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General Comment

Small plans (less than 100 participants) should be exempted from these new requirements. In many cases, these plans utilize investment vehicles that are not specifically designed for retirement plan accounts and thus the investment vehicle does not provide the plan sponsor with any tools, options, or features that allow them to easily meet government requirements. For example, a plan that uses Charles Schwab brokerage accounts must provide the supplemental PPA information regarding balanced portfolios or permitted disparity as a separate document to participants as this language is not included on the participant benefit statements that are provided by the investment vehicle. While the creation and provision of this additional document is currently inexpensive and simple, creating a statement addendum that contains lifetime benefit projections will require an onerous amount of work that will result in increased fees and an overall reduction in the number of small companies offering retirement plans to their employees. If the goal of this regulation is to reduce the number of defined contribution retirement plans and to increase the fees paid on those that remain, then the idea is a great one, however as I doubt that is the intention then I have to comment on the counter-productive nature of the proposal. While large corporations may be able to mitigate the costs associated by choosing more expensive investment vehicles or hiring on staff data entry personnel, small businesses will be unable to conform and will terminate their plans.

Additionally, if we remove the cost of implementing this regulation as a factor, the usefulness (or lack thereof) of providing this information still reflects how poorly formed the idea really is. Defined Contribution plans are called that because the Benefit is not defined, but rather the Contribution. Any projected benefit will likely vary significantly from year to year and will never approach an accurate number.