

# ON THE ROAD TO FINANCIAL WELLNESS, LIFETIME INCOME IS KEY

*Guaranteed lifetime income and automatic features help fuel your defined contribution plan to maximize workforce management and participant outcomes.*

# 78%

OF PARTICIPANTS FAMILIAR WITH IN-PLAN  
GUARANTEED LIFETIME INCOME CONSIDER IT  
VERY IMPORTANT<sup>1</sup>



A 65-year-old pre-retiree would need to save approximately **36% more** without a guaranteed lifetime income product.<sup>4</sup>



**44% of workers** plan to retire later than previously planned.<sup>5</sup>



The incremental workforce cost is **\$50,000** for an individual employee for a one-year increase in average retirement age.<sup>6</sup>



**WARNING! JUST 47% OF DC PLANS OFFER AN IN-PLAN RETIREMENT INCOME OPTION, WHILE LESS THAN 20% OFFER A GUARANTEED ANNUITY PRODUCT.<sup>2</sup>**

# 59%

HIGHER CONTRIBUTIONS, ON AVERAGE, IN PLANS THAT COMBINED A DEFAULT LIFETIME INCOME SOLUTION WITH AUTOMATIC ESCALATION, COMPARED TO THOSE IN PLANS WITHOUT EITHER.<sup>3</sup>



**Prudential**  
Bring Your Challenges

<sup>1</sup> Prudential, Proprietary Defined Contribution Research Report, 2015.

<sup>2</sup> The Cerulli Edge—U.S. Retirement Edition, "What to watch in 2017," 1Q 2017, www.cerulli.com.

<sup>3</sup> LIMRA In-Plan Income Guarantee Availability and Election Tracking Survey, as of December 31, 2015.

<sup>4</sup> Prudential Financial, What employers lose in the shift from defined benefit to defined contribution plans...and how to get it back, 2015, p. 9. Calculations of 2,000 Monte Carlo simulations using a guaranteed minimum withdrawal benefit.

<sup>5</sup> BenefitsPRO, Stop 401(k) leakage now, February 23, 2015.

<sup>6</sup> Prudential Financial, Why employers should care about the cost of delayed retirements, 2017, <http://research.prudential.com/view/page/rp/32361>.

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06/2017