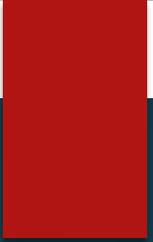


Outcomes Oriented?

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Does Plan Design Help
Participants Make Better
Decisions?

The PPA's Impact

- ▶ Automatic enrollment
- ▶ Contribution acceleration
- ▶ QDIAs

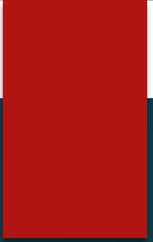


Automatic Adoptions

Do you use automatic enrollment?

		Plan Size								
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
Yes	40.8%	21.4%	24.2%	34.7%	45.5%	49.5%	55.5%	53.8%	64.5%	61.4%
No	52.9%	55.1%	63.6%	60.9%	52.1%	49.3%	44.0%	46.2%	34.9%	36.7%
Unsure	6.2%	23.5%	12.2%	4.4%	2.4%	1.1%	0.4%	0.0%	0.6%	1.9%

Source: 2013 PLANSPONSOR DC Survey



Why Not More?

Stepping Up?

Does your plan offer “auto escalation” (i.e., automatic deferral increases)?

		Plan Size								
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
Yes	26.9%	10.6%	12.7%	19.1%	25.9%	35.2%	38.3%	44.3%	51.2%	54.2%
No	62.3%	51.1%	68.9%	72.8%	68.4%	60.1%	59.1%	54.2%	48.2%	42.9%
Unsure	10.8%	38.3%	18.4%	8.1%	5.7%	4.8%	2.6%	1.4%	0.6%	2.9%

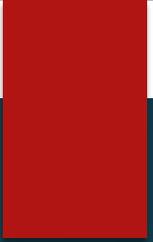
Source: 2013 PLANSPONSOR DC Survey

A Prospective Perspective

When you implemented auto enrollment, which employee groups were included in the rollout?

	Plan Size									
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
New / future employees	87.9%	73.3%	81.5%	86.9%	89.9%	87.1%	89.2%	90.8%	97.2%	92.5%
Existing employees not enrolled in plan	26.8%	33.3%	31.1%	26.1%	26.4%	28.6%	25.4%	28.3%	19.6%	21.4%
Existing employees enrolled in plan but contributing below the auto-deferral rate (opt-out auto-boost)	11.0%	5.6%	6.3%	9.9%	13.5%	12.9%	12.2%	14.7%	10.3%	9.1%
Existing employees enrolled in plan but not invested in the QDIA (opt-out re-enrollment)	2.1%	2.2%	1.0%	1.8%	1.4%	3.9%	0.5%	3.8%	3.7%	3.2%
Other	6.2%	10.0%	7.7%	7.2%	5.6%	6.7%	5.3%	3.8%	3.7%	6.4%

Source: 2013 PLANSPONSOR DC Survey



Why Are We Leaving
Them “Behind?”



What About Outcomes?

How confident are you that most of your organization's employees will achieve their retirement income goals by age 65?

		Plan Size								
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
Very confident	3.0%	7.0%	2.4%	1.4%	4.0%	1.6%	2.4%	4.3%	4.5%	2.5%
Confident	9.0%	8.9%	9.4%	8.8%	8.0%	9.5%	7.6%	9.0%	10.9%	11.8%
Somewhat confident	32.5%	25.7%	27.9%	32.6%	32.7%	31.6%	37.3%	36.8%	35.5%	38.4%
Only a little confident	28.6%	22.0%	27.9%	33.1%	28.9%	30.9%	29.5%	25.6%	30.0%	27.1%
Not at all confident	20.4%	24.3%	23.7%	15.0%	21.4%	23.0%	19.3%	22.6%	15.5%	11.8%
Unsure	6.4%	12.1%	8.8%	9.1%	5.0%	3.3%	3.9%	1.7%	3.6%	8.4%

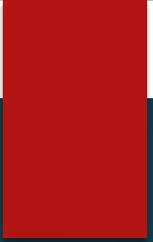
How important is it to you/your organization that your plan provide retirement income solutions to participants?

		Plan Size								
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
Very important	41.1%	40.6%	39.5%	43.6%	47.7%	46.7%	33.8%	40.5%	43.6%	34.7%
Important	36.8%	24.5%	38.8%	37.1%	36.4%	35.5%	43.0%	33.6%	34.5%	36.6%
Somewhat important	16.9%	23.1%	17.1%	15.0%	11.5%	14.8%	18.8%	20.3%	15.5%	22.3%
Not at all important	2.7%	4.2%	1.8%	1.7%	2.9%	2.3%	2.8%	3.9%	4.5%	3.5%
Unsure	2.4%	7.5%	2.8%	2.5%	1.5%	0.7%	1.5%	1.7%	1.8%	3.0%

Which of the following (if any) income-oriented products/services do you offer in your plan?

	Plan Size									
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
In-plan annuities/income products offering guarantees	8.6%	6.2%	6.7%	7.6%	7.9%	7.7%	11.6%	9.2%	15.7%	10.7%
In-plan annuities NOT offering guarantees	5.3%	1.9%	3.2%	5.3%	5.5%	6.4%	6.8%	8.3%	4.6%	7.6%
Other (i.e., non-annuity) in-plan income products NOT offering guarantees (i.e., managed payout funds, etc.)	5.9%	1.4%	4.6%	5.0%	4.5%	5.4%	6.8%	11.4%	8.3%	10.7%
Unsure what type of income product(s) are offered	24.0%	38.1%	33.6%	29.2%	27.9%	22.4%	14.2%	10.9%	7.4%	8.6%
NONE - we do not offer any income-oriented products/services	60.2%	52.9%	54.5%	55.8%	57.9%	62.5%	66.1%	67.2%	69.4%	70.1%

Source: 2013 PLANSPONSOR DC Survey

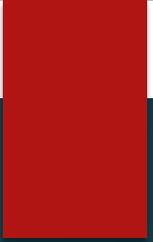


What Gets
Measured...Matters

Which of the following measures do you use to gauge the success of your DC plan?

	Plan Size									
	Overall	<\$1MM	\$1MM-\$5MM	\$5MM-\$10MM	\$10MM-\$25MM	\$25MM-\$50MM	\$50MM-\$200MM	\$200MM-\$500MM	\$500MM-\$1B	>\$1B
Participation rate	68.4%	41.1%	58.0%	69.7%	74.7%	73.4%	77.3%	78.9%	81.0%	80.3%
Deferrals of various employee segments (e.g., highly vs. non-highly compensated)	34.1%	13.2%	23.3%	34.3%	42.2%	42.4%	41.3%	38.9%	42.3%	43.6%
% of participants saving to match	28.4%	16.5%	23.6%	23.1%	29.0%	28.5%	32.7%	38.0%	39.9%	45.6%
Projected monthly retirement income (i.e., \$X per month in retirement)	4.4%	2.6%	2.9%	2.6%	3.1%	4.1%	5.9%	6.7%	9.2%	11.1%
Projected retirement income replacement	6.1%	3.5%	2.5%	3.0%	5.2%	6.3%	8.8%	9.6%	11.7%	18.4%
% of participants with "appropriate" Asset allocations (i.e., close to target-date fund glide path, etc.)	15.5%	6.5%	5.3%	10.0%	14.7%	18.2%	23.4%	27.5%	30.1%	36.7%
% of participants who increased deferral rates in the prior 12 months	9.1%	3.9%	6.3%	9.0%	10.8%	8.8%	11.6%	11.1%	15.3%	12.8%
% of participants using advice tools/seminars offered through the plan	10.7%	3.0%	4.6%	7.7%	11.8%	11.9%	14.6%	18.1%	22.7%	22.3%
Employee satisfaction surveys	20.1%	14.2%	19.4%	22.1%	23.1%	19.3%	20.2%	19.3%	20.2%	21.6%
External/competitive benchmarking of plan design	25.8%	6.7%	14.9%	23.0%	27.4%	30.9%	34.4%	37.1%	42.9%	45.2%
Have no formal plan success measures.	25.8%	50.1%	36.4%	24.6%	22.1%	19.3%	16.5%	15.5%	13.5%	14.1%

Source: 2013 PLANSPONSOR DC Survey



Can plan sponsors be
“nudged” to make
“better” choices?

SHOULD they?

