

## Underfunded Pension Plans: The Return of Quarterly Contributions and Potential Plan Restrictions



by Mark Adams

IN LIGHT OF THE CURRENT ECONOMIC ENVIRONMENT AND THE STOCK MARKET'S RECENT DECLINE, A LARGE NUMBER OF COMPANIES THAT HAD FULLY FUNDED PENSION PLANS JUST A FEW YEARS AGO NOW HAVE PENSION PLANS THAT ARE IN AN UNDERFUNDED POSITION. THIS CHANGE IN FUNDED STATUS MAY RAISE ISSUES THAT COMPANIES HAVE NOT SEEN OR DEALT WITH FOR YEARS. SOME OF THE ISSUES MAY INCLUDE THE FOLLOWING:

- Pension plan contributions may be required to be paid quarterly.
- Lump sum payout restrictions may exist for the top-25 highest paid participants in the plan.
- Plan amendment restrictions may apply based on the plan's current liability funded percentage.
- Additional balance sheet liability may need to be recognized at the end of the company's fiscal year based on the accumulated benefit obligation (ABO).
- Companies may face paying PBGC variable premiums in addition to the \$19 per participant required payment.
- Additional contribution amounts may be required (Additional Funding Charge) depending on the current liability funded status.
- Companies may be required to provide participant notices.

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## WASHINGTON UPDATE

### It's Back!



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by Brian H. Graff, Esq.

I AM NOT REFERRING TO THE RECENTLY RELEASED "TERMINATOR III" MOVIE (ALTHOUGH IT WOULD BE A SMALL BUSINESS RETIREMENT PLAN TERMINATOR). INSTEAD, I AM TALKING ABOUT THE ISSUE OF THE BUSH ADMINISTRATION'S SAVINGS PROPOSALS THAT WERE INITIALLY ANNOUNCED IN JANUARY. SINCE THE PASSAGE OF THE TAX BILL THIS SPRING, THE WHITE HOUSE AND EVEN MORE SO, THE DEPARTMENT OF TREASURY, HAVE RENEWED EFFORTS TO PUSH THIS MAJOR INITIATIVE THAT ASPA STRONGLY BELIEVES WILL HAVE A DEVASTATING IMPACT ON THE PRIVATE RETIREMENT SYSTEM. BOTH PAM OLSON, THE TREASURY ASSISTANT SECRETARY FOR TAX POLICY, AND ANN COMBS, THE ASSISTANT SECRETARY FOR THE EMPLOYEE BENEFIT SECURITY AGENCY, HAVE GIVEN SPEECHES RECENTLY TOUTING THE PROPOSALS. MS. OLSON HAS ALSO BEEN MEETING WITH KEY RETIREMENT POLICY LAWMAKERS, INCLUDING REPRESENTATIVES PORTMAN (R-OH), CARDIN (D-MD), AND POMEROY (D-ND), AND SENATOR GRASSLEY (R-IA), CHAIRMAN OF THE SENATE FINANCE COMMITTEE, ARGUING IN FAVOR OF THE PROPOSALS. IN FACT, ASPA HAS LEARNED THAT REPRESENTATIVE SAM JOHNSON (R-TX), CHAIRMAN OF THE ERISA SUBCOMMITTEE OF THE HOUSE EDUCATION AND WORKFORCE COMMITTEE AND A MEMBER OF THE HOUSE WAYS AND MEANS COMMITTEE, WILL BE INTRODUCING THE PROPOSALS ON BEHALF OF THE BUSH ADMINISTRATION EITHER LATER IN JULY OR IN SEPTEMBER.

ASPA's Government Affairs Committee has by no means ignored these developments. We have already met with all of the above lawmakers as well as others to express our serious concerns about the negative impact these proposals would have

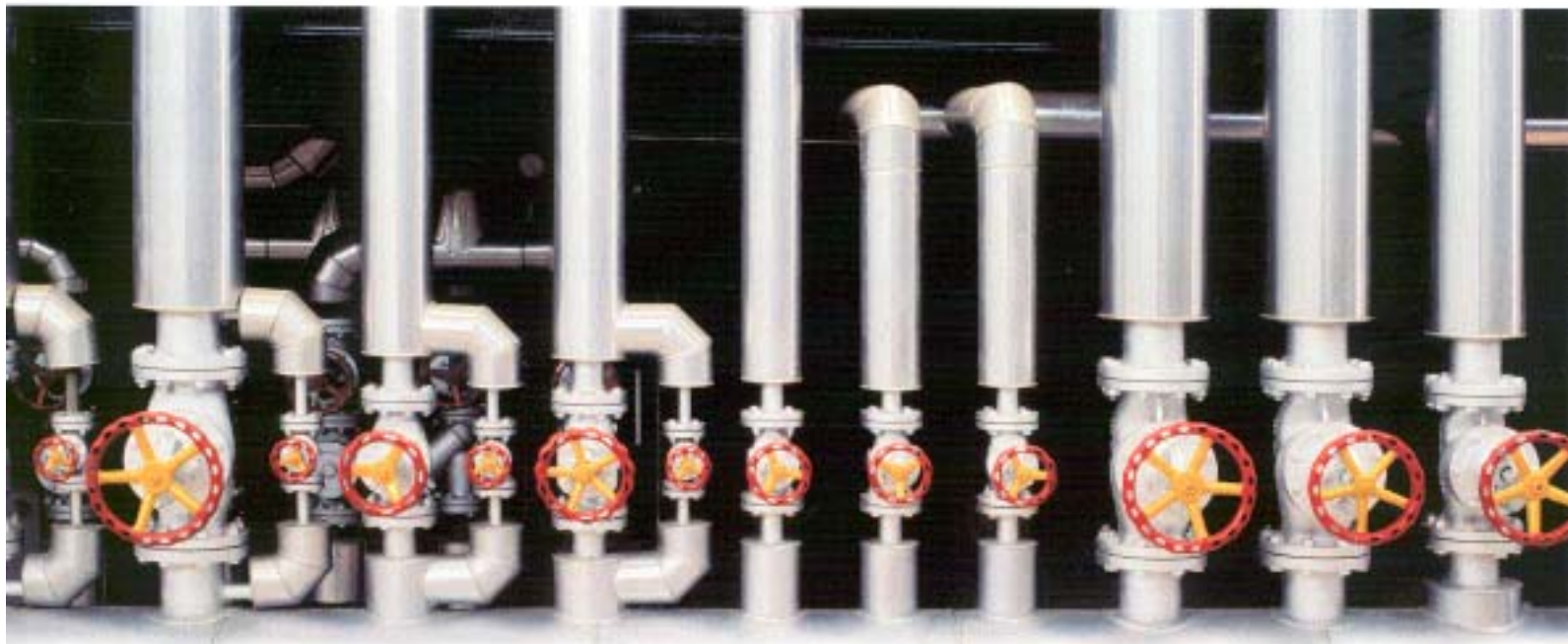
on the private retirement plan system. ASPA, along with representatives from the Small Business Council of America and the Profit Sharing/

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**FROM THE EDITOR**

**Freedom of Choice Comes  
with a Price!**

by Chris L. Stroud, MSPA

MY HUSBAND KEN AND I RECENTLY HAD THE PLEASURE OF SELECTING PLUMBING FIXTURES FOR A NEW BATHROOM. DURING THE COURSE OF EVENTS, I FOUND MYSELF COMPARING THIS EXPERIENCE TO AN EMPLOYEE IN HIS/HER FIRST 401(K) ENROLLMENT MEETING. EITHER EXPERIENCE CAN BE QUITE HUMBLING.

We began by looking at toilets. I must admit that I found this exercise quite amusing, as the salesman pointed out the “comfort” features of each toilet. (One of my favorite episodes of “Home Improvement” came to mind, where Tim Allen invented the “Barco-lounger” toilet—complete with TV, beer holder, magazine rack—and it reclined!) Next, we proceeded to sinks, and although the display of sinks was quite large, we had an idea of what color and style we wanted, so the selection process went fairly quickly. Now it was time to move on to the faucet display, where the real fun began! There were many styles to pick from, and after our salesman guided us through some of the differences in styles and prices, we settled on a style we liked and thought we were done. But no—there was much more to consider! We learned that this style of faucet actually had about ten parts to it, and there were certain choices that needed to be made for some of those parts (e.g., the length of the faucet, the materials the handles were made of, etc.). Also, each part could theoretically be a different color, so you could mix and match and build your own faucet/handle “portfolio.” The whole selection process was much more challenging than we had expected.

If a simple thing like a decision about a faucet could be overwhelming to me, I began to wonder how an employee who doesn’t work in the retirement planning industry must feel when, in one sitting, he/she is hit with terms like 401(k) deferrals, tax savings, matching contributions, dollar-cost averaging, diversification, investment advice, portfolio management, etc. And then, after the whirl-

wind educational discussion, the employee must make decisions about how much to contribute and into which funds those contributions should be directed. Whew!

In our faucet shopping adventure, we were fortunate enough to have a knowledgeable, patient salesperson who took the time to understand our needs and explain the appropriate choices. In the case of an employee facing deferral decisions, the quality of the advice he/she receives at the enrollment meeting or any other related meetings is invaluable. For us, making a bad choice regarding faucet parts could have yielded a sink with a non-working faucet, if perhaps we overlooked ordering an integral part. (In that case, we could simply “self-correct” by placing an additional order for the missing part.) That’s why we went to a reputable plumbing supply dealer and relied on the advice of a quality salesman. In the case of an employee making deferral decisions, the wrong decisions could be financially devastating. In either scenario, the importance of quality advice is underscored.

Fortunately, in the case of a faucet search, once decisions are made and the products are delivered, those decisions do not have to be reviewed or revisited each year to see if the “parts” should be “rearranged.” As you know, that is not the case with the employees’ investment accounts. It is important that the employee receive periodic investment advice from a qualified source to keep him/her on track with personal goals and economy shifts. With proper advice, his/her investment ac-

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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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counts can operate like a well-functioning faucet, yielding a steady “stream” of earnings. Without proper advice, his/her accounts could “take a bath”—or even worse, his/her accounts could end up “in the toilet!”

Think of the choices we have now, in many aspects of our lives, as compared to those our parents and grandparents had. However, this “freedom of choice” comes with a price, often adding complexity and requiring us to educate ourselves before we can truly appreciate and take advantage of the positive aspects of such free-

doms. Think about the typical research you do before selecting a phone service, an automobile, a television (Please remind me again what a pixel is?), etc. Now think of the role a 401(k) plan plays in the life of an individual as compared to any of the “convenience” devices listed above. Make sure that the participants in the plans that you are associated with understand that importance, and make sure they are given the appropriate education they need!

As for us, we still have a cabinet and countertop to select, but we are leaving that for another day! ▲

## Letters to the Editor



### A ‘GRIMM’ TALE

I have just read the hard copy of the March-April TAJ. I think it’s great, keep up the good work. Thanks so much for mentioning PAC in the editorial and running a PAC article. I must, however, complain about the Word Scramble Mystery Answer on FUN-da-Mentals. The favorite bedtime story book for any ASPA Benefit Consultant worth his salt can only be Grimm’s Fairy Tales. Please print a correction.

Stephen L. Dobrow, CPC, QPA, QKA  
Primark Benefits  
Burlingame, CA

*Stephen—we stand corrected! Our hat’s off to Jane “Grimm”, Managing Director of ASPA. She is certainly a favorite of ours!*

—Chris

### E&E RESTRUCTURING: QPA Q&A

I am a QKA and will be taking C2-DB this fall. I read the article in the May–June issue of *The ASPA Journal* and I am a little unclear on my status. The write-up says that the “QKA plus DC-3 and DB” would yield a QPA designation. Looking at the chart, it appears I have credit for DC-3. It seems, then, that I only need DB to get my QPA—am I correct?

Susan Hajek, QKA  
SunGard Corbel  
Jacksonville, FL

*You are correct. I checked with Michael Bain, Chair of the E&E Committee, and he clarified the issue as follows:*

*“For people under the new program who do not yet have a QKA designation, the requirement for the QPA will essentially entail getting a QKA plus DC-3 and DB.*

*Those with a current QKA have already passed C1 and C2-DC and will get credit for DC-1 and DC-2 and DC-3. Hence, a current QKA will only need to take DB, the same as now.”*

—Chris

### KUDOS FOR *THE ASPA JOURNAL*

I never get an opportunity to say this to you when we participate in the same conference calls, but I just wanted to let you know that I think that *The ASPA Journal* has become a first-rate publication under your stewardship. I just finished reading the May-June issue and thoroughly enjoyed it.

Sal L. Tripodi, APM  
Tri-Pension Services  
Highlands Ranch, CO

*Thanks for the kind words. Coming from an expert like you, the comment really means a lot. By the way, your ERISA Outline Book is always close at hand when I do my technical review and editing!*

—Chris

## Washington Update

401(k) Council of America, also met directly with the individual Treasury staff responsible for developing the proposals. We discussed, in detail the specifics of our concerns. We made it very clear that the proposal in its current form was wholly unacceptable. However, we did leave open the possibility of discussing modifications to the proposals that would avoid doing harm to employer-sponsored retirement plan coverage.

For those of you who have forgotten some of the details, following is a summary of the proposals.

### LIFETIME SAVINGS ACCOUNTS (LSAs)

Under the LSA proposal, individual taxpayers, regardless of their level of income or whether or not they had income, would be permitted to contribute up to \$7,500 (indexed) annually to an LSA. A taxpayer could also contribute \$7,500 annually to an LSA on behalf of any other individual, including employees. Like current-law Roth IRAs, contributions made to an LSA would be on an after-tax basis and distributions (including any earnings) would be tax-free. However, unlike Roth IRAs, there would be no restrictions on when you can take a distribution and no associated early withdrawal penalties. There would be no required minimum distributions until death when, as with Roth IRAs, required minimum distribution rules would apply to the beneficiary. Amounts in Medical Savings Accounts, Education Savings Accounts, and Qualified State Tuition Programs would be retained, but amounts in those accounts or programs could be converted to an LSA prior to January 1, 2004. Accumulated amounts in LSAs could be transferred to family members, subject to estate and gift tax rules, making the \$7,500 limit relatively porous.

### RETIREMENT SAVINGS ACCOUNTS (RSAs)

In addition to contributions to an LSA, individual taxpayers would also be permitted to contribute another \$7,500 (indexed) annually to an RSA. Unlike current-law traditional and Roth IRAs, the ability to contribute to an RSA would not be subject to any income limits. However, the amount of the annual contribution to an RSA would be limited to the taxpayer's wage income (*i.e.*, the taxpayer would have to earn at least \$7,500 in wages to contribute the maximum \$7,500 to an RSA). Contributions made to an RSA would be on an after-tax basis and distributions (including any earnings) would be tax-free if made after age 58 or

upon death or disability. Early distributions would be subject to income tax (after basis is exhausted) and a penalty tax. As with LSAs, there would be no required minimum distribution rules until death. Existing Roth IRAs would automatically be converted to RSAs. Beginning in 2004, deductible contributions could no longer be made to traditional IRAs. However, a traditional IRA could still be created to accept rollover contributions. Prior to January 1, 2004, an existing traditional IRA could be converted to an RSA and would be subject to a 4-year income tax spread. After 2003, conversions would still be permitted, but the full amount of the conversion would be subject to income tax in the current year.

ERSAs would replace existing 401(k), 403(b), governmental 457, SIMPLE, and grand-fathered SARSEP plans with a single plan available to all employers, with rules essentially similar to existing rules governing 401(k) plans.

### EMPLOYER RETIREMENT SAVINGS ACCOUNTS (ERSAs)

ERSAs would replace existing 401(k), 403(b), governmental 457, SIMPLE, and grand-fathered SARSEP plans with a single plan available to all employers, with rules essentially similar to existing rules governing 401(k) plans. In other words, the plan would still have to satisfy the qualified plan (and trust) rules and would still be subject to ERISA's various requirements. Thus, among other things, an ERSA would still be subject to the Section 402(g) limit [annual employee contribution limit (\$12,000 in 2003), plus catch-up if applicable], the Section 401(a)(17) annual compensation limit (\$200,000 in 2003), the current law restrictions on distributions, and the current law minimum required distribution rules. However, some major changes to the existing qualified plan rules would be made.



Under the proposal, the top-heavy rules for defined contribution plans would be repealed. Further, the ADP/ACP nondiscrimination tests would be repealed and replaced with a less onerous nondiscrimination test. Under this proposed new test, if the average deferral percentage for non-highly compensated employees is greater

than 6 percent, there would be no restrictions on the deferral percentages of highly compensated employees. If the average deferral percentage of non-highly compensated employees is equal to or less than 6 percent, then the average deferral percentage for highly compensated employees may not exceed two times the deferral percentage for non-highly compensated employees. However, since the current maximum contribution is \$12,000, for highly compensated employees above the \$200,000 compensation limit, the deferral percentage needed is only 6 percent (\$200,000 times 6 percent). Thus, if rank-and-file employees save on average at least 3 percent on their own, the highly compensated employees in this example would be able to save the maximum in the ERSA without making any matching contributions for the rank-and-file workers.

Further, the proposal would provide for two safe harbors in order to avoid any nondiscrimination

testing. The first safe harbor would be the same as the current law safe harbor, exempting the plan from nondiscrimination testing if it provides a 3 percent of pay contribution to participants regardless of whether they save on their own. The alternative safe harbor would exempt the plan from nondiscrimination testing if a 50 percent match on employee contributions up to 6 percent of pay (or a more generous formula) is provided. This safe harbor is a less generous matching contribution than the current law matching contribution safe harbor, which requires a 100 percent match on employee contributions up to 3 percent of pay and an additional 50 percent match on subsequent employee contributions up to an additional 2 percent of pay.

Governmental plans would be completely exempt from any nondiscrimination rules applicable to ERSAs. Charitable organizations would also be exempt, provided all employees are eligible to participate and the plan does not accept after-tax contributions. To the extent an ERSA accepts after-tax contributions, distributions of amounts attributable to such after-tax contributions made after 2003 would be tax-exempt as if coming from an RSA. This appears to be conceptually the same as the current law Roth 401(k) enacted as part of EGTRRA, but not yet effective.

Other changes proposed would include a uniform definition of compensation (essentially W-2 compensation plus deferrals), a revised definition of highly compensated employee (which would be employees with compensation above the Social Security wage base for the prior year without regard to ownership status), and a single coverage rule,

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(the 70 percent ratio percentage test). These changes, plus the repeal of top heavy, would apply to all defined contribution plans in addition to ERSAs. Further, defined contribution plans would no longer be permitted to utilize permitted disparity or cross-testing. We are told that this last change was proposed as a simplifier, although it is totally perplexing why they would propose to repeal something that they just completed a multi-year regulation project on, and which, at a minimum, guarantees rank-and-file workers a 5 percent of pay contribution regardless of whether the worker saves on his or her own.

Finally, none of the above apparently affects defined benefit plans in any way. (This is simplicity?) Thus, apparently cross-testing (even with a defined contribution plan) and permitted disparity would continue to be available for defined benefit plans.

### ASPA'S POSITION

Although ASPA supports some aspects of the proposal designed to make it easier for small businesses to establish and maintain retirement plans for their workers, the remainder of the proposal renders these initiatives of little value. Specifically, the proposal's substantial expansion of tax-favored opportunities to save on an individual basis will eliminate the incentive for many small business owners to incur the cost and administrative burdens of establishing a retirement plan for their small business employees. Consequently, if this proposal is enacted, millions of our nation's small business workers will be left without a meaningful opportunity to save for retirement. This is simply unacceptable from a re-

Consequently, if this proposal is enacted, millions of our nation's small business workers will be left without a meaningful opportunity to save for retirement.

tirement policy standpoint, and thus ASPA is forced to oppose the proposal in its current form. As Congress considers this proposal, ASPA will be dedicated to modifying the proposal in a way that does not harm retirement plan coverage, or, if it cannot be so modified, ensuring its defeat. No issue is more central to ASPA's mission of protecting and enhancing the private retirement system than this one.

Although we do not expect this issue to be seriously considered by Congress this year, it is absolutely clear that Treasury wants to make it an issue for next year. If you are planning to come to Washington this fall for the ASPA Annual Conference, please take the time to join us for the *Visits to the Hill* to meet with your congressional representatives on this issue. It is critical that they hear directly from you, their constituents, the disastrous impact these proposals would have on the future retirement security of working Americans. ▲

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

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# Required Minimum Distributions for Qualified Plans With Individual Accounts

by Kenneth W. Ruthenberg, Jr.

THE LONG JOURNEY TO THE FINAL REGULATIONS GOVERNING THE REQUIRED MINIMUM DISTRIBUTION (RMD) RULES UNDER SECTION 401(a)(9) OF THE INTERNAL REVENUE CODE APPEARS TO HAVE (ALMOST) REACHED ITS END. ON APRIL 14, 2002, THE INTERNAL REVENUE SERVICE ISSUED FINAL AND TEMPORARY REGULATIONS SPELLING OUT THE RULES FOR RMDs WHEN A PARTICIPANT ATTAINS AGE 70½ OR DIES. ALTHOUGH CODE SECTION 401(a)(9) RULES APPLY TO VARIOUS TYPES OF RETIREMENT PLANS, THIS ARTICLE FOCUSES ON THE RMD RULES FOR CODE SECTION 401(a) QUALIFIED PLANS, PARTICULARLY INDIVIDUAL ACCOUNT PLANS.

## COMPLIANCE DEADLINE

Individual account plans must be amended for the final RMD rules by the last day of the first plan year beginning on or after January 1, 2003, for purposes of determining RMDs for years beginning after December 31, 2002 (Rev. Proc. 2002-29). Although the same effective date applies to defined benefit plans, such plans need not be amended until the end of the EGTRRA remedial amendment period (or until further notice for pre-approved plans) (Rev. Proc. 2003-10). In the meantime, defined benefit plans must be operated in compliance with the final and temporary regulations taking into account the expected transition rules described in Notice 2003-2 (*i.e.*, reliance on portions of the 1987 and 2001 proposed regulations). See *ASPA ASAP* No. 02-03, December 31, 2002, for further details.

## LIFETIME DISTRIBUTIONS FROM DEFINED CONTRIBUTION ACCOUNTS

In the case of RMDs to the participant, either (i) the participant's entire interest must be distributed to the participant by the participant's required beginning date (RBD) or (ii) distribution must be made, beginning by the participant's RBD, over the applicable distribution period.

**What is a participant's RBD?** The participant's RBD depends on the type of plan and the participant's ownership status. If the plan is a qualified plan and the participant is not a 5% owner (as defined in Code Section 416's top-heavy plan rules) for the plan year ending in the year when the participant attains age 70½, the participant's RBD is April 1 of the year following the later of the year in which the participant attains age 70½ or the year in which the participant "retires" from employment with the employer maintaining the plan. If the plan is a qualified plan and the participant is a 5% owner for the plan year ending in the year when the participant attains age 70½, the participant's RBD is April 1 of the year following the year in which the participant attains age 70½

(although a qualified plan can apply this same rule to all participants).

**What is the applicable distribution period?** Unless the participant's spouse is the participant's *sole* designated beneficiary (discussed below), the applicable distribution period is determined by the uniform distribution period table in the regulations, using the participant's age in the distribution calendar year. This table has been revised to reflect longer life expectancies than the tables used in the proposed regulations. If the participant's spouse is the participant's *sole* designated beneficiary during the entire distribution calendar year, the applicable distribution period during the participant's lifetime is the longer of (i) the period determined by the uniform distribution period table or (ii) the joint life expectancy of the participant and the spouse, using their attained ages in the distribution calendar year according to the joint and last survivor table in the regulations (which provides a longer distribution period than the uniform distribution period table, if the spouse is more than 10 years younger than the participant).

**How much must be distributed each year?** Generally, the minimum amount that must be distributed each year from an individual account plan during the participant's lifetime is computed by dividing the participant's account by the applicable distribution period. The value of the account is determined as of the last valuation date in the year preceding the year for which the distribution is made (increased by contributions and forfeitures allocated to the account in such year and decreased by distributions from the account in such year, after such valuation date). Note that a participant may delay the distribution for the first distribution calendar year (*e.g.*, the year in which the participant attains age 70½) until April 1 of the next year, such that two distributions occur in that year. In that case, the distribution for the first distribution calendar year is based on the valuation



date in the year preceding the first distribution year—not the valuation date in the year before the actual distribution. For example, if a retired participant attains age 70½ in 2003, but does not take the RMD for 2003 until 2004, the participant's 2002 account balance is used to determine the amount of the RMD for 2003—not the 2003 account balance.

What about distributions prior to the participant's RBD? One might think that they are not subject to the RMD rules. However, distributions made prior to the participant's RBD can violate the RMD rules if the distribution option precludes the satisfaction of the RMD rules once the participant reaches the participant's RBD.

### POST-DEATH DISTRIBUTIONS—AFTER THE RBD

If the participant dies after the participant's RBD, the minimum amount that must be distributed from an individual account plan in the year that includes the participant's death is determined as described above. For each subsequent year (beginning with the year after the year of the participant's death), the RMD is computed by dividing the account as of the end of the year prior to the distribution calendar year by the applicable distribution period.

**What is the applicable distribution period?** If the employee has a designated beneficiary as of the beneficiary determination date (see below), the applicable distribution period is the remaining life expectancy of the designated beneficiary determined as follows:

- If the participant's spouse is not the participant's *sole* designated beneficiary, the applicable distribution period for the year immediately following the year of the participant's death is the longer of (i) the life expectancy of the participant's designated beneficiary determined using the oldest designated beneficiary's attained age in the year immediately following the year of the participant's death or (ii) the participant's remaining life expectancy using the participant's age in the year of the participant's death. In subsequent years, the applicable distribution period is reduced by one for each calendar year that has elapsed since the calendar year immediately following the year of the participant's death (*i.e.*, there is no annual recalculation of life expectancy).
- If the participant's spouse is the participant's *sole* designated beneficiary, the applicable distribution period for each year following the year of the participant's death is the longer of (i) the life expectancy of the participant's surviving spouse determined using the surviving spouse's attained age in such year (*i.e.*, life expectancy

is recalculated annually), or (ii) the participant's remaining life expectancy using the participant's age in the year of the participant's death, reduced by one for each year after the calendar year of the participant's death.

If the participant has no designated beneficiary, the applicable distribution period is the remaining life expectancy of the participant using the participant's age in the year of the participant's death. In subsequent years, the applicable distribution period is reduced by 1 for each year that has elapsed since the year of the participant's death.

### POST-DEATH DISTRIBUTIONS—BEFORE THE RBD

If the participant dies before the participant's RBD, distributions must be made following one of three different methods:

1. The 5-year rule requires that the entire interest be distributed by December 31 of the year that includes the 5th anniversary of the participant's death.
2. The life expectancy rule requires that any portion of the participant's interest that is payable to a designated beneficiary be distributed beginning by December 31 of the year that follows the year of the participant's death. The minimum amount that must be distributed each year from an individual account plan is computed by dividing the participant's account as of the end of the year prior to the distribution calendar year by the remaining life expectancy (beneficiary's life expectancy in the year after death, reduced by one each year) of the designated beneficiary. If the employee has no designated beneficiary, the 5-year rule is used.
3. If the surviving spouse is the participant's *sole* designated beneficiary, distributions must begin on or before the later of:
  - December 31 of the year that next follows the year of the participant's death; or
  - December 31 of the year in which the participant would have attained age 70½.

The amount of the distribution at the date identified above is determined using the account as of the end of the year prior to the distribution calendar year and the surviving spouse's age for the distribution calendar year.

The plan should specify the method(s) to be used under various scenarios. In the absence of specific plan provisions, the default rule is either the life expectancy rule, if the participant has a designated beneficiary or the 5-year rule, if the participant has no designated beneficiary.

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# Plan Trustees Can Sue Plan's Enrolled Actuary for Professional Malpractice Under State Law

by Barry Kozak, MSPA

THE TRUSTEES OF A DEFINED BENEFIT PLAN RELIED UPON ITS ENROLLED ACTUARY'S ASSERTION THAT THE PLAN WAS OVERFUNDED. THEY AMENDED THE PLAN TO PROVIDE INCREASED BENEFITS TO PLAN PARTICIPANTS. AFTER THE AMENDMENT, THE ACTUARY DISCOVERED A "DATA CORRECTION" THAT SHOWED THAT THE PLAN WAS ACTUALLY UNDERFUNDED. THE TRUSTEES OF THE PLAN SUED THE ACTUARY IN FEDERAL COURT, CLAIMING THAT THE ACTUARY OWES THE PLAN THE SHORTFALL UNDER FEDERAL LAW [ERISA §502(A)(3)(B)]. IN ADDITION, THE TRUSTEES SUED THE ACTUARY UNDER STATE LAW FOR EXTRA MONETARY DAMAGES DUE TO PROFESSIONAL MALPRACTICE.

In defense, the actuary argued that ERISA preempts all state laws relating to employee benefit plans, meaning that the trustees could not additionally sue for professional malpractice under state law. Under ERISA §502(a)(3)(B), the trustees are only entitled "to obtain other appropriate equitable relief." The actuary argued that this phrase is not broad enough to include monetary damages for professional malpractice. Therefore, the actuary asked the court to dismiss the case.

The District Court for the Southern District of New York<sup>1</sup> held that ERISA preempts state professional malpractice laws and it therefore dismissed all state law claims. The District Court further determined that ERISA does allow the trustees to obtain monetary damages from the actuary if they can prove their case. This seemingly allowed the plan trustees' federal ERISA lawsuit to go forward. However, before the actual trial began, the actuary was procedurally allowed to appeal the District Court's decision to the Court of Appeals for that geographic circuit. (In this case, it was the Second Circuit, which hears appeals from the District Courts of New York, Vermont, and Connecticut.)

On May 19, 2003, the United States Court of Appeals for the Second Circuit<sup>2</sup> reversed both of the lower court's conclusions, and held that (1) ERISA §502(a)(3)(B) does *not* allow trustees to recover monetary damages (even if they prove that the actuary committed malpractice), and that (2) ERISA does *not* preempt state laws in regards to claims of professional malpractice. Therefore, under this higher court's ruling, the trustees can go forward and sue the actuary for professional malpractice in state court (and, depending on the actual statutory law and common law of the particular state, will generally need to show the duty of care that the actuary should have used, and will then need to produce evidence to demonstrate that the actuary did not meet that standard and that the plan's shortfall is a direct result of such breach of

duty). This opinion by the Second Circuit follows the reasoning of the Department of Labor, which was invited by the court to submit an *amicus curie* (i.e., "friend of the court") brief to help it better understand the law.

## MONETARY DAMAGES UNDER ERISA

ERISA §502(a)(3) allows "a participant, beneficiary or fiduciary to (A) enjoin any act or practice which violates any provision of [Title I of ERISA] or the terms of the plan, or (B) *to obtain other appropriate equitable relief* (i) to redress such violations or (ii) to enforce any provisions of [Title I of ERISA] or the terms of the plan." It is this italicized phrase that is at issue here. The plan trustees argued that money which will bring the plan back to a properly-funded status satisfies the phrase; whereas, the actuary argued that it does not. When phrases in a statute are ambiguous, it is the duty of the courts to interpret them. The Second Circuit noted that the US Supreme Court has recently decided two cases, which clearly indicate that ERISA's express remedies are the product of long and careful study and compromise by Congress and that they should therefore be interpreted very narrowly.<sup>3</sup> Therefore, the Second Circuit found that the District Court erred in broadly interpreting the ERISA remedies provision and by allowing the plan trustees to seek monetary damages from the actuary.

ERISA §502 lists all of the causes of actions that are available for, against, and on behalf of employee benefit plans and the individuals that are participants in, or fiduciaries over, them. The Second Circuit found that the trustees' argument, that the plan's current under-funded status is due to the actuary's negligence or malpractice, does not match with any of the available causes of action allowed under ERISA. Therefore, ERISA provides no remedy.

The actuary argued that since ERISA preempts all state laws, and since there is no remedy under ERISA, then even if everything that the trustees

say is correct, the case must be dismissed because there are no legal grounds for the suit and no legal remedies available. The actuary further argued that Congress knew what they were doing when they enacted ERISA, and that they purposely included a preemption provision, purposely defined the role and duties of an Enrolled Actuary, and purposely did not include actuarial malpractice in the short list of available ERISA causes of action.

### ERISA PREEMPTION

The Second Circuit disagreed with the actuary's contention that Congress intended to completely immunize actuaries from claims for monetary damages. Rather, the Second Circuit joins with other Circuits and holds that ERISA does not preempt "run-of-the-mill" state law professional negligence claims against non-fiduciaries (citing several cases that have found that garden-variety state law malpractice or negligence claims against non-fiduciary plan advisors, such as accountants, attorneys, and consultants, are not preempted by ERISA).

What makes Enrolled Actuaries different, it was argued, is that those other professionals attain their professional licenses under the respective state laws and governing disciplinary bodies. Therefore, the duty of care they need to exercise as a professional is developed without any regard to ERISA. An Enrolled Actuary, on the other hand, is licensed through the federal government's Joint Board for the En-

rollment of Actuaries, and such certification requirements are found in Title III of ERISA and in related federal regulations. The actuary in this case thus argued that Congress intended for actuarial professional responsibilities to be governed under ERISA and provided that the appropriate relief for any resulting negligence or malpractice is found under ERISA §502(a)(3)(B), however limited such provision might be. Since the US Supreme Court has held that ERISA preemption allows a federal cause of action only, and eliminates all parallel state causes of action,<sup>4</sup> the actuary argued that the trustees had no separate state action in this case.

The Second Circuit disagreed with the actuary's interpretation of the *Ingersoll* case. Instead, the Second Circuit interprets *Ingersoll* as standing for the proposition that if there is no comparable statutory objective that would be served by preemption, then ERISA is open to the possibility that alternate state remedies might be available. The Second Circuit concluded that the recent judicial trend, both in the Supreme Court and in lower federal courts, is to limit the scope of ERISA preemption, rather than the earlier trend from the 1980s, which was to expand it. Since regulating the professions, particularly under the rubric of professional malpractice, is traditionally a state function, and since ERISA only provides for a maximum penalty

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# Underfunded Pension Plans: The Return of Quarterly Contributions and Potential Plan Restrictions

The main focus of this article will be on quarterly contribution requirements and on possible pension plan restrictions, including the top-25 lump sum payout restrictions and the potential plan amendment restrictions.

## Quarterly Contributions

### BACKGROUND

Quarterly contribution requirements became effective for plan years beginning after December 31, 1988, when the Omnibus Budget Reconciliation Act of 1987 (OBRA '87) added Section 412(m) to the Internal Revenue Code. The OBRA '87 rules accelerate funding requirements, helping to protect the PBGC from assuming large liabilities for terminating plans.

### QUARTERLY CONTRIBUTION REQUIREMENTS

Quarterly contributions are required for pension plans (other than multiemployer plans, money purchase plans, and pension plans during their first year) that are subject to the minimum funding requirements under Section 412 and that have a current liability funded percentage for the preceding plan year of less than 100 percent.<sup>1</sup> The preceding plan year's current liability funded percentage is based on current liability determined within the allowable interest rate range,<sup>2</sup> which may or may not be the same as the current liability determined at the top of the interest rate range used in the gateway percentage for additional funding charge relief.

Currently under JCWAA (Jobs Creation and Workers Assistance Act of 2002), the top of the interest rate range used to determine current liability (for the current liability funded percentage) has been extended from 105% to 120% of the four-year weighted average of the 30-year Treasury Securities Rate. However, this extension expires at the end of 2003.

Assuming this JCWAA provision is not renewed, then the determination of whether or not a plan has a required quarterly contribution in its 2004 plan year becomes more complex. The complexity stems from the fact that in 2004 the top of the interest rate range will drop back down to 105% from 120%. For 2004, this means that the current liability funded percentage for the preced-

ing plan year will be based on the current liability determined within the interest rate range where the top of the range is 105%. Some plans may have to re-measure the 2003 current liability if the plan selected an interest rate for 2003 that was higher than 105% of the four-year weighted average of 30-year Treasuries.

### QUARTERLY CONTRIBUTION AMOUNT

The amount of the quarterly contribution is 25% of the lesser of: (1) 90% of the current plan year minimum required contribution under Section 412, without regard to the credit balance and measured at the beginning of the year, or (2) 100% of the prior year minimum required contribution under Section 412, without regard to the credit balance.

Most plans do not have their actuarial valuation completed by the time the first quarterly installment is due. That means that only item (2) above can be used to determine the quarterly requirements until the actuarial valuation is completed. Once the valuation is completed, the quarterly requirement will either remain the same or decrease if item (1) above is less than item (2).

Plans with a credit balance at the beginning of the plan year may use the credit balance to satisfy any required quarterly contribution amount due, as long as the prior year minimum contribution has been made. If the prior year minimum contribution has not been made and the plan uses the credit balance to pay the quarterly requirement, the law states that the quarterly contribution has not been satisfied. This results in late quarterly interest charges and possibly PBGC and participant notices, all of which are discussed below.

### QUARTERLY CONTRIBUTION TIMING

Required quarterly installments are due 15 days after the end of each quarter. For example, a company that sponsors a calendar year plan will be required to make the first quarterly payment on April 15 of such year, and the second, third, and fourth quarterly payments will be due by July 15, October 15, and the following January 15, respectively.

## LATE QUARTERLY PAYMENTS

Plans that pay required quarterly contributions late must include an interest penalty assessment in their funding standard account, which, although deductible, increases the overall contribution necessary to avoid a funding deficiency. The interest penalty charged is for the time period between the quarterly contribution due date and the actual payment date, and is based on 175% of the federal mid-term rate in effect for the first month of the plan year. However, if the interest rate used for the funding standard account is larger than 175% of the federal mid-term rate, the interest penalty would be based on the funding standard account interest rate. This would result in no additional interest penalty since the funding standard account is already credited with interest (at the funding standard account interest rate) from the quarterly payment.

For example, the interest rate used to determine the penalty for a 2003 late quarterly payment for a calendar year plan would be the larger of: (1) the

applicable interest rate for the funding standard account and (2) 175% of the federal mid-term rate, which is 6.04%. If the funding standard account interest rate is smaller than 6.04%, then the interest penalty charged to the funding standard account for the late period is based on 6.04%. Therefore, the actual interest penalty becomes the late quarterly interest amount calculated at 6.04% for the late period that is in excess of the regularly calculated interest credited to the funding standard account for that same period (based on the funding standard account interest rate). If the funding standard account interest rate is larger than 175% of the 6.04% Federal mid-term rate, then there is no interest penalty.

In addition to the late interest charges, the plan may face possible notice requirements and liens. The notice requirements include informing the PBGC within 10 days of the missed contribution if the unpaid balance is in excess of \$1 million or within 30 days if the balance is less than \$1 million. Also, the plan administrator must notify plan

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participants if the unpaid balance is not paid within 60 days. A lien may be imposed by the PBGC on company assets equal to the unpaid contribution if the amount of the unpaid contribution is in excess of \$1 million.

In today's economic environment, plan sponsors and actuaries working with underfunded pension plans are now facing rules and regulations that have not impacted them for quite some time.

### POSSIBLE PENSION PLAN RESTRICTIONS

#### Top-25 Lump Sum Payout Restrictions<sup>3</sup>

Lump sum payouts are restricted from being paid to highly compensated plan participants who are among the top-25 paid in the company unless the pension plan's current liability funded status exceeds 110% after the lump sum payout is made. The lump sum payout restriction does not apply to plans if (1) the lump sum payout is less than \$5,000, or (2) the lump sum payout is less than 1% of the plan's current liability, or (3) the participant provides adequate security in the amount of the lump sum payment.

This lump sum payout restriction applies mainly to small and medium sized pension plans and usually not to large pension plans. Most large plans have current liability amounts such that when 1% of current liability is determined under exemption (2) above, the amount will exceed any possible lump sum payout from the plan.

The lump sum payout restriction is intended to protect plan participants in the event the plan terminates with underfunded liabilities. If the plan terminates, participants who provided adequate security to receive the lump sum payout may be required to repay all or a portion of that lump sum payout.

There are two main reasons why the current liability funded position has been decreasing for most pension plans over the past several years. The first reason, low interest rates, causes current liability amounts to increase, resulting in a smaller current liability funded status. The second one, depressed asset returns, has the same effect. Lower asset values result in a smaller current liability funded sta-

tus. The combination of low interest rates and depressed assets negatively impacts the current liability funded status, making it difficult to attain the 110% target described above. Large contributions may be required to reach the 110% funding target (after the lump sum is paid) to avoid the lump sum restriction, if the plan cannot meet one of the exemptions above.

#### Plan Amendment Restrictions<sup>4</sup>

Underfunded plans may possibly face plan amendment restrictions if the amendment increases current liability by more than \$10 million for a plan that is less than 60% funded (on a current liability basis) after the plan amendment. This restriction can be alleviated if the plan provides the necessary security to improve the funded status to 60%. This security will be released at the end of the first plan year for which the plan is at least 60% funded. Plans that do not provide benefit security after amending the plan may face plan disqualification.

### CONCLUSION

In today's economic environment, plan sponsors and actuaries working with underfunded pension plans are now facing rules and regulations that have not impacted them for quite some time. For example, most plans are now facing minimum required contributions for the first time in years, which may result in quarterly contribution requirements for upcoming years. Plans may also be facing lump sum payout restrictions to the top-25 highest paid participants or restrictions to plan amendments, depending on the current liability funded status of the plan. Companies and actuaries will need to work together to develop a strategy to potentially avoid the impact of these issues. ▲

### Footnotes

<sup>1</sup> IRC §412(m), Revenue Ruling 95-31, 1995-1, CB 76 (superceding Notice 89-52)

<sup>2</sup> Revenue Ruling 95-31, 1995-1, CB 76, Q&A #3

<sup>3</sup> Treas. Regs. §1.401(a)(4)-5(b) and Revenue Ruling 92-76, 1992-2, CB 76

<sup>4</sup> IRC §401(a)(29)

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## Required Minimum Distributions for Qualified Plans With Individual Accounts

### THE DESIGNATED BENEFICIARY

A designated beneficiary must be an individual who is designated as a beneficiary under the plan (either by the terms of the plan or by the election of the participant) and who is entitled to a portion of the participant's benefit under the plan that is contingent on the participant's death (or another specified event). The beneficiary must be identifiable under the plan. Otherwise, the individual is not a designated beneficiary (even if a portion of the participant's benefit under the plan passes to the individual pursuant to applicable state law). If a person other than an individual (e.g., an estate or a charity) is designated as a beneficiary of a participant's benefit, the participant is treated as having no designated beneficiary.

If the participant has more than one designated beneficiary as of the beneficiary determination date, the

designated beneficiary with the shortest life expectancy (*i.e.*, the oldest beneficiary) will be the designated beneficiary for purposes of determining the distribution period. If one of the designated beneficiaries is a person other than an individual (e.g., an estate or a charity), the participant is treated as having no designated beneficiary even though at least one individual is also a designated beneficiary.

The designated beneficiary is determined as of September 30 of the year that next follows the year of the participant's death (beneficiary determination date). In order to be a designated beneficiary, the individual must have been a beneficiary as of the participant's date of death. Any person who was a beneficiary as of the date of the participant's death, but is not a beneficiary as of the beneficiary determination date, is not a designated beneficiary.

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For example:

- The person disclaims the benefit under Code Section 2518 (*i.e.*, declines to accept the benefit within nine months of the date of the participant's death); or
- The person receives the entire benefit to which the person is entitled before the beneficiary determination date (*e.g.*, making a complete distribution to a charity eliminates the charity as a designated beneficiary, or making a complete distribution to an older beneficiary avoids having to use the older beneficiary's shorter life expectancy).

An individual who was a beneficiary as of the participant's death and dies after the participant, but before the beneficiary determination date, continues to be a beneficiary for purposes of determining the designated beneficiary.

Although only an individual can be a designated beneficiary, a special rule is provided when a trust is named as the participant's beneficiary that allows a "look through" to the beneficiaries of the trust for purposes of determining the designated beneficiary. The special rule applies if:

1. The trust is a valid trust under state law or would be but for the fact that there are no trust assets;
2. The trust is irrevocable or will, by its terms, become irrevocable upon the death of the participant;
3. The beneficiaries of the trust who are beneficiaries with respect to the trust's interest in the participant's benefit are identifiable from the trust instrument; and
4. The applicable documentation requirements set forth in the regulations are satisfied.

If a beneficiary's entitlement to benefits is contingent on an event other than the participant's death or the death of another beneficiary, the contingent beneficiary is generally taken into account for purposes of determining which beneficiary has the shortest life expectancy. If a subsequent or successor beneficiary is entitled to any portion of the participant's benefit only if another beneficiary dies before the participant's entire benefit has been distributed, the subsequent beneficiary will not be taken into account if the other beneficiary is alive on the beneficiary determination date. If a beneficiary whose life expectancy is being used to calculate the distribution period dies on or after the beneficiary determination date, the beneficiary's remaining life expectancy will be used to determine the distribution period regardless of whether a beneficiary with a shorter life expectancy receives the benefits.

#### **MORE THAN ONE PLAN/ACCOUNT**

If a participant participates in more than one qualified plan, each plan stands alone—they are not ag-

gregated. Contrast this qualified plan rule with the rule that applies where an individual has multiple IRAs—although the RMD is calculated separately for each IRA, the distribution can be made from one or more of the IRAs (see IRS Notice 88-38).

A participant's account in an individual account plan can be divided into separate accounts for purposes of the RMD rules. A separate account is a separate portion of the participant's benefit reflecting the separate interests of the participant's beneficiaries under the plan as of the participant's death for which separate accounting is maintained. The separate account must be established no later than December 31 of the year that next follows the year of the participant's death. A separate account must be determined under the plan (*e.g.*, in the participant's beneficiary designation—not in the trust named as the participant's beneficiary under the plan).

If there are separate accounts and the beneficiaries with respect to one separate account differ from the beneficiaries with respect to the other separate accounts, the separate accounts are not aggregated for years subsequent to the year containing the date on which the separate accounts were established or the date of the participant's death, if later. For example, (i) the participant's spouse could be the beneficiary of a separate account and each child a beneficiary of his/her own separate account, in which case the participant's spouse would be the participant's *sole* designated beneficiary as to his/her separate account; or (ii) one separate account could name an individual as a beneficiary and another separate account could name a charity as a beneficiary.

#### **PLAN QUALIFICATION**

If a qualified plan fails to satisfy the RMD rules, the plan risks plan disqualification. The old proposed regulations provided that a plan would not be disqualified for isolated instances when the RMD rules were not satisfied. This provision was dropped from the final regulations because of the ability to correct plan qualification failures under the IRS's Employee Plans Compliance Resolution System (according to the preamble to the 2001 proposed regulations). ▲

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## Plan Trustees Can Sue Plan's Enrolled Actuary for Professional Malpractice Under State Law

of suspension or termination of the Enrolled Actuary's professional license, but not for monetary damages due to the actuary's negligence or misconduct, then ERISA preemption should not be so broadly interpreted to prohibit a state cause of action against an actuary for professional misconduct.

Under these facts, the Second Circuit reversed the District Court's holding and is allowing the plan trustees to sue the actuary for professional malpractice under state law. Now that the plan trustees are allowed to have their "day in court," a jury must ultimately decide if what this particular actuary did rises to the level of malpractice, and if so, whether the plan's underfunding is a direct result of such malpractice.

### CONCLUSION

Recent Supreme Court decisions have, collectively, limited the extent of ERISA preemption and the meaning of the phrase "other appropriate equitable relief." Joining this trend, the Second Circuit Court of Appeals has just determined that plan trustees who want to sue the plan's Enrolled Actuary for professional malpractice can do so under state law (if the court is in New York, Connecticut, or Vermont). State laws will generally allow the trustees to collect money from the actuary; whereas, federal ERISA law does not. This holding has no binding impact on any of the other geographically defined federal circuits. However, plaintiffs that sue Enrolled Actuaries in other circuits might have a good chance of having those circuits adopt the Second Circuit's reasoning and thus follow the current judicial trend. The more circuits that come to this conclusion, the more likely it is for the rest of the circuits to follow along. If other circuits come to different conclusions, however, then the US Supreme Court might ultimately need to resolve the issue once and for all (assuming that Congress does not resolve it by amending ERISA one way or the other). ▲

### Footnotes

<sup>1</sup> *Gerosa v. Savasta*, 189 F.Supp.2d 137 (SDNY 2002).

<sup>2</sup> *Gerosa v. Savasta*, Westlaw, Docket Nos. 02-9005 and 02-9007, (2<sup>nd</sup> Cir. 2003).

<sup>3</sup> *Id.*, citing *Rush Prudential HMO, Inc. v. Moran*, 536 US 355, 375-76 (2002) and *Great-West Life & Annuity Ins. Co. v. Knudson*, 524 US 204, 209 (2002) (which gives a thorough historical perspective of the difference between money damages under law and non-monetary remedies under equity).

<sup>4</sup> See *Ingersoll-Rand Co. v. McClendon*, 498 US 133 (1990).

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## ASPA Benefits Council of Greater Cincinnati Is Rolling on the River!

by David J. Turpin, QPA, QKA

IN OCTOBER 2001, A SMALL GROUP OF INDIVIDUALS MET AT BEHLE STREET CAFÉ ON THE OHIO RIVER ACROSS FROM CINCINNATI TO DISCUSS STARTING WHAT WOULD BECOME THE 13th ASPA BENEFITS COUNCIL. THE QUEEN CITY SEEMED READY FOR A FORUM IN WHICH PENSION PROFESSIONALS COULD MEET, LEARN, AND DISCUSS PENSION TOPICS. THE IRS, DOL, AND SEVERAL LARGE PENSION COMPANIES ALREADY CALLED CINCINNATI HOME. IT JUST WAS A MATTER OF BRINGING ENOUGH INTERESTED INDIVIDUALS TOGETHER. OVER THE NEXT YEAR, WITH GUIDANCE FROM ASPA'S AMY ILIFFE AND DENISE CALVERT, AS WELL AS ROBYN MORRIS AND OTHER ASPA BENEFITS COUNCIL PRESIDENTS, THIS SMALL GROUP OF INDIVIDUALS GREW INTO A LARGER GROUP FROM WHICH THE NEW COUNCIL WOULD BE FORMED. THE ASPA BENEFITS COUNCIL OF GREATER CINCINNATI WAS FORMALLY BROUGHT INTO EXISTENCE IN AUGUST 2002 AND WITH OVER 70 MEMBERS TO DATE, THE 13TH ASPA BENEFITS COUNCIL IS ROLLING ON THE RIVER IN CINCINNATI, OHIO.

From the council's inception, one of the Board's main goals was to keep the council as diverse as possible. Currently the council has over 70 local members representing 18 different companies in the tri-state area, including the IRS and DOL. Another goal of the Board was to make the council meetings as educational as possible. We wanted our local members and those who attended to walk away having learned something new and to have something they can use in their everyday work. To that end, we have insisted on always providing CLE, CPE, and CE. Although this requires extra work for our Board as well as the speaker, we feel that we are providing a real service and value to

our members. Our Council Officers/Board Members are: David J. Turpin, CEBS, QPA, QKA, President/ASPA Liaison; Nicholas W. Ferrigno, Jr., JD, CLU, ChFC, APM, Vice-President; Crystal K. Kemmerly, QKA, Governmental Affairs Chair; Jerome G. Bettner, QKA, Secretary/Treasurer; Jon H. Beveridge, QKA, Membership Chair; Michael F. Kraemer, CPA, Continuing Education Chair; Barbie Young, QPA, QKA, Board Member; Natalie R. E. Wyatt, QKA, Board Member; and Charles W. Schneider, MSPA, Board Member. Special thanks to Crystal Kemmerly who helped get our quarterly meeting location at the Bankers Club at Fifth Third Bank on Fountain Square in downtown Cincinnati. Also, a special thanks to Bill Presson, QPA, QKA, who was one of the council's founders. Bill served as vice-president until accepting a position in Atlanta. Bill was very instrumental in getting the Cincinnati Council started and our loss is the Atlanta Council's gain.

Our first council meeting was held October 9, 2002, with Craig Hoffman, APM (ASPA's Past-President) speaking at our Fall Kickoff. Attendance was impressive for our first meeting and we drew people as far away as Louisville, KY and Columbus, OH. Craig did a great job and the audience thoroughly enjoyed his presentation.

In February 2003, we launched our first Brown Bag Lunch Study Session. "Brown Bags," as they are commonly called, are free to local council members and are held the last Tuesday of each month from 12:00 p.m.–1:00 p.m. at the Law Offices of Greenebaum, Doll & McDonald PLLC right across the river in Covington, KY. The topics for the study sessions are sent out via e-mail to our local council members 1–2 weeks in



advance. Everyone brings their own lunch and we hit the topics fairly hard. There are usually several benefits attorneys as well as former IRS/ DOL employees in attendance. These study groups have proven very valuable to our local members by providing 12 ASPA CE's per year (including our four quarterly meetings) and attendance continues to grow. Recent topics include "Late Contributions and the new PTE 2002-51" and "Rev. Proc. 2003-44: The New EPCRS."

In March 2003, we held our first 2003 quarterly meeting with Debbie Reiss of Frost Brown Todd, LLC in Louisville, KY speaking on *Blackout Periods in Retirement Plans and the Sarbanes-Oxley Act of 2002*. This undoubtedly was the best received presentation for our council to date. We still receive comments about this splendid and informative presentation.

On June 5, 2003, we held our second quarterly meeting featuring Brian H. Graff, Esq., Executive Director of ASPA. Brian's presentation, *Washington Update*, drew our largest number of attendees to date. Brian's unique role as a Washington insider gave us all an appreciation for the work ASPA

does in governmental affairs. (Brian also does a great impersonation of Seinfeld!)

We are very excited about our upcoming third quarter meeting with Congressman Rob Portman (R-OH) on August 7, 2003, in downtown Cincinnati. Our local council is co-sponsoring the event and we are expecting close to 200 in attendance. Congressman Portman is one of the most active congressional leaders in the pension industry and we are very fortunate to have him speak to our local council.

In October, we will hold our annual meeting and election of officers. The topic for the annual meeting is still being decided. For information about the ASPA Benefits Council of Greater Cincinnati, including membership and upcoming events, please contact David Turpin, President, at [David.Turpin@fmr.com](mailto:David.Turpin@fmr.com) or at (859) 386-4931. ▲

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*David J. Turpin, QPA, OKA, CEBS, is a senior reporting specialist with Fidelity Investments in Taylor Mill, KY, and is the 2002-2003 President and Founder of the ASPA Benefits Council of Greater Cincinnati.*

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# Rolling on the River!

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## ASPA BENEFITS COUNCILS CALENDAR OF EVENTS

Date	Location	Event	Speakers
August 7	Greater Cincinnati	Washington Update	Congressman Rob Portman (R-OH)
August 12	North Florida	TBA	Derrin Watson
August 27	Dallas/Ft. Worth	EPCRS and VCR Programs	Baker Rector of Hunton & Williams, LLP
September 17	Western Pennsylvania	TBA	TBA
November 12	Dallas/Ft. Worth	Full Day ERISA Workshop	Charles Lockwood
November 13	Dallas/Ft. Worth	Keeping Current	Sal Tripodi, APM



## Mixing Pension Education and Fun!

by Stephanie M. Hepler

THE ASPA BENEFITS COUNCIL OF WESTERN PENNSYLVANIA (PITTSBURGH) IS IN ITS THIRD YEAR AND GETTING BETTER WITH AGE! 2003 STARTED OUT WITH A BANG. IN APRIL, WE WELCOMED JANICE M. WEGESIN, CPC, QPA, TO SHARE HER KNOWLEDGE AND EXPERTISE ON THE PREPARATION OF THE FORM 5500 AND ATTACHMENTS. JANICE'S PRESENTATION WAS FOLLOWED IN JUNE BY A VERY TIMELY PRESENTATION FROM BRUCE ASHTON, APM, ASPA PRESIDENT-ELECT, ON THE NEW AND IMPROVED EPCRS PROGRAM (SEE *ASPA ASAP* 03-11). THESE TWO MEETINGS HAVE BEEN THE BEST ATTENDED MEETINGS IN OUR HISTORY!

In appreciation of our members, we are hosting a "members only" social gathering in August. The more casual gathering is sure to provide a good time, even though it will have a non-pension related theme.

Our next quarterly meeting is scheduled for September 17, 2003, and we anticipate having a speaker from either SunGard Corbel or McKay Hochman Co., Inc. We will be sure to post the final details on the ABC Calendar or the ASPA Web site at [www.aspa.org/abc](http://www.aspa.org/abc).

The final meeting of the year, held on December 4, 2003, is always a gala event. The meeting is an afternoon of learning and fun. The educational portion will consist of three speakers, each discussing plan administration issues in each speaker's field of expertise. The plan types covered will be ESOPs, Section 125, and 403(b) plans. As a side note, we would like to thank Robyn Morris of the Cleveland ASPA Benefits Council for

agreeing to present the Section 125 segment of the seminar. The meeting will conclude with a cocktail reception and auction. Also, each year our membership and guests show their generosity by donating winter accessories to a local Pittsburgh charity. It is a great way to end the year and get ready for the upcoming busy holiday season!

Finally, last fall we held our second election for the board of directors. Our current board members are:

**President**

Jackie Albee, CPC, QPA

**Vice President & Gov't Affairs Coordinator**

Gary Gunnett, JD

**Treasurer**

Cynthia Hall

**Secretary & CE Chair**

Michael Viola, CPC

**Public Relations Chair**

Russell D. Smith, CPC, QPA, QKA

**Program Chair & ASPA Liaison**

Stephanie M. Hepler

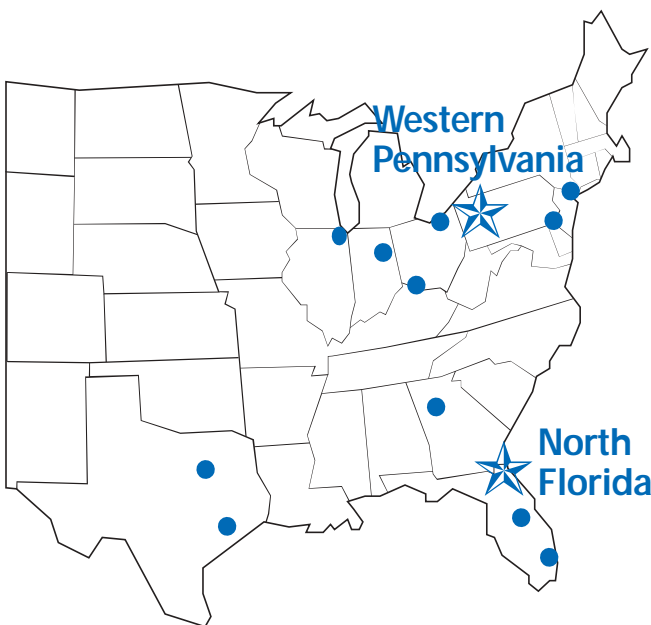
**Meeting Chair**

Michael Steve, QPA

**Immediate Past President**

Becky Hummer, CPC, QPA

For more information about the ASPA Benefits Council of Western PA, including membership, registration, and a schedule of upcoming events, contact Russ Smith, CPC, QPA, QKA, Public Relations Chair, at [russ@metrobenefits.com](mailto:russ@metrobenefits.com) or (412) 931-4000. ▲



*Stephanie M. Hepler is an administrator with DPB&Z, Inc., an actuarial and employee benefit consulting firm in Pittsburgh, PA. She has been in the employee benefits field for 17 years. Her experience includes plan design, administration, and compliance.*





## Education is the Focus at the ASPA Benefits Council of North Florida

by Craig P. Hoffman, APM

IN THE MID-1980s, A NUMBER OF EMPLOYEE BENEFIT PROFESSIONALS IN THE NORTH FLORIDA AREA RECOGNIZED THE NEED FOR AN ORGANIZATION THAT COULD PROVIDE EDUCATIONAL MEETINGS AND NETWORKING OPPORTUNITIES ON A LOCAL BASIS. OUT OF THAT NEED WAS BORN THE EMPLOYEE BENEFITS COUNCIL OF NORTH FLORIDA (THE PREDECESSOR TO OUR ABC OF NORTH FLORIDA).

We were a small but diverse group. Our members included actuaries, administrators, accountants, attorneys, insurance professionals, and bank officers. Many of our members were already members of ASPA. (Ruth Frew, FSPA, CPC, ASPA's first female President, was one of the original members of our local group.) Early on, our members saw the benefit of being part of both a local and national organization.

In the 1990s, when the concept of ASPA-sponsored local benefits councils was being developed, those of us in Jacksonville saw it as the next step in the evolution of our local group. As a result, we became the ASPA Benefits Council of North Florida. Now, after six years of the "marriage," our members are very happy to be officially part of ASPA. Our current officers/board members were elected in January: Craig Hoffman, APM, President; Lynn Harden, QKA, Vice President; Robert Ennis, Treasurer; Susan Hajek, QKA, Secretary; and Suzanne Hansen, QPA, QKA, member-at-large. In January, we held a planning session. We decided more is not necessarily better, so only four meetings were scheduled for the upcoming year.

Like many ABCs, our primary focus has been on education. We began in February with a workshop on "Plan Design and New Comparability." I had the pleasure of leading that workshop, which also provided our attending members two hours of CE credit. In April, we hosted ASPA's Executive Director, Brian H. Graff, Esq. Brian shared with us his insights on the workings of Congress related to pension issues. Needless to say, it was a topic of great interest to our members, who enjoyed hearing Brian's analysis of what the future may hold.

As I write this article, we have two meetings planned for the rest of the year. On August 12, Derrin Watson is going to lead a workshop on "Who's the Employer?" This should be well attended as we have promised that Derrin will have new songs included in his presentation. The topic for our last planned meeting in the fall has not yet

been set, but we are sure we'll have plenty to talk about by then. In addition, we hope to have a social event in December.

The ABC of North Florida continues to reach out to retirement and employee benefit professionals in our area who are interested in education and fellowship. Anyone desiring further information may contact me directly via e-mail at [craig.hoffman@corbel.com](mailto:craig.hoffman@corbel.com). ▲

*Craig P. Hoffman, APM, of Jacksonville, FL, is the vice-president and general counsel of SunGard Corbel. He is also the immediate Past President of ASPA, where he served as a member of the Board of Directors, and as the co-chair of the Government Affairs Committee. Craig was an expert speaker at the National Summit on Retirement Savings and served as a charter member of the first IRS Advisory Committee on Tax Exempt and Governmental Entities. He is a frequent speaker at industry meetings and serves on the editorial boards of several pension journals.*

### Notice of ASPA's Annual Business Meeting

The ASPA Annual Business Meeting will be held during the 2003 ASPA Annual Conference at 3:15 p.m. on Sunday, October 26. Watch for the ASPA 2003 Annual Conference brochure, available in August, for a full Conference schedule.

All ASPA members are encouraged to attend and participate in the business meeting discussion. Credentialed members will be voting on the new members of ASPA's 2004 Board of Directors.



## ASPA Benefits Council of Central Florida

by Angela Clayton

THE ASPA BENEFITS COUNCIL OF CENTRAL FLORIDA PROVIDES PENSION PROFESSIONALS WITHIN THE METROPOLITAN ORLANDO AREA OPPORTUNITIES TO SHARE IDEAS AND KEEP ABREAST OF ISSUES RELATED TO THE PENSION FIELD. BOARD MEMBERS FOR 2003 INCLUDE: NADINE SCHAAL, ESQ. (PRESIDENT), KATHY ENNIS (TREASURER), SUSAN CONNERLY (SECRETARY), LINDA D. HUTCHESON (SPEAKER CHAIR), KAREN GOLDBERG (MEMBERSHIP CHAIR), ANGELA M. CLAYTON (ASPA LIAISON), AND KIMBERLY KUTLENIOS (IMMEDIATE PAST PRESIDENT).

In general, member meetings are held on the second Tuesday of every other month. This year's topics have included: Washington Update (Brian H. Graff, Esq., ASPA Executive Director); Designing Retirement Plans for the Small Employer (Michael J. Canan, shareholder with Gray, Harris & Robinson, PA); Investments and How to Invest, (Mark Vernick, president of Vernick Financial Educational Services, a member of the Financial Educators Network); and Update on ERISA Compliance and Current Events (Charles D. Lockwood, a principal of Global Benefit Advisors, LLC, a pension consulting firm). We have had excellent attendance at our member meetings this year, due in large part to our informative and dynamic speakers.

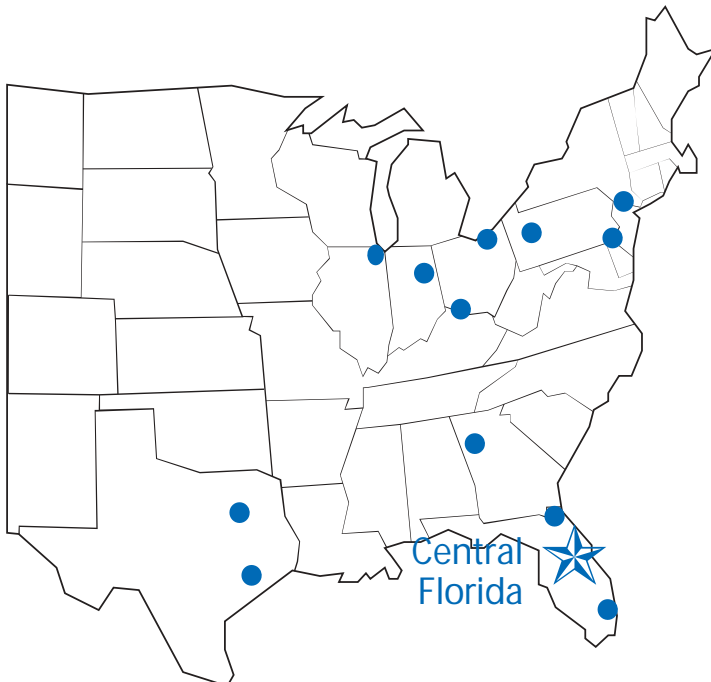
This year, the council established a scholarship program, which offers a \$500 scholarship to students at local colleges or universities, who have in-

terest in an ongoing career in the Employee Benefits field or a related industry. The scholarship recipient was Karen Ritchie. An annual membership directory was published and distributed to members earlier this year.



In the next few months, we anticipate hosting an evening social gathering for members and will also elect new board members. We continue to strive for innovative ways to offer information to our members and expect to offer ASPA Webcasts to members soon.

For information about the ASPA Benefits Council of Central Florida, contact Karen Goldberg at [karen.goldberg@schwab.com](mailto:karen.goldberg@schwab.com). ▲



*Angela Clayton is the enrollment manager for CBIZ Worksite Services. Angela has over 10 years experience working in employee benefits. She worked for several years in the Employee Benefits division of a large regional bank in the state of Florida as a compliance and implementation project manager, before joining the CBIZ Benefits and Insurance Services team. In addition to her current role in CBIZ Worksite Services, Angela was the manager of client services for the Retirement Services group (Florida) of CBIZ Benefits and Insurance Services. Angela serves as a board member of the Employee Benefits Council of Central Florida.*



# ASPA 2003

## Business Leadership Conference (BLC)

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For more information, contact the ASPA Meetings Department at (703) 516-9300 or [meetings@aspa.org](mailto:meetings@aspa.org).

You can also visit our Web site at [www.aspa.org](http://www.aspa.org).

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## FOCUS ON GAC

# ASPA Members Impact Legislative Process

by Jolynne M. Flores

IN MARCH AND APRIL 2003, OVER 20 ASPA MEMBERS WERE FLOWN INTO WASHINGTON, DC, BY ASPA TO VISIT WITH MEMBERS OF CONGRESS. THEIR MISSION WAS TO DISCUSS THE IMPACT THE PRESIDENT'S 2003 TAX PACKAGE PROPOSAL TO ELIMINATE THE DOUBLE TAXATION ON CORPORATE DIVIDENDS WOULD HAVE ON SMALL BUSINESS RETIREMENT PLANS.

With President Bush and his Administration playing a key and powerful part in the potential outcome of the tax legislation, ASPA Executive Director Brian Graff, Esq., knew he needed to be particularly diligent in targeting members of Congress that would be needed for this effort: the republican members of the House Committee on Ways & Means, and in the evenly divided senate, possibly the entire Senate Finance Committee.

A handful of ASPA members that live in the congressional districts of the House members targeted, and those that live in the states of the Senate members targeted, were called. Every ASPA member contacted was more than willing to make the trip. ASPA briefed its members with the information necessary for the visit, but the central and vital piece of information the members needed to provide during the meeting were their perspectives on how the Administration's proposal would impact their businesses and their clients.

Twenty-one ASPA members made a visit to the Hill. They were:

<b>John S. Agatston, MSPA</b>	<b>Pennsylvania</b>
<b>Burl V. Bachman, MSPA</b>	<b>Virginia</b>
<b>Richard L. Billings, CPC, QPA</b>	<b>Iowa</b>
<b>Becky L. Bock, CPC, QPA, QKA</b>	<b>New Mexico</b>
<b>Stacie L. Brass, CPC</b>	<b>Iowa</b>
<b>Susan J. Chambers, FSPA</b>	<b>New Mexico</b>
<b>Irene F. Diamond, CPC, QPA</b>	<b>South Dakota</b>
<b>Richard C. Flower, CPC, QPA</b>	<b>Louisiana</b>
<b>Janet L. Hubber, MSPA</b>	<b>Montana</b>
<b>Henry J. Garretson, FSPA</b>	<b>Maine</b>
<b>John D. Gibson, MSPA</b>	<b>Louisiana</b>
<b>James L. Kidder, CPC</b>	<b>Iowa</b>
<b>Debra A. Levine, CPC, QPA</b>	<b>Maine</b>
<b>David Lipkin, MSPA</b>	<b>Pennsylvania</b>
<b>Joan E. McCabe, MSPA</b>	<b>Maine</b>
<b>Michael R. Miranda</b>	<b>South Dakota</b>
<b>Patricia M. Monju, QPA</b>	<b>Louisiana</b>
<b>John N. Sample, QKA</b>	<b>Pennsylvania</b>

<b>Sarah E. Simoneaux, CPC</b>	<b>Louisiana</b>
<b>George J. Taylor, MSPA</b>	<b>Pennsylvania</b>
<b>M. Paul Turner</b>	<b>Arizona</b>

Having the ASPA members come into Washington was similar to the *Visit to Capitol Hill* that ASPA hosts in odd-year Octobers (*i.e.*, non-election years) during ASPA's Annual Conference. Members decide they want to make a visit; ASPA makes the appointments and prepares briefing materials; the members meet with a member of Congress and/or their staff to discuss pension issues.

The congressional visit made by Burl Bachman, MSPA, was his first. He found it fun and easy. He visited Representative Cantor (R-VA). Patty Monju, QPA, a previous participant in ASPA's Visit to the Hill, again experienced the past feelings of energy and excitement when going to the Hill. She was with a group of Louisianans visiting Senator Breaux (D-LA). Patty and the Louisiana contingent were accompanied on their visit by ASPA lobbyist, Steve Glaze. As they were walking to Senator Breaux's office, Patty recognized Louisiana's other senator, Mary Landrieu (D-LA), who stopped in the hallway for a brief introduction of her constituents. As they reached Senator Breaux's office, Steve noted that Senate Finance committee chairman Grassley (R-IA) and other committee members were leaving. The contingent's meeting with Senator Breaux had not yet started and the group had already seen a handful of people central to their personal and professional lives. Patty gratefully acknowledged ASPA's and Steve's support in that had she been on the visit alone, she would not have known who these folks were.

When visiting the office of a member of Congress, one quickly realizes that it is very important to develop a relationship with their staff. Staff members often have a tremendous amount of energy, and given the highly competitive nature of securing the position, are highly intelligent. Their job is to educate their boss on issues of concern to his/her constituents. They will ask you questions. ASPA's visitors were relieved that ASPA had provided them with just the right amount of legislative



background information necessary to answer the thought provoking questions posed to them.

Burl soon realized that during his meeting he only needed to be himself. As all ASPA Hill visitors were asked to do, he was there to merely explain, from his perspective, the impact the proposal would have on his business and its clients—which for the most part, also happened to be Representative Cantor’s constituents. Patty noted that members of Congress listen to their constituents, their voters. Your elected officials were elected by you—the people in your district; the people in your state. Many visitors came to learn that ASPA members understand pension issues a lot more than they realized. As Patty stated, “It’s in your gut. You do it everyday.”

Burl is now anxious to do more communicating with his elected officials in the future and has already made personal contacts with his representative’s local office. The Louisiana group left knowing that Senator Breaux took the suggestions and client examples from their meeting to his Senate Finance Committee meeting with Senator Grassley later that afternoon. Overall, the visits left many with a sense of satisfaction and professional pride, knowing that they made a personal effort to have a positive impact on their clients and their chosen profession.

Many of the Hill visitors mentioned their desire for ASPA members coming to Washington, DC, for the Annual Conference to participate in ASPA’s *Visit to Capitol Hill*. Throughout the year, as legislative issues arise, Brian periodically sends members updates. These keep you updated with pension-related legislation from Washington, but can also be vital information for you to use at home while talking with clients or the press, or to provide some of the fodder for when you make your visit to Capitol Hill. Most people cannot help but feel the energy of the Hill when participating. Do not underestimate what one person can do.

You might recall that a gentler version of the dividend proposal was eventually signed into law. Most importantly, there was not a provision to include annuities without addressing qualified retirement plans. Mission accomplished.

Those who have ever visited Capitol Hill often want to encourage those who have not to do their part, *e.g.*, send a member of Congress an e-mail when ASPA asks you to take action. After all, Capitol Hill is where the legislation happens. As Patty stated, “It’s our government!”

Once again, you may register for ASPA’s *Visit to Capitol Hill* online at [www.aspa.org/annual.htm](http://www.aspa.org/annual.htm). For further information, contact Jolynne M. Flores, Government Affairs Manager, at [jflores@aspa.org](mailto:jflores@aspa.org) or (703) 516-9300. ▲

*Jolynne M. Flores, MBA, has been ASPA’s Government Affairs Manager for 2½ years. Since arriving in Washington, DC, she has worked in international project coordination for a professional association of behavioral scientists and in government affairs for an association of municipal electric utilities. Prior to Washington, she worked for the State of California as a regulator in the energy industry. She has been an active member of Toastmasters International for over 15 years.*

## ASPA PAC Salutes Its VIP Team

ASPA PAC has a phenomenal group of members who have made a significant financial commitment to ASPA PAC. We are proud to recognize them below. You are ASPA PAC’s foundation. We also want to thank all 300 ASPA members who have done their part to strengthen the ASPA voice on Capitol Hill by joining ASPA PAC.

Anonymous	Steven J. Levine, MSPA
Robert Allen Albee	Bonny Mannina, QPA, QKA
Bruce L. Ashton, APM	Patricia L. Marquis, QPA
Burl V. Bachman, MSPA	John R. McCaw, MSPA
Kerry M. Boyce, CPC, QPA	Charles N. McLeod, FSPA, CPC
Michael C. Brown, CPC, QPA	Susan L. Miner
Alex M. Brucker, APM	James R. Nolan
Robert C. Burleigh, Jr.	Gwen S. O’Connell, CPC, QPA
G. Patrick Byrnes, MSPA	Robert Paglione, FSPA, CPC
Nelson P. Chia	John P. Parks, MSPA
Pamela J. Constantino, CPC, QPA	Margery F. Paul, MSPA
Lawrence Deutsch, MSPA	Fabio M. Perla
Bill W. Dickerson, CPC	Kurt F. Piper, MSPA
Stephen L. Dobrow, CPC, QPA, QKA	Fred Reish, APM
Kevin J. Donovan, MSPA	Kenneth R. Robertson, CPC
James E. Farley, CPC, QPA	Stephen H. Rosen, MSPA, CPC
James R. Feutz, MSPA	William J. Sheffler, MSPA
Michael B. Fortune	Bei Sheng, QPA
H. Earle Garvin, MSPA	Lawrence C. Starr, CPC
David M. Gelman, MSPA	Valeri L. Stevens, APM
Robert R. Giordano, CPC, QPA	Chris L. Stroud, MSPA
Kevin E. Glueck, QPA	George J. Taylor, MSPA
Elizabeth T. Hallam, CPC	Edward H. Thomson, III, MSPA, QPA
Craig P. Hoffman, APM	Sandra S. Thomson, MSPA, QPA
Andrew C. Hoskins	Sal L. Tripodi, APM
R. Bradford Huss, APM	Aaron Venouziou, MSPA
Gary L. Johnson	Stephen L. Walker, FSPA, CPC
James L. Jordan, MSPA	Nicholas J. White, APM
Karen A. Jordan, CPC, QPA	Donald Whitmire
Barbara A. Kollman, MSPA	Lynn M. Young, MSPA
Louis Kravitz, MSPA	Sally J. Zavattari, FSPA, CPC
Gerrit C. Kuechle, MSPA, CPC	

The above ASPA PAC VIP members have contributed \$500 or more from January 1, 2002 through June 30, 2003.

*Only ASPA members may contribute to ASPA PAC. Contributions to political action committees are not deductible for federal income tax purposes. Federal law requires political action committees to report the name, mailing address, occupation, and name of employer for each individual whose contributions exceed \$200 in a calendar year.*



# FUN-da-MENTALs

## CONTEST WINNER!

Ashok Shendure of BDS Financial Services Corporation in Solon, OH, is the winner of the ACTUARIES word contest from the March-April 2003 issue of *The ASPA Journal*. Ashok made 235 words (WOW!) from the original word ACTUARIES and will receive a free ASPA webcast registration of his choice and an assortment of ASPA souvenirs. Congratulations Ashok! We're happy to see a first-year member of ASPA participating in events and enjoying our newsletter.

SIDE FUN



"There's a substantial penalty for early withdrawal!"

## NEW MATH!

From a strictly mathematical viewpoint, what makes up 100% in life?

If:

A B C D E F G H I J K L M N O P Q R S T U V W X  
Y Z

is represented as:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18  
19 20 21 22 23 24 25 26

Then:

K-N-O-W-L-E-D-G-E

$$11+14+15+23+12+5+4+7+5 = 96\%$$

and

H-A-R-D-W-O-R-K

$$8+1+18+4+23+15+18+11 = 98\%$$

But,

A-T-T-I-T-U-D-E

$$1+20+20+9+20+21+4+5 = 100\%$$

## WORD SCRAMBLE

Unscramble these four puzzles—one letter to each space—to reveal four pension-related words. Answers will be posted on ASPA's Web site at <https://router.aspa.org>. Once you have logged in, place your cursor over the Membership tab in the navigation dropdown menu. Move to Membership Benefits, then click on *The ASPA Journal*. The answers are located near the bottom of the page.

BONUS: Arrange the circled letters to form the Mystery Answer as suggested by the cartoon.

ME PALS ○ ○ \_ \_ \_ ○

BID HYR ○ \_ ○ ○ \_ \_

TIP FOR \_ ○ ○ ○ \_ \_

ALA NUN ○ \_ \_ \_ ○ \_

Mystery Answer:

“ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ”



What Captain Key was searching for before she would quit sailing for the day.

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**What if you had **access** to the same kind of computer program that your actuary uses?**

**What if the program were **easy to use and understand**?**

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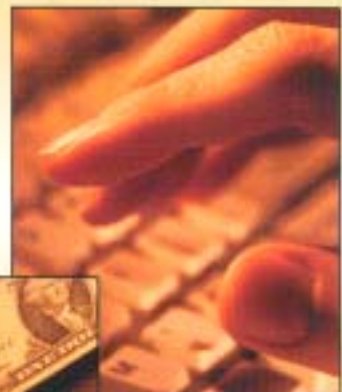
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# CALENDAR OF EVENTS

## 2003

ASPA CE  
CREDIT

Sep 11-12	Mountain States Benefits Conference Denver, CO	16
Sep 12-15	EA-2(A) Exam Weekend Courses Washington, DC	
Sep 19-22	EA-2(A) Exam Weekend Courses Chicago, IL	
Sep 20-23	Business Leadership Conference Uncasville, CT	20
Sep 30	Early Registration Deadline for Fall Examinations	
Oct 1-4	EA-2(A) Exam Weekend Courses Los Angeles, CA	
Oct 5	Early Bird Deadline Annual Conference Washington, DC	
Oct 26-29	Annual Conference Washington, DC	20
Oct 31	Final Registration Deadline for Fall Examinations	
Nov 1	Registration Deadline for Fall Weekend Courses	
Nov 1-Dec 15	C-1, C-2(DB), and C-2(DC) Fall Examination Window	

## 2004

Jan 29-30	Los Angeles Benefits Conference Los Angeles, CA	16
Feb 22-24	401(k) Sales Summit Orlando, FL	TBD
Apr 29-30	Great Lakes Benefits Conference Chicago, IL	16

### Education

*September 30  
Early Registration  
Deadline  
for Fall Examinations*

*October 31  
Final Registration  
Deadline for Fall  
Examinations*

*November 1-December 15  
C-1, C-2(DB)  
and C-2(DC)  
Fall Examination Window*

### Conferences

*September 11-12  
Mountain States  
Benefits Conference  
Denver, CO*

*September 20-23  
Business Leadership  
Conference  
Uncasville, CT*



**2003**  
ASPA  
Annual  
Conference



October 26-29  
Washington, DC

**One-Stop  
Shopping at  
the Pension  
Industry  
Event of the  
Year!**

Early Bird  
Deadline  
October 5!



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