

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.
SECRETARY OF THE TREASURY

May 14, 2010

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Representative Boehner:

Thank you for your letter of May 3, 2010. Neither Treasury nor any other Federal department or agency has made proposals to eliminate 401(k) or other defined contribution plans or to require that plans or participants invest in or take distributions as annuities or other forms of lifetime benefit.

As you note in your letter, the Department of the Treasury and the Department of Labor, in February published in the Federal Register (at 75 FR 5253) a Request for Information, or "RFI." The purpose of the RFI was to solicit comments on specific issues to facilitate access to lifetime income or other arrangements designed to provide a stream of income after retirement. As described in the RFI, the reason for seeking information is that our employer retirement system has increasingly become a system in which participants and beneficiaries receive their retirement savings in the form of an account balance which they manage during their retirement years rather than as a pension for life of the type provided under defined benefit plans.

Given its purpose, the questions raised in the RFI relate to the risk that families may outlive their account balances. The objective was to identify any obstacles individuals may encounter in choosing how they may wish to manage that risk, such as a lack of information as to what alternatives are available, regulations that may unintentionally limit choice, or legal concerns that may prevent employers from making more choices available.

Nowhere in the RFI is there any suggestion of an intention to require a purchase of annuities or any other particular investment; nor are the questions in the RFI designed or intended to provide a basis for mandating any such purchases.

I hope our position is clear and look forward to continuing a dialogue with you on this important issue.

Sincerely,
Timothy F. Geithner

cc: The Honorable Hilda L. Solis

[Note: Identical letters sent to: Reps. John Kline, David Camp, Sam Johnson, Dean Heller, Brett Guthrie, Michele Bachman, Bob Latta, Pat Tiberi, Erik Paulsen, Lynn Jenkins, Ed Royce, Buck McKeon]