
Russell and Envestnet roll out managed account option for DC plans

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Russell Investments said this week that it will make its customized managed account option available as a qualified default investment alternative (QDIA) to retirement plan participants through Envestnet | Retirement Solutions' Qualified Individualized Life Target Solutions (ERS QuILTS) technology.

The Russell QDIA is called Adaptive Retirement Accounts, and ERS QuILTS delivers participant investment advice. It gives each participant a customized glide path or lifetime asset allocation evolution for each participant. Plan sponsors and advisors will be able to begin offering it in the first half of 2017, a Russell release said.

According to the release:

- The solution automatically captures a participant's personal information from a DC plan sponsor's record keeper and human resources system without requiring a participant's direct involvement or feedback. ERS' QuILTS technology facilitates a seamless connection with the record keeper.
- Personal information—age, gender, salary, current account holdings and contribution rate—is combined with Russell Investments' asset allocation model to construct a portfolio of the DC plan's existing investment options which is customized to each individual participant.
- Through a participant user interface developed by ERS, participants have the ability to add in outside assets and incorporate personal preferences regarding savings rate, retirement age, income needs and risk tolerance.
- Each participant's customized asset allocation is assessed quarterly and adjusted as needed based on progress toward his or her targeted retirement income goal.
- The open-architecture framework empowers advisors to select and monitor a plan's investments from a broad range of investment products, including passive and active options.
- The solution is designed to provide plan sponsors co-fiduciary support through Russell Investments' asset allocation model advice and an advisor's guidance regarding plan investments.