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January 7, 2020

Internal Revenue Service
CC:PA:LPD:PR (REG-132210-18)
1111 Constitution Avenue NW
Washington, DC 20224

Re: Proposed RMD Life Expectancy Tables (REG-132210-18)

Dear Sir or Madam:

The SPARK Institute, Inc. is writing in support of the proposed update of the life expectancy and distribution period tables ("Life Expectancy Tables") that are used to calculate required minimum distributions ("RMDs") under Internal Revenue Code section 401(a)(9).[1] The updated Life Expectancy Tables, which are being proposed in accordance with President Trump's Executive Order on Strengthening Retirement Security in America,[2] reflect longer life expectancies and will reduce the RMD amount that must be taken by retirement plan participants each year. The SPARK Institute commends the Department of the Treasury ("Treasury") and Internal Revenue Service ("IRS") for proposing regulations that will make it less likely that retirees will outlive their private savings.

The SPARK Institute represents the interests of a broad-based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third-party administrators, trade clearing firms, and benefits consultants. Collectively, our members serve approximately 95 million employer-sponsored plan participants.

I. SPARK Supports Updated Life Expectancy Tables

With retired Americans living longer than ever, some retirees face the possibility that they could outlive their private retirement savings. The Life Expectancy Tables proposed by Treasury and IRS appropriately respond to this reality by permitting retirees to withdraw their savings more slowly than required by the current Life Expectancy Tables. Accordingly, the SPARK Institute supports the proposed Life Expectancy Tables because they will make it more likely that workers will not outlive their private retirement savings. In a similar regard, the SPARK Institute also supports the proposed "transition rule" that would permit a one-time life expectancy reset for beneficiaries who are otherwise not permitted to recalculate life expectancy.

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[1] 84 Fed. Reg. 60,812 (Nov. 8, 2019).

[2] 83 Fed. Reg. 45,321 (Sept. 6, 2018).

II. Coordination with SECURE Act Changes

As you know, the Setting Every Community Up for Retirement Enhancement ("SECURE") Act of 2019, which became law as part of the Further Consolidated Appropriations Act of 2020, makes a number of changes to the rules for RMDs, specifically increasing the required beginning age to 72 and modifying the after-death distribution rules. Our members pointed out that modifying RMD systems and participant communications is time consuming and expensive. It would be preferable if the changes made by this proposal and the SECURE Act could be coordinated. Given the current status of this proposal, and that the SECURE Act changes go into effect as early as January 1, 2020, coordination may not be possible. Nonetheless, we urge you to consider any coordination that is feasible. For example, you might consider allowing governmental and collectively bargained plans to delay implementation of these tables until the date that the SECURE Act changes for after-death distributions are effective with respect to these plans.

III. Future Updates of Life Expectancy Tables

Although the SPARK Institute supports the proposed update of the Life Expectancy Tables, we do not believe that Treasury and IRS should update these tables on an annual basis. Changes to the Life Expectancy Tables create costs and administrative burdens for service providers that must program and implement systems to reflect the changes. Any update of the Life Expectancy Tables will also require additional participant and plan sponsor education.

From year to year, we expect to see modest fluctuations in mortality rates and longevity. Although these changes justify the current update being proposed by Treasury and IRS, we do not anticipate that future changes in life expectancy will warrant *annual* adjustments to the Life Expectancy Tables. For these reasons, we recommend that Treasury and IRS update the Life Expectancy Tables regularly, but no more frequently than every 10 years.

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The SPARK Institute appreciates the opportunity to provide comments on the proposed Life Expectancy Tables. If you have any questions or would like more information regarding this letter, please contact me or the SPARK Institute's outside counsel, Michael Hadley, Davis & Harman LLP (mlhadley@davis-harman.com or 202-347-2230).

Sincerely,

Tim Rouse
Executive Director