
BlackRock, SunGard to Ease Administration of In-Plan Annuity

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SunGard is providing "a technological advancement that will help make retirement income options more readily available to DC plan participants," said SunGard's COO.

BlackRock, which collaborates with MetLife on a program that allows 401(k) plan participants to invest in target-date funds and buy chunks of future guaranteed income, has formed an alliance with SunGard, provider of administrative systems for DC plan sponsors.

The alliance should make it technically easier for DC plan sponsors to adopt the BlackRock-MetLife program, which was once called SponsorMatch but has been rebranded, LifePath Retirement Income. BlackRock provides the target-date mutual funds and MetLife provides the deferred income annuity for the program.

When the program was first launched in 2008, it allowed plan participants to invest their own plan contributions in target-date mutual funds and to use their employer's matching contribution to purchase future income, a little at a time. Employees could opt out of the program if they changed their mind and the accumulations were portable.

But uptake of the program has been slow. Part of the problem was that funds with an income annuity component add to the administrative complexities and recordkeeping process of DC plans.

"Many plan sponsors have found it challenging to add funds specifically designed to help employees transform their accumulated retirement assets into secure retirement income," said Chip Castille, managing director and head of BlackRock's US and Canada defined contribution group. "Now that barrier is being removed."

SunGard is providing "a technological advancement that will help make retirement income options more readily available to DC plan participants," said Bob Ward, Chief Operating Officer of SunGard's Wealth Management Business.

Through the SunGard Global Network (SGN), the BlackRock-SunGard solution will create what the companies call an "income window" for DC plan recordkeeping firms. In short, the SGN will integrate LifePath's retirement income-generating funds into a plan's existing administrative and transaction processes.

"The income window, which can be used by any recordkeeping firm, including third-party administrators and advisors using SunGard's Omni and Relius platforms, will provide access and the ability to trade lifetime retirement income funds through an integrated link to the SGN," he added.

The SPARK Institute, whose members include a broad cross-section of retirement plan professionals, is also playing a role in the deal. BlackRock and SunGard will be using SPARK's open architecture information-

sharing standards for annuity based, lifetime income funds in retirement plans.

Currently there are about 50 million workers nationwide participating in about 484,000 401(k) plans representing 75% of eligible workers with about \$2.6 trillion in assets, or about 30% of all retirement assets. BlackRock is the largest investment-only DC plan provider and the fourth largest U.S. DC provider overall, with \$270 billion in assets under management.

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