AllianceBernstein

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Submitted Electronically: *e-ORI @ dol.gov*

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

Re: Pension Benefit Statements; Advance Notice of Proposed Rulemaking (RIN 1210-AB20)

Ladies and Gentlemen:

On behalf of AllianceBernstein, thank you for the opportunity to comment on the advance notice of proposed rulemaking ("ANPRM") related to the inclusion of lifetime income illustrations in participant benefit statements. AllianceBernstein is a global asset management firm headquartered in New York with approximately $435 billion in assets under management. We want to commend the department's strong and continued interest in removing barriers to the adoption and use of lifetime income solutions within employer-sponsored retirement plans.

We strongly support the regulation as a means of helping plan participants translate their retirement savings into a lifetime stream of retirement income. Establishing this universal bridge from wealth to income will have a profound effect on the retirement security of participants by promoting greater saving and planning. We fully agree with the overall intent and approach of the proposed rules which is designed as a simple, deterministic and "for life" approach for participants, but equally provides the safe harbor provision that would give plan fiduciaries the confidence of a common methodology that can be adapted using generally accepted principles.

My comments will focus on a few key areas to strengthen the regulation, foster innovation and help Americans secure a better and more confident retirement.

First, the regulation could enhance the income illustrations by allowing for flexibility around the assumed age of retirement. Unlike other key assumptions—such as inflation and rate of return—the age of retirement is more than just an assumption in the calculation of retirement income: it's a critical variable in each participant's ability to plan for and achieve their desired level of retirement income. Having a singular lens through which participants can view the tradeoff between greater savings and a delayed retirement is important to planning but it is also a necessity for many workers as historical savings may simply not be enough to achieve their retirement income goals.

This is particularly helpful for those nearing retirement. Allowing them to vary the assumed age of retirement within the safe harbor guidelines will help them establish a better understanding of the tradeoff between greater retirement savings and a delayed retirement, thus more fully engaging them in planning.

Second, the regulation could further bolster the adoption of lifetime income solutions by factoring into the calculations in-plan annuity options—solutions that truly protect against outliving one's retirement assets. Providing a simple but consistent view of lifetime income will ensure that in-plan solutions are integrated into the calculation. To the extent that a participant has accumulated annuity purchases, we would recommend that this stream of future income be used in the calculation of current and projected income. All future contributions and growth should be projected using the rule's designated assumptions. The ANPRM offers several alternatives to factor in-plan annuities into the income illustrations. We would recommend the approach that adds the total guaranteed monthly payment amount derived from all of a participant's in-plan annuity units to the estimated monthly payment amount of the non-annuity portion of the participant's account. The other approaches to factor in-plan annuities into the projections could increase the risk that participants may infer that they have a true stream of lifetime income, which could result in the unintended consequence of reducing the adoption of in-plan lifetime income options.

Finally, the framing of the retirement income disclosures will greatly impact the savings and annuitization behavior of plan participants. Establishing a common framework that fosters innovation and participant engagement is critical. We would recommend that the display of current and projected income be framed in a manner that reduces the risk of "implied guarantees" by equally promoting the value and security from "true guarantees." Separating the uncertainty of estimated retirement income from the certainty of lifetime income will provide greater clarity and context for participants' key planning decisions and issues.

We believe the proposed rule and alternatives we've outlined will foster greater innovation and better communication practices, which should encourage recordkeepers and providers to invest in technology that engages participants through personalization and interactivity.

Thank you for the opportunity to provide our views on the ANPRM. If you have any questions or would like additional information, please do not hesitate to contact me.

Sincerely,

Mark Fortier /cm

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