The ERISA Industry Committee
Driven By and For Large Employers
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Annette Guarisco Fildes, President & CEO

August 30, 2017

The Honorable Neomi Rao
Administrator
Office of Information and Regulatory Affairs
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

RE: Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans

Dear Administrator Rao,

The ERISA Industry Committee ("ERIC") respectfully requests that you take at least the entire 90 days permitted under Executive Order 12866 to ensure that the Proposed Treasury Rule on Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans (RIN: 1545-BM71) is considered carefully and completely given its significant economic impact, and that you delay its implementation to January 1, 2020.

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members provide comprehensive retirement benefits to tens of millions of active and retired workers and their families. ERIC represents the largest employers in the country, leaders in every sector of the economy, including many that still sponsor defined benefit plans. ERIC has a strong interest in proposals, such as the Proposed Treasury Rule, that would affect its members' ability to provide predictable and secure pension benefits in an efficient and tax-compliant manner.

ERIC urges you to take at least the entire 90-day review period in order to conduct a thorough economic analysis of the benefits and costs of the regulatory action, including: (i) a quantification of its effects, (ii) an analysis of potentially effective and reasonably feasible alternatives, and (iii) meetings with stakeholders who will be impacted by the rule. The Proposed Treasury Rule would result in recalculation of individual company pension plan liabilities by billions of dollars, and collectively hundreds of billions of dollars to the larger economy.

Both OIRA and Treasury have deemed the rule to be "economically significant." As such, following the 90-day review, OIRA likely will need to send the rule back to IRS and Treasury for reconsideration. ERIC would also urge that you delay the implementation of this rule to January 1, 2020. To approve a final rule in the next few months with a January 1, 2018 effective date would not leave sufficient time for plan sponsors to review their calculations, provide notice to millions of employees (this is the time of year companies send packets to soon-to-be retirees), and budget for additional costs. It is, essentially, impossible as a practical matter to take all these steps to comply with a January 1, 2018, effective date.

Assets in all retirement plans in the United States represent trillions of dollars; thus, the proposed rule surpasses the $100 million threshold to be considered "economically significant" under E.O. 12866. A thorough review by OMB of the proposed rule would benefit not only plan sponsors that are constantly making changes to comply with new regulations, but also the millions of participants who benefit from these retirement plans. If the regulatory burden is reduced on plan sponsors of retirement plans, this country will realize an increase in retirement plans under the voluntary retirement system, ensuring more Americans properly save for retirement. It is noteworthy that the Proposed Rule is the first rule related to employee benefits to be deemed "economically significant" by Treasury.

If you have any questions or comments concerning this letter, or if we can be of further assistance, please contact Will Hansen, Senior Vice President for Retirement and Compensation Policy at whansen@eric.org or 202-627-1930, or me at aguariscofildes@eric.org or (202) 627-1910.

Sincerely,

Annette Guarisco Fildes

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President & CEO