Financial Engines cites growth of its Income+ program

By Editor Test *Tue, Oct 30, 2012*

Participants who use the Financial Engines managed account program, Professional Management, which costs each participant up to 60 basis points a year depending on account size, do not need to pay extra to use Income+.

Income+, the decumulation strategy that Financial Engines offers to its managed account customers, now has more than 50 signed contracts representing $79 billion in assets from over 900,000 retirement plan participants, the company announced earlier this month. Of those numbers, $30 billion is already under management and 340,000 employees are already enrolled.

The San Francisco firm's announcement coincided with the Third Annual Retirement Income Summit, held October 10 in New York and co-hosted by Financial Engines and the Pension Research Council of The Wharton School of the University of Pennsylvania.

Launched in January 2011, Income+ is described by Financial Engines "as the first retirement income solution designed specifically for 401(k) plans. Income+ helps protect participants from big losses before retirement and generates steady monthly payouts that can last for life."

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"Income+ …can create the kind of safe but flexible spending from their investment accounts that is needed in this new reality," said Financial Engines president and CEO Jeff Maggioncalda in a statement.

Income+ does not involve the purchase of an annuity. According to Financial Engines' website, retirees who want an income guarantee can purchase an annuity. Under Income+, employees maintain full control of their assets and the timing of their withdrawals, can cancel the program at any time, and can choose when to start or stop payouts.

The annual Retirement Income Summit offers a collaborative forum for academics, policy makers, and large employers to facilitate new programs that help retirees create income that can last for life.

Government, policy makers and key executives from nearly 30 large employers representing a cross-section of industries attended the invitation-only event. Of the sponsor participants, more than half were from Fortune 500 companies.

Speakers at the Summit included:

- Michael Davis, Deputy Assistant Secretary of the U.S. Department of Labor
- Mathew Greenwald, president and CEO, Mathew Greenwald and Associates
- J. Mark Iwry, Senior Advisor to the Secretary of the Treasury and Deputy Assistant Secretary for

Retirement and Health Policy
- Jason Scott, managing director, Financial Engines Retiree Research Center
- Richard Shea, partner, Covington & Burling and Pension Research Council advisory board member
- John Shoven, director, Stanford Institute for Economic Policy Research
- Panelists from Citigroup, The Home Depot and other large plan sponsors