

SECRETARY OF LABOR  
WASHINGTON, D.C. 20210

MAR 26 2009

The Honorable Herb Kohl  
Chairman  
Special Committee on Aging  
United States Senate  
Washington, DC 20510-6400

Dear Chairman Kohl:

Thank you for your letter sharing both your concerns and the preliminary findings of your Committee with regard to target date funds.

Your letter observes that the target date funds in 401(k) plans are designed to simplify long-term investing by automatically adjusting to more conservative investments as the targeted retirement date approaches and, therefore, have the potential to help millions of America's workers save for retirement. However, given the variation in equity holdings among funds with the same targeted retirement date and the fact that some funds may maintain significant investments in equities near or at the targeted retirement date, participants may be unknowingly overexposing their retirement savings to financial risks.

Please be assured that I share your commitment to protecting the retirement security of all of America's workers. In this regard, I have requested the staff of the Employee Benefits Security Administration to begin an immediate review of the issues raised in your letter, as well as the recommendations of the 2008 ERISA Advisory Council relating to target date funds. I have further requested that this review be coordinated with the staff of the Securities and Exchange Commission. Upon completion of our review, we will determine what regulatory or other guidance is necessary to address the identified problems.

Again, I appreciate your interest in this important issue and look forward to working with you and the members of the Special Committee on Aging on pension and other issues critical to America's workers.

Sincerely,



HILDA L. SOLIS  
Secretary of Labor