August 8, 2013

Via email at e-ORI@dol.gov

Re: Comments on RIN 1210-AB20

Dear Sir or Madam,

I am writing in response to the Department’s request for comments on RIN 1210-AB20, focusing on lifetime income illustrations given to participants in defined contribution pension plans, as published in the Federal Register on July 15, 2013. United Actuarial Services Inc. (UAS) is an actuarial and consulting services firm specializing in providing services to multiemployer pension and health and welfare plans. UAS had its genesis as the actuarial division of third party administration firm TIC International Corporation. Effective in 2002, UAS became a freestanding corporation under common control with TIC. TIC and UAS have been in business since 1951 providing consulting, actuarial and administrative services to multiemployer clients.

We have over 160 client funds in 27 states ranging from New York to Montana. Many of our clients have been with us for over 25 years, and some for over 35 years. In fact, a number of the multiemployer plans operating today were designed and established by TIC/UAS.

Our comments would echo that of others who have noted the potential cause of confusion by providing information about a benefit the plan does not offer. Many defined contribution plans do not offer a lifetime annuity option. Requiring plan sponsors to describe the potential value of a benefit that doesn’t exist would add to the glut of information already heaped on participants.

Such a requirement also seems to overstep the statutory bounds of ERISA Section 105, which requires benefit statements to report only “benefits accrued” and vesting information. A defined contribution plan’s accrued benefit is defined as “the balance of the individual’s account.” Thus, disclosing the account balance is all that is required by the statute.

While encouraging individuals to be more aware of the need to plan for a possibly lengthy retirement is a laudable goal, there are better ways to accomplish this than
by foisting off on plan sponsors the job of getting into the "lifetime income annuity prediction" business. There are retirement calculators and advisors aplenty who will work with participants to provide meaningful numbers based on the participant’s individual situation.

The Department could accomplish the goal of increasing retirement income awareness by outreach methods and other avenues instead of just larding on another questionable duty on already overburdened plan sponsors.

For these and the other many detailed reasons set forth in comments by other commenters, we would request the Department reconsider requiring lifetime income illustrations, etc., from plan sponsors of defined contribution plans.

Sincerely,

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