

Retirement for the AGES: Measuring for Success

The AGES Framework



Aligning Stakeholder Roles



Alignment

- Redefine employer role
 - Traditional role – establish, sponsor, administer, and contribute to plans
 - Alternative alignment
 - Use third party to manage and administer plans
 - Improve retirement/financial literacy of employees
 - Collect and transmit employee contributions
 - Advantages
 - Better aligned with core business
 - More transparent
 - Standardized disclosure and fees
 - Not totally dependent on employer



Alignment

- Improve individual decisions
 - Limit unstructured choices
 - Incorporate “auto” features and defaults
 - Employ professionals
 - Provide incentives in tax and other policies



Alignment

- Protect society from suboptimal decisions
 - Develop laws and regulations that enhance financial security systems
 - Balance voluntary incentives and mandatory requirements



Alignment Summary

- Aligns each stakeholder's role with their skills
- Redefines employer's role by placing responsibility for important roles with those appropriate entities
- Helps individuals by structuring their choices to be well-defined and enhance good decision making
- Develops systemic ways to enhance financial security through appropriate levels of laws and regulations

