

## QUESTIONNAIRE

# DO YOU KNOW THE DIFFERENT TYPES OF WORKPLACE RETIREMENT PLANS?



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**Different strokes for different folks. Learn more about your retirement plan and compare with your industry peers.**

The three primary plan types are private, non-profit and public. Each entity has slightly different rules and its own nuanced provisions. However, generally speaking, the long-term goal for all retirement plans is to help your employees save through an efficient tax-advantaged strategy.

### 1 Is your company private, non-profit or public sector?

Private companies including employers that are not state or local governments.

Non-profit sectors including churches, schools, hospitals, organizations and charities that are tax-exempt under 501(c)3.

Public sectors including state and local governments.

### 2 What type of retirement plan does your company offer?

Of employers with retirement plans:

- 88% offer a 401(k).
- 10% offer a 403(b).
- 10% offer a 457 plan.

\*Of employers that offer one or more retirement plan

### 3 What is your plan's participation rate? %

- 80% is the average participation rate.

If your plan is higher than 80%, good work!

If it is lower, have you considered auto-enrollment or a re-enrollment campaign to boost participation?

### 4 Ballpark, what is your plan's average account balance?

- \$108,510 was the average account balance as of 6/30/2020.
- It is estimated that employees will need 10 - 15x of their annual salary in retirement.
- One strategy to help employees save more over time is auto-escalation.
- Of plans with auto-escalation, the most popular increase rate is 1% per year up to a 10% deferral.

### 5 At what age can employees access their retirement savings without penalty?

- For private companies, the age is 59½.
- For non-profit entities, the age is 59½.
- For government employees, the age is 55.

## 6 Do you believe your employees will achieve their retirement goals by age 65?

- 36% say YES!
- Nearly 7 out of 10 employers believe they have a responsibility to improve the financial wellness of their employees. When employers offer a financial wellness program, 75% believe they are useful.

If you are looking for financial wellness resources, contact us to discuss employee education resources.

## 7 Which retirement plans allow for larger contributions?

- Profit Sharing, Cash Balance, Non-Qualified Deferred Compensation, Defined Benefit / Pension and Equity Compensation are some of the plans that allow for contributions in excess of \$19,500 per year.

Knowing the different types of workplace retirement plans available is important, so when the time comes for you to offer a plan for your employees, you can choose the best one for your organization. As you can see, there are not only a number to choose from, but many of the plans offer different plan options to consider.

## 8 At what age must former employees begin drawing down required minimum distributions (RMDs)?

- For private companies, non-profit and government entities, the age is 72.

If your plan has older, former employees, you may want to consider a missing participant clean-up exercise. This is where you find and alert those employees about their active account balance and share ways they can roll out their retirement savings. A clean retirement plan may help to reduce administration requirements.

## 9 How frequently do you meet to discuss your workplace retirement plan?

- 42% meet quarterly.
- 13% meet twice a year.
- 31% meet once a year.

If you meet less frequently or think that you should meet more often, let us know! We are happy to set up a conversation.

**WONDERING WHICH PLAN IS  
BEST FOR YOU? WE'RE HERE  
TO HELP. CONTACT US TO  
SCHEDULE A CONSULTATION!**



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