

New study reflects plan sponsors' sense of responsibility to participants—and retirees

T. Rowe Price's latest research, **Human Resources Perspectives: A Survey of Larger 401(k) Plans**, offers a human resources and benefits professionals viewpoint of how they are helping participants prepare for retirement.

401(k) plans have many moving parts that work together to help create successful outcomes for participants. A few of the study's key findings reveal insight into how plans perceive their roles and what mechanisms they're implementing to help them reach their plan goals.



PLAN SPONSORS CARE

99% agree (a great deal/somewhat) that they have a duty to help prepare employees for retirement

64% say enabling employees to retire at their preferred retirement date is a major plan goal



PLAN SERVICES REFLECTS THIS CARE

48% of plan sponsors have a metric to track retirement preparedness of employees

58% offer auto-increase of employee deferrals, and another **11%** expect to add it over the next two years



PLAN SPONSORS SEE AN EVOLVING WORKFORCE: RETIREES WHO "REMAIN"

41% assert that helping retired employees manage the income from their 401(k) plan is a major goal

Plans Look To Curb Withdrawals Prior To Retirement

70% of plans consider leakage* a major or minor problem

58% of those plan sponsors who indicate leakage is a major/minor problem offer a financial wellness program to help participants manage finances more successfully (which does not include individualized financial counseling) to address leakage.*



RETIREMENT PREPAREDNESS

64% of plan sponsors feel somewhat/much better about the retirement preparedness of their 401(k) participants today, compared to two years ago.



DISTRIBUTION FLEXIBILITY FOR RETIREES

52% of plans offer terminated participants a periodic withdrawal program (allows retirees to access their 401(k) as part of their income plan).



SATISFACTION WITH TARGET DATE FUNDS

Of the **83%** of plans that offer target date investments **96% to 98%** are satisfied with the various types of target date funds, of which about **60%** rate their satisfaction as very satisfied.

To learn more, see our First Finding summaries as well as the full white paper. Then talk to your T. Rowe Price representative to see how we can help.

Conducted by Brightwork Partners for T. Rowe Price from September 8 through November of 2016. Executives in human resources, employee benefits, and plan administration were surveyed for 401(k) plans with assets over \$100 million, including plans over \$1 billion. A total of 269 plan sponsors were surveyed either by phone or online from 9/8/2016 to 11/15/2016.

*Due to defaults on plan loans, hardship withdrawals, and cash-outs.