

MEMO# 27458

August 13, 2013

ICI Draft Comment Letter on PBGC RFI Regarding Missing Participants in Individual Account Plans -- Comments Requested by Noon, August 19, 2013

ACTION REQUESTED

[27458]

August 13, 2013

TO: PENSION COMMITTEE No. 21-13

PENSION OPERATIONS ADVISORY COMMITTEE No. 20-13

OPERATIONS COMMITTEE No. 35-13

BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE

TRANSFER AGENT ADVISORY COMMITTEE No. 57-13 RE: ICI DRAFT COMMENT LETTER ON PBGC RFI REGARDING MISSING PARTICIPANTS IN INDIVIDUAL ACCOUNT PLANS -- COMMENTS REQUESTED BY NOON, AUGUST 19, 2013

Attached for your review is a draft comment letter responding to PBGC's request for information [\[1\]](#) (RFI) soliciting information to assist it in making decisions regarding the implementation of a program for missing participants of individual account plans. [\[2\]](#) As you may recall, the Pension Protection Act of 2006 amended ERISA section 4050 to allow terminating defined contribution plans to transfer assets of missing participants to PBGC, effective upon PBGC's prescription of rules for such a program.

Our draft letter describes how the distribution restrictions in the Department of Labor's (DOL) current abandoned plan program present obstacles for missing participants and service providers and states that a PBGC program that solely provides services to locate participants in terminating individual account plans will not serve to alleviate these obstacles. The letter recommends that PBGC implement a program whereby a qualified termination administrator (QTA) terminating a plan under the DOL abandoned plan program may transfer account balances of missing participants to PBGC (without regard to the account balance or whether the balance is less than the minimum amount required to be invested in an individual retirement plan product offered by the QTA to the public at the time of the distribution), and further recommends that such a distribution be included within the DOL abandoned plan program's fiduciary safe harbor. Please note that we will be updating the language in the letter regarding member data associated with abandoned

plans upon receipt of additional data and we encourage members to submit data to us for aggregate inclusion in our letter.

We would appreciate your comments and feedback on the draft letter. We kindly ask that you provide any comments to the undersigned (howard.bard@ici.org or 202.326-5810) by 12 p.m. ET on Monday, August 19, 2013, as comments are due to PBGC by August 20, 2013.

Howard Bard
Associate Counsel

[Attachment](#)

endnotes

[1] The RFI is available here:

<http://www.gpo.gov/fdsys/pkg/FR-2013-06-21/pdf/2013-14834.pdf>.

[2] For a description of the RFI, see Memorandum to Pension Committee No. 15-13, Pension Operations Advisory Committee No. 14-13, Operations Committee No. 27-13, Bank, Trust and Retirement Advisory Committee No. 16-13, Transfer Agent Advisory Committee No. 49-13 [[27337](#)] dated June 27, 2013.

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