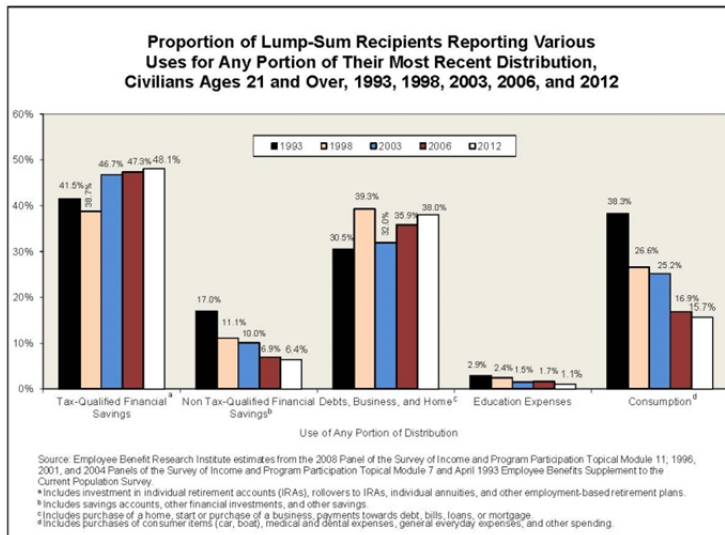


More Saving—Not Spending—That Retirement Plan Distribution

While concerns remain about individuals spending their retirement savings prior to retirement, more workers appear to be saving—not spending—their retirement plan distributions, according to an analysis by the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI analysis notes that, among those who, in 2012 reported ever having received a distribution, nearly half (48.1 percent) reported rolling over at least some of their most recent distribution to tax-qualified saving (another employment based plan or an individual retirement account (IRA)).



Furthermore, among those who received their most recent distribution through 2012, the percentage who used any portion of it for consumption was also lower, at 15.7 percent (compared with 25.2 percent of those whose most recent distribution was received through 2003 and 38.3 percent through 1993), according to an analysis of recently released data from the U.S. Census Bureau (The Pension and Retirement Plan Coverage Topical Module 11 of the 2008 Survey of Income and Program Participation (SIPP)) which includes lump-sum distribution (LSD) data for individuals through March 2012.

The research, which updates prior studies on LSDs done by EBRI, notes that there was an uptick in the percentage of recipients through 2012 who used their lump sum for debts, business, and home expenses, and a decrease in the percentage in savings, other than employment-based plans or IRAs relative to distributions through 2006.

On the other hand, the percentage of lump-sum recipients who used the entire amount of their most recent distribution either for another employment-based plan or an IRA has increased sharply since 1993: well over 4 in 10 (45.2 percent) of those who received their most recent distribution through 2012 did so, compared with 19.3 percent of those who received their most recent distribution through 1993.

“Lump-Sum Distributions at Job Change, Distributions Through 2012”, published in the November 2013 *EBRI Notes*, is available [online here](#).

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