Retirement Income
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Honorable Mention

By Editorial Staff *Thu, Sep 16, 2021*

Michelle Richter to lead the Institutional Retirement Income Council; AIG to distribute annuities through SIMON; Morgan Stanley and Empower partner on workplace benefits; Jackson National completes 'demerger' from UK parent; Health Savings Accounts: Not Used as Directed, EBRI says.

Michelle Richter to lead the Institutional Retirement Income Council

The Institutional Retirement Income Council (**IRIC**), a non-profit think tank for the retirement income planning community, today announced the appointment of Michelle Richter as executive director, effective October 1, 2021. Ms. Richter, a 20-year retirement industry veteran, becomes IRIC's second executive director and will succeed Robert Melia, who is retiring at the end of September.

Michelle Richter

Ms. Richter is the founder of Fiduciary Insurance Services, LLC, a strategic consultancy and Registered Investment Adviser, and will continue in that role. She has 20 years of experience inventing, deploying, advocating for, and scaling innovative products and programs at the intersection between insurance and wealth management.

Ms. Richter serves in both retail and institutional channels, advising insurers, financial institutions and academics on new product and program design, strategic planning, launch execution, industry advocacy, marketing, and competitive intelligence. Ms. Richter holds a bachelor's degree in Economics from Wesleyan University, and an MBA in both Management and Finance from Columbia University's Graduate School of Business.

Melia was appointed IRIC's first executive director in 2017. His retirement is effective September 30. He will remain actively involved with the organization through the end of the year to help ensure a smooth leadership transition.

The Institutional Retirement Income Council (IRIC) is a non-profit, membership-based organization of industry advisors who are dedicated to sharing best practices, informing about legislative and regulatory issues, and facilitating solutions for plan sponsors and their participants. Its mission is to "facilitate the culture shift of defined contribution plans from supplemental savings programs to programs that provide retirement security."

AIG to distribute annuities through SIMON

AIG Life & Retirement's annuities will be distributed to wealth managers through SIMON Annuities and Insurance Services, a digital insurtech platform that helps facilitate insurance sales to advisers with rider illustrations, performance statistics and allocation analytics.

"2020 and 2021 have led a new wave of advancement to digitize insurance processes. Still, it is a relationship-driven industry, and will remain so as long as investors require a broad range of products with flexible options and features to choose from," said Jason Broder, CEO at SIMON.

"That's where technology fits in. More professionals now have access to AIG's incredible suite of retirement solutions and can navigate them supported by SIMON's powerful analytics. It's a great pleasure to welcome AIG Life & Retirement to SIMON."

According to a release, SIMON's technology demonstrates product features in an interactive way, showing the retirement-planning capabilities of each product available on its annuities shelf and making products easier to understand. Financial professionals will be able to find and explore AIG annuities, access product-specific marketing literature, and run allocation and income analytics within the product—all on the SIMON platform.

Morgan Stanley and Empower partner on workplace benefits

Morgan Stanley at Work and Empower Retirement are partnering on a "comprehensive workplace retirement offering" for employers who want to leverage company benefits as an employee attraction and retention tool.

The partnership builds on an existing relationship between the two firms, which includes both Morgan Stanley's investment services and Empower's technology and product and service capabilities. The partnership entails:

- Combined access to Morgan Stanley at Work's stock plan administration services and Empower's growing retirement plan market share
- Access to cobranded digital-forward solutions and capabilities
- Streamlined administration for plan sponsors and Financial Advisors
- Fund selection driven by the Morgan Stanley Global Investment Manager Analysis (GIMA) team
- Favorable administrative pricing terms through Morgan Stanley.

The Empower partnership will expand Morgan Stanley at Work's ability to serve advisor-sold plans under $50 million in assets with comprehensive retirement solutions to attract and retain talent. The partnership with Empower comes shortly after Morgan Stanley at Work announced a business partnership and strategic investment with Vestwell to serve small retirement plans, demonstrating its commitment to innovation and thoughtful disruption in the workplace wealth space.

Morgan Stanley at Work's Retirement Solutions is a flexible, multi-provider recordkeeper platform designed to meet the individual needs of companies. Through a consultative process, the Firm's retirement specialists help companies improve plan competitiveness and fiduciary risk management, investment selection and monitoring, and employee retirement readiness.
Retirement Solutions is part of the Morgan Stanley at Work suite of financial solutions, which spans Equity Compensation through Shareworks and E*TRADE Equity Edge Online, Retirement and Financial Wellness Solutions. Morgan Stanley at Work combines cutting-edge planning and risk management software, Morgan Stanley intellectual capital and financial education delivered through multiple channels, including Equity Edge Online, are part of the Morgan Stanley at Work solutions and are offered by E*TRADE Financial Corporate Services, Inc.

Jackson National completes 'demerger' from UK parent

Jackson National Life announced this week that it has completed its previously announced demerger from Prudential plc. Jackson is now an independent company, and its Class A common stock is expected to commence "regular way" trading under the ticker symbol "JXN" on the New York Stock Exchange on September 20, 2021.

Jackson, now headed by CEO Laura Prieskorn, is the top retailer of individual variable annuities in the US and its Perspective II is the top-selling variable annuity contract.

Prudential plc (unrelated to Prudential Financial in the US) shareholders voted to approve the demerger on August 27, 2021, and Jackson's Class A common stock began "when-issued" trading on the New York Stock Exchange on September 1, 2021. Prudential shareholders of record as of the close of business on September 2, 2021, received a distribution of one share of Jackson's Class A common stock for every 40 shares of Prudential ordinary stock held on the record date.

Concurrently with the completion of the demerger, the previously announced appointments to Jackson's Board of Directors became effective.

Health Savings Accounts: Not Used as Directed

The Employee Benefit Research Institute released a study finding that between 2019 and 2020, Health Savings Account (HSA) balances modestly increased by $400. However, average annual individual contributions fell 2%. Average annual distributions declined to an all-time low of $1,700.

The study, "Trends in Health Savings Account Balances, Contributions, Distributions, and Investments and the Impact of COVID-19," concluded that account owners are mainly using the accounts to cover current expenses instead of leveraging the tax preference by contributing the maximum or by maintaining HSA balances for retirement health care expenses. In addition, account holders' use of investments other than cash within HSAs remains low, at 9%.

Lower HSA contributions could be tied to employment concerns related to the COVID-19 pandemic; distribution declines could owe to fewer people seeking routine medical care during the pandemic, EBRI said.

This **Issue Brief** is the fifth in a series of longitudinal studies from EBRI's HSA Database, examining trends in account balances, individual and employer contributions, distributions, invested assets, and account-owner demographics from 2011–2020. Such analysis can help plan sponsors, providers and policymakers better understand strategies that can help improve employee financial wellness. The HSA Database contains 11.4 million accounts with total assets of $32.9 billion as of Dec. 31, 2020.

"As individuals become more familiar with HSAs, they are using the accounts more as designed," said Paul Fronstin, EBRI Director of Health Research and Education. "Account balances are growing over time, enabling longtime accountholders to withdraw larger sums when unexpected major health expenses occur. Plan sponsors that value employee financial wellness can work with administrators and advisors to better educate employees on the use of HSAs, including available investments."