
"Roll-in" deal signed by Retirement Clearinghouse

By Editorial Staff *Fri, Jan 8, 2016*

Several years of effort by Retirement Clearinghouse (formerly RolloverSystems) to refine and popularize the automatic transfer of assets from 401k to 401k appear to be bearing fruit.

Everyone talks about rollovers. You may be less familiar with "roll-ins," a still-new counter-trend championed mainly by a single firm, Retirement Clearinghouse, LLC, of Charlotte, NC.

The firm's efforts to popularize 401k-to-401k transfers appeared to bear fruit this week, when Alliance Benefit Group of Illinois (ABGI), a record-keeper and third-party administrator for employer-sponsored retirement plans, announced that it has engaged [Retirement Clearinghouse](#) to give its participants access to "managed portability" solutions—that is, to help them roll tax-deferred savings from previous plans or IRAs into their current plans.

Retirement Clearinghouse identifies itself the "only independent portability solutions provider that consolidates retirement assets into active 401(k) accounts." In a release, the firm said it has consolidated more than \$3.17 billion in retirement savings accounts as of November 30, 2015.

The CEO of Retirement Clearinghouse, formerly called RolloverSystems, is former MassMutual executive Spencer Williams. He and Tom Johnson, formerly of MassMutual and New York Life, have spent years promoting their roll-in vision, which they believe serves public policy as well as commercial goals. Robert L. Johnson, the billionaire who founded Black Entertainment Television and sold it to Viacom in 2001, owns Retirement Clearinghouse.

Under the partnership, ABGI will educate participants about the benefits of consolidating their retirement savings in their current employers' plans. If a plan participant decides to consolidate, Retirement Clearinghouse will "locate, transport and consolidate" their retirement savings accounts in their ABGI plan. "Consolidation specialists" in Retirement Clearinghouse's call center will work with plan participants, sponsors and record-keepers to find participants' accounts in previous employers' plans, and move all balances into their current plans. The service is free to participants, ABGI said.

Peoria, Ill.-based ABGI provides recordkeeping, administration and investment consulting

services for employer-sponsored retirement plans in 40 states, with the heaviest concentrations in Illinois, Indiana, Iowa, Missouri and Wisconsin. The firm specializes in designing and servicing participant-directed 401(k), 403(b)(7), 457(b) and other qualified retirement plans. ABGI also acts as administrator for non-qualified retirement plans, interfaced payroll services and Health Savings Accounts.

Research commissioned by Retirement Clearinghouse and conducted by Boston Research Technologies has shown that "despite the difficulty of the consolidation process, 83% of Millennials, 83% of Generation-Xers and 78% of Baby Boomers would roll accounts into their current plans using a service provided, and paid for, by employers."

Retirement Clearinghouse has promoted its "roll-in" process as an answer to an issue created by the surge in the number of small, abandoned accounts created when people who've been auto-enrolled into a retirement plan change jobs. The "managed portability" service offers them an alternative to common practice of cashing out the accounts, which can delay and undermine their accumulation of retirement savings.

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