

Guaranteed lifetime income in retirement could be a critical component of financial wellness

Perspectives from the 2020 TIAA Retirement Insights Survey

An in-plan guaranteed lifetime income option is increasingly becoming more valuable to both plan sponsors and employees. Financial wellness could be a critical issue for retirement plan sponsors and employees.

An evolving view of income replacement as an emphasis for retirement plans.



3x as many plan sponsors than just two years ago say the plan should provide employees secure retirement income.



“Enabling adequate income replacement” is **the single-biggest influence** on overall plan design.

Plan sponsors and employees are in sync about retirement income and outliving savings...



of both say access to **guaranteed income in retirement** is highly valuable.



of both are concerned about **outliving retirement savings**.

...but they are markedly divided about how employer-sponsored plans are helping.

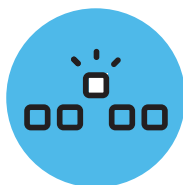


of plan sponsors feel responsible for employee financial wellness.



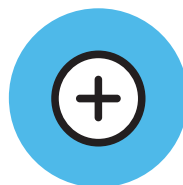
of employees see **significant effort** from their employer on financial wellness.

Plan sponsors are adapting to meet changing needs and expectations.



More likely

403(b) plan sponsors are more likely than 401(k) plan sponsors to offer **in-plan guaranteed lifetime income annuities**.



More interest

Nearly nine in ten of all **plan sponsors** who do not offer in-plan guaranteed lifetime income annuities are interested in offering them.



More options

A majority of plan sponsors are extremely/very interested in a **target-date fund with an allocation to guaranteed lifetime income**.

Lifetime income could be a critical component of financial wellness.



of plan sponsors who offer them say **in-plan guaranteed lifetime income options are valuable for employees.**

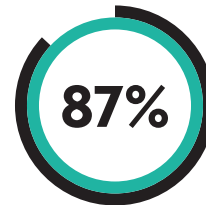


of plan participants are interested in an in-plan guaranteed lifetime income annuity.

The SECURE Act has made an impact on plan sponsors.



Nearly half of plan sponsors say the SECURE Act increased their interest in offering guaranteed lifetime income annuities.



of plan sponsors believe **lifetime income disclosures will increase employee interest** in an in-plan guaranteed lifetime income annuity.



Learn more about what's on the minds of plan sponsors and employees, and get more insights on how this may affect your retirement plan. Please contact the TIAA 401(k) Income Solutions team: TIAA_DCIO_Support@TIAA.org.



Methodology

This infographic summarizes select results of the TIAA Retirement Insights Survey, an online survey of:

- 1,005 plan employees, between the ages of 25 to 70, employed full-time at a company that has at least 50 employees, and currently contributing to a 401(k) or 403(b) plan. The survey included 204 403(b) employees and 801 401(k) employees.
- 502 plan employers who are employed full-time at a company that has at least 50 employees and offers a 401(k) or 403(b) plan. The survey included 251 403(b) plan employers and 251 401(k) plan employers.

The survey was conducted by Greenwald Research on behalf of TIAA.

The participant survey was fielded from October 26 to November 2, 2020. These results are weighted by gender, age, personal income, education, company size, race/ethnicity, and 401(k)/403(b) plan type to reflect the distribution of American plan employees in this segment.

The sponsor survey was fielded from October 26 to November 5, 2020. These results are weighted by company size and 401(k)/403(b) plan type.

Note that percentages in the tables and charts may not total to 100% due to rounding and/or missing categories.

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