

Letter from the President

Last year at this time we were all busy anticipating the changes that were about to take place with the long-awaited IRS Regulations due to become effective January 1st, 2009. While many challenges await us all in the coming year, I am confident that the most difficult times are behind us.

With that in mind, I want to give all of our clients a Report Card, highlighting where things stand as 2009 draws to a close.

- As with many of you, we expected that there would be a greater level of cooperation on the Information Sharing Agreements with your Service Providers than we have experienced. In the end, we saw excellent cooperation from some Providers, reasonable progress with many, and poor results with a few. Many of our assumptions have had to be re-thought based on these new realities.
- OMNI has processed over 37,000 transactions during the year for loans, hardship requests, death and disability claims, retirement distributions, transfers and exchanges, and QDRO's - all work that used to be the domain of Service Providers.
- To accomplish this, we have created a Customer Care Center for employee-participants, a Service Provider Unit for agents and Service Providers, and a Concierge Service for School Business Officials.
- We have revolutionized our processing systems to provide Forms Online to create a faster and better service for everyone - with less chance of human error. Currently, more than 75% of SRA forms are being processed online.
- 97.6% of ALL telephone calls in all departments are answered promptly, leaving us with less than 3% of all calls dropped or unresolved.
- We receive over 6,500 calls a month, with over 2,500 of these coming from agents and Service Providers.

In closing, I would like to join with the rest of the OMNI family in wishing you a safe and happy Holiday Season. I look forward to working with you in the New Year!



411 for your 403(b)

OMNI Receives 2009 Best of Business Award

The Small Business Commerce Association (SBCA) has recently announced that The OMNI Group has been selected for the 2009 Best of Business Award in the School, College, University Consultant Category. The SBCA recognizes the top 5% of small businesses in the nation, and selects award winners using information taken from a variety of consumer reports and surveys.

OMNI Named as Leading Rochester Employer

OMNI was recently named to the prestigious KPMG Rochester Top 100 list. A newcomer to the list, OMNI made its debut at number 15. The KPMG Top 100 recognizes companies who have experienced the highest levels of growth over the past fiscal year.



President Rod William's celebrates OMNI's debut in the Rochester Top 100

2010 Contribution Limits Announced

The IRS recently announced 403(b) contribution limits for the next calendar year. 2010 will see NO CHANGES in contribution limits from 2009. All participants will be eligible to contribute \$16,500; with participants over the age of 50 being entitled to contribute an additional \$5,500 (for a total of \$22,000). Additionally, veteran employees with more than 15 consecutive years of service MAY be eligible to contribute an additional \$3,000. The theoretical maximum that can be contributed by an employee taking advantage of both extensions will be \$25,000. If you have questions concerning your eligibility for any catch-up provisions, feel free to contact OMNI's Customer Care Team at 877-544-6664.



The OMNI Observer

Volume 4

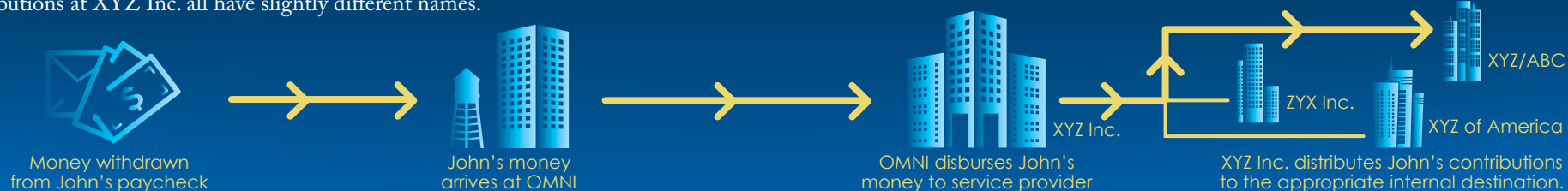
The Latest News for 403(b) Participants

The Changing Service Provider Landscape

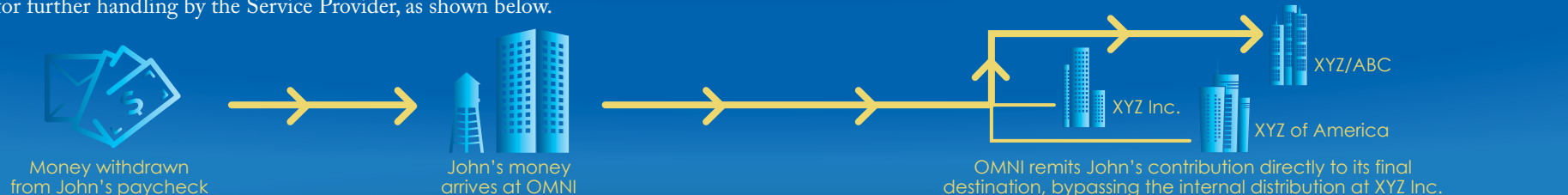
What's in a Name?

To date, each issue of the OMNI Observer has focused on some truly colossal changes in the 403(b) world. While the most tumultuous times are behind us, ripples caused by a variety of regulatory and market changes will continue to spread for some time. At the moment, the Service Provider arena remains especially dynamic.

As you know, the name of your investment provider dictates where your contributions are sent, and many vendors maintain separate names for different products. For much of 2009, some Service Provider's legal names were in a state of flux as operations were streamlined to achieve the highest possible levels of efficiency. As a result, these Service Providers would need to internally distribute your contributions. Let's follow John Doe's contributions to fictional Service Provider XYZ Inc. to see this process in action. Note how the 'final destinations' for contributions at XYZ Inc. all have slightly different names.



As the months rolled by, Service Providers began to finalize their remittance structure. This allows OMNI to remit funds directly to the 'final destination' for those contributions without the need for further handling by the Service Provider, as shown below.



While this can reduce the time it takes for contributions to be posted, it can also cause a potentially confusing name change. In Mr. Doe's case, his funds now appear to be sent by OMNI to a slightly different destination than they have been for much of 2009. It is very important to note that his funds have been going to the same place all along- now they are simply forwarded in a more direct fashion.

Although many service providers won't be changing names, it is important to be aware of the change if it does occur. Though your contributions will continue without interruption, you will want to be sure to select the "new version" of your Service Provider's name next time you complete a Salary Reduction Agreement (SRA). Whether the change is drastic or barely noticeable, in the 403(b) world your Service Provider's name can mean everything!

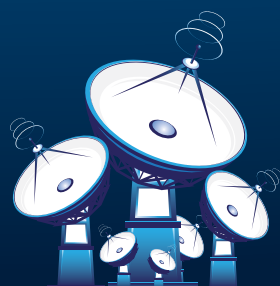
When Service Providers Exit the 403(b) Market

We all remember the first months of 2009, when it seemed like service providers were leaving the 403(b) market every day. While nothing drastic is expected in the New Year, here are a few pointers in the unlikely event your vendor exits the 403(b) arena.

- To continue contributions, select a new vendor from your employer's list of participating providers, available at www.omni403b.com.
- Contact your new vendor to establish an account, and submit an On-Line Salary Reduction Agreement.
- If you wish to transfer funds from your old service provider, contact a representative of your new company to get started.
- Fax the paperwork for your transfer to OMNI's Dedicated Service Provider Team at 585-756-5557.

THE OMNIGROUP

Listens. Leads. Delivers.



Listens



Leads



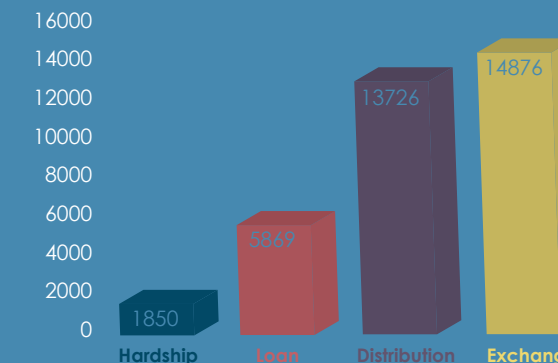
Delivers

Compliance Corner

Team Spotlight: OMNI's Service Provider Team.

2009 has been an amazing year here at OMNI. In just a few short months, two distinct departments have been created to help you tackle the new complexities of the 403(b) marketplace.

One of OMNI's busiest departments is the new Service Provider Team. By year end, this small team of dedicated specialists will have processed more than 37,000 transactions (such as loans, distributions, exchanges etc.) These statistics are especially staggering considering that OMNI's Service Provider Team was conceived little more than 12 months ago.



"We created these processes from the ground up" says Team Leader Jean Besser, "and we have constantly worked to improve them."

The efforts of our Service Provider Team quickly reduced the turn around for most transactions from 14 business days to an average of less than five business days. Despite this staggering improvement, the continued influx of transactions combined with increasingly complex processing requirements has created an uphill battle for many 403(b) participants.

To combat delays caused by an increasingly complex marketplace OMNI works closely with dozens of vendors across the country to strengthen relationships and streamline practices. One of the most exciting initiatives is known as SPARK Data Sharing Format. SPARK (Society of Professional Asset-Managers and Record Keepers) brings together Service Providers and TPAs like OMNI to seek efficiencies and standardize best practices. As more lines of communication are cultivated, expect to see even further decreases in turn around time.

OMNI's Chief Compliance Officer, Angela Hoteling, plays a key role in the SPARK initiative, and is optimistic about the potential impact. "SPARK represents Vendors and TPAs pulling together to better service our mutual clients. We have all seen impressive results, and look forward to even greater things to come."