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