from liability for selection of a default investment option.

We would be happy to help you determine whether the addition of an automatic enrollment feature to your plan makes sense. If the feature is suitable, we can assist your company in implementing it and have your company and employees start reaping the benefits as soon as possible. Please contact Steve Johnson with any questions you may have at 312-923-8700 ext 232.



How can RSA make sure you're heading in the right direction?

