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July 2, 2014

Office of Regulations and Interpretations  
Employee Benefits Security Administration  
Room N-5655  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, DC 20210

Attention: RIN 1210-AB38; Target Date Disclosure

To The Department of Labor/Employee Benefits Security Administration:

Transamerica Retirement Solutions ("Transamerica") appreciates the opportunity to comment on the proposed enhancement of the disclosure concerning target date funds ("TDF"), originally proposed November 30, 2010 by the Department of Labor ("DOL") and re-opened for comment June 3, 2014. The proposed enhancement would require an explanation of the TDF's asset allocation, how the asset allocation would change over time, and the point in which the TDF would reach its most conservative asset allocation. The proposal also included the requirement of a possible chart or graph which would illustrate the asset allocation and portfolio risk changes over time, with the goal of helping participants and beneficiaries better understand how these investments operate.<sup>1</sup>

Transamerica is a leading provider of retirement plan services for small to large organizations, serving over 23,000 plans<sup>2</sup> nationally. Transamerica has also taken a leadership position in the campaign to educate participants about the dangers of insufficient retirement readiness, and the development of tools to better assist participants in understanding their retirement outlook. Given our industry position and the consistent increase in the number of Plan Sponsors that have chosen to utilize TDF's as their qualified default investment alternative (QDIA), Transamerica has considerable experience with the development and delivery of the current QDIA notices. We support the overall goal of providing fund disclosures that will help lead to higher participant participation and savings.

First, Transamerica would like to applaud the DOL for coordinating so closely with the Securities and Exchange Commission to ensure that there will be consistency between the two agencies' disclosure requirements. Absent such coordination, and the considerable effort to ensure complimentary

<sup>1</sup> 75 Fed. Reg. 73987 (Nov. 30, 2010)

<sup>2</sup> Plans under management as of December 31, 2013

*Transamerica Retirement Solutions Corporation ("Transamerica") provides retirement plan recordkeeping and administrative services. Insurance products and services are made available by Transamerica Life Insurance Company, 4333 Edgewood Road NE, Cedar Rapids, IA 52499 or Transamerica Financial Life Insurance Company, 440 Mamaroneck Ave., Harrison, NY 10528. [Securities products and services are offered through Diversified Investors Securities Corp., 440 Mamaroneck Ave., Harrison, NY 10528. All are Transamerica-affiliated companies.*

requirements, all parties involved in, and using, TDFs would be confused and much less likely to manage compliance appropriately.

The largest concern that we would like to convey to the Department for consideration is in regards to the actual implementation of any change. Implementing glide path charts and obtaining verbiage from the actual fund companies regarding the asset allocation often requires close and complex coordination with outside vendors. The development of the data transmission and dynamic fund performance communication materials involved in such an implementation, both internally and with outside vendors, would require extensive resources and appropriate development, testing and implementation time. Transamerica would therefore request that the DOL provide for a least eighteen months, and more appropriately twenty four months, before the new requirements must be implemented.

Additionally, it would make strategic sense to roll out the changes for an off-calendar year implementation date. The vast majority of QDIA notices are produced in October/November for qualified plans with a January 1 plan anniversary. When implementing significant changes, such as the display of a glide path illustration within the QDIA notice, it is always preferable to establish an effective date when a smaller group of plans and participants will be impacted, thus minimizing exposure risk in case there are any complications. Therefore, targeting the first implementation of the proposed changes for a non-peak plan date, such as April 1, would be most prudent.

Last, we would request that the Department consider the complexity of their proposal and the potential cost that might be incurred to implement the changes versus the benefit to the participants. Before deciding upon the most detailed and complicated possible glide path chart proposed, would we ask that the Department factor into their reasoning the fact that participants will ultimately be paying the costs for these changes. With the well-documented goal of reducing the costs associated with retirement plans for participants, requiring an intricate and costly chart may not best support overarching disclosure/cost effectiveness goals, especially when a simpler chart, or other exemplar tools, may just as useful, and perhaps more understandable to the average participant.

Transamerica appreciates the opportunity to comment on the TDF Proposed Enhancement, and we thank you for your time and the consideration that you have given to our letter.

Sincerely,



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Transamerica Retirement Solutions

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