
From: Schiavi, Vincent[SMTP:VSCHIAVI@SDFINANCIALADVISORS.COM]
Sent: Tuesday, September 21, 2010 3:15:23 PM
To: Della, Gloria - OPA
Subject: 401 ks and annuities
Auto forwarded by a Rule

Please pass these comments along to the individuals considering income options for retirees.

Please, please, please do NOT be swayed by the insurance industry's push to become an even bigger player in retirement plans. For goodness sake, on a daily basis they deplete the value of millions of 401(k) accounts as a result of high administrative fees and expenses. Time after time I come across 401(k) plans administered by insurance companies with the worst investment options, high annual costs, and inflexible management. Please do NOT allow them to retain control of these depleted accounts by locking participants into a default option to purchase an annuity. Annuities are just layered in fees as well. There is nothing stopping participants from buying an annuity with their 401(k) payout – should they decide (or be “sold”) that that is a worthy option.

I implore you not to look to insurance companies to increase the financial security of our citizens in retirement. If anything doing so will lead to lower payouts, exorbitant surrender charges, and depleted estates. All you will be doing is contributing to the financial security of insurance company executives and their families for generations to come.

If you want to really help Americans, require that all 401(k) providers have fully transparent costs and fees. In plain language let them know how much of their contribution, and that of their employer, is eaten up in fees. Maybe that will result in more lower cost providers.

Vincent A. Schiavi, CFP®, CPA/PFS
Schiavi + Dattani
2710 Centerville Road, Suite 201
Wilmington, DE 19808
Ph: 302.994.4444
Fax: 302.994.4443
www.SDfinancialadvisors.com

Pursuant to requirements of IRS circular 230, any U.S. tax advice contained in the body of this e-mail was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.

This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.