

Employee Benefits & Workplace Retirement Programs

Presented for:
United States Senate Staff

Presented by:
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Plan Sponsor Council of America

- **About PSCA**

- The Voice of the Plan Sponsor since 1947
 - Non-partisan 501(c)(6)
 - 401(k)/Profit Sharing, 403(b), NQDC, & HSAs
 - 750+ Micro to Jumbo employer organizations
- Value provided to members
 - Independent legal and legislative advocacy
 - Independent research and publications
 - Independent education and training
- Prior legislation and regulatory involvement
 - EGTRRA of 2001 (Saver's Credit)
 - Pension Protection Act of 2006
 - 2016 Fiduciary Regulation
- Founding member of Save Our Savings (SOS)



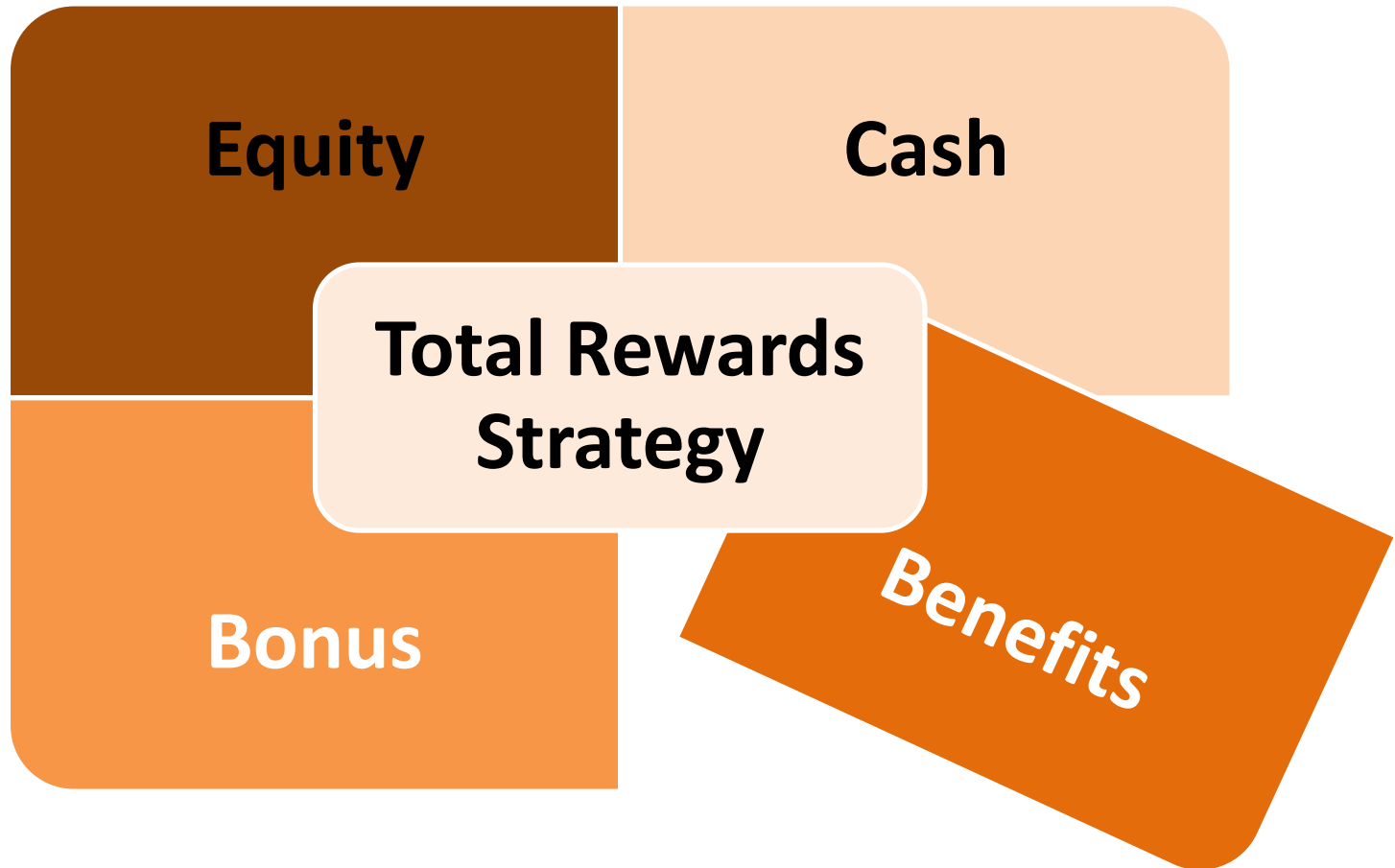
About Discussion

Our Purpose Today

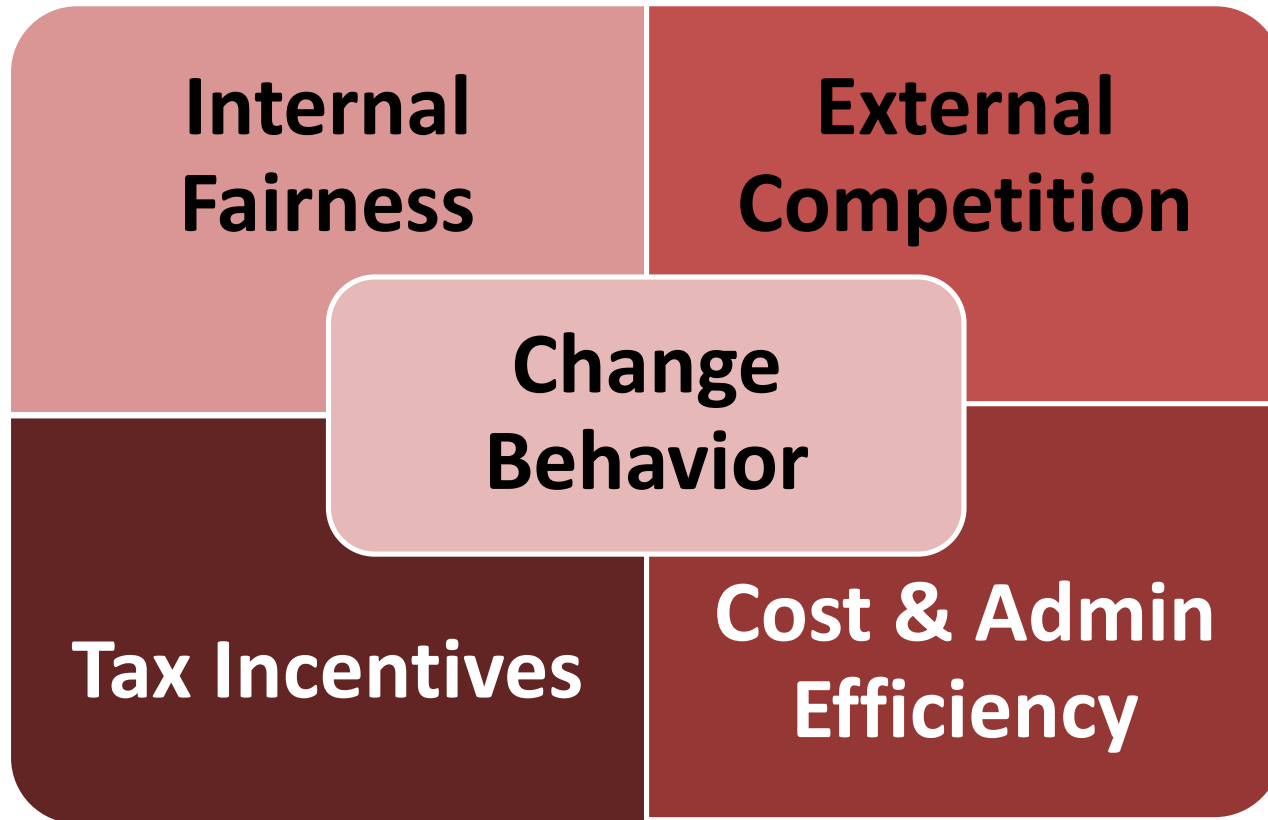
Briefly explain the role of employee benefits and workplace retirement programs – and the role of tax incentives for retirement savings – in the context of proposals that may be considered by Congress in tax reform.



Workplace Total Rewards



Employer's Rationale



Employee's Rationale

Participation Drivers

- Commitment to Forced Savings
- Supplemental Retirement Income
- **Employer Match**
- **Pre-Tax Deferral**
- **Tax-Deferred Growth**
- **Saver's Credit**
- **Catch-Up Deferrals**
- Ease of Payroll Deduction
- Belief in Employer's Oversight



**Remember: Changes in federal tax incentives
could equate to changes in state tax incentives.**

PSCA Survey Data

Employer Contributions

- 91.1% of companies made the match.
- 77.6% of companies made the non-matching contributions.
- The average employer contribution is 4.7% of pay.

Employee Contributions

- 87.6% of eligible participants have an account balance.
- 81.9% of participants made contributions.
- Average deferral rate for all employees was 6.8% of pay.
- Average deferral rate for NHCEs was 5.8% of pay.



PSCA Survey Data

Percent of 401(k) Plans with Automatic Enrollment Over Time

	2003	2005	2007	2009	2011	2013	2015
Percentage	8.4%	16.9%	35.6%	38.4%	45.9%	50.2%	57.5%

Auto-Enrolled Participants Opting Out of 401(k) Plan

	1-49	50-199	200-999	1,000-4,999	5,000+	All Plans
Average Percentage	2.5%	8.5%	5.2%	7.6%	7.6%	6.8%

Default Deferral Percentage in 401(k) Plans with Auto-Enroll

	1%	2%	3%	4%	5%	6%+
Average Percentage	2.4%	4.8%	41.4%	17.6%	13.3%	20.5%

PSCA Survey Data

401(k) Plans With Catch-Up Contribution Feature

All Plans	1-49	50-199	200-999	1,000-4,999	5,000+	All Plans
Allow Participant Contributions	93.4%	96.1%	95.1%	94.3%	97.0%	95.2%
Match Participant Contributions	48.0%	54.6%	45.3%	35.8%	44.6%	45.6%
Eligible Participants Making Catch-Up Contributions	47.5%	29.8%	25.4%	21.7%	21.5%	29.6%

401(k) Plans With Roth Feature

	2007	2009	2011	2013	2015
Percentage of Plans	30.3%	41.3%	49.0%	58.2%	59.9%
Participant Usage	12.6%	13.0%	17.4%	19.2%	20.1%

PSCA Survey Data

401(k) Plans Using Suggested Savings Rates

	1-49	50-199	200-999	1,000-4,999	5,000+	All Plans
Percentage of Plans	25.0%	32.5%	30.8%	34.5%	19.8%	29.1%

Savings Rate Suggested by 401(k) Plan

	3% or Less	4-5%	6%	7-9%	10%	10%+	Other
Percentage of Plans	7.4%	1.2%	0.6%	17.8%	28.2%	16.6%	8.6%

Employer Offers Comprehensive Financial Wellness Program

	1-49	50-199	200-999	1,000-4,999	5,000+	All Plans
Percentage of Plans	9.5%	7.9%	15.2%	24.4%	35.1%	17.8%



Thank You.

Questions?

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