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Request for Information Regarding Lifetime Income Options for Participants and Beneficiaries in Retirement Plans

Comment On: EBSA-2010-0007-0001
Request for Information Regarding Lifetime Income Options

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General Comment

Annuity is a very bad word. You spend so much time and effort building up the nest egg only for someone else to dictate how much of that money you get per periodic payment period for the rest of your life with you giving up all control of such money to someone else. I would rather just do the investing myself and rely on my own self study on this very retirement topic I have done. Not only that, but I don't like the idea of taking the risk they are going to be there the whole time I'm living. If they aren't, I will lose out on such payments while still living.

What that self study took into account:

Inflation, Taxation, Longevity, Health, Economic and Investment risks

Assume both spouses may be in a nursing home for a period of 10 years just as a relative of mine was in a nursing home for 10 years.

Assuming one went to college until the age of 25 but could not put into a retirement plan until the age of 30 due to financial constraints and heavy payments on student loans with low income levels (Yes, I was in this boat myself)

Assume one retires when the market is at it's peak and about to go into a bear market time period though most wouldn't know it until it's too late.

Assume one lives to the age of 130 years just as a couple of people in the bible did.

SSA benefits expected to significantly drop like a rock about the time I retire (maybe when I'm 72 years of age when it's expected to be bankrupted with me retiring 2 years earlier)

Based on these things, found the following:

Between the ages of 30 and 70, put away 25% of gross income into retirement funds so as to amass enough funds to have a multiple of 50 of annual wages.

Withdraw only 2% of total investable assets per year.

Now you saying, how is this possible given the RMD rules?

it's possible, but only via the ROTH IRA means as the RMD rules is the perfect formula to outlive your money. ROTH IRAs doesn't have the standard RMD rules as do all other retirement plans.