

From: Andy Langlois [mailto:andy.langlois@mormac.com]
Sent: Monday, June 10, 2013 2:23 PM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB20

Dear Sir or Madam:

In respect of the advance notice of rulemaking for benefit statements for defined benefit plans, please consider the following comments:

1. Both of the proposed illustrations should be prepared for the joint lives of the participant and spouse together (the ERISA default), unless the enrollment is for a single person or a member whose spouse has consented to forego the spousal protection built into ERISA.
2. Presentation of the illustration of the current accumulated benefit should be done for the normal retirement date, the same date as for the illustration with continued projected benefits, so as to enable a participant to directly compare where one is today with where one may be if continued working until normal retirement date. Both illustrations would show the benefit expected upon reaching normal retirement date.
3. In making said illustrations the plan sponsor should be permitted a choice to use the actuarial assumptions employed in the sponsor's audited statements as an acceptable alternative to any default Department of Labor or IRS assumptions; for sponsors not having audited financial statements the DoL or IRS should promulgate (i) a safe-harbor default reference for the mortality table; (ii) a safe-harbor default earnings rate; and a safe-harbor default discount rate(s)/interest rate(s) for use in converting the projected accumulation at retirement into the single or joint life annuity stream.
4. Presentation of an illustration for information purposes shall explicitly be deemed "AN ILLUSTRATION AND NOT A PROMISE OF SPECIFIC BENEFITS; ONLY THE PLAN DOCUMENTS SHALL GOVERN ACTUAL BENEFITS".
5. A plan sponsor shall have no obligation to prepare illustrations for plans provided by other businesses or institutions, nor to include the results of illustrations from others.
6. Illustrations will not be required more frequently than once each calendar year.
7. The cost of preparing illustrations shall be a permitted expense of a plan.

Most folks will not understand any of the actuarial or other calculations behind these illustrations and the illustrations should be kept as straight-forward and simple as possible for all – those who receive them, those who prepare them, and those who will review them.

Although I am a Chief Financial Officer of a corporation, Interlake Steamship Company, I am writing this as an individual. I have family members that could use these proposed illustrations if they are in a reasonably understandable form and am hoping that my comments promote that end.

Sincerely,

Andrew P. Langlois