



**AMERICAN BENEFITS**  

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**COUNCIL**

**BENEFITS BRIEFING WEBINAR:  
Retirement Plan Benefit Statement  
Proposed Regulations, Part II  
July 26, 2013**

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# Background

- **Department of Labor & Treasury Interest in Lifetime Income**
  - Request for Information February 2010
  - Council files comment letter and testifies at RFI hearing
  - Treasury releases first round of guidance February 2012
  - Council files comment letters and testifies on QLAC and partial annuity proposal

# Background

- ② **“Advance” Notice of Proposed Rulemaking**
  - Distinction between “request for information” and formal proposal
- ② **DOL reasons for using ANPRM**
- ② **Effect on timing of final rule**
- ② **Deadline for comments extended to August 7, 2013**

# Proposal

## ② Plans affected

- Defined contribution (individual account) plans
- ERISA-governed only, not:
  - Governmental & church plans
  - Non-ERISA 403(b) plans
  - IRAs

## ② Would be included in periodic benefit statements

- Quarterly for participant-directed plans
- Annually for other defined contribution plans

# Proposed Disclosure

- ◉ Current account balance, using “fair market value” as of last day of period
- ◉ Projected account balance at normal retirement age
  - Omit if participant has reached normal retirement age
- ◉ Current account balance expressed as a monthly lifetime income stream
- ◉ Projected account balance expressed as a monthly lifetime income stream
- ◉ Disclosures of assumptions and that numbers are illustrations only

# Additional Comments Sought

- ◉ Comments generally sought on all aspects of the proposal
- ◉ Mandate
- ◉ Frequency of disclosure
- ◉ Addressing insurance “load”
- ◉ In-plan annuities
- ◉ FINRA rules
  - Rule 2210 prohibits predicting or projecting performance or implying past performance will recur

# Council Issues

## • Input needed:

- Mandate
- Flexibility versus uniformity
- Annuity versus installment versus either
- Protection from liability
- Alternative means of providing illustrations
  - DOL website
  - Plan website
- Safe harbor assumptions