
Investment managed accounts to be offered in MassMutual 401(k)s

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In what sounds like the introduction of in-plan robo-advice, MassMutual and the registered investment advisor Envestnet Retirement Solutions, LLC are partnering to offer custom managed accounts to participants in MassMutual's 401(k)s and similar qualified plans.

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MassMutual also uses BlackRock managed accounts and CustomChoice Strategies, an asset allocation methodology created by Morningstar, a spokesman for the insurer told RIJ. "But those products are customized at the plan level whereas RetireSmart Ready is customized at the participant level," he said.

Employers who sponsor MassMutual-administered plans can offer RetireSmart Ready Managed Path either as an actively chosen option for participants or as a Qualified Deferred Investment Alternative (a default option) for automatically enrolled participants. The option is currently available and the QDIA will be available this fall, a MassMutual release said. The RetireSmart QDIA won't be a target date fund, MassMutual said.

MassMutual's recordkeeping data shows that the percentage of assets within asset allocation strategies increased by 26.2% in the last five years. Participants can enroll in RetireSmart Ready Managed Path online through the MassMutual RetireSMART Ready Tool after establishing a separate advisory account with ERS.

MassMutual's PlanALYTICs tool, launched in 2013, will be used to measure each participant's progress toward the goal of replacing 75% of pre-retirement income, including full Social Security benefits. The tool uses each participant's "current age, target retirement age, risk tolerance, existing savings and future retirement needs, including whether or not he or she has a defined benefit plan," according to a release.

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