



Defined Contribution
Institutional Investment Association

Dedicated to Enhancing Retirement Security

How to Find Out What Your Service Providers Offer

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As a plan sponsor, you may want to reach out to your investment managers/service providers to find out more about what options, tools and services are available to you in designing a retirement tier. “Retirement tier” is a broad term; it encompasses a range of products, solutions, tools and services, all of which allow a defined contribution (DC) plan sponsor to broaden the plan’s goal from one wholly focused on savings to one that also accommodates and supports participants who are near, entering, or in retirement.

The following is a sample email from a plan sponsor to investment managers/service providers, requesting information related to a retirement tier. When sending this email to your recordkeeper, you should consider asking for the “Money Out” report. (See The “Money Out” Report in the Retirement Tier Resource Library.)

Dear _____,

XYZ Plan is currently exploring which products, solutions, tools and services could simplify and facilitate plan participants’ decisions, and potentially implementing those decisions either inside or outside the plan, as they near or are in retirement and need assistance with investing and distribution decisions specific to their personal situations.

As a service provider to the XYZ Plan, we are looking for your input in terms of which products, solutions, tools and services you could offer to our participants near-retirement or our retirees. While we do not want to restrict you in terms of what you would suggest, we would like you to consider:

- Your knowledge of XYZ as an organization; hence, only highlight products, solutions, tools and services that:
 - are of institutional quality;
 - would not create additional material risk exposure for XYZ;
 - would not require extensive integration or material redesigns of existing programs or processes. [A plan sponsor may want to leave out this bullet.]

When responding, please clearly answer the following questions:

1. What products, solutions, tools and/or services are you proposing?
2. How do you believe your proposals could simplify and facilitate plan participants’ decisions prior to, at, and during retirement to support their household needs?
3. To what extent is your firm able to implement these directly, or to what extent do you rely on affiliates or third parties with whom you have a relationship?
4. What would be the costs to the participant?
5. What would be the costs (if any) to XYZ?
6. What would be the ongoing involvement of XYZ? (This answer should include the ways in which you help us to monitor the service.)
7. How portable are these services? If, for instance, a participant leaves XYZ Plan, may they continue to use this service?
8. How transferable are these services? Does the answer to this depend on XYZ’s recordkeeper, payroll provider or some other organization?
9. We need to identify the fiduciary risk associated with your suggestion and would seek counsel to that end. However, we would appreciate your thoughts as to the associated fiduciary risk of your product or service.

The Retirement Tier papers are a multi-part series. Other papers in the series may be accessed through the DCIIA website at www.DCIIA.org

ABOUT DCIIA

DCIIA is a nonprofit association dedicated to enhancing the retirement security of America's workers. DCIIA's diverse group of members include investment managers, consultants and advisors, law firms, recordkeepers, insurance companies, plan sponsors and other thought leaders who are collectively committed to the best interests of plan participants. For more information, visit: www.dciia.org.



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