

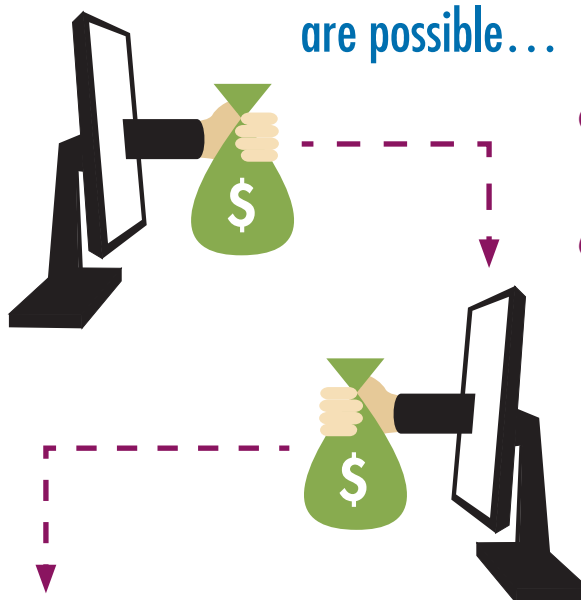
Participants Cash Out... But Would Value Roll-In Help

Participants cash out (at job separation)

- 75%** balances are less than \$1,000
- 56%** balances are \$1,000-\$5,000
- 44%** are ages 20-19
- 38%** are ages 30-39

Roll-ins (to a new employer's plan) are possible...

- 98%** of plans allow roll-ins but
- 6.6%** of assets rolled in during 2014 were plan-to-plan rollovers



Help with plan-to-plan transfers would be highly valued

- 90%** of Millennials and Gen Xers prefer their employer plan as their primary retirement account (including rolling IRAs into their current employer's plan)
- 93%** of participants rate roll-in assistance as a valuable benefit



Find out more about auto-portability, including how it works and recent developments in developing an industry-wide solution to the problem of low balance leakage/cash outs from DC plans at LIMRA.com/SRI.

Source: Retirement Clearinghouse®

Rolling Outside Assets Into a Current Employer's Plan

IRA-to-Plan

Has anyone ever suggested that you transfer money from your IRA into your employer's retirement savings plan?



28% Yes
63% No
9% Not sure

How interested would you be in doing that?

29% Very
32% Somewhat
39% Not at all

Based on 100 workers with DC plan balances at their current employer and who owned a traditional IRA.
 Source: LIMRA Secure Retirement Institute survey of Americans age 18 and older, conducted April 2016. Small sample size.

Plan-to-Plan

Has anyone ever suggested that you transfer money from a previous employer's retirement savings plan into your current employer's plan?



How interested would you be in doing that?

25% Very
28% Somewhat
47% Not at all

42% Yes
50% No
8% Not sure

Based on 74 workers with DC plan balances at their current employer and at one or more former employers.
 Source: LIMRA Secure Retirement Institute survey of Americans age 18 and older, conducted April 2016. Small sample size.

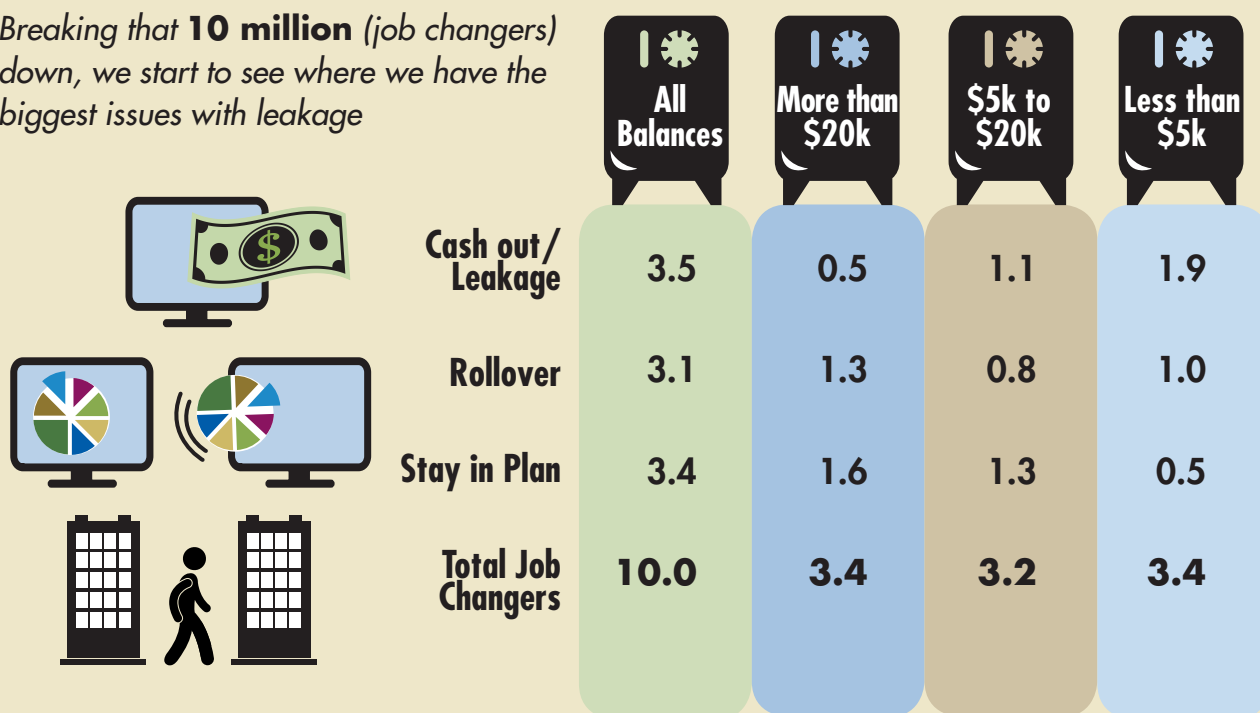
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What Happens to Retirement Assets When People Change Jobs?



BEHAVIOR AT JOB CHANGE (in millions)

Breaking that **10 million** (job changers) down, we start to see where we have the biggest issues with leakage



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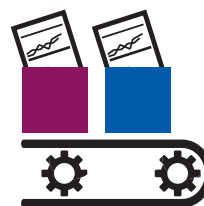
Why Auto-Portability?

(Defined Contribution to Defined Contribution Transfers)

For separating participants with accounts <\$5,000...



TODAY
Landfill Model



FUTURE
Auto Portability Model



Leakage

60% cash-out leakage, immediately upon separation

Cash-out leakage reduced by **50%** or more



Safe Harbor IRA

Participants not cashing out placed in Safe Harbor IRA in low-yielding money market fund

Balances can be placed in a temporary Safe Harbor IRA, while locate-and-match process is performed



Retirement Savings

Savings steadily depleted by Safe Harbor account fees. Less than 1% change default investment

Savings consolidated into new employer's plan, using default target date fund option

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