
MassMutual introduces Pension Funding Scorecard

By Editor Test *Wed, Dec 14, 2011*

The Scorecard provides a quarter-by-quarter performance comparison for a liability-driven investing (LDI) portfolio vs. a traditional 60% equity/40% fixed income portfolio against the MassMutual Pension Liability Index (MMPLI).

MassMutual has launched a new Pension Funding Scorecard to help defined benefit plan sponsors and retirement plan advisors evaluate portfolio performance and deal more effectively with the impact of market volatility on the funded status of their pension plans.

The Scorecard provides a quarter-by-quarter performance comparison for a liability-driven investing (LDI) portfolio vs. a traditional 60% equity/40% fixed income portfolio against the MassMutual Pension Liability Index (MMPLI). The MMPLI is based on aggregating data from defined benefit plans on MassMutual's Retirement Services platform.

The tool also provides historical returns to help retirement plan advisors, plan administrators and chief financial officers make informed decisions about pension funding approaches.

LDI has achieved increasing attention for its ability to help mitigate the volatility and unpredictability of pension plan funding status. According to its proponents, LDI can enable better cash flow management and better alignment of asset and liability returns over time, while streamlining plan administration. In addition, LDI can often help reduce concerns associated with downturns in the equity markets, an issue that has spurred heightened interest in LDI among CFOs and pension committees.