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THE PensionActuary

ASPA
Dedicated to the Private Pension System

Hoffman Elected ASPA President

Craig P. Hoffman, APM, has been elected ASPA President for the 2001-2002 term, which begins at the close of the 2001 ASPA Annual Conference. Craig is Vice President and General Counsel of SunGard Corbel. Prior to joining SunGard Corbel, Craig was in private practice, specializing in the areas of taxation, ERISA, and employee benefits. He received both his Juris Doctor degree and Master of Law degree in Taxation from the University of Florida.

Craig was elected to ASPA's Board of Directors in 1995, served as Vice President in 1998, 1999, and 2000, and was named President-Elect in 2001. He served as co-chair of ASPA's Government Affairs Committee from 1997 to 2000. In that capacity, he met with the IRS, Treasury, Department of Labor, PBGC, and legislators and their staffers to promote ASPA's positions on matters that affect the private retirement plan system.

Craig has spoken on the subject of qualified pension and retirement plans at numerous meetings, including those of ASPA, the Society of Actuaries, the Enrolled Actuaries, the American Law Institute/American Bar Association, and many more. He was an invited expert speaker at the first SAVER Summit, jointly sponsored by the White House and Congress. In addition, Craig is a featured speaker at SunGard Corbel-sponsored

WASHINGTON UPDATE

Moving Forward

by Brian H. Graff, Esq.

I was planning on writing this article last Tuesday, September 11, while on my way to LA for the Los Angeles Benefits Conference which we host with the IRS. I was scheduled on a 1:00 p.m. flight to Los Angeles from Washington Dulles. I was, in fact, getting ready for the trip as I saw the plume of smoke from the Pentagon outside my window. Obviously, I never made the flight. I was one of the lucky ones.

Since then, I have had a great deal of difficulty deciding what to write for this column. Pension policy seems rather inconsequential given this terrible tragedy. As of this writing, there are still members of the ASPA family who worked in the World Trade Center with whom we have been unable to contact or to determine their whereabouts. Our hearts and prayers go out to their families and to all of the families of the victims of the terrorist attack. The impact of this tragedy seems to

Continued on page 8

IN THIS ISSUE

seminars held each year throughout the United States.

Presently, Craig serves on the editorial boards of the *Journal of Pension Benefits* (Panel Publishers) and the *Journal of Pensions Management* (Henry Stewart Publications). His articles have been featured in many publications including *The Pension Actuary*, *Journal of Compensation and Benefits*, *Journal of Pension Benefits*, *Pension and Benefits Week*, *Pension Week*, and *RIA Pension Alert*.

Craig lives near Jacksonville, FL with his wife Michele and two daughters, Mary and Natalie. When not working on retirement plan matters, he enjoys golfing, cheering for the Gators, and taking Mary to NSync concerts.

The other members of ASPA's 2002 Executive Committee include:

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Curtis E. Huntington, APM
Ann Arbor, MI and
Boston, MA ▲

Notice of ASPA's Annual Business Meeting

The ASPA Annual Business Meeting will be held during the 2001 ASPA Annual Conference on Sunday, October 28 at 3:15 p.m. All ASPA members are invited to attend and participate in the discussion of membership business. Credentialed members are encouraged to attend the meeting and vote for the new members of ASPA's 2002 Board of Directors.

The Pension Actuary is produced by the Executive Director of ASPA and the Pension Actuary Committee. Statements of fact and opinion in this publication, including editorials and letters to the editor, are the sole responsibility of the authors and do not necessarily represent the position of ASPA or the editors of *The Pension Actuary*.

The purpose of ASPA is to educate pension actuaries, consultants, administrators, and other benefits professionals, and to preserve and enhance the private pension system as part of the development of a cohesive and coherent national retirement income policy.

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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New Bonding Rules – It Could Have Been Worse!

by Richard Carpenter, CPC

The Department of Labor (DOL) is getting serious about bonds. The final bonding regulations issued for small plans are already effective for many plans, and will be effective for all plans soon. To be in compliance, the new bond requirements must be met on the first day of the plan year beginning after April 17, 2001. The new rules are partly in response to an isolated case involving the Emergi-Lite 401(k) Profit Sharing Plan. A quick stroll down memory lane is required in order to fully appreciate the new bonding regulations.

In September 1997, employees of Emergi-Lite, a Connecticut company, were given both bad news and worse news. The bad news – the company had been sold and all jobs were being transferred to South Carolina. The worse news – there was nothing left in the 401(k) plan because of "bad investments."

Here's what really happened. Emergi-Lite hired Gary Moore of Moore Benefit Systems to serve as the plan's third party administrator. Over the years, his duties expanded to include investment advisor. Unfortunately Moore, over a ten-year period, stole at least $1.5 million from the plan. Moore easily covered up the systematic looting because there was no oversight.

The story has a happy ending. In November 1998, Moore was sentenced to 51 months in a minimum-security prison in Florida. (We understand that the tennis courts there do not have lights and the white wine isn't even chilled! This isn't exactly hard time.)

The system works! The bad guy went to jail (although maybe in too nice a place and not for long enough), and the participants got their money back. Insurance proceeds and a company contribution were the source of restitution.

But alas, what type of world would this be if rules were made by rational human beings? Connecticut representative Sam Gejdenson and the DOL put their heads together to solve this problem. They came up with a few unique ideas for solving this crisis. The "crisis," as they determined, was that one out of every million plans has losses due to theft.

Gejdenson introduced the Small Business Employee Retirement Protection Act of 1998, H.R. 4238. This act would have attempted to solve the problem by forcing small employers to hire accountants or corporate trustees for their plans. The bill died in committee.

Throughout 1998, our firm had numerous discussions with aids in Representative Gejdenson's office. On one particular occasion, we asked whether they knew how much it would cost small plans to comply with their proposal. They didn't know. They explained, "We have to come up with something because people in our district are demanding it."

We suggested that a more cost-effective approach would be to increase the bonding requirement from 10% to 100%. We explained that according to the Surety Association of America, claims on fiduciary bonds amounted to about 2% of premiums. Much of the cost associated with these bonds is attributable to overhead expenses. This helps to explain why a $10,000 bond costs about $100 and a $500,000 bond is about $400.

On October 6, 1998, the Secretary of Labor, Alexis M. Herman, announced that the Emergi-Lite situation was "fixed" and that they were coming up with a plan to prevent this from happening in the future. On October 19, 2000, the DOL released final rules that imposed additional requirements on sponsors of small employee benefit plans that file annual reports on Form 5500 without audited financial statements (65 Fed. Reg. 62958). These rules affect the small plan audit exceptions under

Continued on page 15

Updating Plans for GUST – a Case of the Boy Who Cried Wolf?

by Robert M. Richter, APM

You've heard it before – the GUST remedial amendment period is coming and there won't be any more extensions. This time, however, the proverbial wolf is here and updating for GUST will only be part of the problem. Plans will also need to be updated for EGTRRA. Fortunately, the IRS has implemented changes that will make the process of updating plans easier for many employers using pre-approved prototype and volume submitter plans.

The General GUST Remedial Amendment Period

The GUST remedial amendment period (RAP) has been the subject of prior issues of *The Pension Actuary*. It is not the purpose of this article to provide an in-depth discussion of when plans must be updated. However, there have been some recent developments that warrant a brief explanation of the GUST RAP.

The general deadline for updating a non-governmental plan for GUST is the last day of the first plan year beginning in 2001. In other words, for a calendar year plan, the general RAP deadline is December 31, 2001. The IRS has formally announced that this general deadline will NOT be extended. However, there is an extension of the general deadline that is available for employers using, or intending to use, certain master and prototype plans (prototypes) and volume submitter plans. Before explaining this extension, it is important to note that there is no extended deadline for updating Employee Stock Ownership Plans (ESOPs) and stock bonus plans. These plans **must** be updated by the end of the 2001 plan year because the IRS will not approve them as part of the prototype or volume submitter programs.

The Extended GUST Remedial Amendment Period Deadline

Employers using most prototype and volume submitter plans will be entitled to an extension of the GUST RAP. The IRS recently simplified the determination of when the extended deadline for updating a particular plan will be. However, determining whether a plan is entitled to use the extended deadline can be confusing. Therefore, it is critical to have an understanding of which plans are entitled to the extension.

The extended deadline is often referred to as the "12-month rule." This is because, as originally announced, plans entitled to the extended deadline would not need updating for GUST before the end of the 12th month following the date a particular prototype or volume submitter was approved by the IRS. However, in IRS Notice 2001-42, the IRS modified the 12-month rule. The extended deadline is now the **later of** (1) the end of the twelfth month beginning after the latest date on which a GUST opinion or advisor letter is issued to the prototype sponsor or volume submitter practitioner, or (2) December 31, 2002. This change simplifies the determination of when an employer's plan must be updated for GUST because most prototype and volume submitter plans have been, or are expected to be, approved by the end of 2001. The result is that there will be a single deadline of December 31, 2002, for most plans that are entitled to use the extended deadline, rather than different deadlines that are based on when a prototype or volume submitter plan is approved.

Plans Entitled to the Extended Deadline

There are three general requirements that must be satisfied in order for the extended GUST RAP to apply to a particular plan. The first requirement is that a prototype sponsor or volume submitter practitioner must have submitted its prototype or volume submitter plan to the IRS by December 31, 2000.

The second requirement generates the most confusion. This requirement is based on the plan being used, or intended to be used, by the employer. In essence, a snapshot is taken on the last day of a plan's 2001 plan year (*i.e.*, as of the end of the GUST RAP without any extension). The extended deadline applies if, as of that date, the em-

ployer has **either** adopted a prior version of one of the sponsor's or practitioner's document or the employer has signed a certification that it intends to adopt the sponsor's or practitioner's GUST approved prototype or volume submitter plan.

Many practitioners are having all of their clients sign a certification form. Revenue Procedure 2000-20 does not prescribe a format for this certification. However, the IRS recently published a sample certification form. This can be found in the Employee Plans Newsletter at **www.irs.gov/ep**. While many practitioners will be inclined to use the sample verbatim, this author would suggest that a modified version of the sample be used. The IRS sample certification form states that the employer "will" adopt the sponsor's prototype or volume submitter plan. But, the requirement is only that the employer "intends" to adopt the sponsor's prototype or volume submitter plan. As explained below, there is no requirement that the employer actually adopt that specific prototype or volume submitter plan.

If these two requirements have been satisfied, then an employer is generally entitled to use the extended deadline and is required to update its plan for GUST by such deadline. It does not matter which document is used. For example, even if an employer signed a certification of intention to adopt a particular sponsor's prototype plan, the employer can update its plan for GUST by adopting another sponsor's prototype or an individually designed plan. However, in addition to updating for GUST, if the employer does not have automatic reliance that all or part of the form of the plan satisfies the qualification requirements, then the plan must be submitted for a determination letter before the end of the extended deadline. (Based on changes made in IRS Announcement 2001-77, which is discussed later in this article, this third requirement affects few plans.)

The IRS announced that it will publish a list of all GUST prototype and volume submitter plans that are entitled to use the "12-month rule." The reason for the publication of this list is because the "12-month rule" is based on the date certain prototype and volume submitter plans were submitted and approved by the IRS. Thus, the list will be helpful in determining when a plan must be updated for GUST.

An example of the above rules might be helpful. Assume you take over a case in early 2003. You discover that the new client's plan, which has a calendar year plan year, has not been updated for GUST. You must now determine whether the employer missed the GUST updating deadline. The general GUST RAP for the plan is December 31, 2001. In order to determine whether an extension applies, you must obtain from the client a copy of either the document being used as of December 31, 2001, or a certification that has been signed no later than December 31, 2001, by the employer and document provider. You discover that the employer had been using a prototype plan from ABC Bank. You must then go to the published IRS list. If ABC Bank is listed, then a timely submission by ABC Bank was made and the employer will not need to update its plan until the later of December 31, 2002, or 12 months after ABC Bank receives approval of its GUST prototype. You could then update the employer's plan using any plan you want (*e.g.*, with your firm's prototype or volume submitter plan).

Amendments for EGTRRA

The IRS does not want to delay the process of amending plans for GUST because both the IRS and practitioners have already allocated significant resources to this process. The IRS is also aware that having extended periods of operational compliance with changes in the law followed by retroactive amendments is problematic. Thus, there is a desire to have plans amended for EGTRRA within a reasonable time after the law becomes effective. In addition, the IRS is sensitive to the inefficiencies that would be present if employers are required to amend their plans for GUST, and then within a short period of time, amend their plans for EGTRRA.

After taking into account the various concerns, the IRS decided that plans will not be permitted to operate in accordance with a change that is required or permitted by EGTRRA beyond the end of the first plan year to which the provision applies, unless the plan is amended. The result is that most plans will need a "good faith" EGTRRA amendment **no later than** the end of the 2002 plan year, or if later, by the end of the GUST remedial amendment period (as extended by the 12 month rule). By making this "good faith" amendment, an employer will be entitled to an EGTRRA remedial amendment period that will not end before the end of the plan's 2005 plan year. This would permit a plan to be retroactively amended, if necessary, to cure any disqualifying defects in the "good faith" amendment.

The IRS will not issue determination, opinion, or advisory letters on any EGTRRA amendments. However, on August 31, 2001, the IRS issued sample "good faith" amendments in IRS Notice 2001-57. These amendments can be used verbatim or as a basis for drafting individualized "good faith" EGTRRA amendments. For prototype and volume submitter plans, the "good faith" amendment must be structured as a separate addendum.

Continued on page 18

FIFTH ARTICLE IN A SERIES

The Perpetual Question – What Are the Investment Trends for Defined Contribution Plans?

by Keith Clark

This article is the fifth in a series of articles focusing on the changing face of plan administration. This overview of investment trends deals primarily with issues in today's 401(k) marketplace.

For the last ten years, the primary reason plan sponsors have changed recordkeeping service providers has been administration and compliance service issues. However, in the future, a far greater reason for the change will be that industry leaders and a few start-ups have introduced cutting edge recordkeeping technology solutions, emphasizing services which can be accessed directly by the plan participant. Coupled with the new technology, plan sponsors are placing an emphasis on out-of-pocket fees and their investment menu due to our recent economy and volatile stock market. The change is being felt by investment advisors, consultants, and recordkeeping service providers that have received a free ride regarding the plan investment menu. The free ride was the ability to leverage mutual funds without disclosure of 12b-1 fees (marketing fees typically paid to brokers from within the funds' investment expense) and shareholder service or sub-TA fees (fees paid by the mutual fund companies to directed trustees or recordkeepers for aggregating plan data as opposed to clearing each trade on a participant level). If performance was lacking, it was easy to add funds or replace them. We have come a long way from the days of charging for added funds due to major programming on the recordkeeping system.

Today there is a renewed emphasis on investment menu flexibility and selecting a complete menu of ERISA appropriate funds. For example, plan sponsors who added Technology Funds last year are asking their advisor or consultant why they added inappropriate sector funds and proclaimed them as a Core Aggressive Equity Fund without properly communicating to the participant. Hence, if you are in sales, this scenario is an easy target.

With new technology offered at the participant level, participants have access to fantastic Retirement Modeling and Asset Allocation software that I define as "Almost Advice:" providing participants asset allocation tools based on limited information via a paper or online questionnaire with suggested asset allocations. "Almost" means the provider does not accept responsibility for the suggestion or future performance, which includes many of the so-called financial advice engines (read the contract fine print). The latest trend from senior management of financial advice software engines has been to complain about their lack of acceptance in the marketplace. Their lack of acceptance is easy to recognize because charging an annual per participant fee that is greater than the annual per participant administration fee is inappropriate. In fact, it is embarrassing to the recordkeepers (who spend 1-3 hours a day processing a plan with significant liability) that a rarely accessed financial software engine is more expensive, causing a number of recordkeeping service providers to integrate these services with their standard package.

Other Trends

1. **Leveraging Asset Allocation Technology by Recordkeeping Service Providers** – This leveraging is taking age-old theory and leveraging the mutual fund sub-TA that pays per participant. The recordkeeper simply creates 3-4 asset allocation funds via an

Continued on page 22

International Congress of Actuaries

by Curtis E. Huntington, APM

The 27th International Congress of Actuaries (ICA) will be held in Cancún, Mexico, March 17-22, 2002 (Cancún 2002). Our Mexican actuarial colleagues have designed a program around the theme of "A New Millennium, A New Challenge for Actuaries."

Every four years, the International Actuarial Association (IAA) organizes an international congress whose objectives are to: establish a means of communication between actuaries from all over the world; communicate new techniques inherent to their professional work; and share experiences and promote the educational development of new generations.

The ICA brings together thousands of members of the actuarial community from all over the world. At Cancún 2002, participants will enjoy a vast scientific program that will cover topics of interest that will be presented at plenary and simultaneous sessions. This will occur in Cancún's unparalleled splendor and beauty and the historic grandeur of pre-Hispanic Mexico.

The North American actuarial organizations, including ASPA, have been working with the organizers to present a well-rounded program that will be of interest to our members. In addition, the program is expected to satisfy the annual continuing education requirements for US Enrolled Actuaries.

Many ASPA members may not be familiar with the IAA and their periodic Congresses. However, North American attendees will feel quite at home at Cancún 2002. Many of the sessions are being organized by fellow North American actuaries and you can expect to see presentations very much like those that occur each year at ASPA's Annual Conference or the Enrolled Actuaries Meeting.

With respect to the Enrolled Actuaries Meeting, the dates for the 2002 meeting were changed once the Cancún 2002 meeting dates were set in order to allow North American actuaries the option of being in Washington, DC, as usual, or to participate in the unique experience of an International Congress while still earning their annual continuing education requirements.

In addition to Cancún 2002's scientific program, there are many social and cultural activities planned. The highlight of these events will occur on Wednesday, March 20, during a visit to the ruins of Chichén Itzá, where attendees will be able to witness the equinox. This is a natural phenomenon in which the sun crosses the plane of the earth's equator, making night and day of equal length all over the planet. Every year at this time, the shadow of a descending serpent is cast upon the stairs of Kukulkan's pyramid. Attendees will have front row seats for this once-in-a-lifetime experience.

The Congress' scientific program will be conducted throughout the entire week. However, to allow participants more flexibility, you may choose to attend only the first half (Monday through Wednesday) or the second half (Wednesday through Friday). For ASPA members, the second half may be of more interest because this is when pensions will be covered.

To learn more about Cancún 2002, visit the ICA2002 website **http://www.ica2002.com**. You will have an opportunity to review the material in English, Spanish, and French. In fact, the activities of the Congress are conducted in these three languages as well as German and Japanese. If you are only comfortable with English, there is no problem since all of the sessions feature simultaneous translations (using headsets and translators).

From the website's main page, you will discover that in addition to

Continued on page 24

CONTINUED FROM PAGE 1

Washington Update

touch everywhere. At the ASPA National Office, Xenia Murphy, our government affairs assistant, lost a family member who worked at the Pentagon.

As we all deal with this terrible tragedy, we must try to, as the President says, "move forward and get back to business." Of course, we must also remember the victims and their families. Like you, I will never forget the pictures that we all witnessed that Tuesday.

ASPA's Government Affairs Committee responded to the tragedy by coordinating with both the IRS and DOL to provide relief from various deadlines. We emphasized to the agencies that the relief granted should reflect the fact that plan advisors might be directly affected by the attack even though a plan sponsor is not. Further, we also stressed that the relief should be broad enough to reflect that transportation and mail deliveries have been significantly disrupted. Both IRS and DOL should be congratulated for the comprehensive and swift relief provided.

Still, IRS was unable to provide certain forms of relief. For example, the initial IRS guidance does **not** apply to minimum funding obligations under IRC Section 412. According to the IRS, they did not have any legal authority to allow any extension for minimum funding. Consequently, in theory, calendar year plans would still be subject to the September 15 deadline, even though financial markets did not open that day. ASPA's Government Affairs Committee worked with Congress to enact legislation giving IRS the authority to extend this deadline.

Other ASPA programs are also moving forward. The 2001 ASPA Annual Conference will go on as scheduled beginning October 28 here in Washington, DC. This year's conference program is tremendous, reflecting the major law changes in EGTRRA. By now you should have received the conference brochure in the mail. You can register for the conference online at **www.aspa.org**. For those of you concerned about traveling to DC, we can assure you that the security presence in the city is very significant. At this point, it is unclear when Washington Reagan National Airport will reopen. Fortunately, there are two other major airports that serve Washington, DC. The city is easily accessible from both Washington Dulles Airport and the Baltimore/Washington International Airport.

The Visits to Capitol Hill as part of the Annual Conference will also go forward as planned. I can personally assure you that the security at Capitol Hill is extremely tight. Here is an excellent opportunity to personally support your member of Congress in what he or she is doing in the fight against terrorism and to thank them for the passage of pension reform. In fact, I am certain your member of Congress and their staff would greatly appreciate a visit from supportive constituents, under the circumstances. Visiting Capitol Hill is easy to do. The Conference will be shut down on Tuesday between 11:00 a.m. and 2:00 p.m. for Visits to Capitol Hill. Lunch and transportation will be provided. We will also make the appointment for you. I encourage you to register for a Visit to Capitol Hill online at **http://www.aspa.org/forms/hillvisitsubmission.htm**. We will take care of the rest.

Although it was necessary to cancel the ASPA/IRS Los Angeles Benefits Conference that was scheduled on September 13 and 14, the 2002 Conference is planned on January 31 and February 1. Pension reform still needs to be implemented and this conference will provide important continuing education to West Coast practitioners. In this regard, we recognize that many ASPA members, particularly actuaries, are concerned about their continuing education requirements. We have asked the Joint Board for the Enrollment of Actuaries to extend the current cycle's December 31, 2001 continuing education deadline. They are scheduled to consider an extension at their September 25 Board meeting, and we are hopeful they will grant such an extension.

ASPA's Education and Examination Program is also moving forward. This fall, for the second time, we will conduct "exams on demand" in conjunction with Prometric Testing Centers throughout the country. The exam window for this exam cycle will be from November 1 to November 30. In light of the terrorist attack, we have extended the early registration deadline from September 15 to September 30. Final exam registrations will be accepted until October 31.

It is impossible to rationally explain why and how a tragedy like this can happen. It will certainly forever change our lives in ways that we yet do not fully understand or appreciate. However, retirement professionals will continue to ensure that the retirement industry successfully serves the needs of employers and participants, and ASPA will continue to support you. We all need to move forward **and** remember. ▲

Brian H. Graff, Esq., is Executive Director of ASPA. Before joining ASPA, Brian was legislation counsel to the US Congress Joint Committee on Taxation.

Ruth F. Frew, FSPA, CPC, Selected as 2001 Eidson Award Recipient

ASPA is pleased to announce that Ruth F. Frew, FSPA, CPC, is the 2001 Harry T. Eidson Founders Award recipient. Ruth became involved with ASPA in 1975 and has contributed a great deal for over 25 years. As a result of her dedicated leadership and devotion to ASPA's education program and interprofessional activities, ASPA has become a premier society of pension professionals.

In addition to serving as ASPA President in 1992, Ruth has served multiple terms as ASPA Vice President and also as Treasurer. She has chaired various subcommittees within the Education and Examination Committee and also served two years as the Education and Examination General Chair. She continued her ASPA service with several terms as chair of the Continuing Education Committee, the Finance & Budget Committee, and the National Office Committee, served on the Long Range Planning Committee for three years, on the Executive Committee for ten years, on the Nominating Committee for six years, and attended Board meetings for more than 17 years.

While chair of the Education and Examination Committee, Ruth drafted the first Education and Examination (E&E) manual, forming the basis of operation for E&E over the past two decades. She also participated in the establishment of ASPA's continuing education (CE) program and was instrumental in drafting the Continuing Education guidelines that ASPA still uses today. As a result of her efforts, ASPA was the first US-based actuarial society to develop a formal CE program. Ruth also served on a joint task force with the Society of Actuaries (SOA) and the Joint Board for the Enrollment of Actuaries (JBEA) to structure the initial EA mandatory continuing education requirements.

Ruth has also represented ASPA, both directly and indirectly, on many intersocietal actuarial committees, boards, and special task forces. She served four years on the American Academy Board of Directors, two years on the Council of Presidents, and one year on the Working Agreement Task Force (now called the Council of Presidents-Elect). She was called to serve for two years as the Facilitator of the Council of Presidents-elect and also served on a special task force created by the Council of Presidents to review the Actuarial Standards Board in 1993. She continued her intersocietal service to the actuarial profession by first serving as a member of the AAA Committee on Qualifications in the mid 1990's and then by serving as one of the nine members of the Actuarial Board for Counseling and Discipline (ABCD), where she is currently Vice-Chairman and is in her fifth year of service on the Board.

Through her dedication to ASPA's interprofessional activities, Ruth has worked tirelessly to enhance the professionalism of ASPA and of the entire actuarial profession. Her contributions to ASPA's education and continuing education programs helped build a strong foundation for the programs that exist today. She is a most worthy recipient of the prestigious Harry T. Eidson Founders Award and will be presented the award at the ASPA 2001 Annual Conference.

The 2001 nominees represented a group of well-deserving candidates, and ASPA would like to thank all of those who submitted nominations. The Harry T. Eidson Founders Award recognizes exceptional accomplishments that contribute to ASPA, the private pension system, or both. The award is given in honor of ASPA's late founder, Harry T. Eidson, FPSA, CPC. Previous winners of the Eidson award are: Leslie S. Shapiro, JD, in 2000, Howard J. Johnson, MSPA, in 1999, Andrew J. Fair, APM, in 1998, Chester J. Salkind in 1997, John N. Erlenborn in 1996, and Edward E. Burrows, MSPA, in 1995.

A special thanks to Karen Jordan, CPC, QPA, for her assistance with this article.

ASPA Announces New Membership Benefit

ASPA is pleased to announce a new discount program on hi-tech web-based communication services offered by PresentPLUS, including on-demand, interactive webconferencing, and webcasting. PresentPLUS services are now available to ASPA members at a significant discount. For more information, contact ASPA's membership department at (703) 516-9300, or visit the PresentPLUS website directly at **www.presentplus.com/aspa**.

ASPA Board Revises Disciplinary Procedures

The ASPA Board of Directors has adopted a new set of disciplinary procedures that apply when a complaint has been made against an ASPA member alleging a violation of either the ASPA Code of Professional Conduct or the Code of Professional Conduct for Actuaries. The ASPA Code of Professional Conduct applies to all ASPA members. ASPA members who are actuaries are also subject to the Code of Professional Conduct for Actuaries. Both Codes can be found in the ASPA Yearbook.

The new disciplinary procedures are reprinted in their entirety below. They are effective on November 1, 2001 and, as of that date, replace the disciplinary procedures located on page 251 of the 2001 ASPA Yearbook. The Board has revised the disciplinary procedures in order to enhance the due process protections of ASPA members who have been accused of violating one or both of the Codes of Professional Conduct. The ASPA Board strongly encourages all ASPA members to review these new disciplinary procedures.

American Society Of Pension Actuaries – Rules of Procedure for Disciplinary Actions (As Amended, Effective November 1, 2001)

The Board of Directors of the American Society of Pension Actuaries (ASPA) has promulgated these Rules of Procedure to govern the consideration and recommendations for disciplinary action against ASPA members. These Rules are intended to provide fundamental fairness and due process in the procedure for disciplinary action by requiring adequate notice, an opportunity to respond, and a fair and impartial decision-maker in the discipline process. The Board reserves the right to amend or otherwise alter these Rules of Procedure as it deems necessary and delegates the interpretation of these rules to the ASPA Professional Conduct Committee, in consultation with the ASPA Executive Director.

A. Receipt of Complaints

1. The ASPA Executive Director shall receive formal complaints alleging violations of either the Code of Professional Conduct for Actuaries (hereinafter the "Actuarial Code"), applicable to ASPA members who are actuaries, or the ASPA Code of Professional Conduct (hereinafter the "ASPA Code"), applicable to all ASPA members. A complaint shall not be considered formally made unless received by the ASPA Executive Director in writing. Also, a complaint shall not be considered formally made if it is submitted anonymously.
2. The Chair of the ASPA Professional Conduct Committee, in consultation with the ASPA Executive Director shall determine if complaints allege violations that fall within the purview of the Actuarial Code. Complaints within such purview shall be referred to the national organization responsible for actuarial counseling and discipline in the nation where the alleged violation occurred. If the ASPA Executive Director subsequently or otherwise receives a recommendation for disciplinary action against an ASPA member who is an actuary, such recommendation shall be referred to the ASPA Professional Conduct Committee.
3. If a complaint does not allege violations that fall within the purview of the Actuarial Code, the Chair of the ASPA Professional Conduct Committee, in consultation with the ASPA Executive Director, shall determine if the complaint alleges violations that fall within the purview of the ASPA Code. Complaints within such purview shall be referred to the ASPA Professional Conduct Committee.

B. Formation of a Discipline Panel from the ASPA Professional Conduct Committee

1. The ASPA Professional Conduct Committee shall consist of at least 10 credentialed members. The President of ASPA shall annually appoint a credentialed member as Chair of the ASPA Professional Conduct Committee. The Chair of the ASPA Professional Conduct Committee, in consultation with the President of ASPA, shall appoint the other credentialed members of the ASPA Professional Conduct Committee. At all times, at least 5 members of the ASPA Professional Conduct Committee must also be actuaries. At no time shall there be more than one member of the ASPA Professional Conduct Committee who is also a voting member of the Board of Directors.
2. If the ASPA Professional Conduct Committee receives a recommendation for disciplinary action from the appropriate actuarial investigatory body against an ASPA member who is an actuary, the Chair of the ASPA Professional Conduct Committee shall form a Discipline Panel that consists of five actuary members from the Committee. If five actuary members of the Committee without a conflict of interest cannot be found, the Chair shall appoint (a) special actuary member(s) to the Discipline Panel who is not also a voting member of the Board of Directors to complete the formation of the Panel. Such Discipline Panel shall be responsible for considering recommendations for disciplinary actions against an ASPA member who is an actuary presented by the appropriate actuarial investigatory body and for taking actions on those recommendations as it deems appropriate.
3. If the ASPA Professional Conduct Committee receives a complaint against an ASPA member alleging violations of the ASPA Code, the Chair shall form a Discipline Panel consisting of five members from the Committee. If five members of the Committee without a conflict of interest cannot be found, the Chair shall appoint (a) special member(s) to the Discipline Panel who is not also a voting member of the Board of Directors to complete formation of the Panel. Such Discipline Panel shall be responsible for investigating complaints against an ASPA member alleging violations of the ASPA Code and for determining whether and to what extent disciplinary action is appropriate.
4. If the Chair of the ASPA Professional Conduct Committee is serving on the Discipline Panel, he or she shall serve as Chair of the Panel. Otherwise the Chair of the ASPA Professional Conduct Committee shall designate a member of the Discipline Panel to serve as Chair.
5. For all purposes, disciplinary action by a Discipline Panel shall require 3 affirmative votes.
6. The Chair of the Discipline Panel, in consultation with ASPA's Executive Director, may engage legal counsel to advise the Panel and ASPA.
7. The member whose activities are the subject of review by a Discipline Panel is hereinafter referred to as the subject member.
8. All written communications with the subject member shall be made by certified mail. For purpose of these disciplinary procedures, a written notice to the subject member is deemed made on the date received by the subject member, and a written notice from the subject member is deemed made on the date postmarked.

C. Consideration of Disciplinary Action

1. In the case of a recommendation for disciplinary action by the appropriate actuarial investigatory body against an ASPA member who is an actuary, the Discipline Panel shall review the recommendation and record provided by the appropriate actuarial investigatory body and may seek further information from them or delegate if necessary, and in consultation with ASPA's Executive Director, further fact-finding or investigation to an actuary member not on the Committee.
2. In the case of a complaint against an ASPA member alleging violations of the ASPA Code, the Discipline Panel shall review the complaint and shall conduct an investigation, which, in the panel's discretion, may include, in consultation with ASPA's Executive Director, fact-finding as deemed necessary. The Discipline Panel, in consultation with ASPA's Executive Director, may delegate any fact-finding or investigation to an ASPA member not on the Committee.
3. The Executive Director of ASPA shall provide written notice to the subject member in the case of either a recommendation for disciplinary action against an actuary member by the appropriate actuarial investigatory body or in the case of a complaint against a member alleging violations of the ASPA Code. This notice shall:
    a. advise the subject member of the charge(s) made, cite the specific Code of Professional Conduct violations that are alleged, provide a copy of these Rules of Procedure, and, if relevant, that disciplinary action has been recommended by the appropriate actuarial investigatory body along with a copy of any accompanying investigatory report;

b. list the members who will serve on the Discipline Panel and any member to whom fact-finding or investigation has been delegated by the Discipline Panel, and advise the subject member of the right to object to any Panel member or any investigator he or she believes might have an actual or potential conflict of interest, provided that he or she must state the basis for that conflict in writing within 30 days of receipt of this notice (in the event that the subject member objects to a Panel member or any investigator, the Chair (or, in the event that the person alleged to have the conflict is the Chair, the President of ASPA) shall determine, in consultation with the ASPA Executive Director, if an actual conflict exists and if so determined, shall appoint a special replacement Panel member or investigator without a conflict of interest to consider the matter); and

c. advise the subject member of the right to submit any relevant evidence in writing which should be considered by the Discipline Panel or any investigator within 30 days of receipt of this notice;

4. Following the completion of any fact-finding or investigation deemed necessary by the Discipline Panel, the Chair of the Discipline Panel shall schedule a hearing at which the subject member shall have the right to appear personally, with or without counsel, at the expense of the subject member, to explain why any disciplinary action is not warranted in the matter or to present any mitigating factors for the Discipline Panel to consider.

5. The ASPA Executive Director shall provide written notice of this hearing to the subject member, including the time, date, and place where the Discipline Panel will consider the matter not less than 60 days in advance of the hearing. The notice shall include a copy of any written report submitted to the Discipline Panel by an investigator. The 60-day time limit may be waived, or extended, by mutual written consent of both the Discipline Panel and the subject member. The notice shall also advise the subject member of the right to appear at the Discipline Panel hearing, with or without counsel, at the expense of the subject member, and that any factual materials or evidence which he or she wishes to be considered by the Panel must be submitted in writing at least 15 days in advance of the hearing. The notice shall provide that the subject member must notify the ASPA Executive Director in writing within 30 days of receipt of the notice regarding the scheduled hearing whether the subject member intends on attending the hearing. In the absence of any response to the notice of hearing by the subject member it shall be presumed that the subject member waives his or her right to attend the hearing.

6. Copies of any written notices sent to the subject member shall be provided to the members of the Discipline Panel and the ASPA President.

7. A hearing of the Discipline Panel shall require a quorum to be present, which shall be 3 members of the Panel. If there is no quorum present because of circumstances reasonably beyond the control of the panel members, or the subject member is not present because of circumstances reasonably beyond his or her control, the hearing shall be rescheduled to a date mutually agreeable between the parties, but in no event more than 60 days following the date of the initially scheduled hearing. If the subject member waives his or her right to a hearing, the ASPA Executive Director shall so advise the Discipline Panel members and the Panel may, in its discretion, hold the hearing by teleconference. Members of the Committee Panel who are not in attendance at the hearing in person or by teleconference may not vote on the outcome.

8. A Discipline Panel decision to counsel, reprimand, suspend or expel, either publicly or privately, the subject member requires the affirmative vote of at least three members of the Discipline Panel.

9. A transcript shall be made of the hearing of the Discipline Panel, except in the case of a hearing by teleconference, by a court reporter selected by ASPA. No other recording of the hearing will be permitted. In the case of a hearing by teleconference, a written report of the hearing will be prepared by the Chair of the Discipline Panel. Since the hearing is intended to address the professional conduct of the subject member, dialogue between the subject member and Panel members, and any investigator, if present, should not be impeded by formal legal rules of evidence or procedure. There shall be no evidence presented by the subject member or considered by the Discipline Panel that was not provided in writing at least 15 days prior to the date of the hearing.

10. At a hearing attended by the subject member, the subject member may make an oral presentation of reasonable length and respond to any questions posed by the Discipline Panel members. The subject member may be accompanied by legal counsel and may consult with such counsel. However, the role of such counsel shall be limited to providing advice to the subject member and explaining relevant legal principles. Any investigator who conducted fact-finding

or investigation as delegated by the Discipline Panel may be asked to attend the hearing. The Discipline Panel and the subject member may submit questions to any investigator present at the hearing.

11. The deliberations of the Discipline Panel shall be limited to Panel members, the ASPA Executive Director, and any outside counsel to ASPA. To the extent a recommendation for disciplinary action has been made by the appropriate actuarial investigatory body, the Discipline Panel has discretion to accept, reject, or modify the recommendation received.
12. The Discipline Panel decision shall be based on the written report of the appropriate actuarial investigatory body, if relevant, the fact-finding or investigation by the Discipline Panel, whether or not delegated to another member, and any evidence submitted in writing by the subject member at least 15 days in advance of the hearing. In reaching its decision the Panel shall consider without limitation the intent of the subject member, whether the violation was willful, the economic loss or other harm caused by the conduct alleged, the seriousness of the violation, the experience of the subject member, any alleged prejudicial material errors in the process of the investigatory body, if relevant, and any other factors the Panel deems appropriate including matters presented at the hearing. The Panel may also take into consideration whether the subject member has been disciplined before and the Chair of the Panel is authorized to inquire with the ASPA Executive Director or any other body in this regard. In its discretion, the Discipline Panel may conclude that a further hearing, and, if necessary, further fact finding or investigation, is required.
13. The decision of the Discipline Panel shall include a written report of its findings and the rationale for the conclusion. If the matter involves an alleged violation of the Actuarial Code and if the Panel determines that a violation of the Actuarial Code has not occurred, the decision should explain why the Panel's conclusion differs from that of the appropriate actuarial investigatory body. If the Panel determines that a violation of the Actuarial Code or the ASPA Code, whichever is in question, has occurred, the decision should cite the specific Code provisions violated and explain how the subject member's conduct constituted a Code violation. The Panel decision should also contain the rationale for the disciplinary action chosen.
14. The decision of the Discipline Panel shall be provided to the subject member by the ASPA Executive Director within 30 days after the decision is reached. Copies of the Panel decision shall be provided to the ASPA President, the ASPA Executive Director, and the ASPA Professional Conduct Committee. The decision of the Panel shall be considered final and binding unless written notice of appeal is submitted by the subject member to the ASPA Executive Director within 45 days of receipt of the decision of the Panel. If the subject member fails to request an appeal, a copy of the Panel decision shall be provided to the authorized representative of the appropriate actuarial investigatory body, if any.

D. Appeals

1. The subject member shall be entitled to appeal the decision of the Discipline Panel by submitting a written request for an appeal to the ASPA Executive Director within 45 days from receipt of the Discipline Panel decision. The 45-day time limit may be extended by mutual written consent of the parties.
2. Upon the receipt of the written request for appeal, the ASPA President shall designate five members of the Board of Directors, who do not have a conflict of interest, as eligible to serve on an Appeals Panel to be provided to the subject member by the ASPA Executive Director. The Appeals Panel may not include any member of the ASPA Professional Conduct Committee. In the case of a decision by the Disciplinary Committee Panel to impose discipline against a member for violations of the Actuarial Code, all those designated to serve on the Appeals Panel must also be actuaries.
3. The ASPA Executive Director shall notify the subject member in writing of the names of the five members of the Board of Directors selected. Within 30 days of receipt of this written notice, the subject member shall advise the ASPA Executive Director of any Appeals Panel member he or she believes might have an actual or potential conflict of interest, provided that he or she must state the basis for that conflict in writing. In the event that the subject member objects to an Appeals Panel member, the ASPA President (or, in the event that the person alleged to have the conflict is the ASPA President, the President-Elect of ASPA) shall determine, in consultation with the ASPA Executive Director, if an actual conflict exists and if so determined, shall appoint another member to the Appeals Panel. The subject member shall select three of those designated Board members to serve on the Appeals Panel and provide those choices to the ASPA Executive Director. The ASPA President shall select one of those three to serve as the Chair of the Appeals Panel and shall so notify the three panel members, the subject member and the ASPA Executive

Director. The Appeals Panel shall act on behalf of the ASPA Board of Directors.

4. In the event of a request for appeal by the subject member, the full written record, decision, and findings of the Discipline Panel shall be made available to the Appeals Panel by the ASPA Executive Director. The appeal shall be based entirely upon the written record and shall not include any appearance by the subject member but may include a written submission by the subject member, and any reply submission by the Chair of the Discipline Panel. Any written submission by the subject member must be submitted within 60 days following the date of the written request for appeal.
5. The Appeals Panel shall conduct and complete the appeal within 90 days after receipt of the request for appeal. The Appeals Panel may affirm, modify or reverse the decision of the Discipline Panel. A decision to do other than affirm shall require a determination by the Appeals Panel that: (1) the Discipline Panel's determinations were clearly erroneous and, absent such errors, a different action is warranted; (2) the Discipline Panel failed to conform to the Rules of Procedure in a manner that was unduly prejudicial and which led to an unwarranted result; or (3) the disciplinary action imposed by the Discipline Panel was inconsistent with the seriousness of the Code violation(s) or the harm that was done. The decision of the Appeals Panel shall require the vote of at least two members of the Appeals Panel.
6. The Appeals Panel decision shall include a written statement of the Panel's findings and conclusions and shall be provided to the subject member, the Chair of the Discipline Panel, the ASPA President, the ASPA Executive Director, and the authorized representative of the appropriate actuarial investigatory body, if any. The Appeals Panel decision shall be final.

E. Confidentiality of Process

1. All proceedings with respect to communications, investigations, and deliberations as provided in these Rules, shall be confidential.
2. Notwithstanding the above, should there be any unauthorized disclosure of information by the subject member with respect to these confidential proceedings, ASPA shall have the right to respond to such disclosure by providing factual information about the deliberations and proceedings.
3. The ASPA President shall notify the members via *The Pension Actuary* in all instances in which the Discipline Panel orders public disciplinary action. Notification shall not be given until the time to appeal has expired or, in the event of an appeal, until such appeal has been resolved. At the same time notification is given to the members, the ASPA President shall also give notice of any disciplinary action to the appropriate actuarial investigatory body, if relevant, and to other persons or organizations, including governmental entities, which, in the opinion of the Discipline Panel, in consultation with the ASPA Executive Director, should also receive notice of the action as being in the best interest of the public.
4. In the event of subsequent reinstatement of the subject member, at the request of such member, the ASPA President shall give notice of such action to all members via *The Pension Actuary* and to entities previously advised of the public disciplinary action.

F. Disposition

Upon the completion of an appeal, or in the case of no appeal upon the expiration of the period for appeal, the President of ASPA, in consultation with the ASPA Executive Director, shall initiate the action necessary to comply with the final order. In the event of public disciplinary action, the President shall be responsible for notifying the membership, and any other organizations or entities, as provided above. Such disclosure shall not take place until at least two business days after the subject member has received notice of the final decision or otherwise reasonable efforts have been made to effect that notification. In the event that the Discipline Panel hearing or the appeal results in no public disciplinary action, the ASPA President shall authorize the specified private disciplinary action, if any. In all cases, the matter shall otherwise continue to be treated in a confidential manner, with all records of the hearing and any appeal sealed and retained by the ASPA Office under the control of the Executive Director. The members of the Discipline Panel or Appeals Panel, the ASPA President, or the ASPA Executive Director may, however, be required to divulge such records by court order or other legal process in some circumstances, or as necessary to fulfill their appointed functions.

G. Report on Activities

The Chair of the ASPA Professional Conduct Committee shall issue an annual report to the Board of Directors and to the membership that shall include a description of its activities, including commentary on the types of cases pending, resolved, and dismissed. This annual report shall be subject to the confidentiality requirements and provisions set forth above. ▲

CONTINUED FROM PAGE 3

New Bonding Rules

§2920.104-46 and ERISA §103(d). In order to avoid the plan audit requirement, either at least 95% of plan assets must constitute "qualifying plan assets" (see below for explanation) or the plan's bonding requirement is increased to 100% of the total non-qualifying plan assets.

Effective Date: These new rules are effective for plan years beginning after April 17, 2001. The additional bonding requirement on non-qualifying plan assets should be in place no later than the first day of the plan year beginning after April 17, 2001. Therefore, a plan with a year ending April 30 became subject to these regulations on May 1, 2001.

Generally, employee benefit plans filing Form 5500 are required to engage an independent qualified public accountant pursuant to ERISA section 103(a)(3)(A) (does not include Form 5500-EZ filers). Traditionally, an independent qualified public accountant's opinion was not attached to Form 5500 for small plans or for plans filing as a small plan.

Small Plan Filer Exception: The 29 CFR §2920.104-46 exception applies if the benefit plan covered fewer than 100 participants as of the beginning of the plan year.

80/120 Participant Rule: Under ERISA §103(d), a plan sponsor or administrator may continue to file the same form that was filed in the previous year, even if the number of participants has changed, provided that at the beginning of the current plan year, the plan had at least 80 but not more than 120 participants.

New Small Plan Bonding Requirements: For each plan year that a waiver is claimed for the plan audit requirement, either at least 95% of the assets of the plan must constitute "qualifying plan assets" or the bonding requirement for the plan is increased to 100% of the total non-qualifying plan assets.

Qualifying Plan Assets include:

1. Qualifying employer securities, such as employer stock, marketable obligations, or an interest in a publicly traded partnership, each issued by an employer of employees covered by the plan or by an affiliate of such employer;
2. Participant loans that meet the prohibited transaction exemption requirements under ERISA §408(b)(1);
3. Assets held by a "regulated financial institution;"
4. Shares issued by an investment company registered under the Investment Company Act of 1940 (*e.g.*, registered mutual funds);
5. Investments and annuity contracts issued by an insurance company qualified to do business under the laws of any state; and
6. Assets in the individual account of a plan participant or beneficiary over which the participant or beneficiary has the opportunity to exercise control and for which the participant or beneficiary is furnished, at least annually, a

Sal L. Tripodi Named as Recipient of the 2001 Educator's Award

The ASPA Education and Examination Committee's divisional chairs have selected Sal L. Tripodi, APM, as the recipient of the 2001 Educator's Award. Sal is the author of the *ERISA Outline Book*, which is published by ASPA and used in our education program. Sal's closing sessions at the ASPA Annual Conference and the ASPA Summer Academy always receive rave reviews.

Sal has practiced ERISA law since 1979. He has a law degree from the Catholic University of America in Washington, DC and a Masters in Taxation from Georgetown University Law School. After earning his law degree, Sal worked for more than three years at the National Office of the Internal Revenue Service, Employee Plans Division. Following his tenure with the IRS, he served for 11 years as vice president of PPD, a pension consulting firm. In addition to his current work with Tri Pension Services, which provides training, consulting, and publishing services relating to ERISA plans, Sal serves as adjunct professor at the University of Denver School of Law, Graduate Tax Program. He is also part of a legal team that drafted the Corbel/FDP prototype documents under GUST. Sal conducts numerous seminars around the country and is a frequent speaker at national employee benefits conferences.

On the basis of his dedication to education, ASPA is proud to honor and present Sal with the 2001 Educator's Award.

Past recipients of the Educator's Award include Charles J. Klose, FSPA, CPC; Janice M. Wegesin, CPC, QPA; David B. Farber, MSPA, EA; and Cheryl L. Morgan, CPC.

statement from a regulated financial institution describing the assets held (or issued by) such institution and the amount of such assets.

Non-Qualifying Plan Assets include the "investments" doctors often put in their plans, such as limited partnerships, coins, diamonds, and works of art. Additionally, real estate interests held by parties that are not regulated financial institutions are non-qualifying assets. Stock certificates held by the sponsor/trustee rather than in street name by the brokerage firm or other regulated financial institution are also non-qualifying assets.

SAR Modifications: The SAR must include certain specific information relating to: the financial institutions that hold plan assets; bonding; the right of participants and beneficiaries to year-end statements; and a notice that participants and beneficiaries may contact the Pension and Welfare Benefits Administration (PWBA), if they are unable to examine or obtain certain documents.

The summary annual report for the plan must include the following (except with regard to employer securities, participant loans, and directed investments):

1. The names of each institution holding qualifying plan assets and the amount of those assets at the end of the plan year
2. For plans with more than 5% of its assets in non-qualifying assets, the name of the surety company issuing the required bond
3. A notice stating that participants can request, and receive without charge, evidence of the required bond and the information received from the financial institutions regarding the qualifying plan assets. This notice should also state that participants and/or beneficiaries should contact the regional office of the Department of Labor's PWBA if the information is not available for examination.

Requirement to Furnish Copies of Documents: If a participant and/or beneficiary requests copies of documents described above pursuant to the changes in the Summary Annual Report, the plan administrator must furnish copies of these documents to the participant and/or beneficiary.

To illustrate the new bonding requirement, assume that a Plan has total assets of $500,000, of which $400,000 constitutes qualifying plan assets and $100,000 constitutes non-qualifying plan assets. Under this example, any person who handles the non-qualifying plan assets of the plan must obtain an ERISA bond of at least $100,000. Thus, if the plan's trustee had purchased the minimum bond of $50,000, then the regulations require them to increase the bond to $100,000.

The regulation was designed to limit pension plan fraud, provide participants and beneficiaries with more information, and to satisfy the contingent demanding, "that something must be done." Remember, in H.R. 4238, bonding for small plans would have become cost prohibitive. Under these new bond requirements, the cost of this additional protection is relatively minor – less than 1% of administrative costs according to the DOL.

On December 4, 2000, the DOL announced that it filed a lawsuit against a 401(k) plan, its Plan Sponsor, and the majority owner because the plan did not have a fidelity bond. The Plan Sponsor's response to Question 26a of Form 5500 ("Is it covered by a fidelity bond?") was "no." At the time of the suit, the plan had 14 participants and less than $50,000 in assets. There are no "de minimis" exceptions for fiduciary duties and the DOL is enforcing this. So beware – the DOL is taking the bonding issue very seriously!

Closing note: There are some groups that don't seem to be taking the new rules seriously. In fact, it seems that some of the insurance companies and agents are not even aware of the change in bonding requirements. Someone from our firm recently visited the website of one of the major insurance companies in search of a bond for $600,000. We were informed that the maximum legal limit for a bond was $500,000 and they would not issue a bond for a greater amount. Interesting! ▲

Richard N. Carpenter, CPC, CEBS, is the president of the Technical Answer Group, Inc. (www.tagdata.com), an online resource for pension professionals. He has been involved in pension consulting and administration for 22 years. He has an MBA and has earned both the Certified Pension Consultant (CPC) and the Certified Employee Benefits Specialist (CEBS) designations. Richard has been an instructor for the CEBS program and is a frequent national speaker on the design and administration of qualified retirement plans.

With Sincere Sympathy and Hopeful Hearts

In the wake of the devastating events of September 11, 2001, during which Xenia Murphy, Government Affairs Assistant, lost a family member, the ASPA staff collected a generous donation for the Survivors' Fund of the National Capital Region.

Thank you to ASPA's membership, whose continued commitment to ASPA and support of the retirement plan industry, allowed us to match the staff's contribution from ASPA's operating budget.

Technology and the New Bonding Rules – by Angus Maclaurin

Technology and the internet are playing a valuable role in helping companies obtain the bonds necessary for fraud protection. In the past, one of the primary difficulties in buying bonds was due to their typically small size. Insurance brokers, naturally, seek to maximize their bottom-line incomes, and the relatively small size of most ERISA bonds makes their profitability slim. Writing one of these bonds takes a fixed amount of time and often brings little premium. For example, a $10,000 bond costs approximately $100 per year, leaving very small gains for the insurer. Unless purchasing companies are willing to transfer all their insurance business to the broker, they are often turned away and left unable to purchase ERISA bonds. Fortunately, today's technology is rapidly changing the environment for purchasing and writing ERISA bonds, allowing the process to be more cost-effective for insurers and more efficient for pension professionals.

The availability of insurance companies that allow TPAs to write their own bonds via the internet is increasing. Finding these companies is not always easy, as an internet search can deliver a variety of results, but a few examples include Colonial Surety Direct (**www.erisadirect.com**), F & D (**www.fidelityanddeposit.com**), Travelers (**www.travelers.com**), and CNA Surety (**www.cnasurety.com**). The legal jargon used is often somewhat complex, but the actual form is usually simple (typically requiring only the name and address of the purchasing company and a small amount of information on the trustees of the pension plan). The approval process has been expedited and bonds can be purchased with a credit card, providing an extremely efficient process from start to finish. On some sites, you can submit the application via e-mail or through an online application, and the bond can be issued the same day. Thanks to the internet and its reach, bonds can now be written in all states and no longer require long searches for a broker willing to write the bond. Some bonding companies also include a calculator on their website, allowing clients to input the breakdown of their assets so they can ensure that their coverage is sufficient in hopes of avoiding an audit.

While the bonding requirements may be stricter and companies will have to worry about some increased paperwork, the purchasing of ERISA bonds has never been easier. In the insurance industry, where technology-induced change has not always occurred quickly, the wide reach of the internet has had an impact on the sales and distribution of ERISA bonds. In addition to being able to write ERISA bonds more quickly for clients, some TPAs have discovered that the internet-based process can also augment their existing businesses, since some companies provide referral fees to TPAs for each bond written. ▲

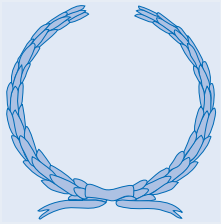
Angus Maclaurin is an analyst working for Colonial Surety Direct, an insurance company specializing in and issuing contract surety (bid and performance bonds), license, permit, ERISA/Pension and other bonds.

ASPA ANNOUNCES THE MARTIN ROSENBERG ACADEMIC ACHIEVEMENT AWARD WINNER

ASPA proudly recognizes the recipient of the Martin Rosenberg Academic Achievement Award for the fall 2000-spring 2001 academic year. Kenneth S. Eberle is being honored for his performance on the December 2000 C-3 exam. Ken will be presented with the award at the ASPA 2001 Annual Conference.

Ken joined Strong Retirement Plan Services in 1997 as an ERISA specialist. Prior to joining Strong, he spent three years at Coopers & Lybrand, LLP. He received his BBA from the University of Wisconsin in Madison and his MAS from the University of Illinois, Urbana/Champaign.

The award is presented in honor of the late Martin Rosenberg, a Fellow of the American Society of Pension Actuaries. Mr. Rosenberg served as an Education and Examination Committee member from 1979 to 1985 and as General Chair from 1985 until his death in 1987. The award is designed to annually recognize top performing ASPA examination candidates (certain minimum performance criteria are applied).



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Updating Plans for GUST

EGTRRA Plan Amendments May Be Needed Sooner for Some Plans

Some plans may need to make amendments for EGTRRA before the 2002 deadline. This is because some changes made by EGTRRA could result in a violation of the IRC Section 411(d)(6) anti-cutback rules if made on a retroactive basis. The IRS can only provide limited relief from these rules and has included examples of situations where a retroactive amendment can be made.

The changes to the top-heavy rules present the most likely situation where a cutback of benefits could occur. For example, under current regulations, a plan cannot use matching contributions to satisfy top-heavy minimum contribution requirements. EGTRRA has changed this rule beginning with 2002 plan years. But there is a potential cutback of benefits for non-key employees if an EGTRRA amendment is made on a retroactive basis to take matching contributions into account for top-heavy minimums (*e.g.*, the pre-amended terms of the plan would require an additional top-heavy minimum, yet non-key employees might not be entitled to this additional contribution under the EGTRRA amendment). Other examples include situations where a plan is top-heavy under existing rules but would not be top-heavy under EGTRRA (*e.g.*, because of either the change to the definition of key employee or the change from a five-year to a one-year look back for certain distributions).

The IRS has included a reminder that for defined contribution plans, top-heavy minimum benefits do not accrue until the last day of the plan year. Thus, the EGTRRA amendment dealing with the top-heavy changes could be made prior to the last day of the 2002 plan year without violating the anti-cutback rules. However, this is not the case for defined benefit plans where the top-heavy minimum generally accrues after a participant has been credited with 1,000 hours of service. Thus, for defined benefit plans, Notice 2001-42 provides that an amendment made for a calendar year plan will not violate the anti-cutback rules if the amendment for the 2002 plan year is adopted before May 31, 2002, or in the case of a plan using the elapsed time method, March 31, 2002.

Expanded Reliance and Simplification of Determination Letter Procedures

The IRS is concerned about resource problems that will occur as a result of the GUST updating process. To help alleviate some of these short-term problems, two changes to the determination letter program were made in IRS Announcement 2001-77. First, the determination letter application process has been simplified. Second, and perhaps even more significant, the rules regarding automatic reliance for employers using most prototype plans and volume submitter plans have been expanded. Practitioners will be able to use the announced changes even though the IRS is required to formally change the rules through the issuance of a Revenue Procedure.

Expanded Reliance

The IRS has expanded the extent to which adopters of prototype and volume submitter plans can rely on the opinion letters issued to sponsors of prototype plans or the advisory letters issued to sponsors of volume submitter plans. If an employer has reliance as to a particular aspect of a plan, then it means the employer can be assured that the plan satisfies the applicable qualification requirement of the Internal Revenue Code. To understand the expansion of reliance, a distinction is made between reliance as to the form of the plan (*i.e.*, that the terms of the plan satisfy the qualification requirements) and reliance as to operational coverage and nondiscrimination requirements (*e.g.*, that the plan satisfies IRC Section 410(b) coverage rules or IRC Section 401(a)(4) nondiscrimination requirements).

There are several conditions that must be satisfied in order for the new reliance rules to apply:

- The prototype or volume submitter plan that is being adopted must have been fully updated for GUST.
- If a volume submitter plan is being used, no modifications may be made to the approved volume submitter specimen plan. If a prototype plan is being used, then the only changes that can be made are changes permitted under Revenue Procedure 2000-20. Revenue Procedure 2000-20 permits (1) language to be added to coordinate two plans for IRC Section 415 limits or IRC Section 416 top-heavy rules, and (2) in non-standardized prototype plans, modification of the trust and custodial provisions.
- The plan must have eliminated both the family aggregation rules after 1996 (which is when these rules were statutorily repealed) and, if applicable, IRC Section 415(e) limits after 1999 (which is when these rules were statutorily repealed).

Reliance as to the Form of the Plan

If the general conditions set forth above have been satisfied, then an employer using a prototype plan

(standardized or non-standardized) or volume submitter plan will have reliance that the form of the plan satisfies the qualification requirements. This is similar to the prior reliance that was granted to adopters of standardized plans. It is also one of the most significant changes the IRS has made to the determination letter program in recent years. Many practitioners may not have had enough time to fully analyze the implications of this Announcement. The real impact of the change will not be fully realized until practitioners begin updating plans for GUST.

It's fairly easy to understand why the IRS made this change. The underlying language in a prototype or volume submitter plan has already been approved by the IRS. Therefore, as long as an employer does not deviate from the approved plan, there is generally no document language that needs to be reviewed by the IRS as part of a determination letter request. Thus, it is logical that the IRS gives an employer automatic reliance that the terms of the plan satisfy the qualification requirements.

There is only one exception to this rule. An employer generally does not have reliance with respect to the provisions of the plan that relate to IRC Section 415 (limitation on benefits) or IRC Section 416 (top-heavy rules) if the employer maintains two plans. This is because in situations where two plans are maintained, plan language must be reviewed by the IRS to ensure that the two plans are properly coordinated (*i.e.*, which plan will reduce benefits to satisfy IRC Section 415 or which plan will provide the top-heavy minimum). However, if the two plans are "paired" with each other, then the employer will have reliance as to the terms of the plan relating to IRC Sections 415 and 416. "Paired" plans are standardized adoption agreements of the same prototype sponsor that have the coordinating language already approved by the IRS.

Reliance as to Operational Coverage and Nondiscrimination Requirements

The general rule is that an employer using a non-standardized prototype or volume submitter does not have reliance as to any of the coverage and nondiscrimination requirements of IRC Sections 401(a)(4), 401(a)(26), 401(l), 410(b), and 414(s). There are, of course, exceptions to this general rule. However, both the general rule and the exceptions make sense. If a plan is structured to automatically satisfy a coverage or nondiscrimination requirement, then the IRS is willing to provide automatic reliance regarding that particular requirement. For example, if a plan only excludes statutorily excludable employees under IRC Section 410(b), then the employer will have reliance that the plan satisfies IRC 410(b) coverage requirements.

The specific exceptions to the general rule are:

- Adopters of standardized prototype plans have reliance on all of the coverage and nondiscrimination requirements. This is because standardized plans must be designed to avoid a violation of these requirements.
- If 100% of all nonexcludable employees benefit under a non-standardized plan or volume submitter plan, then an employer has reliance that the plan satisfies IRC Sections 410(b) and 401(a)(26) (except with respect to a prior benefit structure).
- An adopting employer of a non-standardized plan or volume submitter plan has reliance on the requirements of IRC Sections 401(a)(4), 401(k), and 401(m) if the employer elects to use a safe harbor definition of compensation (*e.g.*, no exclusions of bonuses, overtime or commissions) and a safe harbor benefit or allocation formula (such as an allocation that is pro-rata based on compensation or that follows the IRC Section 401(l) permitted disparity rules). However, an employer does not have reliance on IRC Sections 401(k) and (m) if the employer elects to provide an ADP/ACP safe harbor contribution to another plan.

The changes to the top-heavy rules present the most likely situation where a cutback of benefits could occur.

Deemed Determination Letter if Automatic Reliance

If an employer has full or partial reliance regarding the plan's form, then the employer is deemed to have a determination letter for IRS purposes. This reliance will actually serve three purposes. First, the employer is entitled to use the IRS correction programs that require determination letters. For example, in order to use what was known as VCR, now VCO, an employer is required to have a determination letter. Second, when updating a plan for GUST, a submission is NOT required in order to use the "12-month rule." (Ordinarily, to use the "12-month rule" to extend the GUST remedial amendment period, submission of the plan within the extended deadline is required if the employer does not have automatic reliance.) Third, it may alleviate any bankruptcy protection concerns (discussed later in this article).

Of course, reliance on a prototype opinion letter or volume submitter advisory letter would not cover those areas where the employer has no automatic reliance. But, in most cases, those areas are limited to operational coverage and nondiscrimination requirements and it is expected that most practitioners will not file for a determination letter solely for those issues. Likewise, in cases where there is no reliance on some portions of the plan (such as IRC Sections 415 and 416 when multiple plans are maintained), many practitioners may decide that a determination letter covering those issues will have little value.

Why Submit a Plan if an Employer has Automatic Reliance?

Clearly, one of the IRS' goals is that the expansion of reliance will reduce the number of determination letter applications. There is no doubt the change will reduce the number of applications. However, the extent of the reduction will not be known until the GUST updating process has ended.

It is likely that practitioners who, in the past, had been using standardized adoption agreements, will be comfortable not filing for determination letters on volume submitter and non-standardized plans. Also, it is likely that firms who have a large number of plans to update may avoid submitting plans whenever possible. However, there are situations where practitioners will file plans for determination letters even though the plans have automatic reliance.

Some practitioners just feel comfortable having a determination letter from the IRS. There are others who want to submit a plan to the IRS to make sure all available options in the document have been completed correctly. In addition, as part of mergers or acquisitions, many practitioners like to have determination letters for the underlying plans before a merger of the plans or businesses takes place.

The tougher issue for practitioners to decide is where an employer has reliance regarding the form of the plan but no reliance regarding the coverage and nondiscrimination rules. For example, an employer that uses a volume submitter to establish a cross-tested plan would generally have reliance as to the form of the plan (assuming all the conditions for reliance have been satisfied), but there would be no reliance as to the nondiscrimination requirements. To have such reliance, a determination letter would be needed.

Many practitioners question whether it is worthwhile obtaining a letter for coverage and nondiscrimination requirements. These tests must be performed annually and the numbers change as the employee demographics change. Supposedly, when a determination letter is requested for these issues, the IRS rules on the methodology being used to test the plan. A growing number of practitioners are comfortable with the testing methodology they have been using and will most likely not see an advantage in obtaining a determination letter for these issues. However, there are other situations where a determination letter request would still be desirable. For example, some practitioners might want to obtain a determination as to whether two entities are part of an affiliated service group.

One final concern relates to the protection of plan assets in a bankruptcy proceeding. There is a bill that has been pending in Congress for quite some time now, and it is not clear whether the bill will pass. But one of three methods in that bill for protecting plan assets is having a determination letter. Even if the bill does not pass, in some jurisdictions, bankruptcy protection is provided if the plan satisfies the qualification requirements of the Internal Revenue Code. The Supreme Court held that a plan has protection if it is an ERISA qualified plan. Since there is no definition of an ERISA qualified plan, some jurisdictions, such as Florida, interpret the term to mean a tax-qualified plan. In those jurisdictions, creditors will argue that there is some disqualifying defect with the plan and will attempt to attach the assets. In order to alleviate this problem, some practitioners may still want to obtain a determination letter. The IRS is aware of these issues, which is one of the reasons why an employer that has automatic reliance as to all or part of the plan is deemed to have a determination letter.

Changes to Determination Letter Procedures

In addition to expanding the reliance rules, the IRS made changes to the determination letter process. The changes to the determination letter process use the same distinction that is made with respect to the expanded reliance rules. Under the new procedures, a determination letter request can be made for just the form (*i.e.*, terms) of a plan or a request can be made for the operational coverage and nondiscrimination requirements.

In the past, when a determination letter was requested, certain information regarding the coverage and nondiscrimination requirements was required to be included. Most of this information was covered in the Form 5300 Schedule Q series applications. Now this information is optional. For example, if a sponsor does not want the determination letter to cover IRC Section 410(b) coverage tests, then the coverage information for the plan does not need to be submitted with the determination letter application. It is expected that many practitioners will not request a ruling on these operational issues. This will be especially true when a plan is passing the IRC Section 410(b) coverage test by using the ratio percentage test. Thus, the ability to request a ruling on just the form of the plan will save a significant amount of time.

There is an exception where the coverage and nondiscrimination information will be required to be submitted, which occurs when IRS Form 5310 is being filed for a plan that is terminating. In that case, demonstration of compliance with the coverage and nondiscrimination requirements will still be required with the application.

By the time this article goes to press, the IRS should have issued new determination letter application forms to reflect the changes in the determination letter procedures. The new forms must be used for submissions made after December 31, 2001. For submissions made prior to 2002, the old forms may be used. If the old forms are used, then the Announcement provides instructions as to which parts of the form need to be completed based on the scope of the determination letter being requested. For example, if a request for a ruling is not being made for the coverage and nondiscrimination requirements, then the IRC Section 410(b) coverage information does not need to be completed on Schedule Q.

Another change to the determination letter process may be a concern for some practitioners and IRS agents. The IRS will also no longer include any caveat on the actual determination letter indicating the scope of the letter. Rather, it will be up to the applicant to retain copies of everything submitted with the application. The determination letter may only be relied upon with respect to those items that were requested to be reviewed by the IRS and for which the applicant has retained the necessary records. The reason for this concern is that upon an IRS audit, it will not be readily apparent on the face of the determination letter the extent of the reliance. The concern is whether this situation will create more work for the agent and practitioner.

Changes to Determination Letter Procedures for Multiple Employer Plans

Currently, when a multiple employer plan (a non-collectively bargained plan that is maintained by two or more employers that are not part of a controlled group or an affiliated service group) is submitted for a determination letter, a separate application (Form 5300) must be submitted for each sponsoring employer. Under the new procedures, a determination letter may be requested for the plan (in which case a separate application for each sponsoring employer is not needed) or for each employer maintaining the plan (in which case a separate application for each employer is required). If a determination letter is requested for each employer, then each employer may elect whether to request a determination letter covering the coverage and nondiscrimination requirements.

Conclusion

The year 2002 will be a busy year for anyone responsible for updating plans for GUST and EGTRRA. The changes made to the determination letter process will lessen the burden. However, a significant amount of time will still be needed to update plans, especially for EGTRRA. EGTRRA may generate the need for major plan re-design, such as the termination or merger of money purchase plans into profit sharing/401(k) plans. Just keep in mind – the wolf is coming! ▲

Robert M. Richter, JD, LLM, APM, is the Director of Technical Services at SunGard Corbel Inc. in Jacksonville, FL. Robert is a member of ASPA's Government Affairs Committee, The Pension Actuary Committee, and the Education and Examination Committee (where he is chair of the C-4 examination subcommittee).

And Justice for All

There once stood Towers,
Stately and tall.
Then time stood still –
as we watched them fall.

We know that our lives,
As they were then,
Will never be quite the same again.

Where once there was laughter,
There now are tears –
And profound sorrow and newfound fears.

Our smiles have faded
And now we cry.
We wake each day and wonder, "Why?"

Where once there was joy,
There now is pain
As families and friends
search for loved ones in vain.

Where once there was trust,
There now is fear.
The fate of our future is no longer clear.

Where once there was peace,
There now is a war
Of a type that our country
hasn't known before.

Yet amidst the destruction,
Many heroes emerge.
A new beginning is on the verge.

Once folded and stored,
Our flags now wave
To remember the fallen
and honor the brave.

Where once we rushed,
We now go slow
And take the time to say "hello."

Where once we were focused
On personal gain,
Now we open our wallets
to ease others' pain.

Where once we were busy
With our own affairs,
Now we make more time
for hugs and prayers.

Where once we were separate,
Now together we stand.
We talk heart-to-heart
and we walk hand-in-hand.

Our foundations were shaken,
Yet we stand strong and tall.
"One Nation,
under God, Indivisible –
With Liberty and Justice for All!"

by Chris L. Stroud, MSPA

CONTINUED FROM PAGE 6

The Perpetual Question

internal asset allocation program utilizing 5-8 main menu funds. As a result, the mutual fund family is paying a sub-TA per participant, averaging six funds under this scenario, as opposed to the industry average of 2-3 funds. The industry has come a long way since the days of the questionnaire that is scored by points and the subsequent completion of quarterly paper transfer forms.

2. **Recordkeepers Retaining Participant Rollovers –** Instead of losing assets to traditional financial service firms, recordkeepers are providing terminated participants one click rollovers via their website or paper form, thereby allowing them to retain the same funds. This task is accomplished by simply moving the participant's account to a recordkeeping master file, which allows the recordkeeper to retain the sub-TA's and potentially begin collecting the 12b-1 fee (if a broker was attached originally). Directed trustees capitalize on this approach as well, as it allows them to continue receiving basis points at the same or higher rates for IRA trustee services. While this approach is great for the bottom line, recordkeepers must provide service levels commensurate with their traditional rollover competition (*e.g.*, banks, mutual fund companies, and brokerage firms). In addition, participants may be under a false sense of security because they are under the impression that a professional selected the funds for all of the right and prudent reasons. In reality, it is probable that the plan sponsor will change their fund menu or recordkeeping administrator within five years.
3. **Online Brokerage Accounts –** Whether you like them or not, online brokerage accounts are here to stay. The future trend with online brokerage firms is to provide recordkeeping service providers clearing services within the online brokerage account. Essentially, the online brokerage firm will limit the account to traditional mutual funds and allow participants to trade directly at their account level, not at the recordkeeping level. Successful service providers will solve the tri-technology dilemma of integrating clearing, recordkeeping systems, and brokerage accounts. It is ironic that consultants or "experts" who do not espouse online brokerage options often indicate that plans should limit the amount of a participant's account balance that can be transferred into an online brokerage account (*i.e.*, 20%-50%). This logic is the same as that used in the past when plans first added Equity Funds or when International Funds were introduced.
4. **Stable Value Funds –** In a volatile, flat, or down market, Stable Value Funds are participant favorites. Historically, Stable Value Funds provide a 1% higher return as compared to money market funds. Given the often higher Stable Value Funds, offering these funds should be a no-brainer when creating a plan menu. A clear trend in the marketplace is for recordkeepers to default to a Stable Value Fund that provides for revenue sharing. It is about time recordkeepers start making money that compensates them for their work and future risk (since recordkeepers are often first sought for any issue or error).
5. **Full Disclosure of Revenue Sharing** – Although it may not be in writing or in an annual statement, investment advisors and brokers are increasingly disclosing the compensation they receive from fund families. Otherwise, the advisor can look like he/she is hiding the ball when compared to another competitor. What is ironic is that in the late 1980's and early 1990's, some of the top investment advisors were charging a fully disclosed asset fee on top of their recommended funds. Due to competition and built in sub-TA fees, charging a fully disclosed asset fee approach is a difficult sell, especially with many so-called "consultants" pushing approaches with fees built into the funds (or soft dollars via remuneration).
6. **Asset Allocation Funds –** Professionally managed asset allocation funds that provide excellent communications and participant tools are often preferrable for better long-term success, even considering increased fiduciary responsibility. At a minimum, a fund of funds approach is better than nothing at all. It is discouraging to hear "experts" touting that asset allocation funds are failures, claiming they are difficult to communicate to plan participants. What is often viewed as ridiculous is traditional communication campaigns of a questionnaire and a point system

proceeding to a default fund or group of funds. With the technology and customer service available today, asset allocation funds can be a perfect fit for every defined contribution plan, especially with the availability of one-on-one verbal advice. Most importantly, individual investors (especially high net-worth investors) have been receiving this level of service and type of service from their investment advisors, so why would the same service be suitable for their 401(k) assets?

Successful Service Providers of the Future

The defined contribution administration sector is a very difficult service market, as clients demand the latest in technology, an error free environment, low or no out-of-pocket fees, and no participant lawsuits. Successful providers will offer a fair balance of services, and in fact, the winners may be those who take on a formal fiduciary role, as well as provide direct advice to the participant.

Firms that take fiduciary responsibility and offer viable service guarantees will have an edge over those that do not. Since very few recordkeeping service providers, consultants, and investment advisors take direct and full fiduciary responsibility, even though the best legal minds and leaders in our industry believe it is implied, why not take the final step? ▲

Keith Clark of DWC Consultants has over 16 years of employee benefits consulting experience, with an emphasis on recordkeeping administration, plan consulting, investments, and trust reporting. Keith is a frequent speaker and writer, and was named one of the top 401(k) consultants by Pension Management Magazine in December 1995.

Welcome New Members

Welcome and congratulations to ASPA's new members and recent designees.

CPC

Helen M. Brown
Eric C. Droblyen
Kenneth S. Eberle
Michael P. Jewer
Deborah L. McIntire
Merlene K. O'Neill
Steven C. Semler
Suzanne D. Smith
Chris R. Stencel
Susan Fischer Trost

QPA

Margaret Culver
Donald N. Dalessandro
Peter J. Falkowski
Kelly D. Gardner
Michael L. Humber
Sharon A. Lafferty
Meredith D. Lavelle
Joan I. McWilliams
Karen A. Mink
Richard M. Perlin
Gina Christine Peters
Anthony N. Rios
Joan E. Scherer
Tommy M. Stringer
Jonathan B. Weldon

QKA

Edward T. Angello
Lori S. Avila
Lori F. Berliner
Stephen H. Bowen
Carol J. Bowles
Nancy M. Brown
Joelle Calandra
Deborah L. Chaffee
Michele A. Cieszynski
Lisa P. Clontz
Andrew D. Cox
Shelia R. Cox
Margaret Culver
Teresa A. Devick
Rita K Edwards
Paul R. Erickson
Peter J. Falkowski
David C. Fillo
Scott G. Fischer
Nicole R. Fornaci
Scott G. Freeman
Kelly D. Gardner
Lauri L. Grajewski
Beth A. Grenci
Lihong Guo
Suzanne P. Hansen
Amy R. Hawkins
Jeffrey H. Horstman
Melinda G. Hughes
Michael L. Humber
Elizabeth A. Johnson
Patricia D. Kirby
Phyllis A. Koranda
Lori L. Larson
Meredith D. Lavelle
Deborah A. Lavigne
Robert M. Lee
Tina L. Leonard
Sze F. Margate
Jeanne M. McClay
Kathleen McKeon-Sykes
Donna M. Merritt
Sean E. Miller
Judith A. Muehlbauer
Lisa A. Murphy
Jason R. Oesterlei
Clyde A. Palmer
Scott A. Pemberton
Sandra K. Puntney
Dianna A. Ray
Darlene Rice Reinecke
Henry E. Riger
Michael Ruda
Mary F. Smith
Mary Snyder
Diane Souza
Geoffrey O. Stallings
Daniel S. Szuhay
Michael E. Tripodi
Eric C. Wallace
Sandra K. Webb
Lori L. Wenzl
Bradley W. Whitley
Nancy K. Whitney
Rebecca M. Wiegand
Cindy L. Wilson

Affiliate

Wendy C. Bicovny
Shannon L. Childress
Nan Chyo
Kim A. Cooley
Amy B. Crosby
Donald N. Dalessandro
Barry H. Davis
Steven A. Ferguson
Igor Golubov
Kara A. Hall
Charles G. Humphrey
Phyllis A. Koranda
David H. Langhorst
Tonia R. McBride
Ada A. O'Connor
Tammy M. Pate
Gary C. Pokrant
Nicole E. Rodman
Kelley D. Stanton

CONTINUED FROM PAGE 7

International Congress of Actuaries

the Congress itself, the 33rd ASTIN Colloquium and the 12th AFIR Colloquium are also taking place in Cancún. ASTIN (Actuarial Studies in Non-life Insurance) and AFIR (Actuarial Approach for FInancial Risks) are two sections of the International Actuarial Association. The International Association of Consulting Actuaries (IACA) is the third section.

Scientific Program

The scientific program will include both plenary and parallel sessions (similar to those seen at ASPA's Annual Conference). Plenary sessions will focus on topics of general interest to the profession, and parallel sessions will focus on specific topics of interest to each area of specialty. There will be two kinds of parallel sessions – shared sessions and those devoted to discuss papers submitted by actuaries.

Shared sessions will be organized by some IAA committees and with North American actuarial organizations (including ASPA). Three examples of shared sessions are:

- ASPA and the Conference of Consulting Actuaries are organizing a session entitled "Impact of Global Demographic Changes in Retirement Systems." There have been significant recent worldwide shifts in the shape of populations as well as overall mortality improvements. The implications of these changes on projections of costs of retirement systems, including the integration of public and private benefit systems, and the challenges to the actuarial community of first studying and then communicating meaningful results will be explored.
- There will be a session on "Pension and Health Reform in Developing Countries" organized by the IAA Committee on Advice and Assistance that will analyze reform models, as well as current results and future perspectives.
- The American Academy of Actuaries (AAA) will organize a session on "Professionalism" that will count toward core continuing education requirements. This session will explore the three pillars of professionalism (qualifications to provide professional services, adherence to the profession's standards of practice, and compliance with ethical standards) through a mock counseling and disciplinary hearing involving pensions with an international twist.

One additional feature of the Congress will be the presentation of papers written especially for the meeting. Actuarial Associations, including ASPA, will present reports discussing the challenges facing each association in terms of education, regulations, and professionalism, and ways in which to deal with these issues. These reports will be presented in the form of posters and will be published in the Transactions of the Congress.

Other papers on a wide range of topics will be prepared by individual actuaries and will be discussed in one of the parallel sessions. Papers will be eligible for a number of prizes, as shown on the website. The deadline for submission of papers was September 1, 2001.

Cultural Program

An ASPA actuary attending only the second half of the Congress is eligible to participate in an optional tour to XCaret on Tuesday evening. XCaret is an emotion-filled experience of light and sound that highlights ancient traditions and an unforgettable contact with Mayan culture. The tour ends with a special dinner.

Wednesday is set aside for the expedition to Chichén Itzá (described above).

There are four parallel sessions, each 90 minutes long, set aside for Thursday as well as two sessions on Friday morning.

On Friday afternoon, the Congress concludes with a Closing Ceremony and a gala dinner.

On Saturday, an optional tour to Tulum and Xel-Há is offered. Tulum is the only Mayan city built on a cliff

Notice of Disciplinary Action

On July 22, 2001, ASPA's Board of Directors, pursuant to the current disciplinary procedures, voted to expel the following two members for violations of the ASPA Code of Professional Conduct.

Nick F. D'Adamio
Ralph Paladino

and Xel-Há is the largest natural aquarium in the world.

ASPA and the IAA

ASPA is a Full Member of the International Actuarial Association and has been involved in IAA activities since the IAA was re-constituted in 1996. In coordination with the four other US actuarial organizations and in accordance with the Working Agreement, ASPA applied for membership.

The IAA is an Association of Associations with more than 40 Full Members and approximately 25 Observer Members in more than 50 countries, covering over 29,000 individuals who are full members of their associations. FSPAs are automatically qualified as members of the IAA by virtue of their membership in a Full Member Association. Each member organization appoints a delegate to the IAA. In addition, each organization is eligible to appoint members to the various operating committees of the IAA. Currently, ASPA is represented on IAA's Education Committee, IASC Employee Benefits Accounting Standard Committee, and the Nominations Committee.

Cancún 2002

I hope that you have found this information about the upcoming Congress in Cancún of interest and that you will consider attending this unique event. This is the opportunity to participate in a high-level scientific program in a lovely venue. The North American actuarial organizations are committed to making this Congress an overwhelming success. We hope that you will join us in Cancún in March 2002.

IAA News

The June 2001 issue of the IAA Newsletter is available on the IAA website **www.actuaries.org** under the Communiqué button with all the appropriate links. Correspondents are encouraged to communicate this information within their organizations.

Questions on the content of the newsletter should be addressed to the IAA Executive Director, Nicole Séguin at **nicole.seguin@actuaries.org**, while technical questions on accessing the links in the document should be addressed to Christian Levac at **christian.levac@actuaries.org**. ▲

Curtis E. Huntington, APM, is Professor of Mathematics and Director of the Actuarial and Financial Mathematics Program at the University of Michigan in Ann Arbor, MI. He is a Director of ASPA, Chairman of ASPA PERF, Quality Control Chair of the Education & Examination Committee, and ASPA's Delegate to the IAA. Curtis has been involved with the Cancún Organizing Committee since it was first established.

Find QKA examination information, register for exams, order publications, and get all of your questions answered with the click of a button!

You no longer have to search ASPA's website or the *Education and Examination Program Catalog* for QKA information and forms – all applicable forms and information can now be found in one convenient location. ASPA's new online QKA kit contains an exam registration form, a publications order form, course information, deadlines, fees, and a list of the most frequently asked questions about the Qualified 401(k) Administrator designation. To download the QKA online kit, visit **http://www.aspa.org/qka/**.

The QKA Credential is Appropriate For Many Career Paths

ASPA's QKA credential is appropriate for anyone involved in 401(k) administration, recordkeeping, and nondiscrimination testing. Our intensive training program will enhance your role as a 401(k) professional, as well as your credibility within the retirement plan field. The topics covered in all five courses directly relate to the issues you face in your daily work.

Download the QKA online kit now to order and submit the take-home, self-study, PA-1A, PA-1B, and Daily Valuation exams before the December 31, 2001 deadline. For more information, contact ASPA's education department at (703) 516-9300 or **qkainfo@aspa.org**.

2001 ASPA Annual Conference… Bigger & Better Than Ever

The 2001 ASPA Annual Conference is shaping up to be the biggest and best ever! Sessions will be held at both the Grand Hyatt Hotel and the Marriott Metro Center Hotel across the street. The Conference agenda includes 70 interactive workshop sessions on a diverse range of topics. In addition, the general sessions will feature the latest information on EGTRRA, government affairs, Q&A with the IRS and DOL, and an update of the activities of the PBGC.

The workshop sessions include: *Resolving Form 5500 Issues; Cash Balance Plans – Exactly How Do They Work for Small Plans?; The Effects of Mergers and Acquisitions on 401(k) Plans; Running a Successful TPA Firm; Recognizing a Prohibited Transaction; Revitalizing DB Plans; How to Administer an ESOP Plan; and Designing Plans After EGTRRA.* The workshops will be scheduled concurrently starting on Sunday afternoon and finishing on Wednesday morning with the popular closing session, *Keeping Current*, presented by Sal Tripodi, APM.

In addition to countless opportunities for education, this year's Conference will also include Visits to Capitol Hill. ASPA has set aside three hours mid-day on Tuesday for attendees to meet with their representatives on the Hill to discuss pension issues. ASPA will make the appointments and provide transportation and box lunches, leaving participants to concentrate on this chance to have their voices heard.

The ASPA Annual Conference promises many opportunities to socialize and network with colleagues and old friends. The Sunday evening President's Welcome Reception is open to all attendees. Monday's highlight will be the Conference luncheon with a performance by the Capitol Steps, a local improvisational troupe that satirizes the inner workings of Washington and the federal government. Tuesday night will feature a Gala Reception and Chat Room. This is a great occasion to enjoy cocktails and hors d'oeuvres with your colleagues and dance to the music of Sound Connection, an enormously popular big band that will keep everyone moving! If you prefer a quieter atmosphere in which to talk and unwind after a long day of sessions, there will also be a chat room available with a selection of desserts and coffees.

The Exhibit Hall will include three areas of booths displaying the latest products and services offered in our industry. Coffee breaks will be held in the Exhibit Hall, providing ample time for vendors and conference attendees to meet. There will also be door prizes awarded in the Exhibit Hall throughout the Conference.

Make your plans now to attend the 2001 ASPA Annual Conference. For more information, or to register online, visit **www.aspa.org**.

We look forward to seeing you!

Focus on ABCs

ASPA Benefits Councils: Bringing ASPA to You!

by Stephen H. Rosen, MSPA, CPC, and Carol J. Skinner, QPA

Do you need a convenient and inexpensive way to earn continuing education credits? Would you like opportunities to network with other pension professionals in your community? Would you like to be kept up-to-date with industry developments and enhance your professional education and knowledge without going too far from your home? In order to extend educational opportunities and provide a means for employee benefits professionals to benefit year-round from ASPA activities, ASPA promotes the establishment of ASPA Benefits Councils (ABCs).

ABCs are ASPA's effort to offer education to benefits professionals at the local level. ABCs provide a means for employee benefits professionals to acquire continuing education, keep current on what is going on in the field, and network with other benefits professionals in their community. All of this is accomplished at the local, versus national, level, making participation convenient and cost-effective.

You do not need to be a member of ASPA in order to attend council meetings or to become a council member. Each local council is structured to meet the needs of the local community and, as such, the councils' membership base and meeting topics are quite diverse. Council members include attorneys, CPAs, insurance professionals, health and welfare professionals, actuaries, human resource professionals, sales and marketing professionals, investment professionals, and more. Each ASPA council generally holds four to six meetings a year. Meeting and contact information is located in the Local Council section of ASPA's website at **www.aspa.org**.

ASPA currently supports ten ABCs in the following locations: Atlanta, Chicago, Central Florida (Orlando), Cleveland, Delaware Valley (Philadelphia), New York, North Florida (Jacksonville), South Florida (Ft. Lauderdale), and our newest additions, Western Pennsylvania (Pittsburgh) and the Texas Gulf Coast (Houston).

Benefits to an ASPA Benefits Council and its members include: ASPA office support; ASPA member network; recognition as an

Continued on page 31

ASPA Benefits Councils Calendar of Upcoming Events

Date	Location	Event
October 17	Delaware Valley	Panel Discussion: Participant Investment Advice in Defined Contribution Plans Speakers: Charles F. Catagnus, Allen P. Fineburg, APM, Esq., Terri Nicholaou Francino, Mark Stasch
October 17	North Florida	EGTRRA Update Speakers: Michele Lellouche and Kevin Merrill
October 18	Cleveland	EGTRRA – A Case Study Panelists: William McNamara, QPA, Michael Olah, and McKim Wertz
October 24	South Florida	EGTRRA Review, Design Opportunities and Amendments Speaker: David Tenenbaum, QPA, Esq.
December 6	Chicago Speaker: tba	tba
December 13	Cleveland Speaker: tba	QDRO's

Focus on Committee for Political Action

The Power of the (ASPA) PAC

by Karen Jordan, CPC, QPA

ASPA's Political Action Committee (ASPA PAC) is working for you – each member of ASPA – whether you're an ASPA PAC member or not. ASPA PAC sends a strong message to federal candidates that the congressional outcomes of pension issues are important to you, which in turn increases the power of your membership in ways that ASPA alone never could.

What is a PAC?

Political action committees were created to bring groups of people together who share common interests in advancing their positions in the political campaign process – a first amendment right.

With PACs there are no hidden monies. PACs are subject to a highly regulated, fully public process for financially providing assistance to candidates. The same assistance is vital to virtually all candidates, given the increasingly impossible financial demand of running for office in our country. When the private pension system has a candidate that understands our profession and the retirement needs of Americans, we need that person to return to Capitol Hill. The ASPA PAC helps make that happen.

What Makes the ASPA PAC Important?

While ASPA's Government Affairs Committee (GAC) continues to be highly regarded for educating regulatory agency leaders and Congress, more needs to be done to get our voice heard in Washington, DC. Let's face it – our political system is designed to accommodate diverse views. Diversity adds up to thousands of interest groups (representing a multitude of subject areas) demanding attention from Congress. The reality is that it takes more than facts and education to get our message across on Capitol Hill. What's an ASPA member to do?

ASPA, as a not-for-profit corporation, is prohibited from contributing to federal candidates. Therefore, the ASPA PAC is the only way the increasingly powerful name "ASPA" can be used to financially support candidates who can advance our members' shared interests. Our ASPA PAC is one of the most effective ways we can endorse, through the power of a group, those members of Congress who have worked hard to support our profession. By siding with those who advocate for us, we are also defending the initial legislative positions commonly developed by GAC. As our President George Taylor states, "Our ASPA PAC contributions were instrumental in allowing GAC to deliver our message to some very influential representatives. The ASPA PAC played an important part in getting pension reform passed."

Brian Graff, Executive Director states, "The ASPA PAC made important campaign contributions to many of the key members of Congress who were critical players in ensuring that pension reform was included in the recent tax legislation, despite resistance from the republican leadership."

But the work is not over! Realistically, the work is never over. Every year, numerous pension issues come before Congress. Even now, important issues remain on the political table (*e.g.*, repeal of the sunset clause which adversely affects the new provisions, elimination of the unfair top-heavy rules, and PBGC premium reform). To keep our efforts going we need the ASPA PAC to be able to continue supporting those members of Congress who share our professional philosophies.

How You Can Help

Given our national tragedy, loss, and harm to fellow Americans, we recognize that you may be called to contribute funds to other supportive venues at this time. The recent events have impacted us all. As we all strive to support those in need in any way we can, know that the ASPA PAC will continue to do as much as it can to strengthen ASPA's message on Capitol Hill. While your ability and motivation to contribute to the ASPA PAC at this time may be diverted, our pride in ASPA PAC

remains high and we will continue to hope that every ASPA member will feel strongly about the importance of its PAC.

The ASPA PAC will make sure that Congress knows that the ASPA voice represents an increasing voice of many, and we will do what we can to help ensure that the right decisions are made in Congress. In its four years, the ASPA PAC, through the dedication of its members, is proud to have raised an amazing $123,120. When the timing is right for you, we hope you will consider joining the 2001 ASPA PAC team by contributing $25, $5,000, or anything in between. (See the enclosed July 2000 ASPA PAC newsletter for more information or contact Jolynne Flores, ASPA PAC Manager at (703) 516-9300 or **jflores@aspa.org**.)

Note: Only ASPA members (credentialed and non-credentialed) may make contributions to the ASPA PAC. Contributions are not deductible for federal income tax purposes. Under federal law, PACs can only accept personal contributions. Corporate contributions are not permitted.

See You at the Annual Conference!

We look forward to gathering at ASPA's Annual Conference. It will be a time to reflect on the past year and gather strength for 2002. On Monday night we will host a cocktail party to which all ASPA PAC members are invited. In addition, any other ASPA member who is interested, or curious, about learning more about the ASPA PAC is welcome to attend. We'd love to have you. On Tuesday morning, ASPA PAC members who have contributed at least $500 will be invited to a special breakfast with Congressman Earl Pomeroy, a strong and longtime ASPA supporter. Finally, the ASPA PAC booth will be available during exhibit hours for anyone to ask questions, on a one-on-one basis, of ASPA PAC's leaders or staff. ▲

Karen Jordan, CPC, QPA, is president of Alaska Pension Services, Ltd., in Anchorage, AK, which provides full-service retirement plan services and is the oldest and largest independent retirement plan consulting firm in Alaska. Karen served as ASPA President in 1998 and currently serves as chair of the Committee for Political Action (the organizing committee for ASPA PAC), and Governance Task Force, and serves on the Nominating Committee, Professional Conduct Committee, Technology Committee, Relationship Task Force, and Women's Pension Task Force.

PIX Digest

The Pension Information eXchange (PIX) is an online service for pension practitioners. ASPA has co-sponsored the PIX Pension Forum for many years. For more information about PIX, call (805) 683-4334.

Not surprisingly, recent PIX messages reflect the two topics looming large on the horizon: the implementation of EGTRRA and the amendment and restatement of plans for GUST. As PIX users come up with new ideas, they are posting them on PIX for review by their peers.

More on EGTRRA

For practitioners with defined benefit plans, the thread titled "EGTRRA 415(b) Windfall Avoidance" is a must read. The effective date of the EGTRRA 415(b) increase is for limitation years ending after 12/31/01. Two scenarios are possible where a plan amendment may be needed. First, most plan documents probably have language reflecting the TRA '86 $90,000 limit with pre-Social Security retirement age adjustments. In these plans, to take advantage of the new limitations, an amendment is needed, such as the model amendment provided in IRS Notice 2001-57.

In some cases, however, a plan document might simply reference Section 415 and not spell out the TRA '86 415(b) limitation. In this case, it is possible that a plan participant could accrue a significantly higher benefit under the new EGTRRA limitation. This is fine if the plan sponsor wants such a pop up in benefits, but it could be very costly for the sponsor. If a plan amendment is not adopted on a timely basis, the plan sponsor may not be able to limit the participant's benefit without violating anti-cutback requirements.

The increase in the 415(b) limitation will affect the more highly paid participants, who are often the ones closest to retirement. This could dramatically increase a plan's required contribution. Practitioners should review defined benefit plans to avoid unintended benefit increases.

EGTRRA also makes a 401(k) plan very attractive for an owner-only sponsor. 401(k) deferrals will no longer count against the 404 limit, nor will they reduce 404 compensation. Also, the 404 limit will be 25% and the 415 limit 100%. For a one-person corporation with an owner age 50 or above with compensation of $100,000, 401(k) deferrals and profit sharing contributions could total $37,000 in 2002.

Questions have arisen regarding the implications of the Safe Harbor matching plan exemption from top-heavy status. What happens if the plan has no other contributions in a given year, but there are profit sharing forfeitures to reallocate?

A discussion is also taking place regarding the timing of EGTRRA amendments. In the case of Safe Harbor 401(k) plans that want to meet the top-heavy exemption and use the matching contribution, they may need to be amended to conform to the new hardship distribution suspension of six months.

Further, other 401(k) plans that allocate discretionary matching contributions with no minimum hours or last day requirement may need to amend for the increased compensation limit prior to the beginning of the 2002 plan year in order to avoid 411(d)(6) cutback issues. This conversation started another conversation regarding the interaction of EGTRRA amendments with GUST restatements. Many plans are not going to be restated prior to the beginning of their 2002 plan years. Without careful drafting, a later GUST restatement might eliminate any EGTRRA amendments previously adopted.

The PIX system operators are compiling these EGTRRA threads as they develop. Threads through September 1, 2001 are in the file egtrra2.fsg; later threads will be in egtrra3.fsg.

GUST Restatements

With EGTRRA looming large, GUST seems like old news. However, as we go to press, the IRS is beginning to release approved plans. It looks like this is really going to happen. Of course, we have to explain to our clients that their "new"

documents are obsolete before they are even adopted, but the restatement must still be done. PIX practitioners are discussing various aspects of the GUST restatement process.

Even though GUST predates EGTRRA, the restatements will be affected by it. With the changes in profit sharing 404 limits, many money purchase plans will be merged into profit sharing plans. PIX users have discussed the timing of such a merger and its impact on GUST restatements as well as 5500 filings.

Other discussions include: (1) the effects of a GUST restatement error on plan qualification, especially when the restatement is retroactively effective to plans years now closed under the statute of limitations; (2) what, if any, GUST "certification" needs to be executed by a plan sponsor by the end of their 2001 plan year in order to have a continued extension of the remedial amendment period? What about a plan that was previously a prototype, but was amended in a way to lose prototype status? and (3) users have posted and commented on sample certifications and on an updated GUST amendment for terminating plans that have not yet been restated.

To read these threads, download gustamd3.fsg. ▲

Ideas? Comments? Questions? Want to write an article?

The Pension Actuary welcomes your views! Send to:

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CONTINUED FROM PAGE 27

Focus on ABCs

ASPA group; links to ASPA's education and government affairs activities; topic and speaker suggestions; direct access to ASPA's nationally-known speakers; detailed manual with suggested bylaws and structure; organizational assistance; financial support; promotion on ASPA's website and newsletter; insurance protection; continuing education accreditation; networking with other benefits professionals; and discounts on ASPA's one-day workshops, ASPA membership, and the *ASPA ASAP* subscription service.

The requirements for establishing and maintaining an ABC are kept to a minimum to allow ABCs the flexibility needed to prosper. You do not need to be a member of ASPA in order to join or establish an ABC! All it takes to be considered as an ASPA Benefits Council is a minimum of ten interested professionals, at least three of whom are ASPA members.

ASPA has been contacted by benefits professionals in several geographical areas who have expressed interest in starting local councils. Starting a council can be a great deal of work for one or two people, so they need your help in order to get started! These areas include: Cincinnati, OH; Dallas, TX; Detroit, MI; Hartford, CT; Fort Wayne, IN; Kansas City, MO; and Minneapolis, MN. If you live in one of these areas and would like to become involved in the development of an ABC, please contact Amy Iliffe, Director of Membership, at ASPA's national office at (703) 516-9300 or **ailiffe@aspa.org**.

You also do not want to miss the ASPA Benefits Council Informal Session at ASPA's Annual Conference on Monday evening, October 29. This session will provide detailed information about what ABCs are and how to establish one in your area. Following the session, Lorraine Dorsa & Associates is sponsoring the ABC Cocktail party. Do not miss these opportunities to network with your colleagues and learn more about the ABC community! ▲

Stephen H. Rosen, MSPA, CPC, EA, MAAA, is an independent consulting actuary specializing in the design and implementation of employee benefit plans. He is president of Stephen H. Rosen & Associates, an employee benefits consulting firm in Haddonfield, NJ. Steve is an Enrolled Actuary and Certified Pension Consultant, is a Member of the American Academy of Actuaries, and serves on the ASPA Board of Directors. He also served as president and chairman of the Board of ASPA Benefits Council of the Delaware Valley and is currently co-chair of ASPA's ABC Committee. Steve has lectured at several actuarial conferences, including the Annual Enrolled Actuaries Meeting and ASPA's Annual Conference.

Carol J. Skinner, QPA, is a regional pension manager of Securian Retirement Services in Atlanta, GA. She is past president and a current board member of the ABC of Atlanta. Carol is co-chair of ASPA's ABC Committee and serves on ASPA's Committee for Political Action. Carol is a Qualified Pension Administrator and has been an ASPA member since 1995.

Bulletin Board

EDUCATION

C-1, C-2(DB), C-2(DC) fall exam window Oct 15 - Nov 30

C-3, C-4, A-4 exams December 5

CONFERENCES

ASPA Annual Conference October 28 - 31 Register online at www.aspa.org

401(k) Sales Summit Scottsdale, AZ Feb 28 - Mar 2, 2002

VISIT TO CAPITOL HILL

Join hundreds of ASPA's Annual Conference Attendees on the Visit to Capitol Hill Tuesday, Oct 30 Register online at www.aspa.org

2001 Calendar of Events

		ASPA CE Credit
Sept. 29 - Oct. 2	EA-2A review course, Los Angeles, CA	
Oct. 5 - 8	EA-2A review course, Chicago, IL	
Oct. 12 - 15	EA-2A review course, Washington, DC	
Oct. 15 - Nov. 30	C-1, C-2(DB), C-2(DC) fall exam window	*
October 28 - 31	Annual Conference, Washington, DC	20
October 31	Final registration deadline for fall exams	
November 1 - 30	Fall exam administration	
November 2	Registration deadline for fall weekend courses (C-1, C-2(DB), C-2(DC), C-3, and C-4)	
November 10 - 11	C-1, C-2(DB), C-2(DC), C-3, and C-4 weekend courses, Chicago, IL	15
December 5	C-3, C-4, and A-4 exams	*
December 31	Deadline for 2001 edition exams for PA-1 (A&B)	**
December 31	Deadline for 2001 edition exam for Daily Valuation	***

2002 Calendar of Events

Jan 31 - Feb 1	Los Angeles Benefits Conference	14.5
Feb 28 - Mar 2	401(k) Sales Summit, Scottsdale, AZ	
March 31	Early registration deadline for spring exams	
April 26	Registration deadline for spring weekend courses	
April 30	Final registration deadline for spring exams	
May 1 - May 30	C-1, C-2(DB), C-2(DC) spring exam window	*
May 4 - 5	C-1, C-2(DB), C-2(DC), C-3, and C-4 weekend courses, Chicago, IL	15
June 5	C-3 and C-4 exams	*
July 27 - 31	Summer Academy, San Diego, CA	20
October 27 - 30	Annual Conference, Washington, DC	20

* Exam candidates earn 20 hours of ASPA continuing education credit for passing exams, 15 hours of credit for failing an exam with a score of 5 or 6, and no credit for failing with a score lower than 5.

** PA-1A and B exams earn five hours of ASPA continuing education credits each for passing grades.

*** Daily Valuation exams earn 10 hours of ASPA continuing education credits each for passing grade.