

October Newsletter

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A FABULOUS FLY-IN, MEMBERS ON THE MOVE, AND MEET THE LEADERS

October 2, 2008 – Many, many kudos to Kathy Solley and the entire program committee for an outstanding Fly-In. The speakers were excellent – the sessions very timely and well done – the location received high marks – what more could you ask for. If you missed it, you missed a lot.

The day started off with a bang -- Bruce Johnstone, Managing Director and Senior Marketing Investment Strategist at Fidelity Investments gave a fascinating, if discouraging, view of current events and its effect on us. Illustrating his talk with timely and insightful cartoons, Bruce captivated the audience.

Later, Wesley Phoa, Senior Vice President of Capital International Research, Inc. discussed potential credit losses and the implications for the economy and regulatory environment. Andy Jung, Vice President and Security Analyst of Montag & Caldwell examined lessons learned from volatile markets and Steve Newby, Vice President and Portfolio Manager for ING Investment Management presented interesting views of the energy industry and markets. If you weren't there, you missed a real opportunity to get behind the headlines and learn about the forces driving the current markets.

Gary Earl, Senior Vice President of CIGNA, challenged us to look at health and medical plans from a new perspective. His points hit home with many of us. A lively discussion of HDHPs and consumerism was later held with Steve Crist, BlueCross BlueShield of North Carolina, Salem Schummarah of Hewitt Associates and Karen Poole, from ChoicePoint sharing their experiences and lessons learned.

Rick Menson, Partner at McGuireWoods, updated us on recent ERISA litigation and then Joelle Sharman, Partner at Ford & Harrison discussed the plaintiff's perspective on ERISA issues. Also, John Murray, Partner at Seyfarth Shaw and Stephanie Edwards, General Attorney at AT&T examined the implications for claims/appeal handling resulting from the Glenn case.

In a mock fiduciary committee meeting, Mary Eaves, Partner at Greenbaum Doll & McDonald and Kathy Solley, Partner at Seyfarth Shaw discussed appropriate allocation procedures and methods for "windfalls" to benefit plans from demutualization or litigation settlements with Louis Campagna, Chief of the Division of Fiduciary Interpretations of DOL's EBSA in Washington, D. C.

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Over lunch, Michael Olah, Field Vice President at Charles Schwab & Co. presented the findings of a recent survey on retirement attitudes and the expectations employees have for employer support.



Michael Olah later joined a panel including Ron Crawford, Senior Associate Regional Director of the SEC's Atlanta office and Tom Shanahan, Deputy Regional Director of the Atlanta Regional office of the DOL's EBSA division. They discussed the issues and views on ERISA accounts in 401(k) plans where revenue sharing and other fees can be held until used by the plan.

Cynthia Zaleta, Principal at Mercer led a session on examination of the design decisions and opportunities under PPA. Jim Taylor, Chief Investment Officer for the Georgia Tech Foundation, contrasted endowment investing with pension investing.

The day concluded with a social hour where attendees made new friends and reconnected with those from the past.



John Karr, Beth Strickland, Fritz Richter, Adrienne Russell and Paul Troup



Andrew Schaffernoth and David McElroy



John Murray and Stephanie Edwards



Donny Burns and Eric Coates



**Program Committee Chairpersons
Kathy Solley and Kevin Callahan**

Program Chairperson Past and Present

Kevin Callahan of ING Investments (pictured here with Kathy Solley the outgoing Program Chair) is the new Chair of the Program Committee and will be organizing the AEC to be held May 13-15, 2009. Want a chance to have input on the program – here is your chance to volunteer for the program committee or to share any suggestions for topics and/or speakers - kevin.callahan@inginvestment.com.

MEMBERS ON THE MOVE

Elizabeth Cook – changed jobs, got married – congratulations and best wishes to her and her new husband John Knight. Elizabeth is now the Senior Associate General Counsel at Total System Services, Inc. in Columbus, GA. Her phone is 706-644-2967 and her email is ecook@tsys.com

Dan Keys – changed jobs – he is now Manager of Retirement Plans at CCE – Coca Cola Enterprises – new email Danielkeys@cokecce.com, new phone (770) 989-3567

MEET SOME OF THE LEADERSHIP

Over the next few months we will be introducing you to the leadership of the SEBC. At the Fly-In, Jodell Ayers completed her year as President and David Lyons assumed the role of President. Patti Keesler became Vice President.

Jodell Ayers is outgoing President of the SEBC. She has been involved with the SEBC since 1997 when her supervisor – a long-time member - encouraged her to get involved. Since then she has contributed to the SEBC in many ways, including serving on the Program Committee and Steering Committee, as well as serving as Treasurer and Vice President prior to her recent office.

Beyond the unique opportunities for networking and developing close friends and contacts within the SEBC, whom she can turn to for advice as a Plan Sponsor and VP of HR (at YKK-USA, the market-dominating maker of zippers, snaps and fasteners) or just call to chat, Jodell has benefited in personal ways from her SEBC experience. She admits to being bashful speaking in front of groups before her various responsibilities in the SEBC honed her public speaking skills.

Jodell feels the SEBC is unique in its programming as well, which the members choose as the most relevant and current topics to develop the members' areas of interest or weakness. She has been able to work with many SEBC members to address challenges such as attracting new member, re-connecting with the membership, and solidifying the image of the SEBC as an educational organization (note the hugely successful Fly-In at Georgia-Tech!). She is looking forward to continuing to participate as actively as possible.

In her spare time, Jodell's interests include kayaking, gardening, cooking, and home projects (she was an interior design major at Ohio State!). She also enjoys painting and volunteering in the community of Roswell, where she, her husband and their two chocolate lab puppies live.

David Lyons, the incoming President of the SEBC, is currently the Managing Director at Lowe, Brockenbrough in Richmond, Virginia. When he joined Lowe, Brockenbrough & Company, one of his first priorities was to become active in the SEBC, and bring to his firm the advantages of such. "The SEBC has been one of the best networking opportunities I've encountered," says David. "Not only has it created a resource of friends for me but the quality and expertise of the speakers, and the strong forum formats at the conferences, provide me with an incredible amount of information important to my job."

David has been a member of the SEBC for over 12 years. Throughout his membership, David has worked on every committee with the exception of the program committee. By being an active member of the Conference, he has gained valuable insight from SEBC members. When Lowe, Brockenbrough & Company, Inc. considered a move into a new market segment, David was able to reach out to a network of peers, many of whom he had met through the Conference, to get their thoughts and insight on the project. Without his involvement in the SEBC, David and his firm would have missed out on many valuable perspectives. "The Conference is about friendship and camaraderie. It's about being a part of a really special organization that is great blend of social and professional connections. It is the sharing of experiences and information so we are informed on issues specific to our industry."

Looking forward, David continues to see the Conference providing all the same great benefits it has in the past. "With the benefits industry undergoing changes, and the increasing unsteadiness of the marketplace, now is the time to reengage with the Conference. If you haven't been to a conference lately, come. You'll learn something important and have a chance to reconnect with your peers. If you haven't introduced someone to the Conference, please introduce someone. We only get better and stronger the more people we have involved."

So take advantage of what the Conference has to offer. Join us for the annual conference May 13-15, 2009 in Asheville, North Carolina at the Grove Park Inn.

Patti Keesler, incoming Vice President of the SEBC, has been involved with the SEBC as a speaker, resource and member since the early 1990's. She has served on the legal committee as vice chair and chair, as well as on the steering committee and as Secretary and Treasurer of the SEBC. She got started in employee benefits in 1982, with the IRS. Since then she has also worked in corporate and consulting environments, finally starting her own firm in 1996. Having

her own firm allows her to balance work and personal life, something very important to her. She is a soccer/baseball mom to a 15 year old athlete. She is an avid yoga practitioner, and participates in Women in Pensions. In their spare time, Patti and her family like adventure vacations, such as river rafting or going to a ranch. Patti finds the SEBC offers her unique relationships and camaraderie that other groups do not. She also has found SEBC programs to be top-notch educational opportunities, allowing her to stay attuned to the products and services are available for and sold to her clients.

Legislative Update

So many new things on the legislative front this past month. Here are just a few but plan sponsors may want to check with their technical support resources to determine the impact on any of their plans.

2009 IRS Benefit Limits, Social Security Increases Now Available

DOL finalizes DC annuity purchase safe harbor

Emergency Economic Stabilization Act of 2008 (ESSA) - On October 3, President Bush signed the Emergency Economic Stabilization Act of 2008 (EESA) into law. Better known as the “bailout bill” or H.R.1424. The key human resource areas affected by the bill are mental health “parity,” executive compensation and nonqualified deferred compensation. Certain of the other areas have peripheral human resource implications as well.

IRS releases guidance on health FSA distributions under the HEART Act - Earlier this year, the Heroes Earnings Assistance and Relief Tax Act (HEART Act) of 2008 became law. The HEART Act was designed to provide much-needed financial flexibility for our military. In its first guidance on the HEART Act, the IRS has released Notice 2008-82 which discusses Qualified Reservist Distributions (QRDs). QRDs provide certain military reservists with special options in their health care flexible spending accounts, but employer action is necessary to enable the process.

Special thanks to John Lowell of JP Morgan for his help in compiling these highlights – all plan sponsors will want to check with their legal counsel on the implications of these and the many other regulatory items released recently.

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