



Nationwide®

Unlock the full potential of retirement plans

Discover the advantages of today's lifetime income solutions



Important things you should know

- Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
- Not insured by any federal government agency • May lose value

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional. Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

Provisions of these options may vary based on plan selection and/or by state regulation. These investment options may not be available in all states. Guarantees are subject to the claims-paying ability of the issuing insurance company.

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**Is your plan prepared for
participant longevity?**

Expectation gaps

The number of Americans living to age 100 will quadruple in the next 30 years¹



**Today's average retirement is
18 years**



**Future retirement could last
30+ years**

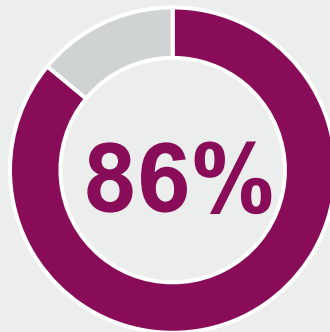
¹ U.S. Census Bureau, 2024



**We might not be on the
same page with plan
participants when it
comes to their
retirement plan**

A surprising difference

Employer belief:



86% of plan sponsors think employees are satisfied with their retirement plan investment options¹

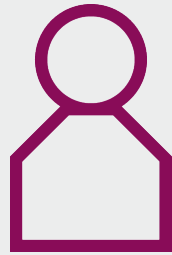
Employee reality:



Only 62% of employees are satisfied with the investment options available to them¹

¹ "Protected Retirement Survey" conducted by Edelman on behalf of Nationwide, August 2024.

It's about monthly income in retirement



Employer belief:

Employees think about their retirement accounts as a savings vehicle.¹

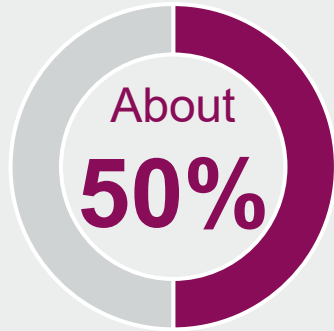


Employee reality:

Employees think about their plan as a comprehensive tool to help prepare for *and live in* retirement.¹

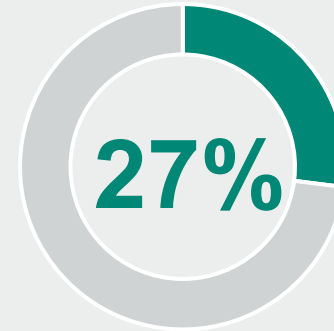
¹ "Protected Retirement Survey" conducted by Edelman on behalf of Nationwide, August 2024.

Employees need more help



Employer belief:

Employees have a firm understanding of their retirement income needs.¹



Employee reality:

Only 27% of workers feel knowledgeable about their income needs.¹

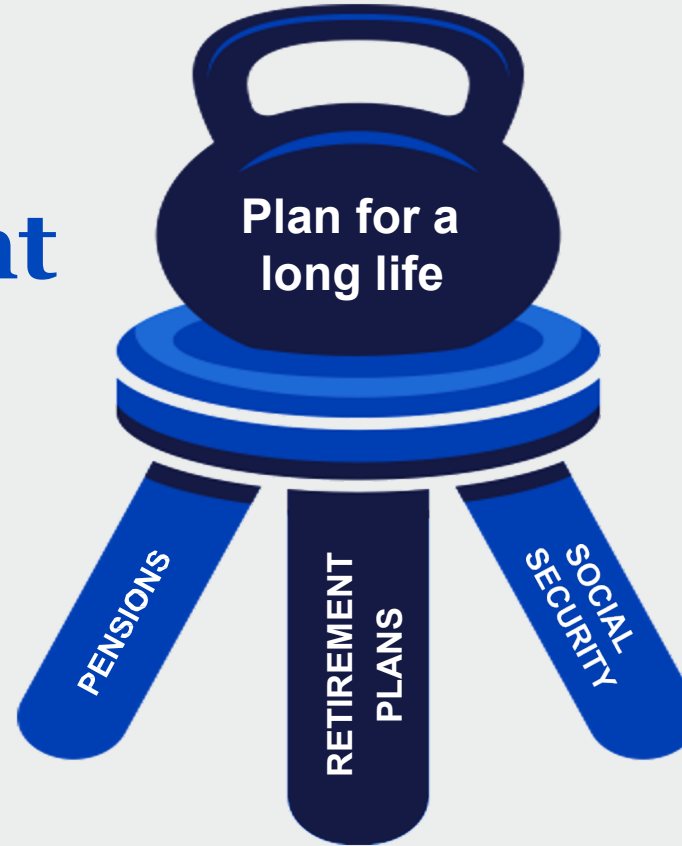
¹ "Protected Retirement Survey" conducted by Edelman on behalf of Nationwide, August 2024.

Expectation gaps

Retirement plans are more important than ever



Pension
income is on
the decline



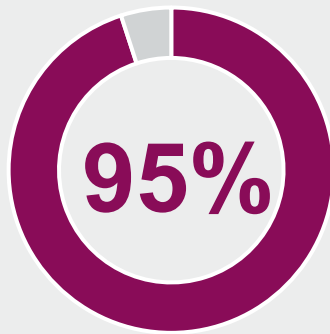
Social Security
will provide **less than 40%**
of **pre-retirement income**¹

Employer-sponsored retirement plans

Needed:
Other sources of lifetime income

¹ <https://www.kiplinger.com/retirement/social-security-myths-debunked>

New lifetime income solutions could deliver what participants are looking for

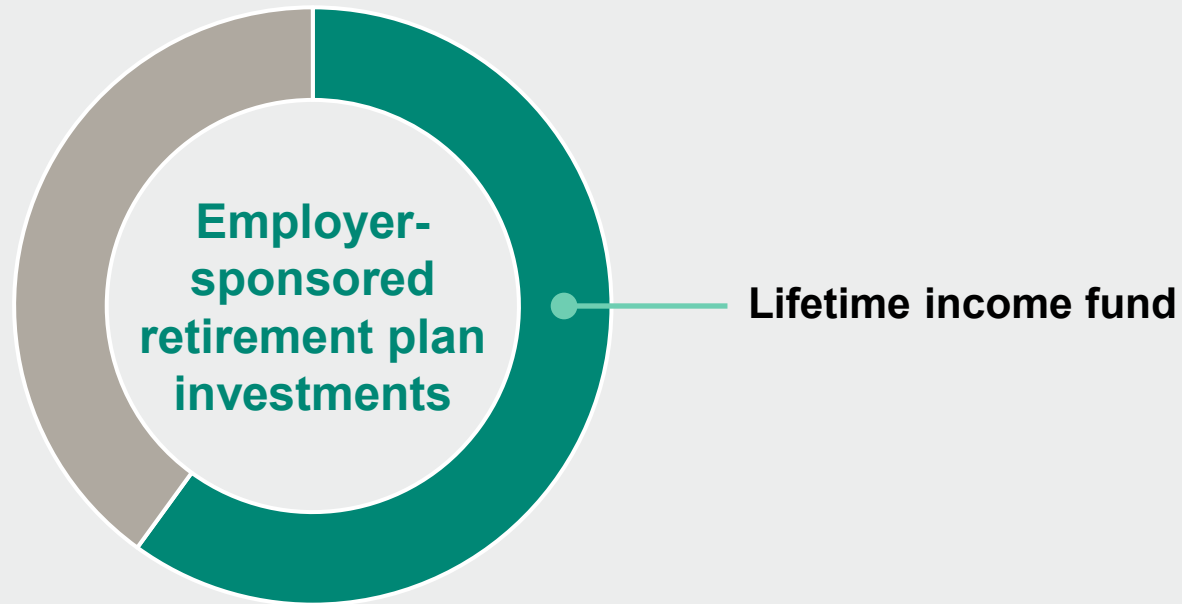


Nearly 95% of participants are likely to roll over a portion of their retirement savings into a lifetime income stream if one were available to them.¹

¹ "Protected Retirement Survey" conducted by Edelman on behalf of Nationwide, August 2024.

Lifetime Income Solutions

**Now it's possible to integrate
a lifetime income fund among
a participant's retirement
plan investments**



A few benefits at a glance



Growth potential



Protection for the future



Dependable income for life



Flexible access to money

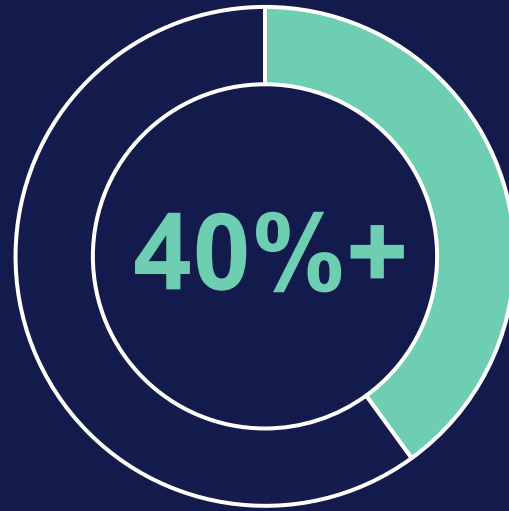


Access to a simple experience



**Similar to a recurring paycheck
in retirement¹**

¹ The term “paycheck” as used here symbolizes a steady flow of income from this investment option throughout retirement. It does not refer to a conventional employer-issued paycheck and is not paid by any employer. Participants must stay invested in the investment option to receive lifetime income. Guarantees are subject to the claims-paying ability of the issuing insurance company.



**of plan sponsors are
considering/have decided to
add an in-plan lifetime
income option**

Source: <https://www.limra.com/en/newsroom/industry-trends/2024/in-plan-annuities-are-gaining-momentum-in-the-workplace-are-they-poised-to-be-the-next-big-thing-maybe/#:~:text=5/30/2024,within%20their%20retirement%20savings%20plan.>



**So what's holding other
plan sponsors back?**



Getting on the same page

Belief:

These solutions are complex and similar to retail annuities

Reality check:

- They are typically designed as target date funds that include an annuity component — without annuitization
- Familiar experience to participants

Getting on the same page

Belief:

Higher fees

Reality check:

- Cost of lifetime income is typically lower due to the plan's economies of scale
- **Half of plan participants say the fees are worth it for a lifetime income solution¹**

¹ 2024 In-Plan Insights Survey, Greenwald Research



Getting on the same page

Belief:

- Increased fiduciary responsibilities
 - Additional administrative costs
-

Reality check:

- New safe harbor guidelines
- No explicit cost to plan sponsors

Scan for help with fiduciary responsibilities. ►





| Getting on the same page

Belief:

These solutions will lock up participants' money

Reality check:

- No annuitization required
- Access to lump sums continues
- Remaining balance is inheritable

Belief:

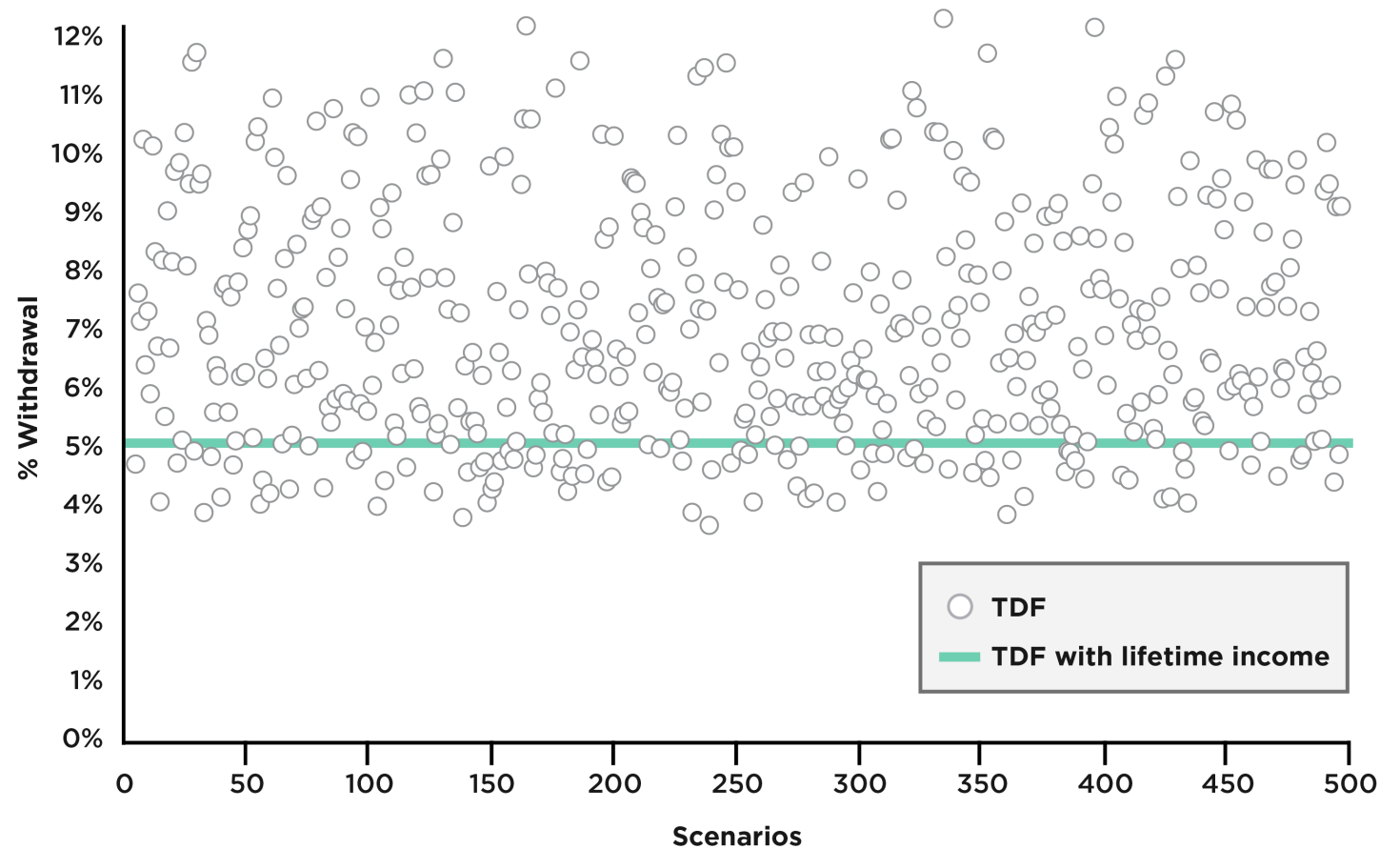
Employees can use existing rules of thumb such as the 4% rule

Reality check:

A target date fund with lifetime income provides more certainty

Source: "Protected retirement income solutions: What plan sponsors need to know about a new generation of offerings," Ernst & Young LLP, 2024.

Withdrawal amounts (%) required to match TDF with lifetime income dollar amounts



Source: EY analysis

79% of scenarios require a withdrawal rate higher than 5% to receive the same income as the lifetime income fund.



**Delayed participant retirement
costs plan sponsors \$26K per
year per employee¹**

¹ Protected retirement income solutions: What plan sponsors need to know about a new generation of offerings," Ernst & Young LLP, 2024.

The potential value of lifetime income solutions¹

1. Reduced compensation and benefit costs as employees retire on time
2. The plan benefits from lower administrative fees resulting from an increase in asset retention
3. Lifetime income solutions can lead to higher participant satisfaction

¹ "Protected retirement income solutions: What plan sponsors need to know about a new generation of offerings," Ernst & Young LLP, 2024.



Your plan's opportunity

- Maintain competitive advantage in hiring
- Support the long-term financial security of employees
- Support healthy talent pipeline
- Reduce benefits costs

Next steps

**To partner with Nationwide and learn
more about our innovative suite of
solutions, scan this code.**



Thank you!



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