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## The Reluctant Participant, a Tale of Woe

BY ANTOINETTE TARDY

*This article is from the perspective of a participant just trying to get by in this convoluted world of retirement plans.*

When you are in an administrative position, you can perform extremely well at your work without fully understanding the

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substantive content of it. I am proof of that. But I am really good at looking like I know what I am doing by searching for key words when asked to do research. The full meaning behind “safe harbor” never materializes in my brain. Remembering that it means a plan doesn’t have to do nondiscrimination testing sticks for some reason, but the other part....the fully vested part doesn’t. It took me over five years to know that distributions, deferrals, and elections were not synonymous. In fairness, there is something intangible about this practice area where you first have to know what the dang acronym stands for before you can look up its meaning; distinguishing between QPSA, QJSA, and QDRO can be a frustrating task for your average participant. Despite being fairly intelligent and well-read with a Bachelor of Arts in English Lit, my comprehension skills when it comes to the benefits industry are not as good as I would like, but certainly better than your average participant. So, what can you (the retirement plan professionals) learn from my experience with my retirement?

### How Can I See the Light at the End of the Tunnel, if I Don’t See the Tunnel?

From my perspective, more advisors need to understand that many of us believe that retirement is as unattainable as running a marathon tomorrow. I’ve joked with friends that my retirement plan was

developed early in my twenties when I decided to live hard and fast so that I didn't live past seventy. Because when you are in your late teens and early twenties a/k/a "the righteous years," seventy seems really, really far away. Now that I am in my fifties, I am closer to my seventies than I am to my twenties, yet my mindset hasn't improved or matured much. But from where I am now, I think this belief that retirement is unattainable stems from a few things advisors should better understand.

First: I don't worry about retirement, because I'm a bit fatalistic. Maybe it's just me, or maybe it is the generational zeitgeist that stems from growing up under the threat of nuclear war. I lived in Huntsville, Alabama, a city that hosts NASA, Redstone Arsenal, and the Space and Rocket Center. We would joke that we were number two on the Russian hit list, because rumor had it that there were missiles in the mountains encased on the base. Huntsville also boasts a large percentage of defense contractors and my alma mater churns out an equally large number of engineers to feed the system. Being number two, you are probably wondering who was considered first? Well, it was a toss-up between New York and Charlotte, depending on who you asked, but it was surely one of those because of the financial institutions in both locales.

So, what do I do? Number two isn't good enough for me, so I "loaded up the trunks and moved to Beverly (Street), that is," within the city limits of Charlotte, NC. There is a certain amount of fatalism that permeates my thought processes, even as it pertains to my potential retirement or taking any "financial responsibility" for it.

Second: I'm just a bit untrusting of the system. I've never believed that I could count on any financial promises from employers or the government. Maybe that is why the "fully vested" portion of safe harbor won't stay in my brain. I have always known that it is unlikely I will ever receive Social Security despite paying into it unwillingly for years. Gen Xers were told not to rely on it because it would be gone by the time we reached retirement age. Looks like Medicare may be headed down the same street. Pensions were taken away by companies with the substitution of "you figure it out, it's not our problem" 401(k) plans. And in those plans, I'm expected to invest in stocks, bonds, and things I have absolutely no expertise in and have seen drop horrifically in the past. Is it any wonder that I'm leery of the entire post-65 system in general?

Third: I don't know a thing about how to accomplish this impossible goal. I tell people I will never

retire, that they will have to kick me out of here. Retirement is for goal setters. I have never set goals. When asked in one of my first "official" interviews, "Where do you see yourself in five years?" I responded, "Life just happens to me, I don't make it happen." It was 1996 and I wasn't prepared for that question because it predated the birth of many of you reading this, but also any kind of Internet search results for "what to expect in an interview."

While there might be things I can google now, including retirement planning suggestions, I still don't have a clue how to go about how to get there. When I was young, the advice we were given about saving for the future was just put \$2,000 in a growth account and leave it alone. It will grow tenfold in ten years. Now, I know you are asking, "Who the heck gave me financial advice like that?" Honestly, probably another stupid 19-year old that was making stuff up on the fly. Regardless, we did that with my son's 529 account and left it alone and didn't watch it. Turns out, no one was watching or managing it and I didn't know how to do that, so it gained very little value in the 15 years it sat untouched in a 529 account with a big financial institution.

So, I know I don't have the skills to manage my own 401(k) account because when I try, however feebly, I can count on it to go wrong. That experience instilled in me a belief that I cannot count on any money coming my way when I retire. Perhaps as a result, I spend my money now and have great enjoyment from doing so. Before you look at me in horror and judge me for my financial irresponsibility, please remember that all the drugs and alcohol of my youth will take their toll eventually and likely put me in the ground before I can become a bloodsucker off the system. Also, why care about something that was designed for people wealthier and smarter than I am? This is the mindset I operated on for decades. It's only now, since joining this practice area of law and offering support, that I've come to realize how woefully unprepared I am.

### Is It Too Late for Me?

So, what does retirement mean to me, a Gen Xer with poor math skills and an aversion to stocks, bonds, yields, or basically any mention of "financial," especially if it is followed by "responsibility"? Nothing, retirement means nothing to me and so I have given very little time, energy, or consideration to it so far. I guarantee there are plenty of us out there who are frozen in place by our perception

of our ineptitude to do more—so many of us that think, “why bother?” We see ourselves miles behind the other marathoners and know we will never come close to catching up or even crossing the finish line of financial security.

So, what should you say to a participant like me? Meet me where I am at. Because I am emotionally and intellectually uninvested in my investments; I don’t particularly care what you do with my money. It’s an attitude born from the mating of ambivalence and shame. I figure money comes and goes, it wavers and holds steady, it waxes and wanes, and is basically unreliable. I think the more automated you make it, the better off people like me are. Make it easy for me to avoid the errors of my past 529 account debacle and help me get to a reasonable level of salary deferrals without forcing me to understand the future value of money and anticipated market returns and all the various economic concepts that bore me to tears and are truly outside my intellectual ken. The less I have to engage, the better we all will be. And this isn’t just for the Gen Xers like me. My son works for the carpentry union and when I told him that I heard Suzy Ormon say that investing \$1,000 every year in a well-managed fund starting at the age of 25 will go a long way toward setting up your financial security. His response was, “I have a pension plan with the Union.” I know (at least, I think I know) he can’t rely on that alone, but he’s clearly as reluctant as I am to engage

in the mysterious world of long-term savings. So, the younger generations will benefit from automation as much, if not more, than my generation.

### You Know What Would Really Help?

Stop with the rainbows and sunshine. I don’t like being patronized and whenever I gather the courage to say that I will in NO way be prepared to retire based on my current trajectory, I get the same trite response, “Sure you will,” “You’ve got plenty of time,” or “It’s never too late to start.” That type of response is dismissive of what I perceive to be a very bold, courageous, and realistic assessment. Ignoring or minimizing my reality only makes me think you don’t get it and there is no sense listening or trying. I would much prefer to hear, “yep, you’re not going to be as well set up as some of your peers, but here’s what you can do.” And then, tell me what to do. Do not tell me to become an economist or actuary or investment guru or expect me to master their expertise. Tell me in plain English what I should do. Say to me: “Because you know that creek? And you’ve got no paddle? You can always get out and swim in it. You won’t be as well off as the ones who never had to get into the creek to begin with, but you are better off than those who chose to stay in the boat.” Meeting me where I’m at, acknowledging the situation, and helping me see how to make the best of it, is the best way to help me create the best financial outcome. ■

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