



Auditor's Guide

Overview and Explanation of VALIC Plan Reporting Package

SAVING : INVESTING : PLANNING

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VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

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This information is general in nature and may be subject to change. All companies mentioned, their employees, financial professionals and other representatives are not authorized to give legal, tax or accounting advice. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your individual circumstances, consult a professional attorney, tax advisor or accountant.



Overview

VALIC, as the recordkeeper of the assets of your retirement plan, has prepared this guide to assist you or your third-party administrator in the preparation of your Form 5500 and related Schedules. In addition, if your plan is required to be audited by an independent qualified public accountant, this guide has valuable information available for their use.

Two basic questions need to be answered before any work is done regarding Form 5500.

These are:

- > Is your plan required to file a Form 5500?
- > Does your plan have to be audited before the Form 5500 can be filed with the Department of Labor (DOL)?

5500 requirements:

No 5500 reporting is required if you your plan is a:

- > Governmental plan
- > Church plan not electing coverage under Internal Revenue Code Section 410(d)
- > SEP, SARSEP or a SIMPLE IRA
- > Non-ERISA covered 403(b) plan
- > “Top hat” plan (457(b), 457(f) or other) that meets certain requirements including timely filing of a registration statement with the DOL

5500s are required to be filed for the following plan or organization types:

- > ERISA covered 403(b) plans sponsored by not-for-profit organizations
- > Not-for-profit or for-profit organizations sponsoring a:
 - Profit Sharing plan
 - Money Purchase or basic plan
 - Thrift plan
 - 401(k) plan
 - SIMPLE 401(k) plan
 - Defined Benefit plan
 - Stock bonus plans
 - Church pension plans electing coverage under Code section 410(d)

Plan size and where you invest the assets of your plan determine whether an audit is required.

Generally a retirement plan covering fewer than 100 participants as of the beginning of the plan year is treated as a “small plan” and a plan with greater than 100 participants is treated as a “large plan.” A small plan that meets certain conditions may file a simplified annual reporting form (Form 5500-SF). Small plans that are not eligible to file a Form 5500-SF and all large plans must file Form 5500 with all required schedules and attachments.

A small plan is exempt from audit requirement if:

- > At least 95% of plan assets are “qualifying plan assets” as defined in 29 CFR 2520.104-46 or, if the 95% threshold is not met, the non-qualified assets are covered by a bond which meets the requirements of ERISA section 412 and which is not less than the value of such assets, AND
- > The summary annual report (SAR) includes additional information pertaining to the financial institutions who hold or issue plan assets and the surety company that issues the bonding necessary to comply with the additional bonding requirements (if applicable).

“Qualifying plan assets” are

1. Assets held by a regulated financial institution defined under Code section 581
2. Shares issued by an investment company registered under the Investment Company Act of 1940
3. Investment and annuity contracts issued by any insurance company qualified to do business under the laws of your state
4. Qualifying employer securities, as defined in ERISA section 407(d)(5)
5. Participant loans meeting the requirements of ERISA section 408(b)(1) or
6. In the case of an individual account plan, assets over which the participant or beneficiary exercises control and is furnished, at least annually, with a statement from a regulated financial institution referred to above

All large plans must be audited pursuant to ERISA section 103(a)(3)(A) and 29 CFR 2520.103-1(b) even if the large plan would otherwise meet the audit exemption requirement. If you have not already done so, please contact an independent qualified public accountant to schedule an appointment for the audit. Be sure to coordinate the audit schedule with the person who prepares the Form 5500.

What VALIC can do to assist you with your Form 5500 filing

VALIC provides a package of Form 5500 reports via our Plan Sponsor Online (PSO) website. See Chapter 3, Access to PSO for further details about PSO and how to gain access for yourself and grant access for your auditor as necessary. See Chapter 4, VALIC Financial Reports, for further detail on the reports and packages provided.

The VALIC Plan Sponsor Service Team (PSST) is available via email or phone to assist in providing you with reasonable information requested by your auditors regarding the disbursements from the plan. If VALIC is preparing your Form 5500, you may contact the plan’s Compliance Administrator or Plan Coordinator with these requests for information.

- > All requests for data must be submitted in writing. You may contact the PSST at plan.sponsor.svc@VALIC.com or by phone at 888-478-7020 or via fax at 713-831-5283, Attn: Plan Sponsor Service Team: Audit Requests.
- > These requests may include, but are not limited to, requests for distribution paperwork, copies of 1099-R tax forms, copies of checks, loan data or copies of benefit statements.
- > Requests for participant information should not exceed 25 participants and are completed as quickly as possible, assuming complete and accurate information is provided.
- > Please see Chapter 7, Audit Support, for additional detail on how to request participant sample data.

Overview

Here are a few websites which you may find of interest in the preparation of your Form 5500:

1. The Internal Revenue Service Website for the Retirement Plan Community

- > <http://www.irs.gov/retirement/index.html?navmenu=menu1>

2. The Department of Labor Website

- > Form 5500s and Instructions <http://www.dol.gov/ebsa/forms.html>
- > Form 5500 EFAST 2 filing <http://www.efast.dol.gov/welcome.html> or call their Help Line at 866-463-3278
 - As Plan Sponsor and/or Plan Administrator, you can obtain your electronic filing credentials using this website.
- > Searching for a particular Form 5500 already filed
<http://www.efast.dol.gov/portal/app/disseminate?execution=e2s1>
- > Voluntary correction programs to fix late deposit of employee deferrals and the program to correct Form 5500s filed late http://www.dol.gov/ebsa/compliance_assistance.html#section8.
- > You may contact the DOL Delinquent Filer Voluntary Compliance (DFVC) program at 202-693-8360 with questions regarding late filing of Form 5500.

3. VALIC Homepage

- > www.valic.com

4. Plan Sponsor Online (PSO)

- > <https://groups.valic.com/pso/>
- > Also available by visiting the homepage and clicking on the Plan Sponsor Online link in the Links to Login box.

A large, stylized number '2' is the central graphic. The top half of the '2' is white, and the bottom half is a light blue color. It is set against a background that is split horizontally: the top half is a medium blue, and the bottom half is a darker blue. Below the blue background is a solid tan-colored band.

Electronic Filing Requirement

Electronic filing requirement – VALIC Web Client

For plan years beginning after January 1, 2009, plans must file Form 5500 (and Form 5500-FS) electronically under the computerized ERISA Filing Acceptance System (EFAST2).

EFAST2 was designed by the Department of Labor, Internal Revenue Service, and Pension Benefit Guaranty Corporation to simplify and expedite the submission, receipt, and processing of the Form 5500 and Form 5500-SF. Under EFAST2, filers choose between using EFAST2-approved vendor software or IFILE on the DOL website to prepare and submit the Form 5500 or Form 5500-SF.

Also, part of the DOL's electronic filing requirements require that the person/persons responsible for signing the 5500 obtain electronic signing credentials. Electronic signing credentials can be obtained by registering at the DOL website, <https://www.efast.dol.gov/welcome.html>.

For additional information regarding the electronic filing requirement and signing credentials, please visit the DOL website noted above.

The following instructions only apply to those retirement plans that have contracted VALIC to prepare the Form 5500 filing:

VALIC Web Client:

In order to comply with the electronic 5500 filing requirement, VALIC utilizes SunGard's Relius Government Forms 5500 VALIC Web Client, which is a secure online service that allows you to review, edit, sign and file your Form 5500 electronically.

Obtaining access to Web Client:

Your VALIC Compliance Administrator will register you for VALIC Web Client. Once registered, you will receive email notifications that provide you with your login information (user name and password), the plan name that is ready for review, and the preparer's name.

The email notifications will also contain a link that directs you to the VALIC Web Client Log in page. To log in, enter your User Name and your VALIC Web Client password and click [Log In](#).

The password and username are case sensitive. When you log in to the website for the first time, you will need to answer a set of security questions. Remember the answers, because you will be asked one of these questions if you log in using a different computer, or if more than four weeks have passed since your last login.

Electronic filing requirement – VALIC Web Client

Planbooks:

In VALIC Web Client, your plan's Form 5500 and applicable schedules are referred to as Planbooks. Once you are logged in, you must click on the Plan Management menu and then click on the Planbooks link in order to view your Form 5500.

The Planbooks section allows you to view, finish, print, and change the status of your planbook. Planbooks are listed with the identifying information of Plan Name, EIN, Plan #, Plan ID, Plan Year, Form Set Status, and Publisher. You may sort the planbooks using any of the identifiers by clicking on the column title.

Actions:

While logged in to VALIC Web Client, you have available the following actions:

- > **View Form** – View a pdf of the Form 5500 and its attachments.
- > **Edit Form** – Make changes on the 5500, which are then transmitted back to VALIC.
- > **Attachments** – Attach items, such as your audit report, to the 5500.
- > **Finish** – Electronically sign the 5500. Please note that you must obtain signing credentials from the DOL before signing the 5500. Electronic signing credentials can be obtained by registering at the DOL website, <https://www.efast.dol.gov/welcome.html>.
- > **E-File** – Once you have approved and signed the 5500, click on the E-File link to submit the filing to the DOL.
- > **Amend** – If you have already filed the 5500, but need to amend the filing, click here to begin the amendment process.
- > **Status History** – Form 5500 history is available.



Access to Plan Sponsor Online

Access to Plan Sponsor Online

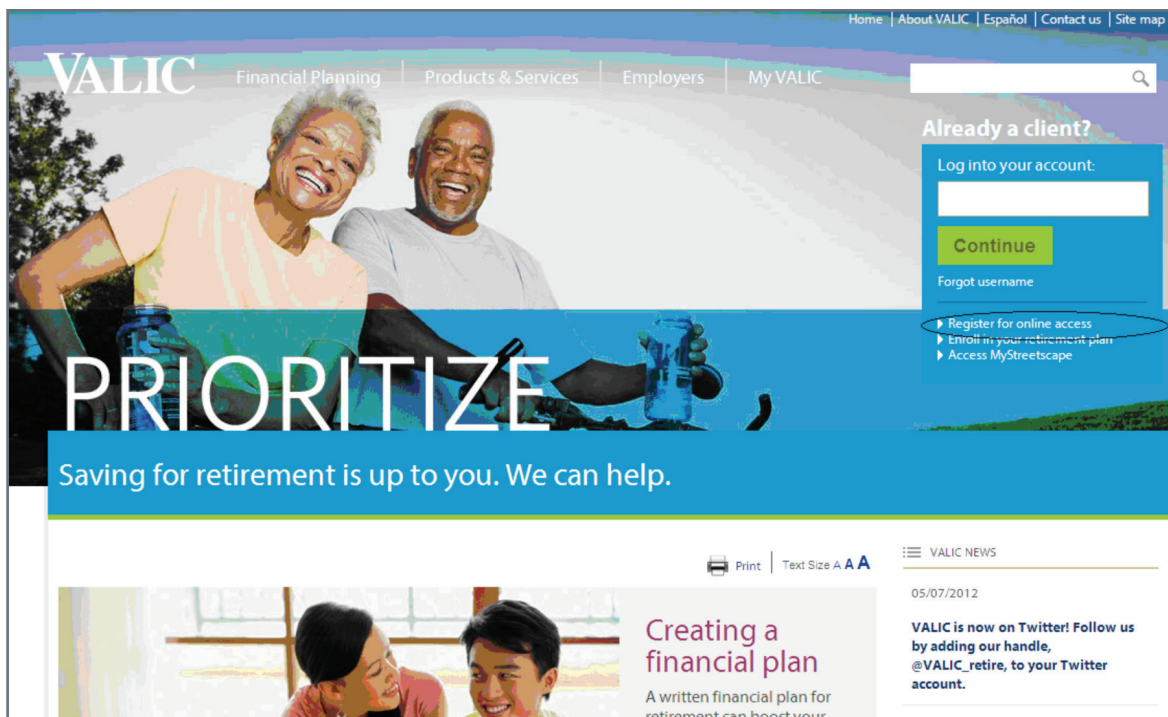
Plan Sponsor Online (PSO)

VALIC Plan Sponsor Online is a website available at www.valic.com dedicated to providing you with the information and tools necessary for your Form 5500 needs.

Depending on your level of access, VALIC Plan Sponsor Online can be used for a variety of things, such as viewing summary and detailed plan and participant information; viewing/exporting/scheduling standard plan reports and scheduling customized reports.

Login/Registration:

Both plan sponsors and auditors may be granted access to PSO. To get started, visit www.valic.com. Select **"Register for online access"** on the right side of page.



Access to Plan Sponsor Online

On the next screen select “Register for employer access.”

The screenshot shows the VALIC website's login page. At the top, there is a navigation bar with links for Home, About VALIC, Español, Contact us, and Site map. Below this is a header with the VALIC logo and links for Financial Planning, Products & Services, Employers, and My VALIC. A search bar is located on the right. The main content area has a blue banner that says "Welcome to VALIC". Below the banner, the heading "Log in to view your accounts" is displayed, followed by a sub-header "Access your account information conveniently and securely." and a link to "Access MyStreetscape". A login form prompts the user to enter their username, with a "Continue" button and a "Forgot your username?" link. Below the login form, a section titled "Need to register for online access?" states "If you do not have online access, it's easy to register." and features two buttons: "Register for individual access" and "Register for employer access". The "Register for employer access" button is circled in the image.

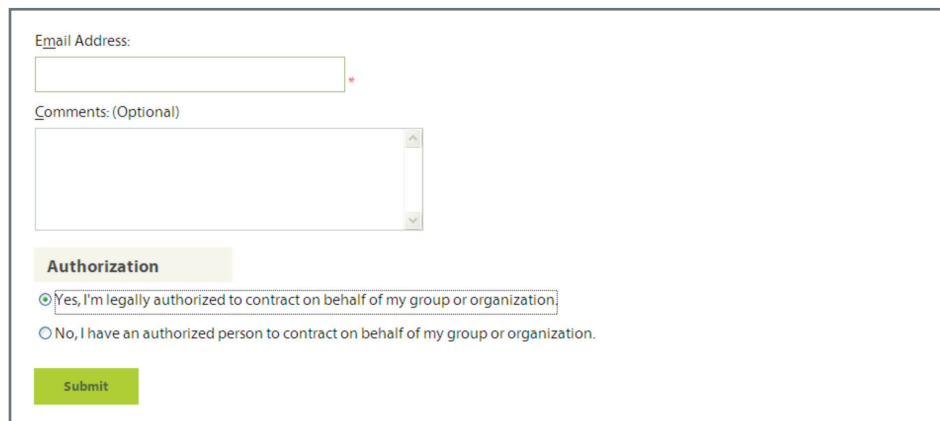
Under Registration, click on “Plan Information” and complete the contact information. Access can be given to individuals only, not a company or group. If you are requesting access to all plans of a group, put “All” in the Plan ID field below.

The screenshot shows the VALIC website's registration page. At the top, there is a navigation bar with links for Home, About VALIC, Español, Contact us, and Site map. Below this is a header with the VALIC logo and links for Financial Planning, Products & Services, Employers, and My VALIC. A search bar is located on the right. The main content area has a blue banner that says "Welcome to Plan Sponsor Online" and includes "Login" and "Enroll" buttons. Below the banner, the heading "Registration" is displayed, followed by the instruction "To complete registration, fill in the information below and then click 'Submit' at the bottom of the form." The registration form is divided into two sections: "Service Requested" and "Contact Information". In the "Service Requested" section, the "Plan Information" radio button is selected. In the "Contact Information" section, the following fields are filled out: First Name (John), Last Name (Smith), Title (Auditor), Name of Organization (Sample & Sample, Inc.), Group Number (99999), Plan ID (ALL), and Daytime Phone (1234567890).

Access to Plan Sponsor Online

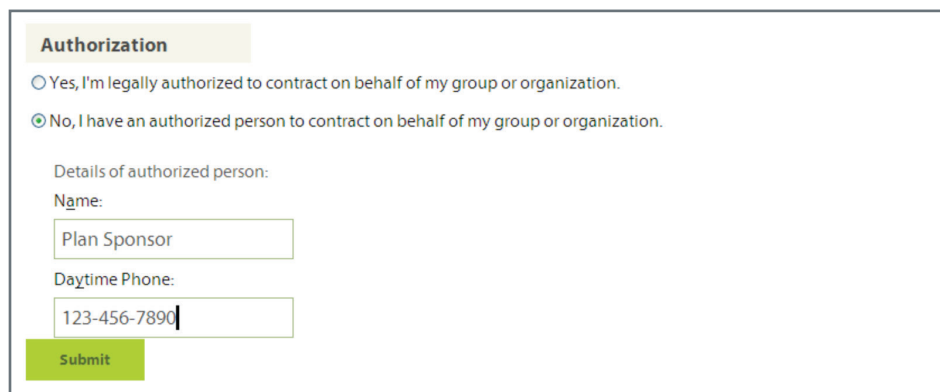
If you are an **Employer** or **Plan Sponsor**, click on **"Yes"** in the Authorization field and complete the name and number of the Plan Sponsor for the Plan. You will receive a separate email with your User ID and Password after your access has been established. The process generally takes 2 – 3 business days.

If you currently use e-Remit and are already registered, call 1-800-853-6399, and select "option 4" to request access to any or all new features. We can customize a security profile to ensure access to the designated features and information only.



The screenshot shows a web form for Plan Sponsor Online access. It includes a text field for 'Email Address' with a red asterisk indicating it is required. Below it is a larger text area for 'Comments: (Optional)'. The 'Authorization' section has two radio button options: 'Yes, I'm legally authorized to contract on behalf of my group or organization.' (which is selected) and 'No, I have an authorized person to contract on behalf of my group or organization.' A green 'Submit' button is at the bottom.

If you are an **Auditor**, click on **"No"** in the Authorization field and complete the name and number of the Plan Sponsor for the Plan. VALIC will contact the Plan Sponsor for the necessary authorization to give you access to Plan Sponsor Online for your client. Once authorized, you will receive instructions to access PSO. The process generally takes 2 – 3 business days.



The screenshot shows the 'Authorization' section of the form for Auditors. The 'No' radio button option is selected. Below the options, there is a section titled 'Details of authorized person:' with two text fields: 'Name:' containing 'Plan Sponsor' and 'Daytime Phone:' containing '123-456-7890'. A green 'Submit' button is at the bottom.

Help:

Additional information regarding PSO and its functionalities is available under the Help menu on the PSO homepage. There you will find a Quick Reference Guide to Plan Sponsor Online, which outlines the basic functions, and a list of Frequently Asked Questions.

Should you need further assistance, you may contact the VALIC Plan Sponsor Service Team by phone at 1-888-478-7020 or by email at plan.sponsor.svc@valic.com. You may also contact the Plan Sponsor's VALIC Plan Coordinator or Compliance Administrator.

Access to Plan Sponsor Online

Information for Registered Users

The following is an overview of the information and resources available to registered users of PSO. Please note that you must be logged in as a registered user in order to access the following sections.

Resources:

Once you have logged in and selected a plan you will find a link on the right hand side of the screen for Plan audit support. Plan audit support includes audit resources such as:

- > VALIC SSAE 16
- > VALIC SSAE 16 Gap Letter
- > Audit Guide

My plans

Plan summary

Viewing : 99999 ABC Company, Inc. Plan : ALL PLANS

Product Type	Accounts	Loans	Loan totals	Plan assets
Mutual Fund	1,163	1	\$14,558.75	\$10,176,310.06
Annuity	1,599	393	\$598,175.08	\$10,572,314.60
Total :				\$20,748,624.66

Fixed funds as of 08/07/2012 : Variable/Mutal fund info 08/06/2012

Asset allocation Assets by contribution Assets by fund Fund information

My plans

- Plan summary
- Plan audit support**
- Plan reports
- Plan compliance
- Fee disclosures
- Forfeiture information
- Advisor contacts

Participant Search

VALIC Financial Planning | Products & Services | Employers | My VALIC

My plans Logout

Plan audit support

Certified VALIC SSAE 16 Gap Letter 12/31/2011
VALIC's 2011 SSAE 16 (Formerly known as SAS 70)
Auditor's Guide

My plans

- Plan summary
- Plan audit support**
- Plan reports
- Plan compliance
- Fee disclosures
- Forfeiture information
- Advisor contacts

Participant Search

Access to Plan Sponsor Online

5500 Reports:

Once you select a plan, you will see a list of report options on the right hand side of the screen. Select “Plan reports”. A more detailed list of reports is provided in the next screen on the left hand side including “5500 Reports”. The 5500 Reports provide access to the annual financial statements necessary to complete the Form 5500 and applicable schedules.

Once logged in, click on the specific plan number.

Home | About VALIC | Español | Contact us | Site map

VALIC Financial Planning | Products & Services | Employers | My VALIC

Welcome, Katrina [Back to account](#) [Logout](#)

My plans

Enter group name or number [Search](#)

Viewing: 99999 ABC Company, Inc.

#	Plan	Administrator	Plan Assets
001	Tax Sheltered 403(b)	John Doe	\$32,631,537.82
002	Pension Plan	John Doe	\$19,236,748.64
003	401(k) Plan	John Doe	\$1,267,175.27
ALL	All Plans		\$53,135,461.73

[Print](#)

My plans

[My profile](#)

[Help menu](#)

[Administration](#)

[Participant Search](#)

[CONTRIBUTION REMITTANCE](#)

Our records indicate you are not currently utilizing VALIC's electronic contribution remittance services. Please call 1-800-853-6399, option 4 to add this feature.

Once you have selected a plan, several links will appear along the right hand side. The annual 5500 reporting package can be located by clicking on the “Plan Reports” link.

Home | About VALIC | Español | Contact us | Site map

VALIC Financial Planning | Products & Services | Employers | My VALIC

My plans [Back to account](#) [Logout](#)

Plan summary

Viewing: 99999 ABC Company, Inc. Plan: 003 - 401(K) PLAN

Product Type	Accounts	Loans	Loan totals	Plan assets
Mutual Fund	197	8	\$22,986.72	\$1,267,175.27

Fixed funds as of 07/27/2012: Variable/Mutual fund info 07/26/2012

[Asset allocation](#) [Assets by contribution](#) [Assets by fund](#) [Fund information](#)

[Print](#)

My plans

[Plan summary](#)

[Plan audit support](#)

[Plan reports](#)

[Plan compliance](#)

[Fee disclosures](#)

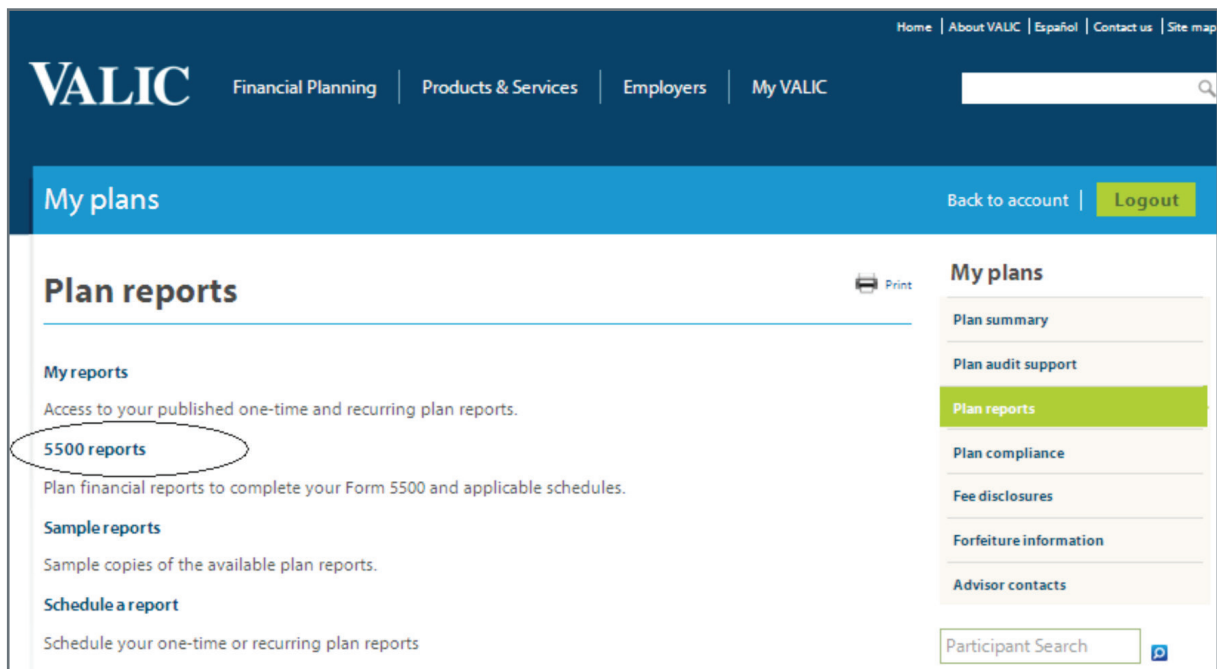
[Forfeiture information](#)

[Advisor contacts](#)

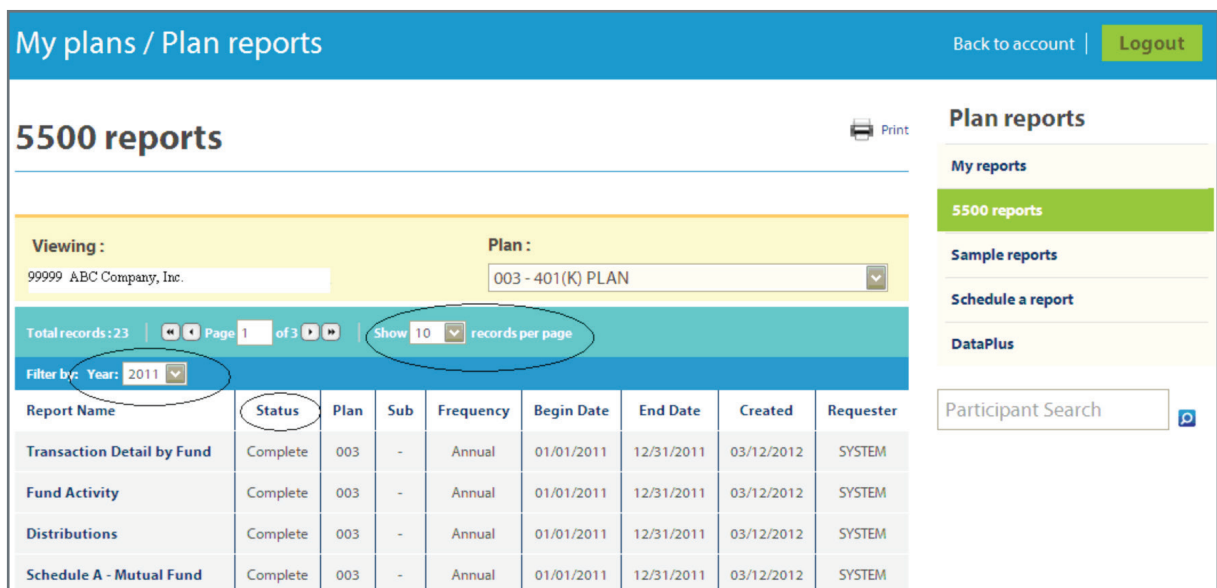
[Participant Search](#)

Access to Plan Sponsor Online

Once you have clicked on the “5500 Reports” link, you can sort the available reports by the following features:



1. To view all of the plan's reports on one page, click on the drop down option for "Show __ records per page" and choose "500."
2. The reports can also be filtered by plan year by clicking on the drop down option at "Filter by: Year."
3. To view the completed reports click on the "Status" header.



These financial reports may be downloaded and/or printed from Plan Sponsor Online. The electronic copies in the 5500 Reports section will generally be available for up to six (6) years.

Access to Plan Sponsor Online

Forfeiture Information (for annuity plans only):

Once logged in, click on the specific plan number and the Forfeiture Information selection will appear on the right hand side of the screen.

This option provides access to the current forfeiture balance as well as the Monthly Forfeiture Statements for annuity plans. (Mutual Fund plans can view their forfeiture balances on their Mutual Fund Forfeiture Activity Report, which is available in the 5500 reports section of PSO.)

For additional information regarding the forfeiture reports, please see the report descriptions available in Chapter 4, VALIC Financial Reports.

My plans Back to account | Logout

Forfeiture information

Viewing : 99999 ABC Company, Inc. Plan : 003 - 403(B) PENSION PLAN

Forfeiture Information Monthly Forfeiture Statements

Available Forfeiture Balance \$16,325.67

Unprocessed Request \$0.00

Subgroup	Forfeiture Balance	IPP Balance
005	\$4,705.21	\$0.00
002	\$2,849.18	\$8,771.28

My plans

- Plan summary
- Plan audit support
- Plan reports
- Plan compliance
- Fee disclosures
- Forfeiture information**
- Advisor contacts

Participant Search

Monthly Forfeiture Statements: May be sorted and downloaded by subgroup and month.

My plans Back to account | Logout

Forfeiture information

Viewing : 99999 ABC Company, Inc. Plan : 003 - 403(B) PENSION PLAN

Forfeiture Information Monthly Forfeiture Statements

To view a Monthly Forfeiture Statement, please select a subgroup and month-end date below. Then, click the "Go" button to load the Crystal Report in a new window.

Subgroup: 002 Month End Date: June 2012 Go

My plans

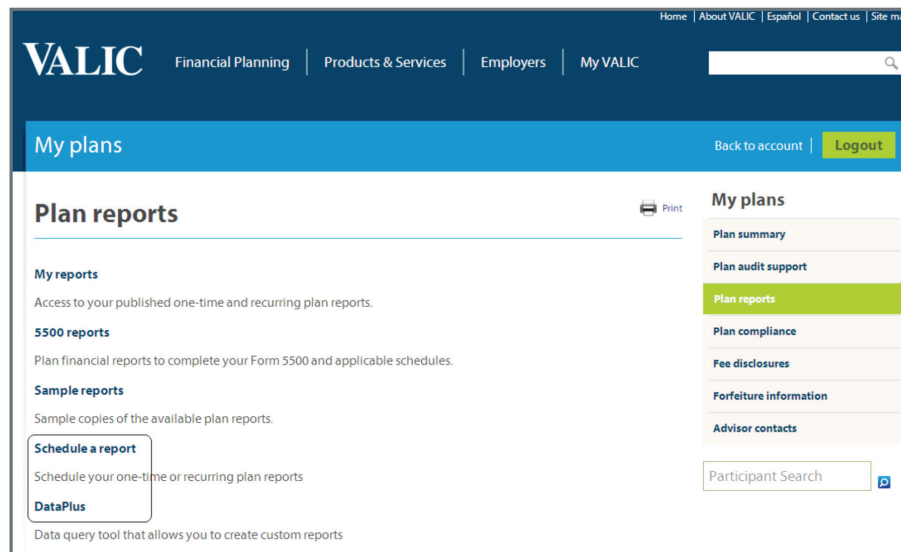
- Plan summary
- Plan audit support
- Plan reports
- Plan compliance
- Fee disclosures
- Forfeiture information**
- Advisor contacts

Participant Search

Access to Plan Sponsor Online

Custom Reports

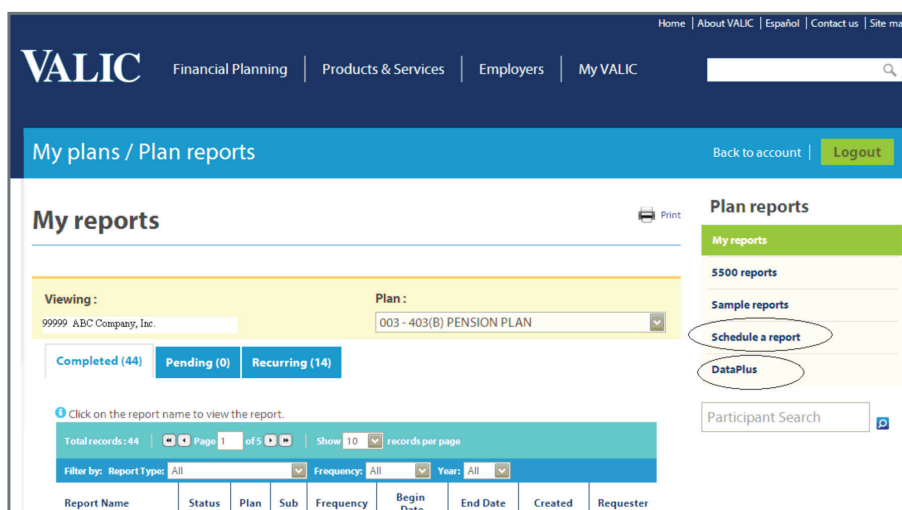
PSO also gives you the ability to request custom reports on either a one-time or recurring basis by clicking on the “Schedule a Report” link or the “DataPlus” link.



The “Schedule a Report” link allows you to request reports similar to the ones available under the “5500 Reports” link, but unlike the 5500 Reports, here you are allowed to specify the reporting period.

The “DataPlus” link gives you the ability to generate reports based on specific census, loan or transaction details. Reports can be generated at either the participant or plan level and have the ability to filter and include a wide assortment of fields.

Reports requested by using either the “Schedule a Report” link or the “DataPlus” link will be available under the “My Reports” link approximately 24 hours after requested.



Access to Plan Sponsor Online

Fund Information

PSO also provides links to fund-specific information. In order to access the links, please be sure and select a single plan as the all-plans view does not provide the links to the fund-specific information.

Fund Fact Sheets/Fund Prospectus

Once you have selected the plan, click on the tab titled, "Assets By Fund." This tab lists all investment options within the plan and provides links to either **Fund Fact Sheets**, for annuity investments, or **Fund Prospectuses**, for mutual fund investments.

The screenshot displays the VALIC Plan Sponsor Online interface. The top navigation bar includes links for Financial Planning, Products & Services, Employers, and My VALIC. The main header shows 'My plans' with a 'Back to account' link and a 'Logout' button. The 'Plan summary' section shows the plan name '003 - 403(B) PENSION PLAN' selected in a dropdown menu. Below this, a table lists plan assets by product type, accounts, loans, loan totals, and plan assets. The 'Assets by fund' tab is selected, showing a table of investment options with columns for Product type, Vehicle, Code, Name, Count, and Balance. The table lists three funds: MULTI-YEAR ENHANCED FIXED 3YR, GLOBAL SOCIAL AWARENESS FUND, and SMALL CAP INDEX FUND. The 'GLOBAL SOCIAL AWARENESS FUND' and 'SMALL CAP INDEX FUND' rows are circled in red. A sidebar on the right lists various plan-related links such as Plan audit support, Plan reports, Plan compliance, Fee disclosures, Forfeiture information, and Advisor contacts. A 'Participant Search' box is also visible at the bottom of the sidebar.

Product Type	Accounts	Loans	Loan totals	Plan assets
Annuity	1,683	217	\$705,739.88	\$28,904,700.63

Fixed funds as of 07/27/2012: Variable/Mutual fund info 07/26/2012

Asset allocation Assets by contribution Assets by fund Fund information

Product type	Vehicle	Code	Name	Count	Balance
Annuity	FB096	0096	MULTI-YEAR ENHANCED FIXED 3YR	1	\$29,484.70
Annuity	VC012	0012	GLOBAL SOCIAL AWARENESS FUND	14	\$97,443.02
Annuity	VC014	0014	SMALL CAP INDEX FUND	602	\$338,292.14

Fund information is updated after the end of each quarter. Please be sure to download any year-end information you may need before the beginning of the next quarter.

Access to Plan Sponsor Online

Unit/Share Prices

PSO also provides unit and share prices for annuity and mutual fund investments available within the plan.

Once you have selected the plan, click on the tab titled, "Fund Information." This tab provides a list of the products, either annuity or mutual fund, available within the plan and provides a link to the Unit/Share Prices. This link provides the current day's unit/share price, the unit/share price at the beginning of the current month, and the unit/share price at the end of the previous four quarters.

The screenshot displays the VALIC Plan Sponsor Online interface. The top navigation bar includes links for Financial Planning, Products & Services, Employers, and My VALIC. The main header shows 'My plans' with a 'Back to account' link and a 'Logout' button. The 'Plan summary' section is active, showing the plan name '003 - 403(B) PENSION PLAN' and a table of plan assets. The 'Fund information' tab is selected, displaying a table of products with links to view unit/share prices. The table includes columns for Product line, Base product, Sub product, Contribution source, Unit/Share prices, and Fund performance.

Product line	Base product	Sub product	Contribution source	Unit/Share prices	Fund performance
Portfolio Director Plus	UITG-PDP	SER6.2	Employee Deferrals	View	■ Standard returns ■ Non-standard returns
Portfolio Director Plus	UITG-PDP	SER6.2	Employer Contributions	View	■ Standard returns



VALIC Financial Reports

VALIC Financial Reports

All Plan Sponsors of ERISA plans with assets invested in VALIC products are provided with an annual 5500 reporting package within 90 days of the plan year end. The report package is available in the “5500 reports” section of VALIC Plan Sponsor Online (PSO) website, <https://groups.valic.com/psa/>.

Reports located in the 5500 reports section remain available for approximately six years after they are generated. Also, most reports can be run at a greater level of detail by using the “Schedule a Report” link on PSO.

For additional information regarding the PSO website and how to access the reports, please see the Access to PSO section of this guide.

5500 reporting package

The following reports are included in the 5500 reporting package:

- > Annuity Certification Statement*
- > Mutual Fund Certification Statement**
- > Fund Activity Report
- > Plan Summary Report
- > Contribution Report - Process Date
- > Contribution Report - Payroll Date
- > Distribution Report
- > Capital Transfer-In Report
- > Group Charges Report
- > Loan Escrow Report *
- > Loan Collateral Report*
- > Mutual Fund Plan Loan Detail Report**
- > Internal Transfer Report
- > Schedule A (with certification statement imprinted on the bottom)
- > Mutual Fund Forfeiture Report**
- > Policy Loan Fee Summary*
- > Policy Loan Expense Detail*
- > Schedule C Fee Disclosure

* Annuity products only

** Mutual fund products only

VALIC Financial Reports

The following is a description of the financial reports in the 5500 reporting package:

Annuity Certification Statement and Mutual Fund Certification Statement – For plan years beginning January 1, 2010, and thereafter, certification statements will be available in the 5500 reports section of PSO as part of the 5500 reporting package. Please note that VALIC provides a separate certification statement for annuity and mutual fund investments.

Fund Activity Report – A plan level transaction summary by investment vehicle within the specified reporting period. To show contributions that were received after a participant has surrendered his or her account, a new item was added to the reports. The “General Account” shows the contributions received for a participant after the account was distributed and the subsequent distribution of the funds according to the original instructions.

Fields included:

- > Investment Vehicle Name
- > Beginning Value – Reported at contract value
- > Contributions – Combined year-to-date employee and employer contributions based on process date
- > Capital Transfers – Transfers in from other plans or other vendors. Includes intra plan transfers and rollovers.
- > Dividends – Applies only to mutual funds
- > Interest Earned – Fixed interest earned during the reporting period
- > Gains/Losses – Sum of total gains or losses on investments for the reporting period
- > Distributions – Includes distributions to participants, forfeitures, rollovers out, transfers to other vendors
- > Internal Transfers – Includes all transfer types from and to various funds within the plan. For asset allocation realignment, these amounts will offset and zero each other out. If there is a policy loan or plan loan, these amounts may not zero out, depending upon the transactions posted.
- > Charges/Adjustments – This is a multiple purpose column and includes both charges and adjustments, which can be negative or positive.
 - Charges are fees and expenses charged to participants. Charges also include death benefit payments, which appear as positive entries.
 - Adjustments are revisions to previously posted transactions such as contribution reversals, etc. Reason codes for adjustments are included in the description. Adjustments generally are not pertinent to plan fees and expenses.
 - Additional detail regarding the charges and adjustments can be found on the Group Charges Report.
- > Ending Values – Reported at contract value

VALIC Financial Reports

Plan Summary Report - A participant level summary report of account transactions processed within the specified reporting period. Each participant account is summarized at the product level (annuity or mutual fund). The report can be requested via PSO at a greater level of detail, such as by contribution type, or by fund and contribution source.

In order to show contributions that were received after a participant has surrendered their account; a new item was added to the reports. The "General Account" shows the contributions that were received for the participant and the subsequent distribution according to the original distribution instructions.

Fields included:

- > Participant Name
- > Social Security Number
- > Beginning Account Value - Reported at contract value
- > Contributions - Combined year-to-date employee and employer contributions based on process date
- > Capital Transfers - Transfers in from other plans or other vendors. Includes intra-plan transfers and rollovers
- > Dividends - Applies only to mutual funds
- > Interest Earned - Fixed interest earned during the reporting period
- > Gains/Losses - Sum of total gains or losses on investments for the reporting period
- > Distributions - Includes distributions to participants, forfeitures, rollovers out, transfers to other vendors
- > Internal Transfers - Includes all transfer types from and to various funds within the plan. For asset allocation realignment, these amounts will offset and zero each other out. If there is a policy loan or plan loan, these amounts may not zero out depending upon the transactions posted.
- > Charges/Adjustments - This is a multiple purpose column and includes both charges and adjustments, which can be negative or positive.
 - Charges are fees and expenses charged to participants. Charges also include death benefit payments, which appear as positive entries.
 - Adjustments are revisions to previously posted transactions such as contribution reversals, etc. Reason codes for adjustments are included in the description. Adjustments generally are not pertinent to plan fees and expenses.
 - Additional information regarding the charges and adjustments can be found on the Group Charges Report.
- > Ending Values - Reported at contract value

Contribution Report - Process Date - A plan contribution report, reports contribution information by process date within the plan year specified.

The standard report included in the Form 5500 financial package of reports is an employee/employer summary by process date. If you need a greater level of detail, you can generate a new, more detailed report by selecting the appropriate options in the "Schedule a Report" link of PSO.

The Contribution Report - Process Date will not contain any payroll data processed outside of the calendar year specified; e.g., for a plan with a 12/31 plan year end, a December 31 payroll processed on January 2 will not be included.

VALIC Financial Reports

Contribution Report - Payroll Date – A plan contribution report, reports contribution information for all payroll dates for the plan year specified regardless of process date.

The standard report included in the Form 5500 financial package of reports is an employee/employer summary by payroll date. If you need a greater level of detail, you can generate a new, more detailed report by selecting the appropriate options in the “Schedule a Report” link of PSO.

The Contribution Report - Payroll Date will contain any payroll data processed for the calendar year specified; e.g., for a plan with a 12/31 plan year end, a December 31 payroll processed on January 1 or thereafter will be included.

Distribution Report – A plan distribution report details all distributions processed for participants within the plan year. The report also provides a summary by transaction description at the end of the report.

For more detail on the distribution descriptions, please see the Distribution Descriptions section at the end of this chapter. Some possible Distribution Descriptions include:

- (1) TERMINATION
- (2) DEATH CLAIM - FINAL
- (3) DISABILITY
- (4) EARLY DISTRIBUTION
- (5) HARDSHIP
- (6) IN-SERVICE
- (7) LOAN PARTIAL FORECLOSURE
- (8) RETIREMENT
- (9) ROLLOVER
- (10) TRANSFER OF ASSETS

Fields included:

- > Effective Date – The effective date refers to specific values relating to a transaction date when applied to an account regardless of the date processed.
- > Process Date – The date a transaction was input or processed into the system.
- > Contribution Source Codes – The contribution source code describes the source of the money, i.e., whether it is employee or employer dollars. Please see the contribution source codes and descriptions at the end of this chapter for further detail.
- > Distribution Reason Descriptions – Includes rollovers, terminations, forfeitures, and death claims, etc. For a full listing of the transaction codes and their descriptions, please see the Distribution Descriptions list at the end of this chapter.

If you need a report with a greater level of detail, you can generate a new, more detailed report by selecting the appropriate options in the “Schedule a Report” link of PSO.

Capital Transfer-In Report – A Capital Transfer-In Report delivers information regarding incoming Rollovers and Transfers by participant for the reporting period. Funds are segregated on the report by Annuity and by Mutual Funds.

Fields included:

- > Participant Name
- > Social Security Number
- > Contribution Source Codes
- > Effective Date
- > Process Date
- > Distribution Reason Code
- > Amount

There is a Key at the bottom of the report providing descriptions of the different codes. If detailed information concerning source of rollover in or transfer-in is required, please contact VALIC.

Group Charges Report – The Group Charges Report provides a list of charges and adjustments applied to participant accounts for the reporting period. If any plan fees and expenses have been charged to the plan forfeiture account, they will be posted to this report.

Fields included:

- > Participant Name
- > Social Security Number
- > Process Date
- > Effective Date
- > Transaction Description
- > Transaction Description Summary Totals

Note: Unless the reason for the adjustment reported pertains to plan expenses, such adjustments are not pertinent to Schedule C preparation. For additional information regarding the Schedule C preparation, please see the 5500 Schedules, Schedule C Section of this Guide.

Please note the variation in details for annuity and mutual fund accounts below:

Annuity – Included in the Group Charges Report are adjustments, maintenance charges and administrative fees such as, but not limited to, fees for Guided Portfolio Services® and Guided Portfolio Advantage®, fees for IncomeLOCK® and IncomeLOCK Plus, Plan Admin Fees, Loan Setup Fees and Loan Maintenance Fees.

Also denoted on the Group Charges Report are Death Claim – Final Transactions. The annuity product typically carries a death benefit that guarantees the beneficiary the larger of the actual account value or the contributions less withdrawals plus the guaranteed minimum rate.

This transaction appears on the Group Charges Report as an addition to the plan, thus offsetting some or all of the itemized fee withdrawals, because VALIC has deposited additional money in one or more plan accounts in order to fulfill its contractual death benefit guarantee.

For additional information regarding the death benefit, please see the product prospectus, which is available on our website, http://www.valic.com/ProspectusesReports_82_285848.html.

Mutual Fund – Included in the Group Charges Report are items such as, but not limited to, adjustments, Participant Fees, Loan Setup Fees, Loan Maintenance Fees, Administration Fees, Quarterly Fees, Service Fee, fees for Guided Portfolio Services, Short Term Trader Fees.

Loan Collateral Report (Annuity Plans Only) – A Loan Collateral Report delivers information regarding loan collateral activity by participant and loan, for loans made in accordance with the terms of the annuity contract and the plan, and is subtotaled by status (see Loan Status Codes for more detail).

Fields included:

- > Loan Interest Rate - this is the rate at which the collateral is earning interest
- > Interest Earned on Loan Collateral
- > Loan Principal Repaid - this is the amount released from the loan collateral account as loan principal repaid
- > Interest Returned – this is the amount released from the collateral account during the reporting period
- > Loan Origination and Maturity Dates
- > Loan Amounts Foreclosed.

This report includes interest earned on the collateral account as part of the beginning and ending values. At loan origination, the loan collateral is equal to the principal amount of the loan.

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

Loan Escrow Report (Annuity Plans Only) – A Loan Escrow Report delivers information regarding loan escrow activity by participant and loan, and is subtotaled by status (see Loan Status Codes for more detail).

Fields included:

- > New Escrows
- > Interest Rate – this is the rate at which the escrow account earns interest
- > Interest Earned
- > Escrow Returned – this is the amount released from the escrow account during the current reporting period
- > Interest Returned - this is the amount released from the escrow account during the reporting period
- > Loan Origination and Maturity Dates
- > Foreclosed Amounts

This report includes interest earned on the value held in the escrow account as part of the beginning and ending values. At loan origination the amount of loan escrow deposited to the loan escrow account is equal to approximately one quarter of interest on the loan plus any potential surrender charges.

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

Plan Loan Detail Report (Mutual Fund Plans Only) – A Plan Loan Detail Report delivers information regarding Plan Loans by participant, loan number and loan status (see Loan Status Codes for more detail). This report is not used for loans associated with annuity assets.

Fields included:

- > Original Principal
- > Principal Applied
- > Interest Applied
- > Loan Status
- > Ending Outstanding Principal
- > Dates and Payment Frequency

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

Policy Loan Fee Summary - Policy Loan Fee Summary pertains to annuity plans which permit policy loans.

It provides information concerning:

- > The total interest VALIC received for the reporting period on the policy loans
- > The total interest paid by VALIC to participant Collateral and Escrow accounts
- > The spread between the interest VALIC receives versus the interest VALIC paid
- > The setup charges for new loans

The interest spread data (treated as direct fees for Schedule C purposes) is divided into three sections:

- > Defaulted Deemed Loans
- > Foreclosed Loans
- > Loans in Pay Status

Because interest is paid to the Collateral and Escrow accounts monthly, and actual loan payments are made on a quarterly basis, there may be negative net interest expense depending upon the timing of the loan payments received.

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

Policy Loan Expense Detail - The Policy Loan Expense Detail is an expansion of the Policy Loan Fee Summary and pertains to annuity plans which permit policy loans.

Whereas the Summary report provides the total interest spread during the reporting period, the Expense Detail provides the interest spread data by participant.

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

Mutual Fund Forfeiture Activity Report – A Mutual Fund Forfeiture Activity Report provides information regarding participant forfeiture activity and transactions within the forfeiture account.

Fields included:

- > Participant Name
- > Amount of Participant Forfeiture from Participant Account
- > Process Date
- > Effective Date
- > Beginning Value in Forfeiture Account
- > Purchases in Forfeiture Account - This field is generally dollars participants have forfeited that are deposited to the forfeiture account or income in forfeiture account
- > Miscellaneous Income and Dividends in Forfeiture Account
- > Redemptions in Forfeiture Account – This field is generally dollars transferred to offset employer contributions or used to pay plan expenses
- > Ending Value in Forfeiture Account

Please note that this only applies to plans with mutual fund forfeiture accounts. For information concerning annuity forfeiture accounts, please see the description in the Annuity Forfeitures section below.

Internal Transfer Report – An Internal Transfer Report provides information regarding transfers among the investments within participant accounts for the reporting period.

Fields included:

- > Participant Name
- > Social Security Number
- > Contribution Source Codes
- > Effective Date/Process Date
- > Fund Names
- > Transaction Description
- > Transaction Amounts

Please note the variation in details for annuity and mutual fund accounts below:

Annuity – Included transactions on the Internal Transfer Report are Loan Setup, Loan Repayment, Loan Termination, Rollover, Product Exchange, Transfers of Value, and Loan Adjustments. (Due to transactions such as Qualified Domestic Relations Order (QDRO) transfers and various loan transactions, some transactions posted to this field will not have an offsetting match and the grand total of this column may not be zero.)

Mutual Fund – Included transactions on the Internal Transfer Report are QDRO Transfer, Death Benefit, Loan Repayment, Loan Setup, Transfer of Value, Exchange Redemption Rollovers, Exchange Purchase Rollovers, Exchange Redemption Div Rollovers, and Exchange Purchase Div Rollovers. (Due to transactions such as QDRO transfers and various loan transactions, some transactions posted to this field will not have an offsetting match and the grand total of this column may not be zero.)

VALIC Financial Reports

[Asset List](#) - Asset List Report is a new report that provides a summary of the plan investments as of the plan year end, for plan years beginning January 1, 2010, and thereafter.

Fields included:

- > Ticker Symbol
- > Vehicle Code
- > Investment Vehicle Name
- > Asset Class
- > Units/Shares
- > Unit/Share Value
- > End Value

This report is currently available upon request, it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

[Schedule A Report](#)

The Schedule A Report provides data, including commissions, necessary to complete the Schedule A for the Form 5500.

This report is part of the 5500 package of reports; however it is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

For a plan with both annuity and mutual fund assets, the 5500 Reports may contain two Schedule A Reports.

For additional information regarding the Schedule A, please see the 5500 Schedules, Schedule A Section of this Guide.

[Schedule C Fee Disclosure](#)

Schedule C Fee Disclosure Reports are product specific documents necessary to complete the Schedule C for Large Plan Form 5500 filers.

Each of the Schedule C Fee Disclosure reports may be downloaded and printed from Plan Sponsor Online.

Depending upon what products are held by the plan, the following reports may be provided.

Annuity Products:

- > Schedule C Fee Disclosure Portfolio Director Annuity
- > Schedule C Portfolio Director Expenses and Fee Report
- > Schedule C Fee Disclosure Independence Plus and Impact Annuity
- > Schedule C Fee Disclosure V-Plan Annuity
- > Schedule C Fee Disclosure Group Unit Purchase Annuity
- > Schedule C Fee Disclosure Profile Annuity
- > Schedule C Profile Expense and Fee Report
- > Schedule C Fee Disclosure Fixed Annuity

Mutual Fund Products:

- > Schedule C Fee Disclosure for Mutual Funds
- > Schedule C Mutual Fund Expenses

The reports provide necessary information concerning direct and indirect plan expenses, as well as descriptions found on Group Charges Report and the Department of Labor service codes found in the Schedule C Instructions.

These reports are part of the 5500 package of reports; however they are not reports that can be scheduled in PSO by the Plan Sponsor or authorized user.

For additional information regarding the Schedule C, please see the 5500 Schedules, Schedule C Section of this Guide.

Annuity Forfeitures

Annuity forfeiture account information is stored in a separate annuity database and is provided in separate, monthly reports. Reporting for the annuity forfeiture is located in PSO under the Forfeiture Information tab.

My plans Back to account | Logout

Forfeiture information

 Print

Viewing : 99999 ABC Company, Inc. **Plan :** 003 - 403(B) PENSION PLAN

Forfeiture Information **Monthly Forfeiture Statements**

To view a Monthly Forfeiture Statement, please select a subgroup and month-end date below. Then, click the "Go" button to load the Crystal Report in a new window.

Subgroup 002 **Month End Date** June 2012 **Go**

My plans

- Plan summary
- Plan audit support
- Plan reports
- Plan compliance
- Fee disclosures
- Forfeiture information**
- Advisor contacts

Participant Search

PSO Report Scheduler - Schedule a Report

Additional reports can be ordered via the Schedule a Report link in PSO.

Reports that you schedule will appear in the My Reports folder and will be available for 90 days after publication.

Each report is set with a default option; however, each report offers additional parameters that can be selected by clicking on the appropriate link in the drop down box.

Home | About VALIC | Espanol | Contact us | Site map

VALIC Financial Planning | Products & Services | Employers | My VALIC

My plans / Plan reports Back to account | Logout

Schedule a report

 Print

Viewing : 99999 ABC Company, Inc.

1 Define Schedule **2 Choose Your Reports** **3 Verify Schedules** **4 Confirmation**

Plan reports

- My reports
- 5500 reports
- Sample reports
- Schedule a report**
- DataPlus

VALIC Financial Reports

The drop down boxes will appear when you check the box next to the underlined name of the report.

Reports can be monthly, quarterly, annual or you can request a custom date range up to, but not greater than, a 12-month period.

These are many of the same reports you will find in the 5500 Report folder; however, you can change the report parameters depending on the level of detail you would like to see.

Also, multiple reports can be selected simultaneously for the same date range.

Select the type of report you would like to schedule.

☒ One-Time
☐ Recurring

Select the plan and subgroup you would like to include in your report.

Plan: Subgroup:

Select a reporting period for this report.

☐ Monthly
☐ Quarterly
☒ Annual
☐ Custom

Next

Schedule a report

Print

Viewing :
99999 ABC Company, Inc.

1 Define Schedule 2 Choose Your Reports 3 Verify Schedules 4 Confirmation

To view a sample report, click on the report name link.

☐ Capital Transfers In
☒ Contributions by Payroll Date
☒ Contributions by Process Date
☒ Distributions Sort by Participant
☒ Fund Activity
☒ Group Charges
☐ Internal Transfers
☐ Loan Summary
☐ Mutual Fund Forfeiture Activity
☐ Participant Address File
☒ Plan Fund Summary

Plan reports

My reports
5500 reports
Sample reports
Schedule a report
DataPlus

Participant Search

Schedule a report

Print

Viewing :
99999 ABC Company, Inc.

1 Define Schedule 2 Choose Your Reports 3 Verify Schedules 4 Confirmation

You have selected to create the following reports. Please review for accuracy and then click the next button to submit your request.

Report	Schedule Type	Frequency	Plan	Subgroup	Begin Date	End Date
Contributions by Payroll Date	One-Time	Annual	001	-	01/01/2011	12/31/2011
Contributions by Process Date	One-Time	Annual	001	-	01/01/2011	12/31/2011
Distributions	One-Time	Annual	001	-	01/01/2011	12/31/2011
Fund Activity	One-Time	Annual	001	-	01/01/2011	12/31/2011
Group Charges	One-Time	Annual	001	-	01/01/2011	12/31/2011

Plan reports

My reports
5500 reports
Sample reports
Schedule a report
DataPlus

Participant Search

Loan Status Codes

- > Outstanding Loans - Loans with Status of AC, DM, DN, PF, RN, and RP.
- > Policy Loans refers to annuity account loans.
- > Plan Loans refers to mutual fund account loans.

Loan Status Codes reflect the status code at the end of the reporting period.

AC	Active indicates the loan is billing and receiving repayments.	Plan and Policy Loans
CN	Canceled indicates the loan has been canceled.	Plan and Policy Loans
CT	Converted indicates the loan was converted from the prior loan system.	Plan and Policy Loans
DC	Death Claim indicates the loan was fully foreclosed due to a death claim on the account.	Policy Loan Only
DF	Defaulted Foreclosed indicates that the loan was fully foreclosed due to 1) the entire outstanding principal balance was secured with unrestricted funds (Pre-89) contributions and/or earnings, 2) distributable event occurred, or 3) restricted balance fully paid. Note: For Plan Loan, status will apply if loan fully paid off after default.	Policy Loan Only
DN	Defaulted Only indicates the loan was defaulted but not foreclosed due to the entire outstanding principal balance being secured with restricted funds (Post-88). The restricted balance will remain outstanding until 1) a distributable event occurs or 2) the loan is fully paid.	Policy Loan Only
DM	Defaulted/deemed indicates the loan was deemed but not fully offset. The loan balance will remain outstanding to the Plan and client until 1) a distributable event occurs or 2) the loan is fully paid.	Plan Loan Only
FP	Fully Paid indicates the loan has been fully repaid. The funds held in escrow and interest earned have been returned to the account.	Plan and Policy Loans
IN	Converted from V-system to TRAC.	Policy Loan Only
LM	Loan Maturity indicates the loan fully foreclosed after the loan reached its maturity.	Policy Loan Only
MA	Maturity Account indicates the loan fully foreclosed because the Parent Account has matured.	Policy Loan Only
MN	Maturity Defaulted indicates the loan was terminated prior to 1/01/89 therefore, TRA'86 withdrawal restrictions did not apply.	Policy Loan Only
MR	Loan Maturity indicates the loan has been fully repaid after the loan reached its maturity.	Policy Loan Only
OS	Indicates the loan was offset/terminated. The loan balance for the client or plan is no longer considered outstanding.	Plan Loan Only
PF	Partially Foreclosed indicates the loan was defaulted. The outstanding principal balance was secured with unrestricted and restricted funds. The unrestricted portion was foreclosed and the restricted portion will remain outstanding until 1) a distributable event occurs or 2) the loan is fully paid.	Policy Loan Only
RN	Requested Default indicates the client requested to default loan. However, the entire outstanding principal balance was secured with restricted funds (Post-88). The restricted balance will remain outstanding until 1) a distributable event occurs or 2) the loan is fully paid.	Policy Loan Only
RP	Requested Partially Foreclosed indicates client requested to default the loan. However, the outstanding principal balance was secured with unrestricted and restricted funds. The unrestricted portion was foreclosed and the restricted portion will remain outstanding until 1) a distributable event occurs or 2) the loan is fully paid.	Policy Loan Only
RQ	Requested Fully Foreclosed indicates the client requested to terminate loan. The loan was able to be fully foreclosed because: 1) the entire outstanding principal balance was secured with unrestricted funds (Pre-89) contributions and/or earnings or 2) a distributable event occurred.	Policy Loan Only
SR	Surrendered indicates the loan was fully foreclosed due to the account surrender.	Policy Loan Only

Distribution Descriptions

Transaction	Description
BENEFICIARY PAYMENT	Payment to Beneficiary after death of Account Holder.
COLLATERAL INTEREST OFFSET (Policy Loan Only)	Interest accrued from date loan taxed as a deemed distribution until date of foreclosure and offset.
DEATH CLAIM - BENEFICIARY	Beneficiary payment resulting from a processed death claim from a participant's account.
DEATH CLAIM - FINAL	Entire account closed upon payment to Beneficiary.
DISABILITY	A distribution to a participant who has met the definition of disability under the terms of the plan.
EARLY DISTRIBUTION	Generally this is a withdrawal taken by a participant prior to attaining age 59½ or prior to age 55 if employment service is terminated. Most such withdrawals are subject to IRS early withdrawal penalties.
FORFEITURE	Amount to which the participant is not entitled and which is retained by the plan based on the plan vesting schedule at the time of a participant distribution of vested funds.
HARDSHIP	Withdrawal due to a hardship as defined by the plan and regulations. May not be applicable to all plans.
IN-SERVICE	Withdrawal taken while participant is still employed. May not be applicable to all plans.
LOAN FORECLOSURE	When a loan is in default and the participant is entitled to a distribution, the loan will be foreclosed and removed from the account. If it is an annuity account the collateral will be foreclosed up to the amount due. If it is a mutual fund loan, the loan will be distributed off the books and records of the account.
LOAN PARTIAL FORECLOSURE	Partially Foreclosed Loans are loans that have defaulted due to non-payment, but are partially paid by available Unrestricted Plan Funds. The remaining balance will be deemed distributed, but remain on the plan books and records until a distributable event occurs allowing the remaining loan balance to be foreclosed.
QDRO PAYMENT	Payment to an Alternate Payee based on a certified court order pursuant to a qualified domestic relations order.
RETIREMENT	Withdrawals by participants having reached retirement age or plan status.
ROLLOVER	A Rollover pertains to funds distributed from the plan and rolled into another plan or to an IRA and completed after the participant has met a distributable event.
SURRENDER	Entire account is closed and distributed.
SURRENDER REVERSAL	A reversal of an account closure.
TERMINATION	A withdrawal by a participant with a status of Terminated from employment service.
TRANSFER OF ASSETS	Assets are transferred to another account or carrier within the same plan.

Contribution source codes and abbreviations that may appear in VALIC report packages

Generally, the 5500 Report Package reports do not include the greatest level of detail possible in a report. If you schedule a custom report through the report scheduler at greater levels of detail, you may need the following information about abbreviations used in the reports.

CS Code	CS Type	Description
EEV	EE	EE Voluntary
EEM	EE	EE Mandatory
ROTH	EE	Roth Contribution
EEPE	EE	EE Pretax Elective Deferral
EEPN	EE	EE Non-Elective Pretax Contrib
EEAE	EE	EE Elective After Tax Contrib
EEAN	EE	EE Nonelect After Tax Contrib
EERT	EE	EE Related Transfer/Rollover
EEUT	EE	EE Unrelated Transfer/Rollover
RTHM	EE	Roth Contribution
EEP2	EE	Employee Elective Pretax
EUT1	EE	Employee Transfer/Rollover
ERB	ER	ER Basic
ERS	ER	ER Supplemental
ERN1	ER	ER Non-Matching Contribution
ERM	ER	ER Matching Contribution
ERN2	ER	ER Discretionary Contribution
ERIN	ER	ER Individually Negotiated
QNEC	ER	ER Qualified Nonelec Contrib
QMAC	ER	ER Qualified Matching Contribution
FORF	ER	ER Reallocation of Forfeitures
ERRT	ER	ER Related Transfer/Rollover
ERN3	ER	Employer Non-Matching
ERM1	ER	Employer Matching
ERT1	ER	Employer Intra-Plan Transfer
ERSN	ER	Employer Safe Harbor Non-Matching
ERSM	ER	Employer Safe Harbor Matching



5500 Schedules

5500 Schedules

Introduction

This section describes the various schedules required to be attached to the 5500 and provides information on how to complete them using the financial reports provided by VALIC.

Your plan's Form 5500 may require more or fewer schedules than those denoted in this manual; however, if you have contracted with VALIC to prepare the Form 5500 filing, all of the necessary schedules will be provided.

For more information on what schedules are required to be filed with your plan's Form 5500, please see the Instructions for Form 5500, available on the DOL's website, <http://www.dol.gov/ebsa/5500main.html>.

Please note that the information provided regarding the completion of the Form 5500 and the required schedules is the interpretation of VALIC and is not intended as legal or tax advice. Ultimately, it is the plan sponsor's responsibility to verify that their Form 5500 filing is complete and accurate. For legal or tax advice concerning your situation, consult your attorney or professional tax advisor.

The schedules included in this manual are:

- > Schedule A
- > Schedule C
- > Schedule H and Schedule of Assets
- > Schedule R
- > 5500-SF (Short Form)

Also included is a brief discussion of the Form 5558 and the Form 8955-SSA.

In addition, please note that all of the VALIC financial reports used to complete the schedules are available in the 5500 Reports section of the Plan Sponsor Online (PSO) at www.valic.com.

For more detailed instructions on how to access PSO and how to retrieve reports from PSO, please see Chapter 3, Access to PSO.

For a more detailed description of the report itself, please refer to Chapter 4, VALIC Financial Reports, of this Guide.

5500-SF (Short Form)

What is the 5500-SF?

The 5500-SF is a short form version of the Form 5500 for plans that meet certain criteria detailed in the 2010 Instructions for the Form 5500.

To be eligible to use Form 5500-SF, the plan must generally:

- > Be a small plan (i.e., generally have fewer than 100 participants at the beginning of the plan year), or was eligible to and filed as a small plan in the previous filing year and did not cover more than 120 participants at the beginning of the current filing year
- > Meet the conditions for being exempt from the annual examination and report of an independent qualified public accountant (IQPA),
- > Have 100% of its assets invested in certain secure investments with a readily determinable fair value, that meet the definition of "eligible plan assets"
- > Hold no employer securities, and
- > Not be a multiemployer plan.

Specific instructions regarding who may file a 5500-SF and for completing the 5500-SF can be found on the DOL's website, <http://www.dol.gov/ebsa/5500main.html>.

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How to utilize the VALIC reports to prepare a 5500-SF

The information that must be reported on the Form 5500- SF is an abbreviated version of the information required on the full Form 5500, including Schedule H. Consequently, the instructions for using the reports and Schedule H template should guide you to the location of data for the 5500- SF.

No other schedules or attachments have to be filed with the Form 5500-SF.

Form 5558

What is the Form 5558?

The Form 5558 is the form required to be filed to apply for an extension of time to file the Form 5500 or Form 5500-SF.

The normal filing due date for the Form 5500 or Form 5500-SF along with any required schedules, statements, and attachments is seven months after the end of the plan year. The plan may obtain a one-time extension of time (up to 2½ months) by filing a Form 5558, Application for Extension of Time To File Certain Employee Plan Returns, with the IRS before the normal due date. A copy of the Form 5558 must then be attached to the Form 5500 or Form 5500-SF at filing.

The Form 5558 must be mailed to:

Department of Treasury
Internal Revenue Service Center
Ogden, UT 84201-0027

Form 8955-SSA

What is Form 8955-SSA? The Internal Revenue Code requires plan administrators to report information about participants who have a deferred vested benefit under the plan and who meet one or more of the following criteria:

- > Separated from service covered by the plan
- > Were reported as deferred vested participants on another plan's filing if their benefits were transferred (other than in a rollover) to the plan during the covered period
- > Previously were reported under the plan but have been paid out or are no longer entitled to those deferred vested benefits
- > Previously were reported under the plan but whose information is being corrected. Beginning with the 2009 plan year, Form 8955-SSA [the successor to Schedule SSA (Form 5500)] is used to satisfy the disclosure of separated participants with deferred vested benefits

Who Must File? Plan administrators of plans subject to ERISA vesting standards must file Form 8955-SSA to report information about separated participants with deferred vested benefits under the plan.

When to File? In general, if a Form 8955-SSA must be filed for a plan year, it must be filed by the last day of the 7th month following the last day of the plan year (plus extensions). The IRS extended due dates for the 2009 and 2010 plan years to the later of (1) the due date that generally applies for filing the Form 8955-SSA for the plan year, or (2) the 15th day of the 10th month following the end of the plan year.

Where to File? Form 8955-SSA can be submitted to the IRS in paper by sending the filing to the address below, or electronically by using third-party software and the IRS' Filing Information Returns Electronically (FIRE) system. Department of Treasury Internal Revenue Service Center, Ogden, UT 84201-0024.

Additional information regarding the Form 8955-SSA can be found on the IRS website, www.irs.gov.

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Schedule A

What is the Schedule A?

Schedule A (Insurance Information) reports data where either the plan funding arrangement or plan benefit arrangement includes an account, policy or contract with an insurance company or similar organization.

This schedule is used to file insurance information and must be submitted for every qualified defined contribution pension plan, defined benefit pension plan, and welfare benefit plan required to file a Form 5500.

The majority of this schedule pertains to the VALIC fixed investment options.

Schedule A Reports

The Schedule A report provided by VALIC provides all of the information necessary to complete the Schedule A. It mirrors the actual Schedule A line by line and no additional reports are necessary to complete it.

Provided you are an authorized user (see Chapter 3, Access to PSO), you may download the Schedule A report from the PSO website. Please note that there may be multiple pages of the report to view and/or print. (You must change the radio button selection to download ALL pages instead of only the first page.)

Also, there may be more than one Schedule A required if: 1) your plan has both annuity and mutual fund VALIC products, 2) there are providers for the plan other than VALIC.

Each VALIC product will require its own Schedule A, which VALIC will provide via PSO, and each provider will require its own Schedule A. If you have contracted with VALIC to complete your 5500, you will be required to obtain the Schedule A data from each provider and submit to VALIC for inclusion in your 5500.

Schedule C (Service Provider Information)

What is the Schedule C?

Effective for plan years beginning on or after January 1, 2009, large plan filers (plans covering 100 or more participants as of the beginning of the plan year) are required to report service provider fees and other compensation on the Schedule C of the Form 5500.

Where to find Schedule C data (such as Fees and Compensation) on the VALIC Reports

The following reports are available in the 5500 Reports section of the PSO website and provide data pertinent to Schedule C preparation. (For more detailed instructions on how to access PSO and how to retrieve reports from PSO, please see Chapter 3, Access to PSO.)

- > **Schedule C Fee Disclosures and reports.** These reports contain information for the VALIC products held by the plan. Within the disclosures you will find the applicable service codes required for the Schedule C.
- > **Group Charges Report.** This report provides information on fees charged directly to participant accounts and fees charged against the plan forfeiture account. The amounts listed here should be accounted for as direct compensation. Although Account Adjustments are also included in this report, they should not be used in calculating fees.
- > **Policy Loan Fee Summary (only for annuity plans with policy loans).** This report details the Policy Loan interest spread and the Policy Loan set up charges. These amounts should also be accounted for as direct compensation.

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Plan sponsors are also required to report the name and employer identification number (EIN) or address of the person or entity providing the written disclosures. For these purposes, VALIC information is as follows:

Annuity Products

Name: THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
Address: 2929 ALLEN PARKWAY, HOUSTON, TX 77019
EIN: 74-1625348

Mutual Fund Products

Name: VALIC RETIREMENT SERVICES COMPANY
Address: 2929 ALLEN PARKWAY, HOUSTON, TX 77019
EIN: 51-0396365

Schedule C Fee Disclosure Reports

As previously discussed, as long as the written disclosure requirement is met, the plan sponsor does not need to calculate or estimate fees to report dollar values of Eligible Indirect Compensation on the Schedule C. To satisfy the written disclosure requirement and as part of the 5500 financial reporting package, VALIC provides, via PSO, the Schedule C Fee Disclosure Reports.

The Schedule C Fee Disclosure Reports contain the fee disclosure information for the specific VALIC products held in the plan.

Depending upon what products are held by the plan, the following reports may be provided:

Annuity Products:

- > Schedule C Fee Disclosure Portfolio Director Annuity
- > Schedule C Portfolio Director Expenses and Fee Report
- > Schedule C Fee Disclosure Independence Plus and Impact Annuity
- > Schedule C Fee Disclosure V-Plan Annuity
- > Schedule C Fee Disclosure Group Unit Purchase Annuity
- > Schedule C Fee Disclosure Profile Annuity
- > Schedule C Profile Expense and Fee Report
- > Schedule C Fee Disclosure Fixed Annuity

Mutual Fund Products:

- > Schedule C Fee Disclosure for Mutual Funds
- > Schedule C Mutual Fund Expenses

The documents provide necessary information concerning direct and indirect plan expenses, as well as descriptions found on Group Charges Report and the applicable Department of Labor service codes found in the Schedule C Instructions.

Direct and Indirect Compensation

There are two types of compensation, one of which has two subdivisions, reported on the Schedule C.

- > Direct Compensation
- > Indirect Compensation
 - Eligible Indirect Compensation
 - Ineligible Indirect Compensation

Direct Compensation

Direct Compensation is described as “Payments made directly by the plan for services rendered to the plan or because of a person’s position with the plan are reportable as direct compensation.” They include, but are not limited to, payments made from participant accounts, from the forfeiture account, from unallocated assets, etc.

- > **Group Charges Report.** As noted above, this report reflects Direct Compensation charged to Participant Accounts held at VALIC and also reflects any payment of plan expenses approved by the plan sponsor and disbursed from the forfeiture account. The Adjustments included on this report are not included in calculating Direct Compensation.

For a summary of charges by transaction code, please review the bottom of the Group Charges Report.

- > **Policy Loan Fee Summary** (only for annuity plans with policy loans). This report provides Direct Compensation information concerning the dollar value of the interest spread between the loan interest the participant pays and the interest earned on the loan escrow and collateral, as well as any setup fee information pertaining to the loan.

Please note that this report is a summary of the totals for each loan fee transaction type. For a listing by participant, please see the Policy Loan Expense Detail report.

Direct Compensation should be reported as the sum of the group charges and the policy loan fees.

Indirect Compensation

Indirect Compensation is described as “Compensation received from sources other than directly from the plan or plan sponsor and is reportable on Schedule C as indirect compensation from the plan if the compensation was received in connection with services rendered to the plan during the plan year or the person’s position with the plan.” It is either eligible or ineligible.

Examples of reportable indirect compensation include, but are not limited to, fees and expense reimbursement payments received by a person from mutual funds, and are reflected in the value of the plan’s investment (such as management fees paid by the mutual fund to its investment adviser, sub-transfer agency fees, shareholder servicing fees, account maintenance fees, and 12b-1 distribution fees).

Eligible Indirect Compensation

Eligible Indirect Compensation is defined as indirect compensation that includes fees or expense reimbursement payments charged to investment funds and reflected in the value of the plan’s investment or return on investment of the plan (e.g., mutual fund expense ratios).

If your plan has Eligible Indirect Compensation, then the plan sponsor need not calculate or estimate each fee and report the dollar values on the Schedule C, as long as the written disclosure requirements are met.

Required Written Disclosures

In order to treat indirect compensation as Eligible Indirect Compensation, the plan sponsor must have received written materials that disclose and describe:

- a) the existence of the indirect compensation
- b) the services provided for the indirect compensation or the purpose for payment of the indirect compensation
- c) the amount (or estimate) of the compensation or a description of the formula used to calculate or determine the compensation, and
- d) the identity of the party or parties paying and receiving the compensation

All information required in the written disclosures pertaining to VALIC products have been provided to you in a combination of the reports listed above, fund prospectuses, Appendix A of the Service Provider and Trust Services Agreement (for mutual fund accounts) and the Schedule C Fee Disclosure report, which is available on PSO and discussed in more detail below.

Ineligible Indirect Compensation

VALIC records do not reflect any Ineligible Indirect Compensation in connection with the plan. If, however, you as plan sponsor determine that there is any such compensation, please let us know and be sure to include it in your Schedule C.

Schedule R

What is the Schedule R?

Schedule R reports certain information on plan distributions and funding (for large plans only).

All money purchase plans require a Schedule R and other plans require one if they have distributions other than deemed or corrective distributions.

If VALIC assets (annuity or mutual fund) were distributed from the plan, use the VALIC EIN 76-051990.

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Schedule H (Financial Information - Large Plan)

What is the Schedule H?

The Schedule H is used to file specific financial information regarding the plan. It is required for those plans covering 100 or more participants as of the beginning of the plan year. Specific instructions for completing the Schedule H in its entirety can be found on the DOL's website, <http://www.dol.gov/ebsa/5500main.html>.

This guide will provide information on how to use the VALIC financial reports to complete Parts I and II (Asset and Liability Statement and Income and Expense Statement) of the Schedule H.

Please note that the information provided regarding the completion of the Form 5500 and the required schedules is the interpretation of VALIC and is not intended as legal or tax advice. Ultimately, it is the plan sponsor's responsibility to verify that their Form 5500 filing is complete and accurate. For legal or tax advice concerning your situation, consult your attorney or professional tax advisor.

Where to find Schedule H data on the VALIC reports

The following reports are available in the 5500 Reports section of the PSO website and provide data pertinent to Schedule H Preparation.

- > Fund Activity
- > Contributions – Process Date
- > Distributions
- > Group Charges
- > Loan Collateral (annuity products only)
- > Loan Escrow (annuity products only)
- > Mutual Fund Plan Loan Detail (Mutual Fund Products Only)
- > Forfeiture Reports
 - Annuity Products – Forfeiture reports for annuity assets are available on PSO under the Forfeiture Information link.
 - Mutual Fund Products – An annual Mutual Fund Forfeiture Activity report is provided as part of the 5500 report package and is available in the 5500 Reports section of PSO.

For more detailed instructions on how to access PSO and how to retrieve reports from PSO, please see Chapter 3, Access to PSO, of this Guide. For a more detailed description of the report itself, please refer to Chapter 4, VALIC Financial Reports.

How to utilize the VALIC reports and the Schedule H template to prepare a Schedule H

In an effort to assist with the completion of the Schedule H, VALIC will provide an Automated Schedule H Report upon request. This report is designed to use the data collected from the VALIC financial statements and compile it in the general format and order of Schedule H.

The Automated Schedule H report is not a report that can be scheduled in PSO by the Plan Sponsor or authorized user.

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Schedule H Template

The template is comprised of four worksheets:

- Input – Bal Sheet,
- Input – Inc Statement,
- Sch. H – Balance Sheet and
- Sch. H – Income Statement.

Two of the tabs, Input – Bal Sheet, Input – Inc. Statement, provide space for data entry and two tabs, Sch. H – Balance Sheet and Sch. H – Income Statement, provide results that are designed to mirror the actual Schedule H.

The template can be used for plans with annuity products, mutual fund products or both; however, it is important to note that:

- 1) forfeitures are not included on the Fund Activity Report as they are accounted for in separate forfeiture reports, and
- 2) for purposes of the Schedule H, only active loans are reported.

Because of this, the Schedule H values may not tie directly to the Fund Activity Report. These differences are discussed in more detail in the following sections.

Also, on the template, areas highlighted in gray should be used to enter data for mutual fund assets and non-highlighted areas should be used to enter data for annuity assets.

Input – Bal Sheet

The Input – Bal Sheet worksheet is where the data for Part I, Asset and Liability Statement, is entered. It establishes the assets and liabilities of the plan at the beginning and end of the plan year.

ASSETS

VALIC reports on a cash basis and receivables must be provided by Plan Sponsor or auditor. All other assets are typically reported on lines 1c(8) – Participant Loans; 1c(13) – Value of interest in registered investment companies; 1c(14) – Value of funds held in insurance company general account; and 1c(15) – Other.

Loans. Line 1c(8) refers to Participant Loans. The following is a brief discussion of how VALIC reports loans. For a more detailed discussion of annuity loans and mutual fund loans, please see Chapter 9, Loan Explanation, of this Guide.

Annuity Loans – Loans taken from annuity assets are policy loans and are reported on the Loan Collateral and Loan Escrow Reports.

For purposes of the Schedule H, the entire loan escrow balance and the active loan balance should be reported. The loan escrow can be found on either the Fund Activity Report (reported there as the Loan Escrow Fund) or on the Loan Escrow Report.

The active loan balance can be found on the Loan Collateral Report and should include all of the loans with an AC, or active, status.

Mutual Fund Loans – Loans taken from mutual fund assets are plan loans and are reported on the Mutual Fund Plan Loan Detail Report.

For purposes of the Schedule H, only the active loan balance should be reported on line 1c(8).

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Variable/Mutual Funds. Line 1c (13) refers to the value of assets invested in registered investment companies.

Annuity Products – For plans with annuity products, this line should report the value of the variable funds. This can be derived by using the end value reported on the Fund Activity Report and subtracting out the Loan Collateral Fund, the Loan Escrow Fund and the fixed accounts which are typically Fixed Account Plus and Short Term Fixed Account.

Mutual Fund Products – For plans with mutual fund products, this line should report the value of the mutual funds plus the value of the mutual fund forfeiture account. This can be derived by using the end value on the Fund Activity Report and subtracting out the Plan Loan Fund and the Fixed-interest Fund and then adding in the end value reported on the Mutual Fund Forfeiture Activity Report.

Fixed Funds. Line 1c(14) refers to the value of assets held in the insurance company general account. In the case of VALIC products, this refers to monies invested in the fixed funds and annuity forfeitures.

Annuity Products – For plans with annuity products, this line should be the sum of the Fixed Account Plus, Short Term Fixed Account, the Multi-Year Enhanced Fixed Option, if applicable, and any annuity forfeitures*. These values can be found on the Fund Activity Report and on the monthly forfeiture statements, which can be downloaded from PSO.

Mutual Fund Products – For plans with mutual fund products, this line should be the value of the Fixed-Interest Option, which can be located on the Fund Activity Report.

*Forfeitures – as previously noted, forfeiture assets are not included in the Fund Activity Report.

Annuity Forfeiture reports are provided on a monthly basis and can be downloaded from PSO. Annuity forfeiture accounts are invested in a fixed fund and are included in line 1c(14), assets held in insurance company general account.

Mutual Fund forfeiture reports are provided on an annual basis via the Mutual Fund Forfeiture Activity Report, which can be retrieved from PSO. These assets are invested in a money market fund and are therefore included in line 1c (13), value of assets invested in registered investment companies.

Schwab PCRA. Line 1c (15) refers to other investments. In the case of VALIC products, this line is used to report the value of assets invested in the Schwab Personal Choice Retirement Account.

Annuity Products – Very few plans with annuity products offer the Schwab PCRA investment option. Nevertheless, it is important to note that annuity Schwab PCRA investments are not included on the Fund Activity Report. These assets have their own fund activity report which is provided separately. Plan Sponsors that offer this investment will receive this report via email as it is not available on PSO.

Mutual Fund Products – If this investment is available, it will be reported on the Fund Activity Report as the Schwab PCRA Fund and its value can be taken directly off of the Fund Activity Report.

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LIABILITIES

VALIC is typically unaware of any plan liabilities; therefore, should a plan sponsor have any liabilities they will need to tell us so that it can be included on the Schedule H.

Input - Inc Statement

The Input - Inc Statement worksheet is where the data for Part II, Income and Expense Statement, is entered. It establishes the plan income, expenses, and changes in net assets for the year.

INCOME

Contributions - VALIC reports on a cash basis; therefore, the amount of contributions reported on lines 2a(a)(1)(A) and (B) of the Schedule H are the amounts actually received during the plan year. The total contributions received during the plan year are reported on the Fund Activity report; however, for a breakdown of Employee (EE) and Employer (ER) contributions, please see the Contribution - Process Date Report.

Cap Transfers - Capital transfers into the plan are reported on the Fund Activity Report under the column Cap Transfers. This amount should be reported on line 2a(1)(C).

Participant Loan Interest - Can be derived from the Loan Collateral and Loan Escrow Reports, if annuity, and the Mutual Fund Plan Loan Detail report, if mutual fund, and is reported on line 2b(1)(E).

Annuity - For annuity products, the total participant loan interest is the sum of a portion of the Interest Earned column of the Loan Collateral Report and the entire amount reported on the Loan Escrow Report.

From the Loan Collateral Report, only the interest earned for the following statuses should be included: AC, FP & MR loans and DF, DN, PF, RQ, SR when default date is in plan year.

Mutual fund - For mutual fund products, the total participant loan interest is the sum of the Interest Applied column of the Mutual Fund Plan Loan Detail column for Active Loans, Fully Repaid Loans, Matured and Fully Repaid and Current Period Deemed Loans.

Other Interest - Is the interest earned by the fixed investment options and is reported on line 2b(1)(F).

Annuity - For plans with annuity products, this line should be the sum of the interest earned by Fixed Account Plus, Short Term Fixed Account, the Multi-Year Enhanced Fixed Option, if applicable, and the annuity forfeiture account. These values can be found on the Fund Activity Report and on the monthly forfeiture statements, which can be downloaded from PSO.

Mutual Fund - For plans with mutual fund products, this line should be the sum of the interest earned by the Fixed-Interest Option from VALIC, which can be located on the Fund Activity Report.

Dividends - Line 2b(2)(C) should only be completed for mutual fund products. The total amount of dividends is the sum of the dividends reported on the Fund Activity Report and the dividends reported on the Mutual Fund Forfeiture Activity Report.

Net investment gain/loss - Line 2b(10), Net investment gain (loss) from registered investment companies applies to both annuity and mutual fund investments. This amount can be derived directly from the Gain/Loss column of the Fund Activity Report.

Further, if there is a value reported in the Internal Transfer (Int'l Transfer) column of the Fund Activity Report, then that value should be added to the Gain/Loss and reported in line 2b(10).

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EXPENSES

Distributions - Line 2e(1), Benefit payment and payments to provide benefits directly to participants or beneficiaries, including direct rollovers, reports the total amount paid out of the plan as a distribution. For purposes of the Schedule H, you will need the summary distribution by reason code, found at the bottom of the Distribution Report, the annuity and/or mutual fund forfeiture reports, the Loan Collateral and Escrow Reports and the Plan Loan Detail Report.

Annuity - For plans with annuity products, line 2e(1) is the total distributions minus the loan foreclosures, unless it is a loan escrow foreclosure and unless the foreclosed loan was deemed during the plan year, minus forfeiture purchases and plus forfeiture redemptions.

The following chart details where each of the above amounts can be located and how they are used to determine the amount reported on line 2e(1).

Distribution Report	Total Distribution
Distribution Report	- Total Loan Foreclosures
Distribution Report	- Forfeitures reported on the distribution report
Loan Collateral Report	+ Foreclosures w/Default Date in the Plan Year
Loan Escrow Report	+ Total Foreclosures
Monthly Forfeiture Statements	+ Forfeiture Purchases
= amount that should be reported as distributions on 5500	

Mutual Fund - For plans with mutual fund products, line 2e(1) is the total distributions minus forfeiture purchases.

The total distributions can be found on either the Fund Activity Report or the Distribution Report and the forfeitures purchased are found on the Mutual Fund Forfeiture Activity Report.

Loan foreclosures do not apply to plans with mutual fund products, as those loans are policy loans and do not involve escrow or collateral funds.

Corrective Distributions - Line 2f is the amount of corrective distributions. If any, these will be found on the summary section at the bottom of the Group Charges Report under Adjustments Transactions. They will be identified as Excess.

Deemed Distributions - Line 2g reports certain deemed distributions of participant loans.

Mutual Fund - For mutual fund products, the amount reported in line 2g is the current deemed loans, ending balance not distributed. This amount can be found on the Mutual Fund Plan Loan Detail Report.

Annuity - For annuity products, the amount reported in 2g is found on the Loan Collateral Report. It is:

- 1) the ending values for status codes DF, DN, PF, RQ and SR, when the default date is in the current plan year; minus
- 2) Principal Repaid and Interest Returned for loans with a default date prior to the current plan year.

Administrative Expenses - Line 2i(2) refers to the amount of contract administrator fees charged to the plan. The dollar amount for this line can be found on the summary section at the bottom of the Group Charges Report under Charges Transactions.

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It is important to note that if there is a positive amount of Charges Transactions, then it should be subtracted out of the distributions, rather than including it as a “positive” charge. This is a rare occurrence; however, it is typically seen in the case of annuity products because the death benefit requires that money be added to the plan to honor the death benefit guarantee. For additional information on this topic, please see Group Charges Section of Chapter 10, FAQs.

Results Tabs: Sch. H – Balance Sheet and Sch. H – Income Statement

The results tabs, Sch. H – Balance Sheet and Sch. H – Income Statement, are reproductions of the corresponding sections of the Schedule H form. They are linked to the input worksheets and will automatically populate with the appropriate data from the input worksheets.

Also, at the bottom of the results worksheets, there is a Check Figure box which contains a formula that will help ensure that your Balance Sheet ties to your Income Statement.

If the change in assets reported on the Balance Sheet matches the net income on the Income Statement, then the Check Figure box will be 0. If it contains a dollar amount, then the Schedule H will need to be reviewed to locate the discrepancy.

Schedule H – Schedule of Assets

The Schedule of Assets is the list of investments held by the plan and their values as of the end of the plan year.

Question 4i of Part IV of the Schedule H asks whether or not the plan had assets held for investment as of the end of the year. If so, then the plan is required to attach a schedule of assets. The schedule must use the format set forth below or a similar format.

The information needed for the Schedule of Assets, the fund names, column (b), and their values as of the end of the plan year, column (e), can be found on the Fund Activity Report.

A printed example of the Schedule of Assets is included below; however, the electronic version is available on PSO.

Form 5500

Attachment

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

Name of plan Plan Name			Three-digit plan number 000	
Name of plan sponsor as shown on line 2a of Form 5500 Plan Sponsor Name			Employer Identification Number 00-0000000	
Contract Number: 00000 Plan Number: 000				
(a)	(b) Identity of Issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value

VALIC Schedule H Template

- > Sch. H – Balance Sheet: Results Worksheet
- > Sch. H – Income Statement: Results Worksheet
- > Input – Bal Sheet: Assets and Liabilities Worksheet
- > Explanation of Items on Balance Sheet
- > Input – Inc Statement: Income Worksheet and Expense Worksheet
- > Explanation of Items on Income Statement

5500 Schedules

IRS Form 5500 Reconciliation Guideline for Schedule H

Group Name: _____
 Plan Number: _____
 Plan Year: _____

Assets

			(a) Beginning of Year	(b) End of Year
1	a	Total non-interest-bearing cash	a	
	b	Receivables: (less allowance for doubtful accounts)		
	(1)	Employer contributions	b(1)	0
	(2)	Participant contributions	(2)	0
	(3)	Other	(3)	0
	c	General investments:		
	(1)	Interest-bearing cash (incl money market accounts and CDs)	c(1)	0
	(2)	U. S. Government securities	(2)	
	(3)	Corporate debt instruments (other than employer securities)		
		(A) Preferred	(3)	
		(B) All other	(A)	
		(3)(B)	(3)(B)	
	(4)	Corporate stocks (other than employer securities)		
		(A) Preferred	(4)	
		(B) Common	(A)	
		(4)(B)	(4)(B)	
	(5)	Partnership/joint venture interests	(5)	
	(6)	Real estate (other than employer real property)	(6)	
	(7)	Loans (other than to participants)	(7)	
	(8)	Participant loans	(8)	0
	(9)	Value of interest in common/collective trusts	(9)	
	(10)	Value of interest in pooled separate accounts	(10)	
	(11)	Value of interest in master trust investment accounts	(11)	
	(12)	Value of interest in 103-12 investment entities	(12)	
	(13)	Value of interest in registered investment companies (e.g., mutual funds)	(13)	0
	(14)	Value of funds held in insurance co. general acct. (unallocated contracts)	(14)	0
	(15)	Other	(15)	0
	d	Employer-related investments:		
	(1)	Employer securities	d(1)	
	(2)	Employer real property	(2)	
	e	Buildings and other property used in plan operation	e	
	f	Total assets (add all in lines 1a through 1e)	f	0
Liabilities				
	g	Benefit claims payable	g	0
	h	Operating payables	h	
	i	Acquisition indebtedness	i	
	j	Other liabilities	j	
	k	Total liabilities (add all amounts in lines 1g through 1j)	k	0
Net Assets				
	l	Net assets (subtract line 1k from line 1f)	l	0
				Income
				0
				Check Figure
				0

5500 Schedules

IRS Form 5500 Reconciliation Guideline for Schedule H

Group Name: _____
 Plan Number: _____
 Plan Year: _____
 Prepared By: _____

Income		(a) Amount	(b) Total
2			
a	Contributions:		
(1)	Received or receivable from:		
(A)	Employers	a(1) (A) 0	
(B)	Participants	(B) 0	
(C)	Others (including rollovers)	(C) 0	
(2)	Non-cash contributions	(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C) and Line 2a(2)	(3)	0
b	Earnings on investments:		
(1)	Interest		
(A)	Interest-bearing cash (including money market accts & CDs)	b(1) (A)	
(B)	U. S. Government securities	(B)	
(C)	Corporate debt instruments:	(C)(i)	
(D)	Loans (other than to participants)	(D)	
(E)	Participant loans	(E) 0	
(F)	Other	(F) 0	
(G)	Total interest. Add lines 2b(1)(A) through (F)	(G)	0
(2)	Dividends: (A) Preferred stock	b(2) (A)	
(B)	Common stock	(B)	
(C)	Registered investment company shares (mutual funds)	0	
(D)	Total dividends. Add lines 2b(2)(A), (B) and (C)	(C)	0
(3)	Rents	(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	(4) (A) 0	
(B)	Aggregate carrying amount (see instructions)	(B)	
(C)	Subtract 2b(4)(B) from 2b(4)(A) and enter result	(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	(5) (A)	
(B)	Other	(B)	
(C)	Total unrealized appreciation of assets. Add lines 2b(5) (A) & (B)	(C)	
(6)	Net investment gain (loss) from common/collective trusts	(6)	
(7)	Net investment gain (loss) from pooled separate accounts	(7)	
(8)	Net investment gain (loss) from master trust investment accounts	(8)	
(9)	Net investment gain (loss) from 103-12 investment entities	(9)	
(10)	Net investment gain (loss) from registered investment companies	(10)	0
c	Other income	c	
d	Total income. Add all income amounts in column (b) and enter total	d	0

> Continued next page

5500 Schedules

Expenses				
e	Benefit payment and payments to provide benefits:			
(1)	Directly to participants or beneficiaries, including direct rollovers	e(1)	0	
(2)	To insurance carriers for the provision of benefits	(2)		
(3)	Other	(3)		
(4)	Total benefit payments. Add lines 2e(1) through (3)	(4)		0
f	Corrective distributions (see instructions)	f		0
g	Certain deemed distributions of participant loans (see instructions)	g		0
h	Interest expense	h		
i	Administrative expenses: (1) Professional fees	i(1)		
(2)	Contract administrator fees	(2)	0	
(3)	Investment advisory and management fees	(3)		
(4)	Other Contract surrender charges	(4)	0	
(5)	Total administrative expenses. Add lines 2i(1) through (4)	(5)		0
j	Total expenses. Add all expense amounts in column (b) and enter total	j		0
Net Income and Reconciliation				
k	Net income (loss) (subtract line 2j from line 2d)	k		0
l	Transfers to (from) the plan (see instructions)			
(1)	To this plan	l(1)		0
(2)	From this plan	(2)		0
Check Figure: Difference in net income (loss)				0
			/2	0
			*2	0
			/9	0

5500 Schedules

Mutual fund assets should be entered on the gray lines and annuity assets on the non-gray lines

Worksheet for Balance Sheet:

	Prior Year Ending Balance	Current Year Ending Balance
<u>Receivables</u>		
(1) Employer Contributions		
Amount Determined by Employer/Auditor (a)	0	0
Amount Determined by Employer/Auditor (a)	0	0
Total	0	0
(2) Participant Contributions		
Amount Determined by Employer/Auditor (a)	0	0
Amount Determined by Employer/Auditor (a)	0	0
Total	0	0
(3) Other - Determined by Employer/Auditor (a)	0	0
Total	0	0
<u>General investments</u>		
(1) Interest-bearing cash (b)		
(8) Loan to participants		
Plan Loan Detail Report: Active Loan Balance (c)	0	0
Loan Collateral: Active Loan End Value (d)	0	0
Loan Escrow: Total Escrow End Value (e)	0	0
Total	0	0
(13) Value of interest in registered investment companies		
Fund Activity Report: BOY / EOY = Variable Amount (Investments other than loans and fixed funds) (f)	0	0
Fund Activity: Total ending value - plan loan fund ending bal - VALIC fixed fund ending bal + mutual fund FFT ending balance (g)	0	0
Total	0	0
(14) Value of Funds held in insurance co. general acct		
Fund Activity Report: BOY / EOY = Fixed Amount Only (h)		
Fund Activity Report: VALIC Fixed Option Ending Balance (i)	0	0
Total	0	0
(15) Other - (Participant-directed brokerage accounts)		
PCRA/Charles Schwab Fund Activity Report: BOY/EOY = participant- directed brokerage account (j)		
Fund Activity Report: BOY/EOY = Charles Schwab ending balance (k)	0	0
	0	0
<u>Benefit claims payable</u>		
Amount determined by Employer/Auditor (a)	0	0
Total	0	0

5500 Schedules

Explanation of Items on the Input - Bal Sheet Worksheet

BOY	Beginning of year
EOY	End of year
FFT	Forfeitures
	The Mutual Fund Forfeiture Activity Report includes only mutual fund forfeiture accounts.
	Monthly forfeiture statements are available on PSO for annuity forfeiture accounts.
(a)	These amounts are not on the VALIC reports and if they are to be included, must be provided by the plan sponsor or auditor.
(b)	VALIC assets do not normally fall under this category.
(c)	For the beginning balance, use the ending balance of all active loans from the PRIOR YEAR Plan Loan Detail Report. Do NOT use the beginning balance on the current year Plan Loan Detail.
	For the ending balance, use the total ending balance of all active loans on the current year Plan Loan Detail Report.
(d)	This is found on the Loan Collateral Report. For the ending balance, use the total ending balance of all active loans (status code "AC") on the current year Loan Collateral Report.
	For the beginning balance, use the ending balance of all active loans (status code "AC") from the PRIOR YEAR Loan Collateral Report. Do NOT use the beginning balance on the current year Loan Collateral Report.
(e)	Use the beginning and ending balance of the Loan Escrow Fund on the Fund Activity Report.
(f)	Use the Fund Activity Report. This represents the balance of all annuity assets on the report except Fixed Account Plus, Short Term Fixed Account, Loan Collateral Fund and Loan Escrow Fund.
(g)	Use the Fund Activity Report and the Mutual Fund Forfeiture Activity Report. This represents the balance of all mutual fund assets on the report except the VALIC Fixed-Interest Option and Plan Loan funds. Also add the balance of mutual fund forfeitures (on Forfeiture Activity Report). Do not include annuity forfeitures.
(h)	Add the balance of the Fixed Account Plus Fund and Short Term Fixed Account (from Fund Activity Report). Also include the balance of annuity forfeitures (on monthly forfeiture reports). Do not include mutual fund forfeitures. Forfeitures are not shown on the Fund Activity Report.
(i)	Enter the beginning and ending balances of the VALIC Fixed-Interest Option (on the Fund Activity Report).
(j)	Enter the total beginning and ending balance from the PCRA Fund Activity Report. For annuity PCRA products, this report is separate from the main Fund Activity Report.
(k)	Use the Fund Activity Report. Enter the beginning and ending balance of the Schwab PCRA fund.

5500 Schedules

Mutual fund assets should be entered on the gray lines and annuity assets on the non-gray lines.

Worksheet for Income Statement

Income		Amount
Contributions:		
Received or receivable from		
(A)	Employers	
	Contribution Report: Total ER contribution	0
	Contribution Report: Total ER contribution	0
	Plus Receivable (+) (auto-fill field)	0
	Less Receivable recorded last year (-) (auto-fill field)	0
	Mutual Fund Forfeiture Activity Report: Forfeiture Redemptions (-)	0
	Forfeiture Report: Forfeiture Redemptions (-)	0
	Total	0
(B)	Participants	
	Contribution Report by Process Date: Total Employee Contribution (c)	0
	Contribution Report by Process Date: Total Employee Contribution (d)	0
	Plus Receivable (+) (auto-fill field)	0
	Less Receivable recorded last year (-) (auto-fill field)	0
	Total	0
(C)	Others	
	Fund Activity Report: Total Cap Transfers (+) (e)	0
	Fund Activity Report: Total Cap Transfers (+) (f)	0
	Total	0
Earnings on investments:		
Interest		
(E)	Participant Loans	
	Plan Loan Detail: Int earned from Actives, Fully Paid and Deemed in the current year (g)	0
	Loan Collateral Report Int Earned for following codes: AC, FP, & MR (h)	0
	Loan Collateral Report Int Earned for following codes: DF, DN, PF, RQ, SR (when default date is in the Plan Year) (i)	0
	Loan Escrow Report total Int Earned (j)	0
	Total	0
(F)	Other Interest	
	Fund Activity Report: Fixed Interest + Fixed Gain(Loss) (k)	0
	Fund Activity Report and Forfeiture Report: Fixed Interest + Forfeiture Interest (l)	0
	Total	0
Dividends		
(C)	Fund Activity Report and Mutual Fund Forfeiture Activity Report: Total Dividends + Forfeiture dividends (m)	0
		0
Net investment gain (loss) from registered investment companies		
	Fund Activity Report: Total Gain/Loss (+)/(-) (n)	0
	Fund Activity Report: Total Gain/Loss (+)/(-) (o)	0
	Total	0

5500 Schedules

Expenses	
Benefit payment and payments to provide benefits:	
Directly to participants or beneficiaries, including direct rollovers	
Distribution Report: Total Distributions less Forfeiture amount	
Mutual Fund Forfeiture Activity Report: Forfeiture Purchases (-) (p)	0
Distribution Report: Total Distributions less Loan Foreclosure. Monthly Annuity Forfeiture Reports: Subtract forfeitures purchased. (q)	0
Group Charges Report: Adjustments for reason other than "Excess" (flip sign) (r)	0
Loan Collateral Report: Foreclosures w/ default date in Plan Year (+) (s)	0
Loan Escrow Report: Total Foreclosures (+) (t)	0
Total	0
Corrective distributions (see instructions)	
Excess contributions (+) (u)	0
Other (+)	0
Total	0
Certain deemed distributions of participant loans	
Plan Loan Detail Report: Current deemed loans ending balance not distributed (v)	0
Loan Collateral Report-Ending Value when default date is in Plan Year	
Status DF (w)	0
Status DN (w)	0
Status PF (w)	0
Status RQ (w)	0
Status SR (w)	0
Principal Repayments-Defaulted Loans w/ default date prior to this plan year (-) (x)	0
Int. Returned-Defaulted Loans w/ default date prior to this plan year (-) (y)	0
Total	0
Administrative expenses:	
Contract administrator fees	
Fund Activity Report: Charges Column Total (if negative) If amount is positive, include that amount in 2(e)(1) above as a negative adjustment (z)	0
Fund Activity Report: Charges Column Total (if negative) If amount is positive, include that amount in 2(e)(1) above as a negative adjustment (z)	0
Total	0
Other - Contract surrender charges	0
Total	0
Net Income and Reconciliation	
Transfers to (from) the plan	
(1) To this plan	0
(2) From this plan	0

5500 Schedules

Explanation of Items on the Input - Inc Stmt Worksheet

DF	Loan defaulted but not foreclosed
DN	Loan defaulted and foreclosed
FP	Fully paid loan
MR	Loan repaid after reaching maturity
PF	Partially foreclosed loan
RQ	Loan in which client has requested to have foreclosed
SR	Loan foreclosed due to account being surrendered
(a)	Use Contributions - Summary by Process Date. Enter the total employer contributions (ER Contrib) for annuity assets.
(b)	Use Contributions - Summary by Process Date. Enter the total employer contributions (ER Contrib) for mutual funds.
(c)	Use Contributions - Summary by Process Date. Enter the total employee contributions (EE Contrib) for annuity assets.
(d)	Use Contributions - Summary by Process Date. Enter the total employee contributions (EE Contrib) for mutual funds.
(e)	Use the Fund Activity Report. Enter total Cap Transfers for annuity assets.
(f)	Use the Fund Activity Report. Enter total Cap Transfers for mutual fund assets.
(g)	Use the Plan Loan Detail Report. Enter interest earned by Actives, Fully Paid and Deemed in the current year.
(h)	Use Loan Collateral Report. Enter total interest earned from active loans (status code "AC"), fully paid loans (FP), and loans repaid after reaching maturity (MR).
(i)	Use Loan Collateral Report. Enter total interest earned from loans, which defaulted during the plan year.
(j)	Use Fund Activity Report. Enter total interest earned from the Loan Escrow Fund.
(k)	Use Fund Activity Report. Enter total interest earned from the VALIC Fixed-Interest Fund.
(l)	Use Fund Activity Report. Enter total interest earned from the Fixed Account Plus and Short Term Fixed Account funds. Also add interest earned from annuity forfeitures (on forfeiture report).
(m)	Add total dividends (from Fund Activity Report) to dividends on Mutual Fund Forfeiture Activity Report.
(n)	Enter total gain (loss) from mutual fund assets from the Fund Activity Report.
(o)	Enter total gain (loss) from annuity assets from the Fund Activity Report.
(p)	Use Distribution Report. Use total distributions of mutual fund assets. Also use Mutual Fund Forfeiture Report. Add forfeiture redemptions, and subtract forfeiture purchases.
(q)	Use Distribution Report. Use total distributions of annuity assets less loan foreclosures. Also use monthly annuity forfeiture reports. Add forfeiture redemptions, and subtract forfeiture purchases.
(r)	Use Group Charges Report. Enter total adjustments for reasons other than Excess. If the total is positive, enter as a negative number, and vice-versa.
(s)	Use Loan Collateral Report. Enter foreclosures for loans that became defaulted during the plan year.
(t)	Enter total foreclosures from the Loan Escrow Report.
(u)	Use the Group Charges Report. Enter the adjustments, which are listed with the reason "Excess."
(v)	Use the Plan Loan Detail Report. Enter total ending balance of deemed current period loans.
(w)	Use the Loan Collateral Report. Enter the ending balance of loans that became defaulted during the plan year.
(x)	Use Loan Collateral Report. Enter total principal repaid for all loans that became defaulted during a prior plan year. Enter as a negative number.
(y)	Use Loan Collateral Report. Enter total interest returned for all loans that became defaulted during a prior plan year. Enter as a negative number.
(z)	Use Group Charges Report. Enter total fees except adjustments. If total is a negative number, enter as a positive number. If total is a positive number, enter total as a negative number.

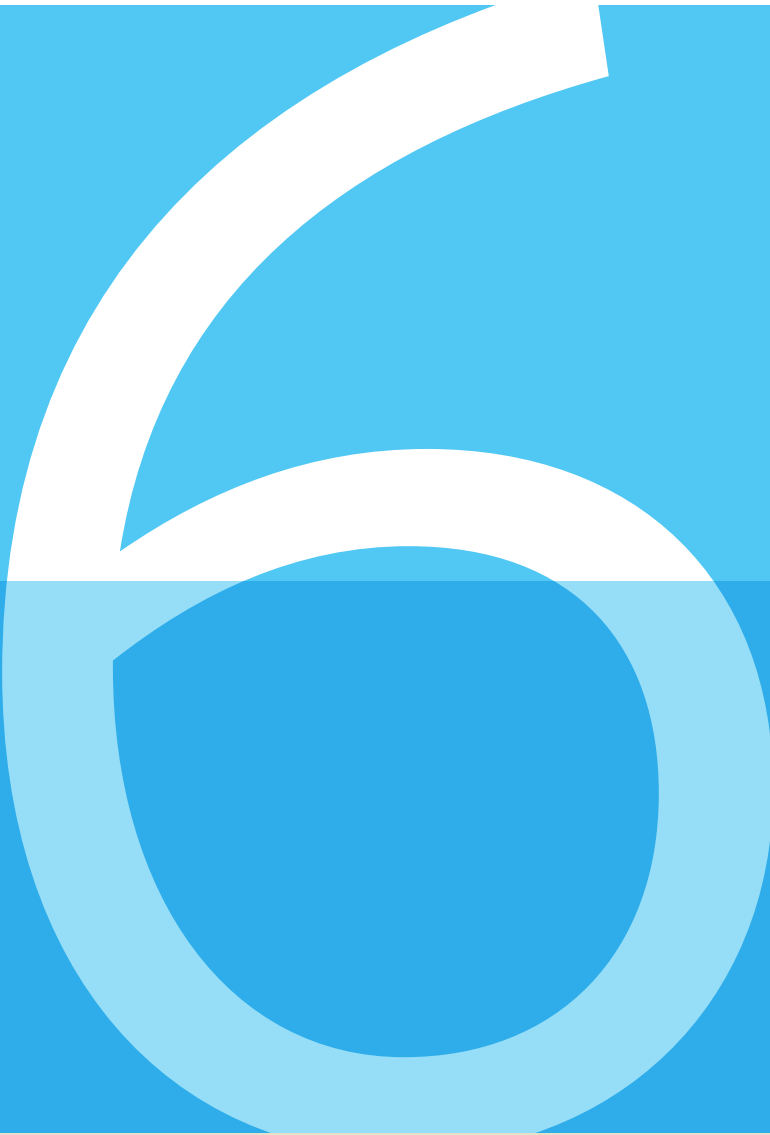
Schedule H - Schedule of Assets Template

Form 5500

Attachment

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

[illegible]



Fair Market Value and FAS 157

Fair Market Value and FAS 157

What is Fair Market Value?

Fair Market Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

How can I obtain Fair Market Value Calculations?

Fair Market Calculations are provided upon request and can be requested by contacting your plan's designated Compliance Administrator or Plan Coordinator. If you do not have a Compliance Administrator or Plan Coordinator, please contact the Plan Sponsor Service Team at plan.sponsor.svc@valic.com.

Please be sure to include the VALIC group number and VALIC plan number or numbers in the request.

The Fair Market Value Calculation will include:

Contract Value = account value at the end of the plan year.

Fair Value = Contract Value minus any surrender charges. (Fair Value is the amount which is payable on demand on the reporting date.)

Average Yield = one-day annualized earnings divided by Fair Value.

Crediting Rates = interest rates during plan year.

FAS 157

What Is FAS 157?

Statement of Financial Accounting Standards No. 157, Fair Value Measurements, commonly known as “FAS 157,” is a statement that was issued in September 2006 by the Financial Accounting Standards Board (FASB) which became effective for entities with fiscal years beginning after November 15, 2007.

Its purpose is to define a standard definition of fair value, establish a mechanism for measuring fair value consistent with generally accepted accounting principles (GAAP) and to expand the disclosures concerning fair value measurements.

FAS 157 defines “fair value” as: “The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

FAS 157 applies when under other accounting principles fair value is the relevant measurement.

Key components of the fair value measurement are:

- > Focus on exit price
- > Market based price
- > Hypothetical transaction on measurement date
- > From seller’s perspective
- > Valuation techniques depend on facts and circumstances:
 - Market approach
 - Income approach
 - Cost approach

Fair Value Valuation Techniques

- > Market approach – uses prices and transaction of identical or comparable assets or liabilities
- > Income approach – uses valuation techniques to convert future amounts to a single present amount
- > Cost approach – uses what it would cost to replace the asset – sometimes referred to as current replacement cost.

Along with these techniques for valuing assets, FAS 157 established a fair value hierarchy that classifies the inputs used to determine the fair value in three levels with Level 1 inputs being the most reliable and Level 3 inputs being the least reliable:

Level 1: “Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.”

Level 2: “Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.”

Level 3: “Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.”

Questions and Answers Relating to FAS 157

Question	Answer
What are the fair value hierarchy levels?	<p>The FAS 157 fair value hierarchy levels are described as follows:</p> <ol style="list-style-type: none"> Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the reporting entity has the ability to access at measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following: <ol style="list-style-type: none"> Quoted prices for similar assets in active markets. Quoted prices for identical or similar assets in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market). Inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates). Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs). <p>Adjustments to Level 2 inputs will vary depending on factors specific to the asset. Those factors include the condition and/or location of the asset, the extent to which the inputs relate to items that are comparable to the asset, and the volume and level of activity in the markets within which the inputs are observed. An adjustment that is significant to the fair value measurement in its entirety might render the measurement a Level 3 measurement, depending on the level in the fair value hierarchy within which the inputs used to determine the adjustment fall.</p> Level 3 inputs are unobservable inputs for the asset. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. <p>Definitions:</p> <ol style="list-style-type: none"> Observable inputs - inputs that reflect the assumptions market participants would use in pricing the asset developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs - inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances.
What is the VALIC view of the appropriate level for the variable annuity assets?	<p>VALIC does not provide tax or legal advice. A determination as to the levels for each plan investment must be made by the plan sponsor with the assistance of its auditors and legal counsel.</p> <p>The VALIC separate account includes only mutual fund investments; investments in the funds are valued at the net asset value per share at the close of each business day as reported by each fund, which is then adjusted for dividends and Separate Account fees.</p>

Fair Market Value and FAS 157

Question	Answer
Why is the Fair Market Value (FMV) sometimes greater than the Contract Value?	<p>The FMV may be higher or lower than the Contract Value because the factors that go into calculating the FMV are tied to the market.</p> <p>Contract Value = Account Value at the end of the year. The Contract Value is reported on the Plan Summary and Fund Activity Reports. For fixed investments the Contract Value is based on the interest rate(s) the fixed investments are earning.</p> <p>FM Value = Contract Value +/- Market Value Adjustments – Surrender Charges</p> <p>The Market Value Adjustment (“MVA”) for each product (annuity and/or mutual fund) is defined in the contract. For additional information regarding the MVA, please request a copy of the contract.</p>
What is Fair Value?	<p>Fair Value = Contract Value – Surrender Charges</p> <p>According to Paragraph 12 of FASB Statement 107, which applies to “deposit liabilities with no defined maturity,” the Fair Value is the amount which is payable on demand on the reporting date.</p> <p>If all participants were eligible for a distribution of their full accounts from the plan on the reporting date, the amount payable on demand on the reporting date, the Fair Value, and the Contract Value would be equal.</p> <p>In the event that full value of the account could not be paid upon demand, such as amounts subject to a Market Value Adjustment (MVA) or surrender charges, the “fair value” estimates are based upon “demand value” for the contract; i.e., the amount due to the contract holder under the surrender provisions of the contract.</p>
What is Average Yield?	<p>Average Yield = One-Day Annualized Earnings / Fair Value</p> <p>It is our position that the average yield of the fund and the average yield credited to the participants are one and the same, since there is no ownership right to the assets in the general account, which support the obligations of the fixed account options. The average yield is calculated by multiplying the December crediting rate by the Contract Value to determine the one-day annualized earnings.</p>
What is one day annualized earnings?	<p>One-Day Annualized Earnings = Interest Rate X Contract Value</p>
What is the contract invested in, and how are these investments valued?	<p>The group is invested in a fixed annuity contract, meaning that VALIC, under the conditions listed in the contract, agrees to pay a certain interest rate on the contract.</p> <p>The fixed annuity contract is backed by the general assets of VALIC, but no specific assets are tied to any particular contract. All assets pertain to all contracts.</p> <p>VALIC makes its profit on the difference between what VALIC earns on its investments less what it pays its contract holders.</p> <p>The VALIC annual report and prospectuses provide additional information. These can be located at VALIC.com.</p> <p>http://www.valic.com/prospectusesreports_82_285848.html</p>

Question	Answer
What kind of assistance is VALIC providing to clients with the adoption of Field Assistance Bulletin No. 2009-02?	<p>While it is the responsibility of the Plan Administrator to make interpretations and decisions concerning the plan:</p> <p>VALIC will provide certified statements for the plan year under audit. Additionally, prior year reports are generally available via the Plan Sponsor Online website. All participant data is included in the financial reports. Any revisions to such data must be determined by the plan sponsor.</p> <p>VALIC participates in various professional organizations centered around benefit issues and both directly and through such professional organizations is periodically in communication with the Department of Labor to seek further clarification on the relief provided by FAB 2009-02.</p> <p>From time to time VALIC expects to publish relevant information pertaining to this matter on www.valic.com.</p>

FASB Staff Position AAGINV-1 and SOP 94-4-1: Reporting Fully Benefit Responsive Investment Contracts - the VALIC Position

This section describes the VALIC position with regard to FASB Staff Position AAGINV-1 and SOP 94-4-1: Reporting Fully Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans (the "Staff Position"), and how it affects reporting of VALIC annuity products on Form 5500. Neither VALIC nor its financial advisors or other representatives give legal or tax advice. However, we will gladly share our insight concerning the accurate reporting of these contracts and how our acumen confirms our position that the contracts are reported properly.

Although the Staff Position appears to primarily contemplate stable value funds investing in such products as group contracts from multiple insurance companies, it also appears that it could apply as well to the VALIC fixed investment options offered under your plan. It is also important to note that some of the information necessary to make a determination in an individual case may be within the knowledge of the plan sponsor and not VALIC, in which case the proper reporting might also be affected. A copy of your contract(s) will be provided upon request.

Overview:

The Staff Position provides that all investments (including derivative contracts) held by an investment company are to be reported at fair value. However, the contract value is the relevant measurement attribute for the portion of the net assets of an investment company attributable to fully benefit-responsive investment contracts, provided that the investment company is established under a trust whereby the trust itself is adopted as part of one or more qualified employer-sponsored defined contribution plans. Under the Staff Position, an investment contract is considered fully benefit-responsive if all of the following criteria are met for that contract, analyzed on an individual basis:

- The investment contract is affected directly between the plan and the issuer and prohibits the plan from assigning or selling the contract or its proceeds to another party without the consent of the issuer.
- Either (1) the repayment of principal and interest credited to participants in the plan is a financial obligation of the issuer of the investment contract or (2) prospective interest crediting rate adjustments are provided to participants in the plan on a designated pool of investments held by the plan or the contract issuer, whereby a financially responsible third party, through a contract generally referred to as a wrapper, must provide assurance that the adjustments to the interest crediting rate will not result in a future interest crediting rate that is less than zero.

- c. The terms of the investment contract require all permitted participant-initiated transactions with the plan to occur at contract value with no conditions, limits, or restrictions.
- d. An event that limits the ability of the plan to transact at contract value with the issuer and that also limits the ability of the plan to transact at contract value with the participants in the plan must be probable of not occurring.
- e. The plan itself must allow participants reasonable access to their funds. If access to funds is substantially restricted by plan provisions, investment contracts held by those plans may not be considered to be fully benefit-responsive.

In considering whether the contract(s) under your plan meet the criteria for a fully benefit-responsive contract, you can request a summary analysis of each of the VALIC contracts offering one or more fixed (general account) options.

Additional discussion of instructions for completing Form 5500:

In addition to the above discussion primarily involving fixed (general account) options, we understand that some questions have arisen regarding the correct reporting of variable (separate account) options on Form 5500. As you know, the VALIC practice for reporting separate accounts is to indicate the contract value on Line 4 of Schedule A. VALIC is aware that there are Form 5500 preparer assistance materials that indicate that Line 4 of Schedule A should tie directly to Line 1(c)(10) of Schedule H and, if Line 4 reflects a value greater than zero, then Part I of Schedule D must be completed. However, VALIC is not aware of any official guidance from either the Department of Labor or the Internal Revenue Service to support such a position in all circumstances.

In accordance with the IRS Form 5500 Instructions, Schedule D is only required to be filed by Direct Filing Entities ("DFEs"). VALIC is not a DFE as defined under the IRS Instructions and therefore does not complete Schedule D. The IRS Instructions also provide that Schedule H Line 1(c)(10) must reflect the value of "pooled separate accounts." The VALIC separate accounts are "registered accounts" under the Securities Exchange Act of 1940 and therefore do not constitute "pooled separate accounts." Therefore, it would be inaccurate to reflect any value on Line 1(c)(10). It is important to note that Line 4 of Schedule A does not specify that the value of separate accounts indicated should be limited to "pooled separate accounts." Also, the IRS Instructions for Schedule A do not provide any specific instructions for Line 4. Accordingly, there is nothing to indicate that the VALIC practice of reflecting the value of registered separate accounts on Line 4 of Schedule A is incorrect. Moreover, it is the VALIC position that there is nothing contained in the Staff Position to indicate that VALIC is reporting annuity products for purposes of Form 5500 in an incorrect manner.

Upon request, VALIC will provide product-specific information concerning your plan.



Audit Support

VALIC SSAE 16 Report (Formerly SAS 70)

VALIC SSAE 16 Report is a Type II report and covers the period of October 1 through September 30.

Accessing VALIC SSAE 16 Report on PSO

The SSAE 16 Report may be retrieved by authorized users from VALIC Plan Sponsor Online (PSO) website at <https://groups.valic.com/psa/>.

To obtain a copy, log in to the PSO website and select a plan. Once a plan is selected, choose Plan audit support from the right hand side of the page. Under Plan audit support you will find a copy of the current SSAE 16 Report.

Also available in this location are VALIC GAP/Bridge letters to certify controls for plans with plan years ending after September 30.

For more information on accessing the PSO website, please see Chapter 3, Access to PSO, of this Guide.

Sampling Selections and Prior Year Reporting

Sampling Selections

The following items can be provided for testing purposes by requesting them on a Audit Request Template (shown on page 74):

- > check copies: distributions and loans
- > form copies: distributions and loans
- > copies of 1099s
- > data consistent with data on participant statements (see details below)
- > enrollment forms
- > for items not included in this list, please specify your request on Other section of the Auditor Request Template

Auditor Request Template

The Auditor Request Template is an Excel workbook with which auditors can request all of their sampling data in one convenient file. A printed copy of the Auditor Request Template is included at the end of this section.

To prevent delays, please provide all of the information requested on the Auditor Request Template. This information is critical to the retrieval of the requested data.

Information needed includes, but is not limited to, Participant Name, SSN, dollar amounts and process dates as indicated on the financial reports provided by VALIC.

Once you have completed the template, please submit your request to either the Plan Sponsor Service Team (plan.sponsor.svc@valic.com) or your plan's Compliance administrator.

Requests for participant information should not exceed 25 participants and are completed as quickly as possible, assuming complete and accurate information is provided.

Data Consistent with Data on Participant Statements

VALIC provides an annual participant statement substitute report that provides a summary of transactions processed for a specific participant within the specified reporting period.

The report will provide the following information for each account number established within the plan being audited:

- > Beginning Account Value – Reported at contract value
- > Contributions – Combined year to date employee and employer contributions
- > Capital Transfers – Transfers in from other plans or other vendors and intra plan transfers and rollovers
- > Dividends – Applies only to mutual funds
- > Interest Earned – Fixed interest earned during the reporting period
- > Gains/Losses – Sum of total gains or losses on investments for the reporting period
- > Distributions – Includes distributions to participants, forfeitures, rollovers out, transfers to other vendors
- > Internal Transfers – Includes all transfer types from and to various funds within the plan. For asset allocation realignment, these amounts will offset and zero each other out. If there is a policy loan or plan loan, these amounts may not zero out depending upon the transactions posted.
- > Charges/Adjustments – This is a multiple purpose column and includes both charges and adjustments, which can be negative or positive.
- > Ending Values – Reported at contract value

Prior Year Reporting

Prior year reports for assets held at VALIC are generally available on PSO and are typically available for up to six years. For plans with prior ERISA history at VALIC but no prior reporting of an Ending Value, such as plans that were not required to report such amounts in previous years, we will work with you and with your auditor to respond to reasonable requests for additional information in order to support an appropriate beginning balance.

Reports not available on PSO should be requested by contacting either the Plan Sponsor Team by phone at 1-888-478-7020 or by email at plan.sponsor.svc@valic.com, or from the plan's Plan Coordinator/Compliance Administrator contact at VALIC.

Assets Held with Non-VALIC Vendors

If your plan contains assets held with vendors outside of VALIC, and you have contracted with VALIC to prepare the Form 5500 for the plan, please provide the necessary information and financial data from all vendors as soon as possible to allow the VALIC staff to complete the Form 5500 and its related financial schedules in a timely manner.

This should include financial information for the Form 5500-SF, Schedule A, Schedule C, and Schedule H, including the Schedule of Assets. The financial information for the aforementioned schedules would include but is not limited to beginning and ending values of investment funds, contributions, distributions, dividends, interest, fees/charges, direct/indirect expenses and gain/loss values. A complete copy of the standard annual financial package for the plan will provide the necessary data.

Additionally, any financial package provided should include contact information for that vendor who can answer any questions VALIC may have concerning interpretation or additional information needed.

Auditor Request Template

Plan name: _____
 PYE: _____
 Plan Type: _____
 Date information needed: _____

*Please limit your selections to a maximum of 25 per category.

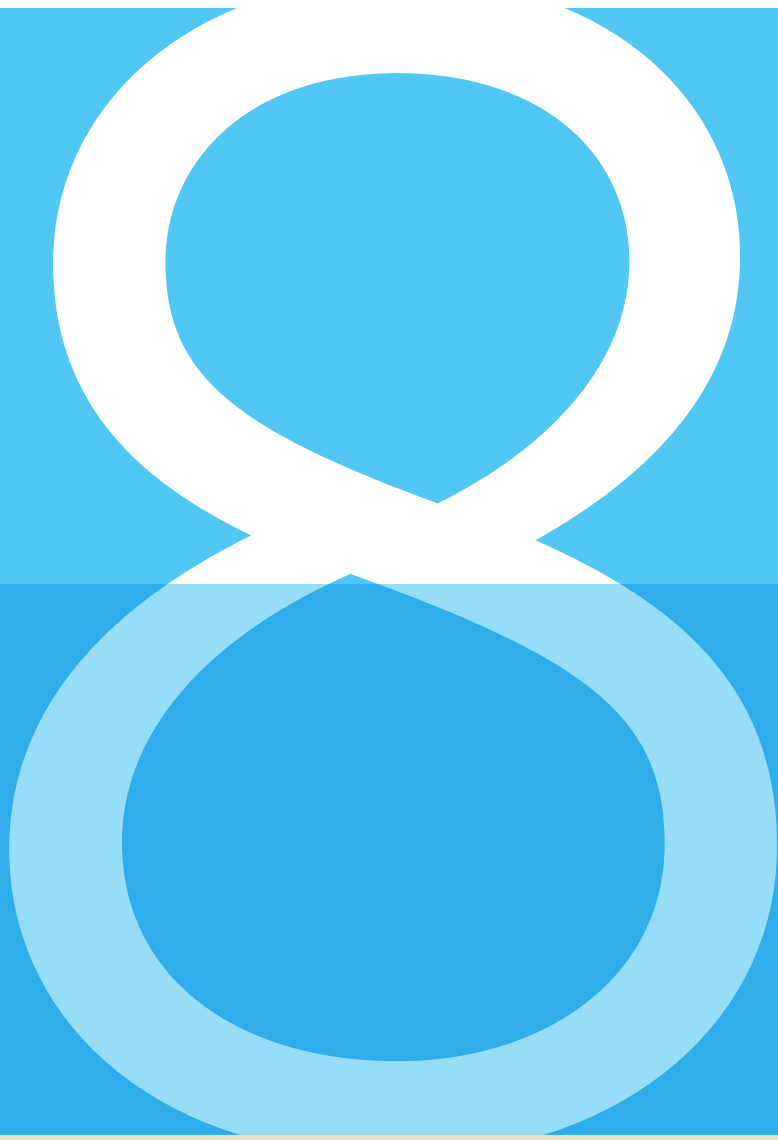
Distribution selections:		Explain request [ex: request copies of distribution forms, check copies and / or 1099s and any additional forms as necessary (i.e. death certification)]	
Participant name	SSN	\$ Amount	Date of distribution
John Smith	xxx-xx-xxxx	4,684.25	03/04/2009

Loan selections:		Explain request	
Participant name	SSN	\$ Amount	Date of loan
Bob Jones	xxx-xx-xxxx	648.67	05/15/2009

Confirmation statements selections:		Explain request	
Participant name	SSN	PYE Quarter	Date needed
Jane Doe	xxx-xx-xxxx	2nd Qtr	00/00/0000

Enrollment forms:		Explain request	
Participant name	SSN		

Other:		Explain request	
Participant name	SSN		



Product Information

Product Information

VALIC offers both annuity products and mutual fund products.

Annuity Product Information

Annuity products issued by insurance companies are not subject to the trust requirement common to most ERISA covered plans.

Annuities may be fixed annuity products, variable annuity products or both.

They are governed by contracts between the insurance company and the contract owner.

The fixed options are backed by the general assets of the insurance company.

The variable annuity options are held in separate accounts by the insurance company as custodian of the separate accounts.

Annuity Products currently and previously offered by VALIC include:

- > Portfolio Director® (PD) Fixed and Variable Annuity
- > Portfolio Director Choice Fixed and Variable Annuity
- > ProFlex Annuity
- > Equity Director Fixed and Variable Annuity
- > IncomEdge Deferred Income Annuity
- > Group Unit Purchase (GUP)
- > UIT-981 (Impact)
- > Independence Plus Fixed and Variable Annuity
- > Potentia® Fixed and Variable Annuity
- > V-Plan Fixed Annuity (no prospectus)
- > Profile® Retirement program (no prospectus)

Many of the VALIC annuity products are group allocated annuity contracts, which means that individual participant accounts are maintained under the contract, and participants receive individual certificates describing their rights under the contract. This should not be confused with the definition of “allocated” for purposes of the Form 5500, which is considerably narrower than the common definition for annuity contracts.

Prospectuses are available via the VALIC website: http://www.valic.com/CombinedProspectuses_82_285848.html

Information is also available via the State of Texas Department of Insurance website at: <http://www.tdi.state.tx.us/index.html>

Annual reports for VALIC and for the Separate Account A are available upon request.

For 5500 purposes fixed and variable annuity contracts are reported on Form 5500 Schedule A as **Deposit Administration Contracts**.

VALIC annuity contracts are not Common/Collective Trusts (CCT), Pooled Separate Accounts (PSA), Direct Filing Entities (DFE), nor are they Master Trust Investment Accounts (MTIA).

VALIC is the issuer of these contracts.

VALIC does not serve as custodian for plans holding annuity contracts.

Product Information

VALIC is the custodian of the Separate Account which holds the variable annuity accounts.

Policy Loans can be issued, where permitted by the contract, for participants invested in annuity products.

Variable annuity funds are unitized funds with underlying mutual fund investments and do not have their own tickers and cusips. For additional information, please see the fund prospectuses available on our website, www.valic.com.

The Asset List report provides a list of plan assets including ticker, vehicle code, investment vehicle name, asset class, ending units, ending shares and ending value and is available upon request.

Fixed options are reported at contract value on the annual package of financial reports. Fair market value calculations available upon request.

Mutual Fund Product Information

Most plans utilizing the VALIC mutual fund platform include a VALIC fixed annuity option in addition to the mutual fund options.

Fixed annuity options are reported at contract value on the financial reports for the plan and will require a Schedule A, which is provided as part of the 5500 reporting package.

Plan Loans can be issued, where permitted by the contract, for participants invested in mutual fund products.

The Asset List report provides a list of plan assets including ticker, vehicle code, investment vehicle name, asset class, ending units, ending shares and ending value and is available upon request.

Miscellaneous

Schedule A

Schedule A – Is filed for any plan if any benefits under the plan are provided by an insurance company, insurance service, or other similar organization. This includes investment contracts with insurance companies. For VALIC products this will cover all plans except a plan that uses the mutual fund product and does not have the Fixed-Interest Option from VALIC.

For Schedule A purposes – VALIC annuity contracts are treated as deposit administration contracts. [See DOL instructions for Schedule A (Form 5500) Insurance Information].

Deposit Administration Contracts (DAC) – Such contracts guarantee a rate of interest and specify a rate at which annuities may be purchased from the account.

Benefit Responsive Questions

If you need additional information with which to determine if a contract will be treated as benefit responsive, please request a letter outlining the VALIC position with regard to Reporting Fully Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the American Institute of CPAs (AICPA) Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans.

Product Information

Fair Market Value of Plan Assets:

For information concerning the fair market value of the VALIC fixed funds, please request the fair market value calculations for the plan.

Codes and EIN Information

The Variable Annuity Life Insurance Company (VALIC) NAIC Number = 70238

The Variable Annuity Life Insurance Company EIN (VALIC) = 74-1625348

VALIC Retirement Services Company EIN (VRSCO) = 51-0396365

VALIC Omnibus withholding EIN = 76-0519990

Unit Value Calculation Detail

The VALIC unit value calculations are performed by the Variable Product Accounting Department (VPA) in Houston. VPA uses the Princeton Financial Systems application, Unit Value Trade System (UVT), to perform all unit value calculations on a nightly basis. The calculation is as follows:

The unit value calculation begins with the collection of the daily Net Asset Value (NAV) for each investment option offered to the VALIC Separate Account policyholders as defined by each respective product prospectus. A fund accountant reviews the daily NAV, comparing to the prior daily NAV and to the change percentages of certain markets indices for reasonableness. UVT calculates the unit value by first creating a net investment factor (NIF) for each mutual fund and price band [Mortality and Expense (M&E), less any reimbursements] offered. The NIF is derived by taking the current day NAV plus any per share amounts of reinvested dividends, short or long term capital gains, divided by the prior day NAV to come to a "Gross Investment Factor" (GIF). The daily M&E rate (defined by the prospectus) is then subtracted from the GIF to come to the NIF. The final step is completed by taking the prior day unit value, multiplied by the new NIF to determine the current day unit value.

Example:

> Current Day Net Asset Value	\$10.20
— Plus: Reinvested Dividend Rate	.0000000
— Plus: Reinvested Short Term CG Rate	.0000000
— Plus: Reinvested Long Term CG Rate	.0000000
> Subtotal	10.20
> Divided by Prior Day NAV	10.19
> Gross Investment Factor	1.00098135
> Daily M & E Rate (assume 100bp) (.01/365)	-.00002740
> Net Investment Factor	1.00095395
> Prior Day Unit Value	2.586421
> X Net Investment Factor	X 1.00070738
> Current Day Unit Value	2.588888

Both the NIF and GIF are rounded to eight decimal positions. The Unit Value is rounded to six decimal positions.



Loan Explanation

Loan Explanation

Policy Loan vs. Plan Loan

Question	Policy Loan (Annuity Accounts)	Plan Loan (Mutual Fund Accounts)
Loan formation		
Who is the lender?	The participant receives a loan under their plan account in accordance with the terms of the contract and the plan. The lender is VALIC.	The participant receives a loan under their plan account in accordance with the terms of the plan and service agreement. The lender is a plan trustee or custodian.
What is the impact on the investments in the Participant Account?	The participant account is not reduced, however a portion of the participant account serves as collateral for the loan.	Assets are liquidated to fund the loan, but the loan is both an asset and a liability.
What dollars are transferred or distributed from the participant account?	A corresponding portion of the participant account is transferred to a collateral fixed account under the contract to secure the loan. More specifically an amount equal to: 1. The original principal of the loan requested plus 2. The first quarter interest due and 3. Potential surrender charges is transferred from the participant account and into the Loan Collateral Account (item 1) and the Loan Escrow Account (items 2 & 3). Collectively these are the collateral accounts.	The amount for which the loan was set up is paid to the participant in the form of a loan.
Loan in pay status		
What happens when loan principal payments are made?	As payments are made to VALIC, collateral is released and dollars are moved from the Collateral Account to the participant controlled funds within the account. These two events do not happen simultaneously. The transaction in the Collateral Account trails the loan payment to VALIC.	As principal payments are made the outstanding principal payment reduces the outstanding loan balance in the participant account and is transferred to other investments.
What happens when loan interest payments are made?	VALIC pays interest to the collateral accounts regardless of when (or whether) loan payments are made, at a stated rate, which is never less than the minimum guaranteed rate under the contract. With each loan payment the participant pays interest to VALIC at the loan interest rate. The difference between the two rates (generally 3%) is the charge for administering the loans.	Interest paid by the participant is paid to the participant's account and is transferred to other investments.
Who is earning interest?	The participant is earning interest on the collateral. VALIC received interest on the loan less the interest paid on the collateral. The difference is the administrative charge for the loan.	The participant is paying and earning interest, as well as paying a separate loan administration fee as provided in the services agreements.
When a loan goes into default but cannot be distributed because no distributable event has occurred:		
When does a defaulted loan become taxable?	After no payments have been made between the due date and a 45 day grace period.	We treat a loan as a taxable event (deem or foreclose) when a payment is not made 95 days after the due date.
What tax is reported when a loan goes into default?	Participant receives a 1099R for the outstanding principal and interest at the time of default.	Participant receives a 1099R for the outstanding principal and interest at the time of default.

Loan Explanation

Policy Loan vs. Plan Loan

Question	Policy Loan (Annuity Accounts)	Plan Loan (Mutual Fund Accounts)
When a loan goes into default but cannot be distributed because no distributable event has occurred:		
Why does the loan or loan collateral stay on the plan books and records?	When there is no distributable event (the participant has no right to a current distribution) the loan collateral (collateral and escrow accounts) must remain in the plan as part of the plan assets.	When there is no distributable event (the participant has no right to a current distribution) the loan must remain in the plan as part of the plan assets.
Why is there a difference between the assets listed on the financial reports and the Form 5500 list of plan assets?	Since the Form 5500 instructions exclude the deemed defaulted loan, this results in an inconsistency between plan records and Schedule H. Loans continue to be plan assets until they are distributed or paid off.	Since the Form 5500 instructions exclude the deemed defaulted loan, this results in an inconsistency between plan records and Schedule H. Loans are plan assets until they are distributed or fully paid. The Form 5500 instructions, however, require that active loans be reported on one line and that deemed loans be reported on another line in the year in which they are deemed as taxable and not reported on Schedule H thereafter. This results in an inconsistency between plan records and reports and what appears each year on the Schedule H.
Does interest continue to accrue on loans which have been treated as deemed distributions?	Yes. Interest continues to accrue on the outstanding loan; however the interest rate on the Collateral Account is raised to the interest rate for the loan due to VALIC.	Yes. Interest continues to accrue on the outstanding loan.
When a subsequent distributable event occurs after a loan has been taxed (deemed distribution):		
What happens when a previously defaulted loan is actually distributed?	VALIC forecloses on the collateral to the extent of the outstanding loan, and any remaining amount in the collateral accounts is available for allocation to fixed and variable investment options in the contract.	The trustee or custodian forecloses on the loan through a bookkeeping entry which reduces the value of the participant's account by the amount of the outstanding loan.
Is the distributed loan taxed again?	No, only excess collateral transferred to the control of the participant is taxable when distributed.	No, if a loan is distributed at a different time than the tax year in which it is deemed, there are no additional taxes reported on the loan.
Defaulted loans that can be distributed coincident with default		
What happens when a participant is eligible for a distribution of the loan at the time of a loan default?	VALIC forecloses on the collateral to the extent of the outstanding loan, and any remaining amount in the collateral accounts is available for allocation to fixed and variable investment options in the contract.	The trustee or custodian forecloses on the loan through a bookkeeping entry which reduces the value of the participant's account by the amount of the outstanding loan.
What is taxed when the default and the distribution occur at the same time?	The principal and interest due at the time of the default are reported on a 1099R as a distribution to the participant.	The principal and interest due at the time of the default are reported on a 1099R as a distribution to the participant.
Is part of a defaulted loan ever distributed?	If the amount available for distribution is not sufficient to cover the entire defaulted loan, a partial foreclosure will take place.	If the amount available for distribution is not sufficient to cover the entire defaulted loan, a partial distribution will take place.
Is the entire defaulted loan taxed in the event it can only be partially foreclosed and/or distributed?	The entire principal and interest in default will be taxed, even if only a portion of the collateral is foreclosed upon.	The entire principal and interest in default will be taxed, even if only a portion of the loan is distributed.

Loan Explanation

Policy Loans – How They Work

Policy Loans:

Policy loans are made to participants invested in the annuity products in accordance with the terms of those contracts.

The dollars loaned to the participant come from VALIC, and the loan is secured by a portion of the participant's account.

The loan is not part of the participant's account balance.

Collateral held in participant accounts is invested in fixed options within the contract, in accordance with the terms of the contract.

Loan collateral (Loan Collateral Account and Loan Escrow Account) is part of the participant's account balance, and is valued at current outstanding principal value plus earnings.

Collateral accounts are valued at current outstanding principal value plus earnings.

Loan Collateral Account:

An amount equal to the principal amount of the loan is transferred from regular investment funds in the plan to the Loan Collateral Account within the participant account.

As the principal is paid down, dollars of collateral are released from the Loan Collateral Account and reinvested in other funds in the participant account.

The collateral amounts remain in the participant account. They are invested in a fixed option to protect the collateral.

If the loan is deemed distributed ("deemed") but not foreclosed, the collateral account continues to be invested in a fixed fund option.

At the time of foreclosure, (when there is a distributable event) VALIC takes appropriate assets from the collateral account. Any remaining funds in the collateral account are transferred to the participant-controlled funds within the account.

When a loan is deemed, but cannot be foreclosed at the same time, the interest rate earned by the collateral is raised to the interest rate for the loan for policy loans collateralized by ERISA plan accounts.

Loan Escrow Account:

An amount equal to interest on the loan for one quarter plus potential penalties for non-payment (surrender charges) on the loan is transferred to the Loan Escrow Account at the beginning of the loan term.

Dollars in the Loan Escrow Account are invested in a fixed option.

The escrow account earns at the guaranteed fixed rate until the loan is paid off or otherwise ceases to be outstanding.

No transfers are made out of the Loan Escrow Account and back to regular investment funds within the participant account until the loan terminates.

If the loan is not paid, all or part of the account may be foreclosed at such time as the participant incurs a distributable event.

Any funds remaining after VALIC collects funds due to VALIC upon foreclosure are transferred back to the participant's other investment accounts.



FAQs

1. General Information

1.1. What accounting method is used for plan reporting?

All reports are provided on a cash basis.

1.2. How are the investment transactions recorded?

The transactions are recorded on the trade date, but they are reported on the settlement date for both annuity and mutual fund groups. On VALIC reports, the trade date is the effective date and the settlement date is the process date.

1.3. How are gains and losses calculated for variable annuity or mutual funds?

All gains/losses are unrealized and are based on changes in the unit value or share value during the reporting period. For more information, please consult the prospectus.

1.4. How are gains and losses calculated for fixed options?

Fixed options do not have gains and losses as they are an interest bearing investment. Fixed option earnings are equal to interest credited, which is accrued and credited daily.

1.5. Are the investments reported at fair value or contract value?

The investments are reported at contract value. Upon request, VALIC will provide a SOP 94-4-1 fair value calculation for the fixed options in a plan.

1.6. Are the investments held by the plan fully benefit responsive?

The plan sponsor must determine whether the contract(s) meet the definition of fully benefit responsive for purposes of their financial reporting. The VALIC position to the issue of benefit responsiveness will be provided upon request.

For additional information, please see the Chapter 6, Fair Market Value, of this Guide.

1.7. Who is certifying the financial statements of the plan?

VALIC certifies the financial statements for plans invested in VALIC annuity products.

AIG Federal Savings Bank (AIG FSB) certifies the financial statements for plans invested in mutual funds held by AIG FSB.

1.8. Does VALIC have a disaster recovery plan?

Yes. Additional information can be requested.

1.9. How are the unit values calculated for annuity variable funds?

The VALIC unit value calculations are performed by the Variable Product Accounting Department (VPA) in Houston. VPA uses the Princeton Financial Systems application, Unit Value Trade System (UVT), to perform all unit value calculations on a nightly basis. For more detailed information please see Unit Value Calculation Detail in Chapter 8, Product Information.

FAQs

1.10. Are gains and losses on investments calculated on a moving average, specific identification or other basis?

The investments are in a qualified retirement plan; therefore, all gains/losses are unrealized and are based on changes in the unit values during the reporting period. For more information, please consult the prospectus.

1.11. What are mutual fund forfeiture accounts invested in?

Mutual fund forfeiture accounts are generally invested in the SUNAMERICA Money Market I for which the ticker symbol is NAIXX.

1.12. What are annuity forfeiture accounts invested in?

Annuity forfeiture accounts are invested in a fixed account with a guaranteed interest rate. Guarantees are backed by the claims-paying ability of The Variable Annuity Life Insurance Company.

1.13. Is there any support for the calculation of the ratio of contract value to fair market value (FMV)?

We typically do not use a ratio to compare contract value to FMV because the factors affecting the values are tied to the market and not the product. Below is a brief explanation of the factors that go into determining the values.

Contract Value = Account Value at the end of the year.

Contract value is the amount reported on the Plan Summary and Fund Activity Reports.

Fair Value = Contract + or - Market Value Adjustments OR

Fair Value = Contract + or - Surrender Charges, depending on the product.

Market Value Adjustments, which are either tied to the performance of the market via the 10 year Treasury rate, and/or surrender charges, are explained in the group contract that governs the fixed investment. The group contract is available upon request.

For additional detailed information, please see Chapter 6, Fair Market Value.

1.14. Where can I find the asset class for the funds the plan is invested in?

The Asset List report provides a list of plan assets including ticker, vehicle code, investment vehicle, asset class, ending units, ending shares and ending value. This is a new report for plan years ending 12/31/2010 and is available upon request.

1.15. Can I get a copy of the VALIC 403(b) Opinion Letter?

The prototype and volume submitter for the 403(b) were both submitted by VALIC to the IRS by the April 2015 deadline. VALIC anticipates receiving the Opinion Letter for the prototype and the Advisory Letter for the volume submitter by April 2017 based on historical IRS review times.

2. Loans

Please note that a more detailed explanation of how loans are administered can be found in Chapter 9 of this guide.

2.1. What is a Policy Loan?

A Policy Loan is a loan made by VALIC with VALIC funds to a participant invested in an annuity product.

2.2 What is a Plan Loan?

A Plan Loan is a loan taken by a participant from assets invested in a VALIC mutual fund account.

2.3. What are deemed loans?

A loan is said to be “deemed distributed” for tax purposes when it is in default due to non-payment but cannot be distributed from the participant account due to plan and tax code provisions.

In order not to be treated as a plan distribution, a loan must conform to all exemption requirements under Internal Revenue Code section 72(t). A loan in default does not meet the exemption requirements. Consequently, it is reported as a distribution and a 1099R is issued for the amount of the outstanding loan in default plus the interest due at the time the loan is deemed distributed. The participant must then pay the tax as if the amount were distributed from the plan.

2.4. How are deemed loans treated on VALIC financial records?

Policy Loans

Collateral and escrow accounts for deemed loans retain their status as plan assets until the loan can be foreclosed and distributed.

When a participant meets a distributable event, VALIC forecloses on the collateral to the extent needed to meet the loan obligation and the remaining collateral is transferred to other investment funds in the participant account.

Plan Loans

Deemed loans retain their status as plan assets until the loan can be distributed and continues to be reported on the books and records of the plan.

When the participant meets a distributable event, the deemed loan is “offset” and the amount of the loan is distributed from the books and records of the plan.

On the Form 5500, however, defaulted loans which are deemed distributed are reported in the year of default on line 2g of the Schedule H. Thereafter, even though they remain on plan books and records, they are not reported on the Form 5500.

2.5. For plans with loans, why doesn't the participant loan balance on the Schedule H reconcile to the end values on the loan reports?

The participant loan balance on the 5500 Schedule H does not reconcile to the Fund Activity report because the Fund Activity report balance includes the deemed loan balance.

Deemed loans are not reported on the Schedule H as part of the plan assets after the first year in which they are deemed distributed.

For additional information, please see the Schedule H section of Chapter 5 and/or Chapter 9, Loan Explanation.

2.6. What is the difference between the Loan Collateral Report and the Loan Escrow Report?

The **Loan Collateral Report** reports the principal portion of the collateral against a loan for an outstanding loan. At inception, an amount equal to the loan principal is moved from the investments in the participant's regular account to the loan collateral account.

In the loan collateral account, the principal earns interest at the contractually guaranteed minimum interest rate.

As principal is paid down, portions of the principal in the collateral account are moved back to the main investment account for the participant. Interest earned in the collateral account is also returned to participant control.

The amount of interest earned in a particular reporting period is not necessarily the amount of interest returned to the participant for that same time period. At the end of the term of the loan, if all payments are made and timely, the collateral account will be at zero for that participant loan.

The **Loan Escrow Report** reports, as its principal, interest for one quarter plus potential surrender charges (calculated at loan origination).

At inception, an amount equal to the interest due for one quarter and potential surrender charges are moved from the investments in the participant's regular account to the loan escrow account.

In the loan escrow account, the principal earns interest at the contractually guaranteed minimum interest rate.

The principal amount of the escrow plus any interest earned is returned to participant control.

2.7. How are the interest rates determined for loans subject to ERISA?

Annuity Products

At the end of each quarter, the interest rate for the following quarter is based on Moody's Average Corporate Yield for the first month of the current quarter. For example, the third quarter rate is based on the April yield.

The percentage is rounded down to the next lower 0.5% [8.87% becomes 8.5%].

Moody's Average Corporate Yield can be found on the NAIC website, http://www.naic.org/research_moody.htm. (Current information)

Mutual Fund Products

The interest rate is the Prime rate plus a percentage determined by the plan sponsor.

3. Form 5500 and Applicable Financial Schedules

3.1. Where can we find the 5500 audit package?

The annual Form 5500 audit packages are available via the Plan Sponsor Online website, <https://groups.valic.com/psa>, in the "5500 Reports" folder. For additional information regarding PSO, please see Chapter 3, Access to PSO.

3.2. Will VALIC provide participant count information for Questions 5 and 6 on the Form 5500?

If VALIC completes the annual compliance testing for the plan, then VALIC will provide the participant count information based on the census data provided by the plan sponsor. If the census data is incomplete or not in good order, the plan sponsor will be asked to provide the eligible participant counts.

If VALIC does not complete the annual compliance testing for the plan, then the plan sponsor will be responsible for providing all participant count information for the Form 5500.

3.3. Why is the amount VALIC reports on Schedule A on line 4 of Part II not recorded as pooled separate accounts on line 1c(10) of the Schedule H?

VALIC separate accounts are “registered accounts” under the Securities Exchange Act of 1940 and do not constitute “pooled separate accounts.” VALIC is the custodian for the separate account.

3.4. Why does Schedule A only include fixed accounts?

The purpose of the Schedule A is to provide data on the Insurance Company General Fund, which is exempt from the usual ERISA trust requirements. The fixed accounts are backed by the general assets of VALIC.

The assets in the variable annuity funds are held in a separate account and are not included in the general assets of the company, so they are mentioned, but separated out on the Schedule A.

Mutual Fund assets are not included in the Schedule A; however, if a plan is invested in mutual funds and the plan includes the Fixed-Interest Option, there will be a separate Schedule A for the fixed portion of the assets.

3.5. The Schedule A reports commissions paid; however, commissions are not reported on the Fund Activity Report. Should the commissions be subtracted from the End Value on the Fund Activity to come to the total plan assets at the end of the year for purposes of the 5500?

No. Commissions are not paid from plan assets. They are paid from the general assets of the insurance company and do not need to be deducted.

3.6. How will VALIC be reporting Direct and Indirect Expenses for the Schedule C?

Direct and Indirect expense information is included in the 5500 financial report package, which is available on PSO, on the following reports:

- Schedule C Fee Disclosure including linked documents
- Group Charges Report (Expenses only – do not include adjustments)
- Policy Loan Fee Summary Report (annuity only)

For additional information on the Schedule C and the VALIC financial reports, please see the Schedule C section of Chapter 5, 5500 Schedules, of this Guide.

3.7. Should VALIC be filing a Schedule D?

No. The Schedule D must be attached to a Form 5500 filed for a plan that participated in a Common Collective Trust (CCT), Pooled Separate Account (PSA), Master Trust Investment Account (MTIA) or 103-12 Investment Entity.

VALIC is not a Direct Filing Entity (DFE). All separate accounts are registered separate accounts as defined under the Investment Company Act of 1940. Therefore, for purposes of the VALIC annuity contracts utilized to fund the plan, a Schedule D is not required. These annuities are set up in the participant’s name as individual annuities so they are considered registered separate accounts not pooled separate accounts; therefore, Schedule D is not applicable.

3.8. Why doesn’t VALIC prepare a Schedule G for filing for large plans?

Schedule G must be attached to a Form 5500 filed for a plan, MTIA, 103-12 IE, or GIA to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year, leases in default or classified as uncollectible, and nonexempt transactions.

Loans made by VALIC to annuity invested accounts are policy loans. Such loans are not uncollectible because collateral is held in escrow and the collateral is foreclosed if a distributable event occurs and there is an outstanding defaulted loan.

Loans made from participant accounts invested in mutual funds are not uncollectible, since the loan is both an asset and a liability of the participant.

3.9. Why are the total plan assets reported on the Fund Activity Report different from the total plan assets reported on the Schedule H?

This is the result of several factors including:

- a. Deemed loans are reported on the Fund Activity Report as plan assets, as are loan collateral and loan escrow accounts.

In accordance with Form 5500 instructions, deemed loans are not reported as plan assets after the year in which they are deemed distributed.

- b. Forfeiture funds are included in the reported assets on the Schedule H but not on the Fund Activity Report. (Although forfeitures are not included in the Fund Activity Report, mutual fund forfeitures are provided on a separate annual report, and annuity forfeitures are provided on separate monthly reports.)
- c. There may be assets with a vendor other than VALIC.

For additional detail on what is reported on the Schedule H, please see the Schedule H Reconciliation Template in Chapter 5.

3.10. Should an asterisk be included on the Schedule H Schedule of Assets next to VALIC fixed options and loan funds?

Exempt transactions are not treated as prohibited transactions.

VALIC does not include the asterisk (*) on the Schedule of Assets for the following reasons:

Reg. 2520.103-11 (b) describes the investments that must be listed on the Schedule of Assets.

Reg. 2520.103-11 (b)(i) describes the schedule of each transaction involving a person known to be a party-in-interest and refers to 2520.103-10(b)(3).

Reg. 2520.103-10(b)(3) – describes what is a party-in-interest transaction for reporting purposes and indicates that transactions for which a statutory exemption applies do not need to be included.

3.11. Who needs a Fidelity Bond and what are the amounts needed?

Every fiduciary and every person who handles plan funds must be bonded. Bond amounts must be fixed at the beginning of each plan year in an amount that is not less than 10% of the amount of funds being handled.

The amount of the bond may not be less than \$1,000, even if 10% of the amount of funds being handled would permit a small dollar amount, and need not be greater than \$500,000.

More information can be found on the DOL website at <http://www.dol.gov/ebsa/regs/fab2008-4html>.

3.12. Who is responsible for obtaining a Fidelity Bond?

The plan sponsor.

3.13. Does VALIC provide a report of 5% transactions (Reportable Transactions)?

No. Per the instructions for the Schedule H, 5% transactions do not need to be reported for participant directed accounts.

3.14. Why does the Mutual Fund certification come from AIG FSB and all the reports say VALIC?

VALIC serves as the plan's custodian and record-keeper (providing the financial reporting) and offers investment options (mutual funds, separate accounts, etc.). The mutual fund investments are held in a trust through AIG FSB, which serves as a trustee and certifies the investment activity and year-end balances.

4. Participant Accounts

4.1. How are transfer election changes handled?

Clients can complete transactions using VALIC Online, VALIC by phone, meeting with a VALIC financial advisor or by calling the Contact Center and speaking with a Customer Service Representative.

4.2. How are uncashed checks handled?

Checks outstanding after 180 days are voided.

For Non-ERISA Plans:

- Within three to five business days, letters are prepared for mailing to owners according to state regulations whereby states follow either a three-year or five-year owner follow-up.
- Due diligence letters are again sent one month prior to end of the three- or five-year term when funds are remitted to the appropriate state.
- Upon receipt of response from owner, either reissue appropriate check, reverse into appropriate policy or make journal entry whereby appropriate operations teams may access funds for re-issue.

For ERISA plans:

- Outstanding checks are voided after 180 days.
- Funds are placed in Abandoned Property. The month a check is voided, a letter is mailed to the address on the check notifying the payee that the check is no longer valid and how to request a replacement. Each year, VALIC sends a follow-up search letter as long as we still have the uncashed check.

5. Group Charges and Adjustments

5.1. What does the “Advice Service Fee” denoted in the Group Charges Report refer to?

If a participant is assessed an Advice Service Fee (ASF) , it means that the participant has enrolled in either Guided Portfolio Services (GPS) or Guided Portfolio Advantage, which are fee-based services that manage a participant’s assets.

5.2. How is the Advice Service Fee calculated for an individual participant?

Advice Service Fees are asset-based fees assessed quarterly using quarter-end balances.

5.3. Why is there a positive amount, identified as Death Claim – Final, on the Group Charges Report?

The annuity product typically carries a death benefit that guarantees the beneficiary the larger of the actual account value or the contributions less withdrawals plus the guaranteed minimum rate.

This transaction appears on the Group Charges Report as a positive one because VALIC must add money to the plan in order to fulfill its contractual death benefit guarantee. In other words, the existence of the guarantee, which is part of the contract, resulted in an additional deposit into the account of one or more deceased participants.

For additional information regarding the death benefit, please see the product prospectus, which is available on our website, http://www.valic.com/prospectuses-reports_3240_424368.html.

6. Distributions

6.1. What is the difference between a Surrender, a Withdrawal, a Retirement and a Termination distribution reason code?

If an account is “surrendered” it is closed. A “withdrawal” may zero out the account balance, but the account remains open. A retirement is a distribution after the participant reaches retirement age. A termination pertains to a termination of employment.

6.2. What is a QDRO Payment?

QDRO stands for Qualified Domestic Relations Order and refers to a payment from the account to or for the benefit of an Alternate Payee, pursuant to a qualified domestic relations order.

6.3. What is the difference between a Transfer of Assets and a Rollover?

A Rollover pertains to funds distributed from the plan and rolled into another eligible retirement plan due to the participant experiencing a distributable event. A Transfer of Assets pertains to the transfer of assets from one plan to another without the participant experiencing a distributable event.

6.4. What is an early distribution?

An early distribution is any participant distribution or withdrawal paid to a participant before he attains age 59½. As it is considered an early distribution it may be subject to the 10% IRS early withdrawal penalty.

6.5. How are Surrender Charges, if applicable, calculated?

Surrender charge calculations are based on the contract. Generally, however, participants may withdraw up to 10 percent of the accumulated account value per contract year without charge. For any amount in excess of the 10 percent, the surrender charge is the lesser of: (1) five percent of the amount of all purchase payments received during the past 60 months; or (2) five percent of the amount withdrawn.

For more information, please refer to the prospectus.

7. Fixed Investments

7.1. What are the differences between Fixed Account Plus Fund, Short Term Fixed Account and Fixed-Interest Option?

The Fixed Account Plus (“FAP”) Fund and the Short Term Fixed (“STF”) Fund are available within the annuity investment platform.

The Fixed-Interest Option is available within the mutual fund investment platform.

The following is a brief overview of the fixed options. For more detail, please see the product prospectus or contract.

Interest Crediting Policies and Restrictions

Fixed Account Plus (“FAP”)

VALIC employs a modified new money interest crediting policy for the FAP. Under this policy, VALIC declares a “current” interest rate at the beginning of each month applicable to contributions received during that month. The current rate declared is guaranteed until the end of that calendar year for contributions received that month. It is the intent of VALIC, though not guaranteed, to continue to credit interest at that same rate for such contributions for an additional calendar year. At the beginning of the third calendar year, such contributions will earn interest at a new declared pool rate. This rate is established January 1 of each calendar year and guaranteed for that entire calendar year. The contractually guaranteed minimum interest rate is applicable for the lifetime of the contract.

VALIC currently permits transfers of up to 20 percent per year from the FAP option.

Short Term Fixed Account ("STF")

STF crediting rates are established on a portfolio basis, whereby all deposits in the option receive the same crediting rate, regardless of initial date of deposit.

Once a transfer has been made into the STF Account, no transfers from this account will be permitted for 90 days.

Fixed-Interest Option

The Fixed-Interest Option interest rate is declared monthly with interest credited on a daily basis at an annual effective rate. The product offers an annual minimum crediting rate set at the beginning of each year, as well as a contract minimum rate guaranteed. The product credits interest under a portfolio interest crediting method in which all deposits receive the same return regardless of date of initial deposit.

No sales charges will be applied to contributions, and no surrender charges will apply to distributions.

A participant can make transfers out of the Fixed-Interest Option to mutual fund options (at any time) or indirectly to a "competing fixed option" (subject to a 90-day equity wash provision). A competing option includes any other vendor offering benefits under the plan and any money market or short-term bond fund within the fund line-up.

Plan sponsor-directed or induced transfers from the Fixed-Interest Option to another investment option under the plan would be restricted to 20 percent per year or would be subject to a market value adjustment.

7.2. Are the fixed balances considered FDIC insured? Are they commingled with the general assets of VALIC?

VALIC fixed assets are not FDIC insured. All fixed accounts in VALIC annuities are held as part of the general assets of VALIC.

7.3 Do the fixed options have expense ratios/expenses?

Fixed options are considered spread products. VALIC earns the difference between the rate paid under the terms of the contract and what is earned by VALIC on the invested assets.

8. Fair Market Value and FAS 157

8.1 Is the actual crediting rate the declared crediting rate or the minimum guaranteed interest rate?

Crediting rate shown in the table is the declared crediting rate. Actual rate credited will be the higher of the declared rate or the guaranteed minimum rate (whichever is the higher). The rate used to calculate the average yield is based on the declared crediting rates.

The declared rate is the amount that the insurance company will pay on new deposits into the account. This rate will last on the new money, or on the value that is in the annuity, for a period of time. There are various methods that are used to pay interest on the rate.

The guaranteed rate is the minimum rate that will be paid by the insurance company on the contract. This is the rate that is set in the contract and regardless of market conditions will be paid by the insurance company on the annuity.

8.2 What is the Fixed Interest Option?

The GFUA is a group fixed unallocated annuity featuring a highly competitive current interest rate. The rate is declared monthly with interest credited on a daily basis at an annual effective rate. The product offers an annual minimum crediting rate set at the beginning of each year, as well as a contract minimum rate guaranteed. The product credits interest under a portfolio interest crediting method in which all deposits receive the same return regardless of date of initial deposit.

No sales charges will apply to contributions, and no surrender charges will apply to distributions.

A participant can make transfers out of the Fixed Interest Option to mutual fund options (at any time) or indirectly to a "competing fixed option" (subject to a 90-day equity wash provision). A competing option includes any other vendor offering benefits under the plan and any money market or short-term bond fund within the fund line-up.

Plan sponsor-directed or induced transfers from the Fixed Interest Option to another investment option under the plan would be restricted to 20 percent per year or would be subject to a market value adjustment.

8.3 What is Fair Value?

Fair Value = (Contract Value - Surrender Charges)

According to Paragraph 12 of FASB Statement 107, which applies to "deposit liabilities with no defined maturity," the Fair Value is the amount which is payable on demand on the reporting date. If all participants were eligible for a distribution of their full accounts from the plan on the reporting date, the amount payable on demand on the reporting date would be the Contract Value.

In the event that full value of the account could not be paid upon demand, such as amounts subject to the GFUA Market Value Adjustment (MVA), the "fair value" estimates are based upon "demand value" for the contract, i.e., the amount due to the contract holder under the surrender provisions of the contract.

VALIC is the right partner for your organization. Our group retirement plans offer a flexible mix of services, technology and support, allowing us to easily customize plans for groups both large and small. With more than half a century of experience, we help Americans plan for and enjoy a secure retirement.

Serving nearly 24,000 group plans, VALIC is a leading plan provider for healthcare, higher education, K-12, government and other not-for-profit institutions.

We are committed to the same unchanging standard of one-on-one service we have delivered since our founding. Our goal is to help your employees live retirement on their terms.

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