



The University of Oklahoma

COLLEGE OF LAW

June 30, 2005

Office of Participant Assistance
Employee Benefits Security Administration
U.S. Department of Labor, Room N-5623
200 Constitution Avenue, N.W.
Washington, DC 20210
Attention: "2006 National Summit on Retirement Savings"

Re: Written comments on suggestions for the agenda for the 2006 National Summit on Retirement Savings

Dear Sir or Madam:

In response to your request for information, comment request no. 2, I am writing to recommend that the next National Summit have a panel that considers additional ways that the Internal Revenue Service and the Social Security Administration could encourage participation in Individual Retirement Accounts and other retirement savings programs. I am writing in my individual capacity as the Alfred P. Murrah Professor of Law at the University of Oklahoma where I teach courses on tax and pension law. It was my privilege to serve as a delegate to both the 1998 and 2002 National Summits on Retirement Savings.

Individuals deal with the Internal Revenue Service when they start new jobs, when they file their annual income tax returns, and when they get their refunds. Perhaps, these opportunities could be used to inform individuals about Individual Retirement Accounts (IRAs), payroll-deduction IRA programs,¹ and other employer-sponsored plans. For example, when individuals start new jobs, the IRS Form W-4, Employee's Withholding Allowance Certificate, or accompanying materials could inform the employees of their various opportunities to save through IRAs or other available employer-sponsored plans.

Employers also deal with the Internal Revenue Service when they start businesses and file returns. Perhaps, even more could be done to encourage (or require) employers to offer at least a payroll-deduction IRA program to their employees. Perhaps, we might even move in the direction of automatic enrollment arrangements for payroll-deduction IRAs, along the lines of those already authorized for 401(k) plans. Such automatic enrollment arrangements would help ensure that workers get modest IRAs, unless they elect out.

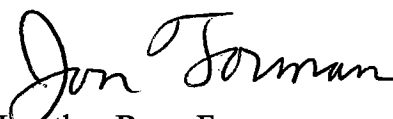
¹ Under a payroll-deduction program, an employee may contribute to an IRA by electing to have the employer withhold amounts from the employee's paycheck and forward those amounts to the employee's IRA. Payroll-deduction contributions are included in the employee's wages for the taxable year, but (in the case of contributions to traditional IRAs) the employee may deduct the contributions on the employee's tax return, subject to the usual limits.

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Individuals deal with the Social Security Administration less often—when they need a Social Security card or are applying for benefits. However, the Social Security Administration also sends annual Social Security Statements to every worker and former worker over the age of 25 (see <http://www.ssa.gov/mystatement/>). Those mailings offer an excellent opportunity to inform workers about their need for additional retirement savings and to provide those workers with information about IRAs and employer-sponsored plans.

Thank you for this opportunity to share my views.

Sincerely,

A handwritten signature in black ink that reads "Jon Forman". The signature is written in a cursive style with a large, stylized "J" and "F".

Jonathan Barry Forman
Alfred P. Murrah Professor of Law