MVP Launches the Latest Innovation in Retirement Savings

Leading 401(k) Record-keeper unveils Stair-Step QDIA℠. The firm believes target date funds and managed accounts fail to help Americans reach retirement simply, adequately, and safely. MVP also wants to bring the value back to advisors and the important role they provide to the retirement plan industry.

MVP Plan Administrators, Inc., an innovator in 401(k) plan recordkeeping and administration, announced it will unveil Stair-Step QDIA℠ during Q2 2016. Stair-Step QDIA℠ simply moves (steps) defaulted participants into an investment (stair) based upon their age. This first-of-its kind technology allows plan sponsors to be compliant with DOL requirements while unleashing fiduciary advisors to offer investments that are best for the plan participants.

Investment advisors have long been at odds with the DOL's QDIA regulations. There are three options available and each has its own share of problems:

- Target date funds are composed of under-performing mutual funds
- Balanced funds limit the plan to a single "one size fits all" default option
- Managed accounts either act like balanced funds or demand participant input

Stair-Step QDIA℠ allows the plan sponsor and advisor to choose or even create risk-based investments with none of these problems. For example, an advisor wishes to construct a set of 5 actively managed investment models composed of "best of breed" mutual funds to serve as the plan's QDIA. Participants under age 30 default into the "Aggressive Growth Model." Once participants reach age 30 (or as otherwise defined), MVP's Stair-Step QDIA℠ process will automatically move them into the next most conservative option – the "Moderate Growth Model." The plan participant, sponsor, and advisor do nothing to accomplish this. As recordkeeper, MVP accomplishes it all in a fully automated process. Best of all, the investment selection, age-banding, specific timing, and ability to re-enroll are customized by the plan sponsor and advisor.

"Plan sponsors and advisors alike have been frustrated at the limited QDIA options available to their participants," explains MVP's President, Kelly Musico. *"The retirement plan industry's response for almost 10 years has been to use either under-performing target date funds, regardless of appropriateness, or confusing managed accounts that demand too much of the participants' time and money. We saw that a solution for the participants was needed – not a way to make money for the provider. So we devised a technologically advanced and proven process that 'stair-steps' participants from investment to investment as they age."*

As a result of MVP's innovation, participants are able to have an appropriate diversified mix of investments to help them achieve a secure retirement future. The plan sponsor can improve their employees' retirement outcomes, and the advisor is free to offer their service as they know best with a key differentiator.

With its launch in spring 2016, MVP's technology will help plan sponsors satisfy their fiduciary requirements and allow advisors to provide their fiduciary services in the best way they know all for the benefit of the plan participants.