
ING Responds to Income RFI

By Editor Test *Wed, May 5, 2010*

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ING Insurance U.S. announced today that it has filed suggestions and comments in response to the Department of Labor and the Department of Treasury (the Agencies) joint request for information on lifetime income options for participants and beneficiaries in retirement plans.

Through its filing, ING supports a number of key positions with respect to lifetime income products, while recognizing certain items need to be addressed in order for these products to be more widely embraced by employees who save in a workplace plan. These include the following:

1. ING broadly supports investing in guaranteed lifetime income options within a retirement plan. Retail products, such as individual IRAs or guaranteed income annuities, are also important vehicles for consumers to plan for and manage retirement assets.
2. Regulations must be simplified and clarified in order to address employer fiduciary and administrative concerns. Employers and plan fiduciaries should be given a streamlined fiduciary standard with more objective criteria than exists under current ERISA regulations. Some of the administrative burdens that come with carrying annuities need to be eased in order to attract more employers to offer these types of products.
3. The workplace is the best time to reach participants with materials, resources and communications that can increase their financial literacy and positively influence their behavior.
4. Offering and investing in guaranteed lifetime income options should be encouraged but not mandated. Plan sponsors and participants indicates a prefer choice and control when it comes to plan design and benefit distribution matters.
5. A desirable strategy for many workers would include investing a portion of one's retirement assets in a lifetime income product. Plans that offer lifetime income distribution strategies tend to present this option to employees as an "all or nothing" decision with respect to their account balance. ING favors steps that would encourage individuals to complete a financial plan and then commit only an appropriate portion of their account balance to a guaranteed income stream, while retaining control of the uncommitted balance.