



Navigating the Pandemic: A Survey of U.S. Employers

TRANSAMERICA INSTITUTE®

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About the Authors

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With more than two decades of retirement industry experience, Catherine has become a nationally recognized voice on retirement trends. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the [Saver's Credit](#) among those who would benefit most from the important tax credit.

In 2018, Catherine was named an [Influencer in Aging](#) by PBS' [Next Avenue](#). In 2016, she was honored with a [Hero Award](#) from the [Women's Institute for a Secure Retirement](#) (WISER) for her tireless efforts in helping improve retirement security among women. Catherine serves on the Advisory Board Leadership Council of the [Milken Institute's Center for the Future of Aging](#). She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station.

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About Transamerica Institute

- [Transamerica Institute](#)[®] (TI) is a nonprofit, private foundation dedicated to identifying, researching, and educating the public about retirement security and the intersections of health and financial well-being. It is the parent organization of [Transamerica Center for Retirement Studies](#)[®] (TCRS) which conducts one of the largest and longest-running annual retirement surveys of its kind.
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Methodology: Transamerica Institute and TCRS Survey of Employers

- The analysis contained in this report was prepared internally by the research team at Transamerica Institute® (TI).
- A 25-minute, online survey was conducted from November 18 to December 20, 2020, among a nationally representative sample of 1,903 employers by The Harris Poll on behalf of TI. Potential respondents were targeted based on job title at for-profit companies and met the following criteria:
 - Business executives with specific titles who make decisions about employee benefits at their company
 - Company employs at least one full-time employee across all locations
- Quotas were set by company size and results were statistically weighted as needed by using targets from the Dun & Bradstreet database to ensure the results are representative. In order to ensure that this sample is fully representative of the targeted universe of employers, results were weighted by company size, annual revenue, industry and region.
- Percentages are rounded to the nearest whole percent.

Terminology and Sample Sizes

This report uses the following terminology:

Employers

- *All employers: 1 or more employees*
- *Small company: 1 to 99 employees*
- *Medium company: 100 to 499 employees*
- *Large company: 500 or more employees*

Base Size

N=1,903

N=1,163

N=230

N=510

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Key Highlights

As the worst public health crisis in more than a century, the COVID-19 pandemic has upended the U.S. economy and everyday life. While much attention has been given to the economic effects of the pandemic, relatively little has been statistically reported about how employers have navigated these challenging times.

As a collaboration between nonprofit [Transamerica Institute](#) and its [Transamerica Center for Retirement Studies](#), *Navigating the Pandemic: A Survey of U.S. Employers* examines the pandemic's impact on employers, their response, and timely opportunities. This report is based on a survey of more than 1,900 employers conducted during November and December 2020. It includes an analysis by company size, including small (less than 100), medium (100 to 499), and large for-profit companies (500-plus employees).



Key Highlights

The Pandemic's Impact on Employers

Most employers have been negatively impacted by the pandemic and more than half implemented difficult cost-cutting measures that affected their employees, according to the survey's findings. At the same time, many employers shared concerns about COVID-19-related risks to their employees and felt responsible for their physical and mental health and well-being. Nine in 10 employers implemented one or more types of support for their employees during the pandemic.

- **Seven in 10 Employers Were Negatively Impacted by the Pandemic.** Most employers (70 percent) have been severely or somewhat negatively impacted by the coronavirus pandemic, including 23 percent that were severely impacted and 47 percent that were somewhat impacted. One in five employers were not very impacted and only 10 percent were not at all impacted. While many companies of all sizes have been negatively impacted by the pandemic, small companies (24 percent) are slightly more likely to have been severely impacted, compared with medium (16 percent) and large companies (22 percent).
- **Many Employers Have Implemented Cost-Cutting Measures.** By late 2020, more than half of employers (54 percent) had implemented one or more cost-cutting measures since the pandemic began. The most often-cited measures included: layoffs or downsizing (19 percent) and elimination of bonuses (18 percent). Fourteen percent of employers implemented furloughs, froze salaries, or reduced salaries or wages. Large (74 percent) and medium companies (70 percent) were more likely to have implemented cost-cutting measures than small companies (49 percent).
- **COVID-19 Issues Are a Major Concern for Company Leadership.** Fifty percent of employers cite COVID-19-related issues as major concerns among their company's leadership, with 43 percent of employers being concerned about the risk of an outbreak within the company and 21 percent being concerned about the legal liabilities associated with COVID-19. Additionally, 47 percent of employers are concerned about employee health and safety, and 43 percent are concerned about the economic environment. Only seven percent indicate their company's leadership does not have any major concerns.
- **Larger Employers Are More Likely to Be Concerned About COVID-19.** Large (71 percent) and medium companies (74 percent) are more likely to cite COVID-19-related issues as major concerns for their company's leadership, compared with small companies (45 percent). Similarly, large (64 percent) and medium companies (59 percent) are more likely to be concerned about their employees' health and safety, compared with small companies (43 percent). Across company sizes, more than four in 10 employers cite the economic environment as a major concern for their company's leadership.

Key Highlights

The Pandemic's Impact on Employers (cont.)

- **Most Employers Feel Responsible for Their Employees' Well-Being.** Most employers feel very or somewhat responsible for helping their employees with various aspects of their health and well-being. Approximately eight in 10 employers feel responsible for helping employees keep their skills up-to-date and relevant (82 percent), maintain mental health (81 percent), and achieve work-life balance (80 percent). Seventy-four percent of employers feel responsible for helping employees maintain long-term health and well-being, while 65 percent feel responsible for helping them achieve a financially secure retirement.
- **More Than Four in Five Are Concerned About Employees' Physical Health.** Maintaining and safeguarding the physical health of workers, especially amid the pandemic, is of the utmost importance. Eighty-two percent of employers are concerned about employees maintaining their physical health, including 45 percent that are very concerned and 37 percent that are somewhat concerned. Large (90 percent) and medium companies (84 percent) are slightly more likely to be concerned than small companies (80 percent).
- **More Than Three in Four Are Concerned About Employees' Mental Health.** Maintaining and safeguarding mental health is an important aspect of protecting the overall health and well-being of workers, especially during the pandemic. More than three in four employers (78 percent) are concerned about employees maintaining their mental health, including 44 percent that are very concerned and 34 percent that are somewhat concerned. Large companies (90 percent) are more likely than small (77 percent) and medium companies (79 percent) to be concerned.
- **Company Leaders Have Major Concerns About Mental Health.** Seventy-three percent of employers cite one or more major concerns among their company's leadership regarding the mental health of their employees. The most frequently selected major concerns are anxiety (45 percent), extreme stress (42 percent), and depression (36 percent). Large (88 percent) and medium companies (84 percent) are more likely than small companies (70 percent) to have one or more major concerns about their employees' mental health.
- **How Mental Health Issues Are Negatively Impacting Employers.** Fifty-nine percent of employers cite one or more ways that employees' mental health issues are negatively impacting their company. Large (86 percent) and medium companies (82 percent) are more likely than small employers (53 percent) to cite negative impacts. The most often-cited negative impact among all employers is a loss of productivity (44 percent), followed by absenteeism (24 percent), dysfunctional work environment (20 percent), and turnover (19 percent).

Key Highlights

The Pandemic's Impact on Employers (cont.)

- **Two-Thirds of Employers Say Most Employees Work Remotely.** Sixty-six percent of employers indicate most of their employees work remotely, including 45 percent working from home or anywhere and 21 percent equally leaving home to go to work or working remotely. Large (80 percent) and medium companies (73 percent) are somewhat more likely than small companies (63 percent) to indicate that their employees work remotely. Small companies (38 percent) are more likely than medium (27 percent) and large companies (20 percent) to indicate most of their employees leave their home to go to work.
- **Many Employers Offer Alternative Work-Related Arrangements.** By offering workers the ability to make adjustments in their schedules, employers can help ease the burden for their employees who are juggling work and other responsibilities, such as caregiving and home-schooling. As of late 2020, 91 percent of employers offered some type of alternative work arrangement. The most frequently cited arrangements are flexible work schedules (66 percent), the ability to adjust work hours as needed (58 percent), and the ability to work remotely (53 percent). Large and medium companies are more likely than small companies to offer alternative work arrangements.
- **How Employers Are Supporting Employees During the Pandemic.** Nine in 10 employers (90 percent) implemented one or more types of support for their employees during the pandemic, including flexible work hours (59 percent), the ability to work remotely (53 percent), and safety measures for on-site workers (43 percent). Generally, large and medium companies are more likely to provide various types of support to their employees than small companies.
- **Almost Six in 10 Employers Plan to Facilitate Vaccination.** In late 2020, 59 percent of employers planned to implement one or more COVID-19 vaccination-related business practices and policies when a vaccine became available. Large (89 percent) and medium companies (77 percent) were more likely than small companies (52 percent) to be planning to do so. Across company sizes, 36 percent (net) of employers planned to implement a vaccination requirement, 29 percent planned to provide education about vaccinations, and 25 percent planned to provide paid time off to get vaccinated. Twenty-one percent hadn't developed a plan and 20 percent planned to not implement any vaccination-related practices or policies.

Given the magnitude of the challenges faced and difficult decisions they were making, it is remarkable how employers rose to the occasion and found ways to support their employees.

Key Highlights

Health and Welfare Benefits

A robust employee benefits package is a win-win situation in the workplace. It can help employers attract and retain talent while providing employees with the ability to save for retirement and protect their health, well-being, and financial situation. These valuable benefits can be especially helpful to employees during a pandemic.

Health, disability, life, and other types of insurance protections can mitigate the risks of financial shocks. Workplace wellness programs can potentially help employers lower their health insurance costs by promoting good health among employees. Many workers have been or may be called upon to be a caregiver for an aging parent or loved one. The survey finds that employers can do even more to support their caregiving employees in ways that help them manage work-life balance and maintain productivity.

- **The Importance of Compensation, Benefits, and Flexibility.** Employers recognize the importance of compensation and benefits to attract and retain employees. Sixty-three percent cite salary/pay as being very important, while 60 percent (net) cite employee benefits including health insurance (47 percent), retirement benefits (36 percent), and/or other benefits (25 percent). Medium and large companies (both 86 percent) are significantly more likely than small companies (54 percent) to cite employee benefits as being very important, while small companies (61 percent) are more likely than medium (50 percent) and large companies (52 percent) to cite flexible work schedules as very important.
- **Employers Offer a Variety of Health and Welfare Benefits.** Most employers (70 percent) offer one or more types of health and welfare benefits to their employees. Health insurance (57 percent) is the most frequently offered benefit, followed by life insurance (33 percent), an employee assistance program (29 percent), and disability insurance (27 percent). Almost one in four employers (24 percent) offer a workplace wellness program. Large and medium companies are significantly more likely than small companies to offer these types of benefits. For example, 82 percent of large companies and 84 percent of medium companies offer health insurance, compared with just 51 percent of small companies.
- **Types of Health Plans Included in Health Insurance Coverage.** Among employers that offer health insurance to their employees, 52 percent offer a health savings account (HSA) and/or flexible spending account (FSA). Large (69 percent) and medium companies (62 percent) are significantly more likely to offer these than small companies (46 percent). Almost half of all employers offer preferred provider organizations (PPOs) and health maintenance organizations (HMOs) (both 49 percent).

Key Highlights

Health and Welfare Benefits (cont.)

- **Reasons for Not Offering Health Insurance.** Among employers not offering health insurance to their employees, the most frequently cited reasons for not doing so are the company is not big enough (67 percent) and concern about cost (36 percent).
- **Workplace Wellness Programs Include a Variety of Features.** Among the 24 percent of employers that offer a workplace wellness program, the most frequently cited components of the program include mental health support (58 percent), fitness programs (50 percent), and health screenings/biometric assessments/vaccinations (48 percent). Offerings within an employer's workplace wellness program generally increase with company size.
- **Workplace Wellness Programs Enjoy Strong Participation.** More than half of all employers (54 percent) indicate the average level of participation in their workplace wellness programs is high (32 percent) or very high (22 percent). Large companies are somewhat more likely than medium and small companies to report high levels of participation.
- **Employers Can Do More to Support Caregiving Employees.** From time to time, many employees find themselves needing to be a caregiver for an aging parent or loved one. Six in 10 employers (60 percent) offer one or more programs to support caregiving employees. Large (95 percent) and medium companies (87 percent) are much more likely than small companies (52 percent) to do so. However, much more can be done by employers of all sizes. Only about one in five employers offer online resources and/or tools to support caregivers (23 percent), an employee assistance program (22 percent), training for managers (20 percent), and/or a benefit that offers referrals to backup care (18 percent).

Large and medium companies offer more robust health and welfare benefit offerings than small companies, a survey finding that is consistent with pre-pandemic trends. However, there is room for growth among companies of all sizes. As employers begin to emerge from the pandemic and envision their post-pandemic workplaces, they have an opportunity to learn more about how they can enhance their benefits offerings. The employee benefits marketplace is highly competitive, and employers may find that these types of win-win solutions are more affordable than they think.

Key Highlights

Retirement Benefits

Employer-sponsored retirement plans, including 401(k)s and similar employee-funded plans, are also essential for employers to attract and retain talent. These benefits have proven to be one of the most effective ways to facilitate long-term savings among workers. Similar to other employee benefits, larger companies tend to provide more robust offerings than small companies. Among those offering retirement benefits, many are focused on their full-time workforce and do not extend benefits to part-time employees.

- **Importance of Retirement Plans Attracting and Retaining Talent.** Seventy-four percent of employers believe that offering an employee-funded retirement plan package is important for attracting and retaining employees. Large (55 percent) and medium companies (59 percent) are more likely than small companies (30 percent) to believe that it is important.
- **Retirement Benefits Offered to Employees.** Fifty-two percent of employers offer a 401(k) or similar employee-funded retirement plan to their employees. Employee-funded plans are more commonly offered by large (90 percent) and medium companies (83 percent), compared with small companies (44 percent). Company-funded defined benefit plans are only offered by 17 percent of employers. About four in 10 employers (41 percent) do not offer any retirement benefits to their employees. Small companies (50 percent) are significantly more likely to indicate they do not offer any retirement benefits, compared with medium (4 percent) and large companies (1 percent).
- **Non-Sponsors Not Planning to Offer a Plan.** Among companies that do not offer a 401(k) or similar employee-funded plan, only 37 percent say they are likely to begin sponsoring a plan in the next two years. The most frequently cited reasons among companies not planning to do so include they are not big enough (74 percent), they are concerned about cost (35 percent), and their employees are not interested (11 percent). However, there may be cause for optimism regarding the future, as 30 percent of those not likely to offer a plan say they would consider joining a multiple employer plan (MEP) or a pooled employer plan (PEP) that handles many of the fiduciary and administrative duties at a reasonable cost.
- **Extending Eligibility to Part-Time Employees.** Among employers that offer a 401(k) or similar retirement plan to their employees, only 51 percent extend eligibility to part-time workers. Large (64 percent) and medium companies (51 percent) are somewhat more likely to extend eligibility to part-time workers than small companies (46 percent). Among plan sponsors that do not extend eligibility to part-time workers, 39 percent do not plan to do so in the future. Their most frequently cited reasons include generally impractical (43 percent), high turnover rates among part-time employees (39 percent), and concerned about cost (37 percent). The SECURE Act of 2019 requires plan sponsors to extend eligibility to long-term (three years of service), part-time workers. Employers are required to track years of service beginning in 2021, thus long-term, part-time workers will first be eligible in 2024.

Key Highlights

Retirement Benefits (cont.)

- **More Than Nine in 10 Plans Include an Employer Contribution.** Ninety-two percent of plan sponsors make an employer contribution as part of their 401(k) or similar plan, including 98 percent of both large and medium companies, and 89 percent of small companies. Large (87 percent) and medium companies (85 percent) are more likely than small companies (66 percent) to make a contribution in the form of a company match. An employer's matching contribution can be one of the most important features of a 401(k) or similar plan, as both an incentive for employees to join the plan and a means of enabling them to build their retirement savings.
- **Roth 401(k) Offering.** Sixty-four percent of plan sponsors offer a Roth 401(k) option. Large (77 percent) and medium companies (70 percent) are more likely to offer this feature than small companies (58 percent).
- **Adoption of Automatic Features Increases With Company Size.** Twenty-five percent of plan sponsors have adopted automatic enrollment, including 23 percent of small and 27 percent of both medium and large companies. Among them, the default contribution rate is 10 percent (median) of an employee's pay. Sixty-eight percent of plan sponsors have adopted automatic escalation, a feature that automatically increases participants' contribution rates annually. Automatic escalation is more common at large (80 percent) and medium companies (75 percent) than at small companies (63 percent).
- **Professionally managed services such as managed accounts and asset allocation suites, including target date and target risk funds, have become ubiquitous options in 401(k) or similar plans,** with 87 percent of plan sponsors offering them. Such offerings enable plan participants to invest in professionally managed services or funds that are essentially tailored to their goals, years to retirement, and/or risk tolerance profile. They can help participants with asset allocation without their having to become investment experts themselves. As with many other plan features, large companies are more likely to offer these than small companies.
- **Offerings to Help Employees Plan, Save, and Invest for Retirement.** Among employers that offer a 401(k) or similar plan, plan sponsors offer a variety of online tools and resources, professional advice, informative emails, seminars/meetings/webinars/ workshops, and mobile apps, in addition to quarterly statements. Generally, small companies are less likely to offer their employees assistance with planning, saving, and investing for retirement, compared with medium and large companies.

Key Highlights

Retirement Benefits (cont.)

- **IRS Saver's Credit Awareness.** The Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Only 37 percent of all employers are both aware of the Saver's Credit and actively promoting it to their employees, but this awareness increases with company size. Large (74 percent) and medium companies (67 percent) are significantly more likely to be aware of the tax credit and actively promoting it, compared with small companies (29 percent).
- **Some Employers Offer Information About Government Benefits.** As part of their retirement planning-related educational offerings, slightly more than half of employers provide information about Social Security (54 percent) and Medicare (52 percent) benefits. Small companies are much less likely to provide such information about government benefits than medium and large companies.
- **Assistance Transitioning Savings & Finances Into Retirement.** Workers nearing retirement face a myriad of complex decisions regarding transitioning their savings and finances into retirement, and plan sponsors have an important opportunity to work with their retirement plan providers to assist them. However, few provide things such as: educational resources (39 percent), information about distribution options (38 percent), retirement planning materials (37 percent), referrals to the company's retirement plan provider (36 percent), and education about transitioning into retirement (35 percent).
- **Offering of Retirement Transition Assistance.** Most employers (74 percent) offer one or more forms of retirement transition assistance. Large and medium companies (95 percent, 92 percent respectively) are more likely than small companies (69 percent) to do so. However, relatively few offer robust offerings. Only 41 percent of employers offer flexible work schedules to help employees transition into retirement. Even fewer enable employees to shift from full-time to part-time (36 percent), take on jobs that are less stressful or demanding (28 percent), or participate in succession planning, training, and mentoring (28 percent). Moreover, employers are missing an opportunity to facilitate smoother transitions when their employees do retire, with only 21 percent offering retirement-oriented lifestyle and transition planning resources and 20 percent providing information about encore career opportunities.
- **Offer a Formal Phased Retirement Program.** Sixty-nine percent of employers do not offer a formal phased retirement program, including 33 percent that plan to implement a program in the future and 36 percent that do not have plans to do so. However, the offering of a formal phased retirement program increases with company size. Large (66 percent) and medium companies (49 percent) are significantly more likely to offer such programs than small companies (19 percent).

Key Highlights

Retirement Benefits (cont.)

- **Reasons for Not Offering a Formal Phased Retirement Program.** The most frequently cited reasons for not offering a phased program are that employees are not interested (39 percent), it is easier to address employees' requests on a case-by-case basis (34 percent), and operational and administrative complexity (23 percent). Large companies (45 percent) are significantly more likely to cite concerns about age- and employment-related discrimination laws as a reason for not offering phased retirement, compared with medium (28 percent) and small companies (10 percent).

Larger companies are more likely to offer robust retirement benefit offerings compared with smaller companies. However, there is ample room for growth among companies of all sizes. With the enactment of the SECURE Act in late 2019, there are now more options available in the marketplace and tax incentives for employers to start a plan. Employers that do offer a plan should consider consulting with their plan providers to ensure their employees are taking full advantage of the plan features, investments, and related services, planning tools, and educational resources available. As much as employers are doing to help employees save and invest, the survey finds they can do more to support employees who are transitioning into retirement.

A Call to Action

Employers play a vital societal role by providing employment, work experience, employee benefits, and the ability for workers to save and invest for a secure retirement. Especially now, as our nation is emerging from the pandemic, employers need support from policymakers to continue paving the way for their recovery and to make it as easy as possible to enhance their business practices and expand their benefits offerings.

Catherine Collinson

CEO & President

Transamerica Institute® and Transamerica Center for Retirement Studies®

Recommendations for Employers

Employers play an invaluable societal role in promoting the long-term health and financial well-being of their employees. As the economy recovers and employers envision their post-pandemic workplaces, they should consider consulting with HR professionals and employee benefits advisors to identify new opportunities that can enhance their business practices and benefits offerings. Specific opportunities for consideration include:

1. **Foster an age-friendly work environment and adopt diversity, equity and inclusion business practices** that include age among other demographic factors (e.g., gender, race, religion, sexual orientation).
2. **Offer flexible work arrangements that support work-life balance** as employees are experiencing increased personal responsibilities such as home-schooling and caring for aging parents.
3. **Encourage lifelong learning opportunities** for workers to keep their skills up-to-date to help them remain employable in a changing job market.
4. **Offer health and welfare benefits that promote physical, mental, and financial health and well-being** such as health, disability, and life insurance; workplace wellness and financial wellness programs; and employee assistance programs.
5. **Offer a retirement plan or achieve efficiencies by joining a multiple employer plan (MEP) or a pooled employer plan (PEP).** If a plan is not already in place, take advantage of the tax credit available for starting a retirement plan or joining a MEP or PEP.
6. **Extend benefits eligibility to part-time workers**, including health insurance and retirement plan offerings. For part-time workers not offered health insurance, provide information about the options available in the marketplace. For part-time workers who do not qualify as long-term employees for retirement benefits under the SECURE Act, considering providing them with the ability to contribute to an IRA through payroll deduction.
7. **Promote retirement planning, guidance, and educational resources available through your plan provider** so that employees are aware of them and are taking steps to improve their knowledge about saving for retirement.
8. **Offer pre-retirees greater levels of assistance in planning their transition into retirement**, including education about retirement income strategies for managing savings to last their lifetime, retirement plan distribution options, and the need for a backup plan if forced into retirement sooner than expected (e.g., due to health issues, job loss, family obligations). Provide information about Social Security and Medicare.
9. **Create opportunities for workers to phase into retirement** by allowing for a transition from full-time to part-time, working in different capacities or different locations, or having a more flexible schedule.

Recommendations for Policymakers

Policymakers are paving the way for the economic recovery from the pandemic. They have an opportunity to improve diversity, equity, and inclusion in all aspects of American life – including people’s health and long-term financial well-being. It is now more urgent than ever to implement policy reforms to strengthen social safety nets, make it easier and more affordable for employers to update their benefits and business practices, and help workers save and invest for the future. Recommendations for policymakers to directly and indirectly improve retirement security include:

1. **Address Social Security and Medicare funding issues.** The sooner reforms are implemented to the programs, the more time people will have to adjust their financial plans for retirement.
2. **Ensure accessible and affordable health care** options are available to all Americans, including part-time, self-employed, and gig economy workers.
3. **Engage leaders from across sectors and disciplines to collaborate, innovate and implement new financing and delivery models for long-term care** that are more accessible and affordable to those individuals needing care as well as family caregivers who are providing care.
4. **Support family caregivers** by providing Social Security credits to those who forego employment to provide care. Establish medical training programs for non-professional caregivers. Encourage employers to help workers who are balancing job responsibilities with caregiving.
5. **Further incentivize small companies to offer employee benefits**, including retirement plans and health insurance. Strengthen small companies’ tax credits for joining multiple employer plans (MEPs) or pooled employer plans (PEPs) and authorize the formation of 403(b) MEPs and PEPs. Expand inclusion of part-time workers in retirement plans by redefining long-term employment to two years of service.
6. **Enhance existing tax incentives for workers to save for retirement**, including increasing catch-up contribution limits; increasing the age for required minimum distributions (RMDs); expanding automatic enrollment, automatic re-enrollment, and automatic increases; allowing employers to base retirement plan matches on employees’ student loan repayments; and expanding and promoting the Saver’s Credit.
7. **Facilitate retirement savings to last a lifetime.** Proposals that help participants both manage their investment risk and build retirement savings to last their lifetime are encouraged, including the broader use of Qualifying Longevity Annuity Contracts (QLACs) in retirement plans and Individual Retirement Accounts (IRAs).

Recommendations for Policymakers (cont.)

8. **Encourage employers to implement age-friendly business practices as part of their DE&I efforts.** Create new incentives and remove disincentives for employers to hire and retain age 50+ employees, offer phased retirement programs, and create opportunities for encore careers.
9. **Address the digital divide.** Consider providing and/or subsidizing additional broadband access, particularly in rural and underserved urban areas. Internet access is key to timely dissemination of education and information and to engaging with financial and health-related service providers.
10. **Support lifelong learning ranging** from financial education in schools and in the workplace to ongoing professional development, including retraining and learning new job skills.



Navigating the Pandemic: A Survey of U.S. Employers

Detailed Findings



The Pandemic's Impact on Employers

Employers Supporting Employees Amid the COVID-19 Pandemic



We prioritize health, safety, mental health, and flexibility. We are also allowing working

from home and reduced hours, especially in light of parents who have no childcare available. We are a small organization and consider our employees as family which makes our decisions easy.

Small Company (1 to 99 EEs)



Nothing, we are just in a survival mode. We are

allowing employees to work remotely if they are able and if their jobs can be done remotely. Our company is in financial jeopardy so we are cutting spending every way we can.

Large Company (500+ EEs)



I drew on personal savings to pay employees' salaries despite significantly reduced work hours during the height of the crisis. We also encourage an open dialogue to address any concerns. Our company culture is very close-knit and consists entirely of employees that have known each other for most of our lives, so we are very like-minded and communicative.

Small Company (1 to 99 EEs)



My company is offering alternative plans along with flexible hours in order for employees to perform their best in the job. We increased our health insurance

plan during COVID-19 in case it is necessary for employees to go to the doctor and hospital without extra cost. We have also offered therapists if any employees need therapy whether in-person or virtual.

Medium Company (100 to 499 EEs)



We are constantly cleaning hands and wearing masks, but give breaks to take the mask off while remaining socially distanced.

Small Company (1 to 99 EEs)



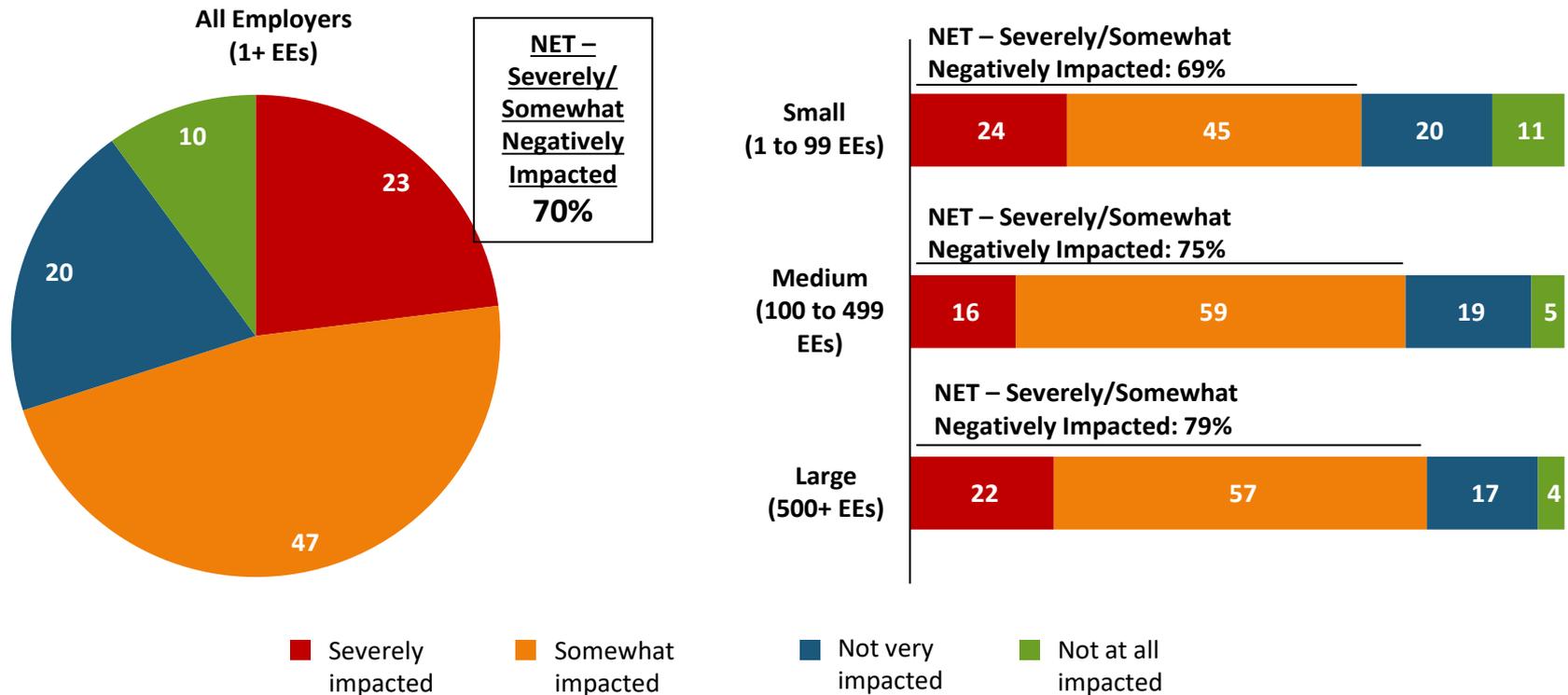
We have not done much. We can't afford to. We are barely getting by as it is right now.

Large Company (500+ EEs)

Seven in 10 Employers Were Negatively Impacted by the Pandemic

Most employers (70 percent) have been severely or somewhat negatively impacted by the coronavirus pandemic, including 23 percent that were severely impacted and 47 percent that were somewhat impacted. One in five employers were not very impacted and only 10 percent were not at all impacted. While many companies of all sizes have been negatively impacted by the pandemic, small companies (24 percent) are slightly more likely to have been severely impacted by the pandemic, compared with medium (16 percent) and large companies (22 percent).

How has your company been negatively impacted by the coronavirus pandemic? (%)



■ Severely impacted
 ■ Somewhat impacted
 ■ Not very impacted
 ■ Not at all impacted

Note: Results and may not total to 100% due to rounding.

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

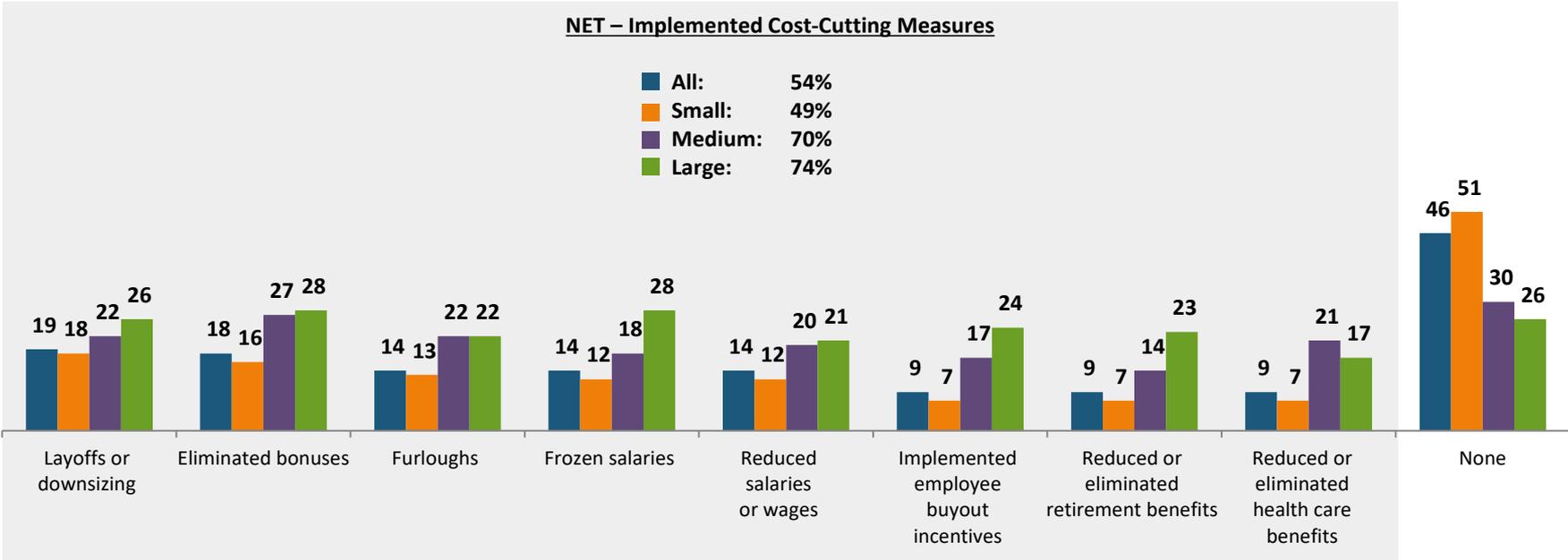
Q6000. How has your company been negatively impacted by the coronavirus pandemic?

Many Employers Have Implemented Cost-Cutting Measures

By late 2020, more than half of employers (54 percent) had implemented one or more cost-cutting measures since the pandemic began. The most often-cited measures included: layoffs or downsizing (19 percent) and elimination of bonuses (18 percent). Fourteen percent of employers implemented furloughs, froze salaries, or reduced salaries or wages. Large (74 percent) and medium companies (70 percent) were more likely to have implemented cost-cutting measures than small companies (49 percent).

Has your company implemented any of the following cost-cutting measures since the pandemic began? (%)

All Employers (1+ EEs) and By Company Size



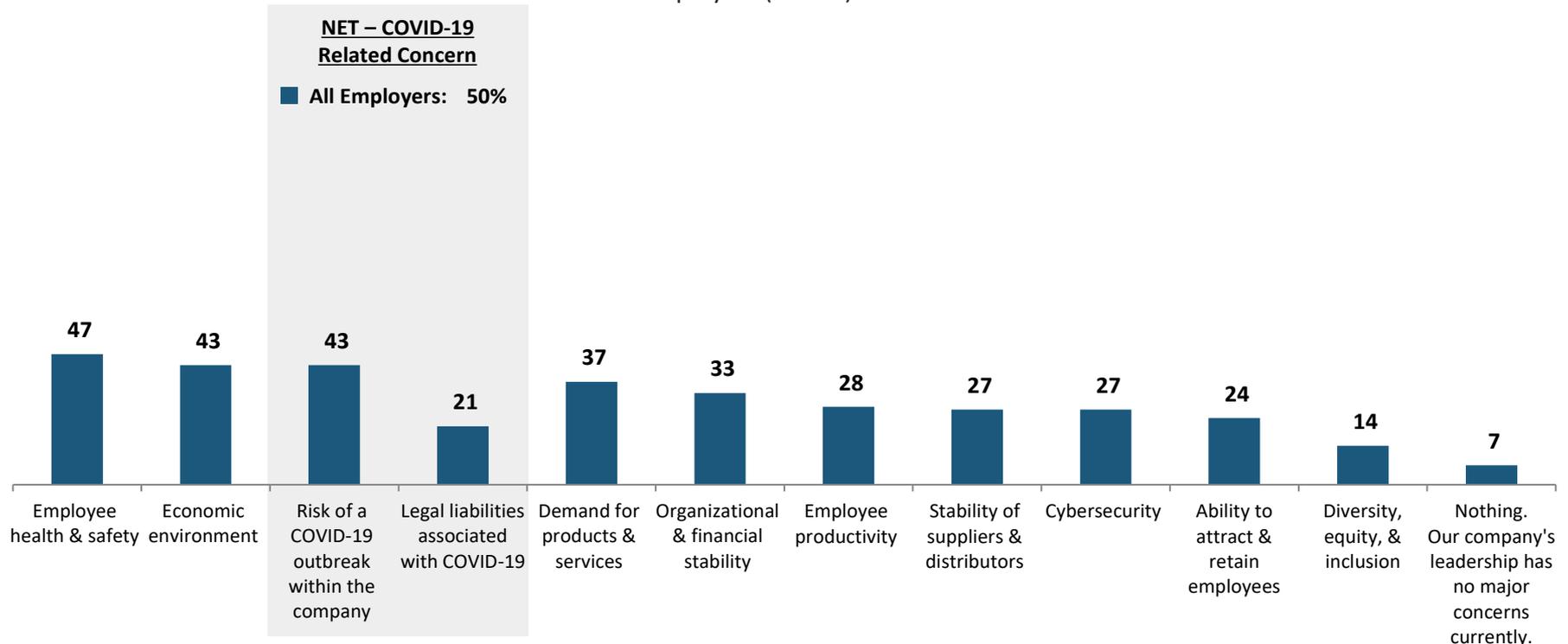
Note: Responses not shown for "Other" (All Employers: 3%, Small: 3%, Medium: 2%, Large: 1%).

COVID-19 Issues Are a Major Concern for Company Leadership

In late 2020, 50 percent of employers cite COVID-19-related issues as major concerns among their company's leadership, with 43 percent of employers being concerned about the risk of an outbreak within the company and 21 percent being concerned about the legal liabilities associated with COVID-19. Additionally, 47 percent of employers are concerned about employee health and safety, and 43 percent are concerned about the economic environment. Only seven percent indicate their company's leadership does not have any major concerns.

Which of the following are currently major concerns for your company's leadership? (%)

All Employers (1+ EEs)



Note: Responses not shown for "Other" (All Employers: 3%).

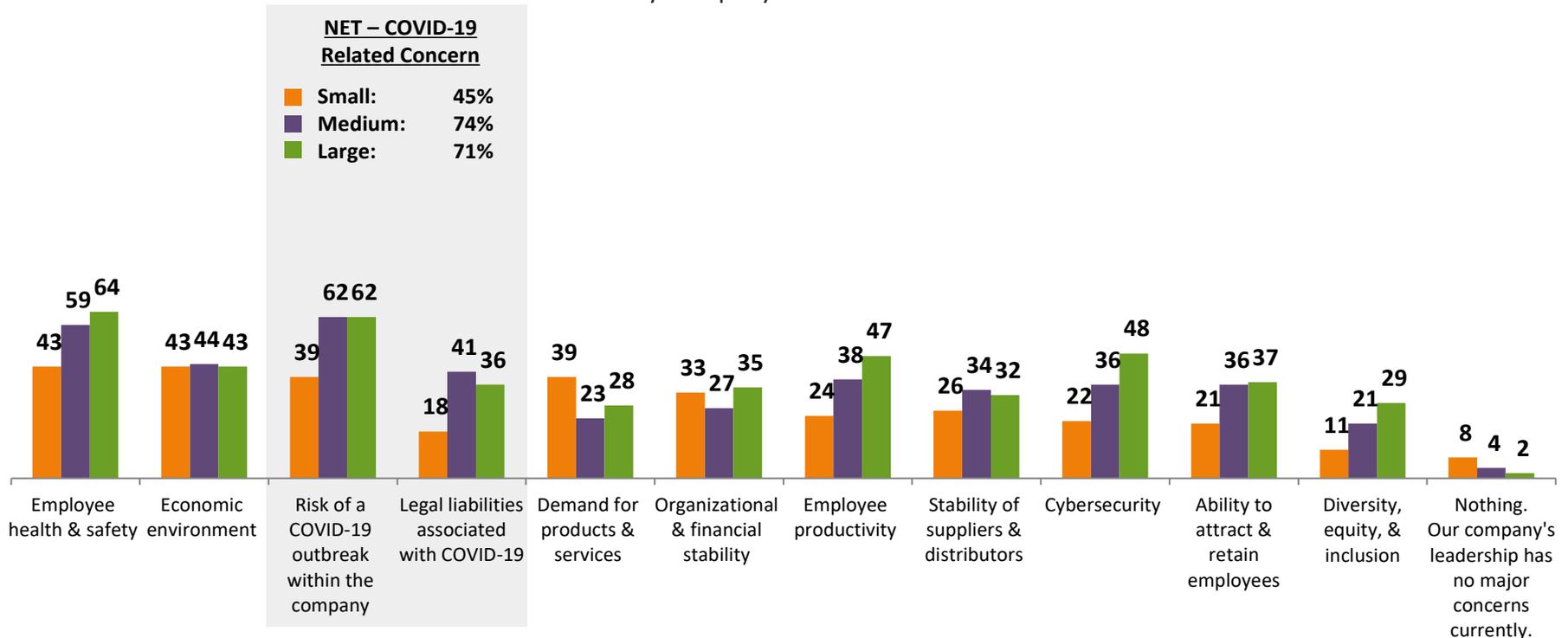
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q6015. Which of the following are currently major concerns for your company's leadership? Select all.

Larger Employers Are More Likely to Be Concerned About COVID-19

In late 2020, employers cited COVID-19-related issues as major concerns for their company’s leadership. Large (71 percent) and medium companies (74 percent) are more likely to cite COVID-19-related issues as concerns, compared with small companies (45 percent). Similarly, large (64 percent) and medium companies (59 percent) are more likely to be concerned about their employees’ health and safety, compared with small companies (43 percent). Across company sizes, more than four in 10 employers cite the economic environment as a major concern for their company’s leadership.

Which of the following are currently major concerns for your company’s leadership? (%)
By Company Size



NET – COVID-19 Related Concern

- Small: 45%
- Medium: 74%
- Large: 71%

Note: Responses not shown for “Other” (Small: 3%, Medium: 0%, Large: 2%).

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

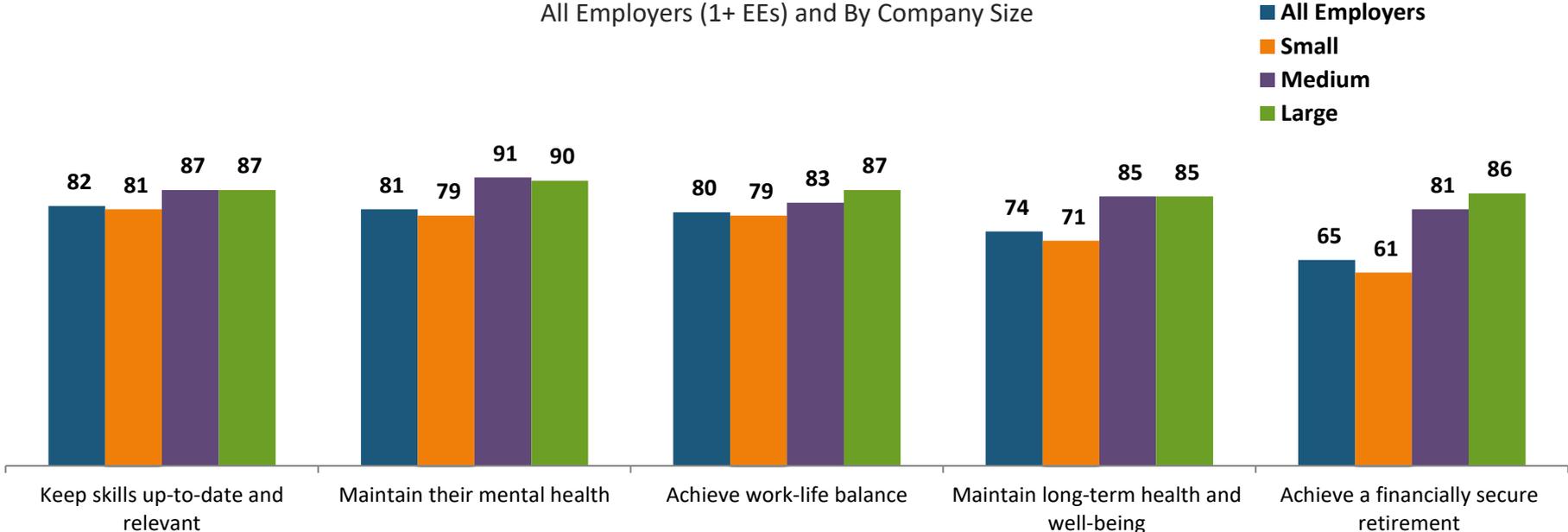
Q6015. Which of the following are currently major concerns for your company’s leadership? Select all.

Most Employers Feel Responsible for Their Employees' Well-Being

Most employers feel very or somewhat responsible for helping their employees with various aspects of their health and well-being. Approximately eight in 10 employers feel responsible for helping employees keep their skills up-to-date and relevant (82 percent), maintain mental health (81 percent), and achieve work-life balance (80 percent). Seventy-four percent of employers feel responsible for helping employees maintain long-term health and well-being, while 65 percent feel responsible for helping them achieve a financially secure retirement.

How responsible does your company feel for helping its employees...? (%)
NET – Very/Somewhat Responsible

All Employers (1+ EEs) and By Company Size



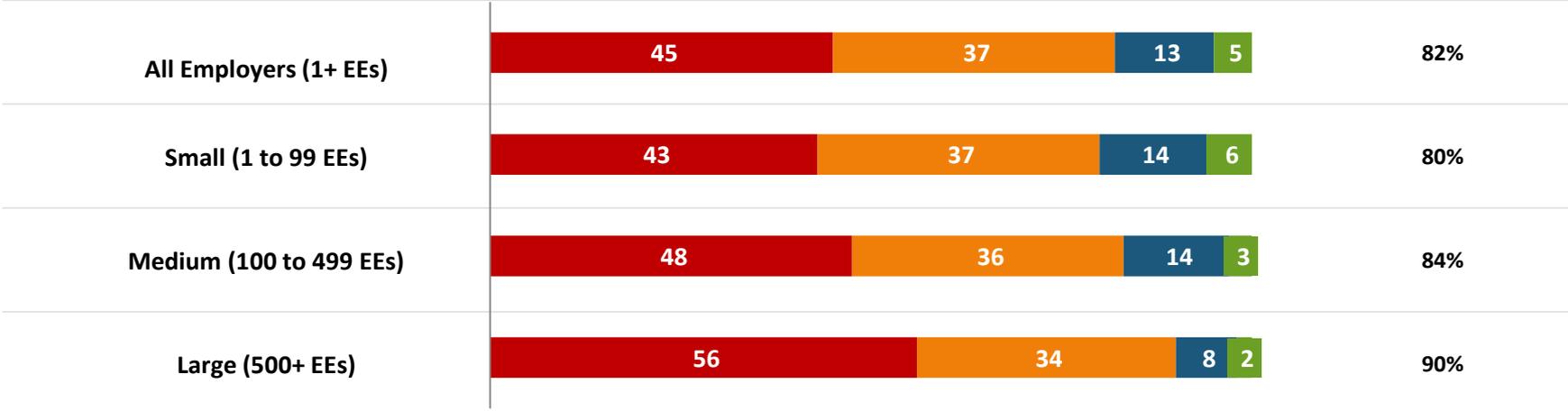
More Than 4 in 5 Are Concerned About Employees' Physical Health

Maintaining and safeguarding the physical health of workers, especially amid the pandemic, is of the utmost importance. Eighty-two percent of employers are concerned about employees maintaining their physical health, including 45 percent that are very concerned and 37 percent that are somewhat concerned. Large (90 percent) and medium companies (84 percent) are slightly more likely to be concerned than small companies (80 percent).

How concerned is your company about employees maintaining the following? (%)

Physical Health

NET – Very/Somewhat Concerned



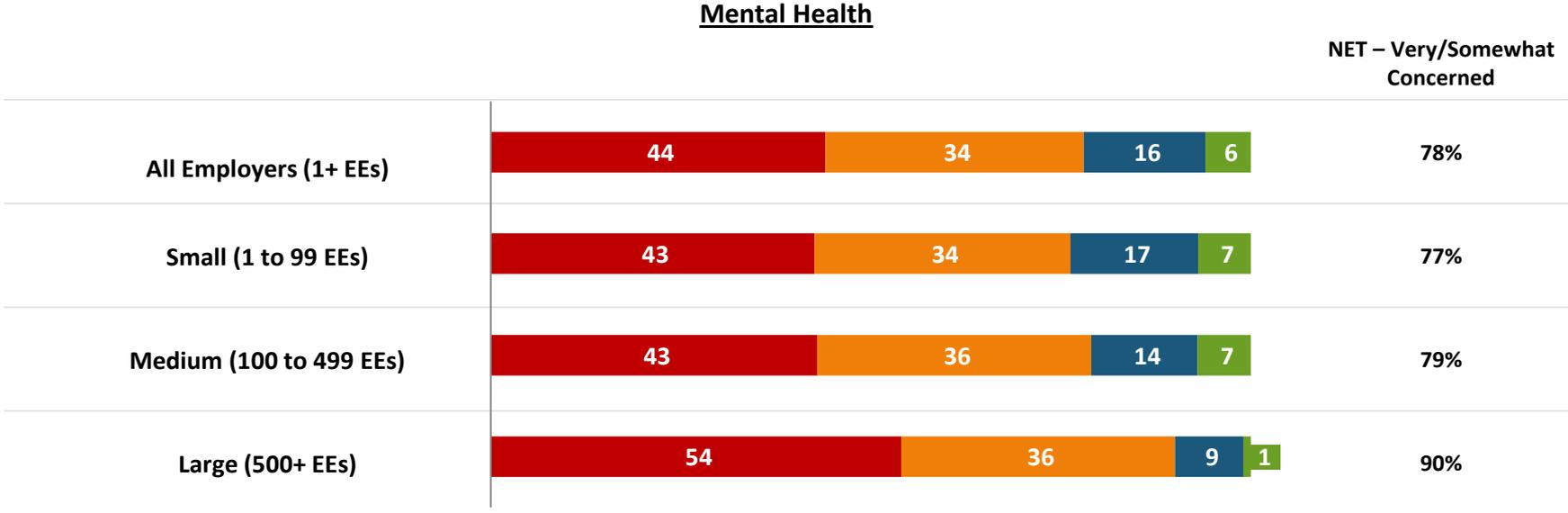
■ Very concerned
 ■ Somewhat concerned
 ■ Not very concerned
 ■ Not at all concerned

Note: Results may not total to 100% due to rounding.

More Than 3 in 4 Are Concerned About Employees' Mental Health

Maintaining and safeguarding mental health is an important aspect of protecting the overall health and well-being of workers, especially during the pandemic. More than three in four employers (78 percent) are concerned about employees maintaining their mental health, including 44 percent that are very concerned and 34 percent that are somewhat concerned. Large companies (90 percent) are more likely than small (77 percent) and medium companies (79 percent) to be concerned.

How concerned is your company about employees maintaining the following? (%)



■ Very concerned
 ■ Somewhat concerned
 ■ Not very concerned
 ■ Not at all concerned

Note: Results may not total to 100% due to rounding.

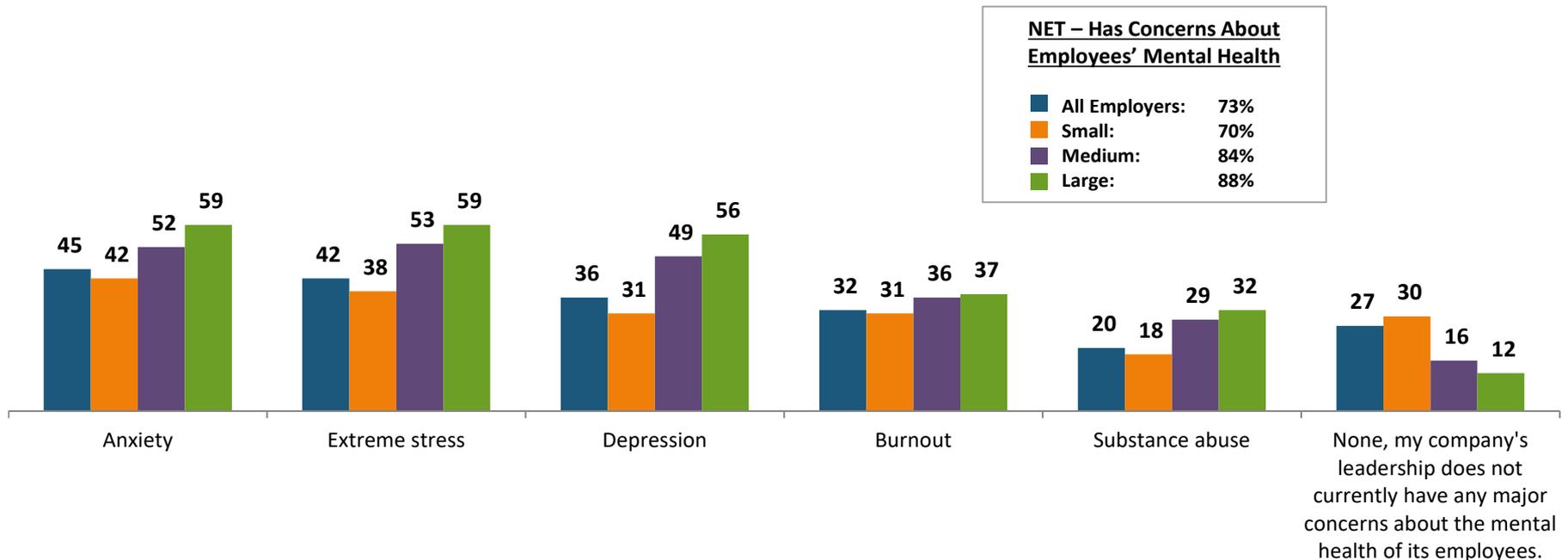
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q1447. How concerned is your company about employees maintaining the following? Mental health.

Company Leaders Have Major Concerns About Mental Health

Seventy-three percent of all employers cite one or more major concerns among their company's leadership regarding the mental health of their employees. The most frequently selected major concerns are anxiety (45 percent), extreme stress (42 percent), and depression (36 percent). Large (88 percent) and medium companies (84 percent) are more likely than small companies (70 percent) to have one or more major concerns about their employees' mental health.

In thinking about the mental health of your employees, which of the following are major concerns to your company's leadership? (%)



Note: Responses not shown for "Other" (All Employers: 2%, Small: 2%, Medium: 2%, Large: 3%).

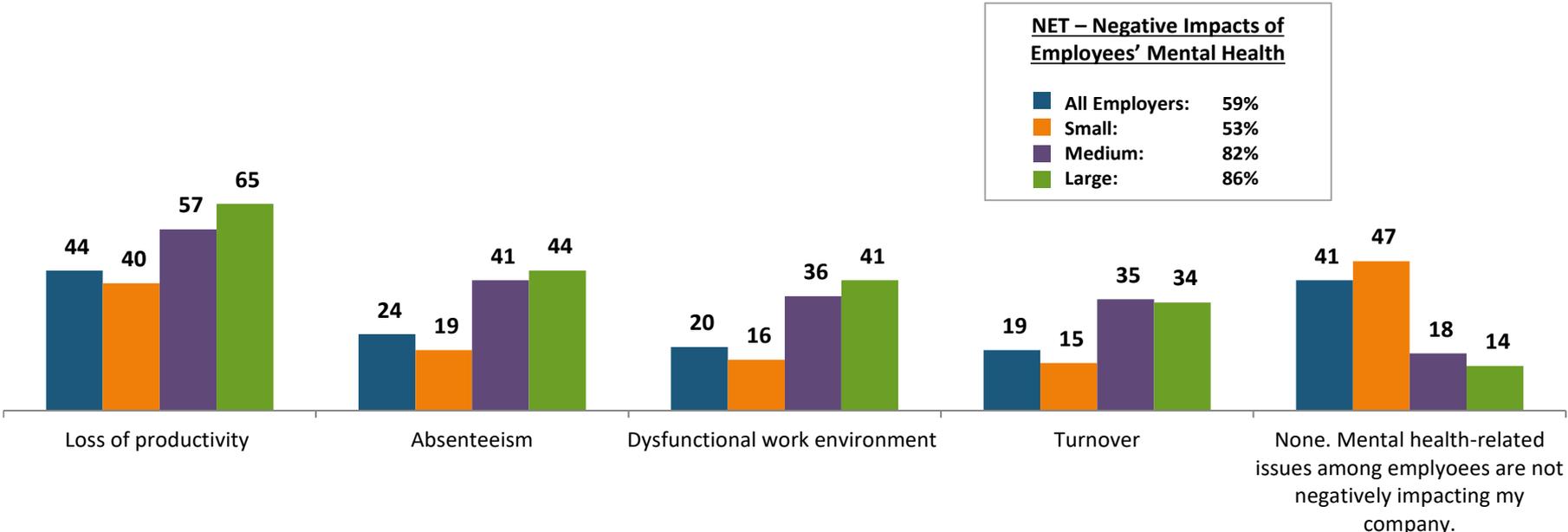
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q6030. In thinking about the mental health of your employees, which of the following are major concerns to your company's leadership? Select all.

How Mental Health Issues Are Negatively Impacting Employers

Fifty-nine percent of all employers cite one or more ways that employees’ mental health issues are negatively impacting their company. Large (86 percent) and medium companies (82 percent) are more likely than small employers (53 percent) to cite negative impacts. The most often-cited negative impact among all employers is a loss of productivity (44 percent), followed by absenteeism (24 percent), dysfunctional work environment (20 percent), and turnover (19 percent).

How are mental health-related issues among employees negatively impacting your company? (%)
All Employers (1+ EEs) and By Company Size

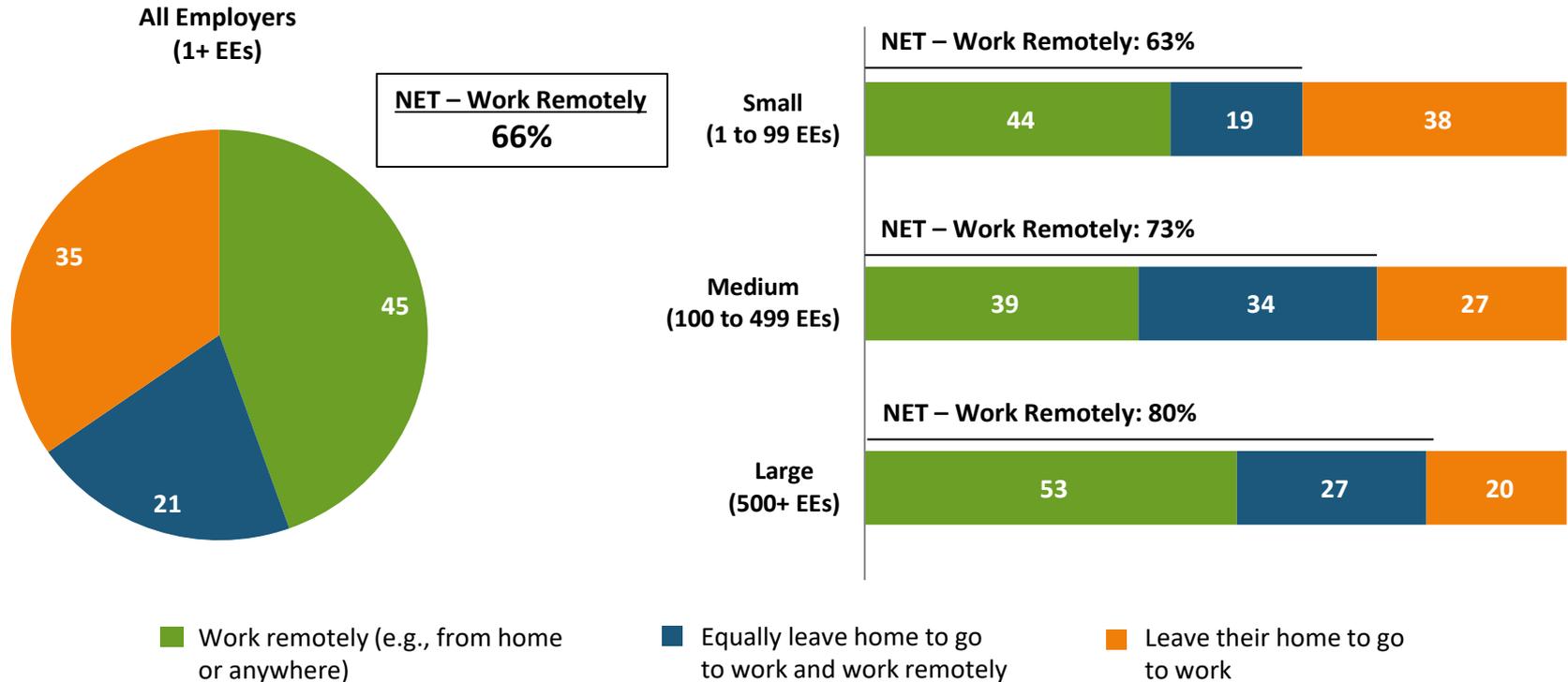


Note: Responses not shown for “Other” (All Employers: 1%, Small: 1%, Medium: 0%, Large: 0%).

Two-Thirds of Employers Say Most Employees Work Remotely

Sixty-six percent of employers indicate most of their employees work remotely, including 45 percent working from home or anywhere and 21 percent equally leaving home to go to work or working remotely. Large (80 percent) and medium companies (73 percent) are somewhat more likely than small companies (63 percent) to indicate that their employees work remotely. Small companies (38 percent) are more likely than medium (27 percent) and large companies (20 percent) to indicate most of their employees leave their home to go to work.

Current Work Arrangements of Most Employees (%)

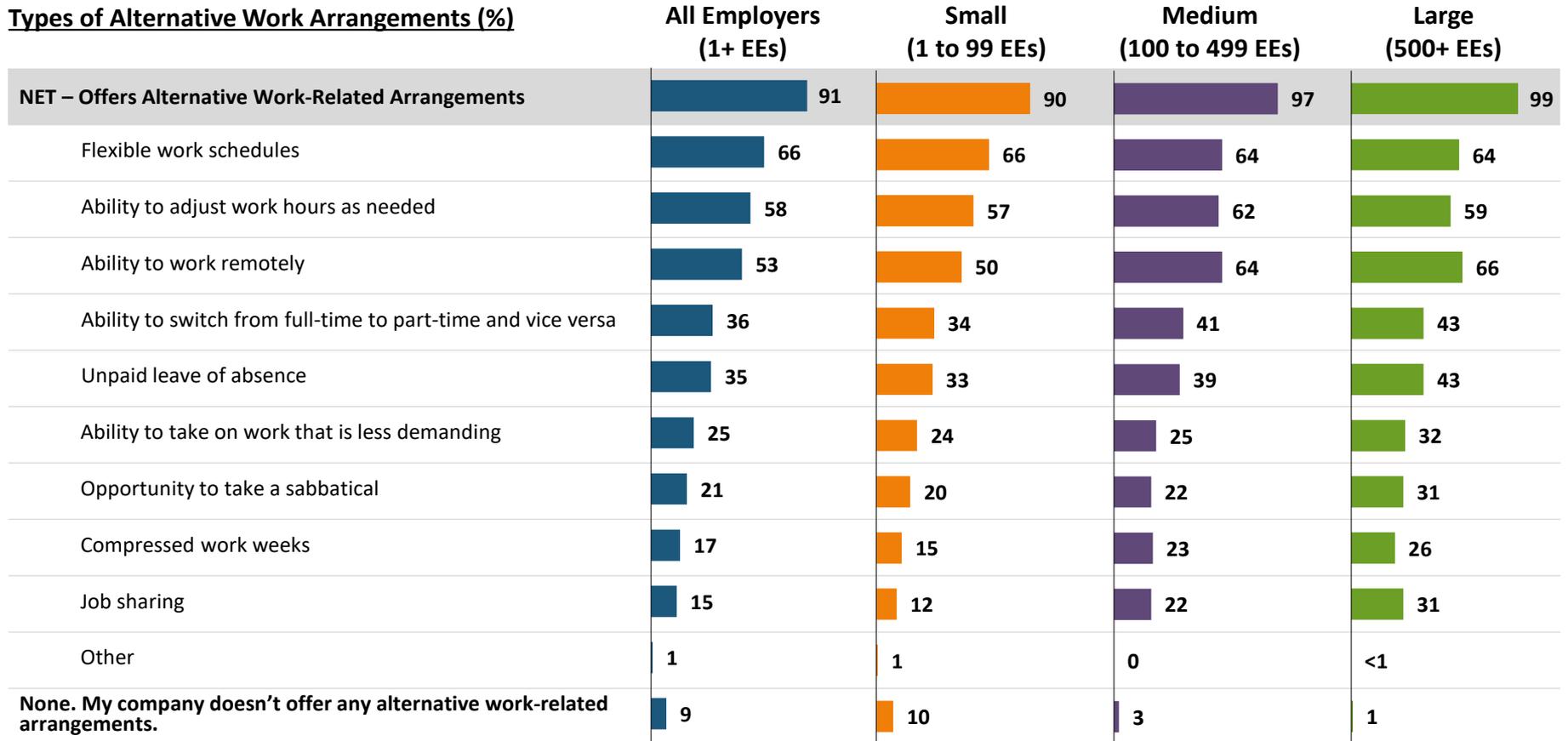


Note: Results may not total to 100% due to rounding.

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q6050. Do most of your employees currently...?

Many Employers Offer Alternative Work-Related Arrangements

By offering workers the ability to make adjustments in their schedules, employers can help ease the burden for their employees who are juggling work and other responsibilities such as caregiving and home-schooling. As of late 2020, 91 percent of employers offered some type of alternative work arrangement. The most frequently cited arrangements are flexible work schedules (66 percent), the ability to adjust work hours as needed (58 percent), and the ability to work remotely (53 percent). Large and medium companies are more likely than small companies to offer alternative work arrangements.



How Employers Are Supporting Employees During the Pandemic

Nine in 10 employers (90 percent) implemented one or more types of support for their employees during the pandemic, including flexible work hours (59 percent), the ability to work remotely (53 percent), and safety measures for on-site workers (43 percent). Generally, large and medium companies are more likely to provide various types of support to their employees than small companies.

<u>Types of Support Provided to Employees During the Pandemic (%)</u>	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Implemented One or More Measures	90	88	98	98
Allowed flexible hours	59	60	61	57
Allowed people to work remotely	53	51	64	58
Implemented safety measures for on-site workers	43	40	46	56
Provided emergency paid leave (e.g., sick time, family and medical leave)	24	19	48	46
Provided access to mental health support	22	17	39	43
Covered lost wages during quarantine and/or temporary closure	21	18	32	36
Maintained employee benefits for furloughed workers	19	15	40	38
Increased wages/pay for essential workers (e.g., employee appreciation pay, hazard pay)	18	14	33	35
Provided severance for laid-off workers	14	11	32	30
Other	3	4	2	1
Nothing	9	11	2	1
Don't know	1	1	0	<1

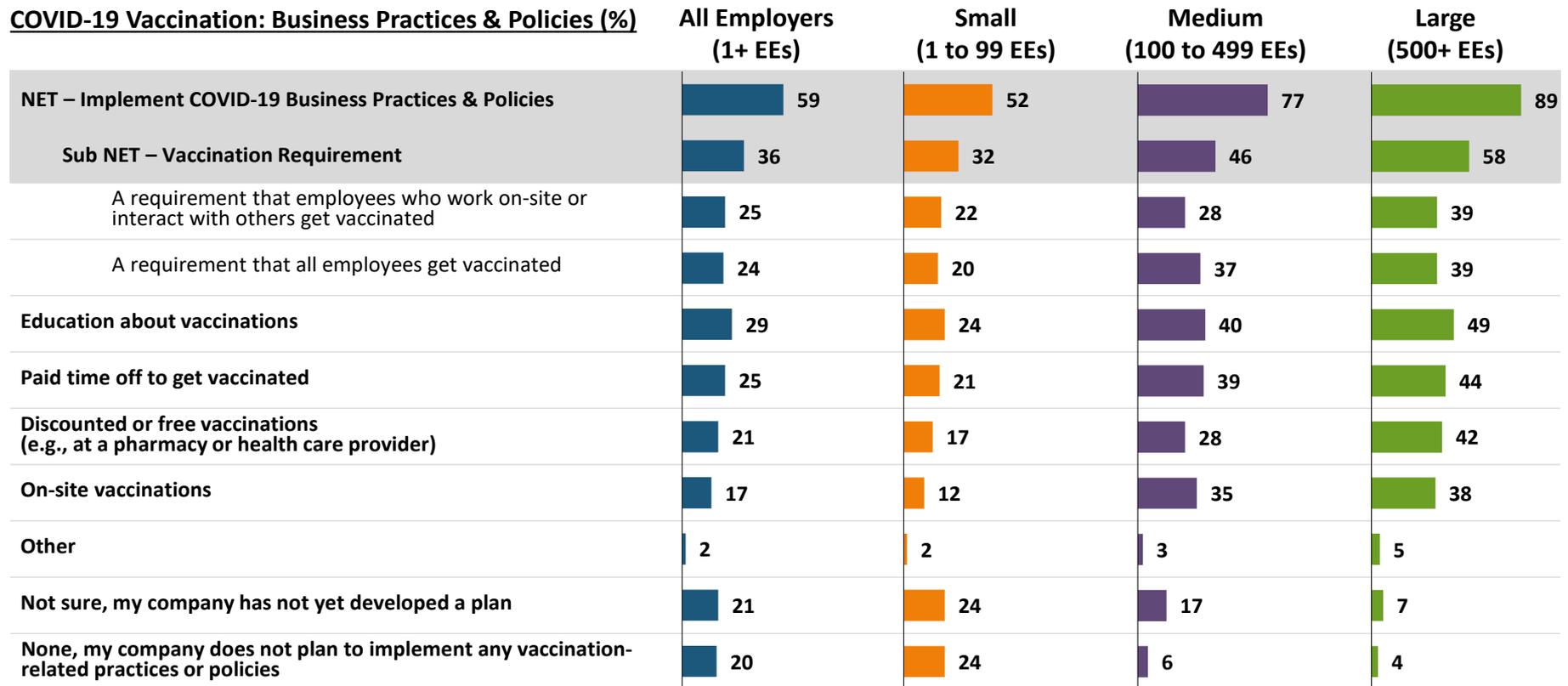
Note: Responses of more than 40% are highlighted.

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q7020. What, if anything, has your company done to support employees during the coronavirus pandemic? Select all.

Almost 6 in 10 Employers Plan to Facilitate Vaccination

In late 2020, 59 percent of employers planned to implement one or more COVID-19 vaccination-related business practices and policies when a vaccine became available. Large (89 percent) and medium companies (77 percent) were more likely than small companies (52 percent) to be planning to do so. Across company sizes, 36 percent (net) of employers planned to implement a vaccination requirement, 29 percent planned to provide education about vaccinations, and 25 percent planned to provide paid time off to get vaccinated. Twenty-one percent hadn't developed a plan and 20 percent planned to not implement any vaccination-related practices or policies.

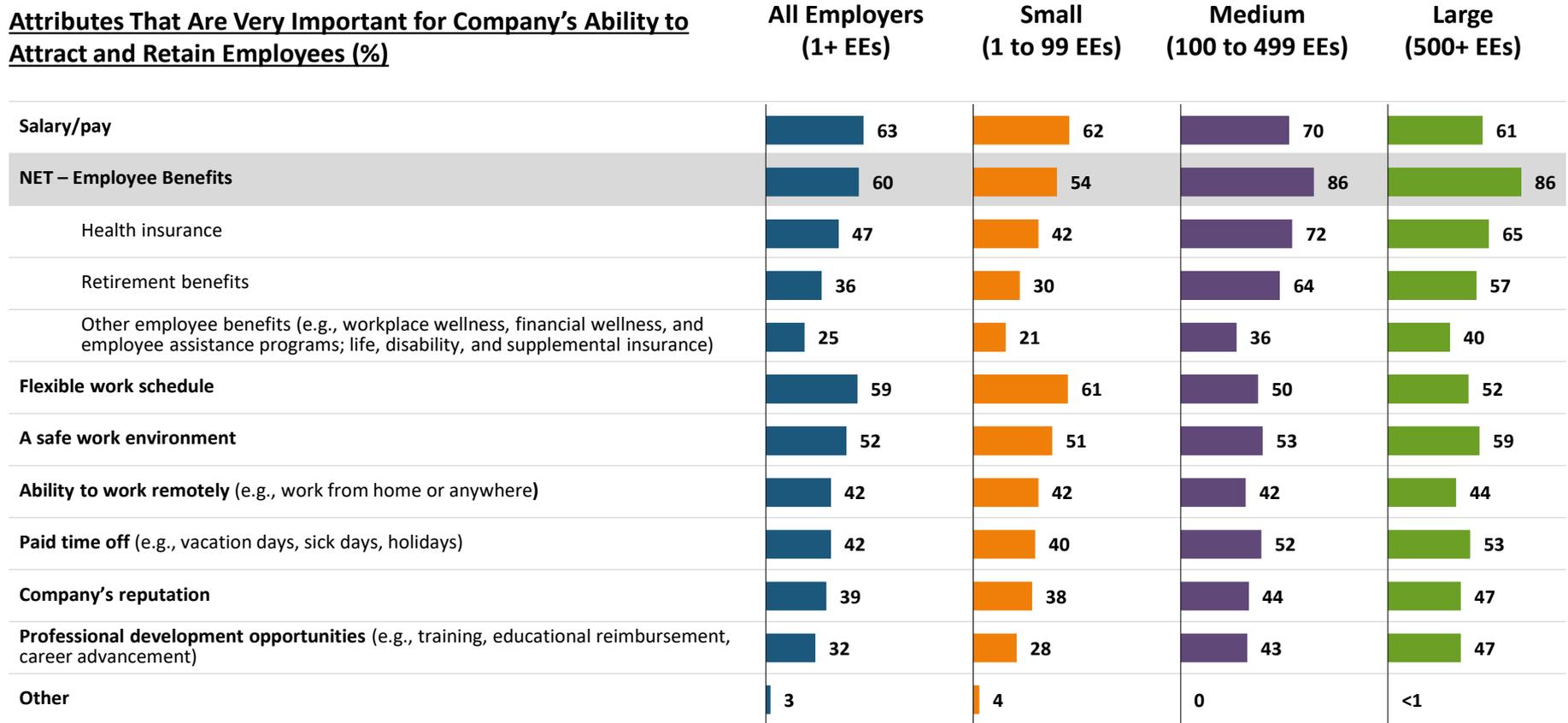




Health and Welfare Benefits

The Importance of Compensation, Benefits, and Flexibility

Employers recognize the importance of compensation and benefits to attract and retain employees. Sixty-three percent cite salary/pay as being very important, while 60 percent (net) cite employee benefits including health insurance (47 percent), retirement benefits (36 percent), and/or other benefits (25 percent). Medium and large companies (both 86 percent) are significantly more likely than small companies (54 percent) to cite employee benefits as being very important, while small companies (61 percent) are more likely than medium (50 percent) and large companies (52 percent) to cite flexible work schedules as very important.



Employers Offer a Variety of Health and Welfare Benefits

Most employers (70 percent) offer one or more types of health and welfare benefits to their employees. Health insurance (57 percent) is the most frequently offered benefit, followed by life insurance (33 percent), an employee assistance program (29 percent), and disability insurance (27 percent). Almost one in four employers (24 percent) offer a workplace wellness program. Large and medium companies are significantly more likely than small companies to offer these types of benefits. For example, the majority of large (82 percent) and medium companies (84 percent) health insurance, compared with around half of small companies (51 percent).

<u>Health and Welfare Benefits Offered (%)</u>	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Offers Health and Welfare Benefits	70	64	98	99
Health Insurance	57	51	84	82
Life Insurance	33	25	66	66
Employee Assistance Program	29	22	46	65
Disability Insurance	27	22	47	52
Workplace Wellness Program	24	18	39	55
Long-Term Care Insurance	19	13	38	46
Financial Wellness Program	18	12	31	47
Critical Illness Insurance	17	12	31	39
Cancer Insurance	9	7	11	21
None of these	30	36	2	1

Types of Health Plans Included in Health Insurance Coverage

Among employers that offer health insurance to their employees, 52 percent offer a health savings account (HSA) and/or flexible spending account (FSA). Large (69 percent) and medium companies (62 percent) are significantly more likely to offer these than small companies (46 percent). Almost half of all employers offer preferred provider organizations (PPOs) and health maintenance organizations (HMOs) (both 49 percent).

Types of Health Plans Included in Health Insurance Coverage (%)

	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – HSA/FSA	52	46	62	69
Health Savings Account (HSA)	42	35	53	58
Flexible Spending Account (FSA)	30	25	33	44
Preferred Provider Organization (PPO)	49	46	62	57
Health Maintenance Organization (HMO)	49	46	46	57
High Deductible Health Plan (HDHP)	27	23	32	39
Other	1	1	0	0

Reasons for Not Offering Health Insurance

Among employers not offering health insurance to their employees, the most frequently cited reasons for not doing so are the company is not big enough (67 percent) and concern about cost (36 percent).



Note: Responses by company size not shown due to small base.

Workplace Wellness Programs Include a Variety of Features

Among the 24 percent of employers that offer a workplace wellness program, the most frequently cited components of the program include mental health support (58 percent), fitness programs (50 percent), and health screenings/biometric assessments/vaccinations (48 percent). Offerings within an employer’s workplace wellness program generally increase with company size.

Elements of Company’s Workplace Wellness Program (%)	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Mental health support (e.g., stress management, therapy)	58	54	65	65
Fitness programs (e.g., on-site gym, gym or equipment subsidies)	50	47	63	51
Health screenings, biometric assessments, vaccinations	48	40	49	64
Education on healthy behaviors (e.g., via intranet, e-mails, webinars)	47	43	47	56
Lifestyle change programs (e.g., smoking cessation, weight management)	45	40	52	51
Integration of health promotion into your organization's culture (e.g., walking meetings, healthy food options)	38	34	49	42
Financial incentives for health-related activities	38	34	39	47
Programs for substance or alcohol abuse	37	33	41	43
Ergonomic workstations (e.g., standing desks, adjustable furniture)	36	35	33	40
Tools to set and track wellness goals (e.g., wearable device, online program)	36	31	51	39
Mindfulness, meditation, yoga, relaxation training	34	35	31	34
Opportunities to win prizes for health-related activities	29	23	35	40
None	<1	1	1	0
Don’t know	<1	<1	0	1

Note: Responses of 40% or more are highlighted.

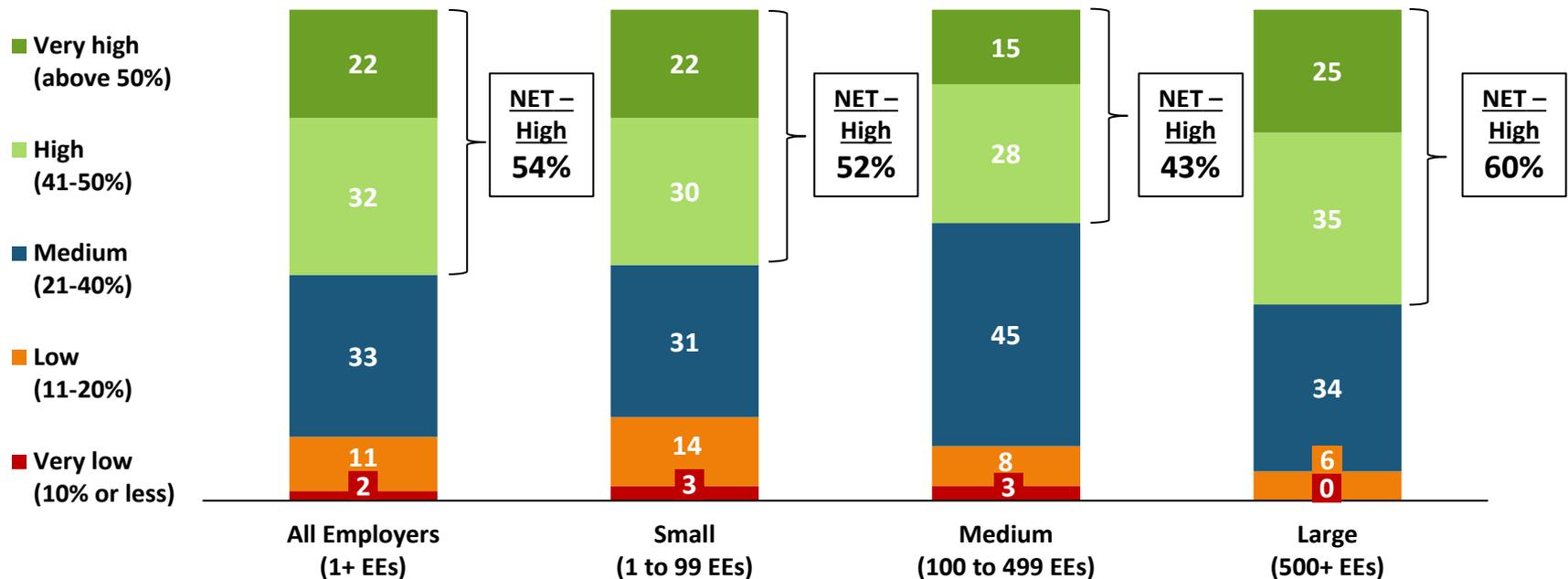
EMPLOYER BASE: OFFERS A WELLNESS PROGRAM

Q822. Which of the following elements are offered as part of your workplace wellness program? Select all.

Workplace Wellness Programs Enjoy Strong Participation

More than half of all employers (54 percent) indicate the average level of participation in their workplace wellness programs is high (32 percent) or very high (22 percent). Large companies are somewhat more likely than medium and small companies to report high levels of participation.

Average Level of Employee Participation in Workplace Wellness Programs (%)



Note: Results may not total to 100% due to rounding.

Note: Responses not shown for "Not Sure" (All Employers: 0%, Small: 0%, Medium: 1%, Large: 0%).

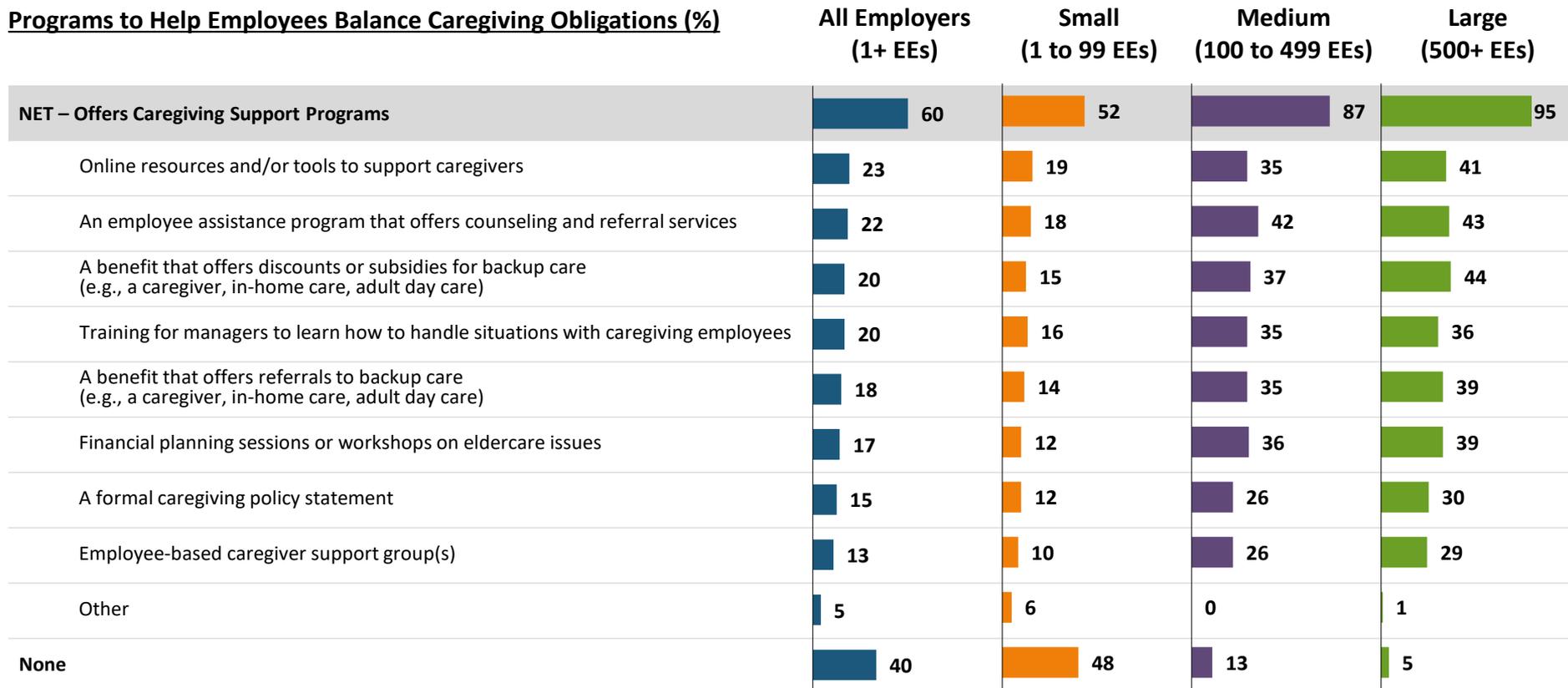
EMPLOYER BASE: OFFERS A WELLNESS PROGRAM

Q822a. What percentage best describes the average level of employee participation in any workplace wellness program you offer?

Employers Can Do More to Support Caregiving Employees

From time to time, many employees find themselves needing to be a caregiver for an aging parent or loved one. Six in 10 employers (60 percent) offer one or more programs to support caregiving employees. Large (95 percent) and medium companies (87 percent) are much more likely than small companies (52 percent) to do so. However, much more can be done by employers of all sizes. Only about one in five employers offer online resources and/or tools to support caregivers (23 percent), an employee assistance program (22 percent), training for managers (20 percent), and/or a benefit that offers referrals to backup care (18 percent).

Programs to Help Employees Balance Caregiving Obligations (%)



EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q4030. At one time or another, employees may face the need to balance their work responsibilities with caregiving for an aging parent or loved one (separate from raising children). Which of the following programs, if any, does your company offer to help its employees balance their obligations? Select all.

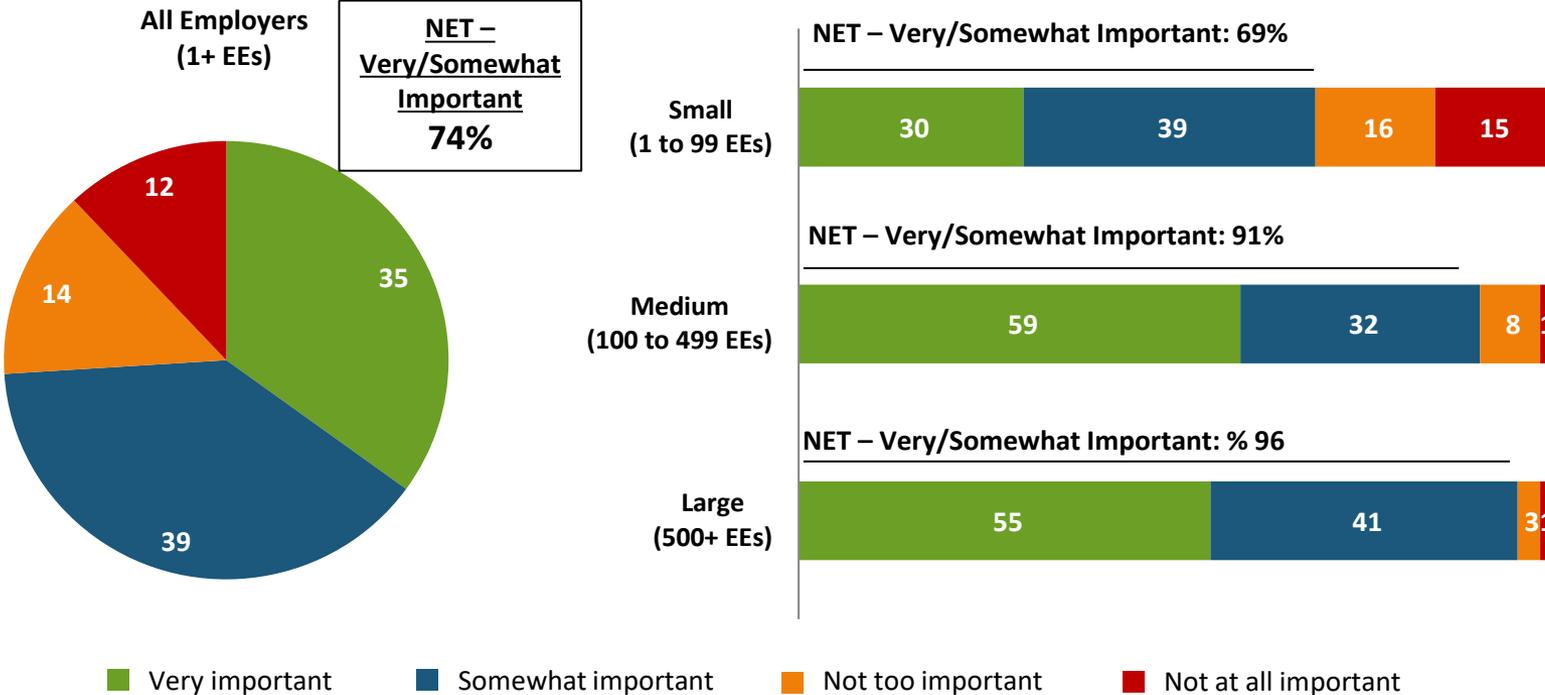


Retirement Benefits

Importance of Retirement Plans in Attracting and Retaining Talent

Seventy-four percent of employers believe that offering an employee-funded retirement plan package is important for attracting and retaining employees. Large (55 percent) and medium companies (59 percent) are more likely than small companies (30 percent) to believe that it is important.

Importance of Retirement Plans in Attracting and Retaining Employees (%)



Retirement Benefits Offered to Employees

Fifty-two percent of employers offer a 401(k) or similar employee-funded retirement plan to their employees. Employee-funded plans are more commonly offered by large (90 percent) and medium companies (83 percent), compared with small companies (44 percent). Company-funded defined benefit plans are only offered by 17 percent of employers. About four in 10 employers (41 percent) do not offer any retirement benefits to their employees. Small companies (50 percent) are significantly more likely to indicate they do not offer any retirement benefits, compared with medium (4 percent) and large companies (1 percent).

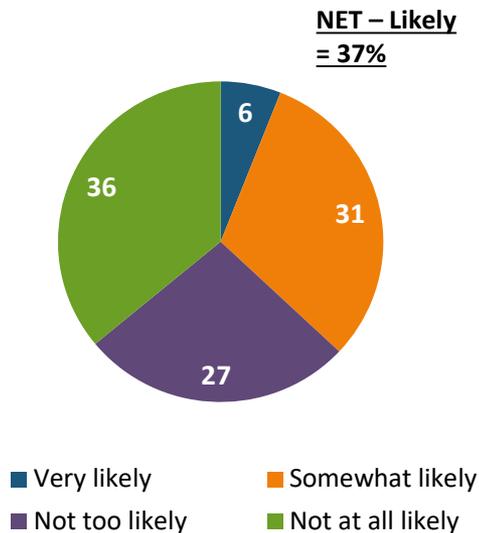
Retirement Benefits Offered to Employees (%)

	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Employee-Funded Plan	52	44	83	90
Employee-Funded 401(k) Plan	44	36	78	80
Other Employee Self-Funded Plan (e.g., SEP, SIMPLE, Other Plans Except for 401(k)s)	14	12	17	27
Company-Funded Defined Benefit Pension Plan	17	12	37	42
Separate Retirement Program for Select Executives or Senior Management	12	7	18	25
Company-Funded Cash Balance Pension Plan	10	9	19	27
Other	<1	1	0	0
None. My Company Does Not Offer Any Retirement Benefits.	41	50	4	1

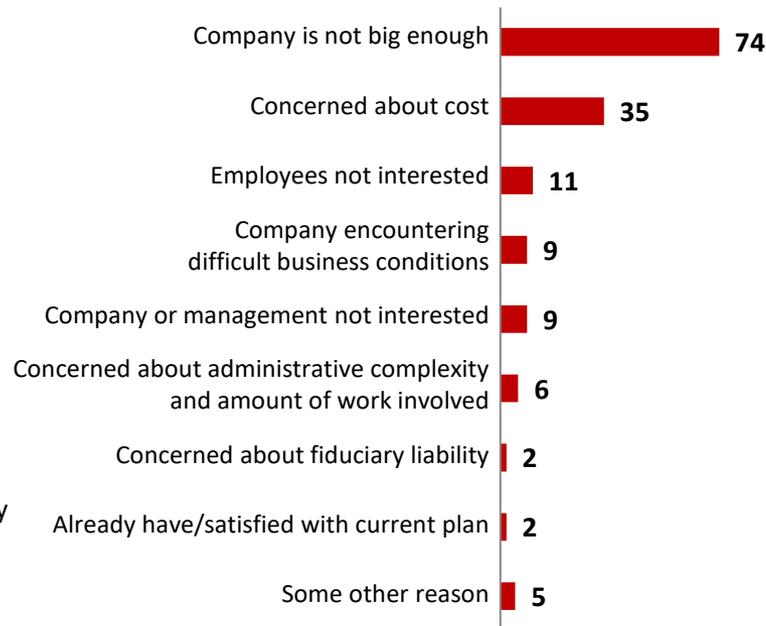
Non-Sponsors Not Planning to Offer a Plan

Among companies that do not offer a 401(k) or similar employee-funded plan, only 37 percent say they are likely to begin sponsoring a plan in the next two years. The most frequently cited reasons among companies not planning to do so include they are not big enough (74 percent), they are concerned about cost (35 percent), and their employees are not interested (11 percent). However, there may be cause for optimism regarding the future, as 30 percent of those not likely to offer a plan say they would consider joining a multiple employer plan (MEP) or a pooled employer plan (PEP) that handles many of the fiduciary and administrative duties at a reasonable cost.

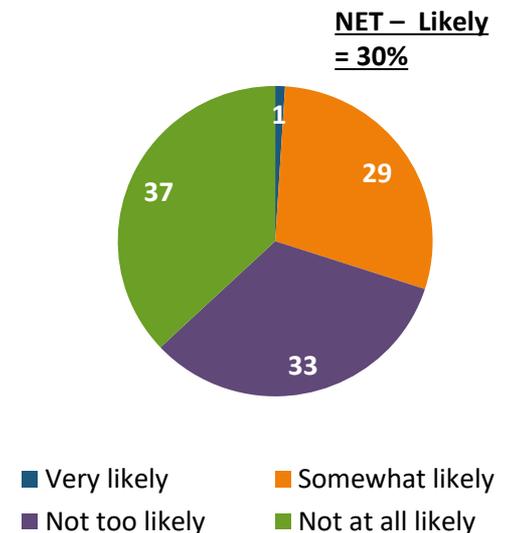
Likelihood to Begin Sponsoring a 401(k) or Similar Plan Within the Next Two Years (%)



All Employers (1+ EEs)
Most Frequently Cited Reasons for NOT Planning to Offer a Plan (%)



As an Alternative, Likelihood to Consider Joining a Multiple Employer Plan or a Pooled Employer Plan (%)



Note: Results may not total to 100% due to rounding.

EMPLOYER BASE: DOES NOT OFFER 401(K) NOR OTHER SELF-FUNDED PLAN

Q600. How likely is your company to begin offering an employee-funded retirement plan package like a 401(k) to its employees in the next two years?

EMPLOYER BASE: DOES NOT OFFER 401(K) OR OTHER SELF-FUNDED PLAN; NOT LIKELY TO OFFER 401(K) OR OTHER PLAN IN THE NEXT TWO YEARS

Q610. Why is your company not likely to offer a plan in the next two years? Select all.

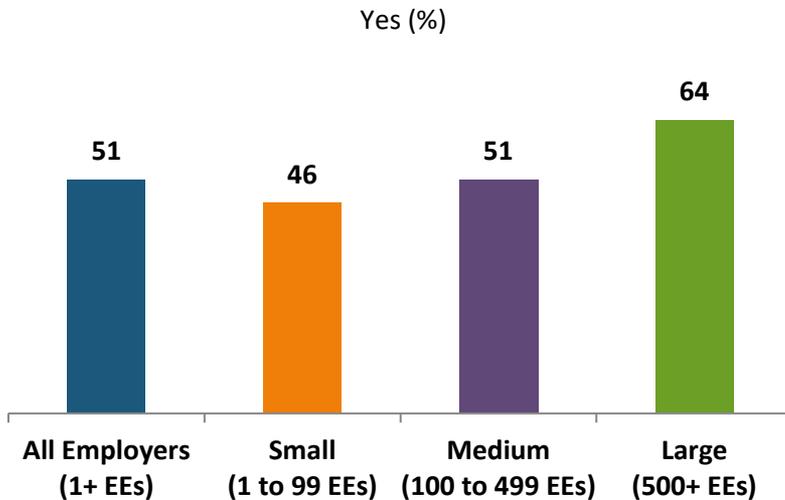
Q1605. As an alternative to establishing a stand-alone 401(k) plan, if your company had the ability to join a multiple employer plan or a pooled employer plan that is offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost, how likely would you be to consider it?

Extending Eligibility to Part-Time Employees

Among employers that offer a 401(k) or similar retirement plan to their employees, only 51 percent extend eligibility to part-time workers. Large (64 percent) and medium companies (51 percent) are somewhat more likely to extend eligibility to part-time workers than small companies (46 percent). Among plan sponsors that do not extend eligibility to part-time workers, 39 percent do not plan to do so in the future. Their most frequently cited reasons include: generally impractical (43 percent), high turnover rates among part-time employees (39 percent), and concerned about cost (37 percent). The SECURE Act of 2019 requires plan sponsors to extend eligibility to long-term (three years of service), part-time workers. Employers are required to track years of service beginning in 2021, thus long-term, part-time workers will first be eligible in 2024.

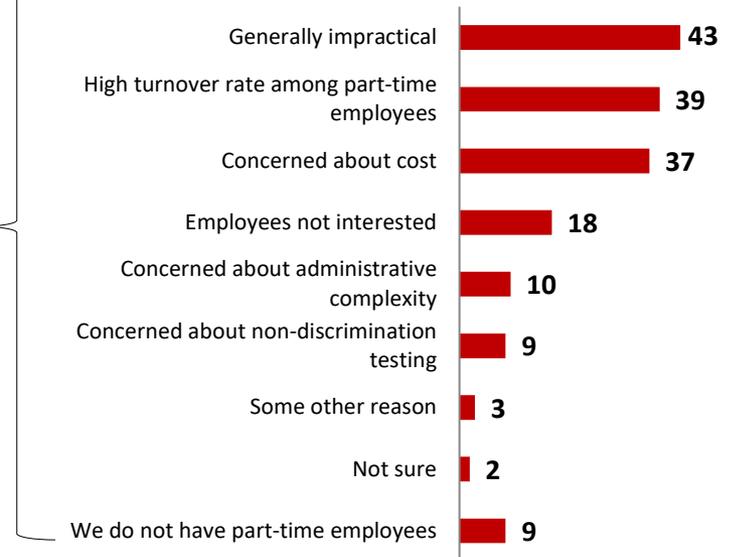
All Employers (1+ EEs)

Employers Extend Eligibility to Part-Time Employees to Participate in 401(k) or Similar Plan (Among Those That Offer a Plan)



Among plan sponsors not extending eligibility to part-time workers, 39 percent do not plan to do so in the future.

Reasons for NOT Planning to Extend Eligibility to Their Part-Time Employees (%)



EMPLOYER BASE: OFFERS EMPLOYEE-FUNDED RETIREMENT PLAN

Q1650. Are any part-time employees currently eligible to participate in the employee-funded 401(k) or similar retirement plan?

EMPLOYER BASE: OFFERS EMPLOYEE-FUNDED RETIREMENT PLAN; DOES NOT EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES

Q1660. Does your company plan to extend 401(k) eligibility to any part-time employees in the future?

EMPLOYER BASE: OFFERS EMPLOYEE-FUNDED RETIREMENT PLAN; DOES NOT EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES; HAS NO PLANS TO EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES

Q1655. Which of the following best describes why your company is not planning to extend 401(k) eligibility to any part-time employees in the future? Select all.

More Than Nine in 10 Plans Include an Employer Contribution

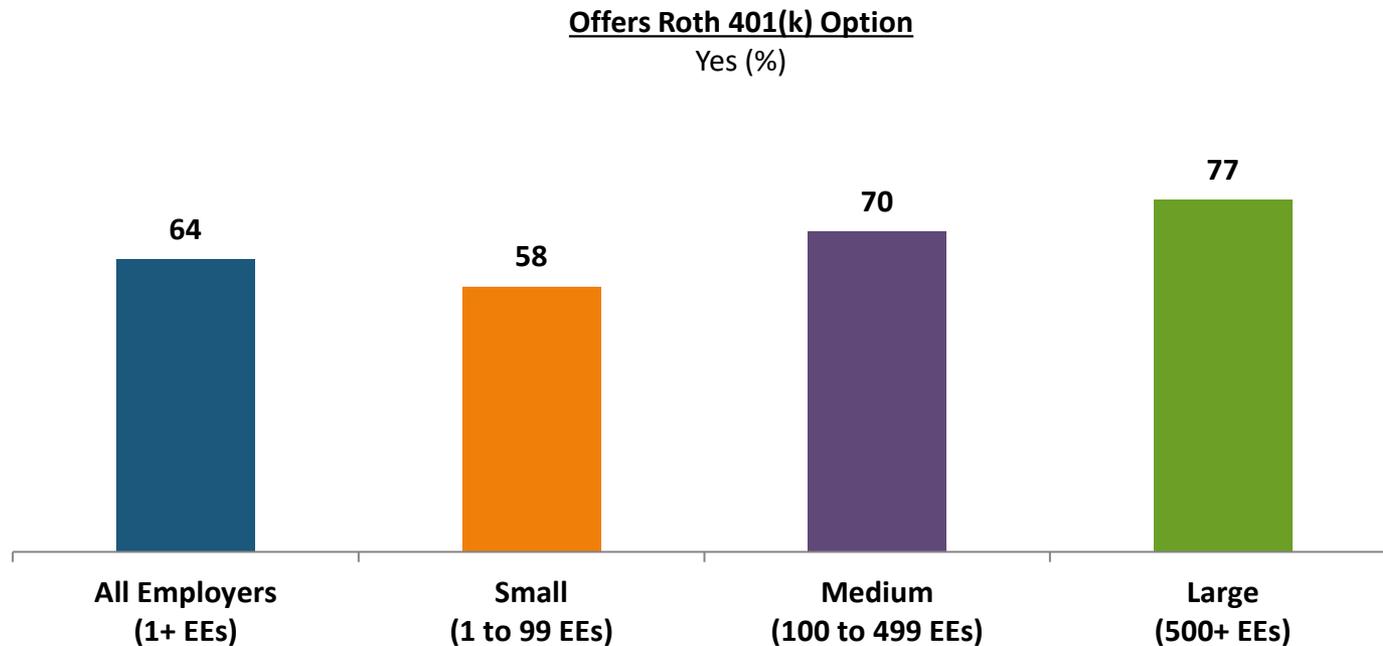
Ninety-two percent of plan sponsors make an employer contribution as part of their 401(k) or similar plan, including 98 percent of both large and medium companies, and 89 percent of small companies. Large (87 percent) and medium companies (85 percent) are more likely than small companies (66 percent) to make a contribution in the form of a company match. An employer’s matching contribution can be one of the most important features of a 401(k) or similar plan, as both an incentive for employees to join the plan and a means of enabling them to build their retirement savings.

<u>Retirement Benefits Offered to Employees (%)</u>	All Employers (1+ EEs)	Small (1 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Provides Employer Contribution	92	89	98	98
Yes, we provide a company match to the employee's contribution	73	66	85	87
Yes, we provide a contribution, but not in the form of a match	26	29	21	19
No	8	11	2	2

Note: Results may not total to 100% due to rounding.

Roth 401(k) Offering

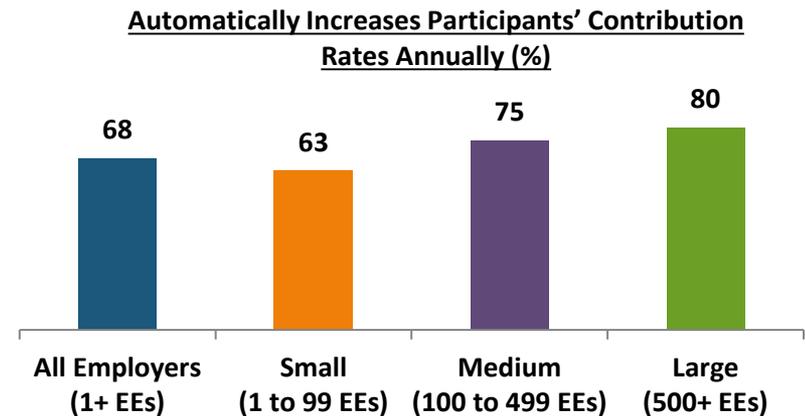
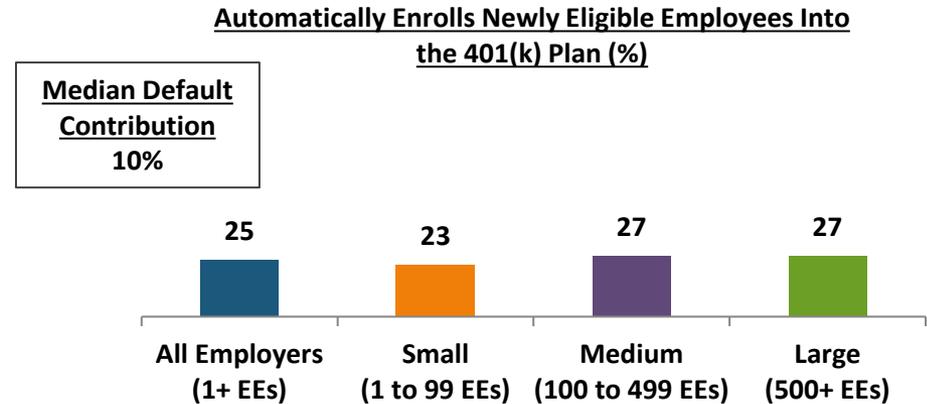
Sixty-four percent of plan sponsors offer a Roth 401(k) option. Large (77 percent) and medium companies (70 percent) are more likely to offer this feature than small companies (58 percent).



Adoption of Automatic Features Increases With Company Size

Twenty-five percent of plan sponsors have adopted automatic enrollment, including 23 percent of small and 27 percent of both medium and large companies. Among them, the default contribution rate is 10 percent (median) of an employee's pay.

Sixty-eight percent of plan sponsors have adopted automatic escalation, a feature that automatically increases participants' contribution rates annually. Automatic escalation is more common at large (80 percent) and medium companies (75 percent) than at small companies (63 percent).



EMPLOYER BASE: OFFERS 401(K) PLAN

Q1025. When a new employee qualifies to join the employee-funded 401(k) plan, are they (A) initially given a choice to participate or not participate in the plan, or (B) automatically enrolled in the plan with the choice to opt out at a later date?

Q1031. Does your employee-funded 401(k) plan have a provision to automatically increase participants' contribution rates annually, such as on a date set forth by the plan, their anniversary date of hire, or anniversary of first contribution to the plan?

EMPLOYER BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE 401(K) PLAN

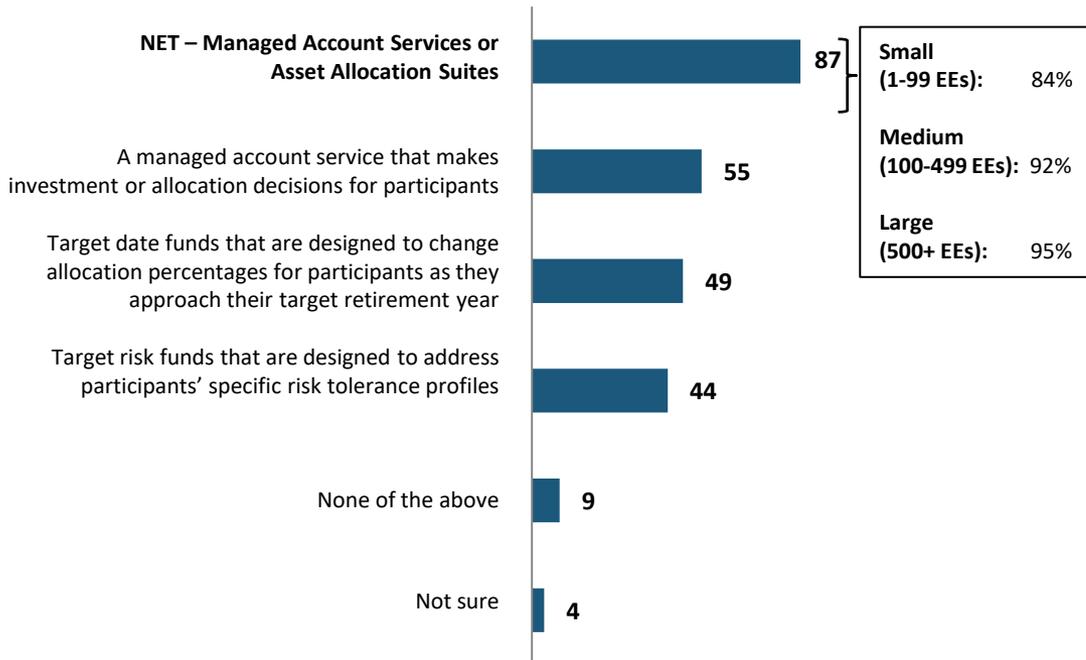
Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

Professionally Managed Investment Services Are Ubiquitous

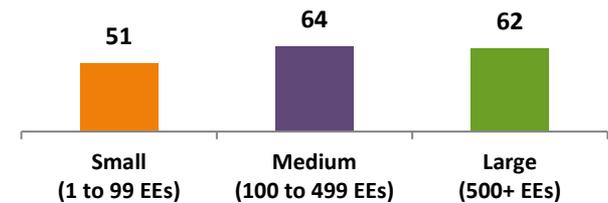
Professionally managed services such as managed accounts and asset allocation suites, including target date and target risk funds, have become ubiquitous options in 401(k) or similar plans, with 87 percent of plan sponsors offering them. Such offerings enable plan participants to invest in professionally managed services or funds that are essentially tailored to their goals, years to retirement, and/or risk tolerance profile. They can help participants with asset allocation without their having to become investment experts themselves. As with many other plan features, large companies are more likely to offer these than small companies.

Offer Professionally Managed Account Services or Asset Allocation Suites for Investments (%)

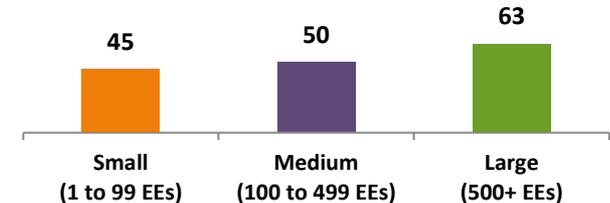
All Employers/ Plan Sponsors (1+ EEs)



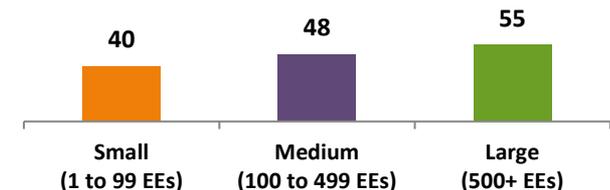
Managed Account / Service (%)



Target Date Funds (%)



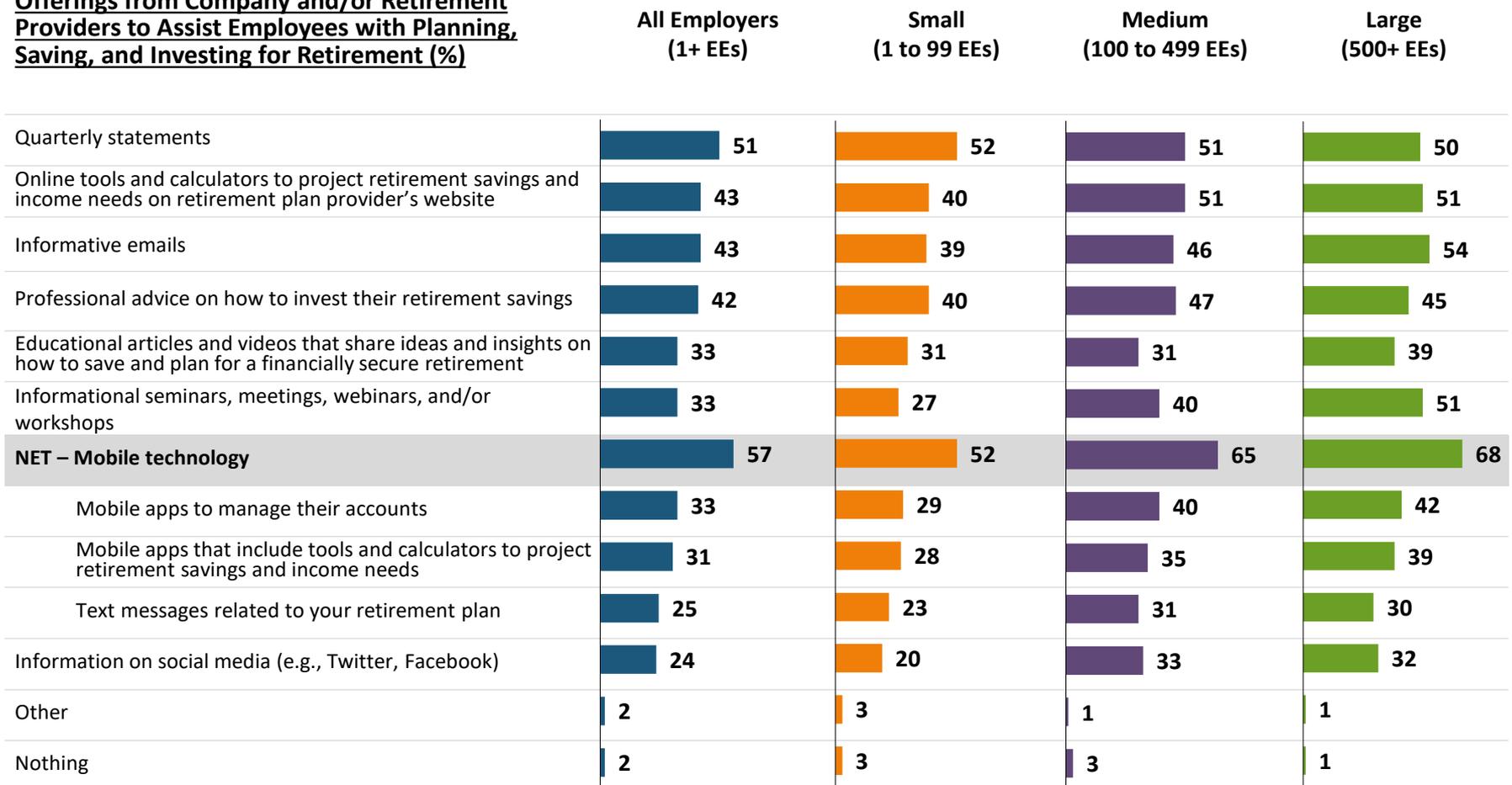
Target Risk Funds (%)



Offerings to Help Employees Plan, Save, and Invest for Retirement

Among employers that offer a 401(k) or similar plan, plan sponsors offer a variety of online tools and resources, professional advice, informative emails, seminars/meetings/webinars/workshops, and mobile apps, in addition to quarterly statements. Generally, small companies are less likely to offer their employees assistance with planning, saving, and investing for retirement, compared with medium and large companies.

Offerings from Company and/or Retirement Providers to Assist Employees with Planning, Saving, and Investing for Retirement (%)

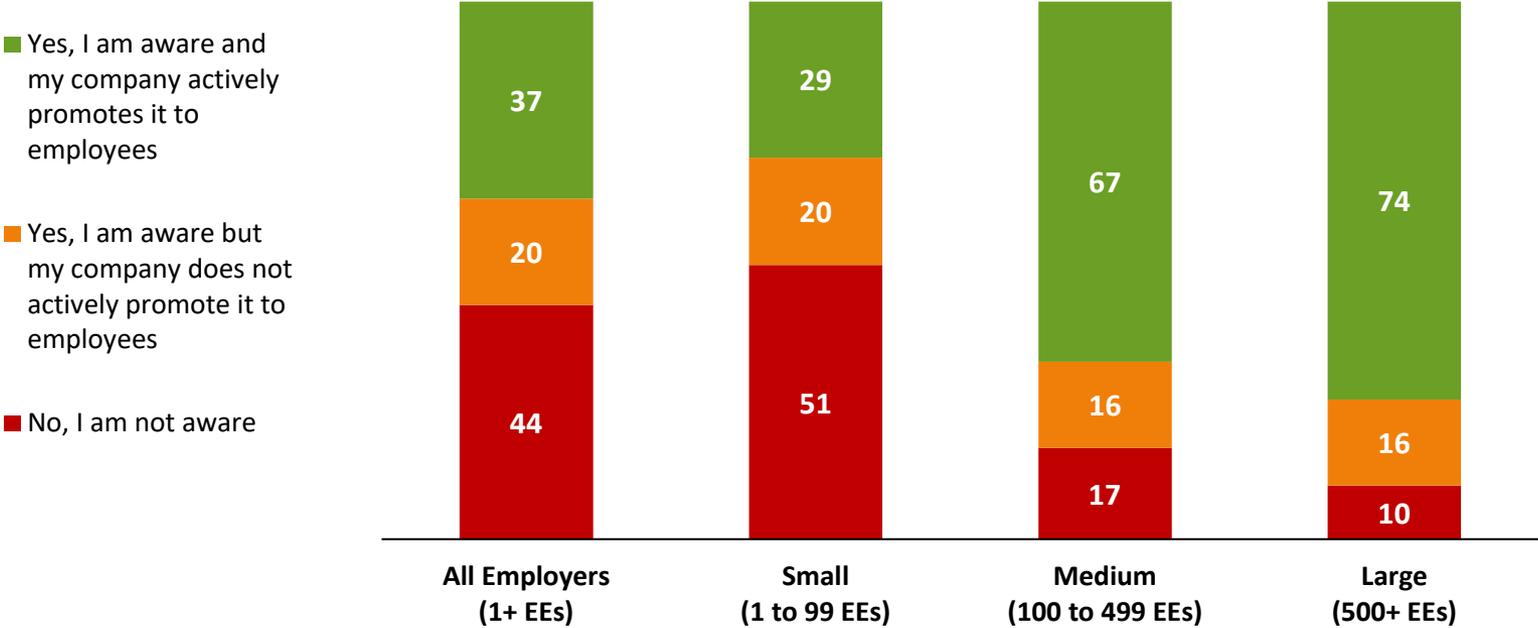


EMPLOYER BASE: OFFERS 401(K) OR OTHER SELF-FUNDED PLAN
 Q3605. Which of the following does your company and/or retirement provider offer to your employees to assist them with planning, saving, and investing for retirement? Select all.

IRS Saver's Credit Awareness

The Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Only 37 percent of all employers are both aware of the Saver's Credit and actively promoting it to their employees, but this awareness increases with company size. Large (74 percent) and medium companies (67 percent) are significantly more likely to be aware of the tax credit and actively promoting it, compared with small companies (29 percent).

Employers' Level of Awareness of the Saver's Credit and Efforts to Promote It (%)



Note: Results may not total to 100% due to rounding.

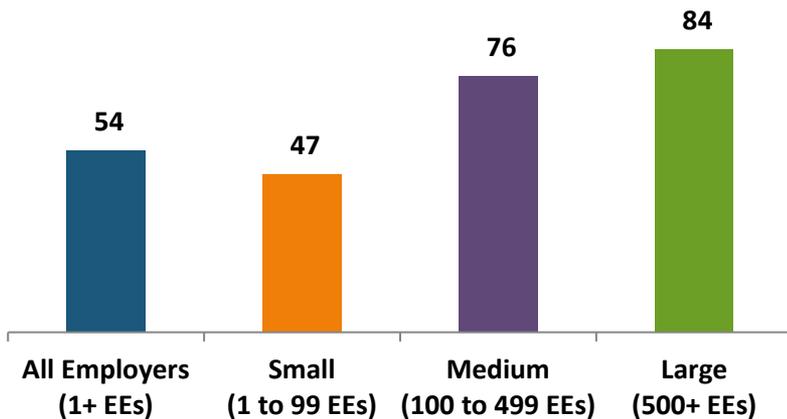
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q3607. Are you aware of a tax credit called the "Saver's Credit," which is available to individuals and households, who meet certain income requirements, for making contributions to an IRA or a company-sponsored retirement plan such as a 401(k) plan or 403(b) plan?

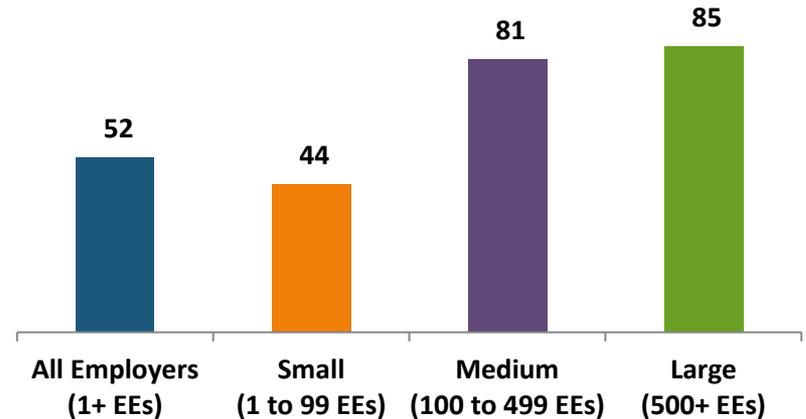
Some Employers Offer Information About Government Benefits

As part of their retirement planning-related educational offerings, slightly more than half of employers provide information about Social Security (54 percent) and Medicare (52 percent) benefits. Small companies are much less likely to provide such information about government benefits than medium and large companies.

**Provides Information About
Social Security Benefits**
Yes (%)



**Provides Information About
Medicare Benefits**
Yes (%)



Assistance Transitioning Savings & Finances Into Retirement

Workers nearing retirement face a myriad of complex decisions regarding transitioning their savings and finances into retirement, and plan sponsors have an important opportunity to work with their retirement plan providers to assist them. However, few provide things such as: educational resources (39 percent), information about distribution options (38 percent), retirement planning materials (37 percent), referrals to the company's retirement plan provider (36 percent), and education about transitioning into retirement (35 percent).

<u>How Plan Sponsors Help Employees Transition Their Savings and Finances Into Retirement (%)</u>	All Employers (1+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Provide educational resources	39	38	41	42
Provide information about the distribution options available in the company's retirement plan*	38	35	33	45
Distribute retirement planning materials	37	35	42	40
Provide referrals to the company's retirement plan provider	36	34	38	39
Offer education about transitioning into retirement	35	33	36	40
Allow terminated retirement plan participants to leave their money in the plan*	31	30	34	35
Allow systematic withdrawals by terminated plan participant*	31	27	37	41
Offer seminars about transitioning into retirement	27	23	33	36
Offer an income annuity as a payout option in the company's retirement plan	27	23	34	36
Provide referrals to an IRA provider that is not the company's retirement plan provider	24	20	33	31
Something else	2	3	2	1
Nothing	7	8	5	4

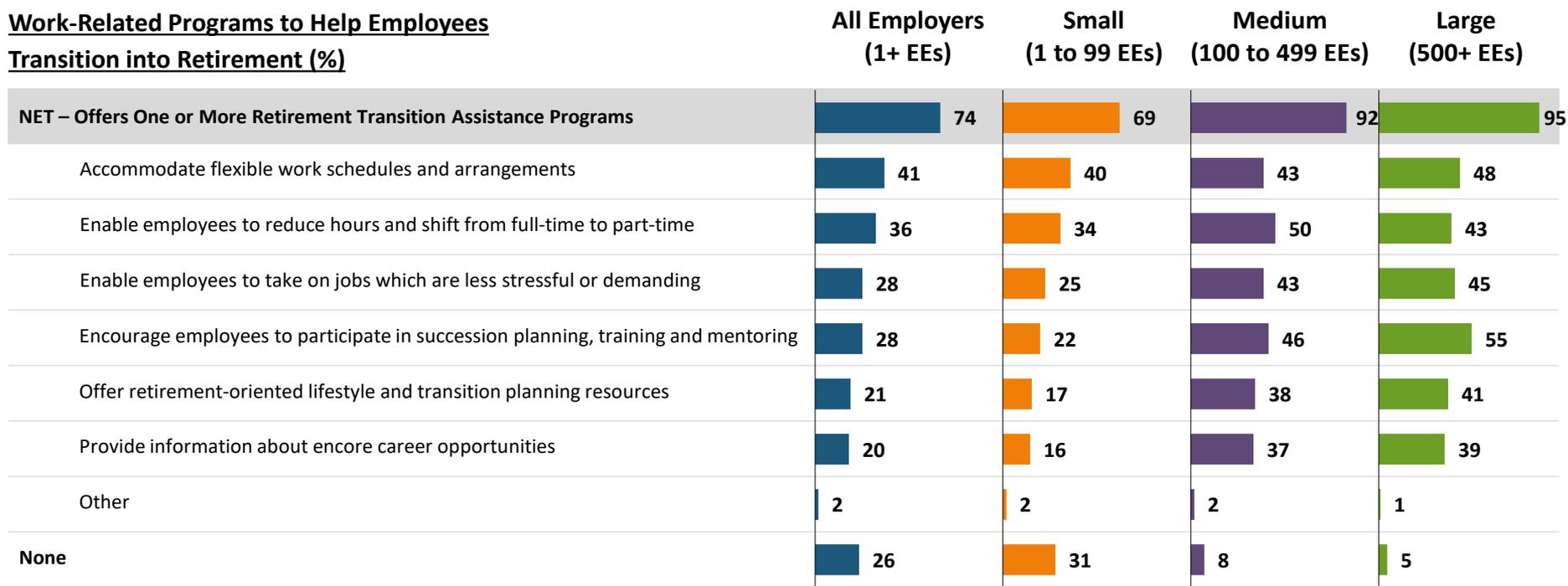
*While regulations concerning terminated participants may require that companies perform these actions, these statistics only reflect companies' responses to the survey.
EMPLOYER BASE: OFFERS 401(K) OR SIMILAR PLAN
Q770. Does your company and/or retirement provider do any of the following to help employees transition their savings and finances into retirement? Select all.

Offering of Retirement Transition Assistance

Most employers (74 percent) offer one or more forms of retirement transition assistance. Large and medium companies (95 percent, 92 percent respectively) are more likely than small companies (69 percent) to do so. However, relatively few offer robust offerings. Only 41 percent of employers offer flexible work schedules to help employees transition into retirement. Even fewer enable employees to shift from full-time to part-time (36 percent), take on jobs that are less stressful or demanding (28 percent), or participate in succession planning, training, and mentoring (28 percent). Moreover, employers are missing an opportunity to facilitate smoother transitions when their employees do retire, with only 21 percent offering retirement-oriented lifestyle and transition planning resources and 20 percent providing information about encore career opportunities.

Work-Related Programs to Help Employees

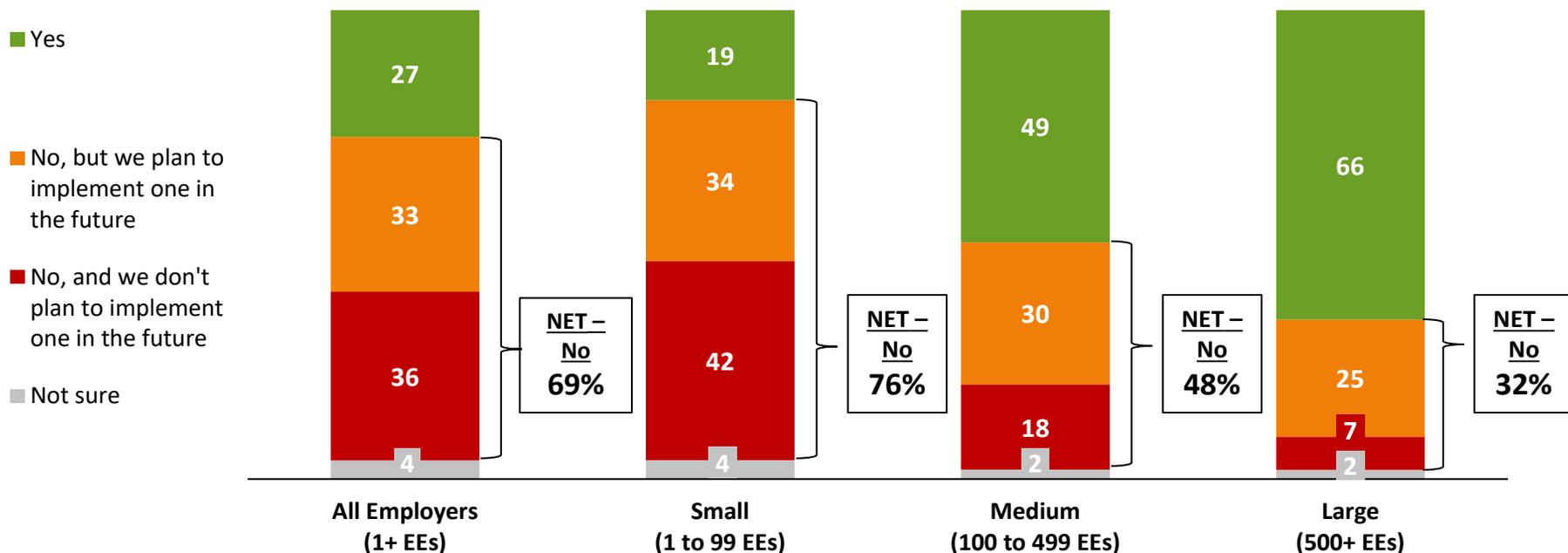
Transition into Retirement (%)



Offer a Formal Phased Retirement Program

Sixty-nine percent of employers do not offer a formal phased retirement program, including 33 percent that plan to implement a program in the future and 36 percent that do not have plans to do so. However, the offering of a formal phased retirement program increases with company size. Large (66 percent) and medium companies (49 percent) are significantly more likely to offer such programs than small companies (19 percent).

Offer a Formal Phased Retirement Program (%)



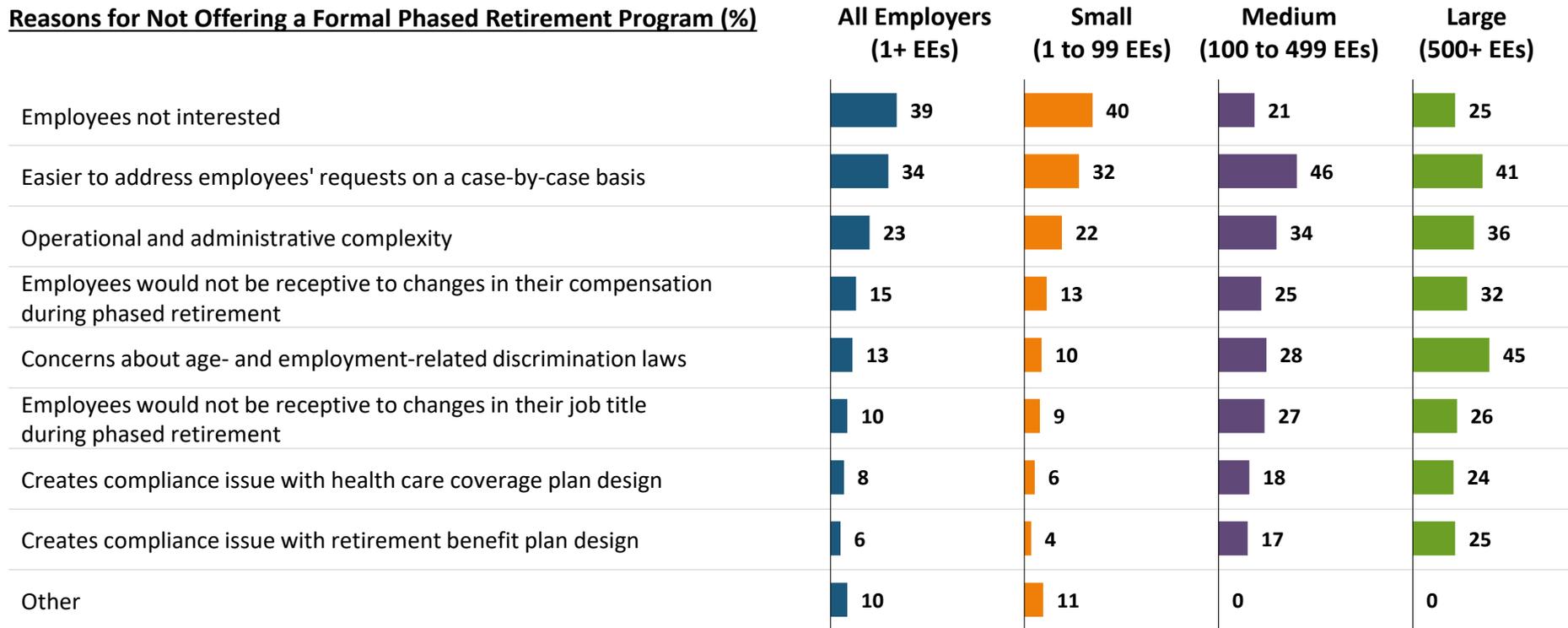
Note: Results may not total to 100% due to rounding.

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q5005. Does your company have a formal phased retirement program with specific provisions and requirements for employees who want to transition into retirement?

Reasons for Not Offering a Formal Phased Retirement Program

The most frequently cited reasons for not offering a phased program are that employees are not interested (39 percent), it is easier to address employees' requests on a case-by-case basis (34 percent), and operational and administrative complexity (23 percent). Large companies (45 percent) are significantly more likely to cite concerns about age- and employment-related discrimination laws as a reason for not offering phased retirement, compared with medium (28 percent) and small companies (10 percent).



EMPLOYER BASE: DOES NOT OFFER PHASED RETIREMENT PROGRAM

Q5007. For which of the following reasons does your company not offer a formal phased retirement program with specific provisions and requirements for employees who wish to transition to retirement? Select all.

A Portrait of Employers

Characteristics		All Employers (%) (1+ EEs) n=1,903	Small (%) (1 to 99 EEs) n=1,163	Medium (%) (100 to 499 EEs) n=230	Large (%) (500+ EEs) n=510
Location	Urban	45	39	64	72
	Suburban	45	48	36	32
	Rural	19	22	7	5
Industry	Service industries	39	40	44	41
	Professional services	29	28	27	29
	Agriculture, mining, or construction	14	16	7	5
	Transportation, communications, or utilities	6	5	5	6
	Manufacturing	5	4	8	10
	Education	2	2	2	2
	Some other type of business	6	6	7	7
Essential Business	Yes	44	37	76	71
	No	42	47	16	23
	Not sure	8	9	6	5
	Not applicable in state(s) where my company conducts business	6	7	2	1
In-Person Interaction Required for Business	Yes	53	53	65	50
	No	47	47	35	50
Percentage of Company's Workforce is Part-Time Employees	0%	29	34	8	8
	1-24%	36	33	45	50
	25-50%	17	16	26	20
	51-99%	13	11	20	20
	100%	5	6	1	1
	Median	24	24	24	24
Employee Composition	Balanced mix of employees of all ages	57	54	70	71
	More older than younger employees	22	25	10	9
	More younger than older employees	21	21	20	20
Percentage of Company's Workforce is Age 65+	0%	24	30	1	1
	1-29%	45	39	69	67
	30-49%	7	6	13	11
	50-79%	8	9	5	7
	80-100%	3	3	1	1
	Not sure	13	13	11	13
Median (including 0%)	10	8	13	13	

Note: Results may not total to 100% due to rounding.

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q6035. Location, Q1645. Industry, Q6040. Essential Business, Q6045. In-Person Interaction Required for Business, Q3665. Percentage of Company's Workforce is Part-Time Employees, Q3655. Employee Composition, Q5020. Percentage of Company's Workforce is Age 65+

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