

Improving Retirement Readiness

Once you and the plan sponsor have established the funds for the plans' investments, participant investment education should follow.

Employee meetings are a great way to start the ball rolling. Basic information should be provided:

- Types of investment
 - Aggressive, moderate, conservative
 - Risk/benefit analysis
 - Profiles of the investment funds available for participant election
- The importance of diversification
 - Investment strategies
 - Market analysis
- Participants' risk tolerances
 - Risk profiles
 - Appropriate risk based on projected retirement dates
- Time value of money
 - Importance of starting early
 - Compounding gains
- Goal setting
 - Pay yourself first!
 - Amount needed for retirement
 - Invest to fit your goals.



access to retirement assessment and planning via MyRetirement.

Of course there are participants who would just rather not think about it! Target-date or age-based retirement funds can be a valuable option for those participants who prefer to use auto-pilot for their investing. These types of funds can round out the fund line up for the plan.

In addition to rounding out the fund line up, the target-date and age-based funds can serve as a default investment. No matter how hard we try there will be some employees who do not enroll for 401(k) deferrals or make investment elections. In these cases the plan's investment policy and engagement contracts should designate an appropriate default investment. In the absence of a participant's investment election, the default investment can be used to direct where an employer contribution should be deposited.

The target-date and age-based investments meet the Department of Labor's definition of a qualified default investment alternative (QDIA). Used in conjunction with the proper notices the QDIA can provide additional protection to fiduciaries.

You play a vital role in helping plan participants get ready for retirement. Continuing investment education is key to giving them the foundation to use their plan investments to achieve their goals.

As always, we at Noble-Davis Consulting, Inc. are available to join you at your participant education meetings!

The above topics also serve well as points for follow-up meetings. Using quarterly meetings or one-on-one meetings continues to allow participants to build on their investment education.

If your company has a program for modeling savings and retirement planning, it is a fantastic tool to offer participants. For clients that use the Noble-Davis Consulting, Inc. web platforms, participants have