
From: Dan Rausch [mailto:dan@upnorthtradingco.com]

Sent: Monday, May 03, 2010 11:40 AM

To: EBSA, E-ORI - EBSA

Subject: RIN: 1210-AB33

Thank you for the opportunity to submit my comments regarding the issue of lifetime income options for participants and beneficiaries in retirement plans. Due to the cost savings for plan sponsors, the trend has been and will continue to be away from defined benefit plans and to defined contribution plans so this is an important issue. My comments will be limited to the issue of whether the proposed rules, if or when they are finalized, will allow voluntary access to, and use of, lifetime income or other arrangements designed to provide a stream of income after retirement (hereafter called an annuity) versus requiring such use (question 13).

It is my belief that having the option to take an annuity from a defined contribution plan or IRA would be beneficial for certain individuals, however, I am against requiring such use for everyone. Currently there is no uniform system in place to allow an individual access to an annuity upon retirement from an employer who sponsors a defined contribution plan or has an IRA. This could easily be changed by allowing tax free direct rollovers from defined contribution plans or IRAs to annuity issuers with the future requirement that all annuity payments would be fully taxable unless there has been non-deductible contributions made to the plan. In such a case, the portion of the annuity payment that represents a return of basis would be tax free. This way, anyone who desires an annuity at retirement could get one and would not force those participants who want to have more control over their investments and timing of their distributions into such an arrangement.

If your intent with these proposed rules goes beyond encouraging the use of annuities at retirement and instead looks to require participation in employer plans and restrict investment choices, I would have to say I am opposed to that. Where I believe it is very important for everyone to take control of their own future in retirement by saving enough throughout their working career, I in no way in favor of forcing someone to do so. If someone is forced to work their entire life because they have not saved enough to retire or chose current gratification instead of future security, that is their issue. We already have a system in place in this country to provide retirement security for workers. It is called social security. If you really want to ensure everyone's retirement is more secure, turn your focus to social security and figure out ways to improve it and make it more secure.

Thank you again for allowing me to submit my comments.

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