



AMERICAN BENEFITS  
COUNCIL

August 15, 2018  
NR 2018-17

## NEWS RELEASE

**For additional information:**

Jason Hammersla  
202-289-6700

*Council describes survey results to ERISA Advisory Council:*  
**More fiduciary protection needed to encourage  
expanded lifetime retirement income options**

WASHINGTON, D.C. — “A clear, simple safe harbor is a necessary first step to increase the interest of plan sponsors in adding lifetime income options to their plans,” said Lynn Dudley, American Benefits Council senior vice president, global retirement and compensation policy, told the ERISA Advisory Council on August 15.

[The Council’s testimony](#) before the U.S. Department of Labor panel focused on the numerous obstacles to lifetime income options in workplace retirement plans, including fiduciary liability, lack of demand by participants and the need for greater education. Dudley’s remarks were based on [an informal poll of its plan sponsor members](#) with questions related to lifetime income in defined contribution plans.

Of the 93 company responses received by the Council, only 13 (14%) indicated that their organization offers a lifetime income option as part of their defined contribution retirement savings plan. Of the 76 organizations that do not, almost two-thirds might consider such an option in the future, but for these organizations the leading cause of hesitation was “potential fiduciary liability,” followed closely by “lack of demand from participants.”

When asked to identify the most useful potential policy change to address these concerns, the most popular response was the establishment of a “better safe harbor for selecting an annuity provider,” to protect employers from lawsuits under ERISA’s fiduciary standard.

“With this low demand for lifetime income options, employers may be hesitant to take on potential fiduciary liability for an option for which few employees have expressed an interest,” Dudley told the panel.

The Council’s most recent public policy strategic plan, [A 2020 Vision, Flexibility and the Future of Employee Benefits](#), recommended DOL “consider including fiduciary safe harbors when issuing regulatory guidance affecting retirement savings plans, without stifling innovation. Rules... should provide clarity that employers can rely upon to avoid breaching fiduciary responsibilities. At the same time, such rules should avoid limitations on the development of new and more effective tools.”

“We recognize the challenge inherent in this recommendation and believe that a public private partnership is critically important to success as we seek better solutions for individuals and their families to the challenges presented by longevity risk and managing income through the retirement years,” Dudley concluded.

For more information, or to arrange an interview with Dudley, contact Jason Hammersla, Council vice president of communications, at [jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

###

*The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council’s members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.*