Pre-Pandemic: U.S. Employer Benefits and Business Practices

20th Annual Transamerica Retirement Survey

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

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TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

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With more than two decades of retirement services experience, Catherine has become a nationally recognized voice on retirement trends for the industry. 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 Milken Institute's Center for the Future of Aging's Advisory Board Leadership Council. She co-hosts the ClearPath: Your Roadmap to Health & Wealth radio show on Baltimore's WYPR, an NPR news station.

Catherine is employed by Transamerica Corporation. Since joining the organization in 1995, she has held a number of positions with responsibilities including the founding of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013, as well as the creation of the Aegon Center for Longevity and Retirement in 2015.

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About Transamerica Center for Retirement Studies®

- Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute® (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, as well as retirees. For more information about TCRS, please visit www.transamericacenter.org.

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About the Survey

- Since 1998, Transamerica Center for Retirement Studies® (TCRS) has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest running and largest national surveys of its kind.

Methodology: 20th Annual Retirement Survey of Employers

- The analysis contained in this report was prepared internally by the research team at Transamerica Center for Retirement Studies® (TCRS).

- A 19-minute online survey was conducted between November 11 and December 11, 2019 among a nationally representative sample of 1,828 employers by The Harris Poll on behalf of TCRS. 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
  - Employ five employees or more across all locations

- Quotas were set for large and small companies and results were statistically weighted as needed by using targets from the Dun & Bradstreet database to ensure each quota group is a representative sample based on the number of companies in each employee size range. In order to ensure that this sample is fully representative of the targeted universe of employers, results were weighted by industry and region.

- Percentages are rounded to the nearest whole percent.

TRANSAMERICA CENTER FOR RETIREMENT STUDIES®

Methodology: 20th Annual Transamerica Retirement Survey of Workers

- The analysis contained in this report was prepared internally by the research team at Transamerica Center for Retirement Studies® (TCRS).
- A 29-minute, online survey was conducted from November 6 to December 27, 2019 among a nationally representative sample of 5,277 workers by The Harris Poll on behalf of TCRS. Respondents met the following criteria:
  - U.S. residents, age 18 or older
  - Full- or part-time workers in a for-profit company employing one or more employees
  - **This report is based on 4,751 workers who work in companies of five or more employees**
- Data were weighted as follows:
  - Census data were referenced for education, age by gender, race/ethnicity, region, household income, and number of employees by company size. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, employed full- or part-time in a for-profit company with one or more employees.
  - The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not.
- Percentages are rounded to the nearest whole percent.

Terminology and Sample Sizes

This report uses the following terminology:

Employers	Base Size
• *All employers*: 5 or more employees	N=1,828
• *Small company*: 5 to 99 employees	N=917
• *Medium company*: 100 to 499 employees	N=305
• *Large company*: 500 or more employees	N=606

Workers	Base Size
• *All workers*: 5 or more employees	N=4,751
• *Small company*: 5 to 99 employees	N=1,917
• *Medium company*: 100 to 499 employees	N=796
• *Large company*: 500 or more employees	N=2,038

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Key Highlights

Pre-Pandemic: U.S. Employer Benefits and Business Practices explores the direct and indirect ways that employers promote retirement security among their employees. It covers topics ranging from the offering of retirement and other health and welfare benefits to business practices that help workers manage their work-life balance and, ultimately, extend their working lives. It also provides segmentation analyses that illustrate commonalities and differences among large (500+ employees), medium (100 to 499 employees), and small companies (less than 100 employees) and how they influence retirement outcomes. Based on surveys of employers and workers conducted in late 2019, before the onset of the coronavirus pandemic, it is part of nonprofit Transamerica Center for Retirement Studies' (TCRS) 20th Annual Transamerica Retirement Survey.

Key Highlights

Employers: How They Promote Retirement Security

Employer-sponsored retirement plans, including 401(k)s and similar employee-funded plans, are essential for employers to attract and retain talent. These retirement benefits have also proven to be one of the most effective ways to facilitate long-term savings among workers. Unfortunately, not all workers have access to these benefits. Large companies typically provide more robust benefit offerings than their small-business counterparts. Full-time employees are more likely to be offered benefits than part-time employees. Retirement plan features and other employee benefits vary from company to company. The survey findings quantify trends by company size and identify opportunities for companies of all sizes to enhance their benefit offerings.

- **Few Employers Are Very Confident About Retirement.** Eight in ten *employers* (81 percent) are confident their employees will be able to achieve a financially secure retirement, including 23 percent that are “very confident” and 58 percent that are “somewhat confident.” In contrast, a smaller majority of *workers* (67 percent) are confident that they will be able to fully retire with a lifestyle they consider comfortable, including 22 percent who are “very confident” and 45 percent who are “somewhat confident.”
- **Workers Are Concerned About Achieving Financial Security.** More than three in four workers (77 percent) agree with the statement, “Compared with my parents’ generation, people in my generation will have a much harder time in achieving financial security,” including 37 percent who “strongly agree” and 40 percent who “somewhat agree.” Workers of medium companies (80 percent) are somewhat more likely to agree with this statement than workers of small and large companies (both 77 percent).
- **Retirement Benefits Are Important for Attracting Employees.** Seventy-seven percent of *employers* believe that offering a 401(k) or similar plan is important for attracting and retaining employees. However, somewhat more *workers* (80 percent) agree that retirement benefits offered by a prospective employer will be a major factor in their final decision-making when job hunting.

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Retirement Plan Sponsorship Rates Increase With Company Size.** Sixty-four percent of employers offer a 401(k) or similar plan to their employees. Employee-funded plans are more commonly offered by large (92 percent) and medium companies (87 percent), compared with small companies (57 percent). Company-funded defined benefit plans are only offered by 11 percent of employers. Three in 10 employers do not offer any retirement benefits to their employees. Small companies (37 percent) are significantly more likely to indicate they do not offer any retirement benefits, compared with medium (6 percent) and large companies (4 percent).
- **Companies' Reasons for Offering Retirement Benefits.** Among those that offer some form of retirement benefits, companies of all sizes cite similar reasons for doing so: retaining existing employees (50 percent), helping employees to save and prepare for retirement (50 percent), increasing employee job satisfaction (49 percent), and offering a competitive employee benefits package (46 percent). Large (57 percent) and medium companies (54 percent) more often cite attracting new employees as a reason, compared with small companies (35 percent).
- **Professional Advisor Usage and Type of Advisor Used.** Sixty-nine percent of employers use a professional advisor to help select their company's retirement plan. Medium companies (73 percent) are somewhat more likely to do so than small and large companies (68 percent and 69 percent, respectively). The most commonly used types of advisors include financial planners/brokers (40 percent), benefits consultants (32 percent), and investment advisors (31 percent).
- **Most Non-Sponsors Are Not Planning to Offer a Plan.** Among companies that do not offer a 401(k) or similar plan, only 42 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: company is not big enough (60 percent), concerns about cost (37 percent), and employees are not interested (20 percent). There may be cause for optimism with regard to the future, however, as 29 percent of those not likely to offer a plan say that they would consider joining a multiple employer plan (MEP) offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost.

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Some Plan Sponsors Extend Eligibility to Part-Time Employees.** Among employers that offer a 401(k) or similar plan to their employees, only 49 percent extend eligibility to part-time workers. More large (59 percent) and medium (64 percent) companies extend eligibility to part-time workers than small companies (44 percent). Among plan sponsors that do not extend eligibility to part-time workers, 75 percent do not plan to do so in the future. Their most frequently cited reasons include: concerned about cost (44 percent), high turnover rates among part-time employees (35 percent), and generally impractical (30 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.
- **Half of Workers Expect to Primarily Rely on Self-Funded Savings.** Half of workers (51 percent) expect their primary source of income in retirement to come from self-funded savings such as 401(k)s, 403(b)s, IRAs (38 percent), or other savings and investments (13 percent). Reliance on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as the primary source of retirement income is somewhat higher among workers of large (44 percent) and medium (38 percent) companies, compared with those of small companies (30 percent). On the other hand, more workers of small companies expect Social Security (30 percent) or working (17 percent) to be their primary source of retirement income, compared with those at medium and large companies (23 percent and 20 percent, respectively for Social Security and 14 percent and 13 percent, respectively for working).
- **Access to a 401(k) or Similar Plan Inspires Savings.** Eighty-seven percent of workers who are offered a 401(k) or similar plan through their employer are saving for retirement –in their employer-sponsored plan and/or outside of work. Far fewer workers (51 percent) who are not offered a 401(k) or similar employer-sponsored are saving for retirement.

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Plan Participation and Salary Deferral Rates.** Seventy-six percent of workers who are offered a 401(k) or similar plan participate in that plan, a rate that is similar for workers of medium (79 percent) and large (78 percent) companies, but lower for workers of small companies (72 percent). Among those who participate in their plans, the median annual salary deferral rate is 10 percent for workers across company size.
- **A Majority of Plan Sponsors Offer Matching Contributions.** Eighty-two percent of plan sponsors offer a matching contribution as part of their 401(k) or similar plan, including 91 percent of large companies, 86 percent of medium companies, and 78 percent of small companies. 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) Option Availability Increases With Company Size.** The Roth option enables participants to contribute to their 401(k) plan on an after-tax basis with qualified tax-free withdrawals at retirement age. It complements the long-standing ability for participants to contribute to the plan on a tax-deferred basis in which their savings are taxed when they take withdrawals from the plan at retirement. The Roth 401(k) option can help plan participants diversify their risk involving the tax treatment of their accounts when they reach retirement age. Fifty-three percent of plan sponsors offer the Roth 401(k) option. Large (66 percent) and medium (67 percent) companies are more likely to offer this feature than small companies (45 percent).
- **Adoption of Automatic Features Increases With Company Size.** Automatic enrollment is a feature that eliminates the decision-making and action steps normally necessary for employees to enroll and to start contributing to the plan. Instead, it automatically enrolls employees into their plan with the ability for them to opt out and not contribute. Twenty-four percent of plan sponsors have adopted automatic enrollment, including 23 percent of large, 28 percent of medium, and 21 percent of small companies. Among them, the default contribution rate is 5 percent (median) of an employee’s pay. Fifty-five percent of plan sponsors have adopted automatic escalation, a feature that automatically increases participants’ contribution rates annually. Automatic escalation is more common at large and medium companies (69 and 63 percent, respectively) than at small companies (50 percent).

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Plans for Adopting Auto-Enrollment Increase With Company Size.** Among plan sponsors that do not offer automatic enrollment, only 33 percent plan to do so in the future. Thirty-eight percent do not plan to offer it, and 29 percent say they are "not sure." Among those not planning to offer it, the three most frequently cited reasons are participation rates already being high (47 percent), concerns about employee resistance (36 percent) and concerns about cost (26 percent).
- **Automatic Features Have Strong Appeal Among Workers.** Eighty-three percent of workers find automatic enrollment to a 401(k) or similar retirement plan to be appealing, a finding that is consistent by company size. Workers indicate that the appropriate default contribution rate would be 10 percent (median). Seventy-nine percent of workers agree that they would likely use automatic escalation, a feature that would automatically increase their retirement contributions by one percent each year, until they decide to discontinue the increases.
- **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 84 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, and can help participants with asset allocation without their having to become investment experts themselves. As with many other plan features, larger companies are more likely to offer these than small companies.
- **Small Companies' Plans Have Fewer Educational Offerings.** 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. Overall, small companies have fewer offerings than medium and large companies.

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Few Small Employers Promote the Saver's Credit.** 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 36 percent of all employers are both aware of the Saver's Credit and actively promoting it to their employees, but level of awareness increases with company size. Large (67 percent) and medium companies (58 percent) are far more likely to be aware of the tax credit and actively promoting it, while small companies are less likely (29 percent) to do so. Thirty-eight percent of all employers are not aware of the Saver's Credit. Employers can play a vital role in encouraging their employees to save by promoting this tax incentive in a variety of ways. Educational materials, offered by TCRS in English and Spanish, provide information for employers to share with their employees and can aid in this effort.
- **Workers' Emergency Savings Are Low.** Having emergency savings to cover unexpected major financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other various setbacks, could help workers avoid dipping into their retirement savings. However, workers have only $5,000 (median) in emergency savings. Emergency savings increase with company size: workers of small companies have saved $5,000, medium companies have saved $6,000, and large companies have saved $7,000 (medians).
- **Retirement Plan Leakage: Loans and Withdrawals.** Leakage from retirement plans, through loans, early withdrawals, or hardship withdrawals, can severely inhibit the growth of participants' long-term retirement savings. Thirty-one percent of workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA. Workers of large and medium companies (34 and 36 percent, respectively) are more likely to have done so, compared with workers of small companies (27 percent). Twenty-two percent of workers have taken a loan – either that they are paying back (16 percent) and/or were unable to pay back and it became an early withdrawal (9 percent). A similar proportion of workers (21 percent) have taken some form of early withdrawal, including a hardship withdrawal (10 percent), cashing out at separation of service (8 percent), other early withdrawal (4 percent) and/or a loan that they were unable to pay back (9 percent).

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Reasons for Taking Plan Loans.** Among workers who have taken out a loan from their 401(k) or similar plan, the most frequently cited reason is to pay off credit card and/or other debt (38 percent). Financial emergencies (29 percent) and medical bills (22 percent) are also cited as reasons to take out loans.
- **Reasons for Taking Hardship Withdrawals.** Among workers who have taken a hardship withdrawal from a 401(k) or similar plan, 21 percent indicate their primary reason for doing so is to make payments for certain medical expenses. Other commonly cited reasons are to pay for tuition (17 percent) and to cover expenses and losses incurred due to a disaster in a federally declared disaster area that included their residence or place of employment (16 percent).
- **Workers' Estimated Retirement Savings Needs.** Workers estimate they will need $500,000 (median) by the time they retire to feel financially secure. Workers of large companies believe they will need $500,000, and workers of medium companies believe they will need $400,000 (medians). Workers of small companies believe they will need $250,000 (median) by the time they retire to feel financially secure.
- **Workers' Retirement Savings Vary by Company Size.** Total household retirement savings is one of the strongest indicators of a worker's retirement outlook. Workers' estimated median total household retirement savings is $47,000. However, a retirement savings gap appears when savings is examined by company size. Workers of small companies have total retirement savings of $29,000, compared with $62,000 among workers of both medium and large companies (estimated medians).
- **Plan Sponsors Can Do More to Assist With Retirement Transition.** Workers nearing retirement face a myriad of complex decisions about 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: information about distribution options (34 percent), educational resources (29 percent), and retirement planning materials (28 percent), Moreover, 16 percent of plan sponsors say they do "nothing," with 19 percent of small companies saying this compared with only 10 percent of medium and six percent of large companies.

Key Highlights

Employers: How They Promote Retirement Security (cont.)

- **Some Employers Offer Information About Government Benefits.** As part of their retirement planning-related educational offerings, about half of employers provide information about Social Security (54 percent) and Medicare (50 percent) benefits. Small companies are much less likely to provide such information about government benefits than medium and large companies.

Most employers are doing something to help their employees prepare for retirement, but few are doing as much as they can do, especially given the low level of retirement confidence among workers. Whether it be adopting a retirement plan, extending retirement benefits to part-time workers, and or providing additional features and benefits, employers can enhance their offerings and positively impact their employees' future retirement.

Key Highlights

Facilitating Longer Working Lives, Work-Life Balance, and Flexible Retirement

From a societal perspective, given increases in longevity, we need to fundamentally rethink the amount of time spent in the workforce and in retirement. Mathematically speaking, it is challenging for workers to spend 40 years in the workforce and save enough to last a retirement of 20, 30 or even 40 more years. Most workers now want and need to extend their working lives, maintain work-life balance, and transition into retirement on their own terms. However, their ability to do so is highly dependent on their employers.

- **Workers Are Dreaming of an Active Retirement.** Traveling (66 percent) is workers' most frequently cited retirement dream, followed by spending more time with family and friends (57 percent), and pursuing hobbies (46 percent). A noteworthy one-third of workers dream of doing some form of paid work in retirement, such as starting a business (18 percent), pursuing an encore career (13 percent), and/or continuing to work in the same field (11 percent).
- **Retirement Dreams Vary by Company Size.** Workers' top three retirement dreams — traveling, spending more time with family and friends, and pursuing hobbies — are common across company size. However, some retirement dreams differ across company size. Workers of medium and larger companies are significantly more likely to dream of traveling (70 percent, 69 percent respectively) than workers of small companies (60 percent). This pattern is similar across the top three retirement dreams. Workers in medium companies (37 percent) are more likely than those in large (32 percent) or small (31 percent) to dream of some form of paid work in retirement.
- **Today's Workers Are Planning to Live Long Lives.** As people live longer, they will potentially spend more time both in the workforce and in retirement – with implications for employers. Today's workers are planning to live to age 90 (median), with 14 percent planning to live to age 100 or older. Based on how long they plan to live, and at what age they plan to retire, they expect to spend 23 years in retirement (median). Spending more time in the workforce will require employers to foster age-friendly workplaces. Spending more time in retirement will require workers to save more and they can be supported by robust workplace retirement plans. Note, 43 percent are "not sure" what age they are planning to live to, which is a reasonable answer given the nature of the question.

Key Highlights

Facilitating Longer Working Lives, Work-Life Balance, and Flexible Retirement (cont.)

- **Employers Consider Themselves to Be "Age Friendly" But…** While most *employers* (85 percent) consider their companies to be "age friendly" by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful, only 69 percent of *workers* consider their employers to be age friendly. This disconnect is consistent across company size where the gap is slightly wider among small businesses than medium and large companies.
- **Diversity and Inclusion (D&I) Policies That Include Age Are Uncommon.** Thirty percent of employers have adopted a formal diversity and inclusion (D&I) policy statement that specifically includes age among other commonly included demographic characteristics. Employers' adoption of D&I policy statements referencing age varies by company size: 54 percent of large companies, 45 percent of medium, and only 25 percent of small companies have done so. Among employers that do not include age as a component of a formal D&I policy, small companies (38 percent) more often say they are not planning to do so in the future, compared with 20 percent of medium and 10 percent of large companies.
- **When Is a Person "Too Old" to Work and "Too Old" to Hire?** When asked the age at which a person is considered to be "too old" to work, two-thirds of *employers* (67 percent) say "it depends on the person" compared with 53 percent of *workers*. Among those who provided a specific age, *employers* and *workers* consider age 70 (median) to be "too old" to work. When asked the age at which prospective employees are "too old" to hire, the majority of *employers* say "it depends on the person" (66 percent) and 12 percent are "not sure." Among those who provided a specific age, employers consider age 60 (median) "too old" to hire.
- **Many Employers Offer an Alternative Work Arrangement(s).** By offering the ability to make adjustments in workers' schedules, employers can help ease the burden for their employees who are also unpaid caregivers. Prior to the pandemic, 86 percent of employers offered some type of alternative work arrangement. The most frequently cited arrangements are: the ability to adjust work hours as needed (59 percent), flexible work schedules (58 percent), and the ability to work remotely (41 percent). Large and medium companies are somewhat more likely than small companies to offer alternative work arrangements.

Key Highlights

Facilitating Longer Working Lives, Work-Life Balance, and Flexible Retirement (cont.)

- **Few Employers Offer Support for Caregiving Employees.** Throughout their working lives, many people find themselves needing to become an unpaid caregiver for an aging parent or loved one. The number of caregivers is projected to grow as people live longer, the Baby Boomer generation grows older, and the costs of assisted living and long-term care continue to rise. The survey finds that employers can do much more to help employees balance caregiving obligations. Fewer than two in five employers offer an employee assistance program (19 percent), training for managers to learn how to handle situations with caregiving employees (18 percent), or online resources and/or tools to support caregivers (16 percent). Nearly half of employers (46 percent) say they offer none of the programs listed. However, large and medium companies are much more likely than small companies to offer some type of support for caregiving employees.
- **Employers Know That Workers Expect to Work Beyond Age 65.** Sixty-six percent of *employers* agree with the statement, "Many employees at my company expect to work past age 65 or do not plan to retire," and they are correct. Indeed, many *workers* expect to retire after age 65 or do not plan to retire (52 percent).
- **Employers Know That Workers Plan to Work in Retirement.** Seventy-seven percent of *employers* agree with the statement, "Many employees at my company plan to continue working either full-time or part-time after they retire," and they are correct. Many *workers* (56 percent) plan to continue working in retirement, including 17 percent who plan to work full-time and 39 percent who plan to work part-time.
- **Employers Say They Are Supportive of Working Past Age 65.** Many workers plan to work past age 65, but will their employers support them? Eighty-four percent of *employers* agree with the statement, "My company is supportive of its employees working past 65," including 46 percent that "strongly agree" and 38 percent that "somewhat agree." However, only 78 percent of *workers* agree that their employer is supportive, including 35 percent who "strongly agree" and 43 percent who "somewhat agree." According to TCRS' 2019 survey of retirees, they are retiring at age 63 (median), with more than half (58 percent) indicating they retired sooner than planned. Among those who retired sooner than planned, 51 percent cited employment-related reasons such as job loss, organizational changes, general unhappiness, and/or took an incentive or buyout.

Key Highlights

Facilitating Longer Working Lives, Work-Life Balance, and Flexible Retirement (cont.)

- **Three in Four Say Their Employers Support Working Past Age 65.** Seventy-eight percent of workers agree with the statement, "My current employer is supportive of its employees working past age 65," including 35 percent who "strongly agree" and 43 percent who "somewhat agree." Eighty-one percent of workers of medium companies agree with the statement, followed by 80 percent of workers from large companies and 76 percent of workers of small companies.
- **Many Workers Envision a Phased Transition Into Retirement.** Forty-five percent of workers are envisioning a phased transition by reducing work hours (28 percent) or working in a different capacity that is less demanding and/or brings greater personal satisfaction (17 percent). Twenty-four percent envision they will continue working as long as possible until they cannot work anymore. Only one in five workers (20 percent) plan to immediately stop working and fully retire.
- **Most Employers Do Not Offer Formal Phased Retirement Programs.** Seventy percent of *employers* do not offer a formal phased retirement program for workers who want to transition into retirement, including only 30 percent that plan to implement a program in the future and 40 percent that do not have plans to do so. However, large (49 percent) and medium companies (45 percent) are more likely to offer such programs than small companies (20 percent). The most cited reasons for not offering a phased program are that it is easier to address employees' requests on a case-by-case basis (35 percent), employees are not interested (35 percent), and operational and administrative complexity (29 percent).
- **Some Employers Offer Retirement Transition Assistance.** Only 37 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 (33 percent), take on jobs that are less stressful or demanding (21 percent), or encourage their employees to participate in succession planning, training, and mentoring (27 percent). Moreover, employers are missing an opportunity to facilitate smoother transitions when their employees do retire, with only 20 percent offering retirement-oriented lifestyle and transition planning resources and 16 percent providing information about encore career opportunities.

Key Highlights

Employers tremendously influence workers' ability to achieve a financially secure retirement. Their role encompasses the offering of retirement benefits, creating a welcoming environment for workers of all ages, fostering work-life balance, and adapting business practices to support transitions to retirement. Employers also provide valuable non-retirement benefits that can help their employees protect their health, income, and savings.

Many employers have begun to recognize the desire and financial need of workers to extend their working lives beyond traditional retirement age, but relatively few have modernized their business practices to support them. Whether it be adopting a diversity and inclusion policy statement that references age among other demographic factors, offering flexible work arrangements, providing support for family caregivers, or implementing phased retirement programs, employers can and should be doing more.

Before the pandemic when the employer and worker surveys referenced in this report were conducted, it was clear many workers were at risk and that employers need additional support in promoting retirement security among their employees. Policymakers and the retirement industry should continue working together to make it as easy, affordable, and worry-free as possible for employers to offer retirement plans, employee benefits, and flexible retirement options. At the same time, policymakers should seek to strengthen Social Security and Medicare which provide important societal safety nets.

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Recommendations for Employers

Amid the pandemic, many employers are facing difficult decisions that may involve potential reductions in staffing, compensation, and benefits. Nevertheless, it is important for them to recognize the vital role they play in helping their employees save for retirement. Everything they do matters. Consulting with HR professionals and employee benefits advisors, employers should consider these opportunities that can help improve their employees' retirement outlook:

1. **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.
2. **Extend retirement plan eligibility to part-time workers** in compliance with the SECURE Act, For part-time workers who do not qualify as long-term, considering providing them with the ability to contribute to an IRA through payroll deduction.
3. **Promote planning, guidance, and educational resources available through your retirement plan provider** to ensure that employees are aware of them are and taking advantage of them.
4. **Limit the number of loans available in the retirement plan**. Educate employees about the ramifications of taking loans and withdrawals from retirement accounts. Educate employees about the need to prepare for emergencies and non-routine expenses to avoid taking loans or incurring excessive debt.
5. **Offer flexible work arrangements that support work-life balance** as employees are experiencing increased personal responsibilities such as home schooling children and caring for aging parents.
6. **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., health issues, job loss, family obligations). Provide information about Social Security and Medicare.
7. **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, and/or having a more flexible schedule.
8. **Foster an age-friendly work environment and adopt diversity and inclusion business practices** that include age among other demographic factors (e.g., gender, race, religion, sexual orientation).
9. **Offer other health and welfare benefits that can enhance and protect workers' long-term financial security and health.** Benefits such as health, disability, life, and long-term care insurance; workplace wellness and financial wellness programs; and employee assistance programs can help protect employees' long-term health and financial security.

Recommendations for Policymakers

Workers plan to rely on workplace retirement savings plans, Social Security, and personal savings in retirement. Prior to the pandemic, there were many opportunities for policymakers to help employers improve Americans' retirement outlook. Now, amid the pandemic, even more opportunity exists to improve the current retirement system. Recommendations for policymakers include:

1. **Preserve and enhance existing tax incentives for workers to save for retirement**, including tax deferral of savings, contribution limits to qualified retirement plans and IRAs, and the Saver's Credit.
2. **Address Social Security and Medicare funding issues**. The sooner reforms are implemented to the programs, the more time people will have to make adjustments to their financial plans for retirement.
3. **Consider adjusting the Social Security benefit formula** to address the abnormally low Average Wage Index for 2020 due to COVID-19. Without an adjustment, this abnormality will lower benefits for all workers turning age 60 in 2020.
4. **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 facilitating the offering of in-plan annuities, annuities as a distribution option, and in-plan Qualifying Annuity Longevity Contracts.
5. **Encourage the implementation of age-friendly workforces.** 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.
6. **Support family caregivers** by providing Social Security credits to those who forego employment in order to provide care, of whom there are even more amid the pandemic. Establish medical training programs for caregivers.
7. **Engage leaders from across sectors and disciplines to collaborate, innovate and implement financially viable delivery models for long-term care**, including models for helping workers save and pay for these costs.
8. **Ensure accessible and affordable health care** options are available to all Americans, which may enable them to save more for retirement.
9. **Support financial literacy in schools and in the workplace** to equip people with the knowledge to make informed decisions about their savings – or to know when they need to work with a financial professional.
10. **Support lifelong learning initiatives** to help people, particularly recently laid-off or furloughed workers, learn new skills.
11. **Protect people from financial exploitation and fraud** by continuing current funding levels to the Consumer Financial Protection Bureau, and creating a forum for federal, state, and local agencies to work together and share resources.

Recommendations for Workers

Many have been hard hit by the coronavirus and recession, and are experiencing negative employment impacts, including layoffs, furloughs, or reductions in pay. Although short-term priorities may need to take precedence, it is important to keep the future and retirement in mind.

1. **Assess your current financial situation and create a budget** that includes income, living expenses, paying off debt, and financial goals such as building emergency savings and long-term retirement savings.
2. **If possible, save for retirement.** By starting early and saving consistently, even small amounts can add up over a decades-long working life. If your employer offers a retirement plan, participate and take advantage of any matching contributions. Learn if you are eligible for the Saver's Credit, an IRS tax credit for saving for retirement.
3. **Develop a retirement strategy and write it down.** Envision your future and use an online calculator to estimate your retirement income and long-term savings needs. Formulate a goal for how much you need to save – and hold yourself accountable.
4. **Avoid taking loans and early withdrawals from retirement accounts**, which can severely inhibit their long-term growth. Before tapping into retirement savings explore all possible alternatives to determine the best option.
5. **If faced with parenting or caregiving responsibilities, carefully consider any changes to your work.** To help mitigate the impact on your long-term financial security, explore options such as shifting to part-time work.
6. **Maintain your ability to continue working as long as you desire.** Keep your job skills up to date and learn new ones. Many classes are available online to learn new technologies and obtain career advice. Consider joining online networking groups.
7. **Become personally involved in your family finances including budgeting and long-term planning.** Discuss retirement planning with family and close friends.
8. **Get educated about retirement investing and strategies for drawing down savings in retirement.** Learn about types of retirement accounts, asset allocation, and dollar-cost averaging. Become knowledgeable about retirement income, including the best time to start receiving Social Security.
9. **Have a backup plan in the event of unforeseen circumstances such as separation, divorce, loss of a partner, or being unable to work before your planned retirement.** Consider emergency savings and insurance products.
10. **Take care of yourself and safeguard your physical and mental health.** Consider health implications when making lifestyle decisions.
11. **Beware of scams.** Be hypervigilant about suspicious text messages, email, or calls, which are on the rise due to COVID-19.

Employers: How They Promote Retirement Security

Detailed Findings

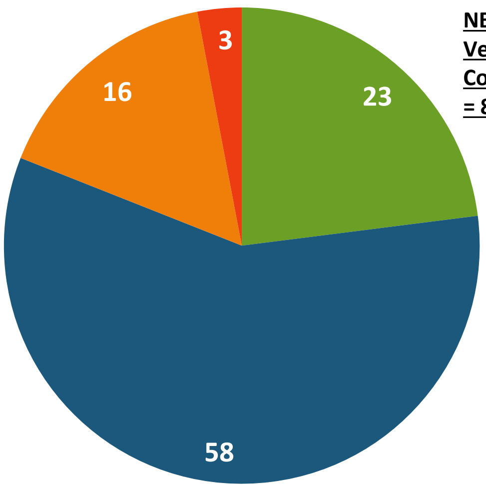
TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

Few Employers Are Very Confident About Retirement

Eight in ten *employers* (81 percent) are confident their employees will be able to achieve a financially secure retirement, including 23 percent that are "very confident" and 58 percent that are "somewhat confident." In contrast, a smaller majority of *workers* (67 percent) are confident that they will be able to fully retire with a lifestyle they consider comfortable, including 22 percent who are "very confident" and 45 percent who are "somewhat confident."

Confidence That Their Employees Will Be Able To Achieve a Financially Secure Retirement

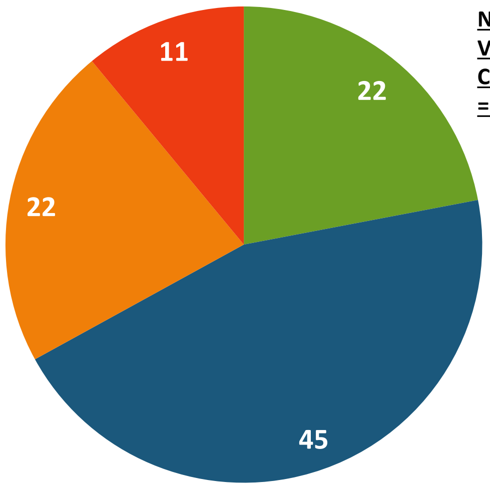
All Employers (%)
(5+ EEs)



NET – Very/Somewhat Confident = 81%

Confidence in Fully Retiring With a Comfortable Lifestyle

All Workers (%)
(5+ EEs)



NET – Very/Somewhat Confident = 67%

Very Confident Somewhat Confident Not Too Confident Not At All Confident

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q800. How confident are you that your employees will be able to achieve a financially secure retirement?
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q880. How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

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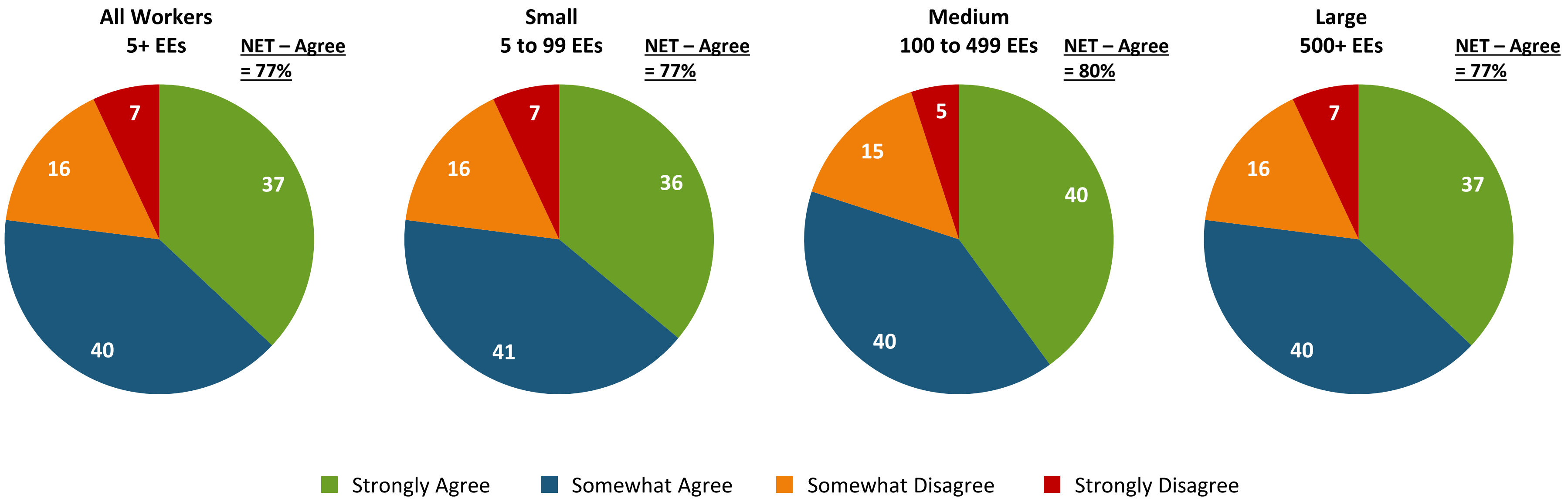
Workers Are Concerned About Achieving Financial Security

More than three in four workers (77 percent) agree with the statement, "Compared with my parents' generation, people in my generation will have a much harder time in achieving financial security," including 37 percent who "strongly agree" and 40 percent who "somewhat agree." Workers of medium companies (80 percent) are somewhat more likely to agree with this statement than workers of small and large companies (both 77 percent).

"Compared with my parents' generation, people in my generation will have a much harder time in achieving financial security." (%)



WORKER BASE: ALL QUALIFIED RESPONDENTS
Q930. How much do you agree or disagree with each of the following statements regarding retirement?
"Compared with my parents' generation, people in my generation will have a much harder time in achieving financial security."

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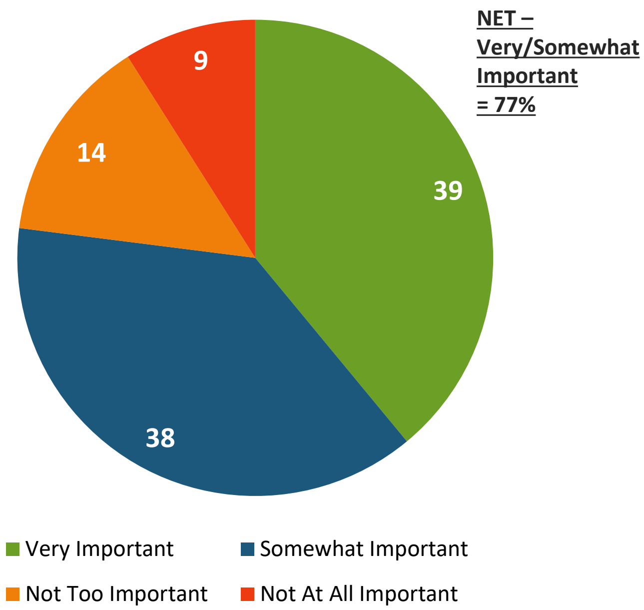
Retirement Benefits Are Important for Attracting Employees

Seventy-seven percent of *employers* believe that offering a 401(k) or similar plan is important for attracting and retaining employees. However, somewhat more *workers* (80 percent) agree that retirement benefits offered by a prospective employer will be a major factor in their final decision-making when job hunting.

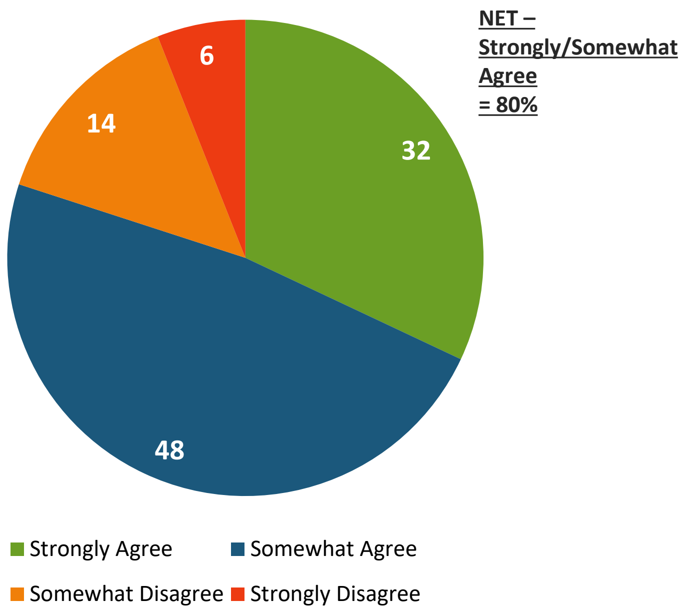
Importance of Employee-Funded Retirement Plan in Attracting and Retaining Employees

Employers (%)
(5+ EEs)



Retirement Benefits Offered by a Prospective Employer Will Be a Major Factor in Final Decision to Accept

Workers (%)
(5+ EEs)



EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q650. How important would you say a company's/your company's employee-funded retirement plan package is to your ability to attract and retain employees?
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q831. How much do you agree or disagree… "The next time I look for a job, all things being equal, the retirement benefits offered by the prospective employer will be a major factor in my final decision."

Retirement Plan Sponsorship Rates Increase With Company Size

Sixty-four percent of employers offer a 401(k) or similar plan to their employees. Employee-funded plans are more commonly offered by large (92 percent) and medium companies (87 percent), compared with small companies (57 percent). Company-funded defined benefit plans are only offered by 11 percent of employers. Three in 10 employers do not offer any retirement benefits to their employees. Small companies (37 percent) are significantly more likely to indicate they do not offer any retirement benefits, compared with medium (6 percent) and large companies (4 percent).

Employer Perspective

Retirement Benefits Offered to Employees (%)

	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Employee-Funded Plan	64	57	87	92
Employee-Funded 401(k) Plan	54	46	83	90
Other Employee Self-Funded Plan (e.g., SEP, SIMPLE, Other Plans Except for 401(k)s)	15	15	14	17
Company-Funded Defined Benefit Pension Plan	11	5	30	32
Separate Retirement Program for Select Executives or Senior Management	10	7	16	26
Company-Funded Cash Balance Pension Plan	9	5	15	24
Other	1	1	1	<1
None. My Company Does Not Offer Any Retirement Benefits.	30	37	6	4

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q530. Which of the following retirement benefits does your company offer? Select all that apply.

Companies' Reasons for Offering Retirement Benefits

Among those that offer some form of retirement benefits, companies of all sizes cite similar reasons for doing so: retaining existing employees (50 percent), helping employees to save and prepare for retirement (50 percent), increasing employee job satisfaction (49 percent), and offering a competitive employee benefits package (46 percent). Large (57 percent) and medium companies (54 percent) more often cite attracting new employees as a reason, compared with small companies (35 percent).

Employer Perspective

Reasons for Offering Retirement Benefits (%)	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Retain existing employees	50	46	59	59
Help employees save and prepare for retirement	50	47	57	59
Increase job satisfaction among employees	49	45	57	56
Offer a competitive employee benefits package	46	39	58	61
Inspire loyalty among employees	44	39	58	55
Attract new employees	42	35	54	57
Take advantage of tax benefits associated with sponsoring a plan	37	35	35	42
Enhance the company's reputation as an employer	36	33	37	44
Enable the owners/senior management of your company save for retirement	31	30	26	32
Other	1	1	0	<1
Not sure	1	1	0	1

EMPLOYER BASE: OFFERS RETIREMENT BENEFITS

Q5000. What are your company's reasons for offering retirement benefits? Select all that apply.

Professional Advisor Usage & Type of Advisor Used

Sixty-nine percent of employers use a professional advisor to help select their company's retirement plan. Medium companies (73 percent) are somewhat more likely to do so than small and large companies (68 percent and 69 percent, respectively). The most commonly used types of advisors include financial planners/brokers (40 percent), benefits consultants (32 percent), and investment advisors (31 percent).

Employer Perspective	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Use a Professional Advisor to Help Select Company's Retirement Plan Yes (%)	69%	68%	73%	69%
Type of Advisor Used to Select Company's Retirement Plan (%)				
Financial Planner / Broker	40	37	49	44
Benefits Consultant	32	26	40	42
Investment Advisor	31	29	35	38
Accountant/CPA	24	26	16	23
Insurance Agent	17	16	17	23
TPA/Benefits Administrator	16	13	20	24
Attorney/Lawyer	13	12	13	14
Bank Advisor	12	9	15	22
Other Type of Advisor	1	<1	0	2

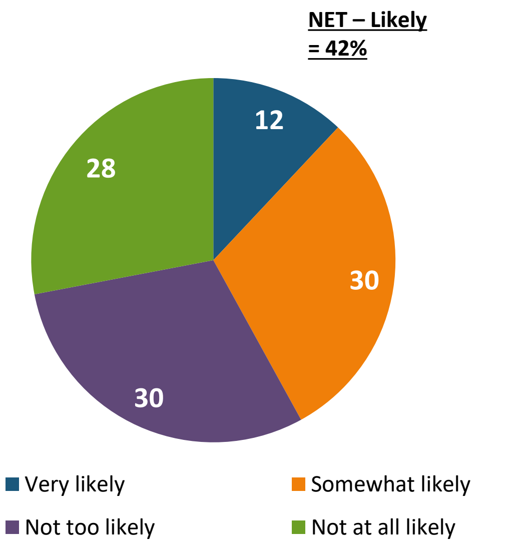
EMPLOYER BASE: OFFERS 401(K) OR OTHER SELF-FUNDED PLAN
Q690. Did you use a professional advisor to help you select your company's retirement plan?
EMPLOYER BASE: USED OUTSIDE ADVISOR TO HELP SELECT PLAN
Q700. What type of advisor did you use? Select all that apply.

Most Non-Sponsors Are Not Planning to Offer a Plan

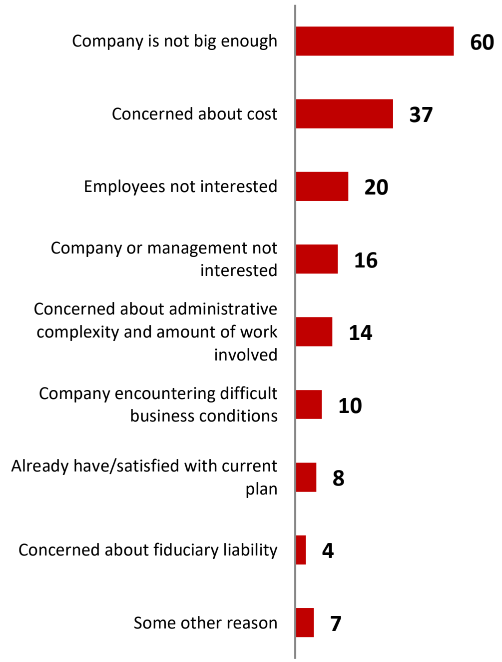
Among companies that do not offer a 401(k) or similar plan, only 42 percent say they are likely to begin sponsoring a plan in the next two years. The most frequently cited reasons among companies *not* planning to do so include: company is not big enough (60 percent), concerns about cost (37 percent), and employees are not interested (20 percent). There may be cause for optimism with regard to the future, however, as 29 percent of those not likely to offer a plan say that they would consider joining a multiple employer plan (MEP) offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost.

Employer Perspective

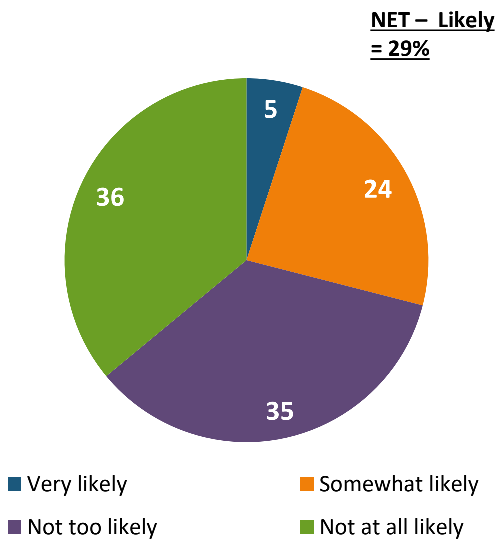
Likelihood to Begin Sponsoring a 401(k) or Similar Plan Within the Next Two Years (%)



Most Frequently Cited Reasons for NOT Planning to Offer a Plan (%)



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



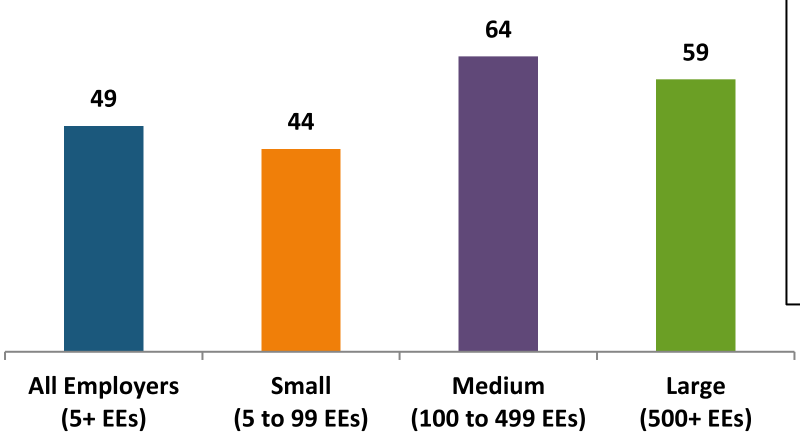
EMPLOYER BASE: DOES NOT OFFER 401(K) NOR OTHER SELF-FUNDED PLAN
Q600. How likely is your company to begin offering an employee-funded retirement plan package like a 401(k) to its employees in the next two years?
EMPLOYER BASE: DOES NOT OFFER 401(K) OR OTHER SELF-FUNDED PLAN; NOT LIKELY TO OFFER 401(K) 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 that apply.
Q1605. As an alternative to establishing a stand-alone 401(k) plan, if your company had the ability to join a multiple employer plan which 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 such a plan?

Some Plan Sponsors Extend Eligibility to Part-Time Employees

Among employers that offer a 401(k) or similar plan to their employees, only 49 percent extend eligibility to part-time workers. More large (59 percent) and medium (64 percent) companies extend eligibility to part-time workers than small companies (44 percent). Among plan sponsors that do not extend eligibility to part-time workers, 75 percent do not plan to do so in the future. Their most frequently cited reasons include: concerned about cost (44 percent), high turnover rates among part-time employees (35 percent), and generally impractical (30 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.

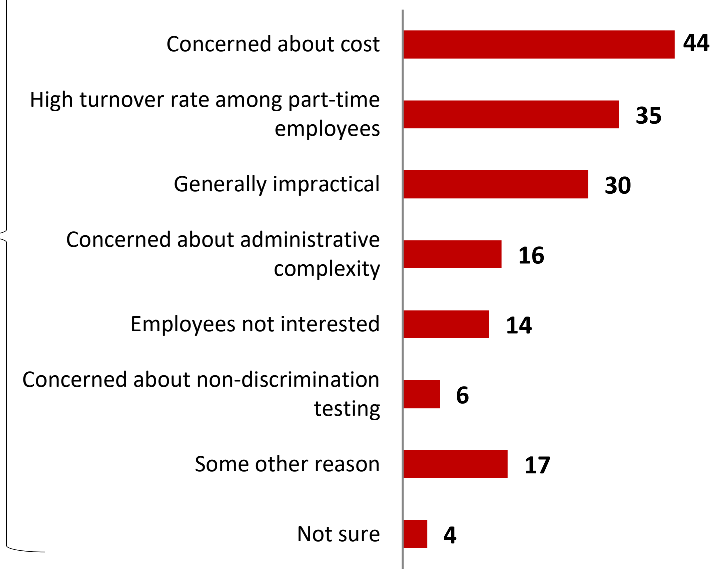
Employer Perspective

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



Among plan sponsors not extending eligibility to part-time workers, **75 percent** *do not plan to do so in the future.*

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



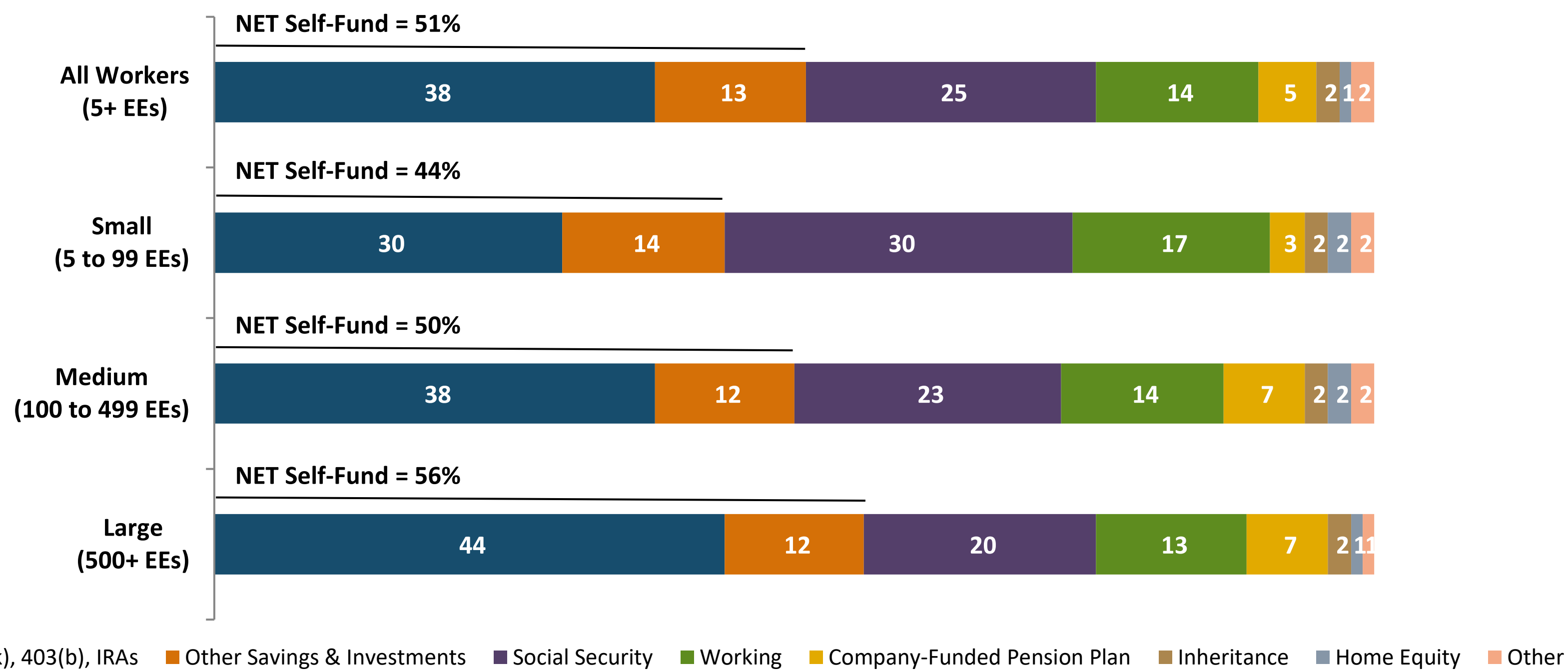
EMPLOYER BASE: OFFERS 401(K) PLAN OR SIMILAR PLAN
Q1650. Are any part-time employees eligible to participate in the employee-funded 401(k) or similar retirement plan?
EMPLOYER BASE: OFFERS 401(K) PLAN OR SIMILAR PLAN; DOES NOT EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES
Q1660. Does your company plan to extend 401(k) eligibility to any part-time employees in the future?
EMPLOYER BASE: OFFERS 401(K) PLAN OR SIMILAR PLAN; DOES NOT EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES; HAS NO PLANS TO EXTEND ELIGIBILITY TO PART-TIME EMPLOYEES
Q1655. Which of the following reasons apply to your company's not planning to extend 401(k) eligibility to any part-time employees in the future? Select all that apply.

Half of Workers Expect to Primarily Rely on Self-Funded Savings

Half of workers (51 percent) expect their primary source of income in retirement to come from self-funded savings such as 401(k)s, 403(b)s, IRAs (38 percent), or other savings and investments (13 percent). Reliance on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as the primary source of retirement income is somewhat higher among workers of large (44 percent) and medium (38 percent) companies, compared with those of small companies (30 percent). On the other hand, more workers of small companies expect Social Security (30 percent) or working (17 percent) to be their primary source of retirement income, compared with those at medium and large companies (23 percent and 20 percent, respectively for Social Security and 14 percent and 13 percent, respectively for working).

Worker Perspective

What Do You Expect to Be Your Primary Source of Income in Retirement? (%)



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WORKER BASE: ALL QUALIFIED RESPONDENTS

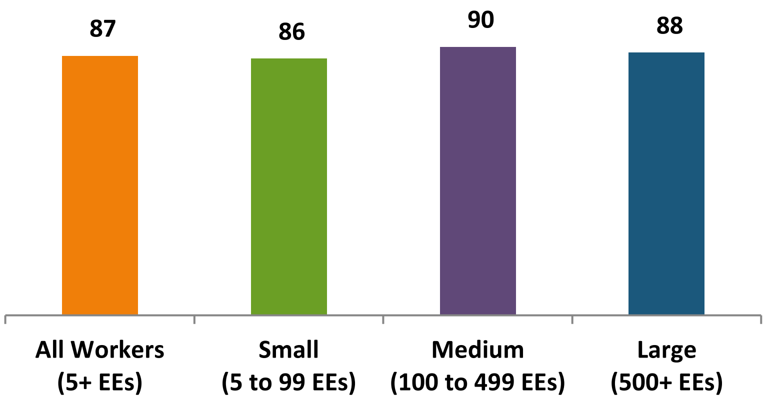
Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire?

Access to a 401(k) or Similar Plan Inspires Savings

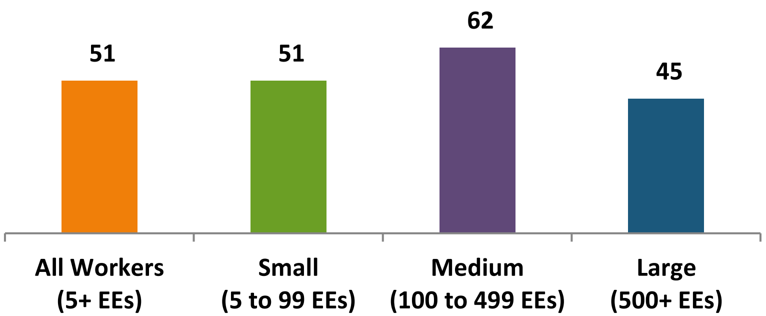
Eighty-seven percent of workers who are offered a 401(k) or similar plan through their employer are saving for retirement –in their employer-sponsored plan and/or outside of work. Far fewer workers (51 percent) who are not offered a 401(k) or similar employer-sponsored are saving for retirement.

Worker Perspective
Saving for Retirement (in an Employer-Sponsored Plan and/or Outside of Work)

Among Those Offered a 401(k) or Similar Plan (%)



Among Those Not Offered a 401(k) or Similar Plan (%)



WORKER BASE: CURRENTLY OFFERED QUALIFIED PLAN/ NOT CURRENTLY OFFERED QUALIFIED PLAN
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

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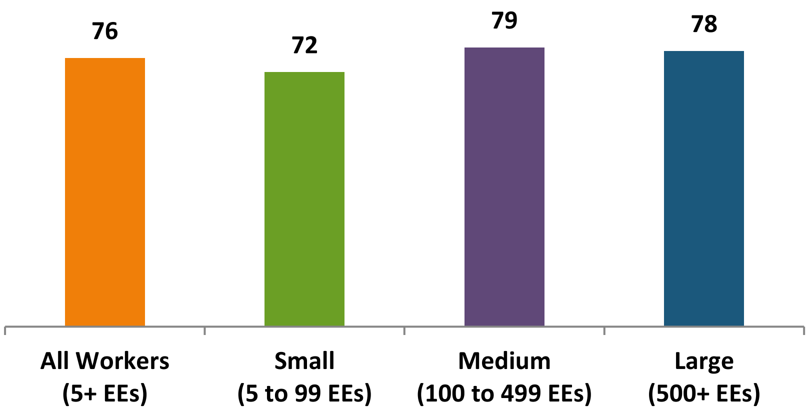
Plan Participation and Salary Deferral Rates

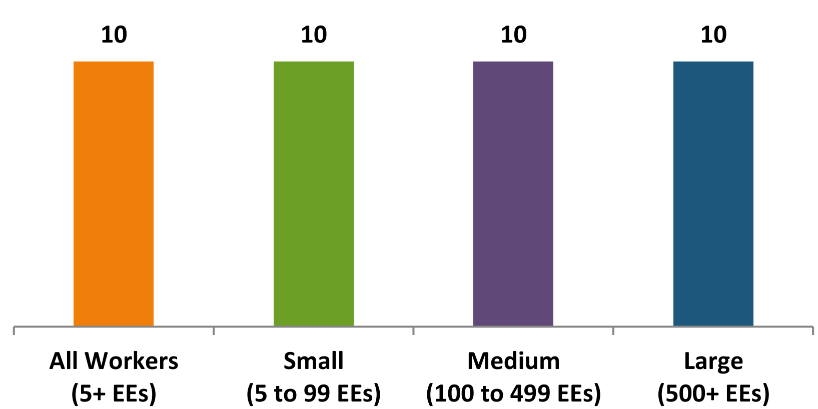
Seventy-six percent of workers who are offered a 401(k) or similar plan participate in that plan, a rate that is similar for workers of medium (79 percent) and large (78 percent) companies, but lower for workers of small companies (72 percent). Among those who participate in their plans, the median annual salary deferral rate is 10 percent for workers across company size.

Worker Perspective

Participation Rate in 401(k) or Similar Plan (%)



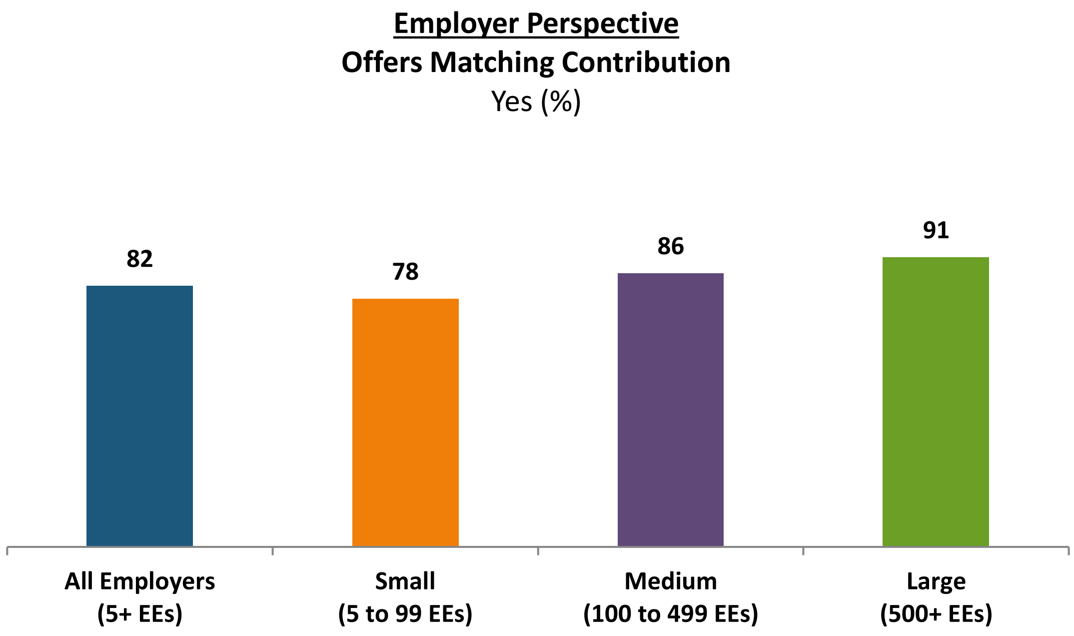
Median Percentage of Annual Salary Saved in Plan (%)



WORKER BASE: CURRENTLY OFFERED QUALIFIED PLAN
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?
WORKER BASE: CURRENTLY OFFERED QUALIFIED PLAN; CURRENTLY PARTICIPATING IN THEIR QUALIFIED PLAN
Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

A Majority of Plan Sponsors Offer Matching Contributions

Eighty-two percent of plan sponsors offer a matching contribution as part of their 401(k) or similar plan, including 91 percent of large companies, 86 percent of medium companies, and 78 percent of small companies. 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.

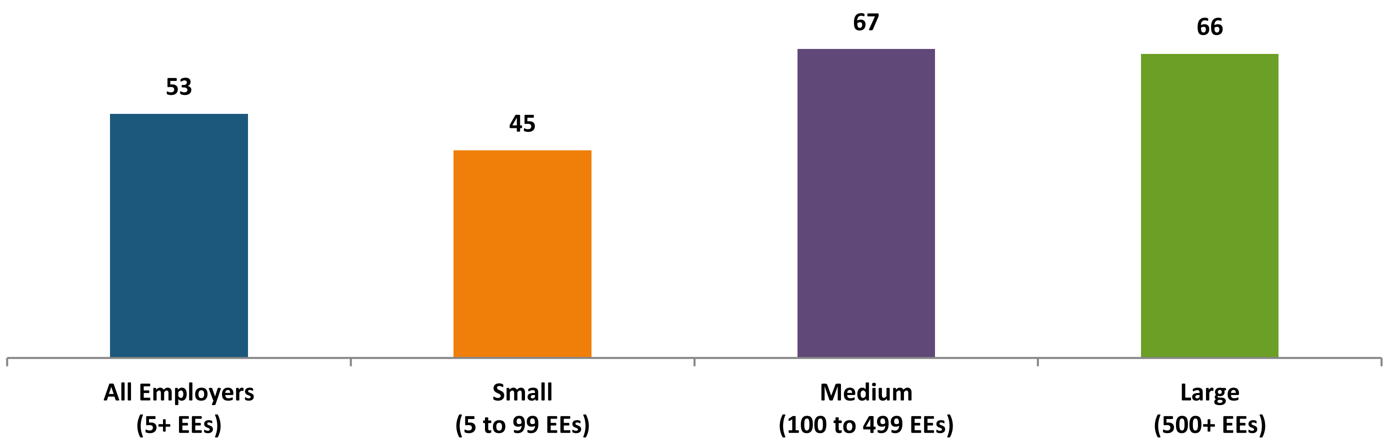


EMPLOYER BASE: OFFERS 401(K) PLAN OR OTHER SELF-FUNDED PLAN
Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

Roth 401(k) Option Availability Increases With Company Size

The Roth option enables participants to contribute to their 401(k) plan on an after-tax basis with qualified tax-free withdrawals at retirement age. It complements the long-standing ability for participants to contribute to the plan on a tax-deferred basis in which their savings are taxed when they take withdrawals from the plan at retirement. The Roth 401(k) option can help plan participants diversify their risk involving the tax treatment of their accounts when they reach retirement age. Fifty-three percent of plan sponsors offer the Roth 401(k) option. Large (66 percent) and medium (67 percent) companies are more likely to offer this feature than small companies (45 percent).

Employer Perspective
Offers Roth 401(k) Option
Yes (%)



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EMPLOYER BASE: OFFERS 401(K) PLAN
Q540. Has your company adopted a Roth 401(k) option?

Adoption of Automatic Features Increases With Company Size

Automatic enrollment is a feature that eliminates the decision-making and action steps normally necessary for employees to enroll and to start contributing to the plan. Instead, it automatically enrolls employees into their plan with the ability for them to opt out and not contribute.

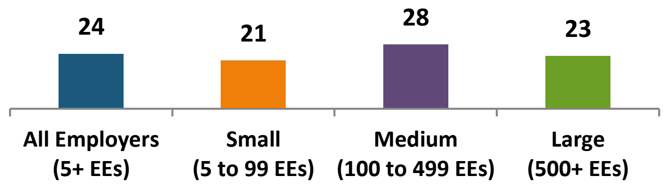
Twenty-four percent of plan sponsors have adopted automatic enrollment, including 23 percent of large, 28 percent of medium, and 21 percent of small companies. Among them, the default contribution rate is 5 percent (median) of an employee's pay.

Fifty-five percent of plan sponsors have adopted automatic escalation, a feature that automatically increases participants' contribution rates annually. Automatic escalation is more common at large and medium companies (69 and 63 percent, respectively) than at small companies (50 percent).

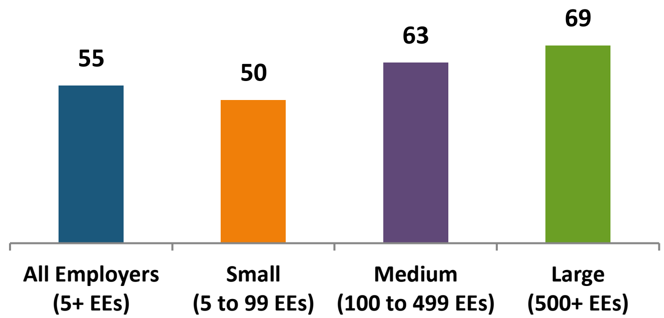
Employer Perspective

Automatically Enrolls Newly Eligible Employees Into the 401(k) Plan (%)

Median Default Contribution:
5%



Automatically Increases Participants' Contribution Rates Annually (%)



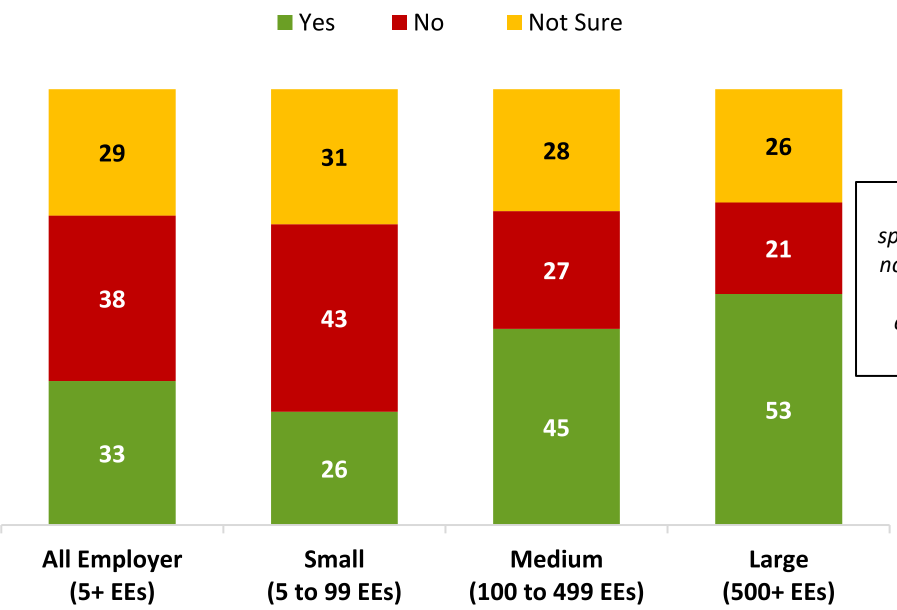
EMPLOYER BASE: OFFERS 401(K) PLAN
Q1025. When a new employee qualifies to join the employee-funded 401(k) plan, are they (A) initially given a choice to participate or not participate in the plan, or (B) automatically enrolled in the plan with the choice to opt out at a later date?
Q1031. Does your plan 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)?

Plans for Adopting Auto-Enrollment Increase With Company Size

Among plan sponsors that do not offer automatic enrollment, only 33 percent plan to do so in the future. Thirty-eight percent do not plan to offer it, and 29 percent say they are "not sure."

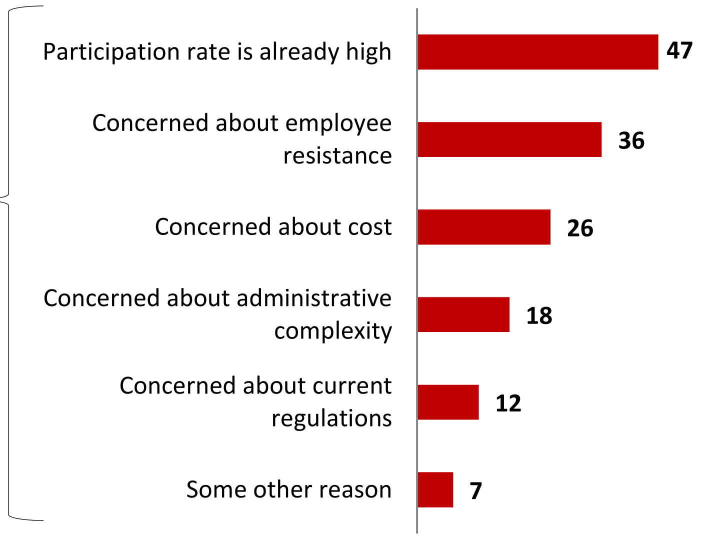
Among those not planning to offer it, the three most frequently cited reasons are participation rates already being high (47 percent), concerns about employee resistance (36 percent) and concerns about cost (26 percent).

Employer Perspective
Plans to Adopt Automatic Enrollment in the Future (%)



Among plan sponsors that do not plan to offer automatic enrollment in the future…

Employer Perspective
Most Frequently Cited Reasons for NOT Planning to Offer Automatic Enrollment in the Future (%)



EMPLOYER BASE: DOES NOT AUTOMATICALLY ENROLL NEW EMPLOYEES INTO THE 401(K) PLAN
Q580. Does your company plan to adopt automatic enrollment in the future?
EMPLOYER BASE: DOES NOT HAVE PLANS TO ADOPT AUTOMATIC PROVISIONS IN THE FUTURE
Q590. For which of the following reasons is your company not planning to adopt an automatic enrollment provision in the future? Select all.

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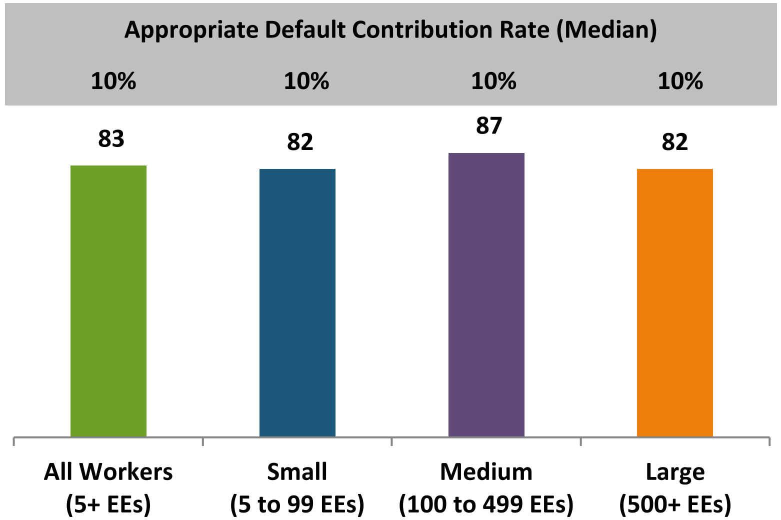
Automatic Features Have Strong Appeal Among Workers

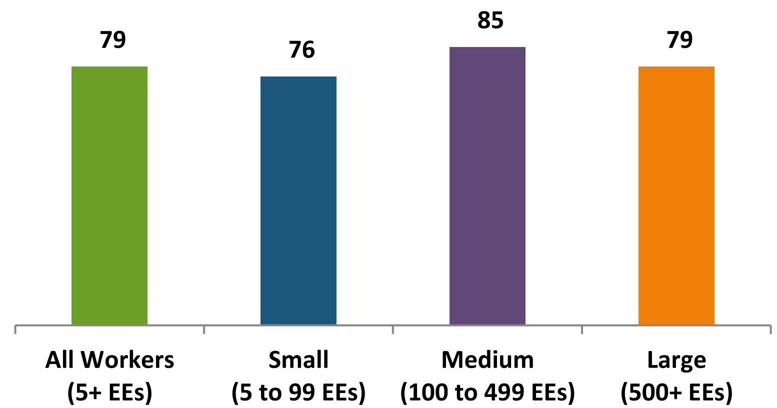
Eighty-three percent of workers find automatic enrollment to a 401(k) or similar retirement plan to be appealing, a finding that is consistent by company size. Workers indicate that the appropriate default contribution rate would be 10 percent (median).

Seventy-nine percent of workers agree that they would likely use automatic escalation, a feature that would automatically increase their retirement contributions by one percent each year, until they decide to discontinue the increases.

Worker Perspective
Appeal of Automatic Enrollment
Very/Somewhat Appealing (%)



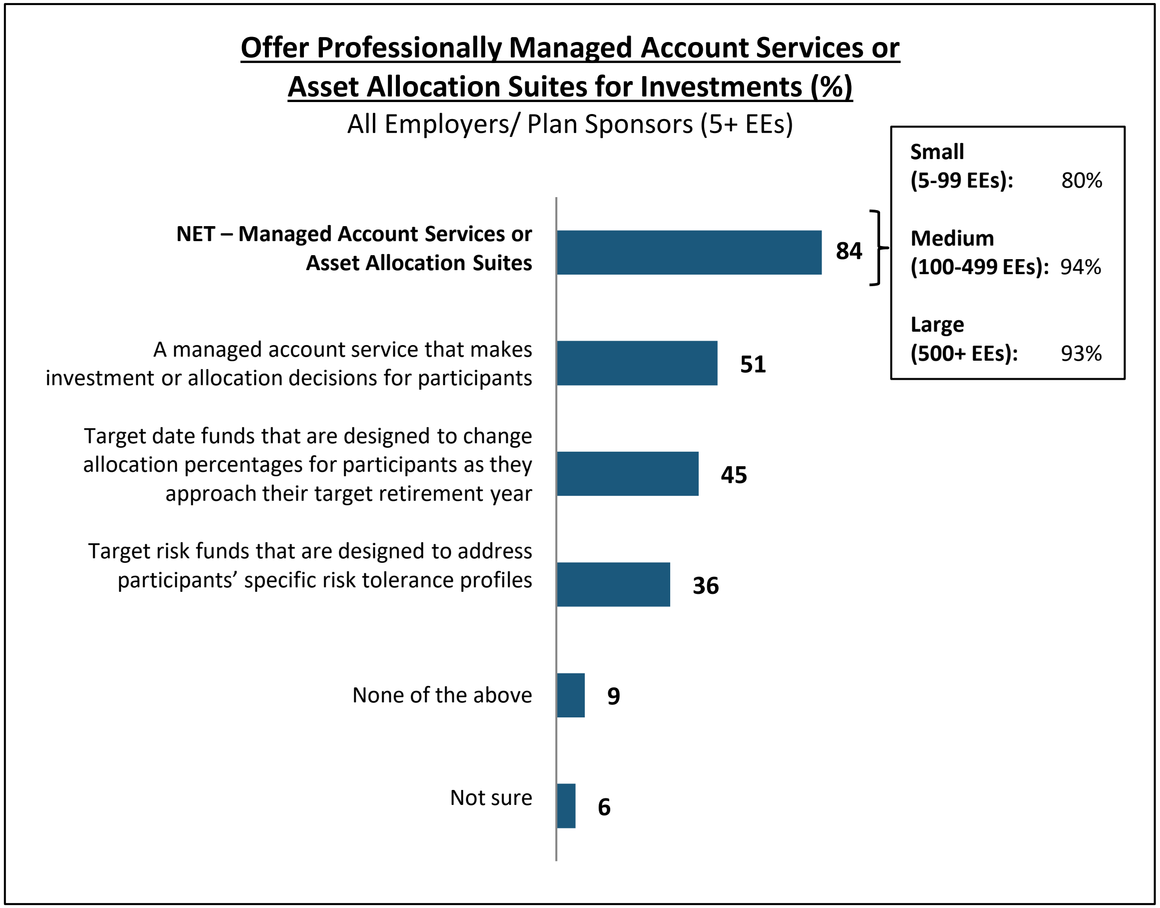
Worker Perspective
Likelihood of Using a Feature That Automatically Increases Contribution by 1% Each Year, Until You Choose to Discontinue
Very/Somewhat Likely (%)

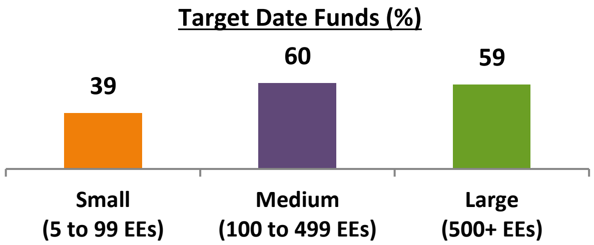


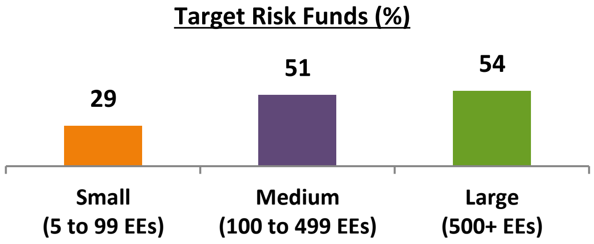
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q635. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, deducting a percentage of each paycheck, and investing it for your future retirement. How appealing would this seem to you?
Q636. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, what would you consider to be an appropriate percentage to deduct from your paycheck to be invested for your future retirement?
Q702. How likely would you be to use a feature in a 401(k) or similar plan where your employer would automatically increase your contribution rate (as a percentage of your salary) to the plan by 1% each year, until you choose to discontinue this increase?

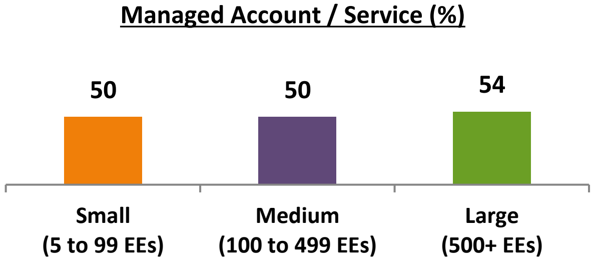
Professionally Managed Investment Services Are Ubiquitous

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 84 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, and can help participants with asset allocation without their having to become investment experts themselves. As with many other plan features, larger companies are more likely to offer these than small companies.









EMPLOYER BASE: OFFERS 401(K) OR SIMILAR PLAN

Q3591. Which of the following professionally managed services or asset allocation suites does your plan's investments include? Select all that apply.

Small Companies' Plans Have Fewer Educational Offerings

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. Overall, small companies have fewer offerings than medium and large companies.

Employer Perspective

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

	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Quarterly statements	59	58	64	57
Online tools and calculators to project retirement savings and income needs on retirement plan provider's website	42	35	53	54
Informative emails	38	32	57	51
Professional advice on how to invest their retirement saving	37	34	52	43
Educational articles and videos that share ideas and insights on how to save and plan for a financially secure retirement	30	25	37	42
Informational seminars, meetings, webinars, and/or workshops	28	19	41	47
NET – Mobile apps	39	36	42	49
Mobile apps to manage their accounts	26	24	30	32
Mobile apps that include tools and calculators to project retirement savings and income needs	25	22	28	35
Text messages related to your retirement plan	17	14	22	24
Information on social media (e.g., Twitter, Facebook)	12	8	22	24
Other	1	1	2	3
Nothing	0	0	0	0

EMPLOYER BASE: OFFERS 401(K) PLAN OR SIMILAR 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.

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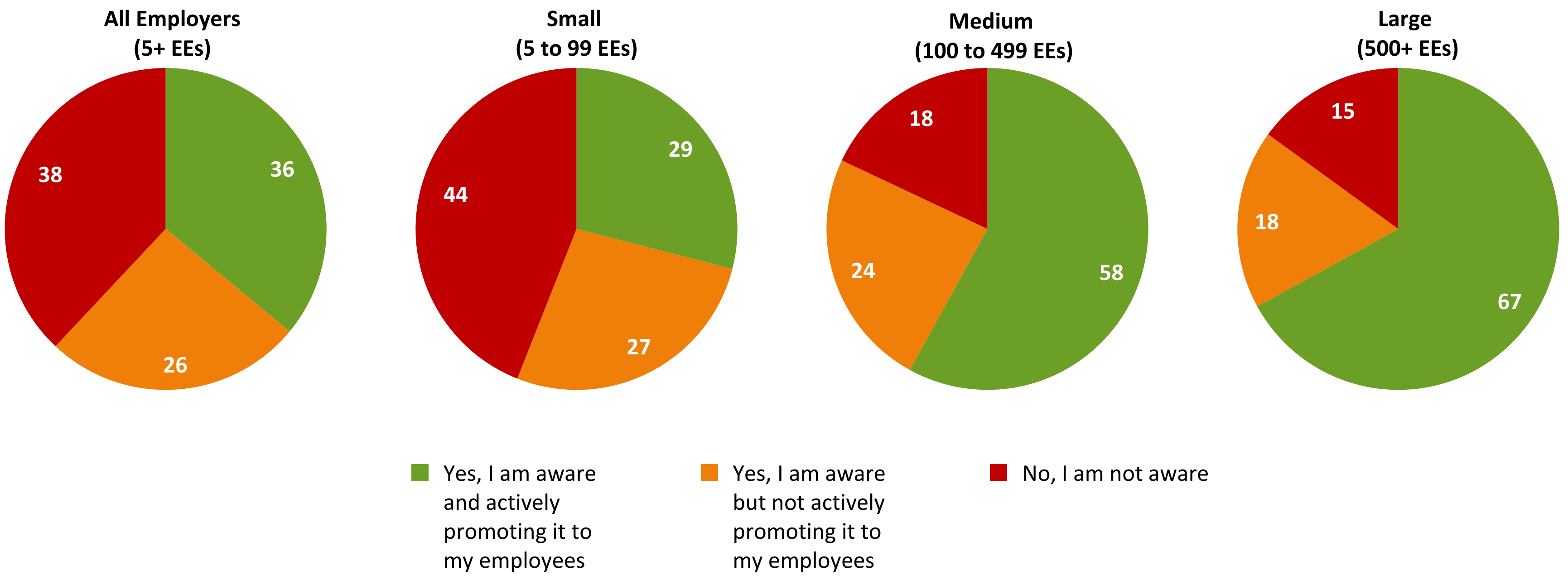
Few Small Employers Promote the Saver's Credit

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 36 percent of all employers are both aware of the Saver's Credit and actively promoting it to their employees, but level of awareness increases with company size. Large (67 percent) and medium companies (58 percent) are far more likely to be aware of the tax credit and actively promoting it, while small companies are less likely (29 percent) to do so. Thirty-eight percent of all employers are not aware of the Saver's Credit. Employers can play a vital role in encouraging their employees to save by promoting this tax incentive in a variety of ways. Educational materials, offered by TCRS in English and Spanish, provide information for employers to share with their employees and can aid in this effort.

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



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?

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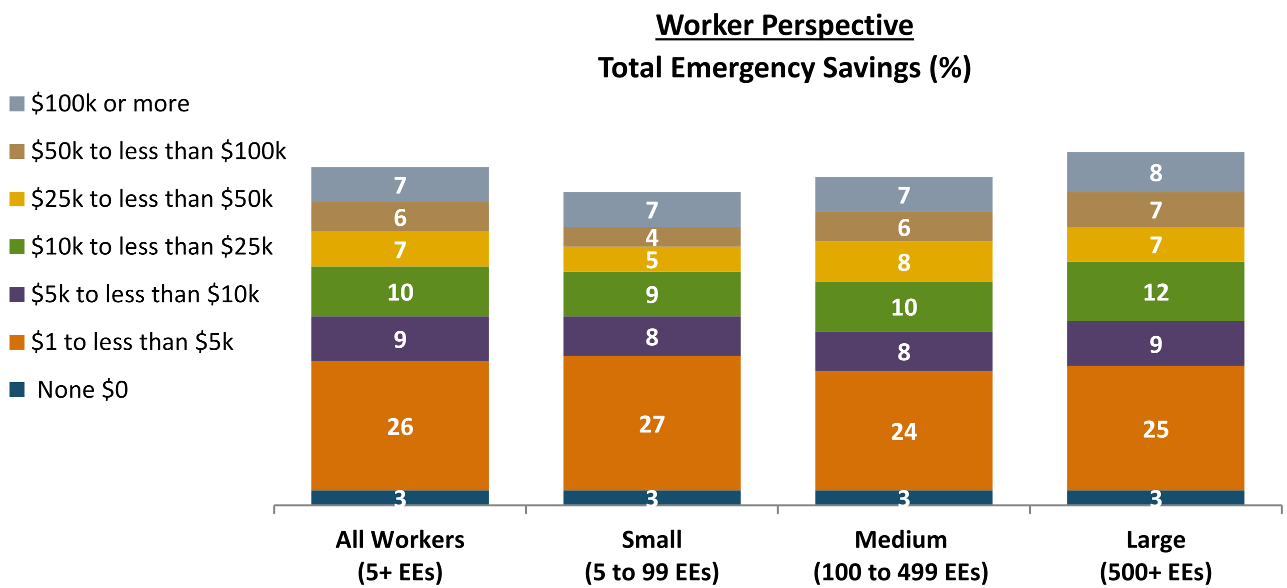
Workers' Emergency Savings Are Low

Having emergency savings to cover unexpected major financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other various setbacks, could help workers avoid dipping into their retirement savings. However, workers have only $5,000 (median) in emergency savings. Emergency savings increase with company size: workers of small companies have saved $5,000, medium companies have saved $6,000, and large companies have saved $7,000 (medians).



	All Workers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Not sure	32	37	34	29
Median	$5,000	$5,000	$6,000	$7,000

WORKER BASE: ALL QUALIFIED RESPONDENTS
Q2825. How much do you have in emergency savings specifically to cover the cost of unexpected major financial setbacks (e.g., unemployment, medical bills, home repairs, auto repairs, other)?

Retirement Plan Leakage: Loans and Withdrawals

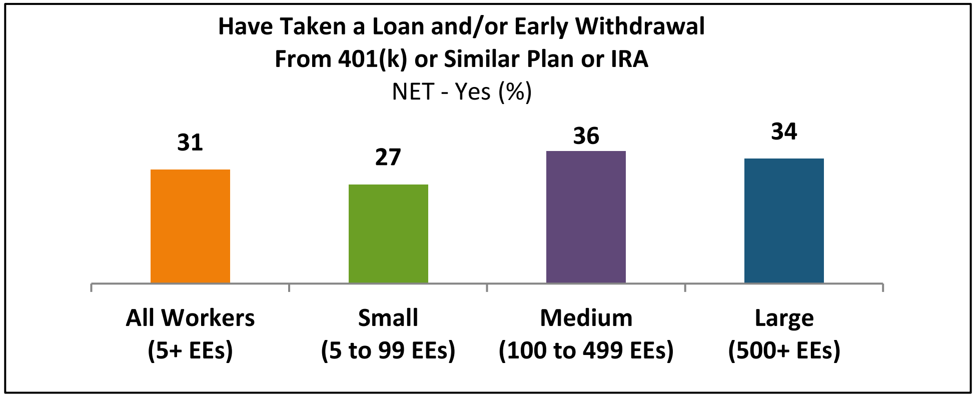
Leakage from retirement plans, through loans, early withdrawals, or hardship withdrawals, can severely inhibit the growth of participants' long-term retirement savings.

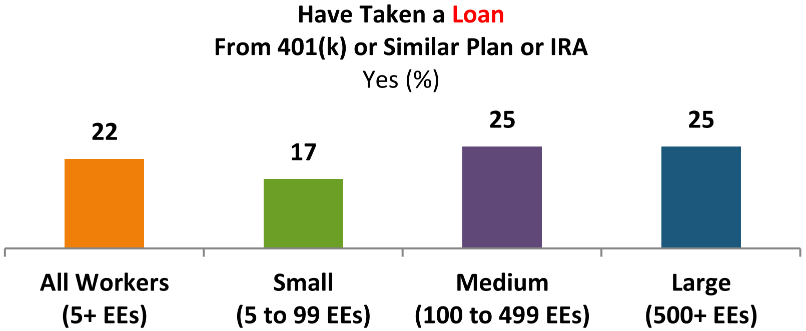
Thirty-one percent of workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA. Workers of large and medium companies (34 and 36 percent, respectively) are more likely to have done so, compared with workers of small companies (27 percent).

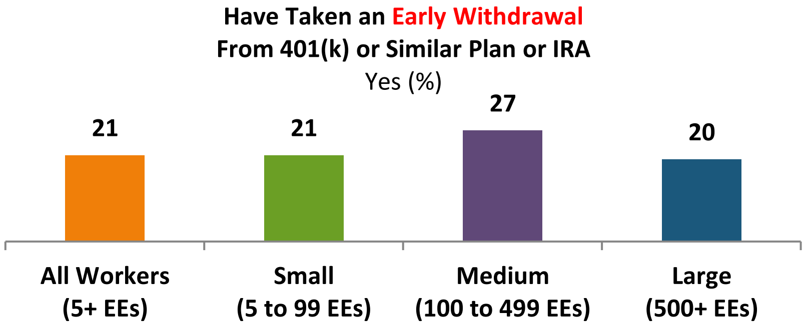
Twenty-two percent of workers have taken a loan – either that they are paying back (16 percent) and/or were unable to pay back and it became an early withdrawal (9 percent).

A similar proportion of workers (21 percent) have taken some form of early withdrawal, including a hardship withdrawal (10 percent), cashing out at separation of service (8 percent), other early withdrawal (4 percent) and/or a loan that they were unable to pay back (9 percent).

Worker Perspective







WORKER BASE: ALL QUALIFIED RESPONDENTS

Q754. Have you ever taken any form of loan or early withdrawal from a qualified retirement account such as a 401(k) or similar plan or IRA? Select all.

Reasons for Taking Plan Loans

Among workers who have taken out a loan from their 401(k) or similar plan, the most frequently cited reason is to pay off credit card and/or other debt (38 percent). Financial emergencies (29 percent) and medical bills (22 percent) are also cited as reasons to take out loans.

Worker Perspective

Reasons for Taking Loan From Retirement Plan (%)

	All Workers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Pay Off Debt	38	32	43	40
Pay off credit card debt	26	24	23	29
Pay off other debt	22	14	30	22
A financial emergency	29	28	36	27
Medical bills	22	25	31	17
Purchase of a vehicle	21	20	25	18
Home improvements	20	21	29	18
Every day expenses	20	19	21	20
Unplanned major expenses (e.g. home or car repair, etc.)	18	18	18	18
Purchase of primary residence	15	13	17	15
Avoid eviction	13	13	12	13
College tuition	13	16	14	11
Burial or funeral expenses	8	9	13	8
Some other expense	3	3	4	3

WORKER BASE: THOSE WHO HAVE TAKEN A LOAN

Q659. For what purpose(s) did you take out a loan(s)? Select all.

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Reasons for Taking Hardship Withdrawals

Among workers who have taken a hardship withdrawal from a 401(k) or similar plan, 21 percent indicate their primary reason for doing so is to make payments for certain medical expenses. Other commonly cited reasons are to pay for tuition (17 percent) and to cover expenses and losses incurred due to a disaster in a federally declared disaster area that included their residence or place of employment (16 percent).

Worker Perspective

Primary Reason for Hardship Withdrawal (%)

*Note: Findings should be considered directional due to small base.

	All Workers (5+ EEs)	Small* (5 to 99 EEs)	Medium* (100 to 499 EEs)	Large (500+ EEs)
Payments for certain medical expenses for you, your spouse, children, dependents, or primary beneficiaries under the plan	21	24	15	18
Payment of tuition and related educational fees for the next twelve months of post-secondary education for you, your spouse, children, dependents, or primary beneficiaries under the plan	17	17	22	17
Expenses and losses (including loss of income) incurred due to a disaster located in a federally declared disaster area that included your principal residence or principal place of employment	16	18	21	16
Payment to prevent your eviction from your principal residence	16	12	11	18
Expenses for repairs of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code	10	10	7	11
Cover the costs related to the purchase of a principal residence	9	7	10	12
Burial or funeral expenses for your spouse, children, dependents, or primary beneficiaries under the plan	7	8	11	4
Other	4	4	3	4

Note: Base sizes are small with less than 200 respondents

WORKER BASE: THOSE WHO HAVE TAKEN A HARDSHIP WITHDRAWAL (NOTE: SMALL BASE FOR SMALL AND MEDIUM COMPANIES)

Q1465. What is the primary reason you have taken a hardship withdrawal from your employee-funded retirement savings plan?

Workers' Estimated Retirement Savings Needs

Workers estimate they will need $500,000 (median) by the time they retire to feel financially secure. Workers of large companies believe they will need $500,000, and workers of medium companies believe they will need $400,000 (medians). Workers of small companies believe they will need $250,000 (median) by the time they retire to feel financially secure.

Estimated Retirement Savings Needs	All Workers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
$0 to less than $500k	50%	54%	53%	45%
$500k to less than $1m	19%	18%	18%	20%
$1m to less than $2m	17%	15%	13%	19%
$2m or more	14%	13%	16%	16%
Median	**$500,000**	**$250,000**	**$400,000**	**$500,000**

WORKRER BASE: ALL QUALIFIED RESPONDENTS

Q890. Thinking in terms of what money can buy today, how much money do you believe you will need to have saved by the time you retire in order to feel financially secure?

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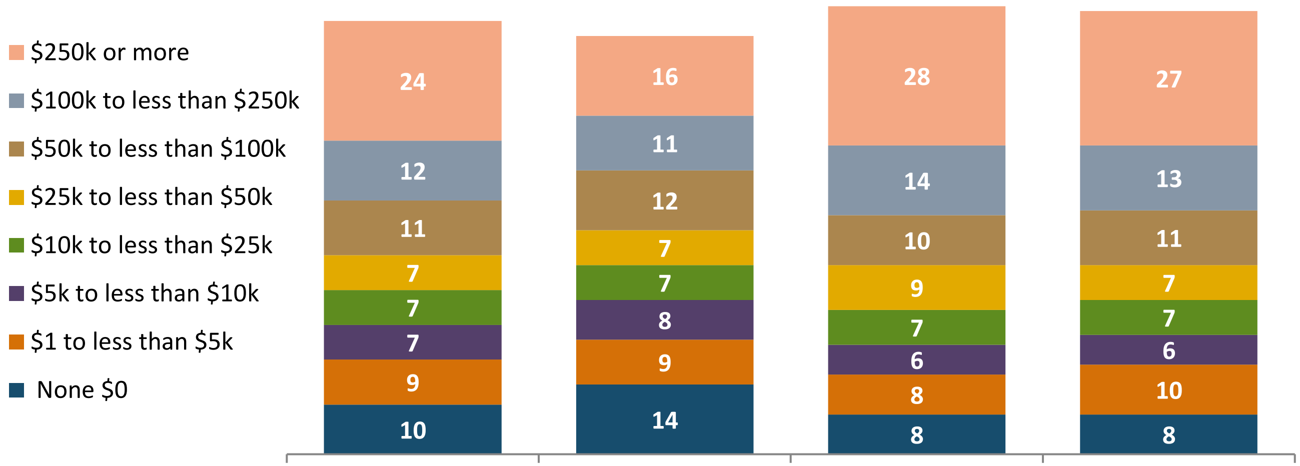
Workers' Retirement Savings Vary by Company Size

Total household retirement savings is one of the strongest indicators of a worker's retirement outlook. Workers' estimated median total household retirement savings is $47,000. However, a retirement savings gap appears when savings is examined by company size. Workers of small companies have total retirement savings of $29,000, compared with $62,000 among workers of both medium and large companies (estimated medians).

Worker Perspective

Total Household Retirement Savings (%)



	All Workers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Not sure	9	11	6	8
Decline to answer	4	5	4	3
Estimated Median	$47,000	$29,000	$62,000	$62,000

Note: The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

WORKER BASE: ALL QUALIFIED RESPONDENTS

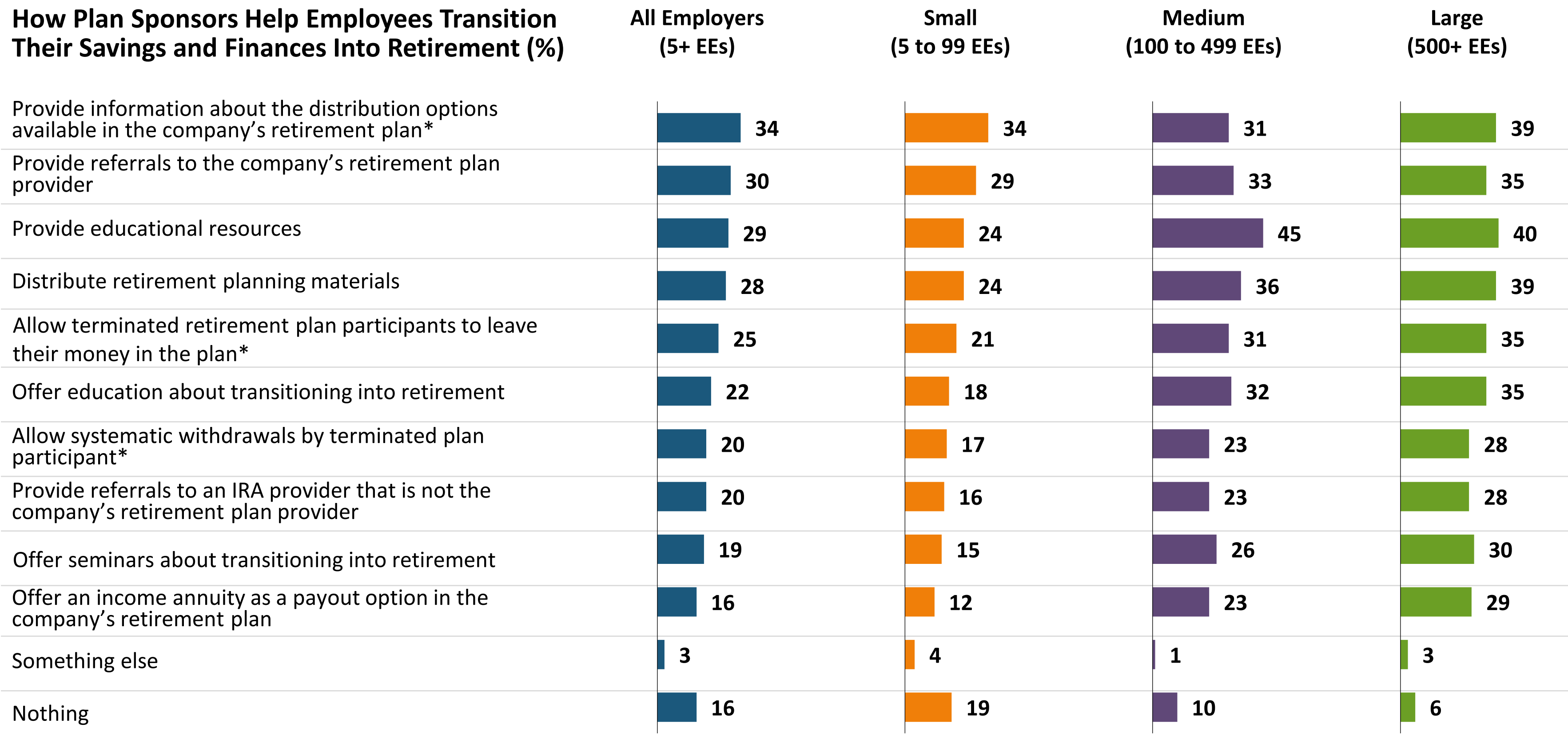
Q1300. Approximately how much money does your household have saved in all of your retirement accounts? Please include IRAs, 401(k)s, 403(b)s, and any other savings for retirement to which you and/or your spouse or partner have contributed funds.

Plan Sponsors Can Do More to Assist With Retirement Transition

Workers nearing retirement face a myriad of complex decisions about 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: information about distribution options (34 percent), educational resources (29 percent), and retirement planning materials (28 percent), Moreover, 16 percent of plan sponsors say they do "nothing," with 19 percent of small companies saying this compared with only 10 percent of medium and six percent of large companies.

<u>Employer Perspective</u>

How Plan Sponsors Help Employees Transition Their Savings and Finances Into Retirement (%)



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

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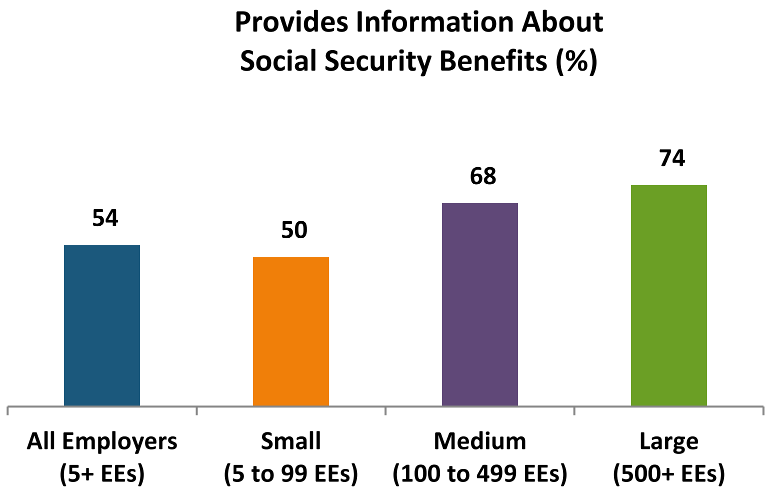
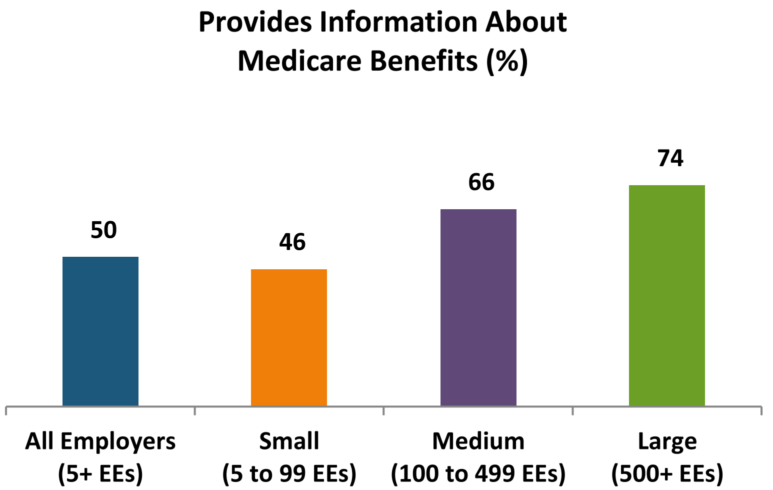
Some Employers Offer Information About Government Benefits

As part of their retirement planning-related educational offerings, about half of employers provide information about Social Security (54 percent) and Medicare (50 percent) benefits. Small companies are much less likely to provide such information about government benefits than medium and large companies.

Employer Perspective





EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q3610. Does your company currently provide information to employees about Social Security and Medicare as part of retirement planning education?

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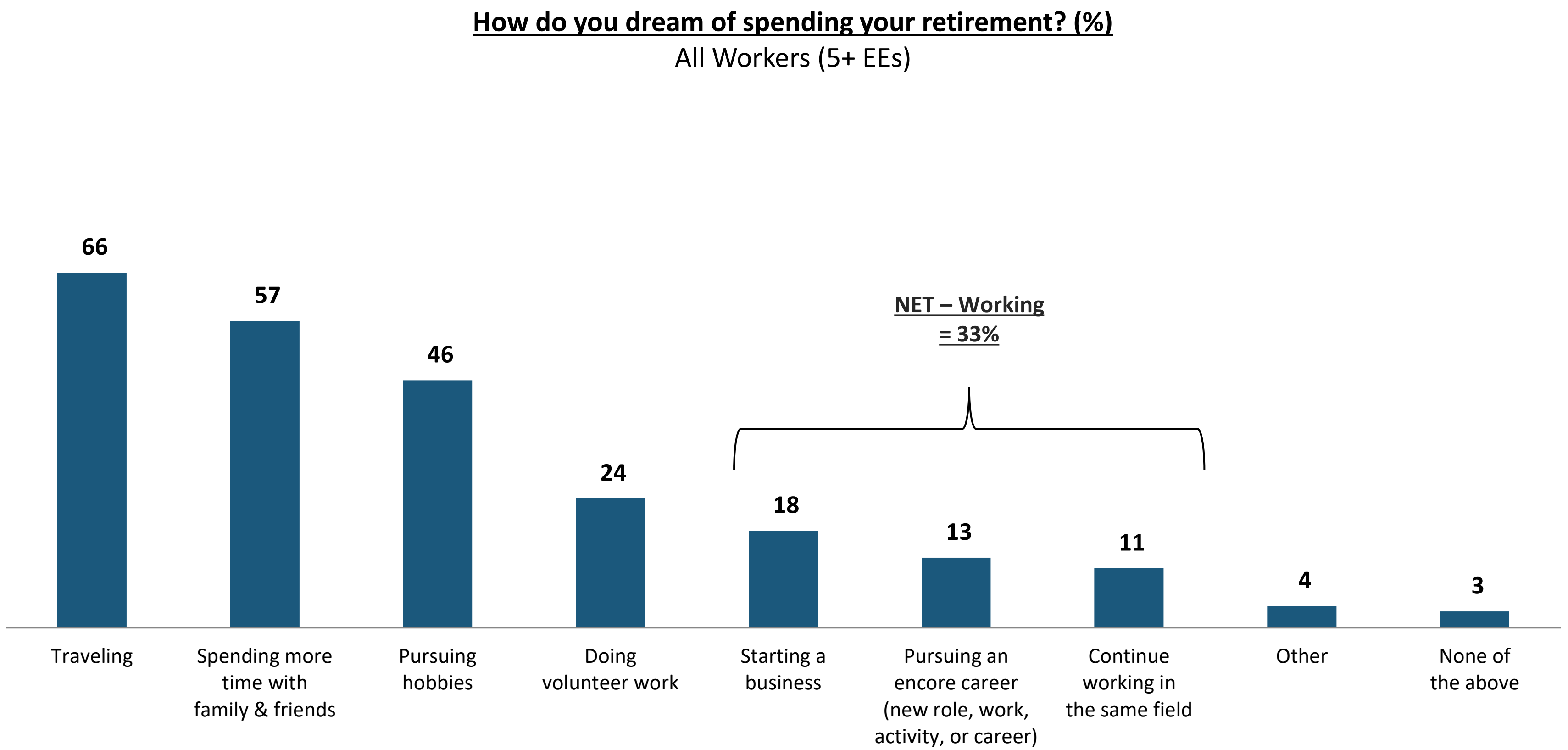
Facilitating Longer Working Lives, Work-Life Balance, and Flexible Retirement

Workers Are Dreaming of an Active Retirement

Traveling (66 percent) is workers' most frequently cited retirement dream, followed by spending more time with family and friends (57 percent), and pursuing hobbies (46 percent). A noteworthy one-third of workers dream of doing some form of paid work in retirement, such as starting a business (18 percent), pursuing an encore career (13 percent), and/or continuing to work in the same field (11 percent).



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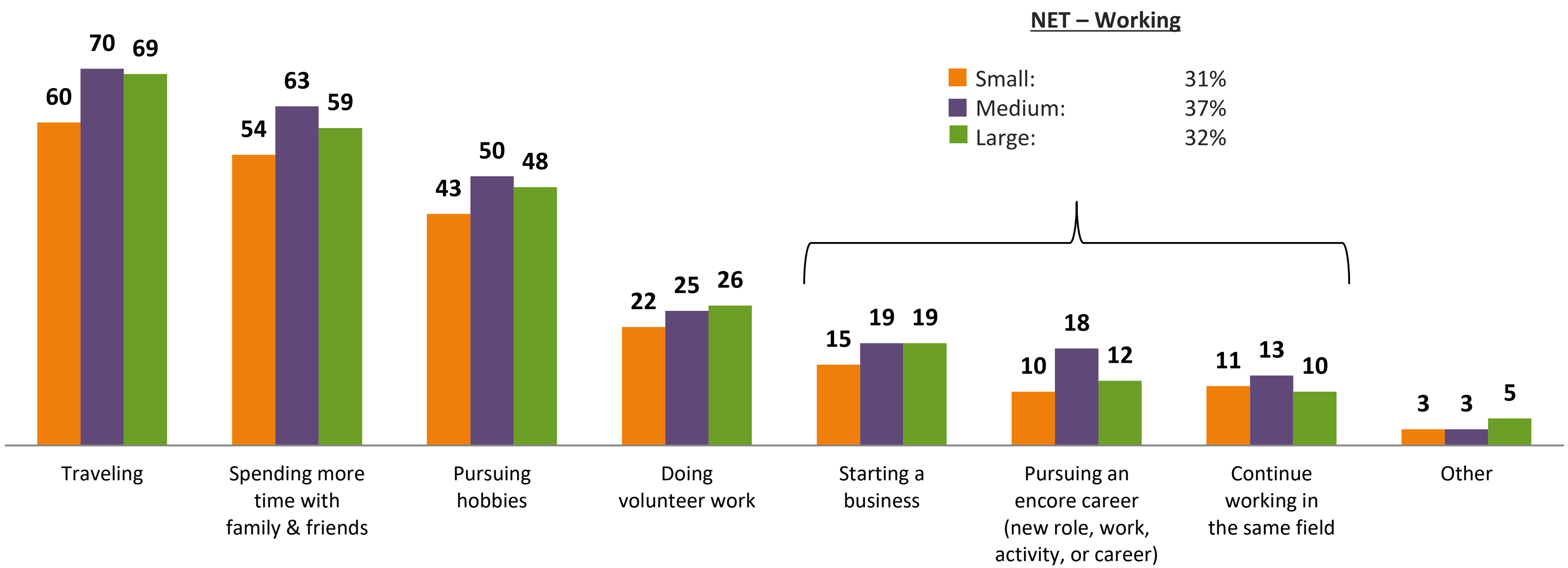
WORKER BASE - ALL QUALIFIED RESPONDENTS
Q1418. How do you dream of spending your retirement? Select all.

Retirement Dreams Vary by Company Size

Workers' top three retirement dreams — traveling, spending more time with family and friends, and pursuing hobbies — are common across company size. However, some retirement dreams differ across company size. Workers of medium and larger companies are significantly more likely to dream of traveling (70 percent, 69 percent respectively) than workers of small companies (60 percent). This pattern is similar across the top three retirement dreams. Workers in medium companies (37 percent) are more likely than those in large (32 percent) or small (31 percent) to dream of some form of paid work in retirement.

How do you dream of spending your retirement?
Company Size (%)



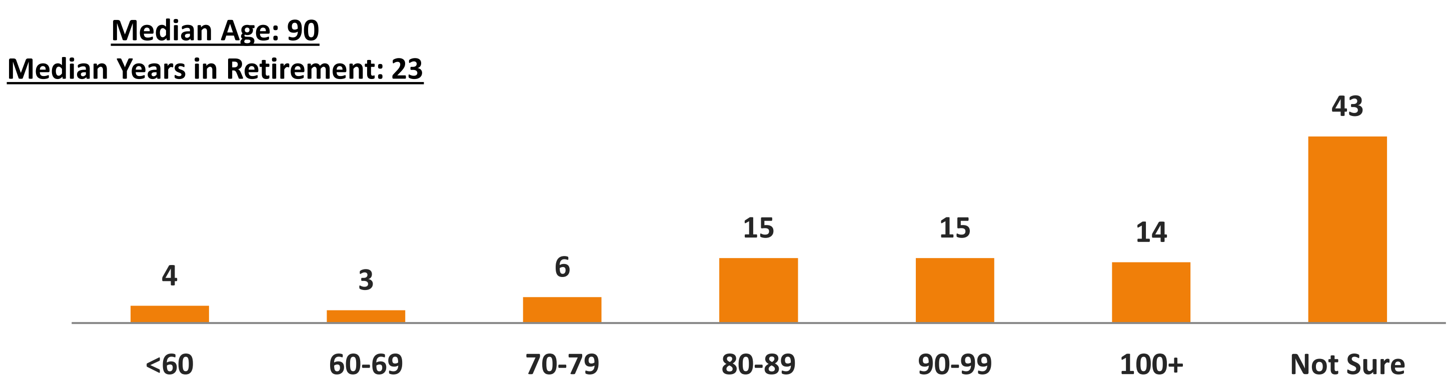
Note: Responses not shown for the less than 6 percent who said "none of the above."
BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
Q1418. How do you dream of spending your retirement? Select all.

Today's Workers Are Planning to Live Long Lives

As people live longer, they will potentially spend more time both in the workforce and in retirement – with implications for employers. Today's workers are planning to live to age 90 (median), with 14 percent planning to live to age 100 or older. Based on how long they plan to live, and at what age they plan to retire, they expect to spend 23 years in retirement (median). Spending more time in the workforce will require employers to foster age-friendly workplaces. Spending more time in retirement will require workers to save more and they can be supported by robust workplace retirement plans. Note, 43 percent are "not sure" what age they are planning to live to, which is a reasonable answer given the nature of the question.

What age are you planning to live to?

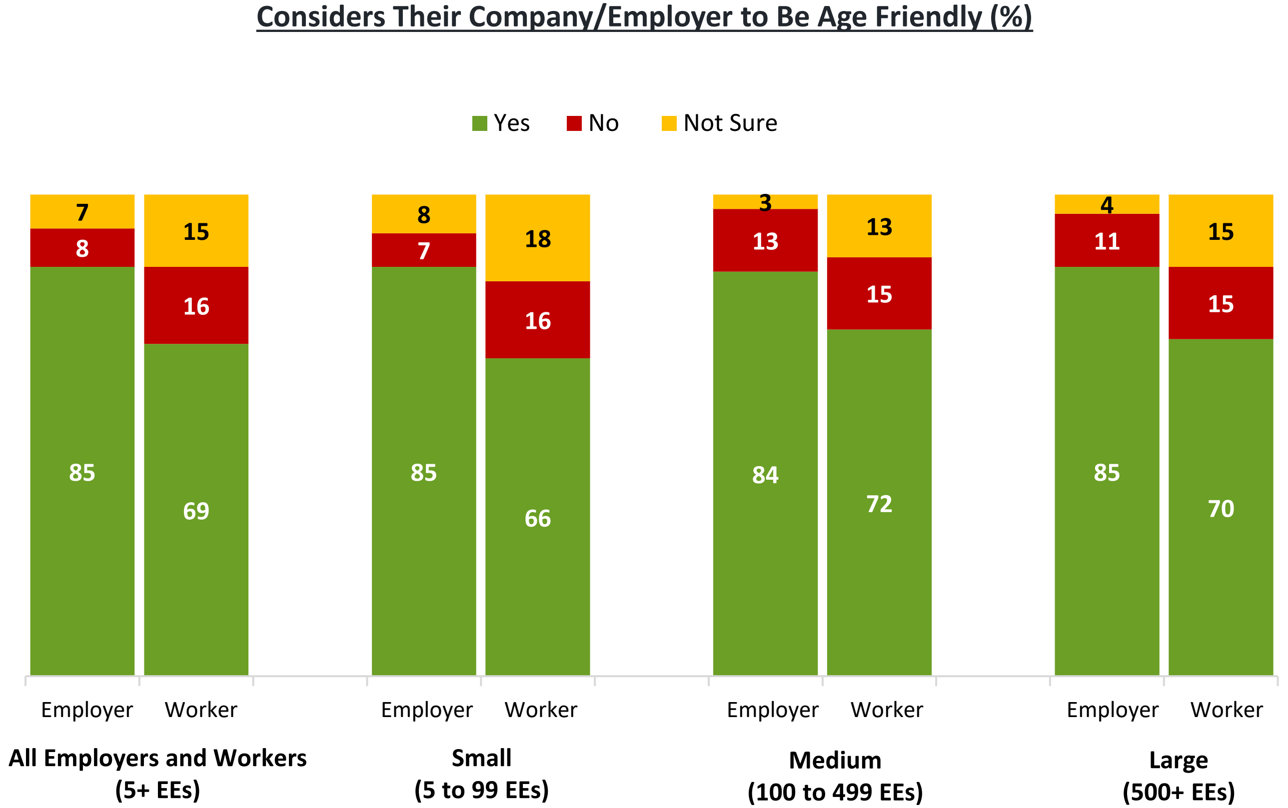
All Workers (%) (5+ EEs)



Note: Non-responses are excluded from median age. Median years in retirement calculation includes those who said "don't plan to retire."
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q2850. What age are you planning to live to?
Q910. At what age do you expect to retire?

Employers Consider Themselves to Be "Age Friendly" But…

While most *employers* (85 percent) consider their companies to be "age friendly" by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful, only 69 percent of *workers* consider their employers to be age friendly. This disconnect is consistent across company size where the gap is slightly wider among small businesses than medium and large companies.



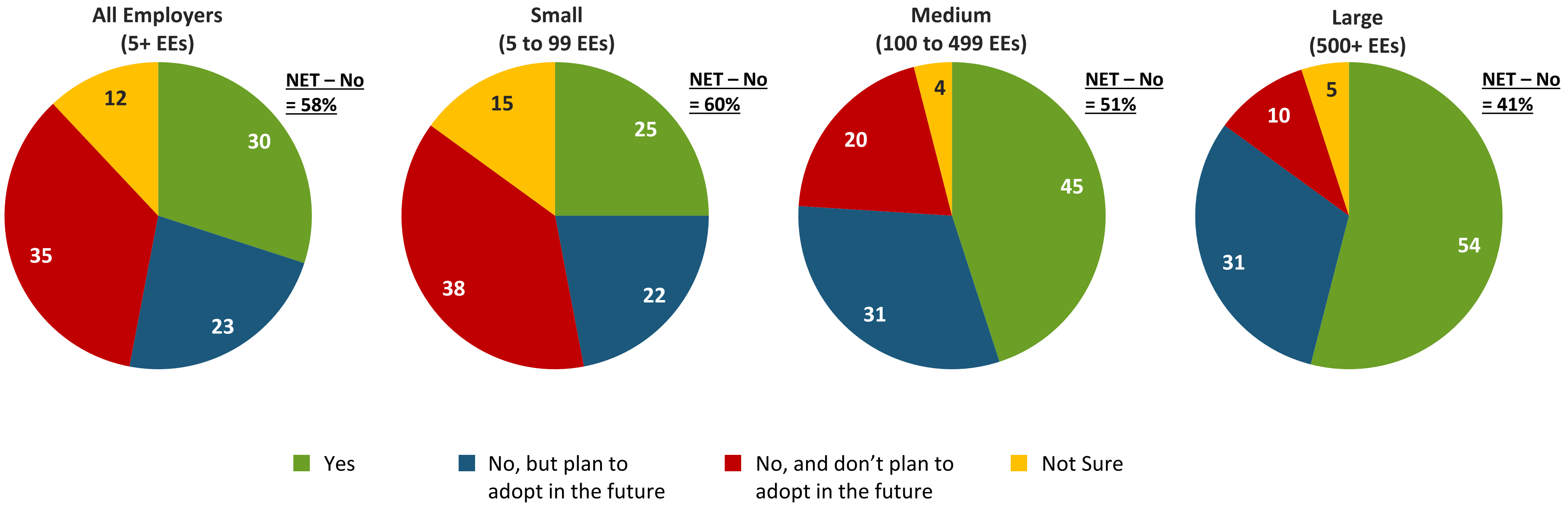
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q4016. Does your company consider itself to be an "age friendly" employer by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful?
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q2745. Do you consider your employer to be "age friendly" (for example offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company)?

Diversity and Inclusion (D&I) Policies That Include Age Are Uncommon

Thirty percent of employers have adopted a formal diversity and inclusion (D&I) policy statement that specifically includes age among other commonly included demographic characteristics. Employers' adoption of D&I policy statements referencing age varies by company size: 54 percent of large companies, 45 percent of medium, and only 25 percent of small companies have done so. Among employers that do not include age as a component of a formal D&I policy, small companies (38 percent) more often say they are not planning to do so in the future, compared with 20 percent of medium and 10 percent of large companies.

Employer Perspective

Adopted a Formal Diversity and Inclusion Policy Statement That Includes Age (%)



EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q3660. Has your company adopted a formal diversity and inclusion policy statement that specifically includes age among other commonly included demographic characteristics? (e.g., disability, ethnicity, familial or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status)

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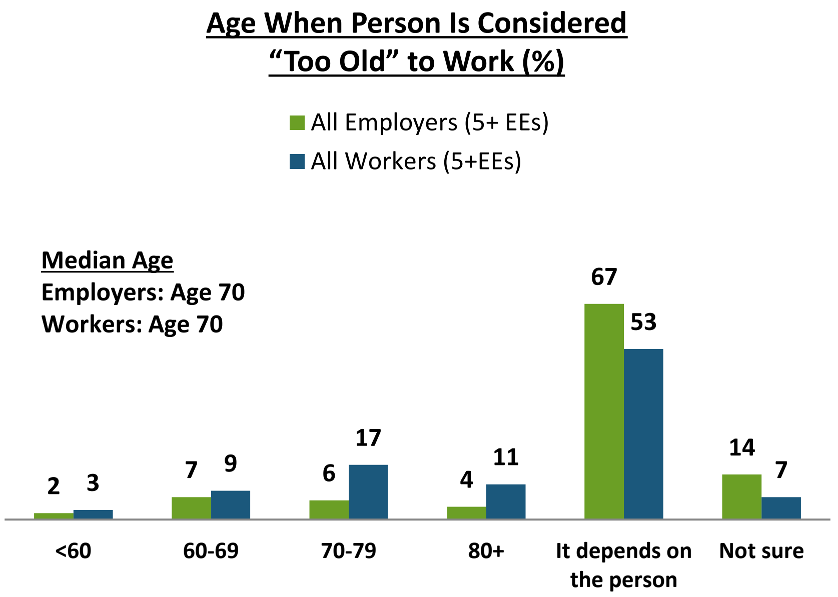
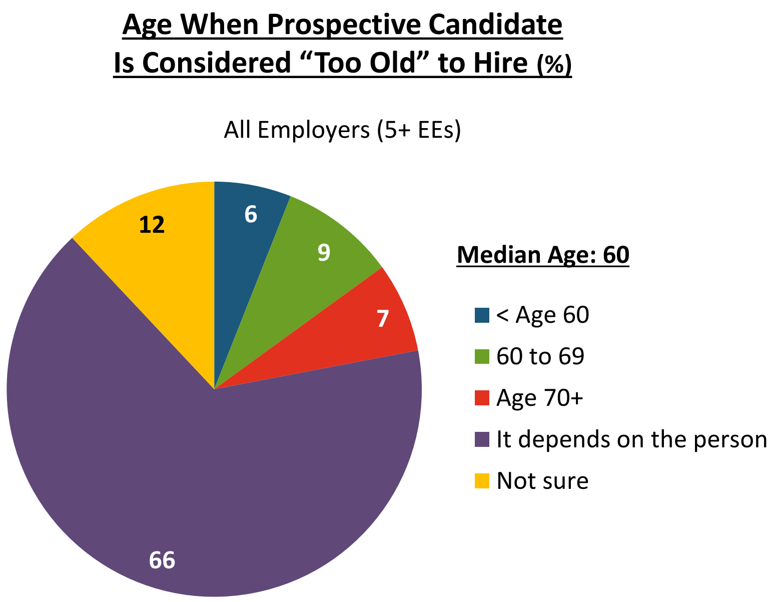
When Is a Person "Too Old" to Work and "Too Old" to Hire?

When asked the age at which a person is considered to be "too old" to work, two-thirds of *employers* (67 percent) say "it depends on the person" compared with 53 percent of *workers*. Among those who provided a specific age, *employers* and *workers* consider age 70 (median) to be "too old" to work. When asked the age at which prospective employees are "too old" to hire, the majority of *employers* say "it depends on the person" (66 percent) and 12 percent are "not sure." Among those who provided a specific age, employers consider age 60 (median) "too old" to hire.





WORKER BASE: ALL QUALIFIED RESPONDENTS
Q1527. At what age do you consider a person to be "too old" to work?
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q5010. At what age does your company consider an employee to be "too old" to work?
Q5015. In thinking about recruiting prospective employees, at what age does your company consider a candidate to be "too old" to hire?

Many Employers Offer an Alternative Work Arrangement(s)

By offering the ability to make adjustment in workers' schedules, employers can help ease the burden for their employees who are also unpaid caregivers. Prior to the pandemic, 86 percent of employers offered some type of alternative work arrangement. The most frequently cited arrangements are: the ability to adjust work hours as needed (59 percent), flexible work schedules (58 percent), and the ability to work remotely (41 percent). Large and medium companies are somewhat more likely than small companies to offer alternative work arrangements.

	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
NET – Offers Alternative Working Arrangements	86	89	94	97
Ability to adjust work hours as needed	59	60	59	59
Flexible work schedules	58	55	69	67
Ability to work remotely	41	38	50	53
Unpaid leave of absence	39	35	51	55
Ability to switch from full-time to part-time and vice versa	37	35	47	45
Opportunity to take a sabbatical	21	18	28	34
Ability to take on work that is less demanding	19	17	25	30
Compressed work weeks	17	14	21	32
Job sharing	14	11	21	24
Other	1	1	1	1
None. My company doesn't offer any alternative working arrangements.	9	11	6	3

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q5040. Which of these work-related arrangements does your company offer to its employees? Select all that apply.

Few Employers Offer Support for Caregiving Employees

Throughout their working lives, many people find themselves needing to become an unpaid caregiver for an aging parent or loved one. The number of caregivers is projected to grow as people live longer, the Baby Boomer generation grows older, and the costs of assisted living and long-term care continue to rise. The survey finds that employers can do much more to help employees balance caregiving obligations. Fewer than two in five employers offer an employee assistance program (19 percent), training for managers (18 percent), or online resources and/or tools to support caregivers (16 percent). Nearly half of employers (46 percent) say they offer none of the programs listed. However, large and medium companies are much more likely than small companies to offer some type of support for caregiving employees.

Employer Perspective

Programs Offered to Help Employees Balance Caregiving Obligations (%)

	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
An employee assistance program that offers counseling and referral services	19	14	33	36
Training for managers to learn how to handle situations with caregiving employees	18	16	19	26
Online resources and/or tools to support caregivers	16	13	25	29
A benefit that offers referrals to backup care (e.g., a caregiver, in-home care, adult day care)	15	12	26	32
Financial planning sessions or workshops on eldercare issues	13	9	22	26
A benefit that offers discounts or subsidies for backup care (e.g., a caregiver, in-home care, adult day care)	12	7	27	34
Employee-based caregiver support group(s)	12	9	25	27
A formal caregiving policy statement	10	7	23	17
Other	3	3	1	2
None	46	54	22	17

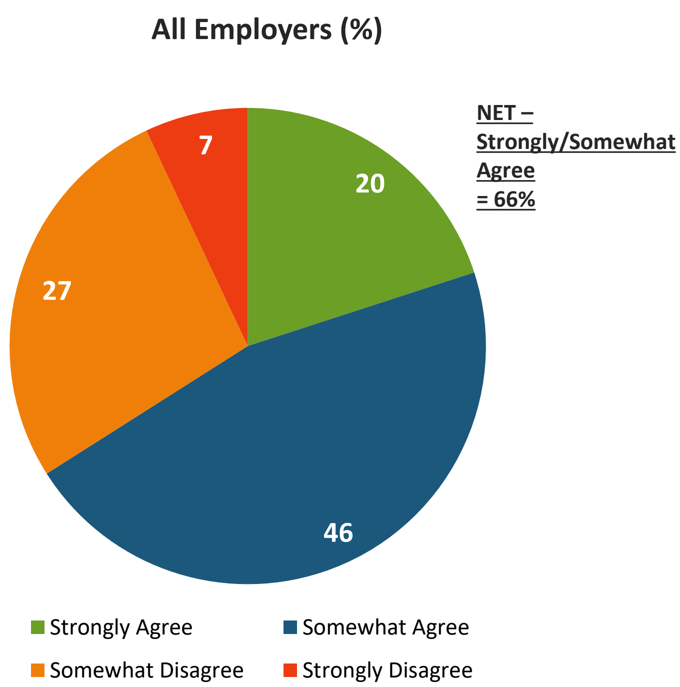
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS

Q4030. At one time or another, workers 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 that apply.

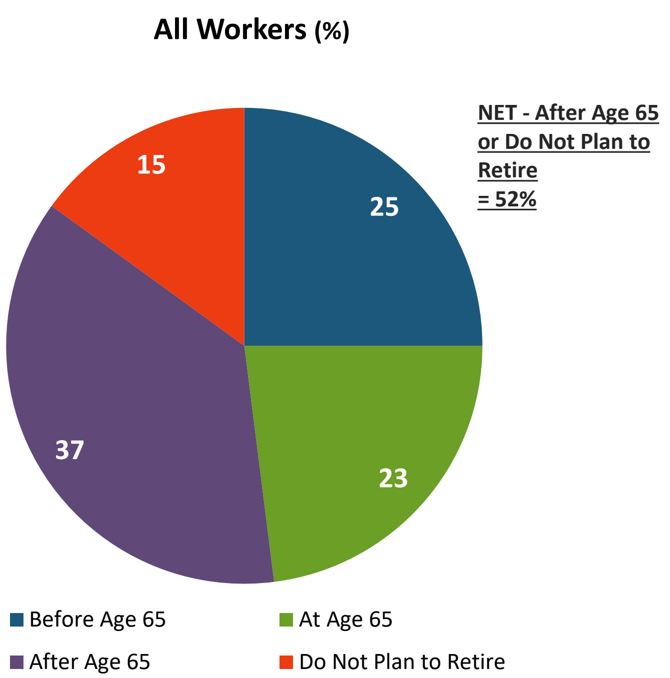
Employers Know That Workers Expect to Work Beyond Age 65

Sixty-six percent of *employers* agree with the statement, "Many employees at my company expect to work past age 65 or do not plan to retire," and they are correct. Indeed, many *workers* expect to retire after age 65 or do not plan to retire (52 percent).

"Many Employees at My Company Expect to Work Past Age 65 or Do Not Plan to Retire." (Level of Agreement)



Expected Retirement Age



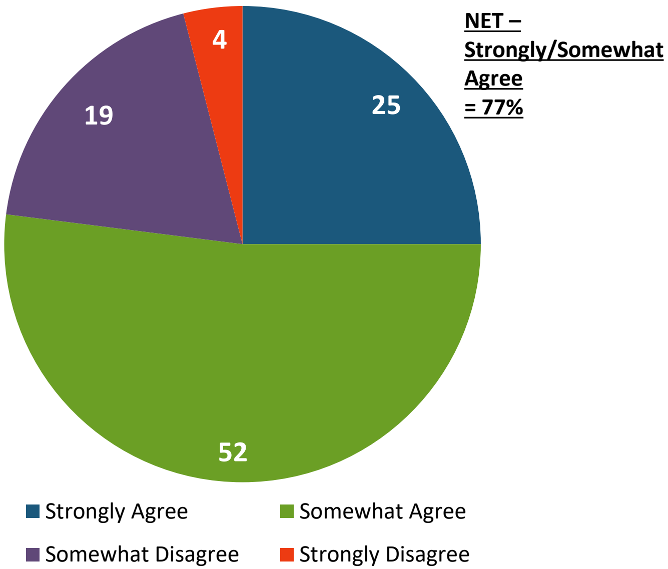
EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q4000. How much do you agree or disagree… "Many employees at my company expect to work past age 65 or do not plan to retire."
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q910. At what age do you expect to retire?

Employers Know That Workers Plan to Work in Retirement

Seventy-seven percent of *employers* agree with the statement, "Many employees at my company plan to continue working either full-time or part-time after they retire," and they are correct. Many *workers* (56 percent) plan to continue working in retirement, including 17 percent who plan to work full-time and 39 percent who plan to work part-time.

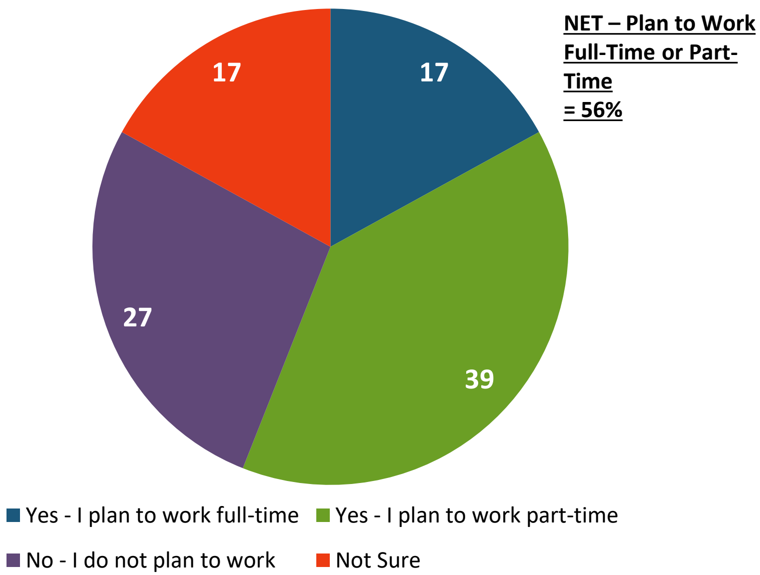
"Many Employees at My Company Plan to Continue Working Either Full-Time or Part-Time After They Retire."
(Level of Agreement)

All Employers (%)
(5+ EEs)



Planning to Work in Retirement

All Workers (%)
(5+ EEs)



EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q4005. How much do you agree or disagree… "Many employees at my company plan to continue working either full-time or part-time after they retire."
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q1525. Do you plan to work after you retire?

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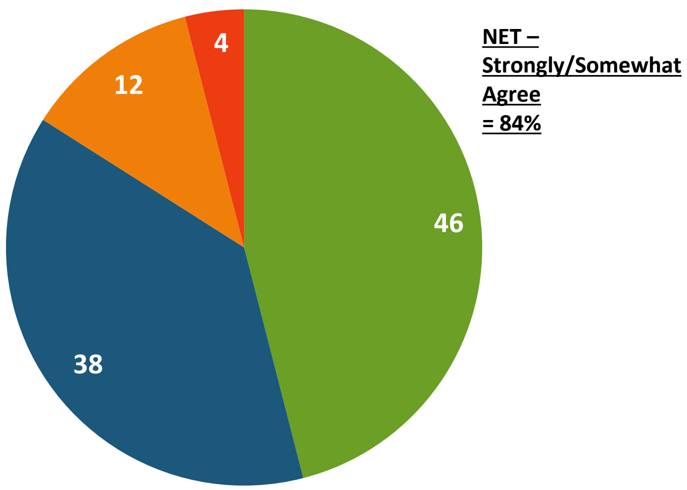
Employers Say They Are Supportive of Working Past Age 65

Many workers plan to work past age 65, but will their employers support them? Eighty-four percent of *employers* agree with the statement, "My company is supportive of its employees working past 65," including 46 percent that "strongly agree" and 38 percent that "somewhat agree." However, only 78 percent of *workers* agree that their employer is supportive, including 35 percent who "strongly agree" and 43 percent who "somewhat agree."

According to [TCRS' 2019 survey of retirees], they are retiring at age 63 (median), with more than half (58 percent) indicating they retired sooner than planned. Among those who retired early, 51 percent cited employment-related reasons such as job loss, organizational changes, general unhappiness, and/or took an incentive or buyout.

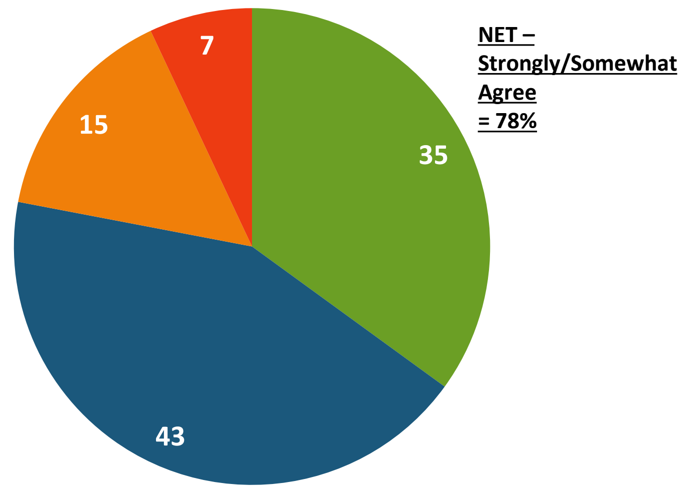
"My Company Is Supportive of Its Employees Working Past 65."

All Employers (%)
(5+ EEs)



"My Employer Is Supportive of Working Past 65."

All Workers (%)
(5+ EEs)



Strongly Agree | Somewhat Agree | Somewhat Disagree | Strongly Disagree

EMPLOYER BASE: ALL QUALIFIED RESPONDENTS
Q3620. How much do you agree or disagree… "My company is supportive of its employees working past 65."
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q931. How much do you agree or disagree… "My current employer is supportive of its employees working past 65."

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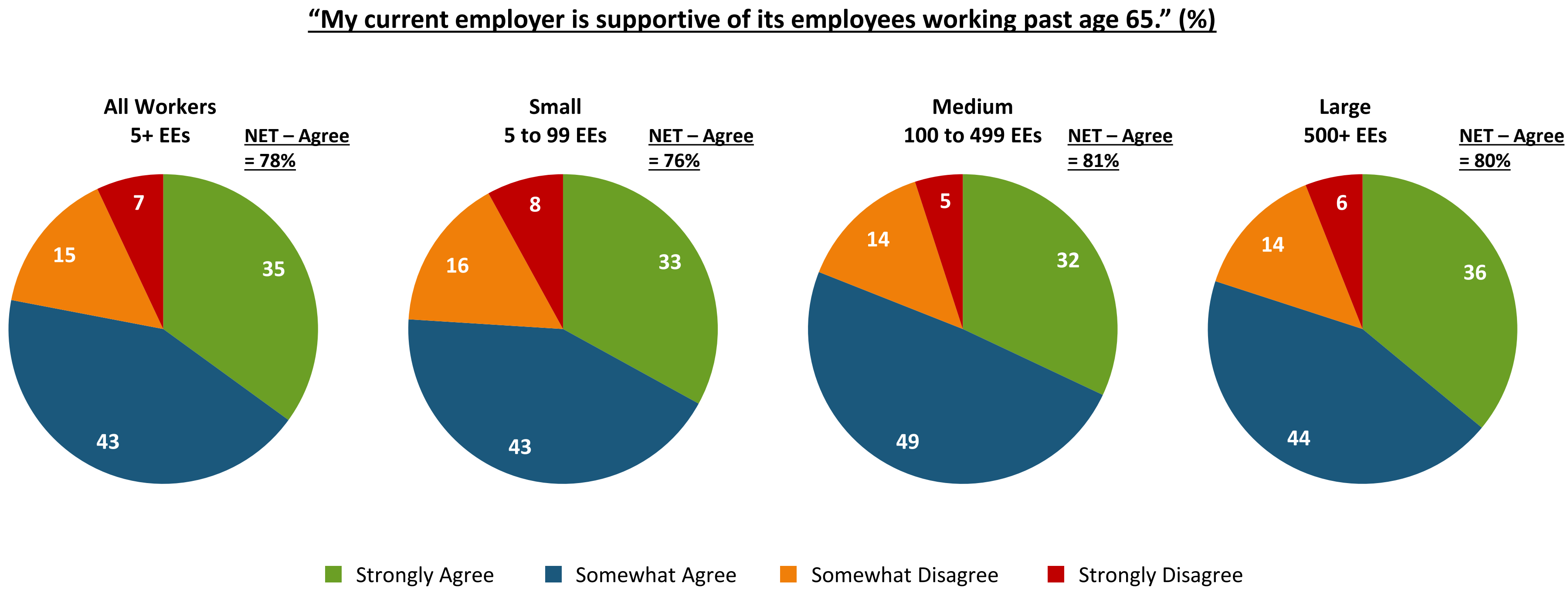
Three in Four Say Their Employers Support Working Past Age 65

Seventy-eight percent of workers agree with the statement, "My current employer is supportive of its employees working past age 65," including 35 percent who "strongly agree" and 43 percent who "somewhat agree." Eighty-one percent of workers of medium companies agree with the statement, followed by 80 percent of workers from large companies and 76 percent of workers of small companies.



WORKER BASE: ALL QUALIFIED RESPONDENTS
Q930. How much do you agree or disagree with each of the following statements regarding retirement?
"My current employer is supportive of its employees working past 65."

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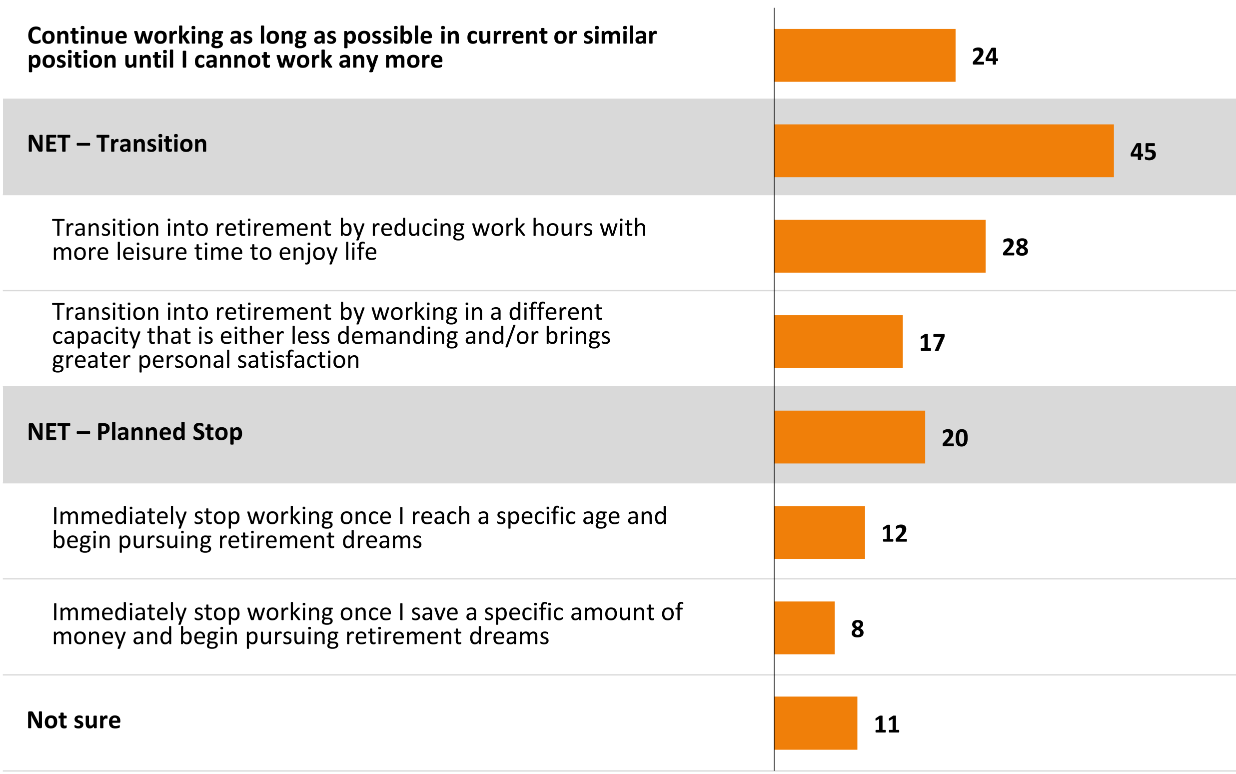
Many Workers Envision a Phased Transition Into Retirement

Forty-five percent of workers are envisioning a phased transition by reducing work hours (28 percent) or working in a different capacity that is less demanding and/or brings greater personal satisfaction (17 percent). Twenty-four percent envision they will continue working as long as possible until they cannot work anymore. Only one in five workers (20 percent) plan to immediately stop working and fully retire.

Workers' Envisioned Transition Into Retirement (%)



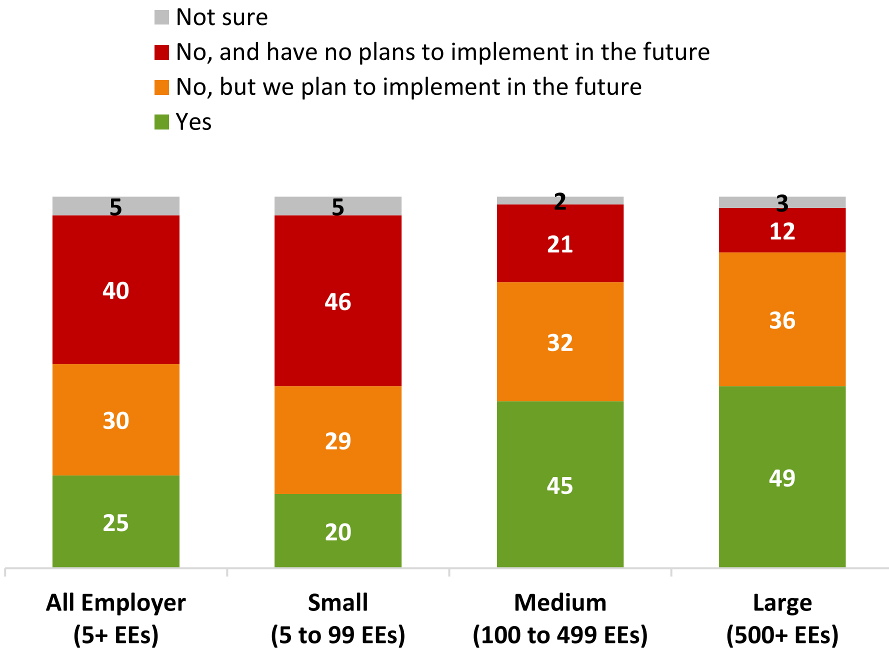
WORKER BASE: ALL QUALIFIED RESPONDENTS
Q1545. How do you envision transitioning into retirement?

Most Employers Do Not Offer Formal Phased Retirement Programs

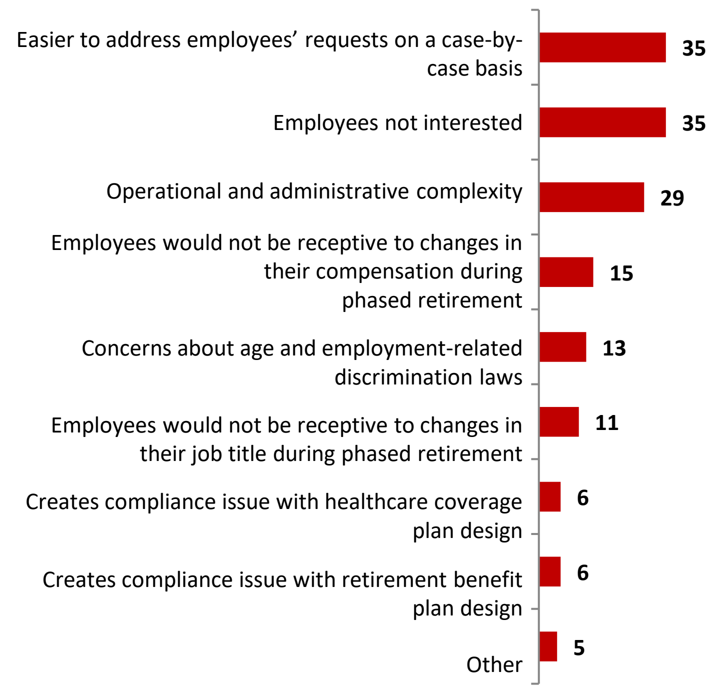
Seventy percent of *employers* do not offer a formal phased retirement program for workers who want to transition into retirement, including only 30 percent that plan to implement a program in the future and 40 percent that do not have plans to do so. However, large (49 percent) and medium companies (45 percent) are more likely to offer such programs than small companies (20 percent). The most cited reasons for not offering a phased program are that it is easier to address employees' requests on a case-by-case basis (35 percent), employees are not interested (35 percent), and operational and administrative complexity (29 percent).

Employer Perspective

Offering a Formal Phased Retirement Program (%)



Reasons for Not Offering a Formal Phased Retirement Program for Employees Who Wish to Transition into Retirement (%)



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 ?
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 into retirement? Select all that apply.

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Some Employers Offer Retirement Transition Assistance

Only 37 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 (33 percent), take on jobs that are less stressful or demanding (21 percent), or encourage their employees to participate in succession planning, training, and mentoring (27 percent).

Moreover, employers are missing an opportunity to facilitate smoother transitions when their employees do retire, with only 20 percent offering retirement-oriented lifestyle and transition planning resources and 16 percent providing information about encore career opportunities.

<u>Employer Perspective</u>

Work-Related Programs in Place to Help Employees Transition Into Retirement (%)

	All Employers (5+ EEs)	Small (5 to 99 EEs)	Medium (100 to 499 EEs)	Large (500+ EEs)
Accommodate flexible work schedules and arrangements	37	35	51	42
Enable employees to reduce hours and shift from full-time to part-time	33	30	44	41
Encourage employees to participate in succession planning, training, and mentoring	27	22	43	46
Enable employees to take on jobs which are less stressful or demanding	21	18	33	36
Offer retirement-oriented lifestyle and transition planning resources	20	16	30	38
Provide information about encore careers opportunities	16	12	31	37
Other	2	3	1	1
None	29	33	10	12

<u>EMPLOYER BASE: ALL QUALIFIED RESPONDENTS</u>

Q3615. Which of the following work-related programs, if any, does your company have in place to help employees transition into retirement? Select all that apply.

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