



Navigating life together

Building Better Retirement

**IOPS/OECD/Pensions Authority of Ireland International
Seminar**

Fernando Jaime

VP, Life & Pensions Center of Excellence, Global Employee Benefits

February 23, 2018

Lump sums depleted too quickly



1 in 5 people who took a lump-sum from a DB or a DC plan (21%) have depleted it



Source: MetLife Paycheck or Pot of Gold Study SM 2017

Historical and current U.S. retirement landscape

Paycheck or Pot of Gold SM

Findings

1. Lack of key information about longevity and the risks of running out of money
2. Whom individuals consult with may impact whether a lump sum or annuity is chosen
3. Risk tolerance levels appear to impact choice

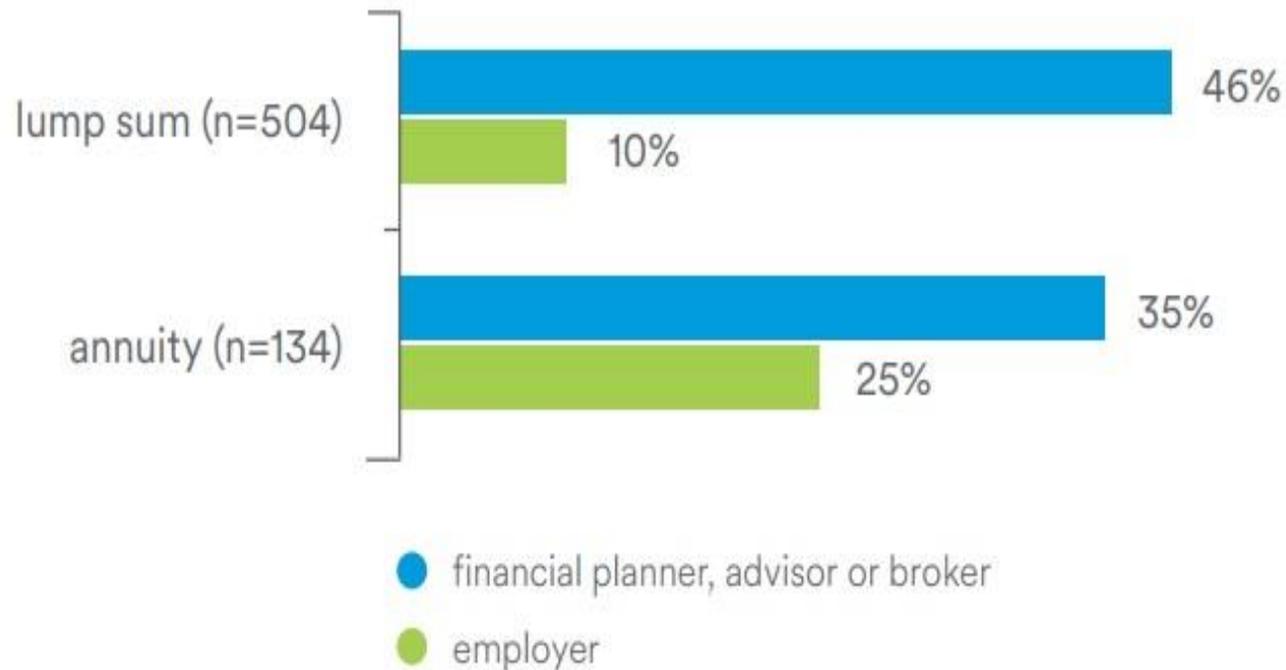
Source: MetLife Paycheck or Pot of Gold Study SM 2017

**Information about longevity
and how to calculate how
long savings will last is *not
required and not generally
being provided***

Source: MetLife Paycheck or Pot of Gold Study SM 2017

Consultation affects decision-making

Among All DB Plan Participants and DC Plan Participants Who Had the Option to Annuitize
(n=638)



Source: MetLife Paycheck or Pot of Gold Study SM 2017

Risk tolerance affects decision

Investment Risk Tolerance by Distribution Option

Among All DB and DC Plan Participants
(n=712)

Lump Sum
(n=504)

risk-taker

46%

54%

risk-averse

Annuity
(n=208)

risk-averse

64%

36%

risk-taker

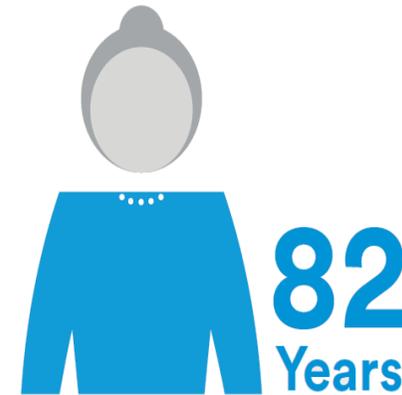
Source: MetLife Paycheck or Pot of Gold Study SM 2017



1 in 3 lump sum recipients who have money remaining (35%) worry about it running out



Average length of time, those who haven't depleted their lump sum, expect the remaining money to last



Average age* at which money is expected to run out; however, 25% of people aged 65 will actually live to age 95**

*The average age of those who took a lump sum was 65

**The source of the life expectancy information - Society of Actuaries Annuity 2000 Mortality Table with 100% AA projection to 2016 and 150% projection thereafter, with mortality blended 50% Male and 50% Female

Source: MetLife Paycheck or Pot of Gold Study SM 2017

Actions to take

1. Lifetime income disclosures
2. A workable safe harbor



Thank you