



Ready, Aim, Retire.

## **Position Yourself as a Trusted Advisor before Participants Retire**

Most participants understand the importance of saving for retirement, but are uncertain of how large a nest egg they'll actually need to live comfortably in retirement. And when it comes to how much income their retirement savings will provide, or how much to withdraw each year to ensure it will last, they're really in the dark. That's where you can help.

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| • <b>87%</b> of individuals don't know how much income to expect in retirement                       |
| • <b>70%</b> believe that managing money in retirement is as difficult or more difficult than saving |
| • <b>69%</b> don't know how much to withdraw each year to make their savings last                    |

"From Accumulation to Income," Retirement Services Roundtable, 2009

## **Participants Need Guidance Before and During Retirement**

As their retirement plan advisor, your clients' participants naturally may look to you for help with retirement income planning. This presents an excellent opportunity to build your personal business through one-on-one relationships with individual participants. Offering value-added services to participants while they're still working can help you position yourself as the "go to person" for all things retirement. And that's important, because you don't want your participants to take all the money you've helped them accumulate to another advisor when it's time to retire.

## **The Growing Need**

By 2012 there will be \$1 trillion coming out of retirement plans like 401(k)s, IRAs and mutual funds every year.<sup>1</sup> That's bigger than the 401(k) market has ever been.

Make sure you're prepared to capitalize on this market transition by positioning yourself as a trusted advisor to your clients' participants now. Develop strong individual relationships. Offer value-added services such as retirement income planning. And get ready for one of the biggest shifts in retirement assets our industry has ever seen.

<sup>1</sup> "Extending the Franchise," Retirement Services Roundtable. 2007

## **Announcing a New Product and Two New Investment Options from Mutual of Omaha**

To stay ahead of the competition and win more of each client's business, you need access to a comprehensive portfolio of retirement products. That's why we partner with industry-leading providers to provide you with a world-class lineup of retirement products and services. And we make sure you're the first to know when new products and product enhancements come to market.

## **A New 457(b) Product for Government Retirement Plans**

Mutual of Omaha recently teamed up with RSM McGladrey – a premier TPA specializing in 457(b) plans – to offer a brand new product for government agency retirement plans. Backed by the same great service and investment options you've come to expect from Mutual, the new product is designed to help you confidently enter the growing 457(b) market.

Key product features include:

- \* More than 50 non-proprietary, style-specific fund options, including risk-based and time-based asset allocation portfolios and a guaranteed retirement income account
- \* Objective investment performance monitoring and evaluation
- \* Comprehensive fiduciary support at the product, plan and participant levels
- \* Personalized conversion and enrollment support

- \* Recordkeeping and plan administration services
- \* 24-hour online and automated telephone support
- \* Ongoing participant education

For more information, refer to Mutual of Omaha's new [457\(b\) product flyer](#).

<b>Examples of government entities who qualify for a 457(b):</b>
* City/state/county agencies
* Public utilities
* Schools, universities and colleges
* Hospitals

### **Mutual GlidePath<sup>SM</sup> 2050 & 2055**

Mutual GlidePath is a series of time-based portfolios that gradually become more conservative in their allocations as their target retirement dates near. The portfolios continue to be allocated along their investment "glidepaths" for 20 years beyond the target date to continue generating investment returns well into retirement.

Designed for younger investors, two new portfolios – **Mutual GlidePath 2050 and Mutual GlidePath 2055** – recently were added to the lineup.

<b>The 10 Mutual GlidePath portfolios now include:</b>	
* Mutual GlidePath 2010	* Mutual GlidePath 2035
* Mutual GlidePath 2015	* Mutual GlidePath 2040
* Mutual GlidePath 2020	* Mutual GlidePath 2045
* Mutual GlidePath 2025	* Mutual GlidePath 2050
* Mutual GlidePath 2030	* Mutual GlidePath 2055

For more information, refer to the updated [Mutual GlidePath product flyer](#).

### **The Capitol Hill Target Date Fund Debate**

As a result of last year's market collapse, Capitol Hill recently turned the spotlight on target date fund performance and the highly varied returns across the industry. Glidepaths and time horizons of the fund providers – whether funds are managed "to" or "through" retirement – are the most predominant differences between funds and are at the core of a heated debate.

In response to the recent increased scrutiny, Callan Associates, Inc., a leading strategic investment consulting firm, prepared a [research paper](#) on target date funds. *(Please note, this paper is property of Callan Associates and should not be distributed or forwarded without prior express written consent.)* The paper examines the "to" or "through" issue and evaluates its impact on income replacement under various stress tests and scenarios, such as the 2008 market collapse. It also considers the impact of target date glidepaths on retirement income replacement ratios when compared to other factors, such as length of contribution and contribution rates, which can be greater forces than investment results in determining retirement income adequacy.

#### **One Size Doesn't Fit All**

In multiple scenarios depicted in the report, "through" retirement funds tended to outperform "to" funds over the long term. However, Callan cautions plan sponsors against using a blanket approach when determining which funds are appropriate for their plans. According to Callan, "differences in demographics, plan design and even the extent to which plan sponsors seek to keep terminated and retired participants in the plan" all are important factors to consider.

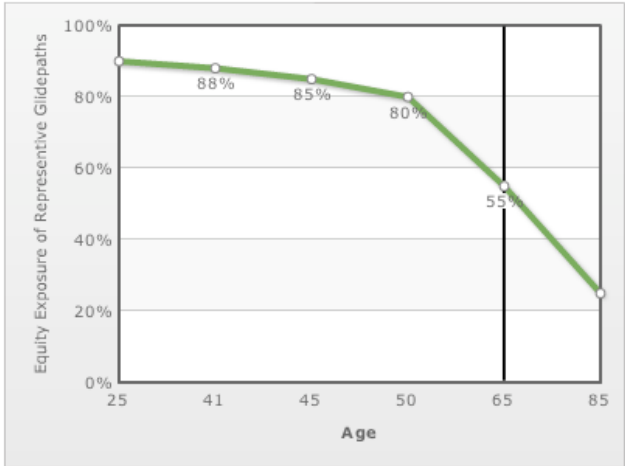
Callan's report also calls for increased communication to participants. Specifically, plan sponsors should help participants understand the degree of risk a target date fund is assuming, up to and during retirement.

#### **At-a-Glance: Mutual GlidePath<sup>SM</sup> Portfolios**

Mutual of Omaha's time-based portfolios are managed "through" retirement for an additional 20 years

beyond their target dates. They start with approximately 90 percent in equities and glide down to 55 percent by age 65. They continue to roll down to 25 percent when they become reasonably static at age 85.

### Equity Allocations of Mutual GlidePath Portfolios



### Additional Options

For plan sponsors who feel a "through" retirement date fund isn't appropriate for their participants, Mutual of Omaha also offers Mutual Directions® – a series of risk-based asset allocation portfolios – and a QDIA professional account management solution from Stadion. For more information on all Mutual's investment options, visit [rms401k.com](http://rms401k.com) and click on the Strategic Partners tab.

1 The Great Target Date Fund Debate: Managing Target Date Funds "To" Versus "Through" Retirement, Callan Associates, July 2009



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Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09 or 902-GAQC-09(OR) or 901-GAQC-07 or 901-GAQC-07(OR)) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company is not licensed in New York. In New York, Companion Life Insurance Company, Hauppauge, NY underwrites the group variable annuity (Form 900-GAQC-07(NY)). Each company accepts full responsibility for each of their respective contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract. Neither United of Omaha, Companion Life Insurance, nor their representatives or affiliates offers investment advice in connection with the contract.

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