Sent: Thursday, August 28, 2014 4:56 PM
To: EBSA, E-ORI - EBSA
Subject: Please keep BrokerageLink accounts in 401(k)

I understand the need for scrutiny for something new like brokerage linked accounts in 401(k)s but I think my employer (ATK) does a pretty good job of safeguarding the average if not the above average investor with their account with Fidelity.

1) It doesn't cost extra (I pay a small fixed yearly fee for the index funds in my main 401K)
2) You have to fill out a form to get it – you can't just start doing it; you have to want it bad enough
3) You can only transfer up to half of your account into it
4) You can only trade mutual funds (no ETFs, stocks etc)
5) A Flat one-time fee ($75) is typically only charged for index funds or specialty funds; most mutual funds are no-load.

In my experience the one size fits all approach of 401Ks typically leave me wanting more flexibility, particularly in the areas of foreign market mutual funds, atypical bond funds (emerging marking, higher yields, reits) and specialty areas (e.g., utilities). These are particularly wanting in every 401k I've been in and the main reason I ended up transferring my 401k holding into an IRA – more flexibility – even though there is the concern about protection from creditors with an IRA.

Perhaps brokerage linked 401k accounts should be like options in a IRA – you can get them but you have to claim a level of competency over a number of years before you can.

And I certainly would say that some level of protection like what I have is perhaps in order.

The bottom line, however, is that people lose money in their 401ks because they panic when the market goes down a lot and sell when it is really too late. It is really about educating people about what to do (and not to do) to get the best returns from their long term retirement investments.

Kirk

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