Voya to buy $60B retirement plan business from OneAmerica

 The company's deal to pick up the defined contribution business is one of the bigger ones in recent years, in an industry that keeps consolidating.

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Voya Financial is buying OneAmerica Financial's $60 billion retirement plan business, the companies announced today.

The deal is one of few recently in a market that has been consolidating for years. Several of the biggest defined-contribution plan providers – Empower and Principal Financial – have inked major purchases that helped them further bulk up their scale and expand into markets where they didn't have as much of a presence.

In Voya's case, the **OneAmerica** retirement acquisition will boost its full-service wealth solutions assets under administration by over 11 percent, bringing it to about $580 billion, according to the company. The deal will also bump the company's business to 60,000 retirement plans and 7.9 million participants.

“**OneAmerica’s** broad range of retirement capabilities, combined with our existing product suite and digital solutions, provides an opportunity to extend Voya’s reach across all market segments to deliver health, wealth and investment solutions through the workplace and institutions,” said Rob Grubka, CEO of Voya’s workplace solutions, in the **announcement**.

The sale is scheduled to close on Jan. 1, 2025.

“For 60 years, we have been committed to serving the retirement market by helping our customers face every day with greater certainty. Voya is the firm to deliver on that commitment,” OneAmerica CEO Scott Davison stated. “We see this as a great opportunity for our customers and the OneAmerica Financial associates that will continue to grow with Voya, while we will focus on our remaining core product lines where we see tremendous growth potential.”

Having scale in the thin-margin defined contribution plan business can be critical, particularly for companies that don’t retain a high percentage of assets through rollovers or establish relationships with 401(k) participants in other lines of business.

That OneAmerica’s business is being sold “was obvious,” said Fred Barstein, founder of The Retirement Advisor University. “It was always going to happen.”

But that Voya is the one buying it is slightly more surprising, given that the firm hasn’t been one of the major buyers of other plan businesses in recent years, he noted.

“They haven’t done an acquisition in a long time in the 401(k) [record keeping] world,” he said. “They have really been on the sidelines.”

Deals have slowed down recently in the plan provider world, given that the business is maturing in the “consolidation curve,” he noted. In the stage its in, companies have sought to make bigger purchases that meaningfully boost their scale – such as **Empower’s** acquisitions of businesses from Prudential and MassMutual or Principal’s deal for Wells Fargo’s. Another example is The Standard's purchase in 2022 of Securian Financial's record keeping business, Barstein said. And in March there was a smaller deal announced, with **Ascensus** reaching an agreement to buy Mutual of Omaha's $3.9 billion 401(k) record keeping line.

Over the past several years, Voya has been building up its multiple-employer plan business. Last month, that segment, which includes multiple employer plans, pooled employer plans, employer aggregation programs and other services, surpassed $100 billion in assets, growing by 15 percent over a year, the company **stated**.

The deal to pick up OneAmerica's business is additive but doesn't necessarily fill out Voya's footprint in any particular market segment, Barstein said. As record keepers are getting bigger and bigger, the cost savings of having more plans and participants isn't as significant, even with large acquisitions, he said. There are about 40 national defined-contribution record keepers now, and he said he expects more deals to come, even at the slower pace the industry has seen recently.

"The buying volume increases, because you have scale. You have scale, now you're looking for profitability."