Retirement Income
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Retirement income is Kevin Crain's comfort zone

By Editorial Staff *Fri, Jan 3, 2025*

The new executive director of the Institutional Retirement Income Council, who is succeeding Michelle Richter-Gordon, brings decades of experience in the retirement industry to his new role. IRIC will focus on promoting in-plan annuities and other income solutions to plan advisors and consultants.

Kevin Crain, who emerged from semi-retirement last June to become executive director at the Institutional Retirement Income Council (IRIC), has the right curriculum vitae for his new role.

Kevin Crain

Crain's 40-year career in financial services included tours at McKinsey, Bankers Trust, Chase Manhattan Bank, Fidelity, and Putnam Investments. At his last employer, Bank of America Merrill Lynch, his Retirement Research team provided research to support building the Bank's in-plan retirement income option for its Defined Contribution (DC) clients.

"I've already seen one retirement income solution out of the gate," Crain told *RIJ*. He succeeds Michelle Richter-Gordon in the role.

Of the half-dozen or so retirement industry trade groups, the non-profit IRIC is perhaps the smallest. But it's the one most focused on promoting the placement of retirement income options *inside* DC plans. That is, within the investment menus, rather than as post-retirement rollover options. The group has just released a list of five key trends in that specialty area to watch for in 2025. (See box below.)

As a 501(c)3 charitable organization, IRIC’s goal is to educate, not to lobby. Lobbying falls within the province of the big 501(c)6 retirement trade groups: The American Council of Life Insurers, American Retirement Association, Alliance for Lifetime, and Defined Contribution Institutional Investors Association. Another active group is the Retirement Income Consortium, run by Broadridge.

“We’re institutionally-oriented, so we ask, ‘How can we help DC plan sponsors, consultants and advisors become more comfortable with retirement income?’” Crain told *RIJ* in an interview. IRIC is sponsored by retirement services providers, including recordkeepers, investment firms, insurers and technology integration entities.

IRIC’s top-five retirement industry trends for 2025

Retirement income solutions at the forefront. IRIC expects hybrid target date funds, hybrid managed accounts, annuity marketplaces, and systematic withdrawal programs all to be vehicles for turning 401(k) savings into retirement income.

Innovative product development. Customized in-plan retirement income solutions will integrate participants’ unique circumstances, risk profiles, and retirement goals to create more personalized income strategies.

Enhanced participant engagement and demand. IRIC foresees tools that use AI ‘to engage participants in a more interactive planning experience.’

Expansion of DC plan automatic features. Auto-enrollment and auto-increase in contributions will support in-plan annuities, but investment/income hybrids need more ‘broad-based plan adoption before being considered Qualified Default Investment Alternatives (QDIAs).’

Enhanced Financial Wellness Programs. Financial wellness programs should include pre-retiree modules for retirement income projections, education about Social Security and Medicare, budgeting, tax planning, and tips for saving more.

Sponsors currently listed on the IRIC website include Allianz Life of North America, AllianceBernstein, Empower, Lincoln Financial, Pacific Life, TIAA/Nuveen, and SS&C.

Besides Crain, IRIC is led by a board. IRIC’s current board members include John Pickett of CAPTRUST, Martin Schmidt of MAS Advisors, Martha J. Tejera of Tejera and Associates, Michael Kreps of Groom Law Group, actuary Mark Shemtob, and Laura Schumann of the National Rural Electric Cooperative Association (NRECA).

“No single retirement services industry association or council owns the DC income space,” Crain said. “I am of the view that “it takes a village” of collaborative partnerships of industry associations and service providers to help simplify and de-mystify in-plan retirement income options and not make it more complex.” Most of IRIC’s sponsors also belong to the retirement industry associations noted above.

Crain, who is also a senior advisor at McKinsey, the Milken Institute and the Global Coalition on Aging, doesn't underestimate the complexity of integrating retirement income options within DC plans. Although the SECURE Acts provided significant support for retirement income options, there are still administrative complexities to be addressed.

As noted, IRIC's mission is to make plan sponsors, consultants and advisors comfortable with *in-plan* retirement income options, including annuities. Hybrid Target Date/Managed Account funds are one example. With that option, deferred annuities are typically embedded in a target date fund or a managed account, into which participants can select to invest in the annuity. There are early discussions in Washington about the future of these options to be classified as QDIA investments.

When those participants reach a certain age, they begin earmarking part of their payroll deferrals to the embedded annuity. But the decision isn't irrevocable. Like many defined benefit plan participants, DC participants will need to actively choose at retirement whether to liquidate the annuity portions of their savings or turn them into lifetime income streams.

Out-of-plan annuities, by contrast, are often single-premium immediate annuities that participants can buy with part of their plan savings when they retire. But, in practice, even out-of-plan annuities have in-plan components.

"'In-plan' is not as clean a distinction as people like to think," Crain told *RIJ*. "IRIC works with its sponsors to clarify the types of retirement income options. There are solutions, like Fidelity's annuity supermarket, that appear to be 'out-of-plan.' But, for the participant, the preparation for that solution starts inside the plan. So I think the leading proposition [for DC retirement income solutions] will be an array of in-plan and out-of-plan solutions."

IRIC's primary audience for education starts with the financial advisors and consultants who will help plan sponsors evaluate, select, and monitor ongoing retirement income options; Crain is aware that the audience needs to include other institutional stakeholders. Plan recordkeepers, for instance, need processes and risk mitigation with middleware technology firms to let them safely share confidential data about participants with insurers, he said.

"Recordkeepers get queasy when you talk about moving data around," Crain told *RIJ*. "Even when the institutional ecosystem increases plan adoption, we still have to win over the participants. There's still a whole layer of participant education that is in the initial stages of development. Who will provide it? Will it be integrated with broader financial wellness programs? Will the recordkeepers subsidize that?"

In the coming year, Crain and his board of directors hope to expand IRIC's visibility with both social media and traditional media, expand its sponsors group, publish thought leadership articles, and use in-person and virtual forums to educate the institutional entities.

"IRIC has been the independent arbiter of 'in-plan' retirement income options. Now we're looking to take the conversation up a few levels, to broader concepts," he said. "We're also going to extend our visibility on social media. We'll work more with sponsors and do more events."