

Focus on ADMIN Admin

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THE PANGBURN GROUP®

THE PANGBURN COMPANY
Third Party Administration of
Nonqualified Executive Benefit Plans

TPC CONSULTING
BOLI Compliance and Reporting

PANGBURN TECHNOLOGY
Technology Solutions
& Custom Software

TPC ACTUARIAL
Actuarial Consulting for COLI & BOLI

IN THIS ISSUE

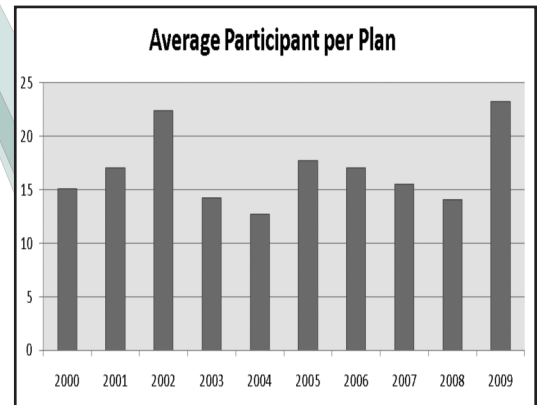
- TOP HAT PLANS - 2009 DOL RESULTS
- PLANNING BRIEFS
- TECHNOLOGY TIPS
- BITS, BANKS, AND BOLI
- COMPANY NEWS
- INTERESTING RATES

The information in this publication is for general use and should not be applied to individual situations unless carefully coordinated with professional financial advice.

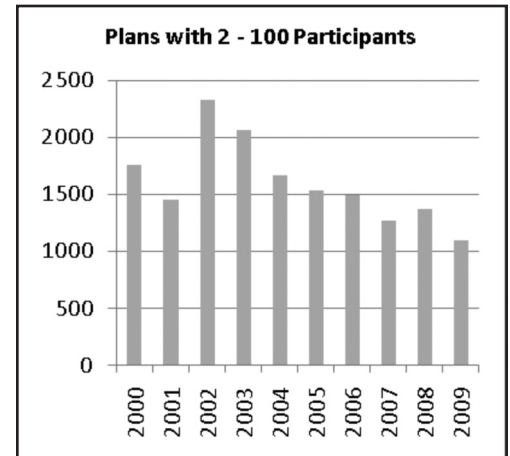
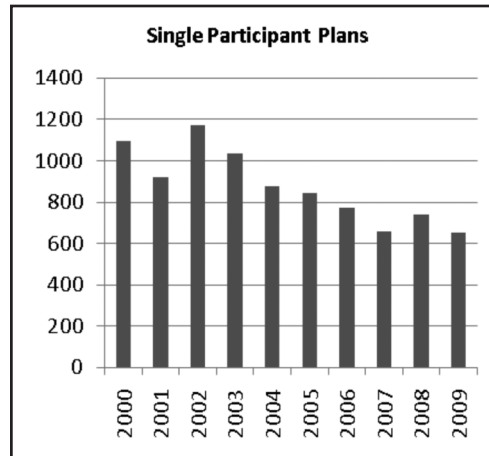
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TOP HAT PLANS - 2009 DOL RESULTS

Despite the increased scrutiny of executive compensation and the downturn in the economy, the average number of participants per Nonqualified Deferred Compensation (NQDC) plan filed with the Department of Labor (DOL) in 2009 increased by 64.7% (14.1 in 2008 to 23.2 in 2009). The graph to the right displays the average number of participants per plan filed by year. The top three entities (by number of participants per filing) in 2009 were in the Financial Sector and account for approximately 25% of the total participants (Citigroup – 5512, Morgan Stanley – 5110, and Ameriprise Financial – 4942).



The number of new plans covering only one participant and 2 to 100 participants has declined every year since 2002 with the exception of a slight increase in 2008.



The number of NQDC plans that have been filed with the DOL since they established the filing requirement in 1975 totals 101,625. Over that 34 year period there have been a number of plans terminated or otherwise discontinued; however, there are also a number of plans in which no DOL filing has been processed. We believe that these statistics are fairly representative of the actual marketplace. The total number of participants covered now stands at 1,582,484, resulting in an average number of participants per plan of 15. Plans with 100 participants or less averages approximately 8 participants per plan. The table to the right presents a breakdown of the 2,676 new plans filed in 2009:

# of Parts	# of Plans	% of New Plans	Total # Parts	% of Total Parts
1	658	24.6%	652	1.1%
2-5	744	27.8%	1623	2.6%
6-10	367	13.7%	1864	3.0%
11-25	298	11.1%	2939	4.7%
26-50	154	5.8%	3323	5.4%
51-100	192	7.2%	4057	6.5%
101-500	140	5.2%	9601	15.5%
501-1000	44	1.6%	7128	11.5%
1000+	79	3.0%	30882	49.8%

Planning Briefs

THE MATCH IS COMING BACK:

According to Fidelity, nearly half of their clients surveyed indicated they have either already reinstated their 401(k) match or plan to over the next 12 months. (see conflicting data below???)

1 IN 4 CUT CONTRIBUTIONS:

A Grant Thornton survey showed 26% of employers have either scaled back their contributions or eliminated the company match altogether in an effort to reduce costs.

SMALL BUSINESS – SMALL PLANS:

BA economist Jules Lichtenstein has studied retirement planning by small business owners and found the following: IRA ownership is only 36%...less than 2% have Keogh plans...only 18% participate in a 401(k) Thrift plan...having a micro-business (fewer than 10 employees) reduces 401(k) participation to 10%.

REALITY CHECK ON SALARIES:

According to a survey by Buck Consulting employers are more likely to hand out bonuses than increase salaries during 2010. 51% plan to award bonuses that are within 5% of last year's amount while 21% expect bonuses to be 5% or greater than in 2009. The survey also revealed that salary increases for 2010 will average 2.2% slightly less than earlier forecasts.

PLAN SPONSOR DISSATISFACTION:

The 401kExchange reports that 401(k) plan sponsors' satisfaction with their recordkeepers is down 30% to 40% across all markets. They found that only 25 - 35% of plans rated their provider a 4 or a 5, compared with more than 70% in 2006.

HOW MUCH IS ENOUGH?

A Scottrade press release said its survey found 71% of registered investment advisors do not believe \$1 million is enough for the average family to retire on. Most believe families need to save double and in some cases triple this amount.

TECHNOLOGY TIPS

Cloud Computing

With the proliferation of high-speed Internet access across the globe, a change in personal computer use has started to take shape over the past few years. No longer do people want their data to be tied to their personal computer sitting on their desk at home. While this scenario does have benefits for security and privacy, it also severely hinders the ability to be productive while on the go. This is where cloud computing comes into play. The term cloud computing is really just a synonym for computing services offered over the Internet. The use of the term "cloud" to refer to the Internet comes from the fact that historically, remote links (such as the Internet) were represented on engineering diagrams with a cloud symbol.

The benefits of cloud computing are pretty evident to anyone who travels frequently for his/her job and likes to remain in touch while on the road or perhaps even to those who religiously use a Facebook account. The ability to access personal and work data from practically anywhere is a very powerful tool. While the cost, performance and scalability of using a Cloud Computing service, such as Amazon's EC2 is attractive, it's not without its downsides. For instance, if you are serving up mission critical applications over the Internet, your in-house IT staff won't be able to resolve all issues on a system that they do not ultimately control.

While the uptime for these services is typically exceptional, there have, at times, been problems with services historically, and when these issues occur, there isn't much one can do, except hope for a quick resolution. While Cloud Computing has made our lives more productive in this age of traveling and work vacations, it isn't the be-all-end-all of computing. While it can be a powerful tool in the company arsenal, the pros and cons of your specific computing needs should be evaluated thoroughly before diving head first into the cloud.

BITS, BANKS, & BOLI

FROM THE FDIC:

For the fourth quarter of 2009 commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation reported an aggregate profit of \$914 million, a \$38.7 million improvement from the net loss the industry sustained in the fourth quarter of 2008. More than half the institutions reported year-over-year improvements in their quarterly net income. For the full year, banks reported net income totaling \$12.5 billion – up from \$4.5 billion in 2008.

TARP NEWS:

The first person has been charged criminally with attempting to defraud TARP. The bank executive made false statements to regulators in an effort to obtain about \$11 million to save his failing New York bank. He was charged with 10 counts of fraud each carrying up to a 30 year sentence.

BOLI TRENDS:

41 banks failed in Q1 2010, compared to 21 banks failing in Q1 2009 and 45 banks failing in Q4 2009. 18 of the banks that failed in Q1 2010 had BOLI (44%), compared with 10 banks with BOLI in Q1 2009 (48%) and 17 banks with BOLI in Q4 2009 (38%). The 12/31/09 CSV of failed banks in Q1 2010 was \$122,766,000.

COMPANY NEWS

Please join us in welcoming our newest Account Manager, Beth Desormeaux. Beth graduated from Louisiana State University with a bachelor of arts degree in Sociology with a concentration in Criminology. Beth's primary responsibility will be the administration of Bank Owned Life Insurance and Endorsement Split Dollar plans. Prior to completing her degree requirements, she spent four years with Wells Fargo Financial serving as a branch manager.

INTERESTING RATES	2009									2010		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Short-Term AFR	0.83	0.76	0.75	0.82	0.83	0.84	0.75	0.71	0.69	0.57	0.72	0.64
Mid-Term AFR	2.15	2.05	2.25	2.76	2.80	2.87	2.66	2.59	2.64	2.45	2.82	2.69
Long-Term AFR	3.67	3.58	3.88	4.36	4.26	4.38	4.10	4.01	4.17	4.11	4.44	4.35
Federal Funds	0.16	0.22	0.21	0.20	0.18	0.15	0.11	0.12	0.13	0.11	0.14	0.14
T-Bill (One Year)	0.58	0.49	0.48	0.54	0.48	0.43	0.37	0.38	0.26	0.47	0.33	0.32
T-Bill (Ten Year)	2.68	3.21	3.71	3.55	3.66	3.38	3.21	3.45	3.28	3.83	3.68	3.61
T-Bill (30 Year)	3.51	4.09	4.55	4.34	4.42	4.19	3.97	4.26	4.26	4.64	4.56	4.56
Moody's Aaa	5.32	5.50	5.70	5.45	5.29	5.14	4.95	5.19	5.09	5.34	5.30	5.22

(Rates which fluctuate daily are shown on or about the 1st day of the month.)

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