

Retirement income options in the public sector



61%

of public sector employees are worried about outliving their retirement savings.¹

A new retirement landscape

The U.S. retirement system is constantly evolving to adapt to an aging population, legislative changes and a volatile financial market. Today, as plan sponsors rethink their retirement strategy, incorporating defined contribution (DC) plans, it has become even more important in helping employees save enough to confidently transition into retirement.

Public sector employers with DC plans face the challenge of providing their employees with options that can generate a guaranteed income stream, which can complement other sources of retirement income, helping employees achieve retirement security.

What employees want

Outliving retirement savings is a top concern for **61%** of public sector employees, and they are turning to their employers for help.¹

- **56%** of state and local employees say they would be less confident about maintaining their standard of living in retirement if savings was their responsibility rather than having a pension²
- **79%** of workers and retirees believe employers are responsible for preparing employees for a financially secure retirement³
- Nearly all workers and retirees (**95%**) say it's important for retirees to have a source of guaranteed income they cannot outlive, including **63%** who say it is very important³
- **84%** agree that having guaranteed sources of retirement income would help them enjoy a comfortable retirement¹

Our solutions for retirement income

In a DC plan, only fixed income annuities can provide a guaranteed stream of income in retirement that cannot be outlived — period.⁵ We provide fixed income annuities as a distribution option at retirement. Our solutions are:

- **Valuable** — Empower plan participants to confidently transition into retirement with guaranteed lifetime income solutions for DC plans, to complement other sources of retirement income, and help the employer better manage workforce and benefit costs.
- **Flexible** — Partial distributions allow remaining assets to stay in the plan to provide for liquidity and a secure layer of guaranteed income protected against market volatility. Employees can choose a variety of options, including providing benefits for loved ones after death.
- **Simple** — Designed as a voluntary offering at no cost to you, with the benefit of institutional pricing for participants. Compatible with any recordkeeper or platform, with the flexibility of limited to no build required.
- **Supportive** — Knowledgeable support team and educational resources for plan participants pre- and post-purchase.

Income now: MetLife Guaranteed Income Program®

A fixed immediate income annuity that offers:

- A series of consistent, predictable income payments that begin within a year of purchase and are guaranteed for as long as a participant lives⁶
- A stream of income that can help cover essential expenses during retirement
- The option to add inflation protection and/or a cash refund for additional protection of a participant's money and loved ones

Income later: MetLife Retirement Income Insurance® QLAC

A deferred fixed income annuity that allows a participant to purchase an annuity today and begin payments at a later age (typically 80–85), and provides:

- A longer deferral period which translates into higher income payments once they begin
- A reduced required minimum distribution which means less reportable income
- Protection against longevity risk while remaining assets in the DC plan can continue to grow over time

About us

- The MetLife enterprise serves **approximately 3,000 public sector organizations** across the country⁴
- **100% of our public sector customers** find us easy to do business with⁵
- **50%** of the state governments across the U.S. offer our group benefits⁴
- The MetLife enterprise has a strong balance sheet, a strong capital position and is **well-positioned to fulfill its obligations**⁷
- Rating agencies — Moody's, Fitch, A.M. Best Co. and Standard & Poor's — have awarded The MetLife enterprise **high ratings in financial strength and claims paying ability**⁸

Please contact a member of our team for more information:



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1. 18th Annual MetLife U.S. Employee Benefit Trends Study, September 2020.
2. National Institute on Retirement Security, State and Local Employee Views on Their Jobs, Pay and Benefits, November 2019.
3. MetLife's Evolving Retirement Study, March 2020.
4. MetLife Internal Book of Business, 2018.
5. MetLife National Accounts and Regional Market Account Management Satisfaction surveys. Based on responses from public sector customers who participated and responded to the survey, MetLife family of companies, 2019.
6. All guarantees are based on the claims-paying ability and financial strength of the issuing MetLife company.
7. As of December 31, 2020.
8. For current ratings information and a more complete analysis of the financial strength of Metropolitan Tower Life Insurance Company and Metropolitan Life Insurance Company, please go to www.metlife.com and click on "About Us," "Corporate Profile," "Ratings."

metlife.com/retirementincome