



March 25, 2013

G. Christopher Cosby  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue NW  
N-5718  
Washington, DC 20210

Re: Proposed Information Collection Request Submitted for Public Comment;  
Survey Regarding Pension Benefit Statements

Dear Mr. Cosby:

AARP writes to express our views concerning the Department's proposed collection of information regarding a survey and focus groups that will ask respondents to answer questions related to information presented in benefit statements received from their retirement plans.

We commend the Department for its commitment and continuing work to ensure that all retirement plan participants and beneficiaries have access to retirement plan, investment, and benefit information presented in a manner that is understandable to them. The research and data collection being proposed by the Department would be of great utility to participants and beneficiaries by better enabling them to make more informed decisions concerning their plan and their retirement.

AARP's main concern with the information collection proposed is a methodological one: it may too heavily skew toward internet users, and thereby skew the results on what constitutes an understandable format for benefit statements. The proposal states that the Department will survey an established household Internet panel on topics such as investment allocations, financial goals, expected retirement dates, preferences for paper or electronic documents, etc., and that different statement formats will be tested on "survey participants" – presumably the same ALP internet panel. The proposal also states that the Department will conduct focus groups consisting of non-panel members, and that these focus groups will be used to explore whether and how to make statements more understandable. It is unclear whether the non-panel members participating in the focus groups will also include internet users, will be purposively composed of those who do not use the internet in order to balance out the sample, or be some combination of the two. However, any study methodology that excludes or undersamples persons who do not or cannot use the internet will not adequately account for the needs and preferences of all participants and beneficiaries.

While AARP acknowledges that the number of individuals who are comfortable and literate with internet access and other electronic technology will continue to increase, a substantial number of retirement plan participants and beneficiaries have no access to or facility with the internet, now or in the foreseeable future. Some of the demographic groups who are most in need of the retirement benefits they receive from their job, and are most in need of good information about how to invest and manage their account balances – including black and Hispanic workers, those with lower educational attainment, and lower-wage workers -- are the same demographic groups who lack adequate access to the internet. See U.S. Census Bureau, Reported Internet Usage for Individuals 3 Years and Older, by Selected Characteristics: 2009 (CPS, Oct. 2009), *available at* <http://www.census.gov/hhes/computer/publications/2009.html>. It is critical that retirement benefit statements be clear and understandable to these demographic groups and others without internet access.

In addition to limiting *who* is in the survey sample, a survey design that tests benefit statement formats presented on a computer may also affect *what* is considered an understandable format. The method of presentation of information on pension benefit statements may differ depending on how that information is accessed -- how this information is presented on paper will be different than on a website and different again if the information is accessed from a personal electronic device. AARP recently conducted a study of retirement plan participants' preferences for receiving pension plan information in electronic form via email or in paper form via US mail. R. Perron, Paper by Choice: People of all ages prefer to receive retirement plan information on paper (AARP, Nov. 2012), *available at* [http://www.aarp.org/content/dam/aarp/research/surveys\\_statistics/consume/2012/Paper-by-Choice-People-of-all-ages-prefer-to-receive-retirement-plan-information-on-paper-AARP.pdf](http://www.aarp.org/content/dam/aarp/research/surveys_statistics/consume/2012/Paper-by-Choice-People-of-all-ages-prefer-to-receive-retirement-plan-information-on-paper-AARP.pdf). In addition to finding an overwhelming preference by respondents of *all* ages for receiving retirement plan documents in paper format rather than in electronic form, respondents said they were more likely both to *read and save* retirement documents that are on paper rather than in electronic form. In other words, retirement information presented on a computer screen may not be read and understood in the same way as information presented on paper. In summary, AARP urges the Department to find a way to survey plan participants who do not regularly have access to the internet, and to test benefit statement formats with both internet users and nonusers.

Benefit statements that are presented in a way that is easy to understand and helpful are more likely to be used to weigh the advantages and disadvantages of available investment options and to make informed decisions than statements that are confusing and obscure. Using plain language when possible and providing clear definitions of financial terminology may help to improve participants' understanding of the information. In addition, layout and design elements can also be used to enhance understanding of key information in the form. For example, using bold type, underlining, bullets, and borders to highlight important information may enhance comprehension by drawing participants' attention to it. While charts and tables are a viable way to convey information, testing to ensure participants think the specific charts and tables contained in the form are helpful would be beneficial. Finally, the Department may want to inquire of those respondents who prefer to receive their information electronically whether links to interactive retirement and Social Security calculators are helpful and should be part of the benefit statement.

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Ensuring participants' receipt of complete, accurate, understandable, meaningful and timely information, in a manner in which they are able to process and preserve the information, will assist them in making informed decisions and enhancing their retirement security. We believe that the Department's efforts, taking into account the issues and concerns raised above, can help participants reach their retirement goals.

Sincerely,

A handwritten signature in black ink, appearing to read "David Certner", with a long horizontal flourish extending to the right.

David Certner  
Legislative Counsel &  
Legislative Policy Director  
Government Affairs