



New Developments in IRS Section 403(b) A Brief Summary of our Presentation

On September 22, 2009, O'Connor Davies Munns & Dobbins, LLP (ODMD), in conjunction with Morgan Stanley Smith Barney and The Principal® Financial Group, presented "New Developments in IRS Section 403(b)." This informative seminar addressed the guidance provided by the Department of Labor and the Internal Revenue Service pertaining to the regulatory requirements for 403(b) plans. Executives from a variety of not-for-profit organizations attended the event at The Yale Club of New York City.

During the seminar, **Timothy Desmond, Partner with ODMD**, spoke on the importance of preparing early for the initial audit of your 403(b) plan. He provided several tools to assist plan administrators, including a prototype financial statement and "Questions to Expect from your Plan Auditor" and a "Sample Auditor Request List for Plan Information." Tim said, "Opening up the lines of communication between your audit firm and your vendor and assigning responsibilities for ERISA reporting will help pave the way to a successful first audit."

Louis F. LiBrandi, Principal with ODMD, discussed the major components of the plan document requirements applicable for virtually all types of ERISA or non-ERISA 403(b) plans. He provided alternative methods of satisfying the plan document requirement. For example, for a 403(b) plan which contributes to multiple vendors, several documents may need to be coordinated through preparation of a "wrap" plan. Additionally, Lou reviewed the enhanced reporting requirements for ERISA 403(b) plans, including the regulations regarding the increased financial disclosure and the electronic filing process for Form 5500s generally effective in 2009.

Vince Rainforth, Vice President-Tax Exempt Retirement Services with The Principal Financial Group, reviewed the evolution of not-for-profit organizations' retirement plans from the past to today. Vince also reviewed the top six 403(b) plan sponsor challenges.

Susan Feitelberg, Senior Vice President-Financial Advisor with Morgan Stanley Smith Barney, discussed asset allocation and what diversification can do for you over time. Susan also discussed employee education and retirement considerations.

We welcome the opportunity to assist you in assessing your organization's 403(b) requirements. Please feel free to contact us directly if we can be of assistance:

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Sincerely,

O'Connor Davies Munns & Dobbins, LLP