



The  
ERISA  
Industry  
Committee



## GUIDING PRINCIPLES FOR LIFE SECURITY BENEFITS

1. **Expansion of benefits** to a larger base of the population. More people should have retirement plans that will result in longer-term retirement security, and more individuals should have access to different forms of medical plans.
2. **Innovation and creativity** through development of competing systems that could sponsor, administer, and assume fiduciary responsibility for benefit plans.
3. **Simplicity**, significantly rationalizing the overall benefit design and administrative system.
4. **Incremental implementation**, starting with elements most feasible to incorporate and bearing in mind a long-term vision.
5. **Portability of benefits** as the circumstances of individuals change, while at the same time providing incentives to individuals to maintain continuous coverage.
6. **Balancing employees' and employers' needs**. A participant's need for security reflects a desire for some predictability of benefit resources over time; employers want to support life security benefits but not be encumbered by inflexible commitments that compromise their ability to survive and are not competitive within the United States and globally.
7. **Fairness and equity** so that employers and participants share in the responsibilities entailed in securing retirement, health and other life security benefits.
8. **Individual responsibility** in terms of long-term retirement security, health and wellness, and ensuring access to quality medical care.
9. **Employers' voluntary funding** to help pay for benefits.
10. **Fiduciary, accountability and responsibility** focusing on entities that have expertise in benefits administration as their core business.
11. **Flexibility** to permit employers to determine the speed and the extent to which they use the new system for delivering benefits to their employees. The new system should supplement the current employment-based model and should allow employees to choose between the current system and the proposed new structure.

THE ERISA INDUSTRY COMMITTEE

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*Advocating the Employee Benefit and Compensation Interests of America's Major Employers*