

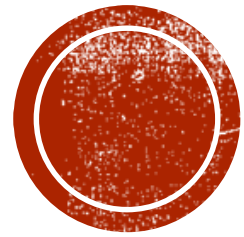
CALIFORNIA SECURE CHOICE RETIREMENT

The Role of the Recordkeeper/Service Provider

Michael P. Kiley, Founder

PAi





PEOPLE DON'T WANT TO
BUY INVESTMENTS —
THEY WANT TO BUY *TIME*.

What could be more fun than helping people be successful with that? We are in the business of selling the one thing that every worker wants... ***a ticket to quit working*** ...we just need to make it easy for them to buy with confidence.

RECORDKEEPING IS (R)EVOLUTIONARY

- “Success in the past was recordkeeping the asset balances.”
 - The recordkeeper was aligned with fund companies.
 - Success was aligned with the assets.
- “Success tomorrow is recordkeeping the participant.”
 - The recordkeeper is aligned with the participant.
 - Success is aligned with participant’s retirement readiness.
 - “How much retirement have I got?”



What You Want

Based on your retirement goals, you'll need \$243,819.

23 YEARS
of RETIREMENT

At This Rate...

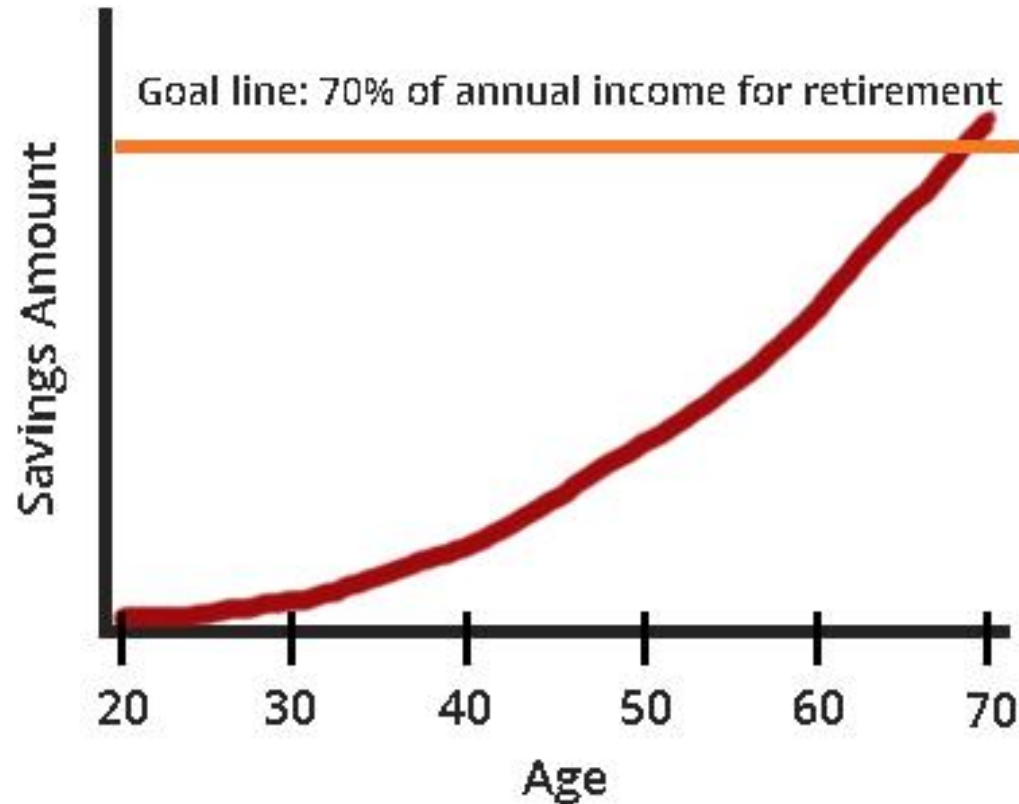
Your projected retirement savings will be \$212,944 when you retire in 2048.

19 YEARS
of RETIREMENT



RECORDKEEPING PARTICIPANT OUTCOMES — IS NOT VERY DIFFICULT. BUT IT'S VERY VALUABLE!

Demystify Retirement Readiness



RECORDKEEPING AS THE HUB

- The Recordkeeper for a “Platform” must –
 - Gain an understanding of the goal of the “Brand” and wire it into the experience.
 - Be relatable to two users.
 - The 2% of the population that reads owners manuals.
 - The 98% who don’t but still need to “drive the car safely on shared roads”.
 - Integrate with multiple competitive payroll sources.
 - Trade and recordkeep assets.
 - Deliver the reporting that makes sense to participants.
 - Efficient, cost-effective, transparent pricing.
 - Be available to participants when and where valued.
 - Help participants with their biggest plan – Social Security.



SUCCESSFUL FOUNDATIONS

- Platforms and Technology – many firms exiting the business due to technology update costs. “Cloud” makes scale easier and cheaper but the processes and call center need to be optimized for “a lot of little”.
 - Recordkeeping “participants that come with assets” is much cheaper than recordkeeping “assets that come with participants”. This is where old technology fails.
- Program rollouts – Pilot phase must be intentional. As many scenarios as possible should be included in the pilot phase. Payroll service, payroll software, none of the above – web at work, etc...
- Member Servicing – “The Best Service is No Service”
- Investment Considerations – Doing our best to make sure the short term savers are not in long term investments. Be sure the platform is agnostic to product attributes.
- Be sure there is a decumulation strategy on the project plan.



IMPLEMENTATION & OPERATION CONSIDERATIONS

- “Right sizing” plans for employers:
 - Many business “owners” are not able to use a Roth IRA.
 - A company with one plan for employees and a different plan for leadership/owners can easily fall into discrimination issues at any point in the journey.
 - Employers may use this plan for a year or two and then start a plan that allows more contributions. We should embrace this to avoid small account balances.
- This will be the largest program of its kind in the nation. The potential for good here is immeasurable. Clarity of purpose – what it is AND what it isn’t will be key to the successful design and execution of the program.
- Let’s not be so awed by the fundamentals of the program that we fail to think big in terms of impact and think powerful in terms of the individual.





PAi

Contact Information:

Michael P. Kiley
Founder/President
PAi
1300 Enterprise Drive
DePere, WI 54115
920-337-9906
mpkiley@pai.com