From: Mike Hautzinger [mailto:mhffemtp53@wi.rr.com]
Sent: Friday, April 23, 2010 12:18 AM
To: EBSA, E-ORI - EBSA
Cc: Reid, David; Fuchs, Greg; Gonzalez, Danny
Subject: ERISA feedback

Dear DOL,

Thank you for looking into the subject of pension reform and lifetime income options. I am a Firefighter/Paramedic in the state of Illinois. I'm in a defined benefit pension plan, of which I contribute about 9.5% of my wages each and every pay period. I also contribute to a 457 plan, and max out a Roth IRA. I take retirement saving very seriously and I would like to give you a snapshot of what I see. First, there was a GREAT article in the 10/19/09 issue of Time Magazine titled, "Why It's Time to Retire the 401(k) (And what you can do instead)" I don't think that 401(k), 457, plans, etc. are the answer. The marketplace is full of sharks. The employee has little if any say in which company he is forced to invest with, and is often forced to choose from a short list of overpriced managed mutual funds. These funds have so much investment overlap into one another in order to save the fund provider money in doing their research. It goes on & on . . . The employee's only glimmer of light is the (often) limited selection of index funds. Then when it is all said & done it will be taxed as ordinary income.

Then there is the pension fund. As I said the employees contribute every two weeks. In our case, the local pension board hires an Actuary to compute what the municipality is to contribute. The state Actuary comes up with a figure as well. Then the municipality spends tax money to hire a third Actuary to come up with the lowest amount of the three. THEN the local government cries "Broke!" and doesn't even fund the pension to the amount that their own Actuary came up with. They then spend money on things that most of us could not believe; getting involved in improving the community by purchasing properties at the height of the real estate boom only to spend more money to develop the land and attempt to sell the new properties when the real estate market goes bust. (You know, buy high sell low!) Then they try to back out of the deal, the developer sues & wins a large sum. This all goes on for years under the radar. The ones who create the mess retire, loose an election, or no longer seek office, and ride off into the sunset with their children's babysitter. (Turns out the wife couldn't trust em either.) Then the stock market hiccups and the new set of jokers begin to cry, "Pension Crisis! We can't get out from under these terrible pension obligations".

The problem never has been the pension obligations of local governments. The employees pay their contributions, and the employers, government officials, village boards, cities, etc. do not. It's just that simple. It eventually catches up with them after years of relying on the market performance to hide their mismanagement and here we are. It sounds like a bad joke, but this is reality. The only answer that I can see is to **keep ALL elected officials (and those that they appoint to office) away from the money** whatever you do.

Thank You,

Michael Hautzinger

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