
From: Dom Dupre [mailto:dom@southlandinternational.com]
Sent: Wednesday, October 15, 2008 12:05 PM
To: EBSA, E-ORI - EBSA
Subject: EBSA Release Number: 08-0269-NAT

This comment is in regard to the proposed changes to the timeliness of Safe Harbor 401k Plan contributions.

I understand the DOL's position on employers making timely deposits. Some companies may hold and use employees' deductions for their own benefit. Although, I believe this is extremely rare given the fact that the current regulations work. Requiring employers to make deposits on employee contributions 7 working days after each payroll is unreasonable. Private companies, unlike the Federal Government, have limited resources and time to process this type of transaction especially on a weekly basis, which is the timeframe that my company will have to use. Making these contributions is not as simple as making a Federal Tax Deposit. In our case we currently have approximately 115 out of 230 employees who contribute to our 401k Plan. We currently send employee contributions and matching contributions at the beginning of each month. The calculations take approximately 3 to 4 hours per month. With your proposed regulations the amount deducted from the employees' checks would have to be made within 7 working days after the check dates. These amounts have to be submitted individually, by employee, to the 401k Service Provider. Comparisons will have to be made to the current and previous payrolls in order to determine what amounts should be deposited to each employee's account since our current payroll reports only provide monthly amounts. The calculations have to be performed manually. This, in my opinion, will open up a large window for errors to be made. If the DOL decides that the matching contributions must also be made in this manor, the potential probability for errors will be increased. These new regulations will also increase the time spent on Form 5500 Audits since these regulations will dramatically increase the difficulty of the audit process creating more expenses for the employer. Making timely contributions is very important but at what expense.

If the current regulations work, why try to fix a problem that does not exist in turn creating more problems for employers that are currently over burdened by regulations. This is a wonderful benefit. Hopefully these proposed regulations will not discourage employers from offering these benefits.

Sincerely,

Dom Dupre

P.S. This is my personal opinion not the opinion of my employer.