TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

The 14th Annual Transamerica Retirement Survey: The Employer's Perspective

September 2013

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About the Transamerica Center for Retirement Studies®

- The Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute™ (The Institute), nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, unemployed and underemployed workers, and the implications of legislative and regulatory changes.

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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 14th 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
- 16-minute telephone interviews were conducted between April 23, 2013 and August 15, 2013.
- 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.
- 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
Title *(mentions 1% or greater are shown)*	
GENERAL (NET)	**56%**
Office Manager	10%
President	8%
Controller	6%
Accountant/Accounts Manager	5%
Owner	5%
Administrator/Administrative Manager	4%
Finance Manager/Director	3%
Vice President	2%
General manager	2%
Other Vice President mentions	2%
Manager	2%
CFO	1%
CEO/Chairman	1%
Operations Manager	1%
Business Manager	1%
All other manager mentions	2%
All other director mentions	1%
All other assistant mentions	1%
HUMAN RESOURCE (NET)	**41%**
Director of HR	15%
Human Resources Manager	7%
Benefits Manager	6%
Human Resource Generalist	1%
Payroll Manager/Supervisor	1%
Human Resource	1%
Human Resource Administrator	1%
Benefits Coordinator	1%
Benefits Analyst/Specialist	1%
HR Coordinator	1%
Senior Benefits Analyst/Specialist	1%
Vice President of Human Resources	1%
Compensation and Benefits Manager	1%
Director of Compensation and Benefits	1%
Benefits Administrator	1%
Director of Benefits	1%
Other	**3%**

	N=750
Industry *(mentions 1% or greater are shown)*	
Professional services including finance, legal, engineering, and healthcare	33%
Manufacturing	20%
Service industries such as retail trade, hospitality, or administration	16%
Agriculture, mining or construction	10%
Transportation, communications, or utilities	4%
Distributor	2%
Software company	2%
Community/Social Services	2%
Property/Housing/Real estate	1%
Church/Religious organizations	1%
Marketing	1%
Sales	1%
Insurance	1%
Healthcare	1%
Printing/Publishing (newspaper,etc.)	1%
Some Other business	2%
East	19%
Midwest	33%
South	29%
West	19%
Non-U.S. State	0%

	N=750
Revenue	
Less than $500,000	3%
$500,000 to $999,999	6%
$1 million to less than $5 million	33%
$5 million to less than $10 million	12%
$10 million to less than $50 million	7%
$50 million to less than $200 million	2%
$200 million to less than $500 million	2%
$500 million to less than $1 billion	1%
$1 billion or more	2%
Don't know/Refused	31%
MEAN (in millions)	$66.9
MEDIAN (in millions)	$2.5
Number of Full-time Employees	
10-499 NET	92%
10-99 SUB-NET	86%
10 to 24	60%
25 to 99	26%
100 to 499	6%
500+ NET	8%
500 to 999	3%
Over 1,000	6%
MEAN	120.6
MEDIAN	15.9

Executive Summary

In the aftermath of what is commonly referred to as the Great Recession, *the 14th Annual Transamerica Retirement Survey: The Employer's Perspective* explores employers' economic expectations, employee benefit offerings, and perceptions of retirement preparedness among their employees.

Positive Employer Indicators in the Aftermath of the Great Recession

Fifty-one percent of employers expect that their companies' financial situation will improve in the next 12 months while only 8 percent expect their situation to worsen – despite somewhat mixed views of whether the economy will improve or not.

In 2013, fewer employers implemented painful cost cutting measures compared to previous years. This year's survey found that 65 percent of employers answered 'none of the above' when asked about cost cutting measures. Only 24 percent indicated that they had implemented layoffs or downsizing in 2013 compared to 48 percent at the height of the recession in 2009/2010. This trend is consistent for both large and small companies.

On an even brighter note, in 2013, six in 10 employers (61 percent) said they had hired additional employees in the past 12 months, including 77 percent of large companies and 60 percent of small companies.

Executive Summary

The Importance of Employer Benefits

The vast majority of employers believe that health insurance (98 percent), 401(k)s and other employee-funded plans (84 percent), disability insurance (78 percent) and life insurance (75 percent) are viewed by their employees as important benefits. Large companies are somewhat more likely than small companies to believe that their employees view 401(k) or similar plans, disability insurance, and life insurance as important benefits.

Among employers who offer a 401(k) or similar plan, 80 percent believe that their plan is important for attracting and retaining employees. Large companies (93 percent) are more likely than small companies (78 percent) to share this sentiment.

Employers' Health and Welfare Benefit Offerings

Health insurance (93 percent), life insurance (74 percent), and disability insurance (74 percent) continue to be among the most common benefits offered by employers (excluding retirement benefits). Large companies are more likely to offer benefits compared to small companies:

- Health insurance: 100 percent of large companies, 92 percent of small companies
- Life Insurance: 100 percent of large companies, 72 percent of small companies
- Disability Insurance: 97 percent of large companies, 71 percent of small companies

Executive Summary

The Current State of Retirement Benefit Offerings

Nearly three out of four employers (74 percent) offer an employee self-funded retirement plan in 2013, including 62 percent who sponsor a 401(k) plan and 16 percent who sponsor some other form of employee-funded plan such as a SIMPLE or SEP. Ninety-five percent of large companies offer a 401(k) or similar plan compared to 72 percent of small companies.

Among employers who do not currently offer a 401(k) or similar plan, only 22 percent said that they are likely to do so in the future, including only 4 percent who are 'very' likely. The most frequently cited reason: 64 percent said they were concerned about costs. However, nearly one-third of them (32 percent) said they would be likely to consider joining a multiple employer plan (MEP) provided by a vendor who handles many of the fiduciary and administrative duties at a reasonable cost.

Only 16 percent of employers sponsor a company-funded defined benefit pension plan. Large companies (31 percent) are twice as likely as small companies (15 percent) to sponsor a defined benefit plan.

Regarding the status of defined benefit plans, the majority of plan sponsors (74 percent) indicate their plan is open to all employees, 13 percent said their plan is frozen to new employees, and 12 percent indicate some other distinction/limitation. Further, the vast majority (86 percent) are not considering a conversion of their plan to a cash balance plan. Note: Nine percent of large companies said that they have already converted their plans to cash balance plans.

Executive Summary

401(k) Features and Services Offered

Matching Contributions

The vast majority of companies (72 percent) that offer a 401(k) or similar plan offer matching contributions as part of their plans. Large companies (86 percent) are more likely than small companies (70 percent) to offer matching contributions.

Despite widespread news reports to the contrary, most plan sponsors did not make changes to the match during the recession. In 2013, among the 15 percent of companies who said they had decreased or suspended their match during the recession, nearly half (7 percent) said that they have reinstated it.

Automatic Enrollment and Escalation Features

Twenty-two percent of 401(k) plan sponsors automatically enroll new employees in the plan. Of note, large companies (43 percent) are more than twice as likely than small companies (19 percent) to automatically enroll. The median deferral rate for those automatically enrolled is 3 percent of annual salary.

Of the plan sponsors who automatically enroll employees, 31 percent automatically increase participant's contributions annually.

The vast majority (92 percent) plan sponsors indicate that the default investment satisfies the Department of Labor's requirements to be recognized as a Qualified Default Investment Alternative (QDIA).

Executive Summary

401(k) Features and Services Offered (continued)

Most companies (80 percent) who currently do not automatically enroll their employees do not plan to do so in the future. The main reasons cited among large companies are cost (20 percent) and administrative complexity (21 percent). Among small companies, the main reason is that their plan's participation rate is already high (27 percent).

Roth 401(k) Feature

Thirty-eight percent of plan sponsors offer the Roth 401(k) feature as part of their plan. Large companies (50 percent) are more likely to have adopted the Roth 401(k) option compared to small companies (36 percent).

Most employers (71 percent) who currently do not offer a Roth 401(k) do not plan to do so in the future (2013). A perceived lack of interest among employees is the most frequently cited main reason among large companies (29 percent) and small companies (38 percent) for not planning to offer Roth 401(k). However, many large companies (28 percent) also frequently cite concerns about administrative complexity.

Investment Guidance and Advice

Two-thirds of employers (66 percent), both large and small companies, who offer an employee-funded plan also offer investment guidance to their employees.

Seventy-eight percent of those who do not offer investment guidance or advice do not plan to do so in the future.

Executive Summary

401(k) Features and Services Offered (continued)

Among plan sponsors who do not plan to offer investment guidance/advice in the future, the most frequently cited reason is potential liability (37 percent). Notably, large companies (68 percent) are twice as likely as small companies (34 percent) to cite potential liability.

Hybrid Funds as Investment Options

Most plan sponsors (51 percent) include hybrid funds (e.g., target maturity, lifecycle, or strategic allocation funds) among their plans' investment options. Large companies (79 percent) are more likely to include these types of funds than small companies (47 percent).

Of those that include hybrid funds as plan investments, the vast majority of plan sponsors (86 percent) indicate that participants are using them to some extent. One-third (33 percent) of large companies said that hybrid funds are widely used among all participants.

Educational Offerings

Online educational tools and resources are widely offered by 401(k) plan sponsors to their employees: 73 percent of plan sponsors offer them, including 95 percent of large companies and 71 percent of small companies.

Sixty-three percent of plan sponsors offer one-on-one counseling, and 60 percent offer group meetings, workshops, and seminars. Sixty-one percent still provide printed brochures and flyers that are sent in the mail.

Executive Summary

401(k) Features and Services Offered (continued)

Transition Assistance Retiring Employees

Few plan sponsors offer financial counseling (39 percent), pre-retirement seminars (22 percent), or an income annuity as a payout option (22 percent) as transition assistance for retiring employees.

Allowing terminated participants to leave money in the plan (74 percent) and providing information on the distribution options available (67 percent) are the most common forms of assistance offered by plan sponsors.

In contrast, it should be noted that the majority (78 percent) of companies who do not sponsor a 401(k) plan do 'nothing' to help their employees transition into retirement.

Only 23 percent of employers, including those who offer a retirement plan and those who do not, provide information about Social Security and Medicare benefits to employees as part of retirement planning education. Large companies (38 percent) continue to be more likely than small companies (22 percent) to provide this information.

Employers' Management of Their 401(k) Plans

Ninety-seven percent of plan sponsors agree that they are satisfied with their retirement plan provider, including 76 percent who 'strongly agree.' Large and small companies share similar levels of satisfaction.

Executive Summary

Employers' Management of Their 401(k) Plans (continued)

Three out of four (75 percent) plan sponsors use the services of an outside advisor, including 72 percent of large companies and 75 percent of small companies.

Although the percentage of large and small companies who use an advisor is similar, the types of advisors used are somewhat different. More small companies (72 percent) rely on financial planners/brokers than large companies (59 percent). More large companies (28 percent) use other benefits consultants compared to small companies (12 percent).

The majority of plan sponsors have not made changes to their plan in the past twelve months (83 percent). Of the 17 percent who did make changes, more large companies (24 percent) made changes compared to small companies (16 percent). The most frequently cited change was to investment options/fund choices (73 percent), including 66 percent among large companies and 74 percent among small companies.

Sixty-seven percent of plan sponsors reevaluate retirement benefits at least once a year, including 87 percent among large companies and 66 percent among small companies.

Executive Summary

Employers' Management of Their 401(k) Plans (continued)

Since the Department of Labor's implementation of fee disclosure regulations that went into effect in 2012, 43 percent of plan sponsors have already reevaluated their retirement plans fees and expenses and another 23 percent plan to do so in the future, including:

- Sixty-two percent of large companies who have already reevaluated fees and 19 percent plan to do so.
- Forty percent of small companies who have already reevaluated fees and 24 percent plan to do so.

A sizeable majority (71 percent) of employers are likely to reevaluate their company's employee benefits including retirement benefits in light of health care reform. About half of large companies (48 percent) and 37 percent of small companies are "very likely" to do so.

Only 31 percent of plan sponsors have surveyed their employees about retirement plan benefits in the last twelve months.

Employers' Perceptions of Retirement Readiness Among Their Employees

The majority of employers (60 percent) are confident that their employees will achieve a comfortable lifestyle in retirement; however, only 10 percent of employers are 'very confident.' Fewer small companies (60 percent) confident than large companies (65 percent) that their employees will achieve a comfortable lifestyle in retirement.

Executive Summary

Employers' Perceptions of Retirement Readiness Among Their Employees (continued)

The majority of employers (60 percent) are confident that their employees will achieve a comfortable lifestyle in retirement; however, only 10 percent of employers are 'very confident.' Fewer small companies (60 percent) confident than large companies (65 percent) that their employees will achieve a comfortable lifestyle in retirement.

Seventy-two percent of employers agree most of their employees could work until age 65 and still not save enough to meet their retirement needs, including 77 percent of large companies and 72 percent of small companies.

The vast majority (80 percent) of employers agree their employees do not know as much as they should about retirement investing, including 89 percent of large companies and 80 percent of small companies.

Most employers (74 percent) agree that their employees would prefer to rely on an outside expert to monitor and manage their retirement savings, including 80 percent of large companies and 74 percent of small companies.

Forty-three percent of employers agree that their employees would like to receive more information and advice from them about how to reach their retirement goals. Large companies (60 percent) are much more likely to share this view than small companies (42 percent). As an important point of comparison, the *14th Annual Transamerica Retirement Survey of America Workers* found that 60 percent of workers would like to receive this type of assistance from their employers.

Detailed Findings

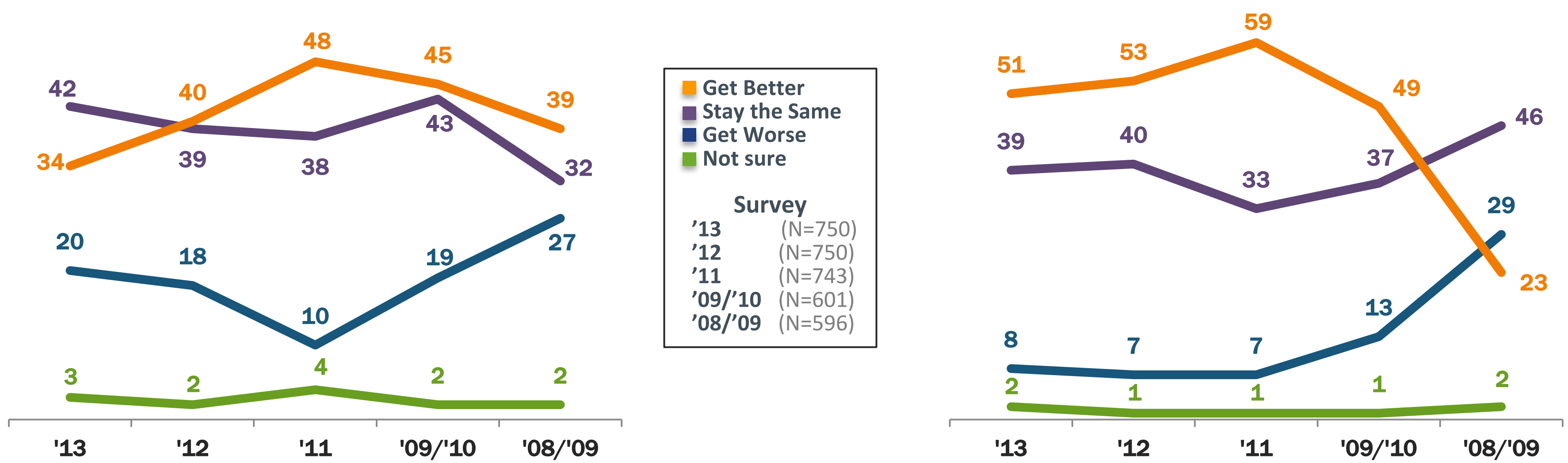
- Economic Expectations
- The Importance of Employee Benefits
- Benefit Offerings including Retirement Benefits
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- Employers' Perceptions of Retirement Readiness Among Their Employees

Employer Economic Expectations

Employers generally expect the economy to stay the same with fewer who think it will get better compared to last year. In contrast, half of employers expect their company's financial situation to get better.

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:

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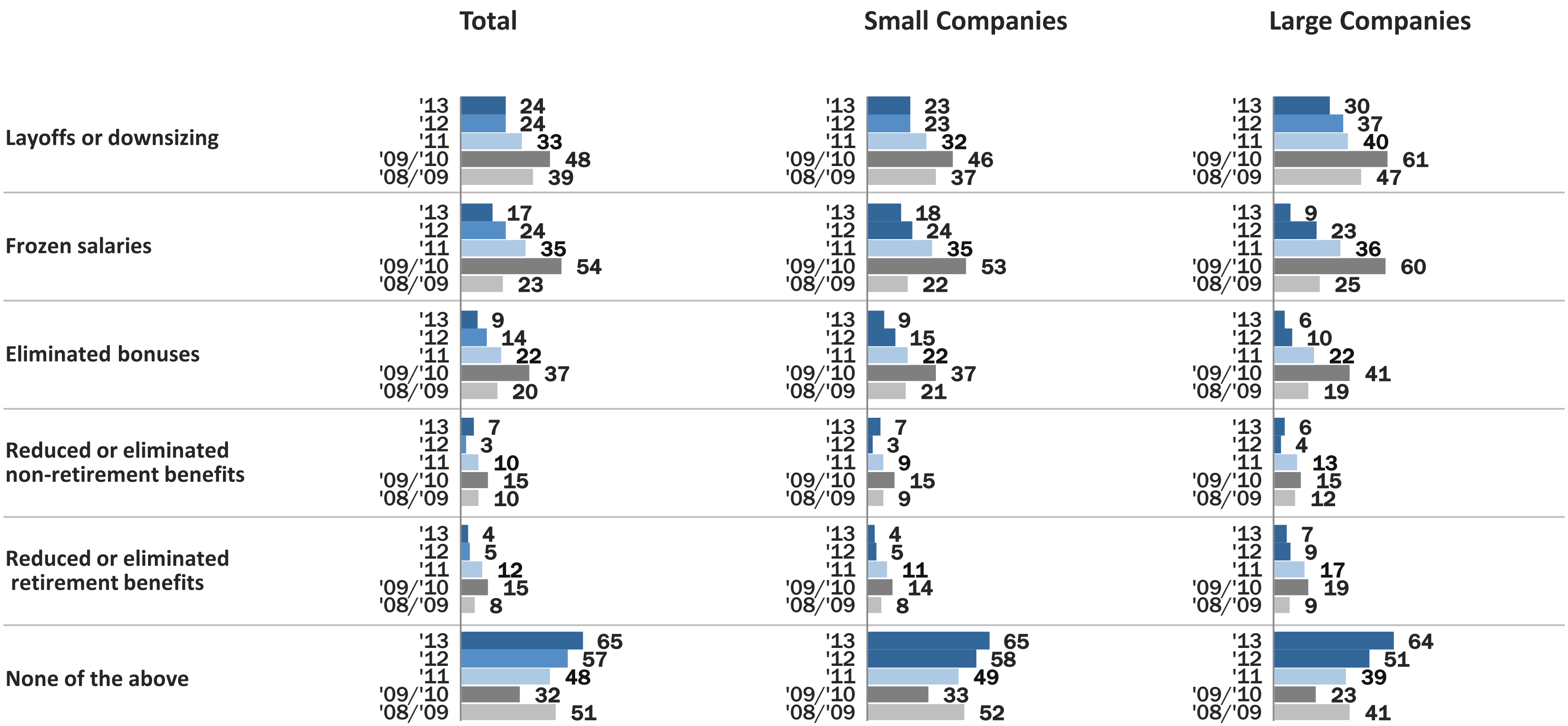
Fewer Employers Implemented Cost Cutting Measures

In 2013, compared to preceding years, fewer employers indicated that they had implemented cost cutting measures in the past 12 months such as layoffs or downsizing (24 percent), frozen salaries (17 percent), eliminated bonuses (9 percent), or reductions in employee benefits (4 percent). Sixty-five percent said 'none of the above'.



BASE: TOTAL RESPONDENTS; **Total**: **'08/'09** (N=596), **'09/'10** (N=601), **'11** (N=743), **'12** (N=750), **'13** (N=750); **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450); **Large Companies**: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q1410. Has your company implemented any of the following measures in the last 12 months? Choose ALL that apply.

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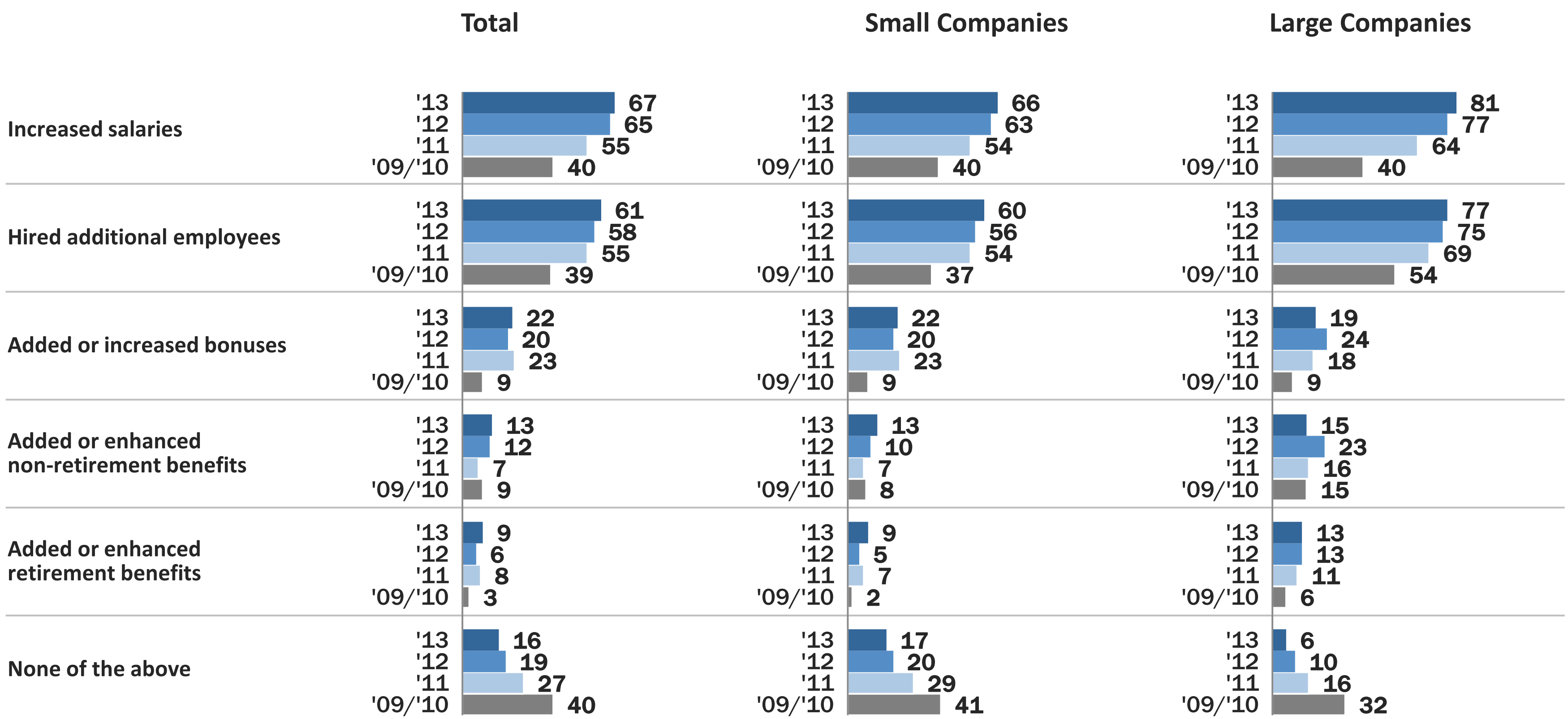
More Employers Implemented Positive Measures

In 2013, compared to preceding years, more employers reported that they had increased salaries (67 percent), hired additional employees (61 percent), and added or increased bonuses (22 percent) in the past 12 months.



BASE: TOTAL RESPONDENTS: **Total**: **'09/'10** (N=601), **'11** (N=743), **'12** (N=750), **'13** (N=750); **Small Companies**: **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450); **Large Companies**: **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q1411. Has your company implemented any of the following positive measures over the last 12 months?

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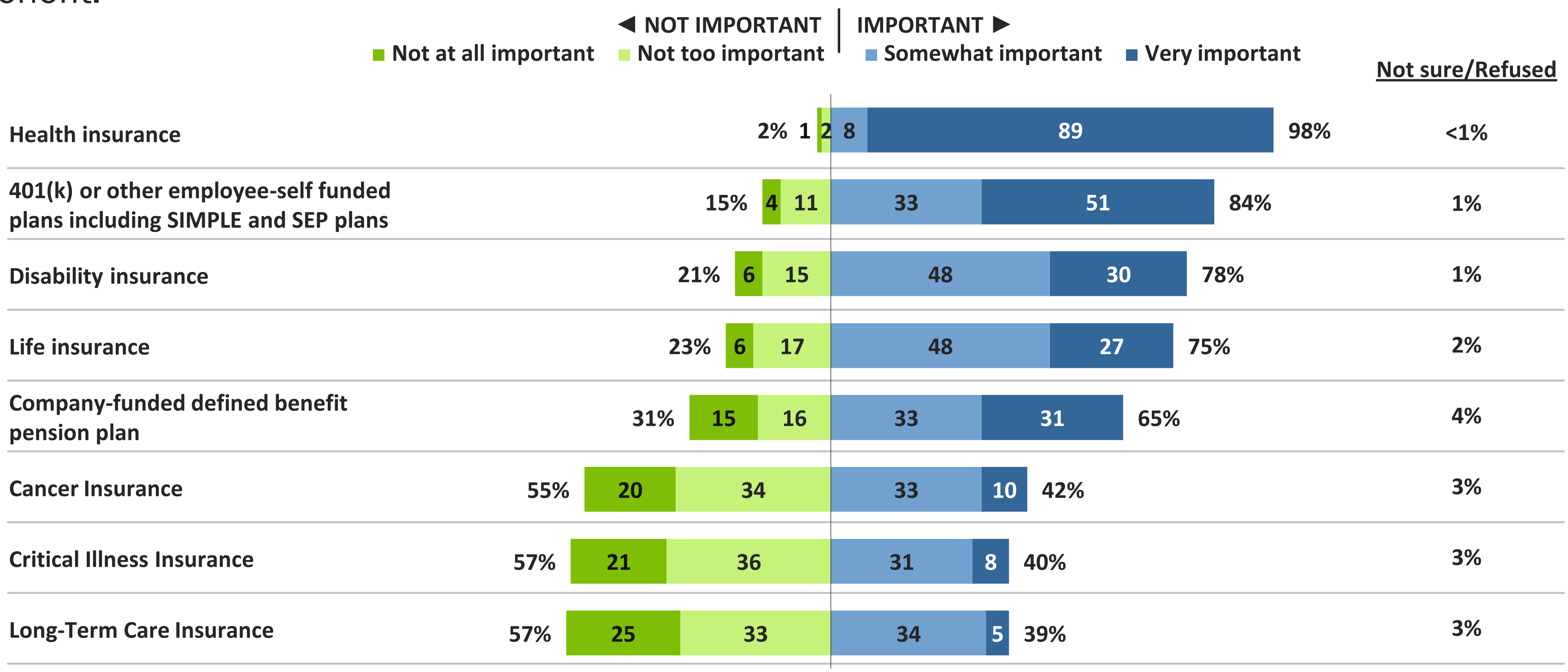
Detailed Findings

- Economic Expectations
- The Importance of Employee Benefits
- Benefit Offerings including Retirement Benefits
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- Employers' Perceptions of Retirement Readiness Among Their Employees

The Importance of Employee Benefits

The vast majority of employers believe that health insurance (98 percent), 401(k)s and other employee-funded plans (84 percent), disability insurance (78 percent) and life insurance (75 percent) are viewed by their employees as important benefits. Nearly two-thirds of employers (65 percent) believe their employees view defined benefit pension plans as an important benefit.



Note these choices were added in '13 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?

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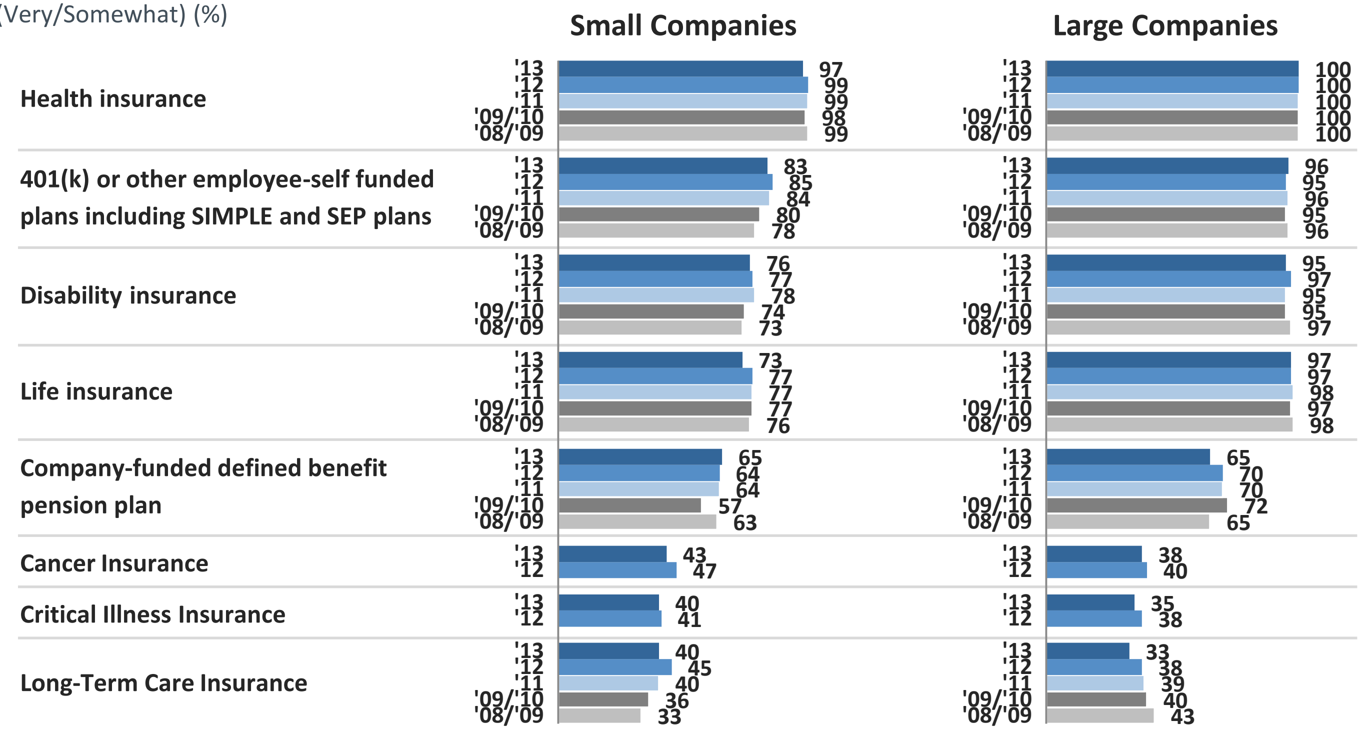
The Importance of Employee Benefits

Large companies are somewhat more likely than those at small companies to believe that their employees view 401(k) or similar plans, disability insurance, and life insurance as important benefits.

Top 2 Box Importance
(Very/Somewhat) (%)



Note these choices were added in '13 Wave

BASE: TOTAL RESPONDENTS; **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (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?

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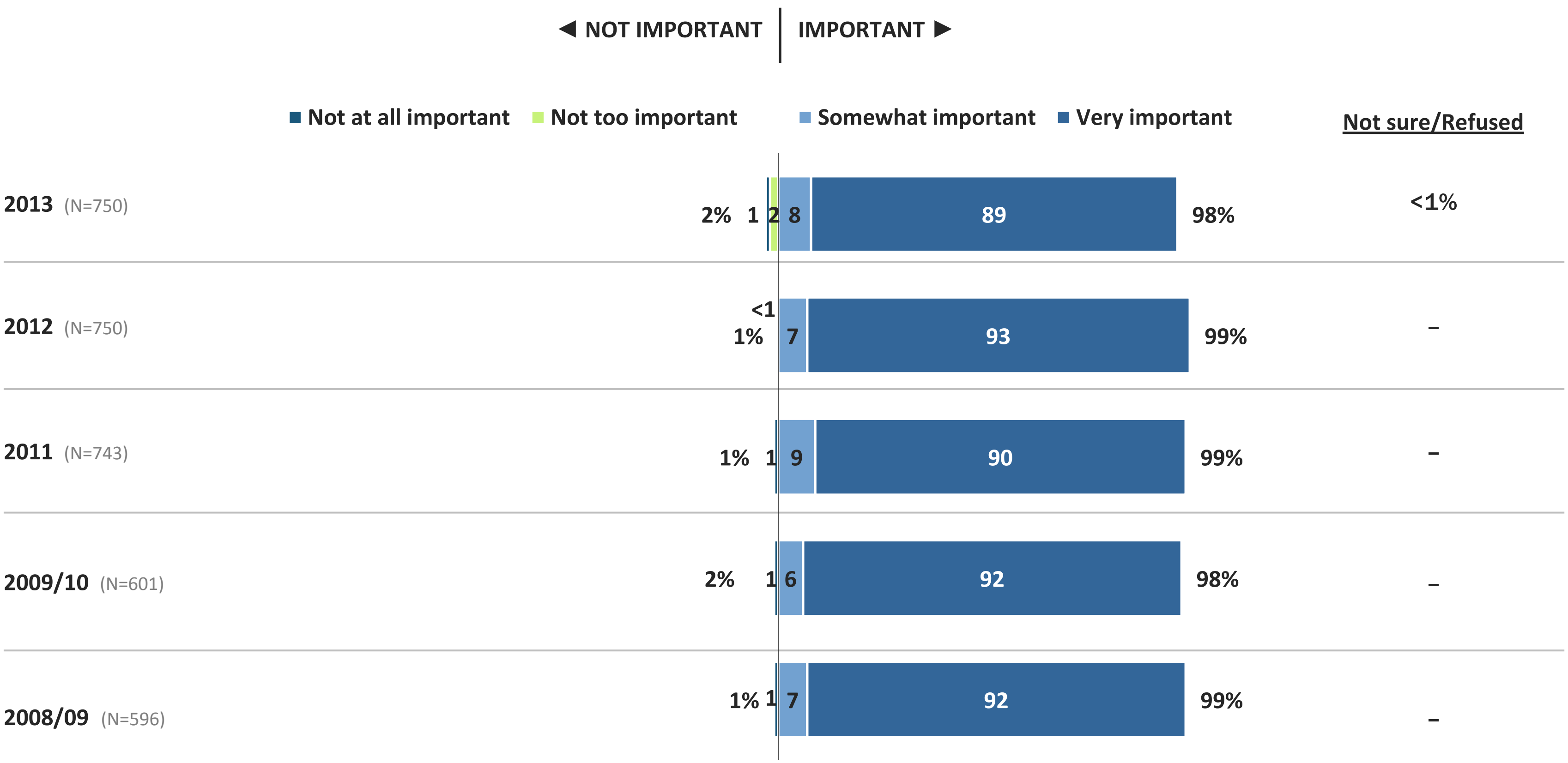
The Importance of Health Insurance

Nearly all employers (98 percent) believe that their employees view health insurance as an important benefit. Almost nine in ten (89 percent) believe it is viewed as ‘very important’ (2013).



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?

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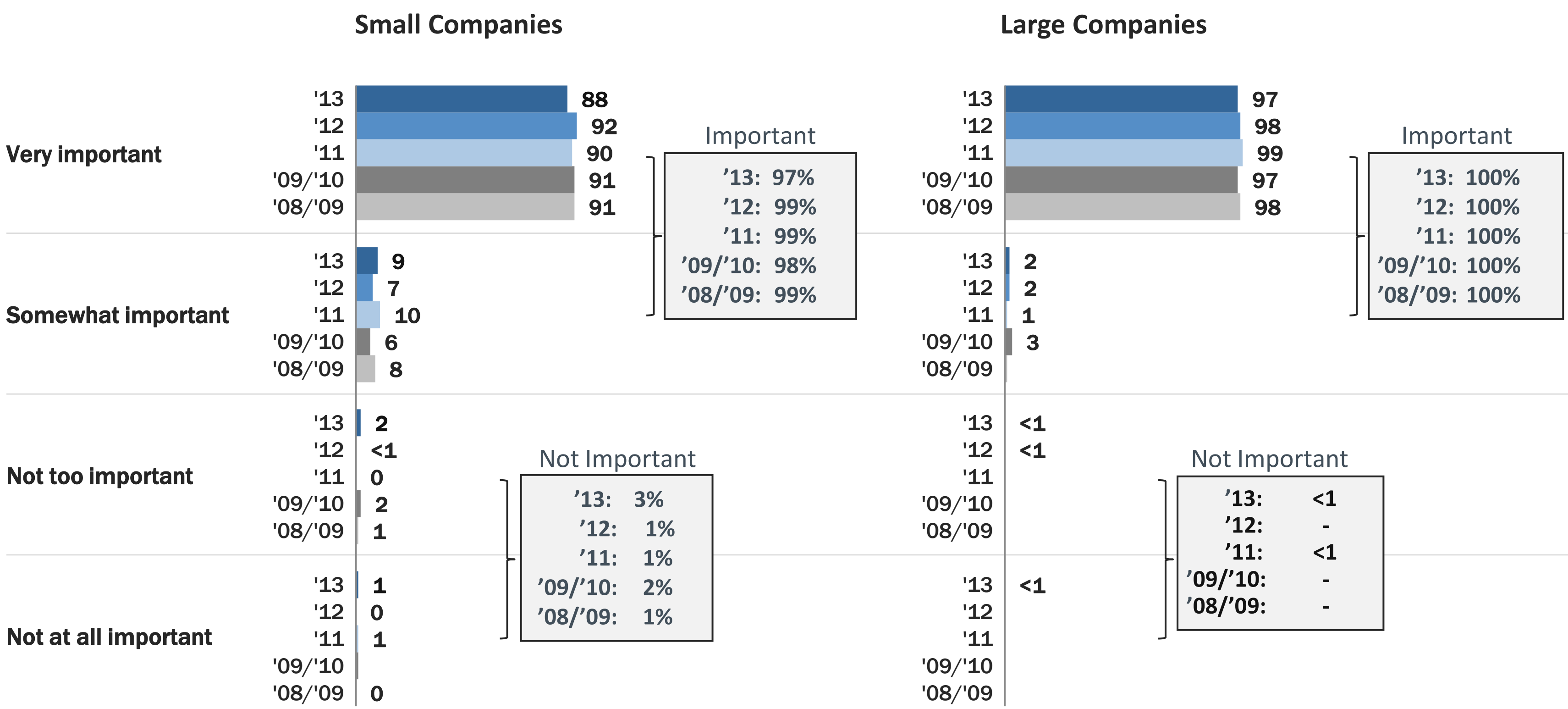
The Importance of Health Insurance

The overwhelming majority of both large companies (100 percent) and small companies (97 percent) believe that their employees view health insurance as an important benefit (2013).



BASE: TOTAL RESPONDENTS: **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450) ;
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13**(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?

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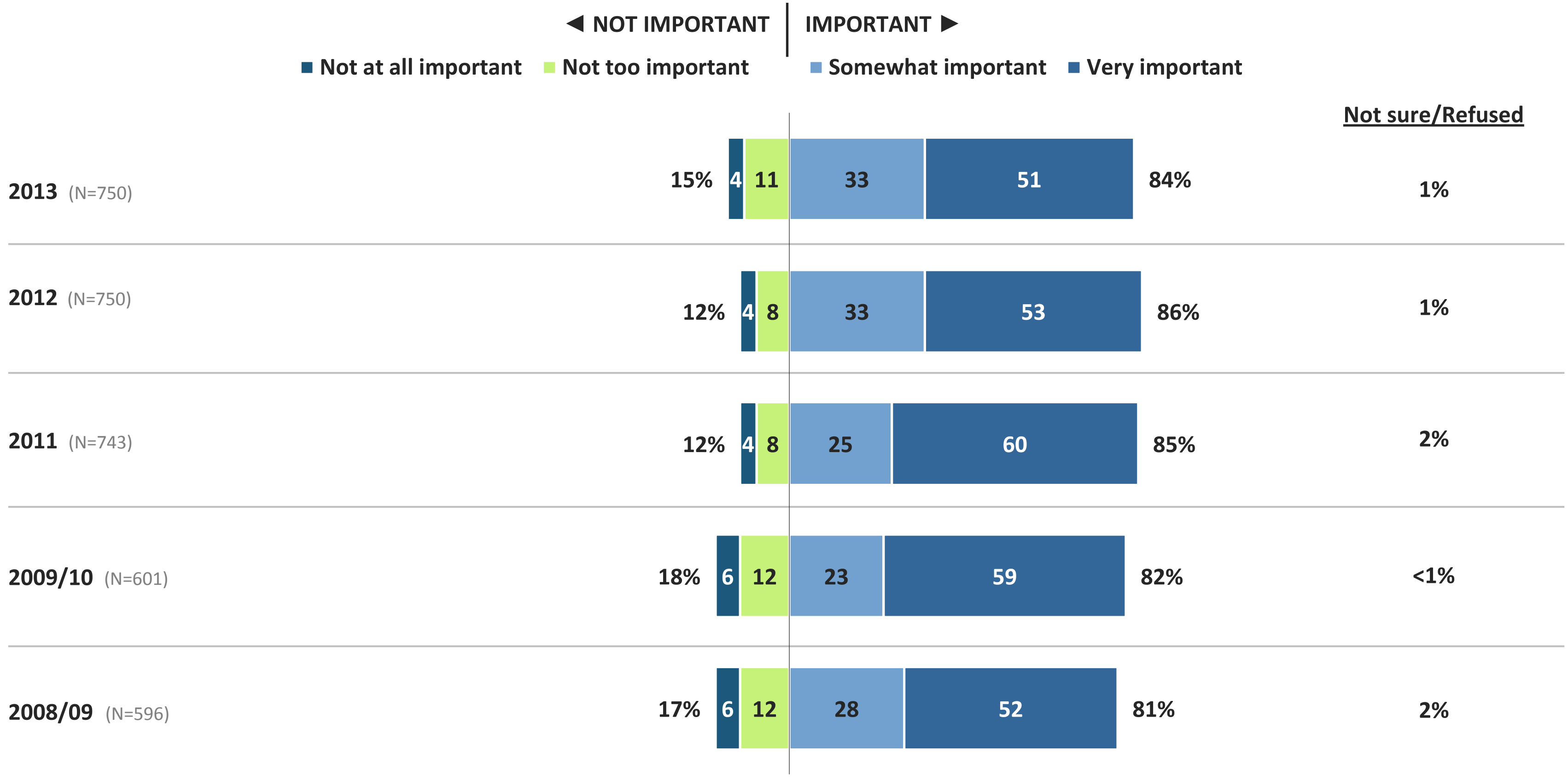
The Importance of 401(k) or Similar Plans

The vast majority of employers (84 percent) believe their employees view a 401(k) or similar plan as an important employee benefit. This trend has remained strong over the past five years (2013).



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?

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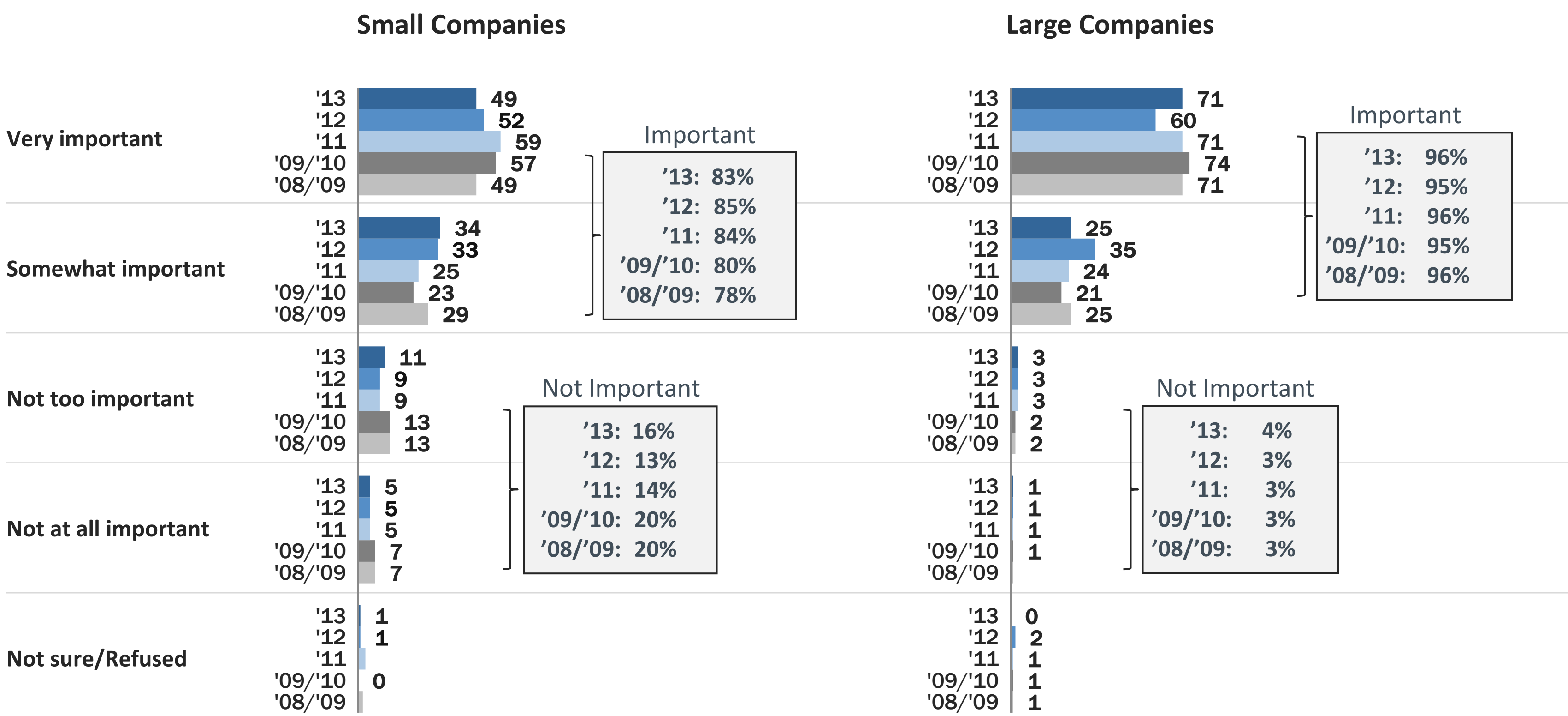
The Importance of 401(k) or Similar Plans

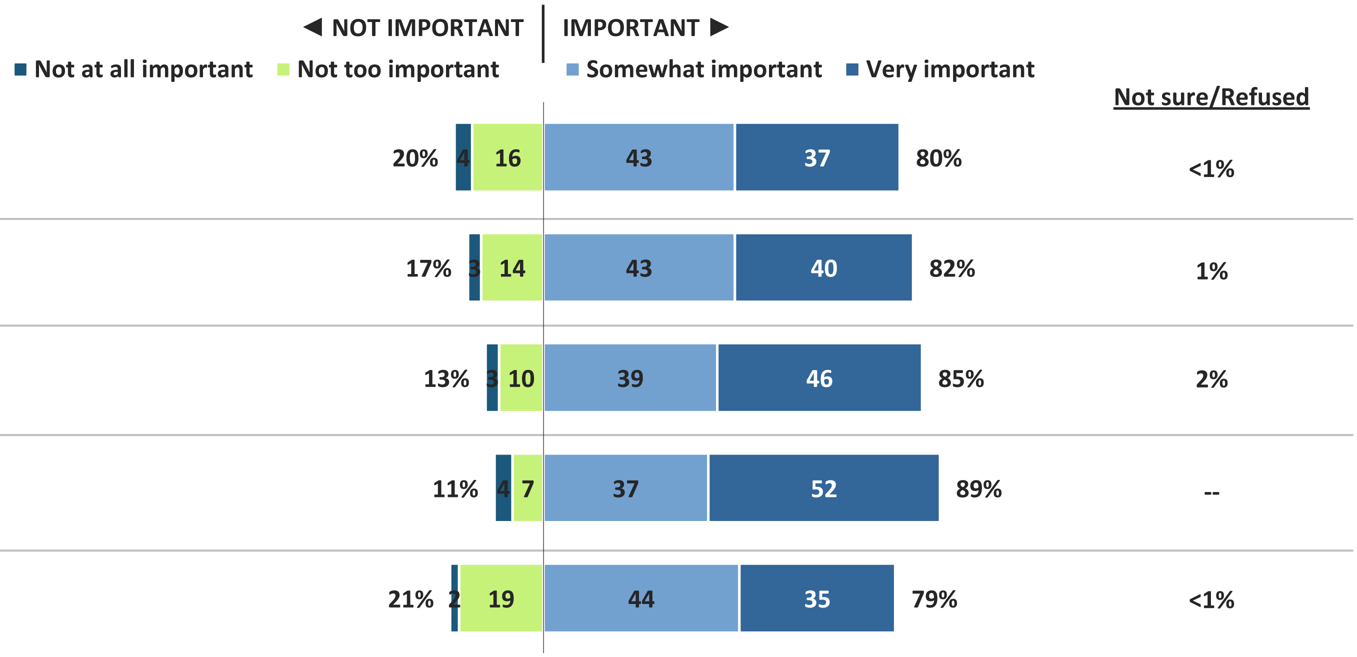
Large companies (96 percent) are more likely to believe that their employees view 401(k) or similar plans as an important benefit compared to small companies (83 percent) (2013). This trend has remained steady for the past five years.



<u>BASE: TOTAL RESPONDENTS</u>: **Small Companies**: '**08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: '**08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (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?

The Importance of 401(k)s for Attracting and Retaining Talent

Among employers who currently offer a 401(k) or similar plan, the vast majority (80 percent) believe that it is important for attracting and retaining employees (2013).



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?

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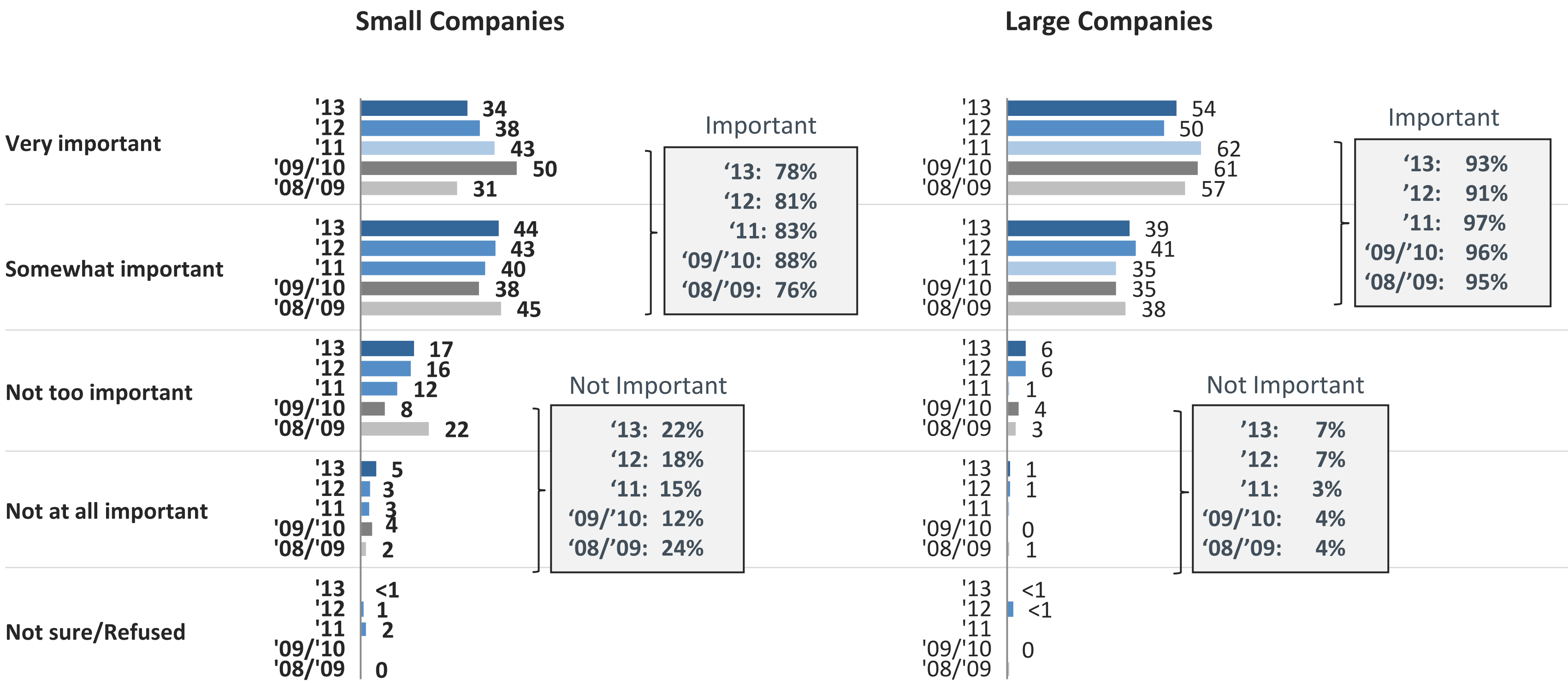
The Importance of 401(k)s for Attracting and Retaining Talent

Among companies who offer a 401(k) or similar plan, large companies are more likely to consider the plan important for attracting and retaining employees compared to small companies. This trend has remained consistent for the past five years. In 2013, 93 percent of large companies believe so compared to 78 percent of small companies.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N=356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281), **'13** (N=285)
Q650. How important would you say your company's employee-funded retirement plan package is to your ability to attract and retain employees?

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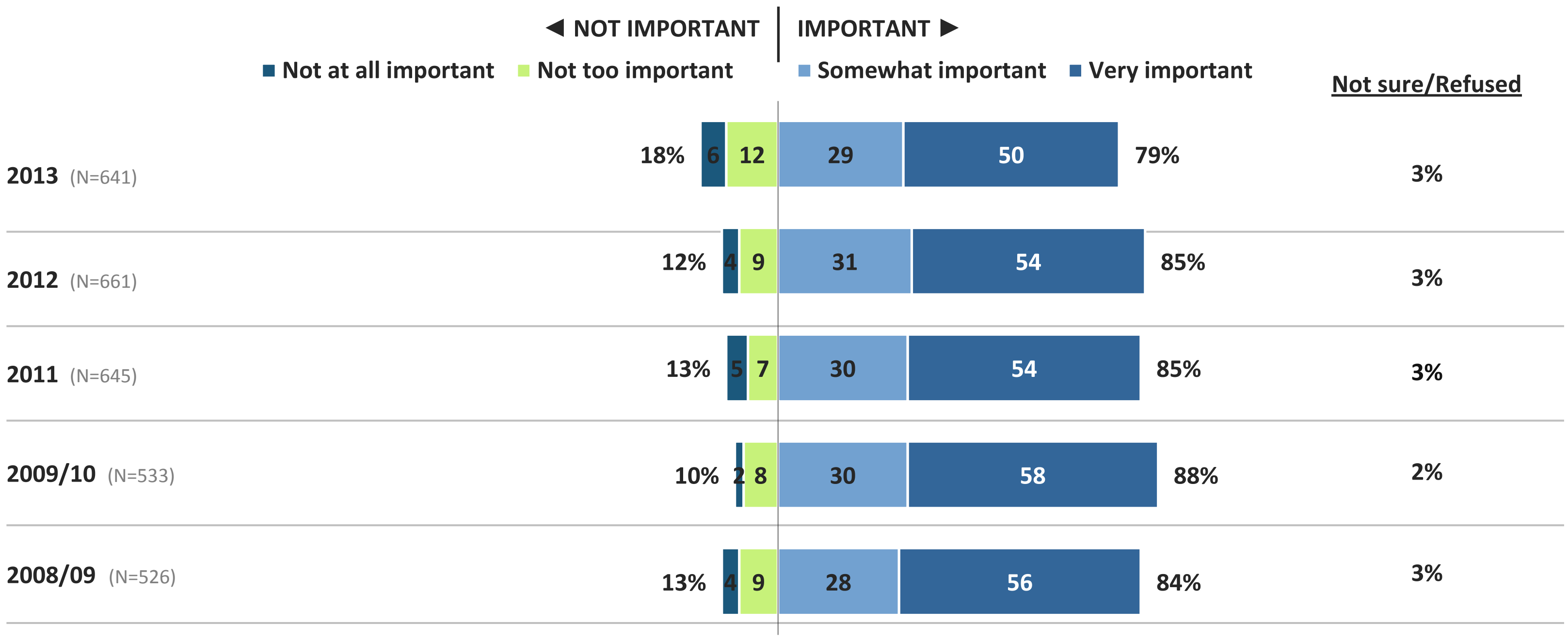
The Importance of 401(k) Matching Contributions

The vast majority (79 percent) of companies who offer an employee-funded plan indicate that matching contributions are important to their employees (2013).



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?

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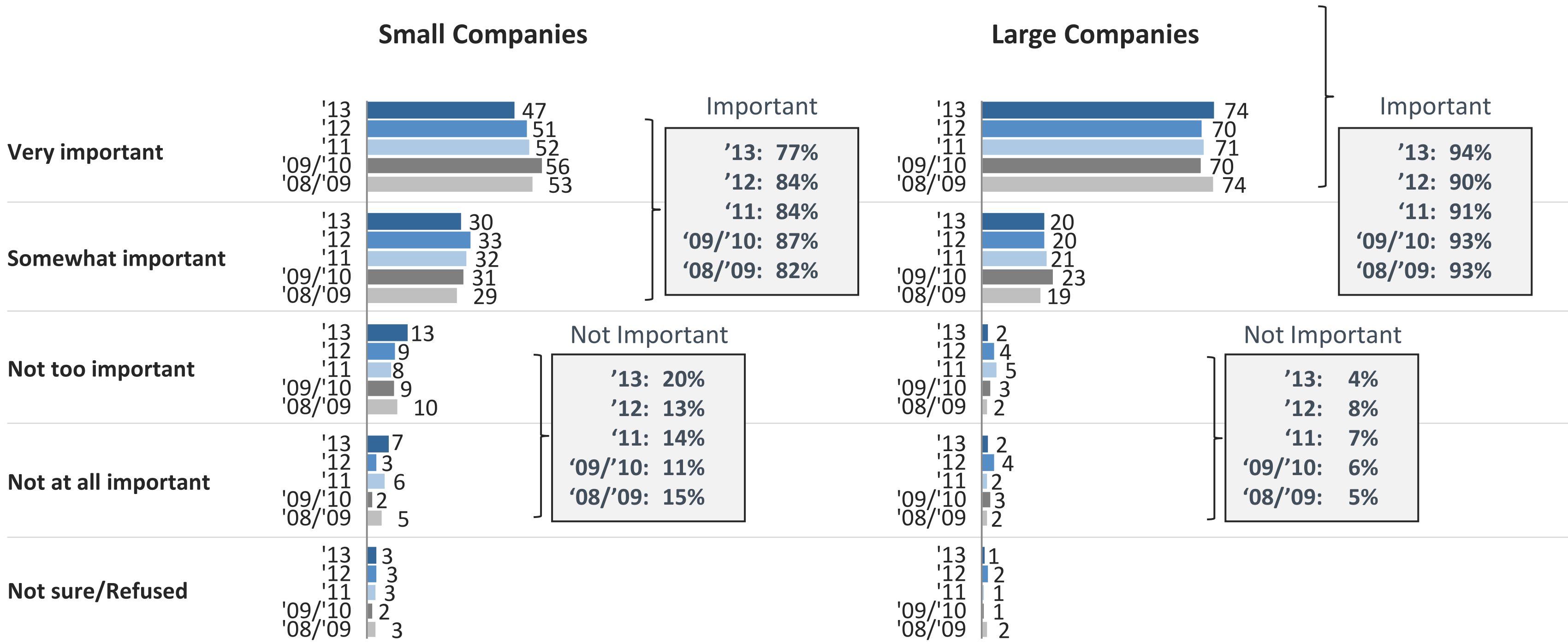
The Importance of Matching Contributions

Large companies continue to be more likely than small companies to indicate that matching contributions are “very important” to their employees. In 2013, 94 percent of large companies believe so compared to 77 percent of small companies.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **’08/’09** (N=248), **’09/’10** (N=256), **’11** (N=364), **’12** (N=380), **’13** (N=356);
Large Companies: **’08/’09** (N=278), **’09/’10** (N=277), **’11** (N=281), **’12** (N=281), **’13** (N=285)
Q660. How important is it to your employees that their company provides a matching contribution in their retirement savings plan?

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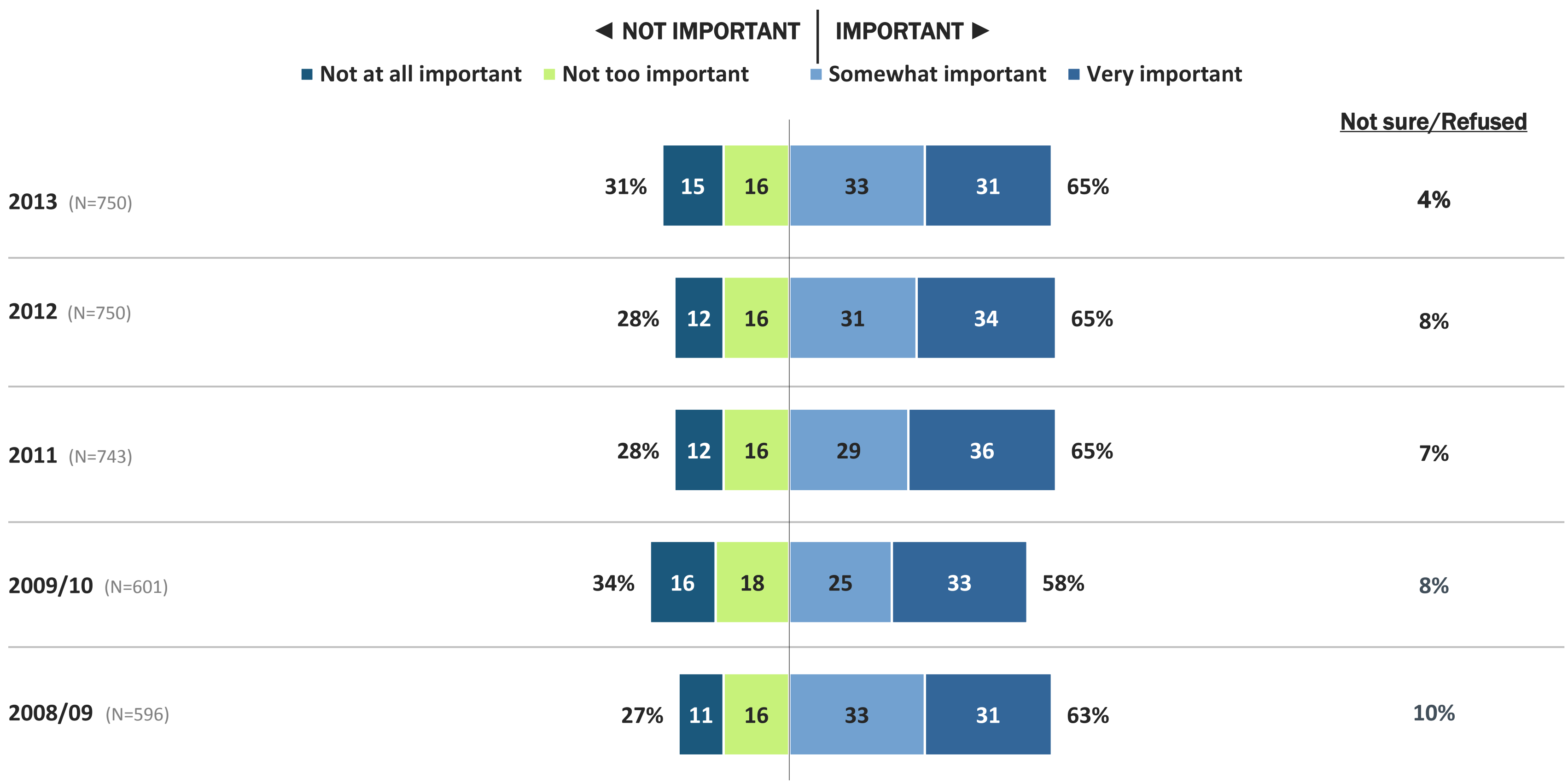
The Importance of Defined Benefit Pension Plans

The majority of employers (65 percent) believe that their employees view company-funded defined benefit plans as an important benefit (2013).



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?

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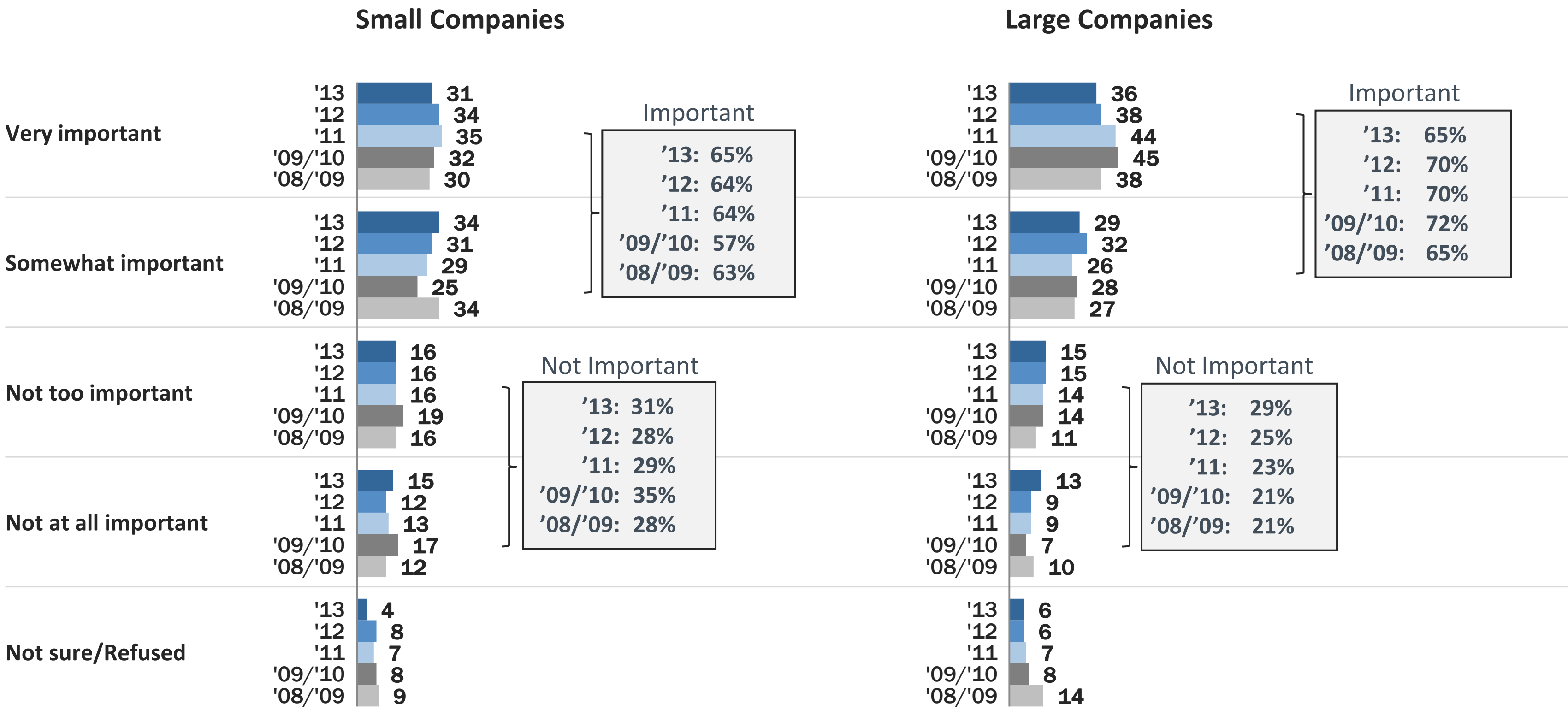
The Importance of Defined Benefit Pension Plans

Large companies and small companies (both 65 percent) share similar beliefs that their employees value a defined benefit plan as an important benefit (2013).



BASE: TOTAL RESPONDENTS: **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (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?

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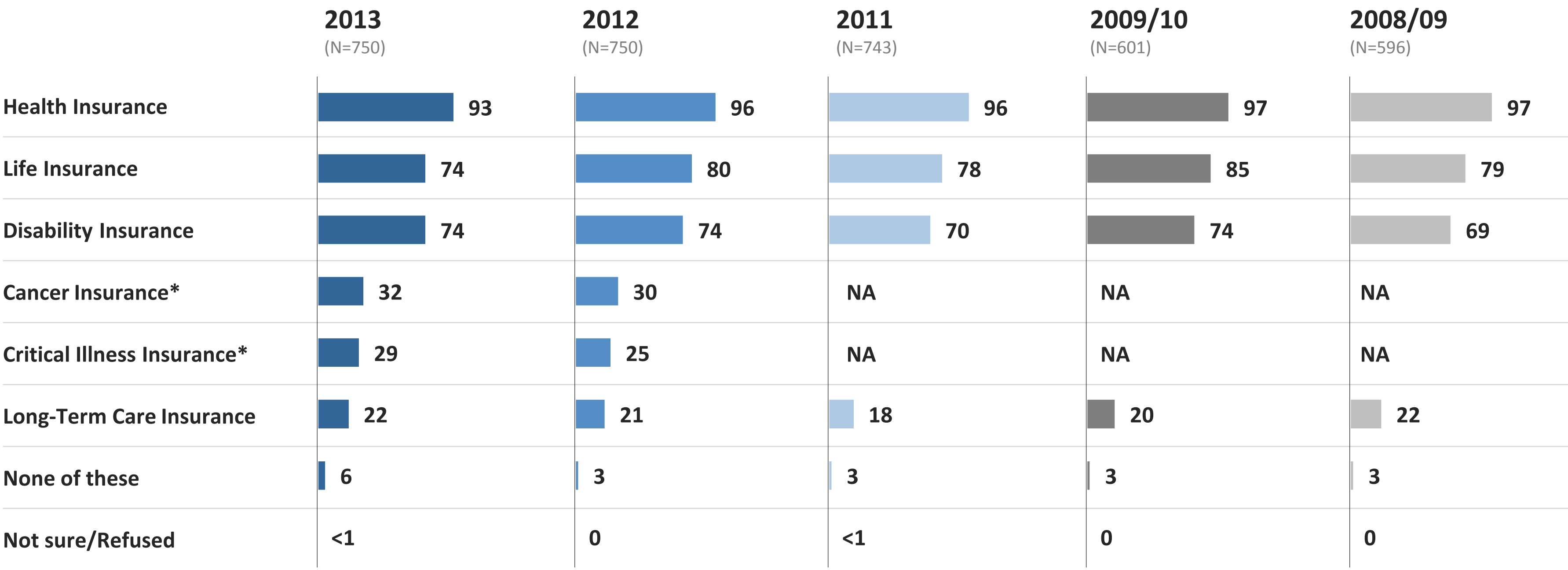
Detailed Findings

- Economic Expectations
- The Importance of Employee Benefits
- **Benefit Offerings including Retirement Benefits**
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- Employers' Perceptions of Retirement Readiness Among Their Employees

Health and Voluntary Benefit Offerings

In 2013, health insurance (93 percent), life insurance (74 percent), and disability insurance (74 percent) continue to be among the most common benefits offered by employers (excluding retirement benefits).



*Note these choices were added in '13 Wave
BASE: TOTAL RESPONDENTS
Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does you company currently offer…? CHOOSE ALL THAT APPLY.

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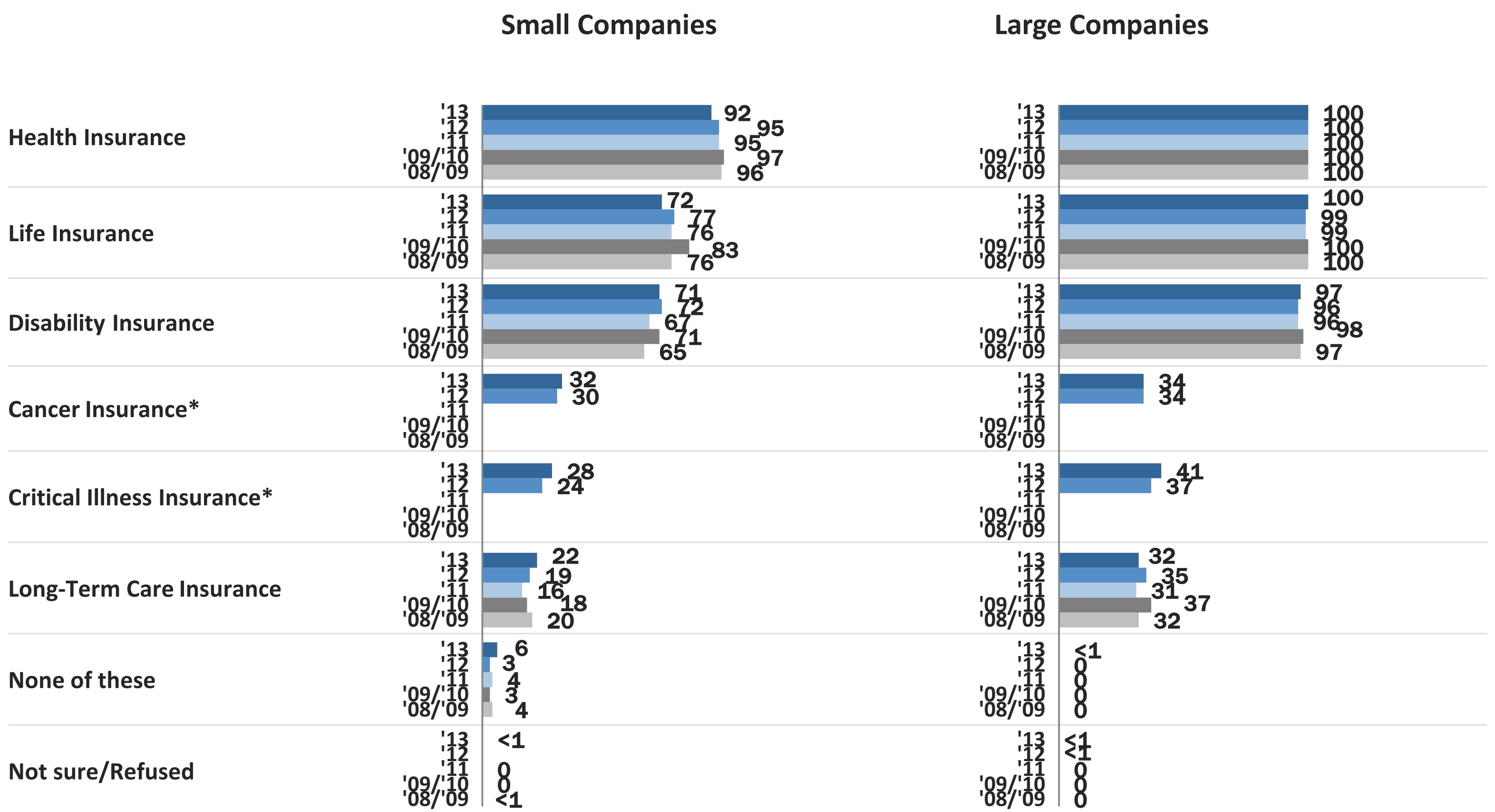
Health and Voluntary Benefit Offerings

Large companies are more likely than small companies to offer health insurance, life insurance, disability insurance, and other non-retirement benefits to their employees.



*Note these choices were added in '13 Wave

BASE: TOTAL RESPONDENTS: **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13**(N=300)
Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does you company currently offer...? CHOOSE ALL THAT APPLY.

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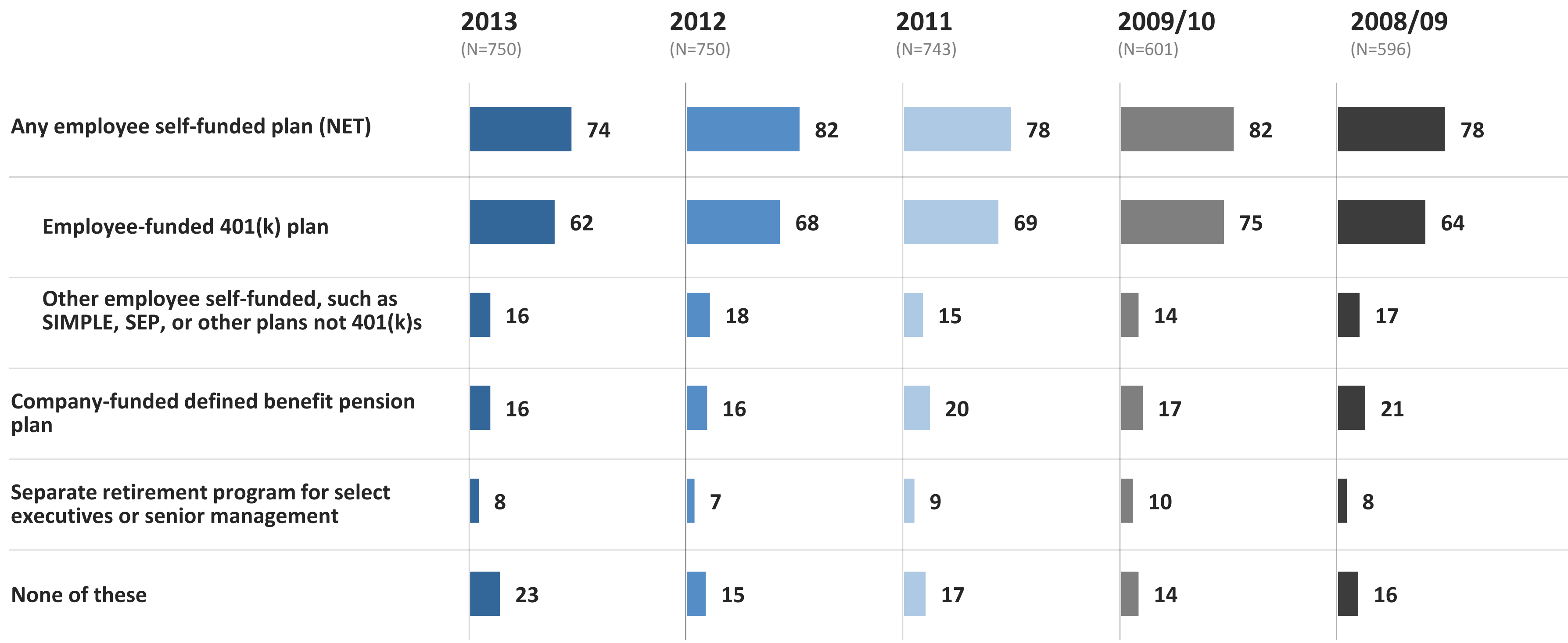
Retirement Benefits Offered

Nearly three out of four employers (74 percent) offer an employee self-funded retirement plan in 2013, including 62 percent who sponsored a 401(k) plan and 16 percent who sponsor some other form of employee-funded plan such as a SIMPLE or SEP. Only 16 percent sponsor a company-funded defined benefit pension plan.



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

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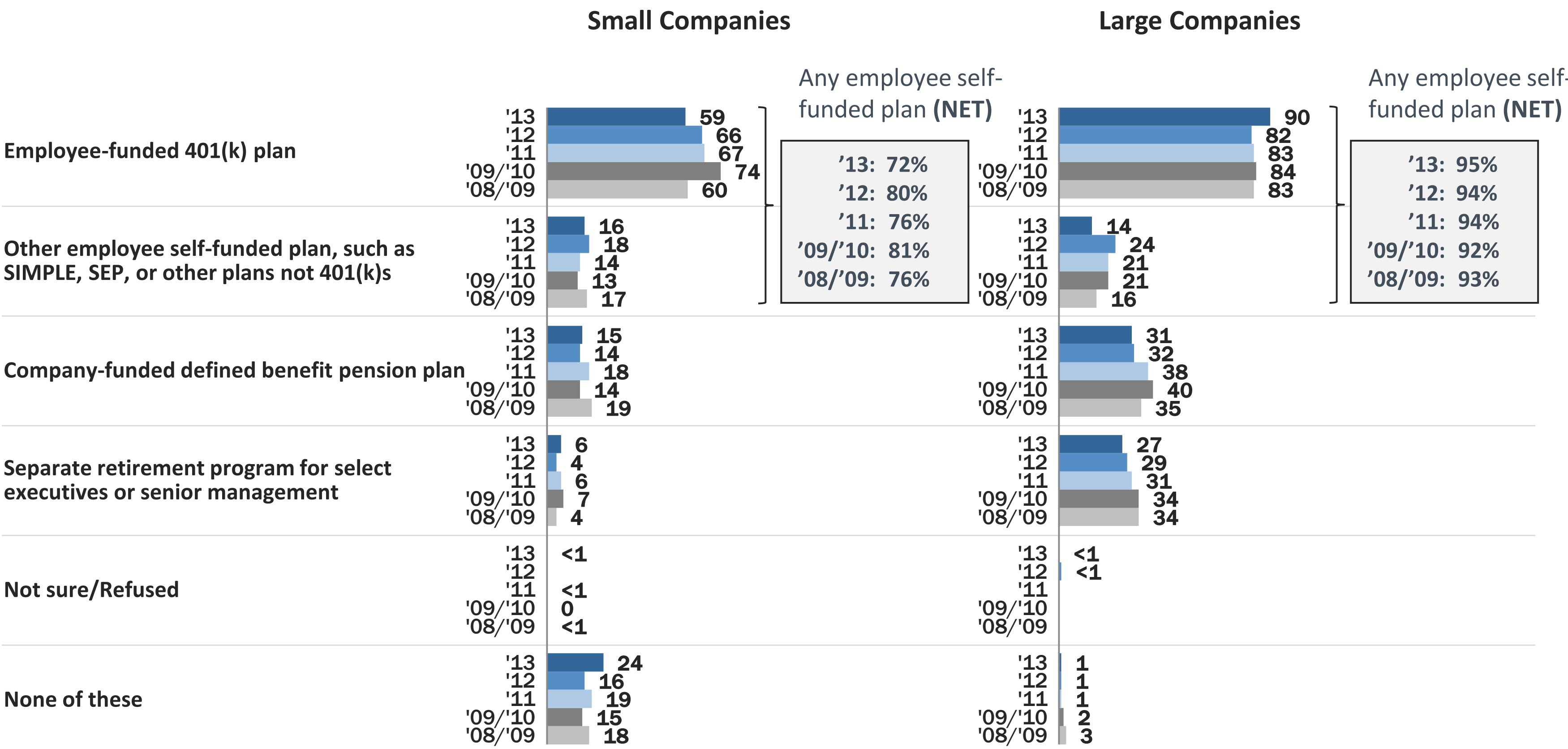
Retirement Benefit Offerings

Among the 74 percent of employers who sponsor a 401(k) or similar plan in 2013, there is a wide disparity by company size. Ninety-five percent of large companies offer a 401(k) or similar plan compared to 72 percent of small companies. Large companies (31 percent) are twice as likely as small companies (15 percent) to sponsor a defined benefit plan.



BASE: TOTAL RESPONDENTS BASE: **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q530. Which of the following retirement benefits does your company offer? CHOOSE ALL THAT APPLY.

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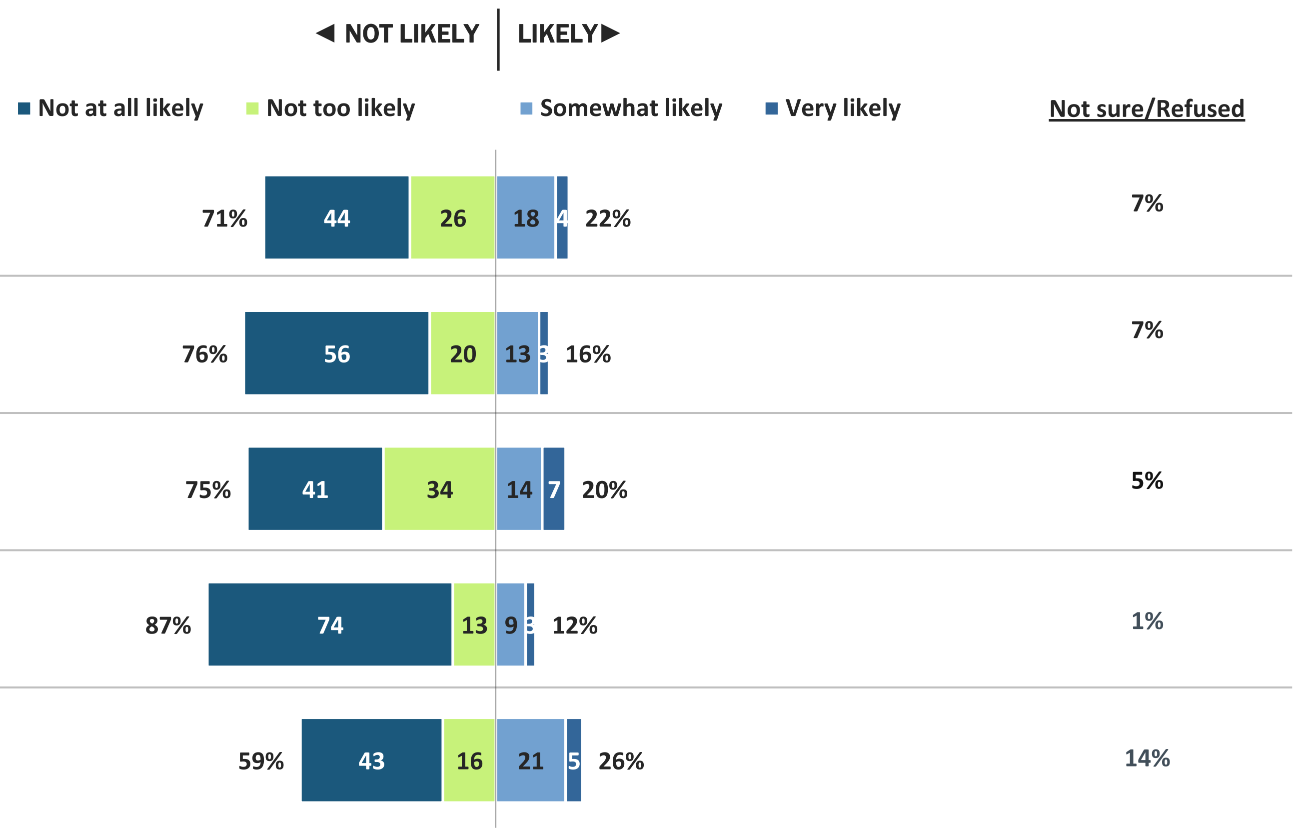
Non-Sponsors: Few Plan to Offer a 401(k) Plan in the Future

Among employers who do not currently offer a 401(k) or similar plan, only 22 percent said that they are likely to do so in the future, including only 4 percent who are 'very' likely (2013).



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?

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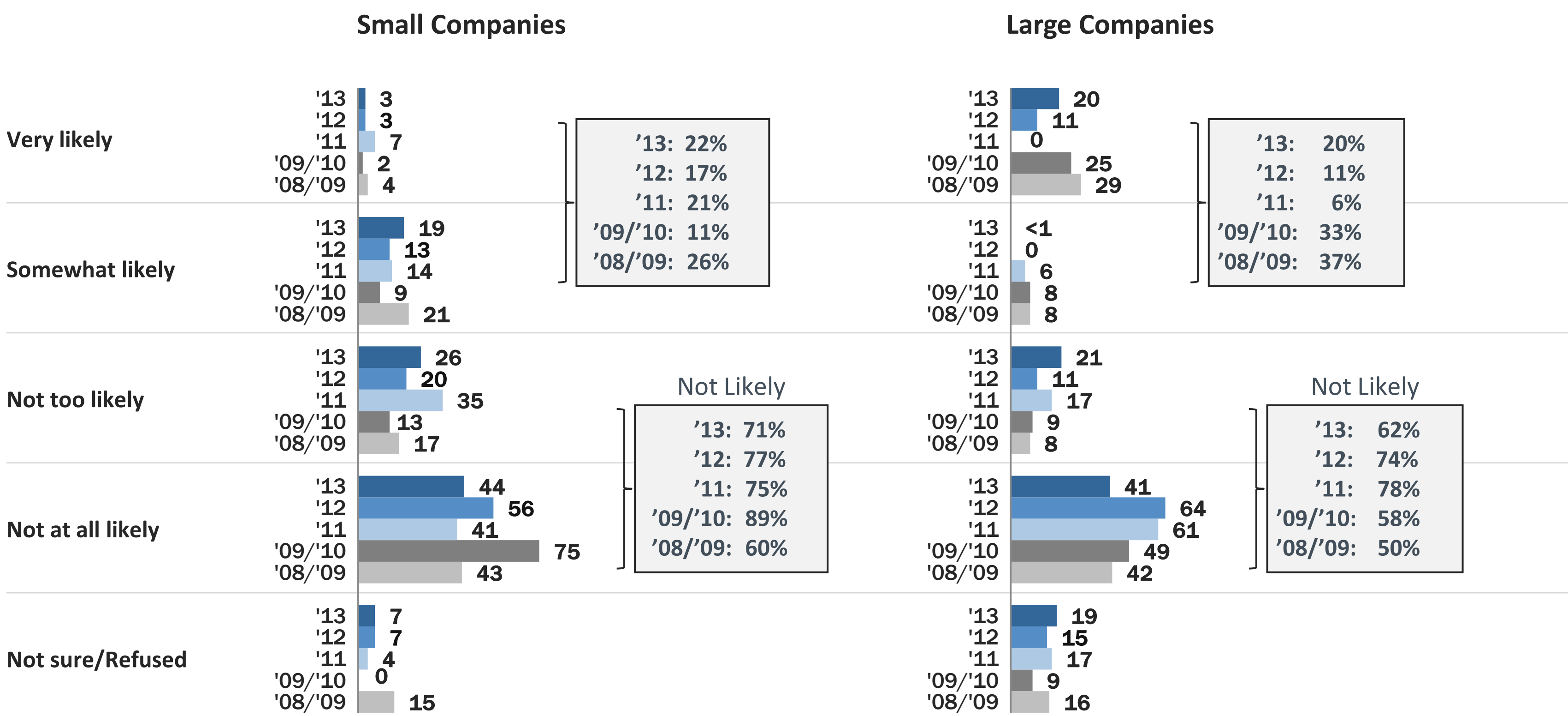
Non-Sponsors: Few Plan to Offer a 401(k) Plan in the Future

In 2013, the percentage of non-sponsors who plan to offer a 401(k) plan in the future is similar among small companies (22 percent) and large companies (20 percent); however, 20 percent of large companies are “very likely” to offer a plan compared to only 3 percent of small companies.



BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN: **Small Companies**: **’08/’09** (N=48), **’09/’10** (N=44), **’11** (N=80), **’12** (N=70), **’13** (N=94);
Large Companies: **’08/’09** (N=22*), **’09/’10** (N=24*), **’11** (N=18*), **’12** (N=19*), **’13** (N=15*)

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?

*Small base size

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Non-Sponsors' Reasons for Not Planning to Offer a 401(k) Plan

Among employers who do not sponsor a 401(k) plan and who do not plan to do so in the next two years, the most frequently cited reason in 2013 was concerns about cost. Concerns about cost have steadily increased from 28 percent in 2008/09 to up to 64 percent in 2013. Reasons for such a dramatic increase can be attributed to firms continuing to feel financial pressures from the economic downturn as well as the intense media attention surrounding 401(k) fees.

	2013 (N=77)	2012 (N=64)	2011 (N=74)	2009/10 (N=50)	2008/09 (N=39)
Concerned about cost	64	51	43	33	28
Company is not big enough	46	48	37	24	21
Company encountering difficult business conditions	38	33	47	31	24
Company or management not interested	35	37	39	31	47
Employees not interested	24	21	43	24	13
Concerned about fiduciary liability	22	31	24	1	3
Concerned about administrative complexity and amount of work involved	22	23	22	1	11
Already have/Satisfied with current plan	17	27	18	28	35
Union based	5				
Work in a not for profit organization	2	16	11	8	12
Some other reason	5	0	0	0	0

*responses less than 5% are not shown

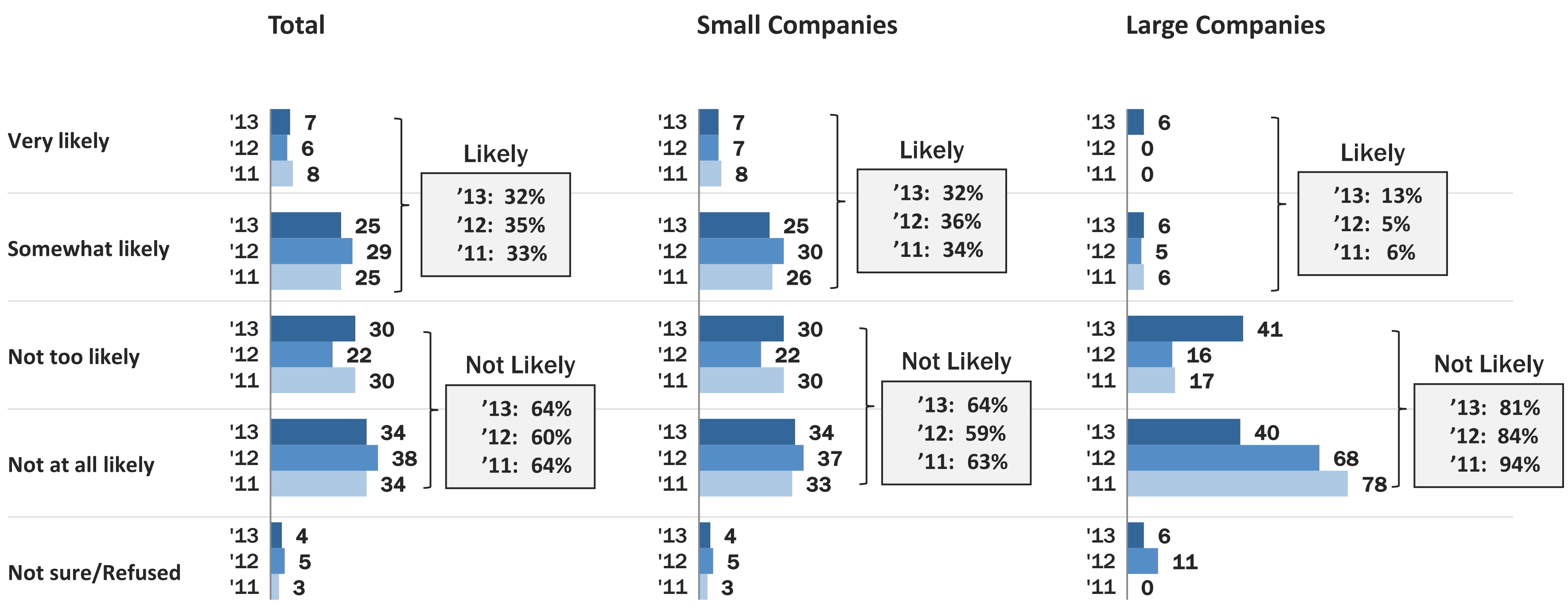
BASE: NOT LIKELY TO OFFER 401(k) IN NEXT 2 YEARS

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

Non-Sponsors' More Likely to Consider a Multiple Employer Plan

Nearly one in three employers who do not offer a 401(k) plan (32 percent) said they would be likely to consider joining a multiple employer plan (MEP) provided by a vendor who handles many of the fiduciary and administrative duties at a reasonable cost—compared to only 22 percent who said they are likely to establish a 401(k) plan (2013, please refer to page 40).

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



Base: Does Not Offer 401(k) Nor Other Self Funded Plan; **Total: '11** (N=98), **'12** (N=89), **'13** (N=109); **Small Companies: '11** (N=80), **'12** (N=70), **'13** (N=94); **Large Companies**: **'11** (N=18*), **'12** (N=19*), **'13** (N=15*)
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?

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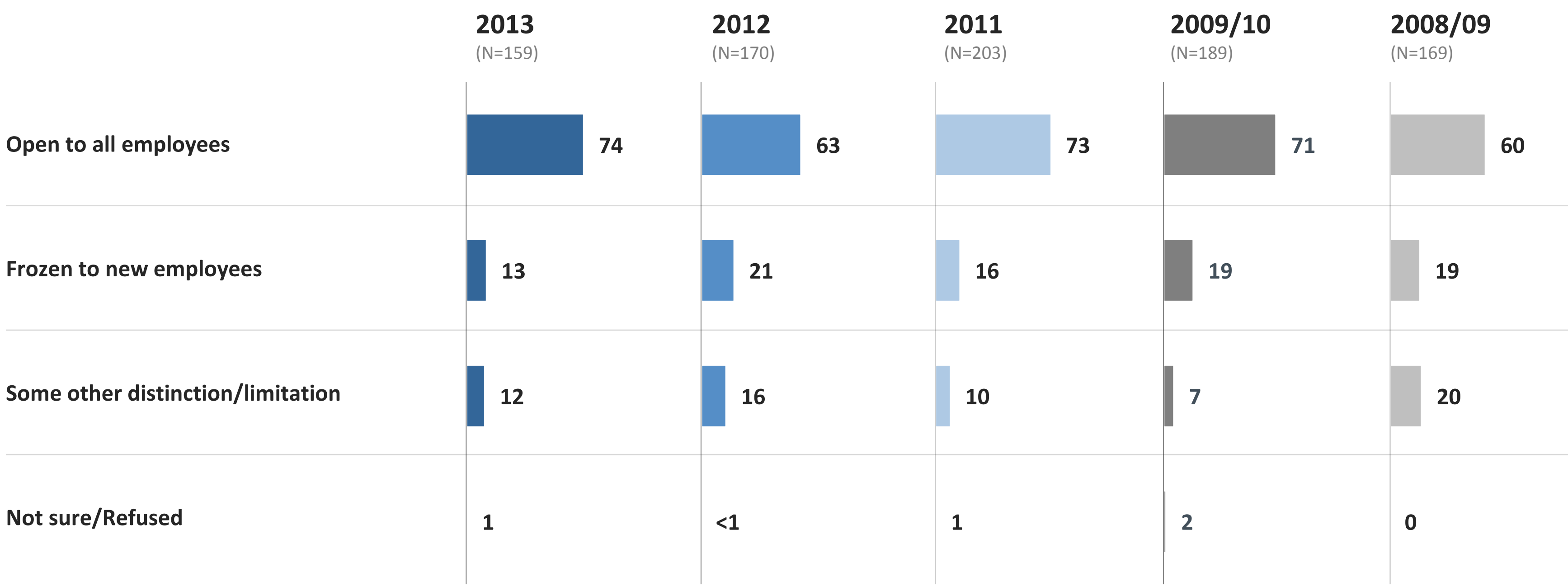
Current Status of Defined Benefit Plans

Among employers who offer a defined benefit plan to their employees, the majority (74 percent) indicate that it is open to all employees (2013). However, one in four (25 percent) indicated plan limitations including 13 percent who said their plan was frozen to new employees and 12 percent who indicated some other distinction/limitation.



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?

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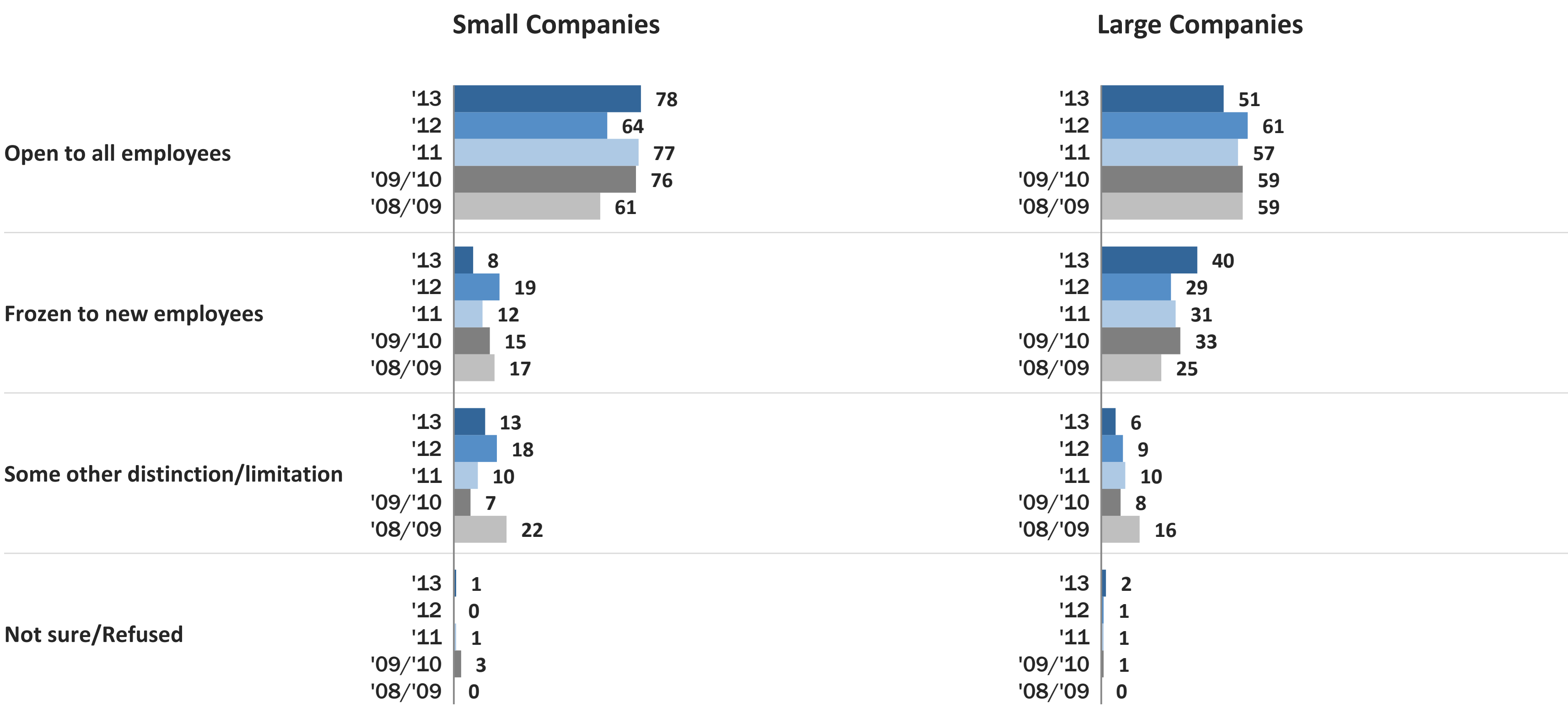
Current Status of Defined Benefit Plans

Among those who offer a defined benefit plan to their employees, large companies (40 percent) are more likely to have frozen their plans to new employees compared to small companies (8 percent).



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN: **Small Companies**: **'08/'09** (N=64), **'09/'10** (N=67), **'11** (N=89), **'12** (N=74), **'13** (N=66); **Large Companies**: **'08/'09** (N=105), **'09/'10** (N=122), **'11** (N=114), **'12** (N=96), **'13** (N=93)

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

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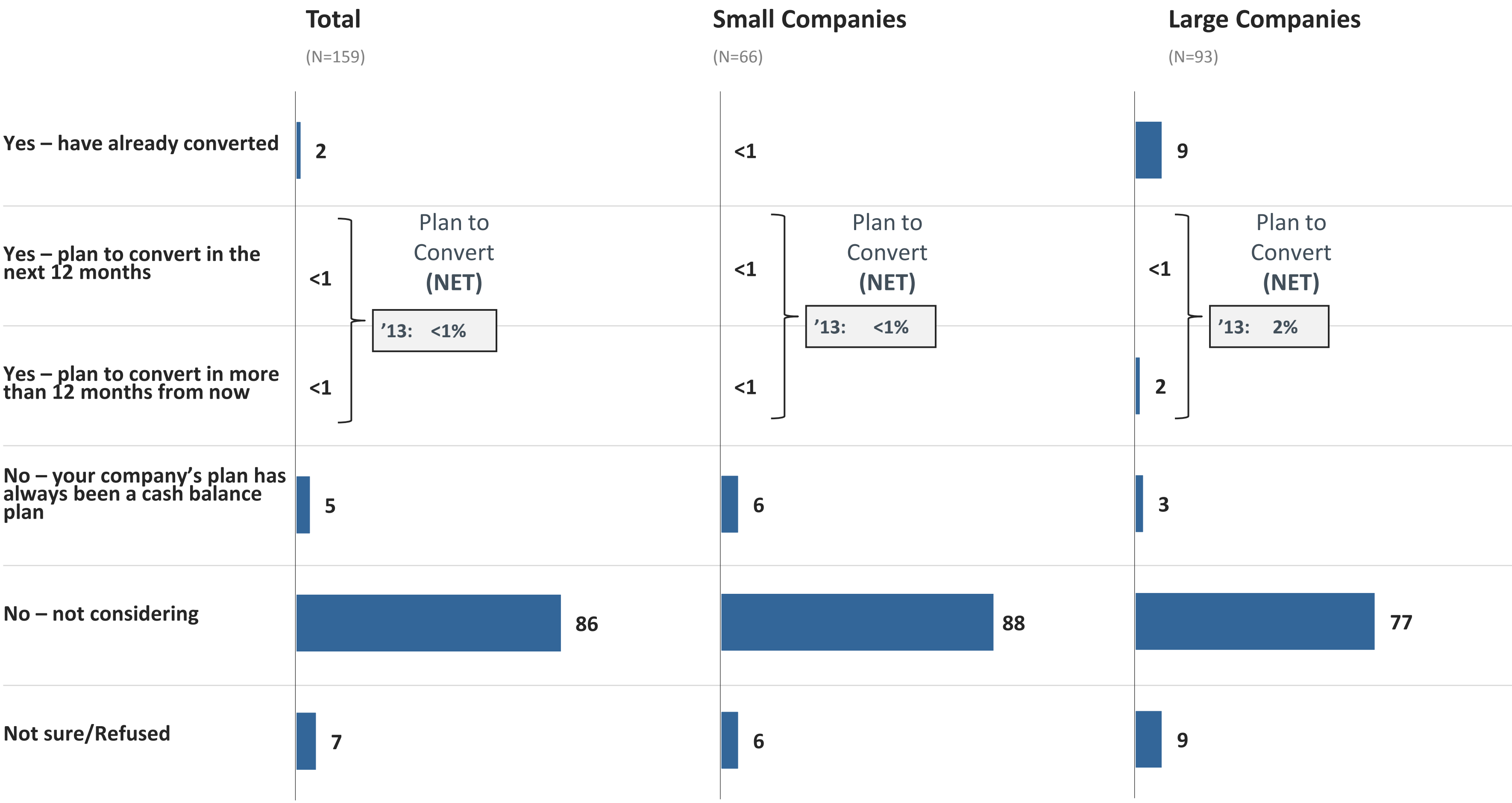
Most DB Sponsors Are Not Considering Cash Balance Plans

The vast majority of defined benefit plan sponsors (86 percent) are not considering a conversion of their plan to a cash balance plan. However, 9 percent of large companies indicated that they have already converted their plans to cash balance plans.



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN
NEW QUESTION IN WAVE 14: Q1426. Has your company or is your company considering converting its company-funded defined benefit plan to a cash balance defined-benefit plan?

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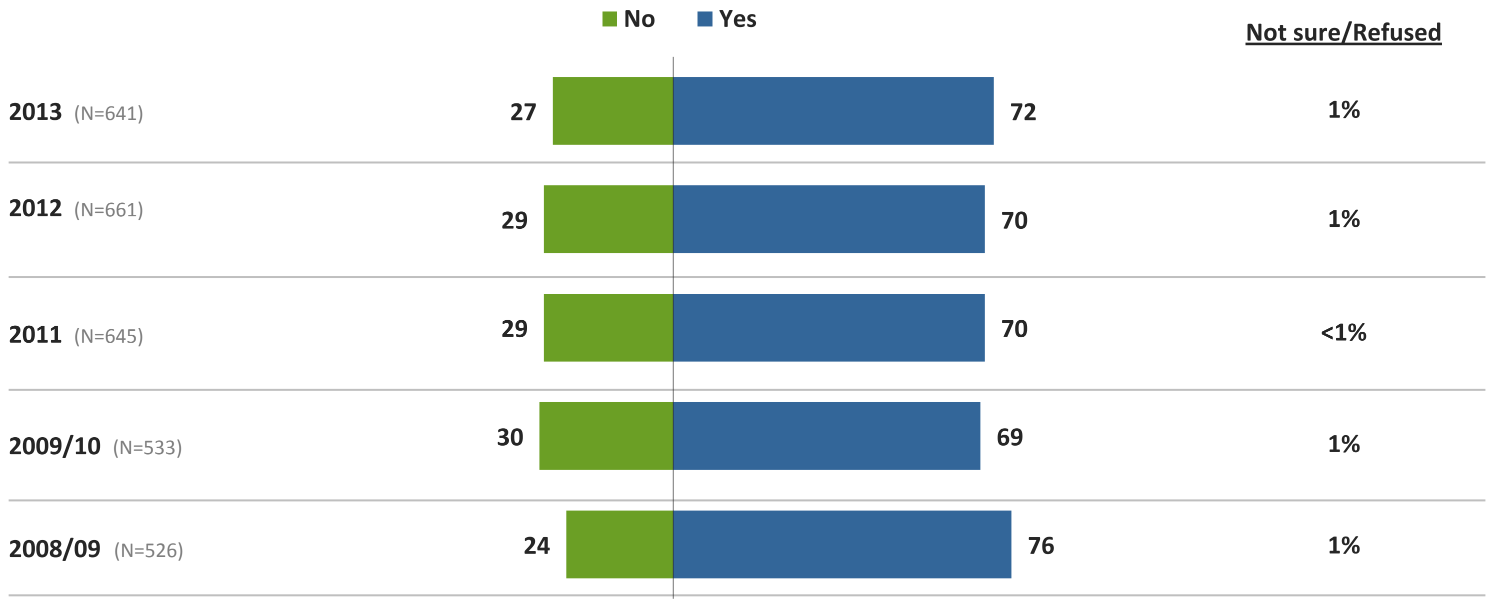
Detailed Findings

- Economic Expectations
- The Importance of Employee Benefits
- Benefit Offerings including Retirement Benefits
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- Employers’ Perceptions of Retirement Readiness Among Their Employees

401(k) or Similar Plans: Matching Contributions

The vast majority of companies (72 percent) who offer a 401(k) or similar plan also offer matching contributions as part of their plans (2013). This percentage has increased since its low of 69 percent in 2009/10 in the midst of the Great Recession but has not yet recovered to its height of 76 percent in 2008/09.



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?

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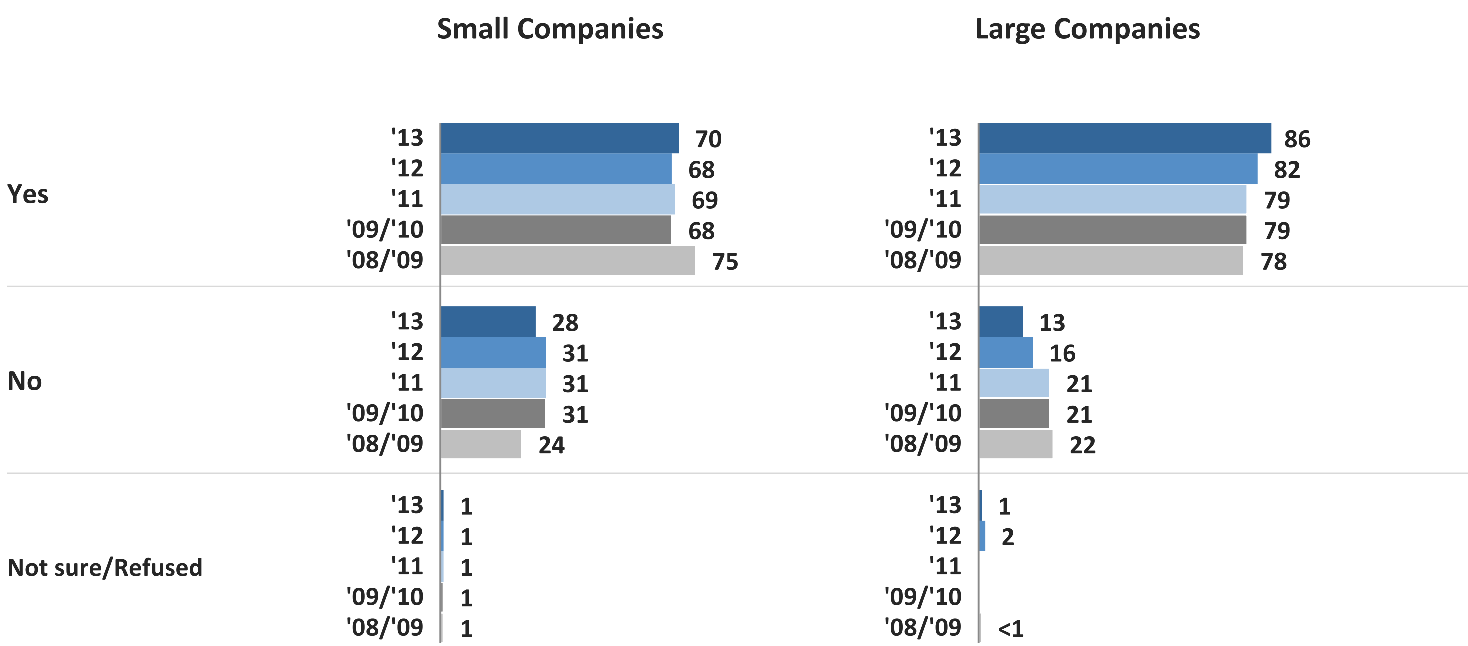
401(k) or Similar Plans: Matching Contributions

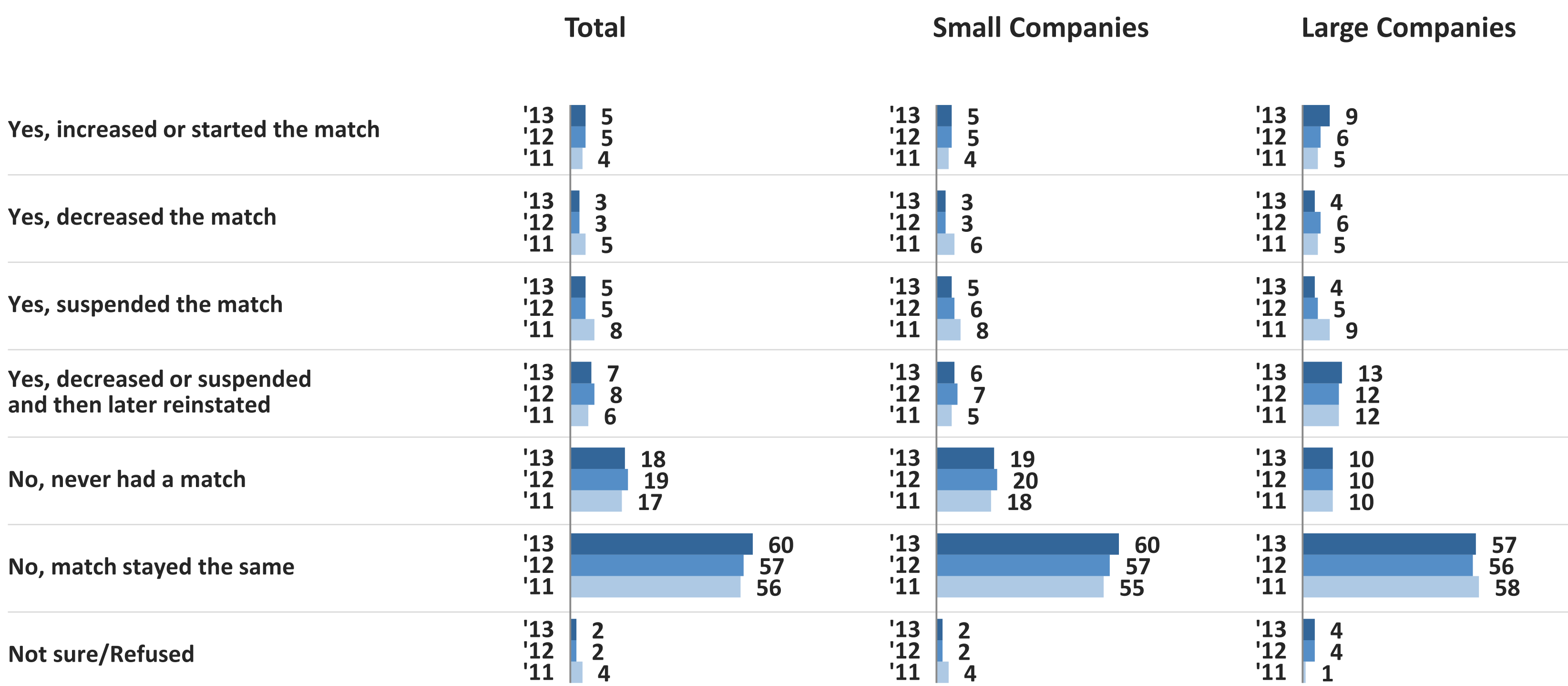
Large companies continue to be more likely than small companies to offer matching contributions their 401(k) or similar plan participants. In 2013, 86 percent of large companies offered a matching contribution compared to only 70 percent of small companies.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N= 356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281), **'13** (N= 285)
Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

Relatively Few Changes Made to Matching Contributions

Despite widespread news reports to the contrary in recent years, most companies (60 percent) who offer a 401(k) or similar plan with matching contributions did not make changes to the match (2013). Among the 15 percent of companies who said they had decreased or suspended their match, 7 percent said that they have reinstated it.



BASE: OFFERS 401(K) OR OTHER SELF FUNDED PLAN; **Total: '11 (**N=645), **'12** (N=661), **'13** (N=641); **Small Companies**: **'11** (N=364), **'12** (N=380), **'13** (N= 356); **Large Companies**: **'11** (N=281), **'12** (N=281), **'13** (N= 285)
Q1610. Since the recession began in 2008, has your company made any of the following changes to the matching contribution?

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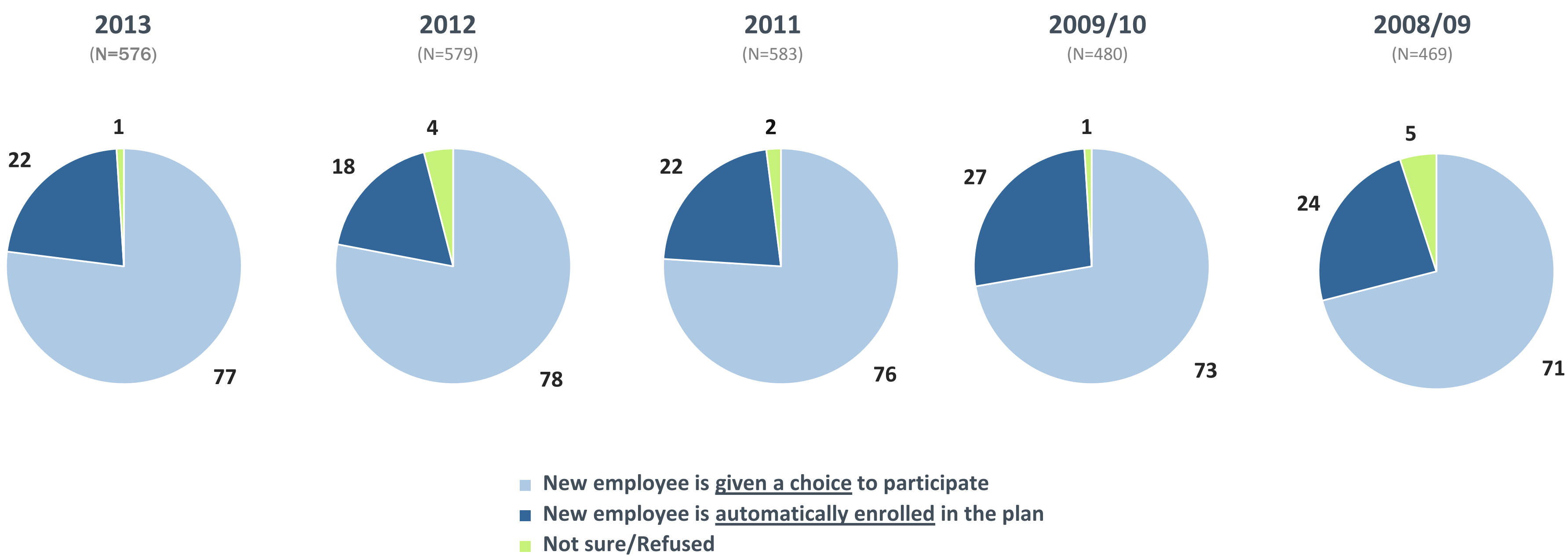
401(k) Plans: Automatic Enrollment

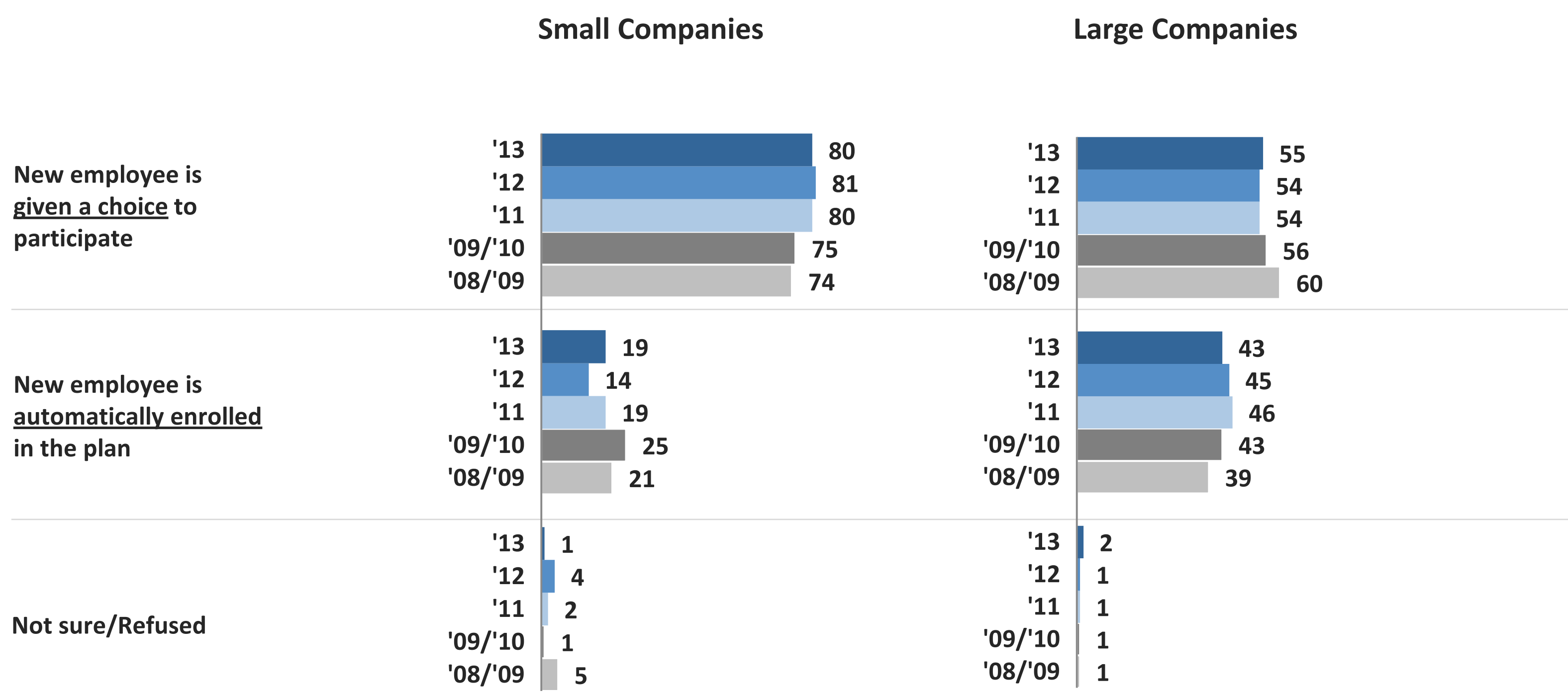
In 2013, more than one in five (22 percent) of 401(k) plan sponsors indicated that they automatically enroll new employees in the plan. However, it should be noted that there is a wide disparity between large companies and small companies who offer automatic enrollment (see next page).



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?

401(k) Plans: Automatic Enrollment

401(k) plan sponsors at large companies are far more likely to automatically enroll new employees into the plan than small companies. In 2013, large companies (43 percent) are more than twice as likely than small companies (19 percent) to use automatic enrollment.



BASE: OFFERS 401(k) PLAN; **Small Companies**: **'07** (N= 275), **'08/'09** (N=220), **'09/'10** (N=226), **'11** (N=336), **'12** (N=333), **'13** (N= 307);
Large Companies: **'07** (N=232), **'08/'09** (N=249), **'09/'10** (N=254), **'11** (N=247), **'12** (N=246), **'13** (N= 269)
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?

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401(k) Plans: Automatic Enrollment at 3 Percent

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

	2013 (N=185)	2012 (N=181)	2011 (N=190)	2009/10 (N=173)	2008/09 (N=154)
Median	3	3	3	3	3
0-4	56	48	62	62	51
5-8	10	12	12	6	8
9-12	<1	4	<1		8
13-15	<1			2	
16+	6	1	3	2	1
Not sure/Refused	28	36	22	28	32

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

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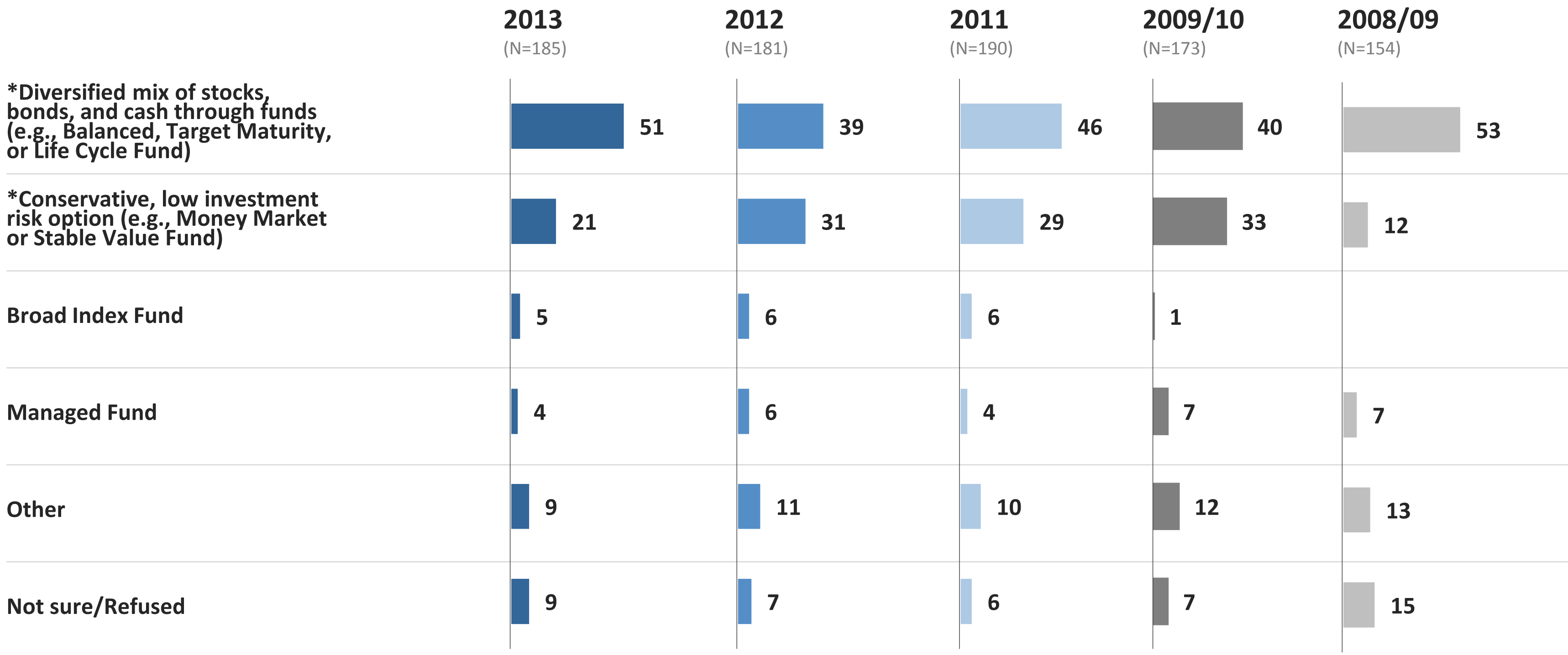
401(k) Plans: Default Investments for Automatic Enrollment

In 2013, more than half (51 percent) of plans using automatic enrollment cited their default investment option to be a diversified mix of stocks, bonds, and cash through funds (e.g., balanced, target maturity, or life cycle funds).



*All investments involve some level of risk. Diversification does not guarantee against losses.
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN
Q1029. What is the default investment option for the employee-funded 401(k) plan?

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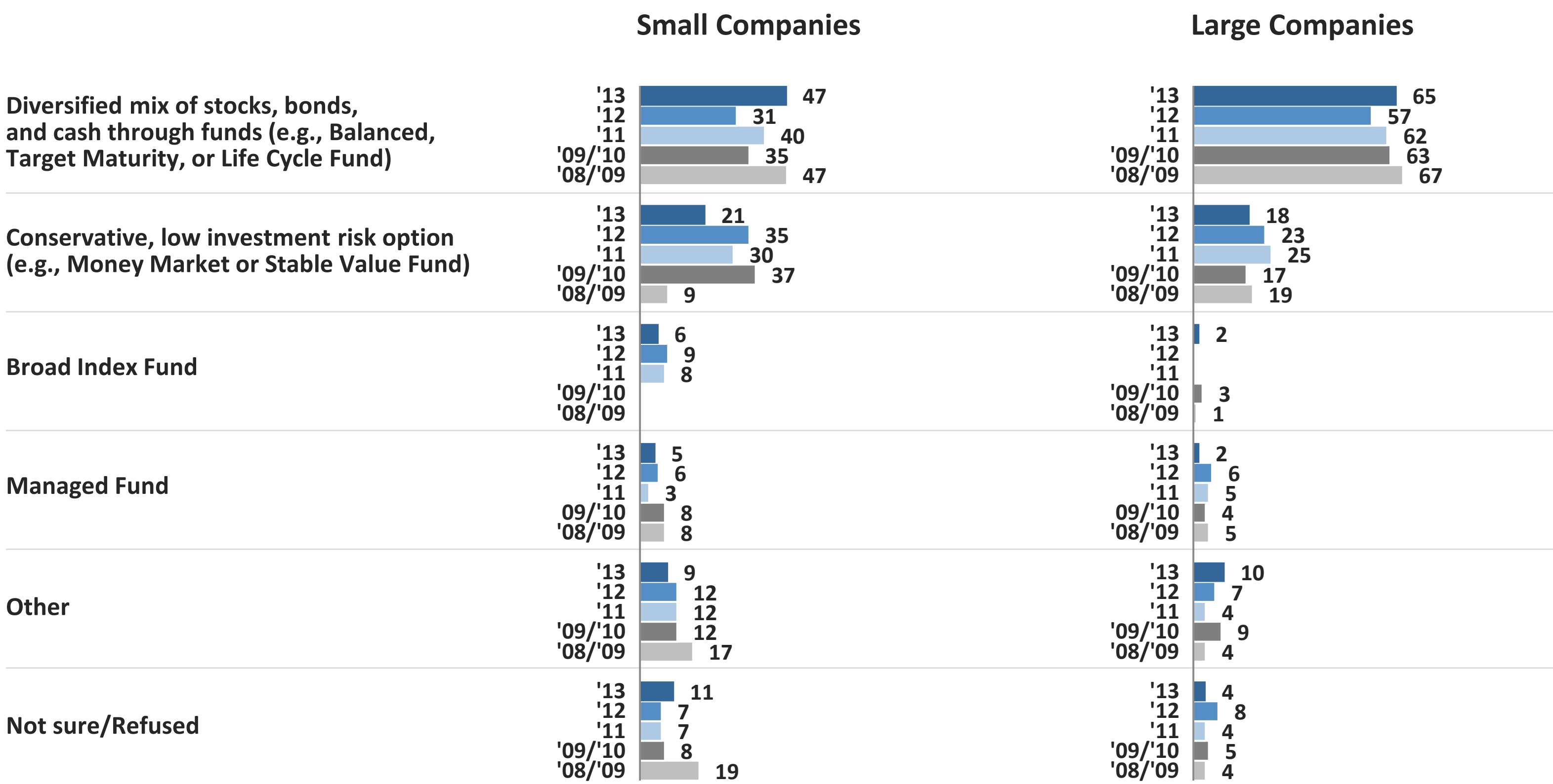
401(k) Plans: Default Investments for Automatic Enrollment

In 2013, large companies (65 percent) are more likely to choose a diversified mix in the default investment option of their automatic enrollment plan compared to small companies (47 percent).



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Small Companies: **'08/'09** (N=56), **'09/'10** (N=64), **'11** (N=77), **'12** (N=71), **'13**(N= 69); **Large Companies**: **'08/'09** (N=98), **'09/'10** (N=109), **'11** (N=113), **'12** (N=110), **'13** (N= 116)

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

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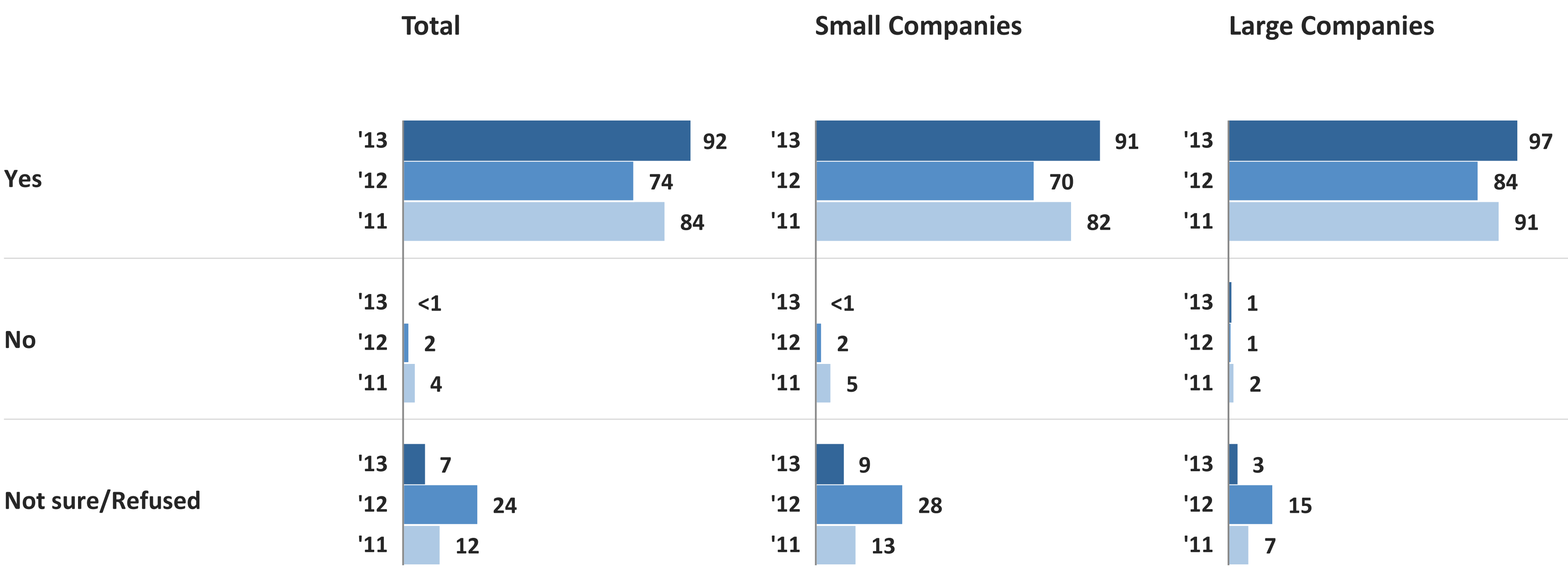
401(k) Plans: Automatic Enrollment Use of QDIAs

The vast majority (92 percent) of 401(k) plan sponsors who automatically enroll participants indicate that the default investment satisfies the Department of Labor's requirements to be recognized as a Qualified Default Investment Alternative (QDIA). Large companies (97 percent) are somewhat more likely than small companies (91 percent) to use QDIAs.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN;
Total: **'11 (**N=190), **'112** (N=181), **'113** (N=185); **Small Companies**: **'11** (N=77), **'12** (N=71), **'13** (N=69); **Large Companies**: **'11** (N=113), **'12** (N=110), **'13** (N=116)
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?

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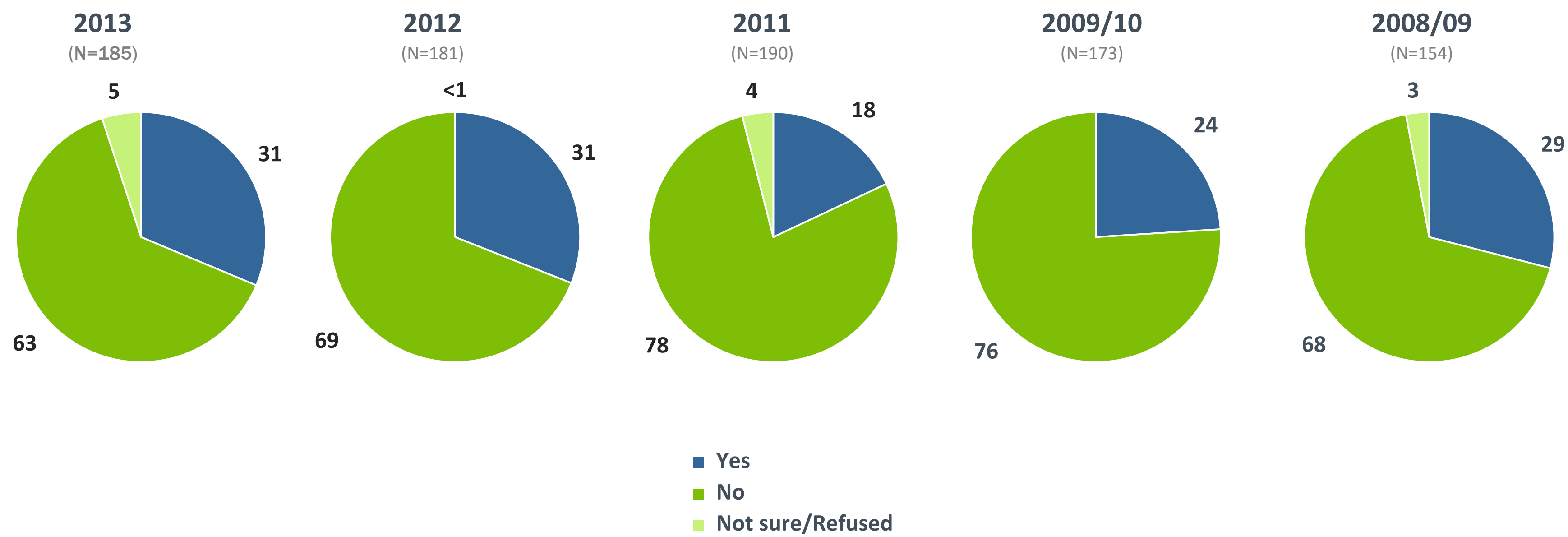
401(k) Plans: Automatic Enrollment and Automatic Escalation

Among 401(k) plan sponsors who automatically enroll employees, almost one in three (31 percent) automatically increase participant's contributions annually (2013).



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

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

*"annually, such as…" added to the question text in 2013.

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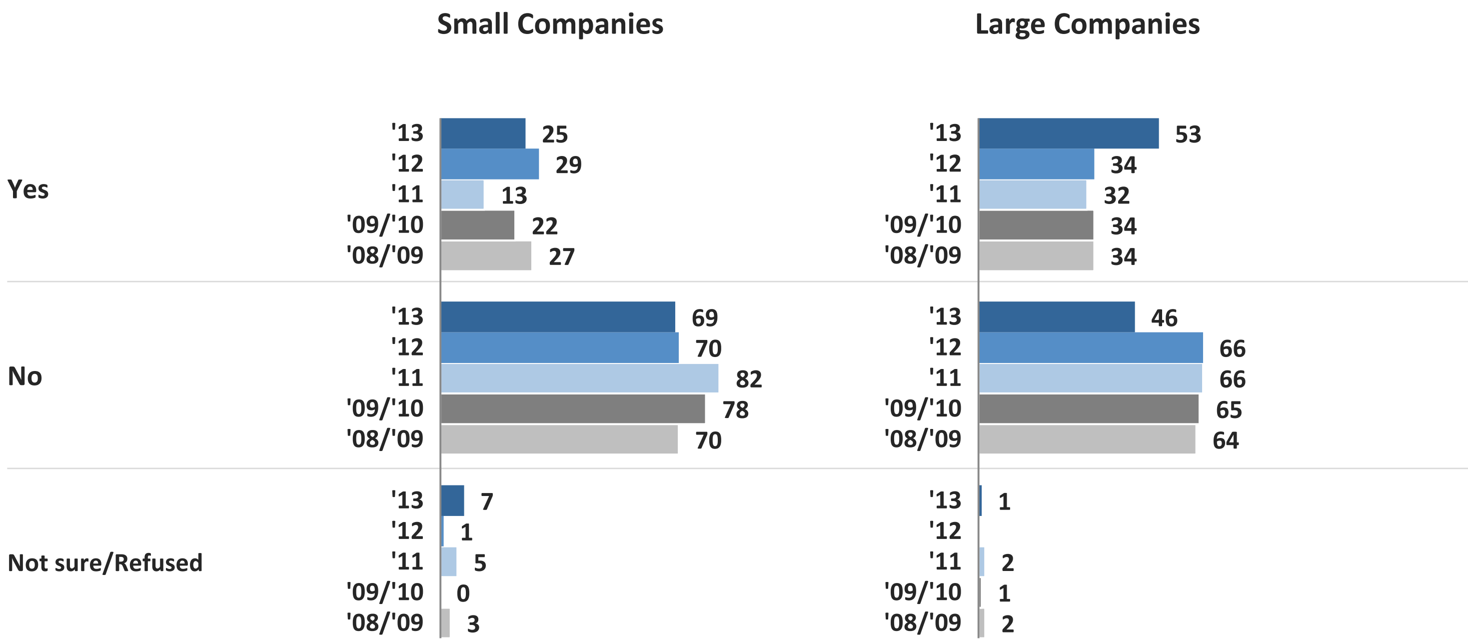
401(k) Plans: Automatic Enrollment and Automatic Escalation

Large companies who automatically enroll their employees are more likely to automatically increase employee contribution rates annually. In 2013, more than twice the number of large companies (53 percent) automatically increased participants' contribution rates annually compared to only 25 percent of small companies.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN;
Small Companies: **'08/'09** (N=56), **'09/'10** (N=64), **'11** (N=77), **'12** (N=71), **'13** (N= 69); **Large Companies**: **'08/'09** (N=98), **'09/'10** (N=109), **'11** (N=113), **'12** (N=110), **'13** (N= 116)
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)

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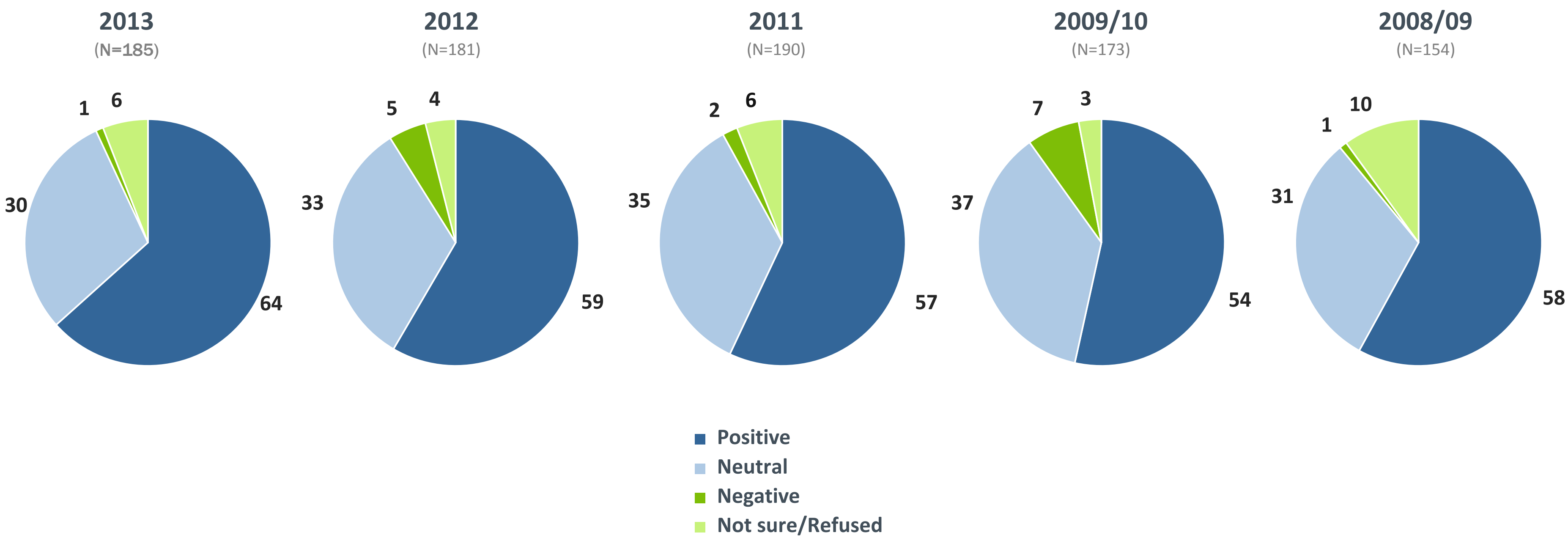
Positive Response to Automatic Enrollment Among Employees

Most 401(k) plan sponsors (64 percent) who automatically enroll employees into the plan indicated that the response has been positive among employees (2013).



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

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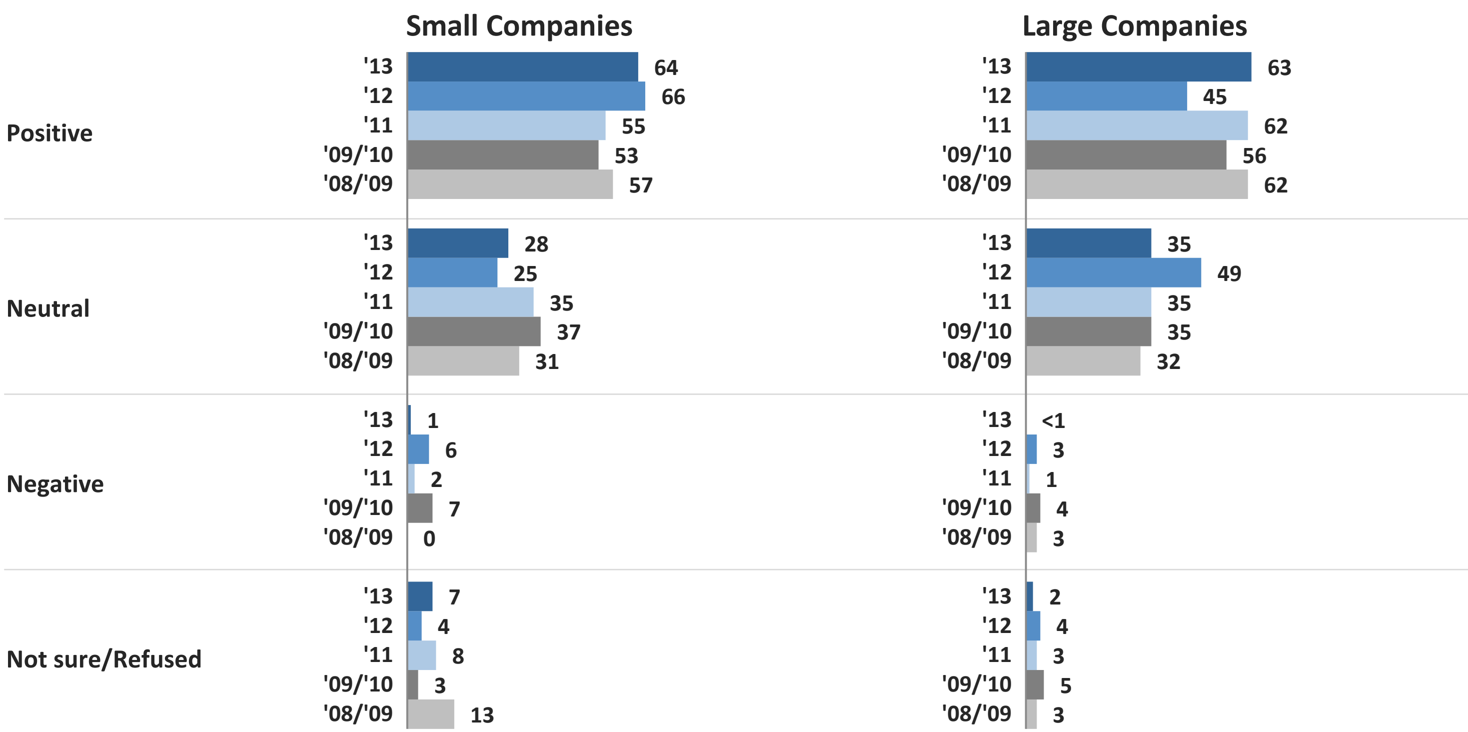
Positive Response to Automatic Enrollment Among Employees

Both large companies and small companies who automatically enroll employees into their 401(k) plans believe that the response has been positive among employees.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

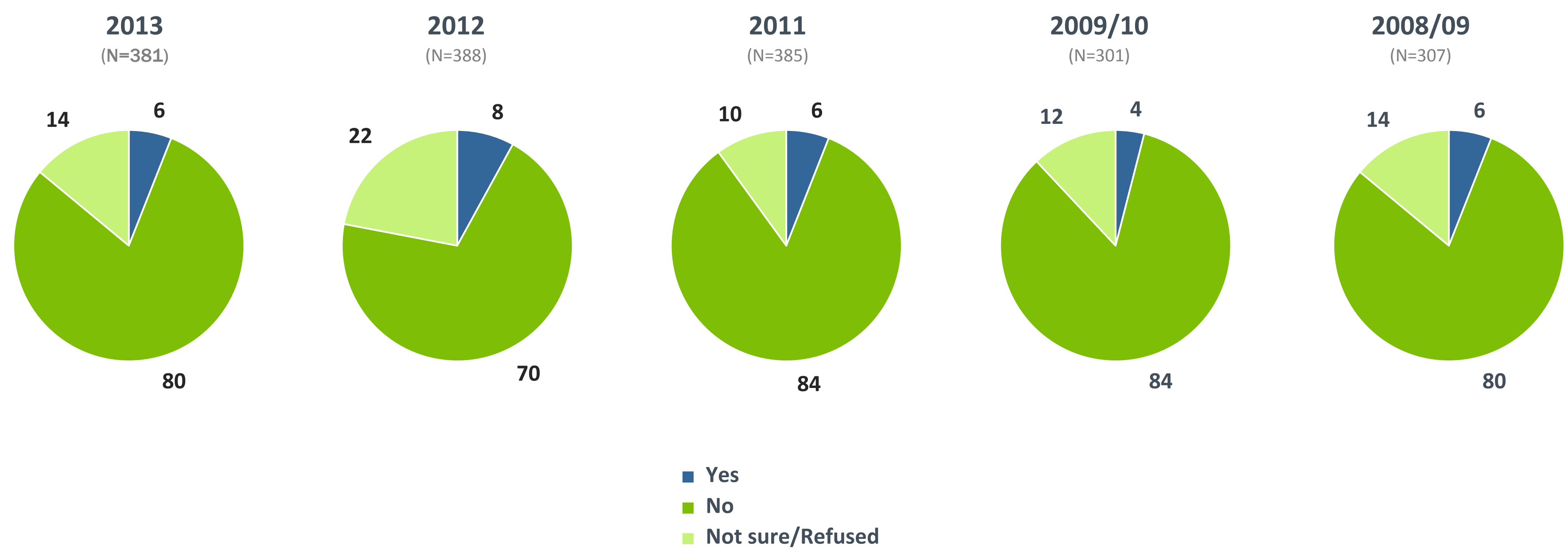
Small Companies: **'08/'09** (N=56), **'09/'10** (N=64), **'11** (N=77), **'12** (N=71), **'13** (N= 69); **Large Companies**: **'08/'09** (N=98), **'09/'10** (N=109), **'11** (N=113), **'12** (N=110), **'13** (N= 116)

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) Plans: Future Adoption of Automatic Enrollment

Most companies (80 percent) who currently do not automatically enroll their employees do not plan to do so in the future (2013).



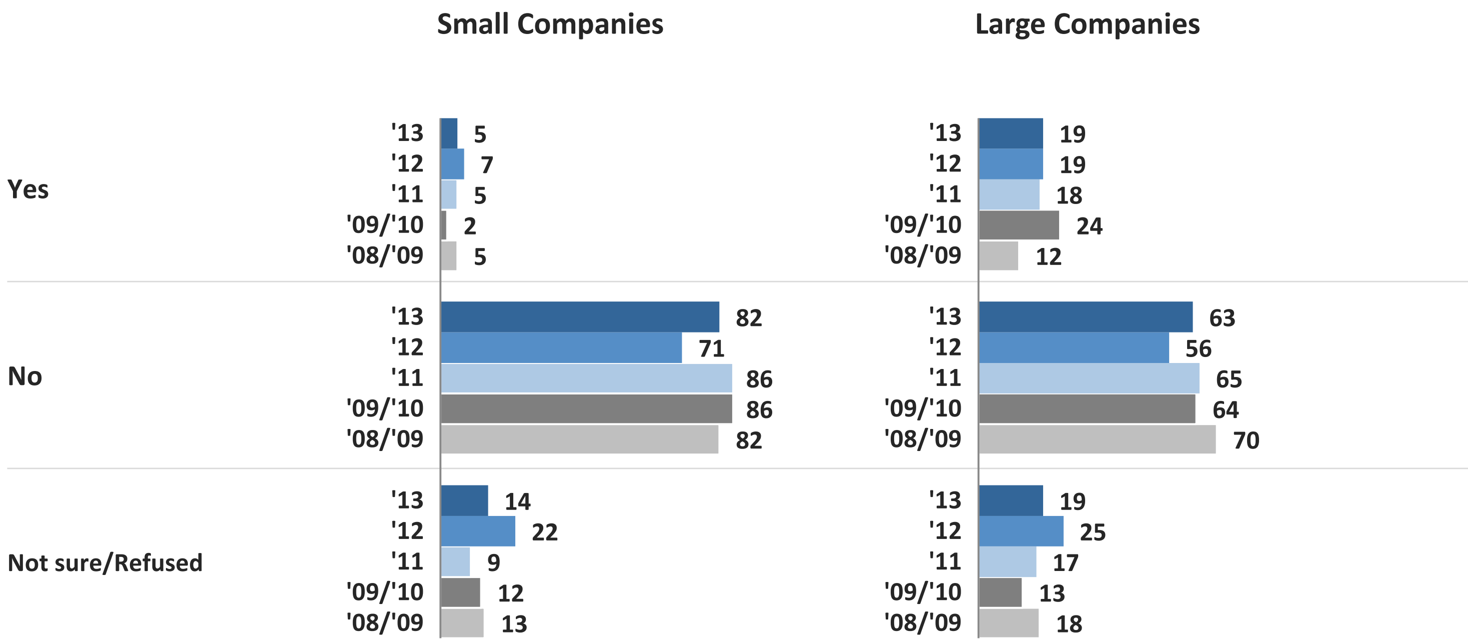
BASE: DOES NOT AUTOMATICALLY ENROLL

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) Plans: Future Adoption of Automatic Enrollment

In 2013, large companies (19 percent) are more likely than small companies (5 percent) to consider automatically enrolling employees into their 401(k) plans in the future. This trend has remained consistent for the past five years.



BASE: DOES NOT AUTOMATICALLY ENROLL; **Small Companies**: **'08/'09** (N=158), **'09/'10** (N=159), **'11** (N=253), **'12** (N=254), **'13** (N= 233);
Large Companies: **'08/'09** (N=149), **'09/'10** (N=142), **'11** (N=132), **'12** (N=134), **'13** (N= 148)
Q580. Does your company plan to adopt an automatic enrollment provision in the future?

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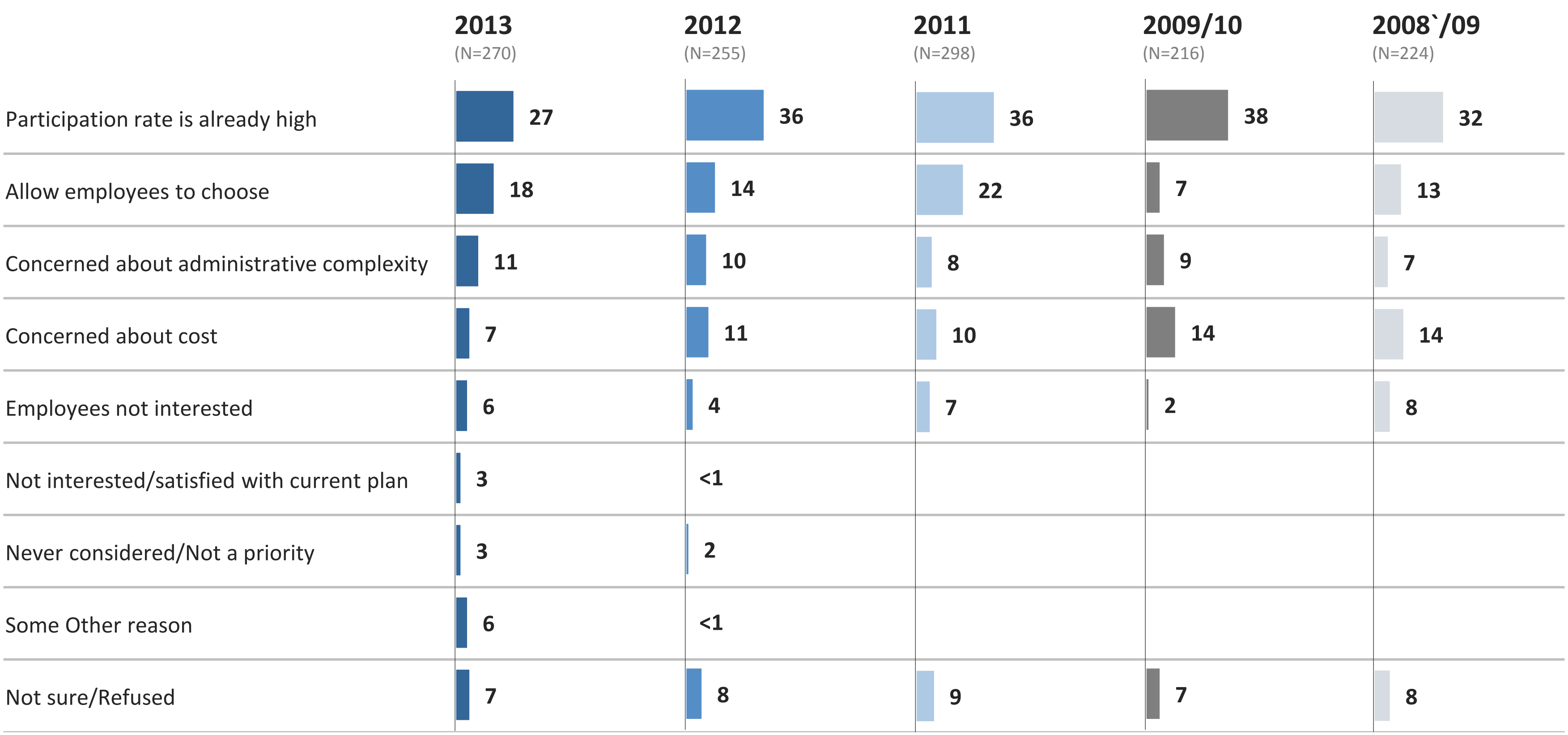
Reasons for Not Adopting Automatic Enrollment

Among 401(k) plan sponsors who do not plan to adopt an automatic enrollment provision in the future, the most frequently cited main reason for the past five years has been that the plan participation rates are already high. However, the main reason between large companies and small companies differs (see next page).



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.

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Reasons for Not Adopting Automatic Enrollment

In 2013, small companies' main reason for not planning to adopt the automatic enrollment provision in the future is that the participation rate is already high (27 percent); however, among large companies, the main reasons cited are concerns about administrative complexity (21 percent) and cost (20 percent).

	Small Companies					Large Companies				
	2013 (N=178)	**2012** (N=180)	**2011** (N=212)	**2009/10** (N=126)	**2008/09** (N=120)	**2013** (N=92)	**2012** (N=75)	**2011** (N=86)	**2009/10** (N=90)	**2008/09** (N=104)
Participation rate is already high	27	37	36	39	33	16	20	30	26	23
Allow employees to choose	19	14	23	8	14	9	4	3	2	9
Concerned about administrative complexity	10	9	8	8	6	21	19	9	19	13
Concerned about cost	6	10	10	14	14	20	26	16	13	21
Employees not interested	6	4	7	2	8	3	1	6	2	6
Not interested/satisfied with current plan	3	1	--	--	--	2	3	--	--	--
Never considered/Not a priority	3	2	--	--	--	2	--	--	--	--
Some Other reason	6	<1	--	--	--	9	1	--	--	--
Not sure/Refused	8	7	9	7	8	5	11	15	3	7

**Note: Responses >3% shown*

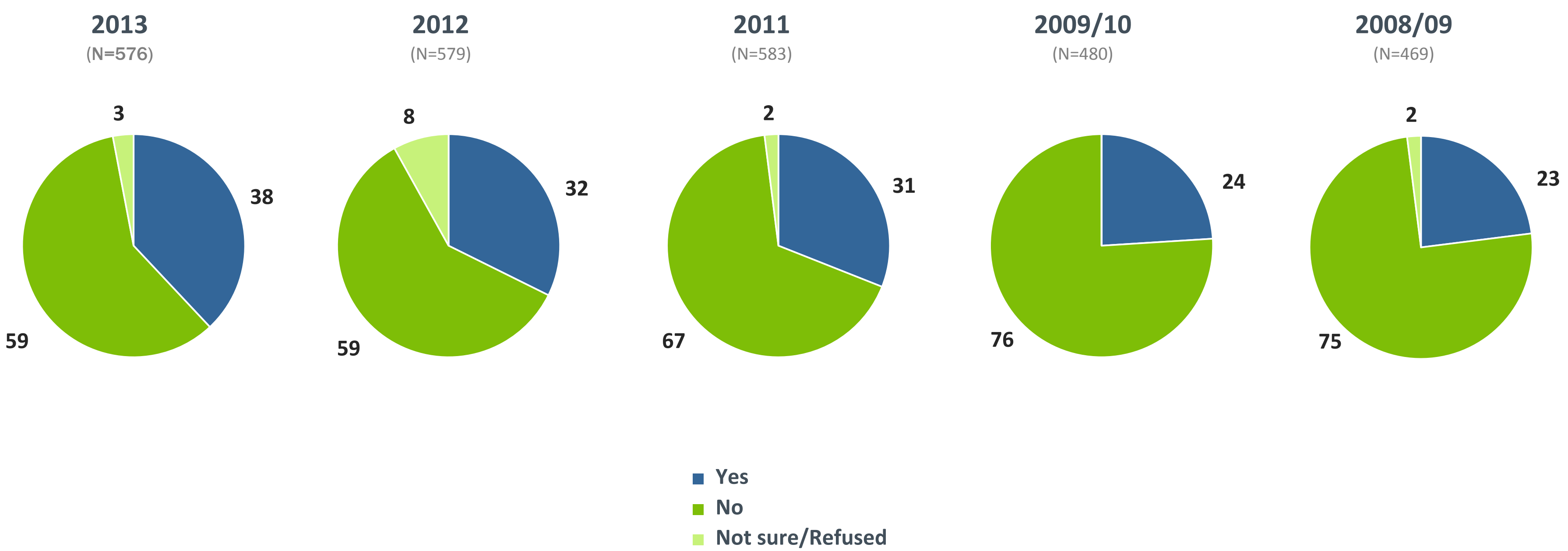
BASE: HAS NO PLANS TO AUTO ENROLL

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.

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) Plans: Adoption of Roth 401(k) Option

The adoption of the Roth 401(k) feature has steadily increased from 23 percent in 2008/09 to 38 percent in 2013.



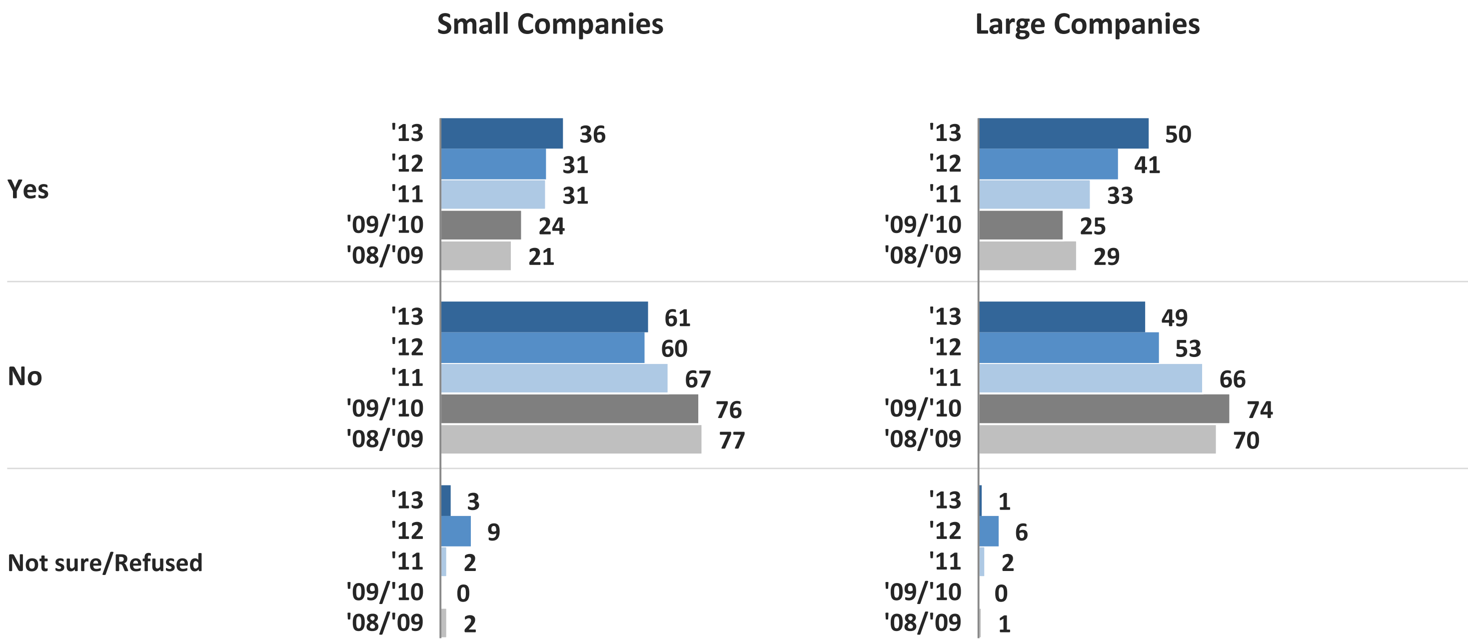
BASE: OFFERS 401(k) PLAN

Q540. Has your company adopted the Roth 401(k) option?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) Plans: Adoption of Roth 401(k) Option

Large companies are more likely to have adopted the Roth 401(k) option compared to small companies. In 2013, half of large companies (50 percent) adopted the feature compared to only 36 percent of small companies.

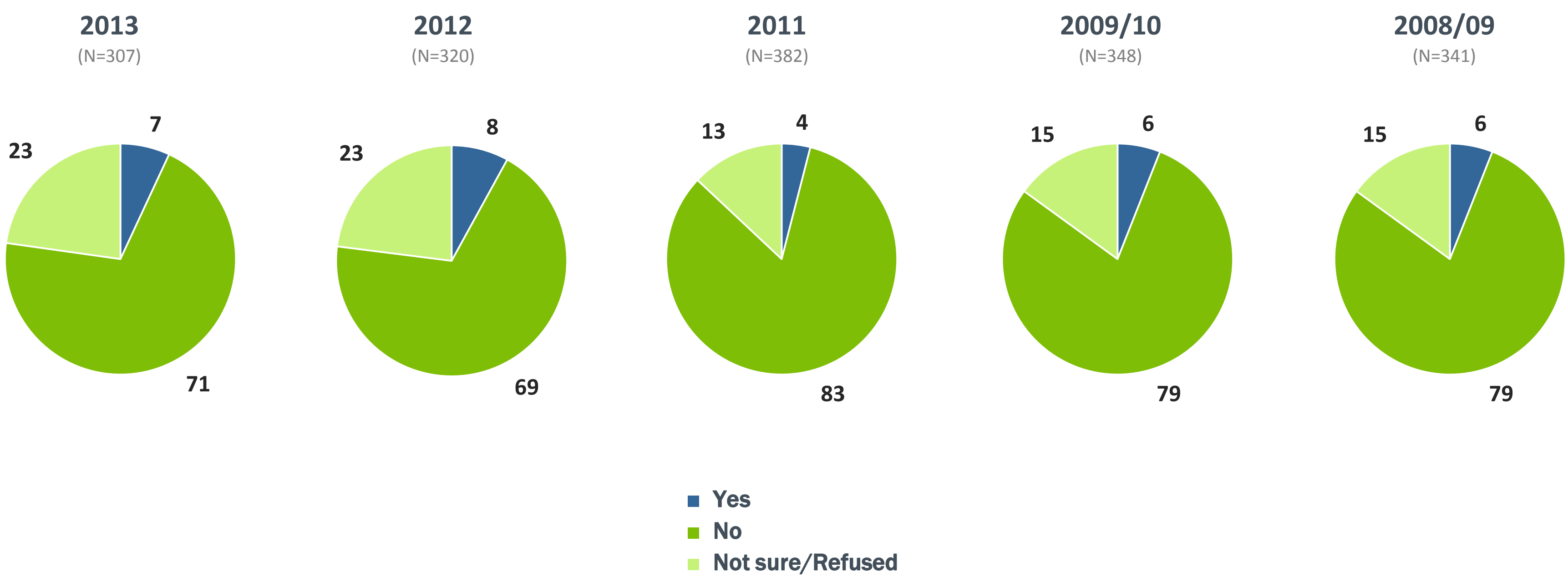


BASE: OFFERS 401(k) PLAN; **Small Companies**: **'08/'09** (N=220), **'09/'10** (N=226), **'11** (N=336), **'12** (N=333), **'13** (N= 307);
Large Companies: **'08/'09** (N=249), **'09/'10** (N=254), **'11** (N=247), **'12** (N=246), **'13** (N= 269)
Q540. Has your company adopted the Roth 401(k) option?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Future Plans to Adopt Roth 401(k) Option

Most employers (71 percent) who currently do not offer a Roth 401(k) do not plan to do so in the future (2013).



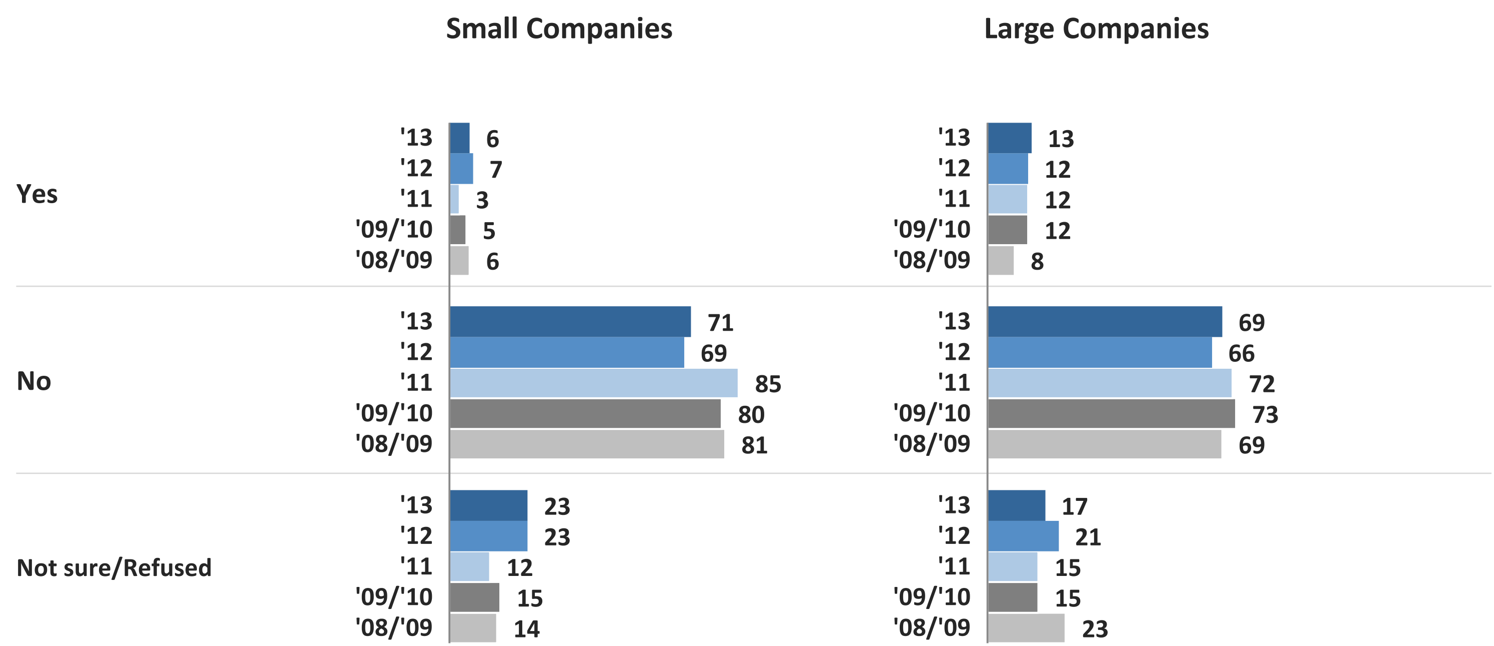
BASE: DOES NOT OFFER ROTH 401(k) PLAN

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Future Plans to Adopt Roth 401(k) Option

In 2013, a similar percentage of large companies (69 percent) and small companies (71 percent) do not plan to adopt the Roth 401(k) option in the future. However, large companies (13 percent) are twice as likely as small companies (6 percent) to indicate they do plan to offer it.



BASE: DOES NOT OFFER ROTH 401(k) PLAN; **Small Companies**: **'08/'09** (N=168), **'09/'10** (N=159), **'11** (N=220), **'12** (N=191), **'13** (N= 177);
Large Companies: **'08/'09** (N=173), **'09/'10** (N=189), **'11** (N=162), **'12** (N=129), **'13** (N= 130)
Q550. Does your company plan to adopt a Roth 401(k) option in the future?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Reasons For Not Planning to Adopt Roth 401(k)

Employee disinterest (38 percent) followed by cost concerns (12 percent) and lack of awareness (10 percent) are the most frequently cited main reasons for not adopting the Roth 401(k) option in the future (2013).

	2013 (N=214)	2012 (N=213)	2011 (N=300)	2009/10 (N=264)	2008/09 (N=255)
Employees not interested	38	37	33	37	28
Concerned about cost	12	9	12	7	10
Unaware of Roth 401(k)s	10	11	4	9	12
Concerned about administrative complexity	8	17	11	14	10
Not interested/Satisfied with current plan	7	2	6	1	12
Do not need it, already have plan(s)	6	6	11	11	4
Not considered as an option yet	3	2	1	1	3
Others make the decision/not employee	2				
Non profit organization	<1			2	
Need more information	<1		3		
Government agency	<1				
People/Employees can contribute/do it on their own	<1				
Focus is on other programs	<1				
Waiting for Government changes	<1				
Some other reason	7		6	5	7
Not sure	5	6	10	6	12

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?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Reasons For Not Planning to Adopt Roth 401(k)

In 2013, a lack of interest among employees is the most frequently cited main reason among large companies (29 percent) and small companies (38 percent) for not planning to offer Roth 401(k) in the future. However, many large companies (28 percent) also frequently cite concerns about administrative complexity as the main reason.

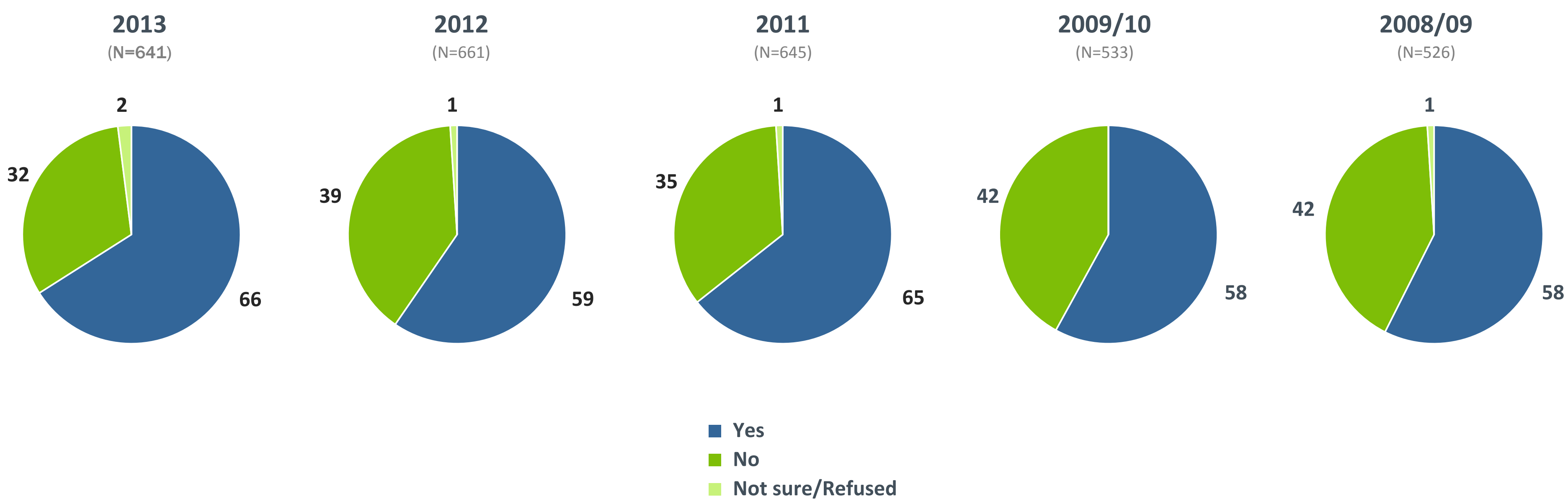
	Small Companies					Large Companies				
	2013 (N=124)	2012 (N=127)	2011 (N=183)	2009/10 (N=126)	2008/09 (N=135)	2013 (N=90)	2012 (N=86)	2011 (N=117)	2009/10 (N=138)	2008/09 (N=120)
Employees not interested	38	37	34	39	28	29	33	29	22	28
Concerned about cost	14	10	13	6	9	2	7	5	12	14
Unaware of Roth 401(k)s	11	12	4	9	14	2	5	2	6	4
Concerned about administrative complexity	6	17	9	13	8	28	24	24	25	21
Not interested/Satisfied with current plan	8	2	7	1	12	<1	1	5	2	9
Do not need it, already have plan(s)	6	6	11	12	4	9	7	7	9	3
Not considered as an option yet	3	2	1	1	3	3	1	2	2	2
Others make the decision/not employee	2	-	-	-	-	<1	-	-	-	-
Non profit organization	<1	<1	-	2	-	<1	-	1	-	-
Need more information	<1	<1	3	-	-	1	1	-	-	-
Government agency	<1	-	-	-	-	<1	-	-	-	-
People/Employees can contribute/do it on their own	<1	-	-	-	-	1	-	-	-	-
Focus is on other programs	<1					1				
Waiting for Government changes	<1					1				
Some other reason	7	-	6	5	7	2	-	2	6	10
Not sure	3	5	9	6	13	18	8	15	8	7

BASE: HAS NO PLANS TO OFFER ROTH 401(k) PLAN; **Small Companies**: **’08/’09** (N=135), **’09/’10** (N=126), **’11** (N=183), **’12** (N=127), **’13** (N= 124);
Large Companies: **’08/’09** (N=120),**’09/’10** (N=138), **’11** (N=117), **’12** (N=86), **’13** (N= 90)
Q560. What would you say is the main reason your company is not planning to adopt a Roth 401(k) in the future?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) or Similar Plans and Investment Guidance/Advice

Approximately two third of employers (66 percent) who offer an employee-funded plan also offer investment guidance to their employees (2013).



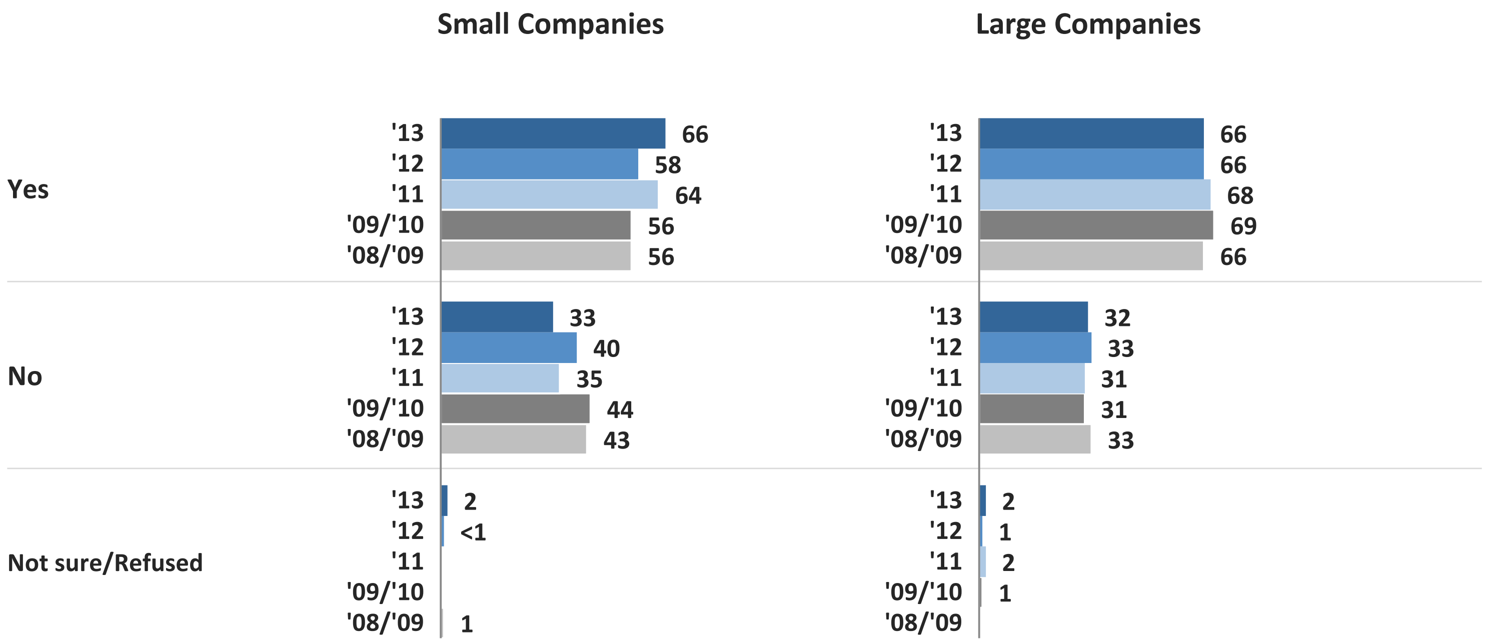
BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

401(k) or Similar Plans and Investment Guidance/Advice

Large companies and small companies (both 66 percent) indicated that they offered investment guidance/advice as part of their 401(k) or similar plans (2013).



BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N=356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281), **'13** (N=285)
Q592. Does your company currently offer investment guidance or advice for employees as part of your retirement plan?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Future Plans to Offer Investment Guidance/Advice

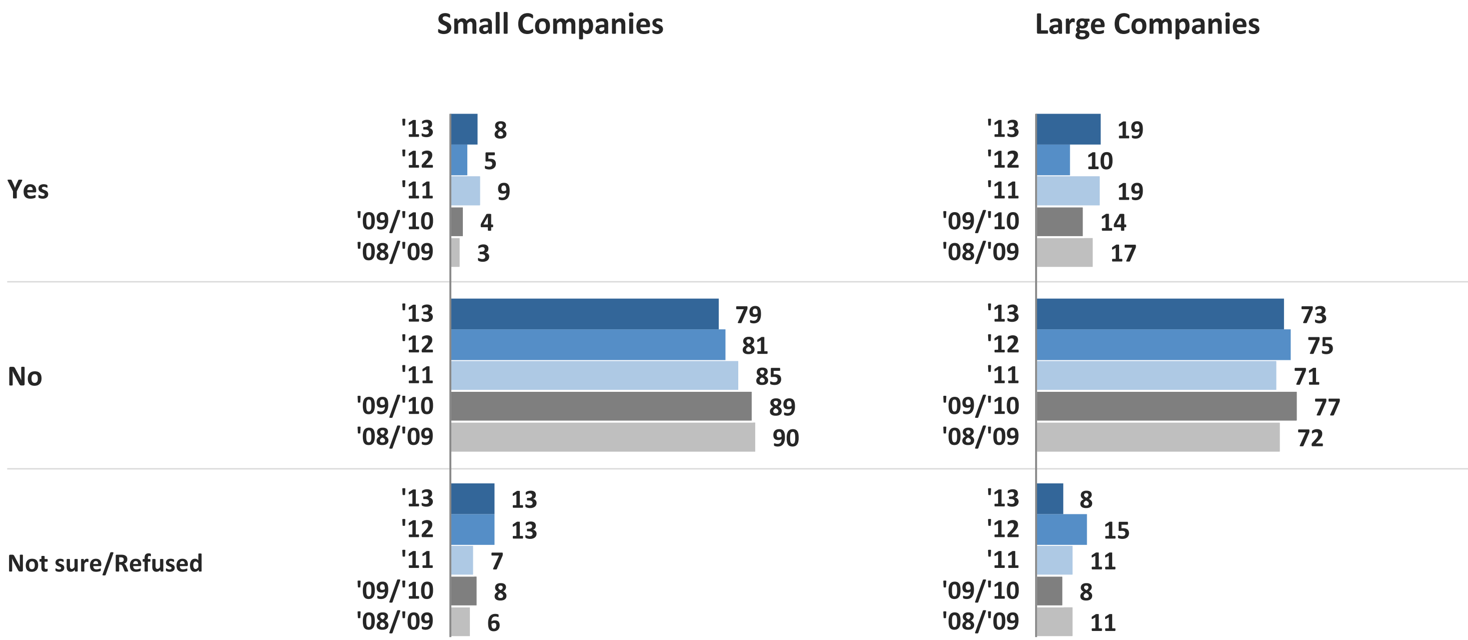
The vast majority (78 percent) of sponsors of 401(k) or similar who do not offer investment guidance do not plan to do so in the future (2013).

BASE: DOES NOT OFFER ADVICE
Q594. Does your company plan to offer investment guidance or advice for employees in the future?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Future Plans to Offer Investment Guidance/Advice

Although the vast majority of large companies and small companies do not plan to offer investment guidance/advice as part of their 401(k) or similar plans in the future, large companies (19 percent) are more than twice as likely as small companies (8 percent) to be planning to do so (2013).

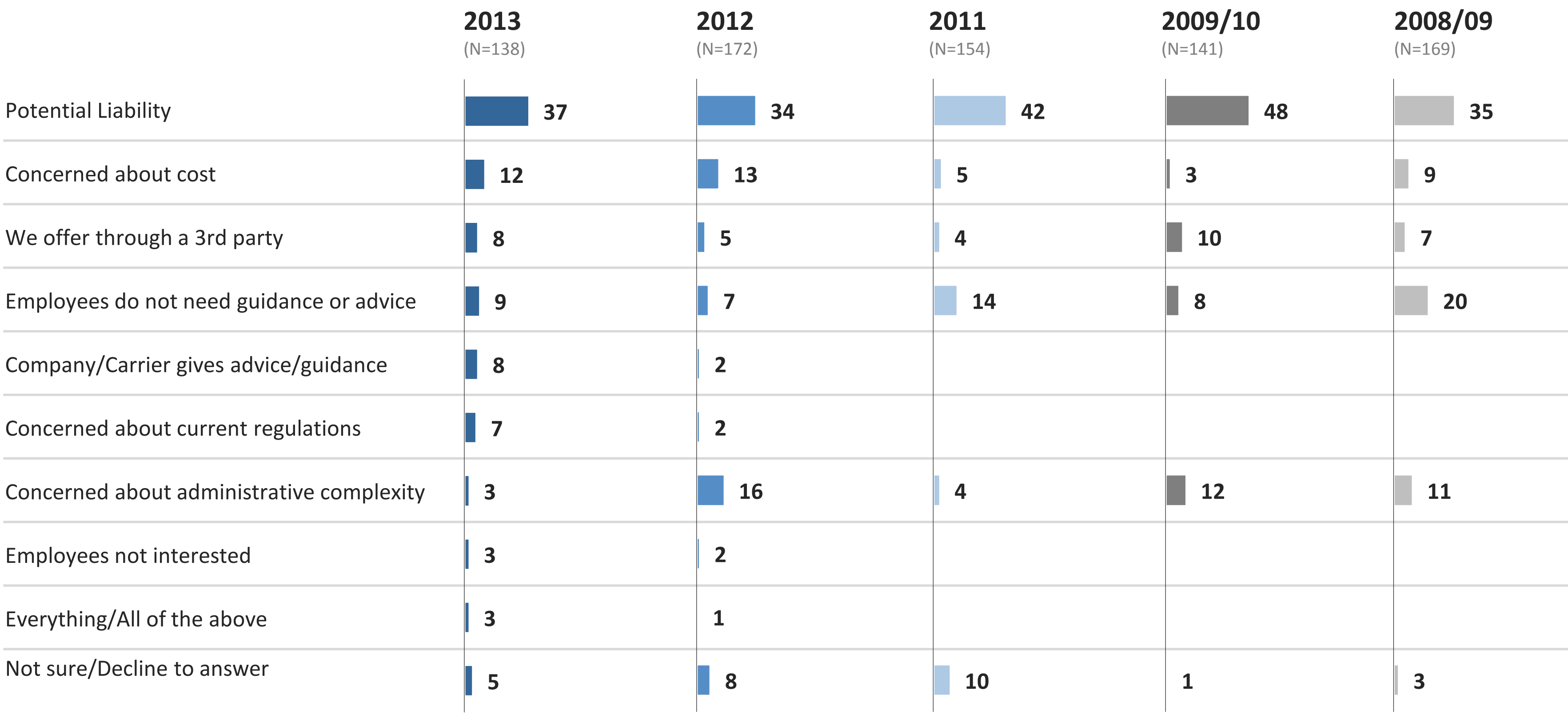


BASE: DOES NOT OFFER ADVICE; **Small Companies**: **'08/'09** (N=90), **'09/'10** (N=90), **'11** (N=116), **'12** (N=128), **'13** (N= 98)
Large Companies: **'08/'09** (N=90), **'09/'10** (N=85), **'11** (N=86), **'12** (N=92), **'13** (N= 90)
Q594. Does your company plan to offer investment guidance or advice for employees in the future?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Reasons for Not Planning to Offer Investment Guidance/Advice

Among plan sponsors who do not plan to offer investment guidance/advice in the future, the most frequently cited reason is potential liability (37 percent) (2013). Potential liability has been the most frequently cited reason for the past five years.



**Note Responses >3% shown*

BASE: HAS NO PLANS TO OFFER 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?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Reasons for Not Planning to Offer Investment Guidance/Advice

In 2013, large companies (68 percent) are twice more likely than small companies (34 percent) to cite potential liability as the main reason for not offering investment advice. Small companies (12 percent) more frequently cite concerns about cost than large companies (8 percent).

	Small Companies					Large Companies				
	2013 (N=72)	**2012** (N=103)	**2011** (N=93)	**2009/10** (N=75)	**2008/09** (N=76)	**2013** (N=66)	**2012** (N=69)	**2011** (N=61)	**2009/10** (N=66)	**2008/09** (N=65)
Potential Liability	34	31	40	47	34	68	55	59	58	39
Concerned about cost	12	13	5	2	9	8	10	3	6	13
We offer through a 3rd party	8	5	4	10	7	4	7	3	6	7
Employees do not need guidance or advice	10	7	15	9	22	1	4	3	1	3
Company/Carrier gives advice/guidance	9	2	--	--	--	<1	3	--	--	--
Concerned about current regulations	7	2	--	--	--	7	4	--	--	--
Concerned about administrative complexity	3	17	4	12	11	1	3	5	6	6
Employees not interested	3	2	--	--	--	<1	--	--	--	--
Everything/All of the above	3	1	--	--	--	<1	--	--	--	--
Not sure/Decline to answer	5	8	10	1	2	5	3	7	1	10

**Note Responses >3% on total shown*

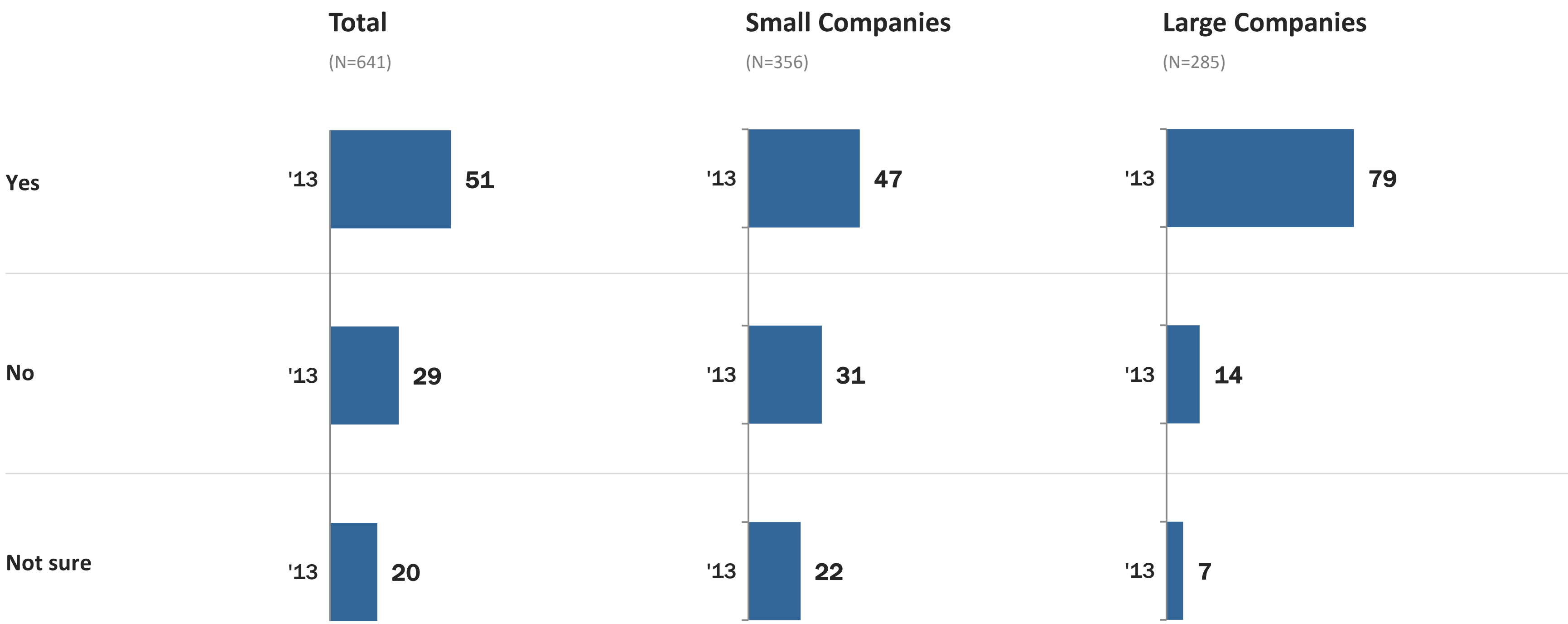
BASE: HAS NO PLANS TO OFFER ADVICE

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?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Widespread Adoption of Hybrid Funds in 401(k) Plans

Most employers (51 percent) who offer a 401(k) or similar plan include hybrid funds (e.g., target maturity, lifecycle, strategic allocation funds) among their plans' investment options. Large companies (79 percent) are more likely to offer these types of funds than small companies (47 percent). More than one in five (22 percent) of small companies are 'not sure'.

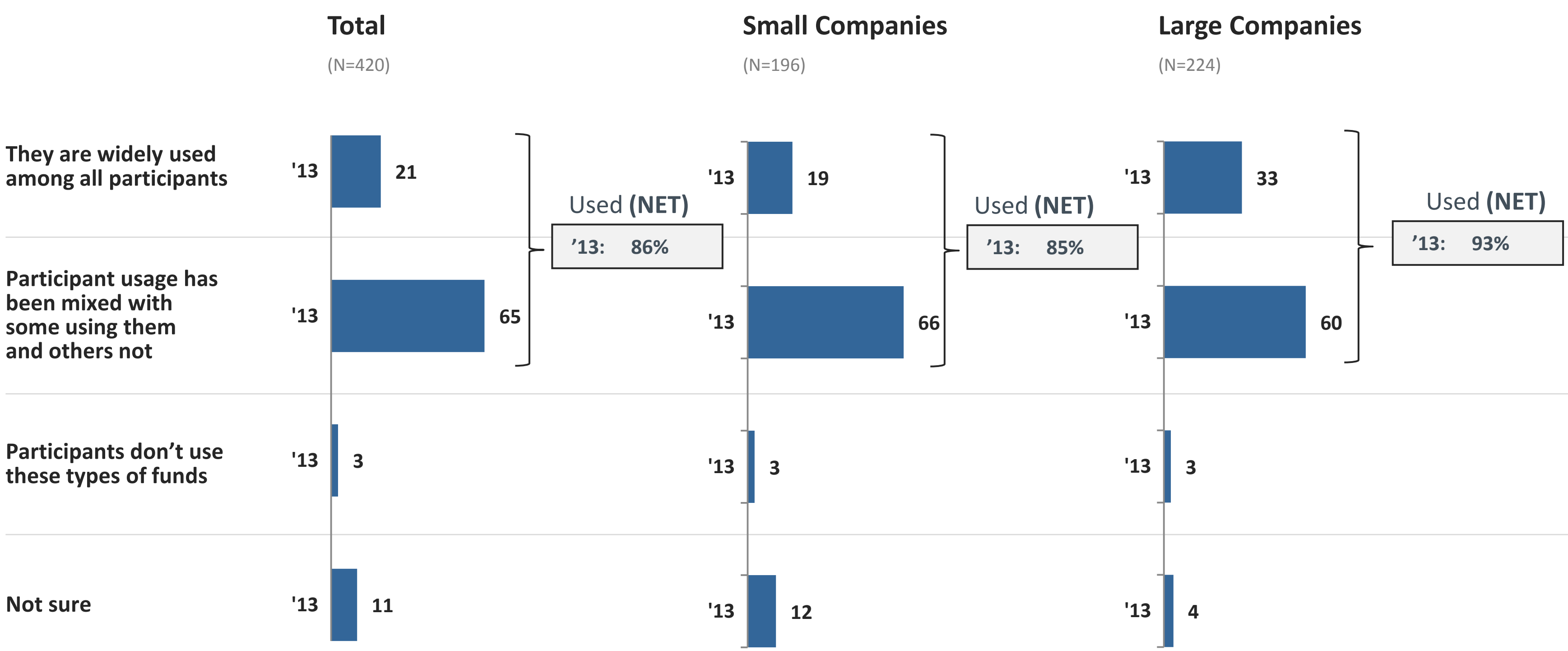


BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN
NEW QUESTION IN WAVE 14: Q3591. Does your plan's investment options include hybrid-type funds such as: target date funds, lifecycle funds, strategic allocation funds or similar?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Hybrid Fund Usage Among 401(k) Plan Participants

The vast majority of employers (86 percent) indicate that to a greater or lesser extent participants are using the hybrid funds. One-third of large companies say that hybrid funds are widely used among all participants.

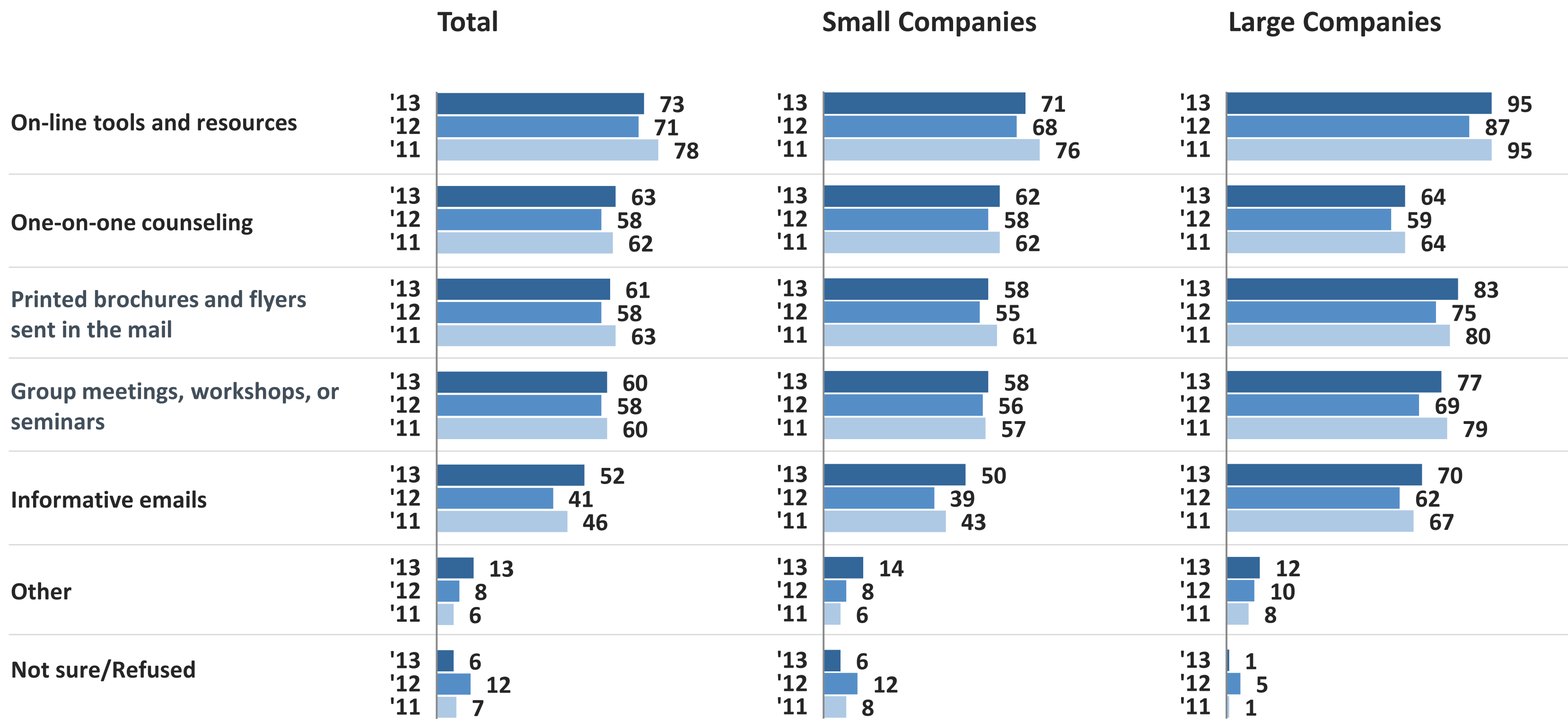


BASE: INCLUDES HYBRID-TYPE FUNDS
NEW QUESTION IN WAVE 14: Q3592. How would you characterize your employees' use of these funds?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Educational Offerings

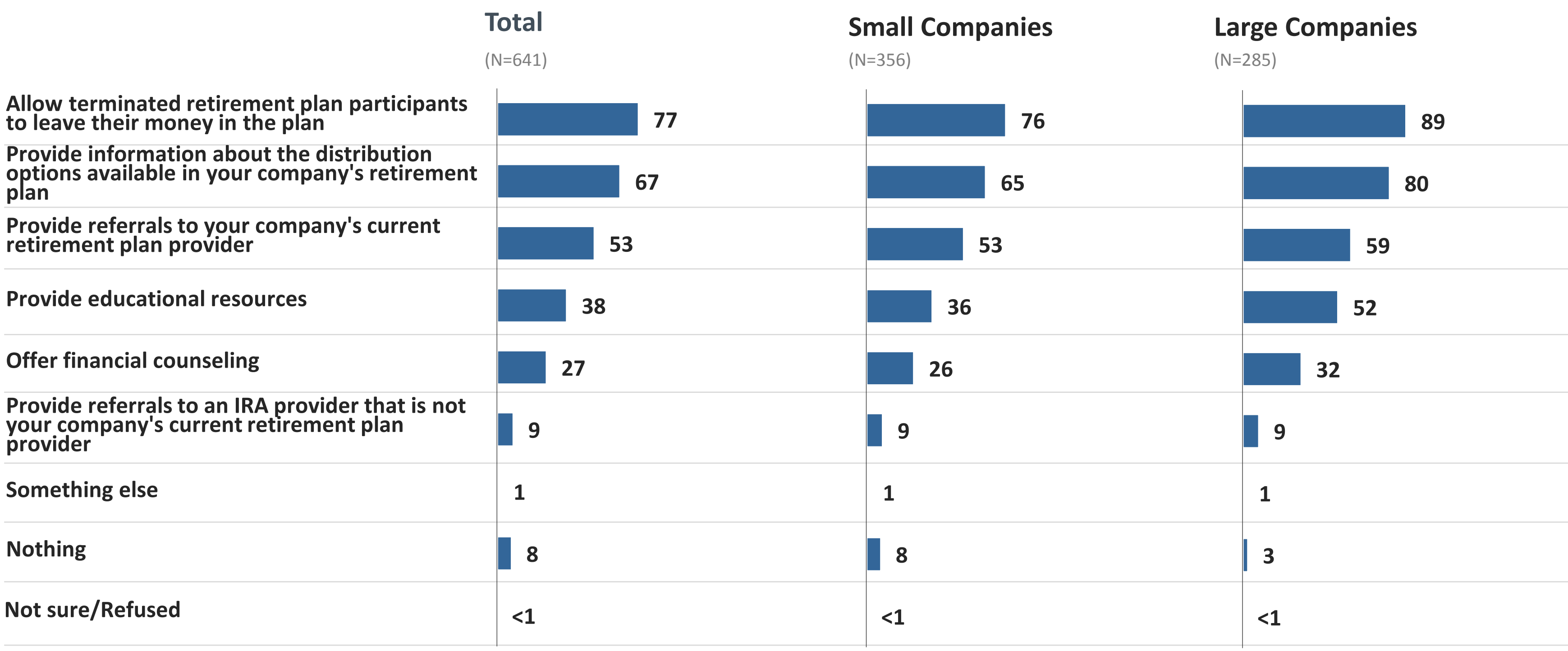
Online educational tools and resources are widely offered by 401(k) plan sponsors to their employees. In 2013, 73 percent of plan sponsors offer online tools and resources including 95 percent of large companies and 71 percent of small companies. Sixty-three percent of plan sponsors offer one-on-one counseling, and 60 percent offer group meetings, workshops, and seminars. Sixty-one percent still provide printed brochures and flyers that are sent in the mail.



BASE: OFFERS 401(k) OR OTHER SELF-FUNDED PLAN; **Total:** **'11** (N=645), **'12** (N=661), **'13** (N=641); **Small Companies**: **'11** (N=364), **'12** (N=380), **'13** (N= 356);
Large Companies: **'11** (N=281), **'12** (N=281), **'13** (N= 285)
Q1620. Which of the following does your company offer to its employees regarding education and/or advice about the retirement savings plan?

401(k) Account Assistance for Terminated Employees

The vast majority (77 percent) of 401(k) or similar plan sponsors allow terminated plan participants to leave their savings in the plan. Most provide information about distribution options (67 percent) and more than half (53 percent) provide referrals to the company's current retirement plan provider. Large companies typically offer more options and assistance than small companies.

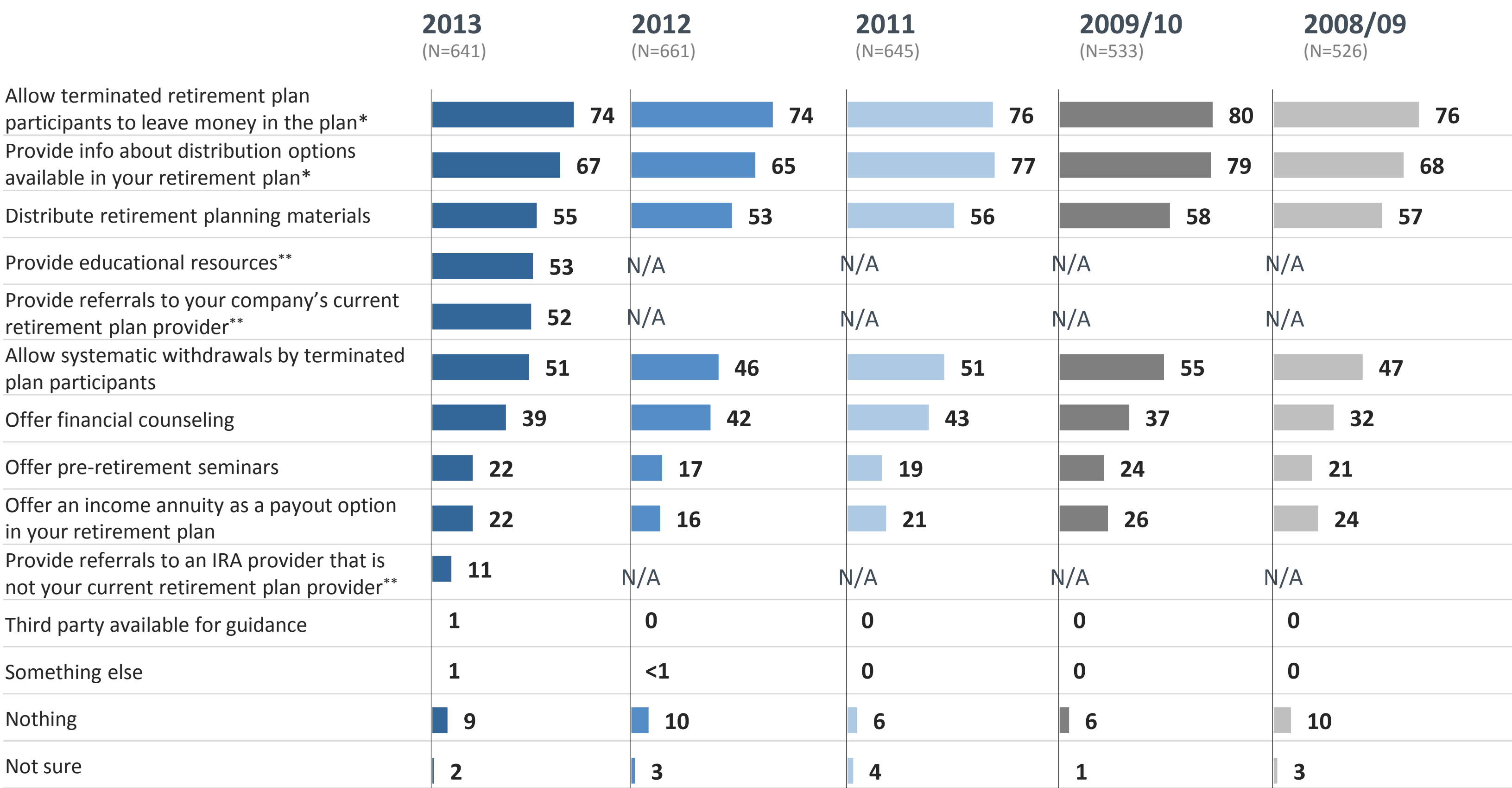


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
NEW QUESTION IN WAVE 14: Q2460. Does your company do any of the following to help employees who voluntarily or involuntarily leave the company and have a balance in your company's 401(k) or similar plan?

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Plan Sponsors' Helping Employees Transition into Retirement

Allowing terminated participants to leave money in the plan (74 percent) and providing information on the distribution options available (67 percent) are the most common forms of assistance for employees transitioning into retirement. Few plan sponsors offer financial counseling (39 percent), pre-retirement seminars (22 percent), or an income annuity as a payout option (22 percent).



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.

**Specific answer choices added in 2013

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Plan Sponsors' Helping Employees Transition into Retirement

Among 401(k) or similar plan sponsors, large companies typically offer greater levels of assistance in helping their employees transition into retirement compared to small companies.

	Small Companies					Large Companies				
	2013 (N=356)	2012 (N=380)	2011 (N=364)	2009/10 (N=256)	2008/09 (N=248)	2013 (N=285)	2012 (N=281)	2011 (N=281)	2009/10 (N=277)	2008/09 (N=278)
Allow terminated retirement plan participants to leave money in the plan*	73%	73%	74%	78%	72%	90%	84%	90%	91%	93%
Provide info about distribution options available in your retirement plan*	65%	63%	74%	77%	63%	87%	80%	91%	90%	89%
Distribute retirement planning materials	53%	52%	54%	56%	54%	69%	62%	73%	73%	73%
Provide educational resources	50%	N/A	N/A	N/A	N/A	77%	N/A	N/A	N/A	N/A
Provide referrals to your company's current retirement plan provider	51%	N/A	N/A	N/A	N/A	59%	N/A	N/A	N/A	N/A
Allow systematic withdrawals by terminated plan participants	49%	44%	48%	54%	43%	61%	57%	65%	63%	62%
Offer financial counseling	38%	41%	42%	35%	28%	46%	46%	53%	52%	50%
Offer pre-retirement seminars	19%	15%	15%	20%	17%	44%	38%	46%	47%	41%
Offer an income annuity as a payout option in your retirement plan	20%	14%	18%	24%	22%	31%	29%	41%	43%	31%
Provide referrals to an IRA provider that is not your current retirement plan provider	11%	N/A	N/A	N/A	N/A	9%	N/A	N/A	N/A	N/A
Third party available for guidance	1%	1%	--	--	--	<1%	1%	--	--	--
Something else	1%	<1	--	--	--	<1%	--	--	--	--
Nothing	10%	11%	7%	6%	12%	2%	4%	1%	1%	--
Not sure	2%	3%	4%	1%	4%	<1%	3%	--	1%	--

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.

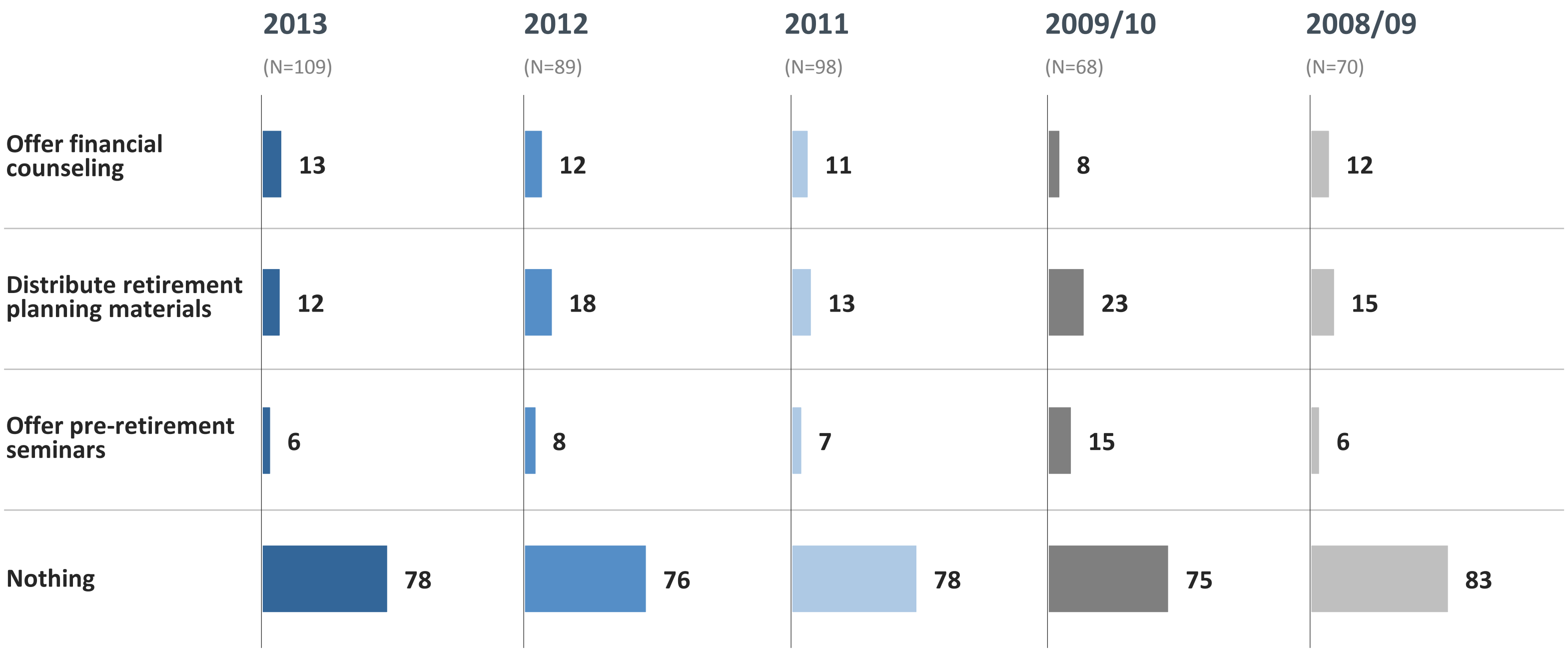
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Few Non-Sponsors Help Employees Transition into Retirement

The majority (78 percent) of companies who do not sponsor a 401(k) plan do ‘nothing’ to help their employees transition into retirement (2013).



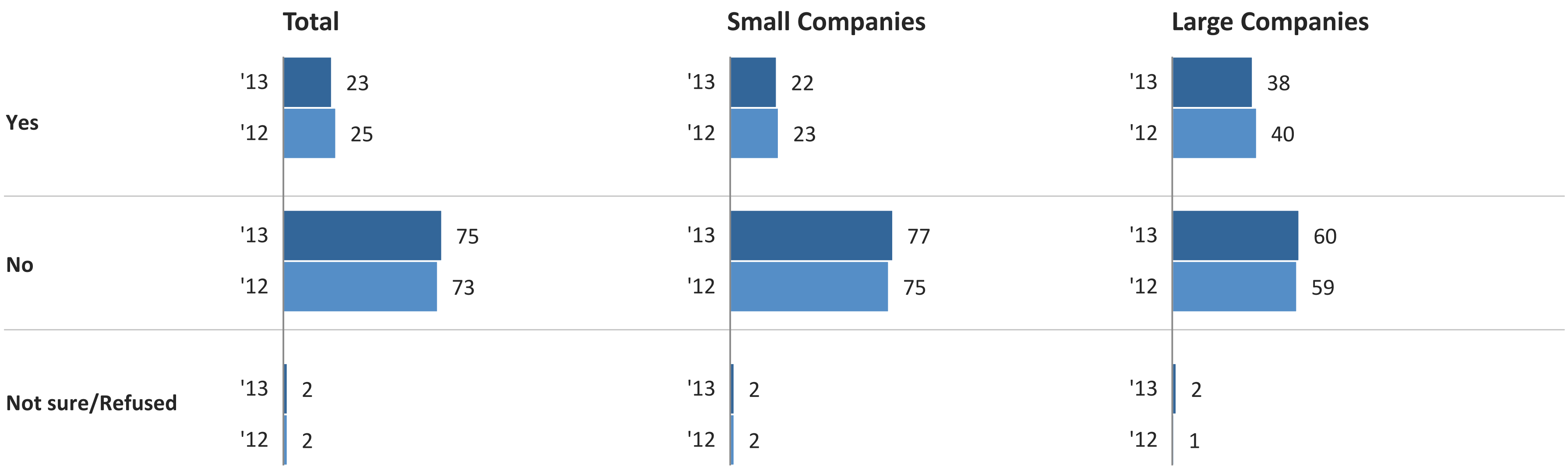
BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN

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

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Social Security and Medicare Information

Only 23 percent of employers, including those who offer a retirement plan and those who do not, provide information about Social Security and Medicare benefits to employees as part of retirement planning education. Large companies (38 percent) continue to be more likely than small companies (22 percent) to provide this information.



BASE: TOTAL RESPONDENTS
Total: '12 (N=750), **'13** (N=750); **Small Companies**:**'12** (N=450), **'13** (N=450); **Large Companies**: **'12** (N=300), **'13** (N=300)
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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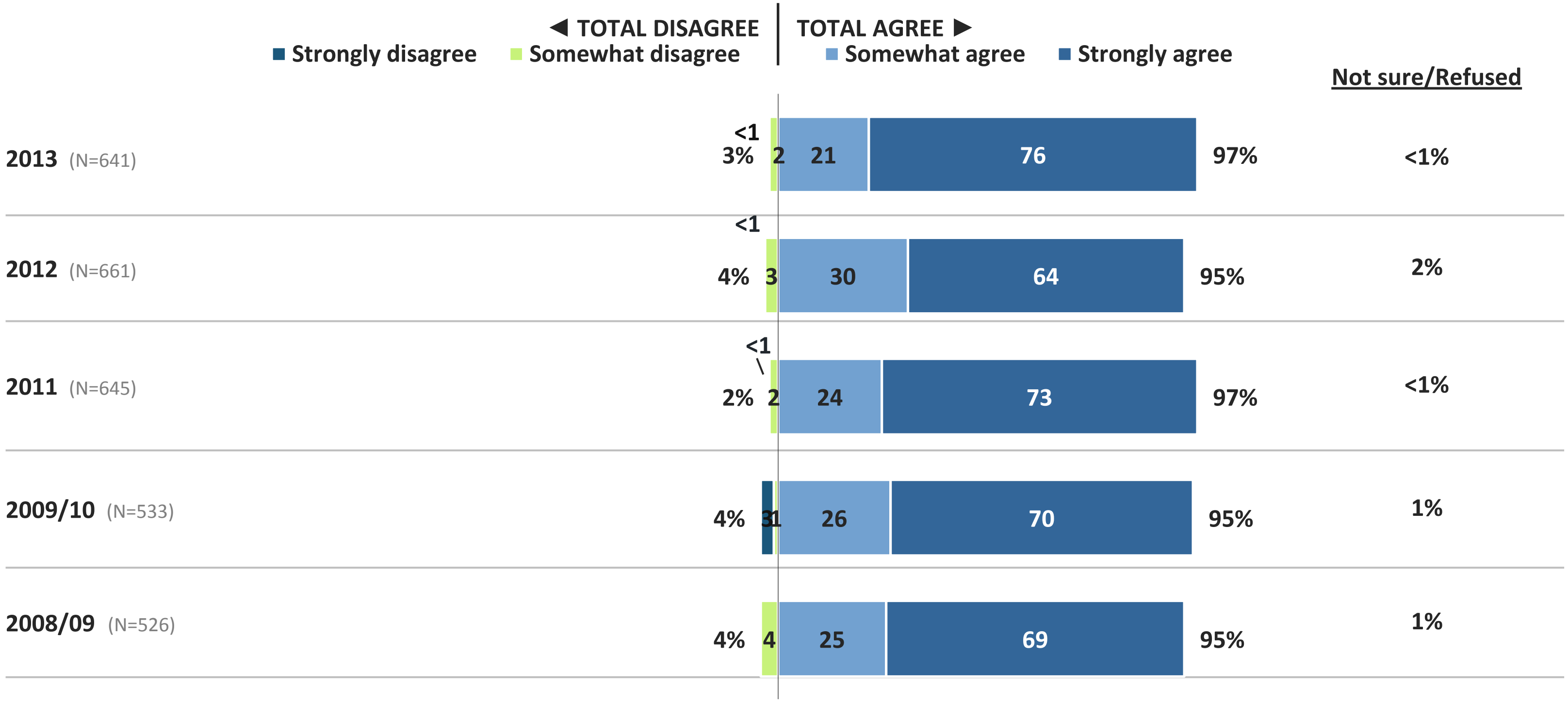
Detailed Findings

- Economic Expectations
- The Importance of Employee Benefits
- Benefit Offerings including Retirement Benefits
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- Employers' Perceptions of Retirement Readiness Among Their Employees

Employers are Satisfied With Their 401(k) or Similar Plans

Ninety-seven percent of plan sponsors agree they are satisfied with their retirement plan provider (2013). Seventy-six percent 'strongly agree.'



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

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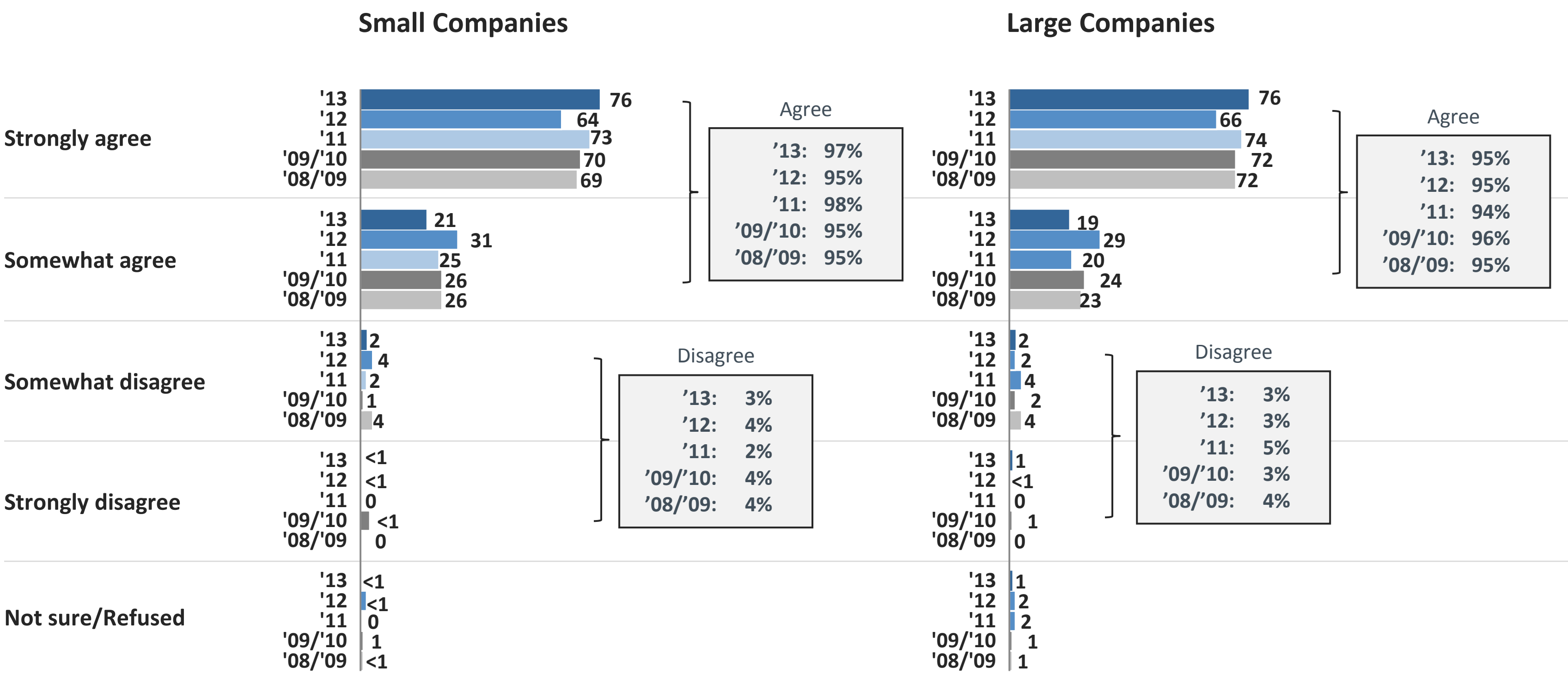
Employers are Satisfied With Their 401(k) or Similar Plans

Among those who offer a 401(k) or similar plan, large companies (95 percent) and small companies (97 percent) similarly agree that they are satisfied with their 401(k) or similar plan.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N=356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281) , **'13** (N=285)
Q740. Our company is satisfied with our retirement plan provider.

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Length of Plan Sponsorship Continues to Increase

Among companies sponsoring a 401(k) or similar plan, the number of years (median) that they have been sponsoring a plan has increased from 10 years in 2008/09 to 15 years in 2013.

	2013 (N=641)	2012 (N=661)	2011 (N=645)	2009/10 (N=533)	2008/09 (N=526)
Less than 6 months	1	<1	<1	0	1
1-5 years	10	10	14	12	15
6-10 years	25	29	27	27	30
11-20 years	34	36	37	41	33
21-30 years	16	13	14	13	11
31-40 years*	4	5	0	0	0
Not sure/Refused	10	7	8	8	9
Mean	15.8	15.4	13.8	14.1	12.7
Median	15	15	12	13	10

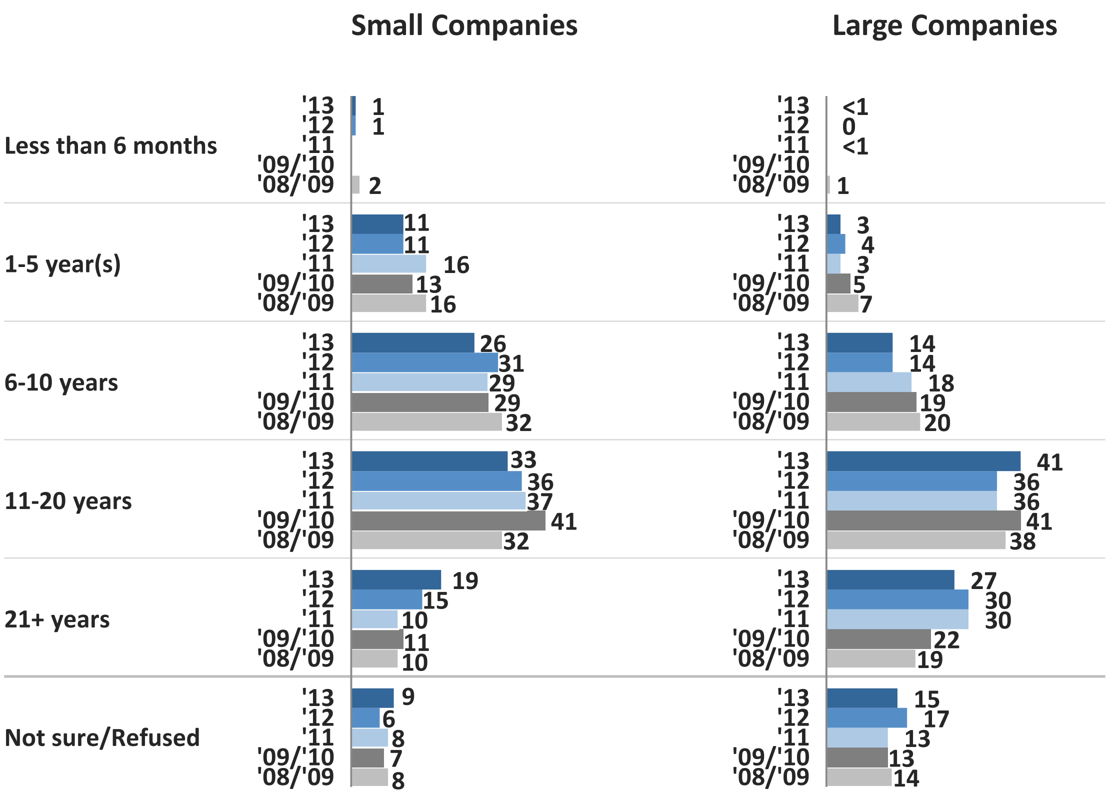
**Please note that the upper limit was increased from 30 to 40 years in 2013*

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?

Length of Plan Sponsorship Continues to Increase

401(k) or similar plans offered by large companies have been in place longer than those offered by small companies. In 2013, the median time in place among large companies was 20 years compared to 15 years among small employees.



	Mean		Median	
	Small Cos.	Large Cos.	Small Cos.	Large Cos.
2013	15.4	19.2	15	20
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

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N=356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **''11** (N=281), **'12** (N=281), **'13** (N=285)
Q620. How long have you offered a 401(k) or other employee-funded retirement plan at your company?

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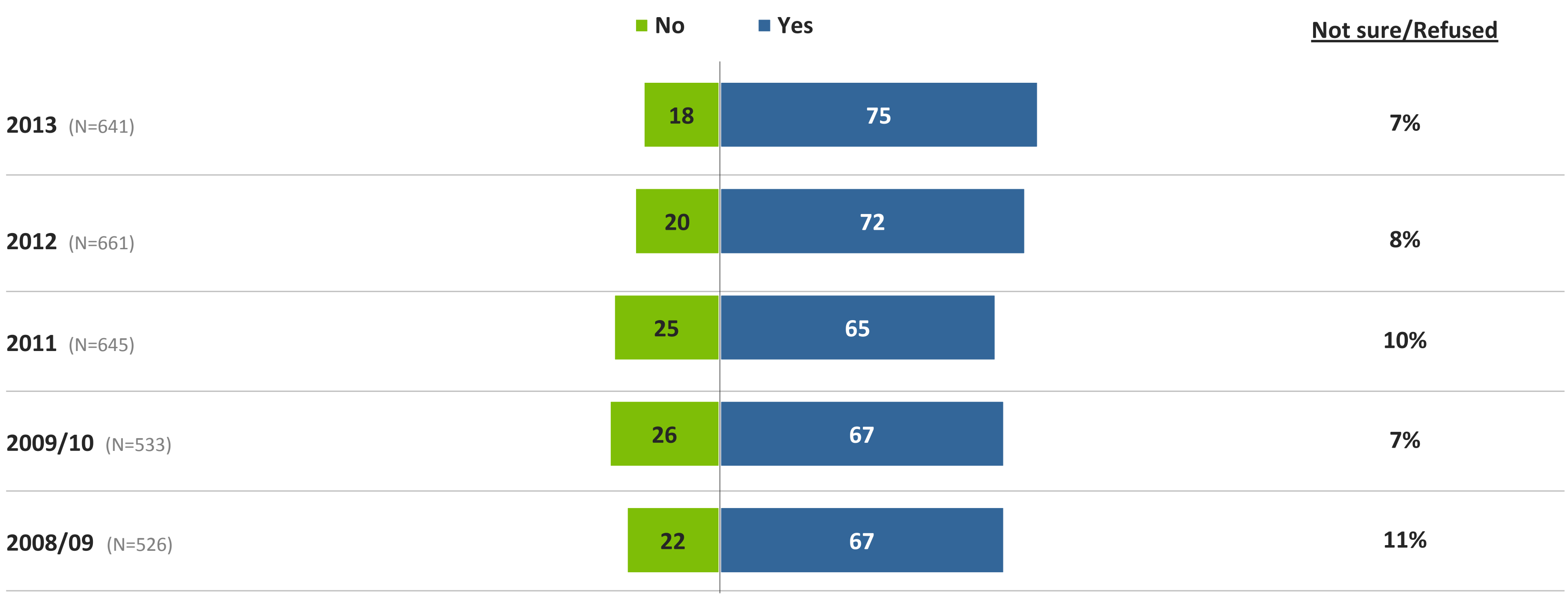
Advisor Usage Among Plan Sponsors

Three out of four (75 percent) employers who sponsor a 401(k) or similar plan use the services of an outside advisor.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
Q690. Did you use an outside advisor to help you select your retirement plan?

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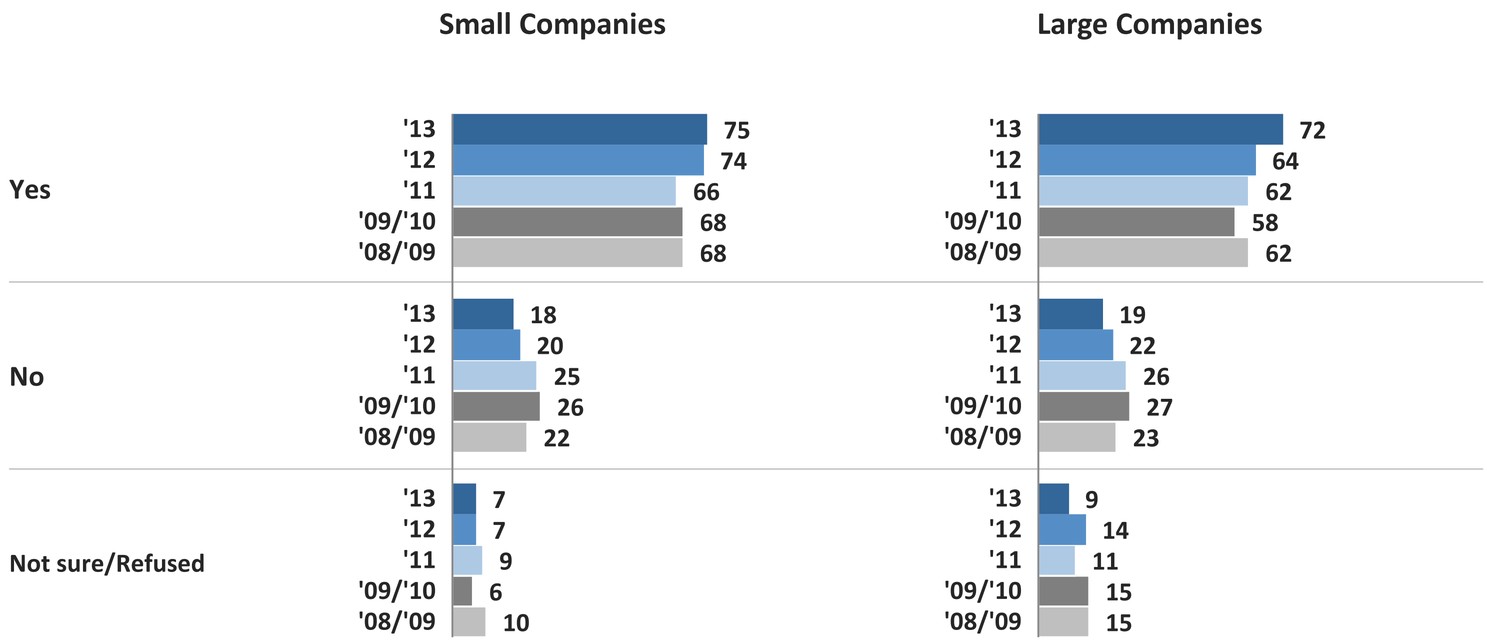
Advisor Usage Among Plan Sponsors

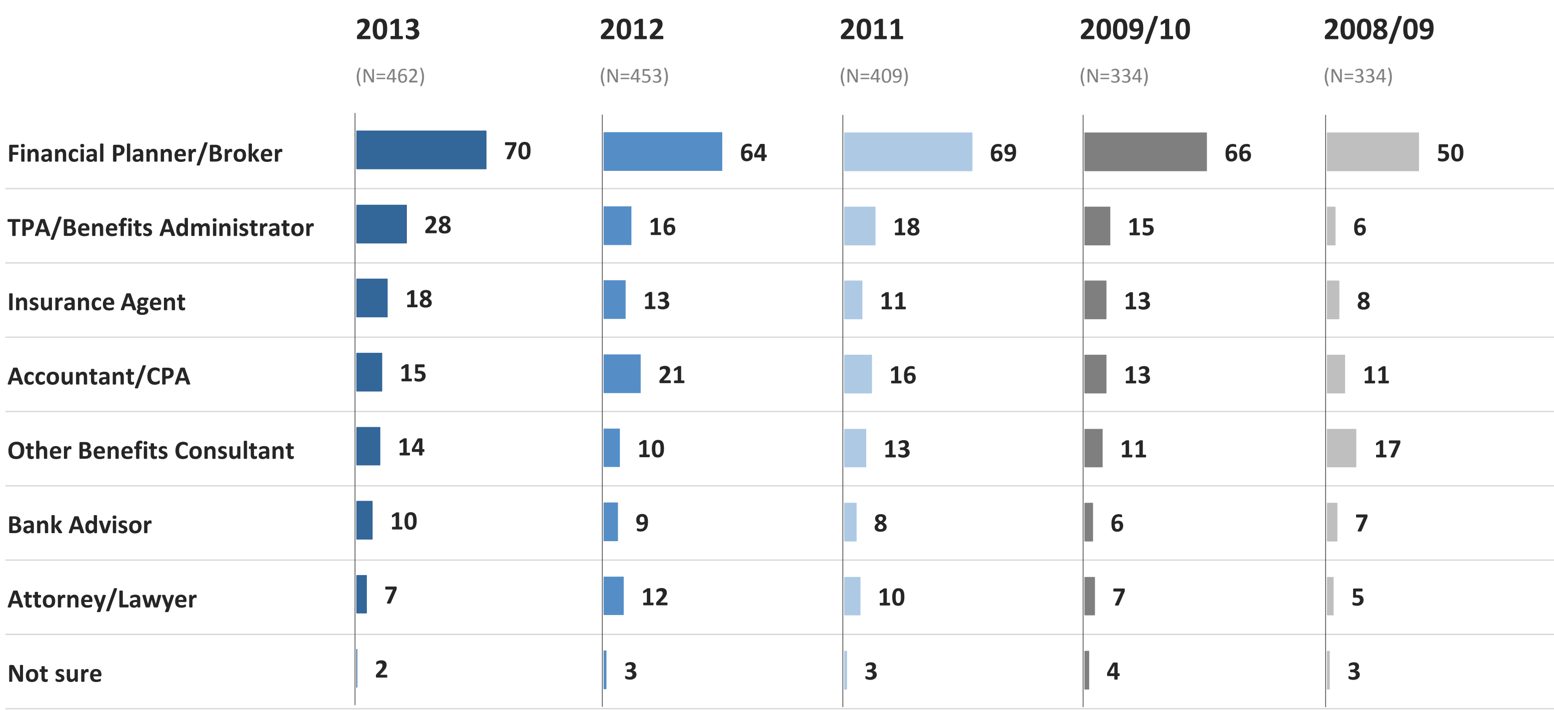
Large companies (72 percent) and small companies (75 percent) are similarly likely to use an outside advisor.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N= 356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281), **'13** (N= 285)
Q690. Did you use an outside advisor to help you select your retirement plan?

Types of Advisors Used

Financial planners/brokers are the most commonly used advisor among employers who have used an outside advisor in selecting a plan. The use of TPA/Benefit administrators has significantly increased since last year.



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.

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Types of Advisors Used

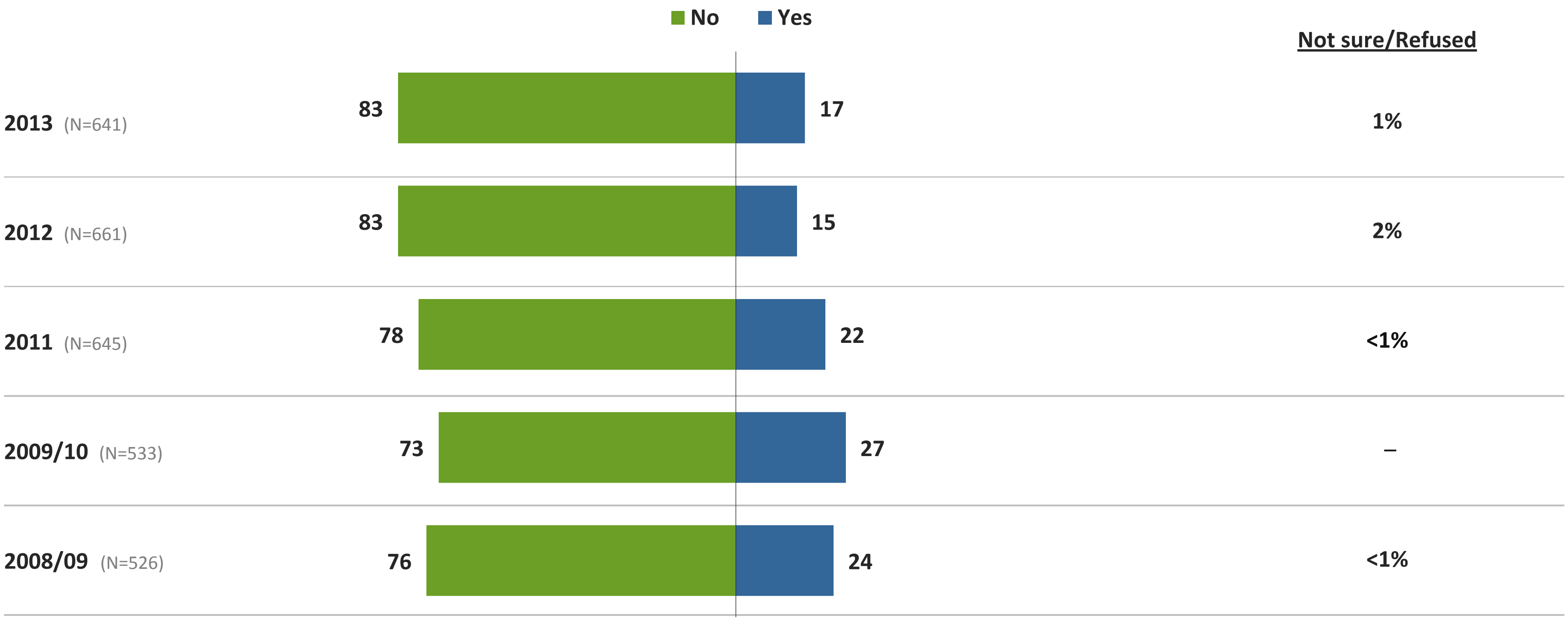
While the percentage of large and small companies that use an advisor is similar, the types of advisors used are somewhat different. More small companies (72 percent) rely on financial planners/brokers than large companies (59 percent). More large companies (28 percent) use other benefits consultants compared to small companies (12 percent).

	Small Companies					Large Companies				
	2013 (N=257)	2012 (N=274)	2011 (N=234)	2009/10 (N=173)	2008/09 (N=160)	2013 (N=205)	2012 (N=179)	2011 (N=175)	2009/10 (N=161)	2008/09 (N=174)
Financial Planner/Broker	72%	64%	71%	68%	48%	59%	59%	57%	52%	57%
TPA/Benefits Administrator	28%	16%	18%	15%	6%	26%	17%	21%	10%	10%
Insurance Agent	19%	14%	11%	14%	8%	8%	7%	3%	3%	4%
Accountant/CPA	16%	22%	17%	14%	12%	13%	10%	8%	7%	6%
Other Benefits Consultant	12%	8%	11%	9%	16%	28%	27%	26%	35%	23%
Bank Advisor	9%	9%	8%	6%	7%	10%	8%	8%	6%	2%
Attorney/Lawyer	5%	11%	8%	7%	4%	23%	14%	25%	13%	10%
Not sure	1%	3%	3%	4%	3%	4%	3%	7%	4%	5%

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.

401(k) Plan Changes In the Past 12 Months

The majority of employers who offer an employee-funded plan have not made changes to their plan in the past twelve months (83 percent).

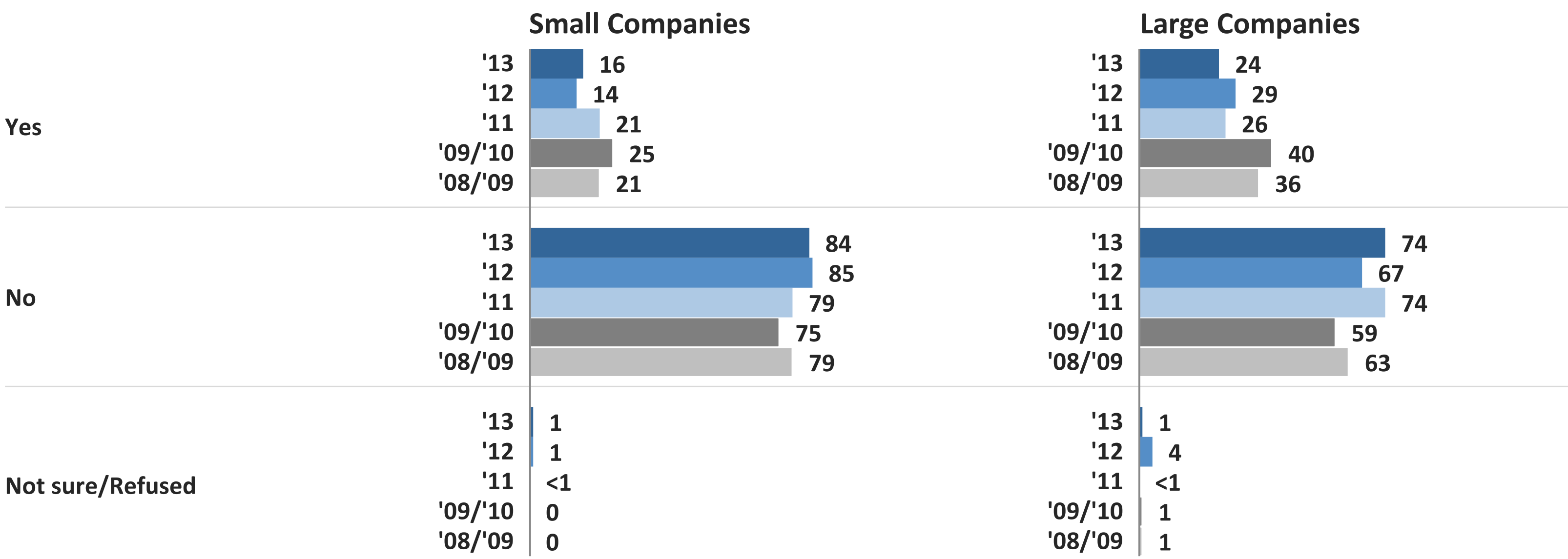


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

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

401(k) Plan Changes In the Past 12 Months

Large companies (24 percent) are more likely to have made changes to their employee-funded plan in the past 12 months compared to small companies (16 percent) in 2013.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; **Small Companies**: **'08/'09** (N=248), **'09/'10** (N=256), **'11** (N=364), **'12** (N=380), **'13** (N=356);
Large Companies: **'08/'09** (N=278), **'09/'10** (N=277), **'11** (N=281), **'12** (N=281), **'13** (N=285)
Q670. In the past 12 months, has your company made any changes to its 401(k) plan or other employee self-funded plan?

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401(k) Plan Changes In the Past 12 Months

Among the plan sponsors who made changes in the past twelve months (2013), 73 percent changed investment selections/fund choices. More than one quarter (26 percent) changed plan providers while 22 percent added strategic allocation/target maturity funds, and 20 percent added a managed account option.

	2013 (N=133)	2012 (N=154)	2011 (N=159)	2009/10 (N=185)	2008/09 (N=172)
Changed investment selections/fund choices	73	49	61	48	38
Changed plan provider	26	20	29	15	20
Added strategic allocation or target maturity funds	22	13	18	12	9
Added a managed account option	20	9	14	5	7
Added Roth 401k option	16	11	18	25	17
Added a new plan	14	8	13	14	10
Added an auto-enrollment feature	9	6	6	5	10
Decreased company match	9	17	12	28	19
Increased company match	9	10	14	5	9
Changed form of company match	8	8	13	23	12
Changed vesting schedule	6	3	8	8	16
Reduced eligibility period/waiting period	5	5	12	11	11
Increased employee contribution limit	3	4	7	11	5
Added loan provision	2	0	0	0	0
Added funds	1	1	0	0	0
Suspended company match	1				
Terminated the plan	1	2	7	0	4
Began matching	<1	<1	0	0	0
Changed/new administrator	<1	3	1	0	0
Froze Pension Plan	<1	0	5	1	1
In-service withdrawal	<1	1	0	0	0
Some other change	5	<1	3	1	13
Not sure	<1	3	3	1	0

BASE: MADE CHANGES TO PLAN IN LAST YEAR

Q680. What was changed in the plan? CHOOSE ALL THAT APPLY

401(k) Plan Changes In the Past 12 Months

In 2013, among plan sponsors who made changes to their plans in the past 12 months, small companies (74 percent) were more likely than large companies (66 percent) to change plan investments. Small companies (28 percent) were also more likely to change plan providers compared to large companies (16 percent).

	Small Companies					Large Companies				
	2013 (N=64)	**2012** (N=72)	**2011** (N=87)	**2009/10** (N=73)	**2008/09** (N=72)	**2013** (N=69)	**2012** (N=87)	**2011** (N=72)	**2009/10** (N=112)	**2008/09** (N=100)
Changed investment selections/fund choices	74%	43%	60%	46%	36%	66%	68%	64%	56%	45%
Changed plan provider	28%	20%	30%	15%	22%	16%	18%	19%	12%	12%
Added strategic allocation or target maturity funds	23%	12%	17%	10%	7%	13%	18%	22%	23%	15%
Added a managed account option	21%	8%	16%	3%	6%	13%	11%	7%	15%	9%
Added Roth 401k option	16%	12%	19%	27%	18%	15%	11%	14%	12%	16%
Added a new plan	13%	8%	14%	15%	11%	14%	11%	7%	9%	5%
Added an auto-enrollment feature	8%	4%	5%	4%	7%	13%	11%	10%	12%	17%
Decreased company match	10%	19%	12%	28%	21%	7%	10%	12%	32%	16%
Increased company match	6%	7%	15%	5%	6%	23%	18%	8%	7%	19%
Changed form of company match	7%	7%	12%	23%	11%	10%	11%	15%	24%	18%
Changed vesting schedule	5%	1%	8%	8%	18%	10%	11%	7%	10%	9%
Reduced eligibility period/waiting period	5%	3%	13%	12%	9%	6%	11%	8%	8%	15%
Increased employee contribution limit	2%	1%	8%	13%	2%	9%	14%	4%	5%	17%
Added loan provision	2%	--	--	--	--	1%	--	--	--	--
Added funds	<1%	--	--	--	--	1%	--	--	--	--
Suspended company match	<1%	--	--	--	--	2%	--	--	--	--
Terminated the plan	1	2%	8%	–	6%	<1%	–	1%	1%	1%
Began matching	<1%	<1%	--	--	--	1%	--	--	--	--
Changed/new administrator	<1%	4%	1%	--	--	1%	--		--	--
Froze Pension Plan	<1%	–	5%	1%	–	3%	–	3%	4%	3%
In-service withdrawal	<1%	2%	--	--	--	1%	--	--	--	--
Some other change	6%	–	3%	1%	15%	2%	1%	–	5%	7%
Not sure	<1%	4%	3%	2%	–	3%	1%	1%	1%	1%

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

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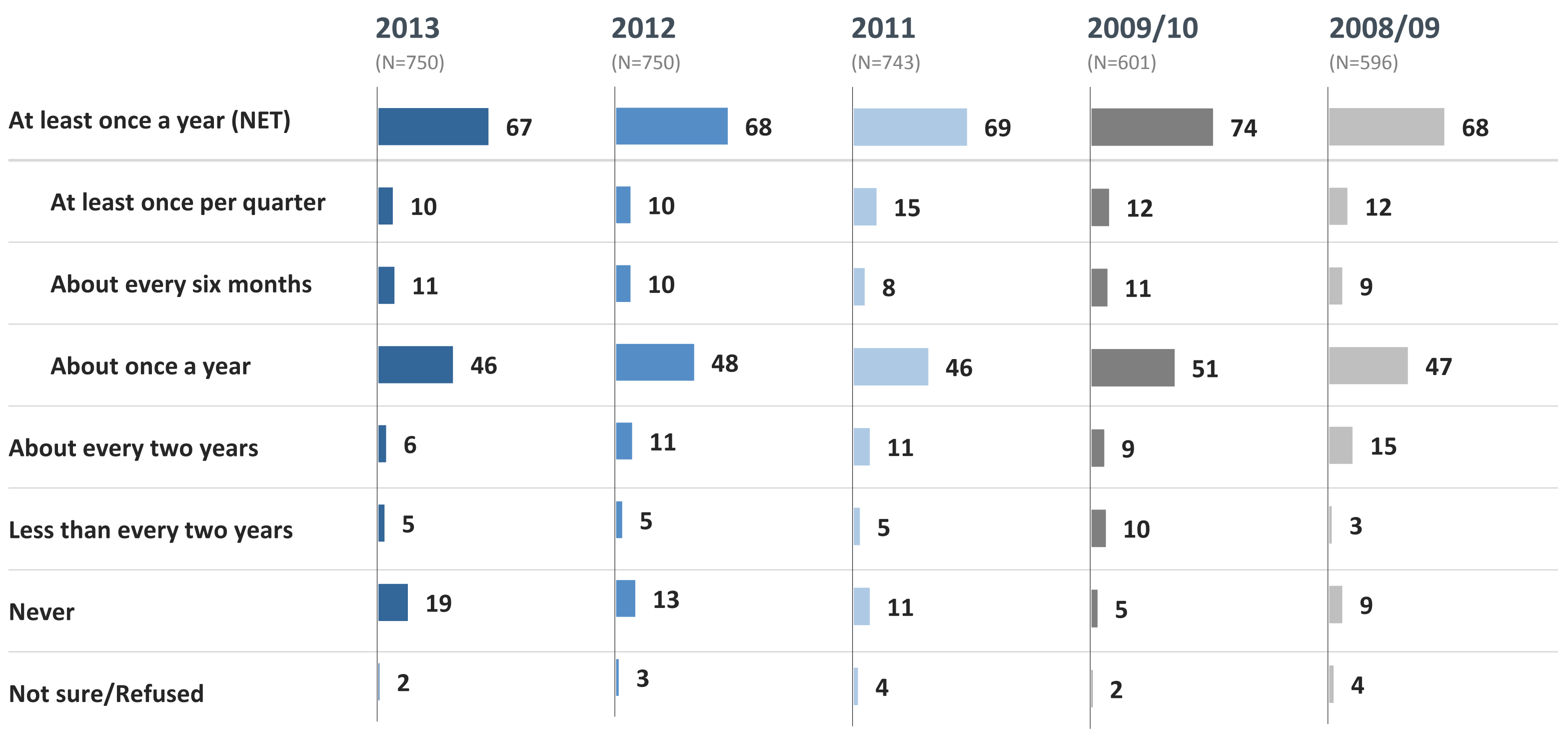
Frequency of Evaluating Retirement Benefits

The majority of employers (67 percent) evaluate retirement benefits offered to their employees at least once a year (2013).



BASE: TOTAL RESPONDENTS
Q790. How frequently does your company evaluate the retirement benefits offered to employees?

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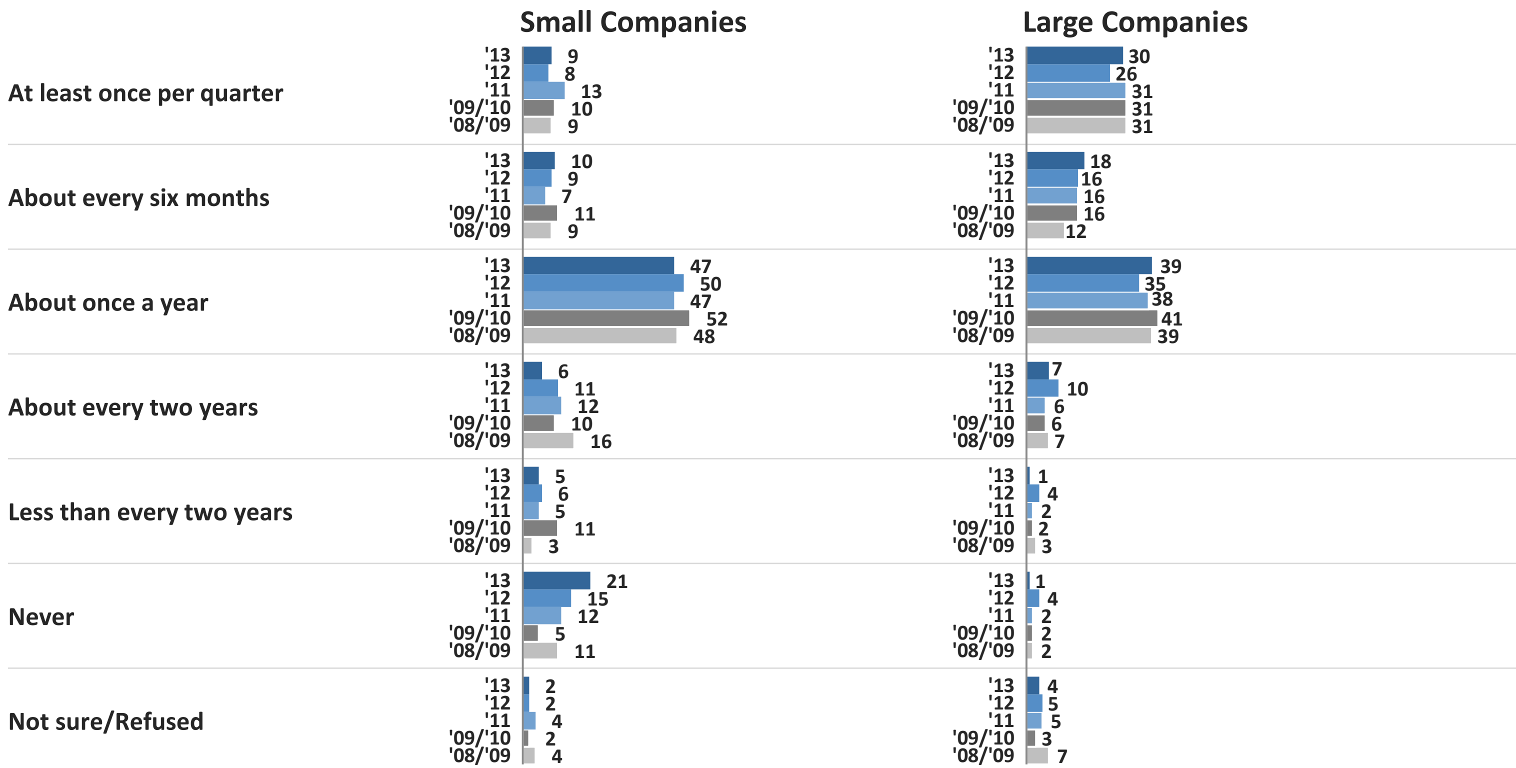
Frequency of Evaluating Retirement Benefits

Large companies (87 percent) are more likely than small companies (66 percent) to review their retirement benefits at least once per year (2013).



BASE: TOTAL RESPONDENTS; **Small Companies:’08/’09** (N=296), **’09/’10** (N=300), **’11** (N=444), **’12** (N=450), **’13** (N=450);
Large Companies: **’08/’09** (N=300), **’09/’10** (N=301), **’11** (N=299), **’12** (N=300), **’13** (N=300)
Q790. How frequently does your company evaluate the retirement benefits offered to employees?

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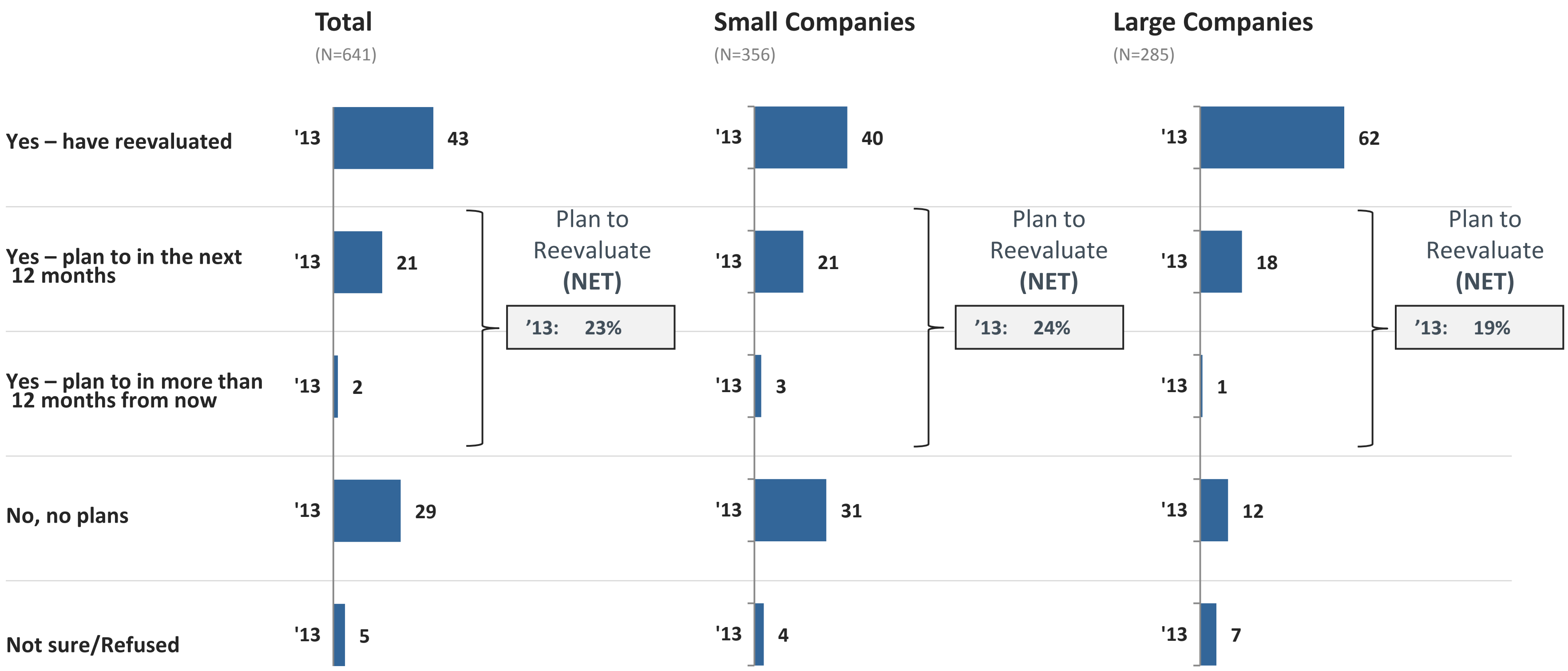
Reevaluating of Retirement Plan Since Fee Disclosure Regulations

Forty-three percent of 401(k) or similar plan sponsors have already reevaluated their retirement plans fees and expenses and another 23 percent plan to do so since the Department of Labor's new fee disclosure regulations went into effect in 2012. Sixty-two percent of large companies have already reevaluated fees and another 19 percent plan to do so in the future.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
NEW QUESTION IN WAVE 14: Q2470. Since the Department of Labor's new fee disclosure regulations went into effect last year, have you reevaluated your retirement plan's fees and expenses, or do you plan to do so in the next 12 months?

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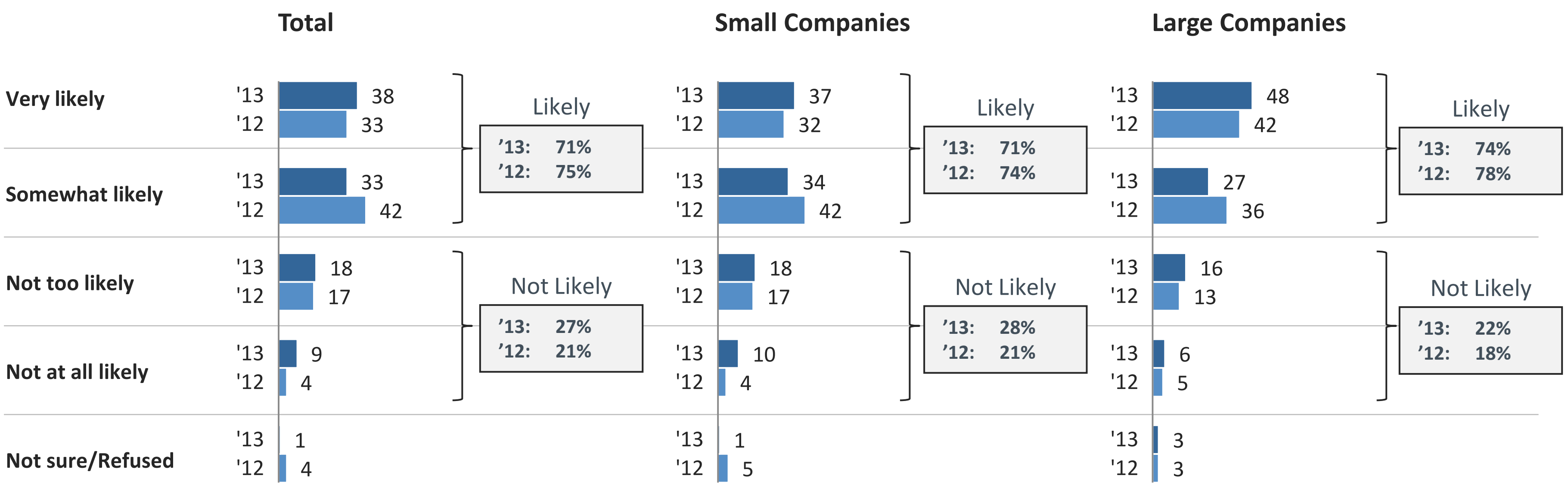
Reevaluating Benefits in Light of Health Care Reform

A sizeable majority (71 percent) of employers are likely to reevaluate their company's employee benefits (including retirement benefits) in light of health care reform. About half of large companies (48 percent) and 37 percent of small companies are "very likely" to reevaluate their company's employee benefits in light of health care reform.



BASE: TOTAL RESPONDENTS
Total: '12 (N=750), **'13** (N=750); **Small Companies: '12** (N=450), **'13** (N=450); **Large Companies: '12** (N=300), **13** (N=300)
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 in the next 12 months?
*"in the next 12 months" was added in 2013.

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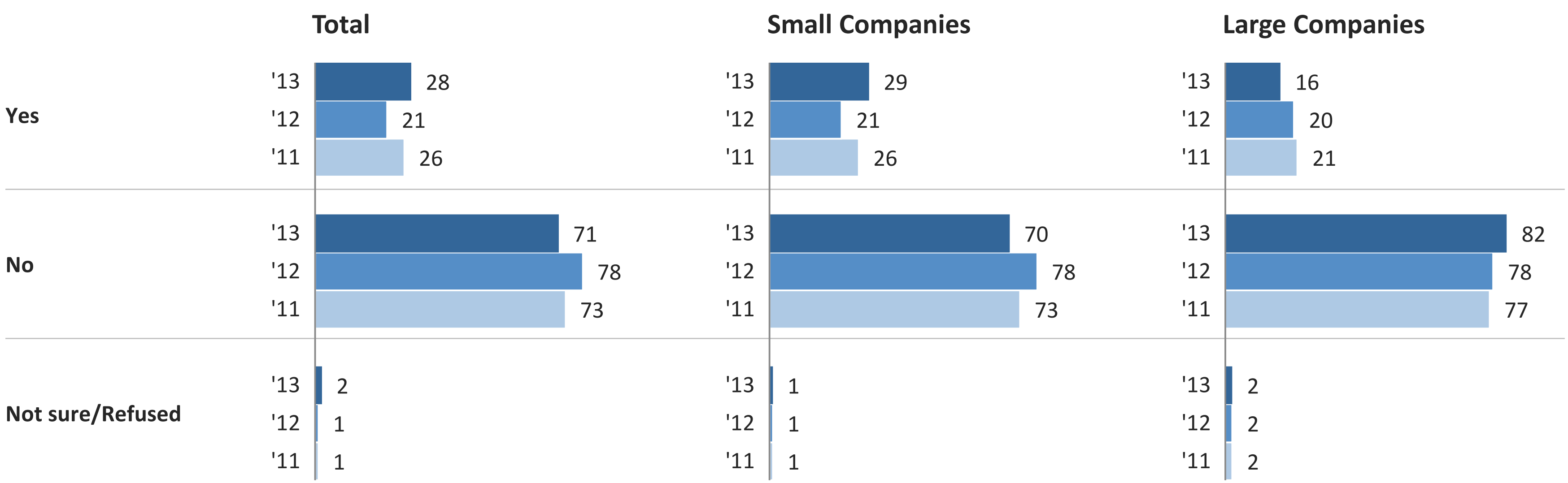
Few Plan Sponsors Survey Employees re: Retirement Benefits

About three in ten of employers, including 31 percent of those who offer retirement plan, have surveyed their employees about retirement plan benefits in the last twelve months. Small companies are more likely to have surveyed their employees in the past twelve months – a significant increase since last year.



Base: All Qualified Respondents; **Total: '11** (N=743), **'12** (N=750), **'13** (N=750); **Small Companies**: **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q1635. Have you surveyed employees about retirement plan benefits in the last twelve months?

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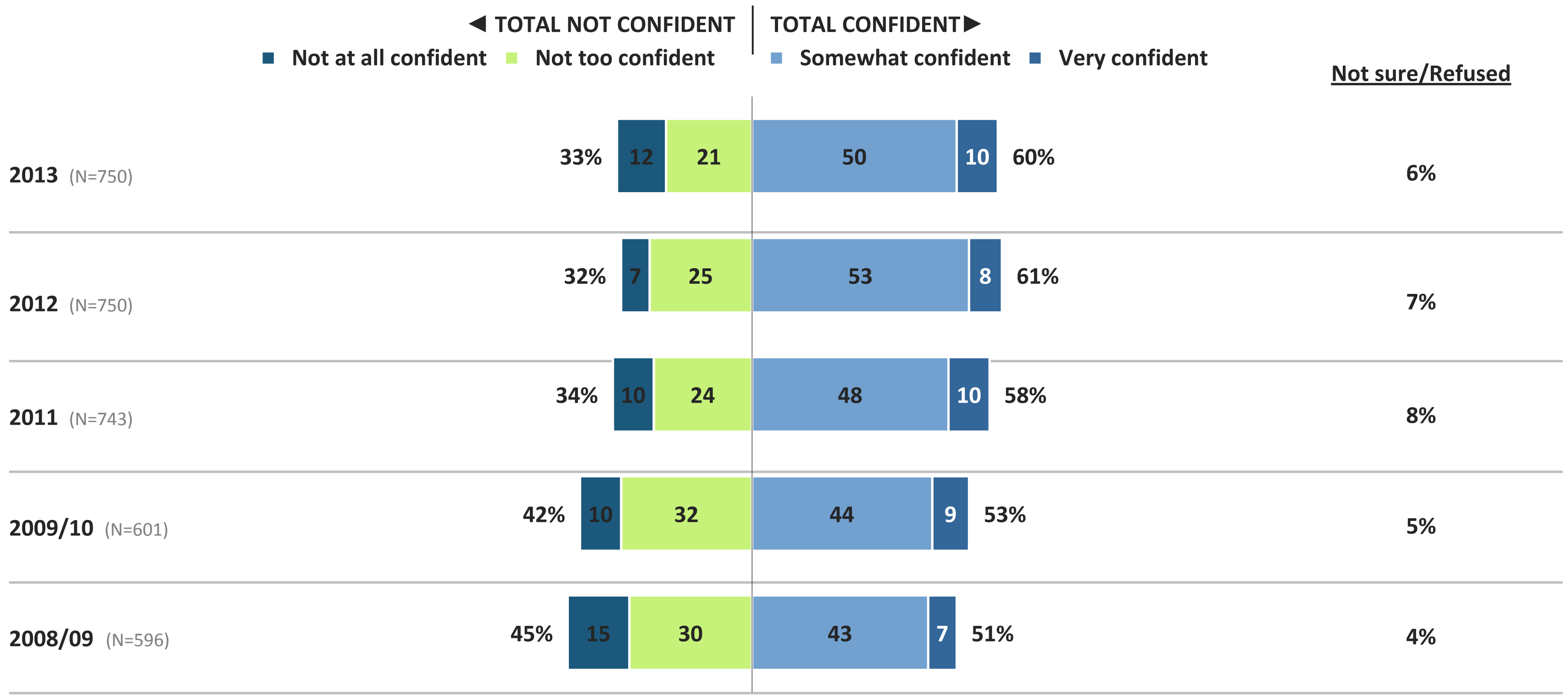
Detailed Findings

- Economic Expectations
- The Importance of Employee Benefits
- Benefit Offerings including Retirement Benefits
- 401(k) Plan Features and Services Offered
- 401(k) Plan Management
- **Employers' Perceptions of Retirement Readiness Among Their Employees**

Employer Confidence in Employees' Retiring Comfortably

The majority of employers (60 percent) are confident that their employees will achieve a comfortable lifestyle in retirement; however, only 10 percent of employers are 'very confident'.



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?

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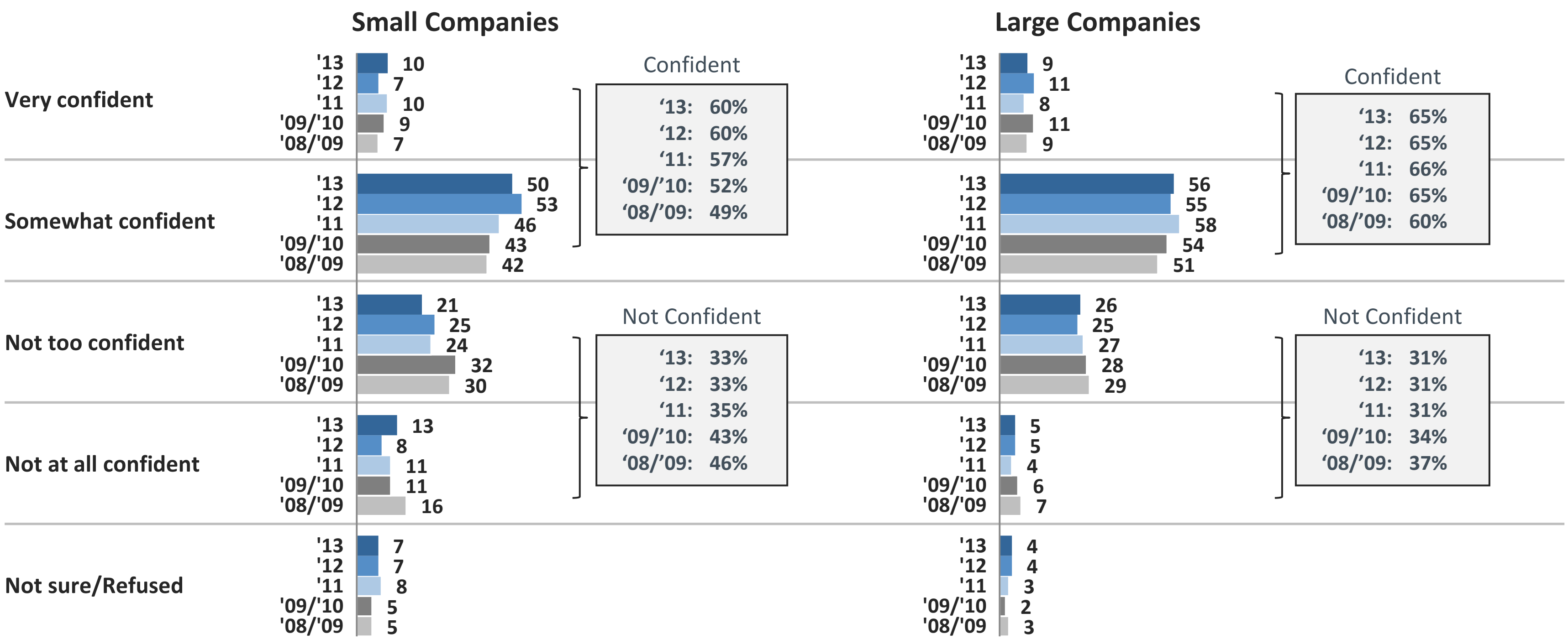
Employer Confidence in Employees' Retiring Comfortably

Fewer small companies (60 percent) are confident than large companies (65 percent) that their employees will achieve a comfortable lifestyle in retirement.



BASE: TOTAL RESPONDENTS; **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q800. How confident do you feel your employees are that they will be able to achieve a comfortable lifestyle in their retirement?

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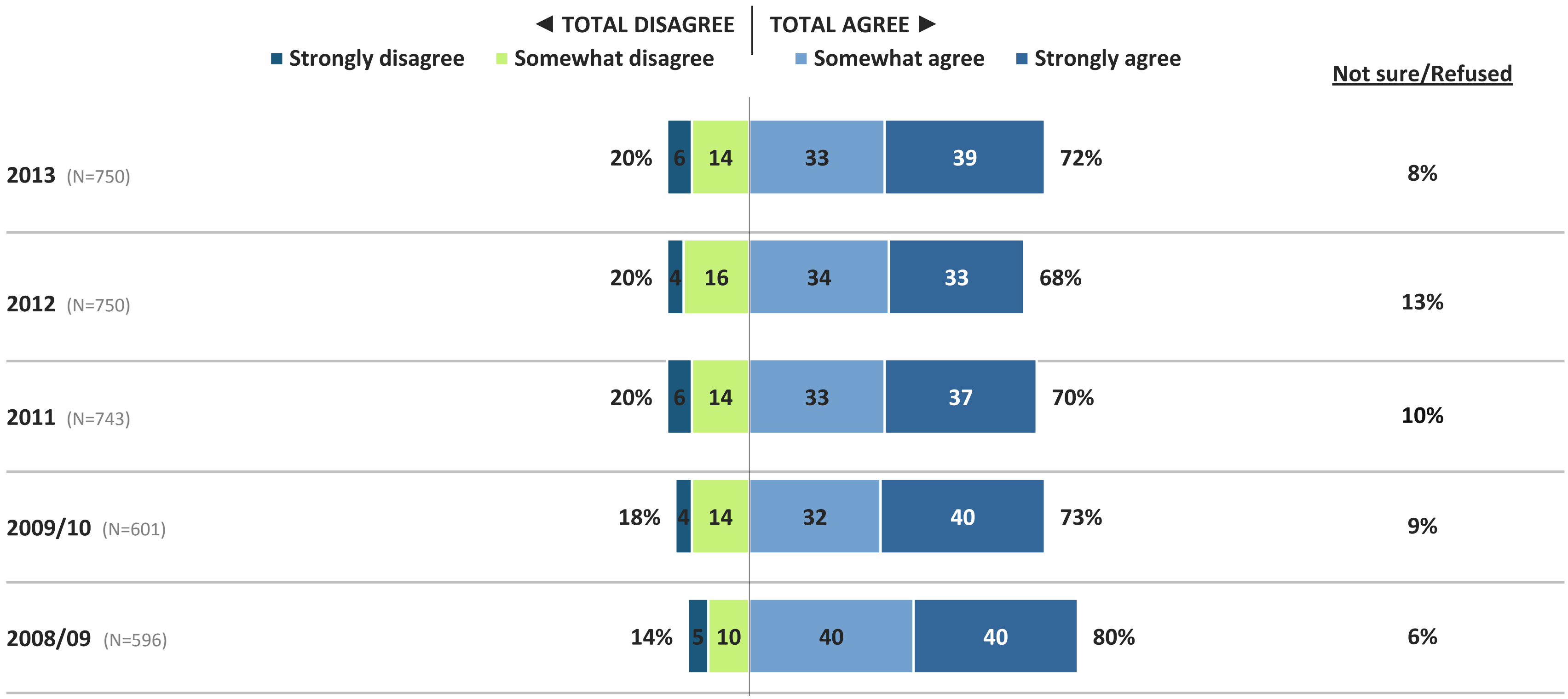
Views That Their Employees Cannot Save Enough by Age 65

Seventy-two percent of employers agree most of their employees could work until age 65 and still not save enough to meet their retirement needs (2013).



BASE: TOTAL RESPONDENTS

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

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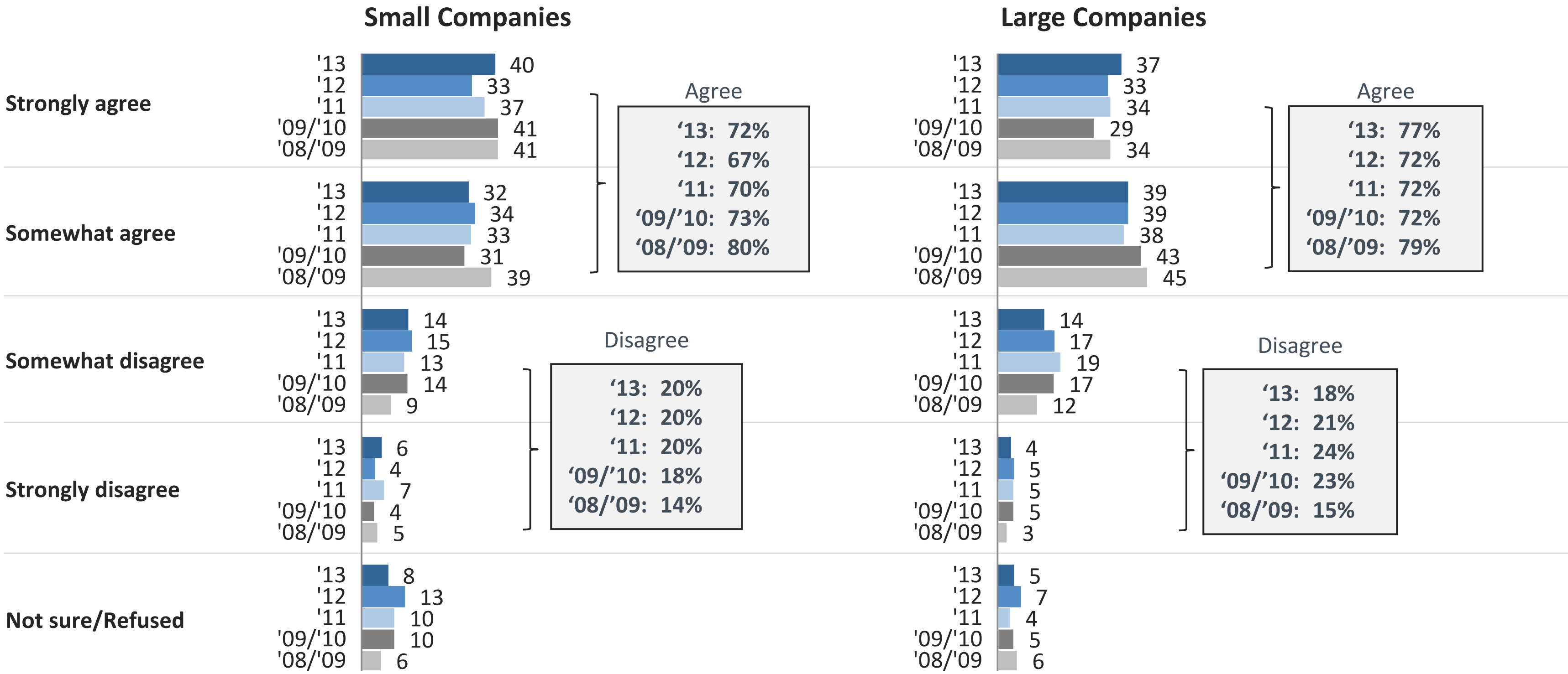
Views That Their Employees Cannot Save Enough by Age 65

A similar percentage of large companies (77 percent) and small companies (72 percent) agree that their employees could work until age 65 and still not save enough to meet their retirement needs (2013).



BASE: TOTAL RESPONDENTS; **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q850. Most employees at my company could work until age 65 and still not save enough to meet their retirement needs.

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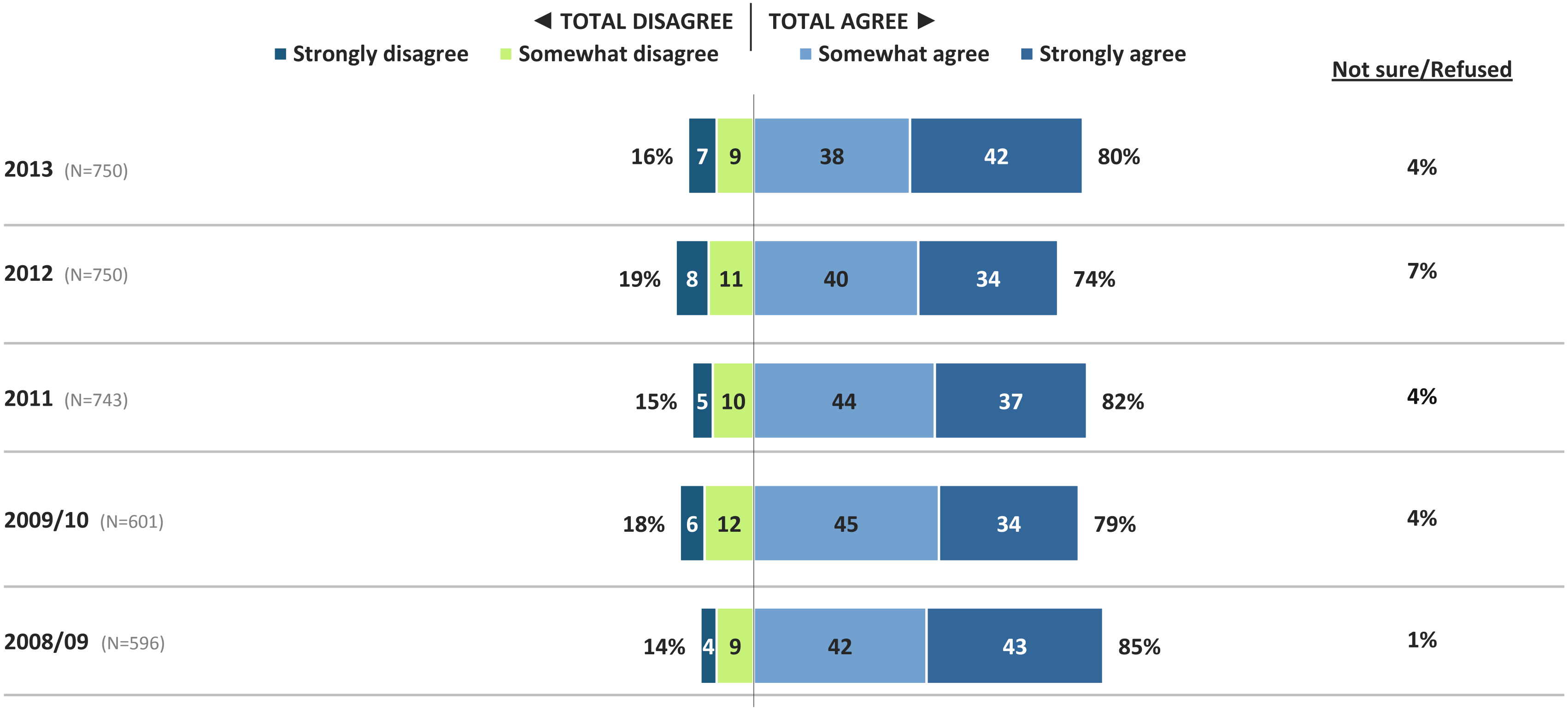
Employees' Knowledge of Retirement Savings and Investing

The vast majority (80 percent) of employers agree their employees do not know as much as they should about retirement investing (2013).



BASE: TOTAL RESPONDENTS

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

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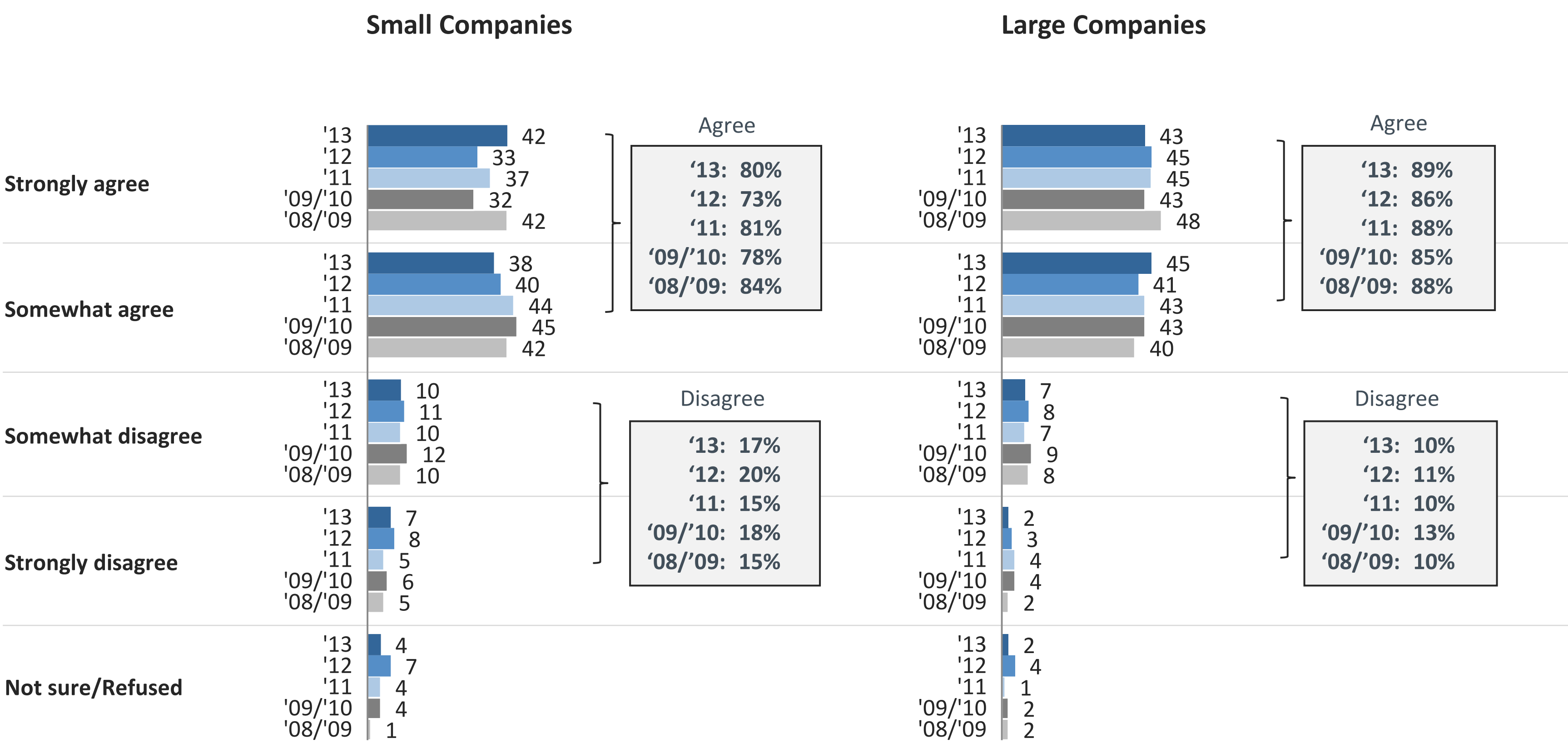
Employees' Knowledge of Retirement Savings and Investing

Large companies (89 percent) are more likely to agree their employees don't know as much as they should about retirement investing compared to small companies (80 percent) (2013).



BASE: TOTAL RESPONDENTS; **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q820. Most employees at my company do not know as much as they should about retirement investing.

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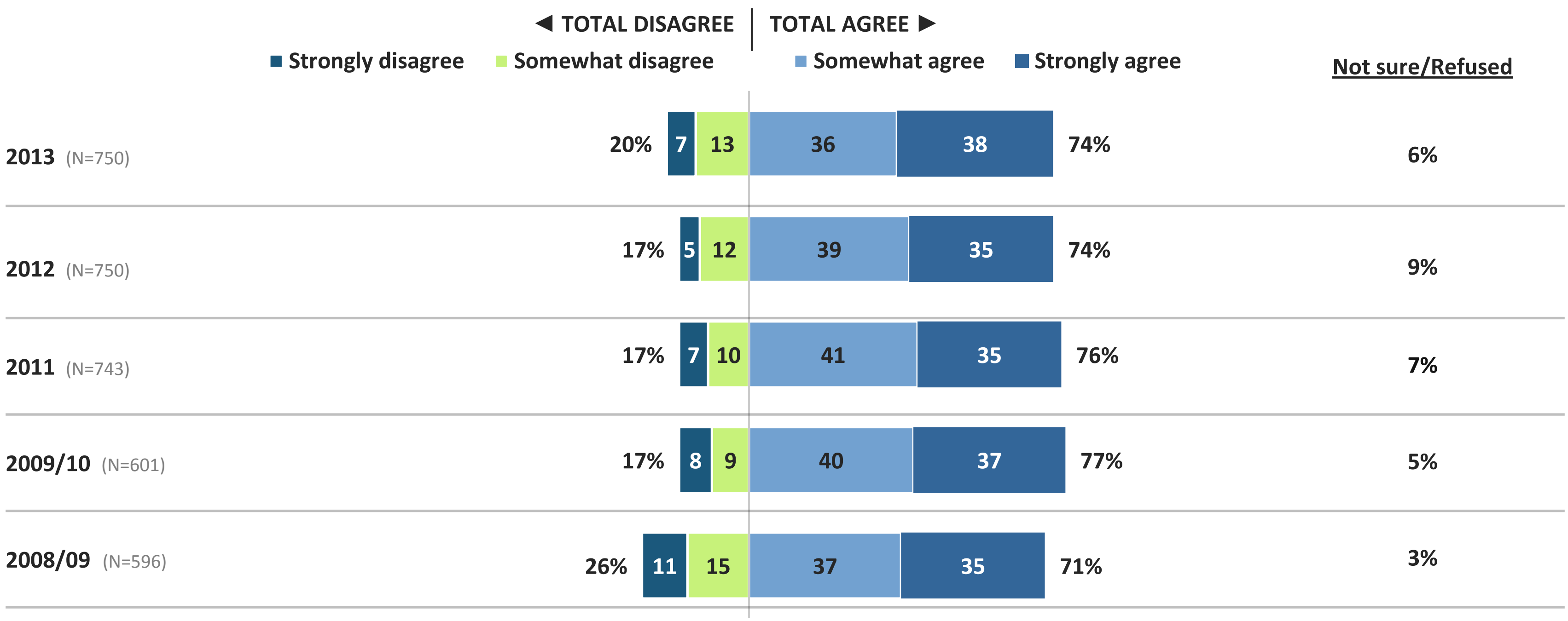
Employees' Preference to Rely on Experts

The majority (74 percent) of employers agree that their employees would prefer to rely on an outside expert 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.

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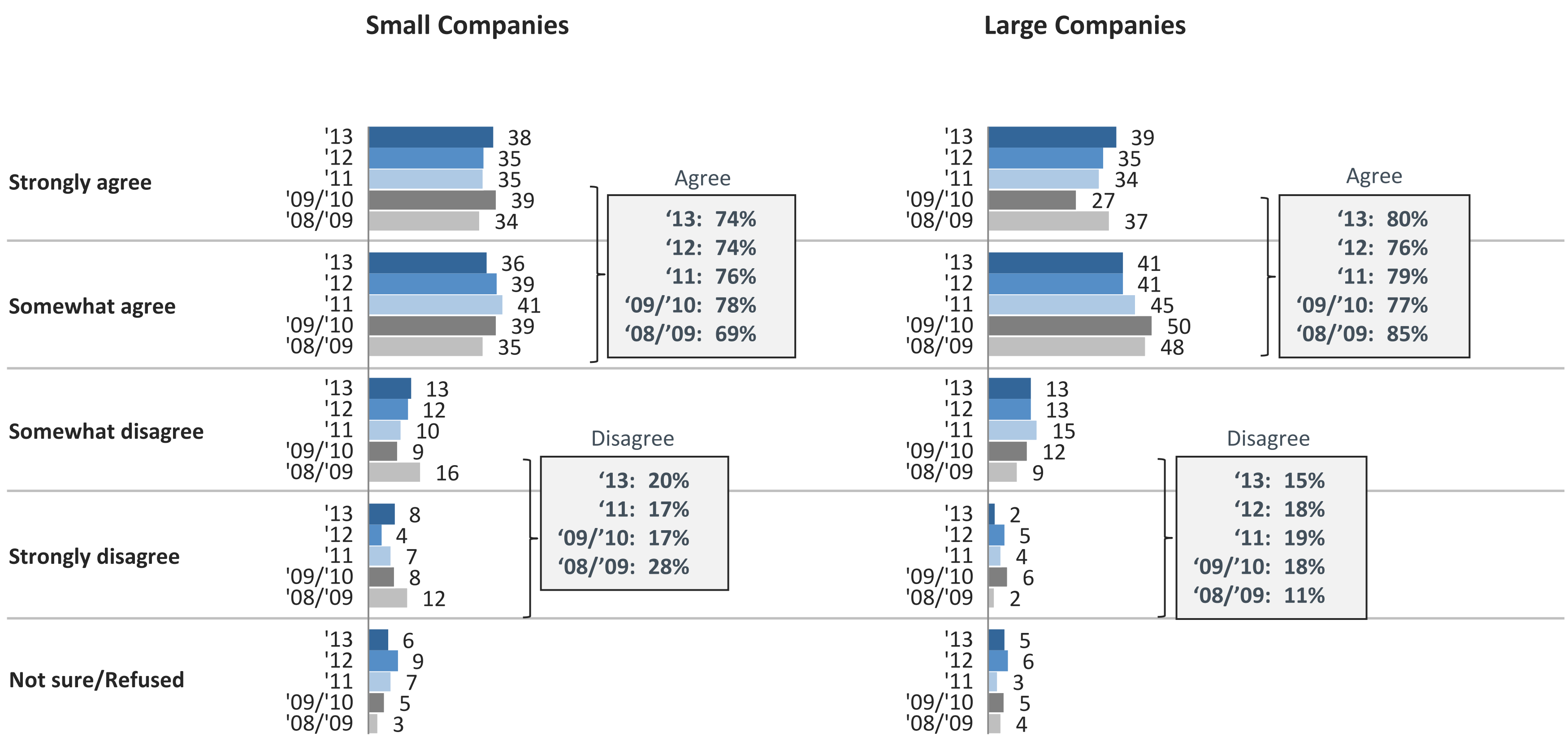
Employees' Preference to Rely on Experts

Large companies (80 percent), compared to small companies (74 percent), are somewhat more likely to agree that their employees would prefer to rely on outside experts to manage and monitor their retirement savings (2013).



BASE: TOTAL RESPONDENTS; **Small Companies**: **'08/'09** (N=296), **'09/'10** (N=300), **'11** (N=444), **'12** (N=450), **'13** (N=450);
Large Companies: **'08/'09** (N=300), **'09/'10** (N=301), **'11** (N=299), **'12** (N=300), **'13** (N=300)
Q830. Most employees at my company would prefer to rely on outside experts to monitor and manage their retirement savings.

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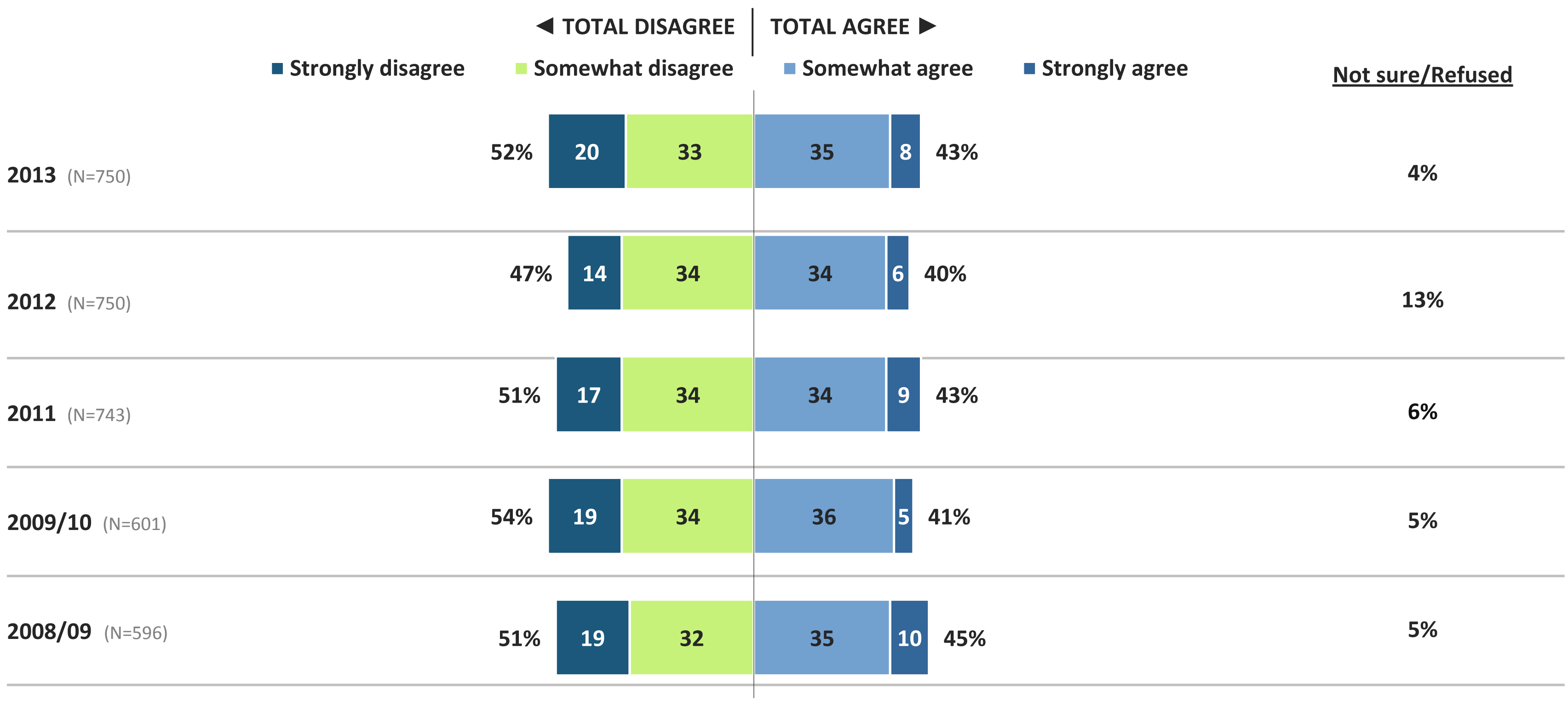
Employees' Desire for More Information

Forty-three percent of employers agree that their employees would like to receive more information and advice from them about how to reach their retirement goals (2013).



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.

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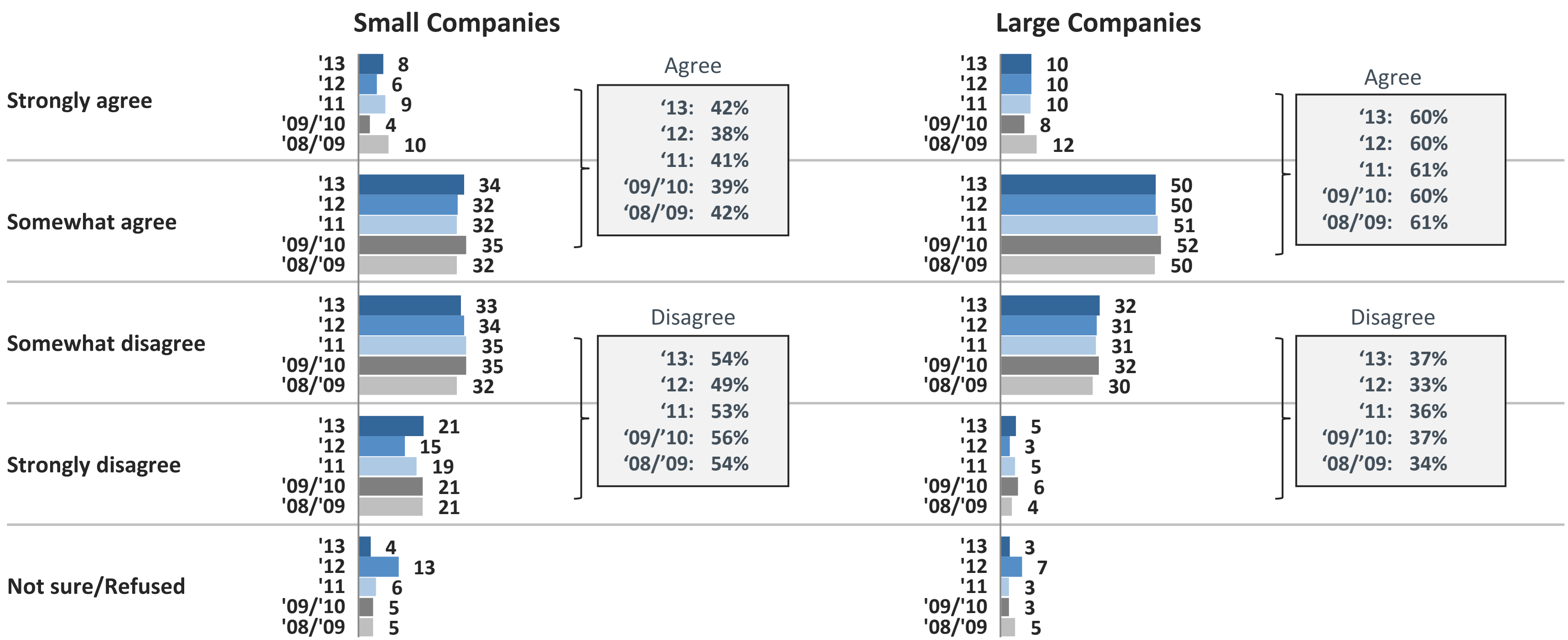
Employees’ Desire for More Information

Large companies (60 percent), compared to small companies (42 percent), are significantly more likely to agree that their employees would like more information and advice from them on how to reach their retirement goals (2013).



BASE: TOTAL RESPONDENTS; **Small Companies**: **’08/’09** (N=296), **’09/’10** (N=300), **’11** (N=444), **’12** (N=450), **’13** (N=450);
Large Companies: **’08/’09** (N=300), **’09/’10** (N=301), **’11** (N=299), **’12** (N=300), **’13** (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.

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