

**FOR IMMEDIATE RELEASE**  
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## **ASPPA to Testify on Lifetime Income Options for Retirement Plans *Fiduciary Liability an Issue in Offering of Lifetime Income Options***

**ARLINGTON, VA (September 14, 2010)** – *The following is a statement of Sheldon H. Smith, president of the American Society of Pension Professionals & Actuaries (ASPPA), in preparation for testimony regarding Lifetime Income Options for retirement plan participants and beneficiaries before a [joint hearing](#) of the U.S. Department of Treasury and U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) on Wednesday September 15 at 11:30 am.*

“Millions of baby boomers who are set to retire over the next few years face a seismic shift in thinking, departing from an accumulation of wealth to making their ‘lump sum’ retirement funds last a lifetime. Bridging the gap from accumulation to decumulation will also require a change in thinking for financial service providers as well as regulators.

We support common sense rules on the offering of lifetime income products and encourage regulators to consider the burdensome cost of implementing a mandated option in lieu of a diversity of market driven products. While we don’t favor a particular product or retirement strategy, we believe regulation shouldn’t overload employers who sponsor retirement plans with a regimented product structure but instead offer guidance that allows for flexibility and innovation within the marketplace.

The primary barrier to the availability of lifetime income options in defined contribution plans, centers on fiduciary liability in the selection and monitoring of these offerings, as well as issuer solvency. As a result, most employers favor the safe path of requiring a lump sum distribution of assets to avoid these issues. Consequently, the rollover of funds results in a leakage of assets from the retirement system which if not dispersed could be leveraged to provide savings throughout retirement.

In my testimony, I call for the establishment of a broad safe harbor for annuities and alternative products that extends beyond current regulations. A meaningful safe harbor would provide plan fiduciaries—particularly fiduciaries to small business retirement plans—the ability to rely on solvency determinations made by EBSA and Treasury through a listing of providers rated by federal and/or state regulators.

We urge DOL and Treasury to ensure that these rules are neither burdensome nor expensive, thereby reducing the obstacles plans sponsors face in offering lifetime income options to their participants.”

*For more information on ASPPA’s position on lifetime income, see the following resources:*

- *View our September 13, 2010 video update on YouTube [here](#).*
- *Read our [comment letter on DOL’s RFI on lifetime income](#) filed on May 5, 2010*
- *Read a summary key findings on Lifetime Income from the joint ASPPA, AARP & WISER’s [Lifetime Income Summit](#) on May 20, 2010.*

*Read ASPPA’s testimony [here](#). A live webcast of the hearing is available at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).*

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**About ASPPA:** The American Society of Pension Professionals & Actuaries (ASPPA) is a national organization of more than 7,000 retirement plan and benefits professionals that serves as the educator, voice, and advocate for the employer-based retirement system. ASPPA members are administrators, actuaries, advisors, attorneys, accountants, and other financial services professionals who provide consulting and administrative services for qualified retirement plans.