
Manager who helped launch three-insurer in-plan annuity rejoins AllianceBernstein

By Editorial Staff *Fri, Apr 29, 2016*

In his first tour at AB, Jeff Eng helped develop and launch Lifetime Income Strategy, the first target-date fund with a guaranteed lifetime withdrawal benefit rider option provided by three different insurers.

Jeff Eng has rejoined AllianceBernstein as managing director of custom defined contribution solutions, the global investment management firm announced this week.

He will be responsible for sales of AB's existing custom target-date offerings and Lifetime Income Strategy solution, while "supporting the firm's broader initiative in digital delivery of retirement planning advice." Prior to rejoining the firm, Jeff was Director of Retirement Income Solutions at Russell Investments.

Eng originally joined AB in 2001 as a product director in defined contribution, where he helped develop and launch Lifetime Income Strategy, the first multi-insurer target-date fund with a guaranteed lifetime withdrawal benefit. The insurers on the platform include Prudential, Nationwide and Lincoln Financial.

When they reach a certain age, participants who own Alliance Bernstein target-date funds can start buying protection for their TDF savings in the form of a guaranteed lifetime withdrawal benefit (GLWB) rider from one of those three insurers, who share the business by bidding for it. The program has been in use at United Technologies for several years.

The rider guarantees a certain benefit base, a percentage of which (minus prior withdrawals) the investor can receive for life. If the clients outlive their own assets, they will still receive that same percentage of the guarantee amount each year until they die.

By involving three insurers rather than one, the plan sponsor avoids the risk of relying on a single issuer for its in-plan annuity. That risk has discouraged many plan sponsors from including any annuity option within their plans.

AB manages more than \$46B in total defined contribution assets. The asset manager introduced a multi-manager target-date mutual fund series for the DC market in 2014, co-managed with Morningstar, and a multi-manager target-date series in a collective investment trust (CIT) format in 2015 partnering with Mercer Investments for third-party manager selection.

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