Lincoln Financial Group Launches Retirement Plan Solution to Help Americans Protect
Savings From Volatility With Guaranteed Income for Life

Lincoln PathBuilder℠ Enables Retirement Savers to Turn 401(k) Savings into Retirement Income

RADNOR, Pa.--(BUSINESS WIRE)--Lincoln Financial Group (NYSE: LNC) today announced the launch of the Lincoln PathBuilder℠ in-plan guaranteed income option, which will help ensure Americans won’t outlive their savings by expanding the opportunities for lifetime income in employer-sponsored retirement plans. As the availability of pensions decreases and more retirement savers are concerned about market volatility, Lincoln PathBuilder makes it possible to turn defined contribution retirement plan savings into a monthly check for life.

The SECURE Act made it easy for plan sponsors to provide a plan design that can generate guaranteed income for their participants in retirement. As a result, employer-sponsored retirement plans can become more than an accumulation vehicle — they can provide a stream of income in retirement, so that participants have the potential to receive income regularly for the rest of their lives. And among workers currently saving in their employer's defined contribution plan, 61% would be somewhat or very likely to contribute to a guaranteed lifetime income investment option.

"As an industry, we’ve focused on ensuring that retirement plan participants knew they need to work to save enough for the retirement they envision," said Jamie O’H, Executive Vice President, President, Retirement Plan Services, Head of Life & Annuity Operations, Lincoln Financial Group. "And while that is the important first step in building a financially secure future, we must also now focus on helping those participants translate their savings into a monthly check that will last through retirement — because in planning for retirement, the ultimate outcome is income."

Protection from Market Volatility

In times of economic uncertainty, retirement savers consider their retirement savings as the most important area of their finances to protect, ahead of their income, maintaining their current lifestyle, other large assets and more. And as a result of the financial impacts of COVID-19, half of retirement savers are more concerned about future market volatility than they were before the pandemic.

This concern for future volatility is increasing awareness of products that offer guaranteed income, with a quarter of retirement savers saying the COVID-19 pandemic has made them more interested in these types of investment products.

With Lincoln PathBuilder, participants can protect their savings from market declines while also benefiting when the market goes up, because of the way the "Income Base" is calculated. When participants invest their first dollar in the Lincoln PathBuilder investment option, their Income Base — how much they’ve invested — is set on that date. As the market goes up, the Income Base is reset annually once a year. If the market drops, the Income Base does not go down.

Guaranteed Lifetime Income

Millennials are the largest generation in the workforce, but only 21% believe they’ll be able to rely on a pension and only half think Social Security will be a source of income in retirement. For Gen-X, approximately two-thirds say they will rely on Social Security and 28% expect pension plans to be sources of income in retirement, while 87% of Baby Boomers are looking to Social Security for retirement income and 41% of them expect pension plans to serve as income as well. As a result, there is an increasing need for investment options that will provide a stream of income for life.

With Lincoln PathBuilder, plan sponsors can add the income investment option to a plan similar to the way they would add any other investment, or as part of a custom target-date portfolio. With a custom target-date portfolio, the account balances will automatically transition, over time, to an investment that can provide lifetime income. Participants can then choose to take this as a regular check that will last throughout their retirement to help ensure their basic expenses are covered.

Flexible, Portable, Affordable

Savers will always have full access to their account balance, as well as the flexibility to choose when they want to start receiving lifetime payments, with Lincoln PathBuilder. The investment is fully portable, so participants can protect their retirement savings, even if they move to a new job or their retirement plans change. In addition, by offering a product that is scaled for large retirement plans, the end result is an affordable solution that can be embedded within a plan that leverages automatic design features.

"We are focused on helping Americans automatically transition their retirement account balances into guaranteed income for life as we create a next-generation auto feature: auto income," said Ralph Ferraro, Senior Vice President, Retirement Plan Products & Solutions, Lincoln Financial Group. "And while that is the important first step in building a financially secure future, we must also now focus on helping those participants translate their savings into a monthly check that will last through retirement — because in planning for retirement, the ultimate outcome is income."

About Lincoln Financial Group

Lincoln Financial Group provides advice and solutions that help empower people to take charge of their financial lives with confidence and optimism. Today, more than 17 million customers trust our retirement, insurance and wealth protection expertise to help address their lifestyle, savings and income goals, as well as to guard against long-term care expenses. Headquartered in Radnor, Pennsylvania, Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE: LNC) and its affiliates. The company had $247 billion in end-of-period account values as of March 31, 2020. Lincoln Financial Group & CivicScience Protection Survey. Data gathered by CivicScience: 6/18/2020 – 6/25/2020

1. Lifetime Income: Do workers want options in their plans? Secure Retirement Institute, October 2019
4. The Income Base is not a cash value and may differ from the Account Balance in the event of market fluctuations.

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