

# The Employers' Perspective on Retirement Benefits and Planning

13th Annual Transamerica Retirement Survey

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## Introduction to the Retirement Study: Employer Perspective

- About the Center
- About the Survey
- Methodology
- Terminology
- Company Profile

## About the Center

- The Transamerica Center for Retirement Studies® (“The Center”) is a non-profit, private foundation dedicated to educating the public on emerging trends surrounding retirement security in the United States. The Center’s research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes.
- The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. For more information about The Center, please refer to [www.transamericacenter.org](http://www.transamericacenter.org).
- The Center and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, The Center disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

## About the Survey

- Since 1998, the Transamerica Center for Retirement Studies® has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public.
- Harris Interactive was commissioned to conduct the Thirteenth Annual Retirement Survey for Transamerica Center for Retirement Studies®. Transamerica Center for Retirement Studies® is not affiliated with Harris Interactive.

## Methodology

- A telephone survey was conducted among a nationally representative sample of 750 employers. Potential respondents were targeted based on job title at for-profit companies and met the following criteria:
  - Business executives who make decisions about employee benefits at his or her company
  - Employ 10 employees or more across all locations
- 19-minute telephone interviews were conducted between February 23, 2012 and April 2, 2012.
- Quotas were set for large and small companies. The results were weighted as needed on employee size using weighting targets from the Dun & Bradstreet database to ensure each quota group had a representative sample based on the number of companies in each employee size range. A full methodology is available.
- Percentages were rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- Significance is tested at a 95% confidence level. No estimates of theoretical sampling error can be calculated.
- The base size was 300 for large companies and 450 for small companies. Other reduced bases have been noted throughout the report.

# Terminology

*This report uses the following terminology:*

- Small company: 10 to 499 employees
- Large company: 500 or more employees

# Profile of Companies

	N=750
<b>Title</b> (mentions 1% or greater are shown)	
<b>GENERAL (NET)</b>	<b>53%</b>
President	10%
Office Manager	9%
Controller	5%
Accountant/Accounts Manager	3%
CEO/Chairman	3%
Finance Manager/Director	3%
CFO	3%
Vice President	2%
Owner	2%
Administrator/Administrative Manager	1%
Treasurer	1%
Manager	1%
Executive Assistant	1%
General manager	1%
Business Manager	1%
Other Vice President mentions	2%
All other director mentions	2%
All other manager mentions	2%
All other assistant mentions	2%
<b>HUMAN RESOURCE (NET)</b>	<b>42%</b>
Director of HR	15%
Benefits Manager	12%
Human Resources Manager	5%
Vice President of Human Resources	2%
HR officer	1%
Benefits Analyst/Specialist	1%
HR Coordinator	1%
Payroll Manager/Supervisor	1%
Payroll and Benefits Specialist	1%
Human Resource Generalist	1%
Benefits Administrator	1%
Human Resource Administrator	1%
Other Human Resource mentions	1%
<b>OTHER</b>	<b>4%</b>

	N=750
<b>Industry</b> (mentions 1% or greater are shown)	
Professional services including finance, legal, engineering, and healthcare	33%
Manufacturing	18%
Service industries such as retail trade, hospitality, or administration	16%
Transportation, communications, or utilities	8%
Agriculture, mining or construction	8%
Non profit organization	3%
Education	2%
Property/Housing/Real estate	2%
Technology	2%
Wholesale distribution	1%
Printing/Publishing (newspaper, etc.)	1%
Marketing	1%
Community/Social Services	1%
Food and Beverage industry	1%
Research company	1%
Government agency	1%
Refused	1%
<b>Geography</b>	
East	17%
Midwest	35%
South	28%
West	19%

	N=750
<b>Revenue</b>	
Less than \$500,000	4%
\$500,000 to \$999,999	7%
\$1 million to less than \$5 million	33%
\$5 million to less than \$10 million	8%
\$10 million to less than \$50 million	10%
\$50 million to less than \$200 million	5%
\$200 million to less than \$500 million	2%
\$500 million to less than \$1 billion	2%
\$1 billion or more	3%
DK/Refused	28%
MEAN (in millions)	\$91.4
MEDIAN (in millions)	\$2.5
<b>Number of Full-time Employees</b>	
10-499 NET	89%
10-99 SUB-NET	83%
10 to 24	57%
25 to 99	26%
100 to 499	7%
500+ NET	11%
500 to 999	4%
Over 1,000	7%
MEAN	142.7
MEDIAN	16.2





# Executive Summary

## Executive Summary

The 13<sup>th</sup> Annual Transamerica Retirement Survey shows that as the recovery continues at a slow pace employers remain cautious about making any changes to employee benefits, whether they are positive or negative. It also reveals that gaps exist in between employees' desire for information on retirement planning and the educational offerings of employers. Large companies continue to be more likely than small companies to offer retirement plans, as well as offering more feature on those plans, including automatic enrollments and matching contributions.

### Economic Expectations

- Although higher than three years ago, employers' optimism about the U.S. economy and their own financial situation has dropped since one year ago.
- Over the past year, companies have been implementing fewer cutbacks and the focus appears to be shifting to recovery, with nearly two-thirds of companies having increased workers' salaries.

# Executive Summary

## Effect of Great Recession on Retirement Benefits Offered to Employees (cont'd)

- Despite being very important to employees, 401(k)s and other employee-funded plans are offered by fewer companies since the Great Recession, primarily driven by small companies.
  - Of those that don't currently offer 401(k)s or similar plans, very few are likely to offer this benefit in the next two years due to concerns over cost and feeling their company is too small.
  - However, about a third would be likely to consider a multiple employer plan (MEP) if it were offered to them, which could help to reduce the above mentioned concerns.
- For the relatively small number of companies that offer defined benefit plans, about two-thirds of them make the plans available to all employees and no changes are anticipated to those plans over the next year.
- There have been limited changes – either positive or negative – to employee-funded plans as a whole.
  - For the most part, changes have included adjustments to investment selections or choices.
  - Large companies were more likely than small companies to have taken positive measures when it came to changes to their employee-funded plans.

# Executive Summary

## Effect of Great Recession on Retirement Benefits Offered to Employees (cont'd)

- Automatic enrollment into employee funded plans is used by a minority of companies, although it is much more prevalent among large employers
  - Among companies that don't automatically enroll, few are likely to do so in the future.
  - Employers that don't automatically enroll employees say they prefer to give employees a choice and that participation is already high in their plans.
  - Of those that do employ automatic enrollment, the median default deferral rate is 3% and participants' contributions are typically invested in diversified or conservative funds.
    - One-third of these employers also have adopted automatic increases of contributions.
    - Overall this automatic enrollment process receives positive responses from employees.
- Among companies that offer employee-funded plans, a large majority offer matching contributions. This proportion has been stable recently, but has not returned to 2008 levels.
  - Offering a matching contribution is recognized by employers as important to employees, especially those in large companies.

# Executive Summary

## Importance of Educating the Workforce About Retirement Planning

- A majority of employers offers investment guidance or advice to employees as part of their retirement savings plan.
  - Those that do not offer such guidance don't have any immediate plans to do so, as they are worried about the liability.
- The majority proactively engages employees with education and/or advice about their retirement plan annually or a few times a year.
  - Self-service online tools are more prevalent offerings than personal one-on-one counseling or workshops/seminars.
  - When employees transition to retirement, companies focus on logistical benefits (such as informing them of distribution options), rather than informative (counseling and seminars).
  - Very few employers that do not offer employee-funded plans do anything to help employees transition to retirement.
- Despite the negative effects the Great Recession has had on many workers' retirement plans, few employers are proactively doing anything to get employees back on track.
  - Workers are very much relying on self funded plans as their primary income in retirement and are looking to their employers to help provide guidance and easy-to-understand materials.

# Executive Summary

## Misalignment of Employee and Employer Perceptions

- When comparing the results of the Annual Transamerica Retirement Survey of workers with that of this employer research, there emerge some gaps in perceptions.
  - Employers seem aligned with their employees when it comes to recognizing:
    - Employees don't know enough about retirement investing
    - Employees prefer not to think about retirement until they are closer to it
    - Employees could work until 65 and still not have enough saved for retirement
  - However, employers seem more confident than workers that they can achieve a comfortable retirement.
  - Employers don't think employees want advice on retirement planning, but workers indicate that they look to their employer to provide such guidance, particularly at small companies.
  - Employers also think employees are more aware of fees associated with retirement plans than they actually are.
  - These gaps in perceptions underscore the need for more education of employees on the part of the employer.
- In order to close these gaps in perceptions, employers may wish to survey their employees.
  - Only a very small minority surveyed their employees in the past year.



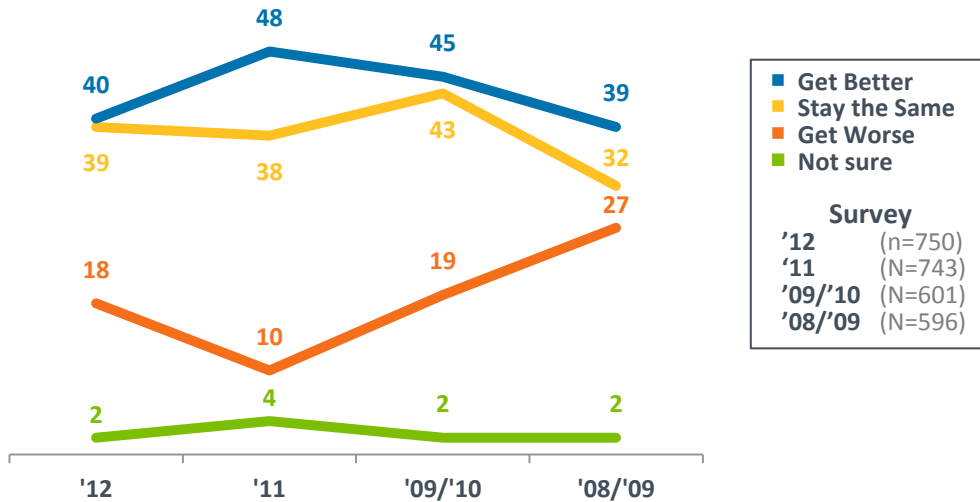
## Detailed Findings

- **Economic Expectations and Business Changes**
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

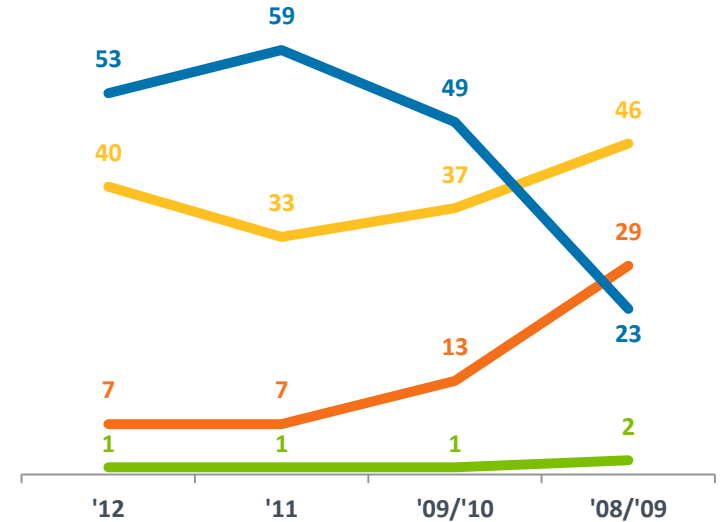
# Employer Economic Expectations

- Although higher than three years ago, employers' optimism about the U.S. economy and their own financial situation has dropped since one year ago.

**In the next 12 months, they expect the U.S. economy to: (%)**



**In the next 12 months, they expect their company's financial situation to: (%)**



BASE: TOTAL RESPONDENTS

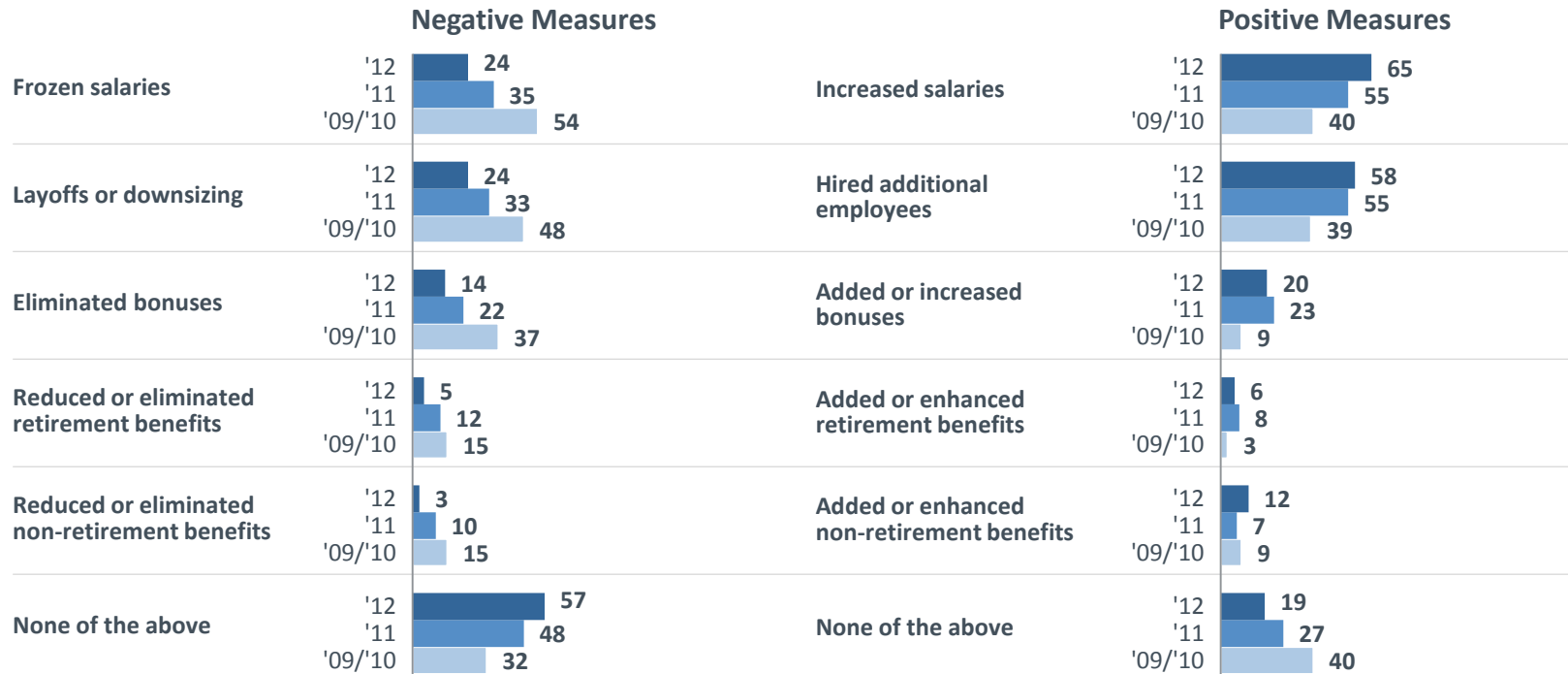
Q1400. In the next 12 months, do you expect the U.S. economy to:

Q1405. In the next 12 months, do you expect your company's financial situation to:



# Positive vs. Negative Measures in Last 12 Months

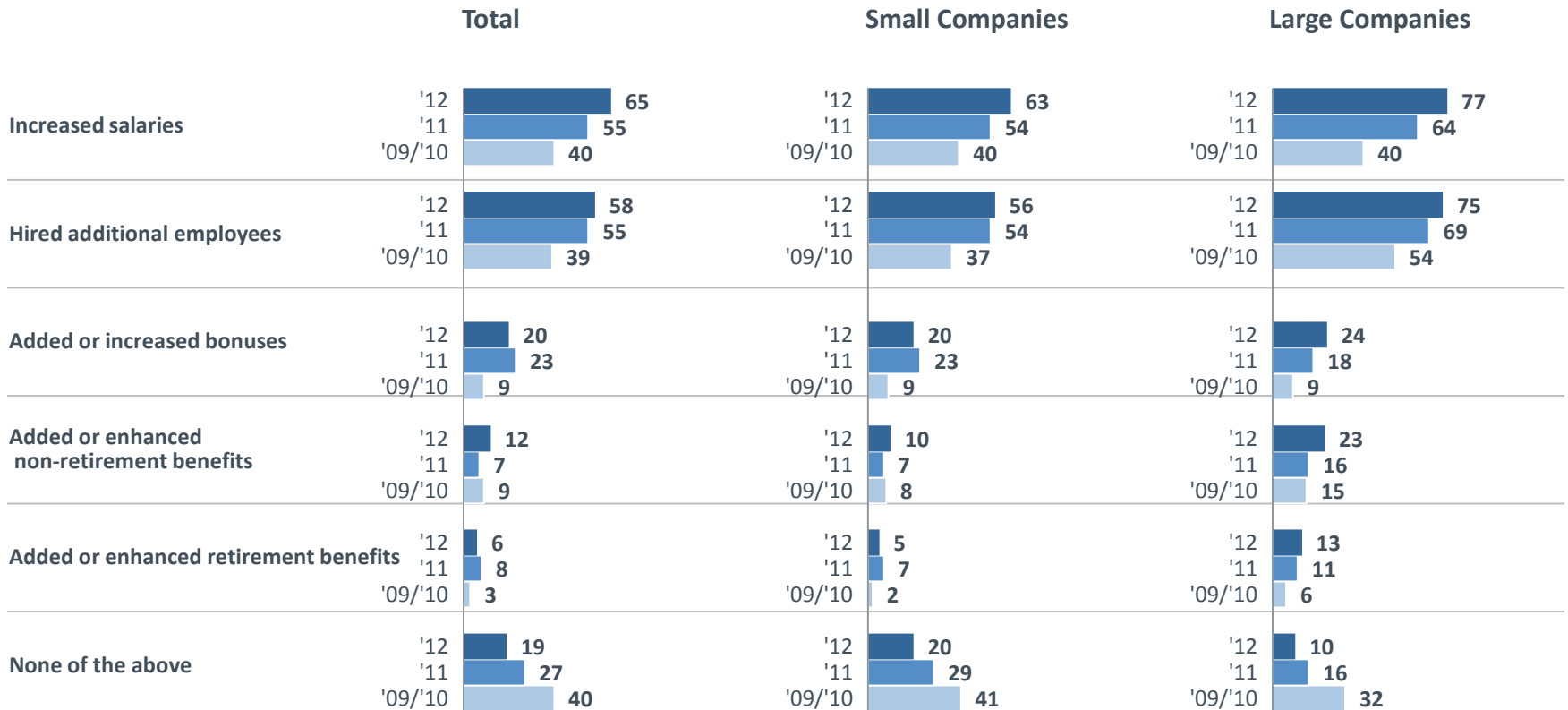
- In 2012, employers were more likely to implement positive changes for their employees versus negative cutbacks.



BASE: TOTAL RESPONDENTS; Total : '09/'10 (N=601), '11 (N=743), '12 (N=750)  
 Q1410. Has your company implemented any of the following measures in the last 12 months? Choose ALL that apply.  
 Q1411. Has your company implemented any of the following positive measures over the last 12 months?

# Positive Measures in Last 12 Months

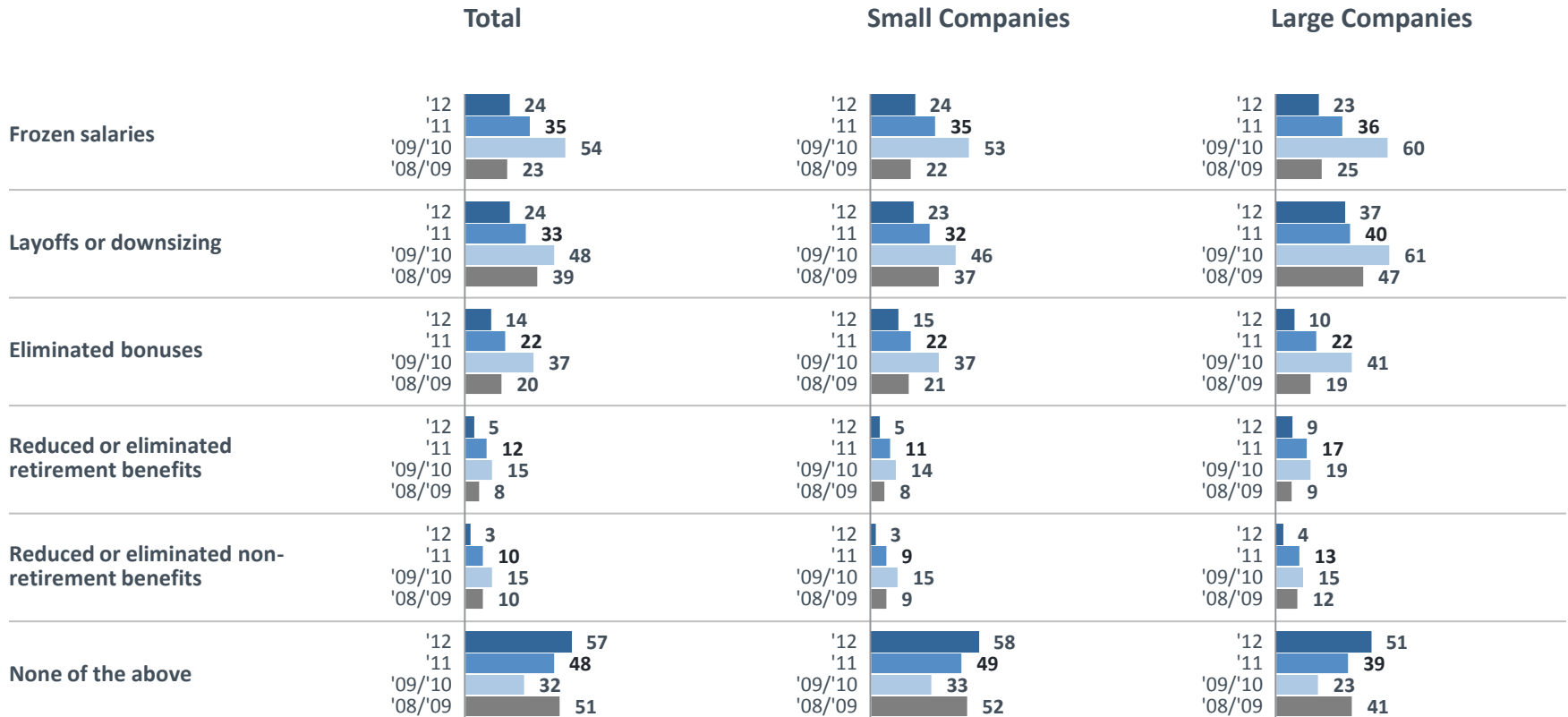
- Employers within both small and large companies continue to most frequently cite increases in salaries as a positive measure taken by their company in the past 12 months. More companies did so last year compared to prior years.



BASE: TOTAL RESPONDENTS: Total : '09/'10 (N=601), '11 (N=743), '12 (N=750); Small Companies: '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '09/'10 (N=301), '11 (N=299), '12 (N=300) Q1411. Has your company implemented any of the following positive measures over the last 12 months?

# Negative Measures in Last 12 Months

- The majority of companies, both small and large, said that they had not taken any negative measures in the past 12 months.
- However, large companies continue to implement more layoffs/downsizing than small companies as the economy continues its slow recovery.



BASE: TOTAL RESPONDENTS; Total : '08/'09 (N=596), '09/'10 (N=601), '11 (N=743), '12 (N=750); Small Companies: '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)  
 Q1410. Has your company implemented any of the following measures in the last 12 months? Choose ALL that apply.

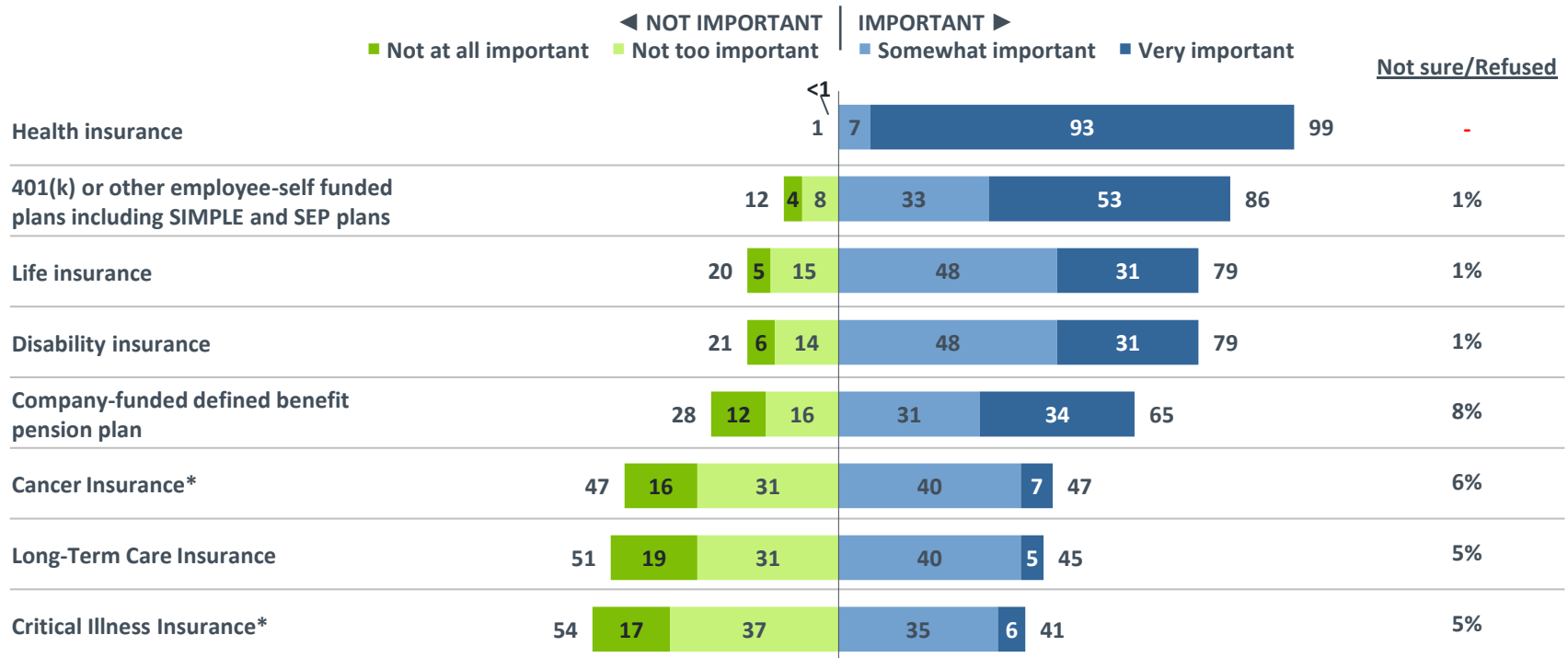


## Detailed Findings

- Economic Expectations and Business Changes
- **Perceptions of the Relative Importance of Various Employee Benefits**
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

# Employee Benefits: Perceived Importance to Employers

- The vast majority of employers believe that 401(k)s and other employee-funded retirement plans are an important benefit to their employees.
- In addition, about two-thirds of employers feel their employees find defined benefit pension plans to be important with over one-third expressing that they are very important.



\*Note these choices were added in '12 Wave

BASE: TOTAL RESPONDENTS (N=750)

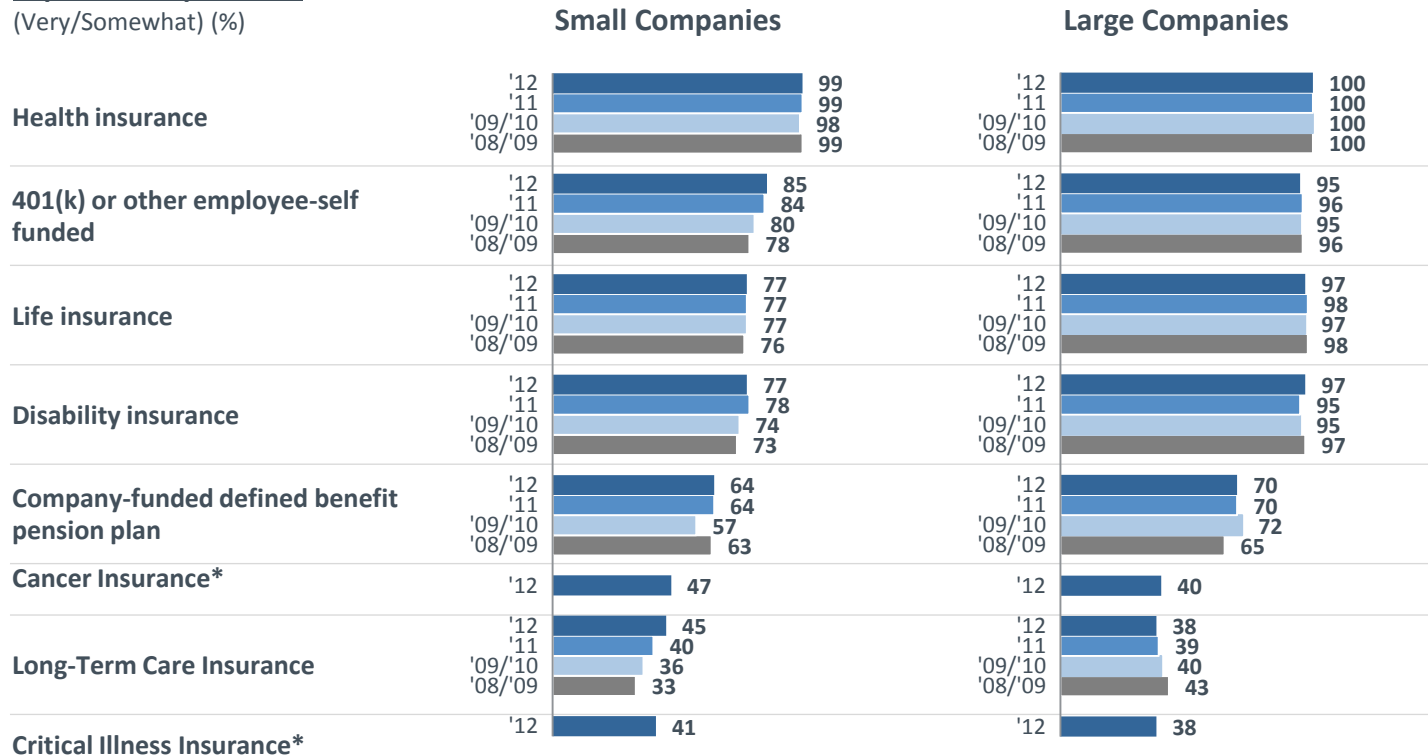
Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance

- Retirement plans, such as 401(k)s and pension plans, continue to be viewed by employers as important for their employees in both small and large companies.
- Employers in large companies continue to find employee-self funded retirement plans, life insurance, and disability insurance as more important to their employees than do small companies.

## Top 2 Box Importance

(Very/Somewhat) (%)

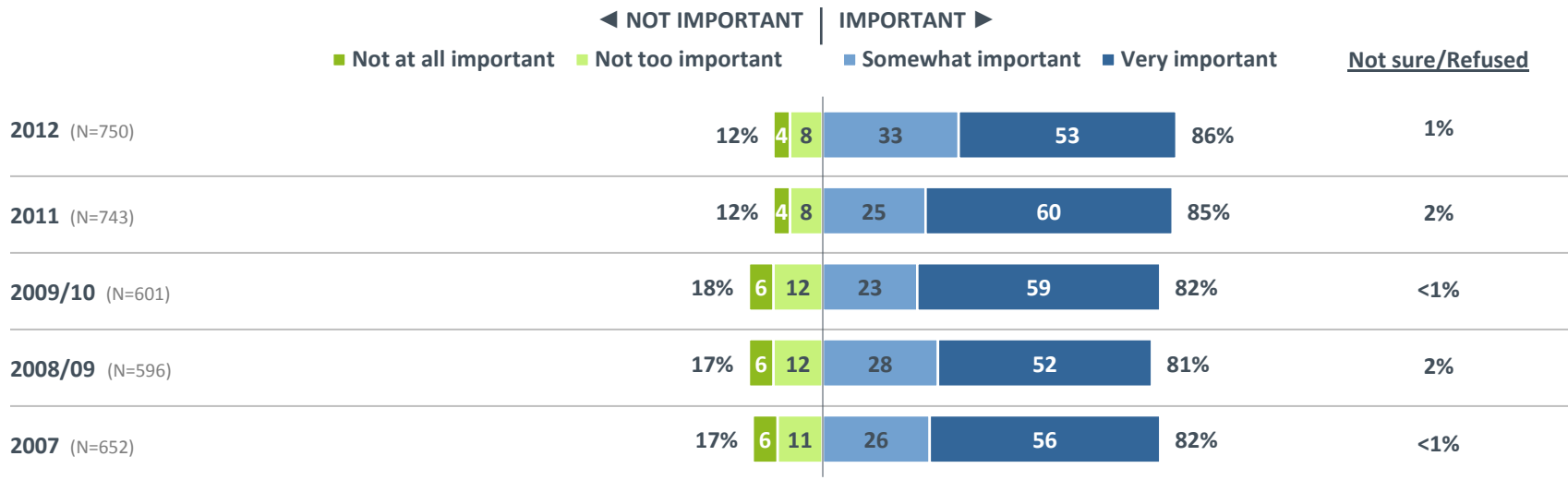


\*Note these choices were added in '12 Wave

BASE: TOTAL RESPONDENTS; Small Companies: '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300) Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance of 401(k) or Other Employee Self-Funded Plans

- Over the years, employers consistently report that they believe their employees view 401(k) or similar plans as an important benefit.

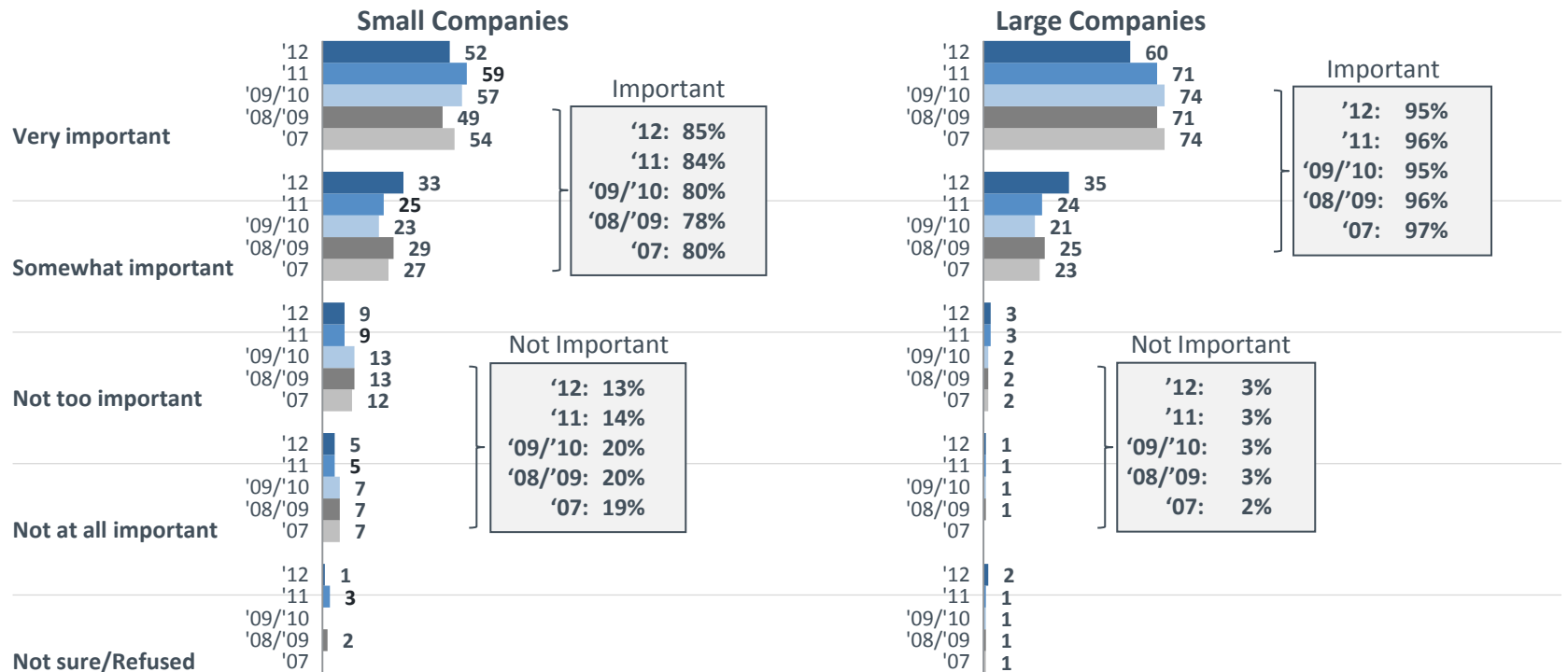


BASE: TOTAL RESPONDENTS

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance of 401(k) or Other Employee Self-Funded Plans

- This year's survey found that there is a slight decrease in employers thinking that 401(k)s or similar plans are "very important" to their employees, among both large and small companies.



BASE: TOTAL RESPONDENTS: Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

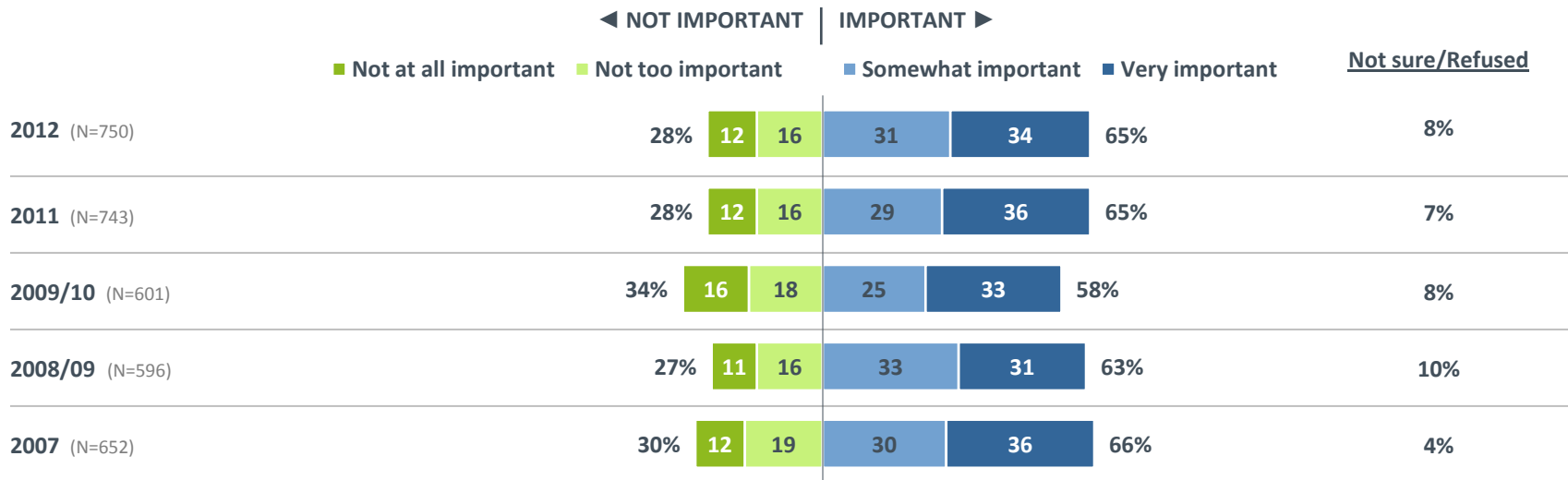
Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?



# Employee Benefits: Importance of Company-funded Defined Benefit Pension Plan

- Employers continue to view defined benefit pension plans as important to their employees. However, the response rate is lower than those who view 401(k) or similar plans as an important benefit.

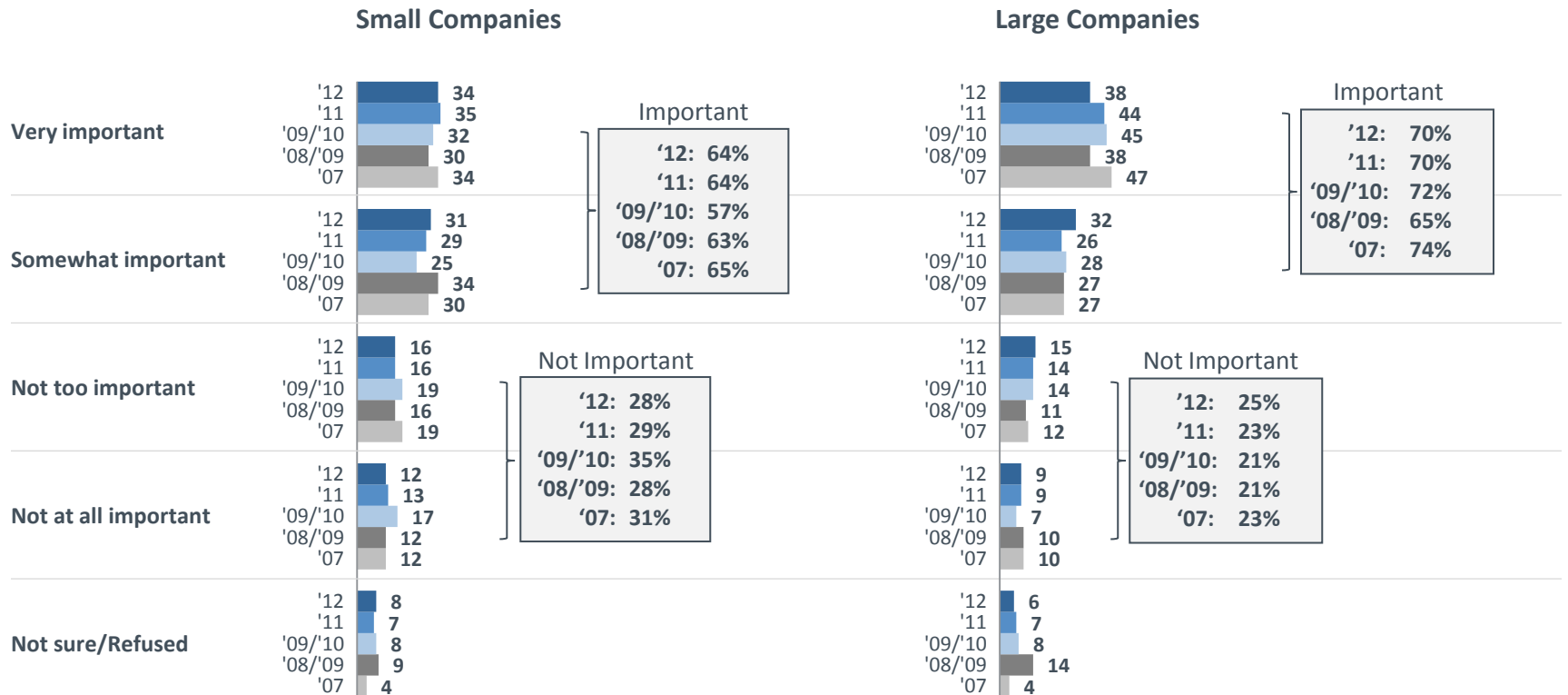


BASE: TOTAL RESPONDENTS

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance of Company-funded Defined Benefit Pension Plan

- The importance of defined benefit plans is similar regardless of company size.



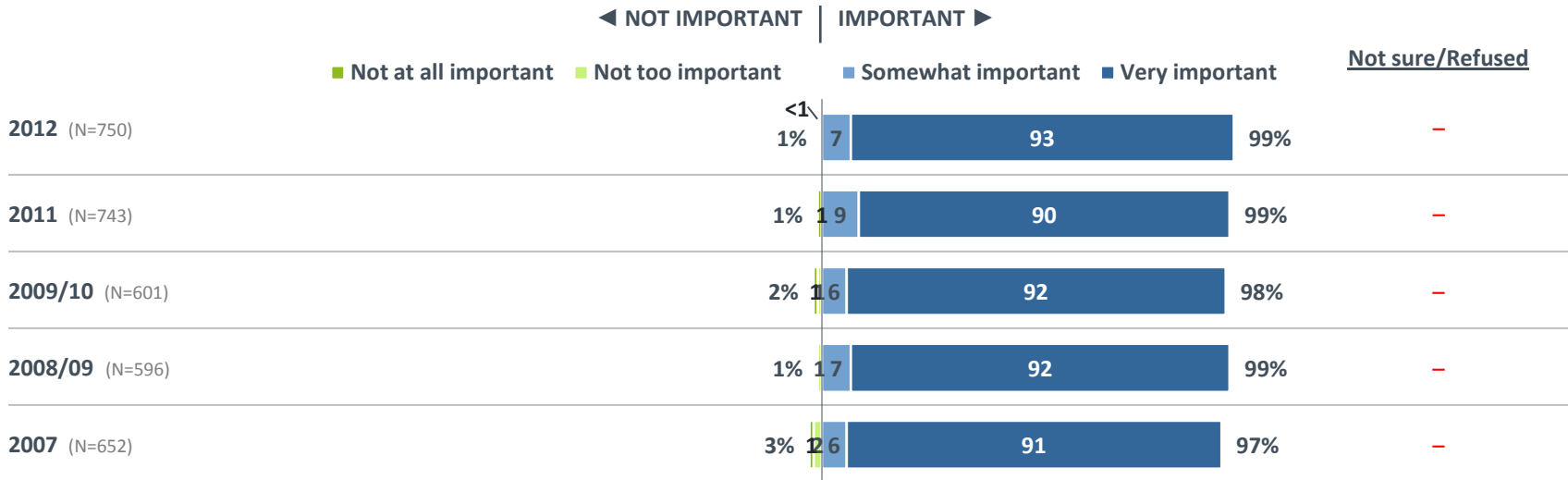
BASE: TOTAL RESPONDENTS: Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance of Health Insurance

- Overwhelmingly, employers continue to view health insurance as the most important benefit to their employees. Over nine in ten say it's "very important."

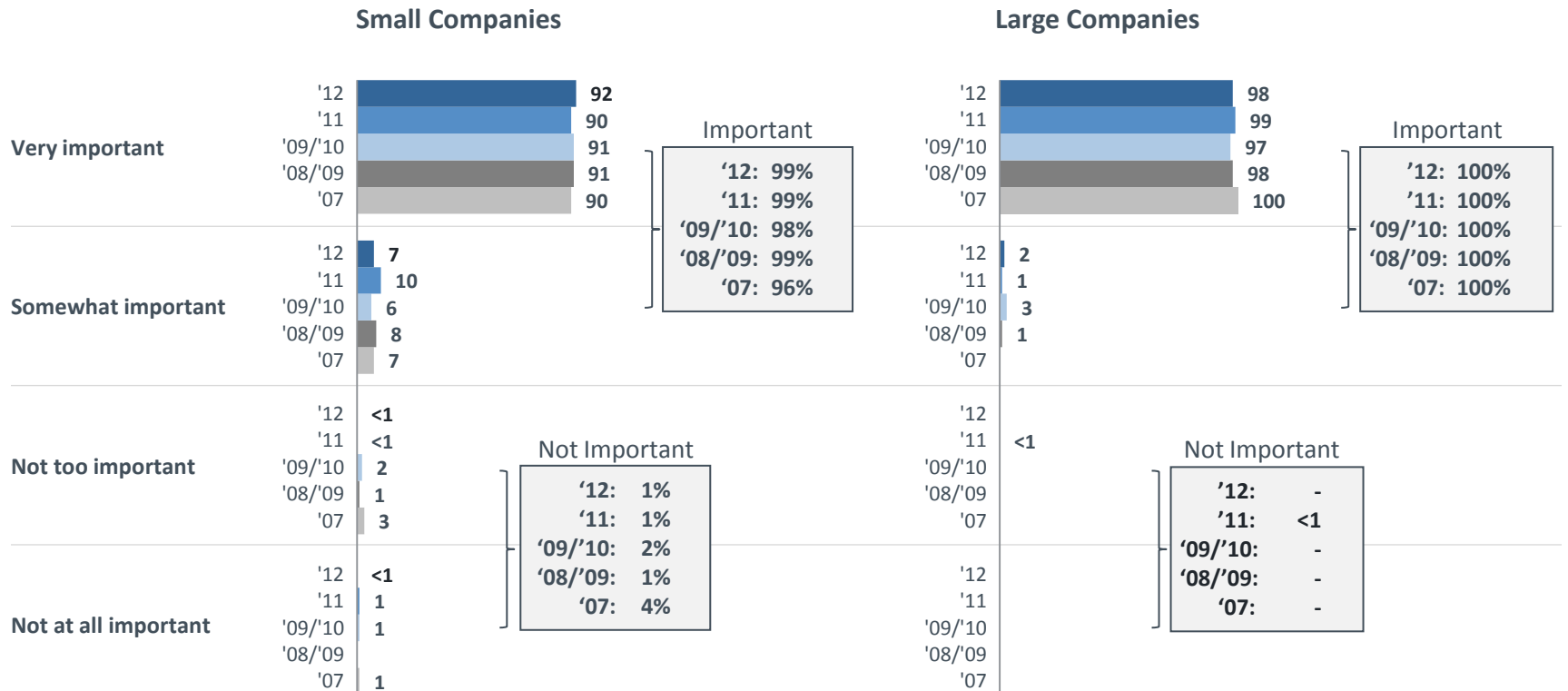


BASE: TOTAL RESPONDENTS

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

# Employee Benefits: Importance of Health Insurance

- Employers in small and large companies have similar views on the importance of health insurance to their employees.



BASE: TOTAL RESPONDENTS: Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q520. Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

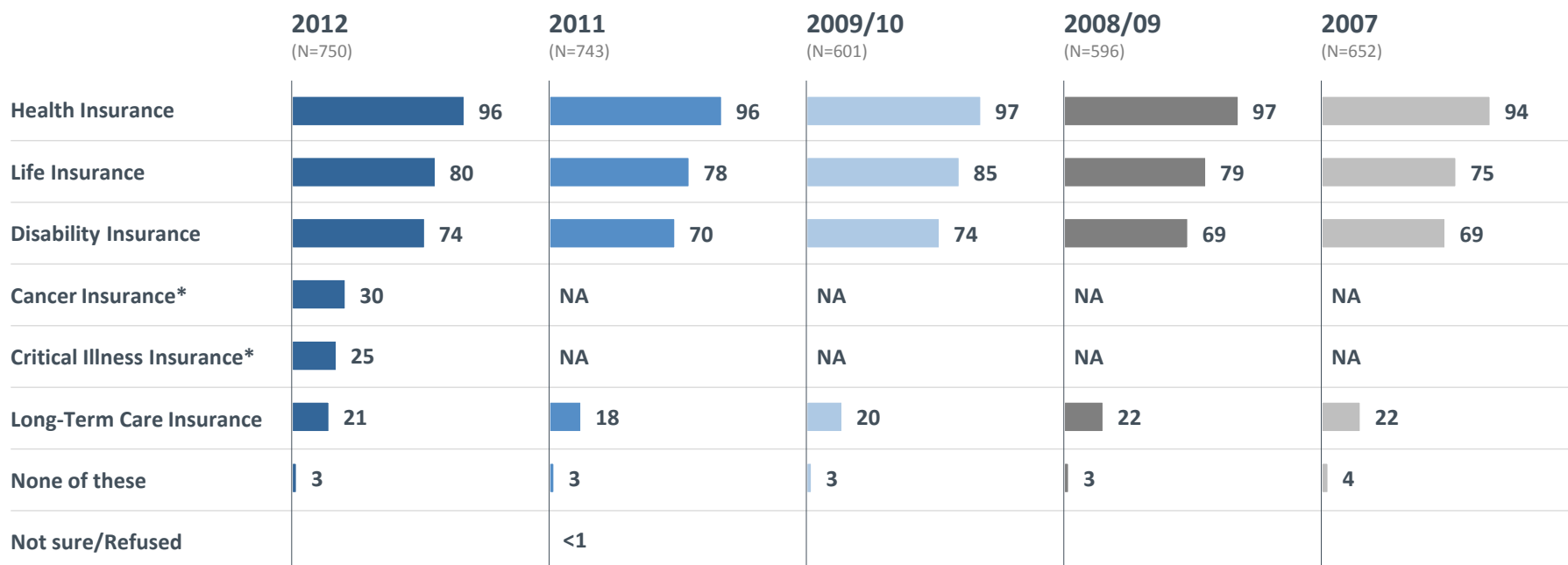


## Detailed Findings

- Economic Expectations and Business Changes
- Perceptions of the Relative Importance of Various Employee Benefits
- **Benefit Offerings, including Retirement Benefits**
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

# Benefit Offerings: Health and Welfare Benefits

- Health, life and disability insurance continue to be the most frequently offered benefits.



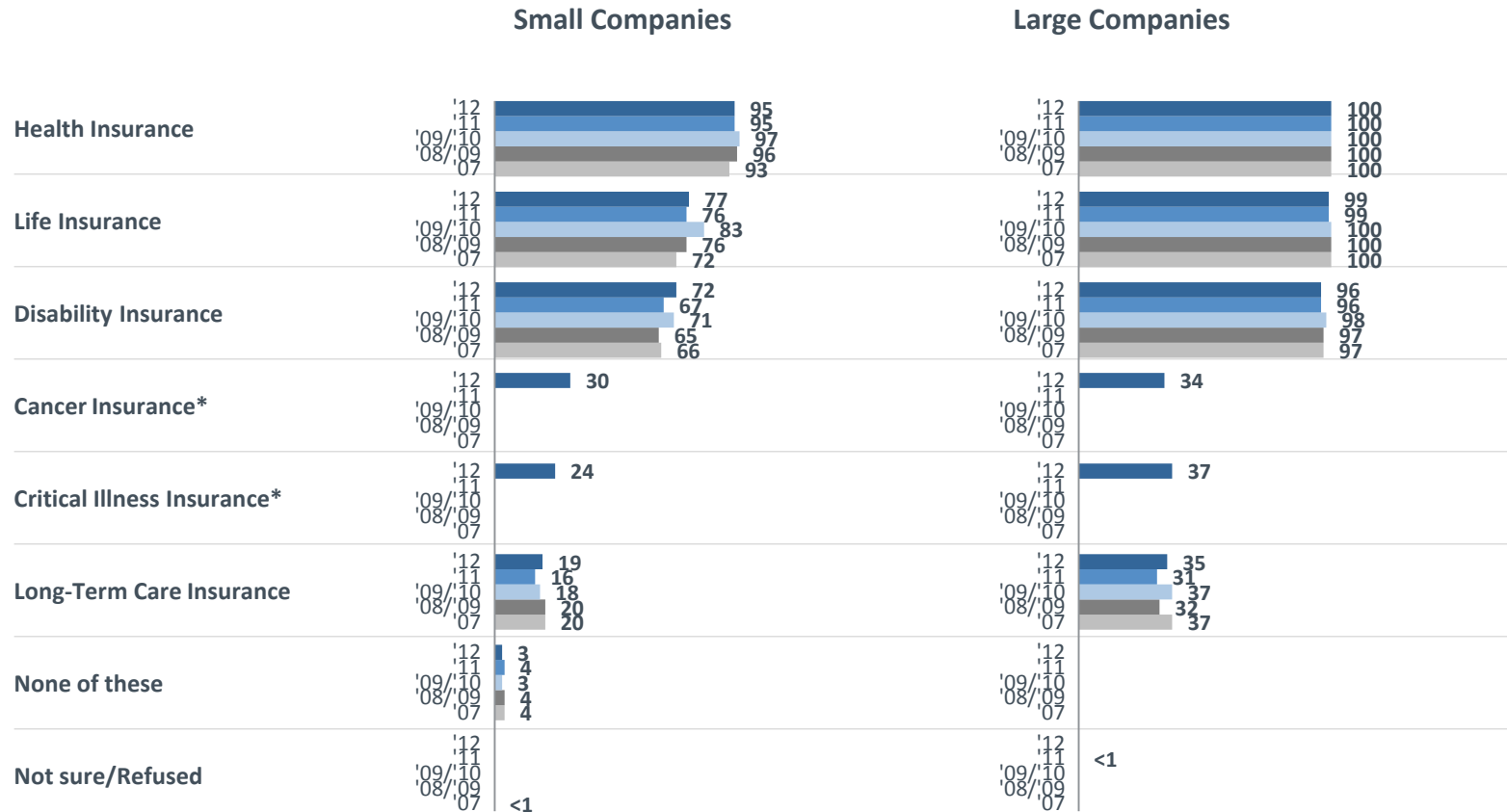
\*Note these choices were added in '12 Wave

BASE: TOTAL RESPONDENTS

Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does your company currently offer...? CHOOSE ALL THAT APPLY.

# Benefit Offerings: Health and Welfare Benefits

- Large companies are more likely than small companies to offer life, disability, critical illness, and long-term care insurance to their employees.



\*Note these choices were added in '12 Wave

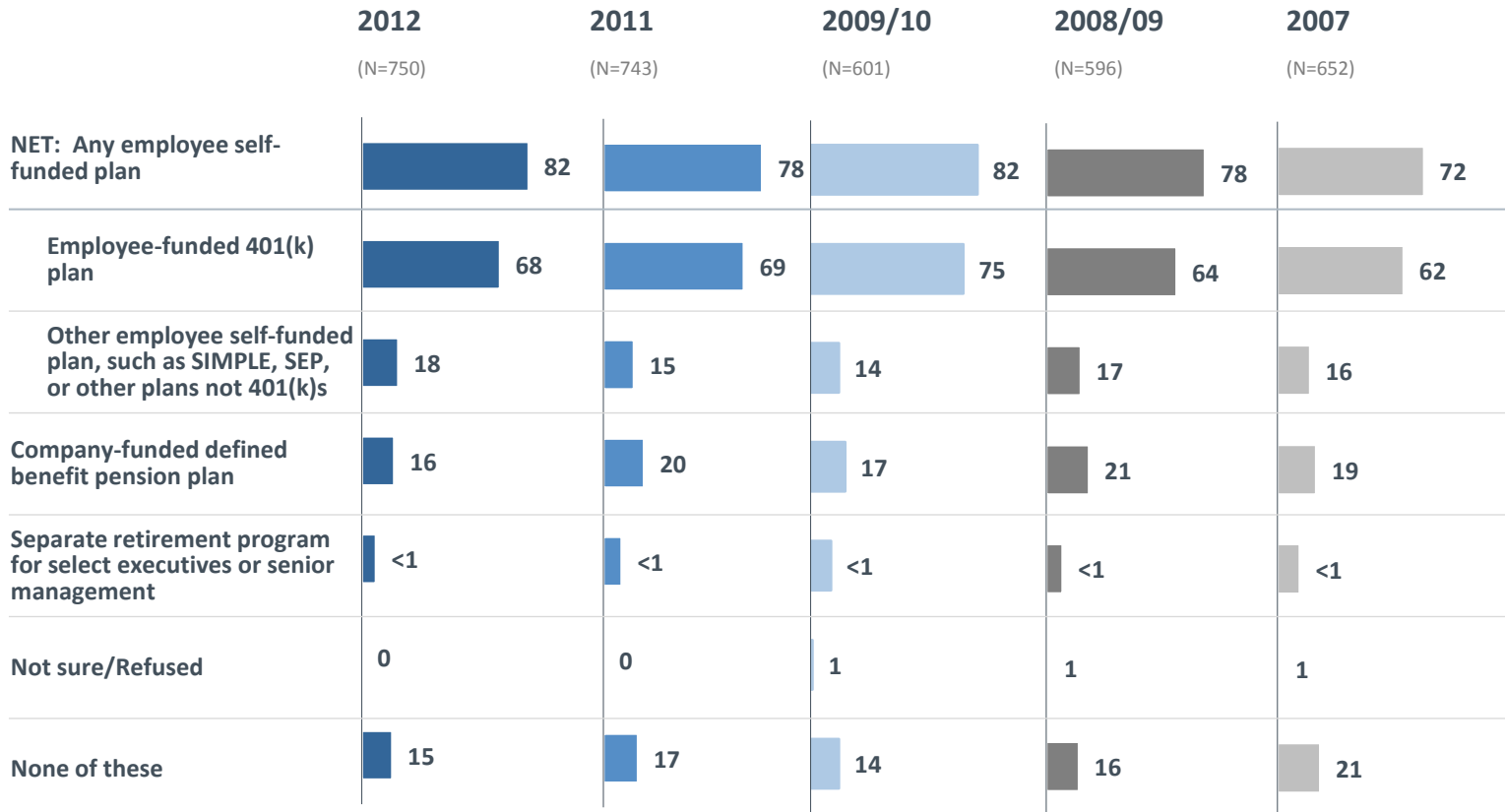
BASE: TOTAL RESPONDENTS: **Small Companies:** '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

**Large Companies:** '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does your company currently offer...? CHOOSE ALL THAT APPLY.

# Benefit Offerings: Retirement Plans

- 401(k) plans continue to be the most prevalent form of retirement benefits offered by employers to their employees.



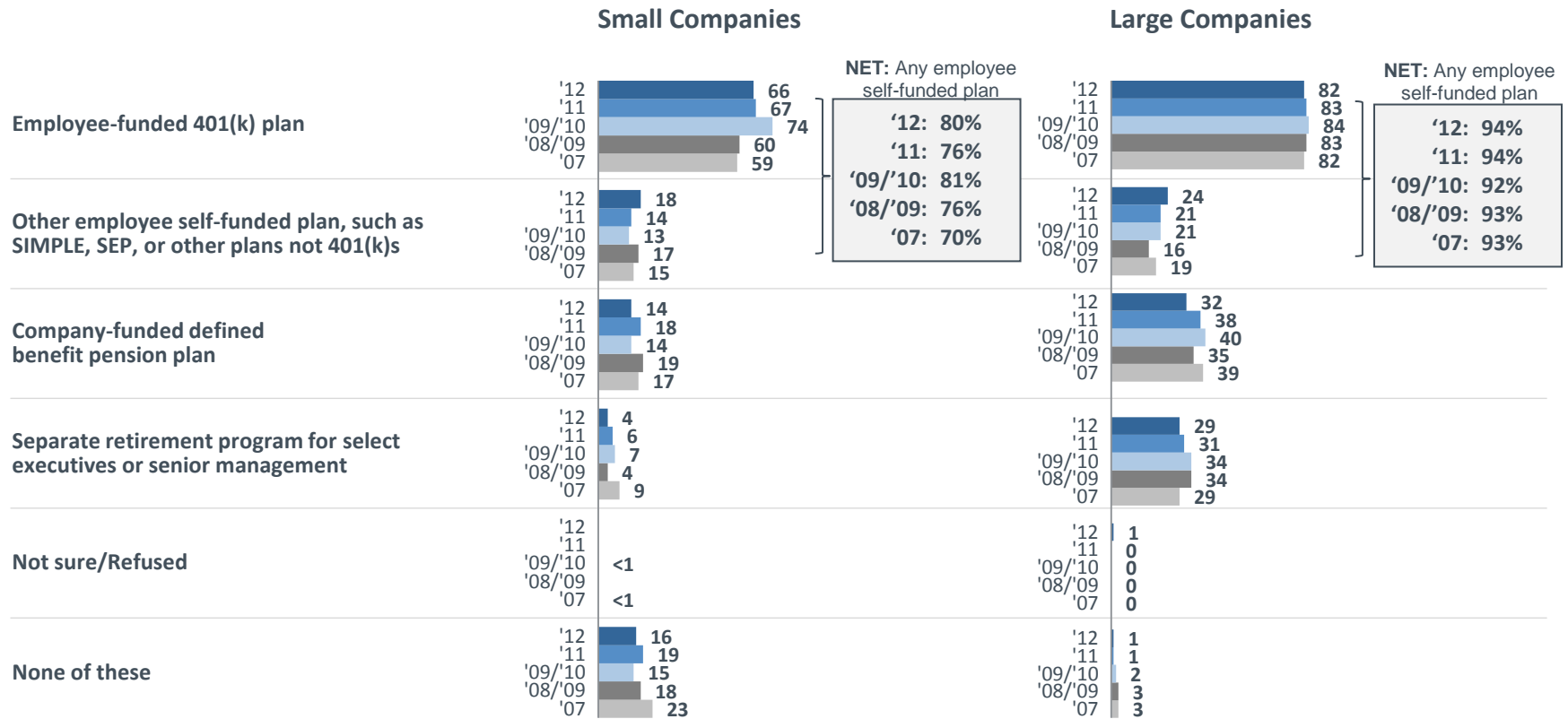
BASE: TOTAL RESPONDENTS

Q530. Which of the following retirement benefits does your company offer? CHOOSE ALL THAT APPLY.



# Benefit Offerings: Retirement Plans

- The decrease in offering of 401(k) plans since 2009/10 is attributable to small companies.

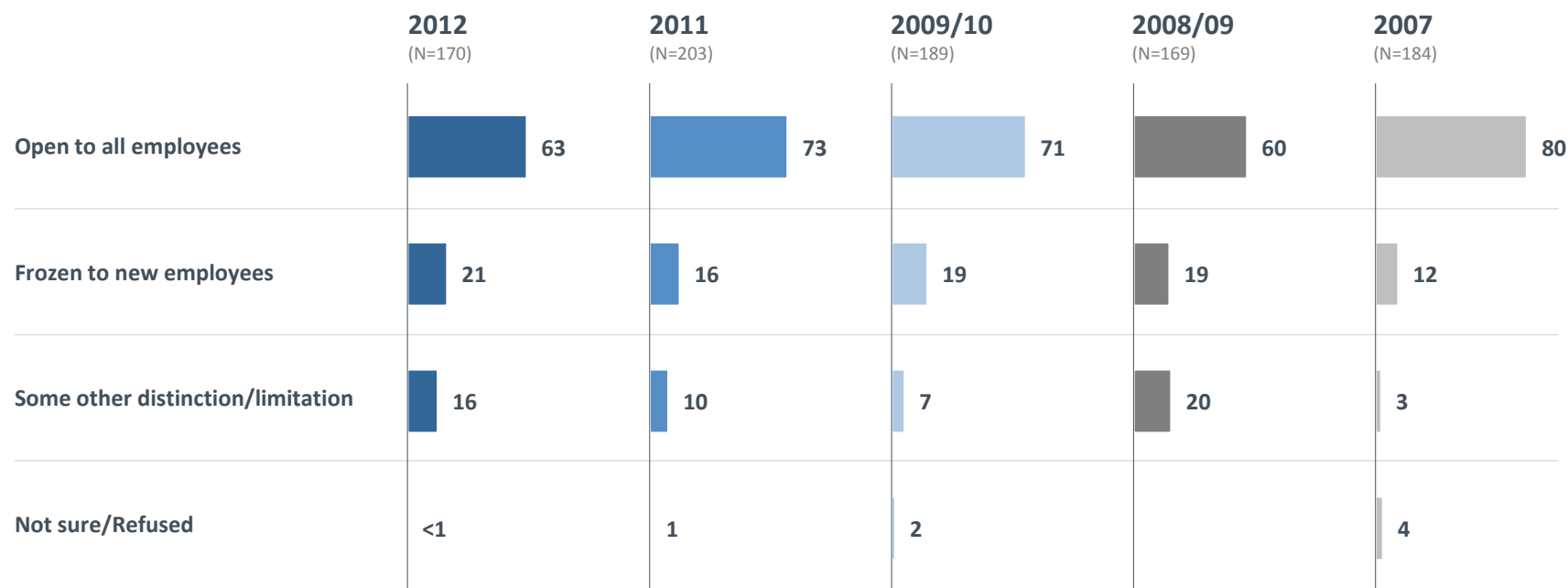


BASE: TOTAL RESPONDENTS BASE: Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q530. Which of the following retirement benefits does your company offer? CHOOSE ALL THAT APPLY.

## Benefit Offerings: Defined Benefit Plans

- Most employers who offer defined benefit pension plans offer the plan to all employees.
- However, the proportion of employers who offer their defined benefit plan to all employees decreased since last year and is down dramatically since 2007.

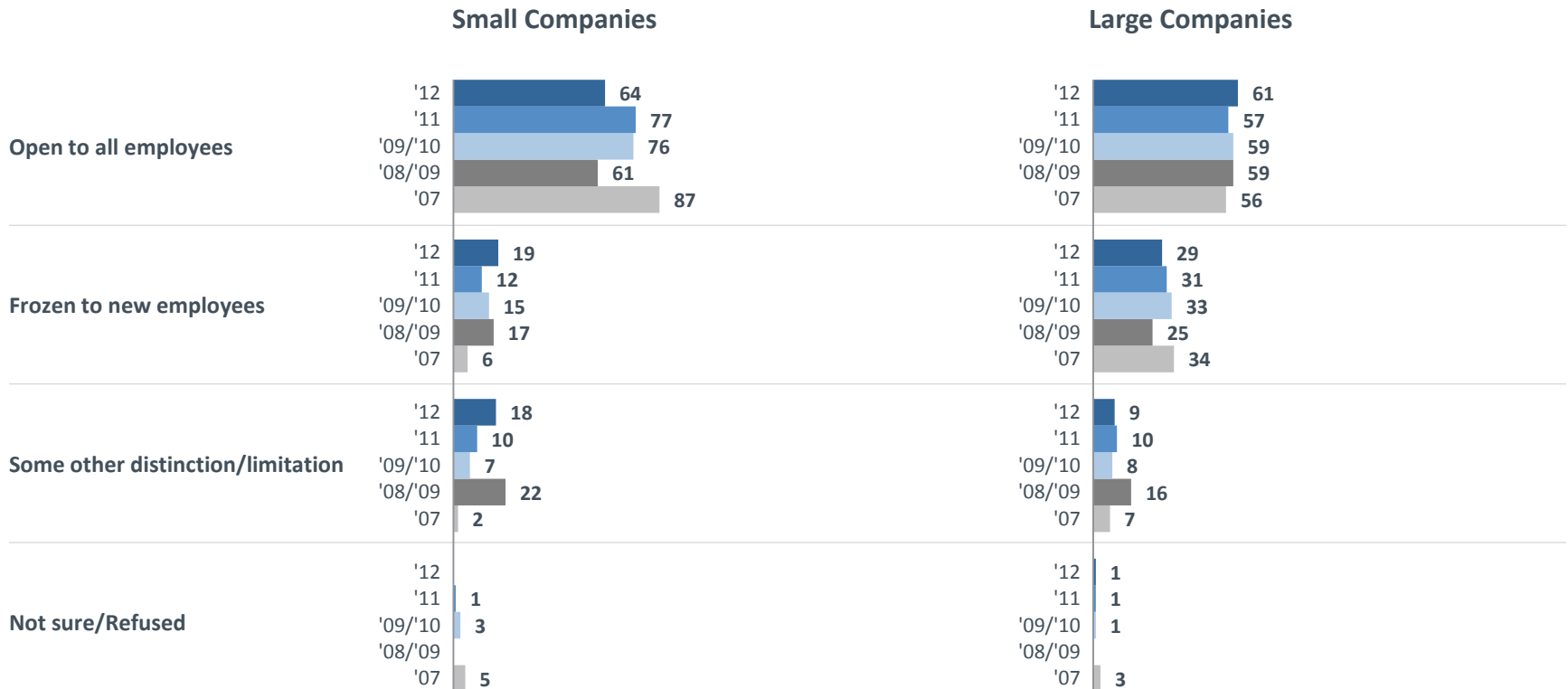


BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN

Q1010. Is your company-funded defined benefit pension plan open to all employees, or frozen to new employees?

# Benefit Offerings: Defined Benefit Plans

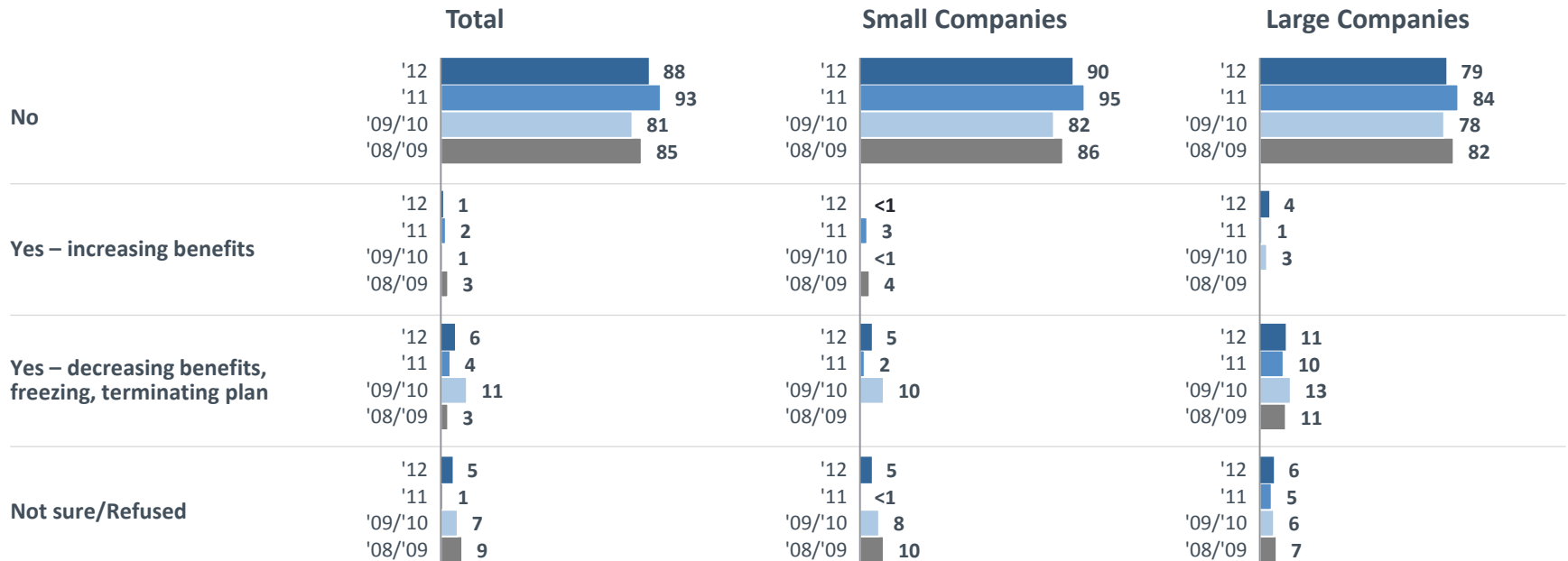
- Companies of all sizes that offer defined benefit plans are likely to offer their pension plans to all employees.
- Compared to last year, the percentage of small companies that have some limitations to their pension plans, including freezing it for new employees, has increased.



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN: **Small Companies:** '07 (N= 74), '08/'09 (N=64), '09/'10 (N=67), '11 (N=89), '12 (N=74); **Large Companies:** '07 (N=110), '08/'09 (N=105), '09/'10 (N=122), '11 (N=114), '12 (N=96)  
 Q1010. Is your company-funded defined benefit pension plan open to all employees, or frozen to new employees?

# Benefit Offerings: Defined Benefit Plans - Changes in Next 12 Mos

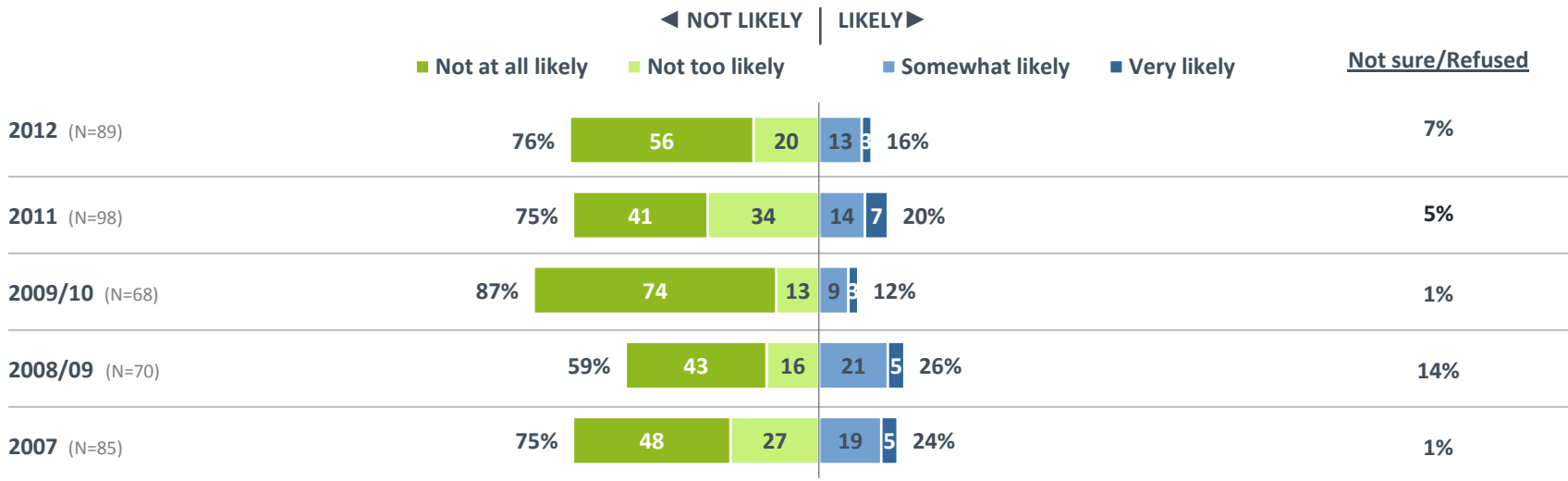
- For the most part, employers regardless of company size, do not anticipate making any changes to their defined benefit pension plans in the next year.



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN: Total: '08/'09 (N=169), '09/'10 (N=189), '11 (N=203), '12 (N=170); Small Companies: '08/'09 (N=64), '09/'10 (N=67), '11 (N=89), '12 (N=74); Large Companies: '08/'09 (N=105), '09/'10 (N=122), '11 (N=114), '12 (N=96) Q1425. Is your company considering changes to its company-funded defined benefit pension plan in the next twelve months?

# Benefit Offerings: Likelihood of Offering an Employee-funded Retirement Plan

- Among employers who do not currently offer employee-funded plans, the likelihood of offering one in the next two years is still low and has yet to return to pre-Great Recession levels.

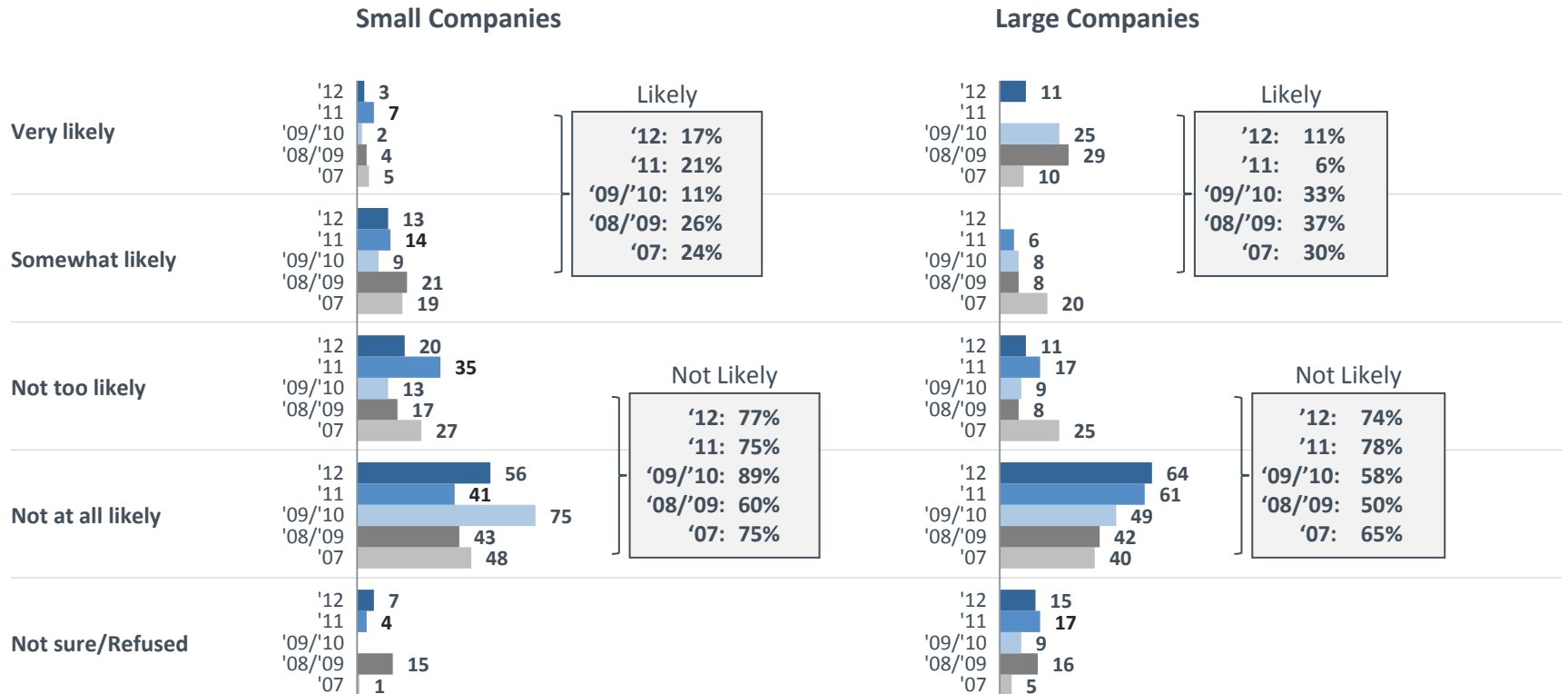


BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN

Q600. How likely is your company to begin offering an employee-funded retirement plan package like a 401(k) to its employees in the next two years? Would you say very likely, somewhat likely, not too likely, or not at all likely?

# Benefit Offerings: Likelihood of Offering an Employee-funded Retirement Plan

- Employers in both small and large companies who do not offer self-funded retirement plans are similarly not likely to begin offering one in the next two years.



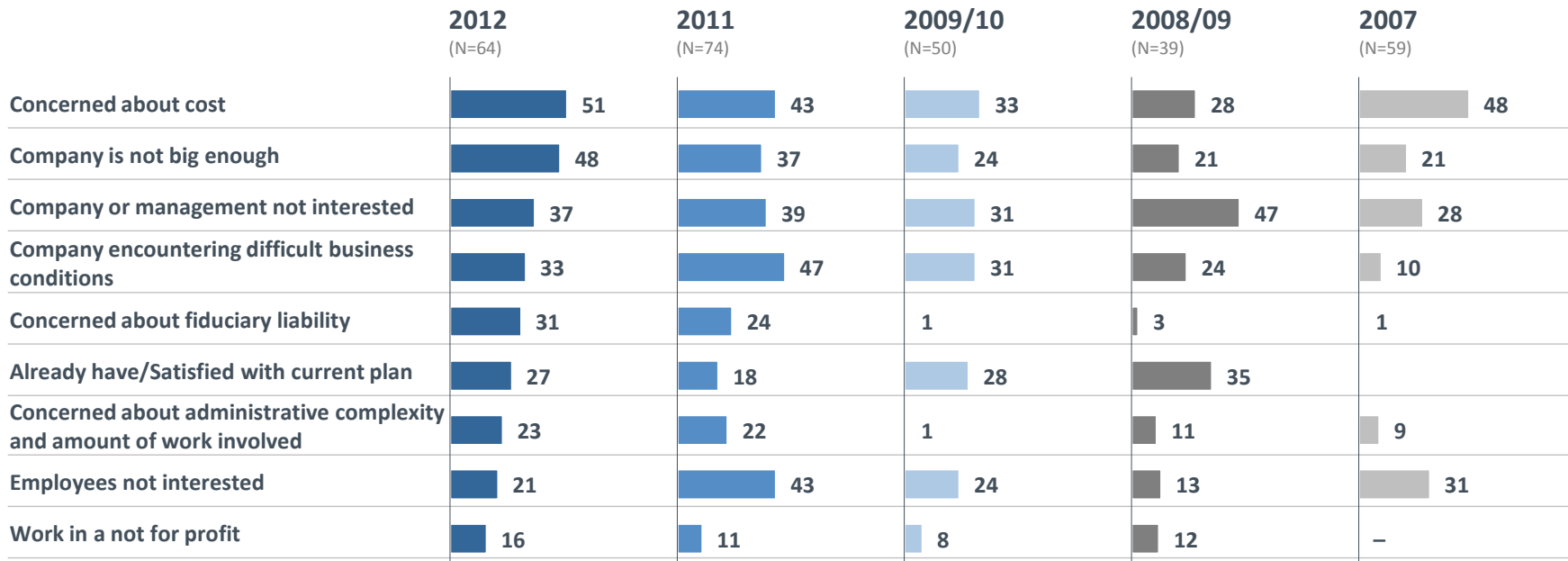
\*Small base size

BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN: **Small Companies:** '07 (N= 65\*), '08/'09 (N=48\*), '09/'10 (N=44\*), '11 (N=80\*), '12 (N=70\*); **Large Companies:** '07 (N=20\*), '08/'09 (N=22\*), '09/'10 (N=24\*), '11 (N=18\*), '12 (N=19\*)

Q600. How likely is your company to begin offering an employee-funded retirement plan package like a 401(k) to its employees in the next two years? Would you say very likely, somewhat likely, not too likely, or not at all likely?

# Benefit Offerings: Reasons Not Likely to Offer Employee-funded Plan

- Cost concerns and the feeling their company is too small are the primary reasons employers give for not offering an employee-funded plan in the next two years.
- Difficult business conditions have become less of a deterrent.



\*responses less than 5% are not shown

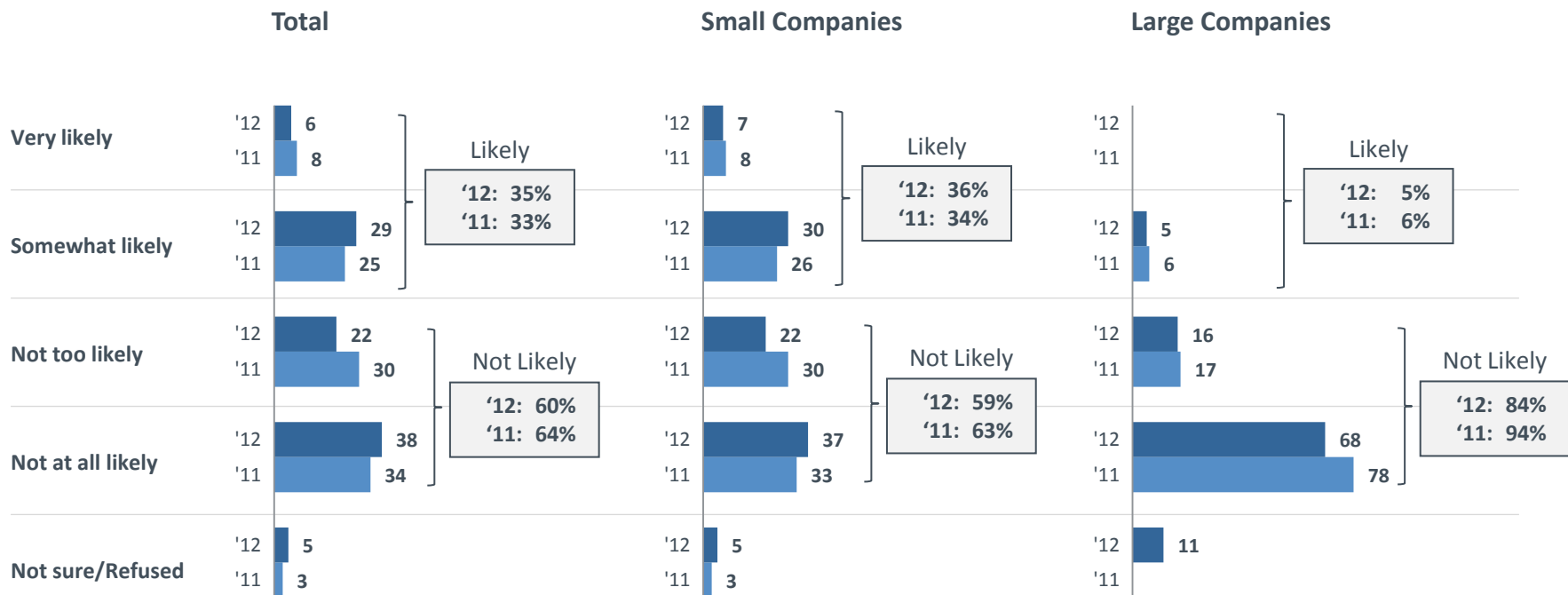
BASE: NOT LIKELY TO OFFER 401(k) IN NEXT 2 YEARS

Q610. Why is your company not likely to offer a plan in the next two years? CHOOSE ALL THAT APPLY.

# Benefit Offerings: Likelihood of Considering a MEP

- Many small companies that do not offer a 401(k) plan would be likely to consider joining a Multiple Employer Plan.

Among Employers Who Do Not Offer 401(k) or Other Self-Funded Plan



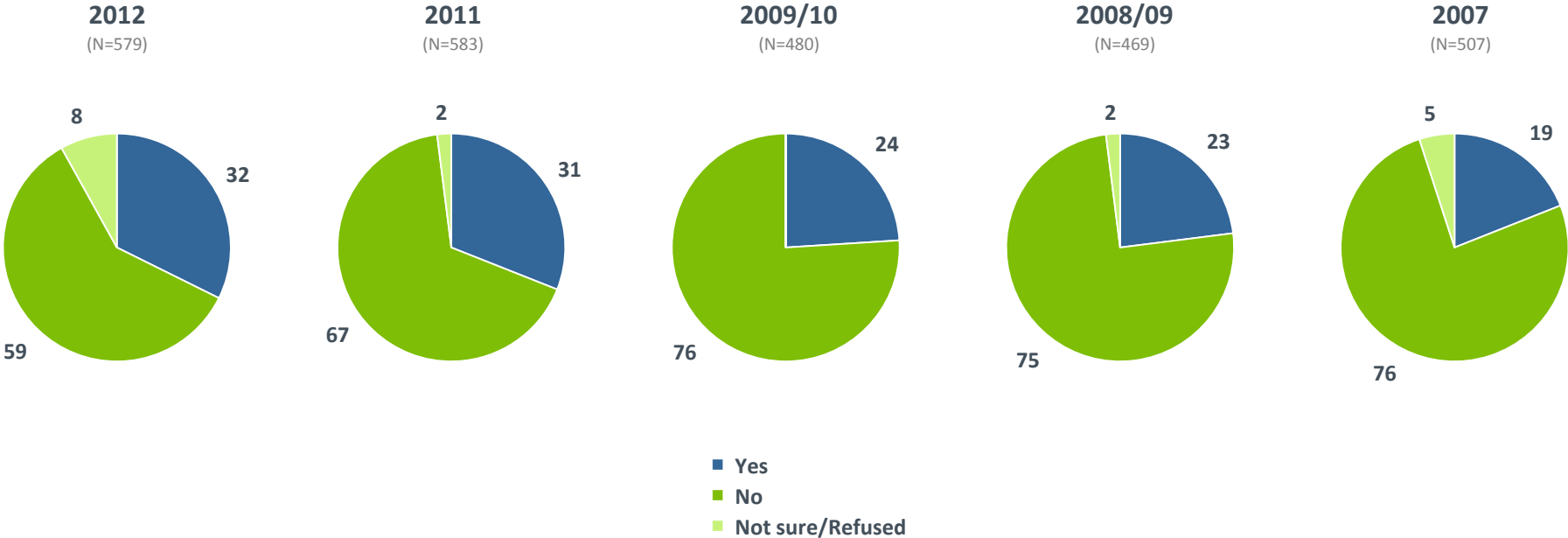
NOTE: In '12, this question was expanded to be asked of all respondents

Base: Does Not Offer 401(k) Nor Other Self Funded Plan; Total: '11 (N=98), '12 (N=89); Small Companies: '11 (N=80), '12 (N=70); Large Companies: '11 (N=18\*), '12 (N=19\*) Q1605. As an alternative to establishing a stand-alone 401(k) plan, if your company had the ability to join a multiple employer plan which is offered by a reputable vendor who handles many of the fiduciary and administrative duties and at a reasonable cost, how likely would you be to consider it?



# Benefit Offerings: Adoption of Roth 401(k) Option

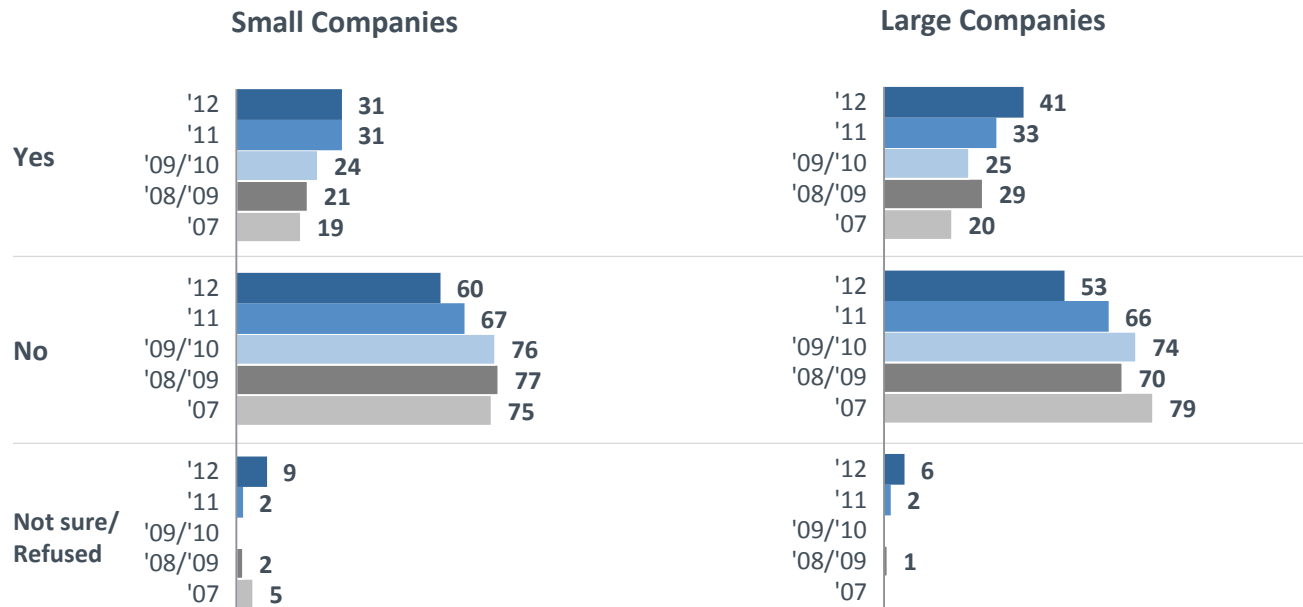
- Adoption of the Roth 401(k) option remains at 2011 levels with nearly one-third of employers offering it.



BASE: OFFERS 401(k) PLAN  
 Q540. Has your company adopted the Roth 401(k) option?

# Benefit Offerings: Adoption of Roth 401(k) Option

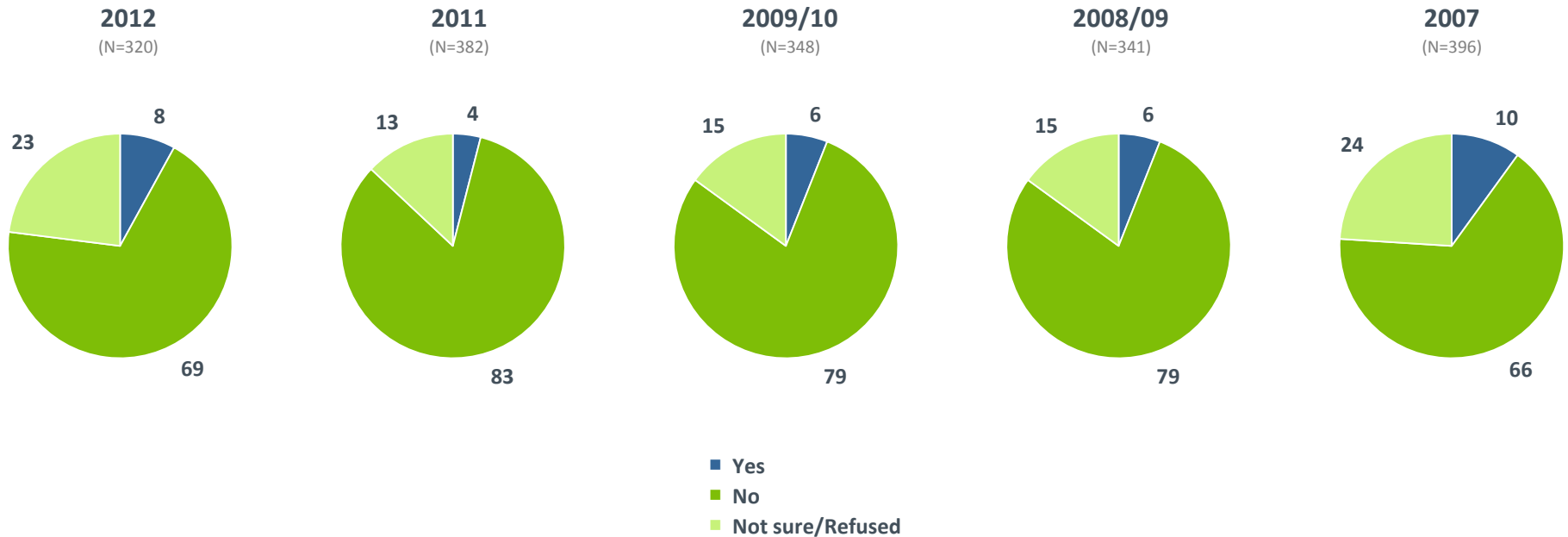
- Large companies are somewhat more likely than small companies to have adopted the Roth 401(k) option.



BASE: OFFERS 401(k) PLAN; **Small Companies:** '07 (N=275), '08/'09 (N=220), '09/'10 (N=226), '11 (N=336), '12 (N=333);  
**Large Companies:** '07 (N=232), '08/'09 (N=249), '09/'10 (N=254), '11 (N=247), '12 (N=246)  
 Q540. Has your company adopted the Roth 401(k) option?

# Benefit Offerings: Future Adoption of Roth 401(k) Option

- Of those plan sponsors that do not offer the Roth 401(k) option, few plan to do so in the future.

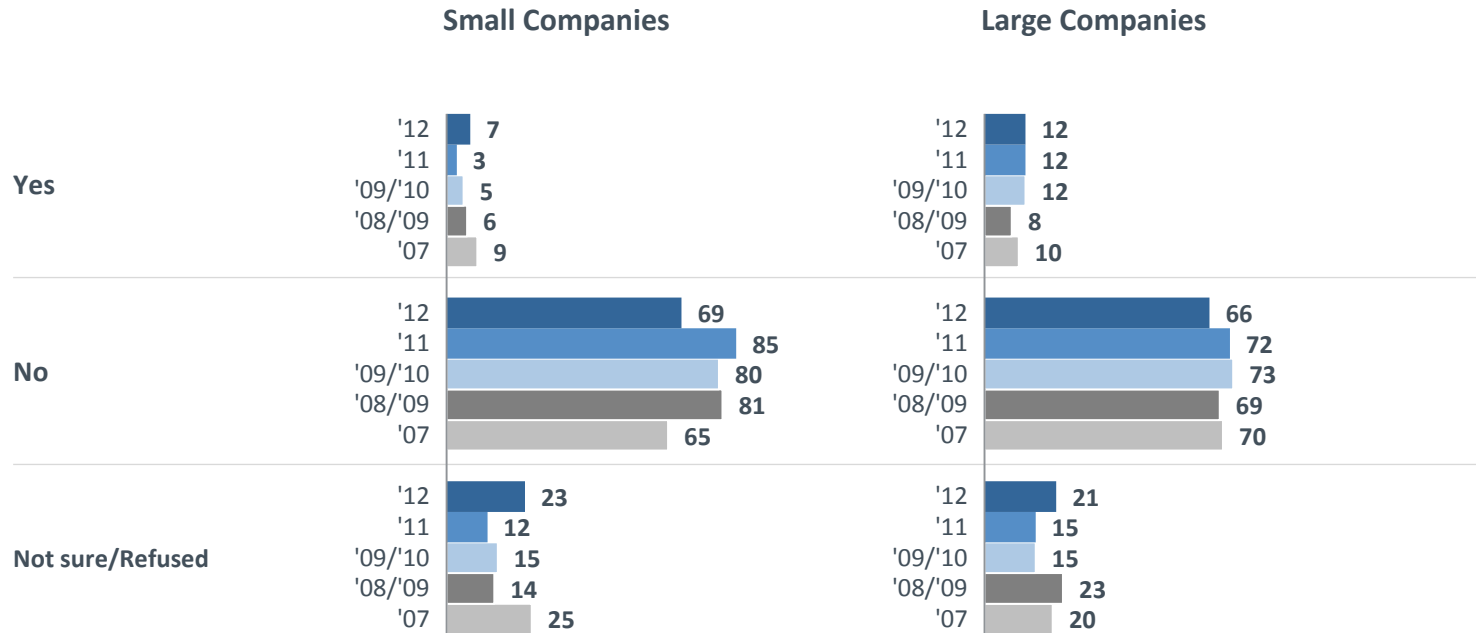


BASE: DOES NOT OFFER ROTH 401(k) PLAN

Q550. Does your company plan to adopt a Roth 401(k) option in the future?

# Benefit Offerings: Future Adoption of Roth 401(k) Option

- Few plan sponsors that do not offer a Roth 401(k) option plan to do so in the future. The sentiment is more prevalent among small companies than large companies.



BASE: DOES NOT OFFER ROTH 401(k) PLAN; **Small Companies:** '07 (N= 212), '08/'09 (N=168), '09/'10 (N=159), '11 (N=220), '12 (N=191);  
**Large Companies:** '07 (N=184), '08/'09 (N=173), '09/'10 (N=189), '11 (N=162), '12 (N=129)  
 Q550. Does your company plan to adopt a Roth 401(k) option in the future?

# Benefit Offerings: Reasons For Not Adopting Roth 401(k)

- Employers' perceptions of employee disinterest continues to be the most common reason given for not planning to adopt a Roth 401(k) option.
- Administrative complexity and unawareness of option are secondary deterrents.

	2012 (N=213)	2011 (N=300)	2009/10 (N=264)	2008/09 (N=255)	2007 (N=278)
Employees not interested	37	33	37	28	26
Concerned about administrative complexity	17	11	14	10	11
Unaware of Roth 401(k)s	11	4	9	12	10
Concerned about cost	9	12	7	10	13
Not interested/Satisfied with current plan	2	6	1	12	7
Need more information		3			2
Economy		2	2		
Not considered as an option yet	2	1	1	3	6
Non profit organization			2		
Concerned about sunset provision*			3		3
Tax concerns	2	1			
Do not need it, already have plan(s)	6	11	11	4	
Some other reason		6	5	7	9
Not sure	6	10	6	12	12

\*The Pension Protection Act eliminated the sunset provisions, however there may be a few companies who are unaware.

BASE: HAS NO PLANS TO OFFER ROTH 401(k) PLAN

Q560. What would you say is the main reason your company is not planning to adopt a Roth 401(k) in the future?

## Benefit Offerings: Reasons For Not Adopting Roth 401(k)

- Potential administrative complexities of a Roth 401(k) option continues to be a more prevalent concern for large companies, whereas unawareness of this option is more often cited by small companies.

	Small Companies					Large Companies				
	2012 (N=127)	2011 (N=183)	2009/10 (N=126)	2008/09 (N=135)	2007 (N=149)	2012 (N=86)	2011 (N=117)	2009/10 (N=138)	2008/09 (N=120)	2007 (N=129)
Employees not interested	37	34	39	28	27	33	29	22	28	23
Concerned about administrative complexity	17	9	13	8	8	24	24	25	21	27
Unaware of Roth 401(k)s	12	4	9	14	10	5	2	6	4	6
Concerned about cost	10	13	6	9	14	7	5	12	14	9
Not interested/Satisfied with current plan	2	7	1	12	7	1	5	2	9	7
Need more information	<1	3	-	-	2	1	-	-	-	-
Economy	-	2	2	-	-	-	-	-	-	-
Not considered as an option yet	2	1	1	3	7	1	2	2	2	1
Non profit organization	<1	-	2	-	-	-	1	-	-	-
Concerned about sunset provision*	-	-	3	<1	3	-	-	1	-	3
Tax concerns	2	1	-	-	-	2	-	1	-	-
Do not need it, already have plan(s)	6	11	12	4	-	7	7	9	3	-
Some other reason	-	6	5	7	9	-	2	6	10	13
Not sure	5	9	6	13	12	8	15	8	7	10

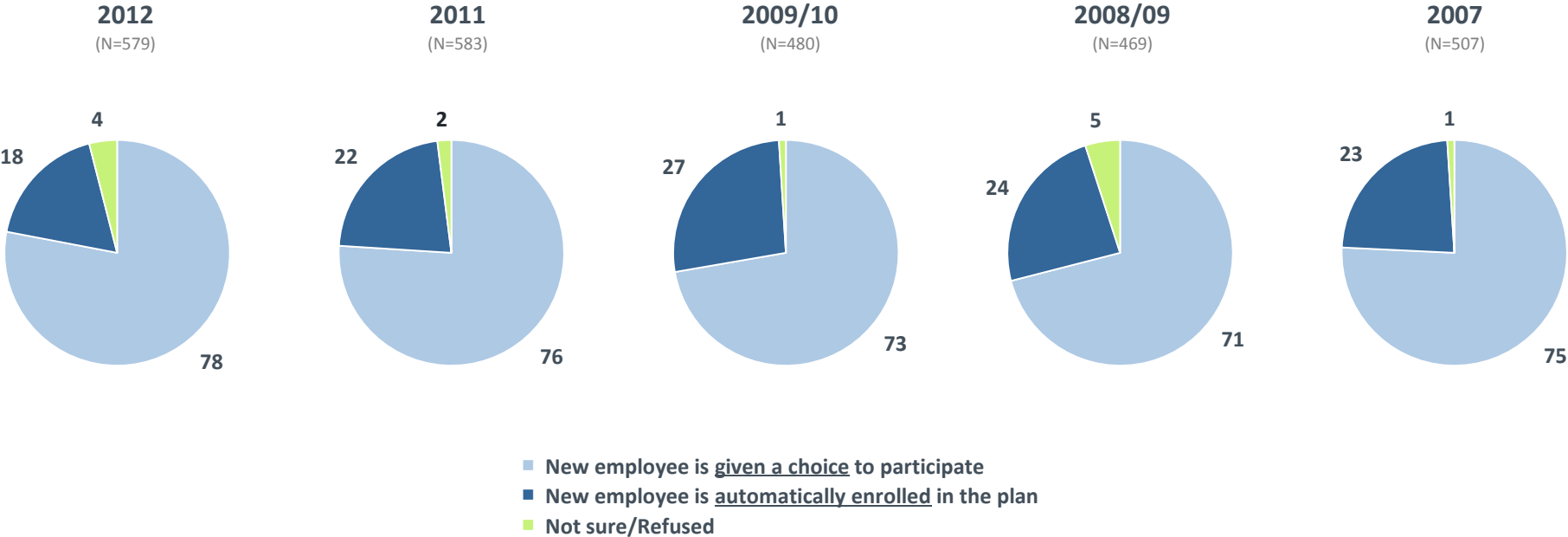
\*The Pension Protection Act eliminated the sunset provisions, however there may be a few companies who are unaware.

BASE: HAS NO PLANS TO OFFER ROTH 401(k) PLAN; **Small Companies:** '07 (N= 149), '08/'09 (N=135), '09/'10 (N=126), '11 (N=183), '12 (N=127); **Large Companies:** '07 (N=129), '08/'09 (N=120), '09/'10 (N=138), '11 (N=117), '12 (N=86)

Q560. What would you say is the main reason your company is not planning to adopt a Roth 401(k) in the future?

# Benefit Offerings: Automatic Enrollment in Retirement Plans

- The majority of companies that offer a 401(k) plan do not automatically enroll employees in the plan.

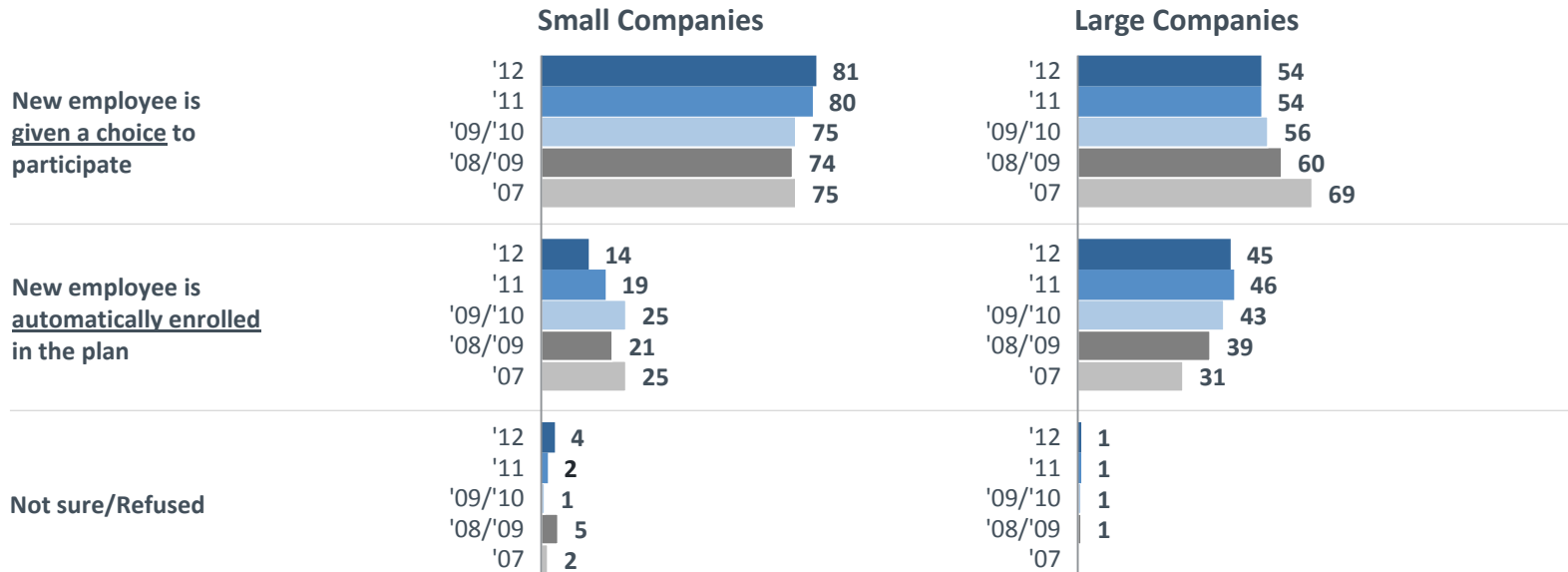


BASE: OFFERS 401(k) PLAN

Q1025. When a new employee qualifies to join the employee-funded 401(k) plan, are they (A) initially given a choice to participate or not participate in the plan, or (B) automatically enrolled in the plan with the choice to opt out at a later date?

# Benefit Offerings: Automatic Enrollment in Retirement Plans

- Large companies are much more likely to automatically enroll their employees in a 401(k) plan if offered than small companies.



BASE: OFFERS 401(k) PLAN; **Small Companies:** '07 (N= 275), '08/'09 (N=220), '09/'10 (N=226), '11 (N=336), '12 (N=333);

**Large Companies:** '07 (N=232), '08/'09 (N=249), '09/'10 (N=254), '11 (N=247), '12 (N=246)

Q1025. When a new employee qualifies to join the employee-funded 401(k) plan, are they (A) initially given a choice to participate or not participate in the plan, or (B) automatically enrolled in the plan with the choice to opt out at a later date?



# Benefit Offerings: Automatic Enrollment - Default Contribution Rates

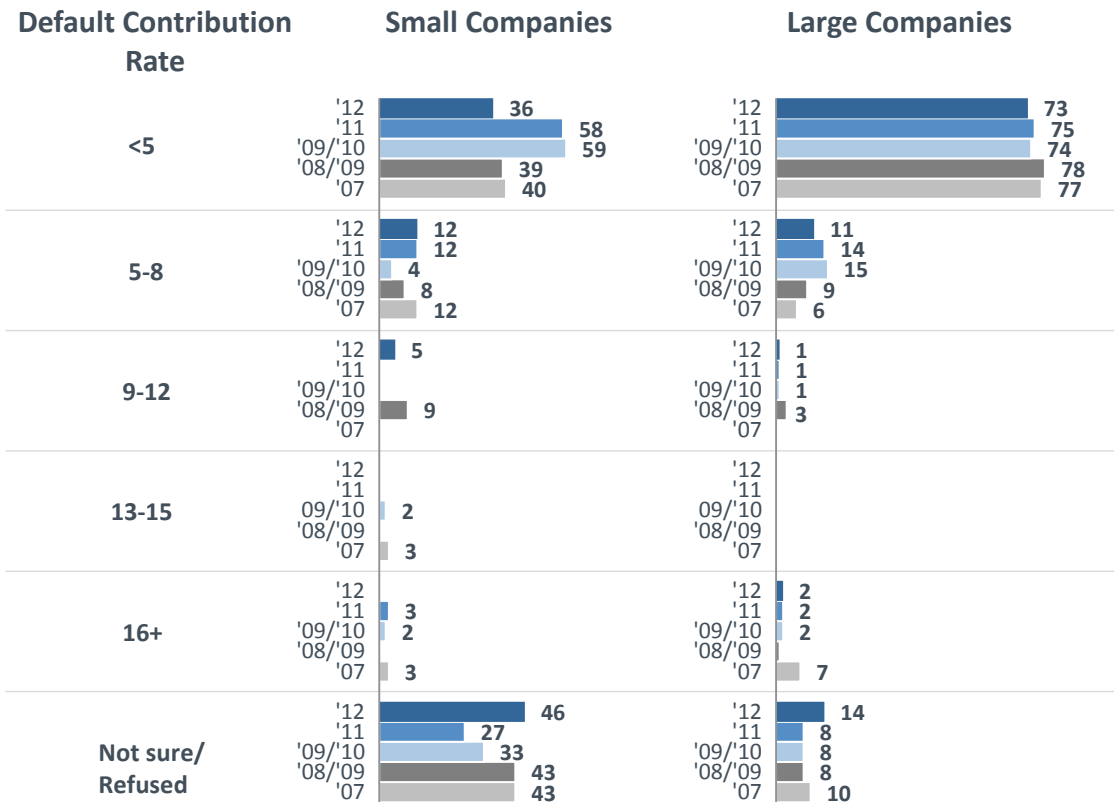
- The median default contribution rate for automatic enrollment in a 401(k) plan continues to be 3%. It is important to note that a 3% default contribution rate is the IRS safe harbor requirement.

Default Contribution Rate	2012 (N=181)	2011 (N=190)	2009/10 (N=173)	2008/09 (N=154)	2007 (N=128)
Median	3	3	3	3	3
0-4	48	62	62	51	47
5-8	12	12	6	8	11
9-12	4	<1		8	
13-15			2		2
16+	1	3	2	1	4
Not sure/Refused	36	22	28	32	37

BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN  
 Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

# Benefit Offerings: Automatic Enrollment - Default Contribution Rates

- The median default contribution rate is the same for small and large companies, although nearly half of employers in small companies are unsure or refuse to disclose the default contribution rate.



	Mean		Median	
	Small Cos.	Large Cos.	Small Cos.	Large Cos.
<b>2012</b>	3.7	4.0	3	3
<b>2011</b>	4.1	4.0	3	3
<b>2009/10</b>	3.9	4.7	3	3
<b>2008/09</b>	4.6	3.7	3	3
<b>2007</b>	8.0	8.0	3	3

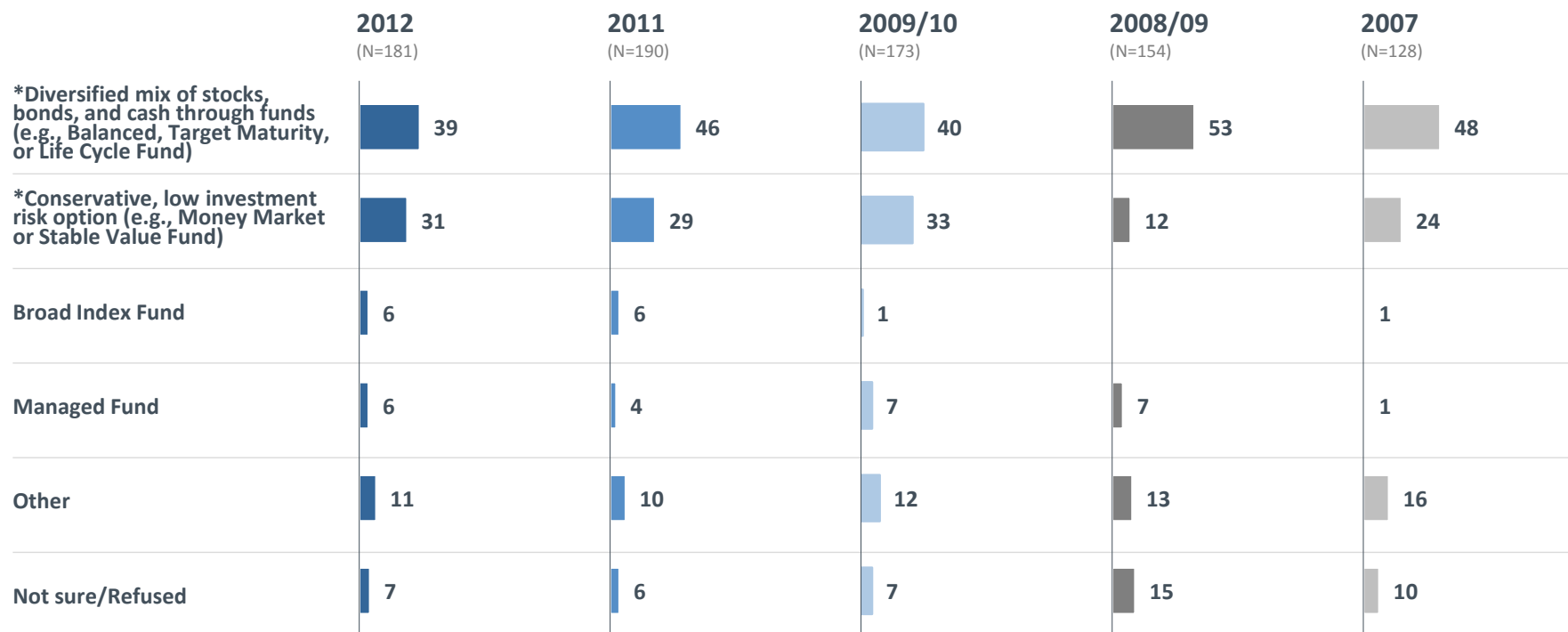
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN;

Small Companies: '07 (N=57), '08/'09 (N=56), '09/'10 (N=64), '11 (N=77), '12 (N=71); Large Companies: '07 (N=71), '08/'09 (N=98), '09/'10 (N=109), '11 (N=113), '12 (N=110)

Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

# Benefit Offerings: Automatic Enrollment - Default Investment Options

- The most common default investment option is split between companies whose default option places participants into a diversified mix of investments and those that default into a conservative option.

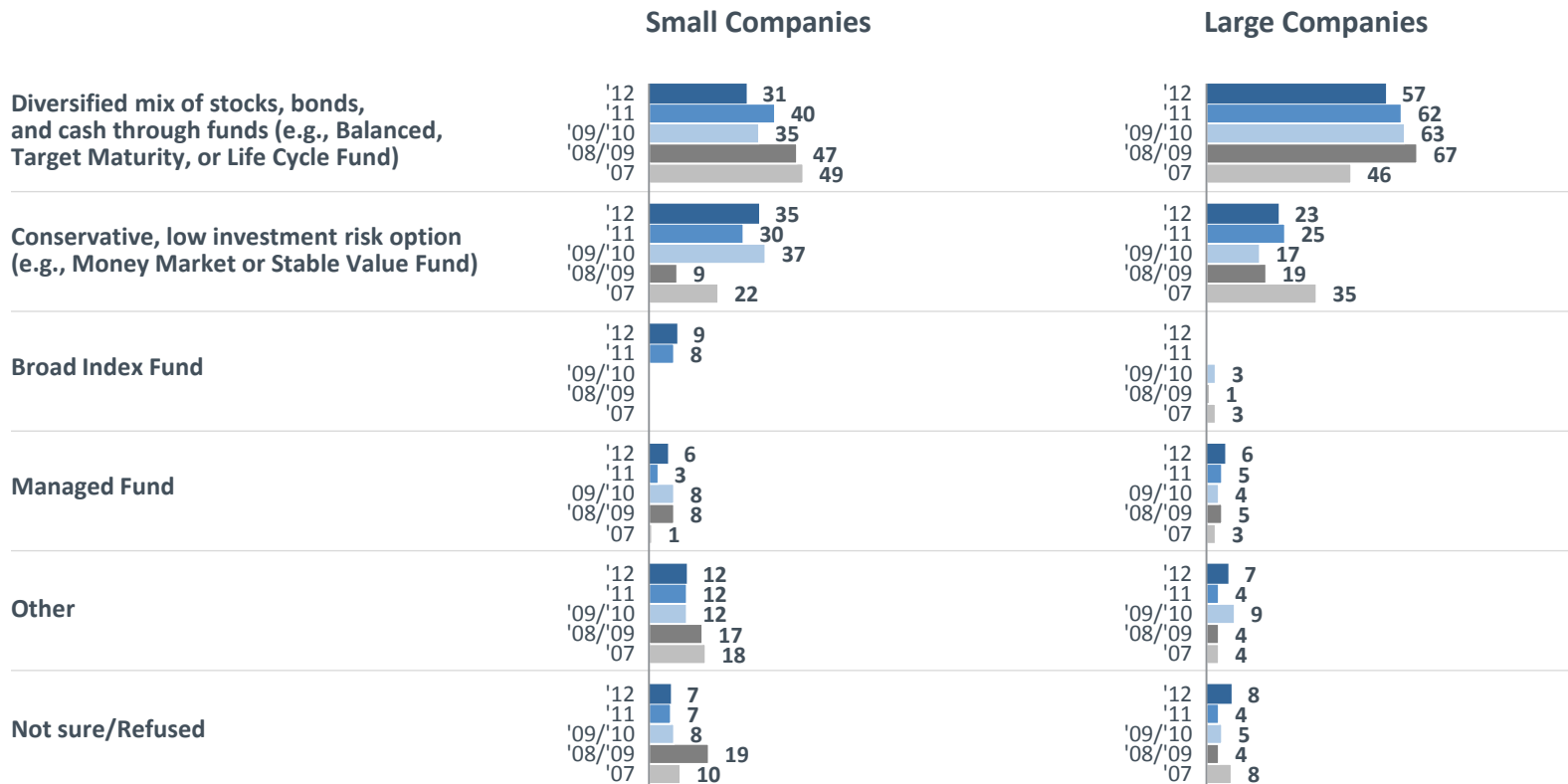


BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN Q1029. What is the default investment option for the employee-funded 401(k) plan?

\*All investments involve some level of risk. Diversification does not guarantee against losses.

# Benefit Offerings: Automatic Enrollment - Default Investment Options

- When employees are automatically enrolled in a 401(k) plan, large companies are more likely to default employees into a diversified mix.



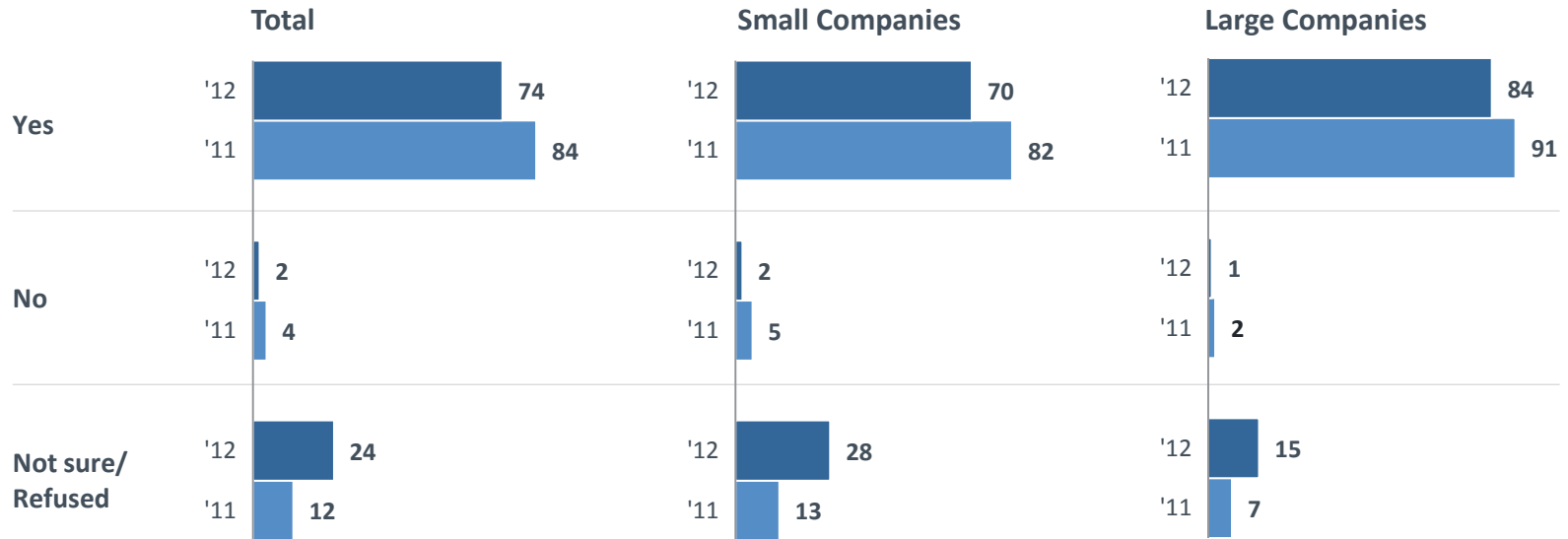
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Small Companies: '07 (N= 57), '08/'09 (N=56), '09/'10 (N=64), '11 (N=77), '12 (N=71); Large Companies: '07 (N=71), '08/'09 (N=98), '09/'10 (N=109), '11 (N=113), '12 (N=110)

Q1029. What is the default investment option for the employee-funded 401(k) plan?

# Benefit Offerings: QDIA Requirement

- Nearly three-quarters of employers say that their default investment option satisfies requirements to be recognized as a QDIA, with the remaining not sure or not answering.



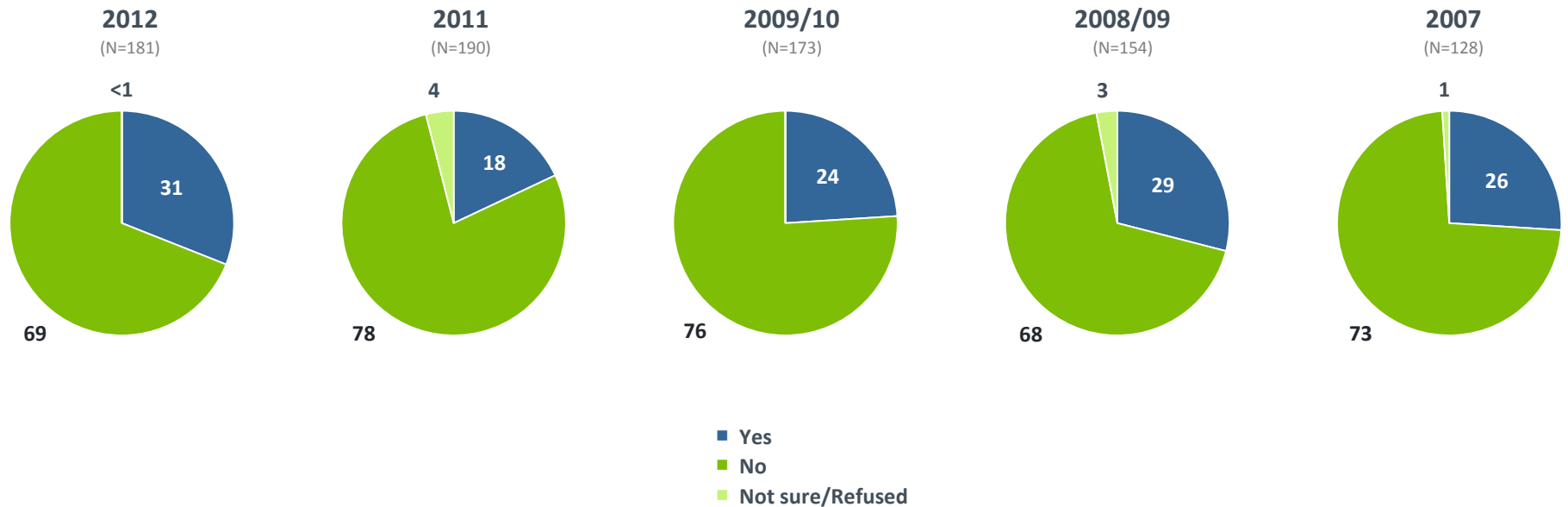
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN;

Total: '11 (N=190), '12 (N=181); Small Companies: '11 (N=77), '12 (N=71); Large Companies: '11 (N=113), '12 (N=110)

Q1600. Does the default investment option for the 401(k) plan satisfy the Department of Labor's requirements to be recognized as a Qualified Default Investment Alternative, commonly referred to as a QDIA?

# Benefit Offerings: Automatic Enrollment - Automatic Increase in Contribution Rates

- Among employers who automatically enroll employees into their plan, since last year there is a slight increase in the proportion who automatically increase participants' contributions, to approximately one-third.

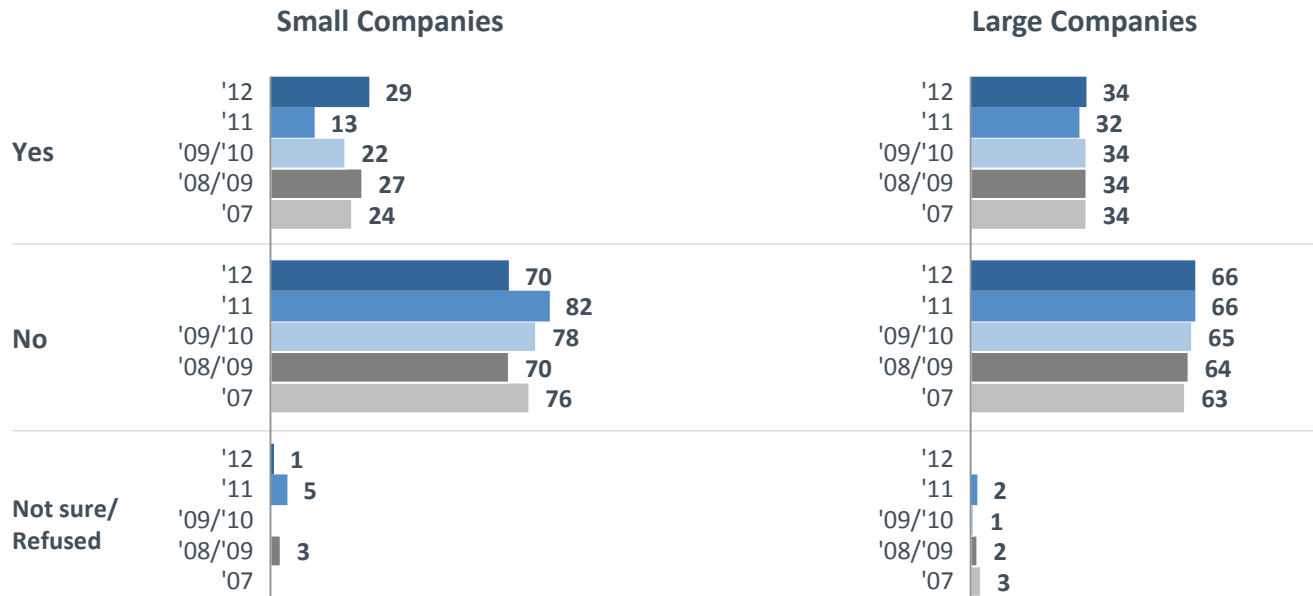


BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Q1031. Does your plan have a provision to automatically increase participants' contribution rates on their anniversary date of hire? (Or anniversary of first contribution to the plan)

# Benefit Offerings: Automatic Enrollment - Automatic Increase in Contribution Rates

- Automatic increases in contribution rates trend directionally lower among small companies compared to large companies.



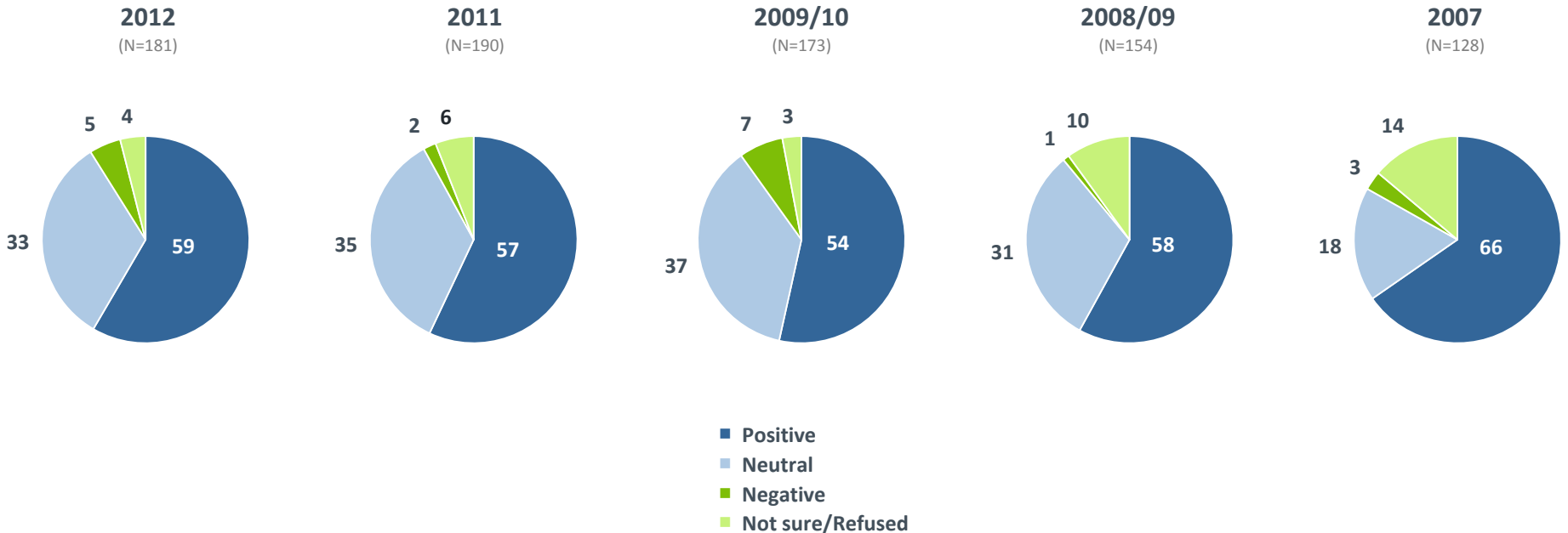
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN;

Small Companies: '07 (N= 57), '08/'09 (N=56), '09/'10 (N=64), '11 (N=77), '12 (N=71); Large Companies: '07 (N=71), '08/'09 (N=98), '09/'10 (N=109), '11 (N=113), '12 (N=110)

Q1031. Does your plan have a provision to automatically increase participants' contribution rates on their anniversary date of hire? (Or anniversary of first contribution to the plan)

# Benefit Offerings: Automatic Enrollment - Employee Response

- The majority of employers say that their employees have responded positively to being automatically enrolled. Employers report that very few employees have reacted negatively.

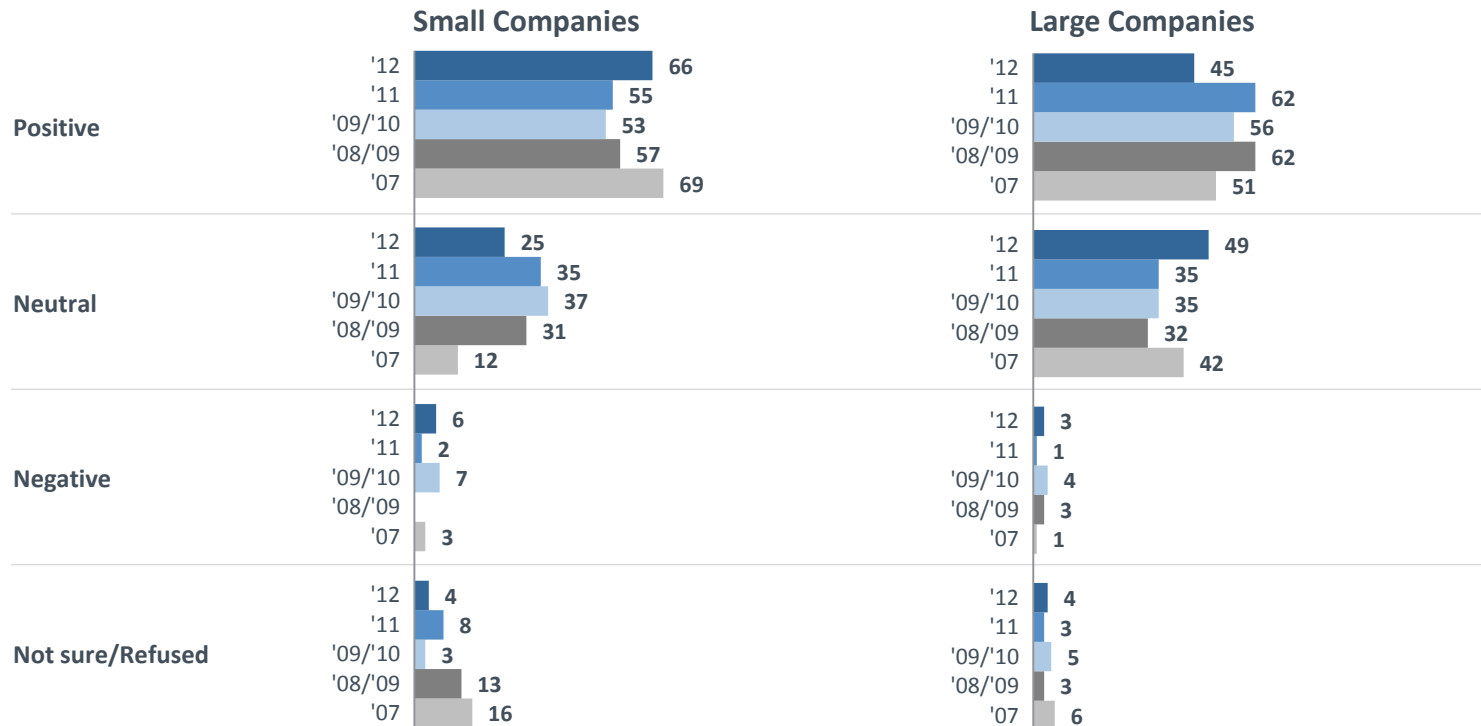


BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN  
 Q1033. Generally, has your employees' response to being automatically enrolled been...?



# Benefit Offerings: Automatic Enrollment - Employee Response

- Employers in small companies are significantly more likely to say that their employees have responded positively to automatic enrollment than those in large companies.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Small Companies: '07 (N= 57), '08/'09 (N=56), '09/'10 (N=64), '11 (N=77), '12 (N=71); Large Companies: '07 (N=71), '08/'09 (N=98), '09/'10 (N=109), '11 (N=113), '12 (N=110)

Q1033. Generally, has your employees' response to being automatically enrolled been...?

# Benefit Offerings: Future Adoption of Automatic Enrollment

- Most companies that do not currently have automatic enrollment do not anticipate adopting it in the future.
- However, this has decreased since last year with more employers unsure about such adoption than in 2011.

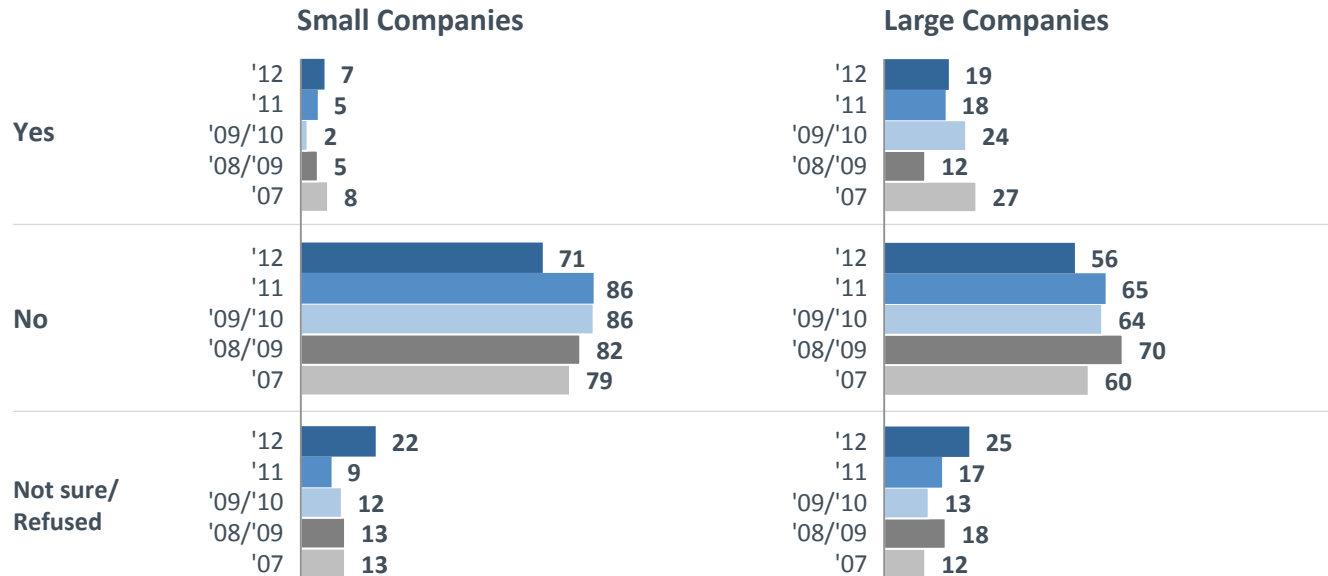


BASE: DOES NOT AUTOMATICALLY ENROLL

Q580. Does your company plan to adopt an automatic enrollment provision in the future?

# Benefit Offerings: Future Adoption of Automatic Enrollment

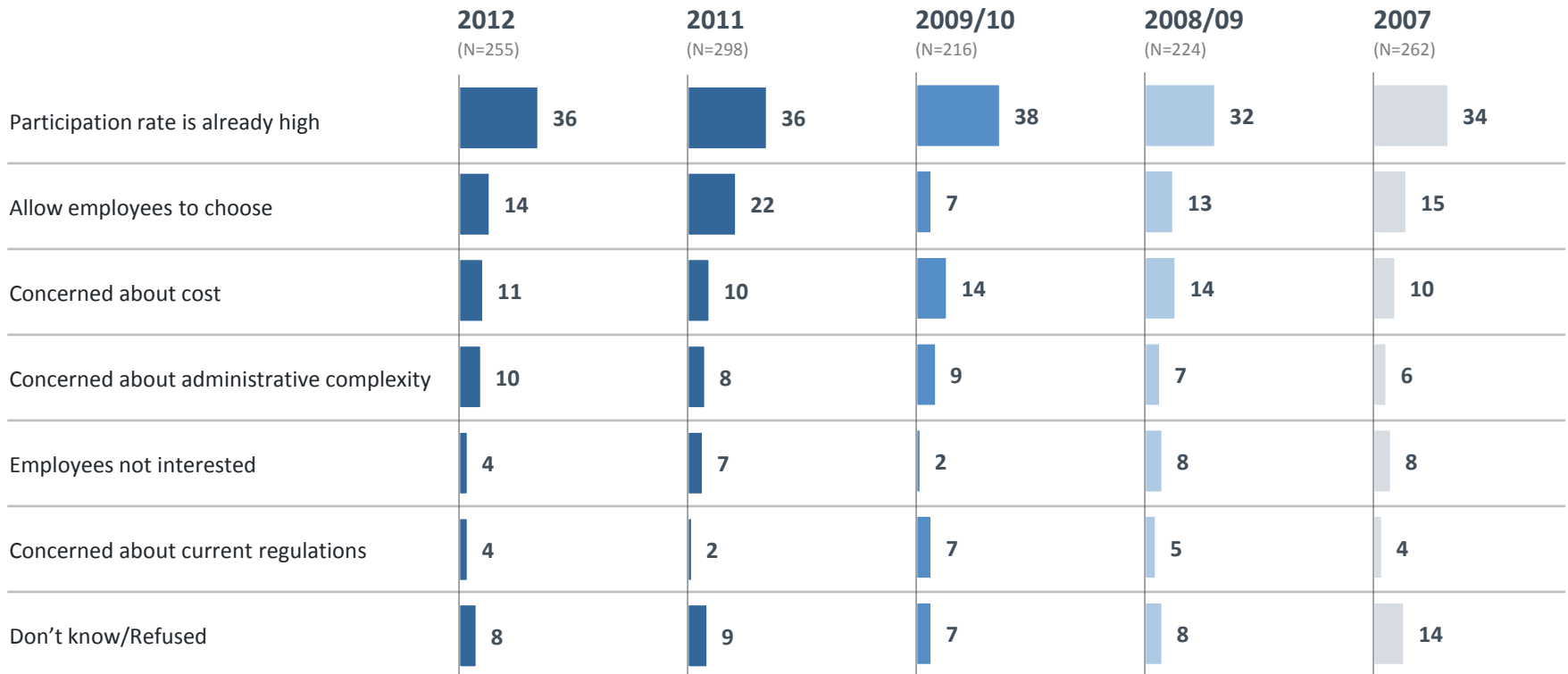
- Large companies continue to be more likely than small to consider adopting automatic enrollment in the future.



BASE: DOES NOT AUTOMATICALLY ENROLL; **Small Companies:** '07 (N= 216), '08/'09 (N=158), '09/'10 (N=159), '11 (N=253), '12 (N=254);  
**Large Companies:** '07 (N=161), '08/'09 (N=149), '09/'10 (N=142), '11 (N=132), '12 (N=134)  
 Q580. Does your company plan to adopt an automatic enrollment provision in the future?

# Benefit Offerings: Reasons for Not Adopting Automatic Enrollment

- Among employers not automatically enrolling and not planning to do so, more than one-third say it's because their participation rate is already high.
- They also say they want employees to be able to choose whether to enroll.



\*Note: Responses >3% shown

BASE: HAS NO PLANS TO AUTO ENROLL

Q590. What would you say is the main reason your company is not planning to adopt an automatic enrollment provision in the future? CHOOSE ONE.

# Benefit Offerings: Reasons For Not Adopting Automatic Enrollment

- Small companies continue to cite already high participation rates and employee choice as reasons not to adopt automatic enrollment whereas large companies are more concerned about the cost of such a provision.

	Small Companies					Large Companies				
	2012 (N=180)	2011 (N=212)	2009/10 (N=126)	2008/09 (N=120)	2007 (N=165)	2012 (N=75)	2011 (N=86)	2009/10 (N=90)	2008/09 (N=104)	2007 (N=97)
Participation rate is already high	37	36	39	33	35	20	30	26	23	22
Allow employees to choose	14	23	8	14	15	4	3	2	9	8
Concerned about cost	10	10	14	14	9	26	16	13	21	15
Concerned about administrative complexity	9	8	8	6	4	19	9	19	13	20
Employees not interested	4	7	2	8	8	1	6	2	6	5
Concerned about current regulations	4	2	7	4	4	3	6	11	6	6
Don't know/Refused	7	9	7	8	14	11	15	3	7	8

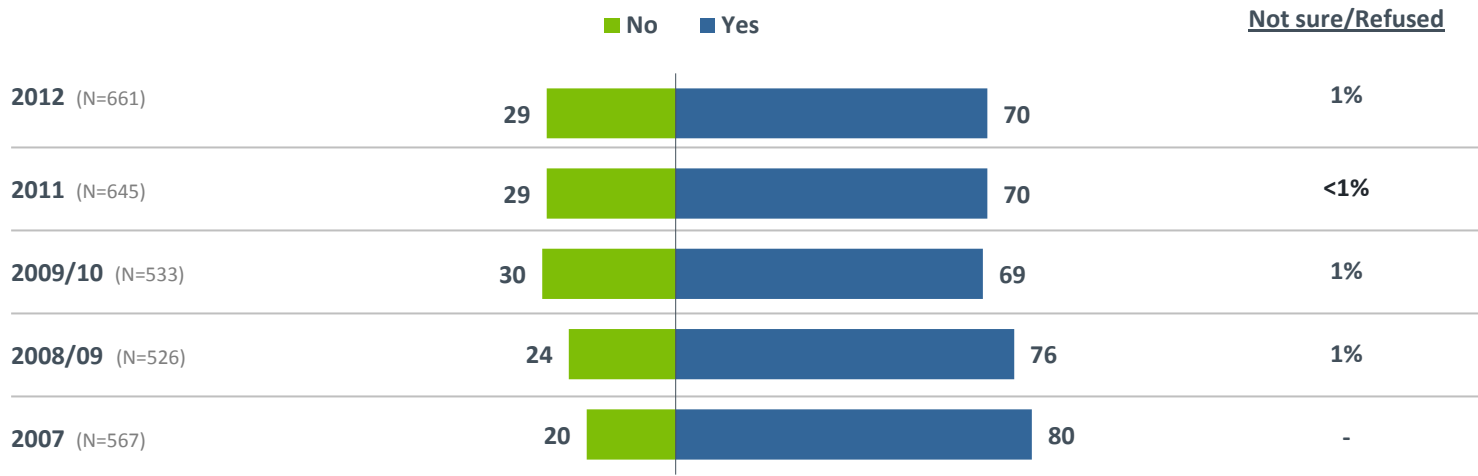
\*Note: Responses >3% shown

BASE: HAS NO PLANS TO AUTO ENROLL

Q590. What would you say is the main reason your company is not planning to adopt an automatic enrollment provision in the future? CHOOSE ONE.

# Benefit Offerings: Matching Contributions

- A large majority of employers offers a company matching contribution for their 401(k) or similar plans. This is consistent with the past two years, but down from the highs seen before the recession.

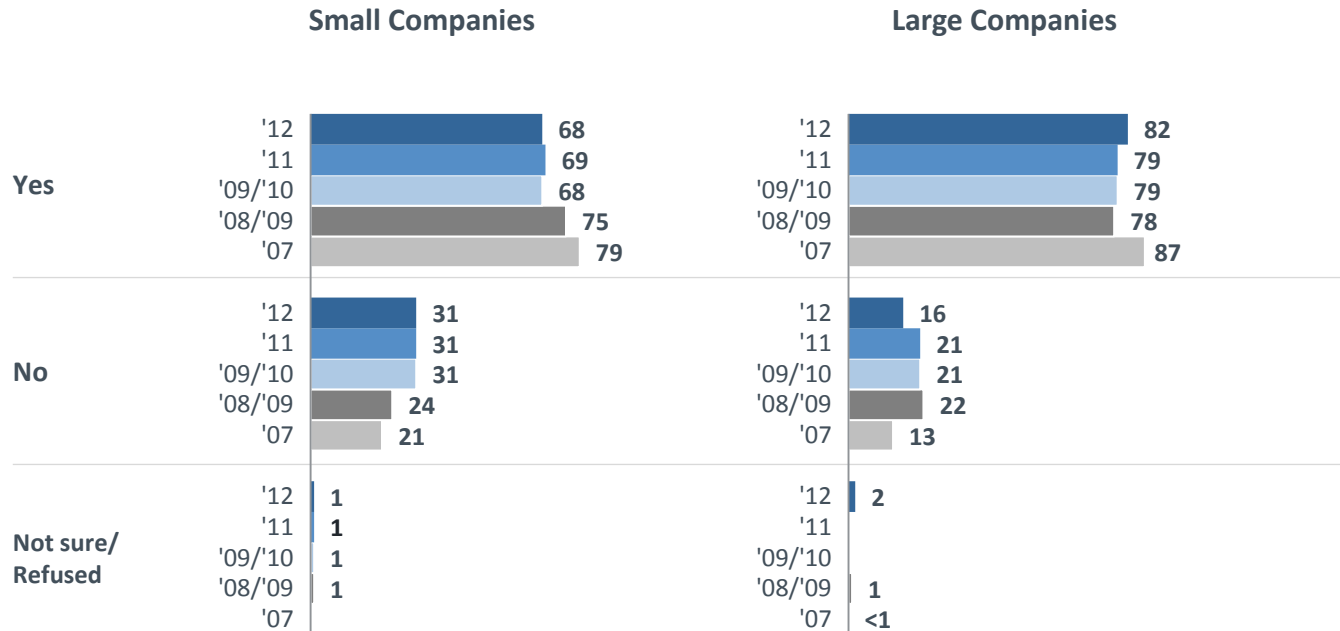


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

# Benefit Offerings: Matching Contributions

- Large companies continue to be more likely than small to offer a matching contribution.

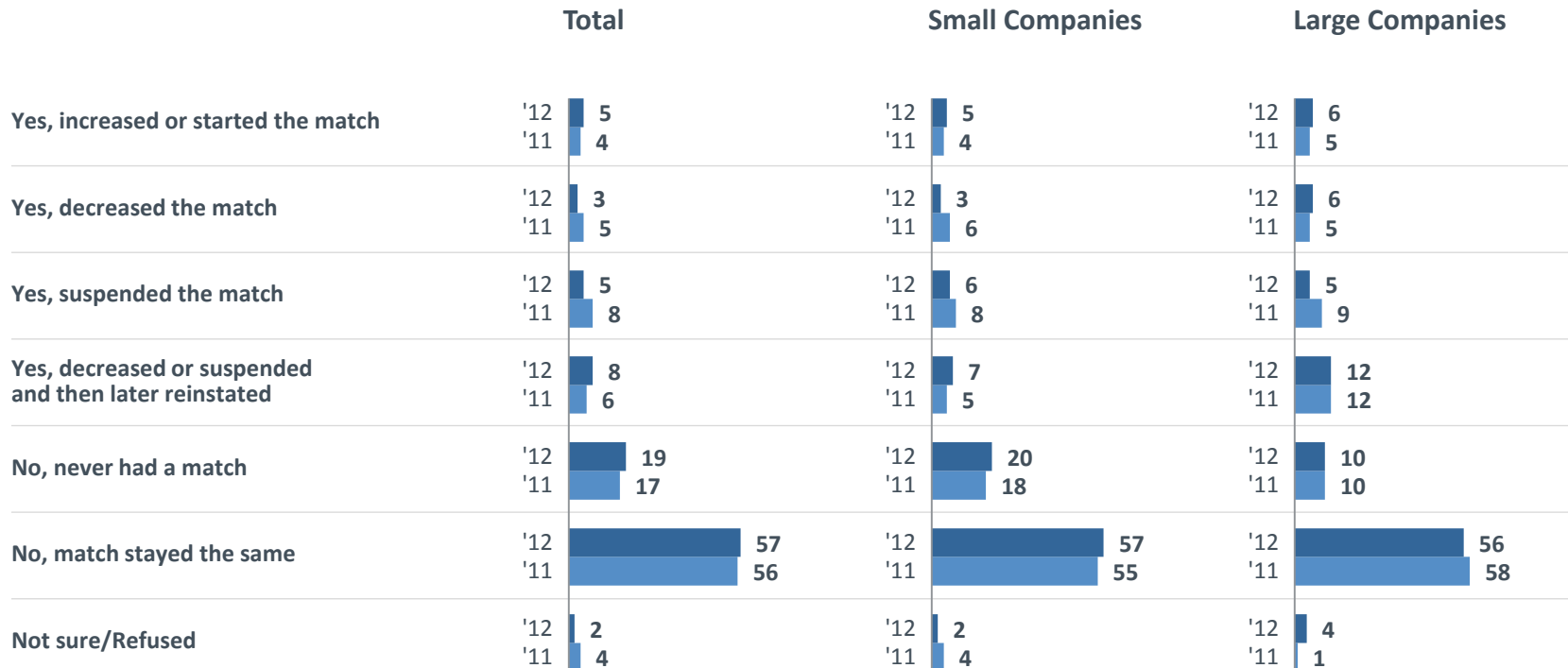


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies:** '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); **Large Companies:** '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)

Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

# Benefit Offerings: Changes to Matching Contribution

- More than half of employers have not made any changes to their matching contribution since the recession began.
- Very few have suspended or decreased the match.

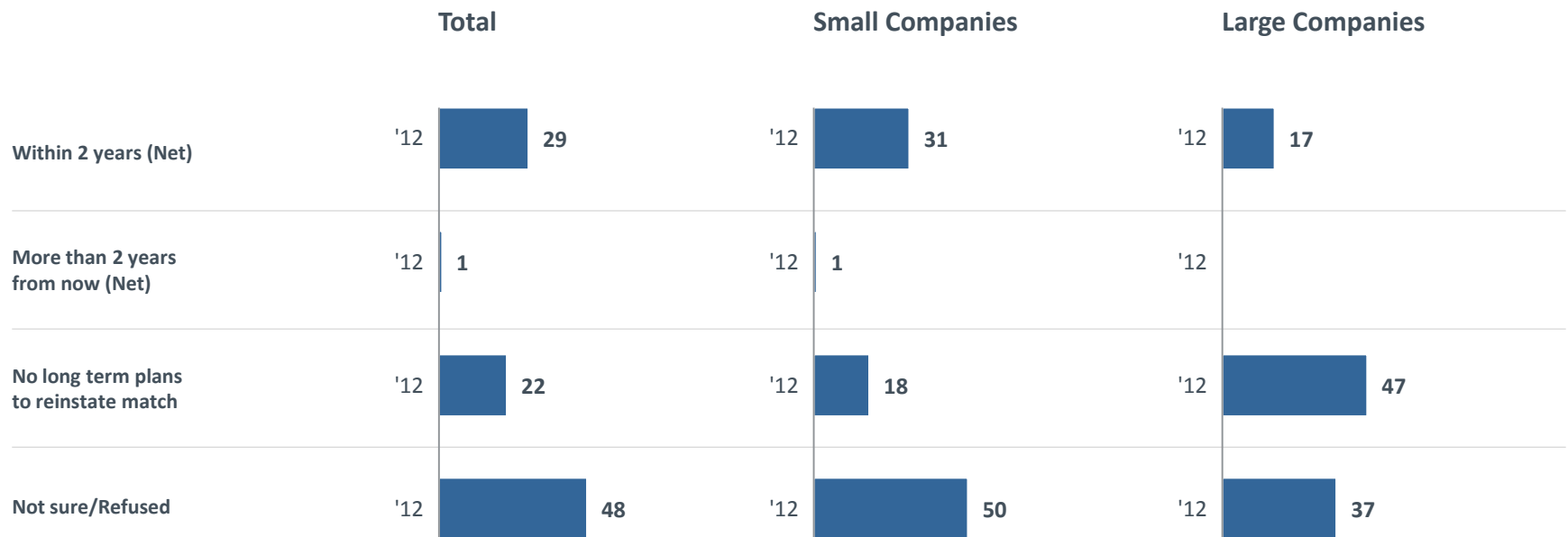


BASE: OFFERS 401(K) OR OTHER SELF FUNDED PLAN; Total: '11 (N=645), '12 (N=661); Small Companies: '11 (N=364), '12 (N=380); Large Companies: '11 (N=281), '12 (N=281) Q1610. Since the recession began in 2008, has your company made any of the following changes to the matching contribution?



# Benefit Offerings: Reinstating Matching Contributions in the Next Two Years

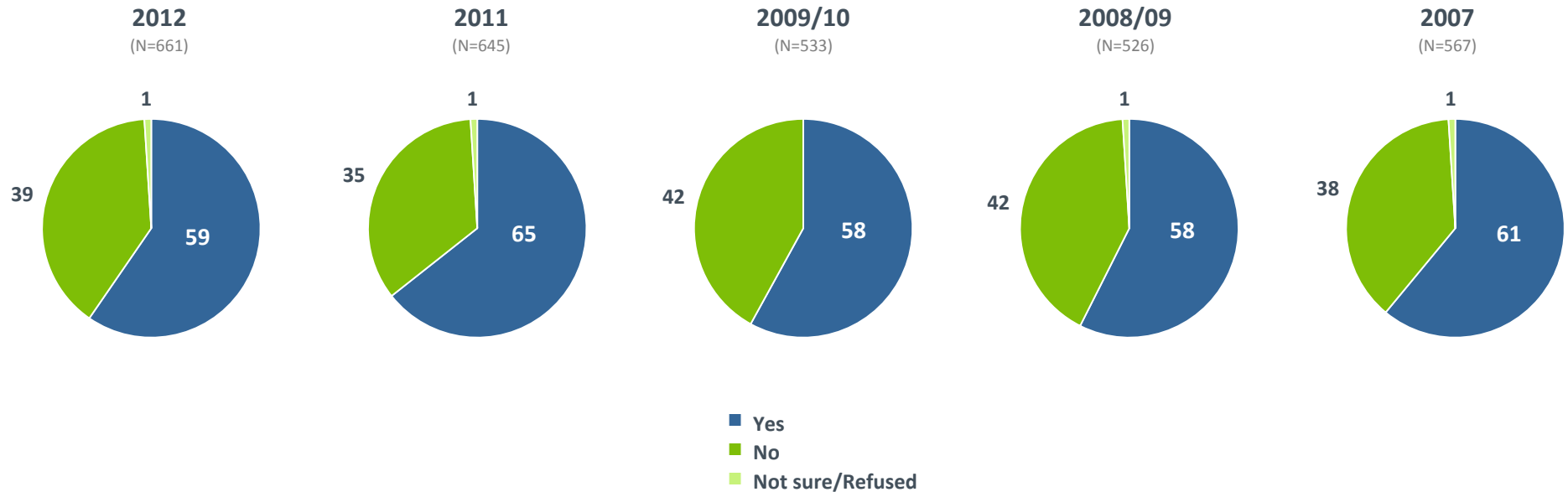
- Among companies that decreased or suspended their match, most are unsure of what they will do regarding reinstating the matching contribution. The uncertainty of the economic recovery seems to be reflected here.
- The remaining companies are on either of two extremes - intending to reinstate in next 2 years or having no long term plans to reinstate match.



BASE: DECREASED OR SUSPENDED THE MATCH; Total : '12 (N=70); Small Companies: '12 (N=40); Large Companies: '12 (N=30)  
 NEW QUESTION IN WAVE 13 Q1615. When does your company plan to reinstate the matching contribution to its previous levels if at all? Within how many years?

# Benefit Offerings: Current Offerings of Investment Guidance/Advice

- The majority of companies offers investment guidance or advice for employees as part of their retirement plan, and this has been consistent over the years.

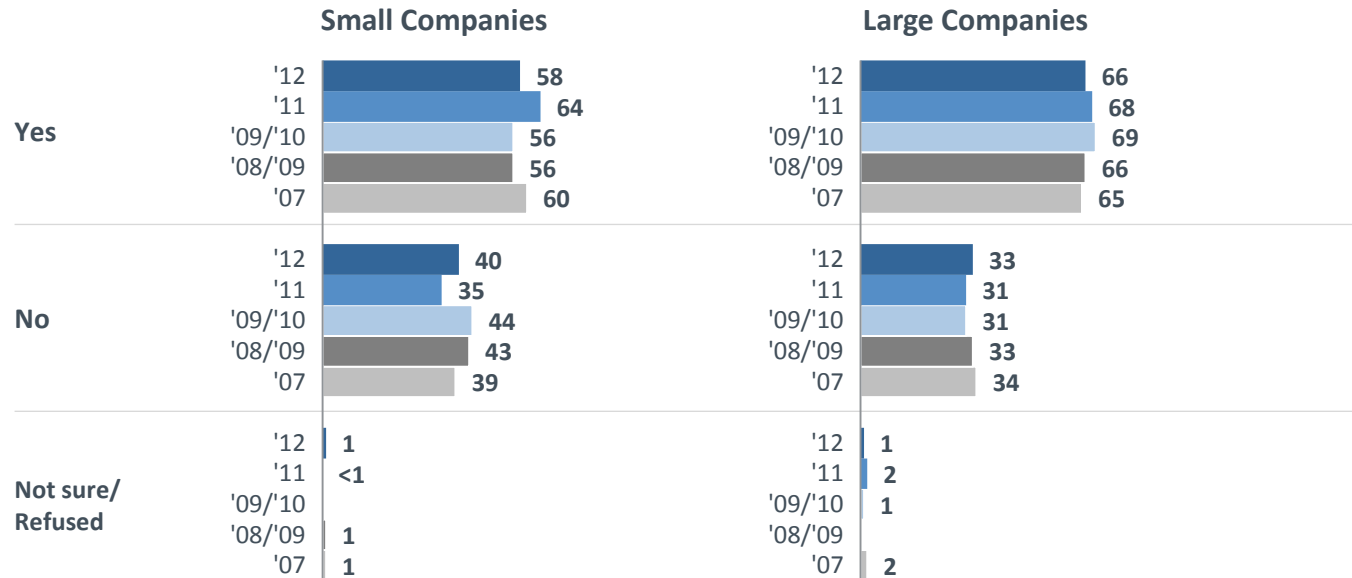


BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN

Q592. Does your company currently offer investment guidance or advice for employees as part of your retirement plan?

# Benefit Offerings: Current Offerings of Investment Guidance/Advice

- Small companies are less likely than large companies to offer investment guidance or advice to their employees. The proportion of small companies doing so has directionally decreased since last year.

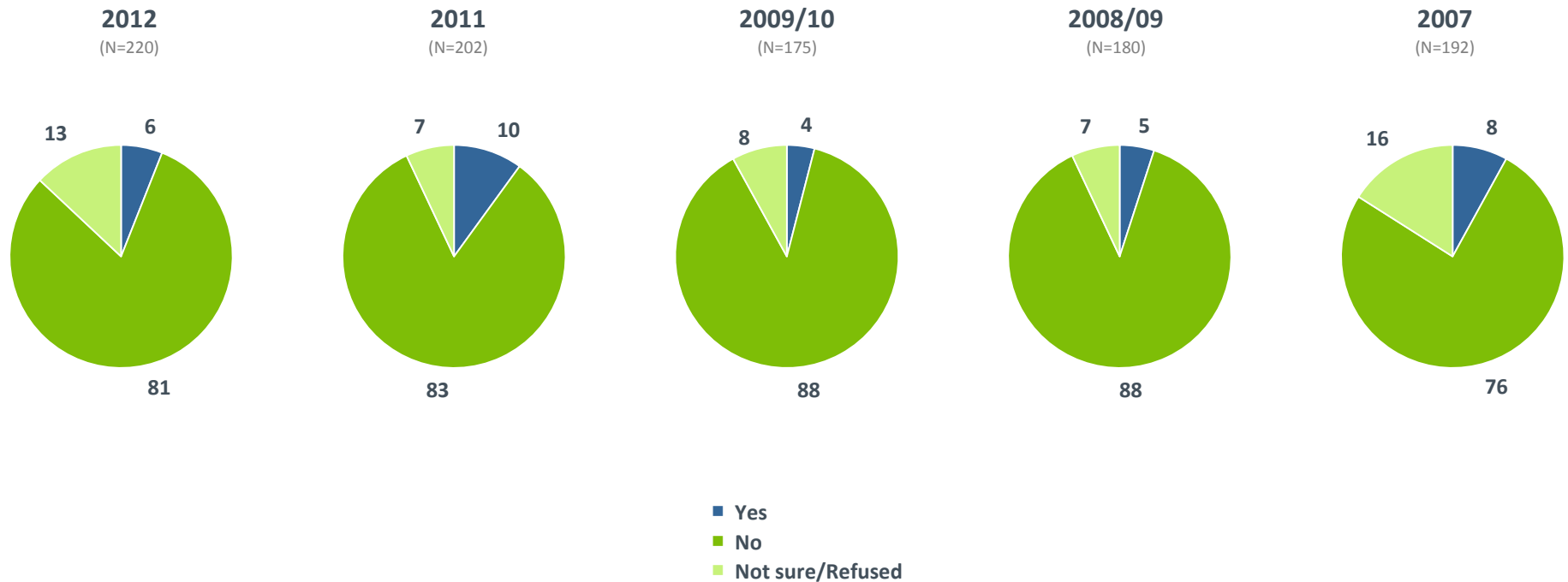


BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN; **Small Companies:** '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); **Large Companies:** '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)

Q592. Does your company currently offer investment guidance or advice for employees as part of your retirement plan?

# Benefit Offerings: Future Offerings of Investment Guidance/Advice

- Among companies that don't currently offer investment guidance/advice to employees, their intention to do so in the future is very low, similar to past years.

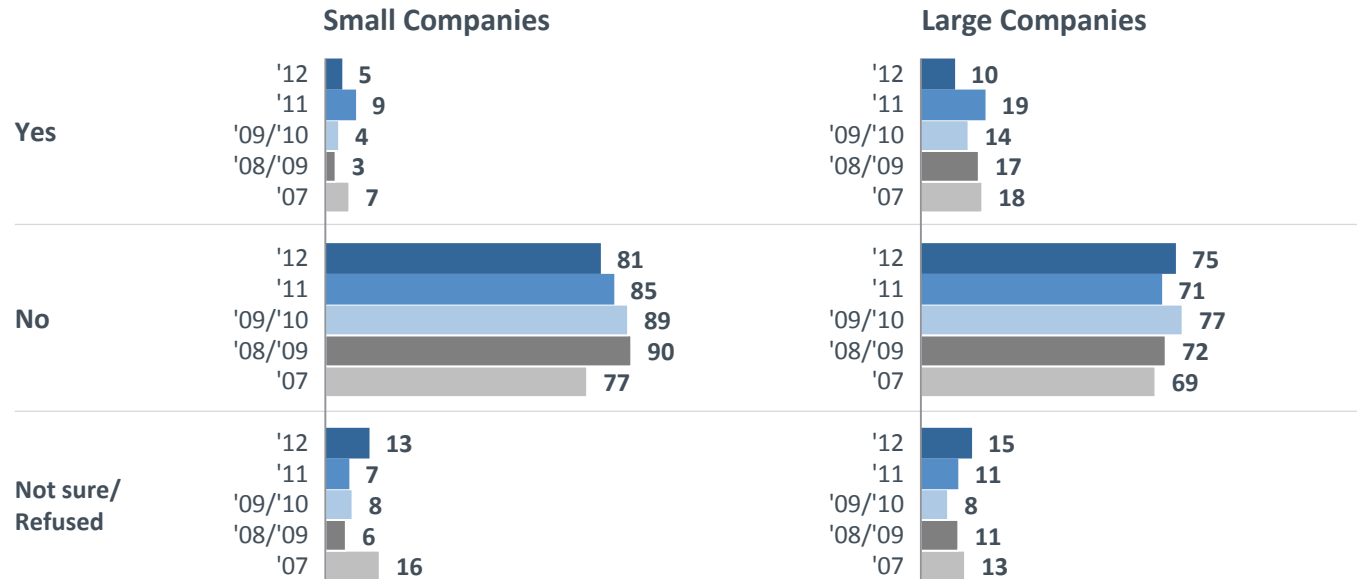


BASE: DOES NOT OFFER GUIDANCE/ADVICE

Q594. Does your company plan to offer investment guidance or advice for employees in the future?

# Benefit Offerings: Future Offerings of Investment Guidance/Advice

- Both small and large companies have limited intentions of offering investment guidance or advice to employees as part of their retirement benefits if they don't already do so.



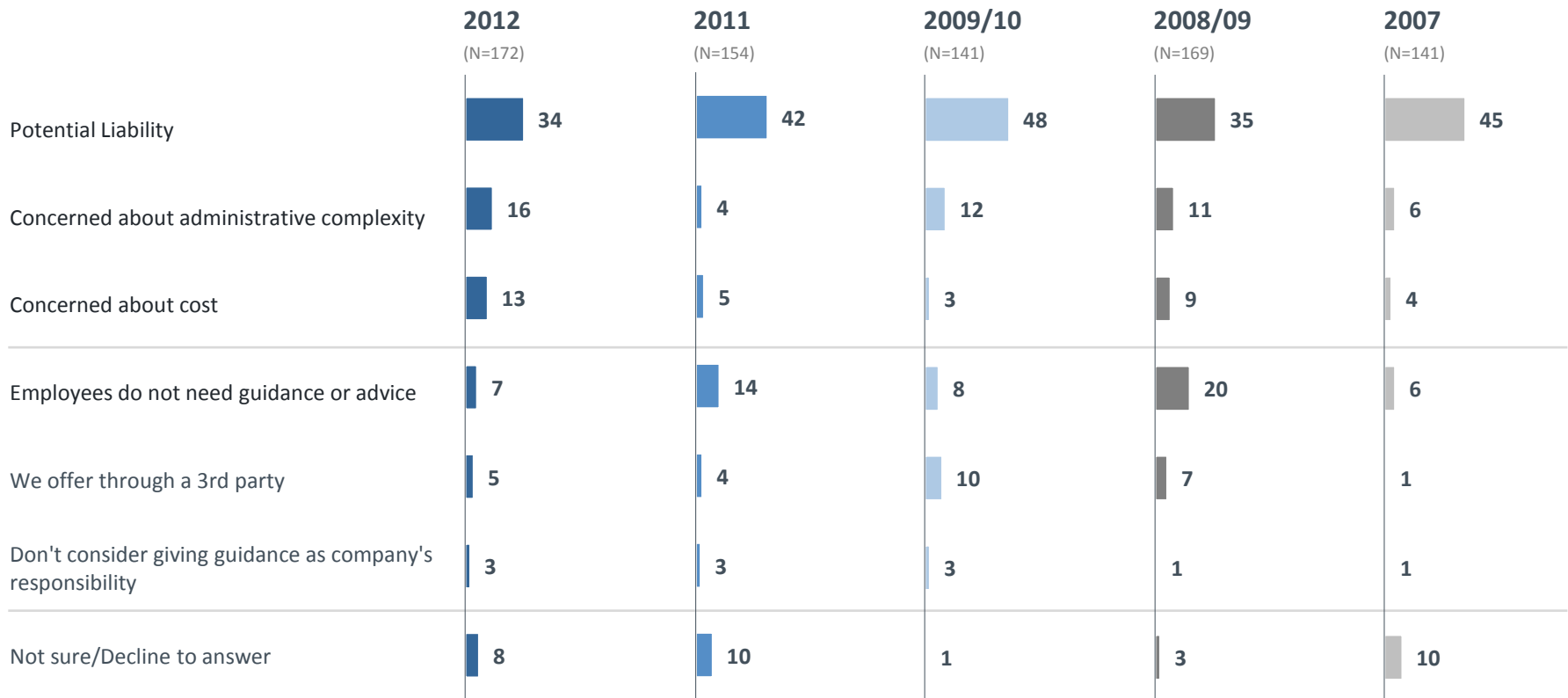
BASE: DOES NOT OFFER GUIDANCE/ADVICE; **Small Companies:** '07 (N= 103), '08/'09 (N=90), '09/'10 (N=90), '11 (N=116), '12 (N=128);

**Large Companies:** '07 (N=89), '08/'09 (N=90), '09/'10 (N=85), '11 (N=86), '12 (N=92)

Q594. Does your company plan to offer investment guidance or advice for employees in the future?

# Benefit Offerings: Reasons for Not Offering Investment Guidance/Advice

- The primary reason employers not offer investment guidance/advice is potential liability.
- Additionally the concern over administrative complexity also comes into play, particularly more so than a year ago.



\*Note Responses >3% shown

BASE: HAS NO PLANS TO OFFER GUIDANCE/ADVICE

Q596. What would you say is the main reason your company is not planning to offer investment guidance or advice for employees in the future?

## Benefit Offerings: Reasons for Not Offering Investment Guidance/Advice

- Large companies are more likely than small to cite potential liability as the reason for not offering investment guidance or advice.
- Small companies are increasingly more concerned about the administrative complexity of such a benefit compared to large companies.

	Small Companies					Large Companies				
	2012 (N=103)	2011 (N=93)	2009/10 (N=75)	2008/09 (N=76)	2007 (N=80)	2012 (N=69)	2011 (N=61)	2009/10 (N=66)	2008/09 (N=65)	2007 (N=61)
Potential Liability	31	40	47	34	44	55	59	58	39	52
Concerned about administrative complexity	17	4	12	11	6	3	5	6	6	8
Concerned about cost	13	5	2	9	4	10	3	6	13	10
Employees do not need guidance or advice	7	15	9	22	6	4	3	1	3	7
We offer through a 3rd party	5	4	10	7	1	7	3	6	7	2
Don't consider giving guidance as company's responsibility	2	3	3	-	2	6	-	1	-	-
Not sure/Decline to answer	8	10	1	2	12	3	7	1	10	-

\*Note Responses >3% on total shown

BASE: HAS NO PLANS TO OFFER GUIDANCE/ADVICE

Q596. What would you say is the main reason your company is not planning to offer investment guidance or advice for employees in the future?



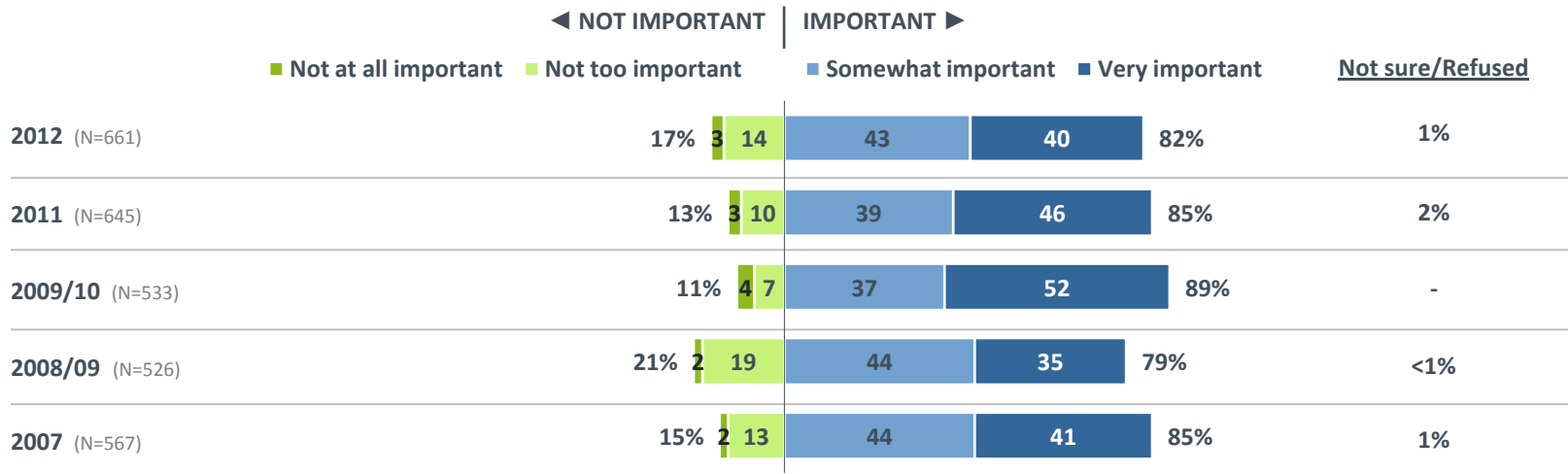
## Detailed Findings

- Economic Expectations and Business Changes
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- **Perceptions and Management of Current Retirement Plan Offerings**
- Perceptions of Employee Involvement with Retirement Planning



# Perceptions & Management: Importance of Plans for Attracting/Retaining Employees

- A large majority of employers believe their employee-funded retirement plan package is important to their ability to attract and retain employees, although there is a slight decrease since last year.

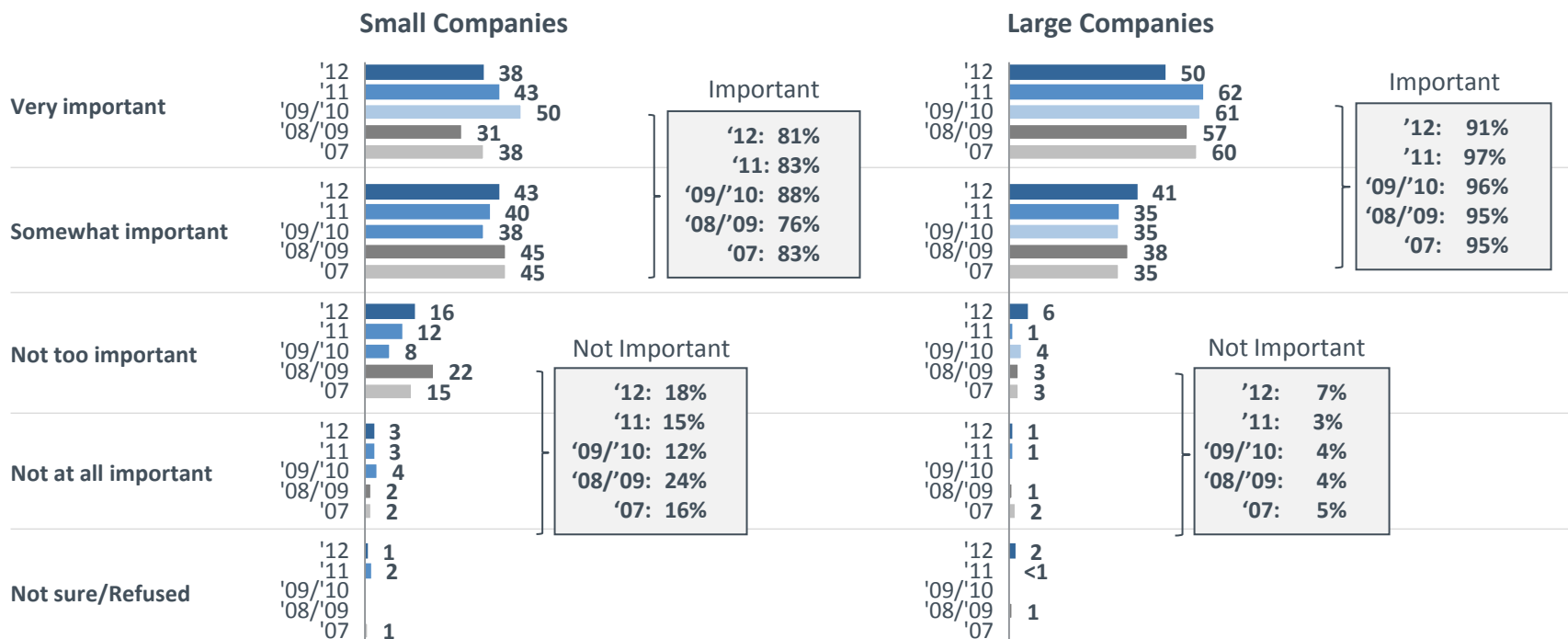


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q650. How important would you say your company's employee-funded retirement plan package is to your ability to attract and retain employees?

# Perceptions & Management: Importance of Plans for Attracting/Retaining Employees

- More large companies continue to believe employee-funded retirement plans are very important in retaining/recruiting employees compared to small companies.
- However, there is a significant drop in the number of large companies that indicate it is “very important” compared to the previous year.



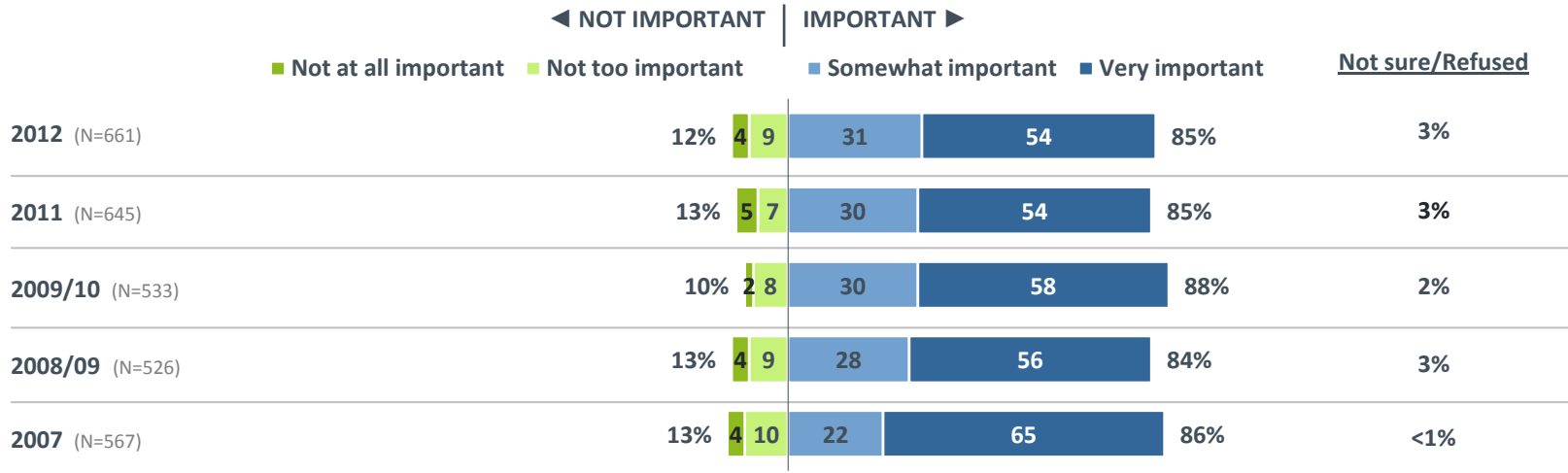
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380);

Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)

Q650. How important would you say your company's employee-funded retirement plan package is to your ability to attract and retain employees?

# Perceptions & Management: Importance of Matching Contributions

- Among the companies that offer an employee-funded plan, the vast majority continue to perceive matching contributions as important to their employees.

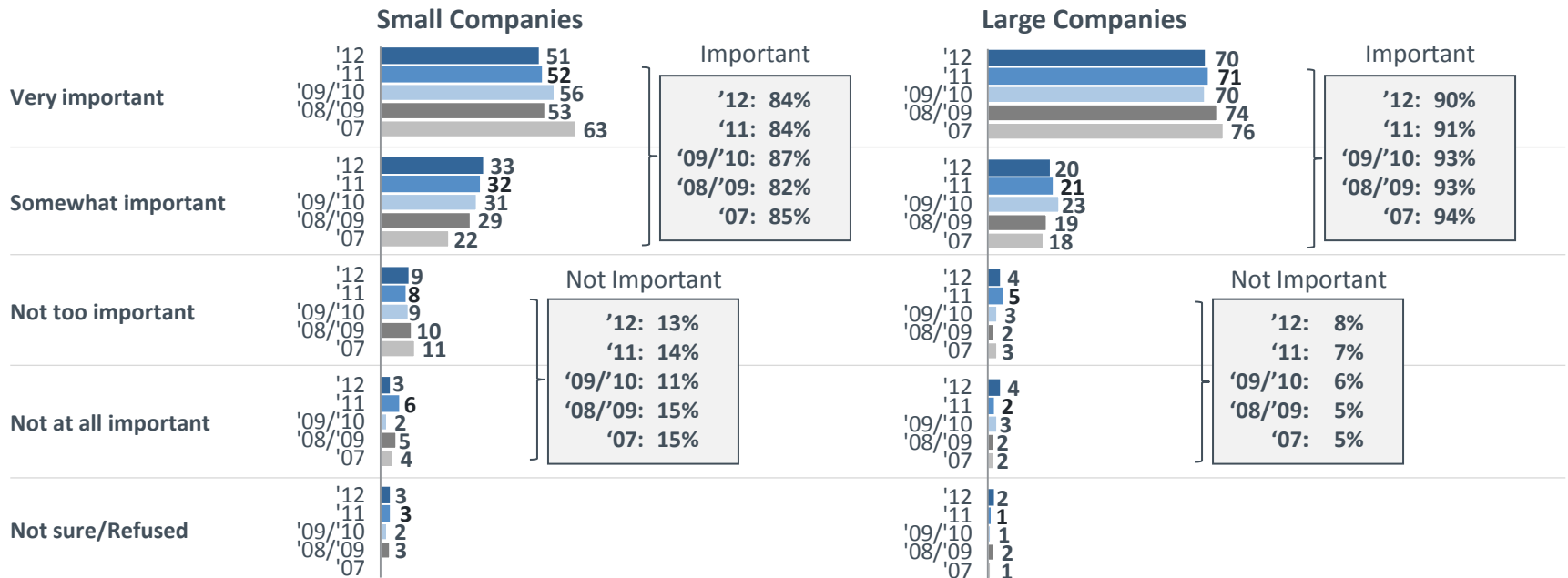


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q660. How important is it to your employees that their company provides a matching contribution in their retirement savings plan?

# Perceptions & Management: Importance of Matching Contributions

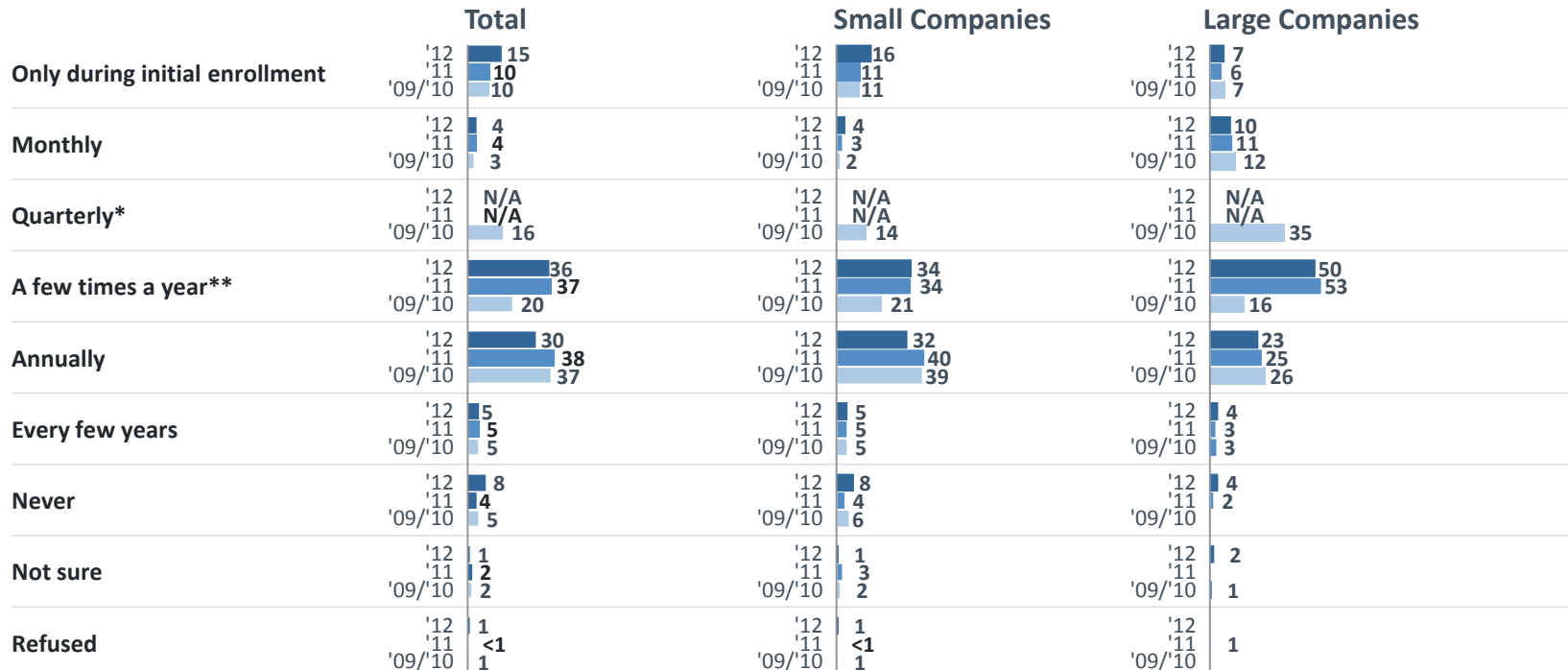
- Large companies continue to be significantly more likely than small companies to indicate that matching contributions are “very important” to their employees.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies:** '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), 12 (N=380); **Large Companies:** '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), 12 (N=281)  
 Q660. How important is it to your employees that their company provides a matching contribution in their retirement savings plan?

# Perceptions & Management: Educating Employees About Their Retirement Plan

- Among companies with employee-funded retirement plans, the majority proactively engage employees with education and/or advice about the plan annually or a few times a year.
- However, there is a small minority, particularly among small companies, that only does so during initial enrollment.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Total: '09/'10 (N=533), '11 (N=645), '12 (N=661);

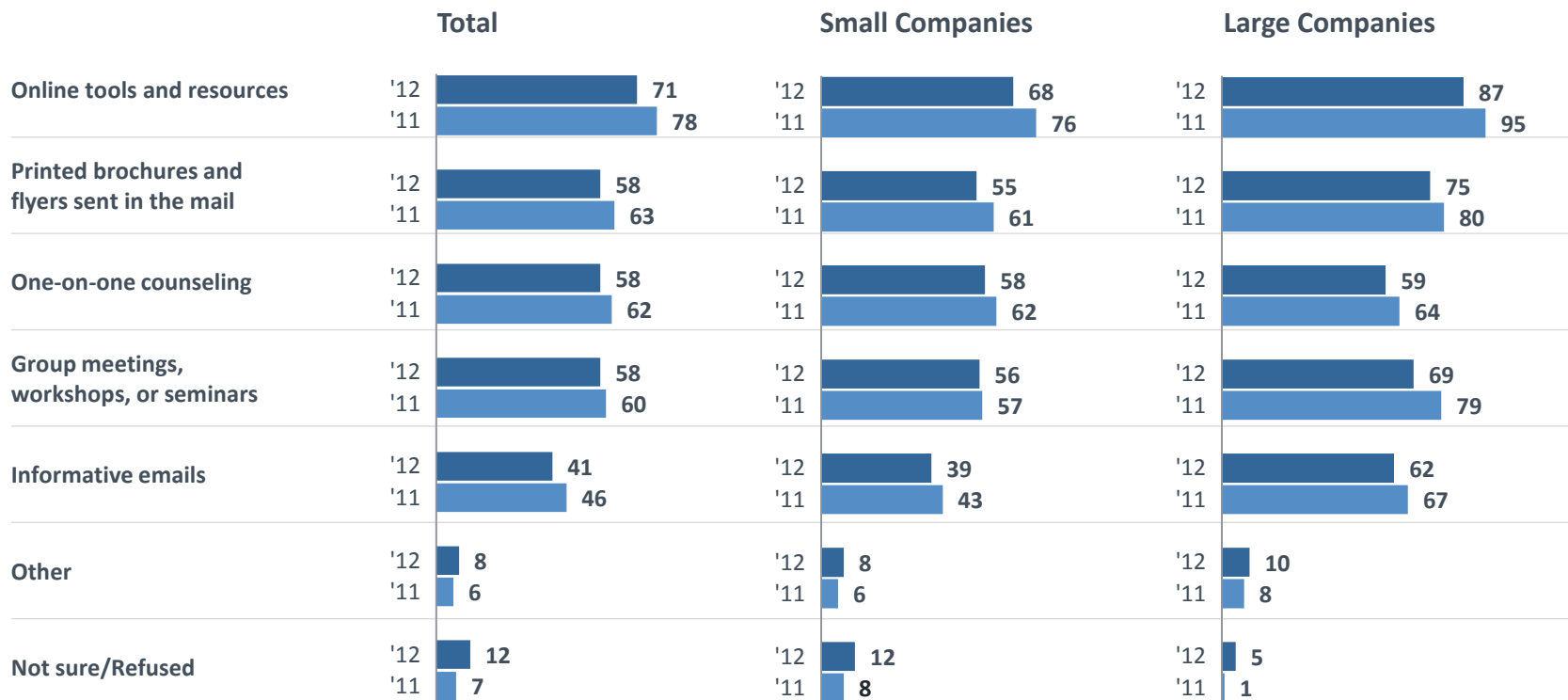
Small Companies: '09/'10 (N=256), '11 (N=364), '12 (N=380); Large Companies: '09/'10 (N=277), '11 (N=281), '12 (N=281)

Q2665. How often does your company proactively engage employees with additional education and/or advice about the retirement savings plan?

\* Quarterly removed as a choice in '11 \*\* Changed from "Twice a year" to "A few times a year" in '11

# Perceptions & Management: Education/Advice

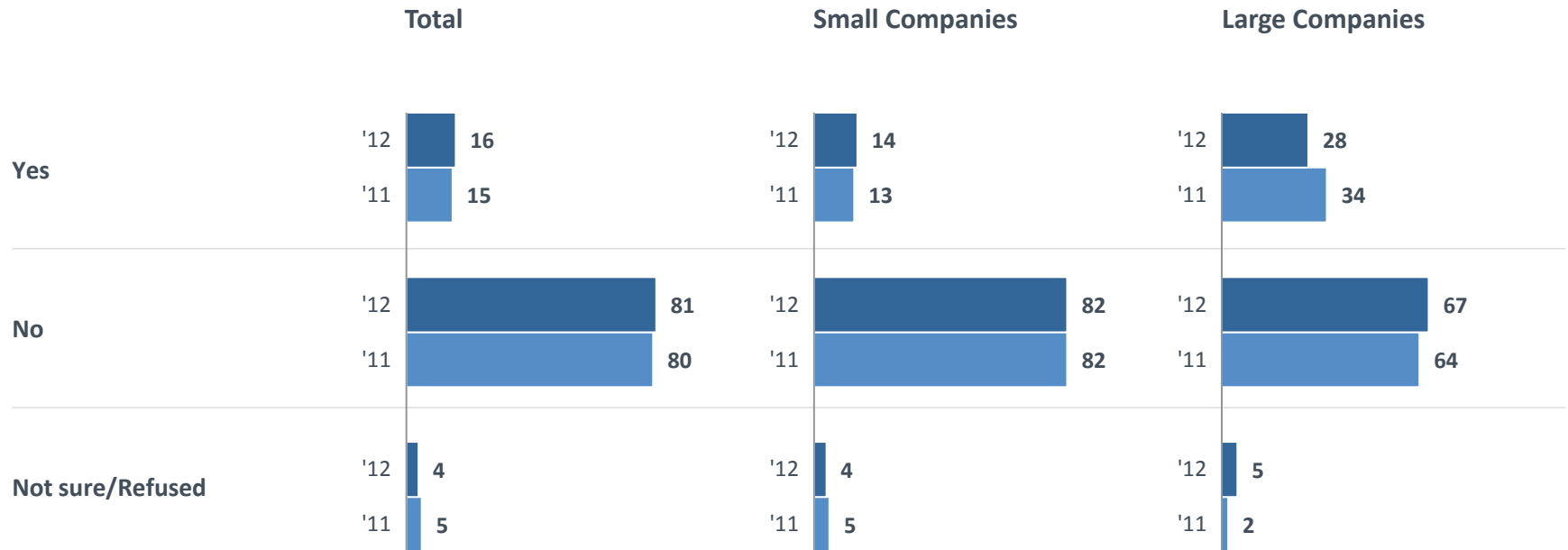
- Online tools and resources are the most often-used means to deliver education/advice.
- For both large and small companies there is a decrease in the utilization of all means of delivering education/advice, suggesting that companies are concentrating their resources among fewer methods.



Base: Offers 401(k) or Other Self Funded Plan; Total: '11 (N=645), '12 (N=661); Small Companies: '11 (N=364), '12 (N=380); Large Companies: '11 (N=281), '12 (N=281) Q1620. Which of the following does your company offer to its employees regarding education and/or advice about the retirement savings plan?

# Perceptions & Management: Getting Employees Back on Track

- Only a small a minority of companies has implemented programs to get their employees back on track with their retirement savings since the recession began.
- About a quarter of large companies provide these programs; significantly more than small companies, but a directional decrease compared to the previous year.

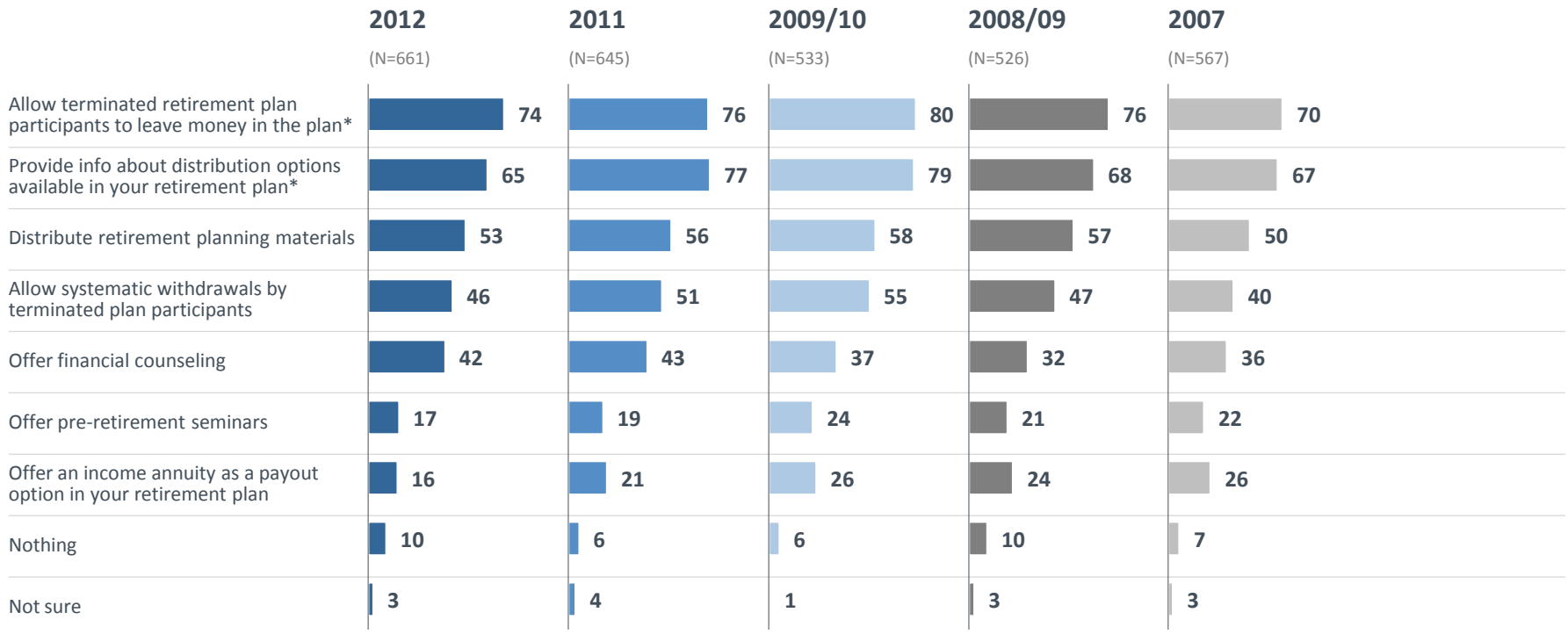


BASE: TOTAL RESPONDENTS; Total: '11 (N=743), '12 (N=750); Small Companies: '11 (N=444), '12 (N=450); Large Companies: '11 (N=299), '12 (N=300)

Q2785. Since the recession began in 2008, has your company and/or your retirement plan provider implemented any programs to help employees get back on track with their retirement savings?

# Perceptions & Management: Helping Employees Transition to Retirement with a 401(k)

- Companies help employees transition to retirement in many ways, although fewer than half offer financial counseling or seminars, which could most helpful in assisting retiree.
- Companies that provide information about the distribution options available in the retirement plan to help employees transition to retirement has fallen significantly from last year.



Responses greater than 1% are shown

\*While regulations concerning terminated participants may require that companies perform these actions, these statistics only reflect companies' responses at the time of the survey.

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q770. Does your company do any of the following to help employees transition to retirement? CHOOSE ALL THAT APPLY



# Perceptions & Management: Helping Employees Transition to Retirement Among Companies with a 401(k)

- Overall, large companies do more than small companies to help employees transition to retirement.
- Compared to last year, there is a significant decrease in large companies that allow terminated employees to leave their money in the plan, provide information about distribution options, distribute retirement planning materials, and offer an income annuity as a payout option.
- Among small companies, there is a significant drop since last year in the number that provide information about the distribution options available in their retirement plan.

	Small Companies					Large Companies				
	2012 (N=380)	2011 (N=364)	2009/10 (N=256)	2008/09 (N=248)	2007 (N=304)	2012 (N=281)	2011 (N=281)	2009/10 (N=277)	2008/09 (N=278)	2007 (N=263)
Allow terminated retirement plan participants to leave their money in the plan*	73%	74%	78%	72%	67%	84%	90%	91%	93%	89%
Provide information about the distribution options available in your retirement plan*	63%	74%	77%	63%	65%	80%	91%	90%	89%	82%
Distribute retirement planning materials	52%	54%	56%	54%	48%	62%	73%	73%	73%	65%
Allow systematic withdrawals by terminated plan participants	44%	48%	54%	43%	37%	57%	65%	63%	62%	59%
Offer financial counseling	41%	42%	35%	28%	33%	46%	53%	52%	50%	50%
Offer pre-retirement seminars	15%	15%	20%	17%	19%	38%	46%	47%	41%	42%
Offer an income annuity as a payout option in your retirement plan	14%	18%	24%	22%	23%	29%	41%	43%	31%	40%
Nothing	11%	7%	6%	12%	8%	4%	1%	1%	-	-
Not sure	3%	4%	1%	4%	3%	3%	-	1%	-	2%

Responses greater than 1% are shown

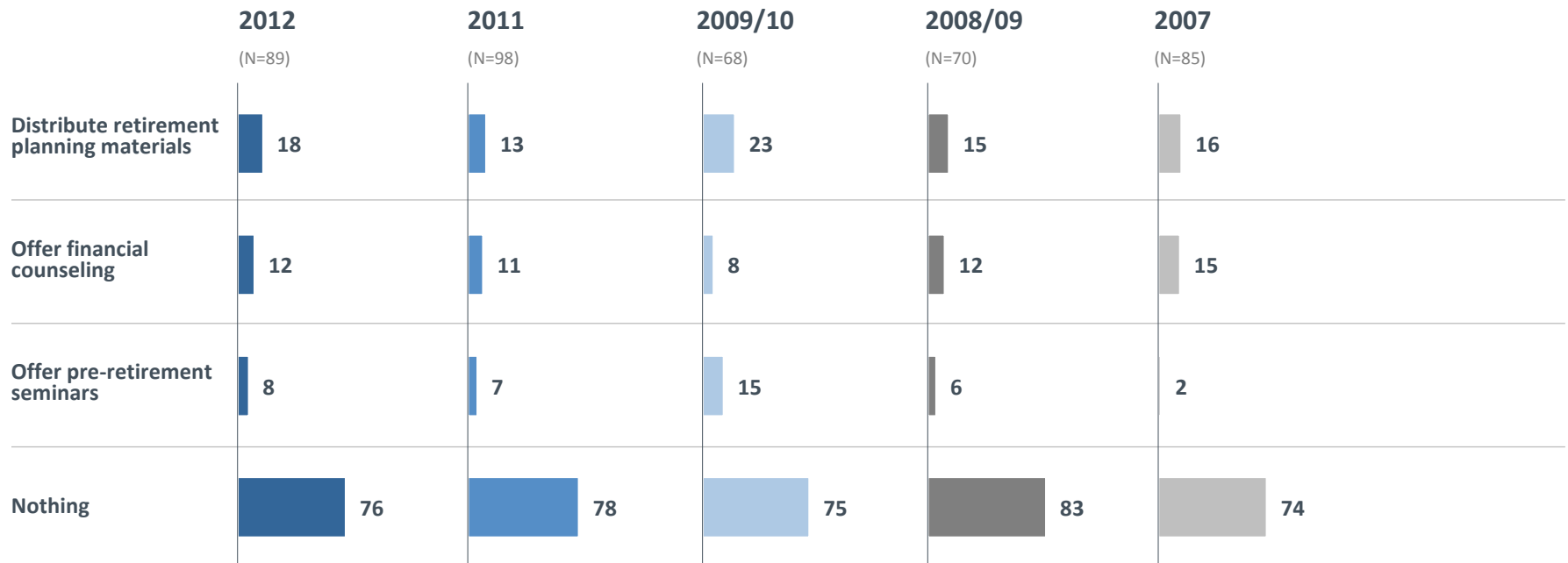
\*While regulations concerning terminated participants may require that companies perform these actions, these statistics only reflect companies' responses at the time of the survey.

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q770. Does your company do any of the following to help employees transition to retirement? CHOOSE ALL THAT APPLY

# Perceptions & Management: Helping Employees Transition to Retirement Among Companies without a 401(k)

- The majority of companies that do not offer an employee-funded plan do little else to help employees transition to retirement.
- Distributing retirement planning materials is still the most common help offered.

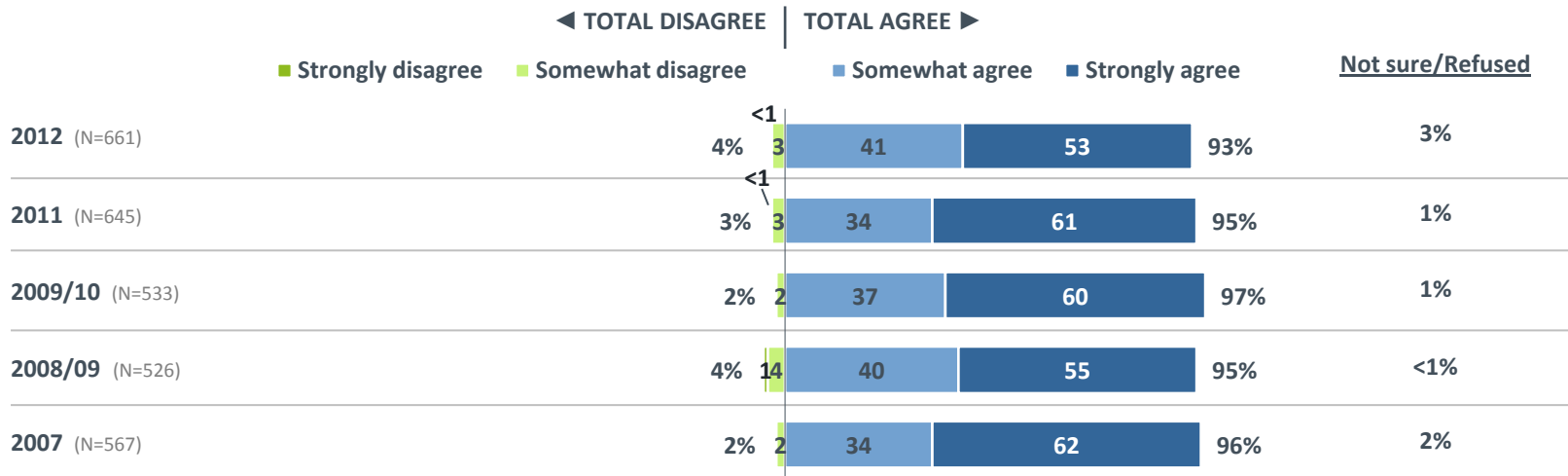


BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN

Q780. Does your company do any of the following to help employees transition to retirement? Choose ALL that apply.

# Perceptions & Management: Employee Satisfaction with Plan

- The overwhelming majority of companies that offer employee-funded plans agree their employees are satisfied with the retirement plan offered by the company.

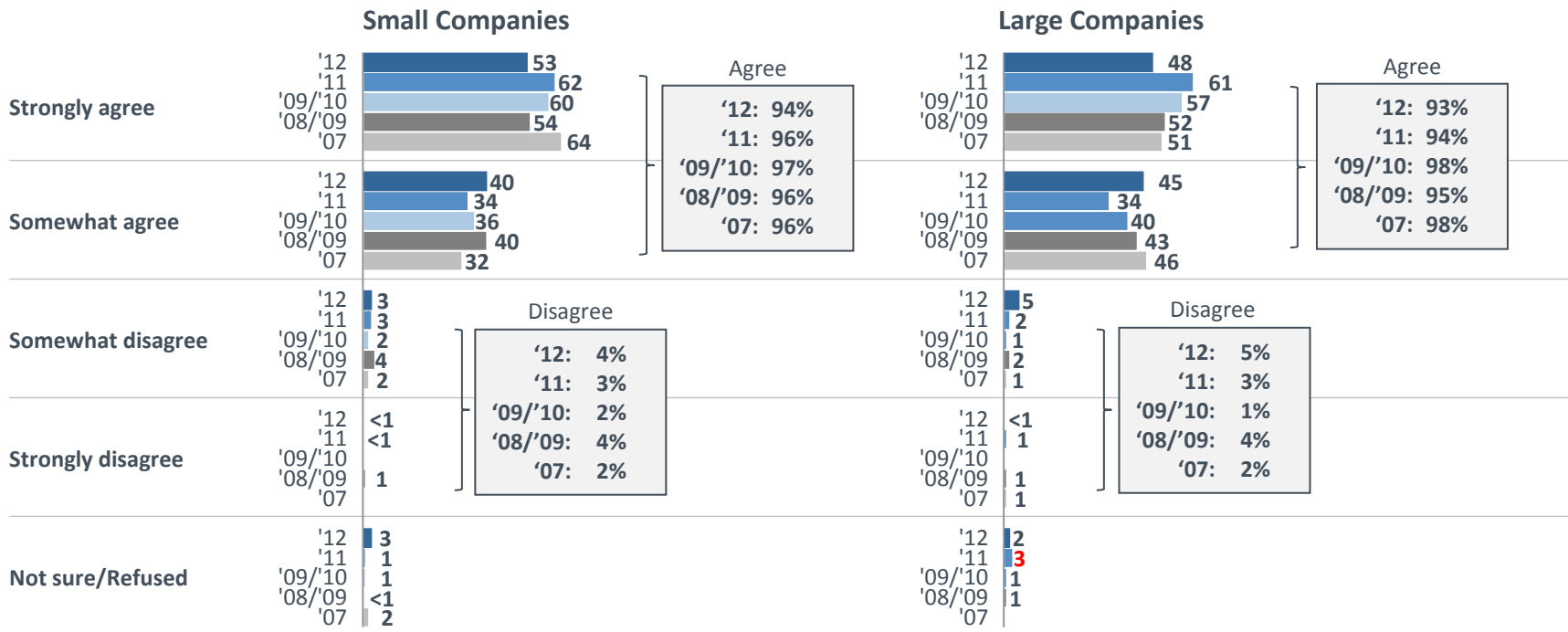


BASE: OFFERS 401(K) PLAN OR OTHER SELF-FUNDED PLAN

Q750. Our employees are satisfied with the retirement plan the company offers.

# Perceptions & Management: Perceived Employee Satisfaction with Plan

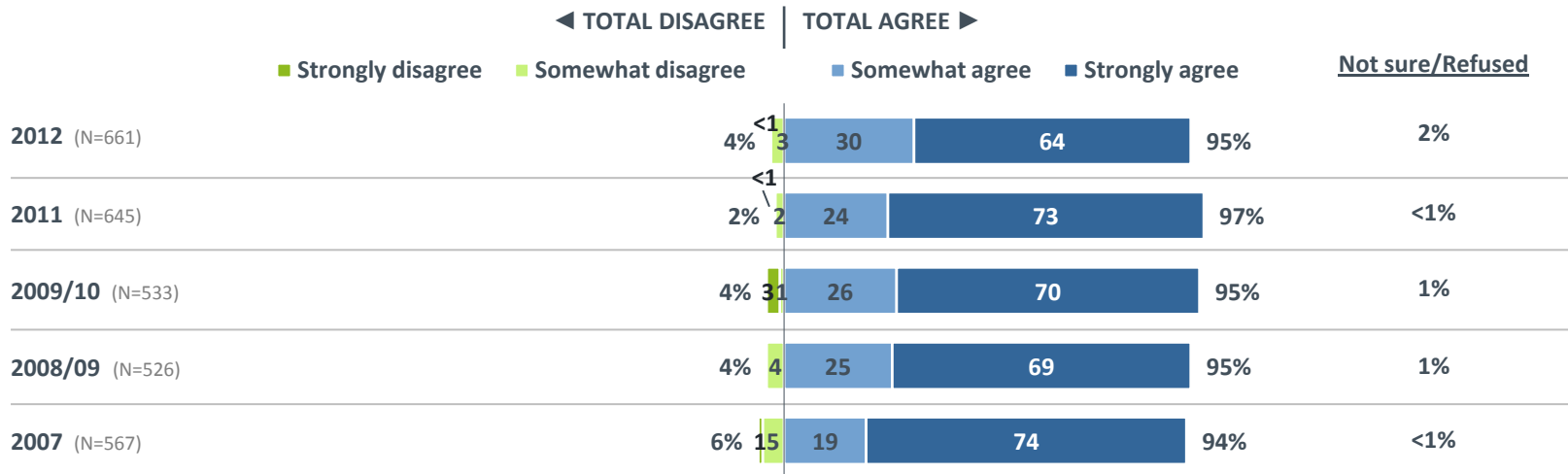
- While the majority of large companies agree their employees are satisfied with the retirement plan the company offers, there is a decrease in intensity of agreement compared to last year – there is a significant decrease in those who “strongly agree” and a corresponding increase in those who “somewhat agree.”



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), 12 (N=380); Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), 12 (N=281) Q750. Our employees are satisfied with the retirement plan the company offers.

# Perceptions & Management: Employer Satisfaction with Plan Provider

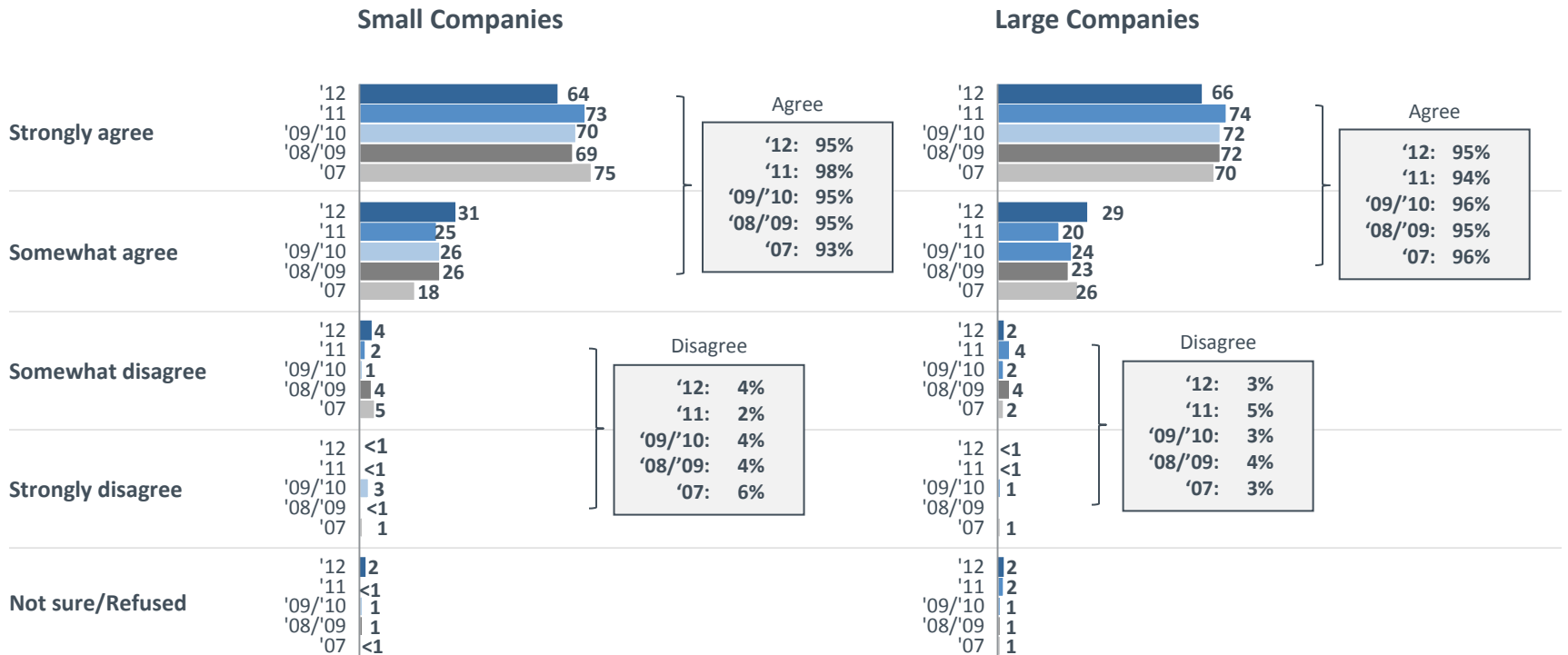
- Almost all companies continue to agree that they are satisfied with their retirement plan provider. However, there is a significant decrease in the companies who “strongly agree” compared to 2011.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN  
 Q740. Our company is satisfied with our retirement plan provider.

# Perceptions & Management: Employer Satisfaction with Plan Provider

- While satisfaction with plan providers is high among both small and large companies, the decrease in those who “strongly agree” that they are satisfied with their retirement plan provider compared to 2011 is found among both large and small companies.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)  
 Q740. Our company is satisfied with our retirement plan provider.

# Perceptions & Management: Employee-funded Retirement Plan History

- There is a significant increase in the average length of time companies have offered employee-funded plans.

Length of time plan has been offered	2012 (N=661)	2011 (N=645)	2009/10 (N=533)	2008/09 (N=526)	2007 (N=567)
Less than 6 months	1	<1		1	1
1-5 years	10	14	12	15	18
6-10 years	29	27	27	30	27
11-20 years	36	37	41	33	40
21-30 years	13	14	13	11	6
31-40 years*	5				
Not sure/Refused	7	8	8	9	7
<b>Mean</b>	<b>15.4 years</b>	<b>13.8</b>	<b>14.1</b>	<b>12.7</b>	<b>12.2</b>
<b>Median</b>	<b>15 years</b>	<b>12</b>	<b>13</b>	<b>10</b>	<b>11</b>

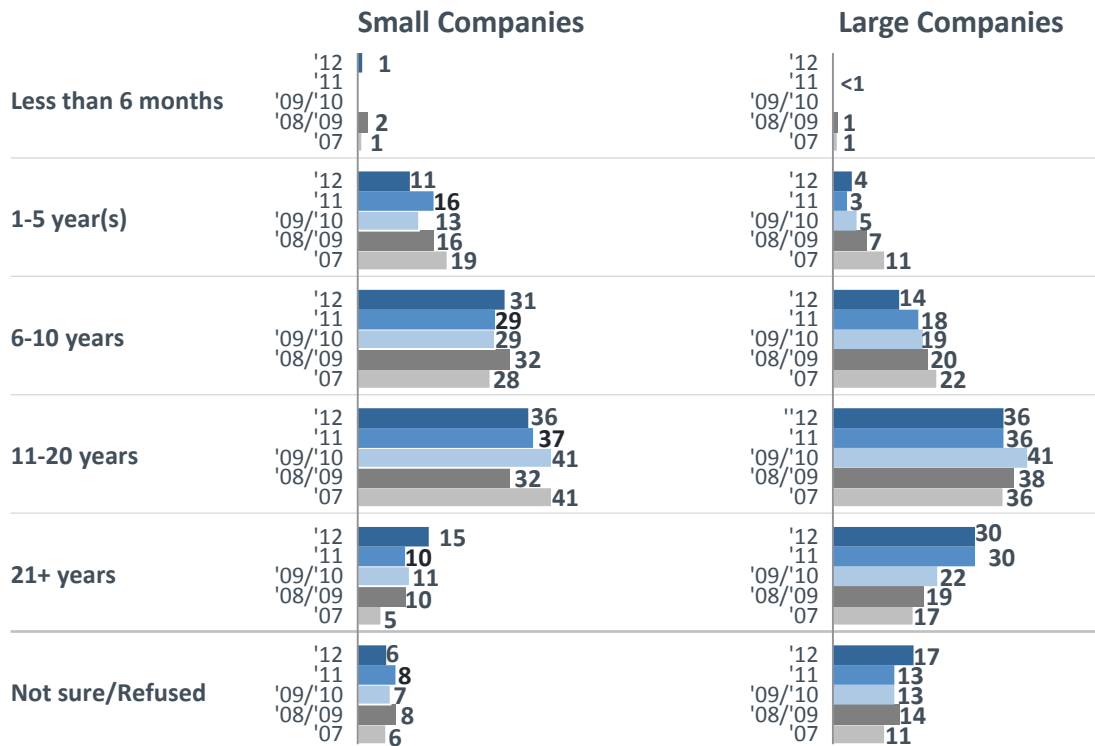
\*Please note that the upper limit was increased from 30 to 40 years in 2012

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q620. How long have you offered a 401(k) or other employee-funded retirement plan at your company?

# Perceptions & Management: Employee-funded Retirement Plan History

- Large companies, on average, have offered employee-funded plans for a longer period of time than small companies.



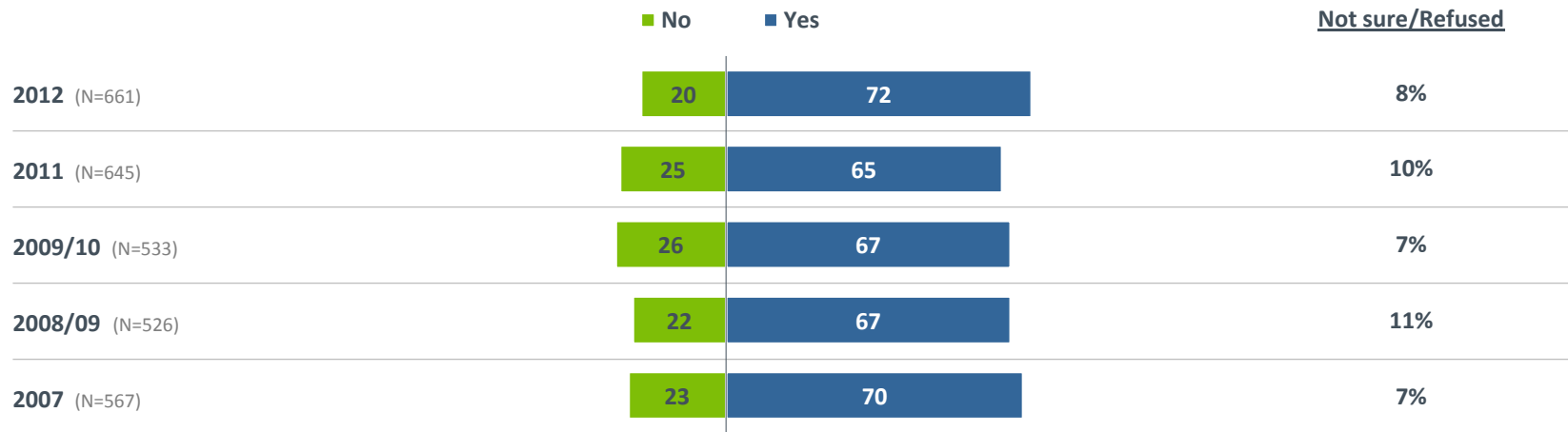
	Mean		Median	
	Small Cos.	Large Cos.	Small Cos.	Large Cos.
2012	14.9	19.5	13	20
2011	13.1	18.7	12	20
2009/10	13.7	17.2	12	15
2008/09	12.1	16.1	10	15
2007	11.8	14.9	10	15

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)  
Q620. How long have you offered a 401(k) or other employee-funded retirement plan at your company?



# Perceptions & Management: Using Outside Advisors

- A little over seven in ten employers offering a self-funded plan use an outside advisor to help select retirement plans, a directional increase from previous years.

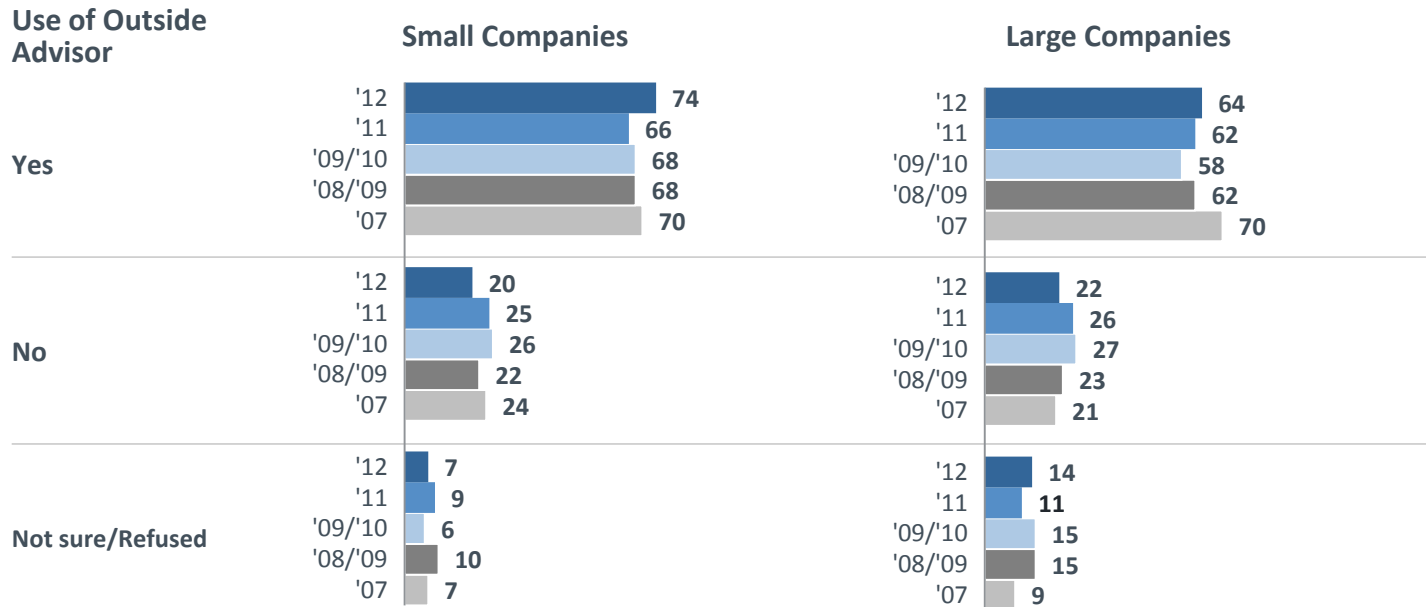


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q690. Did you use an outside advisor to help you select your retirement plan?

# Perceptions & Management: Using Outside Advisors

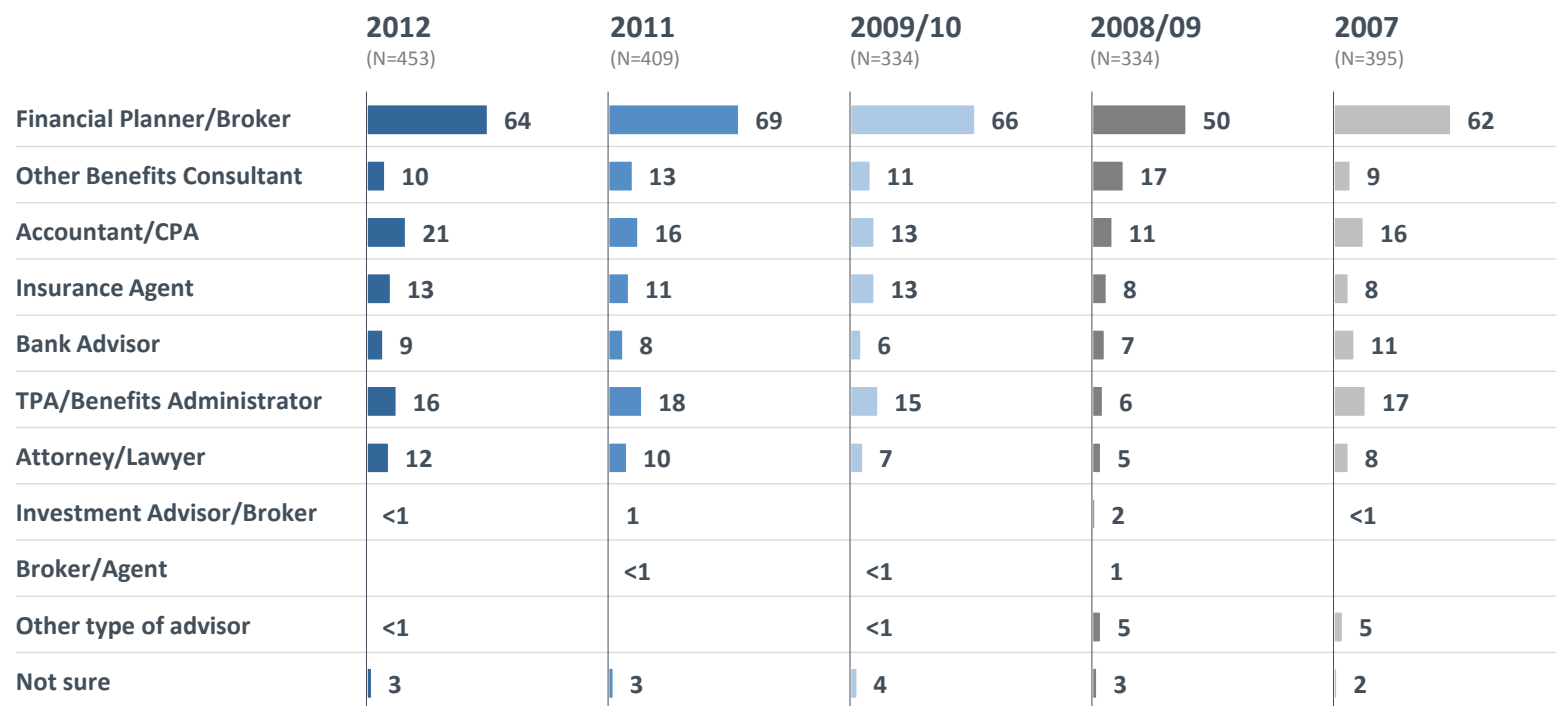
- Small companies are significantly more likely than large companies to have used an outside advisor to select their retirement plan, a directional increase from previous years.
- The use of outside advisors by large companies has also increased directionally since '09/'10.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)  
 Q690. Did you use an outside advisor to help you select your retirement plan?

# Perceptions & Management: Types of Advisors

- Among companies that used an outside advisor to help select their retirement plan, most used a financial planner or broker, which is consistent with prior years.



Mentions less than 2% are not shown.

BASE: USED OUTSIDE ADVISOR TO HELP SELECT PLAN

Q700. What type of advisor did you use? SELECT ALL THAT APPLY

## Perceptions & Management: Types of Advisors

- Small companies are more likely than large ones to use accountants and insurance agencies, while large companies are more likely to use a benefits consultant.
- There is a significant drop among large companies who use an attorney/lawyer.

	Small Companies					Large Companies				
	2012 (N=274)	2011 (N=234)	2009/10 (N=173)	2008/09 (N=160)	2007 (N=212)	2012 (N=179)	2011 (N=175)	2009/10 (N=161)	2008/09 (N=174)	2007 (N=183)
Financial Planner/Broker	64%	71%	68%	48%	63%	59%	57%	52%	57%	60%
Other Benefits Consultant	8%	11%	9%	16%	7%	27%	26%	35%	23%	23%
Accountant/CPA	22%	17%	14%	12%	17%	10%	8%	7%	6%	5%
Insurance Agent	14%	11%	14%	8%	8%	7%	3%	3%	4%	3%
Bank Advisor	9%	8%	6%	7%	12%	8%	8%	6%	2%	3%
TPA/Benefits Administrator	16%	18%	15%	6%	18%	17%	21%	10%	10%	9%
Attorney/Lawyer	11%	8%	7%	4%	7%	14%	25%	13%	10%	10%
Not Sure	3%	3%	4%	3%	2%	3%	7%	4%	5%	4%

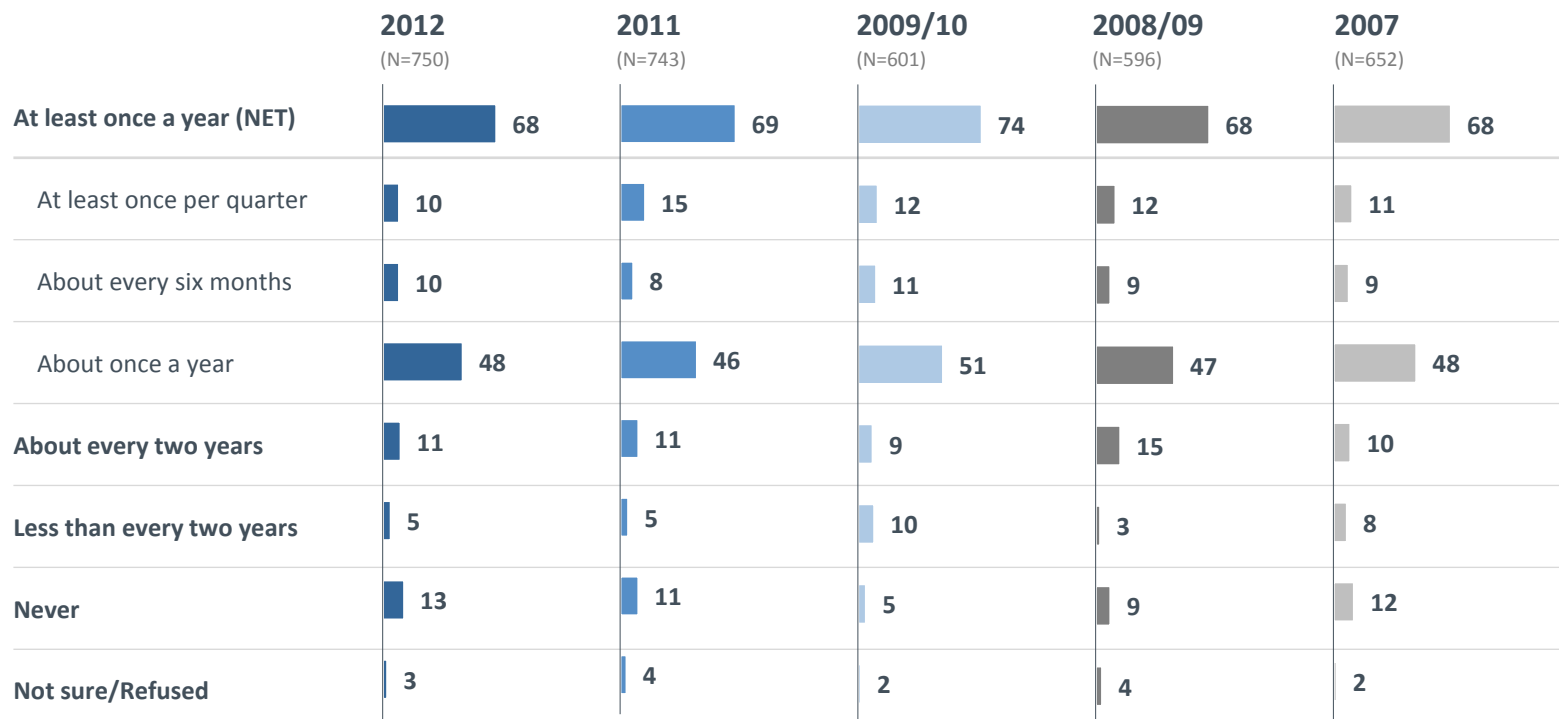
Mentions less than 2% are not shown.

BASE: USED OUTSIDE ADVISOR TO HELP SELECT PLAN

Q700. What type of advisor did you use? SELECT ALL THAT APPLY

# Perceptions & Management: Evaluating Retirement Benefits

- Almost seven in ten companies evaluate retirement benefit offerings at least once a year.

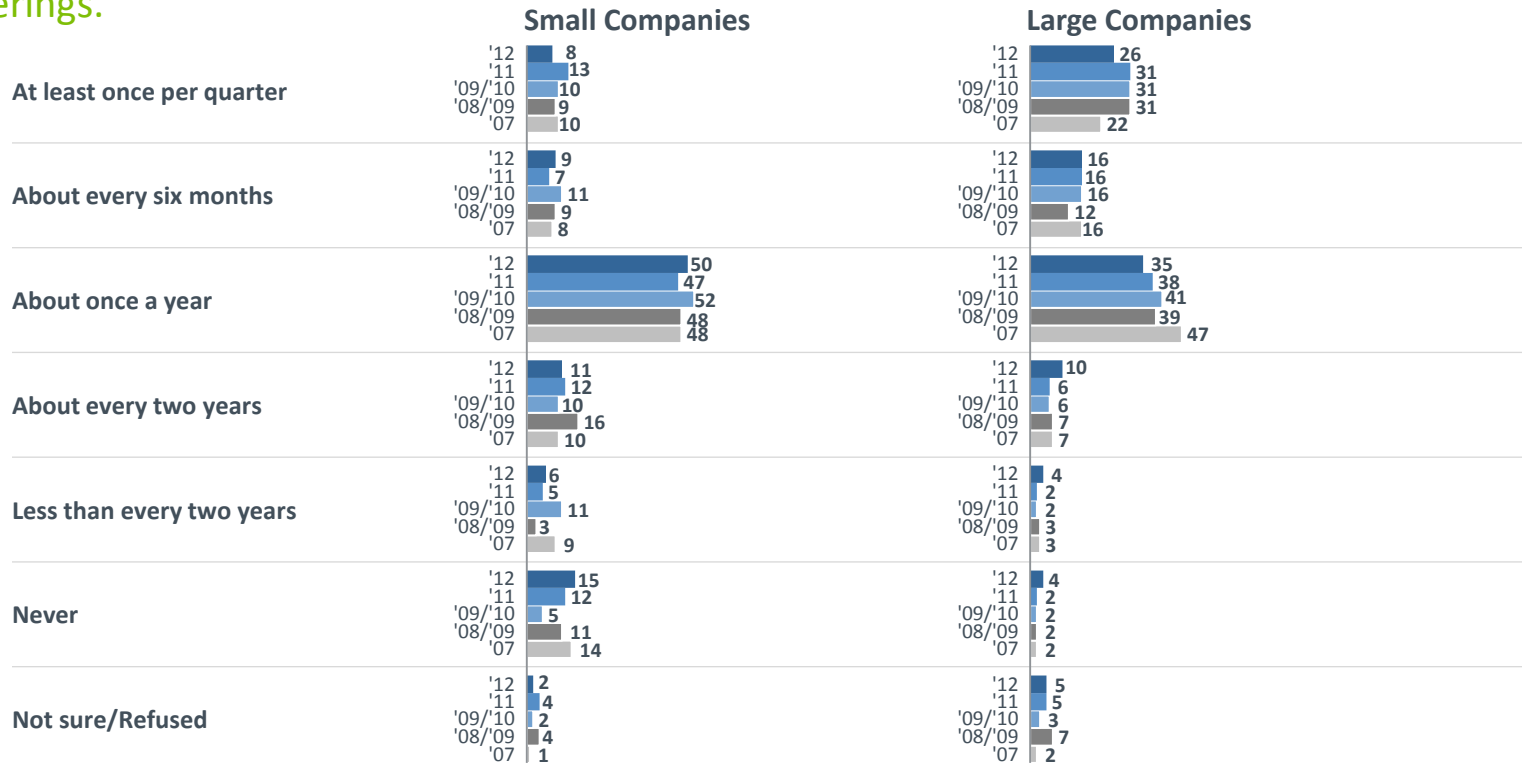


BASE: TOTAL RESPONDENTS

Q790. How frequently does your company evaluate the retirement benefits offered to employees?

# Perceptions & Management: Evaluating Retirement Benefits

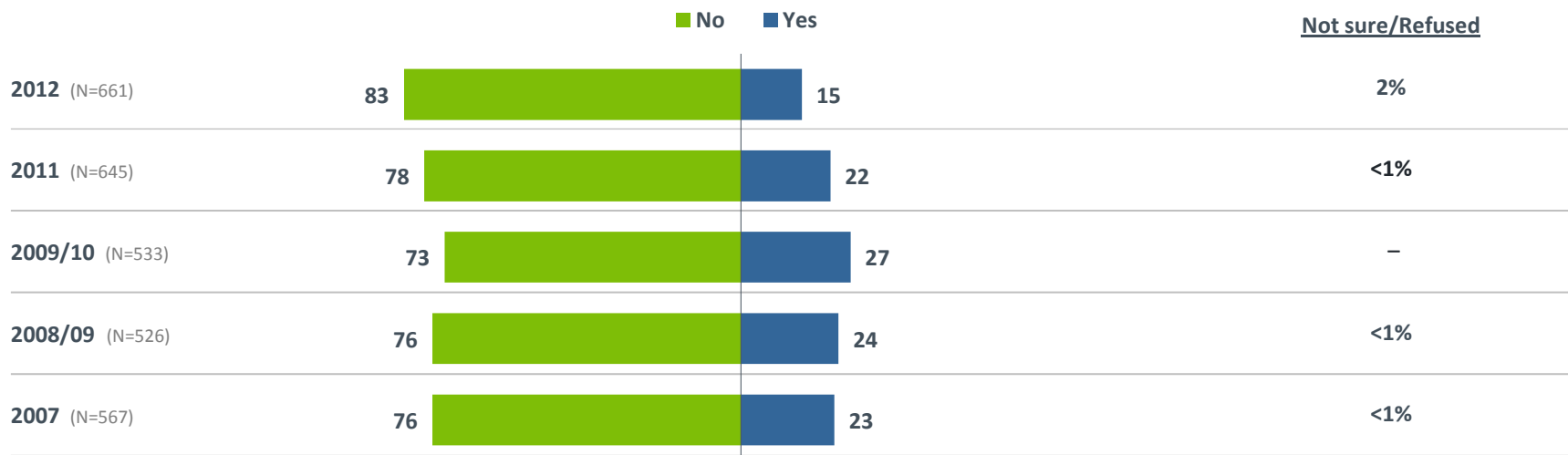
- Large companies are more likely than small companies to review their retirement benefits at least quarterly or every six months.
- Among small companies, there is a significant minority that never review their retirement benefit offerings.



BASE: TOTAL RESPONDENTS; Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)  
 Q790. How frequently does your company evaluate the retirement benefits offered to employees?

# Perceptions & Management: 401(k) Plan Changes In the Past 12 Months

- Since '09/'10, there are fewer companies making changes to their employee-funded plan.

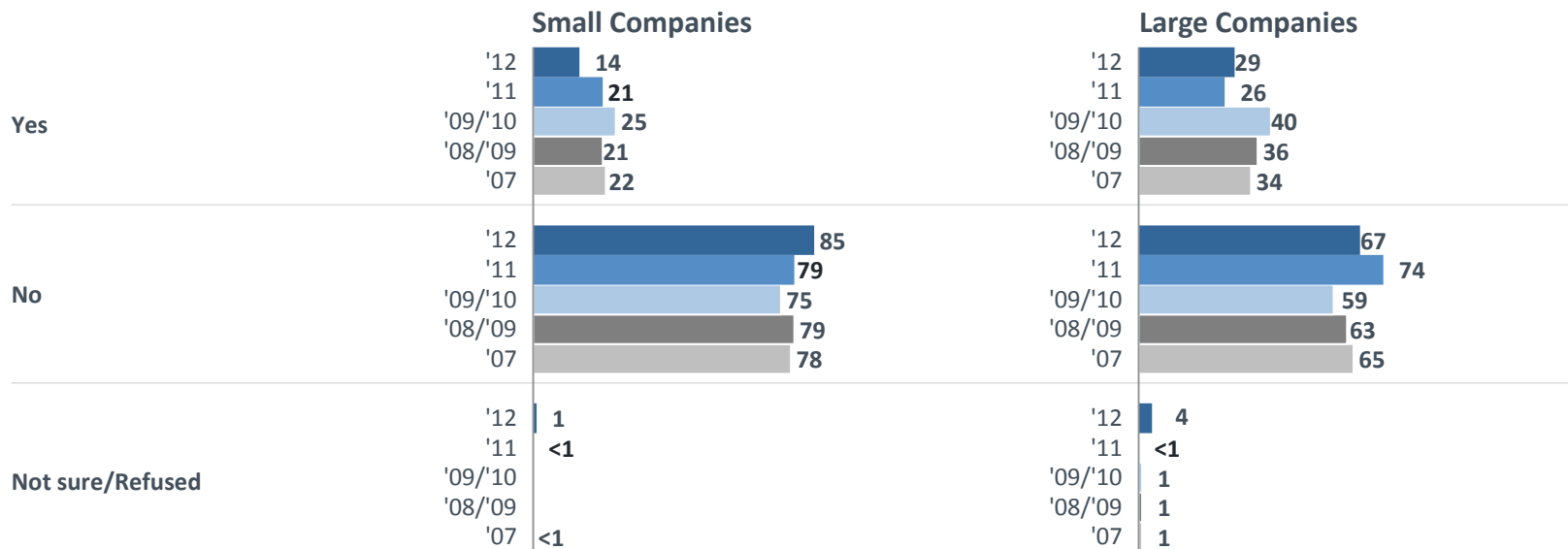


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q670. In the past 12 months, has your company made any changes to its 401(k) plan or other employee self-funded plan?

# Perceptions & Management: 401(k) Plan Changes In the Past 12 Months

- Large companies are more likely to have made changes to their employee-funded plan in the past 12 months.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304), '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380);

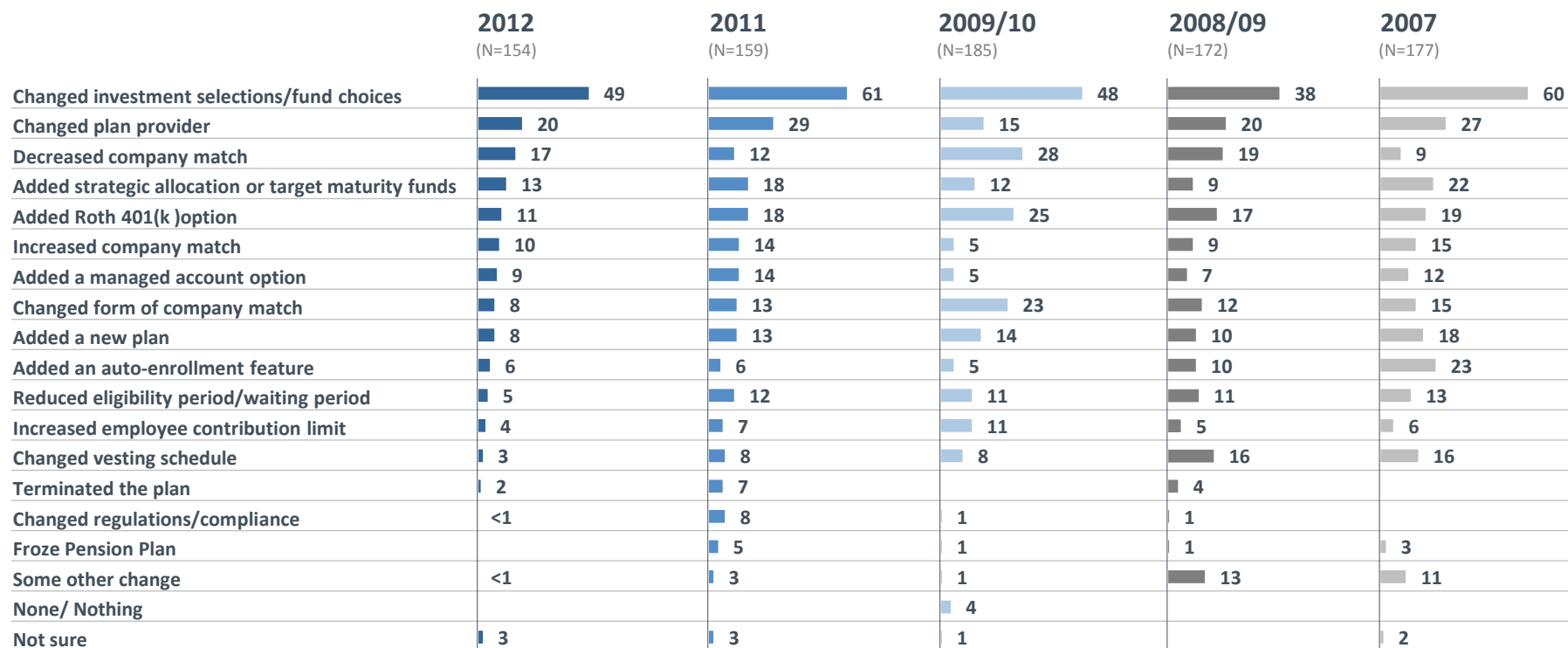
Large Companies: '07 (N=263), '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)

Q670. In the past 12 months, has your company made any changes to its 401(k) plan or other employee self-funded plan?



# Perceptions & Management: 401(k) Plan Changes In the Past 12 Months

- Among the companies that made a change to their plan in the last year, almost half changed investment selections/fund choices, and one in five changed their plan provider.



BASE: MADE CHANGES TO PLAN IN LAST YEAR  
Q680. What was changed in the plan? CHOOSE ALL THAT APPLY

# Perceptions & Management: 401(k) Plan Changes In the Past 12 Months

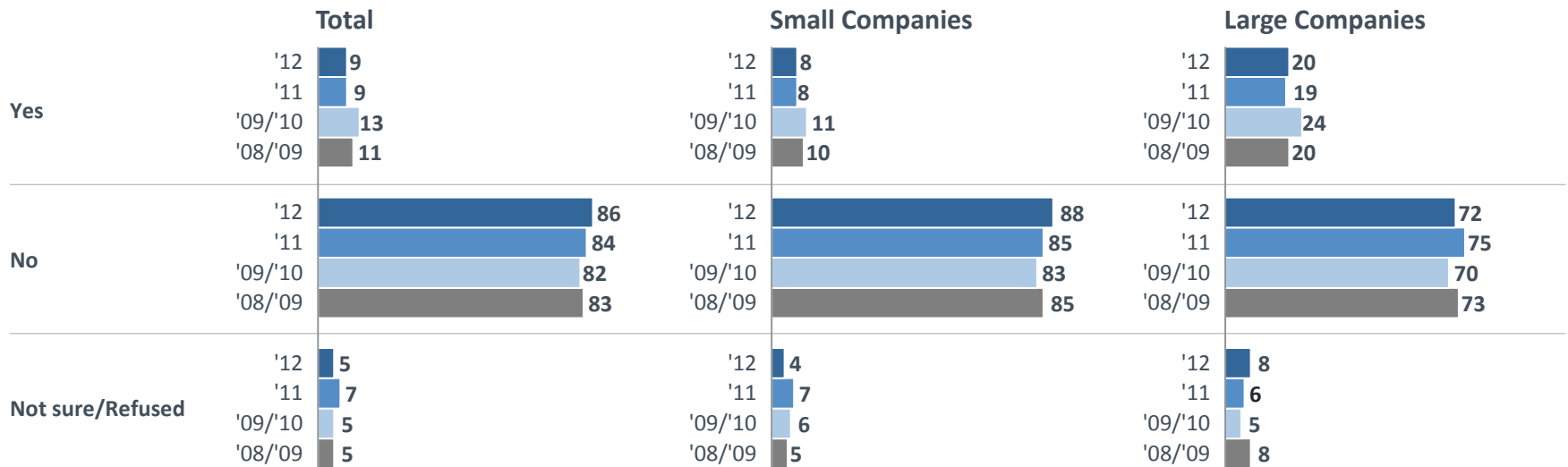
- Large companies are more likely than small companies to have changed investment selection choices, increased the company match, reduced eligibility/waiting period, increased employee contribution limit, and changed the vesting schedule.
- Small companies are more likely to have decreased the company match.

	Small Companies					Large Companies				
	2012 (N=72)	2011 (N=87)	2009/10 (N=73)	2008/09 (N=72)	2007 (N=87)	2012 (N=82)	2011 (N=72)	2009/10 (N=112)	2008/09 (N=100)	2007 (N=90)
Changed investment selections/fund choices	43%	60%	46%	36%	60%	68%	64%	56%	45%	61%
Changed plan provider	20%	30%	15%	22%	29%	18%	19%	12%	12%	18%
Decreased company match	19%	12%	28%	21%	11%	10%	12%	32%	16%	2%
Added Roth 401(k) option	12%	19%	27%	18%	21%	11%	14%	12%	16%	12%
Added strategic allocation or target maturity funds	12%	17%	10%	7%	21%	18%	22%	23%	15%	26%
Added a managed account option	8%	16%	3%	6%	11%	11%	7%	15%	9%	19%
Added a new plan	8%	14%	15%	11%	19%	11%	7%	9%	5%	10%
Increased company match	7%	15%	5%	6%	14%	18%	8%	7%	19%	20%
Changed form of company match	7%	12%	23%	11%	15%	11%	15%	24%	18%	16%
Added an auto-enrollment feature	4%	5%	4%	7%	23%	11%	10%	12%	17%	22%
Reduced eligibility period/waiting period	3%	13%	12%	9%	13%	11%	8%	8%	15%	14%
Terminated the plan	2%	8%	–	6%	–	–	1%	1%	1%	–
Increased employee contribution limit	1%	8%	13%	2%	4%	14%	4%	5%	17%	14%
Changed vesting schedule	1%	8%	8%	18%	16%	11%	7%	10%	9%	18%
Changed regulations/compliance	<1%	9%	2%	1%	–	–	3%	–	1%	–
Froze Pension Plan	–	5%	1%	–	3%	–	3%	4%	3%	4%
Some other change	–	3%	1%	15%	10%	1%	–	5%	7%	12%
None/ Nothing	–	–	5%	–	–	–	–	–	–	–
Not sure	4%	3%	2%	–	2%	1%	1%	1%	1%	–

BASE: MADE CHANGES TO PLAN IN LAST YEAR  
Q680. What was changed in the plan? CHOOSE ALL THAT APPLY

# Perceptions & Management: 401(k) Plan Considerations In the Next 12 Months

- Similar to last year, only about one in ten companies are considering making changes to their employee-funded plan in the next year.
- Large companies continue to be significantly more likely (more than double) than small companies to consider making changes in the next twelve months.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Total: '08/'09 (N=526), '09/'10 (N=533), '11 (N=645), '12 (N=661); Small Companies: '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); Large Companies: '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281) Q1430. In the next 12 months, is your company considering making any changes to its 401(k) plan or other employee self-funded plan?

# Perceptions & Management: 401(k)/Employee-funded Plan Considerations In the Next 12 Months

- Close to six in ten companies that are considering changes to their employee-funded plan in the next 12 months plan to change the investment selection/fund choices.
- There is a decrease from last year in large companies that plan to change their plan provider.

	Total				Small Companies				Large Companies			
	2012 (N=95)	2011 (N=88)	2009/10 (N=101)	2008/09 (N=87)	2012 (N=38*)	2011 (N=35*)	2009/10 (N=34*)	2008/09 (N=33*)	2012 (N=57)	2011 (N=53)	2009/10 (N=67)	2008/09 (N=54)
Change investment selections/fund choices	58%	45%	34%	36%	59%	41%	29%	33%	54%	59%	54%	43%
Change plan provider	34%	32%	30%	13%	39%	31%	34%	10%	19%	36%	18%	20%
Increase company match	29%	26%	21%	18%	30%	25%	17%	18%	28%	26%	36%	16%
Change form of company match	27%	8%	22%	22%	29%	7%	22%	24%	23%	13%	24%	17%
Add an auto-enrollment feature	15%	13%	7%	19%	13%	12%	1%	22%	22%	17%	27%	11%
Add a new plan	15%	6%	18%	10%	17%	6%	22%	13%	9%	6%	6%	4%
Add Roth 401 (k) option	14%	10%	30%	23%	14%	8%	32%	30%	12%	17%	26%	8%
Add a managed account option	13%	4%	3%	10%	14%	3%	1%	7%	12%	6%	9%	16%
Reduce eligibility period/waiting period	13%	4%	5%	2%	15%	3%	4%	1%	9%	6%	6%	4%
Increase employee contribution limit	8%	6%	4%	6%	8%	7%	4%	6%	9%	4%	4%	7%
Add strategic allocation or target maturity funds	5%	6%	4%	14%	5%	5%	2%	14%	7%	9%	10%	13%
Decrease company match	3%	8%	13%	9%	3%	9%	16%	6%	2%	6%	3%	17%
Change vesting schedule	2%	2%	6%	10%	1%	1%	8%	12%	7%	4%	3%	5%
Increase flexibility	2%	2%	–	–	3%	3%	–	–	–	–	–	–
Add an auto increase	2%	–	–	–	2%	–	–	–	2%	–	–	–
Not sure/Refused	1%	<1%	<1%	1%	–	9%	–	1%	2%	4%	2%	2%

Responses 2% or greater are shown

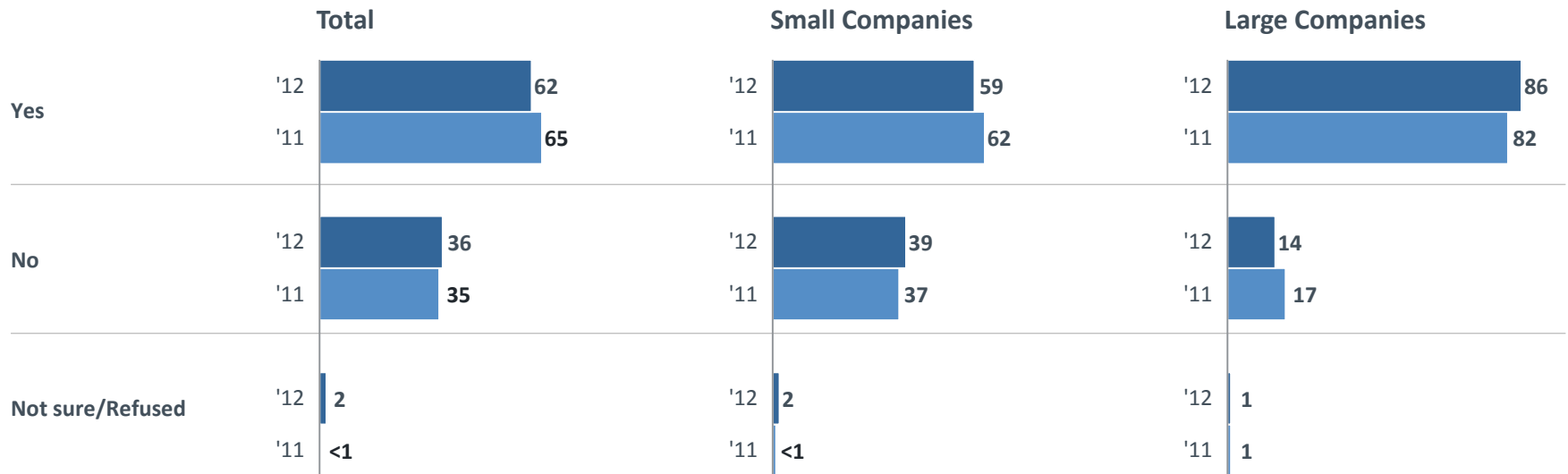
NOTE: No Significance testing due to small base sizes

BASE: Plans to MAKE CHANGES TO PLAN IN NEXT 12 MONTHS

Q1435. What changes is your company considering to make in its 401(k) or other employee self-funded plan in the next 12 months? Choose ALL that apply.

# New Fee Disclosure Regulation: Awareness

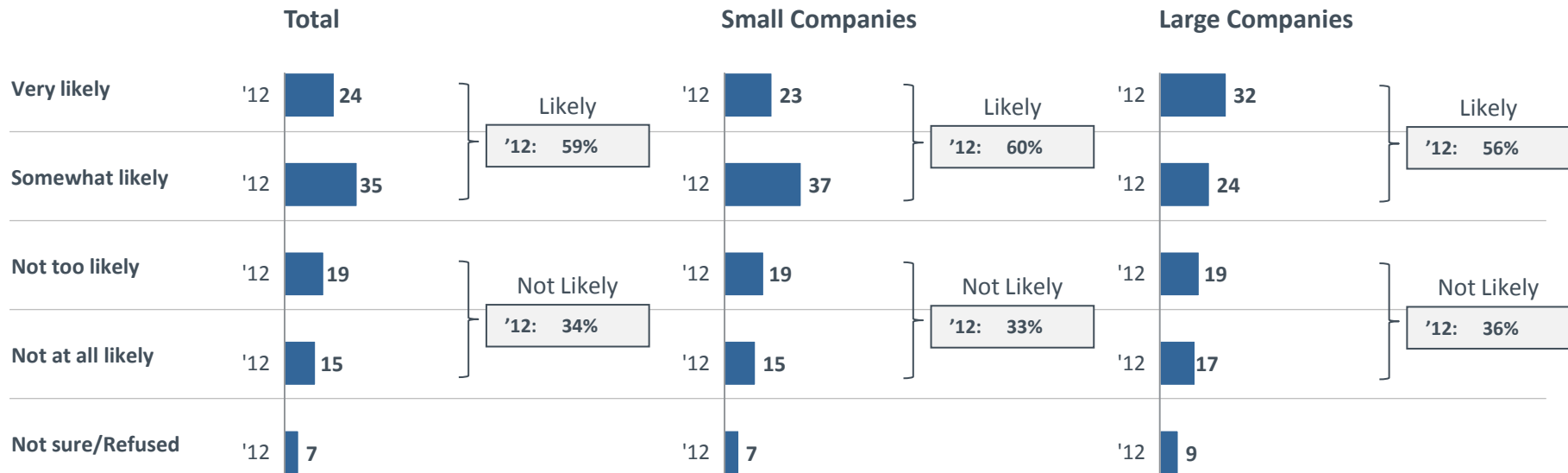
- As of the fielding of this survey in early 2012, two-thirds of companies that offer an employee-funded plan indicate they are aware of the Department of Labor’s new fee disclosure regulations.
- Similar to last year, large companies are more likely to indicate they are aware than small companies.



Base: Offers 401(k) or Other Self Funded Plan; Total: '11 (N=645); '12 (N=661); Small Companies: '11 (N=364), '12 (N=380); Large Companies: '11 (N=281), '12 (N=281)  
 Q1625. Are you aware of the Department of Labor’s new fee disclosure regulations being required of retirement plan providers that will become effective during 2012?

# New Fee Disclosure Regulation: Plan Evaluation

- Among the companies aware of the Department of Labor’s new fee disclosure regulations, close to six in ten are likely to reevaluate their retirement plan’s fees and expenses.
- Large companies are more likely to indicate they are “very likely” while small companies are more likely to indicate they are “somewhat likely” to reevaluate.



Base: Offers 401(k) or Other Self Funded Plan; Total: '12 (N=661); Small Companies: '12 (N=380); Large Companies: '12 (N=281)

REVISED QUESTION WORDING IN WAVE 13: Q1630. When the new regulations are implemented, how likely will you be to reevaluate your retirement plan’s fees and expenses?

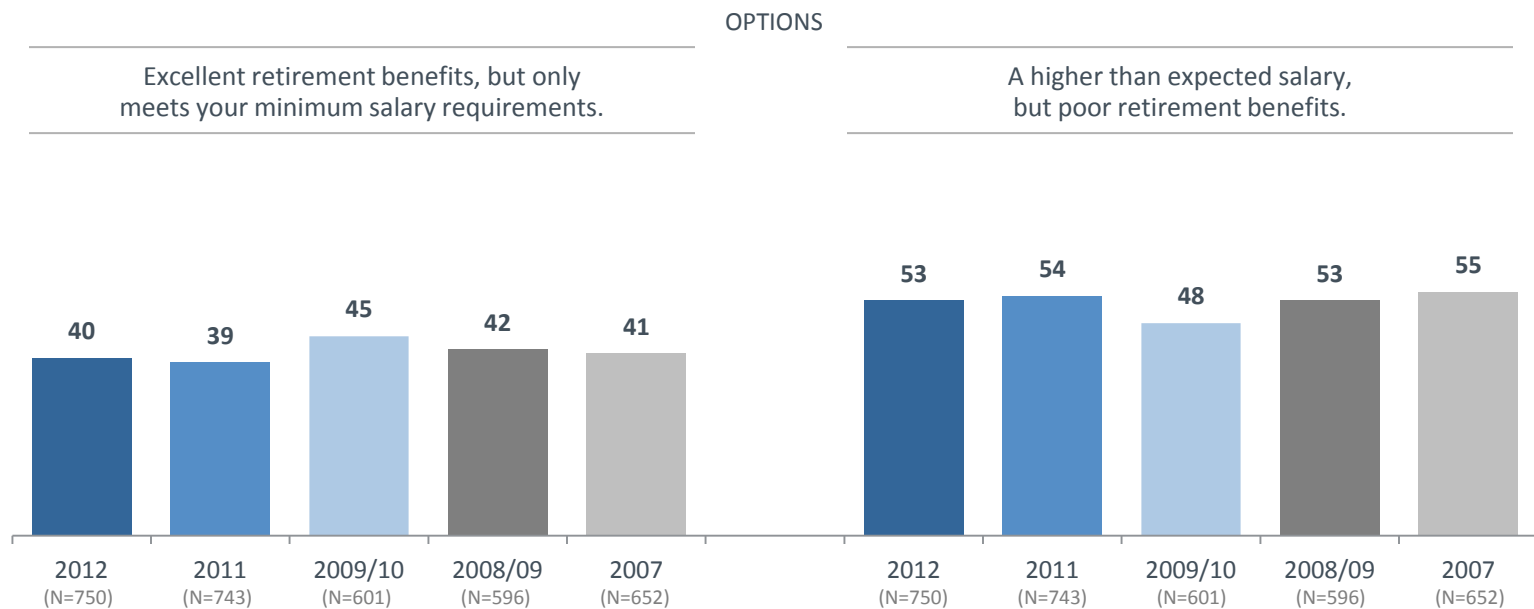


## Detailed Findings

- Economic Expectations and Business Changes
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- **Perceptions of Employee Involvement with Retirement Planning**

# Perceptions of Employees: Preference for Higher Salary v. Better Retirement Benefits

- Employers indicate potential employees would be more interested in an offer with higher salary but poor retirement benefits rather than an offer with excellent retirement benefits that meets the minimum salary requirement.



*NOTE: Percentages do not add up to 100% because employees were allowed to state "neither" or "not sure."*

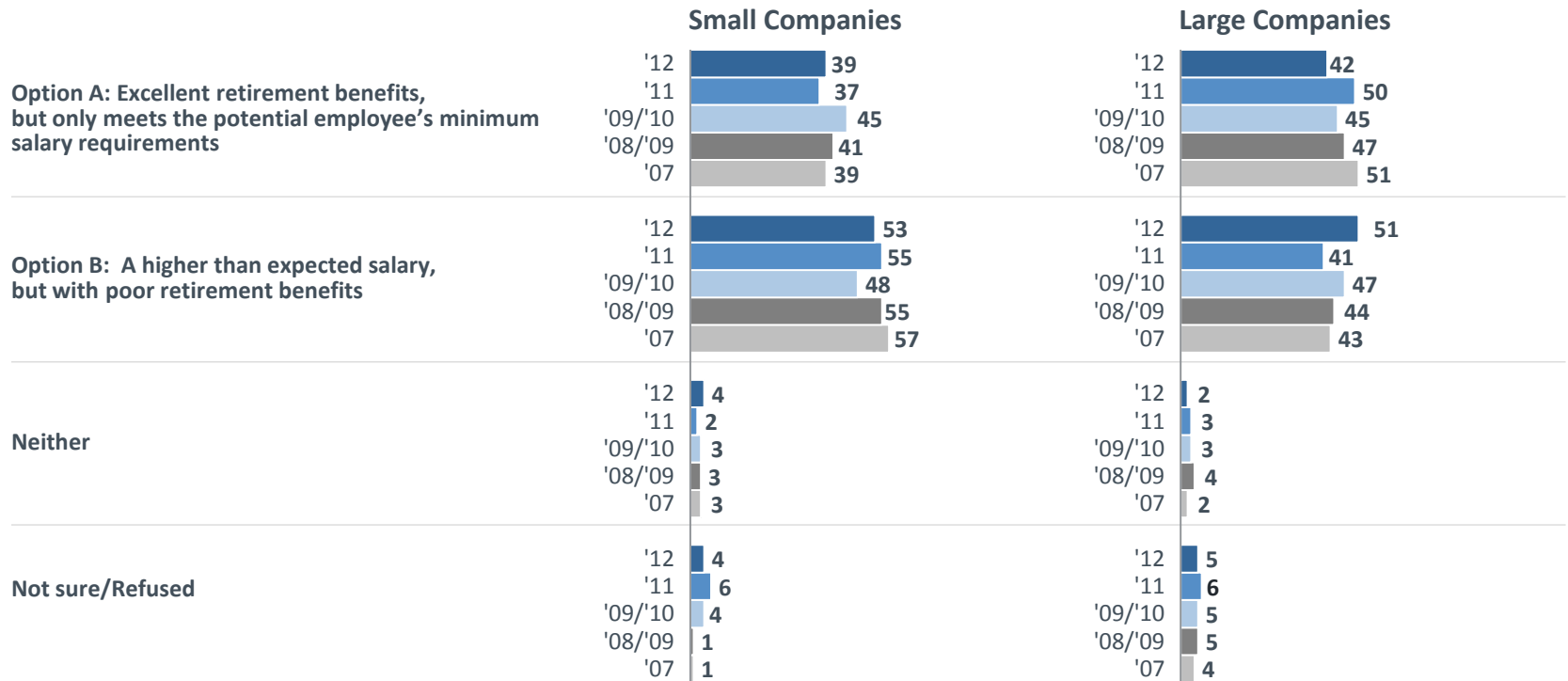
BASE: TOTAL RESPONDENTS

Q760. Suppose you could offer the following two choices in a job offer to a potential employee. Which one do you feel would be of greater interest to a potential employee?



# Perceptions of Employees: Preference for Higher Salary v. Better Retirement Benefits

- Small companies perceive that potential employees would prefer a job offer with a higher than expected salary but poor retirement benefits. For the first time, large companies also think that this would be a potential employee's preference.



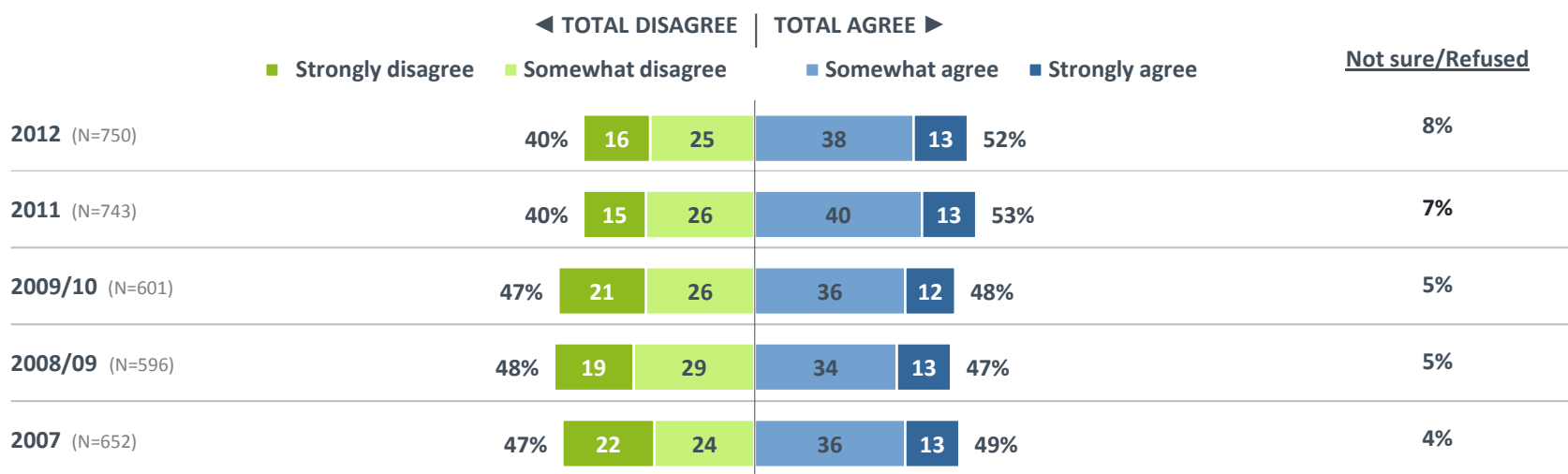
BASE: TOTAL RESPONDENTS; Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q760. Suppose you could offer the following two choices in a job offer to a potential employee. Which one do you feel would be of greater interest to a potential employee?

# Perceptions of Employees: Involvement

- A slight majority of companies agree their employees are generally very involved in monitoring and managing their retirement savings.

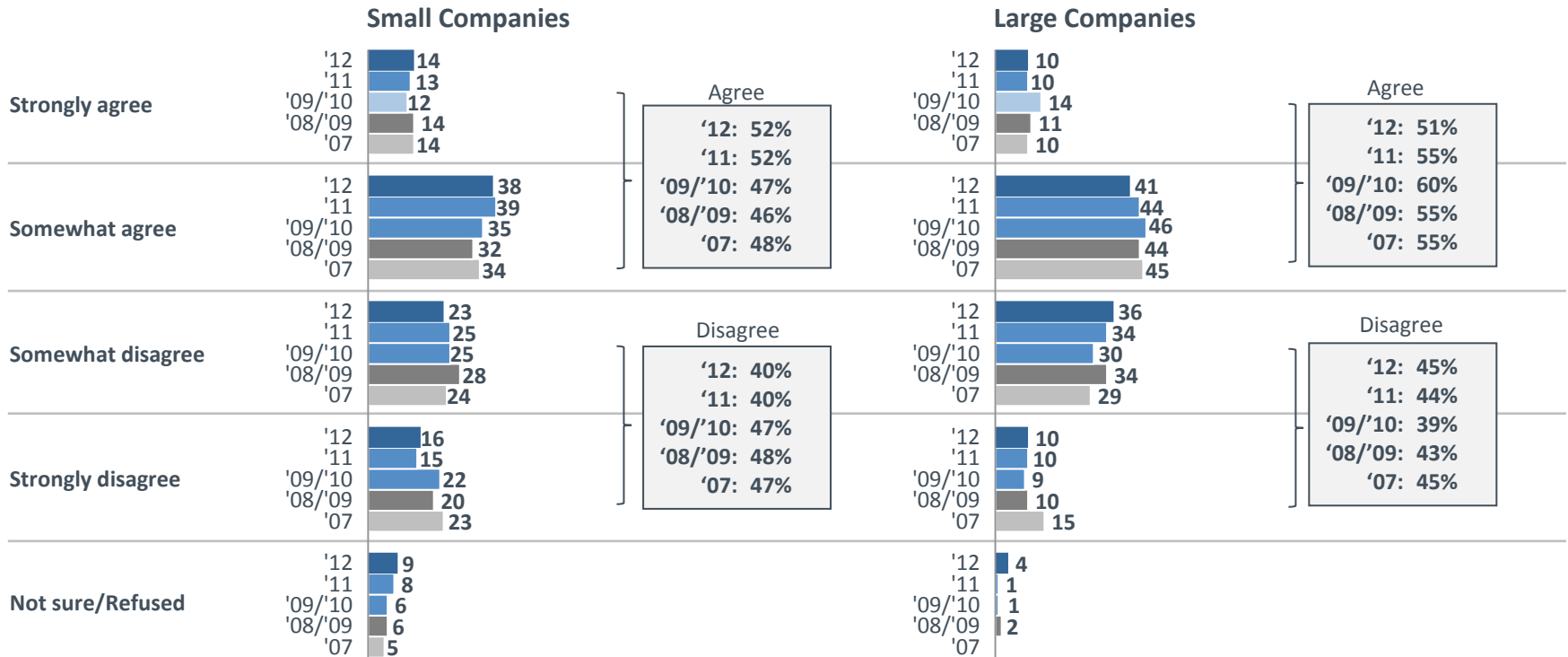


BASE: TOTAL RESPONDENTS

Q810. Employees at my company are generally very involved in monitoring and managing their retirement savings.

# Perceptions of Employees: Involvement

- Among large companies, there is a directional decrease over the years in those who agree their employees are very involved in monitoring and managing their retirement savings.



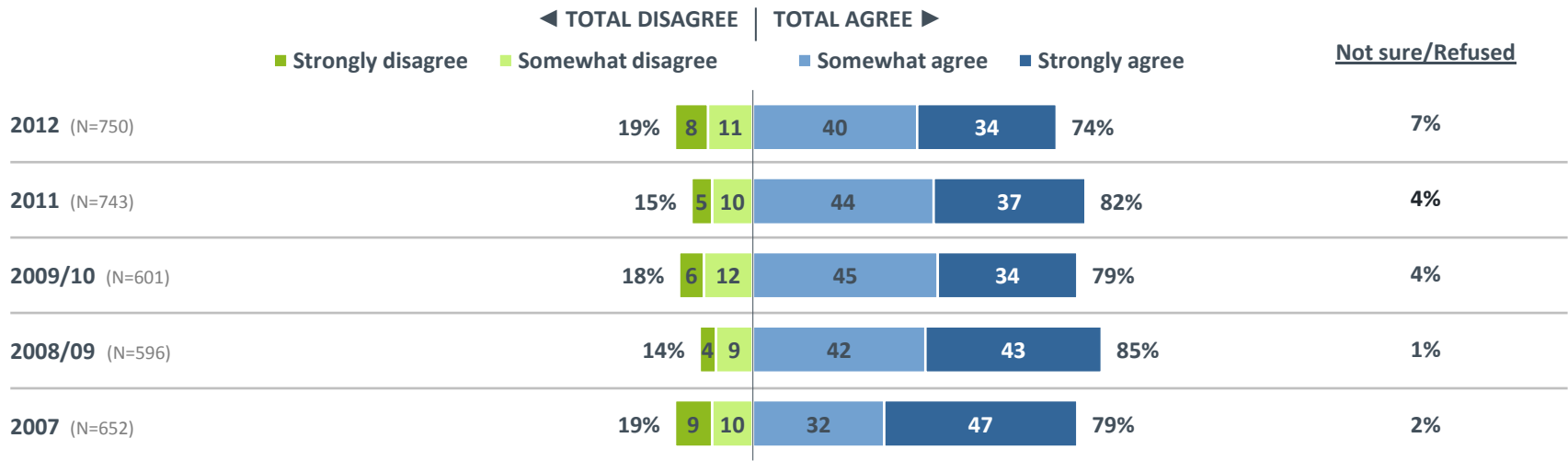
BASE: TOTAL RESPONDENTS; Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q810. Employees at my company are generally very involved in monitoring and managing their retirement savings.

# Perceptions of Employees: Knowledge

- Even though a slight majority of companies agree their employees are very involved in monitoring and managing their retirement savings, almost three-fourths agree their employees do not know as much as they should about retirement investing.
- Conversely, there is a significant decrease in companies that agree their employees do *not* know as much as they should about retirement investing compared to last year.

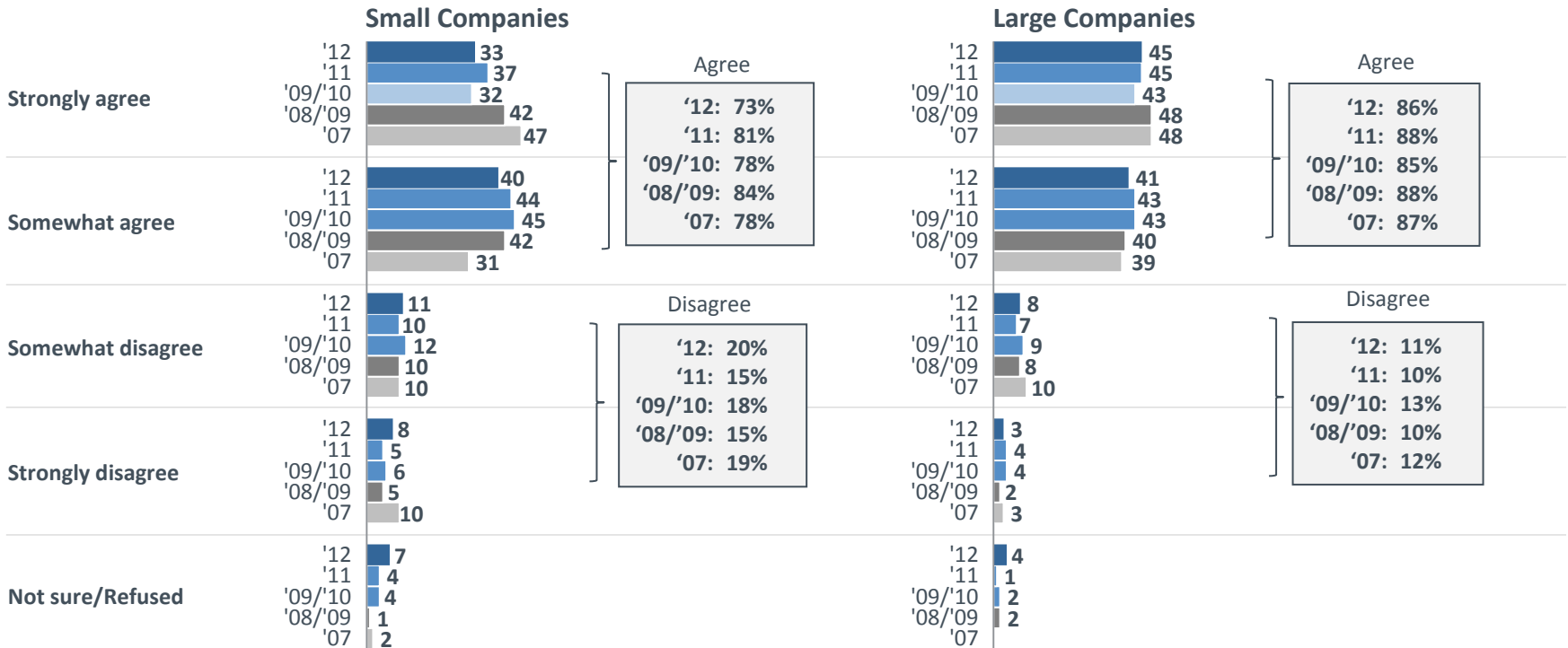


BASE: TOTAL RESPONDENTS

Q820. Most employees at my company do not know as much as they should about retirement investing.

# Perceptions of Employees: Knowledge

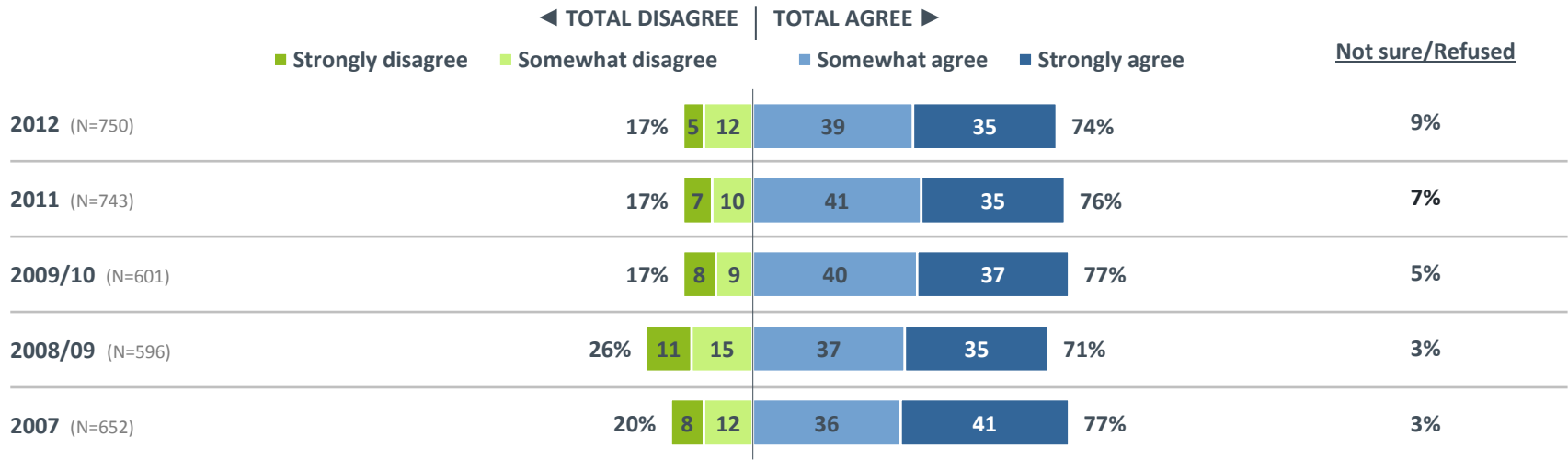
- Large companies continue to be doubtful of their employees' investment retirement knowledge with nearly nine in ten believing their employees don't know as much as they should about retirement investing.
- Small companies are almost twice as likely as large companies with that statement.



BASE: TOTAL RESPONDENTS; Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)  
 Q820. Most employees at my company do not know as much as they should about retirement investing.

# Perceptions of Employees: Preference to Rely on Experts

- Similar to last year, almost three quarters of companies agree that most of their employees would prefer to rely on outside experts to monitor and manage their retirement savings.

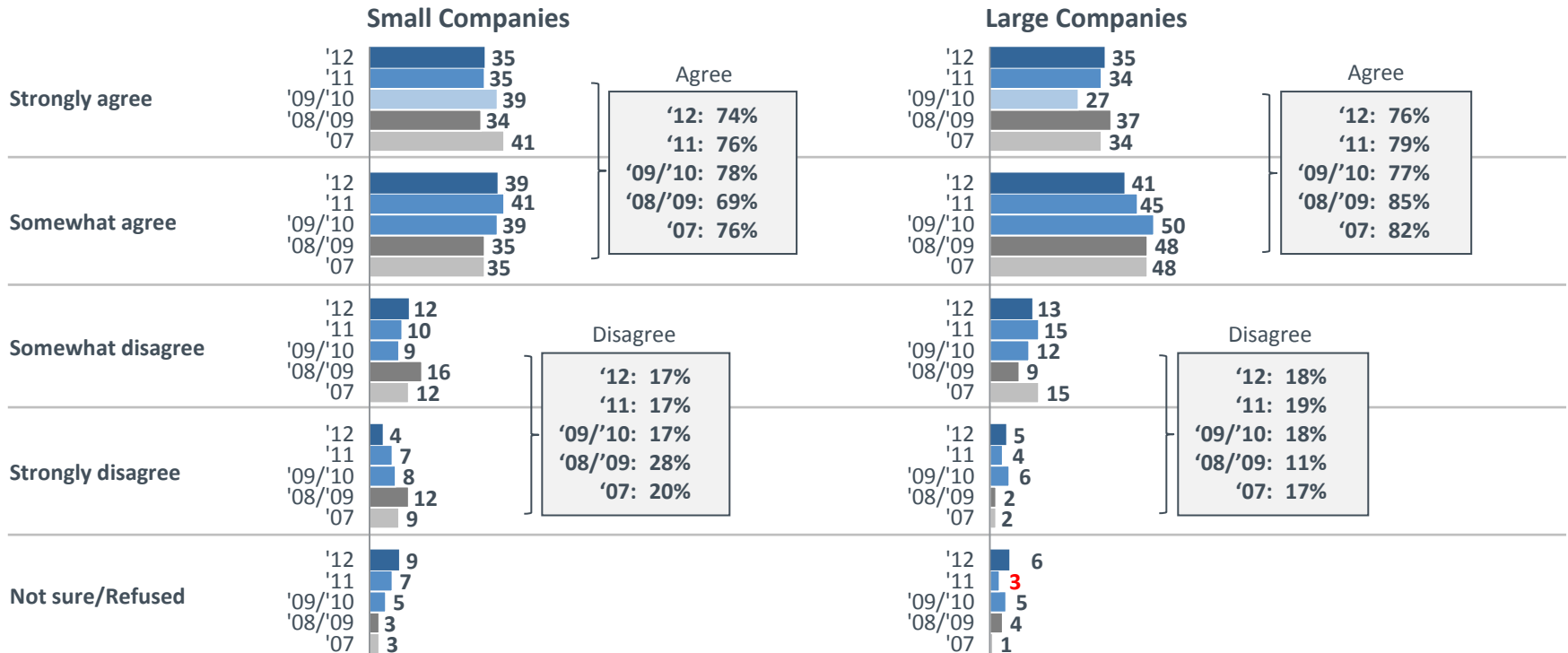


BASE: TOTAL RESPONDENTS

Q830. Most employees at my company would prefer to rely on outside experts to monitor and manage their retirement savings.

# Perceptions of Employees: Preference to Rely on Experts

- Agreement on employee preference for outside experts to manage retirement savings is not affected by company size.



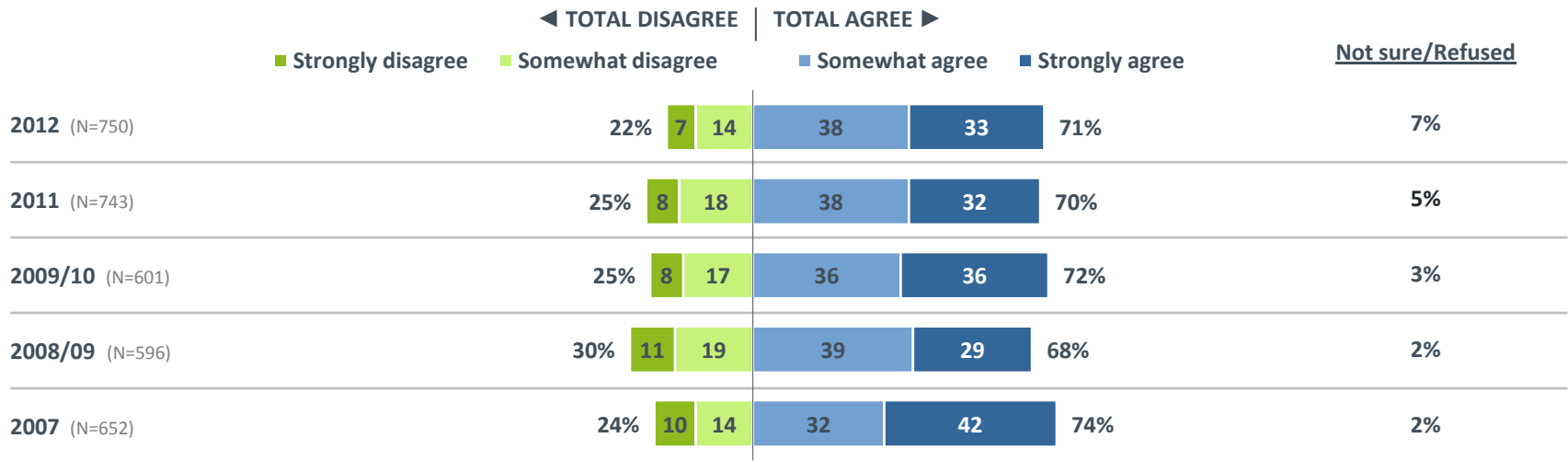
BASE: TOTAL RESPONDENTS Small Companies: '07 (N=369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q830. Most employees at my company would prefer to rely on outside experts to monitor and manage their retirement savings.

# Perceptions of Employees: Preference to Think about Retirement

- Similar to the two previous years, about seven in ten companies agree their employees prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.



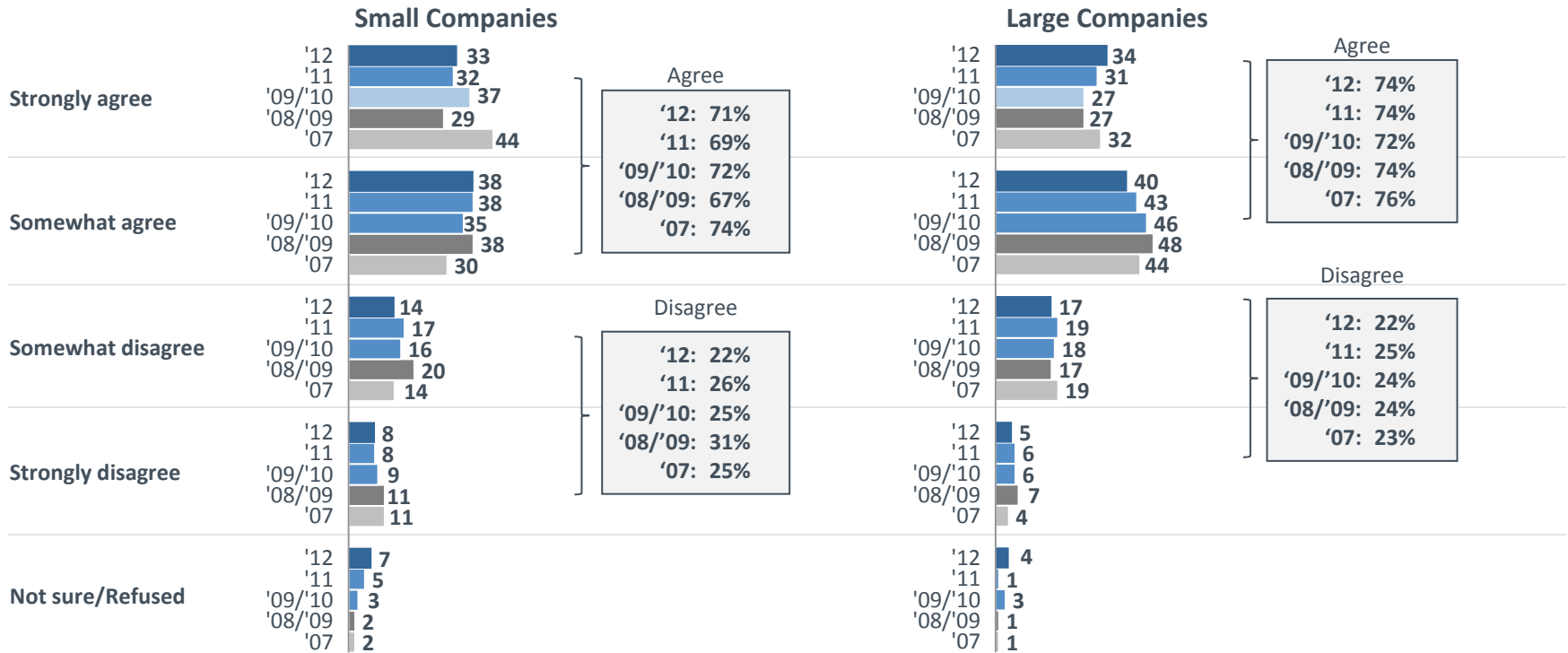
BASE: TOTAL RESPONDENTS

Q840. Most employees at my company prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.



# Perceptions of Employees: Preference to Think about Retirement

- Agreement regarding employees' preference for thinking about retirement investing at a later date is similar across company size.



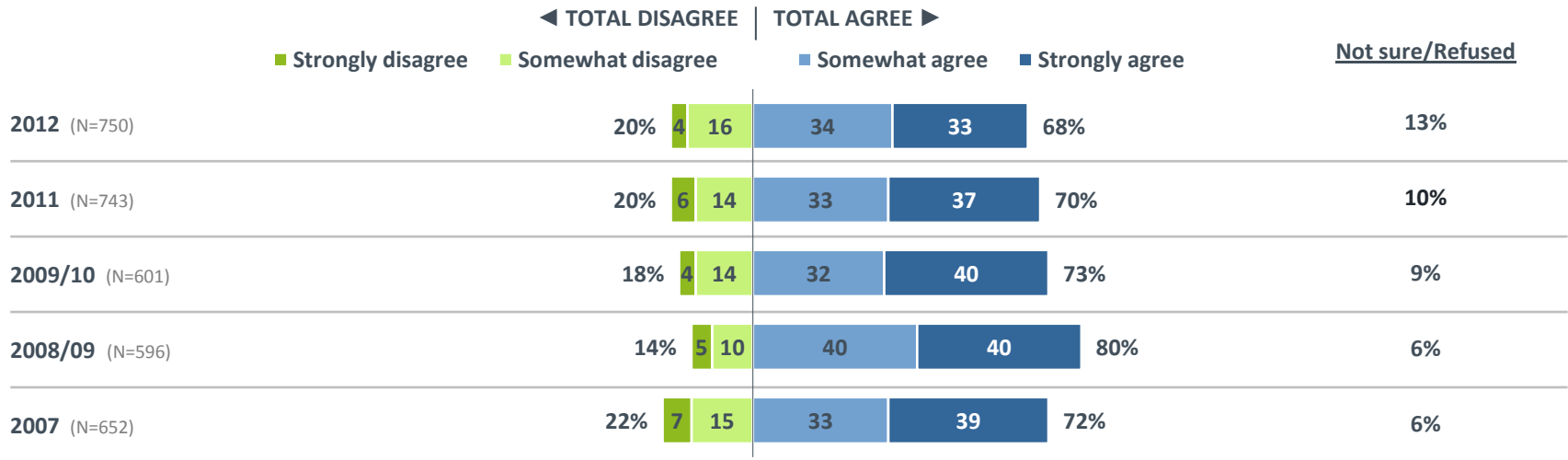
BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q840. Most employees at my company prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.

# Perceptions of Employees: Ability to Save Enough

- Close to seven in ten companies agree that employees could work until age 65 and still not save enough to meet their retirement needs, a directional decrease since '08/'09.

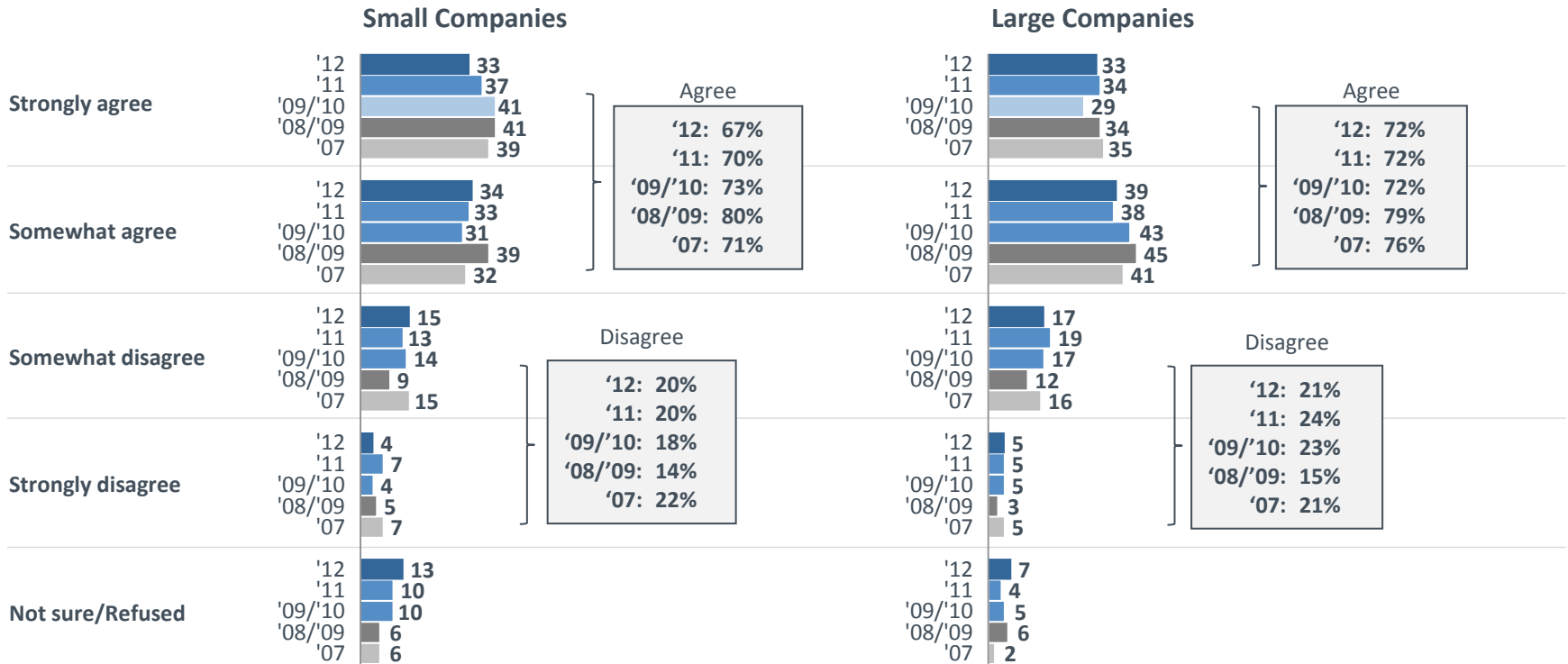


BASE: TOTAL RESPONDENTS

Q850. Most employees at my company could work until age 65 and still not save enough to meet their retirement needs.

# Perceptions of Employees: Ability to Save Enough

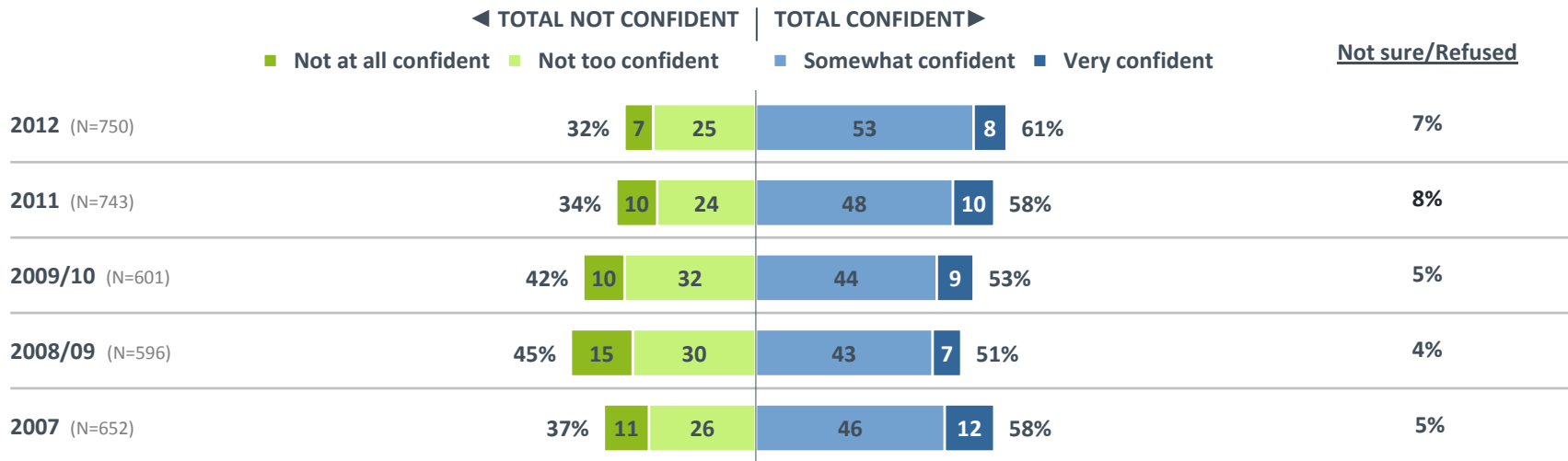
- Employers' perceptions regarding employees saving enough is similar across company size.



BASE: TOTAL RESPONDENTS; Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450); Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)  
Q850. Most employees at my company could work until age 65 and still not save enough to meet their retirement needs.

# Perceptions of Employees: Confidence in Employees Achieving a Comfortable Retirement

- Despite the majority of employers agreeing that that most employees could work until age 65 and still not save enough to retire comfortably, six in ten think their employees are confident that they will be able to achieve a comfortable lifestyle in retirement, a directional increase since '08/'09.

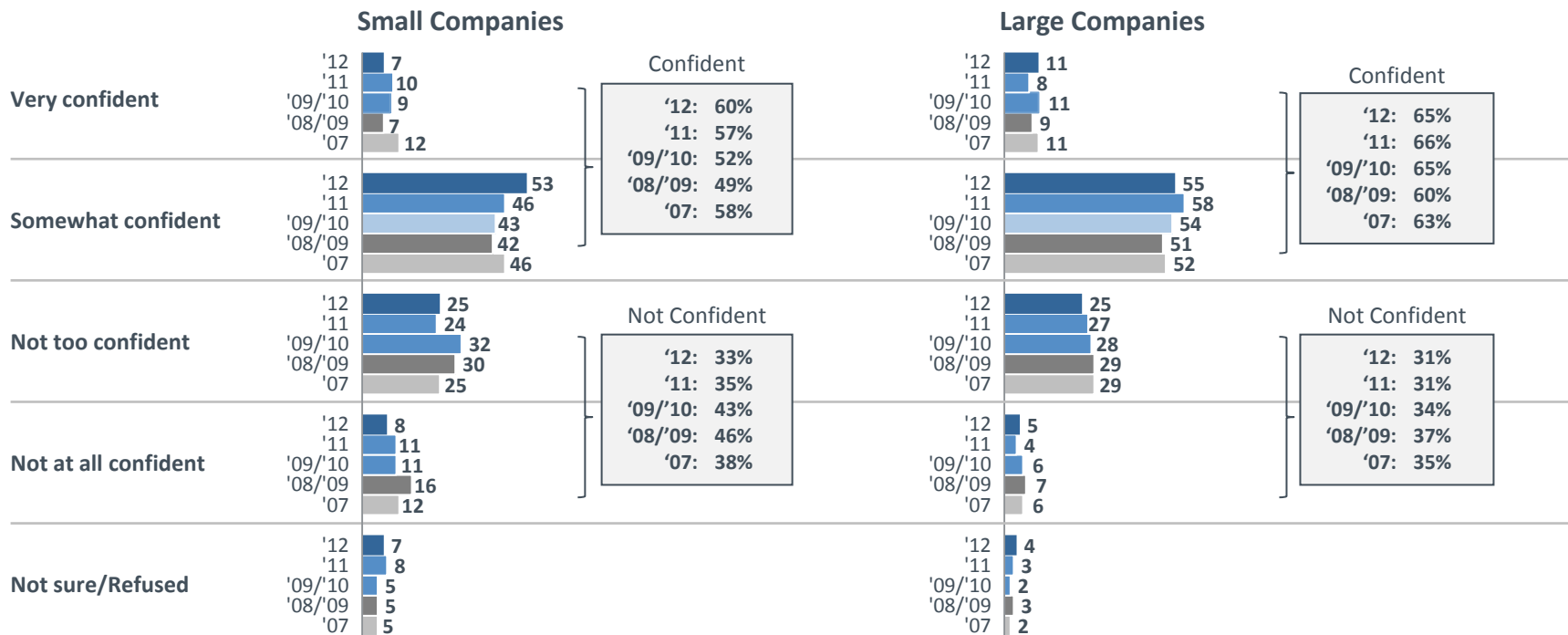


BASE: TOTAL RESPONDENTS

Q800. How confident do you feel your employees are that they will be able to achieve a comfortable lifestyle in their retirement?

# Perceptions of Employees: Confidence in Employees Achieving a Comfortable Retirement

- Large companies are somewhat more likely to think that their employees are confident about their ability to achieve a comfortable lifestyle in retirement, consistent with previous years.



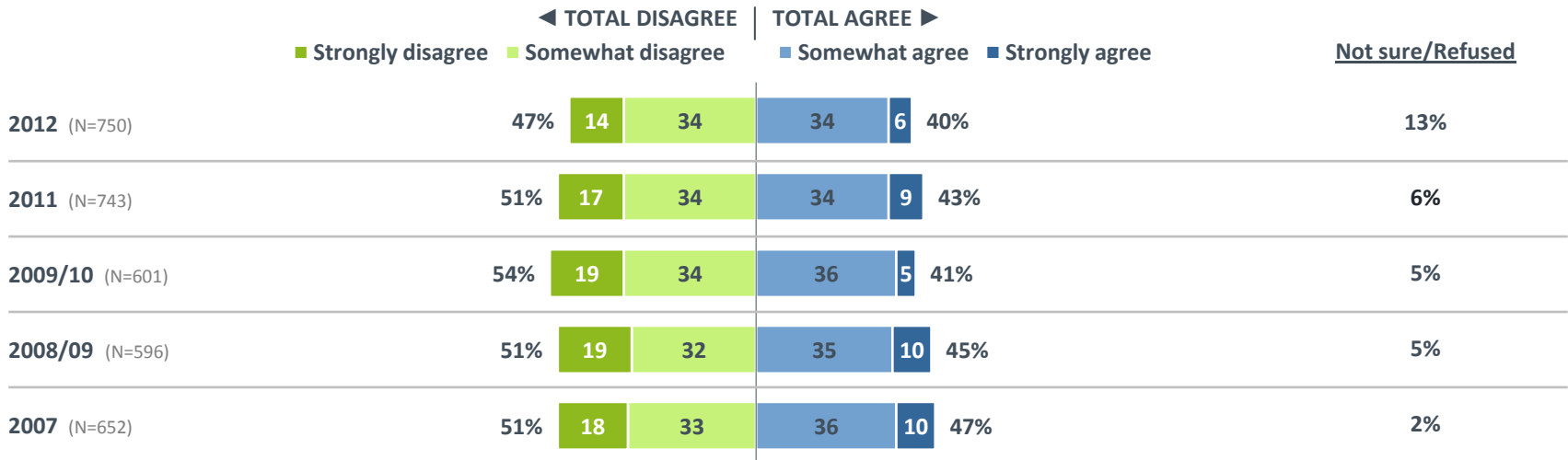
BASE: TOTAL RESPONDENTS; Small Companies: '07 (N= 369), '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283), '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q800. How confident do you feel your employees are that they will be able to achieve a comfortable lifestyle in their retirement?

# Perceptions of Employees: Desire for More Information

- Even though the majority of companies agree their employees could work to 65 and still not save enough for retirement, only 40 percent think their employees would like more information from the company on how to reach retirement goals.

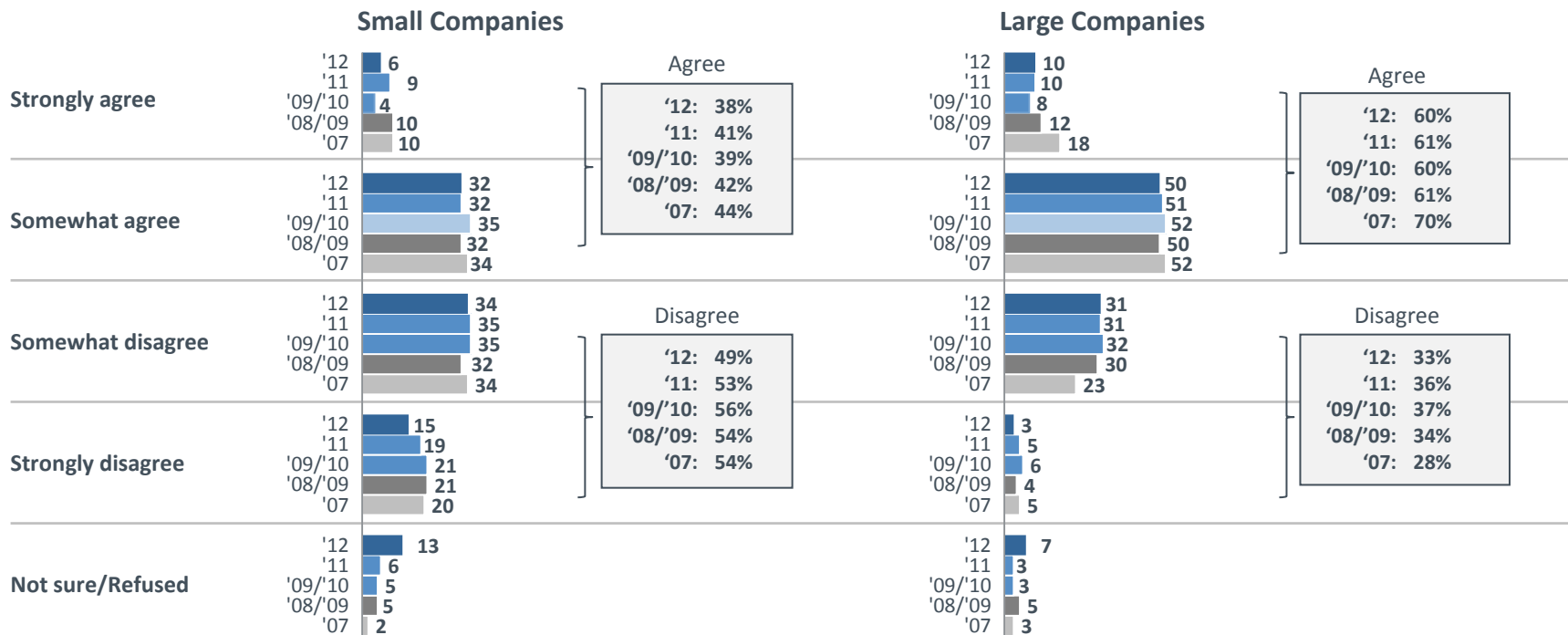


BASE: TOTAL RESPONDENTS

Q860. Most employees at my company would like to receive more information and advice from the company on how to reach their retirement goals.

# Perceptions of Employees: Desire for More Information

- More small companies disagree that their employees would like more information on how to reach their retirement goals than large companies.
- Small companies are also more likely than large companies to indicate they are not sure.



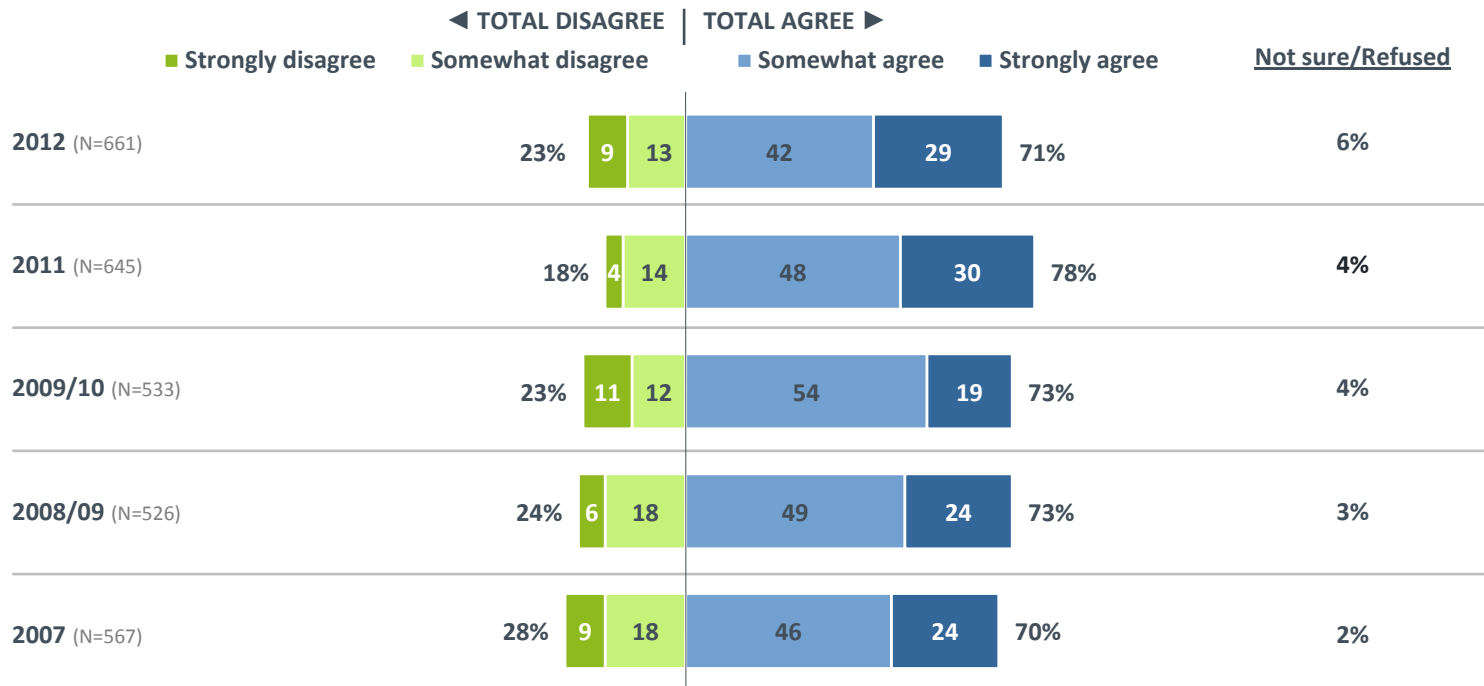
BASE: TOTAL RESPONDENTS; Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444), '12 (N=450);

Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299), '12 (N=300)

Q860. Most employees at my company would like to receive more information and advice from the company on how to reach their retirement goals.

# Perceptions of Employees: Understanding of Plan Fees

- The majority of companies agree their employees have a clear understanding of the fees associated with participating in the company’s retirement plan.
- However, close to one in ten companies “strongly disagree,” a significant increase compared to last year.

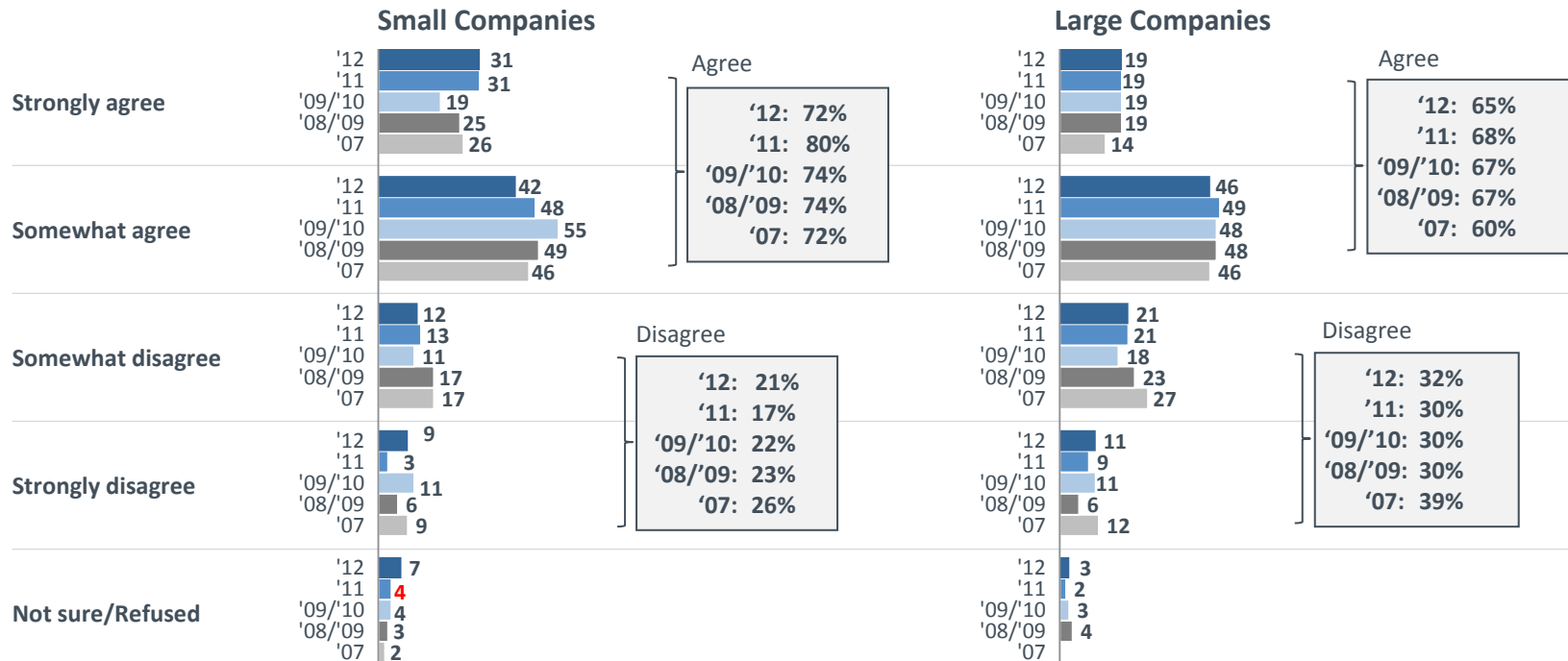


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN  
 Q1041. Our employees have a clear understanding of the fees associated with participating in the retirement plan.



# Perceptions of Employees: Understanding of Plan Fees/Expenses

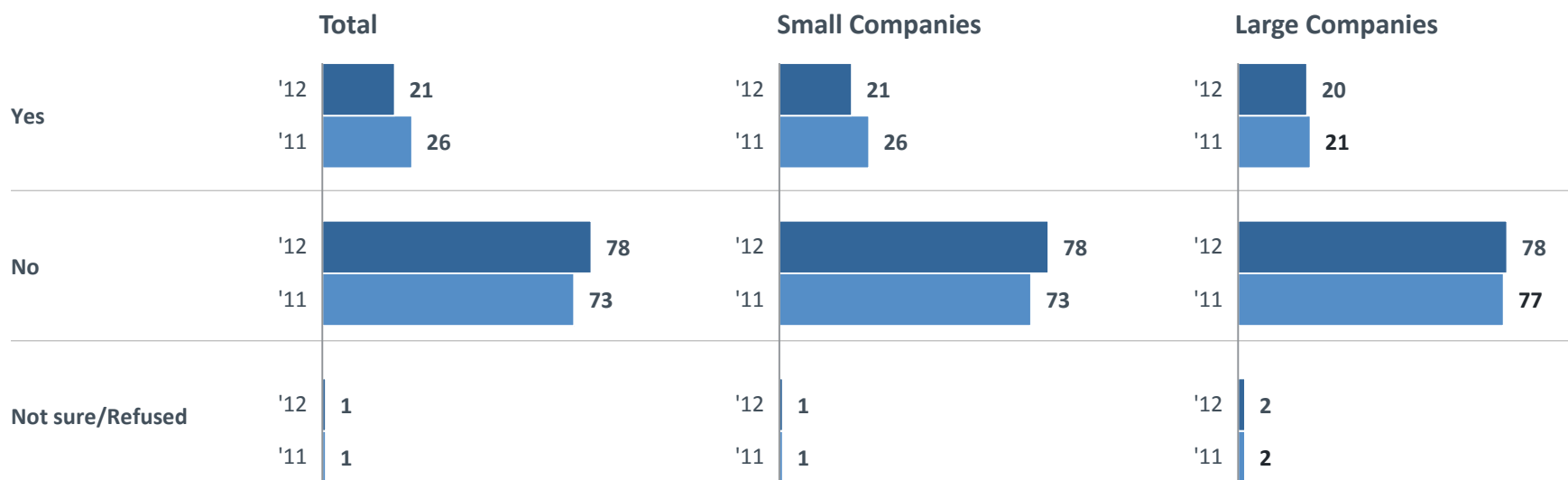
- Consistent with last year, small companies are more likely than large companies to “strongly agree” their employees have a clear understanding of fees associated with their retirement plan.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: RESPONDENTS; **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364), '12 (N=380); **Large Companies:** '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281), '12 (N=281)  
 Q1041. Our employees have a clear understanding of the fees associated with participating in the retirement plan.

# Perceptions of Employees: Employee Survey on Retirement Benefits

- Close to one in five of companies have surveyed their employees about retirement plan benefits in the last twelve months.
- Company size is not a factor in the prevalence of surveying employees in the past year.



Base: All Qualified Respondents; Total: '11 (N=743), '12 (N=750); Small Companies: '11 (N=444), '12 (N=450); Large Companies: '11 (N=299), '12 (N=300)  
 Q1635. Have you surveyed employees about retirement plan benefits in the last twelve months?

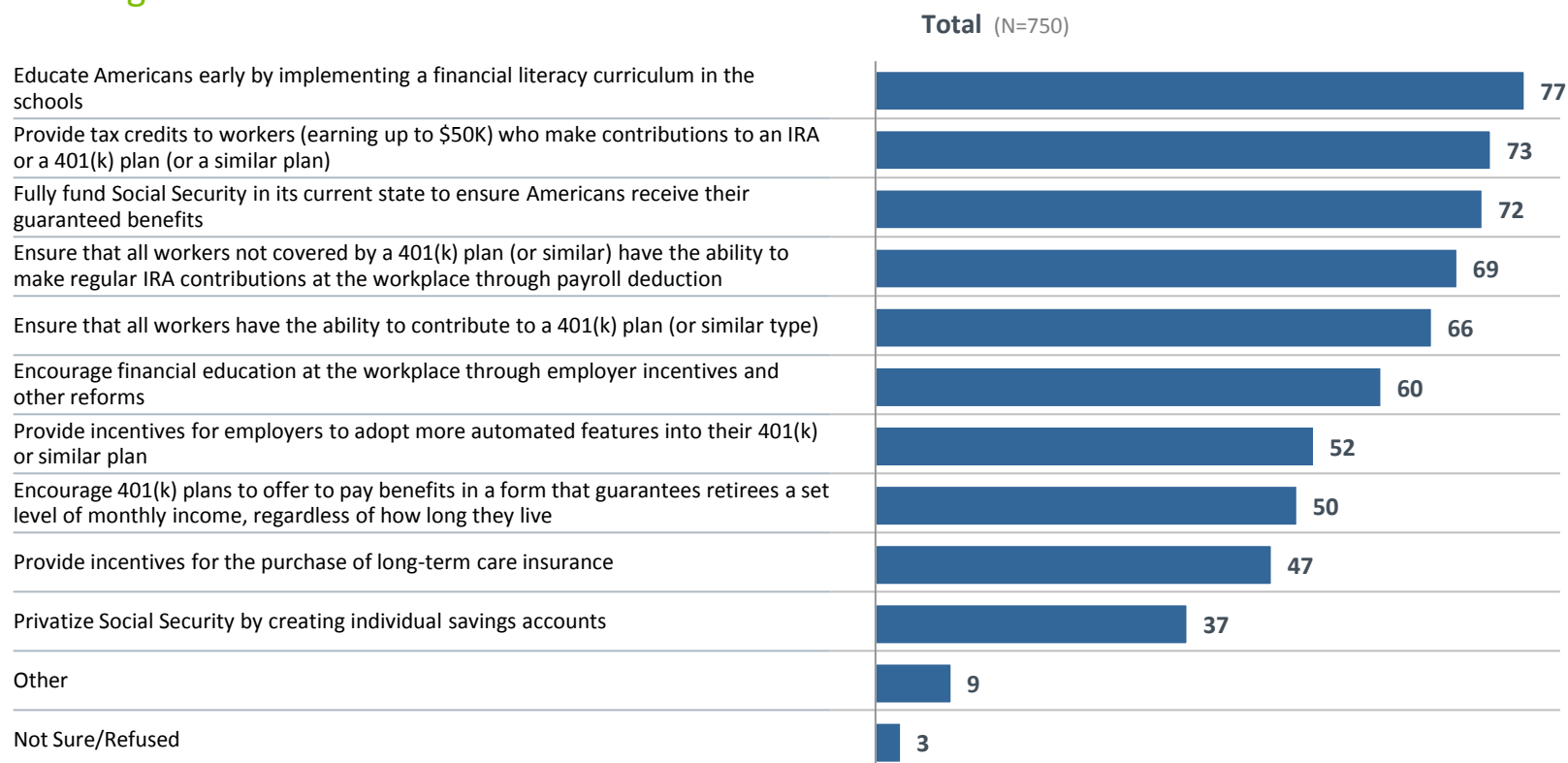


## Topical Questions

- Priorities for 2012 Presidential Candidates
- Impact of Healthcare Reform
- Providing information about Medicare and Social Security

# Priorities for 2012 Election Candidates

- Employers cite implementing a financial literacy curriculum in schools, providing tax credits to workers (earning up to \$50k/yr) who contribute to an employee-funded plan, and fully funding Social Security as the three most important retirement security priorities for the next President and Congress.

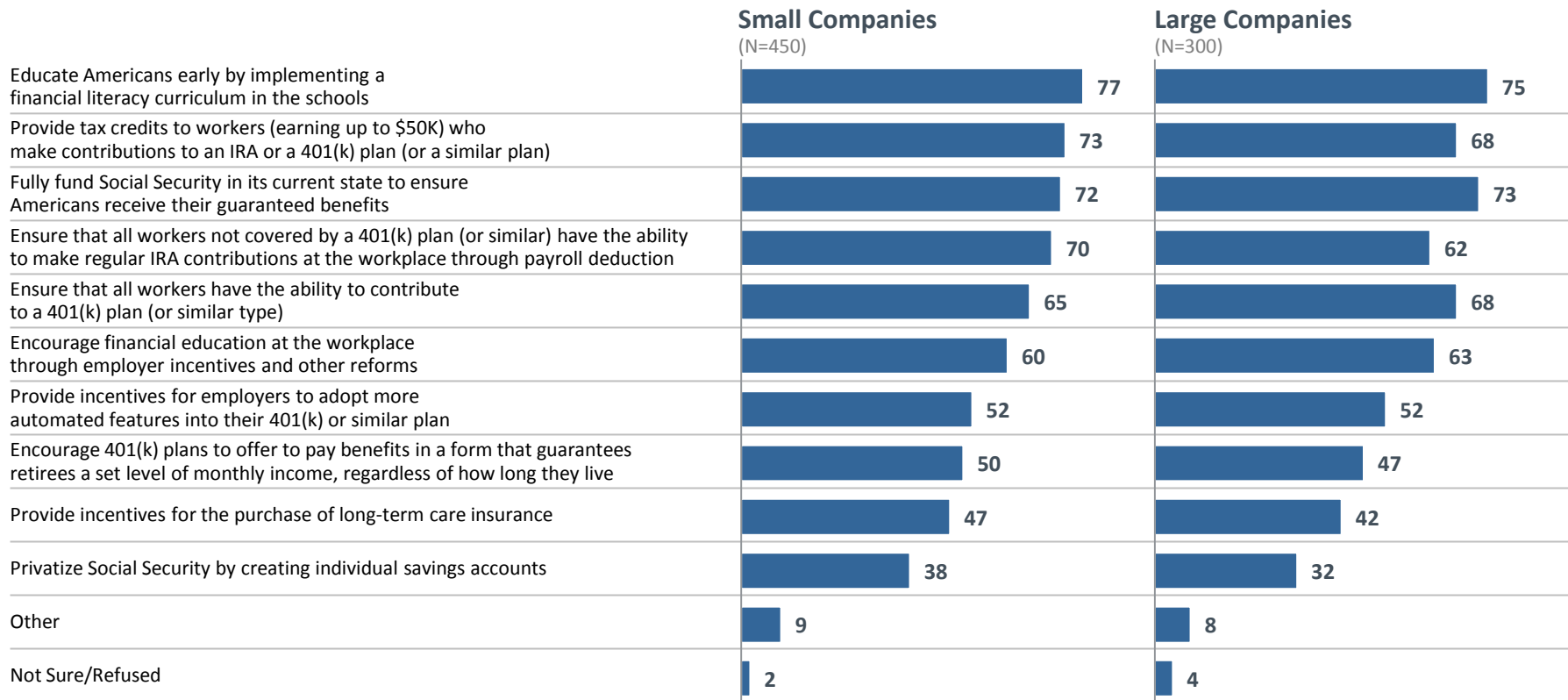


Base: All Qualified Respondents

NEW QUESTION IN WAVE 13 Q2425. With the November 2012 election in mind, which of the following should be priorities for the next President and Congress to help Americans prepare for a financially secure retirement? Select all that apply.

# Priorities for 2012 Election Candidates

- Small companies are more likely than large companies to indicate that government should prioritize ensuring that all workers not covered by a 401(k) plan (or similar) have the ability to make regular IRA contributions at the workplace through payroll deduction.

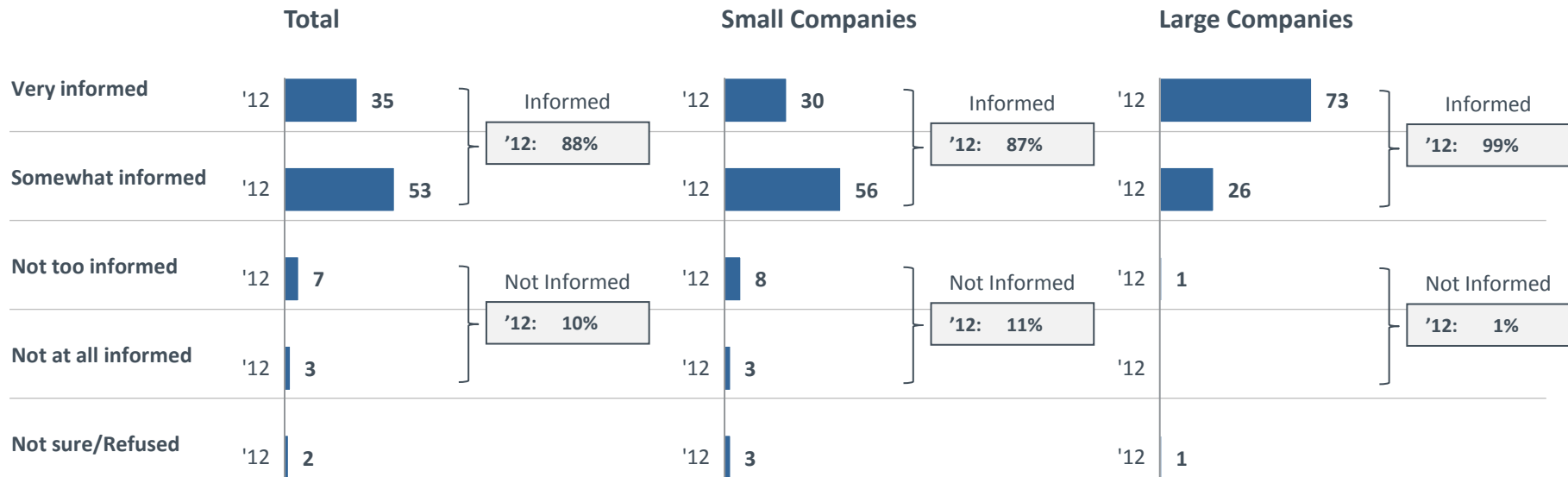


Base: All Qualified Respondents

NEW QUESTION IN WAVE 13 Q2425. With the November 2012 election in mind, which of the following should be priorities for the next President and Congress to help Americans prepare for a financially secure retirement? Select all that apply.

# Impact of Healthcare Reform: Feeling Informed

- One in ten companies indicate feeling not informed about the potential changes to their company's health insurance due to healthcare reform legislation. This is driven by small companies more than large companies.
- Almost all large companies indicate being informed about potential changes due to healthcare reform legislation.

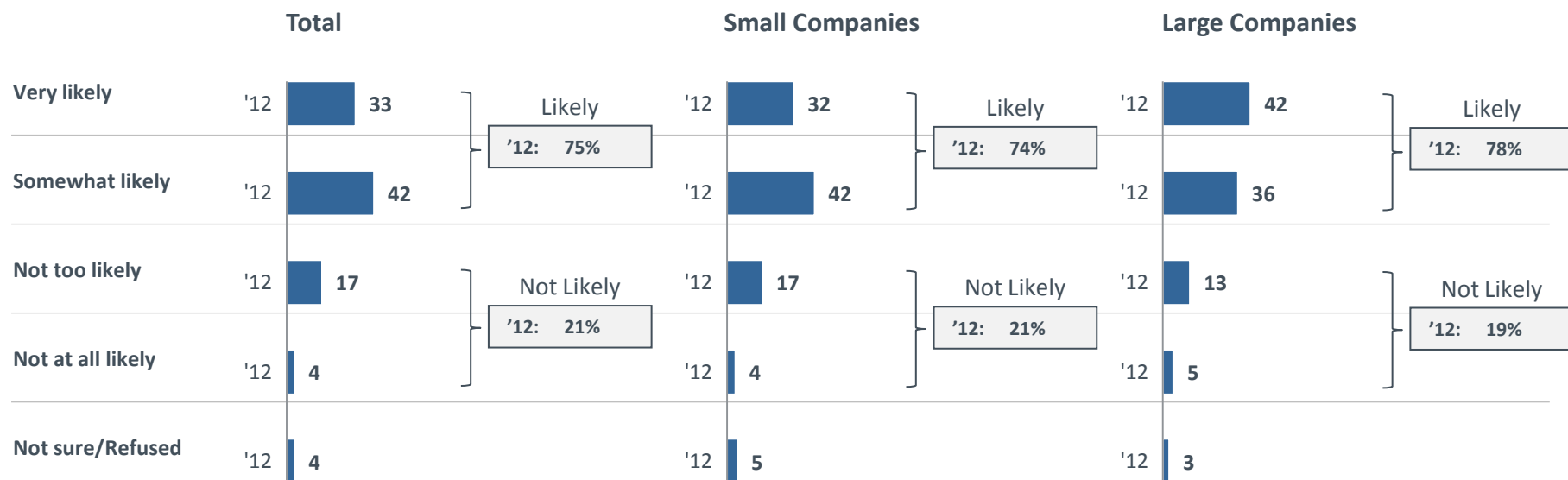


BASE: TOTAL RESPONDENTS

NEW QUESTION IN WAVE 13: Q2432. How informed are you about potential changes to your company's health insurance due to healthcare reform legislation?

# Impact of Healthcare Reform: Reevaluating Healthcare Benefits

- Three in four employers indicate they are likely to reevaluate their company's employee benefits (including retirement benefits) in light of healthcare reform.
- Large companies are more likely than small companies to indicate they are "very likely" to reevaluate employee benefits in light of healthcare reform.

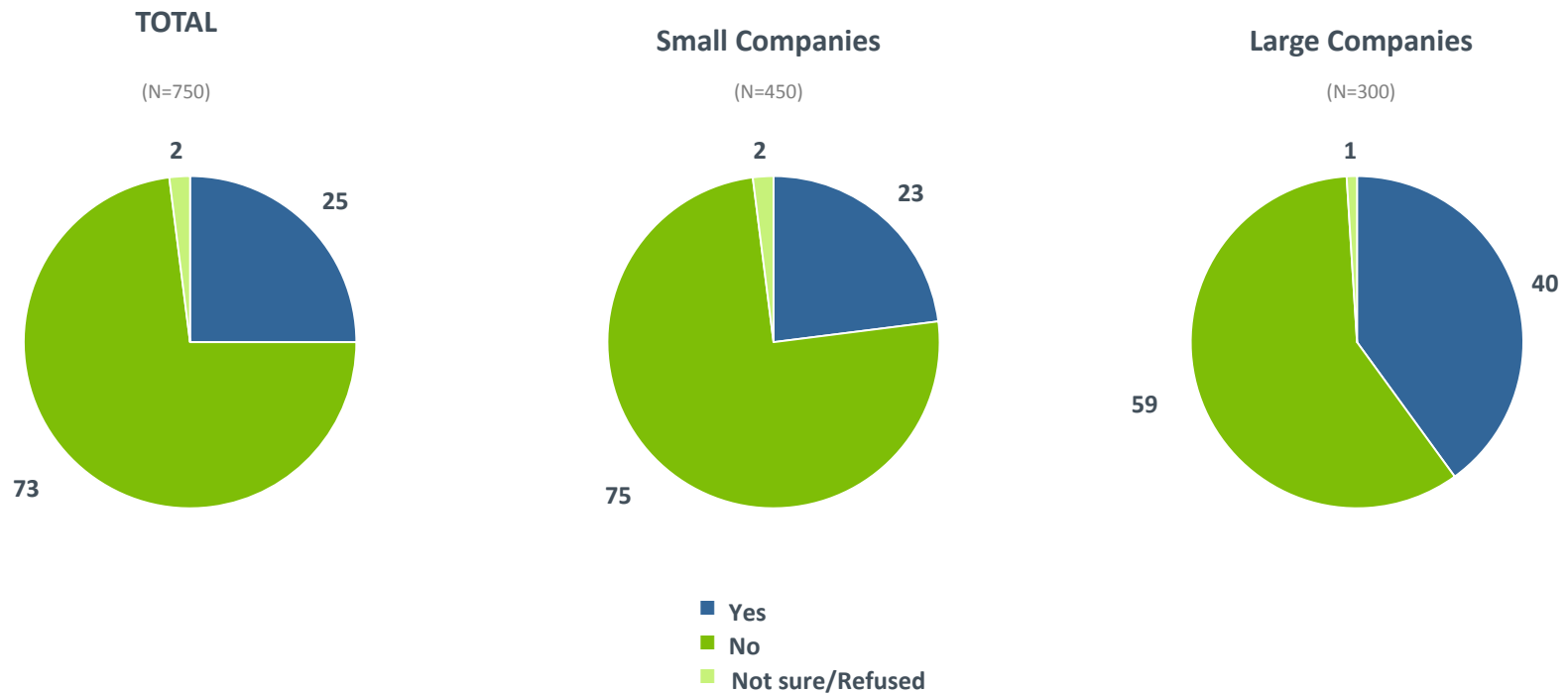


BASE: TOTAL RESPONDENTS

NEW QUESTION IN WAVE 13: Q2435. In light of healthcare reform, as you evaluate your company's healthcare benefits, how likely are you to reevaluate all of your company's employee benefits including retirement benefits?

# Information Provided About Social Security and Medicare

- The majority of companies currently do not provide information about Social Security and Medicare benefits to employees as part of retirement planning education.
- Large companies are more likely than small companies to provide the information.



BASE: TOTAL RESPONDENTS

NEW QUESTION IN WAVE 13: Q2450 Does your company currently provide information to employees about Social Security and Medicare benefits as part of retirement planning education?





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