Honorable Mention

By Editorial Staff *Thu, Aug 22, 2019*

Most RICP clients delay Social Security benefits; MassMutual boosts support for third-party administrators; DC plan participants 'stay the course': ICI

Most RICP clients delay Social Security benefits

Two-thirds of financial advisers holding the Retirement Income Certified Professional (RICP) designation from The American College of Financial Services say their older clients are "moderately worried that the Social Security program will drastically cut benefits in the future," the College said in a release this week.

Among those advisers, 46% are worried about the Social Security program drastically cutting their older clients' benefits and 54% are not.

More than 8 in 10 (84%) of RICP-holding financial advisers with older clients say cutting Social Security benefits by 20% today would "drastically alter their clients' lifestyles." The majority of financial advisers surveyed believe there will be a change in the Social Security program for their older clients, the College said.

"On average, 81% of advisers' clients are taking Social Security after age 65 with only 9% of their clients taking it at the earliest age," said Colin Slabach, the new assistant professor of retirement planning and assistant director of The American College New York Life Center for Retirement Income. "This is drastically different from the national average, with 35% of men and 40% of women claiming their benefits at the age of 62."

MassMutual boosts support for third-party administrators

Massachusetts Mutual Life Insurance Company (MassMutual) this week announced that it will enhance its field support and provide new digital tools for third party administrators (TPAs) that support 401(k)s and other defined contribution retirement plans.

The enhancements include the appointment of three TPA field support staff and the launch of a new website to provide tools and information for TPAs that work with MassMutual.

The website provides TPAs with information about MassMutual's TPASmart program and how it supports their efforts, materials for TPAs to promote their capabilities, a fiduciary calendar for administering retirement plan regulatory requirements, and information about

MassMutual's TPA incentive program.

TPAs provide a wide range of support for retirement plans, including plan design, participant enrollment, administration and regulatory guidance. TPAs provide support for 66% of MassMutual's retirement plans.

MassMutual's three new appointments are:

Kathy Lake is TPA Market Director for the Southern Division. Previously, Lake was a Client Engagement Manager for MassMutual retirement plans. She has more than 20 years of experience in retirement education, sales and service center operations and has held management positions at Jackson National Life and The Hartford.

Lynette Golly is TPA Market Director for the Central Division. She joined MassMutual in 2015 after owning her own TPA firm for nearly 25 years. Most recently, Golly served as Client Engagement Manager for MassMutual, supporting retirement plans and voluntary benefits.

Rob Ayers is TPA Champion, responsible for deepening and enhancing MassMutual's relationships with payroll providers. Ayers most recently was Managing Director of Benefits in MassMutual's Worksite Solutions. His experience also includes TPA Market Development and Managing Director in MassMutual's Emerging Markets and more than 10 years in various sales roles, including with Merrill Lynch.

The new additions join Kellen Craig, who is based in Arizona and covers the Western Division, and Sean Miller, based in Enfield, Conn., who covers the Northeast Division.

DC plan participants 'stay the course': ICI

Only 0.9% of defined contribution (DC) plan participants stopped contributing to their accounts in the first quarter of 2019, according to the Investment Company Institute's "Defined Contribution Plan Participants' Activities, First Quarter 2019" report. The study tracks contributions, withdrawals, and other activity, based on DC plan recordkeeper data for more than 30 million participant accounts.

Other findings include:

- 2% of DC plan participants changed the asset allocation of their account balances in the first quarter of this year, down from 5.1% in the first quarter of 2018.
- 9% of participants changed the asset allocation of their contributions in the first

quarter of 2019, down from 3.5% in first quarter of 2018.
- 4% of DC plan participants took withdrawals in the first quarter of 2019, similar to the share in the first quarter of 2018.
- 5% of DC plan participants took hardship withdrawals during the first quarter of 2019, the same share as in the first quarter of 2018.
- 9% of DC plan participants had loans outstanding at the end of March 2019, down from 16.7% at the end of 2018.

ICI has been tracking DC plan participant activity through recordkeeper surveys since 2008. This update provides results from ICI’s survey of a cross-section of recordkeeping firms representing a broad range of DC plans.