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## Lincoln rolls out in-plan retirement income option

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By Editorial Staff      Thu, Jul 16, 2020

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Taking advantage of the 2018 SECURE Act, which makes it easier for retirement plan sponsors to include income-generating annuities as plan investment options, Lincoln Financial Group has launched Lincoln PathBuilder, an in-plan guaranteed income option for plan participants.

“PathBuilder makes it possible to turn defined contribution retirement plan savings into a monthly check for life,” a Lincoln release said. The annual cost of the income option is 0.9% of the “income base” (the notional amount on which the payout rate in retirement is calculated. At age 65, the payout rate for a married couple would be 4.5% of the income base per year, according to a PathBuilder [brochure](#).

“Among workers currently saving in their employer’s defined contribution plan, 61% would be somewhat or very likely to contribute to a guaranteed lifetime income investment option,” the release said.

With Lincoln PathBuilder, participants can protect their savings from market declines while also benefitting when the market goes up, because of the way the “income base” is calculated. When participants invest their first dollar in the Lincoln PathBuilder investment option, their income base is set on that date. As the market goes up, the income base is reset annually once a year. If the market drops, the income base does not go down.

Plan sponsors can add the income investment option to a plan similar to the way they would add any other investment, or as part of a custom target-date portfolio. With a custom target-date portfolio, the account balances will automatically transition, over time, to an investment that can provide lifetime income. Participants can then choose to take this as a regular check that will last throughout their retirement.

Savers will always have full access to their account balance, as well as the flexibility to choose when they want to start receiving lifetime payments, with Lincoln PathBuilder. The investment is fully portable, scalable for large retirement plans, affordable, and can be embedded within a plan that leverages automatic design features, the Lincoln release said.

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