



Memorandum

To: The SPARK Institute Membership
From: Larry H. Goldbrum
Date: December 8, 2009
Re: **403(b) Plans Best Practices Survey Results**

We recently surveyed our membership and others in the 403(b) community regarding certain issues concerning our Best Practices for Information Sharing. Set forth below is a summary of the results.

Forty-two companies responded to the survey. The results are shown in the same order as the questions appeared.¹

1. Are you planning to adhere to Version 1.04 of The SPARK Institute's Best Practices for 403(b) Plans Information Sharing - Minimum and Comprehensive Data Elements? (41 responses)

83% -- intend to adhere (45% on or before the January 1, 2010 effective date; 38% at some time after the January 1, 2010 effective date).

17% -- do not intend to adhere.

- 1.1 (For those that intend to adhere) Will you provide outbound data and accept inbound data?

69% -- will provide both.

23% -- will provide inbound only.

8% -- will provide outbound only.

- 1.2 (For those that intend to adhere) Will you provide the additional information (e.g. QDROs, RMDs, etc.) required on the layout?

72% -- Yes.

28% -- No.

¹ Some results may not add to 100% due to rounding.

1.3 (For those who said they do not intend to adhere) Please specify the reason(s) why you do not intend to adhere to Version 1.04 of the Best Practices.

46% -- Limited technology resources/other priorities.

23% -- Timing.

15% -- Budget limits.

8% -- Other: Will depend on current system's ability and vendors' willingness to support.

7% -- Other: Only support single provider plans.

1.4 What version(s) of the Best Practices do you currently support? (16 responses).

50% -- V1.03

25% -- V1.04

13% -- V1.01

13% -- V1.02

2. Are you planning to adhere to The SPARK Institute's Remittance and Census Data Best Practices (Version RC 1.0)? (39 responses)

61% -- intend to adhere (32% on or before the July 1, 2010 effective date; 29% after the effective date).

39% -- do not intend to adhere.

2.1 (For those who do not intend to adhere) Please specify the reason(s) why you do not intend to adhere to the Remittance and Census Data Best Practices.

32% -- Other: They do not use or track census data in their businesses.

15% -- Other: They have not yet had client demand for the data.

15% -- Other: They have their own system.

15% -- Limited technology resources/other priorities.

15% -- Not using any prior version of The SPARK Institute Best Practices.

8% -- Timing.

3. The appropriate time to release a future version of the Data Elements Best Practices, assuming 6 months lead time before the effective date would be:

64% -- Do not believe that changes are currently needed.

19% -- 3Q 2010

17% -- 2Q 2010

4. Are there additional file formats for which you feel The SPARK Institute should develop Industry Best Practices? (Data shown is the percentage of total respondents selecting each answer.)
- 31% -- Form 5500 data consolidation.
 - 31% -- An XML version of the Best Practices for 403(b) Plans Information Sharing.
 - 17% -- Other: No opinion
 - 10% -- Payroll feedback file format (for Salary Reduction changes done on a vendor/TPA website).
 - 5% -- Consolidated Statement Reporting Format.
5. It would be helpful if The SPARK Institute provided additional Form 5500 reporting and filing support for: (Data shown is the percentage of total respondents selecting each answer.)
- 36% -- White paper on the practical applications of Form 5500 (Employer perspective).
 - 31% -- Best practices definition for delivery of Form 5500 data.
 - 26% -- Other: (responding firms said they do not provide 5500 reporting).
 - 5% -- Regulatory support to request a blanket 2009 filing extension to or beyond October 15, 2010.
6. A planning session to discuss additional efforts to ease Transaction Monitoring and Processing under the new regulations would be helpful and I or someone from my company would attend.
- 67% -- Yes.
 - 33% -- No.
7. Additional discussion forums would be helpful in the areas of: (Data shown is the percentage of total respondents selecting each answer.)
- 41% -- Assisting employers with vendors that will not follow SPARK Institute Best Practices.
 - 22% -- Issues concerning consolidating vendors post-January 1, 2009.
 - 17% -- Interactions between TPAs and vendors.
 - 10% -- Working with de-selected vendors (pre-2005, pre-2009, post-January 1, 2009).
8. Additional SPARK Institute surveys should be completed on the following topics: (Data shown is the percentage of total respondents selecting each answer.)
- 50% -- Working with the Industry Best Practices.
 - 26% -- Working with TPAs and TPA-like services.
 - 10% -- Form 5500 data and aggregation.
 - 10% -- Other: None.
9. Additional public webinars should be sponsored by The SPARK Institute for the following topics: (Data shown is the percentage of total respondents selecting each answer.)

- 52% -- Working with the Industry Best Practices
- 12% -- Working with TPAs and TPA-like services.
- 10% -- Form 5500 data and aggregation.
- 10% -- Obama Administration Proposed Regulations.
- 8% -- Other: None.

10. For The SPARK Institute to continue to be viewed as one of the 403(b) market's leading voices, it should...

Respondents generally suggested that The SPARK Institute: (Data shown is the percentage of total respondents selecting each answer.)

- 48% -- Continue providing valuable insight and Best Practices for those in the 403b market.
- 17% -- Seek to expand the number of 403(b) providers that participate in The Institute and encourage widespread participation in the working sessions.
- 7% -- Coordinate activities with other industry organizations when practical.
- 7% -- Facilitate discussion within the industry to ensure that all voices are represented and heard.
- 7% -- Examine the differences between ERISA and non-ERISA plans.

Thank you to the companies that responded to the survey. If you have questions about this information, please feel free to contact me.