
Honorable Mention

By Editorial Staff Wed, Jun 23, 2021

Principal's new pooled employer plan Is growing quickly; 'Personal Retirement Strategy' will support Bank of America plan participants; Allianz Life survey reveals hot-button personal finance issues; Tom Smith will be DPL Financial Partners' new Chief Growth Officer.

Principal's new pooled employer plan Is growing quickly

"Dozens of employers with retirement plans with \$10 million to more than \$300 million in assets under management" have joined or intend to join the pooled employer plan (PEP) recently launched by Principal Financial Group and Lockton Investment Advisors, according to a news release this week.

"This interest in a PEP from mid-to-large employers indicates the potential of more widespread uptake of these plans in addition to use by small businesses," the release said. "[They] liked the PEP's ease of use, the ability to outsource administrative and fiduciary work, and institutional investment cost savings."

The new PEP, known as the (k)Praetorian Retirement Plan, provides access to investment management and transfers administrative and fiduciary burdens to specialized industry professionals. Principal research shows that only 16% of US businesses feel confident that their employees are saving enough for retirement.

Employers in the medical and pharmaceutical, technology, manufacturing, and financial services fields are joining the plan, the release said. In addition to (k)Praetorian's tailored plan design, employers say they are switching to the plan because it removes much of the plan administration and fiduciary stress of ERISA compliance and liability, as well as providing education and services that help employees build a more secure retirement.

Lockton serves as independent 3(38) Investment Fiduciary for the PEP, designing and monitoring the investment lineup. They also provide financial wellness and plan design consulting. Duckett and Tom Clark, JD, co-founders of Lockton's Outsourced Administrative Services practice, serve as strategic advisors to (k)Praetorian and will participate in the PEP's continued evolution.

Principal serves as the pooled plan provider (PPP) that oversees the operation of the (k)Praetorian PEP as well as 3(16) Plan Fiduciary and recordkeeper. The plan also

integrates the extensive administrative capabilities of National Benefit Services, LLC (NBS) to carry out plan administration and 3(16) services under the direction of Principal.

‘Personal Retirement Strategy’ will support Bank of America plan participants

Bank of America has launched a new digital investment advisory program, Personal Retirement Strategy. According to a release, “The program delivers personalized insights, guidance and tools, as well as access to digital investment management services seamlessly integrated into the 401(k) experience.”

Institutional and corporate retirement plan clients can offer this Merrill program designed to help plan participants establish and pursue their retirement income goals. Personal Retirement Strategy is the latest addition to Financial Life Benefits, a suite of workplace benefits and solutions. The new program is designed to help participants in institutions and corporate retirement plan clients.

Merrill will act as a 3(21) fiduciary for participants using Personal Retirement Strategy, and a 3(38) fiduciary with respect to the plan assets enrolled in Merrill Managed. Participants can elect to invest their 401(k) assets themselves, or have a portfolio created and managed on their behalf in Merrill Managed.

Personal Retirement Strategy provides all plan participants with a retirement plan and personalized investment strategy via mobile phone and online. Key features include:

- **Interactive Digital Experience:** ability to determine how certain decisions could affect retirement with flexible tools and guidance that allow for customization of the user experience
- **Goals Based Planning:** guidance in creating a retirement income strategy based on the employee’s holistic financial picture and a personalized, goals-based asset allocation recommendation
- **Actionable Insights:** aids participants in understanding their available benefits, offers actionable steps they can take to prepare and help stay on track toward a financially secure retirement
- **Investment Management:** a new discretionary managed account service, Merrill Managed, that offers personalized investment management for an additional fee, based on Merrill’s well-established wealth management planning solutions, and portfolio construction from the company’s Chief Investment Office

Bank of America’s Retirement & Personal Wealth Solutions organization serves more than 26,000 companies of all sizes and more than 5.7 million employees as of December 31,

2020. Bank of America offers institutional client employees a range of financial benefit programs and solutions.

Allianz Life survey reveals hot-button personal finance issues

COVID 19 increased Americans' worries about money but it didn't increase their inclination to discuss their personal finances with an adviser, according to the 2021 Retirement Risk Readiness Study from Allianz Life Insurance Company of North America (Allianz Life).

On the one hand, respondents to an Allianz Life survey reported increased worry in 2021 about healthcare costs in retirement (71% vs. 65% in 2020), the rising cost of living (67% vs. 59%), the impact of a market downturn on retirement savings (66% vs. 54%) and running out of money before they die (59% vs 56%).

About two out of three are not currently discussing these topics with an adviser, but would like to, the survey showed. The most pressing issues: running out of money before they die (66%), the impact of a market downturn's on savings (64%) and being too conservative in investments and missing out on market gains (63%).

More than half said they would like to discuss their concerns about high healthcare costs (59%), the rising cost of living (58%) and lack of funds to do all they things they want to do in retirement (57%). Advisers might well raise these topics in their initial meetings with new clients.

The 2021 Retirement Risk Readiness Study surveyed *pre-retirees* (those 10 years or more from retirement); *near-retirees* (those within 10 years of retirement); and those who are already *retired*. The study found a clear opportunity for financial professionals to assist pre and near-retirees. Retired respondents reported less anxiety about various risks to their retirement.

A distinct difference exists between the recently retired (<10 years into retirement) and retirement veterans (10+ years in retirement) in their level of worry and willingness to get professional help.

Recent retirees were significantly more concerned about the majority of retirement risks than those who have spent more time in retirement, including healthcare costs being too high (64% vs. 40%), the rising cost of living (54% vs. 27%), the impact of a market downturn on retirement savings (61% vs, 39%) and running out of money before they die (46% vs. 24%).

Recent retirees are more willing to discuss these topics with their financial professional. For those that reported interest in discussing retirement risks, the most popular topics were the impact of a market downturn on retirement savings (54%), running out of money before they die (37%) and the rising cost of living (34%).

The survey showed “a clear preference for protection products.” When asked whether they would rather have financial products that have the potential for big gains, but also potential for big losses or products that protect from big losses, but come with smaller gains, nearly seven in 10 (68%) said they would prefer the protection product.

Allianz Life conducted an online survey, the 2021 Retirement Risk Readiness Study, in December 2020 with a nationally representative sample of 1,000 individuals age 25+ in the contiguous US with an annual household income of \$50,000+ (single) / \$75,000+ (married/partnered) or investable assets of \$150,000.

Tom Smith will be DPL Financial Partners’ new Chief Growth Officer

DPL Financial Partners, a turnkey insurance platform for registered investment advisors (RIAs) announced the appointment of Tom Smith as the firm’s Chief Growth Officer. He will lead efforts to grow DPL through additional partnerships with insurance carriers, distribution platforms and national RIA firms.

Smith came from Principal Financial Group, where he was most recently Head of Global Firm Relations, with a focus on integrating retirement, asset management and insurance services.

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