

**Ahead of the Trends:**

**Washington Update on Retirement Savings Initiatives**

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By

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**TABLE OF CONTENTS**

**INTRODUCTION..... 3**

**I. AUTOMATIC IRAS WITH TAX CREDIT INCENTIVES..... 4**

**II. LIFETIME INCOME OPTIONS IN DEFINED CONTRIBUTION PLANS..... 8**

**III. PLAN FEE TRANSPARENCY ..... 10**

**IV. TARGET DATE ANALYSIS ..... 11**

**V. INVESTMENT ADVICE PROPOSED REGULATIONS ..... 12**

**VI. INCREASED DOL ENFORCEMENT..... 16**

**CONCLUSION..... 17**

## Introduction

*"If you work hard and meet your responsibilities, this country is going to honor our collective responsibility to you: to ensure that you can save and secure your retirement."*

—President Barack Obama

September 5, 2009

As anticipated, jobs and health care were the predominant themes of President Obama's State of the Union address in January 2010. But also mentioned was the creation of a middle class task force to, among other initiatives, "... make it easier to save for retirement by giving every worker access to a retirement account and expanding the tax credit for those who start a nest egg."

### The Middle Class Task Force

Vice President Joe Biden chairs the Middle Class Task Force, and its members consist of the Secretaries of Labor, Health and Human Services, Education, Treasury, Commerce, Housing and Urban Development, Transportation, and Agriculture; as well as the Directors of the National Economic Council, the Office of Management and Budget, the Domestic Policy Council, and the Chair of the Council of Economic Advisors.

### Issues

The administration has identified several issues that are seriously affecting the ability of U.S. workers to attain a financially secure retirement. They include the following:

- Lack of retirement savings by U.S. workers;
- Many retirees are at risk of outliving their savings;
- Lack of 401(k) fee transparency;
- Inconsistent performance of and confusion surrounding target date funds;
- Participant lack of investing knowledge and access to professional investment advice; and
- Insufficient federal oversight of ERISA governed plans.

### Agenda

In an effort to resolve these roadblocks to a secure retirement, the administration has put forth the following solutions for consideration.

- Automatic IRAs with Tax Credit Incentives
- Lifetime Income Options in Defined Contribution Plans
- Plan Fee Transparency
- Target Date Analysis
- Investment Advice Proposed Regulations
- Increased DOL Enforcement

## I. Automatic IRAs with Tax Credit Incentives

### Issue

78 million working Americans do not have access to an employer-based retirement plan.

### Proposed Solution

Require employers to offer automatic IRAs to all employees

### Proposed Effective Date

January 1, 2012.

### Background

The concept of employer-sponsored payroll deduction IRAs has been around since the beginning of IRA time (1975). They are now experiencing resurgence in the form of President Obama's proposed Automatic IRAs.

In 1975, the Department of Labor (the Department) issued a regulation describing circumstances under which the use of an employer payroll deduction program for forwarding employee monies to an individual retirement account (IRA) will not constitute an employee pension benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA). In a 1999 interpretive bulletin (IB) 99-1 the Department of Labor (DOL) stated its belief that it is important that "employers be encouraged to provide opportunities for employee retirement savings," and, for that reason, provided reassurance in the bulletin that payroll deduction IRA arrangements could be designed "that do not fall within the reach of Title I of ERISA," and its fiduciary and administrative yokes.

Despite the encouragement, few employers have adopted automatic IRA arrangements, or are even aware that they exist as an option. And so, Congress (through the introduction of The Automatic IRA Act [S. 1141 and HR 2167] and the Obama administration (through its 2010 and 2011 Budget Proposals) have felt compelled to propose mandatory Automatic IRAs.

The administration feels that by requiring employers (above a certain employee count) that do not sponsor any type of retirement plan to adapt their payroll systems and automatically enroll employees in IRAs it could achieve a major breakthrough in retirement savings coverage. The administration views the mandatory Automatic IRA as a plan stepping stone, which may lead many employers to take the next step and adopt a more sophisticated employer plan (potentially allowing for much greater tax-favored employee contributions than an IRA, plus the option of employer contributions). As an added incentive to use automatic IRAs as a stepping-stone plan, the administration wants to increase the existing small employer tax credit for the startup costs of adopting a new retirement plan to an

amount significantly higher than both its current level and the level of the proposed new automatic IRA tax credit for employers.

In addition, the process of saving and choosing investments in automatic IRAs could be simplified for employees, and costs minimized, through a standard default investment as well as electronic information and fund transfers. Workplace retirement savings arrangements made accessible to most workers also could be used as a platform to provide and promote retirement distributions over the worker's lifetime.

### Proposed Automatic IRA Requirements

Affected employers would be those

- With more than 10 employees;
- In business for at least two years; and
- Without a current retirement plan; or with a current retirement plan that excludes from eligibility a portion of the employer's work force or a class of employees.

Regarding the last criteria, a qualified plan sponsor would not have to offer automatic IRAs to employees it excludes from qualified plan participation because they

- Are covered by a collective bargaining agreement,
- Are under age 18,
- Are nonresident aliens, or
- Have not completed the plan's eligibility waiting period.

However, if the employer's qualified plan excludes from eligibility a portion of the business's work force or a class of employees, such as all employees of a subsidiary or division, then the employer would be required to offer the automatic IRA option to those excluded employees.

### Notice Requirements

The employer offering automatic IRAs would be required to give employees a standard notice and election form, which would inform them of the automatic IRA option, and allow them to elect to participate or opt out.

### Contribution Election or Opt Out

Any employee who did not provide a written participation election would automatically begin contributing to an IRA at a default rate of three percent of the employee's compensation

Employees could opt out of the automatic IRA, or opt for a lower or higher contribution rate up to the annual IRA contribution limits (i.e., \$5,000 for those under age 50 and \$6,000 for those age 50 and above).

### Traditional or Roth IRAs Acceptable

Employees could choose to have their contributions deposited to either a traditional IRA or a Roth IRA (with a Roth IRA as the default).

### The Payroll Process

The employer would make the contributions through payroll deduction and direct deposit similar to the direct deposit of employees' paychecks to their accounts at financial institutions.

The employer could choose to

- Have all payroll-deduction contributions from all participating employees transferred to a single private-sector IRA trustee or custodian designated by the employer;
- Allow each participating employee to designate the IRA provider for his or her contributions; or
- Designate that all contributions would be forwarded to a savings vehicle specified by statute or regulation.

### Who Selects the Investments?

Employers implementing payroll deduction IRAs would not be required to select a default investment for those participants who fail to provide investment direction. It is anticipated that Congress would prescribe, by statute or regulation, a low-cost, standard type of default investment and a handful of standard, low-cost investment alternatives, but no additional information is available on this point at this time.

### Employer Involvement

Employers with automatic IRA arrangements would *not be required to*

- Make contributions,
- Comply with qualified plan requirements,
- Have any responsibility or liability for determining employee eligibility to make IRA contributions; nor
- Open IRAs for employees who fail to do so.

### Proposed National Financial Education Web Site

The administration is proposing that a national web site be developed that would provide information and basic educational material regarding saving and investing for retirement, including IRA eligibility criteria. Any guidance would underscore current law, and clarify that individual employees (not their employers) would bear the ultimate responsibility for determining their eligibility for IRAs.

### Eligible for Saver's Tax Credit

Employees who contribute to automatic IRAs could receive the saver's tax credit (to the extent the contributor and the contributions would otherwise qualify). The administration supports expanding the saver's credit to more effectively encourage moderate- and lower-income individuals to save for retirement. Because it is currently nonrefundable, the saver's credit only offsets a taxpayer's income tax liability and, therefore, offers no saving incentive to those without income tax liability. Consequently, in order to provide a stronger incentive to contribute, the administration proposes to:

- Provide a fully refundable credit that effectively matches 50 percent of the first \$500 of contributions per individual;
- Increase the number of eligible households by raising the income thresholds (e.g., up to \$85,000 for married couples filing jointly);<sup>1</sup>
- Make the saver's credit more like a 401(k) plan employer matching contribution; and
- allow direct deposit of the credit in a qualified retirement plan account or IRA to which the eligible individual contributes.

Accordingly, the maximum credit would be \$250 for a single filer and \$500 for a married couple filing a joint return.

Changes to the saver's credit are proposed to be effective for taxable years beginning after December 31, 2010.

### Tax Credits for Employers

Employers could claim a temporary tax credit for making automatic IRAs available to employees. The amount of the credit for a year would be \$25 per enrolled employee up to \$250, and the credit would be available for two years. The credit would be available both to employers who are required to offer automatic IRAs, and employers who are not required to do so (for example, because they do not have more than 10 employees), but elect to offer them anyway.

In conjunction with the automatic IRA proposal, in an effort to encourage employers to upgrade to a new qualified retirement, simplified employee

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<sup>1</sup> The eligibility income threshold would be increased to \$65,000 for married couples filing jointly, \$48,750 for heads of households, and \$32,500 for single taxpayers and married individuals filing separately, with the amount of contributions eligible for the credit phased out at a 5-percent rate for AGI exceeding those levels (so that some amount of credit would be available to joint filers with AGI between \$65,000 and \$85,000).

pension (SEP), or savings incentive match plan for employees (SIMPLE) plan, the administration would double the existing tax credit to help cover plan startup costs from the current maximum of \$500 per year for three years to a maximum of \$1,000 per year for three years. This expanded plan startup-costs tax credit for small employers would not apply to automatic or other payroll deduction IRA arrangements. The expanded credit would be designed to encourage small employers that would otherwise adopt an automatic IRA to adopt instead a new 401(k), SIMPLE, or other employer plan, while also encouraging other small employers to adopt a new employer plan.

#### What is the Industry Saying?

Leading retirement services organizations such as American Association of Retired Persons (AARP), the American Society of Pension Professionals and Actuaries support the program. The Pension Rights Center backs the proposal, but feels it is only a starting point for retirement savings reform.

The National Small Business Administration has stated that the automatic IRA proposal is a noble attempt to help Americans save for retirement, but would inflict significant burden on small business owners.

The National Federation of Independent Businesses (NFIB) is deeply concerned about the proposed legislation.

## **II. Lifetime Income Options in Defined Contribution Plans**

#### Issues

1. An increasing number of U.S. workers are relying on lump-sum distributions from their DC plans to support them in retirement; and
2. U.S. workers are ill equipped to make lump-sum payments last over a lifetime of income needs.

#### Proposed Solution

Require employers to offer lifetime income distribution options in their defined contribution plans

#### Proposed Effective Date

Comments must be submitted on or before May 3, 2010.

#### Background

On February 2, 2010, the DOL, in conjunction with the IRS and Treasury Department, issued a formal request for information (RFI), seeking comments on how best to ensure that workers do not run out of money during retirement. The DOL published the formal RFI in the Federal Register, Volume 75, Number 21. <http://edocket.access.gpo.gov/2010/pdf/2010-2028.pdf>

The RFI states, in part,

... the “Agencies” are currently reviewing the rules under the Employee Retirement Income Security Act (ERISA) and the plan qualification rules under the Internal Revenue Code (Code) to determine whether, and, if so, how, the Agencies could or should enhance, by regulation or otherwise, the retirement security of participants in employer-sponsored retirement plans and in individual retirement arrangements (IRAs) by facilitating access to, and use of, lifetime income or other arrangements designed to provide a lifetime stream of income after retirement. The purpose of this request for information is to solicit views, suggestions and comments from plan participants, employers and other plan sponsors, plan service providers, and members of the financial community, as well as the general public, on this important issue.

### Possible Results

While possible - it is our belief is that there will not be a federal mandate at the plan participant level that would require a participant to fully annuitize his/her entire DC plan balance. However, we do foresee a

- Potential mandate at the employer level to include in their retirement plans some type of lifetime income option among the distribution options available to their DC plan participants – including newly-proposed government-sponsored (“R Bond”) annuities;<sup>2</sup>
- Potential plan sponsor safe harbor to incent the inclusion/conversion of a percentage of participant balances to guaranteed lifetime income solutions – including government-sponsored (R Bond) annuities;
- Strong education effort to encourage plan participants to divert, at least a portion of, their plan balances to lifetime income options; and
- Similar lifetime income program required for IRAs.

In addition to traditional annuities, the initiative seeks to explore “alternative income approaches” such as longevity insurance and managed advisory accounts.

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<sup>2</sup> Essentially, the R Bond is a Treasury-backed promise for lifetime income starting at some point in the future, not unlike the promise-to-pay guarantee associated with the Social Security System. The exact details of the government’s R bonds, such as their interest rates, maturities and minimums, are unknown at this time. These bonds ideally would provide individuals with a source of secure, steady returns that would protect their initial investments.

### **III. Plan Fee Transparency**

#### Issue

Improve the transparency of 401(k) fees to help workers and plan sponsors make sure they are getting investment, record-keeping, and other services at a fair price

#### Proposed Solutions

Two sets of proposed DOL regulations: DOL Reg. 2550.408b-2 and DOL Reg. 2550.404a-5

One set of finalized DOL regulations: DOL Reg. 2520.103-1 on Form 5500, Schedule C expanded filing requirements

#### Effective Dates

Form 5500, Schedule C: The 2009 plan year filing

#### Background

Initially, there were three sets of fee disclosure rules that the industry proposed. When the dust settled, only one was put into effect.

The first set of rules (DOL Reg. 2550.408b-2) would have affected advisors, service providers and plan sponsors. These rules would have required advisors to give detailed disclosures to plan sponsors of any direct and indirect compensation received, and potential conflicts of interest with service provider relationships. The regulations were proposed but were put on hold when the new administration was sworn in.

The second set of rules (DOL Reg. 2550.404a-5) would have affected plan sponsors and participants. These regulations were also proposed but were put on hold with the advent of the new administration. In addition to current disclosure requirements, plan sponsors would have been required to distribute to participants and beneficiaries specific plan-related and investment-related information. The regulations included a model disclosure form.

The third set of disclosure rules, which are currently in effect, relate to the Form 5500, Schedule C. Schedule C is required to be filed for plans with 100 or more participants to report direct and indirect compensation and fees of \$5,000 or more paid to service providers. The additions to the Schedule C of the Form 5500 are part of a plan fiduciary's ongoing obligation to monitor service provider arrangements with the plan. The Schedule C changes are effective for 2009 plan year filings.

	<b>DOL Reg. 2550.408b-2</b>	<b>DOL Reg. 2550.404a-5</b>	<b>Form 5500, Schedule C</b>
<b>Who</b>	Advisor to plan sponsor	Plan sponsor to participants and beneficiaries	Plan sponsor to IRS and DOL
<b>Guidelines</b>	Disclose direct and indirect compensation and conflicts of interest	Disclose certain plan- and investment-related information	Report direct and indirect paid to service provider compensation
<b>Status</b>	On hold	On hold	Effective for 2009 plan year filings

The other regulations are not dead, however. The new administration simply wants time to review the two other regulations for additional “tweaks.” We anticipate these regulations—or ones very similar to them—will become applicable.

Disclosure of the information called for in the proposed 408b-2 regulations would be

- Valuable for service providers for risk management purposes to avoid legal problems that may arise from a failure to disclose,
- Helpful in assisting plan sponsors in meeting their ERISA fiduciary requirements to obtain service provider information and to report such information on Schedule C of Form 5500, and
- Consistent with best practices.

There is a legal duty on the part of the fiduciaries to obtain the information that the proposed regulation requires service providers to disclose. In other words, plan sponsors should have been collecting this information all along.

#### **IV. Target Date Analysis**

##### Issue

Inconsistency of Target Date Funds

##### Solution

Set up a joint DOL/SEC task force to assess inconsistency of target date fund products, and investigate questionable prudent selection and monitoring processes

##### Effective Date

Immediate

## Background

Target date funds are growing rapidly in popularity and asset size. The number of and amount of assets in target date or life cycle funds grew from three funds with \$300M in 1997 to 339 funds and \$243B in 2009.<sup>3</sup> The target date fund industry is dominated by Fidelity, T. Rowe Price and Vanguard.<sup>4</sup>

But being popular doesn't mean they are perfect. Returns of 2010 target date funds in 2008 ranged from -3.6 percent to -41 percent. This inconsistency of like products makes it difficult for plan sponsors and participants to evaluate them on an apples-to-apples basis.

Since the DOL included target date funds as one of its qualified default investment alternatives (QDIAs), which would extend ERISA 404(c) fiduciary protection to plan fiduciaries, target date funds have become the leading QDIA selected by plan sponsors. Sixty-seven percent of 401(k) plans offer target date funds as a QDIA.<sup>5</sup> But here is the fly in the ointment. Fiduciary protection is only available if the plan sponsor follows a prudent process for selecting and monitoring the QDIA—a process which many plan sponsors lack.

Finally, some plan participants do not understand how target date funds work.<sup>6</sup>

For these reasons, the DOL and SEC held a joint conference on target date funds in June of 2009. As a result of the conference, we expect the agencies to issue a joint consumer alert related to the use of target date funds in retirement plans. Separately, we expect the DOL to issue its own target date fund guidance for retirement plan fiduciaries.

## **V. Investment Advice Proposed Regulations**

### Issue

Many defined contribution plan participants and IRA owners lack the skills to effectively invest on their own, and do not have access to professional investment advice

### Proposed Solution

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<sup>3</sup> Investment Company Institute, *Research Fundamentals*, Vol. 19, No. 2, April, 2010

<sup>4</sup> *Investment News*, November 8, 2009

<sup>5</sup> 401(k) Benchmarking Survey, Deloitte, 2009

<sup>6</sup> Employee Benefits Research Institute, *Notes*, Vol. 30, No. 12, December, 2009

Provide a safe harbor for the provision of investment advice through a Fiduciary Adviser

#### Proposed Effective Date

The proposed effective date of the regulations is 60 days after publication of the final regulations in the Federal Register.

#### Background

On March 2, 2010, the Department of Labor (DOL) issued proposed regulations relating to the provision of investment advice to individual account plan participants and beneficiaries, and IRA<sup>7</sup> owners. The regulation is designed to provide guidance on the statutory exemption enacted in the Pension Protection Act of 2006 (PPA) for investment advice to participants in participant-directed individual account plans and in individual retirement accounts (IRAs). These proposed rules replace previously issued (but not applicable) final regulations that were withdrawn on November 20, 2009.

If adopted, the proposed rules would implement a statutory prohibited transaction exemption under ERISA Sec. 408(b)(14) and Sec. 408(g), and Internal Revenue code (IRC) Sec. 4975 for the provision of investment advice by a fiduciary adviser (FA) under an eligible investment advice arrangement (EIAA) that uses a level-fee or computer-based advice model that meets the requirements of the regulations.

#### What is an FA?

An FA provides investment advice to plan participants, and must be one of the following.

1. Registered as an investment adviser under the Investment Advisers Act of 1940 or under the laws of the State in which the fiduciary maintains its principal office and place of business
2. A trust department of the bank or similar financial institution or savings association which is subject to periodic examination and review by Federal or State banking authorities
3. An insurance company qualified to do business under the laws of a State,
4. A person registered as a broker or dealer under the Securities Exchange Act of 1934
5. An affiliate of any of the above

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<sup>7</sup> IRA means an IRC Sec. 408(a) IR account, an IRC Sec. 408(b) IR annuity, an Archer Medical Savings Account, a Health Savings Account, a Coverdell Education Savings Account (doesn't mention SIMPLE IRA under IRC Sec. 408(p) or SEP under IRC Sec. 408(k)).

6. An employee, agent, or registered representative of any of the above who satisfies the requirements of applicable insurance, banking, and securities laws relating to the provision of advice
7. Any person who develops the computer model, or markets the computer model or investment advice program (An election pursuant to the regulations can be made to treat one individual as the FA in this situation.)

#### What is an EIAA?

An EIAA must be authorized by a plan fiduciary (or in the case of an IRA, the IRA beneficiary), and be structured in one of the following ways.

- A level-fee arrangement, where fees received for the advice do not vary based on the investments selected by the participant
- A computer model certified by an unbiased "Eligible Investment Expert"
- A combination of both of the above

Above all, the EIAA must ensure that

- Any sale, acquisition, or holding of a security or other property occurs solely at the direction of the recipient of the advice;
- The FA's (and affiliates') compensation is reasonable; and
- The terms of the sale, acquisition, or holding of the security or other property are at least as favorable to the plan as an arm's length transaction would be.

#### Independent Audit Required

The FA must engage an independent auditor to conduct an annual audit of the EIAA. For a retirement plan, within 60 days of the completed audit, the independent auditor must issue a written report to the FA and to each fiduciary that authorized the use of the EIAA. For an IRA, within 30 days of receipt of the auditor's report, the FA must furnish a copy of the report to the IRA beneficiary or make such report available on its website. If the report reveals noncompliance with the regulations, the FA must send a copy of the report to the DOL.

#### Disclosure and Notice Requirements

The FA must provide, without charge, to a participant or a beneficiary before the initial provision of investment advice a written (or electronic) notification of the EIAA. The regulations include an optional model notice that FAs may use. The notice must include the following information.

- The role of the FA
- Past performance and historical rates of return of plan investments
- Fees and compensation of the FA
- The FAs affiliation or relationship with any plan investments
- How investor information will be used or disclosed
- Types of services provided by the FA

- Acknowledgement that the FA is acting as plan fiduciary with respect to advice provided
- A statement that advice recipients can arrange for advice from another advisor

The FA must satisfy additional disclosures as required under securities laws.

#### What is an Acceptable Level-Fee Arrangement?

The level-fee arrangement must meet all of the following criteria.

1. Any investment advice is based on generally accepted investment theories that take into account the historic risks and returns of different asset classes over defined periods of time. Advice may also take into account additional considerations.
2. Any investment advice takes into account investment management and other fees and expenses.
3. To the extent furnished, take into account requested information relating to age, time horizons (e.g., life expectancy, retirement age), risk tolerance, current investments in designated investment options, other assets or sources of income, and investment preferences of the participant or beneficiary.
4. No FA (including any employee, agent, or registered representative thereof) receives from any party (including an affiliate of the FA), directly or indirectly, any fee or other compensation that is based in whole or in part on a participant's or beneficiary's selection of an investment option.

#### What is an Acceptable Computer Model?

The computer model requires a written certification signed by an "eligible investment expert." An eligible investment expert is a person that, through employees or otherwise, has the appropriate technical training or experience and proficiency to analyze, determine and certify, whether a computer model meets the requirements of the regulations. An eligible investment expert excludes any one who is affiliated with the FA, either directly or indirectly.

Computer model advice must meet all of the following criteria.

1. Based on generally accepted investment theories that take into account the historic risks and returns of different asset classes over defined periods of time. Advice may also take into account additional considerations.
2. Take into account investment management and other fees and expenses.
3. To the extent furnished, take into account requested information relating to age, time horizons (e.g., life expectancy, retirement age), risk tolerance, current investments in designated investment options, other assets or sources of income, and investment preferences. Advice may also take into account additional considerations.
4. Utilize appropriate objective criteria to provide asset allocation portfolios comprised of investment options available under the plan.
5. Avoid investment recommendations that

- a. Inappropriately favor investment options offered by the FA or a person with a material affiliation or material contractual relationship with the FA over other investment options, if any, available under the plan;
  - b. Inappropriately favor investment options that may generate greater income for the FA or a person with a material affiliation or material contractual relationship with the FA; or
  - c. Inappropriately distinguish among investment options within a single asset class on the basis of a factor that cannot confidently be expected to persist in the future
6. Take into account all designated investment options available under the plan (excluding qualifying employer securities, properly disclosed target date or target risk funds, and properly disclosed retirement income annuity options) without giving inappropriate weight to any investment option.

#### Records Requirement

For at least six years, the FA must maintain records necessary for determining whether the EIAA has met the prescribed requirements.

## **VI. Increased DOL Enforcement**

#### Issue

Insufficient federal oversight of ERISA governed plans

#### Solution

Step-up enforcement actions by increasing DOL staff

#### Effective Date

Immediate

#### Background

The Employee Benefits Security Administration (EBSA) section of the DOL is responsible for ensuring the integrity of the private employee benefit plan system in the U.S. EBSA's oversight authority extends to nearly 695,000 retirement plans. These plans cover about 150 million workers and their dependents and include assets near \$5 trillion.

In 2009, Phyllis C. Borzi, Assistant Secretary of Labor for Employee Benefits Security, Department of Labor, framed the shift in enforcement policy in this way: "It isn't that there is a new sheriff in town in the form of Secretary of Labor Hilda Solis, but that there *is* a sheriff in town."

And the sheriff has been given a posse. The DOL has added 997 new staff, 70 percent of which is dedicated to enforcement of ERISA standards. This will, undoubtedly, translate into higher plan audit numbers.

The EBSA wants to build on the enforcement momentum it achieved in 2009. In fiscal year 2009, the EBSA had monetary enforcement results of \$1.36 billion for ERISA plans. The EBSA closed 3,669 civil investigations in FY 2009. In over 72 percent of those cases, the agency found violations and obtained correction. Criminal offenses involving employee benefit plans led to indictment of 115 individuals.

EBSA Assistant Secretary Phyllis C. Borzi said, "These results reflect a strong, fair and aggressive program to protect the benefits of American workers, retirees and their families. We believe our civil enforcement program demonstrates the success of using targeted investigations."

The agency also recovered \$124.5 million for workers and their families through informal resolution of individual complaints. In addition, handled 365,457 inquiries from the public and conducted more than 1,500 education and outreach events that reached workers, employers, plan officials and Congressional members.

Results were also achieved through the agency's compliance assistance programs. The popular Voluntary Fiduciary Correction Program (VFCP) received 1,692 applications from employers, plan officials, service providers and other fiduciaries to self-correct violations of the Employee Retirement Income Security Act. The Delinquent Filer Voluntary Compliance Program, which helps plan administrators comply with ERISA's filing requirements, received 26,603 filings.

## **Conclusion**

The U.S. retirement savings system has seen dramatic changes over the years, and there is every indication that this pattern of change will continue into the future. The current administration has identified what it considers the leading roadblocks to a secure retirement, and has proposed several solutions. What is left to sort out is how much change should be legislated and regulated, and how much should be personal responsibility.