



The Income Revolution What's in It for Advisers?

New research council aims to dispel myths about retirement income solutions in DC plans

Advisers trying to stay current in the retirement plan industry are being confronted by an increased need for retirement income solutions. However, knowing what solutions are available and communicating those to plan sponsors requires dedication and education.

That was the focus of a recent half-day forum held by the recently formed **Institutional Retirement Income Research Council (IRIRC, also known as I-RIC)**, a session designed to provide industry experts, advisers, consultants, and plan sponsors with an overview of the income issue, as well as practical considerations about implementation of potential solutions, and details of product specifics.

While IRIRC co-leader **Martin Schmidt, Principal at MAS Advisors**, noted that “there is no one right [retirement income] solution” for a defined contribution plan, or the participants covered by that plan, he stated that the Research Council intends to be a provider of “solutions and information” for advisers and their plan sponsor clients to use in determining whether or not to offer a retirement income program to participants, and in what form.



Innovation, Communication, Evaluation.

A Shift in Emphasis

The shift in emphasis from defined benefit (DB) to defined contribution (DC) plans has placed a greater value on individual choice, but many participants are making poor decisions, said **Jeffrey Brown, Professor in the Department of Finance at the University of Illinois**. In light of that, he said the industry is moving toward a policy of “libertarian paternalism,” which falls somewhere in the middle of DB and DC philosophies. He cited the examples of automatic enrollment and qualified default investment