

401(k) Of The Future

Plan Research

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•Automatic Enrollment*

Employers will automatically enroll all employees and select each employee's initial deferral rate, investment strategy, and the pre-tax or post-tax nature of employee contributions.

•Automatic Investment*

Fund selection will be automatically made for the employee based on his or her date of birth and well-established financial planning and investment principles.

•Automatic Deferral Increases*

Employee contribution rates will be automatically increased in sync with their pay increases to minimize the effect of higher savings on the employee's take-home pay.

•Gap Analysis Report Included on Statement

401(k) account statements will include a quarterly analysis of the employee's progress toward achieving their retirement goal. It will show the "gap" between how much the employee has currently saved and where they should be, based on a predetermined retirement income replacement formula. If the analysis indicates the employee is behind schedule, the employee will be advised to consider saving more, investing more aggressively, or working longer. If ahead of schedule, the employee might consider saving less, investing more conservatively or retiring early.

•Lifetime Income Distribution Option

Companies will establish an online marketplace to negotiate with competing insurance companies on employees' behalf. The employee who doesn't want to manage his or her own money in retirement simply selects the most attractive offer from several highly rated insurance companies and their 401(k) account is converted into a lifetime stream of monthly income.

*Employees will have the option to opt out of the pre-set program and make their own decisions.

Your Independent Retirement
Plan Investment Advisor