



# Interest grows for guaranteed lifetime income investment options, but what's holding plan sponsors back?

Nearly half of plan sponsors who currently offer in-plan guarantees believe guaranteed lifetime income solutions are a great option for employees, but many are discouraged by added costs and responsibilities.



This may be standing in the way of a smart solution for their participants. Let's address their concerns directly. Of those who do not currently offer guaranteed lifetime income investment solutions:

### Misperception



**20%** of plan sponsors are concerned that in-plan guarantee solutions are too complex

**Truth:** Many of these solutions are structured as a target date fund held within a collective investment trust. This offers a simplified experience that can provide access to growth potential while offering guaranteed lifetime income.

### Misperception



**24%** of plan sponsors are worried that fees associated with in-plan guarantee solutions passed on to employees are too high

**Truth:** The overall cost is typically lower than similar investment options offered outside the plan. That's because they're offered within a group retirement plan where the participant benefits from reduced expenses, many of these solutions are structured as target date funds held within a collective investment trust (CIT) and the CIT structure can help to provide lower costs versus mutual funds\*.

\*Collective Investment Trusts: An Important Piece in the Retirement-Planning Puzzle

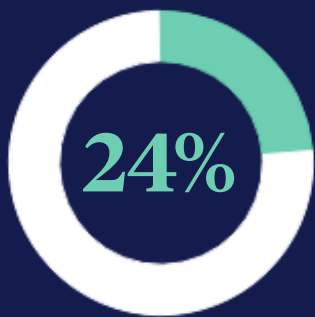
### Misperception



**27%** of plan sponsors are concerned that administrative costs associated with in-plan guarantees are too high

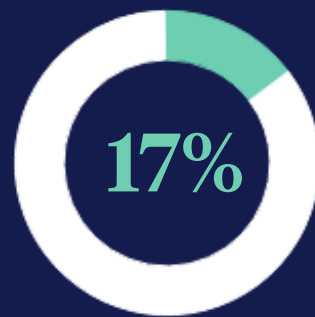
**Truth:** While there is some additional work applying existing fiduciary standards in the evaluation and adoption of these solutions, generally there is no explicit cost for plan sponsors.

## Misperceptions



of plan sponsors are concerned about increased fiduciary responsibility associated with in-plan guarantees

**Truth:** The SECURE Act of 2019 provides new safe harbor guidelines which helps protect plan sponsors from fiduciary liability related to the selection of guaranteed lifetime income solutions, when followed. [Learn more here](#)



of plan sponsors believe their employees are not interested in guaranteed lifetime income investment options

**Truth:** Nearly 90% of participants are at least somewhat likely to rollover a portion of their current retirement savings into one.

[Learn more](#) about these common misperceptions and the facts to know when considering in-plan guarantee solutions.

Nationwide also offers educational resources for [plan sponsors](#), [financial professionals](#) and [consultants](#).



Survey Methodology: Nationwide Retirement Institute's 2022 In-Plan Lifetime Income Survey was conducted online by Edelman Data & Intelligence between July 14 and August 5, 2022 among a sample of 1,000 plan participants (ages 45+), 100 plan participants (ages 35-44), 500 company plan sponsors and 100 government plan sponsors.

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