

October 5, 2018

Ms. Carol Weiser
Acting Benefits Tax Counsel
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Subject: Executive Order on Strengthening Retirement Security in America (August 31, 2018)

Dear Ms. Weiser,

The American Retirement Association (“ARA”) is writing in response to the Executive Order on Strengthening Retirement Security in America issued on August 31, 2018, which directed the Secretary of the Treasury to determine whether life expectancy and distribution period tables for purposes of required minimum distribution rules should be updated. ARA would like to provide recommendations on the timing and potential effective date of such updates.

ARA is the coordinating entity for its five underlying affiliate organizations representing the full spectrum of America’s private retirement system, the American Society of Pension Professionals and Actuaries (“ASPPA”), the National Association of Plan Advisors (“NAPA”), the National Tax-Deferred Savings Association (“NTSA”), the ASPPA College of Pension Actuaries (“ACOPA”), and the Plan Sponsor Council of America (“PSCA”). ARA’s members include organizations of all sizes and industries across the nation who sponsor and/or support retirement savings plans and are dedicated to expanding on the success of employer provided plans. In addition, ARA has more than 24,000 individual members who provide consulting and administrative services to American workers, savers, and sponsors of retirement plans. ARA’s members are diverse but united in their common dedication to the success of Americans’ private retirement system.

ARA supports the updating of life expectancy and distribution period table for purposes of calculating required minimum distributions for participants in retirement plans. The current regulations in effect for this purpose were published in final form in 2002. Generally, updated tables would be expected to reflect longer life expectancies resulting in somewhat smaller required minimum distribution amounts (of course, larger distributions can always be taken if needed). ARA supports this change which should result in greater benefit security for participants, as less would be required to be distributed each year than under the 2002 final regulations.

We are writing to provide recommendations with respect to the effective date of updated regulations or other guidance.

1. **ARA recommends** any change to the life expectancy and distribution tables be finalized at least six months prior to the beginning of the calendar year for which they are effective, in order to allow time to revise software and administrative procedures to calculate new amounts. We anticipate that software updates across many financial institutions supporting the retirement industry will be necessary. As a result, we recommend that no changes be made that are effective for the 2019 calendar year, and that if any change is made for the 2020 calendar year, that regulations or other guidance be finalized by July 1, 2019.
2. **ARA recommends** that no changes to the life expectancy and distribution tables be made unless the change is significant enough to justify the costs and complexities of transitioning to new mortality tables. We suggest a reasonable threshold be used, such that a change would only be justifiable if the uniform life expectancy table at age 70 would be changed by at least one year.
3. **ARA recommends** that in the future, after the update is issued in accordance with the Executive Order, the IRS review the tables and determine whether another change is justifiable every five years, rather than updates being done on an annual basis.

With respect to selecting the mortality table to be used in the updated regulations or guidance, ARA reserves the right to submit an additional comment at a later date.

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 Assoc.

/s/

Martin L. Pippins
Executive Director
ACOPA

cc.:

Ms. Victoria A. Judson
Division Counsel/Associate Chief Counsel
Tax Exempt and Government Entities
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Mr. Stephen B. Tackney
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