The Bucket

By Editorial Staff *Thu, Jun 11, 2015*

Brief or late-breaking items from Market Strategies International (Cogent Reports), MassMutual and Voya Financial.

In coming year, 10% of plan sponsors will switch providers: Cogent Reports

Just over one in ten (11%) of 401(k) plan sponsors report they are very likely to replace their current recordkeeper sometime over the next 12 months, consistent with the 11% of sponsors who forecasted doing so and followed through in 2014, according to the annual Retirement Planscape, a Cogent Reports study by Market Strategies International.

The likelihood of switching is highest among mid-sized (13%), large (20%) and "mega" (18%) plans. The estimated number of current plans likely to turn over is 66,000, according to the report.

Plan fees and investment options are cited most often by sponsors as central reasons for their decision to switch plans, but among large and mega plans, concerns about service quality for both participants and sponsors are also paramount. To help them make the switch, smaller plan sponsors lean more heavily on financial advisors, their own independent research, and often, recordkeepers themselves, whereas larger plan sponsors are far more likely to employ the services of retirement specialists such as plan or employee benefits consultants.

"The factors driving the selection process vary significantly by plan size," said Linda York, vice president at Cogent Reports, in a release. "Among micro plans, sponsors are looking for a good value and a partner that is easy to do business with, whereas strong recordkeeping, fiduciary support, and fee transparency are important considerations at the other end of the spectrum."

Among sponsors indicating they are very likely to switch providers over the next 12 months, ten firms emerge as the overall most likely candidates for consideration:

1. Fidelity Investments
2. Charles Schwab
3. Bank of America Merrill Lynch
4. Vanguard

5. Wells Fargo
6. Merrill Lynch/Merrill Edge (specifically marketed to small businesses)
7. ADP Retirement Services
8. Prudential Retirement
9. New York Life (this business was acquired by John Hancock Financial Services in December 2014)
10. American Funds

According to Cogent Reports, most plan providers in the top 10 show strength across all plan sizes; however, several are weaker within certain segments. Likewise, there are providers that are not in the overall top 10 because their strength is more concentrated among plans of a particular size.

MassMutual offers tool to help employees choose benefits

MassMutual is launching a new employee benefits guidance tool, called MapMyBenefits, to help employees make decisions about their health care coverage, insurance protection and retirement savings.

Nearly one in four employees say personal financial problems distract them from their work, according to a 2014 PricewaterhouseCoopers survey of financial wellness issues cited by MassMutual.

Meanwhile, the task of selecting employee benefits has become more complicated as employers make benefits available on a voluntary rather than employer-paid basis, a MassMutual release said.

MapMyBenefits is a response to employer concerns about employees' financial well-being. A recent Aon Hewitt survey found that nine out of 10 large employers want to introduce or expand financial wellness programs this year, MassMutual said.

The tool is available through financial advisors, third party administrators and benefits specialists.

Currently, MassMutual is making several employee benefits products available through MapMyBenefits, including 401(k) and other defined contribution retirement plans, and life insurance. Additional insurance products are in the planning stages.

To help an employee pick the right benefits,MapMyBenefits analyzes information about his or her personal financial situation, including income and expenses, as well as current insurance coverage and retirement savings. Information about existing employer-provided coverage and employer-sponsored retirement plans are preloaded by MassMutual into the tool's data bank. Employees are also asked about other coverage and retirement savings they may have outside the workplace. If an employee chooses not to enter personal financial information, MapMyBenefits can provide projections on personal financial obligations such as mortgage costs, college tuition or retirement income.

Voya enters Fortune 500 at No. 268

Voya Financial, Inc. has been named to the 2015 *Fortune* 500 list. Voya Financial's appearance on the 2015 *Fortune* 500 at No. 268 marks the company's entrance to the list, which is *Fortune* magazine's annual ranking of America's largest companies by revenue. Voya Financial, which is the second-highest ranked new entrant to the *Fortune* 500, had $11 billion in total revenues in 2014. It went public in 2013 after separating from ING.

Voya Financial also announced today that it has been recognized as one of the Top Green Companies in the U.S. 2015 by *Newsweek* magazine, ranking as No. 78 of the 500 U.S. companies to earn the designation for corporate sustainability and environmental impact.

In March, Voya was recognized by the Ethisphere Institute as one of the World's Most Ethical Companies for the second consecutive year.