



Helping secure your employees' retirement

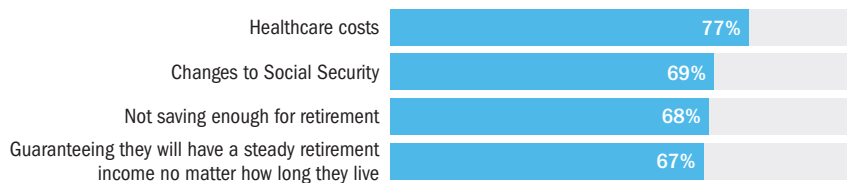
In TIAA's 2017 Lifetime Income Survey¹, 60 percent of non-retired Americans say they are concerned about running out of money in retirement. They recognize the importance of lifetime income and if given a choice between a lump-sum at retirement and a monthly income payment for life, the majority would choose lifetime income.

Structuring your engagement, education and plan design efforts around lifetime income can help your employees address many of their retirement concerns, including outliving their savings.

Easing Americans' retirement concerns

Your employees' retirement readiness concerns aren't limited to running out of money in retirement. They are also worried about how healthcare costs and changes to Social Security could affect their retirement outlook.

Common retirement savings worries



Lifetime income or a lump sum at retirement?²

Americans choose lifetime income



\$2,700 per month for life
62%



\$500,000 lump sum
30%

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With these risks in mind, lifetime income is the common denominator that can help your employees protect against and manage a wide range of retirement risks. Non-retired Americans understand the importance of lifetime income and more than two-thirds support legislation that

- makes it easier for employer-based retirement plans to include lifetime income products, such as annuities, as investment options.
- requires retirement account statements to include an estimate of monthly income in retirement.

Despite their desire for and support of lifetime income options, only 13 percent of non-retired Americans have purchased an annuity and another 31 percent plan on purchasing one.

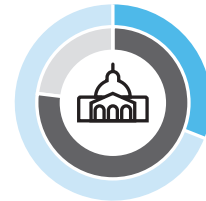
Helping employees pursue lifetime income

The following three steps can help improve the chances of your employees having enough income to last throughout retirement.

- 1. Accounting for generational differences.** Employees spanning different generations may approach retirement differently. Understanding them and how they plan for retirement can help you effectively engage and communicate with them about lifetime income.
- 2. Educating employees about lifetime income.** Help employees understand how much preretirement income they'll need when they stop working and the importance of having guaranteed lifetime income to cover essential expenses.
 - **Income replacement:** Only 24 percent think they will need at least 70 percent of their preretirement income—70 to 100 percent is what experts recommend.
 - **Savings rates:** 58 percent are saving nothing or saving less for retirement than what most experts recommend.
 - **Target-date funds (TDFs):** 63 percent of those invested in a TDF expect that it will provide a guaranteed monthly paycheck for the length of their retirement, but most TDFs don't offer that option.

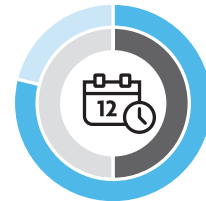
Millennials and Baby Boomers view lifetime income differently

■ Millennials ■ Baby Boomers



Plan to finance their retirement with Social Security

■ 31% ■ 77%



If offered, invested in a retirement plan option that has a monthly payment for the length of their retirement

■ 79% ■ 50%



Purchased or plan on purchasing an annuity

■ 53% ■ 32%

3. Improving outcomes with plan design. Consider taking advantage of automatic enrollment and escalation features and adopting a default investment option with a guaranteed feature. These plan design features can help boost participation and savings rates as well as help employees generate secure lifetime income streams.

- **Auto features:** More than 60 percent of non-retired Americans support legislation that would make it easier for employer-based retirement plans to include automatic features.
- **Guaranteed default options:** Seventy percent of non-retired Americans with a TDF would like their target-date fund to offer a guarantee. With TDFs being the most common default option, consider adding a guaranteed feature.

Click here for more information about how you can help your employees pursue income for life.



¹ The 2017 TIAA Lifetime Income Survey was conducted by KRC Research from August 3 to 14, 2017, via an online survey among a random sample of 1,000 American adults age 18 or older.

² Non-retired survey respondents were asked: If you retired today and had a choice between getting a \$500,000 lump sum or \$2,700 a month in income for life, which would you choose?

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