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## Bob Reynolds' & the Future of 401k

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By Kerry Pechter Sat, Sep 23, 2017

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*Reynolds emphatically favors the investment interpretation, as does Brian Graff of the American Retirement Association and other industry advocates.*

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Many of us dream about improving the U.S. retirement system, but few of us are as well positioned to influence its direction as Robert Lloyd Reynolds, CEO of Great-West Financial. Reynolds has just published a new book, “From Here to Security: How Workplace Savings Can Keep America’s Promise.”

The book combines industry advocacy with public policy recommendations. Reynolds, 65, is the former Fidelity Investments vice-chair who, since 2014, has consolidated Great-West Retirement, Putnam Investments and J.P. Morgan Retirement Services into Empower, now a top-five 401(k) recordkeeper with an industry-leading eight million participants and about \$400 billion in assets under management.

Reynolds, a florid, physically imposing West Virginian, is also one of the industry’s opinion leaders. As for opinions, he’s a passionate cheerleader for the \$7 trillion 401(k) business—though his book concedes its flaws. As for leadership, it’s notable that three House Ways and Means Committee members, two Senate Finance Committee members and a former deputy Treasury Secretary endorsed the new book.

Before going farther, let me say that I welcome almost any book that, like this one, calls for introducing guaranteed income options into defined contribution plans. “Lifetime income solutions, in plans and beyond, strike me as the holy grail of the next generation of workplace savings in America,” Reynolds writes.

“Done right, this could enable DC plans to match, or even surpass, the reliable incomes that traditional pensions once provided.” (Empower sells Great-West Secure Foundation, a guaranteed lifetime withdrawal benefits, to Empower plan participants. Reynolds also told *RIJ* this week that he’s interested in indexed annuities as participant options.)

But that’s not the main reason this book is timely. Reynolds and other leaders of the retirement industry are currently concerned that, if and when Congress and the White House mucks around with the U.S. tax code this fall, legislators might try to generate new tax revenue (to pay for tax cuts) by trimming back the blessing of tax deferral on