

*Fast Facts*

Securing Future Retirements: Innovations in Planning Strategies, Financial Products and Employee Benefit Plan Structure

SUMMARY

In 2017, the Society of Actuaries (SOA) issued a call for essays that sought future-focused ideas and thinking on new ways to help secure future retirements. The goal was to attract essays on potential new products, planning tools and employee benefit plan strategies in this field. The call brought an outpouring of thought-provoking possibilities, as well as analysis, from leading experts in their fields. The Highlights section to the right captions a few examples taken from the top five award-winning essays as published in SOA's 2018 report on Securing Future Retirements.

The full report offers additional ideas as well, including concepts appearing in the other contributed essays. Perhaps some entries will spark new research or nudge development in new directions.

HIGHLIGHTS

- *Enhanced Social Security Annuity*: Create a right to buy additional annuity protection through the Social Security system—to augment Social Security, not displace it. One way to flesh this out would be to build on work already done by the Social Security Administration. -- *John Cutler*
- *Tontine Approaches*: Tontines were a form of investment in the 18th and 19th centuries that combined features of an annuity and lottery. A tontine annuity could provide a tontine solution for low-cost lifetime income product needs. The designs could have mortality gains of a deceased pool member allocated to pool survivors as a monthly “mortality gain distribution.” -- *Jonathan Barry Forman*
- *Working Longer*: Apply strategies to make it easier for people to work longer and phase into retirement. Examples: revisit Social Security retirement ages, develop safe harbors for creative work structures, and establish worker classifications for encore careers. -- *Anna M. Rappaport and Tim Driver*
- *Annuity Distribution Strategy*: Establish an entrepreneurial venture to build a major company, with support from a financially strong player, which would be exclusively for retirement products and services, greatly simplifying both products and planning services. -- *Joseph A. Tomlinson*
- *Automated Advice*: Robo-adviser trends include hybrids that combine features of automated financial advice with human advisers: robo-advisers that cater to women, older investors, and retirees; and those that focus on socially responsible investing. -- *Jill E. Fisch, Marion Labouré, and John A. Turner*

LINK TO FULL REPORT

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<https://www.soa.org/Library/Essays/2018/securing-future-retirements/2018-securing-future-retirements.pdf>

METHODOLOGY

- The Call: Issued in 2017 with blind review by a panel of judges
- Requirements: Essays that identify potential solutions and new innovations that can assist workers and retirees to prepare better for retirement.
- Awards: Five top prize winning essays; three honorable mention essays; plus 10 additional essays chosen for publication.

REPORT SPECS

- Published: May 2018
- Pages: 80
- Access: Downloadable pdf
- Research Sponsor: The Society of Actuaries (SOA) and the SOA Aging and Retirement Strategic Research Program
- Author(s): 22 professionals in the field of aging and retirement
- Essays: An Enhanced Social Security Annuity; Workers and Retirees Could Pool Risk with Tontine Annuities, Tontine Pensions and Survivor Funds; Working Longer to Improve Retirement Security: Improving Public Policy; We Can Build Better Retirement Products, But Will Anyone Buy Them?; Automated Advice; A Smart Way to Develop Retirement Income Strategies; Smart Decisions Older Workers Can Make for Retirement; Smart Steps Employers Can Take to Help Older Workers Transition into Retirement; A “My Plate” Retirement Planning Strategy; Changing the Retirement Advice Conversation; The Future of Retirement Planning Is Already Here, It’s Just Not Evenly Distributed; Redesigning Defined Benefit Plans: What Can State Pensions Learn from Social Security?; When Life Happens: Financial Literacy Is Necessary to Optimize Access to Aging Resources; Employers Should Consider a Single Plan Document with Pension Benefits and Employee Salary Deferrals; Working Longer to Improve Retirement Security: Addressing Workplace Issues; The Risks of Driverless Investing; Planning Today for Tomorrow’s Retirement; and Financial Life Planning at Work: How Financial Mentorship of Younger Employees Leads to Improved Retirement Preparedness.



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How People Plan for Retirement
<https://www.soa.org/Files/resources/research-report/2018/how-plan-retirement.pdf>

Retirement Planning from Start to Finish
<https://www.soa.org/Files/resources/research-report/2017/retirement-planning-report.pdf>



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