



DEFINING THE FUTURE OF RETIREMENT

January 24th, 2006:

There is perhaps no greater financial challenge facing an entire generation of Americans than the issue of creating durable, inflation-adjusted retirement income. In the absence of sound financial strategies and innovative products geared toward the distribution of retirement assets, the retirement security of tens of millions of Americans is at risk.

Meeting our country's retirement income challenge is the priority of The Retirement Income Industry Association (RIIA), an organization founded by a group of more than twenty companies sharing a common belief that the financial strategies and products necessary to properly place retirement assets into a distribution mode are inherently different than those used to accumulate assets.

RIIA's mission will be to assist the financial services industry's development of the products and services Americans need to solve their retirement income challenge. The association believes that much work needs to be done but that time is running out. "Industry leaders must innovate to arrive at the solutions needed to meet our nation's income challenge. Then, they must motivate. It's essential that as many Americans as possible understand what's really at stake here, which is nothing less than their future long-term financial security" said Rick Nersesian, Senior Vice President of UBS.

One look at the roster of RIIA's founding members reveals that some of the nation's most innovative companies have come together to define the future of retirement security. "The willingness of industry leaders to contribute their time and expertise to RIIA confirms the need for this organization and the importance of its mission," said Francois Gadenne, Founding Chairman and President & CEO of Retirement Engineering, Inc.

RIIA's founding members include:

- Alliance Bernstein
- Aviva
- Bank of America
- FundQuest
- Genworth
- Greenwich Associates
- ING
- MassMutual
- MFS Investment Management
- Morningstar, Inc.
- Nationwide Financial
- OppenheimerFunds
- Pepe&Hazard
- PLANSPONSOR
- Retirement Engineering
- Russell Investment Group

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- The 401k Company
- The Phoenix
- Symetra Financial
- UBS
- Wachovia
- Wealth2k

RIIA will focus on the economic and public policy challenges created by the impending retirement of some 76 million baby boomers, the first whom recently turned 60. RIIA will also assist financial services companies convey to the public both the magnitude of the retirement income challenge and the solutions to meeting it. "As this immense generation shifts its focus from wealth accumulation to retirement income, the financial industry will change its orientation as well. We believe that the current array of products, processes and communication strategies must be significantly improved in order to provide secure retirement income" said David Macchia, President & CEO of Wealth2k, Inc.

The issues have profound implications for individuals, financial institutions and government policy makers and for all corporations offering any type of pension plan or 401k plan to employees - a fundamental source of retirement income for millions of Americans. Already 21% of plan sponsors have adopted automatic enrollment to ensure employees participate in their 401k plan and another 16% expect to start using automatic enrollment in the next year. By a margin of greater than five to one, corporations want 401k providers to offer information and support for IRA rollovers according to a recent research study conducted by Greenwich Associates. "Corporate America is starting to recognize that in a world without defined benefit plans, they will have to play a greater role than ever in helping their employees prepare to manage their retirement income," said Chris McNickle, Managing Director of Greenwich Associates.

Retirement Income Priorities

"Companies in all segments of the financial services industry are focusing on the evolving needs of Americans retiring or approaching retirement," said Jack Sharry, Senior Vice President, Retirement Security, at The Phoenix Companies. "But they are coming at this from different perspectives, with varying strategies and disparate products."

"One of RIIA's major goals," said Sharry, "will be to provide a forum though which senior executives from different industry sectors, who don't ordinarily talk to each other, will be able to share ideas and work together to address retirement issues and develop retirement income solutions." The association will also:

- Provide communication tools, training and educational programs for financial intermediaries, investors and the media
- Create and maintain a comprehensive database of information on retirement trends and retirement income products and services
- Advocate for public policies and private sector solutions that address the income needs of retirees

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RIIA is sponsoring the Second Annual Conference on Managing Retirement Income, February 27-March 1 in Cambridge, MA. For more information about the conference, visit RIIA's website www.riia-usa.org.

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