

Set up for Success

Fall 2021

Leverage cutting-edge financial technology and advice services to strengthen employee retirement outcomes

Your employees are your greatest asset. They are a mosaic of individuals with unique financial circumstances, lifestyles, needs, and goals. One factor that unites them is that they put their trust in you, their employer, to help them make difficult decisions that impact their retirement.

The Problem

Over the last 30 years, the responsibility of retirement funding has shifted from employer to employee. Today, most people are responsible for managing their own investments—a complex, time-consuming, and often unsuccessful effort. This shift has given rise to a population—including [70%](#) of pre-retirees—that is largely unprepared for retirement.

The investment types commonly available to participants, such as target date funds (TDFs), index funds, and balanced funds, play a significant role in this profound lack of preparedness. While such investments can be useful, they are not designed to incorporate the planning and customization necessary for a diverse population seeking retirement success.

The Solution

Managed Advice is an end-to-end retirement planning service that helps address the readiness crisis Americans face today. It solves for the challenges implicit to the most common plan options by designing and managing the right investment portfolio for each individual, based on their unique demographics, circumstances, and goals.

Managed Advice supports each participant uniquely, based on where they are in their retirement-readiness journey. By providing the appropriate planning, tools, and advice, formulated within the bounds of their retirement goals, this solution helps participants successfully retire on their own terms—in a cost-effective and risk-controlled manner.



Managed Advice is made up of five personalized features:

- 1 An investment plan and portfolio that automatically adjust based on data unique to each participant
- 2 Contribution recommendations
- 3 A retirement-spending strategy, optimized for taxes and account type
- 4 Retirement age and Social Security claiming age recommendations
- 5 Ongoing expertise: participants' plan, portfolio, and advice are continually updated in light of their retirement goals, evolving life circumstances, and market conditions

Benefits of Managed Advice



For sponsors

- Strengthens employees' retirement readiness across plan demographics
- Measures and reports readiness for each employee and the overall plan
- Enhances employees' financial planning capabilities
- Upholds and protects sponsors' fiduciary duty by cost-effectively providing a best-in-class solution
- Supports employee engagement and talent retention
- Encourages better savings habits: participants are **2x more likely** to increase deferral rates
- Promotes consistency: Participants are more likely to stay in Managed Advice than those in alternative solutions
- Helps avoid common behavioral mistakes like market timing and misusing TDFs
- Alleviates retirement stress; boosts productivity: stressed employees exhibit **60% higher** absenteeism and are significantly less productive while at work



For participants

- Provides a complete retirement plan with engagement tactics that provide participants with an awareness of their overall retirement readiness at any point-in-time
 - ◊ This type of lifecycle engagement prompts participants to play a more active role in their retirement planning, thus improving their retirement outcomes
- Offers the highest level of personalized investment and savings advice, leading to more retirement income
- All five of the solution's key features contribute to the creation of significant **value** (over the common lifecycle fund)
- It's cost-conscious; fees are on par with current in-plan solutions
- Brings participants the peace of mind that comes with a smart, secure retirement strategy

Optimized Implementation of Managed Advice

To realize the maximum benefits of this service, it is best implemented as part of a plan's broader "Hybrid QDIA" strategy. A Hybrid QDIA provides a personalized and dynamic default solution that serves plan participants at each stage of the employment and retirement lifecycle. This progressive approach pairs age-based funds with the Managed Advice—those earlier in their career are defaulted into an age-based fund and are automatically transitioned to Managed Advice as they get closer to retirement and their financial situations become more complex. Please contact your advisor for further details on Hybrid QDIA functionality and benefits.

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