



News Release

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CONTACT: Tim Rouse, Executive Director
860-658-5058

THE SPARK INSTITUTE ISSUES GUIDELINES TO FACILITATE THE USE OF LIFETIME INCOME OPTIONS IN 401(k) PLANS

SIMSBURY, CT -- September 1, 2015 -- The SPARK Institute, a non-profit organization representing the retirement services industry, today released its guidelines on the integration of guaranteed lifetime income options on 401(k) and other defined contribution plan recordkeeping and web platforms.

The SPARK Institute guidelines allow record keepers to translate information delivery and decision making supported by all income product providers to their own systems. The common approaches are not specific to any one record keeper, middleware, or product solution. These new guidelines are completely voluntary for SPARK Members and are not a requirement for offering a lifetime income option.

According to Tim Rouse, Executive Director for the Institute, the guidelines come in response to the growing number of record keepers offering guaranteed lifetime income options to the retirement plan participants they serve.

“We recognized the need to go beyond the existing SPARK income data standards and provide guidelines on the use of the data and product integration,” said Rouse. “Working through a member task force, we created the guidelines to support participant level guarantees and related messaging and disclosures for various income products on the market today.”

Although participant experience and related technology varies across record keepers, there are core functions that exist on all platforms, such as exchanges, withdrawals, loans, and required minimum distributions. While the focus of the guidelines is participant web-based transactions, they may be translated to other areas such as call center servicing.

“Having a consistent approach that supports all products will minimize the initial and ongoing costs and maintenance for the record keeper,” said Rouse. “These standards also reflect the extent to which guaranteed lifetime income products have adopted a standard approach.”

The new SPARK Guaranteed Income Touchpoint Guidelines are available at no cost to record keepers and providers of lifetime income products by contacting The SPARK Institute at 860-658-5058 or by e-mail at info@sparkinstitute.org.

About The SPARK Institute

The SPARK Institute represents the interests of a broad-based cross section of retirement plan service providers and investment managers, including members that are banks, mutual fund companies, insurance companies, third-party administrators, trade clearing firms, and benefits consultants. Through the combined expertise of its member companies, the Institute provides research, education, testimony, and comments on pending legislative and regulatory issues to members of Congress and relevant Government agency officials. Collectively, its members serve approximately 80 million participants in 401(k) and other defined contribution plans.

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