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To: EBSA, E-ORI - EBSA
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In general: the U.S. government should have nothing whatsoever to do with my 401K, and under no circumstances should mandate or coerce a conversion to government securities. I should point out that most 401K plans already allow some form of investment in government securities; the comments below only apply to involuntary conversions.

1. From the standpoint of plan participants, what are the advantages and disadvantages for participants of receiving some or all of their benefits in the form of lifetime payments?

Aside from the fact that the money is invested in potentially worthless government securities (given the mounting national debt and interest payments), an assumption must be made regarding the potential lifespan of the participant. It's one thing for me to make this as a private individual, leaving any remainder to my next-of-kin. It's another for a government bureaucrat to make this assumption, knowing that the government would receive any remainder after my death.

2. Currently the vast majority of individuals who have the option of receiving a lump sum distribution or ad hoc periodic payments from their retirement plan or IRA choose to do so and do not select a lifetime income option. What explains the low usage rate of lifetime income arrangements? Is it the result of a market failure or other factors (e.g., cost, complexity of products, adverse selection, poor decision-making by consumers, desire for flexibility to respond to unexpected financial needs, counterparty risk of seller insolvency, etc.)? Are there steps that the Agencies could or should take to overcome at least some of the concerns that keep plan participants from requesting or electing lifetime income?

See above. Individuals generally want to control their own resources, not leave the decisions up to others who may have contrary interests. The best thing that the Agencies can do is to assure that I have the power to make my own decisions and control my own resources and investments.

3. through 8. Various options are available depending on your employer and the plan provider that they choose. We use Wachovia (https://www.wachovia.com/personal/wachretirement), their plans are available on their website.

9. What are the advantages and disadvantages from the standpoint of the plan sponsor of providing an in-plan option for lifetime income as opposed to leaving to participants the task of securing a lifetime income vehicle after receiving a plan distribution?

The former is better for those who have little financial knowledge, the latter for those who know what they're doing. I will point out that if I choose the former, I'd rather get my advice from a paid financial adviser that I know is working for me.

10. How commonly do plan sponsors offer participants the explicit choice of using a portion of their account balances to purchase a lifetime annuity, while leaving the rest in the plan or taking it as a lump sum distribution or a series of ad hoc distributions? Why do some plan sponsors make this partial annuity option available while others do not? Would expanded offering of such partial annuity options -- or particular ways of presenting or framing such choices to participants -- be desirable and would this likely make a difference in whether participants select a lifetime annuity option?

Why does the government care? This is between myself and the financial company.

11. Various “behavioral” strategies for encouraging greater use of lifetime income have been implemented or suggested....

I view this as unwarranted government intrusion into my affairs.

12. How should participants determine what portion (if any) of their account balance to annuitize? Should that portion be based on basic or necessary expenses in retirement?
That depends on what my personal goals are.

13. Should some form of lifetime income distribution option be required for defined contribution plans....

No.

14. What are the impediments to plan sponsors’ including lifetime income options in their plans....

None except the preferences that the provider gives.

15. What are the advantages and disadvantages of approaches that combine annuities with other products (reverse mortgages, long term care insurance), and how prevalent are these combined products in the marketplace?

The main disadvantage is the possibility of surviving past the end of the annuity.

16. Are there differences across demographic groups (for example men vs. women) that should be considered and reflected in any retirement security program? Can adjustments for any differences be made within existing statutory authority?

Generally a husband provides for a surviving wife and children; otherwise no.

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