The Bucket

By Kerry Pechter *Wed, Oct 23, 2013*

Brief or late-breaking items from Financial Engines, Prudential, Guardian Insurance and BNY Mellon.

Income+ from Financial Engines continues to grow

Financial Engines, the 401(k) advice platform that is also the largest independent registered investment advisor (RIA) in the U.S., has signed its 100th plan sponsor contract for the patented Income+ service, including 41 of the Fortune 500.

So far, Income+, a decumulation strategy that relies on participants keeping their savings with their 401(k) provider after they retire, has been rolled out at 45 plan sponsors. When all 100 signed contracts are rolled out, the potential audience for Income+ will be 1.9 million participants and $180 billion in tax-deferred savings.

Launched in January 2011 as an extension of the Financial Engines' managed account program for participants, Income+ claims to "protect near-retirees from big losses in anticipated retirement income as they approach retirement and generate steady monthly payouts to retirees from their 401(k) accounts that can last for life," Financial Engines said in a release.

Participants who choose to roll over their 401(k) assets to an IRA can also use the managed account program, called Financial Engines Professional Management service, including the Income+ feature. Annuities are an out-of-plan option during retirement and not mandatory under Income+.

Income+ is aimed at plan sponsors who want to provide an income solution for retiring workers but who don't want the potential liabilities that could go with an in-plan annuity. It "eliminates both the need for an in-plan annuity and default risk for the plan," the release said.

"Further, there is no regulatory uncertainty for plan sponsors, because, as a managed account, Professional Management with Income+ qualifies for ERISA and QDIA protections. Finally, there is no product conflict of interest as Financial Engines is a fiduciary and independent advisor."

Prudential won't challenge SIPI designation

Prudential Financial will "not seek to rescind the designation of the company as a non-bank systemically important financial institution by the Financial Stability Oversight Council (FSOC)," according to a release this week.

The brief release added:

"The company will continue to work with the Board of Governors of the Federal Reserve System and other regulators to develop regulatory standards that take into account the differences between insurance companies and banks, particularly in the use of capital, and that benefit consumers and preserve competition within the insurance industry."

Prudential Financial, Inc. had more than $1 trillion of assets under management as of June 30, 2013, has operations in the United States, Asia, Europe and Latin America.

Guardian launches retirement website for investors and advisers

The Guardian Insurance Company of America today announced the launch of a new online resource for consumers, at www.myretirementwalk.com.

The site offers a variety of calculators, infographics and articles designed for people at various lifetime milestones, such as a first job out of college, mid-career promotions, marriage, starting a family, buying a home and preparing for retirement.

Visitors can select an avatar based on age and gender and then guide that avatar on a simulated "walk." The site offers advice about saving, managing debt and planning for the future for each stage of life.

My Retirement Walk is also meant to help financial professionals engage their clients in basic retirement and financial planning.

The lead manager on the project is Doug Dubitsky, Guardian's vice president of Product Management & Development for Retirement Solutions. Guardian developed the website with behavioral finance expert Dr. Daniel Crosby, who will be the main contributor to a blog on retirement income planning at the site.

Swedish pension buffer fund wins case against BNY Mellon

A judge in London's Commercial Court has ruled that Bank of New York Mellon (BNYM) was negligent in managing securities lending transactions for the Swedish pensions buffer fund AP1 and has awarded the fund damages of up to $33.7 million (€24.7m or SEK219m) mandates, according to a report in *IPE.com*.

The ruling may be appealed by BNYM, however, a representative of the pension fund said. AP1 had SEK246bn in assets under management at the end of June. The award amounts to less than one-tenth of one percent of the fund's assets.

The award covers most of the loss incurred by the fund plus interest expenses. The exact amount had not yet been set, according to AP1 managing director Johan Magnusson. BNYM will also have to pay most of AP1's legal costs.