
The Bucket

By Editorial Staff *Fri, Jul 18, 2014*

Brief or late-breaking items from Envestnet, Guardian Life, the Investment Company Institute and The American College.

Envestnet acquires Klein Decisions

Envestnet Retirement Solutions (ERS) has acquired Klein Decisions, Inc., a firm that provides managed accounts for retirement plan participants, according to a release this week by Envestnet, Inc., which provides technology and services to retirement advisors.

The acquisition includes Klein's "patented behavioral and financial analysis-based participant advice solutions," according to the release.

In a statement, Babu Sivadasan, group president of Envestnet Retirement Solutions, said, "The addition of Klein's technology to our retirement platform consisting of fund research, compliance assistance and practice management tools, and reporting and data aggregation... advances our ability to work with key record-keeping partners."

Guardian's new fixed deferred annuity facilitates systematic withdrawals

The Guardian Insurance and Annuity Co., a unit of Guardian Life, has introduced Guardian Fixed Target Annuity, a single premium, non-market value adjusted fixed deferred annuity with multiple guaranteed interest periods.

The contract also offers a completely liquid account. At the end of the selected maturity period, an investor can renew the contract for a new term at the prevailing interest rate or transfer into a one-year Guaranteed Interest Period. Any amount of money in the one-year account can be withdrawn free of surrender charges.

When ready, the client may partially withdraw, fully surrender, transfer 100% of the annuity's value into any available guaranteed interest period, or select one of the annuity payment options available to create a stream of income through annuity payments.

Retirement plan expenses continue to decline: ICI

In the continuation of a decade-long downward trend, the expense ratios of long-term mutual funds (equity, hybrid and bond funds) in 401(k) plans were lower in 2013 than in 2012, according to an annual research report from the Investment Company Institute.

The report, "[The Economics of Providing 401\(k\) Plans: Services, Fees, and Expenses, 2013](#)," also showed that plan participants who hold mutual funds tend to invest in lower-cost funds, the ICI said in a release. According to the report:

At year-end 2013, equity mutual funds accounted for almost 38% of 401(k) plan assets. Equity fund investors in 401(k) plans paid an average annual expense ratio of 0.58%, down from 0.63% in 2012.

Average expense ratios of hybrid mutual funds in 401(k) plans fell to 0.58% percent in 2013 from 0.60% percent in 2012. For bond mutual funds, the average expense ratio fell to 0.48% in 2013 from 0.50% in 2012, according to ICI.

Relative to all investors, participants in 401(k) plans tend to pay lower average fees than fund investors overall. The 0.58% paid by 401(k) investors in equity funds is lower than the average expense ratio paid by all equity fund investors (0.74%) and less than half the 1.37% simple average expense ratio on equity funds sold in the United States. The experience of hybrid and bond fund investors is similar.

Part of the savings comes simply from participants choosing cheaper funds, like index funds. 401(k) participants investing in mutual funds tend to invest in lower-cost funds," said Sean Collins, senior director of industry and financial analysis, in a release.

ChFC to include retirement income planning education

The American College of Financial Services announced that it has redesigned its Chartered Financial Consultant (ChFC) designation with an eye toward "offering applied knowledge to address real world family and business planning issues."

The redesigned designation will now require expertise in several areas, including:

- Divorce
- Blended families
- Providing for special needs children and family members
- Issues impacting the Lesbian, Gay, Bisexual, and Transgender (LGBT) community
- Retirement income planning
- Behavioral finance