

From: davepatten [mailto:davepatten@cox.net]
Sent: Thursday, September 28, 2006 11:53 PM
To: EBSA, E-ORI - EBSA
Subject: [Docket No: RIN 1210-AB10];[FR Doc: 06-08282];[Page 56805-56824]; Employee Retirement Income Security Act: Participant directed individual account plans; default investment alternatives

Dear Rule makers,

I am a private citizen not affiliated with any group or organization related to these rules.

I have read that you are considering making rules to allow and in fact encourage employers to automatically enroll their employees in basic 401K plans. I completely agree that every company with a qualified 401K program be allowed to automatically enroll their employees in the programs and begin deducting a fixed amount from their paychecks immediately. I would even be in favor of a SMALL tax incentive to encourage companies to do that.

My feeling is that the amount deducted for each employee should be the minimum amount needed to qualify for the company's matching funds program which I believe is usually 4% of gross salary. Obviously if the employee actively requests to deduct less or more or actively opts OUT of the 401K program they should be allowed to do so. But the overwhelming value of saving for ones retirement and the undeniable benefit of saving, tax free with additional matches of company funds is absolutely the best way any American worker can save for their future. I have participated in 401K programs in every company I have worked for throughout my 30 year career so I speak from personal experience.

In fact, in a past corporate position I held overseas, we even introduced a 401K like program for our foreign workers and enrolled every one of them with a minimal starting amount from our general corporate revenues. It was unprecedented and a big success and helped build an outstanding relationship with our employees.

I also understand these rules would absolve companies who do this from liability for the money invested if the balances decline. I'm not sure what risk there is if the company puts the money into the safest investment possible like T-bills or money market funds. But if it is important for companies to have limited liability to run the program, then give it to them.

Companies would also need to make sure they knew who the beneficiaries would be for an employee's 401K account if they should become deceased during their employment period. And put teeth in the legislation to make sure the companies make their contributions on time and in full to the designated accounts. Companies should not be able to hold that money separately and use it for other purposes or provide IOUs to their employees.

While you're at it, please continue to raise the cap on how much an employee can put into their 401K each year and please eliminate the income cap on people who want to contribute to Roth IRAs. Right now a Roth IRA doesn't really make sense for anyone making over \$100K per year. That's not a very high salary and people should be able to utilize Roth IRAs just like traditional IRAs

I hope these rules go into place soon. Americans need all the help they can get to save for their retirement.

Thank you for your consideration.

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