

Institutional Retirement Income Council

Types of Institutional Retirement Income Products



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Type of Institutional Retirement Income Products



Number	Product Category	High-Level Description	Nature of Income Generated	Fee Structure	Product Distributor	Product Insurer
1	In-Plan Deferred Fixed Income Annuity	<ul style="list-style-type: none"> • Each contribution purchases guaranteed future income • Contributions are typically invested into insurance company general account • Purest 'DB in DC' 	<ul style="list-style-type: none"> • Maximizes initial income at time of investment (no upside potential) • Participant must annuitize account to receive income benefit 	<ul style="list-style-type: none"> • Fees are embedded in the purchase rates and impact future income amount • Incorporates investment management, longevity, administration, and risk charges 	Hartford (Lifetime Income) → Merrill Lynch (Personal Pension Builder) → Barclays Global Investor (SponsorMatch) →	Hartford Insurance MetLife MetLife (Future multipleinsurers)
2	In-Plan Guaranteed Minimum Income Benefit (GMIB)	<ul style="list-style-type: none"> • Each contribution purchases a minimum level of future income • Contributions are typically invested into insurance company separate account 	<ul style="list-style-type: none"> • Favorable performance of underlying investment portfolio will increase future income • Participant must annuitize account to receive income benefit • Payment is typically paid out over a lifetime or a lifetime with a period certain 	<ul style="list-style-type: none"> • During accumulation phase, explicit investment and insurance fees • During the income phase, all fees are typically built into the annuity guarantee 	Genworth (Clear Course - Income Benefit) →	Genworth Insurance
3	In-Plan Guaranteed Minimum Withdrawal Benefits (GMWB)	<ul style="list-style-type: none"> • Each contribution establishes participant's benefit base upon which future withdrawals are calculated • Future income stream is expressed as a percentage withdrawal factor applied to benefit base • Participant retains control of account balance • Contributions are typically invested into insurance company separate account 	<ul style="list-style-type: none"> • Favorable performance of underlying investment portfolio will increase the participant's benefit base • Income generated is initiated based on the benefit base • Participant does not annuitize account at retirement and has access to their account value during income phase • No guarantee of principal; guarantee of income 	<ul style="list-style-type: none"> • Explicit investment and insurance fees throughout accumulation and income phases • Fee is expressed as percentage of account value or benefit base 	Alliance Bernstein (TBD) → Genworth (ClearCourse - Withdrawal Benefit) → John Hancock (Guaranteed Income for Life) → Prudential (IncomeFlex) → Milliman (RGN) →	Multiple Insurers (TBD) Genworth Insurance Hancock Insurance Prudential Insurance Multiple Insurers (TBD)

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4	Out-of-plan Rollover Guaranteed Minimum Withdrawal Benefits (GMWB) Institutional Offering	<ul style="list-style-type: none"> • Rollover contribution establishes participant's benefit base upon which future withdrawals are calculated • Future income stream is expressed as a percentage withdrawal factor applied to benefit base • Participant retains control of account balance • Contributions are typically invested into insurance company separate account 	<ul style="list-style-type: none"> • Favorable performance of underlying investment portfolio will increase the participant's benefit base • Income generated is initiated based on the benefit base • Participant does not annuitize account at retirement and has access to their account value during income phase • No guarantee of principal; guarantee of income 	<ul style="list-style-type: none"> • Explicit investment and insurance fees throughout income phase • Fee is expressed as percentage of account value or benefit base 	Lincoln (i4Life) → Lincoln Financial Group Fidelity (MetLife Growth and Guaranteed Income) → MetLife	
5	Out-of-plan Rollover Annuity Platforms "Supermarket approach"	<ul style="list-style-type: none"> • Maximize Income at Point of Distribution • Choice of Insurers for fixed annuities 	<ul style="list-style-type: none"> • Maximizes initial income at time of investment (no upside potential) • Participant must annuitize account to receive income benefit 	<ul style="list-style-type: none"> • Fees are embedded in the purchase rates and impact future income amount • Incorporates investment management, longevity, administration, and risk charges 	Hueler platform → Multiple Insurers Fidelity platform → Multiple Insurers	
6	In-plan Immediate Annuities	<ul style="list-style-type: none"> • Purchased at retirement • Maximize Income at Point of Distribution • Plan sponsor selects the Insurer 	<ul style="list-style-type: none"> • Maximizes initial income at time of investment (no upside potential) • Account value is liquidated at time of purchase • Participant must annuitize account to receive income benefit • Payments are made in a specified amount over a lifetime, a selected period, or a lifetime with a period certain. 	<ul style="list-style-type: none"> • Fees are embedded in the purchase rates and impact future income amount • Incorporates investment management, longevity, administration, and risk charges 	Multiple Insurers → Multiple Insurers	

Note: Managed account providers are evaluating these types of solutions and they may be added at a later date.