

COMMENT LETTER

May 3, 2010

ICI Letter Responding to Joint DOL and Treasury Request for Information on Lifetime Income Options (pdf)

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Second Third Fourth Fifth Most Retirees Already Hold Most Lifetime Wealth in Annuity-
Equivalent Form Percentage of wealth by wealth quintile in 2006 for households with at
least one member born between 1948 and 1953 Social Security Net housing wealth DB
pension DC pension + IRA Other 93% 85% 77% 70% 52% . Note: Households with top and
bottom 1 percent of total wealth excluded. Components may not add to 100 percent
because of rounding. Source: Gustman, Steinmeier, and Tabatabai, "What the Stock Market
Decline Means for the Financial Security and Retirement Choices of the Near-Retirement
Population," Michigan Retirement Research Center Working Paper WP2009-206, October
2009. 14 65 20 3 4 8 86 Spent all proceeds Reinvested some or all of the proceeds Rolled
over all to IRA Rolled over some to IRA, spent some Rolled over some to IRA, reinvested
some outside IRA Reinvested all outside IRA Reinvested some outside IRA, spent some Bulk
of Lump-Sum Distributions at Retirement are Rolled Over Percentage of respondents Note:
Individuals retired from a defined contribution plan between 2002 and 2007. Data as of fall
2007. Source: ICI Defined Contribution Plan Distribution Decisions Survey, 2007 1 1 4 10 29
72 Internet website Financial software program Book or article in a magazine, newspaper,
or newsletter Did not consult with any source IRS rules or publications Professional financial
adviser The Majority of Households Consult with a Professional Financial Adviser to
Determine the Amount of Traditional IRA Withdrawals Percentage of traditional IRA-owning
households that made withdrawals in tax year 2008 Note: Multiple responses are included.
Source: Investment Company Institute IRA Owners Survey, 2009 37 27 20 16 Likelihood of
Withdrawing from Traditional IRA Before Age 70 ½ Percentage of traditional IRA-owning
households that did not take a withdrawal in tax year 2008 Source: Investment Company
Institute IRA Owners Survey Not at all likely Very likely Somewhat likely Not very likely