

January 28, 2014

The Honorable Penny Pritzker
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Dear Secretary Pritzker:

The undersigned organizations represent directly or indirectly the vast majority of the employers sponsoring retirement plans in this country. On behalf of those plan sponsors, plan administrators and recordkeepers, and the millions of participants who rely on those plans for retirement security, we are writing with respect to an important issue arising under the Bipartisan Budget Act of 2013.

Under section 203 of the Act, the Department of Commerce is directed not to disclose information on the Death Master File (“DMF”) to any person unless that person has been certified under a program established by the Department. In order to be certified, a person must meet certain conditions, including having a legitimate fraud prevention or business purpose for needing access to the DMF information. We are certainly supportive of the important objectives of this provision, i.e., to prevent fraudulent and other abusive use of DMF information. We are also very appreciative that Congress protected legitimate use of DMF information.

In that regard, we are writing to underscore how important it is that retirement plans and their service providers maintain uninterrupted access to DMF information both while the certification program is being developed and while certification applications are pending.

Use of the DMF information is critical to the efficient functioning of all types of retirement plans, including pension plans and defined contribution plans (such as 401(k) plans). For example, many plan benefits are paid in the form of life or joint life annuities. Without DMF information, plans would not have the information needed to make payments to the correct recipients in the correct amounts; for example, payments that should be made to a beneficiary after the death of a participant might be mistakenly made to the deceased participant. Other plans need DMF information for other purposes, such as determining when a plan beneficiary becomes eligible for benefits.

Many Members of Congress have addressed how Congress intended for access to DMF information for legitimate purposes to continue uninterrupted. Senator Hatch specifically referenced retirement plan administration as an area where there are bona fide reasons for use of DMF information.

In this regard, we would like to thank you for issuing a notice clarifying that pending establishment of a certification program, user access to the DMF will continue uninterrupted under the current process. Since uninterrupted access is critical to retirement plans, we further urge you to clarify that uninterrupted access will continue while applications for certification are pending. We further ask that the certification program not include burdens that could limit retirement plans’ needed access to the DMF.

We look forward to working with you on this important matter to ensure that access to the DMF continues for retirement plans providing retirement security for Americans across the country.

American Benefits Council
American Council of Life Insurers
American Society of Pension Professionals & Actuaries
Defined Contribution Institutional Investment Association
The ERISA Industry Committee
The ESOP Association
Financial Services Institute
Financial Services Roundtable
Insured Retirement Institute
Investment Company Institute
NTCA–The Rural Broadband Association
National Association of Insurance and Financial Advisors
Plan Sponsor Council of America
Securities Industry and Financial Markets Association
The SPARK Institute, Inc.