



Five steps to creating employee retirement security

According to MetLife's latest research, nearly all workers and retirees (95%) say it's important for retirees to have a source of guaranteed income they cannot outlive.¹ With the ongoing shift from defined benefit (DB) pension plans to defined contribution (DC) plans, employees are required to assume more responsibility for making sure their savings lasts throughout retirement. For some employees who are faced with financial uncertainty, they may need to delay their retirement; others are unsure of how to make their savings last. By adding an income annuity as a distribution option to your DC plan, your employees get access to solutions that can convert a portion of their savings into a source of guaranteed income that they will never outlive—empowering them to confidently retire on time.

Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019

Adding a guaranteed income annuity as a distribution option can complete the cycle of retirement savings. Similar to selecting a plan investment option, plan sponsors have a fiduciary responsibility for how each of the features in its plan design operates, and in the case of an income annuity feature, this would focus on the selection of the insurance provider of the guaranteed income contract. The DOL guidelines, amended by the SECURE Act of 2019, established a fiduciary safe harbor for selecting a lifetime income provider, making it even easier for you to confidently offer annuities as a distribution option. The steps listed below are a guide to the safe harbor requirements for plan fiduciaries to follow.

Fiduciary safe harbor for selection of Lifetime Income Provider Steps for adding an income annuity option to a 401(k) plan

Step 1	<p>Select an annuity provider. With respect to the selection of an insurer for a guaranteed retirement income contract, the requirements will be deemed to be satisfied if a fiduciary:</p> <ul style="list-style-type: none">A) Engages in an objective, thorough, and analytical search for the purpose of identifying insurers from which to purchase such contracts;B) Considers the financial capability of such insurer to satisfy its obligations under the guaranteed retirement income contract;<ul style="list-style-type: none">a. The safe harbor utilizes state insurance regulators and an annual certificate provided to the employer confirming an insurer's solvency. The employer is able to rely on written representations from the insurer, which must confirm that the insurer has complied with certain regulatory, financial reporting and auditing requirements; undergoes an examination by the insurance commissioner in its state of domicile at least every five years; and, agrees to notify the employer of any changes in such circumstances.C) Considers the cost (including fees and commissions) of the guaranteed retirement contract; and considers the cost (including fees and commissions) of the guaranteed retirement income contract offered by the insurer in relation to the benefits and product features of the contract, and administrative services to be provided under such contract;D) Conclude that at the time of the selection, the insurer is financially capable of satisfying its obligations under the guaranteed retirement income contract and that the relative cost of the selected guaranteed retirement income contract is reasonable.
Step 2	<p>Amend the plan to add the income annuity option and any related changes. For example, list an annuity as a distribution among other options such as lump sum, systematic withdrawals or IRA rollovers. Include instructions for education resources, tools and how to request the distribution.</p>
Step 3	<p>Notify plan participants and beneficiaries of the change. Complete within 210 days of the close of the plan year in which the change occurs by letter or memo to plan participants.</p>
Step 4	<p>Modify the Summary Plan Description (SPD) and election benefit form to reflect the annuity option. An updated SPD must be distributed to participants every five years if changes have been made to the plan.</p>
Step 5	<p>Establish procedures for administering the annuity option and Form 5500 filing. For example, processes for satisfying, as applicable, automatic survivor annuity, minimum distribution and relative value disclosure requirements. At the time of the qualified plan distributed annuity (QPDA), the value of the QPDA must be reported on the 5500 as benefits paid on line 2e(2) of Schedule H (or line 2e of Schedule I for small plans) and the recipient must be included in the count of individuals receiving benefits on line 3 of Schedule R.</p>

Put lifelong income from MetLife to work for you and your employees

When you choose MetLife, you choose a leader in employee benefits. We can provide you with an array of products, tools and guidance to help your employees reach their retirement goals and confidently retire on time. MetLife provides two flagship products: the MetLife Guaranteed Income Program®, an immediate income annuity, and the MetLife Retirement Income Insurance® QLAC, a qualifying longevity annuity contract.

Our solutions include:

- **Simple, yet flexible, retirement income solutions** with a range of benefit forms and income protection features that can be customized to meet member requirements.
- **Seamless integration** for easy implementation, no portability concerns, no expensive or timely build with your recordkeeper, and employees benefit from institutional pricing at no additional cost to you. MetLife provides transparency and clarity, with no hidden fees or commissions.
- **Education and retirement planning tools** to help members make informed decisions about converting their retirement savings to income. Transparency and clarity, with no hidden fees or commissions.
- **Employee access to first-class customer support** through our Retirement & Income Solutions Customer Solutions Center.

By making a MetLife annuity part of your company's retirement plan, you are taking an important step in helping employees avoid one major risk in retirement—the risk of outliving their savings.

Our advantage

MetLife's Retirement & Income Solutions division, the company's institutional retirement business, issues products through Metropolitan Life Insurance Company and Metropolitan Tower Life Insurance Company, two wholly owned subsidiaries of MetLife, Inc. Retirement & Income Solutions issues products for transferred pension liabilities, stable value, institutional income annuities, benefits funding and structured settlements. For over 40 years, our company has a history of firsts, having introduced some of the industry's most innovative retirement income products, including introducing a longevity insurance product and an institutional qualifying longevity annuity contract (QLAC). This experience paired with our financial strength, results in a committed partner with a proven ability to successfully deliver quality solutions helping you manage your workforce and improve retirement outcomes for participants.



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1. MetLife Evolving Retirement Model Study, February 2020.

Group annuity contracts are issued through Metropolitan Tower Life Insurance Company (MTL) or Metropolitan Life Insurance Company (MLIC). Like most group annuity contracts, MTL and MLIC group annuities contain certain limitations, exclusions and terms for keeping them in force. MTL and MLIC annuity products may not be available in all states. Contact your MetLife representative for more information.

Any discussion of taxes is for general informational purposes only and does not purport to be complete or cover every situation. MTL and MLIC, its agents and representatives may not give legal, tax or accounting advice and this document should not be construed as such. You should confer with your qualified legal, tax and accounting advisors as appropriate.

All guarantees are subject to the financial strength and claims-paying ability of the issuing MetLife company.

For current ratings information and a more complete analysis of the financial strength of MTL and MLIC, please go to www.metlife.com and click on About Us, Company Ratings.

The MetLife Retirement Income Insurance® QLAC has been approved in the District of Columbia and in all states, except Oregon and the territory of Puerto Rico.

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