

# 2009 401(k) Benchmarking Survey Technology, Media & Telecommunications



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.

Seventy three (73) surveys were completed from companies within the Technology, Media & Telecommunications industry, representing 12% of the total respondents.

## Demographics

**Exhibit 1. Participants by region**

	Industry	National
Midwest	21%	41%
South	19%	22%
Northeast	25%	21%
West	35%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 2. Average age of participants**

	Industry	National
< 30 years	0%	2%
31 - 40 years	41%	28%
41 - 50 years	58%	67%
51+ years	1%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
1 - 5 years	28%	24%
6 - 10 years	46%	44%
11 - 15 years	19%	24%
16 - 20 years	5%	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	26%	30%
Yes, does not satisfy the safe harbor conditions defined by the Pension Protection Act of 2006	10%	17%
Yes, unsure of safe harbor conditions	4%	5%
No, we never had it	43%	33%
No, we discontinued it	1%	1%
No, but considering it	16%	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	7%	16%
3%	76%	60%
4%	14%	11%
5%	3%	4%
6% or more	0%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 6. Default investment election**

	Industry	National
Principal Preservation (stable value, money market, etc.)	3%	9%
Balanced Fund	7%	10%
Lifestyle Fund (risk based)	14%	12%
Lifecycle / Target Retirement Date Fund	63%	65%
Managed Account	10%	3%
Other	3%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Easy enrollment

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

	Industry	National
Yes	15%	15%
No, we never had it	59%	64%
No, we discontinued it	4%	3%
No, but considering it	11%	11%
No, we were unaware of this feature	11%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
New hires only	36%	39%
Entire population	46%	49%
Other	18%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Step-ups

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

	Industry	National
Yes	53%	42%
No	32%	41%
No, but considering it	10%	13%
No, we were unaware of this feature	4%	2%
Other	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 10. Elective or automatic**

	Industry	National
Elective	62%	58%
Automatic for some or all participants	38%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
1%	57%	65%
2%	3%	2%
Other percentage	0%	1%
Employee's choice	40%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Employee contributions

**Exhibit 12: HCE average deferral percentage**

	Industry	National
< 4%	2%	10%
4 - 5.99%	9%	19%
6 - 7.99%	67%	47%
8% or more	22%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 13: NHCE average deferral percentage**

	Industry	National
< 4%	4%	21%
4 - 5.99%	44%	37%
6 - 7.99%	28%	28%
8% or more	24%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
Yes	38%	31%
No	62%	69%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Employer contributions

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

	Industry	National
Immediate	70%	57%
Less than 1 year	13%	14%
1 year	12%	24%
Other	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
Immediate	44%	31%
Less than 1 year	33%	16%
1 year	11%	44%
Other	12%	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	16%	17%
No, and we are not considering any changes	58%	68%
No, but we are considering	26%	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	10%	28%
Instituted safe harbor	10%	13%
Suspended/discontinued	20%	29%
Decreased match	40%	27%
Instituted discretionary	20%	5%
Instituted other formula/design changes	0%	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	19%	10%
A change to institute safe harbor	6%	14%
A change to decrease match	56%	32%
Suspending/discontinuing match	19%	45%
A change to institute discretionary	13%	8%
Other formula/design changes	13%	16%

## Investments

**Exhibit 20. Investment vehicles utilized**

	Industry	National
Annuities	6%	8%
Collective trust funds	26%	28%
Mutual funds	96%	91%
Separate accounts	14%	21%
Other	15%	10%

**Exhibit 21. Managed accounts offered**

	Industry	National
Yes	31%	26%
No	55%	65%
No, but considering it	9%	8%
No, unaware of this feature	5%	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	65%	79%
No	35%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

	Industry	National
Yes	48%	68%
No	52%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 24. Generational segmentation considered**

	Industry	National
Yes	31%	37%
No	69%	63%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Exhibit 25. Financial counseling availability**

	Industry	National
Yes, to all participants	53%	50%
Yes, to some participants	2%	4%
No	43%	41%
No, but we are in the process of implementing this feature	2%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Provider relationship

**Exhibit 26. Provider structure**

	Industry	National
Bundled	77%	75%
Alliance	12%	10%
Unbundled	11%	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	36%	42%
No	38%	34%
Dont know	26%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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