

# RETIREMENT CHECK-UP



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## Managing Your Retirement Account(s)

The AACPS Supplemental Retirement Program (SRP) provides you with access to a number of tools designed to help you meet your retirement needs. You may be familiar with target date funds, which allow you to invest your 403(b) and/or 457(b) accounts based on your target retirement date. The asset allocation mix in these funds varies and adjusts automatically as you get closer to your target retirement date.

For many people, the convenience of target date funds takes the guesswork out of investing and makes it a good option for them. However, some people prefer a more customized solution. Managed accounts provide you with additional options to seek advisement and customize your selection. In addition, the providers of managed account services act as a fiduciary when providing advisory services to you. As a fiduciary, the providers have a duty to act prudently and in your best interest.

## What Are Managed Accounts?

As your SRP account grows, you may find that hiring a professional to manage your investments gives you peace of mind. Managed accounts are designed for investors lacking the time or the expertise to manage and monitor their retirement plan investments and instead delegate the management process to an investment professional. Managed account services are typically offered in one of two ways:

- First, as online **advice** that provides a point-in-time investment recommendation that you implement on your own,
- Or secondly, through a **managed account** arrangement whereby you delegate the investment decisions to an investment professional. The investment professional will work with you to help you establish your individual financial goals. He or she will handle the investment decisions, monitor the investments and rebalance your retirement account to achieve those goals.

Many people like the personalized service of working with an investment professional, which offers more individualized and ongoing account management than if you are enrolled in a target date fund or using online advice services. Studies show that participants who use managed account services achieve better outcomes than those who go it alone, and that can have a significant impact on your retirement income.

The AACPS SRP has three providers: Lincoln, VALIC and Voya Financial. All three offer some form of managed account services, and costs vary among the three.

### LINCOLN

Lincoln Financial Group offers advice and managed account services through Morningstar® Retirement Manager. Two service options are available:

1. **Managed by You** is for participants who prefer to make informed decisions about their retirement account themselves with the help of independent online investment advice. This service is free.

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2. **Managed by Morningstar**, on the other hand, is for participants willing to pay for a professional to manage their account, including investment management and ongoing rebalancing of their retirement account. Managed by Morningstar will cost you 0.45% of your account value annually.

Both programs allow you to get advice on your retirement questions, including how much you should save and how you should invest. When you enroll in the Morningstar® Retirement Manager, you receive personalized recommendations for your savings rate, asset mix and investments. You also have the option of customizing your plan by considering additional sources of retirement income, such as your spouse or partner's investments and other accounts.

## VOYA

Voya also offers two service options through Morningstar® Retirement Manager, giving participants all the benefits of professional investment management using your data from the SRP and the specific funds offered in the plans.

You can also incorporate assets held outside of the SRP. You do not have to be an investment expert to be successful.

You will receive specific investment recommendations based on your age, years to retirement, risk tolerance and other such factors. With the online investment advice option, **Managed by You**, you manage your account based on expert advice and recommendations you receive from Morningstar. It is up to you to implement the recommendations, monitor your account and rebalance your portfolio when necessary. The **Managed by You** service through VOYA is free.

Alternatively, with **Managed by Morningstar**, you can have an investment professional at Morningstar manage it for you for an annual fee of 0.50% of your account value. He or she will implement the recommendations, monitor your investment selections, automatically rebalance your account when necessary and provide online progress reports.

## VALIC

The VALIC managed account service, Guided Portfolio Services (GPS), is a retirement planning program that delivers objective investment advice from Ibbotson Associates, Inc., an independent financial expert.

Whether you enroll in **Portfolio Manager** or decide to implement and manage the advice on your own through **Portfolio Advisor**, you will receive expert advice, including asset allocation, fund selection, retirement income forecast, recommended savings rate and ongoing portfolio optimization. In addition, **Portfolio Manager** automatically implements the investment advice and offers access to services via a financial advisor. Similar to **Managed by You** services available to Lincoln and Voya participants, **Portfolio Advisor** is free.

With **Portfolio Manager**, you pay an annual fee of 0.45% of your account value, which includes quarterly advice statements and access to a financial advisor.

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## Contact Providers

If you have questions about account management services, you can contact your SRP provider:

- Lincoln (410-987-3590, [www.LincolnFinancial.com/Retirement](http://www.LincolnFinancial.com/Retirement))
- VALIC (410-850-2480, [www.valic.com](http://www.valic.com))
- Voya (800-454-1099, [www.voyaretirementplans.com](http://www.voyaretirementplans.com))

