



News

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Top Five Ways Financial Professionals Can Boost Retirement Plans' Effectiveness for Employees

*Transamerica Retirement Solutions Releases
Key Findings of Retirement Readiness Summit*

HARRISON, NY – May 7, 2013 – Transamerica Retirement Solutions today announced five key ways financial professionals can help U.S. retirement plans become more effective savings vehicles for employees. The findings stem from Transamerica's recent Retirement Readiness Summit, which was held in Washington, DC and attended by policymakers and key retirement industry leaders.

The top five ways a financial professional can help to boost the effectiveness of a client's retirement plan as a savings vehicle for employees are:

- 1. Define "retirement plan success" as better retirement outcomes for participants.** Financial professionals can help employers to assess their retirement plan based on how well it helps prepare employees for retirement. A successful retirement plan should improve an employee's ability to retire with confidence. To improve employees' retirement readiness, the plan can cover more employees, enroll more employees into the plan, and motivate employees to save more for retirement.
- 2. Use auto-enrollment and auto-escalation features to improve participation and savings rates.** One of the easiest ways to help employees to save more for retirement is to automatically enroll them in the retirement plan, and then automatically increase contributions over time. Although employees have the ability to opt out of automatic features, data indicates most employees keep the contribution increases in place.
- 3. Help plan sponsors optimize the number of investment choices to improve savings rates.** Financial professionals can help retirement plan sponsors find the right mix of investments for the company's employees. Too many investment choices can tend to paralyze participants, possibly causing employees to avoid participating in the plan altogether. Financial advisors can help plan sponsors limit the number of investments to a reasonable number that will allow employees to invest wisely.
- 4. Advise on target-date solutions to help participants stay on track over the long term.** As part of a plan's investment menu, advisors should consider investments that automatically diversify holdings based on the investor's age and/or risk tolerance. Target-date solutions will diversify the employees' investments automatically, making it easier for participants to stay on track with their investments over time.

- 5. Advise on structuring the company's matching contribution to drive savings rates to 10 percent or more.** Advisors can help plan sponsors understand the connection between the matching contribution formula and employee savings behavior. The employer's matching contribution is a popular incentive for employee contribution rates. Over time, an employee's additional contributions can make a dramatic difference in assuring an employee enjoys a financially healthy retirement.

"Financial advisors can help plan sponsors maximize their retirement plan's ability to help employees prepare for retirement. Simple solutions can have a huge, positive impact on the financial future of the average worker," said Deb Rubin, senior vice president and national practice leader, third party administration and professional retirement plan advisor distribution for Transamerica Retirement Solutions. "Transamerica is committed to helping people save and invest wisely to secure their retirement dreams, and we aim to raise awareness on the importance of retirement savings."

The findings were a result of Transamerica's Retirement Readiness Summit, sponsored by Transamerica to promote the importance of saving for retirement. The Summit was attended by policymakers and retirement industry leaders from plan providers, distributors, and trade groups such as LIMRA, Employee Benefit Research Institute, Women's Institute for a Secure Retirement and the American Society of Pension Professionals & Actuaries. The Summit presented commentary on improving the state of retirement preparedness in the U.S. from leaders including U.S. Representative Richard Neal, and U.S. Treasury Department Deputy Assistant Secretary Mark Iwry, as well as Professor Jeffrey R. Brown, PhD, from the University of Illinois.

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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 IRA.

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 [trretire.com](https://www.trretire.com).