THE EASE OF AUTOMATION AND GUARANTEED LIFETIME INCOME

What participants want from their defined contribution retirement plans
INTRODUCTION

The challenges American workers face in saving and investing for retirement have been well-documented. They’ve also proved stubbornly resistant to efforts by the retirement industry to address them, with many workers still doubtful of meeting their retirement goals. This raises three important questions. Are the solutions offered to plan participants sound and on target? If they are, why aren’t more participants taking advantage of them? Finally, are there plan design features plan sponsors could use to drive better participant behaviors and outcomes?

This paper, the fourth in a series by Prudential Retirement®, offers answers. It is aimed at CFOs, HR directors and other plan sponsor decision-makers who want to get the most from their defined contribution plans, not only for their employees, but also for their organizations as a whole.

Our first paper, What Employers Lose in the Shift from Defined Benefit to Defined Contribution Plans…and How to Get It Back, identified the workforce management challenges employers face when employees can’t retire as planned—an increasingly common problem as DB plans have been replaced with DC plans. Largely due to financial concerns, 33% of Americans now expect to retire after age 65, up from 11% in 1991.¹ This leaves employers facing a host of challenges, including increased volatility in their staffing needs, potentially higher healthcare costs, lower employee morale, and difficulties promoting and retaining talented younger employees. Through the lens of a hypothetical case study, the paper showed that incorporating lifetime income solutions into DC plans can help participants retire on time, improve their quality of life during retirement, and ensure they will never run out of money after they have stopped working—effectively reclaiming the benefits of a DB plan for them and for their employers.

Our second paper, Better Participant Outcomes Through In-Plan Guaranteed Retirement Income, went beyond the hypothetical, drawing on studies of real plans and real participants. It documented that participants with access to an income solution gained more than just a predictable and secure source of retirement income. They also became more diligent savers, contributing on average 38% more of their pay to their retirement plans. And they became more patient investors, 2.5 times more likely to stay invested in equities during the market turmoil precipitated by the 2008 financial crisis. These findings suggested participants with lifetime income solutions are more likely to be able to retire on schedule, minimizing workforce management issues for their employers.

Our third paper, Guaranteed Lifetime Income and the Importance of Plan Design, showed how two plan design features—automatic enrollment and automatic escalation of participant contributions—can magnify the benefits of lifetime income solutions. Again the findings were stunning. By combining a default lifetime income solution with auto enrollment, plan participation rates grew by 34%, versus a gain of 11% where only an income solution was used. Participants became smarter investors, too, as evidenced by a 67% decline in the number of participants invested in non-diversified portfolios. Meanwhile, in plans that combined a default lifetime income solution with automatic escalation of participant contributions, participants contributed on average 59% more to their accounts than those in plans without either of those features.²

Taken together, these findings help to explain why more than 35,500 DC plans³ are already making use of in-plan guaranteed lifetime income solutions—often paired with auto enrollment and auto escalation of contributions—and why we believe many more will choose to do so in the years ahead.

³ 2015 LIMRA In-Plan Income Guarantee Availability and Election Tracking Survey, as of December 31, 2015.
There remain hurdles to broader acceptance, to be sure. Some plan sponsors continue to worry that employees are averse to auto features. Others contend that because plan participants aren’t particularly familiar with, or clamoring for, in-plan lifetime income solutions, there’s not much incentive to embrace those benefits, either—particularly if the income solution is positioned as a default.

To test these views—and to discover how participants truly feel about these plan design features and benefits once they understand them—Prudential Retirement recently conducted a new survey of DC-plan participants across a variety of recordkeeping platforms. We asked participants their opinions about auto enrollment, auto escalation and guaranteed lifetime income solutions. If they were not familiar with them, we explained what they are and then asked again. In addition to reinforcing what we discovered in our earlier studies, this round of research uncovered new information about where participants believe their needs are, and are not, being met by their retirement plans.

Among our key findings:

- Two-thirds of participants who consider themselves very familiar with auto enrollment say it ensures that they save for retirement and invest their savings the right way—and ultimately helps them achieve a financially secure retirement.
- Participants who have had experience with either auto enrollment or auto escalation contribute, at the median, 43% more of their pay to their retirement plan than those without that experience.
- More than three-quarters of plan participants familiar with guaranteed lifetime income solutions consider it very important to include them in workplace retirement plans.
- Among participants in different age groups, Millennials are the most enthusiastic about automatic plan features and guaranteed lifetime income solutions.
- More plan participants intend to rely on their workplace plans as a source of retirement income than any other source—including Social Security.
- Account growth, and access to the right investment options, are the key variables in participant satisfaction with their retirement plans—but also two of the areas where participants are more likely to say their saving and investing needs aren’t being met.

These findings suggest several ways plan sponsors could collaborate with intermediaries and product providers to better meet participant needs and expectations:

- Make greater use of auto enrollment and auto escalation, and pair them with guaranteed lifetime income solutions that are part of a default investment.
- Reframe the default debate to counter the misperception that auto features equate to a loss of control.
- Generate increased awareness of diversified asset allocation strategies that incorporate a guaranteed lifetime income solution.
- Make re-enrollment a feature of best-practice plan design as a means of helping not just new but also existing employees.

It is our hope that this paper will further the discussion of these important issues, both within the plan sponsor community and between sponsors and their intermediaries, many of whom now specialize in bringing automatic features and lifetime income solutions to retirement savings plans.

A Note on Methodology

This paper references a proprietary Prudential Retirement research study, the 2015 Defined Contribution Research Report. The study surveyed more than 1,000 DC plan participants to gather their thoughts on various plan features, including automatic enrollment, automatic contribution escalation, and guaranteed lifetime income solutions, as well as overall DC plan satisfaction. The study was conducted from June 1 through June 22, 2015, by Nielsen, among respondents who met the following criteria: US resident; age 18+; employed full time; participates in a 401(k), 403(b) or 457 plan; primary or shared financial decision-maker for household; household income of $25K+; accesses current retirement plan.

To make the most efficient use of time and bring forth thoughtful responses, Prudential first elicited a baseline level of understanding and awareness of the topics being examined. For respondents who showed a moderate level of understanding and awareness, we then solicited their levels of satisfaction with their retirement plans and their thoughts on the various services and features examined in the survey. For those with a low level of understanding and/or awareness of the issues, we offered a brief description of the services and features in question and then solicited their views.
PARTICIPANTS FIND DC PLANS VITAL, BUT FALLING SHORT IN KEY AREAS

Before testing participant views about automatic plan design features or guaranteed lifetime income solutions, we wanted to know how they’re using their workplace retirement plans today and how they feel about them—what they like, what they don’t like, what’s working and what’s not working. We found that participants consider their plans vital to their long-term financial stability, but lacking in key areas.

More plan participants—nearly 8 in 10—intend to rely on their workplace plan as a source of retirement income than any other source, including Social Security. In fact, the number who cite their plan as a primary source of retirement income exceeds by 33% the number who cite Social Security. Yet stunningly, only 4% of DC plans offer their participants a guaranteed lifetime income solution.4

Despite their dependence on their retirement plans, less than half of plan participants are highly satisfied with them in many key areas. Their plans most often fall short, participants say, in protecting them from financial market volatility, in helping them choose the right investments, and in maximizing their investments’ growth potential. Many participants also give their plans less-than-stellar marks for their ability to help them secure an adequate income source once they retire, understand how much they need to save for a secure retirement, or monitor and understand their progress toward their retirement savings goals. Plans do best, participants say, at helping them get started with saving for retirement.

EXHIBIT 1: Plans help most with saving, less with providing growth and guidance

<table>
<thead>
<tr>
<th>Key Area</th>
<th>Highly Satisfied</th>
<th>Somewhat Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start the process for saving/investing for your retirement</td>
<td>57%</td>
<td>25%</td>
</tr>
<tr>
<td>Save more for your retirement</td>
<td>50%</td>
<td>29%</td>
</tr>
<tr>
<td>Monitor and understand progress toward retirement savings goals</td>
<td>47%</td>
<td>27%</td>
</tr>
<tr>
<td>Understand how much you need to save for a secure retirement</td>
<td>46%</td>
<td>23%</td>
</tr>
<tr>
<td>Secure an adequate income source once you retire</td>
<td>45%</td>
<td>28%</td>
</tr>
<tr>
<td>Maximize your investments’ growth potential</td>
<td>43%</td>
<td>30%</td>
</tr>
<tr>
<td>Choose the right investments to achieve retirement savings goals</td>
<td>42%</td>
<td>30%</td>
</tr>
<tr>
<td>Protect you from financial markets volatility</td>
<td>40%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Most plan participants are contributing to their plans at rates well below those deemed appropriate by retirement industry leaders. More than 60% of participants are contributing less than 10% of their income to their plans, well below the 15% rate identified as reasonable by the Defined Contribution Institutional Investment Association. Their median deferral rate of 8% is also well below the 10% to 15% range recommended by the majority of plan sponsors, a range that dovetails with the recommendations of many financial planners. The median retirement account balance of surveyed participants is $71,000.

Nearly half of participants worry they won’t meet their retirement goals. They say they are doubtful they are saving enough for retirement or that they will have enough retirement income to meet their monthly expenses for life. Nearly half also worry they don’t have protection from the ups and downs of the financial markets.

Satisfaction with DC plans is notably higher among plan participants with the highest levels of household income ($150,000 and up), suggesting that those with lower levels of income are most in need of better plan design. Satisfaction levels vary less by age, although Gen Xers are the least satisfied cohort.

Account growth and investment options are key to participant satisfaction with their plans. Asked what works well with their retirement plans and what doesn’t, participants who are most satisfied cite their investment options (mentioned by 32% of highly satisfied participants), the growth of their accounts (mentioned by 27%), and the matching contributions made by their employers (15%). However, those who are least satisfied with their plans call out those same issues as areas that could be improved. Eighteen percent of those participants cite dissatisfaction with account growth, 14% with the employer match, and 11% with investments—highlighting the critical role these play in plan satisfaction.

Comparing those areas where plans are least consistently meeting participants’ needs with the ones they consider most important suggests three imperatives for plan sponsors and intermediaries:

- Maximize the growth potential of participant account balances
- Help participants secure an adequate retirement income source
- Help them choose the right investments to meet their retirement goals.

The good news? Plan sponsors today have access to plan design features and benefits that can help them better meet participants’ needs. These include automatic enrollment of plan participants, in-plan guaranteed lifetime income solutions structured as part of a default investment, and automatic escalation of participant contribution rates.

**EXHIBIT 2: What should we focus on?**

<table>
<thead>
<tr>
<th>DC PLAN ATTRIBUTES</th>
<th>IMPORTANCE</th>
<th>PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximize growth potential</td>
<td>66%</td>
<td>43%</td>
</tr>
<tr>
<td>Secure adequate income source</td>
<td>64%</td>
<td>45%</td>
</tr>
<tr>
<td>Choose the right investments</td>
<td>63%</td>
<td>42%</td>
</tr>
<tr>
<td>Monitor and understand progress</td>
<td>61%</td>
<td>47%</td>
</tr>
<tr>
<td>Save more</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Starting the process</td>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>Understand how much to save</td>
<td>56%</td>
<td>46%</td>
</tr>
<tr>
<td>Protect from market volatility</td>
<td>56%</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Note: Importance is based on correlation of each attribute with overall plan satisfaction. Performance is based on high satisfaction rating for each attribute.


AUTOMATIC ENROLLMENT TRACKS WITH BETTER OUTCOMES—AND HIGHER PARTICIPANT SATISFACTION

Years ago, employees offered defined benefit plans by their employers didn’t have to decide whether to participate in them. Participation was a given. Today, automatic enrollment (see definition below) brings that same principle to defined contribution plans—and draws generally rave reviews from participants familiar with the concept.

Nearly three-quarters of plan participants familiar with automatic enrollment consider it a very important plan design feature. With increasing numbers of DC plans adopting auto enrollment, more than six in 10 participants say they are familiar with the feature and nearly half have experience with it. In this case, familiarity breeds not contempt, but appreciation. While 44% of all participants consider auto enrollment very important, the figure jumps to 71% among those familiar with it. Participant views on re-enrollment track a similar curve; 39% of all participants surveyed consider it very important, but the percentage jumps to 63% with familiarity. (See Exhibit 3.)

Once familiar with auto enrollment, participants also see it driving better saving and investing behaviors. Compared to all participants surveyed, about 20% more of those who are very familiar with auto enrollment say it helps employees achieve a financially secure retirement, ensures employees are putting money into their retirement plan and investing it the right way, and helps employees pay attention to, and regularly monitor, their progress in relation to their retirement goals.

In fact, auto enrollment tracks with better outcomes: plan satisfaction and participant contribution rates alike are higher among participants who have access to and experience with the feature. Participants experienced with auto enrollment contribute, at the median, 10% of their pay to their DC plan, while those without experience contribute only 7%. Similarly, 54% of those with experience are highly satisfied with their plans, versus 42% of those without experience. (See Exhibit 3.)

Among participants reluctant to embrace auto enrollment, a perceived loss of control is the biggest stumbling block. Forty percent of participants who consider auto enrollment not important—representing about 30% of the total surveyed population—say people should be able to make their own decisions about joining their workplace retirement plan.

How auto enrollment works

Automatic enrollment is a retirement plan feature intended to help workers start saving and investing for retirement as soon as possible. It can be implemented in a number of ways—through automatic enrollment of new employees only, or through re-enrollment events where all employees are enrolled into the plan, including those who may already be participating.

With automatic enrollment, the plan determines what percentage of an employee’s pay is contributed. Employees retain the right to opt out of the plan, change their contribution rate, or choose different investment funds in the plan.
EXHIBIT 3: Experience with auto enrollment tracks with better outcomes

Overall Plan Satisfaction
% Highly Satisfied (8-10 Rating)

- Total: 54%
- No Experience: 47%
- With Experience: 42%

Current Contribution Rate
Median Percentage

- Total: 10%
- No Experience: 8%
- With Experience: 7%

INTEREST IN GUARANTEED LIFETIME INCOME IS HIGH AMONG PARTICIPANTS WHO UNDERSTAND IT

Compared with auto enrollment, guaranteed lifetime income solutions are significantly less well known among plan participants—and far less used. Only about a third of participants are familiar with them, and only 5% can confirm they use them. Millennials are a notable exception; 55% are familiar with these solutions and 17% say they have had experience with them.

More than three-quarters of plan participants familiar with guaranteed lifetime income solutions consider it very important to include them in workplace retirement plans. Thirty-two percent of all participants consider it very important, but the figure jumps to 78% when participants are familiar with them. Asked why they value these solutions, participants most commonly say they provide financial security, certainty or predictability; are easy to understand and manage; and help people save and prepare for retirement.

Some subgroups among the participant population are far more enthusiastic about guaranteed lifetime income solutions than others. Forty-two percent of Millennials consider guaranteed lifetime income very important, for example, compared with 29% of Gen Xers. Thirty-eight percent of participants with household income below $50,000 consider it very important, versus 27% of those earning between $100,000 and $150,000. Public sector employees favor it more than private sector workers (36% versus 29%), and African American participants are especially enthusiastic proponents, with 56% of those surveyed calling guaranteed lifetime income solutions a very important plan benefit. While just a third of all surveyed participants say they would very likely use a guaranteed lifetime income solution if it was offered to them, 63% of African Americans say they very likely would, as do 44% of Millennials and 45% of those with household income below $50,000.
Participant views of guaranteed lifetime income solutions are almost equally favorable whether they are part of a default or an optional plan feature. Thirty percent of participants say they are very important as part of a default investment, nearly in line with the 32% who say the same if they are an option.

A majority of plan participants who understand guaranteed lifetime income solutions say being defaulted into them leads to better-than-average retirement outcomes. Fifty-four percent of those who consider themselves very familiar with guaranteed lifetime income solutions share this belief, as do 62% of those who’ve had experience with them—compared with just 34% of all participants surveyed.

EXHIBIT 4: Majority of participants familiar with guaranteed lifetime income (GLI) say it creates above-average retirement outcomes

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>AMONG VERY FAMILIAR WITH GLI</th>
<th>AMONG WITH EXPERIENCE WITH GLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>They achieve better than average retirement outcomes</td>
<td>34%</td>
<td>54%</td>
<td>62%</td>
</tr>
<tr>
<td>They achieve similar retirement outcomes as the average employee</td>
<td>25%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>They achieve below average retirement outcomes</td>
<td>13%</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Not sure</td>
<td>28%</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

One reason participants don’t make much use of guaranteed lifetime income solutions today is that few have access to them. In fact, 33% of participants who have not been offered these solutions say they would be very likely to consider them if offered. And again, the numbers increase substantially with familiarity. Among participants who do not have guaranteed lifetime income solutions offered in their plans, 77% of those who are very familiar with the solutions say they would be very likely to use them if offered, versus 23% for those slightly or not at all familiar with them.

More than three-quarters of plan participants familiar with guaranteed lifetime income solutions consider it very important to include them in workplace retirement plans.

How guaranteed lifetime income solutions work

Guaranteed lifetime income solutions provide the opportunity for growth in a plan participant’s retirement portfolio, along with income protection from market downturns—both while they are building savings and once they retire and begin taking distributions from their plan. The additional fee for this protection varies with the level of protection offered.

With guaranteed lifetime income solutions, a certain level of the participant’s retirement savings will be guaranteed and turned into a predictable lifetime income for retirement. The participant decides when to lock in their guaranteed lifetime income amount. At that point, they are able to withdraw a specified, guaranteed amount of annual income from their retirement account for the rest of their life. Assuming they never exceed that annual amount, their income stream is guaranteed for life, even if their account balance reaches zero.

As with any other 401(k) investment, the participant has the ability to take loans and withdrawals against their account balance at any time. These guaranteed lifetime income solutions may be able to be combined with (i.e., become part of) other investment options, including target-date funds and other asset-allocation-style default investment options.
Participants with the least favorable views of guaranteed lifetime income exhibit some of the greatest need for help getting ready for retirement. Compared to the overall participant population, they tend to be less prepared for retirement, and less likely to be receiving retirement income from home equity, annuities or rental property. On average, they also contribute a smaller percentage of their pay to their retirement plans and have lower account balances.

By contrast, participants who actually have experience with guaranteed lifetime income solutions tend to be more affluent, contribute more to their retirement plans, and are generally more prepared for retirement, as shown in Exhibit 6.

Participants with past experience with guaranteed lifetime income solutions are nearly 20% more likely to recommend them than other investment products. While 61% would recommend the income solutions, only 51% say they would recommend other investment products.
LIFETIME INCOME SOLUTIONS PRESENT AN OPPORTUNITY TO BRIDGE PARTICIPANTS’ DIVERGING INVESTMENT GOALS

The survey results around guaranteed lifetime income solutions suggest that plan sponsors have a real opportunity to help plan participants resolve two of their most vexing challenges. As noted, participants express some of their lowest levels of satisfaction with their plan’s ability to protect them from market volatility. But many are simultaneously dissatisfied with their plan’s ability to help them maximize their investments’ growth potential. As one survey respondent expressed it, participants want the best of both worlds: “higher return with less risk.”

There’s an inherent tension between these two objectives, of course. Maximizing growth points investors toward riskier investments, while minimizing volatility steers them to more conservative investments. Providing participants with guaranteed lifetime income solutions that protect that income against market downturns, while locking in contributions and potential investment returns, can give them the confidence to invest in an appropriately diversified portfolio—one that includes some of the riskier assets they’ll likely need to meet their retirement goals.

AUTOMATIC CONTRIBUTION ESCALATION IS VALUED AS AN ELECTIVE PLAN FEATURE

Plan participants aren’t as familiar with automatic escalation of contributions to their DC plans as they are with automatic enrollment. Forty-nine percent of those surveyed say they are somewhat or very familiar with auto escalation, but only a fraction—12%—have experience with it, primarily due to a lack of access. (Forty-one percent say they’ve never had access to it, 30% can’t recall, and 17% say they had access but either never used it or opted out of its use.)

Nonetheless, nearly a third of participants consider auto escalation very important to plan design, and, as with auto enrollment, that figure nearly doubles with familiarity and experience. Sixty-three percent of participants familiar with the feature say it’s very important, as do 65% of those with experience.

Participants value auto escalation more as an elective than a default. Among those who consider it very important, 51% favor it as an elective plan feature, versus 23% who favor it as a default. Similarly, more than a third of those who consider auto escalation slightly or not at all important become converts if it is offered as an elective rather than a default.

Contrary to what plan sponsors might imagine, concerns about the affordability of auto escalation are not widespread. Among participants who have been offered the feature but never used it or opted out, only 25% say they didn’t take advantage of it because they couldn’t afford it or because they wanted the flexibility to adjust their contributions based on their ongoing financial situation. The most common reason cited—by 32% of those participants—was wanting to make decisions independently/not needing the feature.
Where participants actually have experience with auto escalation it leads to higher contribution rates, higher account values, and higher overall plan satisfaction. For example, 59% of participants who have used an auto escalation feature say they are highly satisfied with their DC plans, versus 46% of those who haven’t used one. Put another way, participant satisfaction with DC plans climbs by 28% when participants adopt auto escalation.

**Participant satisfaction with DC plans climbs by 28% when participants adopt auto escalation.**

**EXHIBIT 7: Experience with auto escalation tracks with better outcomes**

![Chart showing +28% for Overall plan satisfaction, +30% for Current contribution rate, and +10% for Account value]

**How automatic contribution escalation works**

With auto escalation, the percentage of pay a participant contributes to their retirement plan goes up automatically, usually by a fixed percentage annually, until it reaches a predefined cap. The feature can be structured as an employee-elected option, in which the employee decides whether to activate the feature, and, if so, how much to boost their contributions. It also can be structured as a plan default, with the plan both initiating the feature and setting the increase rate. Either way, participants retain the right to change the increase rate or opt out of the feature entirely.

**IMPLICATIONS FOR PLAN SPONSORS**

Many plan participants understand they are in jeopardy of failing to meet their retirement savings and investment goals. But many also recognize that some of the newest plan design features and benefits can help them become better prepared: automatic enrollment, in-plan guaranteed lifetime income solutions that are part of a default investment option, and auto escalation of their contributions to their plans. And as our survey data show, the percentage of participants who feel that way increases once they become familiar with those features or actually experience them. Perhaps most strikingly, the use of these features correlates with better participant outcomes.

Importantly, these features and benefits can also help plan sponsors address what plan participants identify as their most important unmet needs: help with choosing the right investments to meet their retirement goals, help with maximizing the growth potential of their account balances, and help with securing an adequate source of retirement income.
As sponsors work to incorporate these features and benefits into their retirement plans, they may find it helpful to pursue these additional objectives:

- **Boost the overall awareness among plan participants of the plan features and benefits proven to help them meet their goals.** The more participants know about automatic plan design features and lifetime income solutions, the more they value and use them and the better outcomes they experience—helping them meet their most important savings goals and unmet needs.

- **Counter the misperception that auto features equate to a loss of control.** Adopt simplified enrollment processes and use strategic communications to drive home the message that these features are aimed not at usurping control but rather at helping participants improve their retirement outcomes.

- **Reframe the default debate.** Sharpen, and widely disseminate, the message that positioning innovative investment solutions as defaults rather than options leads to better retirement outcomes for plan participants—while noting that participants always have the ability to opt out of any default.

- **Re-enroll plan participants.** Re-enrollment allows plan sponsors to improve retirement outcomes not just for new employees but for all employees, including long-time employees who did not join the plan before auto enrollment was adopted.

The importance of these initiatives becomes even more clear given the survey's findings about Millennials, who will soon form the largest demographic group in the U.S., displacing Baby Boomers. Millennials are more familiar than previous generations with auto enrollment, auto escalation and guaranteed lifetime income; more likely to consider auto escalation and guaranteed lifetime income very important; and more likely to use guaranteed lifetime income than previous generations. Meeting their needs and expectations will be critical to any plan sponsor seeking to offer a successful retirement plan in the years ahead.

If auto enrollment with a guaranteed lifetime income default and auto escalation haven't yet solved the challenges American workers face in saving and investing for retirement, the survey data suggest it's not because they don't work or aren't valued, at least by those participants who know what they are. By broadening their availability, plan sponsors will go a long way toward improving retirement outcomes for working Americans—and toward helping their organizations reap the greatest benefits from their DC plans.

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