
Mercer adopts Financial Engines' Income+ program

By Editor Test Wed, Nov 2, 2011

In contrast to Prudential's IncomeFlex or Hartford's Lifetime Income, which involve purchases of insurance products prior to leaving the plan, Income+ offers an optional "out of plan" purchase of a life annuity after rollover.

Financial Engines' Income+, a retirement income solution for 401(k) plan participants, has been rolled out to Mercer's defined contribution administration client base, the two companies announced.

Freeman, Kinder Morgan and Milacron are the first three Mercer clients to go live with Income+. Financial Engines has received commitments from six more Mercer plan sponsors to offer Income+ more than 50,000 additional 401(k) participants.

Milacron will automatically enrolling all 401(k) participants over age 60 into the service. Participants can opt out of enrollment or cancel the service at any time without penalty.

Income+ is an extension of Financial Engines' 401(k) managed account program. It was introduced in January 2011 to help plan participants turn their balances into income.

The Income+ feature is available to participants in Financial Engines' managed accounts program at no additional cost. Income+ does not require employers to add an annuity or change the fund line-up in their plan.

As part of a managed account, Income+ gives employees control of their money, which stays in their 401(k) account and doesn't lock them into a particular investment or insurance product. After the income phase begins, former participants can start payouts, stop payouts, take additional withdrawals or cancel at any time without penalty.

© 2011 RIJ Publishing LLC. All rights reserved.