

From: Mark Shemtob [mailto:mshemtob@abarllc.com]
Sent: Thursday, July 18, 2013 1:22 PM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB20

I support the initiative launched by the DOL helping individuals to better plan for lifetime income needs in retirement. My responses are based on my experiences from alternative points of view. First I own and have managed a third party record-keeper/actuarial firm for over 30 years that provides compliance services to over 500 small employers that maintain defined contribution plans. Secondly I am a Certified Financial Planner that provides hourly only fee based counseling services to retirees and near term retirees where lifetime income generation is an important part of my services. And I am a small business owner as well as a pre retiree who will be considering my own retirement within the next decade. My comments are based upon a balance from all 4 perspectives.

I am concerned that the disclosure approach being presented by the DOL requires too many assumptions and that would require disclaimers and explanations that would cause the disclosure to be too wordy and complex. The following is crucial.

1. The disclosure must be brief and easy to understand with limited disclaimers
2. The disclosure must be easy to implement by employers; especially smaller ones
3. The disclosure should serve as the catalyst for individuals to pursue additional retirement planning education by directing them to a source with comprehensive materials; I believe a dedicated DOL website is the most appropriate destination.

A proposed disclosure is as follows:

As of December 31, 2013, your account balance under the Company 401k Plan was \$30,000. For 2013 the contributions to your account totaled \$5,000. Assuming that for future years the same level of contributions is maintained, it is expected that as of age 65 your account balance will be \$100,000. This balance would provide a monthly benefit of \$800 for a period of 20 years.

The above is based upon investment return projections that may not be realized. In addition it is based upon assumptions regarding future contribution levels, your retirement age, and how long you will need your retirement savings to last. You should not rely on this projection for retirement planning. There are many factors you should consider in your planning. By visiting DOL WEBSITE you will find valuable resources that will help you to make the transition into retirement a smooth one. Included is a calculator where you can use your own assumptions to better estimate your retirement income.

Comments:

Each employer should select assumptions with a safe harbor range provided by the DOL for the following:

1. Future investment earnings while still working
2. Expected retirement age
3. The number of years that benefits to last
4. The rate of return on post retirement investments

Though I generally support comprehensive disclaimers, the content and complexity of proposed disclosure will be of limited value to the majority of plan participants. We should not attempt to provide useful retirement planning information on 2 sheets of paper full of disclaimers and explanations. The purpose of the disclosure must be to direct individuals to sources where comprehensive unbiased education is available.

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