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Professional Retirement Plan Advisors Have Significant Impact on Retirement Plan Performance

New study highlights the benefits of working with a professional retirement plan advisor

Transamerica Retirement Solutions today announced the release of a research report highlighting the benefits of partnering with a professional retirement plan advisor. *The Value of a Professional Retirement Plan Advisor*, produced by EACH Enterprise and co-sponsored by Transamerica, demonstrates that professional retirement plan advisors are central to the strategic direction, administration, and overall performance of the retirement plans they manage. The study defines professional retirement plan advisors as those who work primarily or exclusively with retirement plans.

“Professional retirement plan advisors add a level of expertise and knowledge that is vital to their clients,” said Stig Nybo, President of U.S. Retirement Strategy at Transamerica Retirement Solutions. “Their efforts have translated into measurable improvements in plan performance and retirement outcomes, and the survey results make it clear that plan sponsors recognize the value of partnering with a retirement plan advisor.”

More than 400 retirement plan sponsors with plan assets between \$5 million and \$500 million were surveyed regarding their perceptions about advisors. A majority of those surveyed (61 percent) work with an advisor who is exclusively or primarily focused on retirement plans.

A majority of plan sponsors agreed that it is very beneficial to work with an advisor, and they cited a number of reasons for that conclusion, such as their focus on improving retirement outcomes and retirement readiness, and their ability to simplify plan administration.

Focus on improving outcomes

Professional retirement plan advisors are focused on improving outcomes for plan sponsors and their participants. To this end, they implement a number of creative plan design adjustments such as changing employer match formulas, utilizing automatic enrollment, and increasing default deferral rates to achieve better plan results.

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Retirement readiness

In addition to plan design changes, advisors also provide visibility into plan performance. New reporting at the participant and plan level has made it easier for plan sponsors to understand how plan design changes affect performance, and a majority of plan sponsors who work with an advisor reported positive results.

- Seventy-six percent of plan sponsors say more than half their participants are on course to achieve a successful retirement.
- More than 80 percent have experienced an improvement in participant deferral rates.
- Thirty-three percent reported a deferral increase of at least six percent in the last two years.

Ease of administration

Ninety percent of plan sponsors agree that their advisor simplifies plan administration, and when challenges arise, nearly 60 percent say they would turn to their advisor first in the event of a problem with plan administration.

To learn more about *The Value of a Professional Retirement Plan Advisor*, send an email request for the full report to marketinsights@transamerica.com.

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About the Research

The research was conducted by EACH Enterprise, LLC, an independent firm specialized in retirement plan research whose clients include retirement plan service providers and investment managers across markets, plan sizes, distribution channels, and asset classes.

EACH Enterprise administered the questionnaire to 407 plan sponsors between September 11 and September 24, 2013. The sample consists of:

- Employers of the private sector (privately-held, exchange-traded, and not-for-profit)
- 100 employees or larger
- 401(k) or 403(b) plan sponsors
- Plan assets in the \$5 million to \$500 million range
- Head of the retirement plan committee or fiduciary named in the plan document

Respondents were screened from among a panel of 3,307 plan sponsors.

**About Transamerica Retirement Solutions**

Transamerica Retirement Solutions (Transamerica) is a leading provider of customized retirement plan solutions for small to large organizations.

Transamerica partners with financial advisors, third party administrators, and consultants to cover the entire spectrum of defined benefit and defined contribution plans, including: 401(k) and 403(b) (Traditional and Roth); 457; profit sharing; money purchase; cash balance; Taft-Hartley; multiple employer plans; nonqualified deferred compensation; and rollover and Roth IRAs.

Transamerica helps more than three million retirement plan participants save and invest wisely to secure their retirement dreams. For more information about Transamerica Retirement Solutions Corporation, please visit trsretire.com.

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