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Filed Electronically to e-ORI@dol.gov

June 6, 2011

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave., NW
Washington DC 20210

Re: RIN 1210-AB50 – Request for Information Regarding Electronic Disclosure by Employee Benefit Plans

Ladies and Gentlemen:

On behalf of T. Rowe Price Group, Inc. and its subsidiary companies (“T. Rowe Price”),¹ thank you for this opportunity to respond to the U.S. Department of Labor’s “Request for Information Regarding Electronic Disclosure by Employee Benefit Plans” (“RFI”).² The stated purpose of the review is to explore whether, and possibly how, to expand or modify the Department’s 2002 standards for electronic distribution of plan disclosures required under the Employee Retirement Income Security Act of 1974 (“ERISA”), taking into account current technology, best practices and the need to protect the rights and interests of participants and beneficiaries.

SUMMARY

While we have provided detailed answers to the specific questions raised in the RFI below, T. Rowe Price urges that the standards set forth by the Department in the 2002 regulations³ be modified for the following reasons:

1. The availability of the Internet to the vast majority of households in the U.S. and the success of website delivery of participant benefit statements under Field Assistance Bulletin 2006-3 demonstrate that the current safe harbor is not necessary to ensure receipt of ERISA disclosures by plan participants, beneficiaries and other specified individuals. In fact, low usage of the current safe harbor is evidence that the safe harbor is not workable and that the requirements need to be revised and modernized.

¹ T. Rowe Price Group, Inc. is a financial services holding company that, through its subsidiaries, provides investment advisory services to individual and institutional investors in the sponsored T. Rowe Price mutual funds and other investment portfolios. Through its subsidiary T. Rowe Price Retirement Plan Services, Inc. (“RPS”), it provides recordkeeping and plan administrative services in its full-service defined contribution plan business to over 1,123 retirement plans, with 1,839,323 plan participants (as of March 31, 2011). T. Rowe Price also provides plan recordkeeping services to midmarket plans and, via its Retail affiliate, to small plans. The statistics in this letter are provided only for the full-service retirement plan business.

² 76 Fed. Reg. 19285 (April 7, 2011).

³ 29 C.F.R. § 2520.104b-1(c).

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2. Replacing the current unduly restrictive safe harbor for electronic delivery with a general standard for electronic delivery of disclosures required under ERISA will allow for website delivery, other forms of electronic delivery currently available and new or evolving technologies that might impact electronic disclosure in the future. Such general standard will further the goals of Executive Order 13563, "Improving Regulation and Regulatory Review," which reaffirms the importance of achieving regulatory goals through the most innovative and least burdensome tools available.
3. Website delivery of disclosures required under ERISA, using standards set forth in FAB 2006-03, should be added as an example of acceptable delivery under a general safe harbor or added as a second safe harbor. Website delivery is superior to paper delivery in many respects. Some of the clear advantages of website delivery over paper delivery are as follows: (i) it permits delivery of plan and participant specific information through a secure channel; (ii) it permits participants to view and search data more easily than on paper; (iii) it allows participants to click to view additional layers of information, which will facilitate compliance with the Department's regulations for participant-level fee disclosures⁴; (iv) it is less costly than paper delivery; (v) it is more protective of the environment than paper delivery; and (vi) undeliverable mail is more easily and quickly detected than undelivered paper mail. The Department should recognize electronic delivery as a best practice, embrace modernizing its delivery standards and encourage delivery of notices electronically.

Access & Usage Questions

1. *What percentage of people in this country has access to the Internet at work or home? Of this percentage, what percentage has access at work versus at home? Does access vary by demographic groups (e.g., age, socioeconomic, race, national origin, etc.)?*

Based upon data from Forrester Research:⁵

78% of U.S. Households have Internet access

68% of U.S. households have broadband Internet access

80% of U.S. Individuals have a cell phone

17% of U.S. Individuals have a web capable smart phone – all of these phones have Internet access plans.

The Forrester Research study generally shows that digital technologies took an increasingly pivotal role in consumers' lives, which trend is continuing.

⁴ 29 C.F.R. § 2550.404a-5.

⁵ See Forrester Research' The State of Consumers and Technology: Benchmark 2010, US (Updated: October 29, 2010).

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2. *What percentage of participants and beneficiaries covered by an ERISA plan has access to the Internet at work or home? Of this percentage, what percentage has access at work, at home, or both? Does access vary by demographic groups (e.g., age, socioeconomic, race, national origin, etc.)? What percentage of participants and beneficiaries uses the Internet to access private information such as personal bank accounts?*

We find that our retirement plan customers generally have broad access to the Internet at home and/or work, via computers, smart phones, and other devices (e.g., iPads and tablets). The retirement plan website is widely used by participants and beneficiaries to receive information and perform transactions in their retirement plans. The use of our new mobile website is increasing. See response to question number 3 for additional information.

3. *What percentage of pension benefit plans covered by ERISA currently furnish some or all disclosures required by ERISA electronically to some or all participants and beneficiaries covered under these plans? Please be specific regarding types of plans (e.g., single-employer plans versus multiemployer plans, defined benefit pension plans versus defined contribution pension plans, etc.), types of participants and beneficiaries (e.g., active, retired, deferred vested participants) and types of disclosures (e.g., all required title I disclosures versus select disclosures).*

Currently, participant benefit statements are the only disclosures required by Title I of ERISA that T. Rowe Price provides electronically for its retirement plan clients. We make website delivery of benefit statements available to 100% of our full-service clients. The website method of delivery of participant benefit statements was designed to meet the requirements of FAB 2006-03, which delivery method has met with great approval from our plan sponsor clients, participants and beneficiaries. For the majority of plans, the continuous website method of delivery is the default method of delivery only for participants and beneficiaries for whom we have an e-mail address on file. A small number of plans use the continuous website as the default method of delivery regardless of whether participants have provided e-mail addresses. For participants who have not provided e-mail addresses, the initial and annual notice of the availability of website delivery is provided in paper by U.S. mail and an annual paper statement also is provided via U.S. mail. Under this modified use of the FAB

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website delivery, currently 51% of participants receive only electronic benefit statements via the continuous website; 42% of participants receive paper benefit statements because we do not have an e-mail address on file and 7% of participants receive paper statements because they opted out of electronic delivery. (Note that T. Rowe Price has not required the provision of e-mail addresses. Currently, less than 20% of employers have provided workplace e-mail addresses for their employees. Approximately 80% of the e-mail addresses on file are provided directly by participants over the retirement plan website.)

4. *What percentage of employee welfare benefit plans covered by ERISA currently furnish some or all disclosures required by ERISA electronically to some or all participants and beneficiaries covered under these plans? Please be specific regarding types of welfare plans (e.g., health, disability, etc.), types of participants and beneficiaries (e.g., active employees, retirees, COBRA Qualified Beneficiaries, etc.) and types of disclosures (e.g., all required title I disclosures versus select disclosures).*

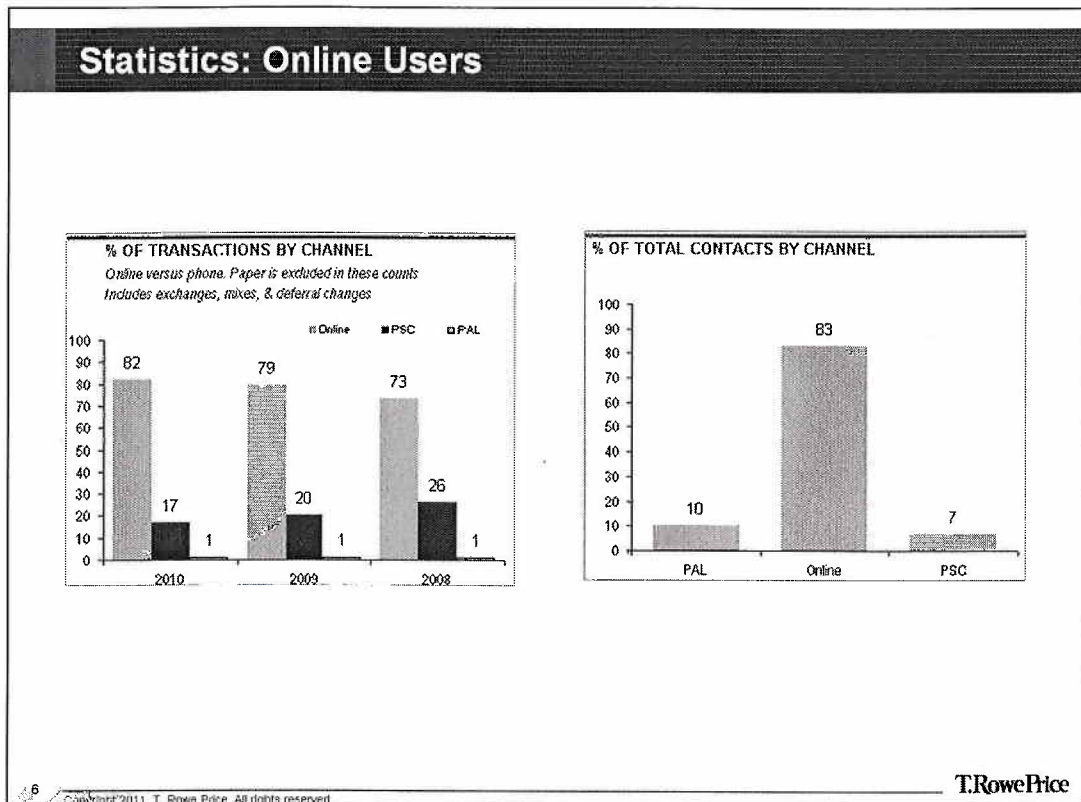
No response is provided.

5. *What are the most common methods of furnishing information electronically (e.g., email with attachments, continuous access Web site, etc.)?*

As noted in our response to question number 3 above, the most common method of furnishing information electronically is via a secure website, with an e-mail linking the participant to the information on the website. During 2010, for example, approximately 3.9 million e-mails were sent to notify participants and beneficiaries that quarterly benefit statements were available on the website, with an impressive successful delivery rate of 98%. Website delivery is used for plan specific information and participant specific information, as delivery can be limited to users with the required username and password corresponding to their plan and individual data.

Although not ERISA required disclosures, participants routinely use the retirement plan website to view retirement plan information, such as account and investment information, and perform plan related transactions, such as enrollments, investment elections for contributions and for existing account balances, contribution elections, e-mail address changes, beneficiary designations (except where spousal consent is required), loans and distributions.

The following figure shows the percentage of certain electronic transactions and total contacts by channel. In the figure, "PSC" means participant service center representative and "PAL" means plan account line, both of which are accessed by telephone. Although the figure only shows data for investment changes (exchanges), investment elections for new contributions (mixes) and changes to deferrals, other transactions listed above are also performed on the website.



6. *What are the most significant impediments to increasing the use of electronic media (e.g., regulatory impediments, lack of interest by participants, lack of interest by plan sponsors, access issues, technological illiteracy, privacy concerns, etc.)? What steps can be taken by employers, and others, to overcome these impediments?*

The current requirements of the Department's electronic delivery safe harbor impose the most significant impediments to increasing the use of electronic media for delivery of disclosures required by ERISA. Specifically, limiting the Department's current electronic delivery safe harbor to (1) participants who can access documents over the employer's electronic system that is an integral part of their duties or (2) to participants who affirmatively consent to receive documents electronically, severely limits the individuals who can receive documents electronically.

With respect to the first group of participants, in our experience plan sponsors strongly prefer that their recordkeeping service providers deliver participant disclosures on their behalf. Even where the service provider could make delivery to the participant's work e-mail address, less than 20% of plan sponsors have provided participant workplace e-mail addresses for the

purpose of delivery of plan-related notices. Reasons cited by plan sponsors for not permitting delivery of notices at the workplace are concerns that employees will use work time to review plan information and concerns that their internal electronic delivery systems will not have the capacity to accept delivery of the information. In addition, plan sponsors also do not provide a statement as to whether the e-mail addresses provided are at a location where the participant is reasonably expected to perform his or her duties as an employee and where access to the electronic system is an "integral part" of the employee's work duties.

With respect to obtaining participant consent to electronic delivery, only a small percentage of participants have provided affirmative consent for disclosures where this was offered. For example, website delivery of participant benefit statements was first offered on an opt-in basis. At that time, only approximately 3 % of participants and beneficiaries opted in for electronic delivery. On the other hand, when electronic delivery over the retirement plan website was made the default method of delivery with the opportunity to opt out (over the website or by a toll-free telephone number), only 10 % of participants opted out of electronic delivery since 2009, with the current opt-out rate at 7 %. Similarly, only 1-2 % of participants and beneficiaries affirmatively consented to receive prospectuses and transaction confirmations electronically. However, when electronic delivery of prospectuses and confirmations was made available over the retirement plan website in connection with a transaction, only 10 % of participants opted out of electronic delivery. Thus we believe that participant inertia rather than lack of interest is the most significant impediment to providing affirmative consent.

- 7. Is there evidence to suggest that any increase in participant and beneficiary access to, and usage of, the Internet and similar electronic media in general equates to an increased desire or willingness on the part of those participants and beneficiaries to receive employee benefit plan information electronically? If so, what is it?*

Across the board, we have found that electronic users prefer to stay in that channel. One example is electronic statements. As noted in our answer to question number 6 above, for participants and beneficiaries defaulted into electronic statements over the retirement plan website since 2009, 90 % stayed with the default to electronic statements. In addition, 90 % of participants using the retirement plan website to make an investment related transaction have consented to electronic delivery of confirmations and prospectuses, showing that once in the electronic channel, participants prefer that channel for delivery of additional disclosures. As noted above, when given the choice to affirmatively opt in for electronic delivery, participants failed to take action. We expect that the lack of action may be due to inertia.

8. *Are there any new or evolving technologies that might impact electronic disclosure in the foreseeable future?*

Yes - the adoption of smart phones, tablets and other devices that are able to access the Internet may impact electronic disclosures in the future. The advantages are that these products are Internet ready and often require the user to buy a data plan, which translates into an on-person device with 24-7 access to the Internet. Mobile devices also have the advantage of e-mail and text messaging, expanding the reach of electronic communications to plan participants and beneficiaries. T. Rowe Price launched our mobile site in October of 2010, and early mobile usage shows a different trend from desktop PC users. We find more users in industries where an employee is not at a desk with Internet access using mobile access. This includes retail, shipping and airlines.

General Questions

9. *Should the Department's current electronic disclosure safe harbor be revised? If so, why? If not, why not?*

The Department's safe harbor for electronic delivery of participant disclosures should be revised. When a safe harbor is available, plan sponsors uniformly prefer using the safe harbor to ensure legal compliance. Thus, for the safe harbor to encourage the use of electronic dissemination of information, a stated goal of Executive Order 13563, the safe harbor method of delivery must be usable by and available to as many participants and beneficiaries as possible, while also being reasonably calculated to ensure receipt of the disclosure.

As noted in the response to question number 6 above, plan sponsors that have provided workplace employee e-mails to T. Rowe Price do not provide a statement as to whether the e-mail addresses provided are at a location where the participant is reasonably expected to perform his or her duties as an employee and where access to the electronic system is an "integral part" of the employee's work duties, which would indicate compliance with the first method of the safe harbor. However, with the more widespread availability of computers since 2002 and the additional ability of terminated participants, beneficiaries and others to access data electronically from a location other than the workplace, use of workplace e-mails is no longer necessary to ensure delivery. Moreover, bounce-back notifications can be used to identify bad e-mail addresses at the workplace and beyond.

With respect to the second method under the electronic delivery safe harbor that requires affirmative consent, as well as a disclosure of (among other things) the hardware and software requirements for accessing and retaining the document, the usage by participants and beneficiaries has been very low (3 % for statements and 1-2 % for prospectuses and confirmations). In addition, as indicated in our response to question number 18, computers and mobile devices almost always come with the requisite software and hardware to access

all types of electronic formats. As the second method of the safe harbor is also not being used and is unnecessary, it also should be revised, as described in our response to question number 10 below.

10. *If the safe harbor should be revised, how should it be revised? Please be specific.*

The Department should revise the safe harbor to adopt a standard similar to the Department's general disclosure rule that requires measures reasonably calculated to ensure actual receipt of the disclosure by participants, beneficiaries and other specified individuals. As noted in the RFI, this is very similar to the IRS alternative to E-SIGN standard for electronic delivery⁶, which requires the electronic medium used to be one that the recipient has the effective ability to access. In both cases, and as recommended by the 2007 ERISA Advisory Council's "Report of the Working Group on Participant Benefit Statements" cited in the RFI, a "reasonable access" standard should be adopted. This more general standard for electronic delivery would allow plan sponsors to make their own determinations of whether e-mail delivery with an attachment or other form of electronic delivery is reasonably accessible by its participants and beneficiaries.

In addition, the safe harbor should include, either as an example of a method of delivery that meets the general safe harbor or as an additional safe harbor, electronic delivery through continuous access to a secure plan website, in accordance with the standards set forth in FAB 2006-03. T. Rowe Price has expended the resources to program and maintain this delivery method. In addition to being used for the delivery of participant benefit statements, the retirement plan website is widely used for many plan transactions, as set forth in our response to question number 5 above. On the website, participants have the ability to view and search data more easily than on paper. In addition, participants may click to view additional layers of information, such as jumping from an investment to the summary prospectus or prospectus for that investment, which will facilitate compliance with the Department's regulations for participant-level fee disclosures. Because the FAB method requires an initial and annual notice of availability of the website and affords participants and beneficiaries the right to opt out and request paper statements, this proposed safe harbor protects the rights and interests of participants and beneficiaries.

In the event that revised standards for electronic delivery are not finalized at least 120 days before the applicability date for participant-level fee disclosures, it is requested that the FAB 2006-03 standards be approved for use for that disclosure.

If the Department should decide not to adopt the FAB method as a safe harbor, it is requested that the FAB method be adopted for participants for whom an e-mail address is available, which demonstrates access to Internet and to the retirement plan website.

⁶ 26 C.F.R. § 1.401(a)-21(c)

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11. *Should a revised safe harbor have different rules or conditions for different types of employee benefit plans (e.g., pension versus welfare plans)? If so, why and what differences?*

No response is provided.

12. *Should a revised safe harbor have different rules or conditions for different types of disclosures (e.g., annual funding notice, quarterly benefit statement, COBRA election notice, etc.)? If so, why and what differences?*

Our response relates only to pension plan notices required under ERISA. We do not think that different rules or conditions are necessary for different types of pension plan disclosures. As most notices are either plan-specific or participant-specific, both require a means to limit delivery to participants in a certain plan or to individual participants. A secure website fulfills the requirement for both plans and individuals and for individuals who are actively employed or separated from employment.

The more general “reasonable access” standard would cover disclosures provided by sponsors to participants at the workplace and to terminated participants, beneficiaries and other recipients outside the workplace and would apply to access via computer, smart phone or any other means, including access via new technologies.

13. *Should a revised safe harbor have different rules or conditions for different recipients entitled to disclosures (active employees, retirees, COBRA Qualified Beneficiaries, etc.)? If yes, why, and how should the rules or conditions differ?*

It is not necessary to provide different rules or conditions for different recipients entitled to retirement plan disclosures required under ERISA. The “reasonable access” standard can be applied to all types of recipients. If a website safe harbor follows the rules of FAB 2006-03, rights of participants and beneficiaries who do not have computer access or prefer paper disclosures will be protected, as they will be provided notice of their right to request and obtain a paper document (and free of charge for disclosures where a free paper version is required by statute).

14. *To what extent should the Department encourage or require pension and welfare benefit plans to furnish some or all disclosures required under title I of ERISA through a continuous access Web site(s)? In responding to this question, please address whether and how frequently participants and beneficiaries should be notified of their ability to access benefit information at the Web site(s) and the most appropriate means to provide such notice. For example, should participants and beneficiaries receive a monthly notification of their ability to access benefit information or should they receive a notification only when an ERISA-*

required disclosure is added to the Web site? How should such notifications be furnished (e.g., paper, email, etc.)? Please also address what steps would be needed to ensure that participants and beneficiaries understand how to request and receive paper copies of the disclosures provided on the Web site(s).

As noted in our response to question number 10, we urge the Department to encourage pension plans to furnish all participant disclosures required under Title I of ERISA through a continuous access website by adopting a safe harbor to that effect as set forth in FAB 2006-03. An initial notice of availability should be provided, as well as an additional notice when an ERISA-required disclosure is added to the website. An annual notice of ability to access documents on the website and the right to request a paper document should be provided. The provision of a website address and toll-free telephone number to allow participants and beneficiaries to opt out of electronic delivery and request a paper copy of disclosures will ensure that participants and beneficiaries understand their rights.

The initial and annual notices should be provided by any means that satisfies the “reasonable access” standard, which could include website delivery, e-mail, mobile messages or paper delivery. As provided for in Executive Order 13563, a statement permitting these notices to be combined with other notices to be delivered during the same timeframe, such as annual qualified default investment alternative notices⁷ and participant-level fee disclosures, will achieve the regulatory goals through the most innovative and least burdensome tools available.

15. *Who, as between plan sponsors and participants, should decide whether disclosures are furnished electronically? For example, should participants have to opt into or out of electronic disclosures?*

Participants should be given the right to opt out of electronic delivery when electronic delivery is offered. Plan sponsors should have the right to decide whether to make an electronic system available to participants.

16. *Should a revised safe harbor contain conditions to ensure that individuals with disabilities are able to access disclosures made through electronic media, such as via continuous access Web sites? If so, please describe the conditions that would be needed. Also, please identify whether such conditions would impose any undue burdens on employee benefit plans, including the costs associated with meeting any such conditions. What burden and difficulty would be placed on employees with disabilities if the Web sites and/or other electronic communication were not accessible?*

No response is provided to this question.

⁷ 29 C.F.R. § 2550.404c-5.

Technical Questions

17. *If a plan furnishes disclosures through electronic media, under what circumstances should participants and beneficiaries have a right to opt out and receive only paper disclosures?*

Participants should be provided the right to opt out and receive paper disclosures at any time, as some participants may not have access to electronic media or may prefer paper.

18. *The Department's current regulation has provisions pertaining to hardware and software requirements for accessing and retaining electronically furnished information. In light of changes in technology, are these provisions adequate to ensure that participants and beneficiaries, especially former employees with rights to benefits under the plan, have compatible hardware and software for receiving the documents distributed to their non-work email accounts?*

Computers and mobile devices almost always come with the requisite software and hardware to access all types of electronic formats. In the event that a participant does not have the requisite software, the participant can often download it for free. We receive no feedback from customers that they cannot open documents furnished electronically over the retirement plan website.

19. *Some have indicated that the affirmative consent requirement in the Department's current electronic disclosure safe harbor is an impediment to plans that otherwise would elect to use electronic media. How specifically is this requirement an impediment? Should this requirement be eliminated? Is the affirmative consent requirement a substantial burden on electronic commerce? If yes, how? Would eliminating the requirement increase a material risk of harm to participants and beneficiaries? If yes, how? See section 104(d)(1) of E-SIGN.*

As described in the response to question number 6 above, the affirmative consent requirement is an impediment to plans that would otherwise use electronic delivery. If consent were required for electronic delivery, unnecessary notices regarding hardware and software would be required and systems would be required to capture and maintain consent. Participants routinely fail to take action to give affirmative consent, which prevents them from receiving disclosures via more efficient, effective and secure electronic media. The lack of consent for electronic delivery also results in increased costs for printing and mailing and is not environmentally friendly. The requirement for affirmative consent to electronic delivery of disclosures required under Title I of ERISA poses burdens on electronic commerce similar to those imposed by notices and consents under Title II of ERISA, which have been addressed by the Treasury Department. Because participants routinely retain electronic delivery when it is provided as a default, the lack of affirmative consent may be due to simple participant inertia -- not a lack of interest for electronic delivery. Removing affirmative consent should not increase a material risk of harm to participants and beneficiaries as the requirements for electronic disclosure are substantially similar to those imposed on non-electronic disclosures and protect the ability of participants to opt out of electronic delivery. The success of the

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current website delivery method for participant benefit statements also indicates that website delivery does not increase a material risk of harm to participants and beneficiaries.

20. *In general, the E-SIGN Act permits electronic disclosure of health plan materials but does not apply to cancellation or termination of health insurance or benefits electronically. Are there special considerations the Department should take into account for group health plan disclosures (including termination of coverage and privacy issues)?*

No response is provided.

21. *Many group health plan disclosures are time-sensitive (e.g., COBRA election notice, HIPAA certificate of creditable coverage, special enrollment notice for dependents previously denied coverage under the ACA, denials in the case of urgent care claims and appeals). Are there special considerations the Department should take into account to ensure actual receipt of time-sensitive group health plan disclosures?*

No response is provided.

22. *Do spam filters and similar measures used by non-workplace (personal) email accounts, pose particular problems that should be taken into consideration?*

Spam filters do need to be considered, but have not posed a significant problem in the past. Many personal e-mail services have very user friendly spam features. The e-mail gets delivered, the provider may tag it as potential spam, and the user can still review the e-mail, then decide to mark it as spam or not.

23. *What is the current practice for confirming that a participant received a time sensitive notice that requires a participant response?*

We currently manage e-mail bounce-backs, where immediate notification of the bounce-back is available, and distribute communications via U.S. mail to home addresses when an e-mail is determined to be undelivered. When notices are delivered via U.S. mail, it takes several weeks for mail to be returned if it was not delivered.

24. *What are current practices for ensuring that the email address on file for the participant is the most current email address? For example, what are the current practices for obtaining and updating email addresses of participants who lose their work email address upon cessation of employment or transfer to a job position that does not provide access to an employer provided computer?*

Generally we store two e-mail addresses, one entered by the user and/or one sent to us by the employer. The user entered e-mail always is the primary address and used for delivery. If an e-mail bounces, we post a message online notifying the user to verify the address. A similar message is posted for telephone representatives to request an updated e-mail address

should the participant use the telephone system. We display the e-mail address on the home landing page along with any relevant messaging around deliverability, to ensure users see the information.

Questions Regarding Economic Analysis, Paperwork Reduction Act, and Regulatory Flexibility Act

25. *What costs and benefits are associated with expanding electronic distribution of required plan disclosures? Do costs and benefits vary across different types of participants, sponsors, plans, or disclosures? Are the printing costs being transferred from plans to plan participants and beneficiaries when information is furnished electronically?*

The clear benefit with expanding electronic distribution of required plan disclosures is cost savings by eliminating printing and postage costs. There would be no change in the cost of development from documentation publishing to format the disclosure document. To demonstrate cost savings, during 2010, 3.9 million e-mails were sent to advertise the availability of quarterly benefit statements on the website. For paper statements, the average cost per participant to mail a single quarterly benefit statement was \$0.61. Thus, approximately \$ 2.4 million was saved during 2010 for participant benefit statements delivered exclusively on the retirement plan website.

The cost savings would vary depending on the size of the disclosure. The costs should not differ for different types of participants or sponsors in our full-service retirement plan customer base. Printing costs would not be transferred from plans to participants and beneficiaries when information is furnished electronically.

26. *If electronic disclosure were the default method for distributing required plan disclosures, and assuming "opting out" were an option, what percentage of participants would likely "opt-out" of electronic disclosure in order to receive paper disclosures? Should participants be informed of increased plan costs, if any, attendant to furnishing paper disclosures at the time they are afforded the option to opt out or into an electronic disclosure regime?*

Based on our current paperless statistics for quarterly statements (which defaults to paperless and gives the participant the option to opt out), approximately 7-10% will likely opt out of electronic delivery and choose paper. Any increased costs associated with furnishing paper disclosures would be disclosed as required by the participant-level fee disclosure regulation. If any participant fee were to be charged for electing out of electronic disclosure, as permitted by regulations, that fee should be disclosed at the time that the participants are afforded the choice to opt out or in to electronic disclosure.

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27. *Do participants prefer receiving certain plan documents on paper rather than electronically (e.g., summary plan descriptions versus quarterly benefit statements), and what reasons are given for such preference? Would this preference change if participants were aware of the additional cost associated with paper disclosure?*

As noted in our response to question number 7, participants in the electronic channel have indicated a preference for electronic delivery of benefit statements, prospectuses and confirmations. Also as noted in our response to question number 5, participants also use the retirement plan website for information and to process many transactions related to their retirement plans. We have no data to indicate whether the preference would change if participants were aware of the additional cost associated with paper delivery.

28. *What impact would expanding electronic disclosure have on small plans? Are there unique costs or benefits for small plans? What special considerations, if any, are required for small plans?*

Small plan sponsors generally fulfill delivery of compliance notices themselves with the assistance of recordkeeping service providers. Strict electronic delivery rules make delivery of compliance notices burdensome for small employers and generally force sponsors to meet their requirements with costly hard copy materials. Expansion of electronic delivery rules would make electronic delivery of compliance notices more accessible to smaller plans while also lowering their delivery cost.

29. *Is it more efficient to send an email with the disclosure attached (e.g., as a PDF file) versus a link to a Web site? Which means of furnishing is more secure? Which means of furnishing would increase the likelihood that a worker will receive, read, retain and act upon the disclosure?*

It is more efficient and secure to furnish disclosures by e-mail with a link to a website. PDF attachments would probably be blocked by the Internet service providers. The reasons are that combined attachment size for large volumes of e-mails sent at one time create capacity problems for networks, and large volumes of e-mails with attachments can trigger security measures as these may be targeted as a malicious attack.

Posting documents on a secure website does not pose the same capacity issues and risks of being blocked as e-mails with large attachments. A website is also more secure than e-mail. With the secure website, the user logs in with a user name and password. T. Rowe Price is adding an additional level of security to its website during 2011, under which users must answer additional security questions. Computers can be authenticated and saved and unsaved computers get additional security layers. Site image and phrase are added to prevent phishing. Additional electronic verification is required for withdrawals to authenticate the user.

It is thus more likely that participants will receive, read and act on disclosures furnished via e-mail with a link to a secure website than via e-mail with disclosures attached.

30. *Employee benefit plans often are subject to more than one applicable disclosure law (e.g., ERISA, Internal Revenue Code) and regulatory agency. To what extent would such employee benefit plans benefit from a single electronic disclosure standard?*

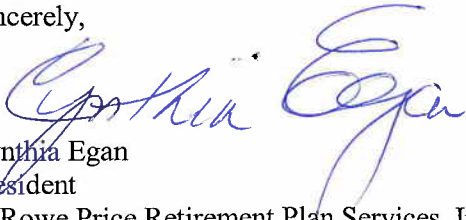
It would greatly simplify plan administration if employee benefit plans were subject to a single electronic disclosure standard. As noted in the RFI, many DOL regulations already permit use of either the IRS or DOL electronic disclosure regulations for disclosures required under ERISA. In addition, significant cost savings could be obtained by adopting a continuous website delivery as a safe harbor method for electronic delivery for both ERISA and IRS notices and disclosures. As most IRS notices as well as DOL disclosures are plan specific or participant specific, website delivery is an efficient way to deliver the notices while assuring that the notices are available only to participants in a particular plan or to participants for their own personal plan information.

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We hope you find the foregoing responses to the RFI helpful to your review of the use of electronic media to furnish disclosures required by ERISA to participants and beneficiaries. If you need additional information or you have questions regarding our responses, feel free to contact either me or Nancy Maitland at (410) 345-4677.

Sincerely,



Cynthia Egan
President
T. Rowe Price Retirement Plan Services, Inc.
(410) 345-5763