



(Click on either of the logos above for more information.)

DECEMBER 2008 NEWSLETTER



In This Issue

[New State-of-the-Art Services
Coming January 1, 2009](#)

[Qualified Plan Distribution Rules](#)

[Accepting New Plans Up to
December 31, 2008](#)

[BCG & MATC to Launch a New
ETF 401\(k\) Platform](#)

[Targeting Your 401\(k\) Sales
Seminar--Sign Up Now!](#)

[Retirement Plan Fundamental
Classes Offered](#)

New State-of-the-Art Services Coming January 1, 2009!

**Guidance. Investment Advice. Education. Fiduciary
Responsibility. Diversification. Asset Allocation.**

Today, more than ever, these topics demand the attention of plan providers, employers, and participants alike. The subjects can be difficult; the unknowns, many. In today's volatile financial markets, plan participants need tools to help them navigate through the difficult savings and investment decisions required for their qualified plans.

BCG is proud to announce the upcoming availability of MasteryPOINT's AdvicePlus, an online investment tool that will help your participants make investment decisions. With just a few minutes of their time, they can secure specific investment recommendations that fit their particular situation.



Accepting New Plans Up to December 31st!

As we move rapidly to the close of 2008, BCG would like to remind you that we have streamlined our plan implementation and document process so

MasteryPOINT - AdvicePlus Module

Provides plan participants with investment advice-and satisfies a frequently heard participant request for help. With information from our recordkeeping system and supplemental information entered by your participants, this software system offers the following:

Participant Features

- The First Look option provides "instant gratification." Investment recommendations can be secured with a few clicks of a mouse
- Seamlessly records participant selections into their account
- Multiple portfolio planning--AdvicePlus supports up to six additional portfolios outside of the participant's retirement account
- Incorporation of unusual income and expense items
- Power Strategizer allows a user to develop an infinite number of "what if" scenarios by changing assumptions
- Investment and retirement planning education and support
- Records changes to the recordkeeping system
- Recommends specific asset class/mutual fund allocations and the amount to be invested in each to optimize portfolios that create the highest returning investment mix at a given risk level
- Fund data sheets
- Online prospectus
- Interactive education modules

Sponsor Features

- Easy implementation--You don't have to do anything to support AdvicePlus, other than announce its availability to your plan participants
- Support materials for your participants, including a "How to Use AdvicePlus" booklet, introductory letters, etc. AdvicePlus also includes a participant financial planning toolset (i.e. paycheck calculator, loan calculator) that can further assist your plan participants.
- Fiduciary responsibility for the advice recommendations is assumed by an independent registered investment advisor.
- Include additional portfolios in your planning; factor in extraordinary income and expense items; include your spouse's or significant other's resources.
- You can view fund data sheets containing performance and holdings information, as well as information about fund management, risk, even a prospectus regarding a particular fund.
- MasteryPOINT offers a number of valuable tools to assist in your financial and retirement planning. Check the impact of your plan loans with the plan loan calculator. Weigh your distribution options with the distribution planner. Determine the impact of saving for your children's college educations.

More Enhanced Services

Online Enrollments

Employees can enroll online in 5 easy steps, which will streamline the process resulting in an improved experience for your participants.

that we are able to effectively receive plans up to, and including, Wednesday, December 31, 2008. While many of our competitors impose "cut off dates" for new business, we recognize you and your clients do not work to our time table, we work to yours. Please contact our sales support and implementation team to learn more about how we can help you and your clients' retirement plan needs. They can be reached at 1-800-524-401k.

An Added Bonus!

Do you have a prospect or client that is being charged to restate their plan documents? Every plan conversion to BCG includes a complete document restatement. Take advantage of this service to improve your clients' plan and save them a few bucks along the way!

Benefit
Consultants
Group and Mid
Atlantic Trust
Company to
Launch a New
ETF 401(k)
Platform

Benefit Consultants Group

Paperless Loans

Employees can take advantage of applying for a loan online, submitting the request and downloading the loan amortization schedule.

Paperless Distribution

Former employees can now request distributions online to expedite the process - all without an exchange of a single piece of paper.

Web Based Fund Prospectus

Employees now have the convenience of being able to view online investment information for the funds available in the plan, such as viewing prospectuses, amendments to the prospectuses, annual reports, monthly fund performance, and fund data sheets.

Electronic Year-End Compliance Census Validation

You now have the ability to retrieve and upload your company's census information online by utilizing our new compliance census download/upload feature, which eliminates the challenges associated with manually submitting your annual census.

Participants will be able to utilize these enhanced services starting on January 1, 2009. At that time, additional assistance will be available by visiting our website at www.bcgbenefits.com, and clicking on the "New" Video Library section on the home page.

TECHNICAL CORNER

Qualified Plan Distribution Rules

As the year-end approaches, it is a good time to review the rules governing required minimum distribution rules from your qualified plan, including who is considered a designated beneficiary for purposes of these rules.

In general, the minimum required distribution rules specify the latest permissible date for plan distributions to begin and the maximum time period over which they may be made. Their purpose is to ensure that retirement plans are used to provide retirement benefits rather than as mechanisms for the indefinite deferral of tax. Failure to make minimum required distributions results in an excise tax on the payee (i.e., plan participant) of 50% of the amount by which the required distribution exceeds the amount actually distributed during the year.

General Rule

Distributions to a participant in a retirement plan must begin by the required beginning date and must be paid over:

- the life of the employee;

(BCG) is teaming up with industry-leader Counsel Trust Company, dba Mid Atlantic Trust Company (MATC), to launch a fully bundled 401(k) platform offering Exchange Traded Funds (ETFs). This partnership with MATC allows advisors and plan sponsors the opportunity to broaden investment horizons.

ETFs have become highly regarded as a key part of not only a successful investment portfolio but also a 401(k) plan. They offer a cost-effective and transparent solution that covers a full range of risk and style scenarios. This new platform allows investors to take a more comprehensive approach to building a 401(k) investment menu.

The MATC solution eliminates operational challenges facing previous efforts to successfully integrate ETFs into daily-valued 401(k) platforms. Now, ETFs can be integrated into a 401(k) menu without sacrificing quality custody, settlement, recordkeeping and administrative services.

"This is an exciting time for the retirement landscape," says Tim Friday, Group CEO of Mid Atlantic Capital Group. "ETFs represent a tremendous growth opportunity in the asset management sector today. I know our partners are excited about the ability to introduce

- the lives of the employee and a designated beneficiary; or
- a period, which may be a term certain, that cannot exceed (a) the life expectancy of the employee or (b) the life expectancy of the employee and a designated beneficiary.

The "required beginning date" of a participant (other than a 5% owner) is April 1 of the calendar year following the calendar year in which the employee reaches age 70 1/2 or retires, whichever is later. However, the required beginning date for a 5% owner is April 1 of the calendar year following the year in which the 5% owner reaches age 70 1/2, even if not retired. Before the required beginning date, you need not be concerned with the operation of the minimum required distribution rules. As much, or as little, as desired can be distributed under the plan's terms.

Designated Beneficiaries

As noted above, the minimum required distribution amount will depend on the person designated as the beneficiary to receive the remaining portion of your interest in the plan after your death. Certain rules apply in determining those persons eligible to be designated beneficiaries for this purpose.

1. Determination

Only persons who are designated under the plan may be designated beneficiaries. A person may be designated as a beneficiary under the terms of the plan, or, if the plan provides, through an election by you or your surviving spouse.

The passing of your plan interest to a certain individual under applicable state law (under the state intestacy laws, for example) will not result in the recipient being treated as the designated beneficiary unless the individual also is designated as a beneficiary under the plan.

Except in certain cases involving trusts (described below), only individuals may be designated beneficiaries. If an entity other than an individual is designated, the rules apply to the interest of the employee as if no beneficiary was designated.

If a trust is named as beneficiary, all trust beneficiaries will be treated as designated beneficiaries if: (i) the trust is valid under state law or would be valid except that it lacks a corpus; (ii) the trust is irrevocable; and (iii) the trust beneficiaries who are beneficiaries of the employee's interest are identifiable.

With respect to the minimum required distributions, the designated beneficiary generally is determined as of September 30 of the calendar year following the calendar year of the employee's death.

2. Rules if No Beneficiary Properly Designated

If no beneficiary is properly designated, distributions to you during life commencing with your required beginning date must be made over your life or over a period not exceeding your life expectancy. This can result in a shorter period for making the minimum required

innovative asset management alternatives to their retirement plan clients," adds Friday.

Beau Adams, Executive Vice President of Business Development at BCG agrees. "We are extremely pleased to form this partnership with MATC and bring new and innovative products to our advisors, who have been increasingly asking about the ability to use ETFs. We are now able to offer a cost effective and transparent solution to meet their needs." "Advisors can now introduce ETFs without sacrificing recordkeeping, administrative accuracy or efficiency," says Adams.

"We are excited that MATC is able to bring this product to market," mentions Adams. "This is yet another important milestone for BCG, and allows us to remain true to our core mission of helping our clients build financial security through quality products and outstanding service. I believe this partnership offers a tremendous opportunity for MATC, BCG, and our clients. We look forward to a successful future together."

SAVE THE DATE!

"Targeting Your 401(k) Sales" Seminar

distributions, resulting in earlier payment of taxes on the distributions than may be desired.

3. Rules when Multiple Beneficiaries Are Designated

In general, if multiple beneficiaries are designated, the one with the shortest life expectancy must be used in determining the minimum required distribution amount. Each beneficiary's life expectancy can be used in determining the beneficiary's minimum distribution, however, if separate accounts or segregated shares are maintained for each beneficiary.

If a beneficiary's entitlement to a benefit after your death is contingent, the contingent beneficiary still is considered a beneficiary in determining which designated beneficiary has the shortest life expectancy. However, a person will not be considered a beneficiary merely because he or she could become a successor beneficiary, unless a person has any right (including a contingent right) to your benefit beyond being a potential successor beneficiary. If a designated beneficiary dies after the date when beneficiaries are determined, the beneficiary's life expectancy is used without regard to the life expectancy of any subsequent beneficiary.

Calculating the Minimum Required Distribution Amount from an Individual Account

The rules for calculating the minimum required annual distribution depend on whether the distribution is made from an individual account or in annuity form. The calculation for individual accounts determines the minimum required distribution amount by dividing the account balance by the distribution period. For lifetime required distributions, there is a uniform distribution period for almost all employees of the same age under a table in IRS regulations based on the joint life and last survivor expectancy of an individual and a hypothetical beneficiary 10 years younger. However, if your spouse is your sole beneficiary and your spouse is more than 10 years younger than you, a longer distribution period based upon the joint life and last survivor life expectancy of you and your spouse can be used.

For years after the year of your death, the distribution period generally is the remaining life expectancy of your designated beneficiary. The beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the employee's death, reduced by one for each subsequent year. If the employee's spouse is the employee's sole beneficiary, the distribution period during the spouse's life is the spouse's single life expectancy. For years after the year of the spouse's death, the distribution period is the spouse's life expectancy calculated in the year of death, reduced by one for each subsequent year. If there is no designated beneficiary, the distribution period is your life expectancy calculated in the year of death, reduced by one for each subsequent year.

Join us at BCG's Exclusive Training Seminar.

Where: Simeone Foundation Museum, 6825-31 Norwitch Drive, Philadelphia, PA 19153

Date: Thurs., Feb. 5, 2009

Time: 9:00 a.m.

Through this program, you'll learn how to uncover qualified plan opportunities, increase your sales, and gain a better understanding of BCG's products and services.

Don't miss the mark--sign up today while seats are still available!

If you would like further information, or to reserve your seat, please notify Debbie White at dwhite@bcgbenefits.com. But don't delay--Seating is Limited!

Retirement Plan Fundamental Class Now Being Offered!

This class will provide a detailed overview of the fundamentals of tax-qualified retirement plans. When you complete this course, you should be well prepared to answer questions about the tax advantages of retirement plans,

For lifetime distributions, your marital status is determined on January 1 of each year. Divorce or death after that date is disregarded until the next year. Also, a change in beneficiary due to the spouse's death is not recognized until the following year.

The account balance is figured as of the last valuation date in the calendar year immediately preceding the distribution calendar year, increased by contributions or decreased by distributions made after that date. The first distribution calendar year generally is the first calendar year for which a minimum distribution is required. For lifetime distributions, however, the first distribution calendar year is the year in which you reach your required beginning date even though distributions need not begin until April 1 of the next year.

In general, if the amount distributed in any calendar year exceeds the minimum required, no credit is provided in later years for the excess. A credit is provided, however, for distributions made during the year in which you reach your required beginning date. The lack of credit for distributions in excess of the minimum amount can create a hardship. For example, if you take a large distribution to purchase a retirement home, you would receive no credit toward meeting the minimum required distributions in later years and would have to continue receiving minimum required distributions. You should consider whenever a large distribution is proposed in a single year to make a large purchase whether it is better to purchase the item using financing rather than cash, so that payments may be stretched over several years (to be paid using future years' minimum required distributions).

Generally, a minimum required distribution for a particular calendar year must be made by December 31 of that year, unless it is for your first distribution calendar year, in which case it can be made by April 1 of the next year. If you delay your first minimum required distribution to the following calendar year, however, you must receive two minimum required distributions in your second year: one on or before April 1 and a second on or before December 31.

BCG consultants are available to consult with plan participants regarding minimum distribution planning. The cost for such services can be paid by the participant.

Note that Congress is considering waiving required minimum distributions for 2008 and/or 2009. BCG intends to alert our clients via email should such a law be enacted.

contribution limits, plan sponsor responsibilities, plan distributions, and the key requirements of qualified retirement plans.

Specific types of plans covered by the course include 401(k) plans, 403(b) plans, profit-sharing plans, and money purchase plans. The course is designed for employees of mutual fund organizations, banks, broker/dealers, service providers to the fund industry, and others who want to learn about qualified retirement plans.

The class will run for 15 weeks, and will be offered at two different times for your convenience.

Retirement Plan Fundamentals
Tuesdays starting
January 6, 2009
8:30 am - 10:30 am
BCG - Watkins Glen Training Room

Retirement Plan Fundamentals
Thursdays starting
January 8, 2009
2:30 pm - 4:30 pm
BCG - Watkins Glen Training Room

If you are interested in attending this class, please email:
dwhite@bcgbenefits.com.

***Sign Up Today--
Seating is Limited!***



Benefit Consultants Group is the first retirement benefits TPA firm in the country to be ISO 9001 Registered.

For more information about our services, please call 1-800-524-401k, or visit our website at www.bcgbenefits.com.

Join Our Mailing List!

