

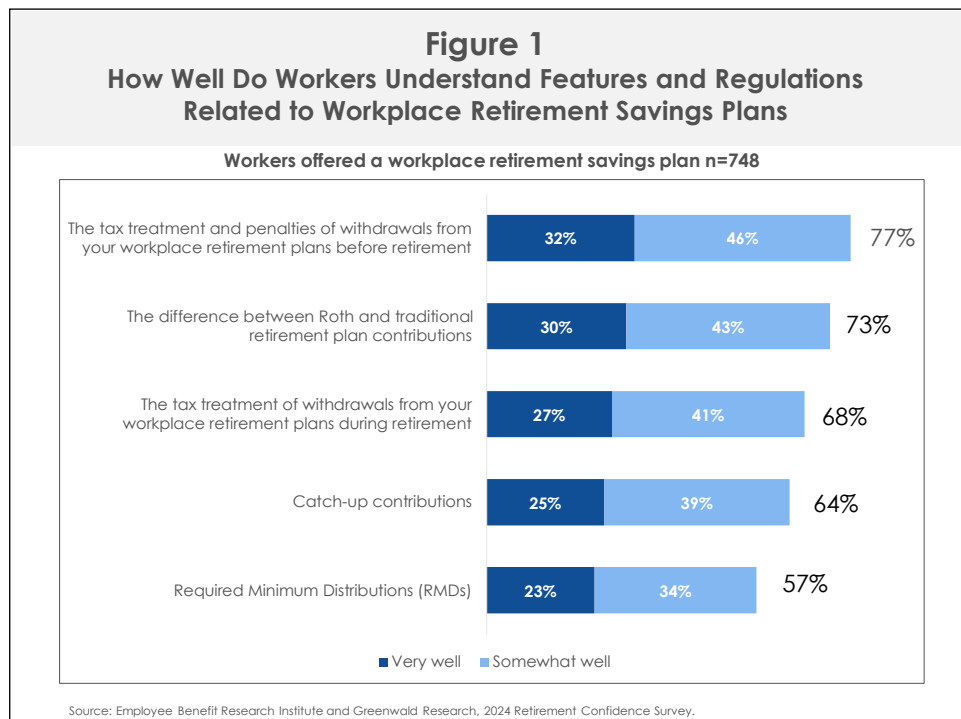
2024 RCS FACT SHEET #6

WORKPLACE RETIREMENT SAVINGS PLANS

What do workplace retirement savings plan participants think would best improve the plans? What actions have participants taken in these plans? Do participants understand the regulations surrounding workplace plans?

Understanding Regulations of Retirement Savings Plans

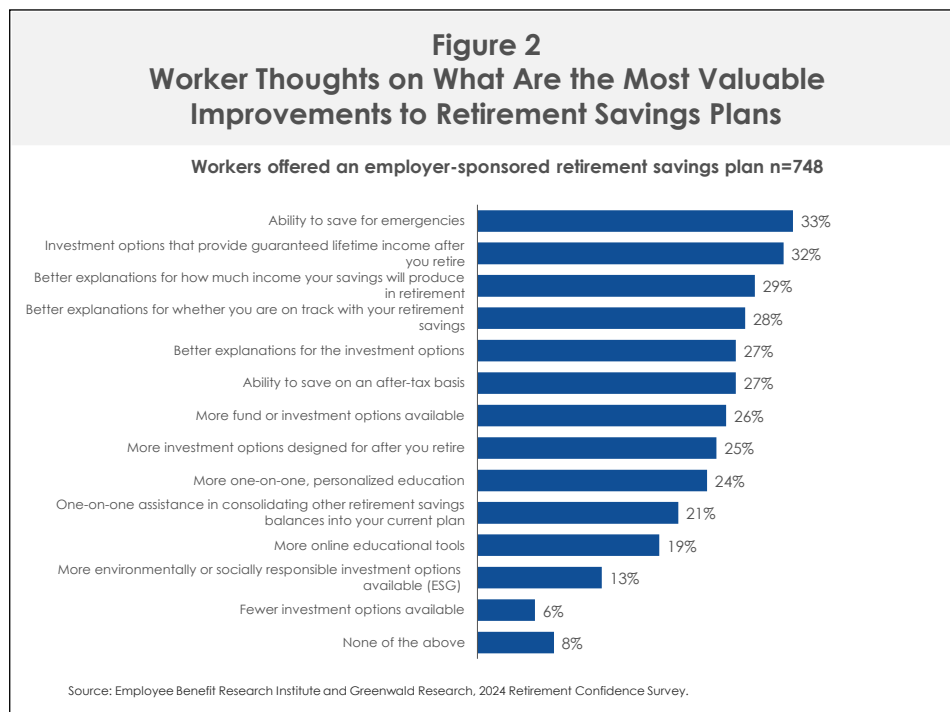
Of workers offered a workplace retirement savings plan, 77 percent say they understand the tax treatment and penalties of withdrawals from their workplace retirement plans before retirement at least somewhat well (Figure 1). Furthermore, 73 percent say they understand the difference between Roth and traditional retirement plan contributions, and 68 percent say they understand the tax treatment of withdrawals during retirement. Less than two-thirds say they understand catch-up contributions (64 percent) and required minimum distributions (57 percent).



Improvements to Retirement Savings Plans

When workers who are offered a workplace retirement savings plan are asked what the most valuable improvements to their workplace retirement savings plan are, the most cited improvements are the ability to save for emergencies (33 percent) and

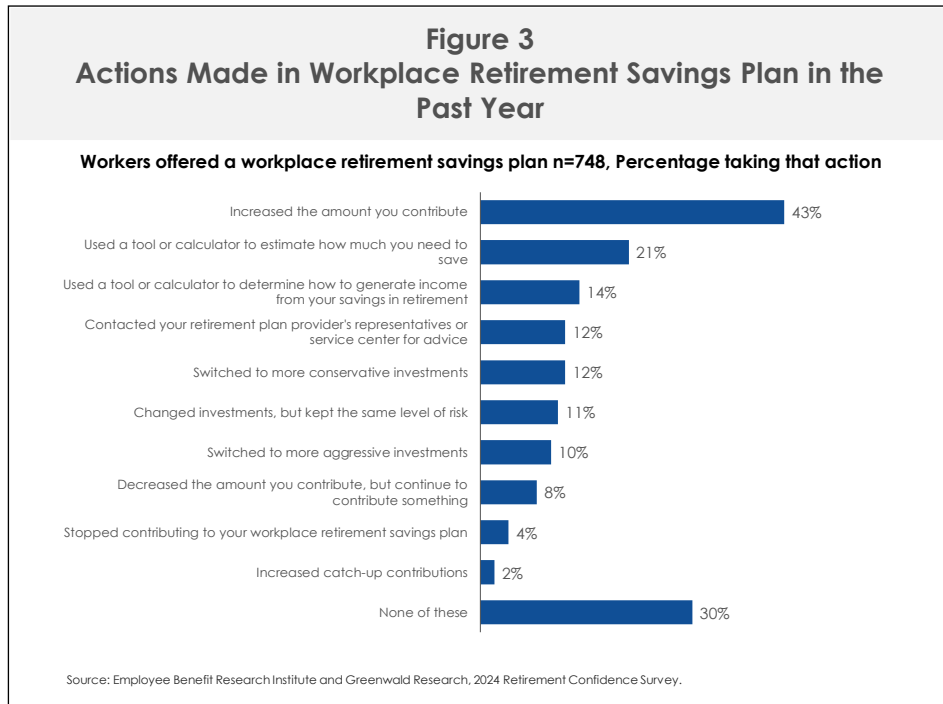
investment options that provide guaranteed lifetime income after they retire (32 percent). A number of suggested improvements are just below those two, such as better explanations for how much income their savings will produce in retirement (29 percent); better explanations for whether they are on track with their retirement savings (28 percent); better explanations for the investment options (27 percent); the ability to save on an after-tax basis (27 percent); more fund or investment options available (26 percent); more investment options designed for after they retire (25 percent); and more one-on-one, personalized education (24 percent). About one in five of these workers also cite one-on-one assistance in consolidating other retirement savings balances into their current plan (21 percent) and more online educational tools (19 percent). More environmental, social, and governance (ESG) investment options available (13 percent) and fewer investment options (6 percent) are the least often cited improvements. Eight percent of these workers choose none of the choices (Figure 2).



Actions Made in Workplace Savings Plans in the Past Year

Forty-three percent of workers who are offered a workplace retirement savings plan report having increased their contributions in the past year, while 8 percent say they decreased the amount they contributed but continued to contribute and another 4 percent say they stopped contributing (Figure 3). Among the other actions offered, 21 percent report using a tool or calculator to estimate how much they need to save, 14

percent say they used a tool or calculator to determine how to generate income from their savings in retirement, 12 percent say they contacted their retirement plan provider's representatives or service center for advice, and 12 percent of these workers report having switched to more conservative investments. However, 30 percent say they did none of these actions in the past year.



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