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13-November, 2006

**VIA E-MAIL**

Office of Regulations and Interpretations  
Employee Benefits Security Administration (EBSA)  
E-ORI@DOL.GOV  
Department of Labor  
Washington, DC 20210  
Attn: 29 CFR Part 2550. Default Investment Alternatives Under Participant Directed Individual Account Plans; Proposed Rule

Ladies and Gentlemen:

We are providing comments to the proposed guidelines which were published in notice form in the Federal Register on 27-September, 2006. (See Fed. Reg. Doc 06-8282). The notice states comments must be received by 13-November, 2006.

We are Deluxe Corporation, a plan sponsor of two defined contribution plans. We have over 14,000 participants, making up an asset base of \$1.6 billion dollars.

We greatly appreciate the Pension Protection Act and the guidance DOL has provided in its interpretation. We would like additional DOL clarification to allow us to implement a default investment alternative for target-date funds which are constituted as a "fund of funds" methodology.

We currently understand DOL guidance on using target-date funds as a default investment as permitting assets to be overseen by either an investment manager, (as defined in ERISA §3(38) of the Act), or by an investment company registered under the Investment Company Act of 1940.

We are writing to strongly encourage that your guidance permit a third alternative. We would like to use individual investment managers and combine the investments in a fund-of-funds approach. In our proposal there would be an array of different managers, rather than relegation to one proprietary manager who then oversees all asset classes.

The composition of each target-date fund would include different combinations of the underlying funds overseen by the professional investment managers. The targeted compositions would be designed using the expertise of our external investment consultant, a registered investment advisor that is overseen by both the SEC and DOL.

The fund-of-fund design would be fashioned with the goal of having a glide path to retirement, where assets rebalance in an increasingly conservative direction as time progresses. We believe using an outside investment consultant to design the glide path affords independence and expertise in the design process.

We request clarification from DOL which would allow us to use investment managers within low-fee separately managed accounts and collective trusts. Based on our understanding of the DOL guidance, we are unclear as to whether such an initiative would be permitted as a default investment.

Surveys we have commissioned have demonstrated to us that our system of using separately managed accounts and collective trusts is more economically compelling for participants than using an investment manager's proprietary fund family. Additionally, having an array of investment managers operating within the separately managed account structure allows us as the sponsor to offer the participants investment managers who are best-of-class.

Under our proposal, the investment manager would still have a fiduciary responsibility for the assets managed. The key difference between our proposal and that which we believe is expressed in the proposed DOL guidelines is that the participant would enjoy lower fees.

We appreciate your consideration on providing additional clarification which would incorporate our cost effective methodology as a default investment alternative to our participants. We believe modifying the guidelines as we describe above will allow the Department to achieve its goals of creating cost-effective ways for plan participants to attain risk-reducing diversification in their plan portfolios in an ongoing manner.

Please do not hesitate to contact us if there are any issues you wish to discuss further.

Sincerely,

Mark P. Kelliher, CFA