
A retirement readiness tool from Alliance for Lifetime Income

By Editorial Staff Thu, Apr 25, 2019

The Alliance for Lifetime Income, a trade group made up mainly of annuity issuers and asset managers, has created an online wizard for calculating retirement readiness.

The Alliance for Lifetime Income, a retirement industry trade group that includes most of the publicly held life insurers, as well as Milliman, the actuarial firm, have created an online wizard to help people quantify their retirement preparedness.

The Alliance needs an immediate publicity boost. Its sponsorship of the Rolling Stones “No Filter” U.S. tour is hampered by Mick Jagger’s illness, which forced the band to announce last month that it couldn’t begin the tour on April 20 in Miami as planned. A press release said the Stones expected to reschedule the tour.

Called the “Retirement Income Security Evaluation,” or RISE Score, it’s one in a series of efforts by the Alliance to promote products that generate guaranteed lifetime income. The Alliance represents 24 life insurers, asset managers and other firms in the retirement industry.

Based on responses to questions about guaranteed income sources, savings, and expenses in retirement, the RISE Score ranges from 0 to 850, analogous to a FICO credit score. (One person used the tool and received a “good” score of 650-699. The wizard also told the user that her “Income Coverage” ratio was 74% to 87%. In other words, her expected income in retirement from all sources, including portfolio withdrawals, could

“cover 87% of expenses in average scenarios and 74% of expenses in the worst 10% of scenarios. The expected income in retirement, excluding portfolio withdrawals, may cover 58% of expenses in average scenarios and 58% of expenses in the worst 10% of scenarios.”

According to a press release from the Alliance, all inputs to the RISE Score are anonymous and the tool doesn’t require consumers to provide any personally identifiable information.

To learn more about the RISE Score, please visit retireyourrisk.org/rise-score.

The Alliance for Lifetime Income members include insurers AIG, AXA, Allianz, Brighthouse, Global Atlantic, Jackson National Life, Lincoln Financial, MassMutual, Nationwide, Pacific Life, Protective, Prudential Financial, State Farm, TIAA, Transamerica and T. Rowe Price.

Asset managers include Capital Group/American Funds, Franklin Templeton, Goldman Sachs Asset Management, Invesco, J.P. Morgan Asset Management, Macquarie, and State Street Global Advisors. Another member, Milliman, an actuarial firm, is a risk management consultant for many of those companies.

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