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Sent: Thursday, April 29, 2010 10:23 AM

To: EBSA, E-ORI - EBSA

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Subject: Response to Lifetime Income Options for Participants and Beneficiaries in Retirement Plans

As an individual who is currently contributing to a Roth IRA and will be drawing a Government sponsored (military) pension; I would like to make the following comments reference the Lifetime Income Options for participants and Beneficiaries in Retirement Plans. These comments are reference to the first two questions on the RFI.

1. I believe there are only disadvantages with any plan where individuals voluntarily or are mandated to convert their current IRAs, 401(k)s, or other personal retirement accounts into Government controlled annuities.

The first disadvantage is the U.S. Government's inability to effectively manage this type of program and keep it financially solvent. This financial ineptness is demonstrated in the U.S. Government's management of its current annuity program, Social Security. Every month millions of people pay into a Social Security "trust fund", a trust fund that has "supposedly" been funded by a \$2.4 trillion dollar surplus since 1983. However, the truth is that there is no real money in the trust fund, only IOUs. This is compounded by the fact that the program is now running at a deficit level. As the Office of Management and Budget (OMB) said in 2000, "These balances are available to finance future benefit payments only in a bookkeeping sense. They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits, or other expenditures". The bottom line is why should I, or the American people, trust the Government to manage more of our retirement assets when they have already demonstrated their incompetence with Social Security; raiding the trust fund and leaving taxpayers and future generations with the bill.

The second disadvantage is the fact that Government annuities would invariably be based on the purchase of U.S. Treasury Bonds whose interest rates may provide woefully inadequate compensation when compared to other types of investments. This disadvantage is compounded when you include the fact that the Government has intentionally suppressed Treasury yields during the current recessionary period and is likely to do so in the future, especially if they now must provide the American public a return on their investment. Finally I believe either voluntarily or forcing individual Americans to convert their personal retirement accounts into Government annuities through the purchase of Treasury bonds would drastically increase Government spending or be used for purposes other than supporting an individual's retirement. Just as the politicians have raided the

Social Security trust fund, they would use this new revenue stream to immediately pay for new spending.

The third disadvantage would be the addition of another Government run program and bureaucracy resulting in increased individual dependency on the U.S. Government. In reality this program would continue to destroy individual responsibility and financial independence; two elements critical to the future success of our country. This type of program would strip away a personal choice and replace it with a Government mandate, supplanting personal financial freedom with decisions based on political philosophy or programs.

The bottom line is that I should have the freedom and responsibility to make my own financial decisions reference retirement while having as many investing options as possible. This is the only way that I will have an opportunity to achieve some level of financial independence. Instituting a Government run retirement annuity option will only increase individual dependency on Government while significantly limiting the potential for financial benefit.

2. I believe the premise behind this question, that there is a disadvantage to people not selecting a lifetime income option, is faulty. Contrary to your stated factor of "poor decision-making by consumers", I believe consumers who have an IRA or 401(k) are very knowledgeable about their financial situations and make decisions based on their needs and what is best for them. Selecting a lifetime income option while appropriate for some individuals is not appropriate for all. This is especially true since people can normally achieve a higher rate of return on investments outside of a lifetime type annuity.