
From: Josh Shapiro [mailto:jshapiro@nccmp.org]
Sent: Monday, August 16, 2010 1:33 PM
To: EBSA, E-ORI - EBSA
Cc: RDefrehn@nccmp.org
Subject: Lifetime Income Joint Hearing

Dear sir or madam:

On May 3, 2010, The National Coordinating Committee for Multiemployer Plans (NCCMP) submitted comments to the Department of Labor and the Treasury Department in response to the Request for Information related to Lifetime Income from Retirement Plans. As a follow-up to the request for information, the agencies recently announced that they will conduct a hearing on the subject of retirement plan lifetime income options. The NCCMP requests the privilege of testifying at this hearing.

The notice of hearing identifies 5 topics that the hearing will address. While we would be happy to discuss each of the 5 topics, we have identified the following 2 areas as being particularly relevant to our anticipated testimony:

Topic 1 – Certain Specific Participant Concerns Affecting the Choice of Lifetime Income Relative to Other Options.

Topic 5 – Alternative Designs of In-Plan and Distribution Lifetime Income Options

An outline of the main points we anticipate addressing in our testimony are as follows:

- Retirement benefits payable as annuities offer vastly superior retirement income security than do retirement benefits payable as single sums
- Despite this superiority, the overwhelming majority of participants who are able to choose between an annuity and a single sum select the single sum
- Given the enormous current disparity, it is unlikely that any amount of participant education or incentive will meaningfully change the election patterns
- In order to improve the overall retirement security of Americans, the agencies should pursue the following:
 - Encourage renewed growth in defined benefit plans, particularly those that do not offer single sum benefits
 - Encourage defined contribution plans to require annuity distributions for prospective company contributions (matching contributions, profit sharing, etc)
 - Improve the market for individual annuity purchases, either through increased competition, regulation, or direct government intervention in the market

Thank you for the opportunity to submit comments on this vitally important subject, and we hope that you will permit us to share our thoughts with you at the hearing.

Sincerely,

Josh Shapiro

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