



Committed, But Not Sharing

Would it surprise you that a survey conducted recently on behalf of lawyers.com observed that people in “committed relationships” don’t always communicate about finances? In fact, it’s a pretty big understatement to say that many don’t share information about spending or other matters that affect their (mutual) financial well-being. If anything, it’s a bit sobering to read that “one in five Americans in committed relationships (21%) would discuss financial goals/expectations earlier in their relationship and one in ten (10%) would be more honest with their spouse or partner about their spending.” That doesn’t suggest much optimism about focusing on the future.

On a more hopeful note, the survey found that “a majority of Americans in committed relationships (85%) say they would do things differently to manage their financial situation if they had the opportunity to go back in time. Nearly two-thirds (64%) would put more money into savings; over four in ten (46%) would put more money into retirement account(s); and over one-third (36%) would put more money into investments such as stocks, bonds, and mutual funds. Nearly half (49%) would spend money more responsibly.” Of course, the flipside is that 51% wouldn’t spend money more responsibly. It’s a start.

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Highlights

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Meet John Combes

John is an expert plan administrator responsible for various types of retirement plans. He provides clients with valuable knowledge and guidance including complex calculations and information concerning distributions and contributions. Having the benefit of client-side experience for 19 years, John considers his perspective one his greatest strengths.



At home, John enjoys spending time with family. His hobbies include auto repair and maintenance. John also enjoys helping young adults in the community to better understand financial responsibilities.

Drop him a note at jcombes@alliancepension.com.

New Proposed QDIA Rules

The opportunity to save in an employer-sponsored retirement plan is certainly an important benefit. Over the years plan sponsors have sometimes encountered issues with employees who begin to participate but who make no affirmative election about investments. The Pension Protection Act of 2006 (PPA) addressed this by providing employers a fiduciary “safe harbor” by offering a Qualified Default Investment Alternative (“QDIA”). QDIA rules cover investments made on behalf of participants in a plan’s default investment option such as life cycle or target date funds, balanced funds, or managed accounts.

The DOL’s Employee Benefit Security Administration (EBSA) has issued proposed changes to the content required in the QDIA notice. In particular, the changes increase the amount of information participants receive about target date funds. According to the new rules, the following information would be required:

- QDIA investment’s issuer’s name
- The investment’s objectives and goals
- The QDIA’s investment strategies and risks
- The investment’s historical performance data
- Expenses charged and fees imposed that impact investment return.

If the QDIA is a target date fund, additional information must be provided describing:

- How the target date fund’s asset allocation will change over time; and
- When the fund will reach its most conservative position; and
- If the fund refers to a specific date, an explanation of the date’s relevance.

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How would you describe your company's communication with customers?

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