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NEWS RELEASE

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Academy Promotes Retirement Security With Position Statement Encouraging Income Options Within DC Plans

WASHINGTON—The retirement security of millions of Americans participating in employer-sponsored defined contribution (DC) plans would be improved by providing more options supporting secure lifetime income within those plans, the American Academy of Actuaries said in a [position statement](#) released today.

“Retiring DC plan participants currently have few tools to efficiently manage their account balances for a long and secure retirement. Adding lifetime income options to these plans—supported by appropriate laws, regulations, and educational initiatives—will enhance the financial well-being and security of the next generation of retirees,” said Academy President-Elect and Chairperson of the Academy’s Public Interest Committee Stephen Alpert. “Establishing tools within DC plans that could help plan participants address financial risks like the possibility of outliving their means serves a clear public interest.”

Annuity and structured withdrawal programs are just two examples of the types of options cited by the Academy that could be included in DC plans to help mitigate risks to retirees by providing them with more predictable income than a lump-sum or unstructured or self-managed withdrawal approach. The Academy’s Board of Directors adopted the position statement at its Oct. 20 meeting in Washington, D.C., after soliciting and receiving input from the Academy membership earlier this year.

The Academy is using the release of the position statement to kick off a campaign to educate public policymakers, employer organizations, and other stakeholders in the retirement policy space about the benefits of establishing retirement income options within DC plans.

“Safe harbors, enabling legislation, and other regulations are needed to cover areas such as selecting providers, developing solutions, educating employees, and implementing income strategies to minimize plan sponsor fiduciary concerns,” the position statement says. “Providers and employers will

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need to partner to develop appropriate solutions and educate employees about the options and opportunities available to them.”

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The American Academy of Actuaries is a 19,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.