



## News Release

### **Deloitte Survey: Innovative Tools and Approaches Drive Employee Engagement in Saving for Retirement**

*Plan sponsors and providers are focusing on “ease of use” for participants*

**NEW YORK, Aug. 11, 2014**—Enhanced offerings to make it easier for employees to save for retirement, combined with the growing economy, have stimulated employee contribution rates and account balances, according to Deloitte’s 14<sup>th</sup> [“Annual Defined Contribution Benchmarking Survey.”](#) Plan sponsors and providers surveyed have invested nearly across the board in expanding offerings to engage employees, from automatic enrollment and step-up contributions, to individual financial counseling and mobile transaction processing. The number of plans offering step-up contributions increased substantially from 46 percent or respondents last year to 62 percent in 2015, and mobile transaction processing is now available for 59 percent of plans surveyed (up from 52 percent in 2013-14 and 25 percent in 2012).

“Defined contribution plans, both 401(k) and 403(b), increasingly represent the primary source of retirement savings for employees,” said Stacy Sandler, principal, human capital, Deloitte Consulting LLP. “Our research shows us that there is no single solution to engaging employees, and new, creative methods are critical to address the varied needs of retirement plan participants. It is imperative for plan sponsors and providers to continue to work together in developing and offering these tools that make it easier for employees to save and plan for their future retirement.”

This year’s survey, conducted with the International Foundation of Employee Benefit Plans (IFEBC) and the International Society of Certified Employee Benefit Specialists (ISCEBS), found that 40 percent of plan sponsors surveyed indicated the No. one reason for employee plan participation this year was the personal desire to save for retirement, surpassing last year’s top reason of taking advantage of the company match. Although only 19 percent of plan sponsors surveyed still feel “most” employees are or will be ready for retirement, average account balances of participants grew in 2015 to \$99,011, up almost 4 percent from \$95,227 in 2013-14. Employee contribution rates also increased, with the median actual deferral percentage for non-highly compensated employees rising to 5.9 percent, a 13 percentage point increase over last year.

#### **Cyber Security Confidence**

Recent high profile data breaches have focused the attention of many plan sponsors towards cyber security. Fifty-five percent of surveyed plan sponsors have reviewed their retirement plan provider’s cyber security policy and procedures within the past year, with an additional 25 percent conducting a review in the past one to five years. Confidence in cyber security policies is high with 89 percent of respondents either “very” or “somewhat confident.” “Cyber security is top of mind for nearly all organizations and our survey shows a high level of confidence among plan sponsors that their providers have the necessary policies and procedures in place to protect sensitive information, which is encouraging news for plan participants,” said Sandler.

#### **Raising Awareness through Education**

Year over year, the research has found there is no single answer to how to best to engage employees in saving for retirement. Lack of awareness or understanding was the leading reason for why employees do not participate, cited by 34 percent of employers surveyed. To address this concern, plan sponsors and providers are using multiple tactics to customize, target, and deliver messaging to encourage retirement savings and raise awareness of the amount of income needed in retirement. The highest rated approaches utilized were

general and multiple communications/education at 83 percent (up from 73 percent in 2013-14), followed by targeted communications at 68 percent, up from 56 percent in 2013-14. Group meetings remained in the top three at 66 percent, up from 60 percent in 2013-14.

### **The Power of the Match**

As a top reason for plan participation, second only to personal desire to save for retirement, the match remains a critical retirement plan engagement tool for employees. Consistent with findings over the last three years, the survey showed nearly all plan sponsors (94 percent) surveyed are offering some form of matching or profit-sharing contribution in their defined contribution plans, with 6 percent increasing the match. For the first time in five surveys dating back to 2009, 100 percent of respondent plan sponsors with discretionary matching reported making the matching contributions.

“Our research highlights that while employee engagement is increasing, plan sponsors should continue to evaluate new methods of stimulating interest in saving for retirement,” said Michael Wilson, chief executive officer, IFEBP and ISCEBS. “It’s critical that participants gain a clear picture of the savings they will need to meet their individual retirement goals—and it’s just as important for plan sponsors to do all they can to help their participants prepare for their retirement.”

To download a copy of the report visit “[Annual Defined Contribution Benchmarking Survey](#).”

### **About the Survey**

Deloitte’s 2015 “Annual Defined Contribution Benchmarking Survey” was conducted electronically in conjunction with the International Foundation of Employee Benefits Plans and the International Society of Certified Employee Benefit Specialists. The survey’s nearly 400 respondents are fairly evenly distributed by geography, size, industry and ownership status (i.e., publicly or privately held).

### **About IFEBP and ISCEBS**

The International Foundation of Employee Benefit Plans is a member-driven organization with five decades of experience as a leading objective source of employee benefits, compensation and financial literacy education and information within the American and Canadian workplace. The Foundation offers training, conferences and research on topics critical to assisting its 33,000 members as they respond to trends affecting the well-being of more than 25 million lives in North America. The International Foundation sponsors the Certified Employee Benefit Specialist® (CEBS®) program in conjunction with the Wharton School of the University of Pennsylvania and Dalhousie University in Canada. For additional information, visit [www.ifebp.org](http://www.ifebp.org).

The International Society of Certified Employee Benefit Specialists is a nonprofit educational association providing continuing education opportunities for those who hold or are pursuing the Certified Employee Benefit Specialist (CEBS®), Compensation Management Specialist (CMS), Group Benefits Associate (GBA) or Retirement Plans Associate (RPA) designations offered through the CEBS® program. For additional information, visit [www.iscebs.org](http://www.iscebs.org).

### **About Deloitte's Human Capital Practice**

Deloitte helps organizations effectively manage their human capital to drive business growth. This is done by leveraging advanced analytics to develop talent management and business-driven HR strategies to deliver results. Deloitte is a leader in human capital consulting, bringing an effective combination of business, industry and HR knowledge, supported by the breadth of services and capabilities of a multidisciplinary professional services organization and global network. For more information, please visit [www.deloitte.com/us/humancapital](http://www.deloitte.com/us/humancapital).

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