Ten most popular 'former' 401(k) providers

By Editorial Staff *Thu, Sep 27, 2018*

Nearly half (46%) of former plan participants did not take any action with regard to rollover options in 2017 and 43% intend to leave their assets in-plan this year, according to DC Participant Planscape, an annual Cogent Reports study by Market Strategies International-Morpace.

More first-wave boomers and Gen-Xers have chosen to keep their retirement assets in a former employer's plan for at least five years, according to a new Cogent Report. "That's welcome news for plan providers looking to keep assets in-house," a Cogent release said this week.

"But with a significant decrease in overall satisfaction among former plan participants this year, plan providers must take heed that investment performance is not the only factor that retains client assets," according to the release that accompanied *DC Participant Planscape*, an annual Cogent Reports study by Market Strategies International-Morpace.

Nearly half (46%) of former plan participants did not take any action with regard to rollover options in 2017 and 43% intend to leave their assets in-plan this year. Participants report staying in-plan because they are content with the investment performance and choice of investment options and have no intention of moving their assets unless absolutely necessary.

According to the report, the firms earning the highest level of former participant satisfaction, and thus those best positioned to retain assets in-plan, are:

1. Vanguard
2. Fidelity Investments
3. Voya
4. Charles Schwab
5. TIAA
6. T. Rowe Price
7. Merrill Lynch/Merrill Edge
8. Prudential Retirement
9. Nationwide
10. MassMutual
    (Source: Market Strategies International. Cogent Reports. DC Participant Planscape. July 2018.)

"The secret to success for plan providers is to find the right balance between maintaining high satisfaction with former participants who decide to leave their assets in the plan while at the same time being ready to cross-sell with rollover IRAs and other investment services,"s said Linda York, senior vice president at Market Strategies-Morpace, in a release.

Cogent Reports conducted an online survey of a representative cross section of 4,986 DC plan participants from April 30 to May 18, 2018. Survey participants were required to be 18 years or older, and contribute at least 1% to a current plan and/or have $5,000 or more in at least one former plan.