MassMutual aims to compete harder for defined benefit business

By Editorial Staff   *Thu, Sep 21, 2017*

PensionSmart Analysis, as MassMutual calls its newest tool, is available to DB plan sponsors through financial advisors and consultants who serve the pension recordkeeping, investments and actuarial marketplaces.

To help beef up its share of the shrinking U.S. defined benefit (DB) pension market, MassMutual has introduced a new diagnostic tool to help DB plan advisors, consultants and sponsors assess DB plan health and, ideally, find ways to raise assets and reduce liabilities.

PensionSmart Analysis, as the new tool is called, is available to DB plan sponsors through financial advisors and consultants who serve the pension recordkeeping, investments and actuarial marketplaces, MassMutual said in a release this week.

"The tool… creates a 'persona' that details the plan's current status, funding level or health, service structure, and a comparison to pension plans sponsored by other employers in the same industry." It can also help advisors and consultants identify local plans that could use a checkup, the release said.

Private and public DB pension plans in the U.S. had $8.6 trillion in assets and $4.2 trillion in unfunded liabilities as of March 31, 2017, according to the Investment Company Institute.

According to the release, the PensionSmart Analysis tool can:

- Diagnose plan health based on funding levels, administrative efficiencies and expense savings, communications to participants.
- Examine, assess and recommend new funding, investment and de-risking strategies.
- Evaluate different investment "glide path" options to help sponsors match funding with liabilities.
- Help advisors and consultants identify local DB plans that might benefit from a health analysis. The tool displays information on the sponsor, type of plan, size of the pension in assets and number of participants, funding level, status and service model.