
Putnam To Help Plan Participants Forecast Income

By Editor Test *Wed, Feb 3, 2010*

The Lifetime Income Analysis Tool allows participants to see a monthly retirement income statement based on their current savings plan and account balances.

Putnam Investments has launched an online tool for 401(k) plan participants that will calculate how much they can expect to receive in monthly income after they leave the work force. The tool will initially be available only to Putnam's plan sponsor clients and their employee plan participants.

Financial advisers will be able to use the tool within three months, Jeffrey Carney, a senior managing director and head of global marketing, products and retirement at Putnam, said at Putnam's Retirement Income Summit in New York last week.

Unlike tools that require investors to input all their data in multiple steps to figure out what they will need to save for retirement, Putnam's Lifetime Income Analysis Tool allows participants to go to its plan participant website and immediately see a monthly retirement income statement based on their current savings plan and account balance, according to Mr. Carney.

"Every time a participant logs in to the site, they will see their account balance as retirement income," said Ed Murphy, a managing director and head of defined contribution.

Participants then can adjust different sliding rules to see how their retirement income would be affected if they increased or decreased their 401(k) contribution rate and their age of retirement.

Because the tool is integrated with 401(k) plan sponsors' record-keeping systems, it will be more effective in helping participants take actions than other online services, said Dallas Salisbury, president of the Employee Benefit Research Institute.

"This tool has the ability to change how much someone is contributing to their plan in three clicks," he said. "Last time I changed something in my 401(k) plan, it took 21 clicks."

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