
Agencies Seek Public Input on Lifetime Income Options

By Editor Test *Wed, Feb 3, 2010*

Two government agencies want your advice on how to include lifetime annuities or other income arrangements as distribution options in employer-sponsored retirement plans.

The U.S. Departments of Labor and the Treasury want your advice on how to enhance retirement security for workers by including lifetime annuities or other arrangements as distribution options in employer-sponsored retirement plans. The request for information (RFI) appears in yesterday's edition of the Federal Register.

"Today's initiative is particularly important given the shift from defined benefit plans that offer employees lifetime annuities to 401(k) and other defined contribution plans that typically distribute retirement savings in a lump sum payment," said Phyllis C. Borzi, assistant secretary for the Labor Department's Employee Benefits Security Administration.

The RFI seeks comments on a broad range of topics, including:

- The advantages and disadvantages of distributing benefits as a lifetime stream of income both for workers and employers, and why lump sum distributions are chosen more often than a lifetime income option.
- The type of information participants need to make informed decisions in selecting the form of retirement income.
- Disclosure of participants' retirement income in the form of account balances as well as in the form of lifetime streams of payment.
- Developments in the marketplace that relate to annuities and other lifetime income options.

Written comments responding to the lifetime income RFI may be addressed to the U.S. Department of Labor, Office of Regulations and Interpretations, Employee Benefits Security Administration, N-5655, 200 Constitution Ave. NW, Washington, DC 20210, Attn: Lifetime Income RFI. The public also may submit comments electronically by email to E-ORI@dol.gov or through the federal e-rulemaking portal at <http://www.regulations.gov>.