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Submitted electronically by email to: e-ORI@dol.gov
September 8, 2008

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Participant Fee Disclosure Project
Room N-5655, U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: Fee Disclosure Project
Fiduciary Requirements for Disclosure in Participant-Directed Individual Account Plans;
Proposed Rule §§ 2550.404a-5 and 2550.404c-1, 73 Fed. Reg. 43,014-44 (July 23, 2008)

Ladies and Gentlemen:

Milliman hereby submits comments to the Department of Labor's Employee Benefits Security Administration on the agency's proposed rule on fee disclosures. Milliman is among the world's largest independent actuarial, consulting, and retirement plan administration firms. We currently have 48 offices in key locations worldwide and a staff of more than 2,100 people. In addition to providing the full range of retirement plan consulting services in all industry sectors, we provide recordkeeping and plan administration services for several hundred thousand defined contribution plan participants and their employers.

We commend the Department for its efforts to date, particularly with regard to seeking input from and working collaboratively with plan sponsors, various industry organizations, and service providers in developing the proposed regulations.

While we appreciate the Department's desire to improve disclosures to plan participants, we have particular concerns with, and urge you to consider modifications to, the proposed rule in two significant areas.

First, the proposed rule does not require all expenses to be reported to participants in a consistent format. The proposal requires administrative expenses to be listed as dollar amounts but investment-related expenses be reported as percentages. We believe the requirement to report various plan expenses in two different formats -- and in potentially different communications -- will significantly detract from the Department's goal of clear, complete, and understandable disclosure of plan expenses to participants. We suggest that both administrative expenses and investment-related expenses be reported either as a percentage of assets or a dollar amount. Dollar amounts could be expressed either as exact amounts deducted from a participant's account during the reporting period or as a dollar cost per \$1,000 of a participant's account balance. Milliman concurs with the comments to the Department from the American Society of Pension Professionals and Actuaries/Council of Independent 401(k) Recordkeepers (ASPPA/CIKR), particularly their examples and commentary on uniform disclosure of expenses to level the playing field among bundled and unbundled service providers.

Second, we believe that the proposed effective date of plan years beginning on or after January 1, 2009, is unrealistic for a number of reasons, including those enumerated in the comments submitted by The ERISA Industry Committee (ERIC). We share ERIC's concerns from the plan sponsor community and also feel that service providers will simply not be able to make the substantial systems and procedural modifications necessary to meet the proposed disclosure requirements by that date. In addition, plan sponsors will be unable to complete many complex tasks to satisfy the disclosure requirements, including making any necessary plan amendments, revising internal plan administration policies and procedures, preparing appropriate communications materials, and modifying contracts with service providers.

With less than four months remaining in 2008 and given the complexities of all of the changes that will be required (even if the final rule substantively adopts the standards as currently drafted), we strongly urge the Department to consider an effective date of the later of: plan years beginning on or after January 1, 2010; or the first day of the plan year that begins 12 months after the final regulations are published.

Thank you for considering our comments. If Milliman can be of further assistance or if you desire additional information, please do not hesitate to contact me.

Sincerely,



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