

# 2009 401(k) Benchmarking Survey Consumer & Industrial Products



Administered against the backdrop of unprecedented economic challenges, the 2009 401(k) Benchmarking Survey sheds light on the collective “frame of mind” of employers. To further this analysis, the following represents industry segmentation of 401(k) plan activity based on employers surveyed as well as a comparison to national averages. While in certain circumstances the economy has forced the hand of some plan sponsors to take action, for the majority of surveyed employers, plan designs have remained relatively consistent.

Two hundred fifty four (254) surveys were completed from companies within the Consumer & Industrial Products industry, representing 42% of the total respondents.

## Demographics

**Exhibit 1. Participants by region**

	Industry	National
Midwest	43%	41%
South	24%	22%
Northeast	20%	21%
West	13%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 2. Average age of participants**

	Industry	National
< 30 years	3%	2%
31 - 40 years	27%	28%
41 - 50 years	68%	67%
51+ years	2%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 3. Average length of service of participants**

	Industry	National
1 - 5 years	21%	24%
6 - 10 years	45%	44%
11 - 15 years	24%	24%
16 - 20 years	8%	6%
21 - 25 years	2%	2%
26+ years	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Automatic enrollment

**Exhibit 4. Automatic enrollment feature in place**

	Industry	National
Yes, satisfies safe harbor conditions defined by the Pension Protection Act of 2006	33%	30%
Yes, does not satisfy the safe harbor conditions defined by the Pension Protection Act of 2006	18%	17%
Yes, unsure of safe harbor conditions	5%	5%
No, we never had it	29%	33%
No, we discontinued it	1%	1%
No, but considering it	14%	14%
No, we were unaware of this feature	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 5. Default deferral percentage**

	Industry	National
2% or less	16%	16%
3%	61%	60%
4%	9%	11%
5%	4%	4%
6% or more	10%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 6. Default investment election**

	Industry	National
Principal Preservation (stable value, money market, etc.)	6%	9%
Balanced Fund	12%	10%
Lifestyle Fund (risk based)	16%	12%
Lifecycle / Target Retirement Date Fund	64%	65%
Managed Account	2%	3%
Other	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Easy enrollment

**Exhibit 7. Easy enrollment feature in place**

	Industry	National
Yes	18%	15%
No, we never had it	57%	64%
No, we discontinued it	5%	3%
No, but considering it	13%	11%
No, we were unaware of this feature	7%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 8. Population targeted for easy enrollment**

	Industry	National
New hires only	41%	39%
Entire population	42%	49%
Other	17%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Step-ups

**Exhibit 9. Step-up contribution feature in place**

	Industry	National
Yes	44%	42%
No	35%	41%
No, but considering it	17%	13%
No, we were unaware of this feature	2%	2%
Other	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 10. Elective or automatic**

	Industry	National
Elective	56%	58%
Automatic for some or all participants	44%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 11. Incremental step-up percentage**

	Industry	National
1%	65%	65%
2%	1%	2%
Other percentage	2%	1%
Employee's choice	32%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Employee contributions

**Exhibit 12: HCE average deferral percentage**

	Industry	National
< 4%	12%	10%
4 - 5.99%	22%	19%
6 - 7.99%	41%	47%
8% or more	25%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 13: NHCE average deferral percentage**

	Industry	National
< 4%	28%	21%
4 - 5.99%	33%	37%
6 - 7.99%	27%	28%
8% or more	12%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 14: Roth 401(k) feature**

	Industry	National
Yes	22%	31%
No	78%	69%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Employer contributions

**Exhibit 15: Service requirement for employer matching contribution**

	Industry	National
Immediate	53%	57%
Less than 1 year	12%	14%
1 year	28%	24%
Other	7%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 16: Service requirement for profit sharing**

	Industry	National
Immediate	34%	31%
Less than 1 year	11%	16%
1 year	48%	44%
Other	7%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 17: Change in company's matching formula in the past year**

	Industry	National
Yes, we have	22%	17%
No, and we are not considering any changes	62%	68%
No, but we are considering	16%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 18: Yes, changed company's matching formula in the past year**

	Industry	National
Yes, we have		
Increased match	23%	28%
Instituted safe harbor	12%	13%
Suspended/discontinued	42%	29%
Decreased match	28%	27%
Instituted discretionary	5%	5%
Instituted other formula/design changes	5%	10%

**Exhibit 19: No, did not change company's matching formula in the past year**

	Industry	National
No, but we are considering		
A change to increase match	7%	10%
A change to institute safe harbor	17%	14%
A change to decrease match	47%	32%
Suspending/discontinuing match	50%	45%
A change to institute discretionary	10%	8%
Other formula/design changes	10%	16%

## Investments

**Exhibit 20. Investment vehicles utilized**

	Industry	National
Annuities	6%	8%
Collective trust funds	36%	28%
Mutual funds	91%	91%
Separate accounts	22%	21%
Other	9%	10%

**Exhibit 21. Managed accounts offered**

	Industry	National
Yes	24%	26%
No	65%	65%
No, but considering it	10%	8%
No, unaware of this feature	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Plan effectiveness

**Exhibit 22. 401(k) as an effective employee recruitment tool**

	Industry	National
Yes	74%	79%
No	26%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 23. 401(k) as an effective employee retention tool**

	Industry	National
Yes	64%	68%
No	36%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 24. Generational segmentation considered**

	Industry	National
Yes	37%	37%
No	63%	63%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 25. Financial counseling availability**

	Industry	National
Yes, to all participants	47%	50%
Yes, to some participants	5%	4%
No	42%	41%
No, but we are in the process of implementing this feature	6%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Provider relationship

**Exhibit 26. Provider structure**

	Industry	National
Bundled	77%	75%
Alliance	10%	10%
Unbundled	13%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 27. Fees at risk or additional services provided for maintaining service and performance levels**

	Industry	National
Yes	45%	42%
No	35%	34%
Dont know	20%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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