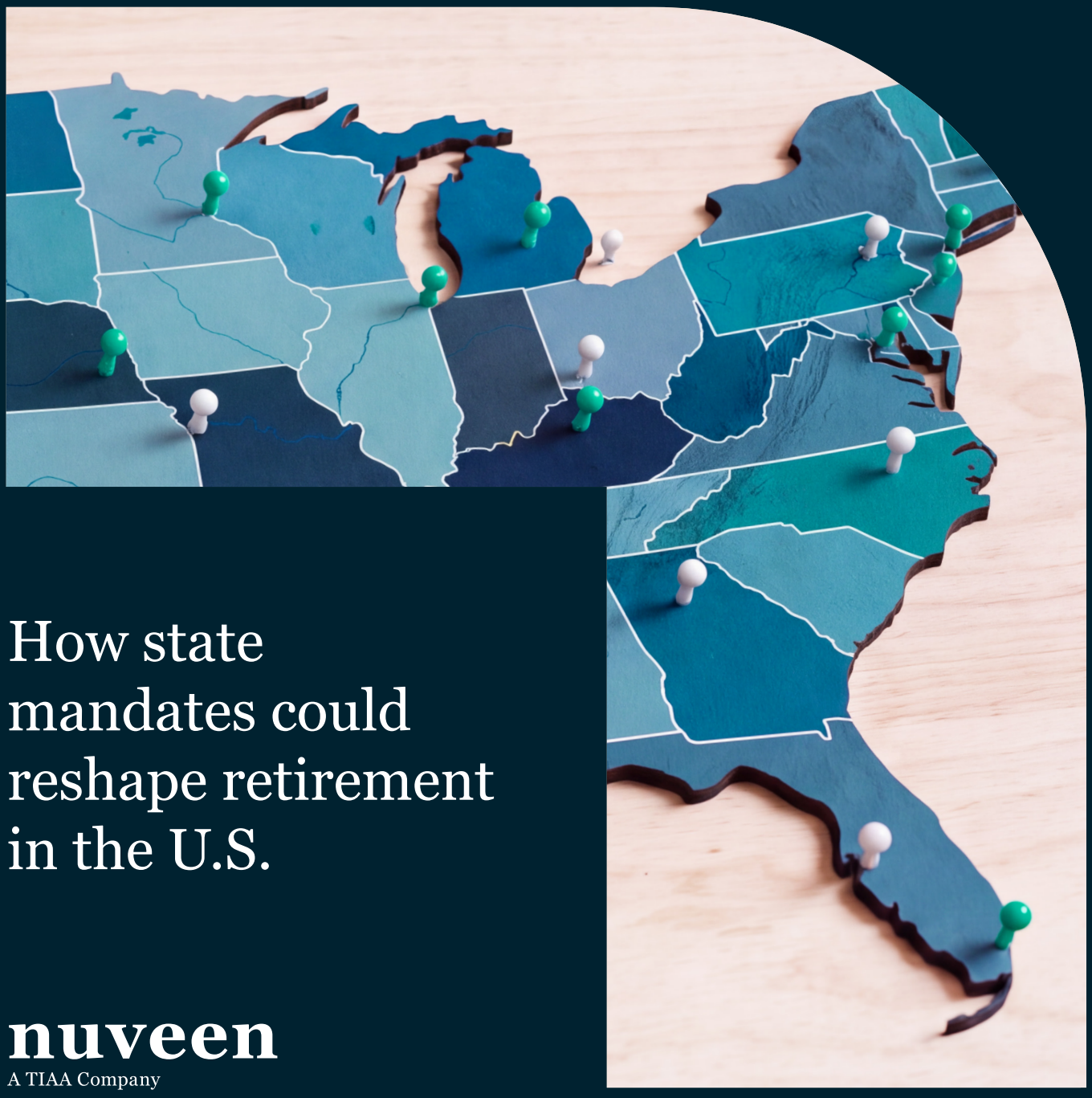
The future of defined contribution

Fall 2026

# next



## How state mandates could reshape retirement in the U.S.

nuveen
A TIAA Company

# Featured in this issue


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Opinion piece. Please see important disclosures in the endnotes.

# State mandates are reshaping the U.S. retirement landscape

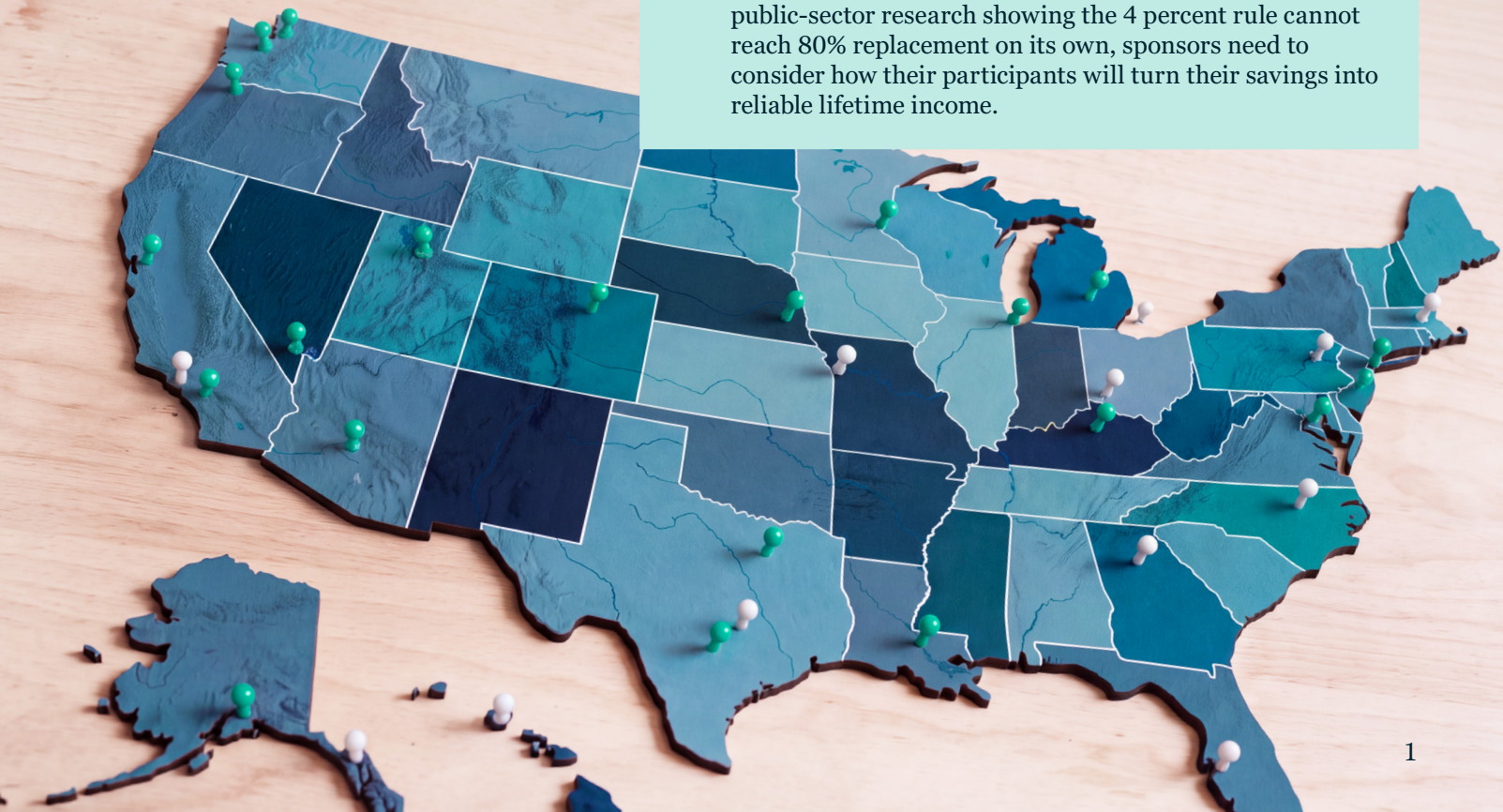
*States are playing a larger role in shaping workplace retirement plans. Twenty-two states have moved to close the private-sector coverage gap on their own, and the programs they have built are already reshaping the way employers design their plans, consider lifetime income solutions, and manage requirements compliance across state lines. For plan committees, the question is no longer whether this state-level activity matters, but how quickly to respond to it.*

## Key takeaways

1. **The states are setting the pace.** Twenty-two states now require employers to offer a qualifying plan (an employer retirement plan that satisfies the state's exemption requirements) or enroll workers in a state-facilitated individual retirement account (IRA). Rather than crowding out private plans, the mandates are prompting employers to start their own.

2. **Colorado is the template to watch.** In three years the state has stacked auto-enrollment, a best-interest annuity standard, back-to-back tax-incentive proposals and a legislative push for in-plan lifetime income.

3. **Lifetime income is becoming a plan-design question.** With the DOL clearing guaranteed-withdrawal solutions as qualified default investment alternatives (QDIAs), and public-sector research showing the 4 percent rule cannot reach 80% replacement on its own, sponsors need to consider how their participants will turn their savings into reliable lifetime income.



Twenty-two states have now enacted retirement savings programs requiring private-sector employers to either offer a qualifying plan or enroll their workers in a state-facilitated IRA, and more are weighing similar legislation.[1]

These programs exist because of a documented, persistent gap: roughly 59 million private-sector workers, nearly half the workforce, have no employer-sponsored retirement plan.[2] The states stepped in because Washington, D.C., has not closed that gap. The landscape they are building, state by state and mandate by mandate, is rapidly rewriting plan-design best practices for sponsors.

## What the numbers say

When Oregon launched the country's first state auto-IRA in 2017, the fear was that a mandatory state program would crowd out private employer plans. Recent research suggests these programs may encourage some employers to create their own retirement plans. Georgetown University's Center for Retirement Initiatives estimates that state auto-IRA policies have directly induced at least 30,000 new employer-sponsored plans. Employers compelled to look closely at the cost of sponsoring a plan found it lower or simpler than they had assumed, whether through tax credits or the growth of multiple employer plans (MEPs) and pooled employer plans (PEPs), which allow employers to participate in a shared plan.

These programs took nearly five years to reach $500 million in assets, but momentum has accelerated, with total assets across all state programs crossing $3 billion in April 2026.[3] More than 1.2 million workers now hold funded accounts. Participation rates among enrolled workers are robust as well, a reflection of auto-enrollment and auto-escalation, which have increasingly become the plan-design default. Participants retain flexibility, but the automation gets them started.

The coverage gap is still widest at small employers: 63% of workers at firms with fewer than 50 employees have no access to a plan.[4] Part-time, seasonal, gig, and variable-hour workers at large companies also face the same gap. State mandates were designed for those workers first.

## What Colorado built, and why it matters

No state illustrates the speed and ambition of this shift more clearly than Colorado. In roughly three years it has assembled what may be the most complete state-level retirement policy environment in the country. Colorado's actions raise practical questions about plan coverage, annuity options and compliance requirements.

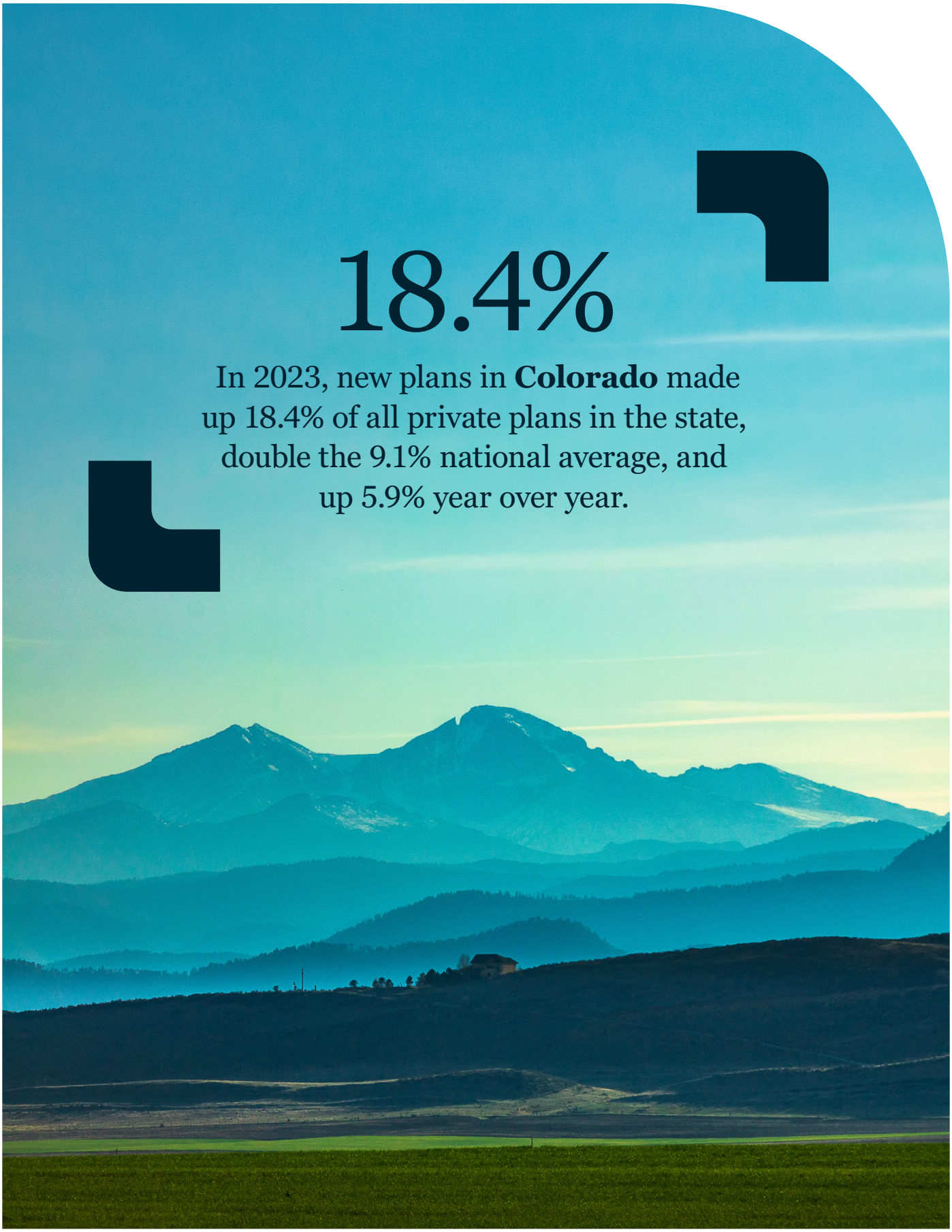
Colorado SecureSavings launched in March 2023. By early 2026 it had enrolled more than 100,000 workers, with assets approaching $200 million.[5] More telling for sponsors: Colorado now leads all auto-IRA states in new private-employer plan formation. In 2023, new plans made up 18.4% of all private plans in the state, double the 9.1% national average, and up 5.9% year over year.[6] Colorado employers without a qualifying plan are not routing workers into the state program and moving on; they are building plans of their own.

In August 2022, Colorado adopted the National Association of Insurance Commissioners' best-interest standard for annuity recommendations, becoming the 28th state to require that agents act in a consumer's best interest rather than merely recommend a suitable product.[7] The standard aligns with the SEC's Regulation Best Interest. If a plan offers annuity options, or if advisors to plan participants recommend annuities in Colorado, that standard now governs those interactions. It is both a compliance checkpoint and a fiduciary-care matter.

**The annuity incentive push.** Colorado legislators have introduced bills in back-to-back sessions to remove the caps on pension and annuity income deductions for state taxpayers. SB25-136, in 2025, proposed removing all caps starting in tax year 2026; HB26-1062, in 2026, tried again for taxpayers 55 and older starting in tax year 2027. Both were voted down in committee. Under current law, Colorado's pension and annuity deduction remains capped at $20,000 for workers aged 55 to 64 and $24,000 for those 65 and older.[8]



Opinion piece. Please see important disclosures in the endnotes.


18.4%
In 2023, new plans in **Colorado** made up 18.4% of all private plans in the state, double the 9.1% national average, and up 5.9% year over year.

The math is worth understanding even so, because it may resurface in Colorado or elsewhere. Consider a participant receiving $40,000 a year from an in-plan annuity. Under current law, they can deduct $20,000 to $24,000 from Colorado taxable income, depending on age; had either bill passed, they could have deducted the full $40,000. At Colorado's flat 4.4% income tax rate, that is roughly $700 to $880 in additional annual state tax savings — meaningful across a 20-year retirement, and a clear signal that Colorado sees the tax code as a lever for annuity adoption.

**The legislative signal.** In April 2026, the Colorado General Assembly passed Senate Joint Resolution 26-016, urging the legislature to consider adding lifetime income options to the PERA DC plan and the voluntary PERAPlus 401(k) and 457 plans, so public employees can access guaranteed income comparable to the PERA DB plan. The resolution carries no binding force, but an overwhelming, bipartisan vote signals the priorities of Colorado's retirement policy. For employers with PERA-covered workers, and for any sponsor tracking the direction of state policy, the push to put lifetime income inside defined contribution structures is now a matter of formal legislative record.

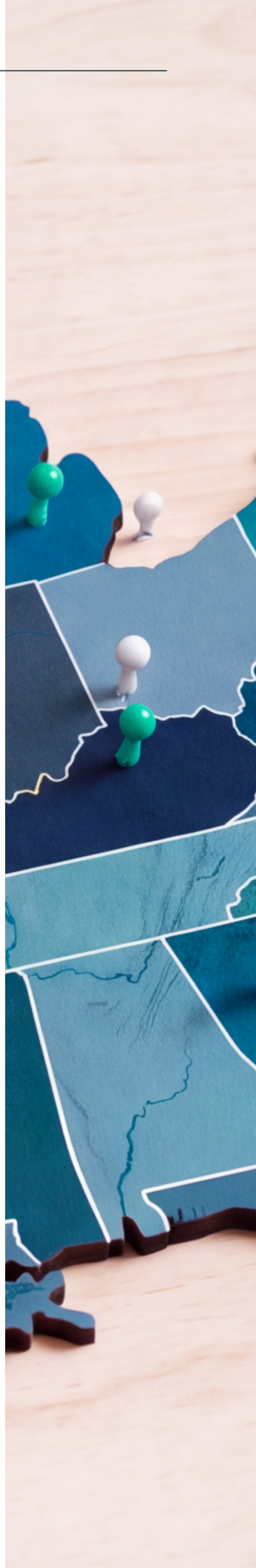
## The lifetime income question every sponsor needs to answer

Colorado's efforts also expose the design difficulty of building annuities into a plan. The TIAA Institute's 2025 analysis of 85 public-sector retirement systems found that defined contribution plans need combined employer-employee contribution rates of 12%–15%, *plus* access to in-plan lifetime income, to approach an 80% income-replacement rate for a full-career worker.[9] The standard 4% withdrawal rule — still the default benchmark in most retirement projections — cannot get there on its own.

In September 2025, the Department of Labor issued Advisory Opinion 2025-04A, concluding that a lifetime income solution incorporating a Guaranteed Lifetime Withdrawal Benefit can qualify as a Qualified Default Investment Alternative under ERISA.[10] Sponsors can now default participants into options that generate income rather than simply accumulate assets, with documented fiduciary protection.

Adoption keeps climbing, but work remains. While 77% of recordkeepers now offer an annuity option, those that do not most often cite the cost-benefit analysis as their biggest hurdle.[11]

> The coverage gap is still widest at small employers: 63% of workers at firms with fewer than 50 employees have no access to a plan.[4]





## Three actions to take

1

### Audit coverage posture

Confirm that the plan qualifies under the exemption rules in every state where there are employees. Mapping the thresholds and registration deadlines across active-mandate states often surfaces inconsistencies the plan committee can move to unify. Where part-time, seasonal or variable-hour workers fall outside current eligibility, weigh whether expanding eligibility is now simpler than complying with a state program.

2

### Run an income-adequacy analysis

Contribution-rate and utilization data show what participants are doing; a projected income-replacement analysis shows whether it is enough. If the median participant is not on track for 80% replacement, reenrollment or auto-escalation may be the lever to raise savings rates. Emergency-withdrawal patterns and other planning behaviors can also flag education gaps worth closing. The plan's recordkeeper and advisors can help source these numbers and set the remediation steps.

3

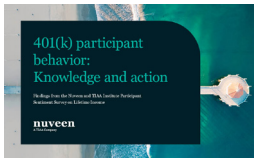
### Map the state legislative pipeline before it reaches you

Colorado has now twice tried to use the tax code to spur annuity adoption, and more legislators may well take up the same themes, including deduction expansions, lifetime income mandates in state-run programs, and consumer-protection standards for annuity recommendations. Identify the states where the plan has a material employee population, check whether relevant retirement income legislation is active in the current session, and set a monitoring alert so the plan is not reacting after a bill passes. Sponsors already thinking about lifetime income design will find the transition far easier than those who are not.

The states that moved on retirement savings did not wait for a federal framework, and the results are running well ahead of expectations. Colorado compressed a decade of gradual policy work into three years, and its combination of auto-enrollment, consumer protection and potential tax incentives for lifetime income could meaningfully change outcomes for participants there, and in the states that follow. It is, fundamentally, a design argument — and one worth having at the plan-committee level, wherever a sponsor's employees happen to live.

# Participant perspectives: the active role plan sponsors can play

*The 401(k) has become the dominant retirement savings vehicle for American workers, with more than $8 trillion held across 725,000 plans serving 80 million active participants.[12] Yet a significant share of those participants reach the moment of transition, from building savings to living off them, without the knowledge or tools to make the money last. To find out where the gaps are and how plan sponsors can close them, Nuveen and the TIAA Institute surveyed more than 2,100 401(k) participants in the fall of 2025. The findings point to a clear opportunity: participants are underserved, they know it, and they are asking their employers to step up.*




For the full findings of our latest participant sentiment research, visit **nuveen.com/participant-perspectives**

## Key takeaways

1

**The employee knowledge gap is concentrated where it hurts most.** Participants answered just 32% of retirement-fluency questions correctly, on average, and scored lowest on withdrawals and long-term care, precisely the decisions that dominate the transition to retirement.

2

**Guidance from employers has become an expectation.** Among participants who have thought about withdrawals, 94% want employer resources to help them plan, and roughly half now see providing that guidance as an outright employer responsibility.

3

**Offering tools doesn't help if participants don't know how to use them.** Tools measurably lift participant confidence, but too few participants know they exist. Closing the gap depends on how sponsors promote resources and how they build the plan, as much as on what they offer.

# The knowledge gap is real and measurable

The second edition of the participant perspectives survey assessed retirement fluency with 15 questions across five topics: Social Security, Medicare, saving for retirement, making withdrawals and long-term care. On average, participants answered just 32% correctly. They fared best on Social Security, Medicare and saving, at around a third correct, and worst on long-term care and withdrawals, where scores fell to roughly 25%. Those lowest-scoring categories are exactly the ones that matter most at the point of transition to retirement.

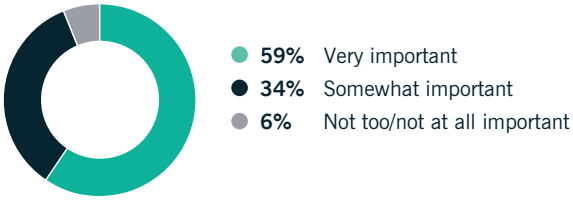
Retirement readiness requires participants to make several important decisions that many have never faced before, including when to claim Social Security, how to draw down savings, and how to plan for health care and long-term care, all without knowing how long retirement will last. Retirement fluency and longevity literacy are the foundation for getting those decisions right, and a lack of understanding of longevity compounds the problem. Only one-third of participants correctly identified how long a 65-year-old typically lives; 44% underestimated it, and 14% simply didn't know. Poor fluency can lead directly to suboptimal decisions: claiming Social Security too early, underestimating healthcare and long-term care costs, or drawing down savings at an unsustainable rate. For sponsors, that gap is both a clear opportunity and, as the survey makes plain, a clear expectation to meet.

# Withdrawal planning is increasingly viewed as an employer responsibility

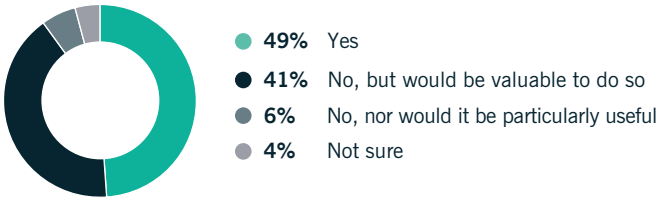
Among participants who have given some or significant thought to retirement withdrawals, 94% say it's important for their employer to provide planning resources, and 59% call it "very important." Nearly half, 49%, consider that guidance an outright employer responsibility rather than a value-added service.

## Participants expect more from their employers

**Q: How important is it for employers to provide resources to help employees determine how best to withdraw money from their 401(k) during retirement?**




**Q: Do employers have a responsibility to provide employees with guidance on withdrawing money from their 401(k) during retirement?**




Responses from among those who have thought about retirement withdrawals a lot or some. Totals may not add due to rounding.

Source: Nuveen and TIAA Institute Participant Survey on Lifetime Income (2025).

The more employees think about their retirement income, the more support they want from their employers. For participants who have thought about withdrawals "a lot," 73% say employer resources are very important and 61% consider them an employer responsibility. The more deeply a participant engages with the challenge of retirement income, the more firmly they look to their employer for help. This is a signal worth taking seriously: participants expect sponsors to support their understanding of how to generate lifetime income, or at least to bridge the gap between working and drawing on savings. Only one in four participants is very confident they will retire when they wish, with the lifestyle they want, and a further quarter is not confident.

# Tools change behavior, but only when participants use them

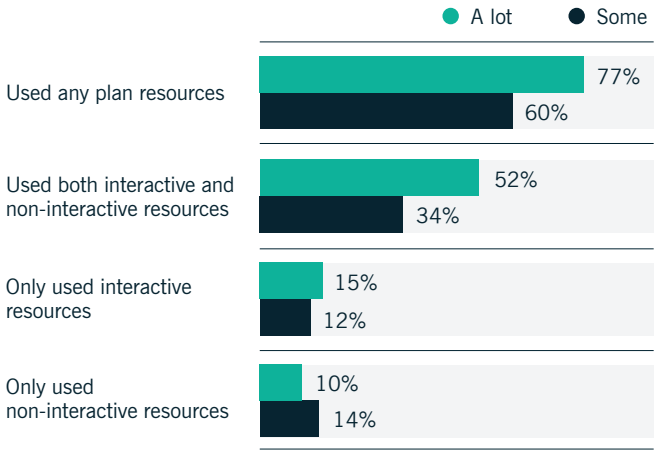
Participants who use retirement planning resources reported higher levels of confidence: and among participants who have thought about withdrawals and used both interactive and non-interactive resources, 53% are very confident they will choose the best withdrawal strategy at retirement. That figure falls to about 40% for those who used only one type, and to 28% for those who used neither.

Interactive tools stand out. Fifty-two percent of users rated them "very helpful" and 46% "very engaging," outpacing non-interactive resources on both counts (43% and 38%). Trust ran high across both formats, and for the most engaged participants, those who had thought about withdrawals "a lot," the ratings were dramatically higher still: 76% found interactive tools very helpful and 70% very engaging.

The problem is reach. Too many participants don't know these resources exist, and too few use them. Among withdrawal planners who hadn't used plan-provided interactive tools, 65% said such a tool either isn't available or they don't know whether it is, and of that group, 83% said they'd use one if it were. Sponsors should therefore evaluate not just what they offer, but how easily participants can find, access, and understand it. A communications strategy that actively promotes tool availability, segmented by career stage and delivered at moments of relevance, is as important as the tools themselves.

## Usage and awareness are key

**Use of plan-provided resources among those who have thought about withdrawal planning a lot vs. some**




**Among participants who didn't use plan-provided interactive tools for withdrawal planning:**




Say such a tool is not available to them or don't know whether one is, but…




Of those would be interested in using one if available

Source: Nuveen and TIAA Institute Participant Survey on Lifetime Income (2025).



**That gap is not a participant problem. It is a plan sponsor opportunity — and, increasingly, a plan sponsor responsibility.**

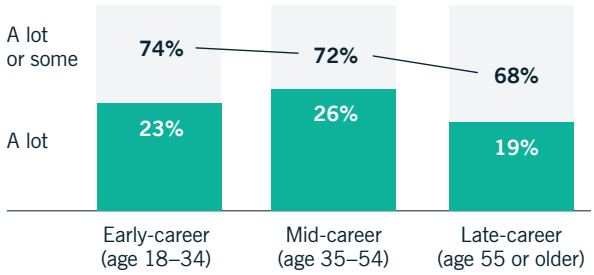
# Meeting participants where they are

One of the survey's most important findings concerns late-career participants, the very employees who should be most engaged. Only 19% of those aged 55 and older have given a lot of thought to how they'll withdraw income in retirement, the lowest share of any career stage. Mid-career participants (35–54) led at 26%, with early-career workers (18–34) close behind at 23%. Even among late-career participants who expect their 401(k) to be their most important source of retirement income, only 23% have thought "a lot" about withdrawals.

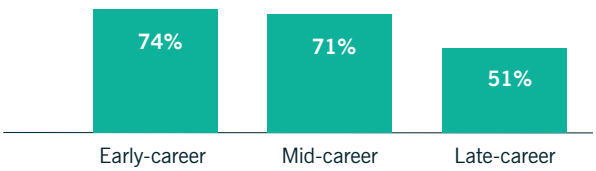
But plan sponsors may need to proactively engage participants, instead of waiting for participants to ask. Late-career workers are disengaged partly because they don't know what's available and the plan hasn't reached them in ways that feel urgent or relevant. Interactive tools, because they incorporate individual inputs like age, savings and income goals, are especially well-suited to making planning feel personal and actionable. Sponsors should tailor communications and promotion to this cohort rather than assume that proximity to retirement drives self-directed engagement.

## Engagement varies by career stage

**How much participants have considered how they will withdraw money from their 401(k) for retirement**




**Use of any plan-provided resource among those who have given withdrawal planning some or a lot of thought**




Source: Nuveen and TIAA Institute Participant Survey on Lifetime Income (2025).

# Three ways sponsors can close the gap

The findings converge on three areas where plan sponsors can meaningfully narrow the distance between what participants need and what they have.

1 **Expand the scope of retirement education.** Most plan education focuses on contribution rates, fund selection and the mechanics of saving. Participants need content that spans the full arc of retirement: Social Security, Medicare enrollment, long-term care and, most critically, how to convert a 401(k) balance into a sustainable income stream. Education that ends at retirement's doorstep leaves participants without a map for the journey ahead.

2 **Make resources discoverable and promote them actively.** Resources participants don't know about don't benefit them. Sponsors should pair tools with strong communications, such as proactive outreach, in-plan notifications and messaging calibrated to career stage.

3 **Let plan design do what communication alone cannot.** For the majority who haven't engaged deeply with withdrawal planning, well-designed defaults may accomplish more than any outreach. Lifetime income solutions embedded within target date structures offer a way to put guaranteed income within reach. Sponsors should ask whether their current design adequately serves participants who need the plan to work in the background, not only when they choose to engage.

Participants want to retire well, but what holds them back is when the tools, knowledge and plan design capable of helping them do not arrive in time or in a form they can act on. Sponsors control those levers, and as the survey shows, participants increasingly expect them to use them, treating lifetime income readiness as a core part of what a well-run plan provides.

# The plan sponsor playbook

## How to meet participants where they are on the road to retirement income

*Every July, Bobby Bonilla receives a seven-figure check from the New York Mets, even though he last played for the team in 1999. The payment comes from a contract he agreed to defer decades ago. The appeal is easy to understand.*

*Helping employees understand retirement income has never been easy. As guaranteed income options become more widely available in defined contribution plans, sponsors face a harder challenge: helping participants understand how guaranteed income could fit into their retirement plan well before they need to make a decision.*

### Key takeaways

1

**A simple story does what a product brochure cannot.** Bobby Bonilla's deferred-income deal explains guaranteed income in seconds, delivering the comprehension that participant education on annuities has been missing.

2

**The retirement journey has stages, and education should follow them.** Planting income concepts early, reinforcing them mid-career, and reframing at late career gives participants time to understand their options before the decision turns urgent.

3

**Education belongs inside plan design.** Sponsors who see real engagement build participant literacy into how the plan works. Without a framework for turning savings into income, even the strongest product lineup falls flat.




## A guaranteed stream of payments, in one story

Every first of July, Bobby Bonilla gets a check from the New York Mets for $1,193,248.20, despite having last played for them in 1999. He will keep getting it until 2035, when he turns 72, by which point a $5.9 million buyout negotiated in 2000 will have paid him $29.8 million.[13]

Most people who hear the story see the value immediately. Defer the money, let it compound, receive a predictable stream of payments over decades, without direct market exposure. That is what guaranteed income can feel like when it is built into plan design and working as intended. The trouble is that most retirement savers have never been given a way to picture it that clearly.

Plan sponsors now have a wide range of tools to make that income real for employees. SECURE 2.0 clarified or removed a number of administrative barriers to adding lifetime income options, and in September 2025 the DOL issued guidance opening a path for lifetime income solutions to qualify as default investment alternatives. Recordkeeper availability has expanded sharply: 77% of recordkeepers now offer at least one annuity product, and fixed index annuity availability has more than doubled since 2024.[14] Three in four DC plan sponsors expect demand for in-plan annuities to grow significantly over the next five years.[15]

More retirement income solutions are available today than ever before. The regulatory runway is positive, and participants want lifetime income in their retirement plans (see our Participant Perspectives article in this edition of *next*). What remains is the work of helping them visualize the role lifetime income plays across the retirement journey. Moving from saving to spending is a genuinely difficult transition, and breaking it into something easy to conceptualize is a challenge many sponsors and their advisors have yet to solve.

# Retirement as a series of decisions

Retirement can be overwhelming for participants because, frankly, they probably haven't done it before. What income sources do I have? In what order do I draw them? What are the tax implications? How much can I spend? What happens if I live longer than planned? How do I protect against a bad market in the first years of retirement? Every one of these is its own education challenge, often involving a range of advisors. For employees, simply knowing which question to address first, while also navigating the emotional shift from working life to retired life, can be a significant hurdle.

The sponsors getting this right treat each stage of the journey as its own education moment. Instead of a single retirement communication, they build a sequence across the working career that raises the complexity of the material over time and surfaces the relevant decision at each point.

The instinct across financial services is to front-load employees with disclosures and materials so that everything they might need to know is immediately available. It can be far more productive to treat the first explanation as an entry point. Behavioral research bears this out: a 2025 NBER study found that when participants could see a guaranteed income decision in the context of their broader retirement picture, rather than as a standalone product choice, take-up increased substantially.[16] The barrier was framing that overcomplicated the picture. As participants grow more familiar with lifetime income, complexity can be layered in over time, deepening understanding and leading to better-informed outcomes.

**Sponsors can build this progression into how they sequence participant communication across the career journey:**



EARLY CAREER

## Anchor on the concept

A 28-year-old doesn't need to know the mechanics of a fixed annuity. Plan sponsors need to help employees understand that retirement savings are meant to create future income, not just a larger account balance. Employers can help by planting that idea early, in plain terms, shaping how a participant relates to their plan for the rest of their career.



MID-CAREER

## Help employees connect savings to future income

This is the most overlooked stage in participant education, and one of the most important. Workers in their 40s and early 50s are close enough to retirement to grasp the weight of the decision but far enough away to make meaningful adjustments. This is the moment to introduce converting savings into income as a planning horizon: What does your monthly income need to look like in retirement? How much of it do you want guaranteed? Working backward from income targets makes the options concrete and the choices manageable. Plan sponsors can distribute educational materials here tailored to employees to help them understand the changing options.



LATE CAREER

## Enable the shift from accumulation to decumulation

The mental model that serves a saver — grow the balance and ride out volatility — does not carry over to a retiree who has to spend from that balance. Sponsors can help late-career employees make that shift with a simple framework: a target guaranteed income floor, a flexible spending layer and a cushion for unexpected costs.



AT THE POINT OF RETIREMENT

## Decision support

The worst moment to introduce complexity is when a participant is filling out retirement paperwork. By then education has either happened or it hasn't. The role of plan communication at this stage is to make the right decision the easy one, with clear defaults where appropriate, plain-language summaries of options and a direct path to guidance.

# What this means for plan design

Only 37% of plan sponsors say they can clearly articulate the value of annuities to participants.[15] That matters because sponsors set the tone for participant education. If the people designing the plan cannot explain how a participant turns savings into guaranteed income, the communications they produce won't either. A few practical steps can help.

- **Start the conversation earlier than feels necessary.** Most participant education on income begins too close to retirement, once habits are set and the risk of a rushed, poor decision is high. Introducing income concepts at enrollment, and returning to them at key career milestones, builds the mental scaffolding that makes the retirement decision clearer when it arrives.
- **Lead with stories, then support them with data.** Bobby's story works because it doesn't ask employees to evaluate a product; it asks them to recognize a good outcome. Once they see that outcome as a goal, the product explanation follows naturally.
- **Treat the journey as segmented.** A single annual email about retirement income reaches everyone equally and no one effectively. Real engagement comes from delivering the right message at the right career stage, with each one building on the last.

Abstract education creates awareness; concrete tools such as income projections, scenario illustrations and clear side-by-side comparisons help participants act on it. SECURE 2.0 and the evolving QDIA guidance have given sponsors more design flexibility than they have ever had, and that flexibility becomes valuable once your employees understand what to do with it.[17]




**Photo: Bobby Bonilla signs baseball cards at Nuveen's Bobby Bonilla day, Oriole Park at Camden Yards, July 7, 2026.**

## The case for acting now

Twenty-six percent of retirees say not purchasing an annuity is one of their biggest financial regrets.[18] The difficulty is reaching people early enough to act, and before the window closes.

The participants in a plan today still have time to make these decisions. What many of them lack is a plan sponsor who has built the journey, step by step, to get them there.

Bobby Bonilla had an agent who understood the time value of money, the power of guaranteed income and how to negotiate on his client's behalf. He made one good decision, at the right moment, with the right guidance. Most retirement savers can face a similar choice, provided their plan sponsor has done the work to make each step of the journey clear and simple for them.

> The question participants need answered is rarely 'do I want guaranteed income?' It is a more layered conversation about savings rates, balances and target income in retirement.






# The recordkeeper at the center of retirement innovation

## A Q&A with Scott Boyd, Principal Financial Group, and Brendan McCarthy, Nuveen

**Brendan: Scott, let's start with your background. How did you end up in the seat you're in today?**

**Scott:** I'm a little unusual for someone in a sales leadership role since I've never truly been a salesperson. I studied civil engineering in college, spent time in strategy consulting at PwC and investment banking, and have worked across the industry as a product leader, business owner, P&L owner, and an individual contributor.

Over time, I edged my way to distribution and realized that's where my passion is. I like being part of a big team that wants to compete and make a difference. That ultimately attracted me to Principal Financial Group, where I'm leading an organization through what I think is the most transformational period our industry has seen. I also think my background gives me a different perspective. I tend to come at the business through a problem-solving approach and a focus on the overall business components, rather than through the lens of trying to hit annual sales goals.

This endorsement was provided by non-client promoter Scott Boyd, and no direct or indirect compensation was given in return. Results experienced may not be representative of the experience of other clients, and there is no guarantee of future performance or success.

## Key takeaways

1. **Recordkeepers are reasserting their role as the industry's central platform,** connecting plan sponsors, advisors, asset managers and participants as retirement dynamics become more complex.

2. **Recordkeepers do not need to build every capability themselves,** but they do need to identify the right partners and align incentives around shared goals.

3. As solutions become more portable and cost-efficient, **the focus is moving toward helping participants turn the savings they have accumulated into reliable retirement income.**

**Brendan: What is driving that industry transformation you mentioned?**

**Scott:** Ten or 12 years ago, the recordkeeper was viewed as somebody who was there to take orders. Investment managers had more influence, and then the advisor space came to the forefront. Advisors pushed investment managers on pricing and product, and the industry saw significant aggregation into large advisory firms.

But I think we're at a point now where everybody's realizing that all those players are incredibly important, but the recordkeeper is still the linchpin of the industry. Everything flows through the recordkeeping platform, and sponsors, participants, advisors and investment managers rely on it every day. That gives recordkeepers a unique role in bringing the pieces together as products, technology and participant needs become more complex.

That's leading to healthier conversations. There's a growing recognition that we as recordkeepers can deliver more value to sponsors and participants when each party understands the economics of the others involved and works toward a shared outcome. When those interests are aligned, the relationship can be incredibly powerful. When they're not, you see friction.

**Brendan: That seems particularly relevant to lifetime income. How do you think about partnerships in that area?**

**Scott:** I've been an income guy since the very first products came out, and I've seen the market evolve immensely. As a recordkeeper, we know we are not going to create every capability ourselves. We need to rely on partners to bring expertise that we can incorporate into our offering.

We use a bicycle analogy. If you think about the best bike in the world, that bike doesn't necessarily have every component made by the same company. Someone else may make the saddle or the wheels, but it is still the bike you chose to buy.

Recordkeepers need to think the same way. You don't have to manufacture everything yourself. You can bring in the expertise of a firm like Nuveen in the income space, while still providing choice. If a particular product matters to advisors and sponsors, having it on our platform can also differentiate us and help bring business to Principal.

**Brendan: How did the Principal–Nuveen relationship come about in the first place? In my mind it's got to start with a trusting relationship. It's understanding each other's economic levers — where the primary economic levers are for each organization, each partner. And then it's aligning on a strategy that maximizes the economic levers for both organizations. When you can come together on that, really powerful things can happen, but it has to start with that trust — the leadership of the organization trusting another organization that they're not going to go in and trounce all over areas that are economically accretive to the other organization.**

**Scott:** I agree. It all starts with relationships and trust. You're putting a lot of faith in one another, and both organizations have their own priorities.

The goals are getting bigger and the industry is becoming too complex for any one company to do everything on its own. When two organizations understand where each creates value and where their interests overlap, they can do much more together.

> "Everything flows through the recordkeeping platform, and sponsors, participants, advisors and investment managers rely on it every day."
>
> —Scott Boyd

**Brendan: Does that same logic apply to advisor relationships?**

Scott: Absolutely. Lifetime income is a great example. If you think about Nuveen's product on Principal's platform, we've both had to learn each other's products and platforms. The advisors have to really spend the time on the platforms where lifetime income solutions are available and understand them.

Years ago, an advisor may say, "I have a client that wants this product, so I need you to build it on your platform." The cost-benefit analysis for the most part didn't work, no matter how big the client was.

The conversation is different when a large group of advisors is advocating for a solution. We look at that and say, well, that's a pretty compelling argument for us to be differentiated by being one of a few platforms with the desired product on it, which gives us the opportunity to be one of the landing spots and narrow the field down.

I spend most of my day figuring out how to connect the dots between intermediaries, our investment partners, the recordkeeper and other parts of our business. Product innovation is moving faster, the partnerships are becoming more intentional and more powerful, and I think that's only going to create greater separation between industry leaders and everyone else.

**Brendan: Looking ahead three to five years, where do you see lifetime income going?**

**Scott:** I think you're going to see solid growth, particularly in products designed with a low-cost front end and greater portability. There's growing recognition in the industry that you don't get a second chance as a participant — you either make your savings last in retirement, or you don't.

Early on, we would talk to a plan sponsor about lifetime income and hear "This participant only has $40,000," or "Their account balance is only $120,000 — that's not enough." That's not a retirement income challenge, that's an accumulation problem.

Of course we want people to accumulate more. But whatever balance a participant reaches still needs to do what it was designed to do: help generate income in retirement. If it is $120,000, we need to help that $120,000 work as effectively as possible.

Keeping those conversations separate is important. Accumulation has its own set of challenges and solutions. When you focus the retirement-income conversation on turning accumulated savings into income, the value proposition becomes much clearer to plan sponsors.



**Scott Boyd**

*Senior Vice President, Retirement Distribution, Principal Financial*

Scott Boyd is a seasoned executive in the financial services industry, currently serving as Senior Vice President of Retirement Distribution and Principal Securities Registered Representative at Principal Financial Group since August 2019. Prior to this role, Scott held various leadership positions at Prudential Financial, including Senior Vice President and Head of National Platform & Tax-Exempt Distribution, and Vice President in multiple capacities. Earlier experiences include roles at Lehman Brothers as a Summer Associate in Global Debt Capital Markets and several positions at Braun Consulting and PricewaterhouseCoopers focusing on business strategy and state tax consulting. Scott Boyd earned a Master of Business Administration (M.B.A.) from Cornell University and a Bachelor's Degree in Civil Engineering from Union College.



**Brendan McCarthy**

*Head of Retirement Investing, Nuveen*

Brendan is Head of Retirement Investing for Nuveen, where he leads strategy and distribution for Nuveen's investments and TIAA lifetime income offerings across 401(k), 403(b), and 457 plans, having joined the organization in 2015. He serves on several industry advisory boards, including SPARK, Money Management Institute, NAPA, IRIC, and DCIIA, and regularly advocates for retirement policy on Capitol Hill. He was named to the 2022 "401kWire 100 Most Influential People" list and the 2024 and 2025 NAPA Social Media Influencers list. Prior to TIAA, Brendan served as Chief Operating Officer of F-Squared Retirement Solutions and held progressive leadership roles at Putnam Investments. He holds a B.S. from St. Joseph's College and an M.B.A. from Boston College's Carroll School of Management.

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### Endnotes

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