



AMERICAN BENEFITS COUNCIL

January 6, 2020

Internal Revenue Service
CC:PA:PR (REG-132210-18)
1111 Constitution Avenue NW
Washington, DC 20224

Re: Proposed Life Expectancy and Distribution Period Tables (REG-132210-18)

Dear Sir or Madam:

On behalf of the American Benefits Council (“the Council”), I am writing in support of the proposed update of the life expectancy and distribution period tables (“Life Expectancy Tables”) used for purposes of determining required minimum distributions under Internal Revenue Code Section 401(a)(9). The updated tables reflect the increases in mortality and longevity since the Department of the Treasury and Internal Revenue Service (IRS) last updated the Life Expectancy Tables. Accordingly, the updated Life Expectancy Tables should make it less likely that American workers will outlive savings earned through employer-sponsored retirement plans.

The Council is a Washington D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and families. Council members include over 220 of the world's largest corporations and collectively either directly sponsor or support sponsors of health and retirement benefits for virtually all Americans covered by employer-provided plans.

The Council supports the proposed update of the Life Expectancy Tables.

Through Executive Order 13847, the Secretary of the Treasury was directed to examine the Life Expectancy Tables and determine whether they should be updated to reflect current mortality data. As explained in the preamble to the proposal, the purpose of such an update is to “increase the effectiveness of tax-favored retirement programs by allowing retirees to retain sufficient retirement savings in these programs for their

later years.” The Council believes that the proposed update will achieve this stated purpose.

With Americans living longer and working later than ever before in some cases, it is important for regulators to take actions like this to make it less likely that American workers outlive their retirement savings. Accordingly, we support the proposed update of the Life Expectancy Tables as it will slow down the rate by which retirees are required to take distributions from employer-sponsored retirement plans in a way that is consistent with increased life expectancies.

The Council supports periodic updates every ten years

The preamble to the proposal specifically requests comments on “how often the life expectancy and distribution period tables ... should be updated.” In response to this question, the Council encourages Treasury and IRS to update the Life Expectancy Tables periodically, but not more frequently than every 10 years.

While the Council believes that the tables being proposed are appropriate, we also understand that there will be costs associated with the implementation of the updated tables. These costs are justified when they are spread out over many years and the updates reflect meaningful increases in life expectancy. These costs would, however, create concerns if they occur too frequently and do not provide meaningful benefits to retirees.

Thank you for your consideration of our views and please feel free to contact me at 202-289-6700 or ldudley@abcstaff.org with any questions or if we can be helpful with respect to this important project.

Sincerely,

A handwritten signature in black ink that reads "Lynn D. Dudley". The signature is written in a cursive, flowing style.

Lynn D. Dudley
Senior Vice President, Global Retirement and Compensation Policy