Maximizing Efficiency
Efficiency

- Lower plan costs
  - Encourage economies of scale
  - Establish regional or national plans that any employer can join
  - Standardize fees
  - Ensure fees are fully transparent
Efficiency

- Broaden participation
  - Provide employees with access to payroll deduction plan
  - Reduce or eliminate age and service requirements

- Minimize leakage
  - Provide incentives for lifetime retirement income
  - Encourage reporting as lifetime income
Efficiency

- Pool risk
  - Encourage multiple distribution methods, by for example:
    - Offering managed account with longevity annuity
    - Including immediate annuities
      - Fixed or variable income
      - Allow partial annuitization
  - Limit guarantees to what is needed
Efficiency

Narrow variability

- Reduce risk as retirement approaches
- Dedicate portion of accumulation to retirement income
- Stress reliability and consistency of income
Efficiency Summary

- Allows smaller plans to group together, with standard and transparent fees to lower plan costs
- Provides consistent opportunities to accumulate assets during working lifetime to enhance participation and coverage
- Minimizes leakage for non-retirement benefits during accumulation and payout phases
- Encourages pooling and effective risk sharing so funds can provide lifetime income
- Incents narrowing the variability of benefits by fostering risk hedging and allowing for pricing benefits and guarantees