
From: Mae Davis [mdavis@thebank.com]
Sent: Tuesday, March 16, 2004 12:27 PM
To: e-ori@dol.gov
Subject: Rollovers

I would like to write to you regarding the proposed legislation in regard to automatic rollovers.

Working in a bank, the government has imposed upon us the "Patriot's Act" which states that we cannot open an account without obtaining certain information from the customer in order to help protect our country from terrorism.

If we will be mandated to automatically rollover distributions from a retirement plan into an IRA, it will be going against the Patriot's Act. For you see, individuals that do not respond to correspondence regarding a distribution from a retirement plan will most likely not respond to providing the required information to open the new IRA.

I am strongly against this proposed regulation. Please give careful consideration to what you are asking banking and financial institutions to do.

Mary M. Davis
Asst. Vice President
Citizens National Bank

From: Alex Wade [AWADE@yumaregional.org]
Sent: Wednesday, March 17, 2004 8:47 AM
To: E-ori@dol.gov
Subject: Comment on 69 Fed. Reg. 9,899 - Mandatory Rollovers

As director of a small pension plan for a hospital in Arizona, I would like to comment that the proposed rule to force automatic rollovers will be an onerous task for plan administrators. If my opinion has any impact, I ask that the rule be dropped.

Alex Wade
Director of Compensation & Benefits
Yuma Regional Medical Center
2400 South Avenue A
Yuma AZ 85364



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March 26, 2004

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5669
U.S. Department of Labor
200 Constitution Avenue NW.
Washington, DC 20210

Attn: Automatic Rollover Regulation

To Whom It May Concern:

The purpose of this letter is to provide comments regarding the Proposed Regulation regarding Fiduciary Responsibilities under the Employee Retirement Income Security Act of 1974 Automatic Rollover Safe Harbor. Specifically, our comments are as follows:

- 1) The definition of a regulated financial institution should include independent trust companies that qualify to administer individual retirement accounts (IRA's) under Internal Revenue Code Section 408. There are many independent trust companies that specialize in the administration of IRA's, and thus, would be a cost-effective option for plan sponsors. In addition, independent trust companies can and do offer third-party investment products designed to preserve principle and provide a reasonable rate of return;
- 2) There should be a minimum fee indexed to inflation (e.g., \$35 to \$50) that a financial institution could charge against the account. Since the proposal limits the amount of the annual fee to income earned by the individual retirement plan, this does not create an economically viable situation for any financial institution offering the product. For example, assuming an average money market fund yield of 0.50%, the fees generated would range from \$5.00 to \$25.00 for accounts between \$1,000 and \$5,000. This limitation, plus the fact that the account would not grow with subsequent contributions like a Traditional/Roth IRA or 401(k) account, would severely limit the attractiveness for any financial institution to offer the product; and
- 3) The proposal should be expanded to apply to a broad range of retirement plans such as 401(k) plans (and similar arrangements) without any maximum amount on the automatic rollover for a mandatory distribution.

We appreciate the opportunity to comment on the Proposed Regulations. If you would like to discuss further any of our comments you can reach me at (630) 368-5619.

Sincerely,

Gary A. Anetsberger
Chief Operating Officer