EBRI
EMPLOYEE BENEFIT RESEARCH INSTITUTE®

NOTES

July 2008, Vol. 29, No. 7

Executive Summary:

EBRI Policy Forum: Defined Contribution Plans in a Post-PPA Environment

- ***May 2008 policy forum:*** The Employee Benefit Research Institute (EBRI) devoted its May 2008 policy forum to an examination of defined contribution plans in the wake of the Pension Protection Act of 2006 (PPA), which had far-reaching effects on 401(k)-type retirement savings plans. Early results indicate PPA is, in fact, beginning to achieve the growth in automatic 401(k) enrollment and savings that its sponsors predicted.
- ***PPA's "automatic" provisions getting the attention:*** Nearly two years after PPA became law, it is the legislation's "automatic" provisions—automatically enrolling new workers in their employer's 401(k) plan, automatically putting their contributions into "default" investments, and automatically increasing their annual contributions—that are receiving most attention by retirement professionals.
- ***Known problems with voluntary enrollment:*** Experience and research has long shown that when 401(k) enrollment is voluntary and workers must actively decide to take part in the savings plan, a significant number fail to enroll, or, if they do, to save and diversify appropriately. Enactment of PPA was designed to overcome workers' indecisiveness and inaction by automating their participation, savings, and diversification in the employer's retirement plan.
- ***Key points of policy forum presenters:***
  - ✓ Automatic enrollment can nearly double participation in some defined contribution plans.
  - ✓ An increasing number of employers, especially large employers, are adopting automatic enrollment.
  - ✓ Eliminating the company match in a 401(k) plan seems to have only a modest impact on automatic enrollment.
  - ✓ Workers appear to be much more willing to accept automatic enrollment today than they were in the 1990s.
  - ✓ Defined contribution (401(k)-type) retirement plans are becoming popular in many countries worldwide.

■ *EBRI Policy Forum: Defined Contribution Plans in a Post-PPA Environment*

Nearly two years after the Pension Protection Act of 2006 became law, it is PPA's "automatic" provisions—automatically enrolling new workers in their employer's 401(k) plan, automatically putting their contributions into diversified "default" investments, and automatically increasing their annual contributions—that are receiving most attention by retirement professionals.

At the time he signed the PPA—on Aug. 17, 2006—President Bush spent most of his time praising features that were designed to shore up the funding of defined benefit pension plans. He devoted only two of 16 paragraphs in his signing statement to defined contribution plans, saying that the legislation would help workers save for retirement through individual retirement accounts (IRAs) and 401(k) plans, remove barriers that prevent companies from automatically enrolling employees in these plans, and ensure that workers who participate have more information about their accounts and better access to professional investment advice.

Experience and research has long shown that when 401(k) enrollment is voluntary and workers must actively decide to take part in the savings plan, a significant number fail to enroll, or, if they do, to save and diversify appropriately. While workers can always "opt out" of an automatic enrollment 401(k) plan under PPA's provisions, the law is designed to overcome workers' indecisiveness and inaction by automating their participation and savings in the employer's retirement plan.

Because of the PPA's far-reaching effects on 401(k)-type plans, the Employee Benefit Research Institute (EBRI) devoted its May 2008 policy forum to an examination of defined contribution plans in the wake of the legislation. Early results indicate PPA is, in fact, beginning to achieve the growth in automatic 401(k) enrollment and savings that its sponsors predicted.

EBRI's decision to focus on the 401(k) provisions, which drew only modest presidential attention at the time of the law's enactment, was a simple recognition of reality: Defined contribution plans such as the 401(k)—and not traditional pensions—are the future for the vast majority of American workers who have access to any kind of retirement savings plan through their job.

And, as one policy forum speaker said, the PPA provisions that allow for automatic enrollment of new employees and place them in default investment options approved by the Department of Labor amount to a "paradigm shift" in the defined contribution industry.

EBRI President and CEO Dallas Salisbury, who moderated the forum, noted that automatic enrollment was "readily possible and available" before the enactment of PPA, but that employers had been held back by conservative corporate lawyers concerned about potential legal liability. Since PPA's passage, Salisbury said, initial data indicate that automatic enrollment and other automatic features are being adopted by a far larger number of employers at a far faster rate than in the past.

Eleven speakers participated in the policy forum, held May 8 in Washington. Some of their main points:

- Automatic enrollment can nearly double participation in some defined contribution plans.
- An increasing number of employers, especially large employers, are adopting automatic enrollment.
- Eliminating the company match in a 401(k) plan seems to have only a modest impact on automatic enrollment.
- Workers appear to be much more willing to accept automatic enrollment today than they were in the 1990s.
- Defined contribution plans are becoming popular in many countries worldwide.

Automatic Enrollment

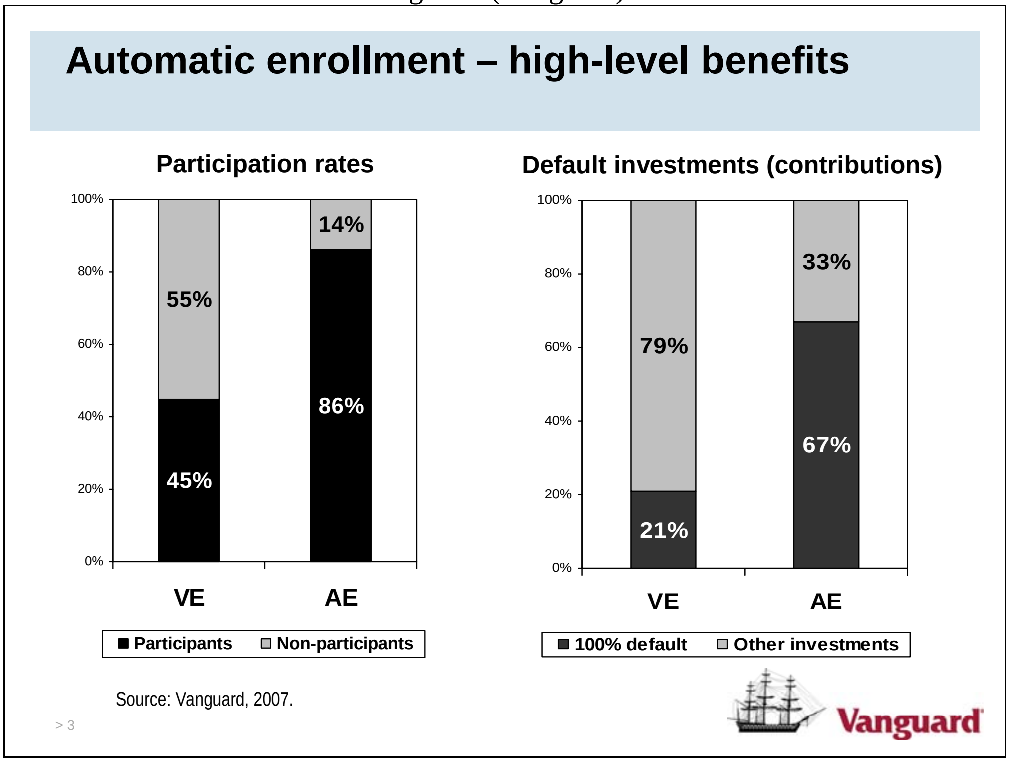
Reports from 401(k) providers, consultants, and researchers indicate automatic enrollment is being rapidly adopted by plan sponsors and is likely to have far-reaching positive effects for workers. Stephen P. Utkus, director of the Vanguard Center for Retirement Research, presented results of a study of about 50 Vanguard plans on the impact of automatic enrollment on 401(k) plan participation. The highlight was that in firms where enrollment was voluntary, 45 percent of new hires decided to join a plan available to them, compared with an 86 percent participation rate among new hires in firms where enrollment was automatic.

Utkus reported that, under voluntary enrollment, only 21 percent chose a default investment. But of those automatically enrolled, two-thirds (67 percent) remained in the default investment. "This is actually lower than what you see in other studies," he said. "Around the industry, there's a lot of chatter about people being in default [investments] and 80 or 90 percent keeping their money in defaults."

The study also reported that, in 4 of 10 plans, total employer and employee contribution rates remained at less than 9 percent, a level too low to generate adequate retirement savings on its own. In addition, Utkus noted that Vanguard research shows that individuals who are disproportionately distrustful of financial institutions and have low financial literacy are more likely than voluntary participants to drop out of a 401(k) plan in which they were automatically enrolled.

The Vanguard study, "Measuring the Effectiveness of Automatic Enrollment," is available at https://institutional.vanguard.com/iip/pdf/CRRAUTO.pdf.

Figure 1 (Vanguard)



Who is likely to benefit from these changes? According to new computer simulation research by EBRI, most workers are likely to benefit from PPA's automatic provisions, but low-income workers—the ones most likely not to participate in a 401(k) plan if it is offered at work, or to save at very low rates—would see their savings increase most sharply by having the savings decisions automated.

Higher-income workers, who already tend to participate in a retirement savings plan if it is offered at work, and to save at high rates, would be little affected or even see their savings decline if the default savings rates are lower than their earlier contribution levels.

Jack VanDerhei, research director at EBRI, outlined results of a new simulation model showing that the "automatic" 401(k) features in PPA are likely to have a very significant positive impact in generating additional retirement savings for many workers, especially for low-income workers.

Using its Retirement Security Projection Model,® EBRI simulated (under several assumptions) the likely impact of 401(k) plan sponsors switching from voluntary enrollment systems to automatic enrollment designs with automatic escalation. The analysis found that, when results are aggregated across all income categories, the <u>increase</u> in the value of 401(k) accumulations at age 65 as a multiple of final earnings for those currently ages 25–29 would be approximately 2.4 to 2.6 times final salary by switching from voluntary enrollment to automatic enrollment.

Although the aggregate results favor automatic enrollment, distributional analysis of the differences between the two systems indicates that the higher paid are not likely to benefit as much from such a change. But even for the top 25 percent of these workers (when ranked by 401(k) accumulations as a multiple of final earnings), there are large increases: the multiple under a voluntary enrollment scenario is 1.8 times final earnings, whereas auto-enrollment provides multiples ranging from 6.5 to 10.4, depending on auto-escalation of contributions.

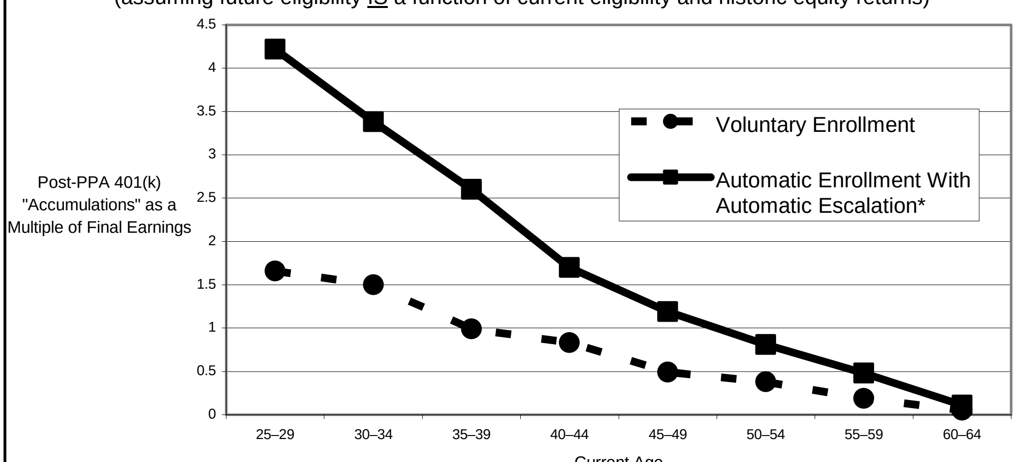
"To the extent that 401(k) sponsors decide to switch from voluntary enrollment systems to the new automatic enrollment plan designs in PPA, many workers will have increased retirement savings, especially those in the lowest-income quartile," said VanDerhei. "For example, a 25-year-old worker making $25,000 a year would be likely to have a median increase in 401(k) accumulations of between $92,000 and $166,000 in today's dollars by age 65 as a result of these changes."

However, the EBRI analysis notes that the extra retirement savings expected to be generated by auto-enrollment will still not be enough for certain workers to be able to meet savings targets that would provide for a 75 percent or 90 percent chance of sufficient income for their full retirement. When comparing income replacement targets generated in previous EBRI research work with the simulated 401(k) accumulations in the current analysis—even with the large increases that can be expected for many workers under PPA-type auto-enrollment plans, and with current-law Social Security benefits—additional resources will still be needed for many workers.

A report on VanDerhei's research is published in the June 2008 *EBRI Issue Brief*, available at http://www.ebri.org/pdf/briefspdf/EBRI_IB_06-20083.pdf

Figure 2 (EBRI)

Auto-Enrollment With Auto-Escalation,*
vs. Voluntary Enrollment: <u>50th</u> Percentiles
(assuming future eligibility <u>IS</u> a function of current eligibility and historic equity returns)



Source: Jack VanDerhei, *EBRI Issue Brief,* no. 318 (June 2008).
* There are several sensitivity analyses for automatic escalation described in this report. This figure assumes the most conservative set of assumptions: viz., that individuals will opt out of future increases as described in the empirical findings presented in VanDerhei (2007a); that employers will limit the automatic increases to 6 percent of compensation; and that workers will start over from the default contribution when they change jobs.

Allen Steinberg, a principal and senior Hewitt consulting attorney, said that research done by his firm showed that automatic enrollment in 401(k) plans, which stood at 4 percent of Hewitt-surveyed large employer plans in 1997, reached 44 percent in early 2008. More than half of plans that do not use automatic enrollment are considering doing so in the future, he said. Large employers are most likely to embrace automatic enrollment. Beyond that, about 60 percent of employers that have frozen or closed their defined benefit pension plans have adopted 401(k) automatic enrollment, Steinberg said.

David L. Wray, president of the Profit Sharing/401(k) Council of America, presented preliminary 2007 member survey data showing 26 percent of companies are enrolling everyone automatically in 401(k) plans. "We have companies now that are automatically re-enrolling everyone every year so that they are going to just wear them down," Wray said. The contribution rate under automatic enrollment hovers around 3 percent, Wray said, although he thinks it is likely to move higher.

He also said that workers are more likely to accept automatic enrollment now than they were in the 1990s. "There was a lot of trouble in the work place [in the 1990s]," Wray said. "The employees felt that this was an invasion. There was anger." He attributed greater acceptance now to the results of educational campaigns stressing the need to save for retirement. "One of the reasons participants are willing to go along with automatic enrollment is the result of a very long continued effort," he said, "and workers are much more willing to accept it."

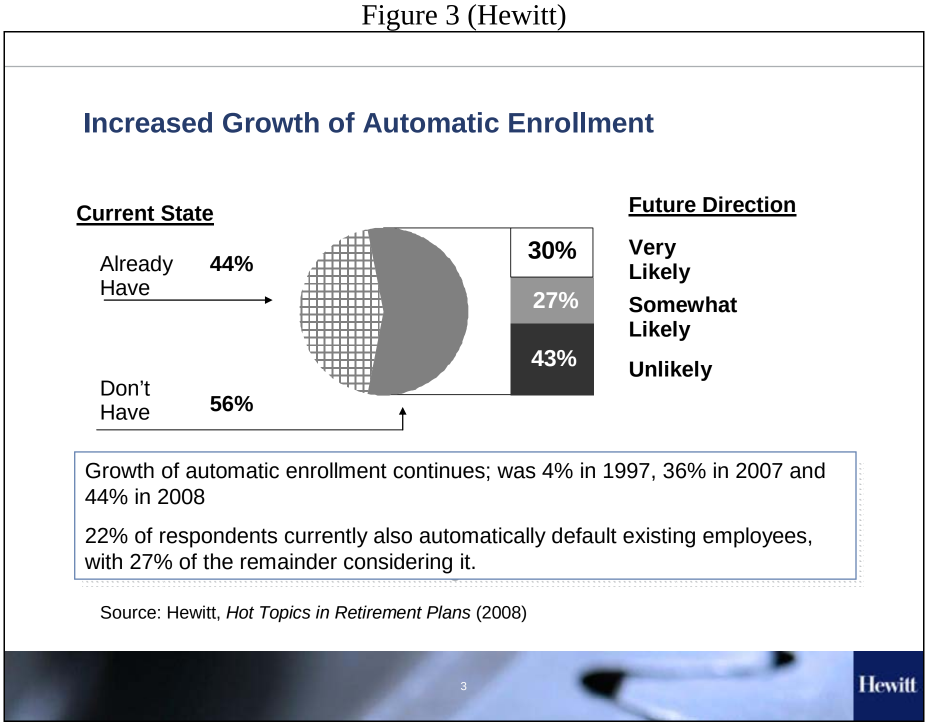
Still, Wray cautioned that automatic enrollment offers no silver bullets in helping people prepare for retirement. He also predicted that automatic enrollment would be modest in small companies (under 250 employees) and warned that automatic enrollment could create millions of accounts with small balances that will be difficult to manage efficiently.

Default Investments, Employer Matches, and Other Issues

As automatic enrollment grows among workers with a 401(k), so too are the assets that will be directed into default "life-cycle" or "target-maturity" mutual funds, designed to provide age-appropriate investments that essentially automate a participant's investment decisions.

In 2007, before the Labor Department issued its regulations for qualified investment options under PPA's automatic enrollment provisions, Hewitt's Steinberg said that 65 percent of the money coming into Hewitt-surveyed 401(k) plans through automatic enrollment went into target maturity or target risk funds. He described these as more efficient from an employer's point of view than managed funds and predicted they will continue to grow. While target maturity and target risk funds have grown in recent years, the amount of money invested in money market and stable value funds has declined sharply, he said.

Figure 3 (Hewitt)



Christopher Jones, executive vice president of Financial Engines, discussed managed accounts as a qualified default investment at a time when he said that employers are "rapidly implementing" new plan designs. The managed account option is offered by about 20 percent of Financial Engines' clients, but can appeal to a wide range of plan sponsors that want to avoid having "a large population of employees who are not adequately prepared for retirement and who, 20 years down the road, are angry and upset," Jones said.

Jones described a Financial Engines' personal evaluation program that he said helps 401(k) participants examine how they are doing in meeting their retirement goals and what changes they might want to consider. According to his presentation, the program helped a significant number of participants move their investments into managed accounts that are more appropriate for their circumstances but that charge fees only a few basis points higher than lifecycle funds.

Lori Lucas, executive vice president at Callan Associates, asked whether employer matching contributions are needed under an automatic enrollment regime, and whether employer funds devoted to 401(k) matches could be transferred to other employee benefits.

According to research she presented, the success of automatic enrollment in increasing participation in defined contributions plans is only marginally linked to whether the plan has a company matching contribution. Moving from a typical employer match (of 50 percent on the first 6 percent of pay contributed) to no match at all reduced defined contribution plan participation under automatic enrollment by only 5 to 11 percentage points, Lucas said. "That gives us something to think about in terms of a new company contribution type of paradigm," she said.

Lucas suggested there could be other, better ways for employers to use benefit money than matching 401(k) contributions. These include creating an employer-sponsored retirement "floor" for all employees, reducing or eliminating all participant fees in defined contribution plans, and enhancing other benefits.

Concerning 401(k) fees, Wray, of the Profit Sharing Council, said the disclosure of fees is becoming an issue the defined contribution industry will have to confront, especially as Congress begins to focus more attention on the issue. Some large companies are beginning to pay plan fees, he said, adding: "The coming disclosure of fees is going to have a tremendous impact." But Lucas offered another perspective: "People are indifferent to fees, and it's very hard to get individual investors to care sufficiently about fees to change behavior."

Figure 4 (PSCA)

Impact of the 2006 Pension Protection Act

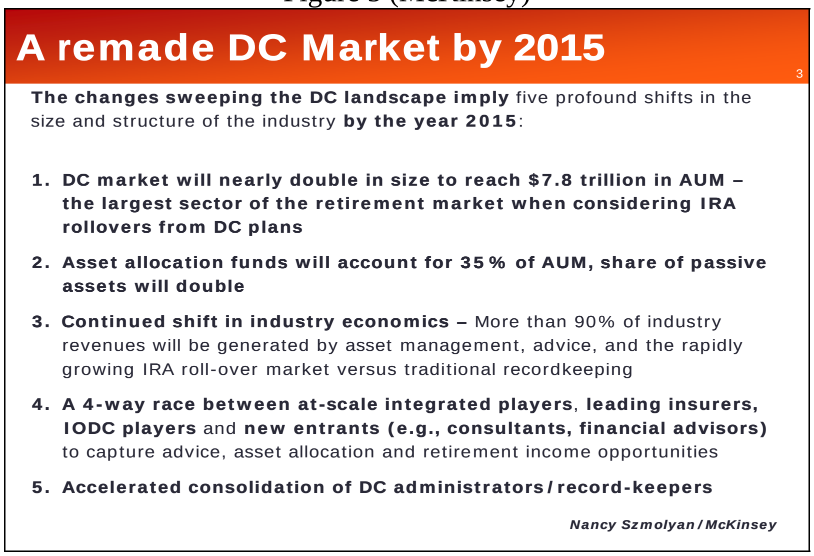
Automatic Enrollment Default Investment

Year	Stbl. Val.	MM	Bal.	Life/ Target	Other
2007	8.9%	2.5%	13.9%	64.6%	10.1%
2006	19.2	6.4	14.6	53.4	6.4
2005	30.3	9.7	17.0	37.0	6.1
2004	26.9	23.7	29.0	8.6	11.9
2003	30.3	19.7	36.4	9.1	4.5
2002	31.5	25.9	22.2	14.8	5.6

6 • PSCA.org

Nancy Szmolyan, senior practice expert at McKinsey & Co., discussed what she sees as a massive shift taking place in the defined contribution industry, which she predicted will double to nearly $8 billion by 2015. Target date and lifecycle funds will account for 35 percent of total defined contribution assets by 2015, she predicted, up from 3 percent in 2006. McKinsey modeling shows that about 65 percent of new the money going into defined contribution plans will be in target date or lifecycle funds, she said.

Figure 5 (McKinsey)



At the same time, she predicted, money market and stable value funds will see contributions decline dramatically. "The impact of that on the insurers who typically dominate in the smaller plan segments is absolutely tremendous," she added. "And, therefore, we feel a lot of them really need to rethink their strategy."

Szmolyan's estimates about the growth of the defined contribution industry generally echoed the views of several other policy forum speakers. In the future, she added, 90 percent of industry revenue will come from the provision of advice, asset management, IRAs, and post-retirement fee revenue, but record-keeping revenue will be a small percentage.

As a result, Szmolyan foresees an increase in industry consolidation. That consolidation has already taken place in the small-plan segment of the industry and will spread to larger players, she said. In addition, she agreed with other policy forum speakers who predicted an increase in the use of passive (index) funds as default options because of proposed legislation introduced in Congress since passage of the PPA that would promote the use of low-cost investment options in 401(k) plans.

Future/Next-Stage Initiatives

Jerry Bramlett, BenefitStreet president and chief executive, discussed what he saw as the advantages of passive asset management, especially in light of the large number of mutual funds and what he described as the very high fees they charge.

Kelli H. Hueler, CEO and founder of Hueler Companies, discussed why she thinks annuities can play an important role in providing retirement income. New annuity products offered to workers through employers' 401(k) plans are more flexible and less costly than annuities purchased individually in the retail market, and provide protection against inflation, she said. She sees a new era of collaboration between annuity providers, retirement plan sponsors, consultants, and others to provide disbursement options, such as life-long income for retirees, through 401(k) plans.

Barbara S. Marder of Mercer, who oversees a global team of Mercer defined contribution consulting specialists, gave the forum a tour of global trends in defined contribution (401(k)) plans, ranging from the Americas to Europe to Asia Pacific. As in the United States, the pace of change worldwide is very fast, she said, but at the same time many are wondering: Will defined contribution plans deliver retirement security?

The answer and possible solutions are different from country to country, Marder said, but the concerns are the same. Will participant contributions be sufficient? What about low returns, high fees, and poor investment performance? Another problem: Many plan participants do not have the sophistication to make good decisions about their plan investment options. Some trends we're seeing globally are "providing some kind of safety net or minimum guarantee" beneath defined contribution plans, she said, and providing tax incentives for voluntary savings, requiring annuity purchase at retirement, and mandating DC plan management best practices."

Mark Iwry, a nonresident senior fellow at the Brookings Institution, outlined a plan he developed with David John of the Heritage Foundation to expand retirement coverage by allowing workers to contribute automatically to an individual retirement account through payroll deductions. The idea—which has been introduced as legislation in the House and Senate by a bipartisan group of lawmakers—is aimed exclusively at workers at firms that do not sponsor a retirement plan. The automatic IRA would have employers that do not sponsor a plan and that have more than 10 employees withhold a portion of each employee's pay and forward it to an individual retirement arrangement, much as employers withhold taxes and forward them to the Internal Revenue Service. Employers would receive a temporary tax credit for each employee who participates.

Participation by employees would be voluntary, but automatic enrollment would be used to encourage workers to join. Employers would enroll workers automatically unless the worker opts out, or would have employees elect to be in or out of the program—forcing them at least to make a conscious decision—or it could enroll workers automatically unless they opt out, Iwry said of the proposal, which he and John jointly formulated more than two years ago.

The Iwry-John IRA proposal is online at www.heritage.org/research/socialsecurity/wp20060212.cfm

Resources:

- EBRI: *EBRI May 2008 Policy Forum #62: Defined Contribution Plans in a Post-PPA Environment [Policy forum agenda, speaker biographies, policy forum presentations]:* http://ebri.org/programs/policyforums/index.cfm?fa=pfMay2008
- White House: *President Bush Signs H.R. 4, the Pension Protection Act of 2006:* http://www.whitehouse.gov/news/releases/2006/08/20060817-1.html
- Department of Labor: *The Pension Protection Act of 2006 [Page includes text of legislation, summary, technical explanations, and regulations]:* www.dol.gov/EBSA/pensionreform.html
- Congressional Research Service: *Summary of the Pension Protection Act of 2006:* http://www.opencrs.com/rpts/RL33703_20061023.pdf

EBRI Policy Forum Presentations

Slides of the presentations by speakers at EBRI's May 2008 policy forum are available online:

Stephen Utkus, Vanguard: http://ebri.org/pdf/programs/policyforums/may2008/1-Utkus.ppt

Jack VanDerhei, EBRI: http://ebri.org/pdf/programs/policyforums/may2008/2-Vanderhei.ppt

Allen Steinberg, Hewitt: http://ebri.org/pdf/programs/policyforums/may2008/3-Steinberg.ppt

Christopher Jones, Financial Engines: http://ebri.org/pdf/programs/policyforums/may2008/4-Jones.ppt

Lori Lucas, Callan Associates, Lucas slides: http://ebri.org/pdf/programs/policyforums/may2008/5-Lucas.ppt

David Wray, Profit Sharing/401(k) Council of America: http://ebri.org/pdf/programs/policyforums/may2008/6-Wray.ppt

Nancy Szmolyan, McKinsey & Co.: http://ebri.org/pdf/programs/policyforums/may2008/7-Szmolyan.ppt

Jerry Bramlett, BenefitStreet: http://ebri.org/pdf/programs/policyforums/may2008/8-Bramlett.ppt

Kelli Hueler, Hueler Companies: http://ebri.org/pdf/programs/policyforums/may2008/10-Hueler.ppt

Barbara Marder, Mercer: http://ebri.org/pdf/programs/policyforums/may2008/9-Marder.ppt

New Publications and Internet Sites

[Note: To order U.S. Government Accountability Office (GAO) publications, call (202) 512-6000. To order publications from the U.S. Government Printing Office (GPO), call toll-free (866) 512-1800 or (202) 512-1800.]

Health Care

Mercer. *National Survey of Employer-Sponsored Health Plans, 2007 Survey Report*. Report, $500, Report and tables, $1,000 (tables not sold separately). Mercer Health & Benefits, Attn: Tara Lewis, 1166 Avenue of the Americas, 29th Floor, New York, NY 10036-2708, (212) 345-2451, e-mail: tara.lewis@mercer.com

U.S. Department of Health and Human Services. *Health, United States, 2007 With Chartbook on Trends in the Health of Americans*. $59. Order from GPO.

Pension Plans/Retirement

National Center for Employee Ownership. *Section 401(k) Plans and Employee Ownership*. Fifth Edition (2008). NCEO members, $25; nonmembers, $35. National Center for Employee Ownership, 1736 Franklin St., 8th Floor, Oakland, CA 94612, (510) 208-1300, fax: (510) 272-9510, e-mail: nceo@nceo.org, www.nceo.org

U.S. Government Accountability Office. *Individual Retirement Accounts: Government Actions Could Encourage More Employers to Offer IRAs to Employees*. Order from GAO.

Reference

NAVA. *2008 Annuity Fact Book: A Guide to Information, Trends and Data in the Annuity Industry*. Seventh Edition. NAVA members, $25; nonmembers, $50. National Association for Variable Annuities, 11710 Plaza America Dr., Suite 100, Reston, VA 20190, (703) 707-8830, fax: (703) 707-8831, www.navanet.org

Wellness Programs Sites

AARP
www.aarp.org/money/careers/employerresourcecenter/retention/wellness_programs_keep_workersand_businesseshealth.html

Aetna InteliHealth: Workplace Health
www.intelihealth.com/IH/ihtIH/WSIHW000/20813/20813.html?k=navx408x20813

Employee Wellness Programs
www.managementhelp.org/emp_well/emp_well.htm

Health Enhancement Research Organization
www.the-hero.org/

Healthier Worksite Initiative
www.cdc.gov/nccdphp/dnpa/hwi/index.htm

International Foundation of Employee Benefit Plans
www.ifebp.org/Education/Webcasts/Archive/Health+Care/wellnessprograms.htm

U.S. Department of Health and Human Services
www.workplace.samhsa.gov/

U.S. Department of Labor
www.dol.gov/ebsa/regs/fab2008-2.html

WELCOA: The Wellness Councils of America
www.welcoa.org/

WellSteps ROI Calculator
www.wellsteps.com/resources/resources_tools_roi_cal.php

Web Documents

Are People Claiming Social Security Benefits Later?
www.crr.bc.edu/images/stories/ib_8-7.pdf

The Basics of Health Insurance
www.cahi.org/cahi_contents/resources/pdf/n148BasicsofHealthInsurance.pdf

Change in Reporting Section 404(k) Dividends [Announcement 2008-56]
www.irs.gov/pub/irs-drop/a-08-56.pdf

Employee Health & Productivity Management Programs: The Use of Incentives -- A Survey of Major U.S. Employers
www.incentone.com/files/2008-SurveyResults.pdf

Evidence on the Costs and Benefits of Health Information Technology [A CBO Paper]
www.cbo.gov/ftpdocs/91xx/doc9168/05-20-HealthIT.pdf

The Federal Thrift Savings Plan: A Model for the Private Sector?
www.ici.org/new/ppr_tsp.pdf

The Female Factor 2008: Why Women Are at Greater Financial Risk in Retirement and How Annuities Can Help
www.paycheckforlife.org/uploads/ASR-white_paper_FINAL.pdf

Genetic Information: Legal Issues Relating to Discrimination and Privacy
www.assets.opencrs.com/rpts/RL30006_20080310.pdf

Health Savings Accounts [Notice 2008-59]
www.treas.gov/press/releases/reports/notice200859.pdf

How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007
www.commonwealthfund.org/publications/publications_show.htm?doc_id=688615

Leave Benefits in the United States [Updated May 7, 2008]
www.assets.opencrs.com/rpts/RL34088_20080507.pdf

MetLife Retirement Income IQ Study: A Survey of Pre-Retiree Knowledge of Financial Retirement Issues
www.metlife.com/FileAssets/MMI/MMIStudiesRetirementIQ.pdf

Present Law and Analysis Relating to Individual Retirement Arrangements
www.house.gov/jct/x-53-08.pdf

Check Out EBRI's Web Site!

EBRI's Web site is easy to use and packed with useful information!

Look for these special features:

- EBRI's entire library of research publications starts at the main Web page. Click on *EBRI Issue Briefs* and *EBRI Notes* for our in-depth and nonpartisan periodicals.
- To get answers to many frequently asked questions about employee benefits, click on Benefit FAQs.
- EBRI's reliable health and retirement surveys are just a click away through the topic boxes at the top of the page.
- Instantly get e-mail notifications of the latest EBRI data, surveys, publications, and meetings and seminars by clicking on the Sign Up for Updates box at the top of our home page.

There's lots more!
Visit EBRI on-line today: www.ebri.org

EBRI Employee Benefit Research Institute

Employee Benefit Research Institute
1100 13th Street NW, Suite 878, Washington, DC 20005-4051
Phone: (202) 659-0670 / Fax: (202) 775-6312 / E-Mail: info@ebri.org

EBRI Notes

EBRI Employee Benefit Research Institute Notes (ISSN 1085–4452) is published monthly by the Employee Benefit Research Institute, 1100 13th St. NW, Suite 878, Washington, DC 20005-4051, at $300 per year or is included as part of a membership subscription. Periodicals postage rate paid in Washington, DC, and additional mailing offices. POSTMASTER: Send address changes to: *EBRI Notes*, 1100 13th St. NW, Suite 878, Washington, DC 20005-4051. Copyright 2008 by Employee Benefit Research Institute. All rights reserved, Vol. 29, no. 7.

Who we are

The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms.

What we do

EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media, and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants.

Our publications

EBRI Issue Briefs are periodicals providing expert evaluations of employee benefit issues and trends, as well as critical analyses of employee benefit policies and proposals. ***EBRI Notes*** is a monthly periodical providing current information on a variety of employee benefit topics. EBRI's ***Pension Investment Report*** provides detailed financial information on the universe of defined benefit, defined contribution, and 401(k) plans. EBRI ***Fundamentals of Employee Benefit Programs*** offers a straightforward, basic explanation of employee benefit programs in the private and public sectors. The ***EBRI Databook on Employee Benefits*** is a statistical reference work on employee benefit programs and work force-related issues.

Orders/ subscriptions

Contact EBRI Publications, (202) 659-0670; fax publication orders to (202) 775-6312. Subscriptions to *EBRI Issue Briefs* are included as part of EBRI membership, or as part of a $199 annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. Individual copies are available with prepayment for $25 each (for printed copies). ***Change of Address:*** EBRI, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051, (202) 659-0670; fax number, (202) 775-6312; e-mail: subscriptions@ebri.org ***Membership Information:*** Inquiries regarding EBRI membership and/or contributions to EBRI-ERF should be directed to EBRI President/ASEC Chairman Dallas Salisbury at the above address, (202) 659-0670; e-mail: salisbury@ebri.org

EBRI Notes is registered in the U.S. Patent and Trademark Office. ISSN: 1085−4452 1085−4452/90 $ .50+.50