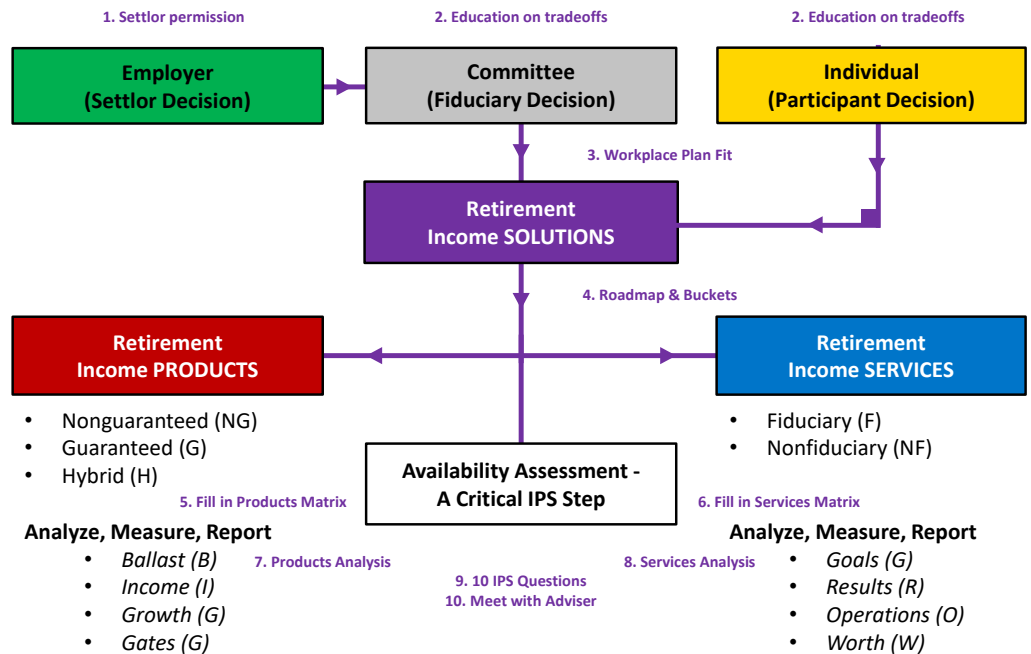


# Retirement Income Solutions Are Purple

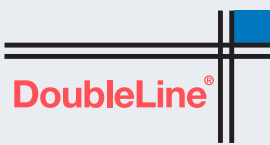
A Toolkit Designed to Help Build a Prudent Process for Retirement Income Decisions

Daniel Long, QPFC, AIF® | 2025



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# Retirement Income Solutions Are Purple

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### The value of retirement income changes every day.

Investing conditions, market dynamics and asset prices change on a daily basis. This is true whether you are an institutional investor or investment adviser seeking retirement income for your clients, or an employer looking to provide retirement income to your employees. This is also true if you are the beneficiary of retirement income payments from Social Security, an annuity or pension. Since the value of both retirement income products and retirement income payments changes over time, so, too, should the asset allocation decisions on these diverse types of retirement income sources.

Like the use of asset allocation and diversification by investors to manage risk of large losses in investment portfolios, investors, annuitants and pensioners might take a similar approach when managing retirement-income security risk across a wide range of retirement income sources. Failing to coordinate a retirement-income asset-allocation plan across retirement income sources might lead investors to take unnecessary or unplanned retirement-income risks and reduce their overall retirement-income security.

### Fiduciaries and committees are in special positions to help manage retirement income security.

Given the continued expansion of workplace retirement plans, they have become a more critical component of overall retirement-income security. In fact, workplace plans continue to be a source of major retirement income in annual EBRI retirement confidence surveys, sometimes eclipsing Social Security. Therefore, workplace retirement plan committees and fiduciaries are in special positions to improve and expand retirement income security through their role in selection and monitoring of retirement income solutions.

Like the use of plan governance and investment policy statements, or 404(c) education or 408(g) advice safe harbors, to manage fiduciary risks, committees might use similar approaches when managing retirement-income security risk. Fiduciaries can better manage these risks by analyzing a wide range of retirement income sources and solutions, and if they adhere to these four simple principles:

- Follow a decision framework and document a repeatable process.
- Educate on the tradeoffs among retirement income solutions.
- Understand where a workplace plan fits in the overall retirement-income puzzle.
- Center fiduciary decisions on the unique needs and demands of their participant base.

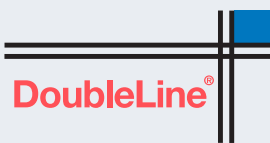
### There are a variety of forces that make retirement income analysis difficult.

There are a substantial number of retirement income sources to understand. All this choice could provide an opportunity to help retirees build more personalized retirement-income solutions, but it also makes the coordination of disparate retirement-income products and services more difficult. A large majority of retirees wind up accumulating two or more types of retirement income solutions throughout their working lives. This is in addition to the guaranteed income payments that Social Security provides beginning at retirement age.

Much like uncoordinated portfolios built across retirement accounts in 401(k)s, 403(b)s and individual retirement accounts (IRAs) during the accumulation phase, some retirees are also now manually and inefficiently building retirement income portfolios during the decumulation phase. Without help from advisers and consultants, and employers as well, participants could piece together retirement income accounts often without considering the potentially overlapping retirement income from Social Security and other sources. This could create unnecessary retirement-income insecurity if retirees are making decisions without full information about potential and actual sources of retirement income.

Retirement income analysis also remains pervasively difficult because the various products and services used by retirement income investors, and sold by a large and competing number of advisers and agents, have different and overlapping authorities and oversight. There are also competing rules, regulations and enforcement from insurance, securities and ERISA regulators, and there is an ever-evolving legal and legislative landscape that covers workplace retirement plans.

Also adding to the challenges for fiduciaries, each retiree has different retirement-income expectations and priorities. And retirees have varying levels of understanding or knowledge of retirement income sources and their tradeoffs. This might seem as if committee members and their providers face an insurmountable array of retirement income risks and challenges. Committees, however, can gain confidence by working with their consultants and providers, and start down a thoughtful path of retirement income exploration and education, supported by an organized, documented and repeatable process.



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## ACTION STEP ONE – GET PERMISSION FROM THE SETTLOR TO REVIEW RETIREMENT INCOME SOLUTIONS

### Advisers and consultants are at the center of a prudent retirement-income process.

Investment consultants can help design a process that is short and economical for committees, or a process can be longer and more purpose-driven, which is the case for many leading retirement-income-focused plan committees and fiduciaries. No matter the destination, or how long it takes to get there, a process begins with determining whether retirement income solutions should be considered for any given plan. This question does not come from the committee, it is a settlor function with the employer or plan sponsor.

The Retirement Income Consortium Prudent Practice eBook<sup>1</sup> outlines, “The retirement plan sponsor determines, as a settlor function and consistent with the plan sponsor’s objectives and the demographic profile of plan participants, whether the plan should offer one or more retirement income solutions.” This brings up a critical point in the development of a prudent process for retirement income discussions, as “The retirement plan sponsor determines, as a settlor function and consistent with the plan sponsor’s objectives and the demographic profile of plan participants, whether the plan should offer one or more retirement income solutions.”

Once a settlor decision is made to include retirement income solutions in each plan, and authority is given to the committee to consider retirement income solutions, the process can move forward. Those early next steps, no matter the type of prudent practices employed by advisers and consultants, will include educating both committee members and participants about the tradeoffs associated with the wide variety of retirement income solutions and sources.

### An early education on retirement income tradeoffs and an understanding of expectations are critical.

In a 2022 EBRI study<sup>2</sup>, retirees ranked “provides access to money” and “guarantees an income stream for life” as the top two features of and desired expectations for a retirement income strategy. While this is only one survey and a sample group of retirees, it underscores how retirement income expectations are difficult to manage. For example, these two common retirement-income features are difficult to achieve together in any retirement income solution. Retirees need to understand that there are difficult but important tradeoffs when it comes to retirement income options.

## ACTION STEP TWO – EDUCATE ON THE TRADEOFFS OF RETIREMENT INCOME SOLUTIONS

We need to educate participants, as well as committee members and fiduciaries, that there is a tug of war when it comes to retirement income:

- Retirees want guaranteed principal and payments but also want liquidity and access to their money.
- Retirees want high income and payments but do not want to take additional risk to get them.
- Retirees want a personalized solution but do not want to pay high fees for customization.
- Retirees want growth potential but do not want the associated volatility of growth investments.

Furthermore, while an individual retiree has their own expectations, preferences and opinions, any given group of retirees under a retirement plan or provider might have a distinct set of expectations and priorities. Also, every retirement-income solution gets a different grade for each of these expectations, and individuals’ understanding or knowledge of a retirement income topic can vary widely as can the process followed when discussing a topic.

Investors learn early about the importance of diversification among cash, bonds and stocks, but at this point they might not understand the tradeoffs involved in retirement income options and these types of contradictions and mismatched expectations. Therefore, the first step for any committee or process is to make sure participants are educated about the “retirement income tug of war.”

We really can’t do anything before we educate participants about these tradeoffs among retirement income options. This might be one reason why that retirement income, even with all its energy and hope, has not taken off faster in the industry. One central impediment is that we have not yet educated on retirement income tradeoffs the way we have educated on the tradeoffs of stocks, bonds and cash, and the importance of diversification to manage the risk of large losses or lost opportunity in higher retirement income.



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## Retirement income security comes from a mixture of guaranteed and nonguaranteed sources.

Any discussion and education about retirement income should include an understanding that retirement income is expected to come from a mixture of guaranteed and nonguaranteed sources. According to data from the 2023 EBRI Retirement Confidence Survey<sup>3</sup>, worker expectations for retirement income, as well as actual retiree incomes, span a variety of guaranteed and nonguaranteed sources. First, retirement income security comes through allocations to a variety of guaranteed retirement-income solutions such as Social Security, pensions and annuities.

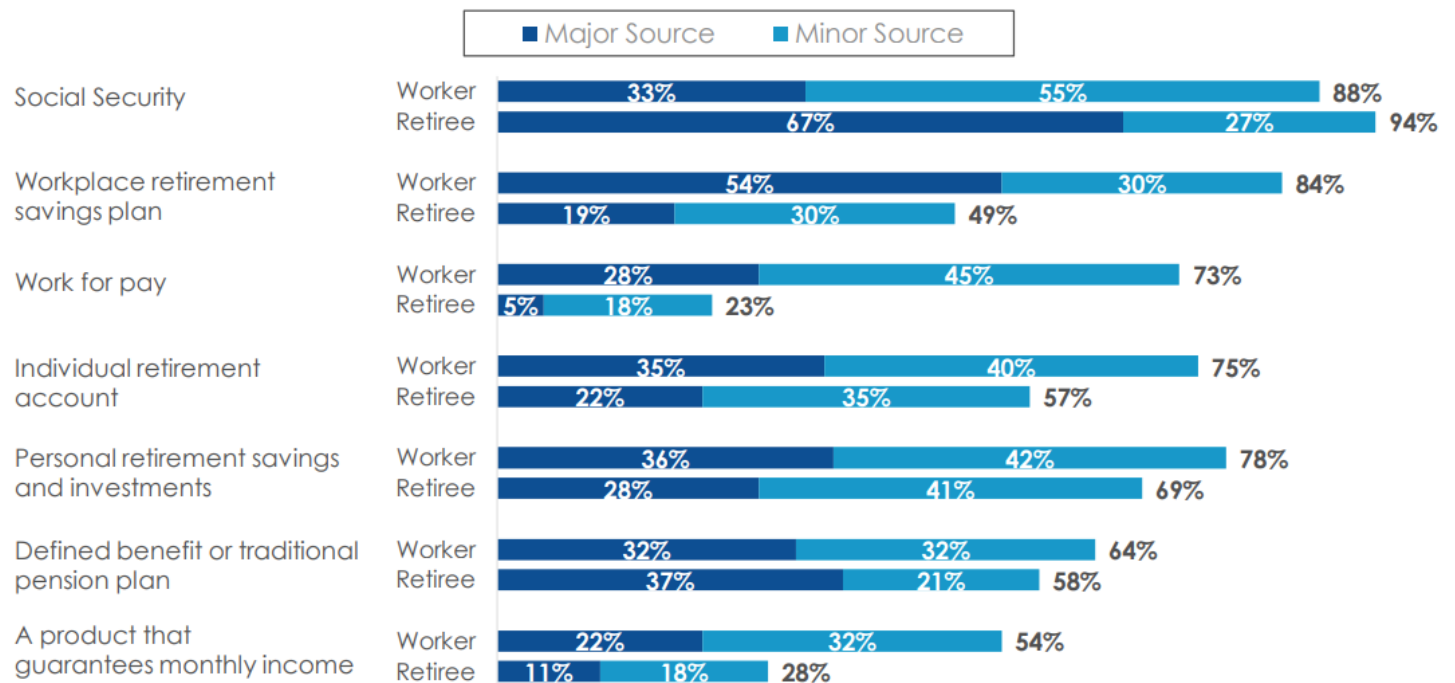
- Social Security is guaranteed by the U.S. government.
- Pensions are backstopped by the Pension Benefit Guaranty Corp. (PBGC) and funding requirements.
- Annuities are backed by their respective insurance companies.

When guaranteed retirement-income solutions are either not enough, not available or not required, investors look to the capital markets for nonguaranteed retirement-income solutions. Retirement-income asset allocation to noninsurance or investment-based solutions provides retirees additional options to the retirement income security provided by Social Security, insurance and other guaranteed solutions. Educating workers on retirement income tradeoffs between these sources involves an understanding of actual versus expected sources of retirement income.

### What Are the Expected Worker vs. the Actual Retiree Sources of Retirement Income?

As of April 27, 2023

To what extent do you expect the following will be/is the following a source of income in retirement?  
Workers planning to retire n=1, 153; Retirees n=1,217



Source: Employee Benefit Research Institute and Greenwald Research, 2023 Retirement Confidence Survey



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### **Workplace savings plans are a critical element of retirement income security.**

Workplace retirement savings plans share many trends and similarities such as the rapid growth of collective investment trusts (CITs), the high popularity of traditional asset classes, the dominance of target-date fund qualified default investment alternatives (QDIAs) and more. That doesn't mean workplace plans can't be tailored, however, from elements such as their own plan name, the choice of providers and investment menus as well the culture and demands of a given workforce and even the preferences of the plan committee and fiduciaries.

Given this combination of similarities and differences among workplace plans, the next step in a process might include an assessment of how a respective workplace plan fits into a retirement income ecosystem and matches with a given workforce and population. Workplace plans can vary, and not all of them need the same retirement income solution. Some might have more than one or two, some might have three or more, some might have zero. Some have a defined benefit (DB) plan and might not need a solution, or at least a different one than the solutions that would be selected for workplace plans that don't pair with a DB plan.

### **ACTION STEP THREE – UNDERSTAND WHERE A WORKPLACE SAVINGS PLAN FITS**

After a settlor has directed the fiduciary to analyze retirement income solutions, fiduciaries and investors have been educated on the tradeoffs among retirement income sources, and the committee understands their participant population and demographics as well as committee member preferences and plan sponsor, the committee can start building a process to see what products and services should be selected to fit a respective workplace plan and a specific participant base. But before tackling these issues of retirement income expectations and education, and prior to providing investors access to specific retirement-income products and services, fiduciaries and committees should maintain a prudent approach.

This includes self-education and following a process around the selection and monitoring of all retirement-income solution categories, types and subtypes. However, while there is a growing set of retirement-income fiduciary and training resources, providers and government are keen to continue collaborating with consultants and advisers to develop more universally understood retirement-income definitions, standards and benchmarks. No single retirement-income analysis framework has gained wide acceptance, and we believe it's unlikely there will be one. Nonetheless, committees need to move forward and function as part of a process, no matter how unmanageable it might seem.

### **Committees can manage the unmanageable with a simple roadmap for retirement income solutions.**

Given there is no universal approach to investing, there will not be one universal approach to analyzing and assessing retirement-income asset allocation, products and services. Nonetheless, better defined terms, definitions and approaches would help build important bridges among providers, advisers, consultants, employers, settlors, fiduciaries and investors. Therefore, the following set of tools provides a framework, manageable process, and roots of a common terminology and understanding for the discussion and analysis of a very wide range of retirement income solutions.

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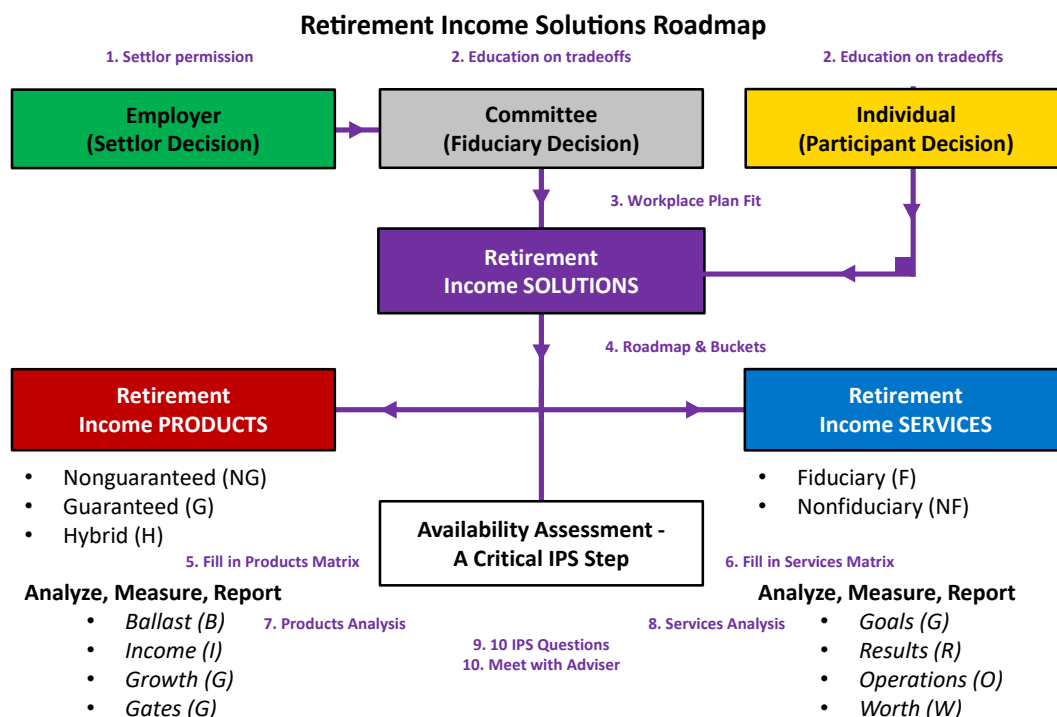
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## RETIREMENT INCOME SOLUTIONS

Edmund Spenser’s 1590 epic “The Faerie Queene” is credited for the origin of, “She bath’d with roses red, and violets blue, And all the sweetest flowers, that in the forest grew.” DoubleLine thinks that to help manage setting up retirement-income workplace plans, fiduciaries and committees can take away this retirement income rhyme:

**“PRODUCTS are red, and SERVICES are blue. Retirement income SOLUTIONS are purple, now we know what to do.”**

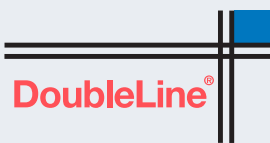
To help our clients and provide them with an open-source toolkit for their own use and purposeful addition, expansion and evolution, DoubleLine has developed a **Retirement Income Solutions Roadmap** and supporting summaries and matrices in an open-source format. They are designed to help investors and committees establish or amend their own detailed and summarized approach to retirement-income solutions organization and analysis.



The Roadmap is designed to develop a simple, mutually exclusive categorization for the analysis of retirement income solutions and help organize and “bucket” all available retirement-income solutions. In addition, we also identify throughout the Roadmap who is responsible for the decisions for each subtype of retirement-income products and services.

The important takeaways of the DoubleLine Retirement Income Solutions Roadmap:

- Decision-makers fall into three Categories – Settlers, Fiduciaries and Participants.
- Settlers decide whether to instruct Fiduciaries to review retirement income solutions or make plan design changes.
- Solutions divide into two Categories – Products and Services.
- Products divide into three Types – Nonguaranteed, Guaranteed, Hybrid Insurance.
- Fiduciaries and Participants can buy Nonguaranteed, Guaranteed, Hybrid Insurance Products in and out of plans.
- Services divide into two Types – Fiduciary and Nonfiduciary.
- Both Participants and Fiduciaries can choose Fiduciary and non-Fiduciary Services in and out of plans.
- Only Participants can select Government Benefits.
- Only Settlers can select Employer Pensions (and plan design in the document as a nonfiduciary).



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### ACTION STEP FOUR – SET UP A RETIREMENT INCOME SOLUTIONS ROADMAP AND FILL IN THE BUCKETS

Once all available solutions have been organized within their respective categories, types and subtypes, advisers and consultants can use their own proprietary and other tools and resources to help committees organize, analyze and prioritize all types of retirement income sources. However, it is exceedingly difficult for even sophisticated investors to organize a successful process around the selection and monitoring of retirement income solutions given the number and breadth of products and services available. Therefore, the Roadmap outlines a potential overall retirement-income solutions framework, a manageable process, and the roots of a common terminology and understanding for the discussion and analysis of a very wide range of retirement income solutions.

When picking investment products for a plan, such as mutual funds, CITs or separately managed accounts, fiduciaries and committees will follow a process, like an investment policy statement (IPS). When picking investment services for a plan, like managed accounts or self-directed brokerage accounts, fiduciaries will follow a process, like a request for proposal (RFP). This is where selection and monitoring of retirement income solutions can fall short, as the words used to describe retirement income have not landed on universally accepted terms and definitions. Whatever you call them as a broad and generic classification is fine, such as retirement income solutions, sources or strategies. However, it is important to remain consistent with the way products (IPS) and services (RFP) are analyzed today, and it is also important that fiduciaries have a prudent course to follow.

If you are an employer and have a pension plan, you make the settlor decision to offer a retirement income benefit as an employee benefit. As for government-benefit-based retirement income, it's mostly Social Security, guaranteed by the government, and it's yellow because the participant chooses it. Those are each separate processes, as are participant decisions to choose their own investment, insurance or hybrid insurance products. In this paper, we are looking at the fiduciary decisions (represented by the gray boxes) and discussing the development of a process around the areas they control. To continue to move down a process, fiduciaries might start to consider a range of alternatives that are available for each retirement-income category, type and subtype for both products and services.

### RETIREMENT INCOME PRODUCTS

It is helpful to divide retirement income products (red box) into three main types: nonguaranteed, hybrid and guaranteed.

Product Types	General Description
<b>Nonguaranteed</b>	Capital markets-based investments that don't have a guarantee of income or principal repayment.
<b>Guaranteed</b>	Insurance, employer pension or government benefit income guaranteed by the insurer, PBGC or U.S. government.
<b>Hybrid</b>	Stable value, variable annuities and other products that may provide elements of both investments and insurance to provide principal protection, guaranteed income levels or other benefits.

Nonguaranteed retirement-income products are capital markets based, or investment based. There are a variety of nonguaranteed, investment-based retirement-income products available, like the mutual funds, CITs and exchange-traded funds (ETFs) in workplace savings plans, IRAs and personal investment accounts. Another retirement-income product type is guaranteed, including immediate and deferred annuities. The last product type is hybrid including guaranteed minimum withdrawal benefits (GMWBs) and even stable value funds. As commonly referred to in financial planning and wealth management, the guaranteed section of a financial plan also includes pensions and Social Security, both with an impact on overall asset allocation. Breaking it up in this way makes it simpler for committees because they have only two categories to look at, products and services. Within products, there are only three types of retirement products to look at, nonguaranteed, guaranteed and hybrid. But more granularity is needed for effective analysis and cataloging.



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Therefore, it is also helpful to divide retirement income **products** into the following **subtypes**:

Product Subtypes	General Description	Decisions
<b>Investment (INV)</b>	Nonguaranteed products that vary based upon market conditions and are generally liquid and portable	<b>Committee or Participant</b>
<b>Insurance (INS)</b>	Guaranteed products where account values and incomes generally remain unchanged and have overall less liquidity and portability	<b>Committee or Participant</b>
<b>Hybrid Insurance (HYB)</b>	Blended products with some flexibility with guarantees but often retain gates or other insurance-related restrictions	<b>Committee or Participant</b>
<b>Employer Pension (PEN)</b>	Retirement income benefits that are provided by employers from a pension plan or other	<b>Employer or Settlor</b>
<b>Government Benefit (GOV)</b>	Government programs that are guaranteed and based upon retirement age and annual income	<b>Participant or Individual</b>

## ACTION STEP FIVE – PLAY “WHAT ABOUT THIS PRODUCT?” AND FILL IN THE PRODUCTS MATRIX

The goal of the **DoubleLine Retirement Income Products Matrix** is to help investors and committees establish their own detailed and summarized approach to retirement-income product organization and analysis. The Products Matrix is designed to develop a simple, mutually exclusive categorization for retirement-income products analysis. Its goal is to help organize and bucket all available retirement-income products.

In addition, the goal is to identify throughout the Products Matrix examples of who is responsible for the decisions for each subtype of retirement income product. For example, while Longevity Annuities are gaining popularity within workplace plans and decided by fiduciaries, they are also commonly used in retail annuity relationships. Additionally, while bond funds are a staple of workplace plans, they are also widely used by individual investors in and out of 401(k), 457 and other plans.



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## DoubleLine Retirement Income Products Matrix

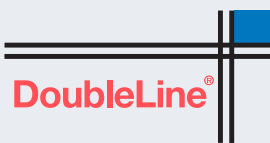
Product Type	Nonguaranteed (NG)	Hybrid (H)	Guaranteed (G)		
Product Subtype	Investment (INV)	Hybrid Insurance (HYB)	Insurance (INS)	Employer Pension (PEN)	Government Benefit (GOV)
Product Examples	Money Market Funds	Stable Value Funds	Certificate of Deposits	Corporate Defined Benefit Plans	Social Security - Retirement
Examples	Bond Funds	Registered Index-Linked Annuities	Immediate Fixed Annuities	Fixed Rate Cash Balance Plans	Social Security - Disability
Examples	Allocation Funds	Variable Annuities	Deferred Fixed Annuities	Market Based Cash Balance Plans	Social Security - Survivor
Examples	Target Date Funds	CITs With Insurance Asset Class	Longevity Annuities	Combination DB and DC plans	Supplemental Security Income
Examples	Managed Payout Funds	Guaranteed Min. Withdrawal Benefits	Life Insurance as a Retirement Plan	State and Local Pension Plans	DROP Plans
Examples	Equity Dividend Funds	Guaranteed Lifetime Withdrawal Benefits	Universal Life Insurance	Money Purchase Pension Plans	Medicare
Examples	Real Estate Funds	Qualified Longevity Annuity Contracts	Disability Insurance	Target Benefit Plans	Medicaid
Examples	Individual Securities	Guaranteed Insurance Contracts	Long-Term Care Insurance	Retiree Medical Plans	Other
Examples	Rental Income	Fixed Index Annuities	Other	Other	Other

The key takeaways of the **DoubleLine Retirement Income Products Matrix**:

- Decision-makers fall into three Categories – Settlers, Fiduciaries and Participants.
- Products divide into three Types – Nonguaranteed, Guaranteed and Hybrid.
- Products also divide into five Subtypes – Investment, Insurance, Hybrid Insurance, Employer Pension and Government Benefit.
- Both Participants and Fiduciaries can buy Investment, Insurance and Hybrid Insurance Products.
- Only Participants select Government Benefits.
- Only Settlers select Employer Pensions.

The Products Matrix includes a variety of examples of retirement income products in the marketplace today. It also follows the same framework as the Roadmap in looking to identify the decision-maker responsible for each source of retirement income, be it a settlor, fiduciary or individual. Selecting retirement income products to make available to any given population will follow a different path given the category, type and subtype of product under consideration.

Our goal is to continue to update and fill the Products Matrix with more products bucketed to each subtype and share the results so that committees can start to build their own databases and processes. Also, we are not advocating for any product over another. Committees also will not have one product in every category and will have what is suitable and appropriate for your group, if your committee has done its homework, and it understands participant needs. That process could help drill down and identify the box or boxes that a committee would explore for potential retirement-income products.



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## RETIREMENT INCOME PRODUCTS CRITERIA AND MEASUREMENTS

The questions above started nudging the process forward, but as of this point, we have just bucketed everything in the fiduciary process. Now we need to start looking at tools and ways to manage **criteria for selection**. It is equally important for committees and their advisers to begin setting up common criteria and metrics to evaluate retirement income solutions.

However, a challenge for advisers and their clients is to create an analysis method that identifies comparable qualities across all types of retirement income solutions and also accommodates their differences in the analysis. A possible approach might include establishing a simplified products criteria and measurement approach, and a separate but also simplified services criteria and approach.

Let's look at the **Retirement Income Products Criteria Matrix**. While there are a variety of guaranteed, hybrid and nonguaranteed retirement income products, retirement income investors could have a BIGG impact on their retirement income security if they focus on four important factors, including their fixed income options: ballast, income, growth and gates.

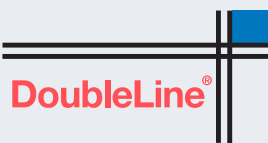
Along with an organized and documented process for retirement income solutions, fiduciaries might have a BIGG impact on investors' overall retirement-income security if they focus on the same four criteria. These simple factors allow for a product-neutral analysis of a group of metrics to consider when evaluating all nonguaranteed, hybrid and guaranteed retirement-income products.

### DoubleLine Retirement Income Products Criteria Matrix

Retirement Income Products Criteria	Criteria Description	Retirement Income Priorities and Objectives
<b>Ballast (B)</b>	Measures of risk reduction, and portfolio and income stability	<ul style="list-style-type: none"> <li>✓ Provides safety and security</li> <li>✓ Guarantees income or value</li> <li>✓ Protects from market volatility</li> </ul>
<b>Income (I)</b>	Measures of payment amount, source, frequency and flexibility	<ul style="list-style-type: none"> <li>✓ Provides steady income stream</li> <li>✓ Provides long-term income</li> </ul>
<b>Growth (G)</b>	Measures of potential appreciation and relative valuation	<ul style="list-style-type: none"> <li>✓ Keeps up with inflation</li> <li>✓ Provides growth opportunity</li> </ul>
<b>Gates (G)</b>	Restrictions and provisions regarding access and penalties	<ul style="list-style-type: none"> <li>✓ Keeps fees low</li> <li>✓ Provides access to money</li> <li>✓ Provides for inheritance</li> </ul>

These terms are used to describe features of certain financial products, including insurance contracts, employer pensions, and government benefits, but does not eliminate all risks. Guarantees depend on the provider and may be subject to conditions or external factors.

The goal of the **DoubleLine Retirement Income Products Criteria Matrix** is to help investors and committees establish a small but meaningful number of metrics to manage a detailed and summarized approach to retirement-income product organization and analysis. The Criteria Matrix is designed to develop a simple, mutually exclusive categorization for retirement-income products criteria to help organize and bucket retirement income priorities and objectives.



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The key takeaways of the **DoubleLine Retirement Income Products Criteria Matrix**:

- Product Criteria are divided into four Categories – ballast, income, growth and gates.
- Metrics can be customized for each Subtype of product.
- Retirement income priorities can be customized and bucketed with this approach as well.

## ACTION STEP SIX – BUILD YOUR CRITERIA AND METRICS FOR PRODUCT MEASUREMENT

As the process progresses, fiduciaries need to start looking at specific measurements. We can look at one more matrix to keep the fiduciary process going, where you can add in specific measurements for each BIGG retirement-product criteria. This can be done for each subtype of retirement income product that fiduciaries control: Investment, Hybrid Insurance, Insurance, Pension and Government.

**DoubleLine Retirement Income Products Measurement Matrix**

Product Type	Nonguaranteed (NG)	Hybrid (H)	Guaranteed (G)		
Product Subtype	Investment (INV)	Hybrid Insurance (HYB)	Insurance (INS)	Employer Pension (PEN)	Government Benefit (GOV)
Product Criteria	Fixed Income Fund	CIT With Insurance	Fixed Annuity	TBD	TBD
<b>Ballast (B)</b>	✓ Risk Score	✓ Risk Score	✓ Risk Score	✓ Risk Score	✓ Risk Score
<b>Income (I)</b>	✓ Coupon Rates ✓ Annualized Dividends	✓ Payout Rates	✓ Payout Rates	✓ Income Payments	✓ Income Payments
<b>Growth (G)</b>	✓ Yield to Maturity ✓ Medium Growth	✓ Yield to Maturity ✓ Medium Growth	✓ Yield to Maturity ✓ Low Growth	✓ Discount Rate ✓ Dividend Yield	✓ COLA
<b>Gates (G)</b>	✓ Low Fees ✓ High Liquidity ✓ High Availability	✓ Med Fees ✓ Med Liquidity ✓ Med Availability	✓ High Fees ✓ Low Liquidity ✓ Med Availability	✓ Low Fees ✓ Low Liquidity ✓ Low Availability	✓ Low Fees ✓ Low Liquidity ✓ High Availability

### Fixed income funds can be an effective proxy for the entire retirement-income product discussion.

Within the large universe of nonguaranteed, investment-based retirement-income products, fixed income mutual funds, ETFs, CITs and separately managed accounts are commonly used and widely available tools for retirement income security. There are a variety of fixed income styles and approaches to choose from, and fixed income funds can play a multipurpose role in retirement income security. Fixed income funds also provide a range of important metrics to consider when fiduciaries are making retirement-income product decisions.

For example, Ballast can be measured by credit rating, standard deviation, duration, etc. Growth can be measured by credit spreads, yield to maturity, etc. Income can also be measured by yield, coupon rate and 30-Day SEC Yield. Gates for fixed income funds are flexible with good liquidity, good portability and more.

This approach can also be applied anywhere on the Products Measurement Matrix. For example, it allows for the discussion of the credit quality of the insurer, the payment amount and frequency of a fixed annuity, the contribution and distribution gates on subtypes of Hybrid Insurance products, etc. Hybrid Insurance products will have a mixture of investment and insurance stats to measure given the type of product.



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The goal of the **DoubleLine Retirement Income Products Measurement Matrix** is to help investors and committees establish a small but meaningful number of measurements to manage the criteria outlined above. It is designed to develop a simple, mutually exclusive categorization for retirement-income product measurements to help organize and bucket retirement income priorities and objectives.

The key takeaways of the **DoubleLine Retirement Income Products Measurement Matrix**:

- Product Criteria are divided into four Categories – ballast, income, growth and gates.
- Each Product Subtype will have its own measurements, but they will align across the four Criteria.

## DoubleLine Retirement Income Products Scoring Matrix

In addition to products and services criteria and measurement, a strong fiduciary process will include some type of scoring report and mechanism, or leverage existing tools to help provide benchmarks, scores and more for each category, type and subtype. Again, all this organization and analysis generally leads to better informed and researched recommendations by fiduciaries and committees to the investors and participants they serve. As the process progresses, fiduciaries might need to start looking at specific scoring approaches. The following is an example of a simple methodology to develop a ranking system. Fiduciaries and committees will develop a scoring system based on their own criteria, but this example lays out a process for a standardized scoring approach to kick-start a custom process.

## DoubleLine Retirement Income Products Scoring Matrix

Retirement Income Product Criteria	Retirement Income Product Criteria Description	Score	Sample Product
<b>Ballast (B)</b>	✓ Credit Rating	0-5	3
	✓ Standard Deviation	0-5	4
	✓ Duration	0-5	2
	✓ Correlation to Equities	0-5	4
	✓ Inflation Sensitivity	0-5	4
<b>Income (I)</b>	✓ 30-Day SEC Yield	0-5	3
	✓ Yield to Maturity	0-5	4
	✓ Coupon Rate	0-5	4
	✓ Accrual Period	0-5	4
	✓ Yield Volatility	0-5	4
<b>Growth (G)</b>	✓ Yield to Maturity	0-5	4
	✓ Purchase Price	0-5	4
	✓ Credit Spreads	0-5	4
	✓ Convexity	0-5	3
	✓ Total Return	0-5	4
<b>Gates (G)</b>	✓ Fees	0-5	5
	✓ Liquidity	0-5	5
	✓ Valuation Frequency	0-5	5
	✓ Transaction Windows	0-5	5
	✓ Portability	0-5	5

Examples provided are for illustrative purposes only.



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## RETIREMENT INCOME SERVICES

It is also helpful to divide retirement income **services** (blue box) into two types: **Fiduciary** and **Nonfiduciary**.

Service Types	General Description	Decisions
<b>Fiduciary (F)</b>	Delivered by fiduciary standard investment advisers and providers who seek to provide personalized retirement income asset allocation and other advice to investors.	<b>Committee or Employer</b>
<b>Nonfiduciary (NF)</b>	Delivered by nonfiduciaries who do not seek to not provide specific investor advice, but rather services are designed to provide guidance, illustrations and other tools to retirement investors to support their retirement income diversification decisions	<b>Participant or Individual</b>

Settlor Decision

Individual Decision

Committee Decision

Fiduciary services provide personalized retirement-income asset allocation and other investment advice to investors, and that advice might use all available retirement products or a predetermined set of products from a plan or a provider. Fiduciary services can be discretionary or nondiscretionary in the delivery of retirement-income investment advice.

Fiduciary services might also use nonguaranteed or guaranteed types of retirement income products and can use the five different subtypes, whatever is available to the fiduciary to pull from. For example, adviser firms provide retirement-income paycheck advice that incorporates Social Security, pension and other income sources into the customization of an investment and insurance approach.

Nonfiduciary services encompass all other tools and resources delivered by nonfiduciary persons, entities, technologies and more that do not provide specific investor advice. These services are designed to provide guidance, illustrations and other summaries to investors to support their retirement-income diversification decisions. Nonfiduciary services are quite common in workplace savings plans.

### Retirement Income Services Subtypes

It is also helpful to divide retirement income services into two subtypes: **Plan Level** and **Participant Level**.

Plan level retirement income services focus on designing solutions for the entire plan and are hired by the committee to support diverse participant needs. Participant level services provide individualized tools and services to help individuals achieve sustainable retirement income.

Service Subtypes	General Description	Decisions
<b>To Plan (PLAN)</b>	Retirement income services that are purchased for all participants and beneficiaries of a plan or population of employees.	<b>Committee or Employer</b>
<b>To Participant (INDV)</b>	Participant Level retirement-income services that are purchased or signed up for one individual at a time, in or out of the plan.	<b>Participant or Individual</b>

Settlor Decision

Individual Decision

Committee Decision



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## ACTION STEP SEVEN – PLAY “WHAT ABOUT THIS SERVICE?” AND FILL IN THE SERVICES MATRIX

### Retirement Income Services Matrix

Service Type	Fiduciary (F)		Nonfiduciary (NF)	
Service Subtype	Plan (PLAN)	Participant (INDV)	Plan (PLAN)	Participant (INDV)
Service Example	Discretionary 3(38) Services	Financial Wellness Programs	Retirement Managed Accounts	Annuity Marketplaces
Example	Nondiscretionary 3(21) Services	Model Portfolios	408(g) Fiduciary Adviser	Model Portfolios
Example	408(g) Fiduciary Advisers	Robo Advisers	Model Portfolios	Social Security Consulting Services
Example	Retirement Managed Accounts	Lifetime Income Stream Disclosures	Model Portfolios	Local Financial Advisers
Example	OCIO Services	Distribution Types	Committee Education	Self-Directed Brokerage Accounts
Example	3(16) Services	Systematic Withdrawals	Financial Wellness Programs	Annuity Marketplaces
Example	Rollover Advice Under 2020-22	Contribution Formulas	Robo Advisers	Financial Wellness Programs
Example	CFP or Other Fiduciary Advice Services	Annuity Marketplaces	Managed Accounts	Self-Directed Brokerage Accounts
Example	Robo Advisers	Social Security Consulting Services	Automatic Enrollment	Insurance Consulting Services

**Settlor Decision**

**Individual Decision**

**Committee Decision**

Examples provided are for illustrative purposes only.

The goal of the DoubleLine Retirement Income Services Matrix is to help investors and committees establish their own detailed and summarized approach to retirement-income services organization and analysis. The services Matrix is designed to develop a simple, mutually exclusive categorization for retirement-income services analysis. Its goal is to help organize and bucket all available retirement-income services.

In addition, the goal is to identify throughout the Services Matrix examples of who is responsible for the decisions for each subtype of retirement income service. For example, while discretionary managed accounts are gaining popularity within workplace plans and decided by fiduciaries, they are also commonly used outside of plans as well. Additionally, while bond funds are a staple of workplace plans, they are also widely used by individual investors in and out of 401(k), 457 and other plans.



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Similar to the process with products, at this point, we have just bucketed everything in the fiduciary process for services. Now, again, we need to start looking at tools and ways to manage criteria for selection. It is equally important for committees and their advisers to begin setting up common criteria and metrics to evaluate retirement income services.

However, a challenge for advisers and their clients again is to create an analysis method that identifies comparable qualities across all types of retirement income services and also accommodates their differences in the analysis. A possible approach might include establishing a separate but also simplified services criteria and approach.

Let's look at the Retirement Income Services Criteria Matrix. While there are a variety of fiduciary and nonfiduciary retirement-income services, retirement income investors can GROW their retirement income security if they focus on four important factors, including their managed accounts, financial wellness, recordkeeper and other services: goals, results, operations and worth. These simple factors allow for a servicet-neutral analysis of a group of metrics to consider when evaluating all fiduciary and nonfiduciary retirement income services.

### Retirement Income Services Matrix

Retirement Income Services Criteria	Criteria Description	Retirement Income Priorities and Objectives
<b>Goals (G)</b>	Goals, benchmarks, objectives of the service tied into other plan and participant goals.	<ul style="list-style-type: none"> <li>✓ Provides long-term income</li> <li>✓ Protects from market volatility</li> <li>✓ Provides access to money</li> </ul>
<b>Results (R)</b>	Measures of performance, readiness, risk, income and other comparisons to peers, goals, benchmarks, objectives.	<ul style="list-style-type: none"> <li>✓ Provides steady income stream</li> <li>✓ Provides safety and security</li> <li>✓ Guarantees income or value</li> </ul>
<b>Operations (O)</b>	Measures of integration, portability, flexibility, security and other operational aspects.	<ul style="list-style-type: none"> <li>✓ Provides safety and security</li> <li>✓ Provides access to money</li> <li>✓ Plan integration and reports</li> </ul>
<b>Worth (W)</b>	Measures of cost, expenses, value and fees of a service.	<ul style="list-style-type: none"> <li>✓ Keeps fees low</li> <li>✓ Find value in income choices</li> </ul>

**Examples provided are for illustrative purposes only.**

These terms are used to describe features of certain financial products, including insurance contracts, employer pensions, and government benefits, but does not eliminate all risks. Guarantees depend on the provider and may be subject to conditions or external factors.

The goal of the **DoubleLine Retirement Income Services Criteria Matrix** is to help investors and committees establish a small but meaningful number of metrics to manage a detailed and summarized approach to retirement-income service organization and analysis. The Services Criteria Matrix is designed to develop a simple, mutually exclusive categorization for retirement-income services criteria to help organize and bucket retirement income priorities and objectives.

The key takeaways of the **DoubleLine Retirement Income Services Criteria Matrix**:

- Service Criteria are divided into four Categories – goals, results, operations and worth.
- Metrics can be customized for each subtype of product.
- Retirement income priorities can be customized and bucketed with this approach as well.

As the process progresses again, fiduciaries need to start looking at specific measurements. We can look at one more matrix to keep the fiduciary process going, where you can add in specific measurements for each GROW retirement-services criteria. This can be done for each subtype of retirement income service that fiduciaries control: Plan Level Fiduciary, Plan Level Nonfiduciary, Participant Level Fiduciary and Participant Level Nonfiduciary retirement-income services.



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## Participant advice services can be an effective proxy for the entire retirement-income service discussion.

Within the large universe of advice offered, participant advice services (i.e., managed accounts, eligible investment advice arrangements, etc.) are commonly used and widely available tools for retirement income security. There are a variety of participant advice and guidance services to choose from and they all play a multipurpose role in retirement income security. Model portfolios and managed accounts provide a range of important metrics to consider when fiduciaries are making retirement-income service decisions.

For example, services Goals can be measured by how well the service ties into plan and participant goals outlined in an investment policy statement. Results can be measured by performance, risk levels, statistics and other comparisons to peers and goals. Operations are measures of integration and security while Worth is the category for costs and fees.

## Retirement Income Services Measurement Matrix

Service Type	Plan (PLAN)		Participant (INDV)	
Service Decisions	Committee or Participant		Committee, Employer or Participant	
Service Subtype	Fiduciary (F)	Nonfiduciary (NF)	Fiduciary (F)	Nonfiduciary (NF)
Service Criteria	<i>3(38) Investment Manager</i>	<b>Distribution Types</b>	<b>Managed Account</b>	<i>Financial Wellness</i>
<b>Goals (G)</b>		<ul style="list-style-type: none"> <li>✓ (High) Usage</li> <li>✓ (High) With Strategy</li> <li>✓ (High) Longevity</li> </ul>	<ul style="list-style-type: none"> <li>✓ (High) Usage</li> <li>✓ (High) With Strategy</li> <li>✓ (High) Longevity</li> </ul>	
<b>Results (R)</b>		<ul style="list-style-type: none"> <li>✓ (High) Peer Comparison</li> <li>✓ (High) Utilization</li> <li>✓ (High) Distributions</li> </ul>	<ul style="list-style-type: none"> <li>✓ (High) Peer Comparison</li> <li>✓ (High) Utilization</li> <li>✓ (High) Distributions</li> </ul>	
<b>Operations (O)</b>		<ul style="list-style-type: none"> <li>✓ (High) Integration</li> <li>✓ (Low) Portability</li> <li>✓ (Low) Flexibility</li> <li>✓ (High) Compliance</li> </ul>	<ul style="list-style-type: none"> <li>✓ (High) Integration</li> <li>✓ (Low) Portability</li> <li>✓ (Low) Flexibility</li> <li>✓ (High) Compliance</li> </ul>	
<b>Worth (W)</b>		<ul style="list-style-type: none"> <li>✓ (Low) Cost</li> <li>✓ (High) Value</li> </ul>	<ul style="list-style-type: none"> <li>✓ (High) Cost</li> <li>✓ (High) Value</li> </ul>	



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## ACTION STEP EIGHT – BUILD YOUR CRITERIA AND METRICS FOR SERVICES MEASUREMENTS

Finally for this discussion, and as the process keeps progressing, fiduciaries should start looking at specific scoring approaches for services. The following is an example of a simple methodology to develop a score. Fiduciaries and committees will develop their own scoring system based on their own criteria, but this example lays out a method to kick-start a custom process.

### Retirement Services Scoring

Retirement Income Services Criteria	Retirement Income Services Criteria Description	Score	Sample Service
<b>Goals (G)</b>	Benchmark item	0-5	5
	Benchmark item	0-5	2
	Benchmark item	0-5	4
	Benchmark item	0-5	3
	Benchmark item	0-5	4
<b>Results (R)</b>	Benchmark item	0-5	3
	Benchmark item	0-5	2
	Benchmark item	0-5	2
	Benchmark item	0-5	4
	Benchmark item	0-5	4
<b>Operations (O)</b>	Benchmark item	0-5	3
	Benchmark item	0-5	4
	Benchmark item	0-5	4
	Benchmark item	0-5	4
	Benchmark item	0-5	4
<b>Worth (W)</b>	Benchmark item	0-5	2
	Benchmark item	0-5	1
	Benchmark item	0-5	3
	Benchmark item	0-5	3
	Benchmark item	0-5	2

Examples provided are for illustrative purposes only.



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## RETIREMENT INCOME SOLUTIONS

### Developing a retirement-income solutions implementation, documentation and oversight process.

Here's our journey so far. The settlor gave us authority to research retirement income solutions. We quickly moved to the education on tradeoffs in retirement income sources. We next discovered where our workplace fits into the retirement income ecosystem. With that in place, we then set up a roadmap, framework and definitions for the analysis of retirement income products and services. Along the way, we reviewed the following:

- Retirement Income Solutions Roadmap
- Retirement Income Products Matrix
- Retirement Income Products Criteria Matrix
- Retirement Income Measurement Matrix
- Retirement Income Services Matrix
- Retirement Income Services Criteria Matrix
- Retirement Income Criteria Measurement Matrix

We also began the process of cataloging all available retirement-income sources that could have an impact – the settlors, fiduciaries and participants who make decisions on the products and services. We provided examples of each subtype of product and service, the decision-makers on those products and services and where fiduciaries might focus their attention.

Now we move into a discussion of plan governance, another area deeply rooted in the support of institutional consultants and retirement plan advisers. Fiduciary best practices require the establishment of an evaluation and assessment methodology for appropriate retirement-income products and services. Each process is unique given the forms and processes of a given committee attorney, consultants, providers and advisers.

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## ACTION STEP NINE – ASK THESE IPS QUESTIONS TO SET UP A RETIREMENT INCOME PROCESS

In another great resource available and to help with capturing and incorporating retirement income solutions within the IPS, “the Retirement Income Consortium (RIC) has crafted suggested copy committees, consultants and advisers can leverage” and “a 10 step guide that defines a fiduciary standard of excellence for selecting and monitoring retirement income solutions.” As part of this review, we have reframed them here into questions:

### Organize

1. Should retirement income solutions be offered?
2. Does the plan permit these options and choices?

### Formalize

3. Is my investment policy statement ready?
4. Are there any safe harbors available?

### Implement

5. What is available today with current arrangements?
6. What is selected after following a process?
7. Do I have any material conflicts of interest?
8. Is everything in writing?

### Monitor

9. When should I revisit?
10. Are the fiduciaries staying educated on the market?



Contact your adviser, consultant or DoubleLine Retirement Solutions to discuss these and other retirement-income asset allocation and analysis ideas for your retirement income accounts.

## ACTION STEP 10 – SET UP A RETIREMENT INCOME TRAINING SESSION WITH DOUBLELINE

### Closing & Call to Action

A variety of nonguaranteed, hybrid and guaranteed retirement-income products are available, as well as fiduciary and nonfiduciary services. DoubleLine can help retirement plan decision-makers, and their advisers and consultants, navigate a dynamic retirement-income environment through a variety of strategies for individual, retirement plan and other institutional portfolios.

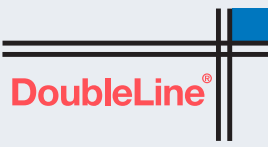
For more information, please contact us at [Retirement@DoubleLine.com](mailto:Retirement@DoubleLine.com).

Thank you for reading and exploring DoubleLine’s retirement-income eBook Retirement Income Solutions Are Purple: A Toolkit Designed to Help you Build a Prudent Process for Retirement Income Decisions. From one simple word, Purple, we created a committee and consultant retirement-income roadmap and a process to generate a sharable and even more complex discussion and analysis. Whether you’re a DC Committee, Institutional Consultant or Retirement Plan Adviser, now is the time to act.

### Take the Next Steps

If you are a DC committee, consultant or adviser, you can:

- Visit [www.doubleline.com/retirement](http://www.doubleline.com/retirement) for more educational tools and resources for committees, consultants and advisers.
- Request the Retirement Income PIT-STOP Checklist to help assess available Products and Services as part of an investment policy-statement process.
- Request a 1:1 Call or Meeting – Dive into the Purple Framework and discover how it applies to your practice or plan.
- Request a Team or Training Session – Educate your team with tools, case studies and continuing education approved frameworks.
- Request a Client or Prospect Meeting – Use our structured approach to unlock new conversations and deliver measurable value to clients.



# Retirement Income Solutions Are Purple

## A Toolkit Designed to Help Build a Prudent Process for Retirement Income Decisions

Daniel Long, QPFC, AIF®



Daniel Long, QPFC, AIF®  
Relationship Manager

Mr. Long joined DoubleLine in 2018 and is responsible for client relationship management for the firm's retirement plan clients. His responsibilities have involved working with plan sponsors, consultants and service providers to successfully operate retirement plans for employees. Mr. Long has more than two decades of experience in the retirement plan industry. Prior to DoubleLine, he has held retirement solutions roles with Goldman Sachs, RSM McGladrey, Transamerica, Neuberger Berman, ADP and PaineWebber. Mr. Long has been a speaker at various industry conferences and currently serves on a local not-for-profit board with ASPPA. He holds a BS in Business Management from Cornell University and an MBA from Northwestern Kellogg Graduate School of Management. Mr. Long is a Qualified Plan Financial Consultant.

### Endnotes

<sup>1</sup> [https://3070390.fs1.hubspotusercontent-na1.net/hubfs/3070390/\\_Broadridge/RIC/Prudent\\_Retirement\\_Income\\_Consortium\\_2024.pdf](https://3070390.fs1.hubspotusercontent-na1.net/hubfs/3070390/_Broadridge/RIC/Prudent_Retirement_Income_Consortium_2024.pdf)

<sup>2</sup> [https://www.ebri.org/docs/default-source/pbriefs/ebri\\_ib\\_572\\_spendingin-ret-6oct22.pdf?sfvrsn=bba5382f\\_14](https://www.ebri.org/docs/default-source/pbriefs/ebri_ib_572_spendingin-ret-6oct22.pdf?sfvrsn=bba5382f_14)

<sup>3</sup> <https://www.ebri.org/docs/default-source/rcs/2023-rcs/2023-rcs-short-report.pdf>

### Retirement Income Glossary

#### Investment Examples:

**Bond Funds** – Funds that primarily invest in bonds or other types of debt securities. These funds are designed to provide investors with regular income streams.

**Conservation Allocation Funds** – Funds that consist of equity and debt securities, as well as cash and cash equivalents, with a focus on the preservation of principal capital through larger debt and cash investments.

**Equity Dividend Funds** – Funds that place a particular focus on higher-than-average and/or rising dividend yields during the stock selection process.

**Managed Payout Funds** – Funds that come with a drawdown strategy, giving participants regular payments in retirement.

**Moderate Allocation Funds** – Funds that preserve most of a portfolio's total value but are willing to take on some risk for inflation protection.

**Target-Date Funds** – An age-based retirement investment that helps investors take more risk when they are young and gets more conservative over time.

**Real Estate Funds** – Funds that invest in securities offered by public real estate companies, including real estate investment trusts (REITs). REITs pay out regular dividends while real estate funds provide value through appreciation.

#### Insurance Examples:

**Certificates of Deposit** – Products offered by banks and credit unions that are insured up to certain limits by the Federal Deposit Insurance Corp. in the United States. They provide a fixed interest rate in exchange for depositing money for a predetermined term, which can range from a few months to several years.

**Deferred Fixed Annuity** – Type of annuity contract where an individual pays a lump sum or multiple premiums to an insurance company and payments to the annuitant are delayed to a future date. During this deferral period, the money invested typically earns a fixed rate of interest.

**Immediate Fixed Annuity** – Type of annuity contract where an individual pays a lump sum premium to an insurance company and in return starts receiving regular fixed payments almost immediately.

**Life Insurance Retirement Plan (LIRP)** – An insurance strategy that uses a permanent life insurance policy (i.e., whole life or universal life insurance) as a vehicle for retirement savings.

**Longevity Annuity (Deferred Income Annuity)** – Type of annuity designed to provide income later in life, typically starting at an advanced age such as 80 or 85 to protect against the risk of outliving one's savings.

#### Hybrid Insurance Examples:

**Fixed Index Annuity** – Type of annuity product that provides a combination of fixed income and potential growth linked to a stock market index, like the S&P 500 Index, with principal protected from market losses.

**Guaranteed Lifetime Withdrawal Benefit (GLWB)** – Type of rider with certain annuity products that guarantees the annuity holder the right to withdraw a certain percentage of their benefit base percentage, typically the initial investment or its highest value on a specified date each year for the rest of their life, regardless of underlying investment performance.

**Guaranteed Minimum Withdrawal Benefit (GMWB)** – Type of rider or additional feature that can be attached to a variable annuity contract that offers the annuity holder the ability to withdraw a certain percentage of their total investment each year, regardless of performance of the underlying investments in the annuity.

**Variable Annuity** – Type of annuity contract that allows the holder to allocate premium payments among various investment options, typically mutual funds, and performance of these investments directly affects the value of the annuity and amount of future income payments.

**Stable Value Fund** – A portfolio of bonds that are insured to protect the investors against a decline in yield or a loss of capital. The owner of the stable value fund will continue to receive the agreed-upon interest payments regardless of the state of the economy.

#### Employer Benefit Examples:

**Combination DB/DC Plan** – A DB/DC Combo Plan is when a defined benefit plan is paired with a defined contribution plan, such as a cash-balance plan and 401(k) profit-sharing plan.

**Fixed-Rate Cash-Balance Plan** – Type of plan where a participant's account is credited each year with a "pay credit" (such as 5% of compensation from his or her employer) and an "interest credit" (either a fixed or variable rate that is linked to an index such as the one-year U.S. Treasury bill rate).

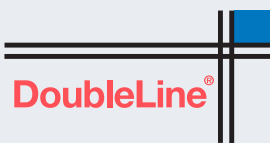
**Market-Based Cash-Balance Plan** – Type of cash-balance plan where the account's growth is tied to the actual return on plan assets. This contrasts with a traditional cash-balance plan that typically has a fixed interest credit rate.

**Money Purchase Pension Plan** – Type of defined contribution plan that is like a profit-sharing plan, except that the contribution amounts are fixed rather than variable. Thus, employers are required to make annual contributions to each employee's account regardless of the company's profitability for the year.

**State and Local Pension Plans** – Public pension plans that typically provide pensions based on members' years of service and average salary over a specified number of years of employment. If you receive a pension for which you didn't pay Social Security taxes, one may reduce Social Security for spouse, widow or widower benefits.

**Target Benefit Plan** – Type of money purchase pension plan under which contributions to an employee's account are determined by reference to the amounts necessary to fund the employee's stated benefit under the plan.

**Traditional Corporate Defined Benefit Plan** – Provides a fixed, pre-established benefit for private-sector employees at retirement that is Pension Benefit Guaranty Corp. (PBGC) protected.



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### Government Benefit Examples:

**Deferred Retirement Option Plans (DROPs)** – DROPs allow employees who are eligible to retire from a defined benefit plan to instead continue working and elect to participate in the DROP. During DROP participation, employees do not accrue additional service or increased compensation in the defined benefit formula. (<https://www.gfoa.org/materials/deferred-retirement-option-plans>)

**Medicaid** – Joint federal and state program that gives health coverage to some people with limited income and resources. (<https://www.medicaid.gov/>)

**Medicare** – Federal health insurance program for people who are 65 or older, certain younger people with disabilities and people with end-stage renal disease (ESRD) (permanent kidney failure requiring dialysis or a transplant. (<https://www.medicare.gov/what-medicare-covers/your-medicare-coverage-choices/whats-medicare>)

**Social Security** – Disability Insurance – Social Security Disability Insurance (SSDI) or “disability” provides monthly payments to people who have a disability that stops or limits their ability to work. (<https://www.ssa.gov/disability>)

**Social Security** – Survivor – Social Security survivor benefits are paid to widows, widowers and dependents of eligible workers. This benefit is particularly important for young families with children. (<https://www.ssa.gov/benefits/survivors/>)

**Supplemental Security Income (SSI)** – Provides monthly payments to people with disabilities and older adults who have little or no income or resources. (<https://www.ssa.gov/ssi>)

### Fiduciary Service Examples:

**Certified Financial Planner** – CFP® professionals meet rigorous education, training and ethical standards, and are committed to serving their clients’ best interests today to prepare them for a more secure tomorrow.

**408(g) Fiduciary Adviser** – Qualifying financial professionals may take on the role of “fiduciary adviser,” which allows them to provide investment advice to retirement plan participants and help plan sponsors reduce their fiduciary liability through an “eligible investment advice arrangement.”

**Managed Account** – With a managed account service, participants get access to personalized savings and investment recommendations from an adviser.

**Point-in-Time Advice** – Serves as a fiduciary at a particular moment through a one-time recommendation and doesn’t provide ongoing advice.

**Robo-adviser** – Generally a digital-only platform that provides automated, algorithm-driven financial planning and investment services with little to no human supervision.

**Rollover Advice Under 2020-02** – Advisers who give advice to clients about whether to roll over 401(k) plan assets into an IRA are subject to a newer set of regulations from the U.S. Department of Labor.

### Nonfiduciary Service Examples:

**Annuity Marketplace** – Supports the exchange of pricing information for annuity and bank products. Provides financial institutions with the ability to evaluate and compare various guarantees associated with retirement savings and retirement income products.

**Asset Allocation Model** – Helps investors understand the potential risk and returns from pre-made portfolios (i.e., income, balanced, growth) with varying allocations to stocks, bonds, cash and potential other asset classes.

**Designated Investment Alternative** – Any investment alternative designated by a plan into which participants and beneficiaries may direct the investment of assets held in or contributed to their individual accounts.

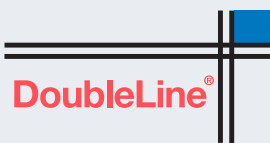
**Lifetime Income Stream Disclosure** – The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) created a participant disclosure requirement for 401(k) plans. To meet the new requirement, benefit statements must include a “lifetime income” disclosure at least annually to help plan participants understand how much income their current account balance could produce in retirement.

**Personalized Target-Date Fund** – Allocations of multiple target-date funds, based on data points other than age such as current salary, plan balance, employee contribution and employer contribution match, to help determine a more precise allocation than using age alone.

**Self-Directed Brokerage Account** – Provides access to thousands of mutual funds from many well-known fund families. This type of account offers additional investment options and flexibility for participants who would like choices beyond a plan’s investment menu.

**Social Security Estimator** – A useful tool the Social Security Administration provides that calculates your monthly benefits from the administration’s data on your earnings history.

**Systematic Withdrawal Plan (SWP)** – The basic idea of an SWP is that you invest across a broad spectrum of asset classes and then set a withdrawal each month to supplement your income. The assumption is that, over time, the SWP will produce an average rate of return sufficient to supply the needed income, as well as a hedge against inflation, during retirement.



# Retirement Income Solutions Are Purple

## A Toolkit Designed to Help Build a Prudent Process for Retirement Income Decisions

Daniel Long, QPFC, AIF®

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Yield to maturity (YTM) does not represent return. YTM provides a summary measurement of an investment's cash flows, including principal received at maturity based on a given price. Actual yields may fluctuate due to a number of factors such as the holding period, changes in reinvestment rates as cash flows are received and redeployed, receipt of timely income and principal payments. DoubleLine views YTM as a characteristic of a portfolio of holdings often used, along with other risk measures such as duration and spread, to determine the relative attractiveness of an investment.

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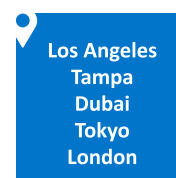
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