AMERICAN RETIREMENT ASSOCIATION

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Working for America's Retirement

November 27, 2019

Ms. Hilary Duke
Assistant General Counsel for Regulatory Affairs
Office of the General Counsel
Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington, DC 20005-4026

Subject: Response to PBGC's Request for Comments on Lump Sum Payment Assumptions Proposed Regulations, RIN 1212-AB41, *84 Fed. Reg. 51490* (September 30, 2019)

Dear Ms. Duke,

The American Retirement Association ("ARA") is writing in response to the request for comments on proposed changes to PBGC's regulations on Lump Sum Payment Assumptions. ARA thanks the PBGC for the opportunity to provide comments on these proposed changes.

The American Retirement Association (ARA) is a national organization of more than 26,000 members who provide a wide variety of services to American employers and sponsors of retirement plans, including investment advice, retirement plan consulting and administrative services. ARA members are a diverse group of retirement plan professionals of all disciplines including financial advisers, consultants, administrators, actuaries, accountants, and attorneys. The ARA is comprised of five premier retirement industry associations; the American Society of Pension Professionals & Actuaries (ASPPA), the ASPPA College of Pension Actuaries (ACOPA), the National Association of Plan Advisors (NAPA), the National Tax-Deferred Savings Association (NTSA), and the Plan Sponsor Council of America (PSCA).

The proposed regulations are sensible and clear. The intent of the proposed regulations is to update the actuarial assumptions used by the PBGC and the private sector to calculate benefits payable in lump sum amounts. ARA supports this proposed change, including the final 120-month average immediate and deferred rate structure for private sector plans. However, ARA is concerned that plan sponsors and third-party administrators have sufficient time to transition to this new interest rate structure. Ideally, ***ARA recommends*** a transition period of one year after the date of publication of final regulations before making the regulations effective; at the very least ARA recommends the final regulations be effective no earlier than January 1, 2021. An appropriate transition period would allow time to build or alter systems to calculate participants' benefits under the new structure, and ARA believes a transition period would result in greater compliance in following the new rules.

If you have any questions regarding the matters discussed herein, please contact Martin Pippins, ACOPA Executive Director and Director of Regulatory Policy at (703) 516-9300 ext. 146. Thank you for your time and consideration.

Sincerely,

/s/
Brian H. Graff, Esq., APM
Executive Director/CEO
American Retirement Association

/s/
Martin L. Pippins, MSPA, EA
Executive Director
ACOPA