

The Employer's Perspective on Retirement Benefits and Planning

12th Annual Transamerica Retirement Survey

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Introduction to the Retirement Study: Employer Perspective

- About The Center
- About the Survey
- Methodology
- Terminology
- Company Profile

About The Center

- The Transamerica Center for Retirement Studies® (“The Center”) is a non-profit private foundation dedicated to educating the public on emerging trends surrounding retirement security in the United States. The Center’s research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes.
- The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. For more information about The Center, please refer to www.transamericacenter.org.
- The Center and its representatives cannot give ERISA, tax or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, The Center disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

About The Survey

- Since 1999, the Transamerica Center for Retirement Studies® 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.
- Harris Interactive was commissioned to conduct the Twelfth Annual Retirement Survey for Transamerica Center for Retirement Studies®. Transamerica Center for Retirement Studies® is not affiliated with Harris Interactive.

Methodology

- A telephone survey was conducted among a nationally representative sample of 743 employers. Potential respondents were targeted based on job title at for-profit companies and met the following criteria:
 - Business executives who make decisions about employee benefits at his or her company
 - Employ 10 employees or more across all locations
- 17-minute telephone interviews were conducted between January 28, 2011 and February 25, 2011.
- Quotas were set for large and small companies and results were weighted as needed on employee size using weighting targets from the Dun & Bradstreet database to ensure each quota group had a representative sample based on the number of companies in each employee size range. A full methodology is available.
- Percentages were rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- Significance was tested at 95% confidence and has been indicated throughout the report in the following ways:
 - Significance between sub-groups is identified by the letters A, B, C, D, etc. next to the significantly higher number for that corresponding sub-group.
 - Significance between 11th Annual (2009/10 data) and 12th Annual surveys (2011 data) has been indicated as follows:
 - = 12th annual result is significantly higher than the result from the 11th annual survey
 - = 12th annual result is significantly lower than the result from the 11th annual survey
- The base size was 299 for large companies and 444 for small companies. Other reduced bases have been noted throughout the report.

Terminology

This report uses the following terminology:

- Small company: 10 to 499 employees
- Large company: 500 or more employees

Profile of Companies

N=743	
Title (mentions 1% or greater are shown)	
GENERAL (NET)	50%
Office Manager	8%
Controller	7%
Vice President	5%
President	4%
Owner	3%
Accountant/Accounts Manager	3%
Operations Manager	2%
Manager	2%
Business Manager	2%
CEO/Chairman	2%
General manager	1%
Executive Assistant	1%
Secretary	1%
CFO	1%
Administrator/Administrative Manager	1%
Other Vice President mentions	3%
All other director mentions	2%
All other manager mentions	1%
HUMAN RESOURCE (NET)	46%
Director of HR	19%
Human Resources Manager	8%
Benefits Manager	8%
Vice President of Human Resources	2%
HR assistant	1%
HR officer	1%
Human Resource	1%
Benefits Analyst/Specialist	1%
Other Human Resource mentions	4%
OTHER	4%

N=743	
Industry (mentions 1% or greater are shown)	
Manufacturing	25%
Professional services including finance, legal, engineering, and healthcare	24%
Service industries such as retail trade, hospitality, or administration	12%
Agriculture, mining or construction	11%
Transportation, communications, or utilities	7%
Wholesale distribution	3%
Non profit organization	2%
Education	2%
Software company	2%
Property/Housing/Real estate	2%
Government agency	1%
Distributor	1%
Printing/Publishing (newspaper, etc.)	1%
Insurance	1%
Technology	1%
Marketing	1%
Some Other business	2%
Geography	
East	17%
Midwest	36%
South	28%
West	19%

N=743	
Revenue	
Less than \$500,000	3%
\$500,000 to \$999,999	6%
\$1 million to less than \$5 million	26%
\$5 million to less than \$10 million	8%
\$10 million to less than \$50 million	10%
\$50 million to less than \$200 million	3%
\$200 million to less than \$500 million	1%
\$500 million to less than \$1 billion	1%
\$1 billion or more	1%
DK/Refused	40%
MEAN (in millions)	\$59.7
MEDIAN (in millions)	\$2.5
Number of Full-time Employees	
10-499 NET	89%
10 to 24	57%
25 to 99	26%
100 to 499	7%
500+ NET	11%
500 to 999	4%
Over 1,000	7%
MEAN	142.7
MEDIAN	16.2



Executive Summary

Executive Summary

The 12th Annual Transamerica Retirement survey found that employers in the U.S. are beginning to show renewed signs of confidence in both the economy and their companies' financial outlook. Fewer employers reported downsizing and layoffs in the last year – and more reported positive signs of growth including hiring additional employees. These positive indicators also translated into an increase in employers enhancing their retirement benefits as well as reinstating benefits (e.g., 401(k) matching contributions) that had been suspended since the recession began.

Importance and Offering of Employee Benefits

- Most employers (85 percent) believe that 401(k) or similar retirement plans are important for attracting and retaining employees.
- The majority of employers continue to believe their employees view health insurance (99 percent) and 401(k)s or other employee self-funded plans (85 percent) as important benefits.
- 78 percent of employers offer a 401(k) or similar plan. Plan sponsorship rates are higher for large companies (94 percent) than small companies (76 percent).
- Of those employers who do not offer a 401(k) or similar plan:
 - The most frequently cited reason was “encountering difficult business conditions” (47 percent).
 - Only 20 percent indicated that they are likely to offer a plan in the next two years; however, 33 percent said they would be likely to consider joining a multiple employer plan that is offered by “a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost.”
- Employers believe their employees view company-funded defined benefit plans as important (65 percent); however, only 20 percent of employers offer one.

Executive Summary

Importance and Offering of Employee Benefits (Continued)

- The percentage of employers offering matching contributions is consistent with the previous year's survey. The survey found an encouraging sign in that half (51 percent) of companies that recently decreased or suspended the match plan to reinstate it within the next two years.
- For those companies that offer a 401(k) plan, only about a quarter (22 percent) automatically enroll new employees in the plan. Large companies are much more likely (46 percent) to automatically enroll new employees than small companies (19 percent). For those that do not have automatic enrollment, high participation rate and employee choice are both cited as reasons not to auto enroll in the future.
- Most employers (84 percent) report their default investment option satisfies their QDIA requirement.
- Enhanced offerings like Roth 401(k)s saw a significant increase to 31 percent in adoption compared to last year (24 percent). However, this adoption rate may be close to saturation as only 4 percent of companies that don't offer it plan to do so in the future. Many employers cite lack of interest (33 percent) as the number one reason for not adopting.
- Only two-thirds (65 percent) of companies that provide an employee-funded retirement plan also offer investment guidance or advice to their employees. Of the third that don't offer advice, 10 percent plan to in the future. Of those with no plans to offer, many cite potential liability (42 percent) as the reason.

Executive Summary

Perceptions and Management of Current Retirement Plan Offerings

- Since the recession began, relatively few employers (15 percent) indicated they or their retirement plan provider have done anything to help their employees get back on track with their retirement savings. Large companies were more likely to have done so (34 percent) than small companies (13 percent).
- The majority of companies offering 401(k) or similar plans offer education and/or advice about the retirement savings plan.
 - Typically they offer: on-line tools and resources (78 percent), printed brochures and flyers (63 percent), one-on-one counseling (62 percent), group meetings (60 percent) and informative emails (46 percent).
 - In most cases, large companies were more likely to offer these resources than small companies.
- The majority of employers who offer a 401(k) or similar plan help employees transition to retirement in some way.
 - Employers most often: provide information about distribution options (77 percent), allow terminated participants to leave their balances in the plan (76 percent), distribute retirement planning materials (56 percent), and allow systematic withdrawals by participants (51 percent).
 - A minority of employers offer: financial counseling (43 percent), an income annuity as a payout option in the retirement plan (21 percent), or pre-retirement seminars (19 percent).
 - Large companies are more likely to offer assistance than small ones.
- Of those employers who do not offer a 401(k) or similar plan, three out of four (78 percent) said they do “nothing” to help their employees transition to retirement.

Executive Summary

Perceptions and Management of Current Retirement Plan Offerings (Continued)

- Almost all (95 percent) employers believe their employees are satisfied with the retirement plan offered and the quality of the investment options within the retirement plan (96 percent).
 - Among employers who offer self-funded plans, the majority (70 percent) feel their employees have enough investment options in their retirement plan.
 - Two-thirds (67 percent) of employers who offer self-funded plans feel their employees do not need to receive any more information from the plan provider about fees and expenses.
- Additionally, most employers (78 percent) made no changes to the 401(k) in the previous year, nor do they plan to make changes in the coming year (84 percent).
 - Significantly less employers made a change to their 401(k) plan in 2011 compared to 2009/10.
 - More small companies that made changes to their plans added a managed account this year and increased the match.
- Overall, only about one in ten companies (9 percent) who offer a 401(k) or other self-funded plan are considering changing the plan in the next year.
 - However, large companies (19 percent) are more likely than small companies (8 percent) to consider making changes in the next twelve months.
- Most companies (65 percent) are aware of the Department of Labor's new fee disclosure regulations and of those companies that are aware, over half (55 percent) say they will reevaluate their retirement plan's fees and expenses when the regulations go into effect.

Executive Summary

Perceptions and Management of Current Retirement Plan Offerings (Continued)

- Similar to previous years, about two-thirds (65 percent) of employers offering a self-funded plan use an outside advisor, but since 2006, the level of employers using one has slowly declined from 74 percent.
 - Financial planners/brokers are the most frequently used type of financial advisor.
 - There is no clear consensus on who should be held accountable for selecting and monitoring plan fees and plan options, but the plan provider/administrator and plan sponsor are the two most popular options for each responsibility respectively.

Executive Summary

Perceptions of Employee Involvement with Retirement Planning

- Over the last three years, there has been a gradual decline in employers that believe employees could work until age 65 and still not save enough to meet their retirement needs, from a high of 80 percent in 2008/09 to 70 percent in 2011.
- Many employers (82 percent) feel their employees do not know as much as they should about retirement investing, but surprisingly most (68 percent) believe their employees will still be able to achieve a comfortable lifestyle in retirement.
 - Large companies remained more critical of their employees with nine in ten (88 percent) believing their employees don't know as much as they should about retirement investing compared with 81 percent of employers at smaller companies believing the same.
- About three-quarters (76 percent) of employers agree that most of their employees would prefer to rely on outside experts to monitor and manage their retirement savings and a similar amount of employers (70 percent) feel most employees prefer not to concern themselves with retirement investing until they get closer to their retirement date.
 - This attitude is reflected by many employers (51 percent) believing most employees would not like to receive more information and advice from the company on how to reach one's retirement goals.
 - Employers at small companies are more likely to believe most of their employees would not like any more information on retirement (53 percent) compare to only 36 percent of large companies that say the same thing.

Executive Summary

Perceptions of Employee Involvement with Retirement Planning (Continued)

- Over three-quarters (78 percent) of employers are likely to believe their employees have a clear understanding of the fees associated with participating in the retirement plan.
 - Almost a third of small companies (31 percent) strongly agree their employees have a clear understanding of retirement fees, a significant increase over last year's sentiment (19 percent) and a feeling that is shared by more small companies than large companies (19 percent).
- Similar to perceptions reported in 2007-2009, more employers (54 percent) believe their employees want a break-down of fees for services and investments.
 - The popularity of a high level break-down was only significantly more popular this year among large companies. It was more likely that small companies believe their employees have no preference for how they receive fee information.



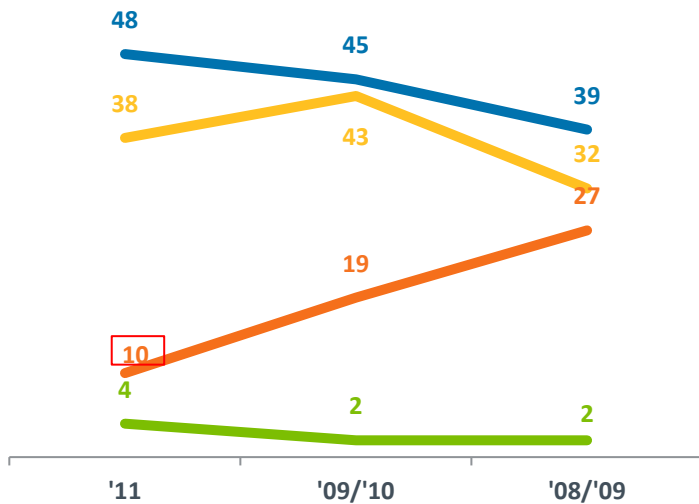
Detailed Findings

- Economic Expectations
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

Employer Economic Expectations

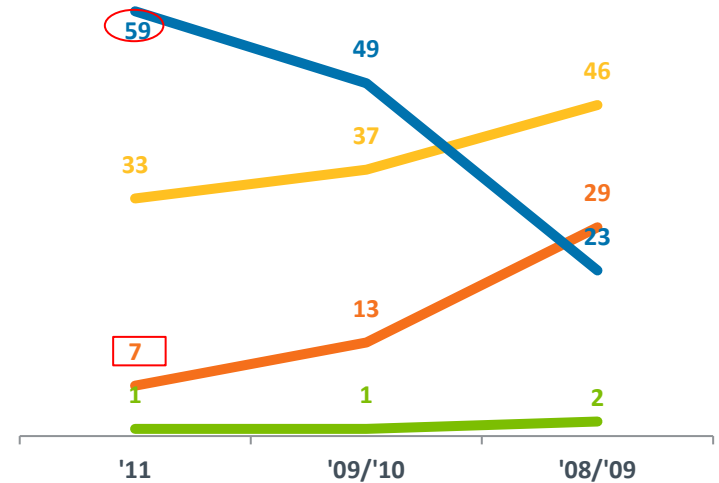
- Employers continue to grow more optimistic about the U.S. economy.
- Employers also continue to grow more optimistic about their company's financial situation with three-fifths indicating their company's financial situation will get better in the next 12 months.

In the next 12 months, they expect the U.S. economy to: (%)



In the next 12 months, they expect their company's financial situation to: (%)

■ Get Better
■ Stay the Same
■ Get Worse
■ Not sure
 Survey
 '11 (N=743)
 '09/'10 (N=601)
 '08/'09 (N=596)



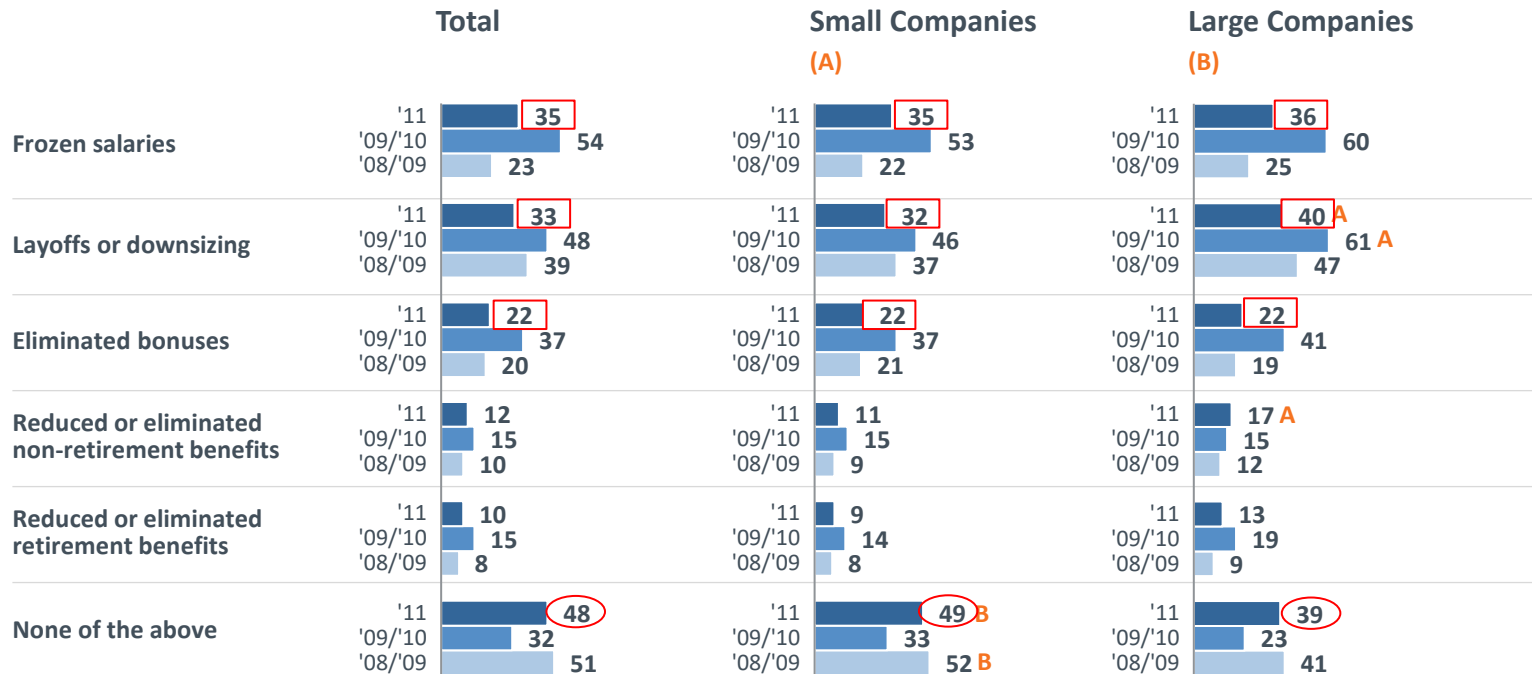
BASE: TOTAL RESPONDENTS

Q1400. In the next 12 months, do you expect the U.S. economy to:

Q1405. In the next 12 months, do you expect your company's financial situation to:

Negative Measures in Last 12 Months

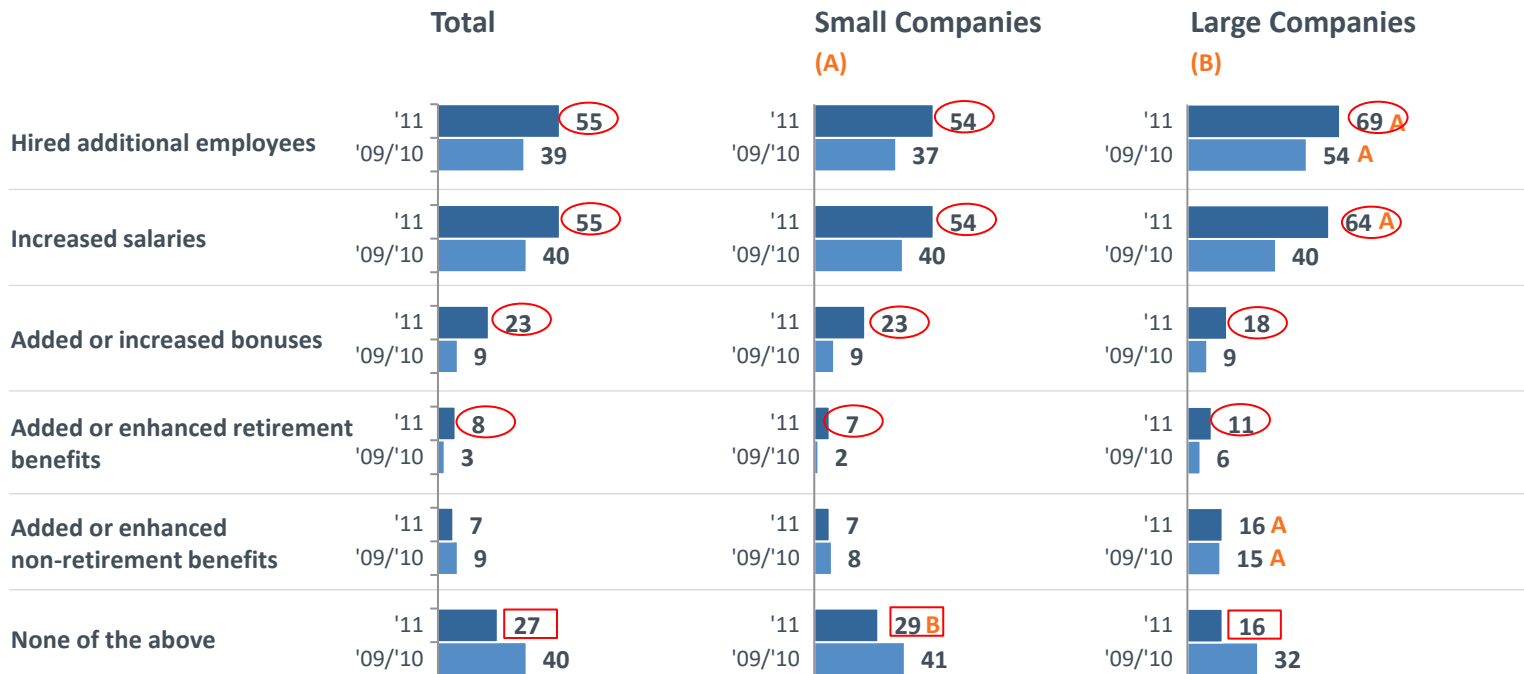
- There is an overall significant decline in cost-reducing measures employers have enacted in the past 12 months.
- However, large companies performed more layoff /downsizing and reducing/eliminating non-retirement benefits than smaller companies.



BASE: TOTAL RESPONDENTS Total : '08/'09 (N=596), '09/'10 (N=601), '11 (N=743) Small Companies: '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q1410. Has your company implemented any of the following measures in the last 12 months? Choose ALL that apply.

Positive Measures in Last 12 Months

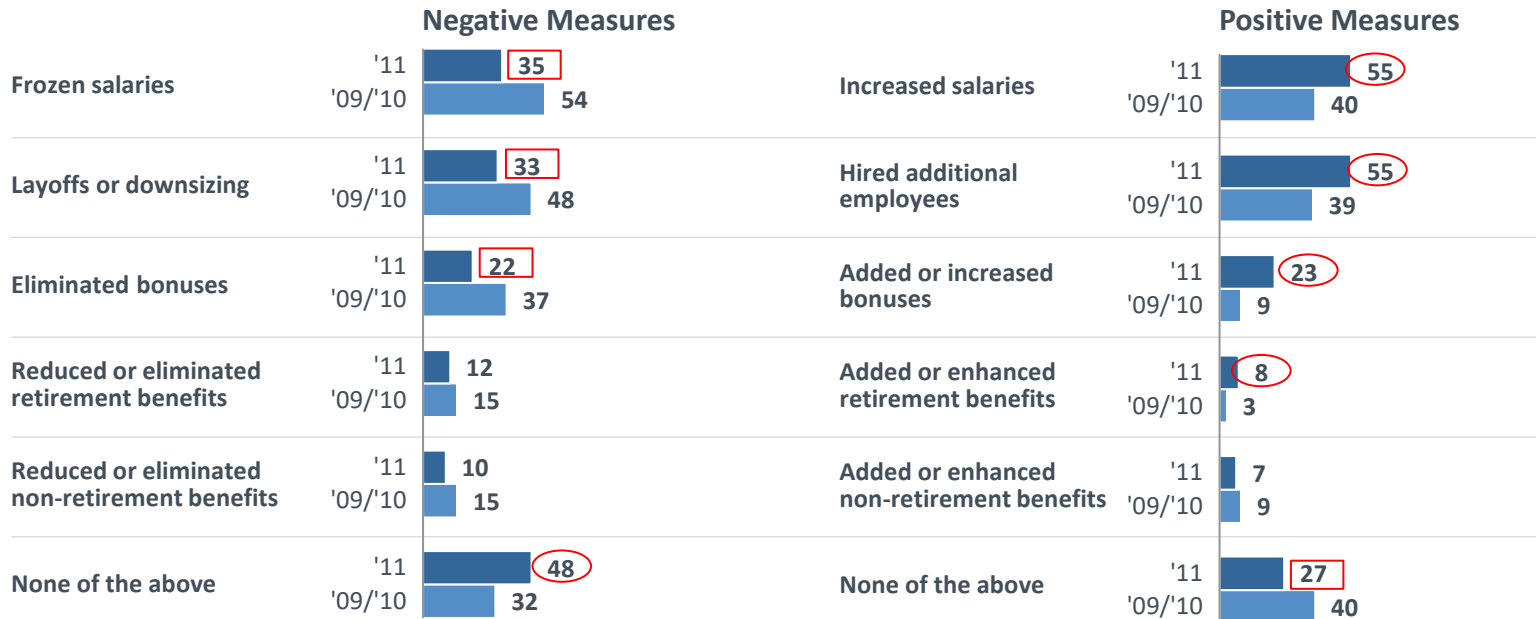
- In addition to fewer cost-cutting measures, employers report higher levels of positive staffing actions in the past 12 months.
 - More than half report hiring and increasing salaries.
 - Large companies are more likely to have hired workers, increased salaries, and added or enhanced non-retirement benefits.



BASE: TOTAL RESPONDENTS. Total : '09/'10 (N=601), '11 (N=743) Small Companies: '09/'10 (N=300), '11 (N=444); Large Companies: '09/'10 (N=301), '11 (N=299)
 NEW QUESTION IN WAVE 11: Q1411. Has your company implemented any of the following positive measures over the last 12 months?

Negative vs. Positive Measures in Last 12 Months

- The situation is looking more positive with higher positive measures regarding salaries, headcount, and bonuses.
- Close to half of employers indicated that they did not implement any cost reduction measures in the past 12 months.



BASE: TOTAL RESPONDENTS Total : '09/'10 (N=601), '11 (N=743)

Q1410. Has your company implemented any of the following measures in the last 12 months? Choose ALL that apply.

Q1411. Has your company implemented any of the following positive measures over the last 12 months?

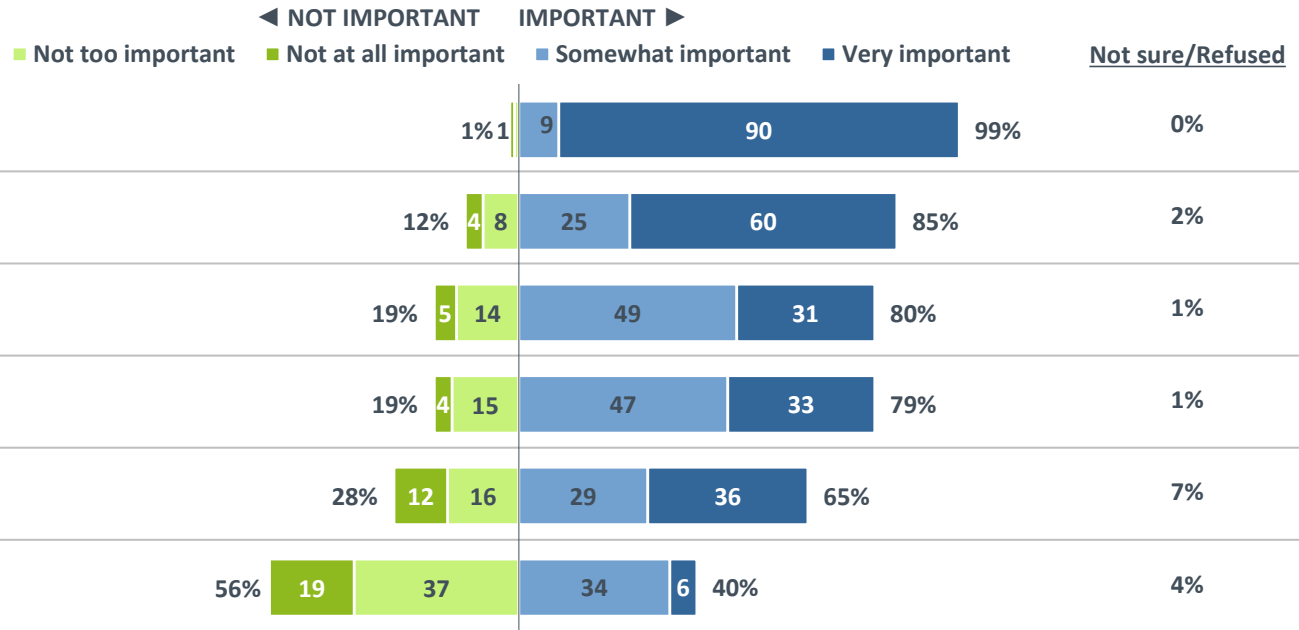


Detailed Findings

- Economic Expectations
- Perceptions of the Relative Importance of Various Employee Benefits
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Employee Benefits: Importance

- Employers believe a 401(k) or other employee-funded plan is the second most important benefit to employees after health insurance.
- More than half of employers believe defined benefit plans are important to employees and slightly more than a third indicate they are very important to employees.

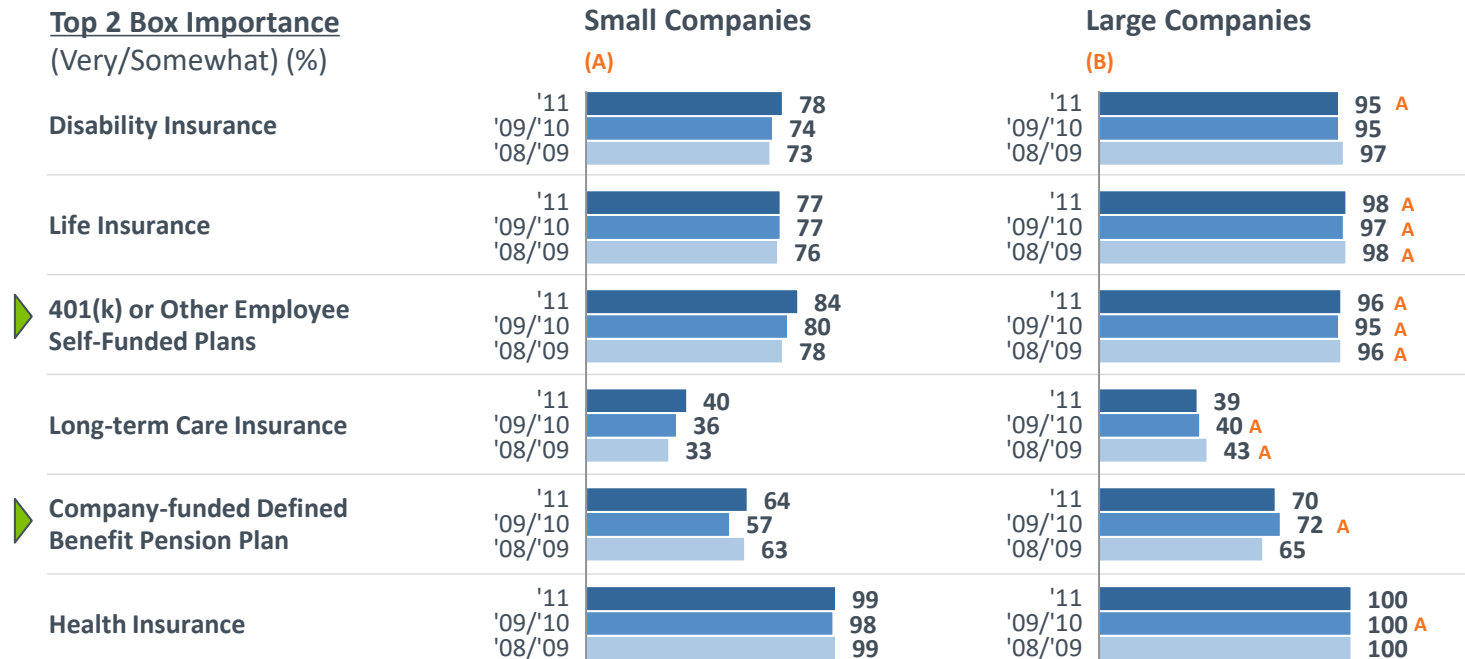


BASE: TOTAL RESPONDENTS (N=743)

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Employee Benefits: Importance

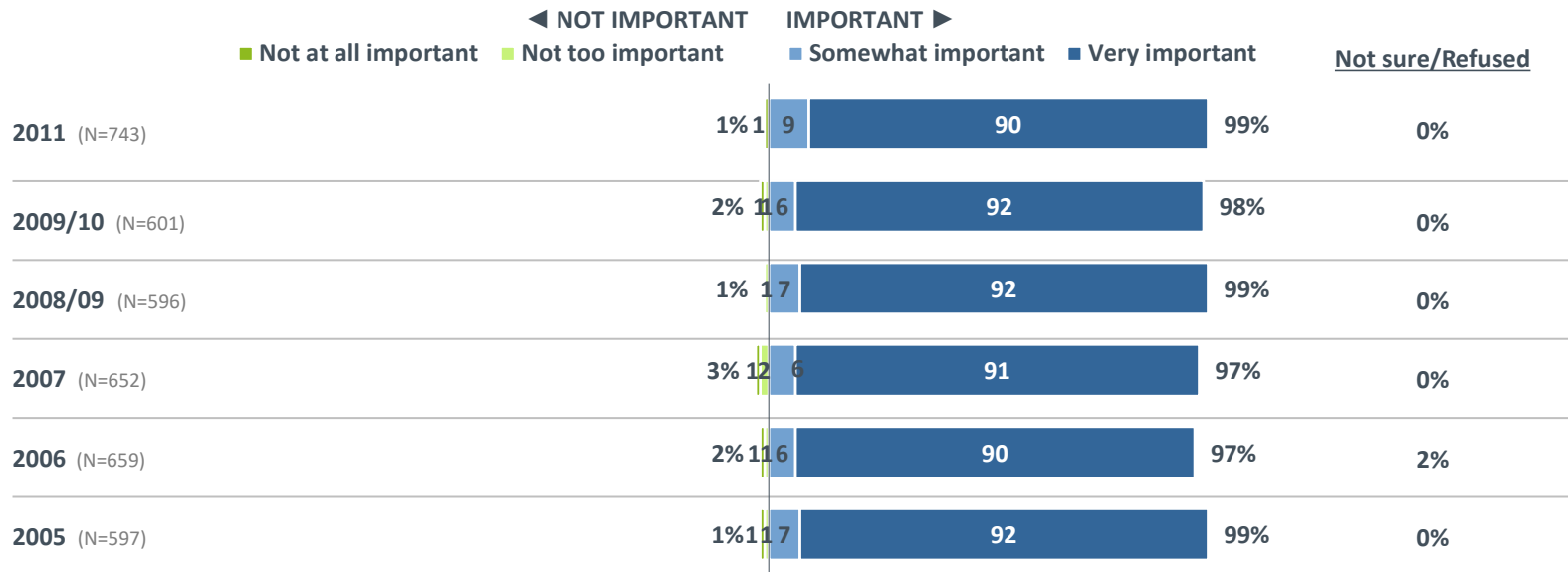
- Employers recognize that their employees view a variety of benefits as important. However, large companies are somewhat more likely than small companies to believe that disability insurance, life insurance, and employee-funded retirement plans are important to their employees.



BASE: TOTAL RESPONDENTS; **Small Companies:** '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); **Large Companies:** '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Health Insurance

- The vast majority of employers consider health insurance to be viewed as a “very important” benefit by their employees.

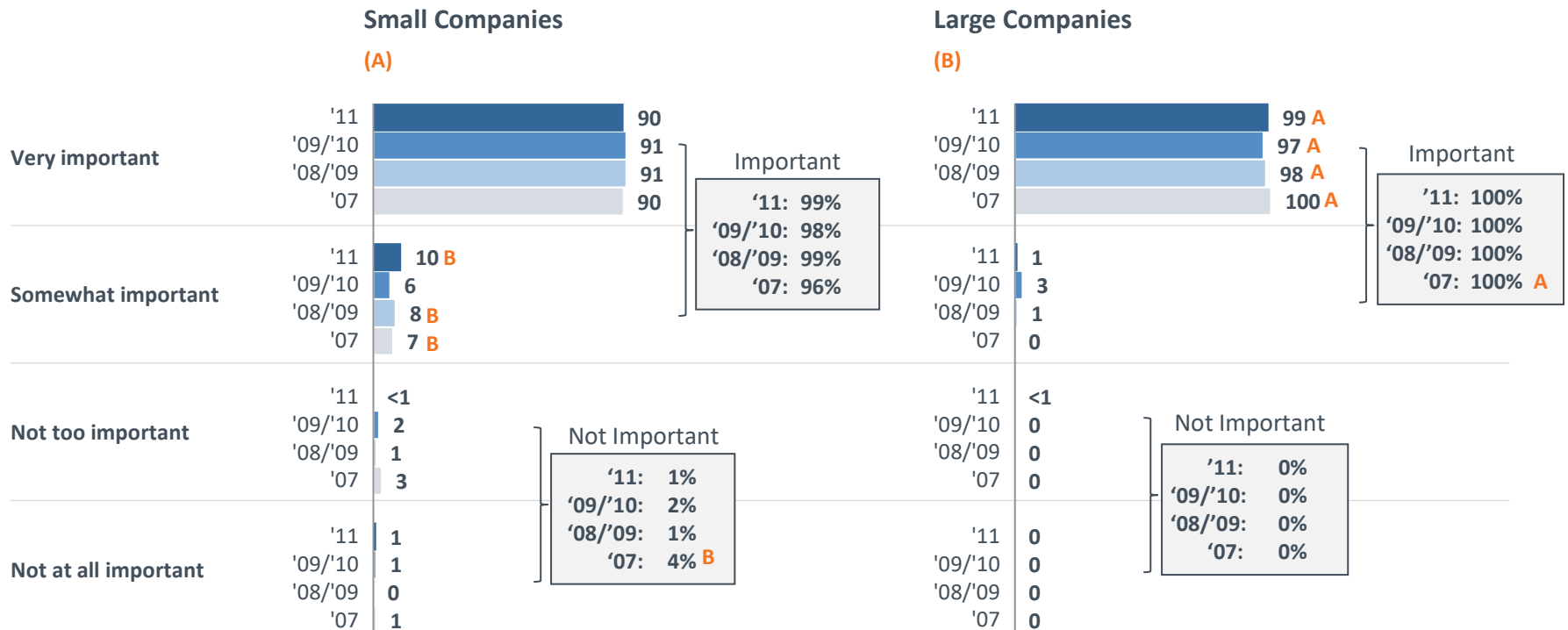


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Health Insurance

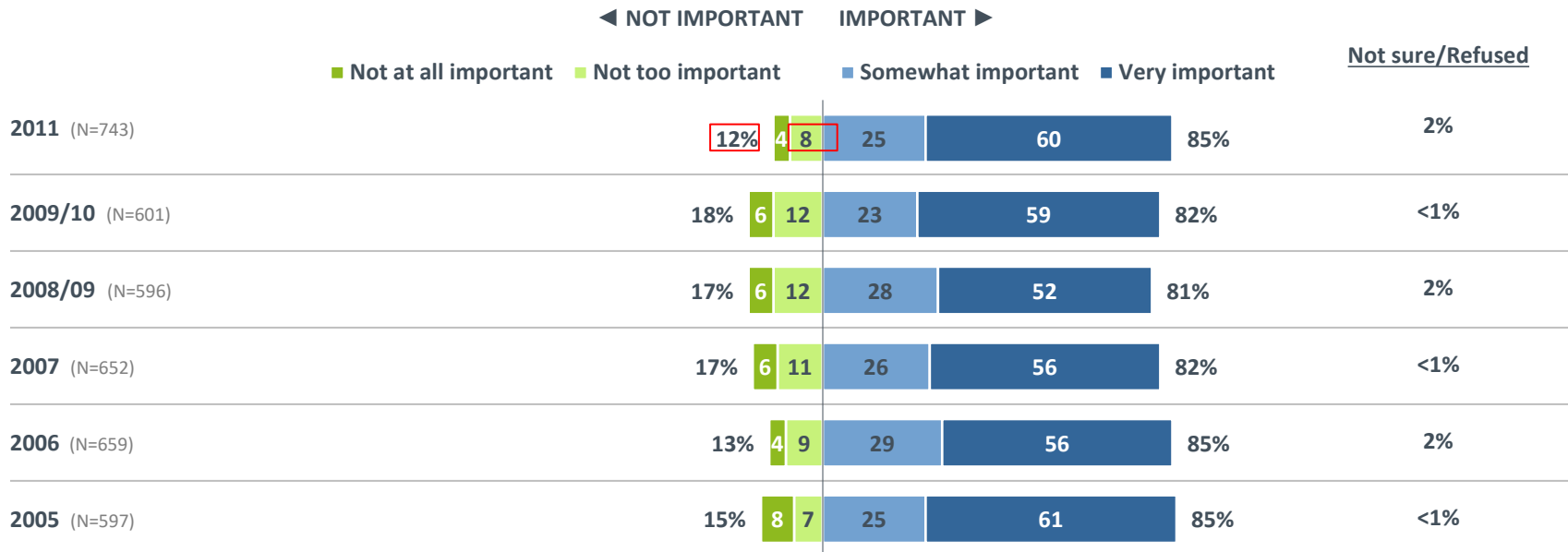
- Although large and small companies believe health insurance is an important benefit, large companies are more likely to believe it is a very important benefit.



BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of 401(k) or Other Employee Self-Funded Plans

- The majority of employers continue to believe that 401(k) or other employee-funded retirement plans are important to their employees.

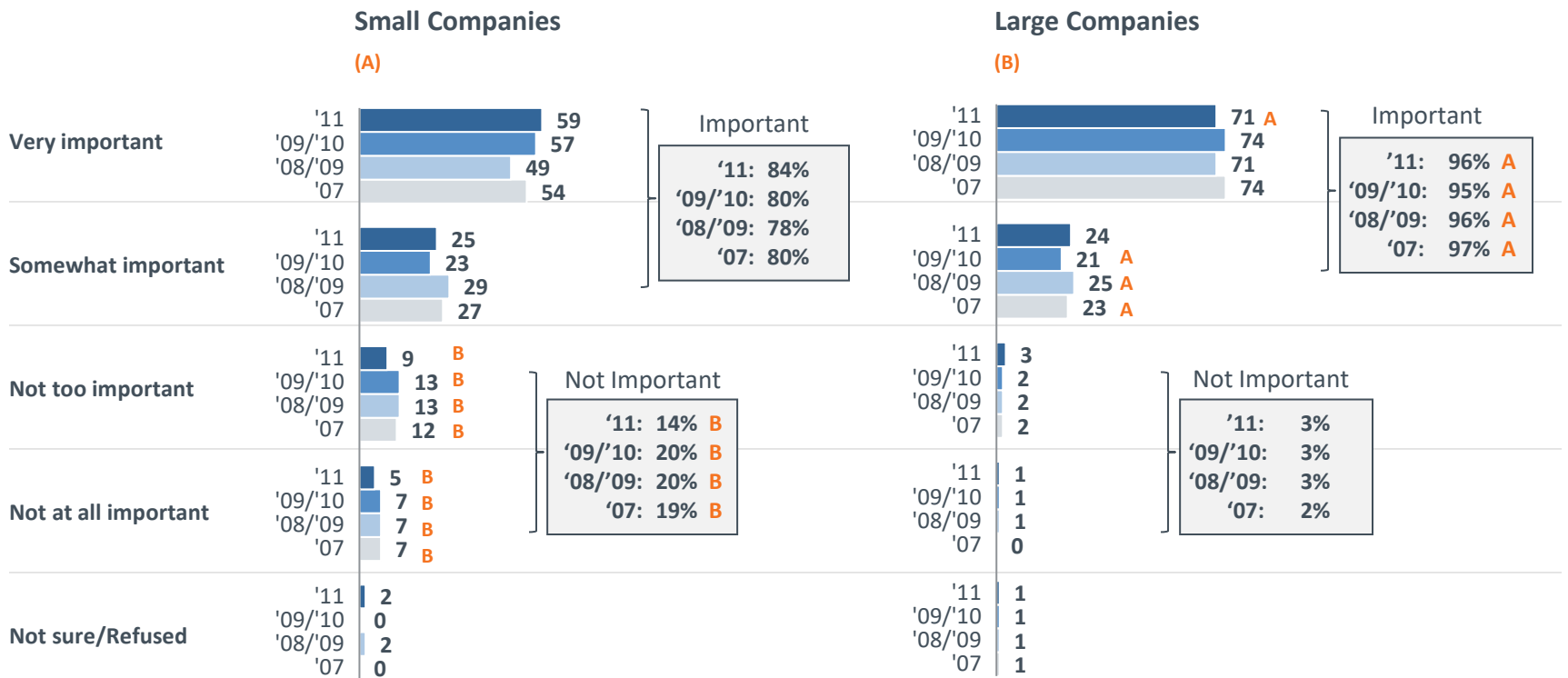


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of 401(k) or Other Employee Self-Funded Plans

- Large companies continue to be more likely than small companies to think employee self-funded plans are important to their employees.

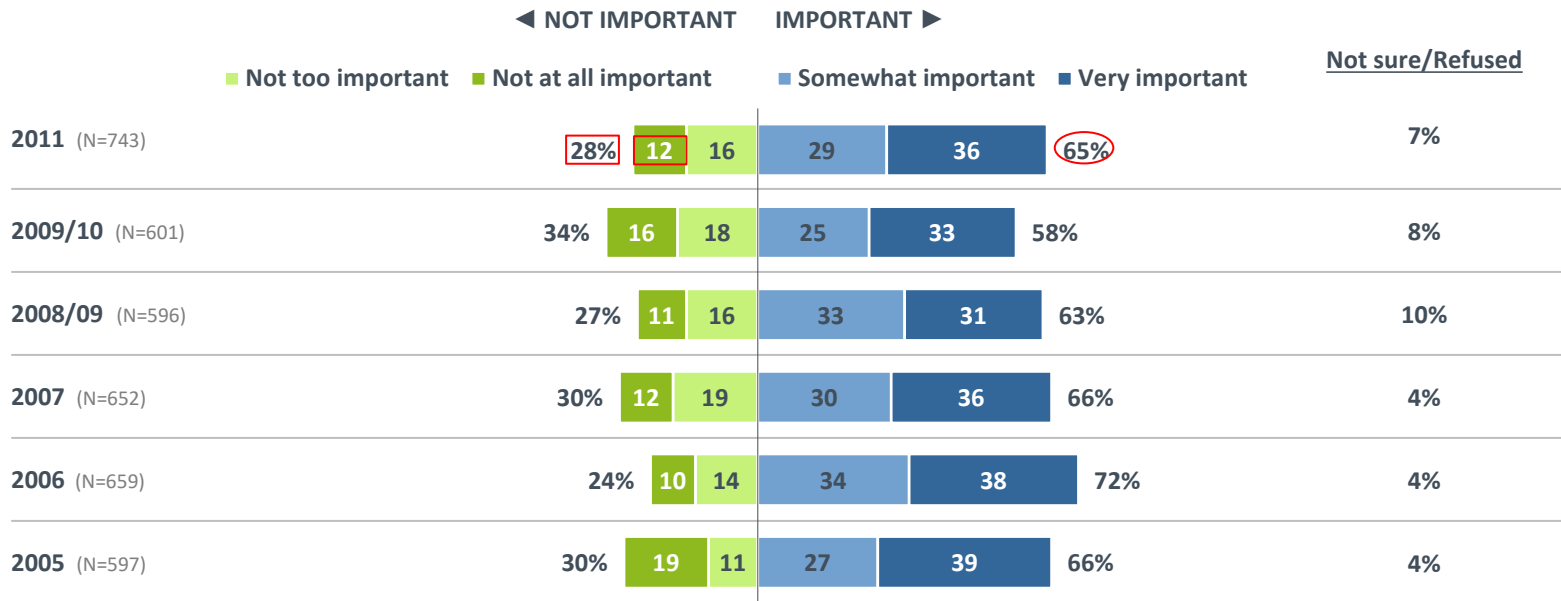


BASE: TOTAL RESPONDENTS: Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Company-Funded Defined Benefit Pension Plan

- Importance of a company-funded defined benefit pension plan has risen significantly over last year back to levels seen in 2008/09.

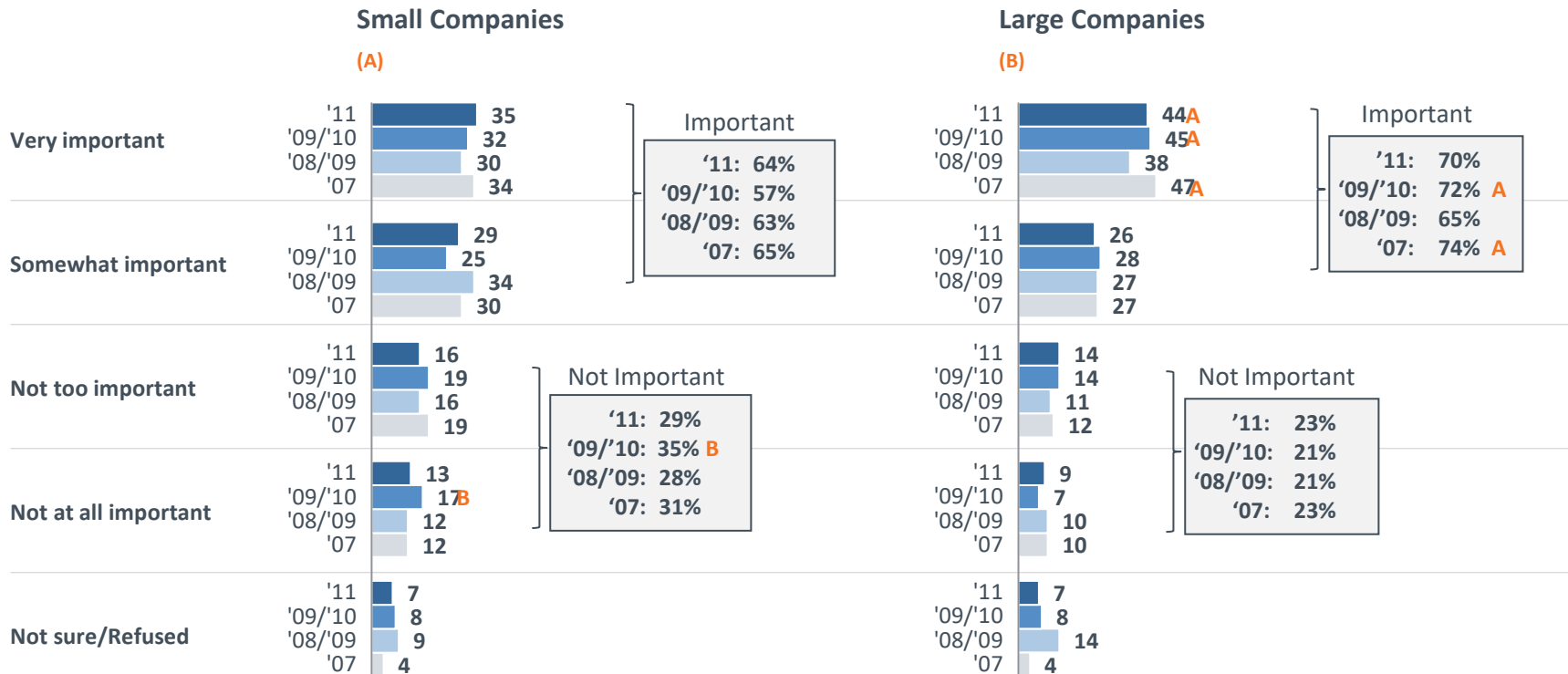


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Company-Funded Defined Benefit Pension Plan

- Large companies tend to be more likely than small companies to believe defined benefit plans are very important to their employees.



BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

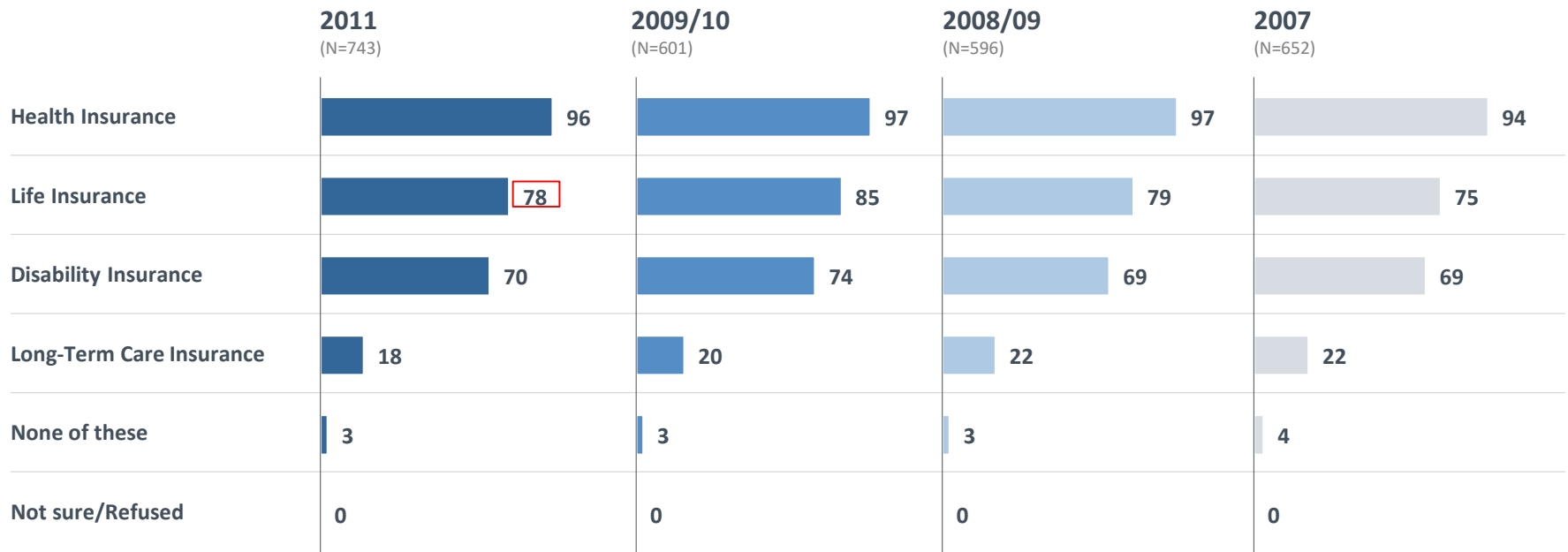


Detailed Findings

- Economic Expectations
- Perceptions of the Relative Importance of Various Employee Benefit
- Benefit Offerings, including Non-Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
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Benefit Offerings: Health & Voluntary Benefits

- The vast majority of employers offer health insurance. This year's survey found a decrease in the number of employers offering life insurance; however, the percentage reported is consistent with years prior to 2009/2010.

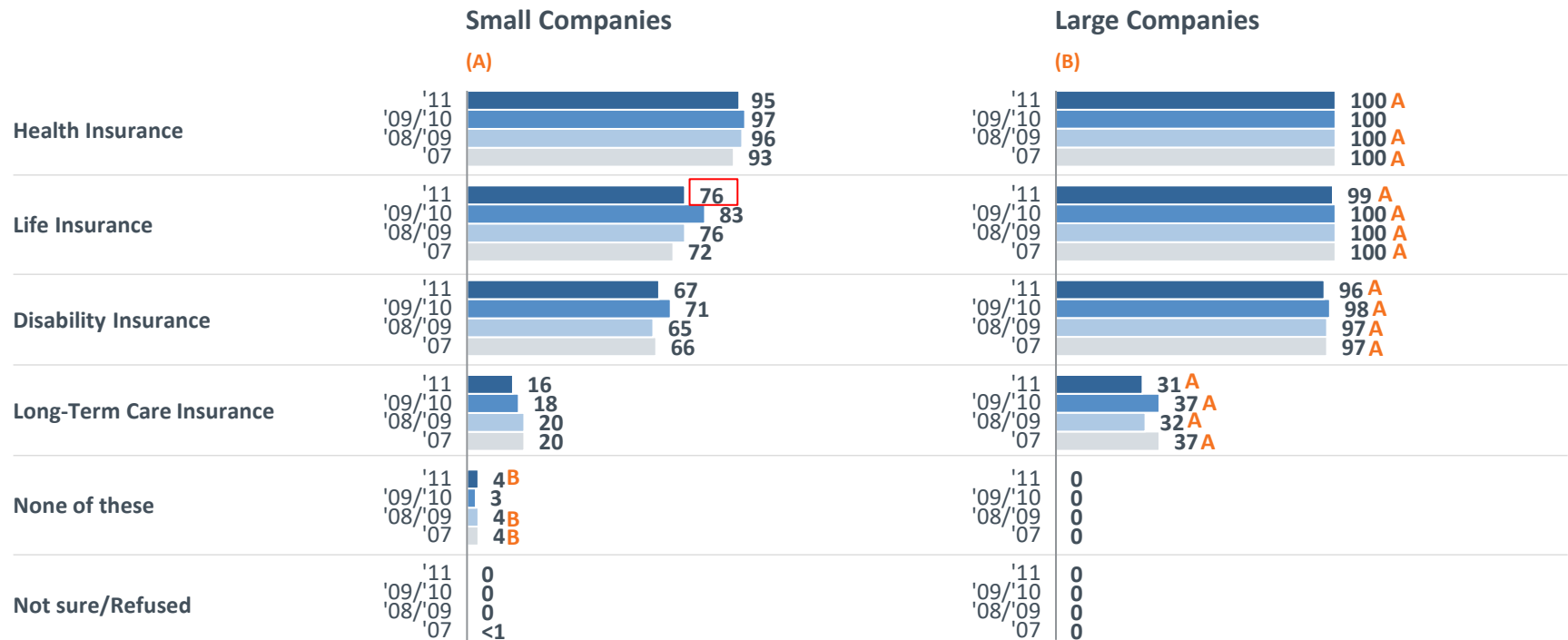


BASE: TOTAL RESPONDENTS

Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does your company currently offer...? CHOOSE ALL THAT APPLY.

Benefit Offerings: Health & Voluntary Benefits

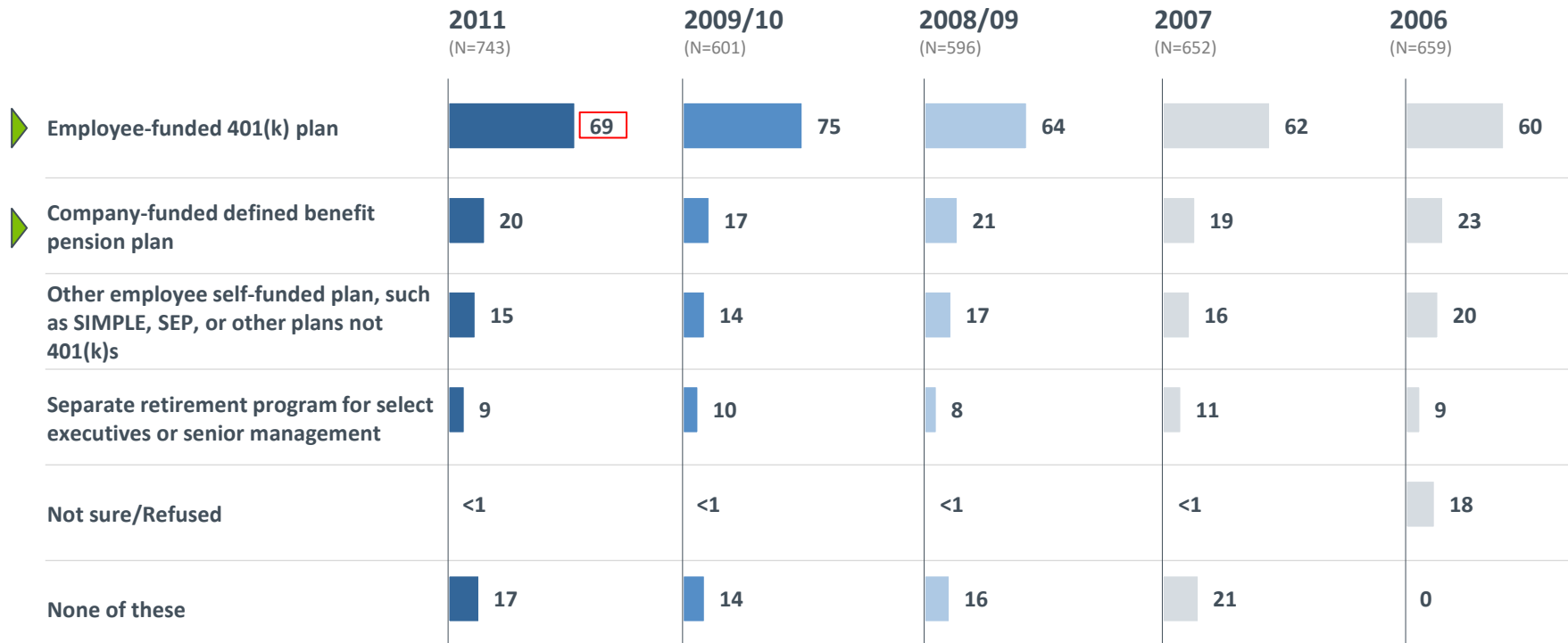
- Large companies are more likely than small companies to offer non-retirement benefits to their employees.



BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299) Q1021. Now we would like to ask you what benefits your company currently offers to its employees. Does your company currently offer...? CHOOSE ALL THAT APPLY.

Benefit Offerings: Retirement Plans

- The percentage of employers who offer an employee-funded 401(k) plan has declined since 2009, but it is higher than that of the years prior to 2009/2010.

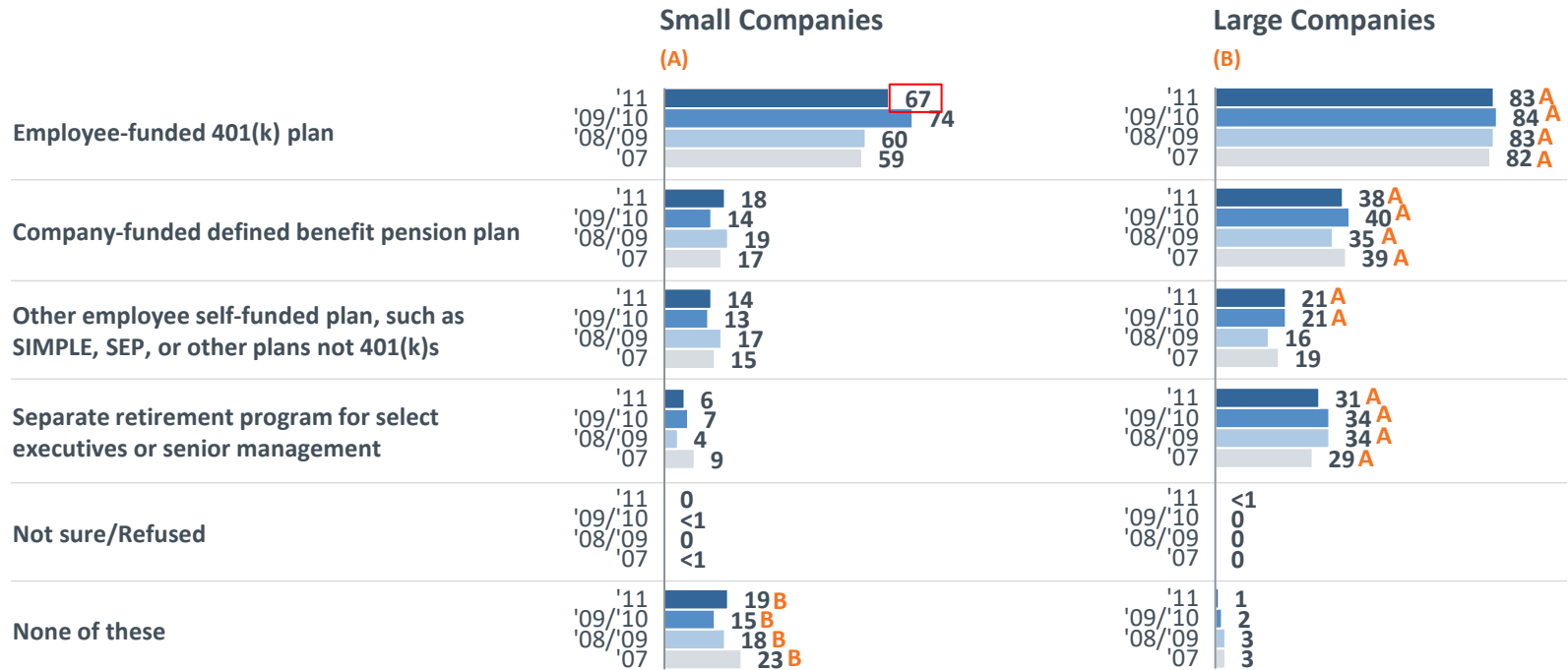


BASE: TOTAL RESPONDENTS

Q530. Which of the following retirement benefits does your company offer? CHOOSE ALL THAT APPLY.

Benefit Offerings: Retirement Plans

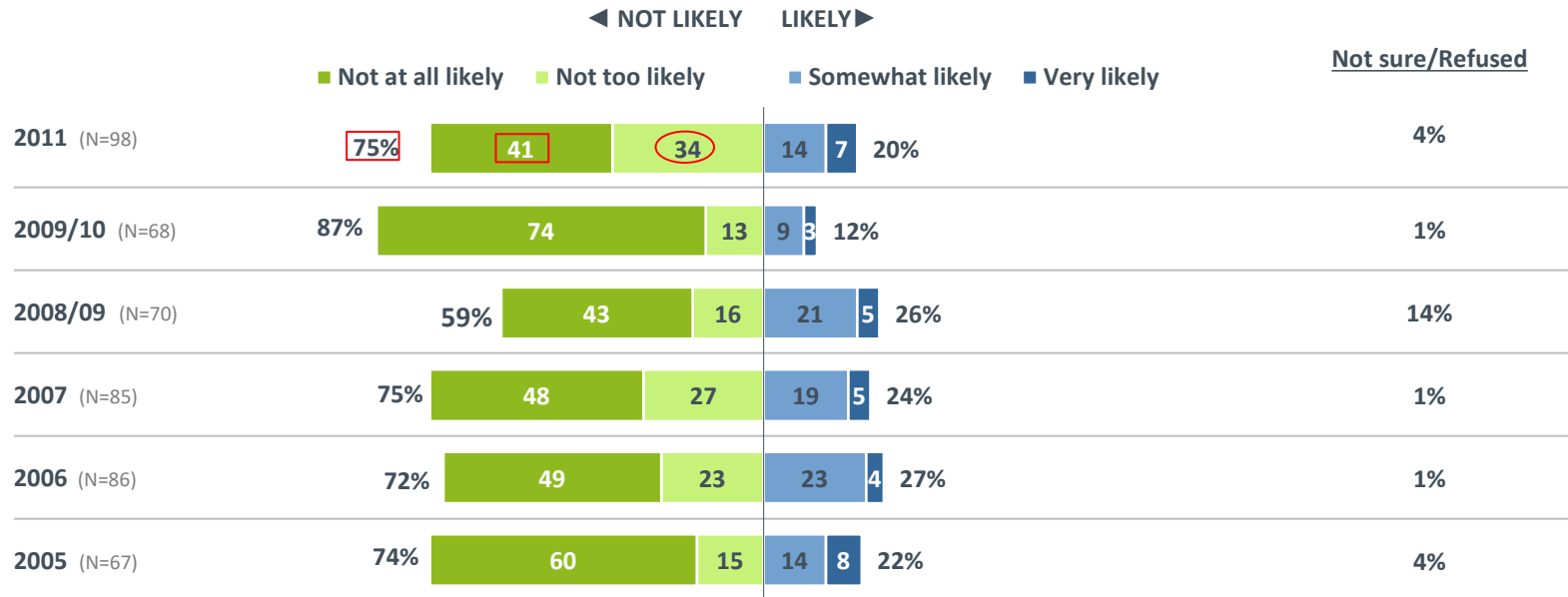
- The percentage of small companies that offer a 401(k) plan has decreased from 2009 but remains higher than levels reported in 2007 and 2008.
- In contrast, the percentage of large companies that offer a 401(k) plan remains steady.



BASE: TOTAL RESPONDENTS BASE: **Small Companies:** '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444);
Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q530. Which of the following retirement benefits does your company offer? CHOOSE ALL THAT APPLY.

Likelihood of Offering an Employee-Funded Retirement Plan

- A fifth of employers who do not offer employee-funded retirement plans are likely to offer one within the next two years. This represents a rebound from the decrease seen in 2009/2010.

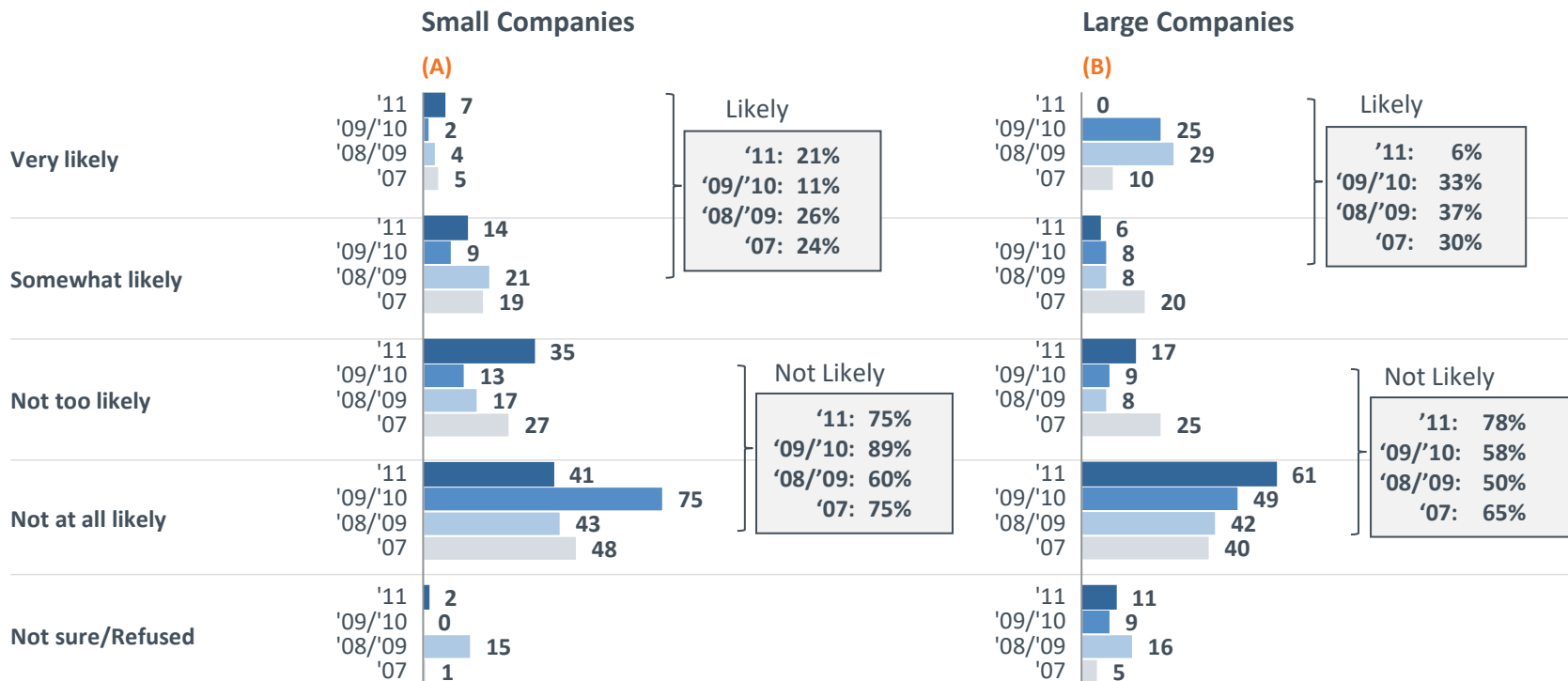


BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN

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? Would you say very likely, somewhat likely, not too likely, or not at all likely?

Likelihood of Offering an Employee-Funded Retirement Plan

- Of those companies that do not offer a 401(k) or similar plan, small companies are more likely than large ones to begin offering a plan in the next two years.



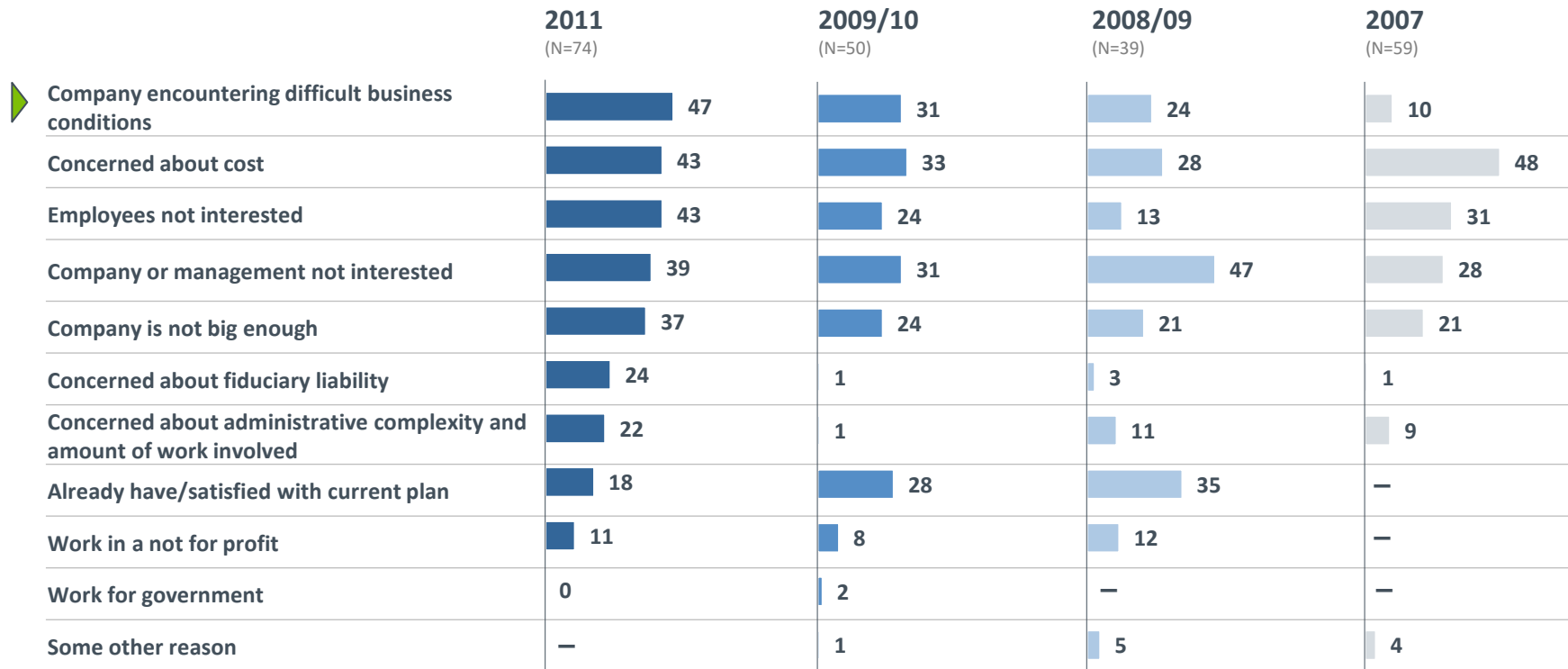
Small base size BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN Small Companies: '07 (N= 65) '08/'09 (N=48*), '09/'10 (N=44*), '11 (N=80*);

Large Companies: '07 (N=20*) '08/'09 (N=22*), '09/'10 (N=24*), '11 (N=18*)

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? Would you say very likely, somewhat likely, not too likely, or not at all likely?

Reasons Not Likely to Offer Employee-Funded Plan

- Companies chose many more reasons for why they were not likely to offer an employee fund when compared to previous years with difficult business conditions becoming the most common reason this year.

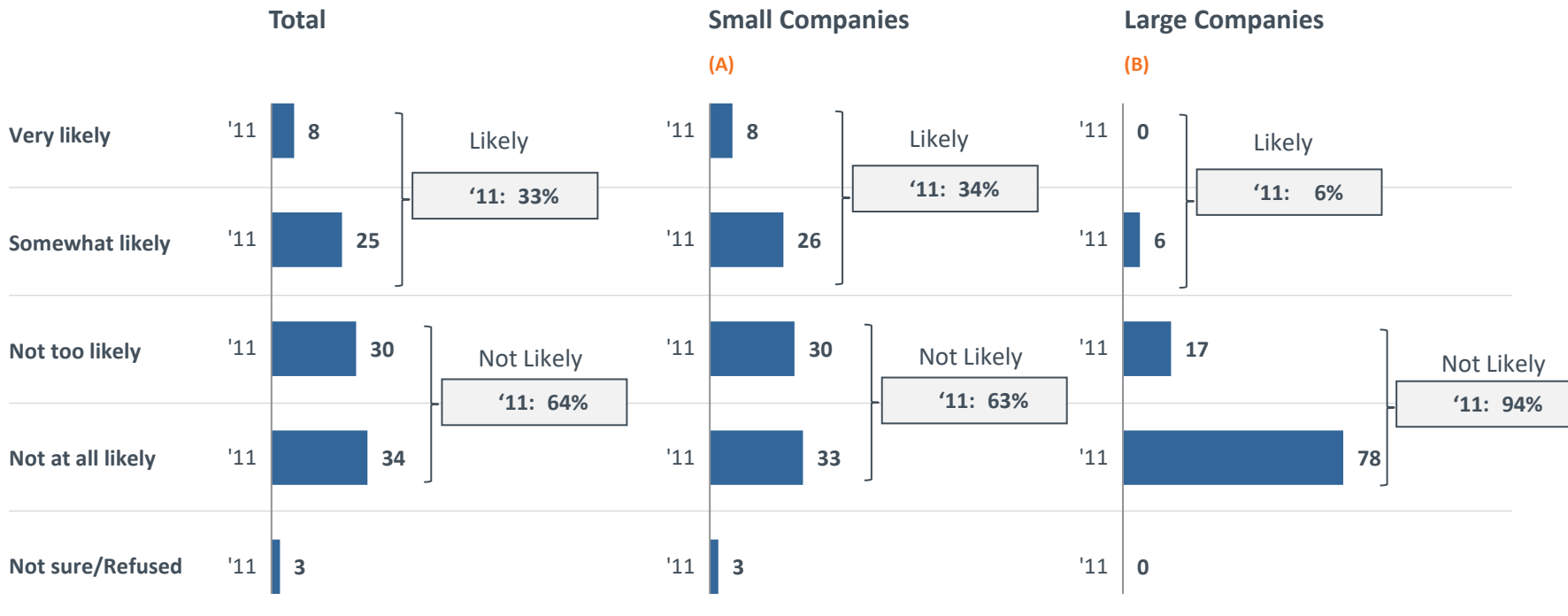


BASE: NOT LIKELY TO OFFER 401(k) IN NEXT 2 YEARS

Q610. Why is your company not likely to offer a plan in the next two years? CHOOSE ALL THAT APPLY.

Likelihood of Considering a Multiple Employer Plan

- Of those small companies that do not offer a 401(k) or similar plan, one-third (34 percent) would be likely to consider joining a multiple employer plan.

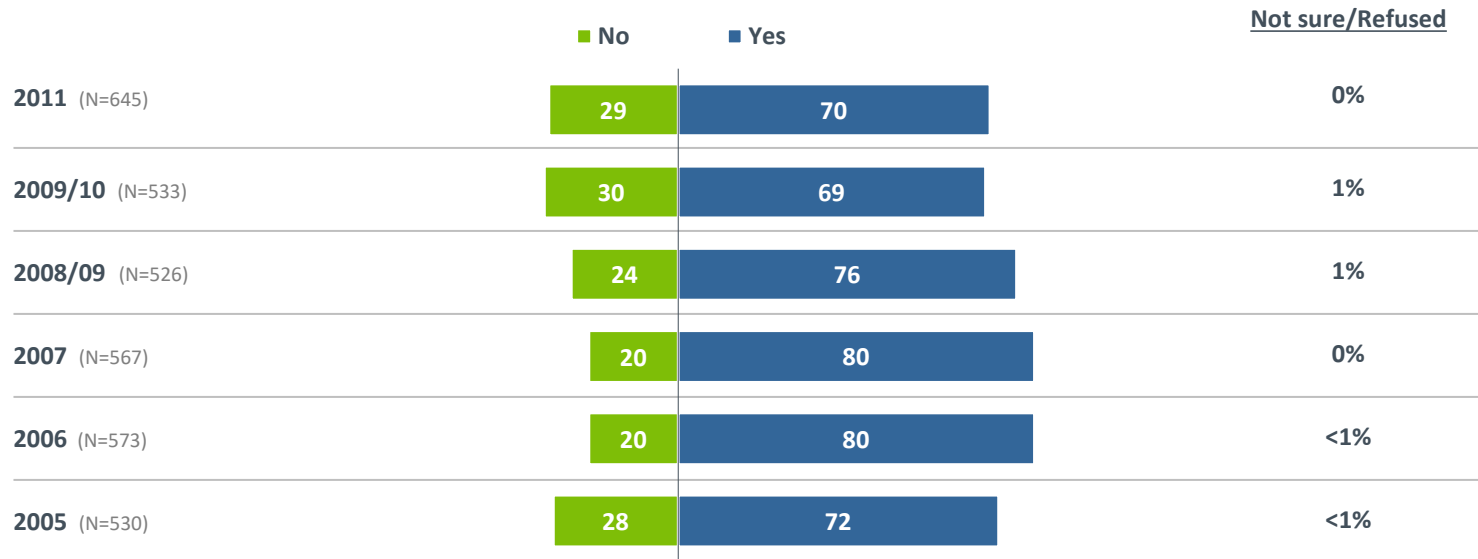


Base: Does Not Offer 401(k) Nor Other Self Funded Plan Total '11 (N=98); Small Companies: '11 (N=80); Large Companies: '11 (N=18*)

NEW QUESTION IN WAVE 12 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 and at a reasonable cost, how likely would you be to consider it?

Matching Contributions

- The proportion of employers offering a matching contribution is similar to last year. This may signal a stabilization or bottoming out of the number of companies that do not offer a matching contribution.

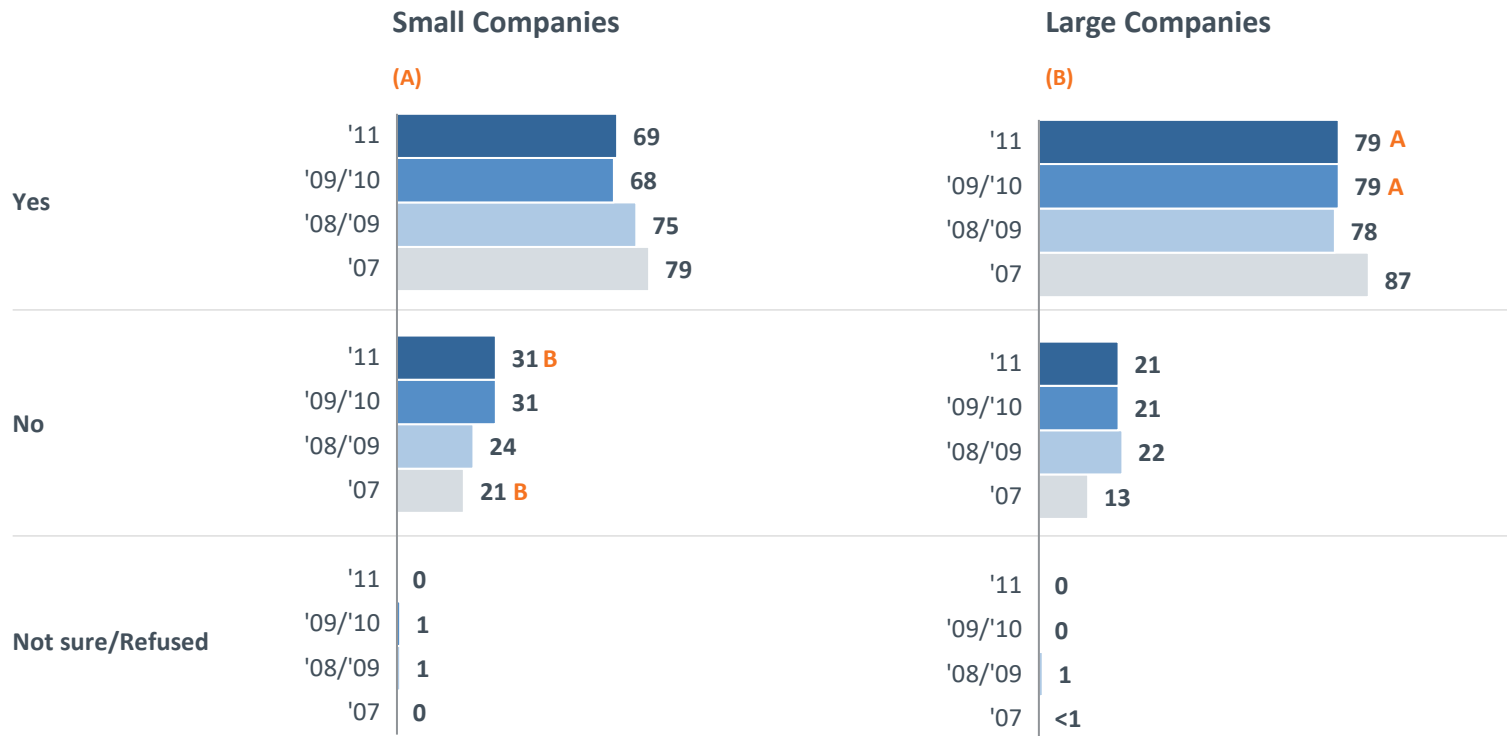


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

Matching Contributions

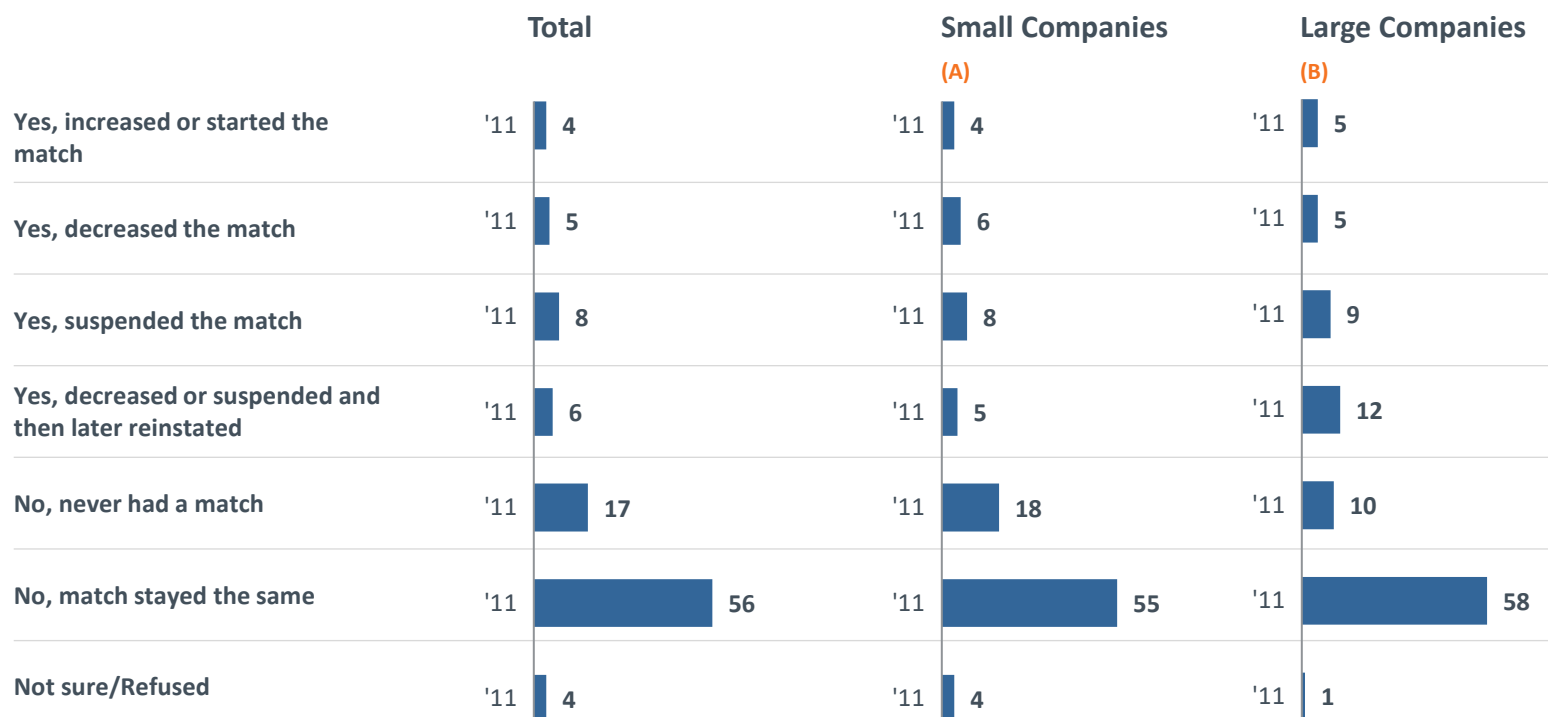
- Large companies continue to be more likely than small companies to offer a matching contribution.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364);
Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

Changes to Matching Contribution

- The majority of companies that have a 401(k) or other employee-funded plan did not change the match since the recession began in 2008.

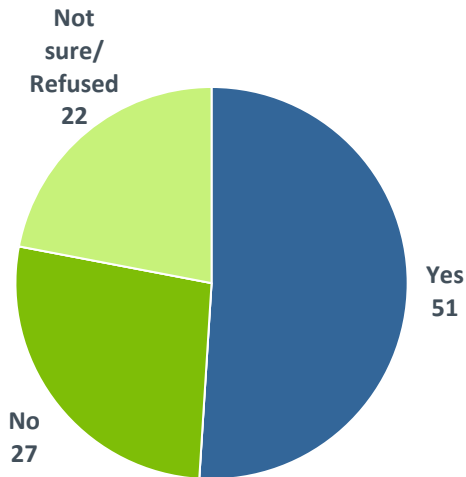


Base: Offers 401(k) or Other Self Funded Plan **Total** '11 (N=645); **Small Companies**: '11 (N=364); **Large Companies**: '11 (N=281)
 NEW QUESTION IN WAVE 12 Q1610. Since the recession began in 2008, has your company made any of the following changes to the matching contribution?

Reinstating Matching Contributions in the Next Two Years

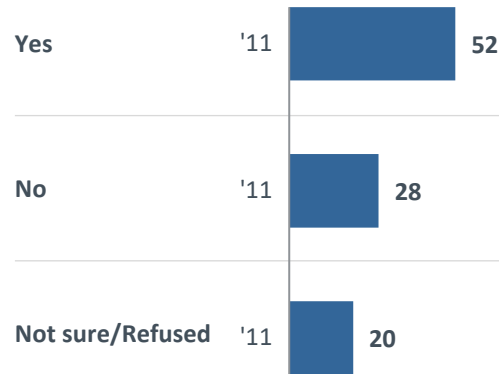
- Half of companies that decreased or suspended the match plan to reinstate it within the next two years, signaling employer optimism. Directionally, this sentiment was similar for small and large companies.

Plan to Reinstate Match in 2 Years
Total (%)



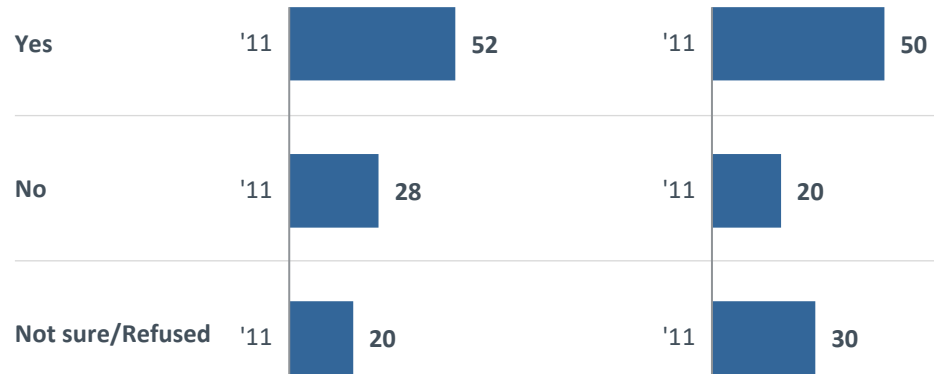
Small Companies

(A)



Large Companies

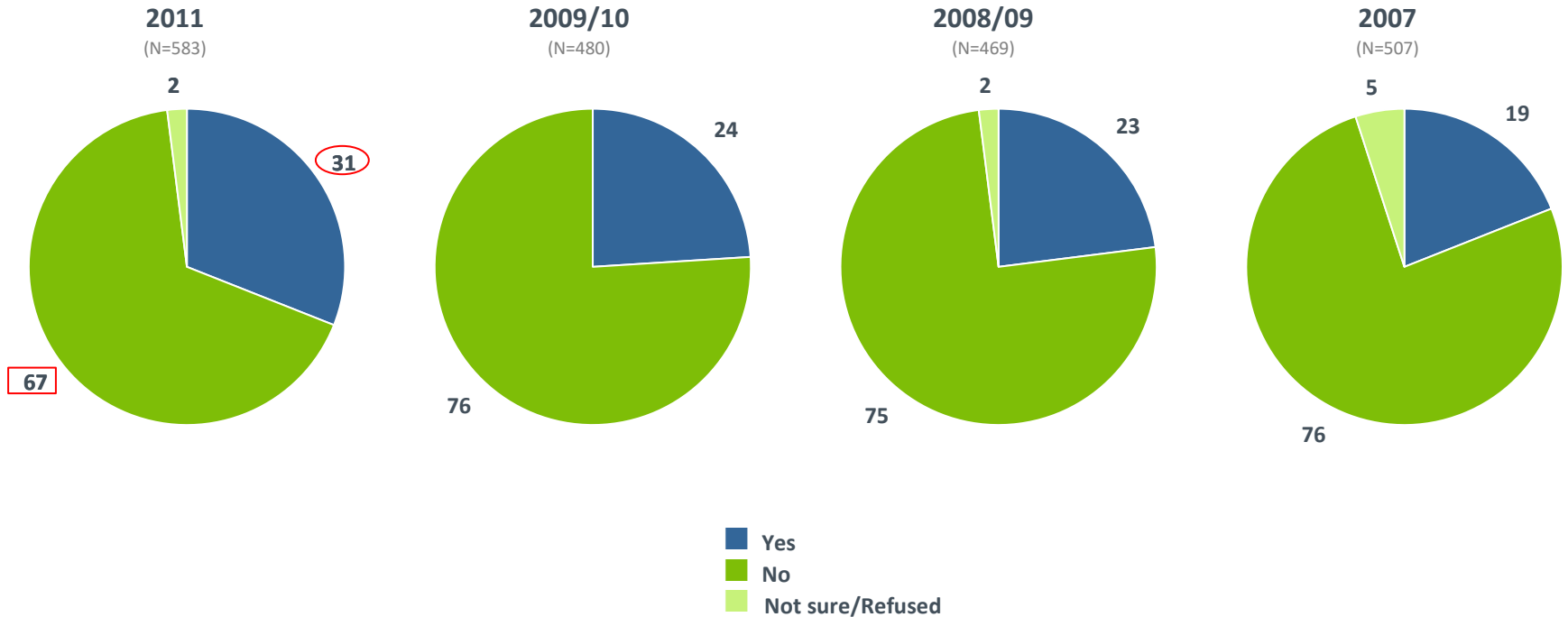
(B)



Base: Decreased or Suspended the Match Total '11 (N=92); Small Companies: '11 (N=52); Large Companies: '11 (N=40)
NEW QUESTION IN WAVE 12 Q1615. Does your company plan to reinstate the matching contribution to its previous level in the next 2 years?

Adoption of Roth 401(k) Option

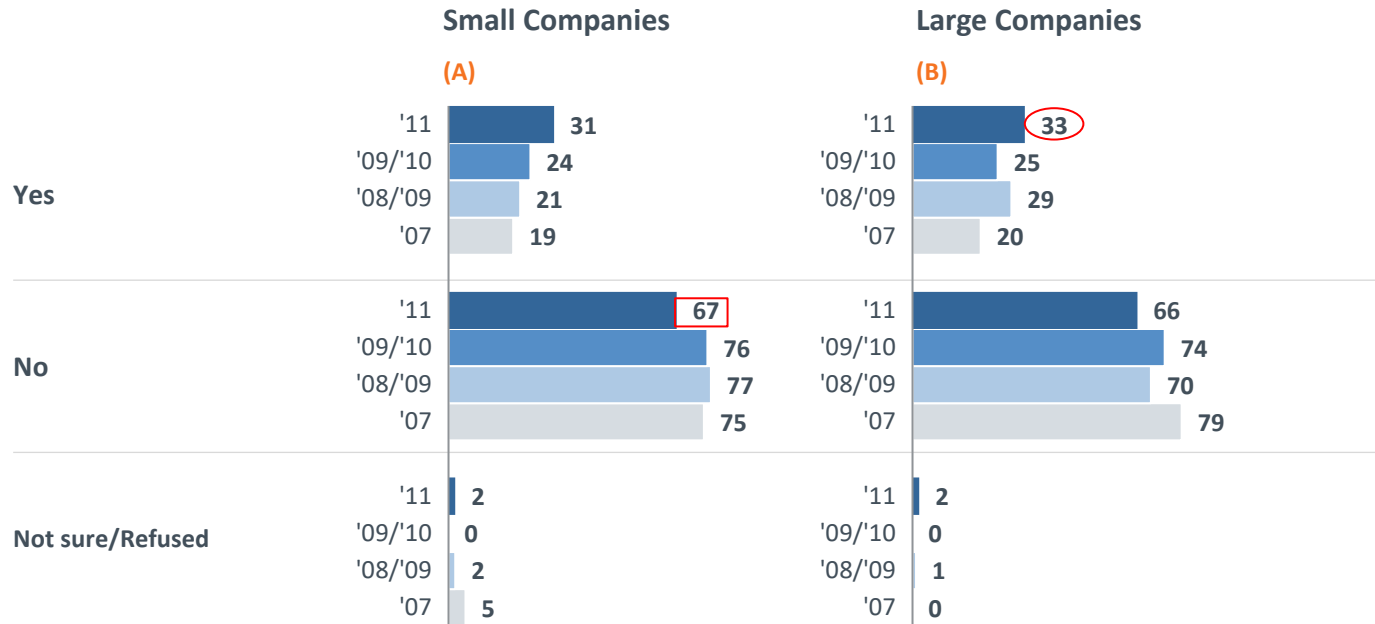
- Adoption of the Roth 401(k) option significantly increased; almost a third of employers are providing the Roth 401(k) option for their employees.



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

Adoption of Roth 401(k) Option

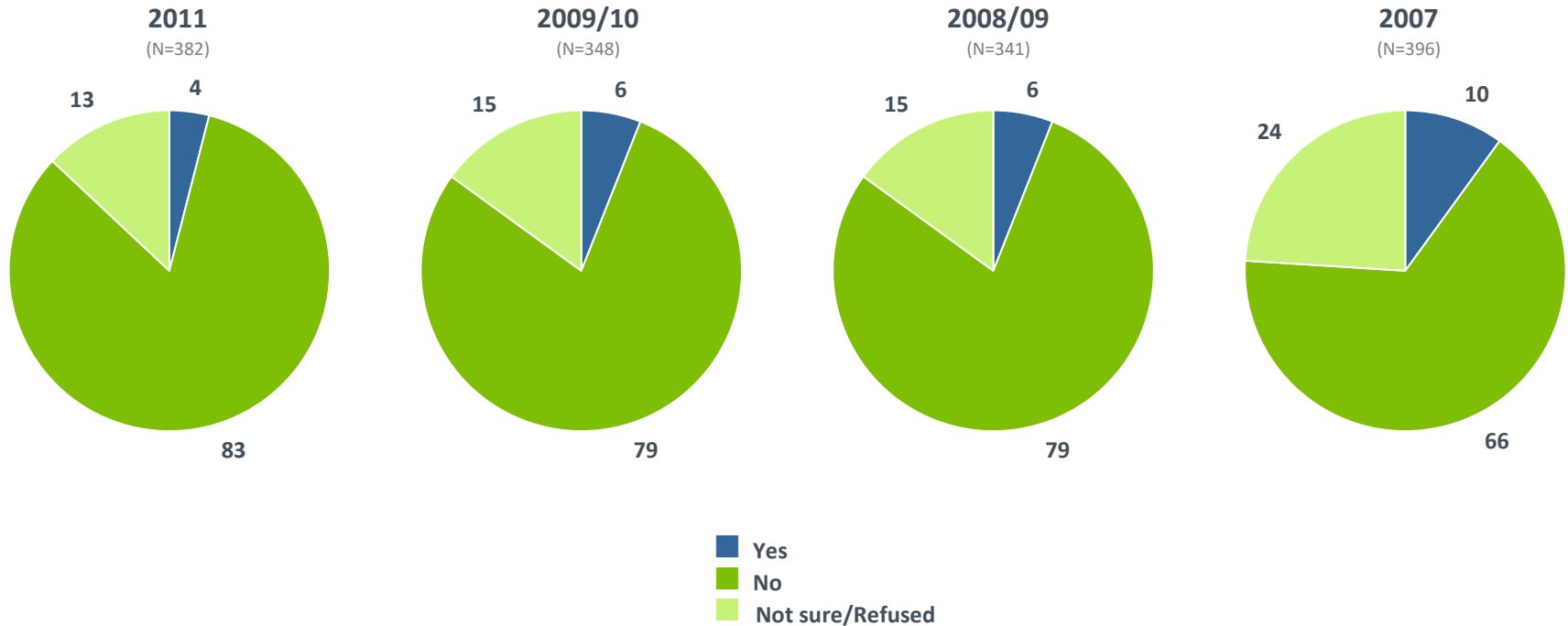
- Small and large companies adopted the Roth 401(k) option at about the same rate.



BASE: OFFERS 401(k) PLAN: Small Companies: '07 (N=275) '08/'09 (N=220), '09/'10 (N=226), '11 (N=336); Large Companies: '07 (N=232) '08/'09 (N=249), '09/'10 (N=254), '11 (N=247) Q540. Has your company adopted the Roth 401(k) option?

Future Adoption of Roth 401(k) Option

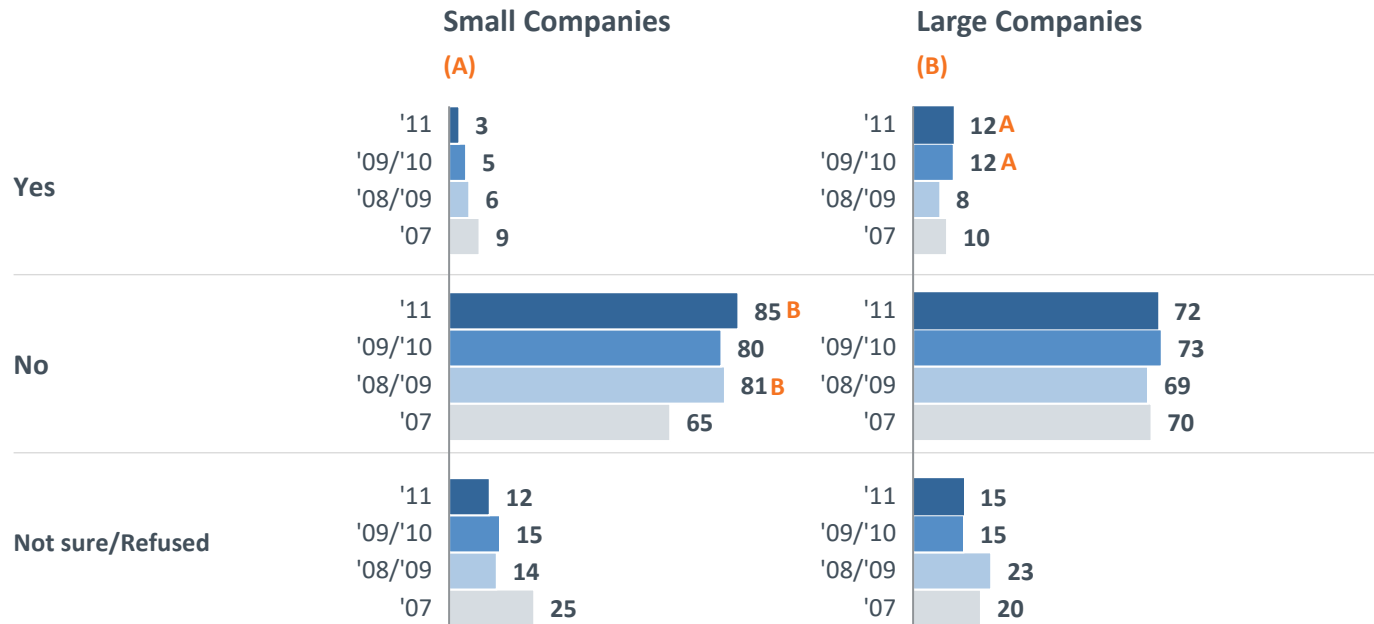
- The proportion of employers that plan to adopt the Roth 401(k) option in the future is low and has remained fairly steady within the past few years.



BASE: OFFERS 401(k) PLAN AND DOES NOT OFFER ROTH 401(k) PLAN
Q550. Does your company plan to adopt a Roth 401(k) option in the future?

Future Adoption of Roth 401(k) Option

- The majority of employers, regardless of company size, do not plan to offer the Roth 401(k) option to their employees.
- Large companies continue to be more likely than small companies to consider offering this option in the future.

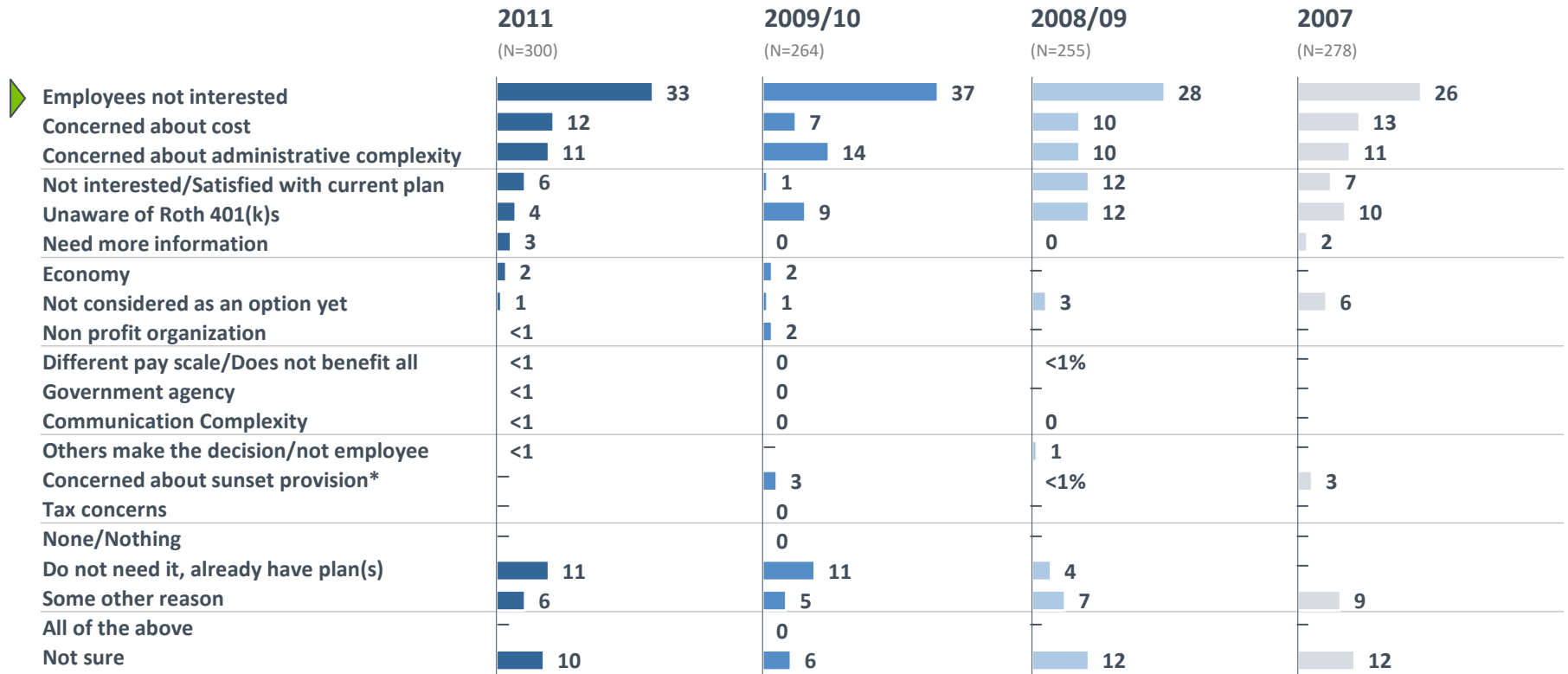


BASE: OFFERS 401(k) PLAN AND DOES NOT OFFER ROTH 401(k) PLAN; Small Companies: '07 (N= 212) '08/'09 (N=168), '09/'10 (N=159), '11 (N=220); Large Companies: '07 (N=184) '08/'09 (N=173), '09/'10 (N=189), '11 (N=162)

Q550. Does your company plan to adopt a Roth 401(k) option in the future?

Reasons For Not Adopting Roth 401(k)

- Employers indicate lack of employee interest as the most common reason for not planning to adopt a Roth 401(k) option.
- Concerns about cost and administrative complexity are the next common reasons.



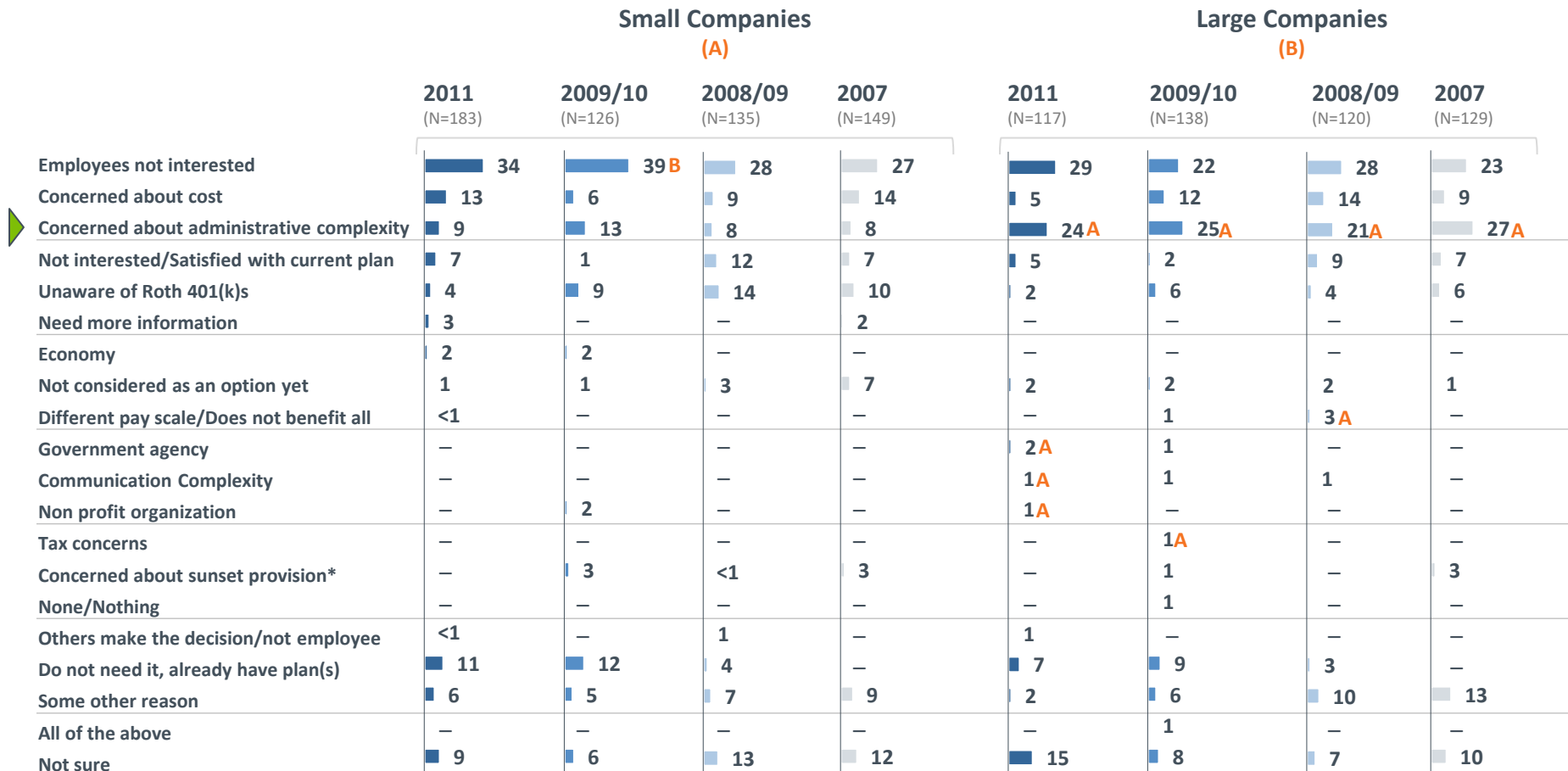
*The Pension Protection Act eliminated the sunset provisions, however there may be a few companies who are unaware.

BASE: HAS NO PLANS TO OFFER ROTH 401(k) PLAN

Q560. What would you say is the main reason your company is not planning to adopt a Roth 401(k) in the future?

Reasons For Not Adopting Roth 401(k)

- Concerned about administrative complexity continues to be a more common concern for large companies than for small companies.



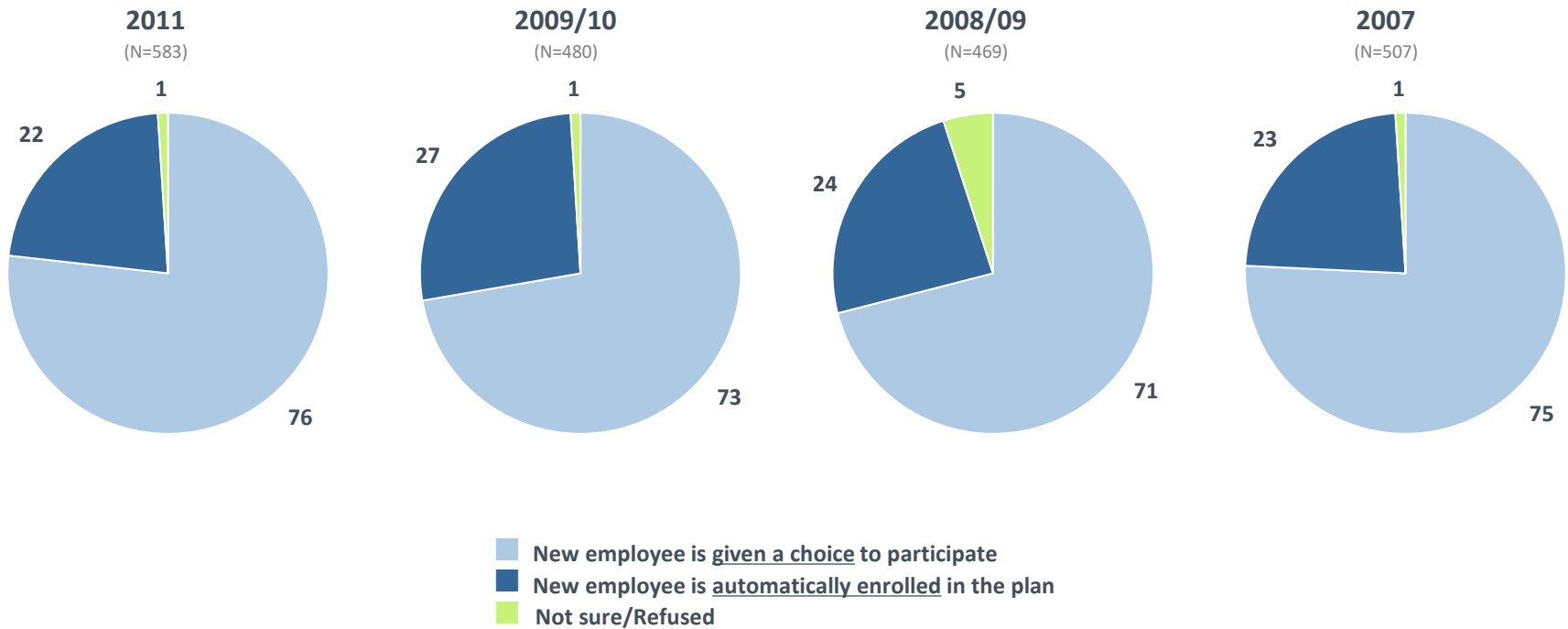
*The Pension Protection Act eliminated the sunset provisions, however there may be a few companies who are unaware.

BASE: HAS NO PLANS TO OFFER ROTH 401(k) PLAN

Q560. What would you say is the main reason your company is not planning to adopt a Roth 401(k) in the future?

Automatic Enrollment in Retirement Plans

- The majority of companies that offer a 401(k) plan give their new employees the option to enroll in the program, while one in five automatically enroll new employees.
- The proportion of employers who automatically enroll has decreased from last year.

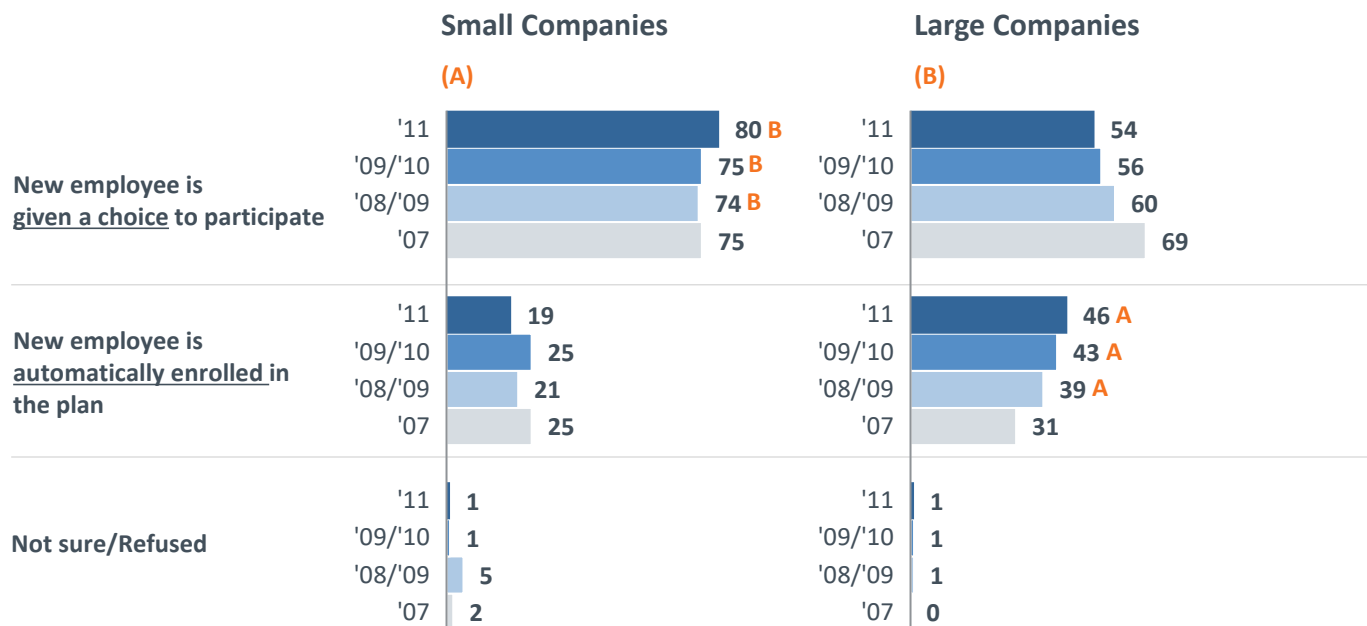


BASE: OFFERS 401(k) PLAN

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?

Automatic Enrollment in Retirement Plans

- Although the majority of companies allow their new employees to opt into the 401(k) plan, there seems to be an increasing number of large companies that automatically enroll their new employees into the 401(k) plan.

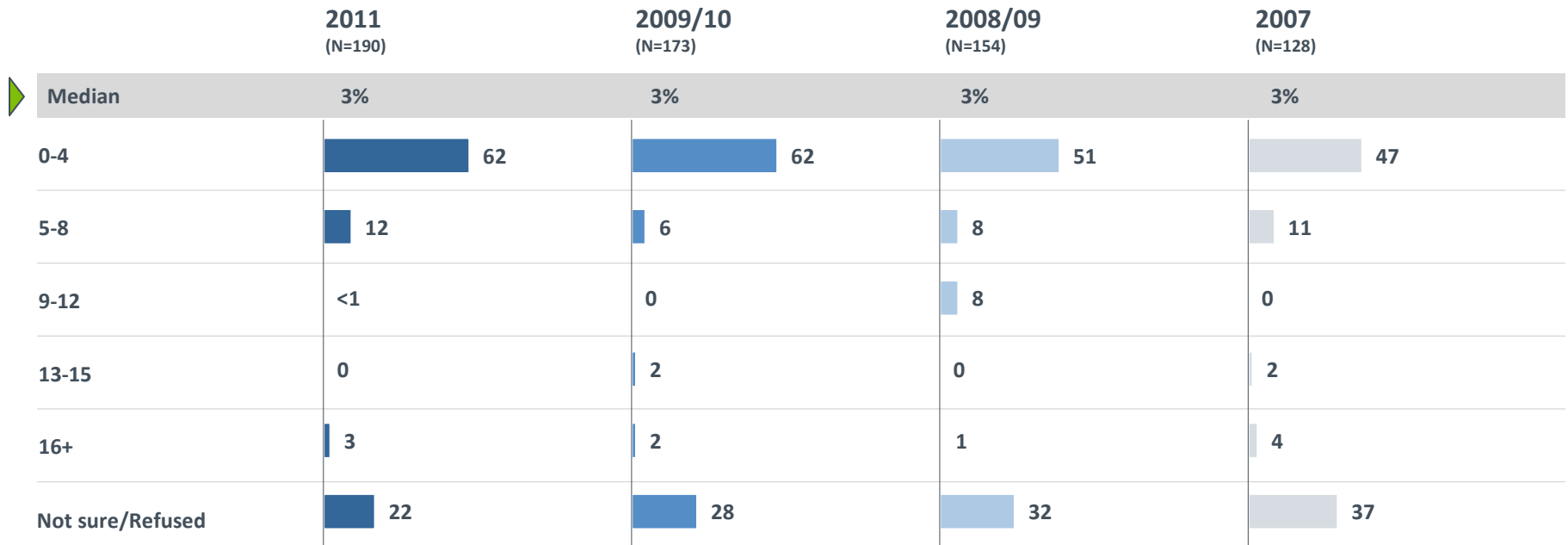


BASE: OFFERS 401(k) PLAN Small Companies: '07 (N= 275) '08/'09 (N=220), '09/'10 (N=226), '11 (N=336); Large Companies: '07 (N=232) '08/'09 (N=249), '09/'10 (N=254), '11 (N=247)

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?

Automatic Enrollment - Default Contribution Rates

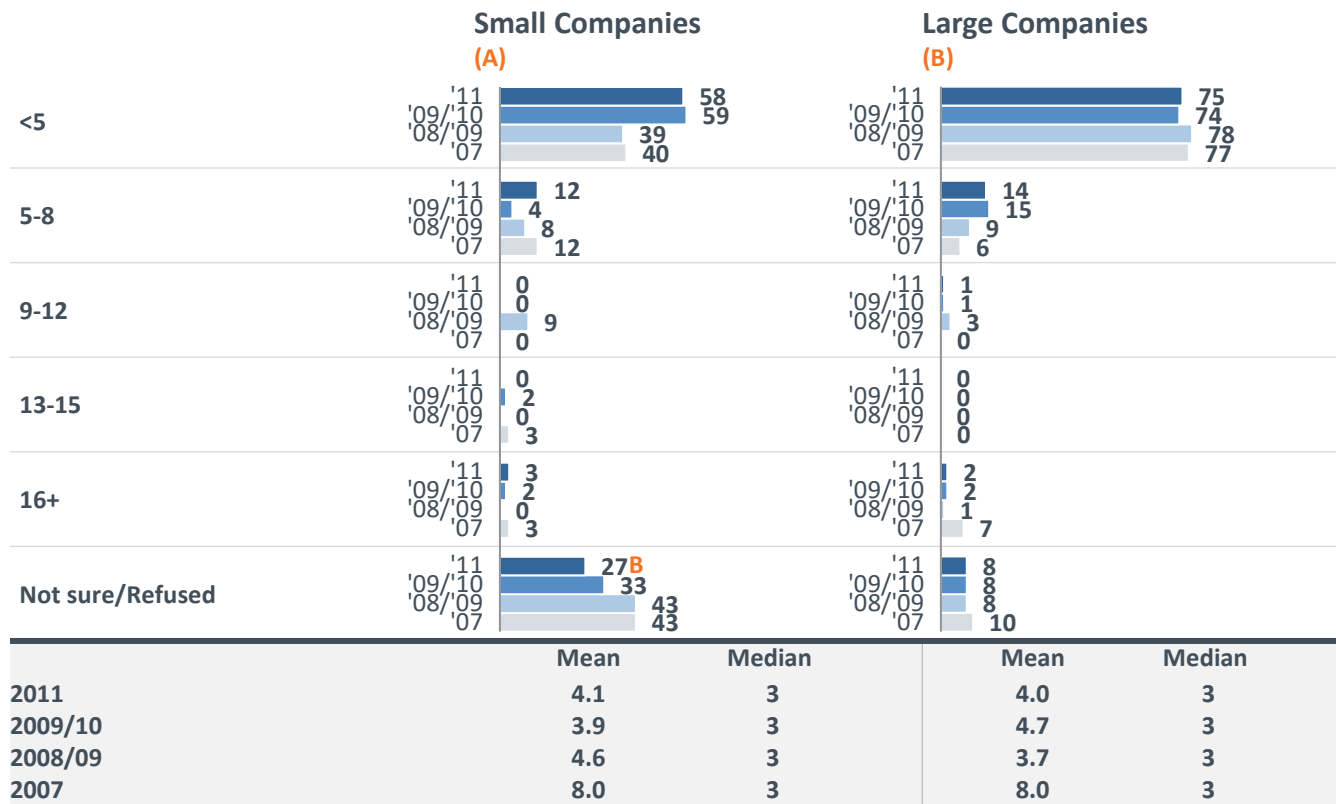
- Three percent is the median contribution rate among employers who automatically enroll their new workers in the employee-funded 401(k) plan.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN
 Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

Automatic Enrollment - Default Contribution Rates

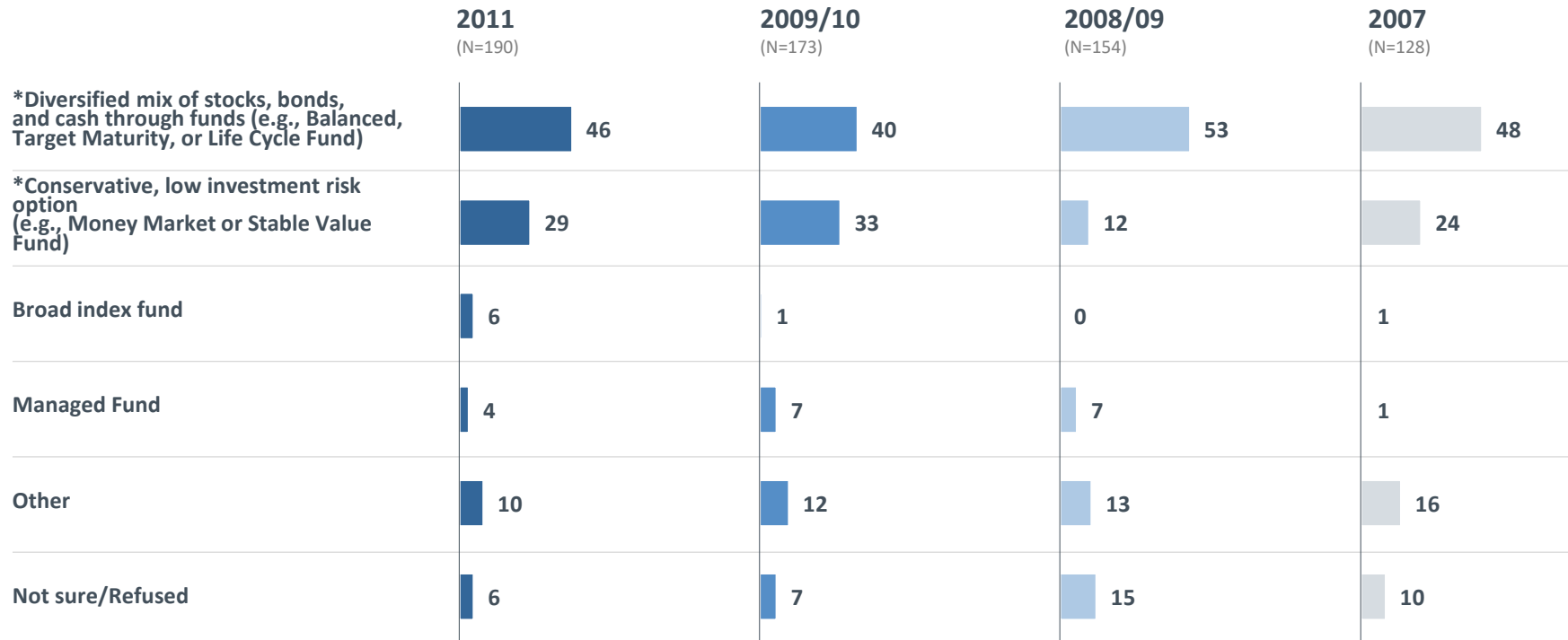
- Benefits decision-makers in small companies are more likely to be unsure or less likely to disclose the default contribution rate.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN **Small Companies:** '07 (N= 57) '08/'09 (N=56), '09/'10 (N=64), '11 (N=77); **Large Companies:** '07 (N=71) '08/'09 (N=98), '09/'10 (N=109), '11 (N=113) Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

Automatic Enrollment - Default Investment Options

- A diversified mix of stocks, bonds, and cash through mutual funds continues to be the most popular default investment option.
- The level of those who offer a diversified mix is approaching the levels in '07.

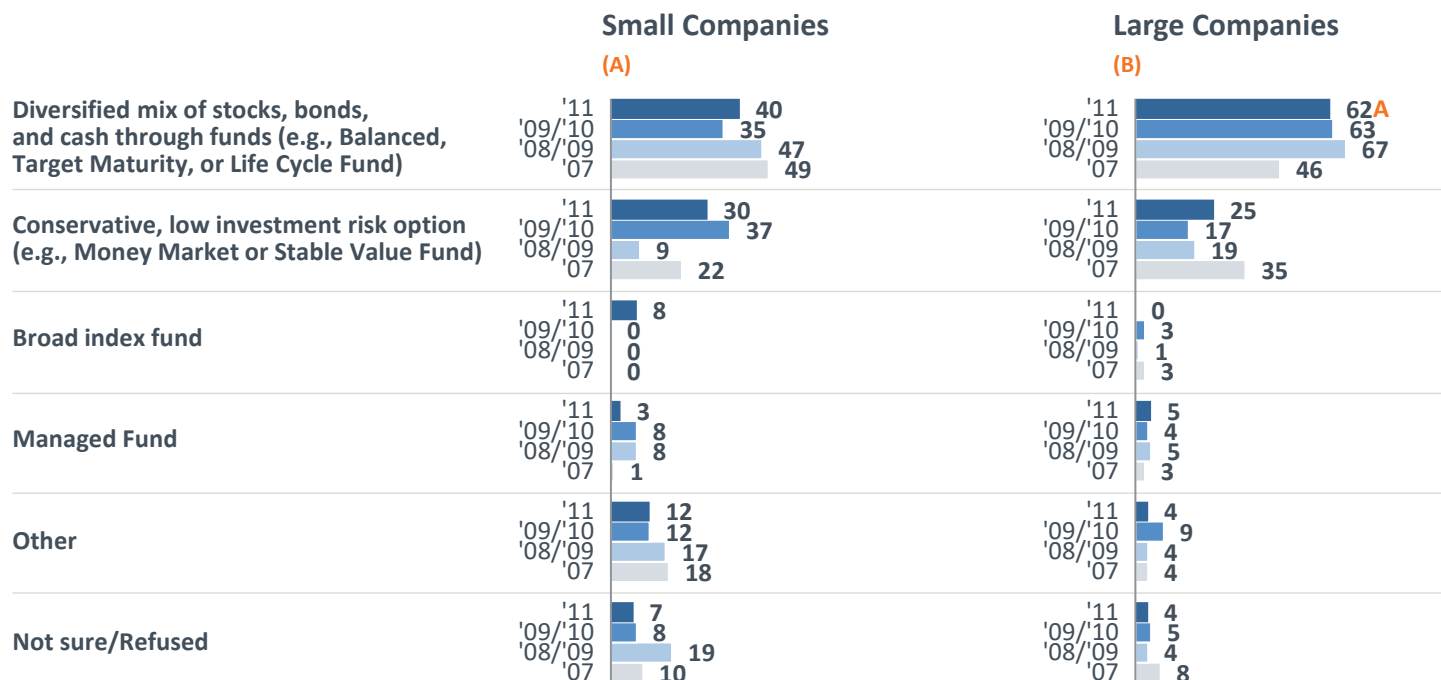


BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN Q1029. What is the default investment option for the employee-funded 401(k) plan?

*All investments involve some level of risk. Diversification does not guarantee against losses.

Automatic Enrollment - Default Investment Options

- Large companies are more likely to have a diversified mix as the default investment option when they automatically enroll their new employees.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Small Companies: '07 (N= 57) '08/'09 (N=56), '09/'10 (N=64), '11 (N=77);

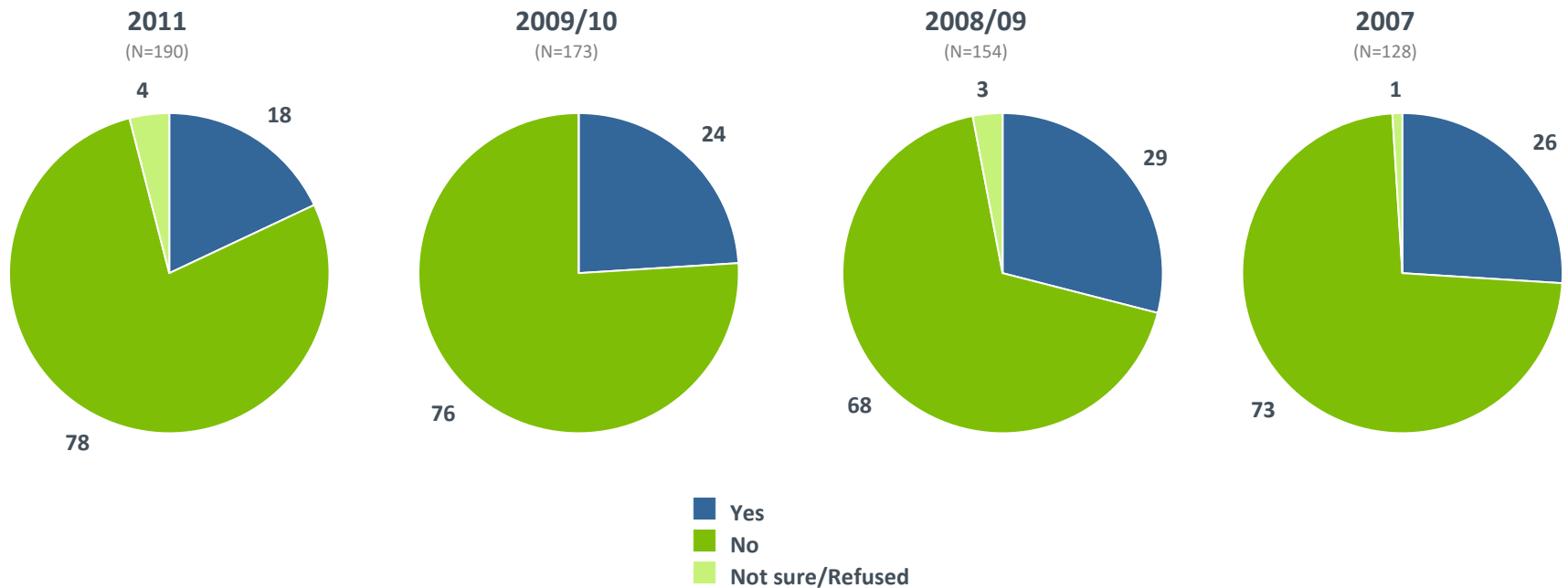
Large Companies: '07 (N=71) '08/'09 (N=98), '09/'10 (N=109), '11 (N=113)

Q1029. What is the default investment option for the employee-funded 401(k) plan?

*All investments involve some level of risk. Diversification does not guarantee against losses.

Automatic Enrollment - Automatic Increase in Contribution Rates

- A fifth of employers that automatically enroll their new employees have a provision in their plan to automatically increase an employee's contribution rate on the anniversary of their date of hire or first contribution to the plan. This is a directional decrease from previous years.

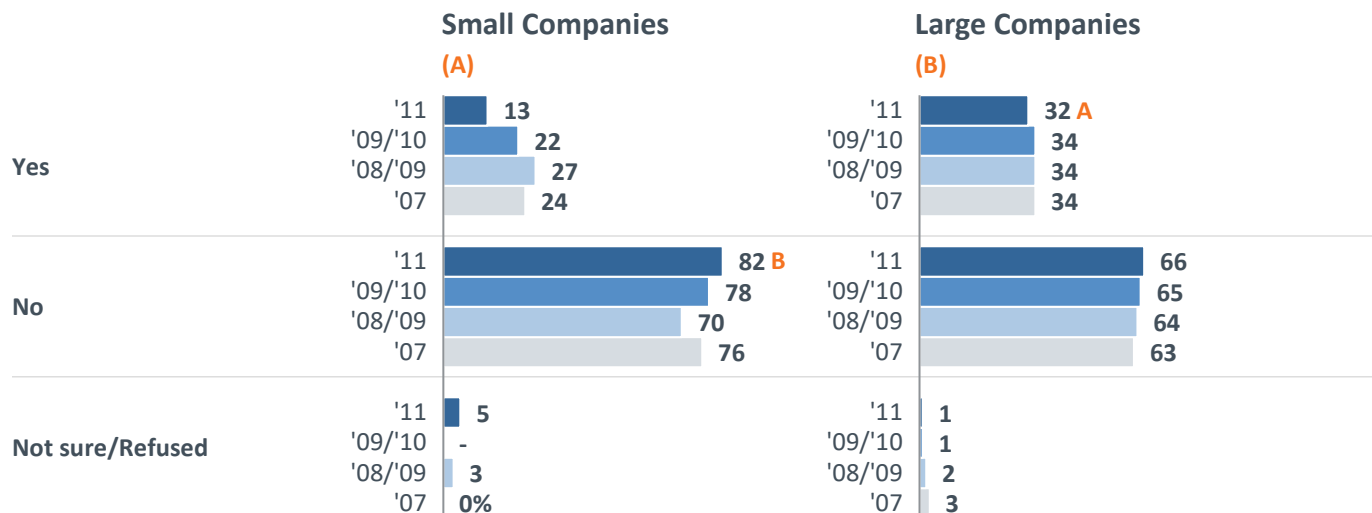


BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN

Q1031. Does your plan have a provision to automatically increase participants' contribution rates on their anniversary date of hire? (Or anniversary of first contribution to the plan)

Automatic Enrollment - Automatic Increase in Contribution Rates

- Large companies are significantly more likely to automatically increase their employees' contribution rates based on the anniversary of their date of hire or first contribution.



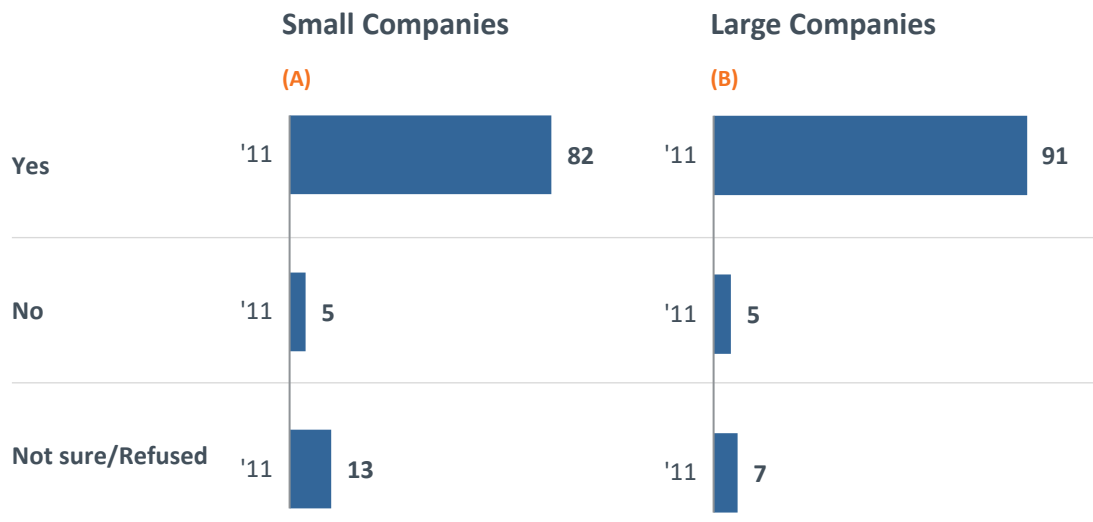
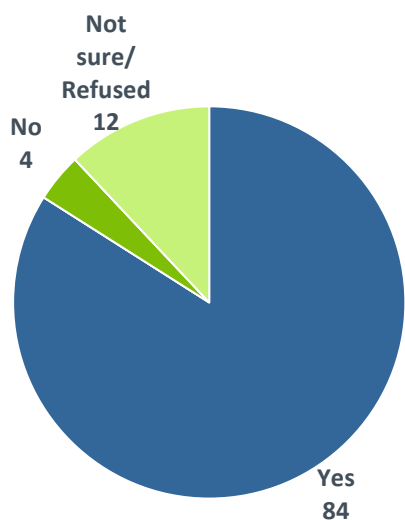
BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN **Small Companies:** '07 (N= 57) '08/'09 (N=56), '09/'10 (N=64), '11 (N=77); **Large Companies:** '07 (N=71) '08/'09 (N=98), '09/'10 (N=109), '11 (N=113)

Q1031. Does your plan have a provision to automatically increase participants' contribution rates on their anniversary date of hire? (Or anniversary of first contribution to the plan)

QDIA Requirement

- A large majority of companies that auto-enroll employees into a retirement plan believe that the default investment option satisfies the QDIA requirement.

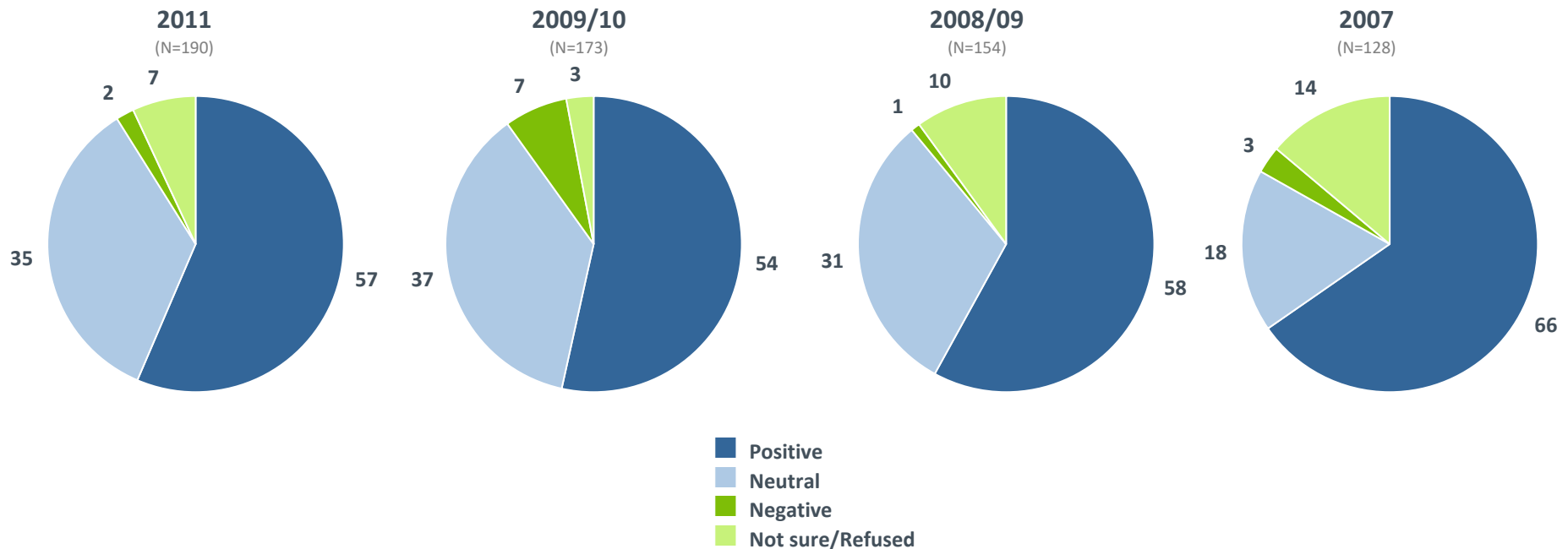
Satisfies QDIA Requirement
Total (%)



Base: Automatically Enrolls New Employees Into The Retirement Plan: Total '11 (N=190); Small Companies: '11 (N=77); Large Companies: '11 (N=113)
 NEW QUESTION IN WAVE 12 Q1600. Does the default investment option for the 401(k) plan satisfy the Department of Labor's requirements to be recognized as a Qualified Default Investment Alternative, commonly referred to as a QDIA?

Automatic Enrollment - Employee Response

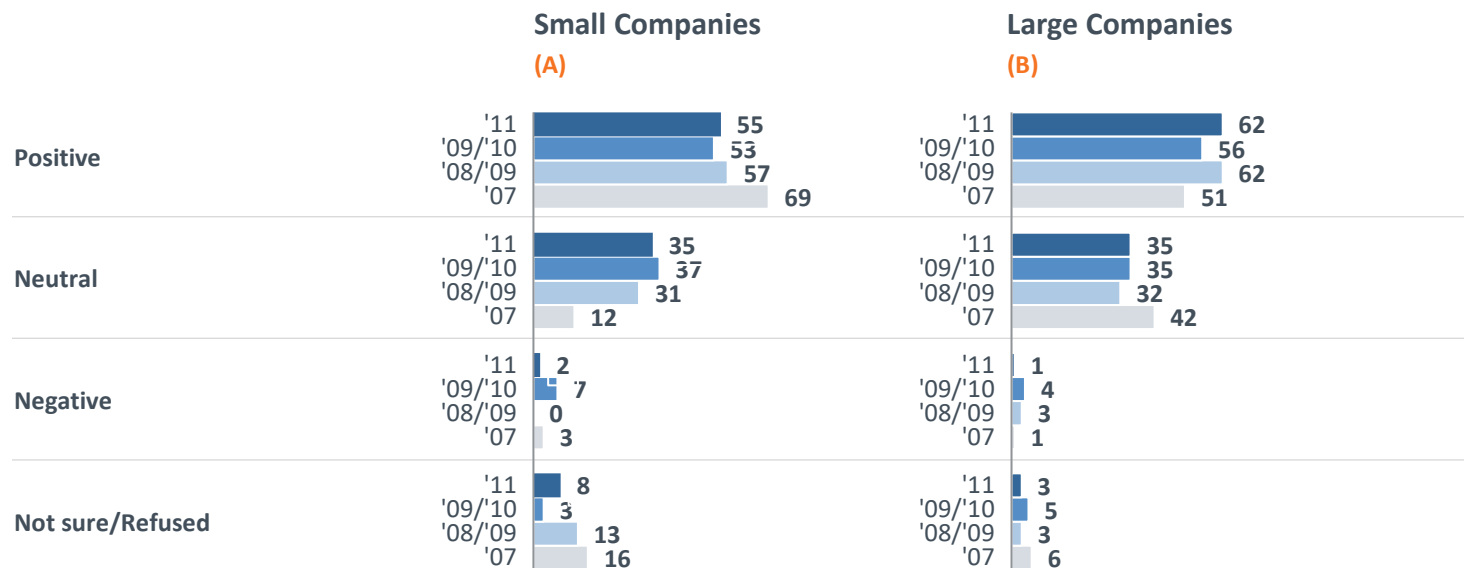
- The majority of employers continue to report their employees' response to being automatically enrolled as positive.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN
Q1033. Generally, has your employees' response to being automatically enrolled been...?

Automatic Enrollment - Employee Response

- There aren't significant differences between small and large companies.



BASE: AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE RETIREMENT PLAN Small Companies: '07 (N= 57) '08/'09 (N=56), '09/'10 (N=64), '11 (N=77); Large Companies: '07 (N=71) '08/'09 (N=98), '09/'10 (N=109), '11 (N=113)

Q1033. Generally, has your employees' response to being automatically enrolled been...?

Future Adoption of Automatic Enrollment

- The majority of companies do not plan to adopt automatic enrollment; however, one-tenth plan on adopting automatic enrollment in the future.
- These results are consistent with the previous year.

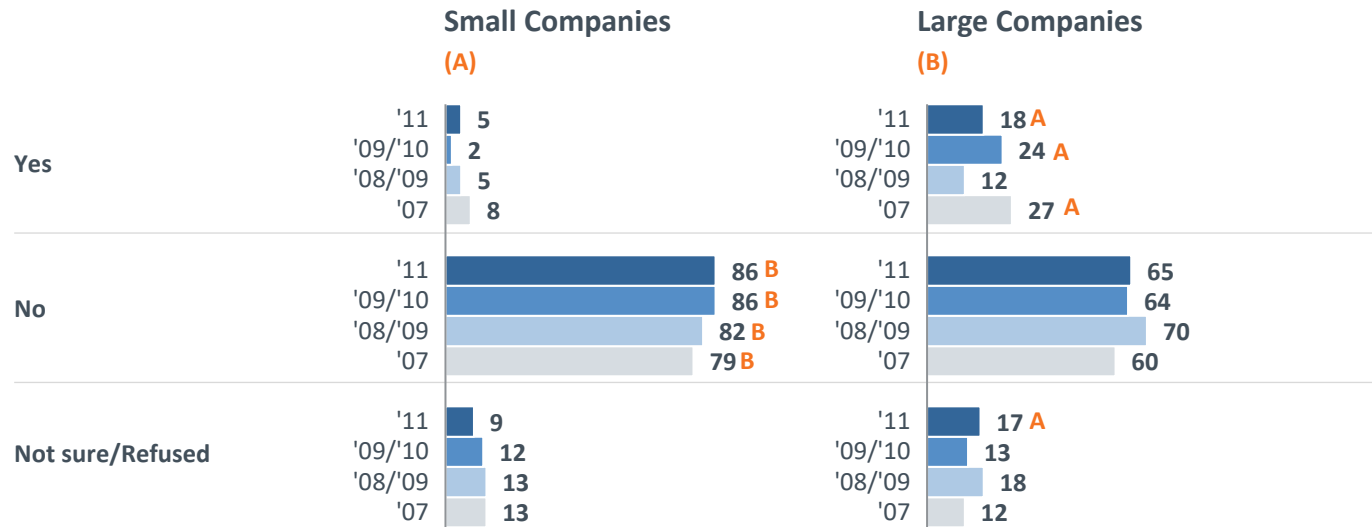


BASE: DOES NOT AUTOMATICALLY ENROLL

Q580. Does your company plan to adopt an automatic enrollment provision in the future?

Future Adoption of Automatic Enrollment

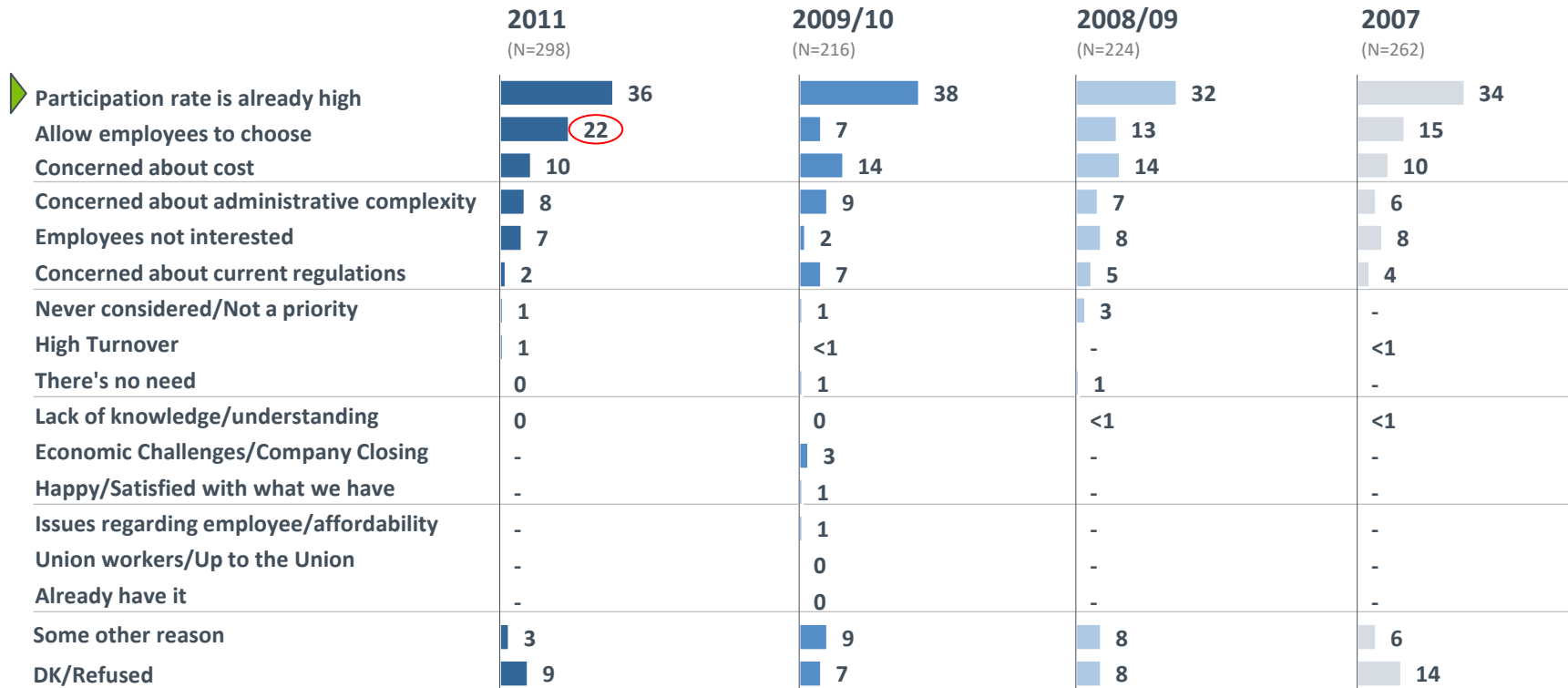
- Large companies are more likely to adopt automatic enrollment, with one-fifth indicating they plan to adopt the provision in the future.



BASE: DOES NOT AUTOMATICALLY ENROLL
Small Companies: '07 (N= 216) '08/'09 (N=158), '09/'10 (N=159), '11 (N=253);
Large Companies: '07 (N=161) '08/'09 (N=149), '09/'10 (N=142), '11 (N=132)
 Q580. Does your company plan to adopt an automatic enrollment provision in the future?

Reasons For Not Adopting Automatic Enrollment

- Current high participation continues to be the most cited reason for not adopting automatic enrollment in the future, followed by allowing employees to choose.

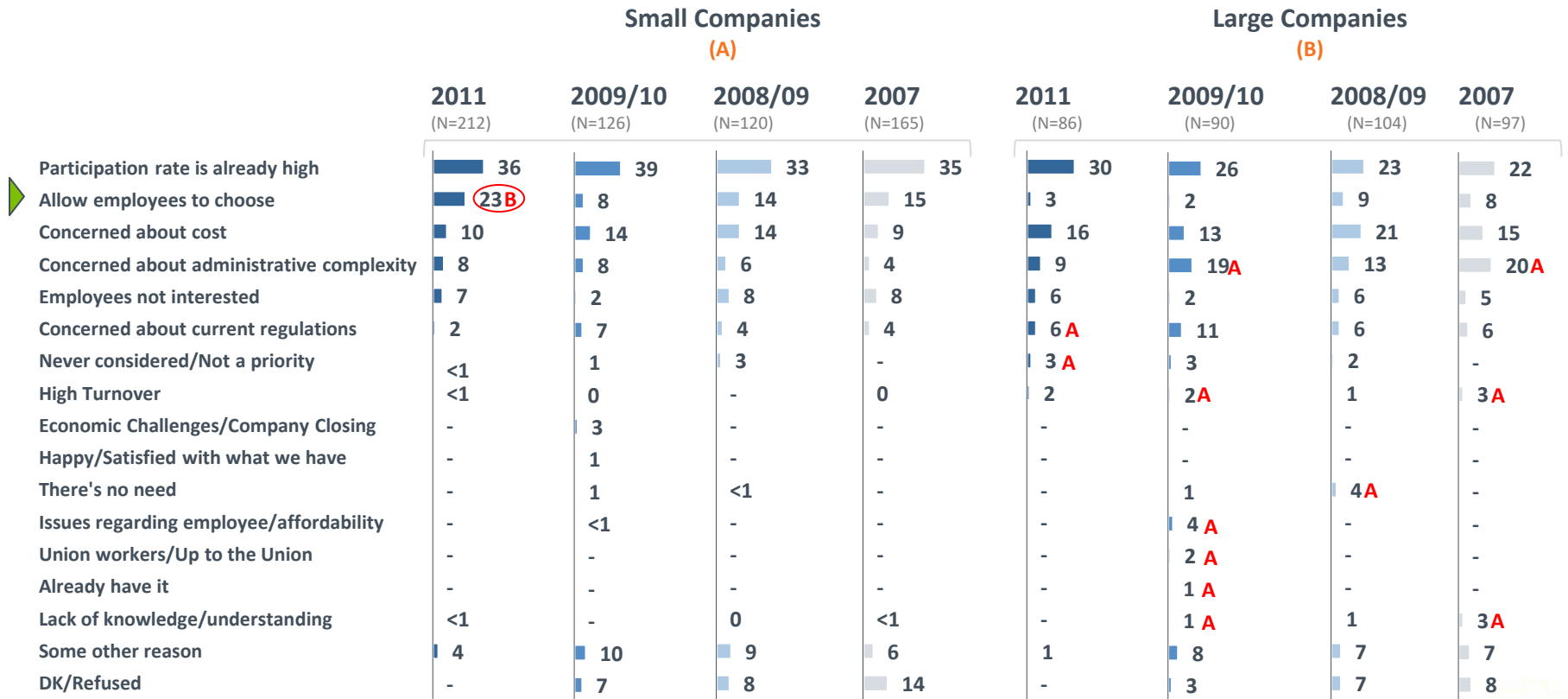


BASE: HAS NO PLANS TO AUTO ENROLL

Q590. What would you say is the main reason your company is not planning to adopt an automatic enrollment provision in the future? CHOOSE ONE.

Reasons For Not Adopting Automatic Enrollment

- Small companies are more likely to cite allowing employees to choose, while large companies cite concern about current regulations and lack of consideration/priority as reasons for not implementing automatic enrollment.

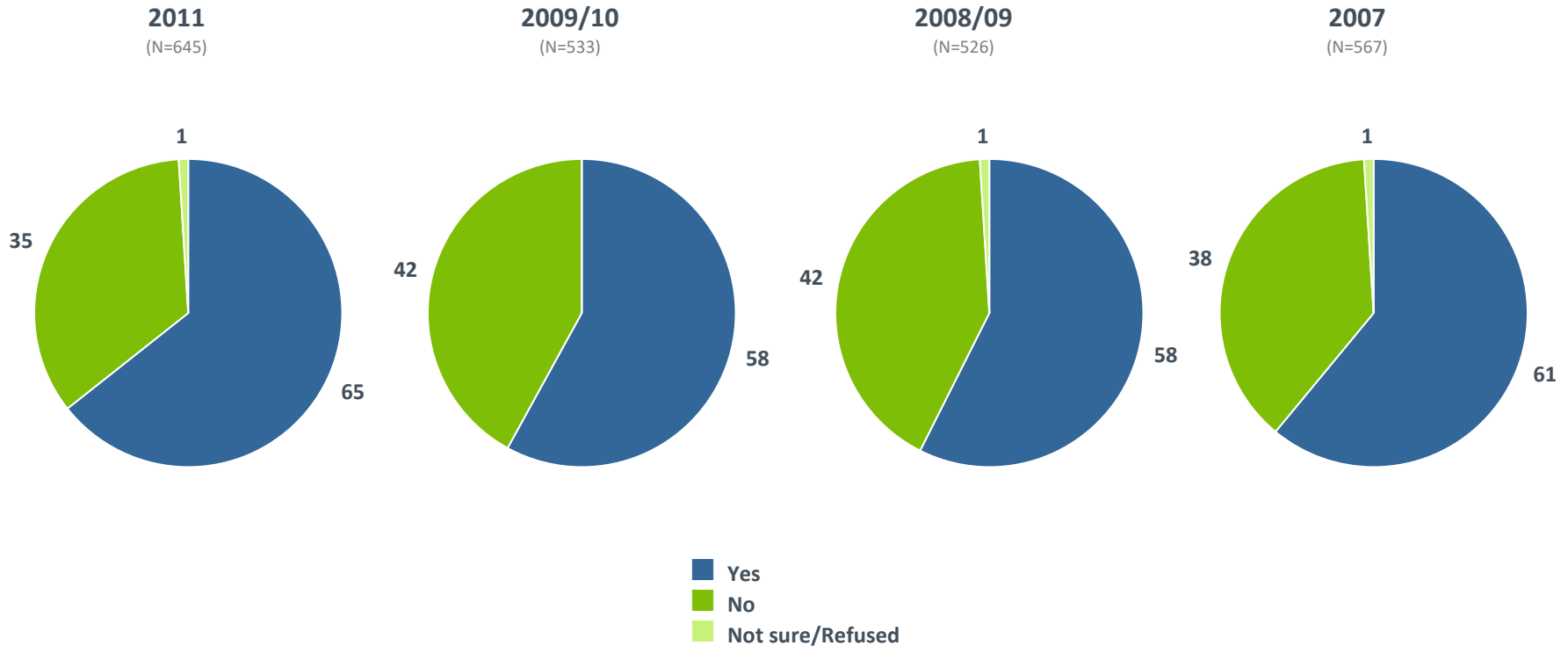


BASE: HAS NO PLANS TO AUTO ENROLL

Q590. What would you say is the main reason your company is not planning to adopt an automatic enrollment provision in the future? CHOOSE ONE.

Current Offerings of Investment Guidance/Advice

- Two-thirds of companies that provide an employee-funded retirement plan also offer investment guidance or advice to their employees. This is directionally higher than the previous two years.

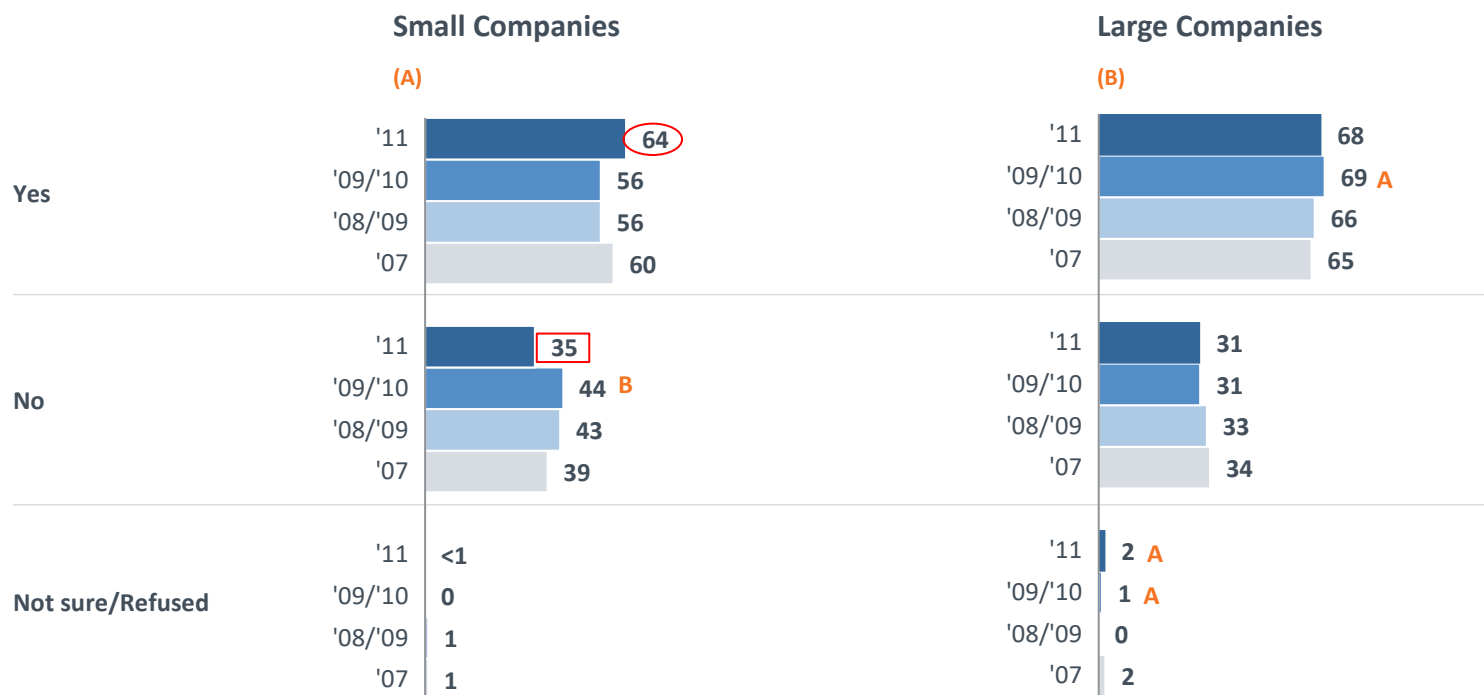


BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN

Q592. Does your company currently offer investment guidance or advice for employees as part of your retirement plan?

Current Offerings of Investment Guidance/Advice

- In contrast to the previous year, there is not a significant difference between the levels of small and large companies offering investment guidance/advice to their employees.



BASE: OFFERS 401(k) PLAN OR OTHER EMPLOYEE FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q592. Does your company currently offer investment guidance or advice for employees as part of your retirement plan?

Future Offerings of Investment Guidance/Advice

- There is an increase in the number of companies that plan to offer investment guidance.

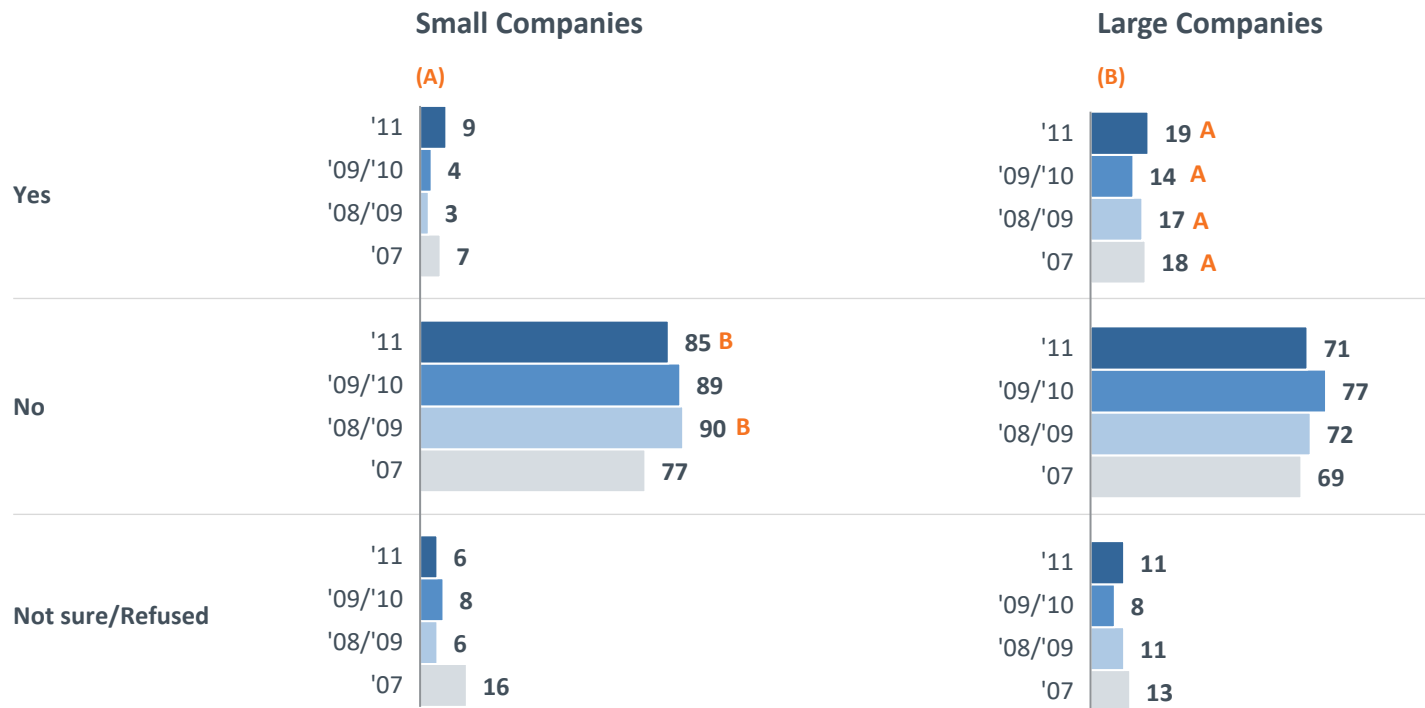


BASE: DOES NOT OFFER ADVICE

Q594. Does your company plan to offer investment guidance or advice for employees in the future?

Future Offerings of Investment Guidance/Advice

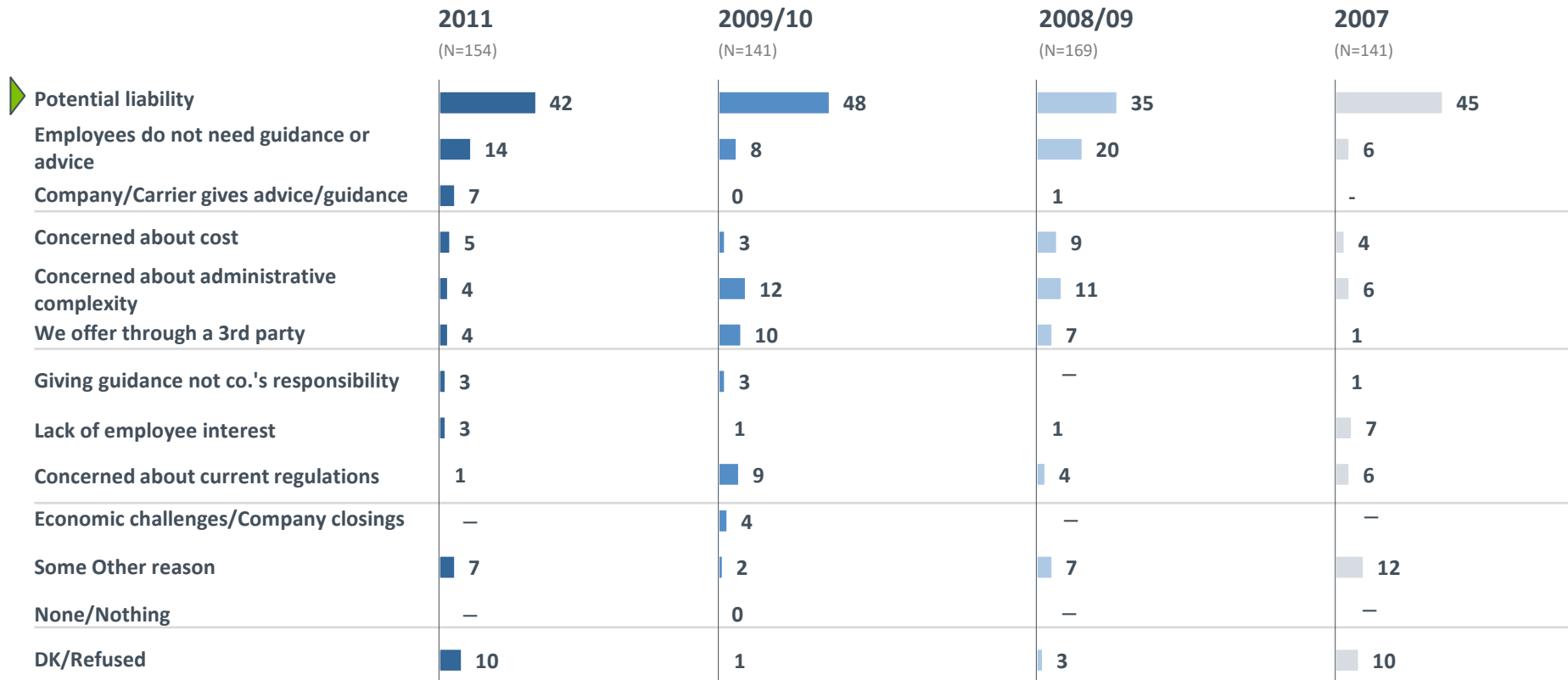
- One-fifth of large companies plan to offer investment guidance/advice in the future and overall are more likely than small companies to plan on offering guidance/advice in the future.



BASE: DOES NOT OFFER ADVICE Small Companies: '07 (N= 103) '08/'09 (N=90), '09/'10 (N=90), '11 (N=116); Large Companies: '07 (N=89) '08/'09 (N=90), '09/'10 (N=85), '11 (N=86)
 Q594. Does your company plan to offer investment guidance or advice for employees in the future?

Reasons for Not Offering Investment Guidance/Advice

- Potential liability continues to be the major concern among employers who do not plan to give investment guidance or advice to employees in the future.

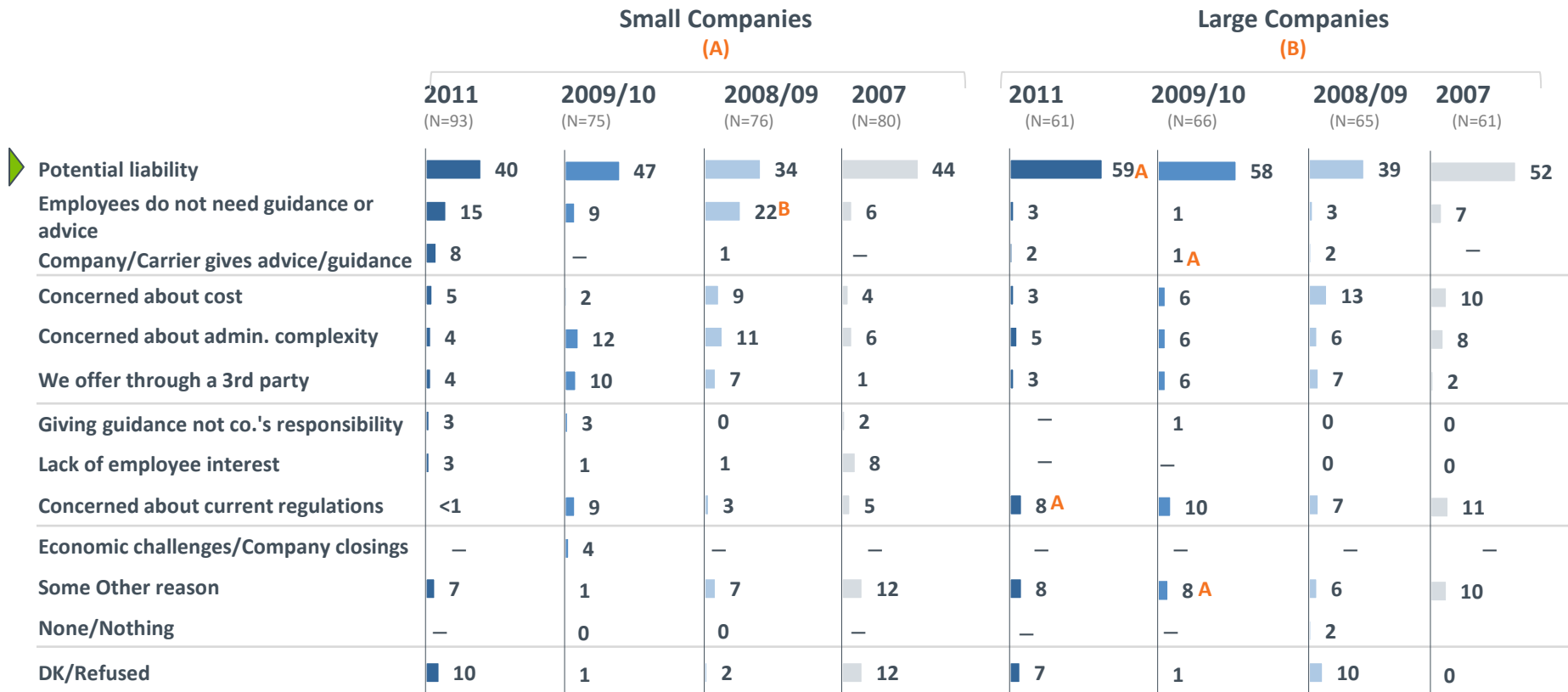


BASE: HAS NO PLANS TO OFFER ADVICE

Q596. What would you say is the main reason your company is not planning to offer investment guidance or advice for employees in the future?

Reasons for Not Offering Investment Guidance/Advice

- Potential liability continues to be a significant reason for large companies rather than small companies for not offering investment guidance/advice to their employees.

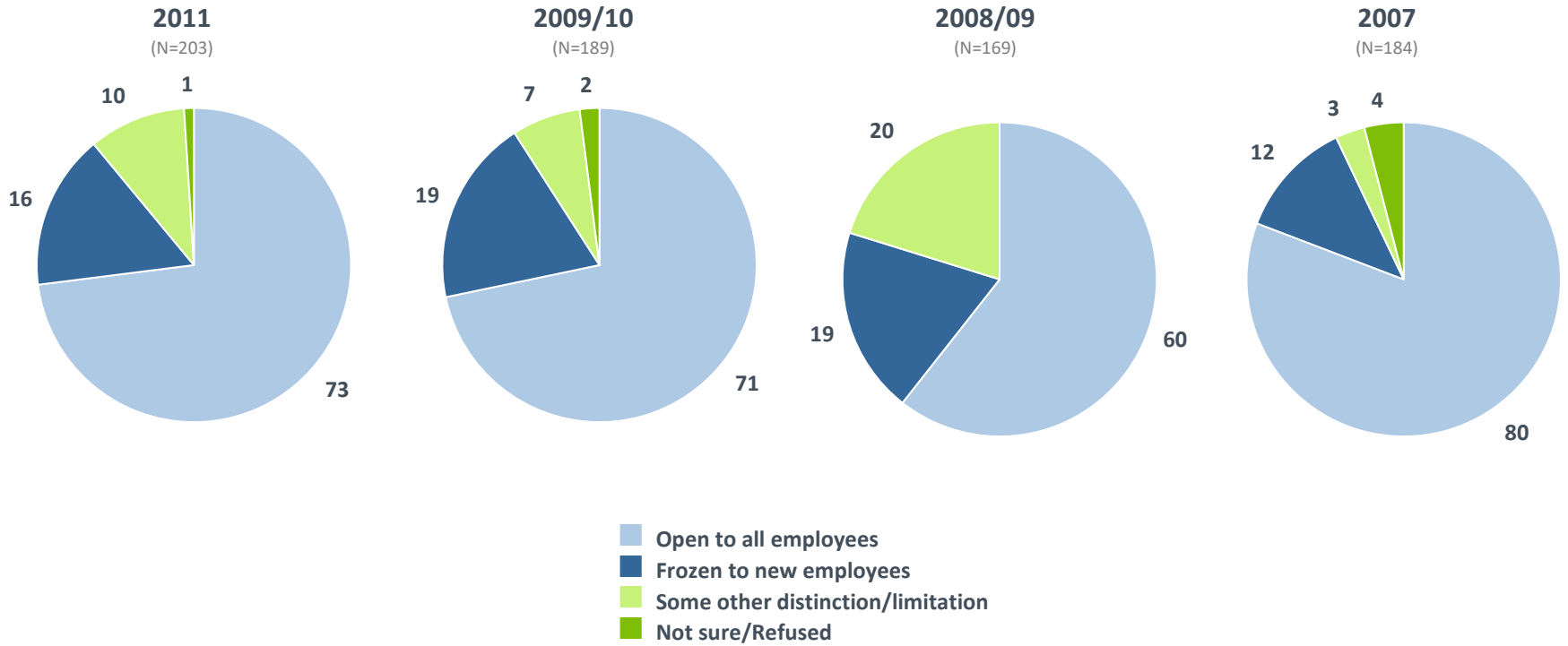


BASE: HAS NO PLANS TO OFFER ADVICE

Q596. What would you say is the main reason your company is not planning to offer investment guidance or advice for employees in the future?

Defined Benefit Plans – Status of Plan

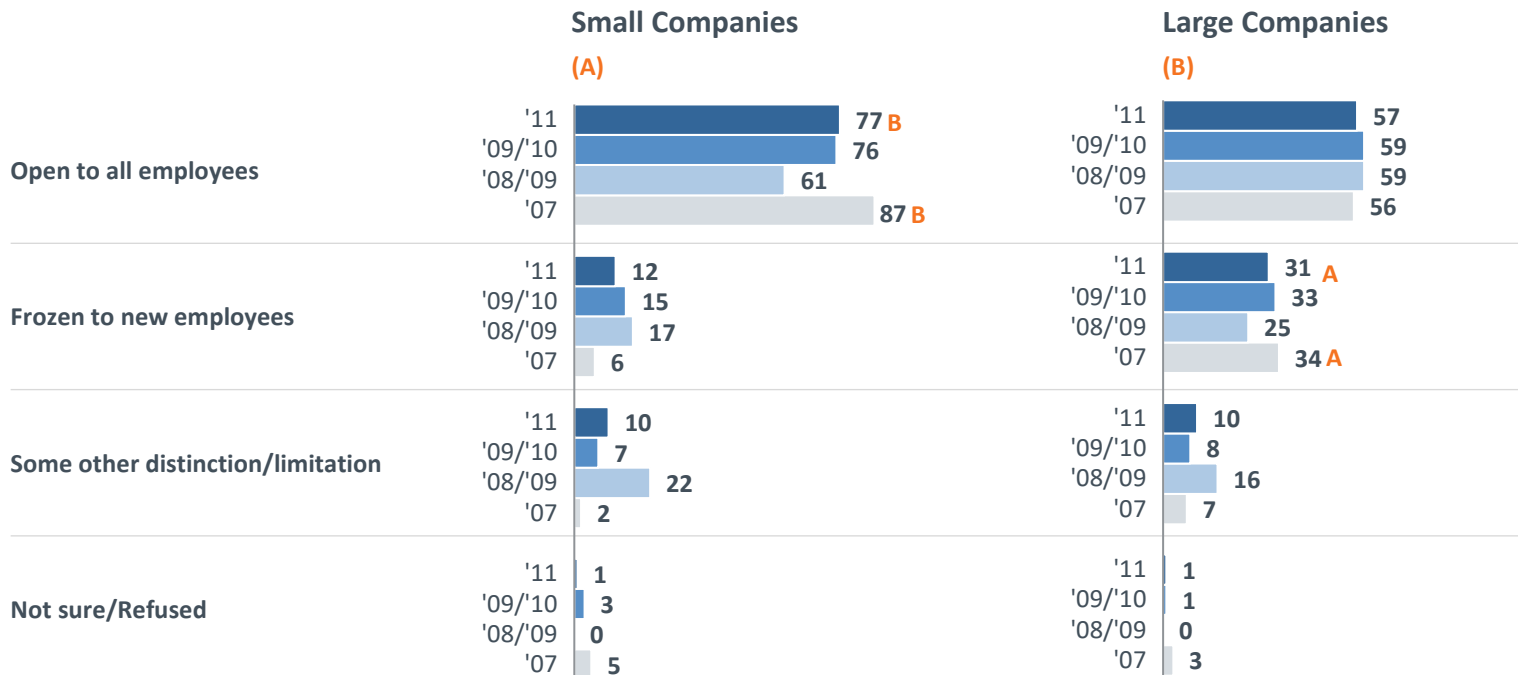
- The vast majority of employers that offer defined benefit plans indicate they are open to all employees, and this is consistent with results from the previous year.



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN
 Q1010. Is your company-funded defined benefit pension plan open to all employees, or frozen to new employees?

Defined Benefit Plans – Status of Plan

- While the majority of companies that offer defined benefit plans open them to all employees, small companies are more likely to open the plan to new employees and large companies are more likely to have frozen them to new employees.

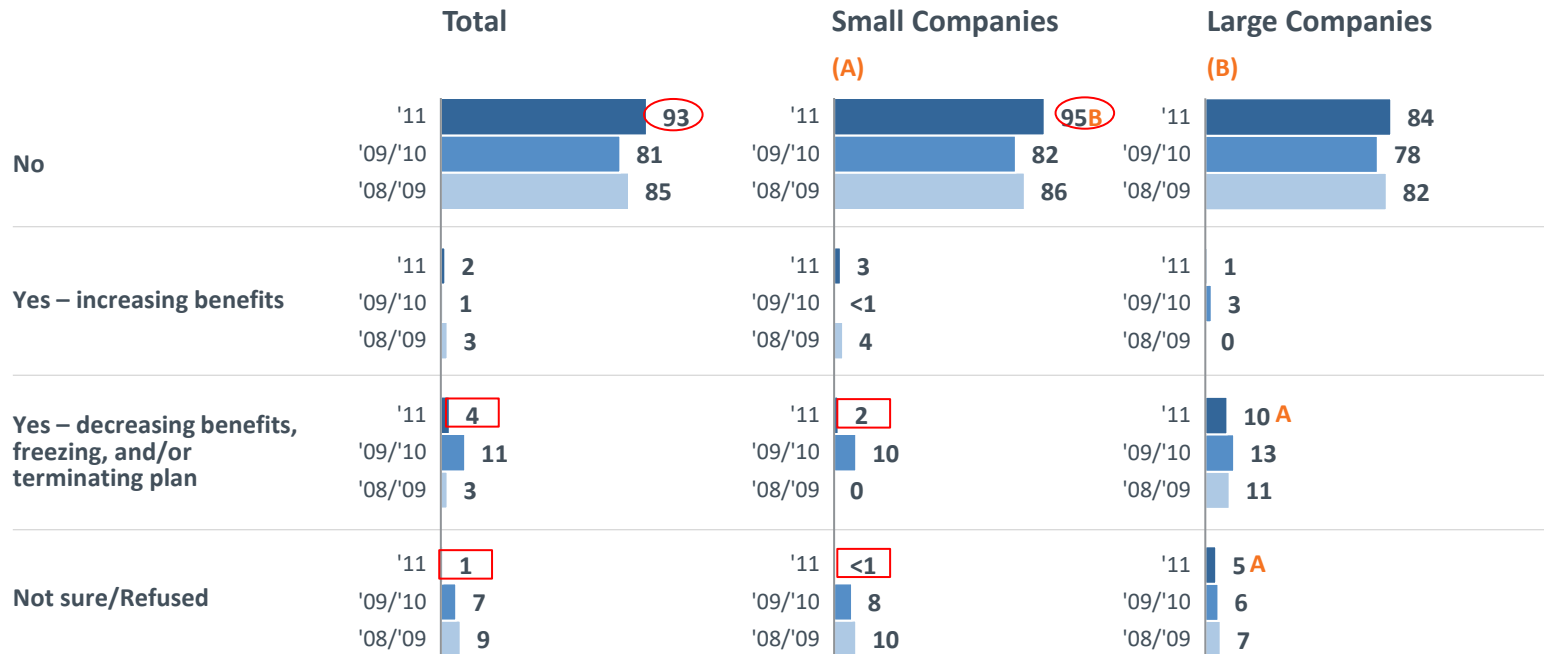


BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN. **Small Companies:** '07 (N= 74) '08/'09 (N=64), '09/'10 (N=67), '11 (N=89); **Large Companies:** '07 (N=110) '08/'09 (N=105), '09/'10 (N=122), '11 (N=144)

Q1010. Is your company-funded defined benefit pension plan open to all employees, or frozen to new employees?

Defined Benefit Plans – Changes in Next 12 Months

- There was a significant increase in companies not planning to make any changes to their benefits plans; however, large companies are more likely than small companies to plan to decrease/freeze/terminate their company's defined benefit plan.



BASE: OFFERS COMPANY-FUNDED DEFINED BENEFIT PLAN Total '08/'09 (N=169), '09/'10 (N=189), '11 (N=203) Small Companies: '08/'09 (N=64), '09/'10 (N=67), '11 (N=89); Large Companies: '08/'09 (N=105), '09/'10 (N=122), '11 (N=144)

Q1425. Is your company considering changes to its company-funded defined benefit pension plan in the next twelve months?

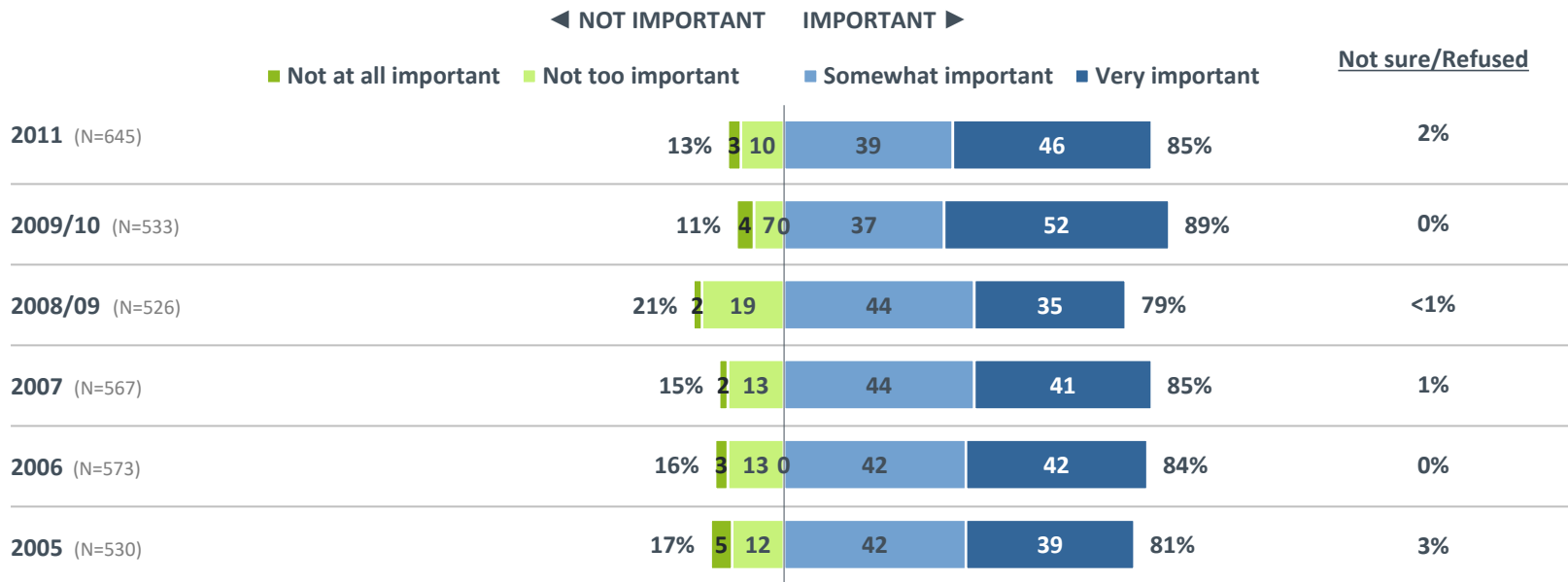


Detailed Findings

- Economic Expectations
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

Importance of Plans for Attracting/Retaining Employees

- The majority of employers continue to believe their employee-funded retirement plan package is important to their ability to attract and retain employees.

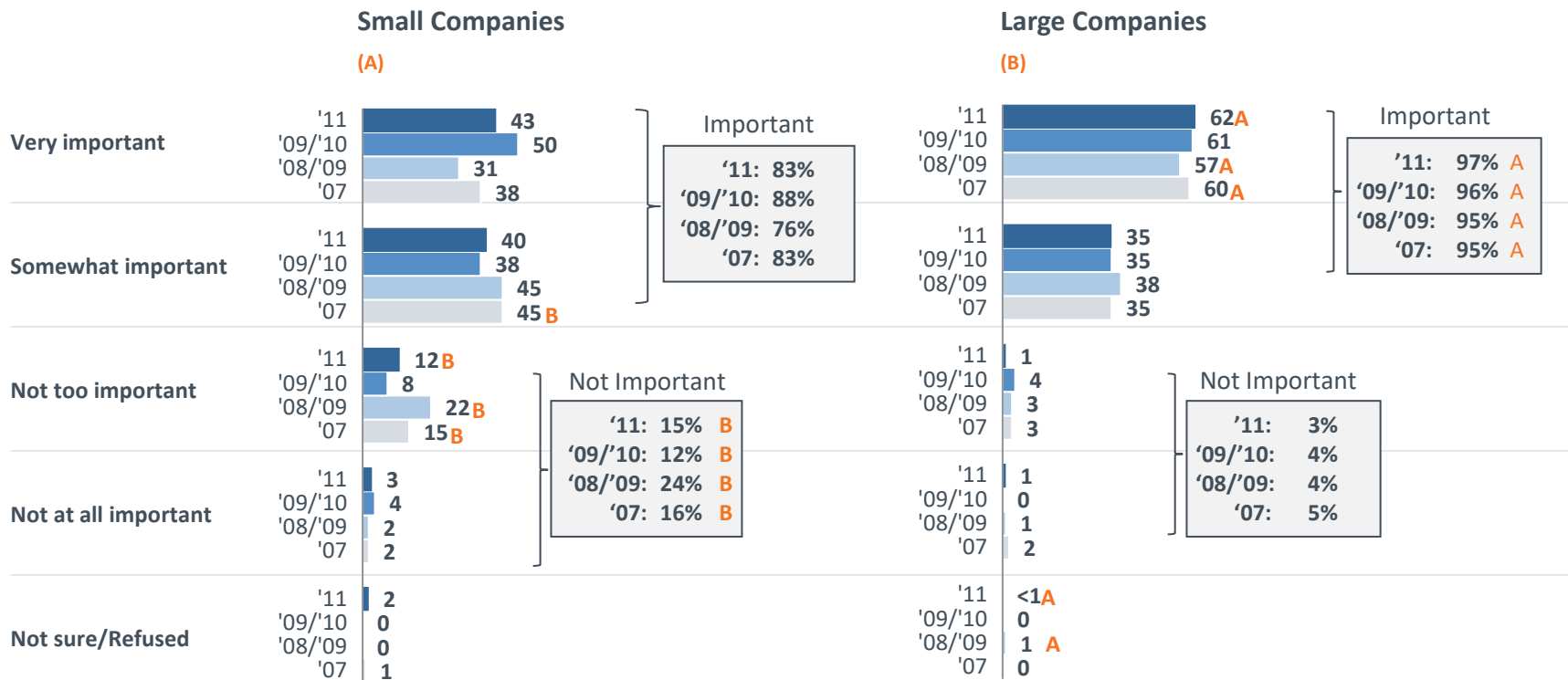


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q650. How important would you say your company's employee-funded retirement plan package is to your ability to attract and retain employees?

Importance of Plans for Attracting/Retaining Employees

- Large companies are more likely than small companies to indicate that employee-funded retirement plans are important in retaining/recruiting employees.

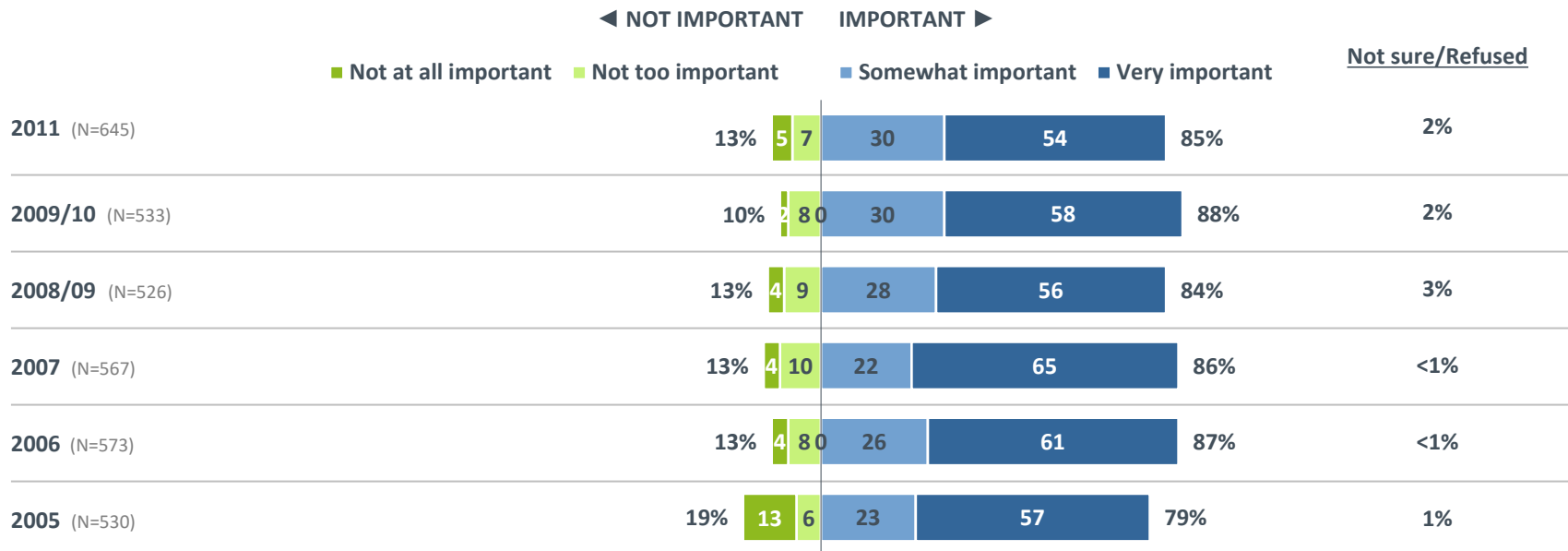


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q650. How important would you say your company's employee-funded retirement plan package is to your ability to attract and retain employees?

Importance of Matching Contributions

- A large majority of companies that offer an employee-funded plan continue to perceive matching contributions as important to their employees.

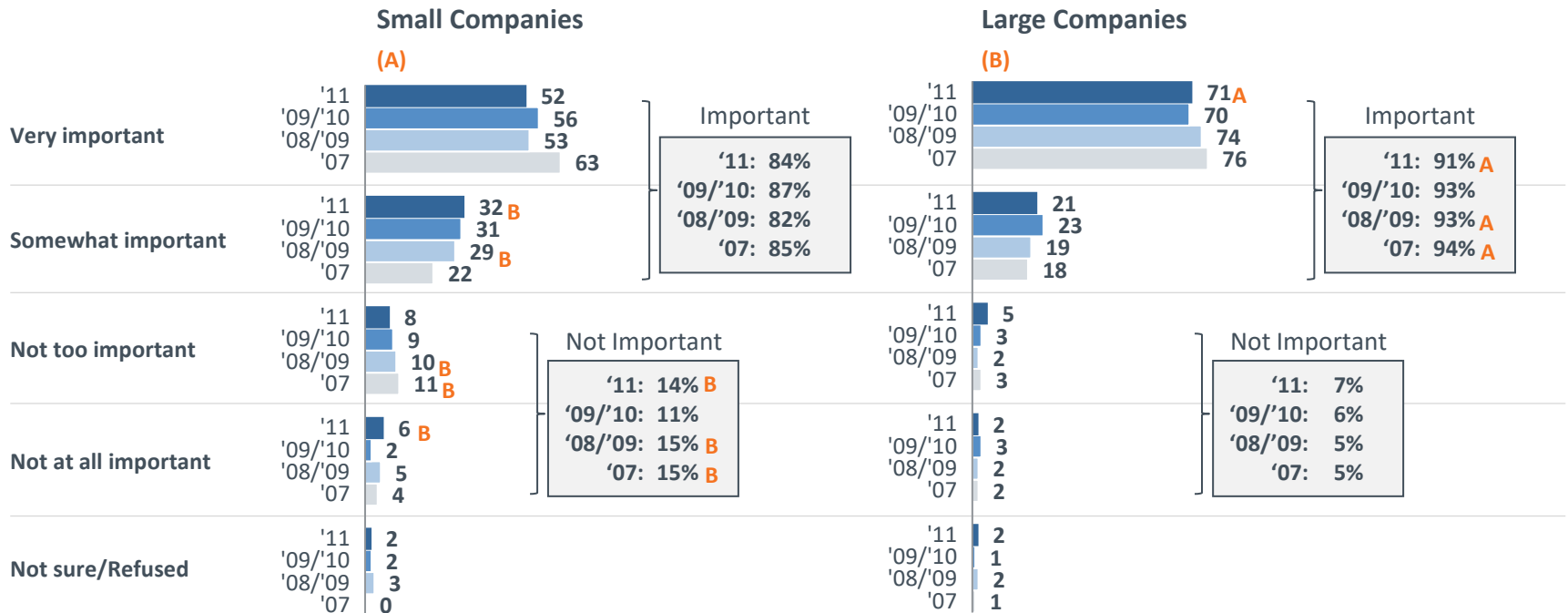


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q660. How important is it to your employees that their company provides a matching contribution in their retirement savings plan?

Importance of Matching Contributions

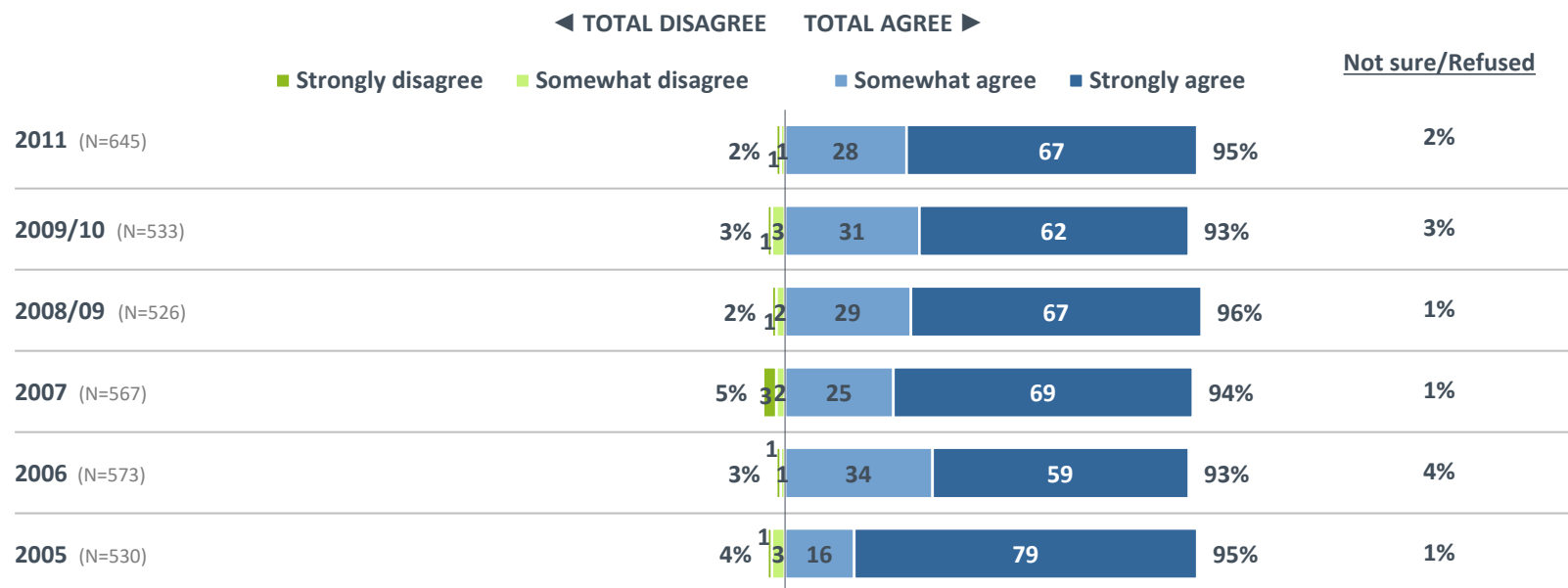
- Large companies are more likely than small companies to believe that matching contributions are “very important” to their employees.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N=304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
Q660. How important is it to your employees that their company provides a matching contribution in their retirement savings plan?

Giving Employees the Right Information

- Nearly all companies believe that they give their employees the right information they need to make decisions about the retirement plan.

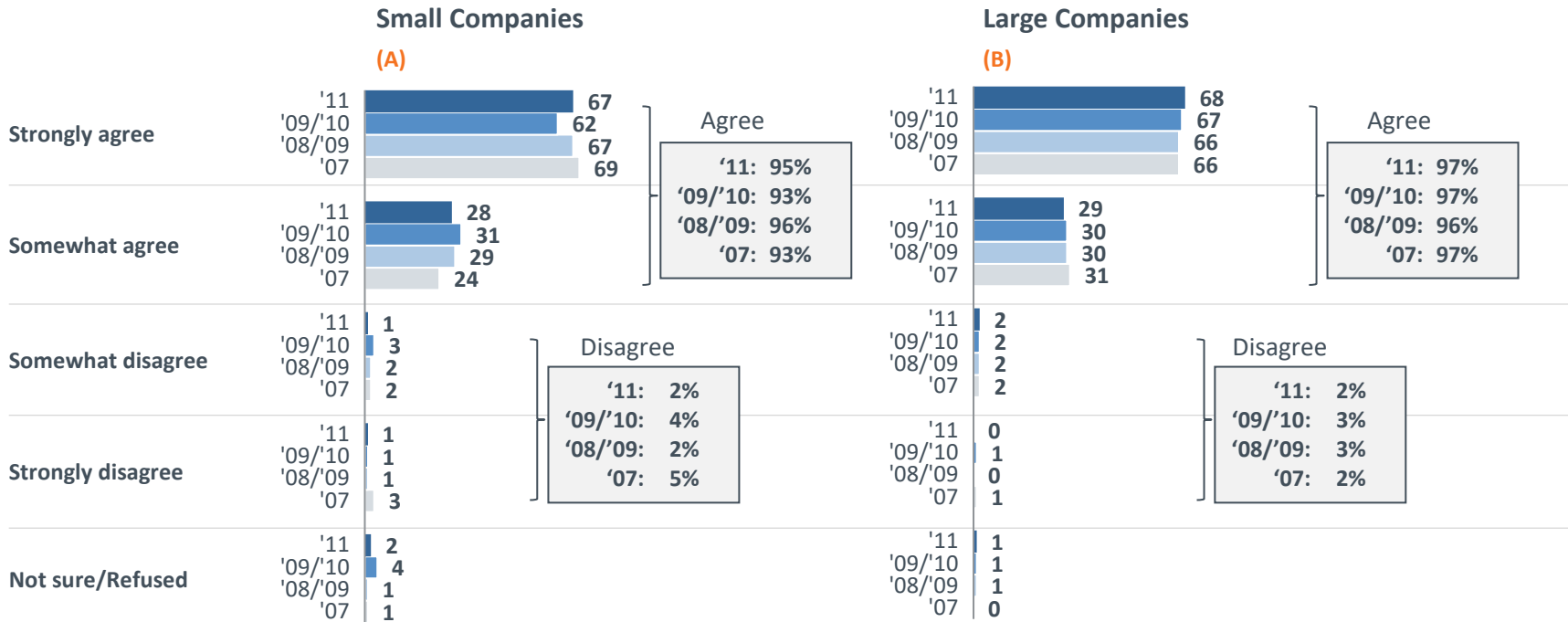


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q730. Our company gives employees the right information they need to make decisions about the retirement plan.

Giving Employees the Right Information

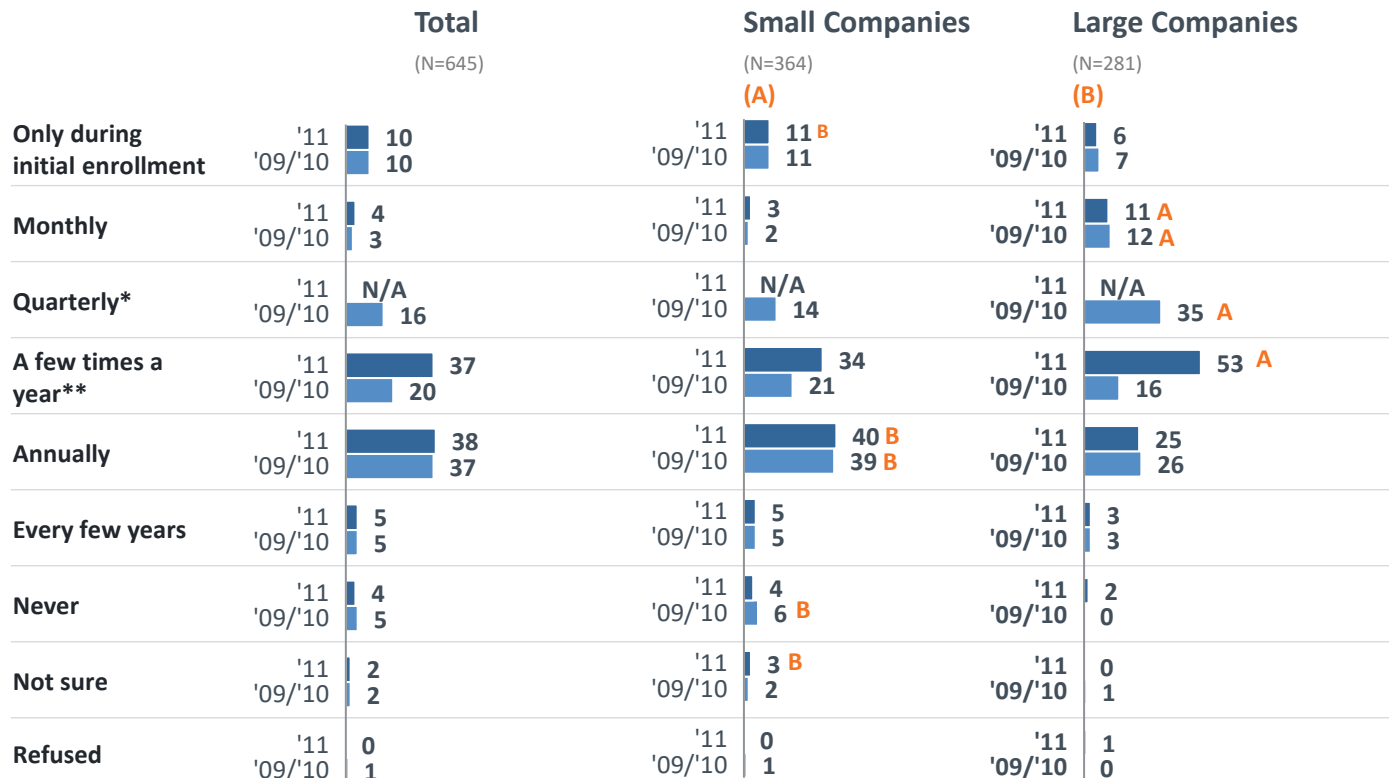
- Small and large companies believe they give their employees the right information they need to make decisions about the retirement plan.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); **Large Companies:** '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q730. Our company gives employees the right information they need to make decisions about the retirement plan.

Educating Employees About Their Retirement Plan

- The vast majority of employers engage with employees at least annually with additional retirement plan education/advice.
- Larger companies tend to engage more frequently throughout the year.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

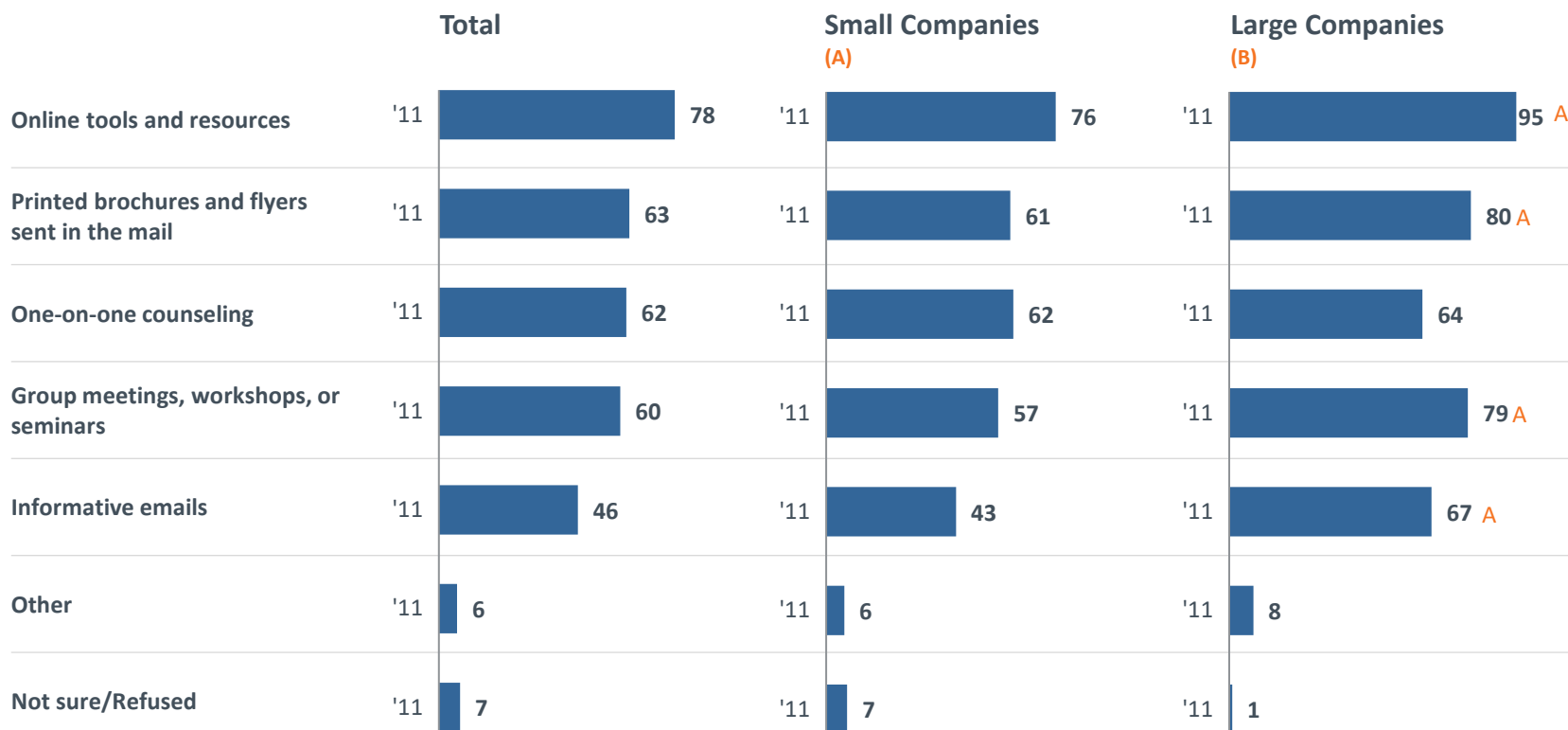
Q2665. How often does your company proactively engage employees with additional education and/or advice about the retirement savings plan?

* Quarterly removed as a choice in '11

** Changed from "Twice a year" to "A few times a year" in '11

Types of Education and/or Advice Offered

- Over three-quarters of companies offer online tools and resources as means of educating and advising employees about retirement savings plans.
- Large companies tend to offer more education and advice than smaller companies.

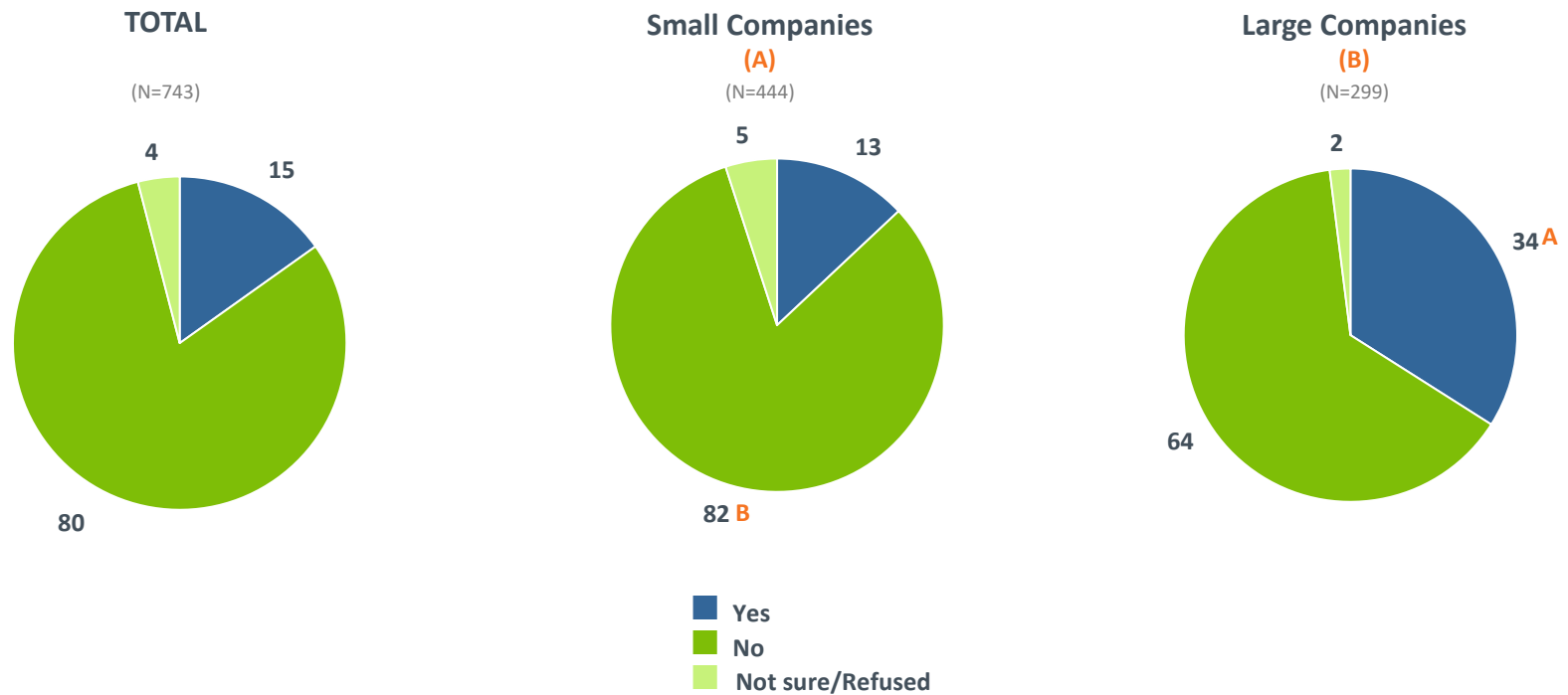


Base: Offers 401(k) or Other Self Funded Plan **Total** '11 (N=645); **Small Companies**: '11 (N=364); **Large Companies**: '11 (N=281)

NEW QUESTION IN WAVE 12 Q1620. Which of the following does your company offer to its employees regarding education and/or advice about the retirement savings plan?

Helping Employees Get Back on Track with Retirement Savings

- Only 15 percent of companies have implemented programs to get their employees back on track with their retirement savings in the past 12 months.
- A third of large companies provide these programs, significantly more than small companies.

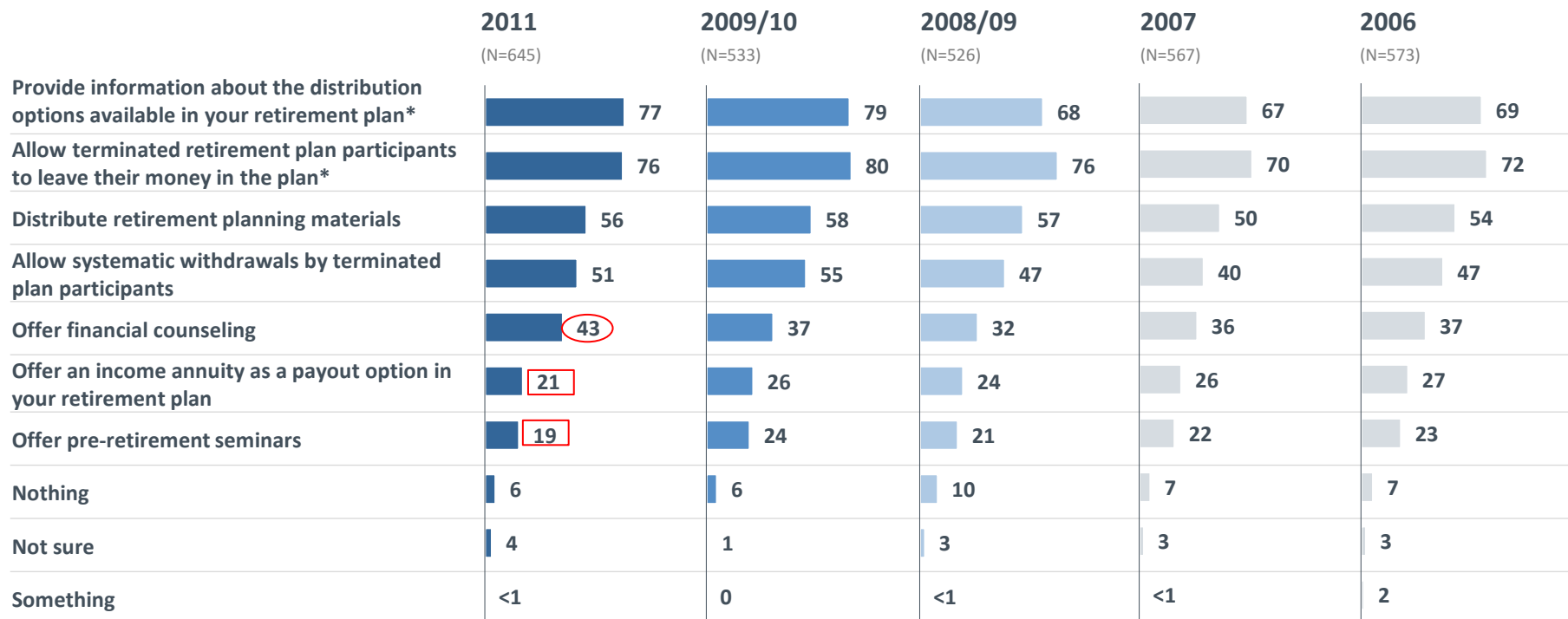


BASE: TOTAL RESPONDENTS

Q2785 In the last 12 months, has your company and/or your retirement plan provider implemented any programs to help employees get back on track with their retirement savings?

Helping Employees Transition to Retirement with their 401(k)

- While most companies that offer a 401(k) or other employee-funded plan provide information about distribution options and allow terminated employees to leave their savings in the plan, relatively few offer financial counseling, income annuities, or pre-retirement seminars to assist their employees who are transitioning into retirement.



*While regulations concerning terminated participants may require that companies perform these actions, these statistics only reflect companies' responses at the time of the survey.

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q770. Does your company do any of the following to help employees transition to retirement? CHOOSE ALL THAT APPLY

Helping Employees Transition to Retirement with a 401(k)

- Large companies are more likely to do or offer more than small companies to help employees who are transitioning into retirement. This finding is consistent with the previous years' data.

	Small Companies (A)				Large Companies (B)			
	2011 (N=364)	2009/10 (N=256)	2008/09 (N=248)	2007 (N=304)	2011 (N=281)	2009/10 (N=277)	2008/09 (N=278)	2007 (N=263)
Provide information about the distribution options available in your retirement plan*	74%	77%	63%	65%	91% A	90% A	89% A	82% A
Allow terminated retirement plan participants to leave their money in the plan*	74%	78%	72%	67%	90% A	91% A	93% A	89% A
Distribute retirement planning materials	54%	56%	54%	48%	73% A	73% A	73% A	65% A
Allow systematic withdrawals by terminated plan participants	48%	54%	43%	37%	65% A	63%	62% A	59% A
Offer financial counseling	42%	35%	28%	33%	53% A	52% A	50% A	50% A
Offer an income annuity as a payout option in your retirement plan	18%	24%	22%	23%	41% A	43% A	31%	40% A
Offer pre-retirement seminars	15%	20%	17%	19%	46% A	47% A	41% A	42% A
Nothing	7% B	6%	12% B	8% B	1%	1%	0%	0%
Something else	<1%	0%	0%	<1%	<1%	0%	2% A	0%
Not sure	4% B	1%	4%	3%	0%	1%	0%	2%

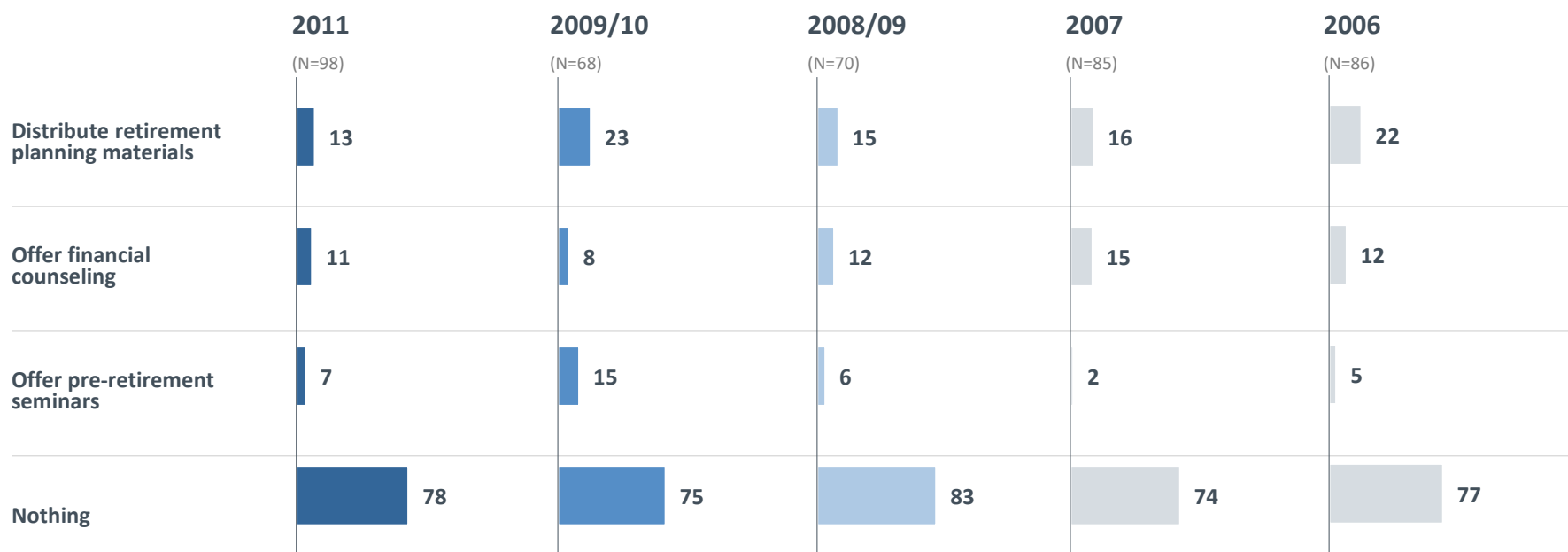
*While regulations concerning terminated participants may require that companies perform these actions, these statistics only reflect companies' responses at the time of the survey.

BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q770. Does your company do any of the following to help employees transition to retirement? CHOOSE ALL THAT APPLY

Helping Employees Transition to Retirement without a 401(k)

- Most companies that do not offer a 401(k) or employee-funded plan do nothing to help their employees transition into retirement.

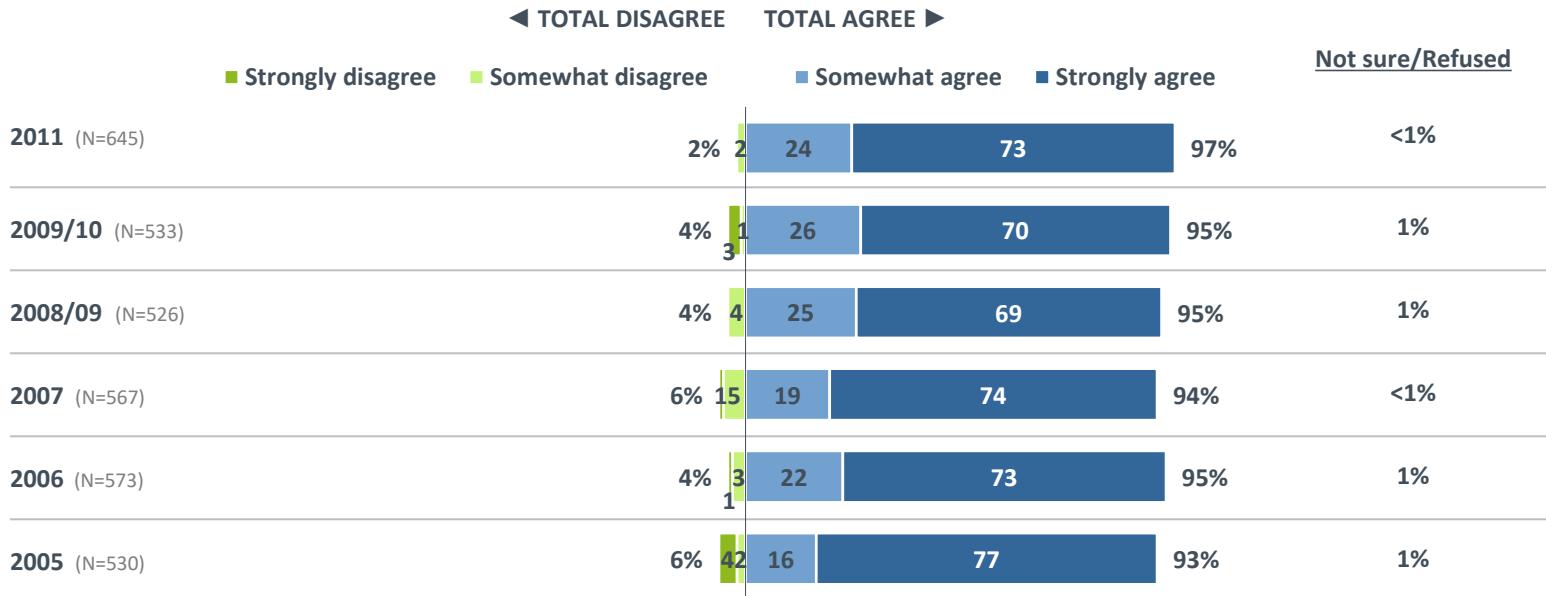


BASE: DOES NOT OFFER 401(k) NOR OTHER SELF FUNDED PLAN

Q780. Does your company do any of the following to help employees transition to retirement? Choose ALL that apply.

Employer Satisfaction with Plan Provider

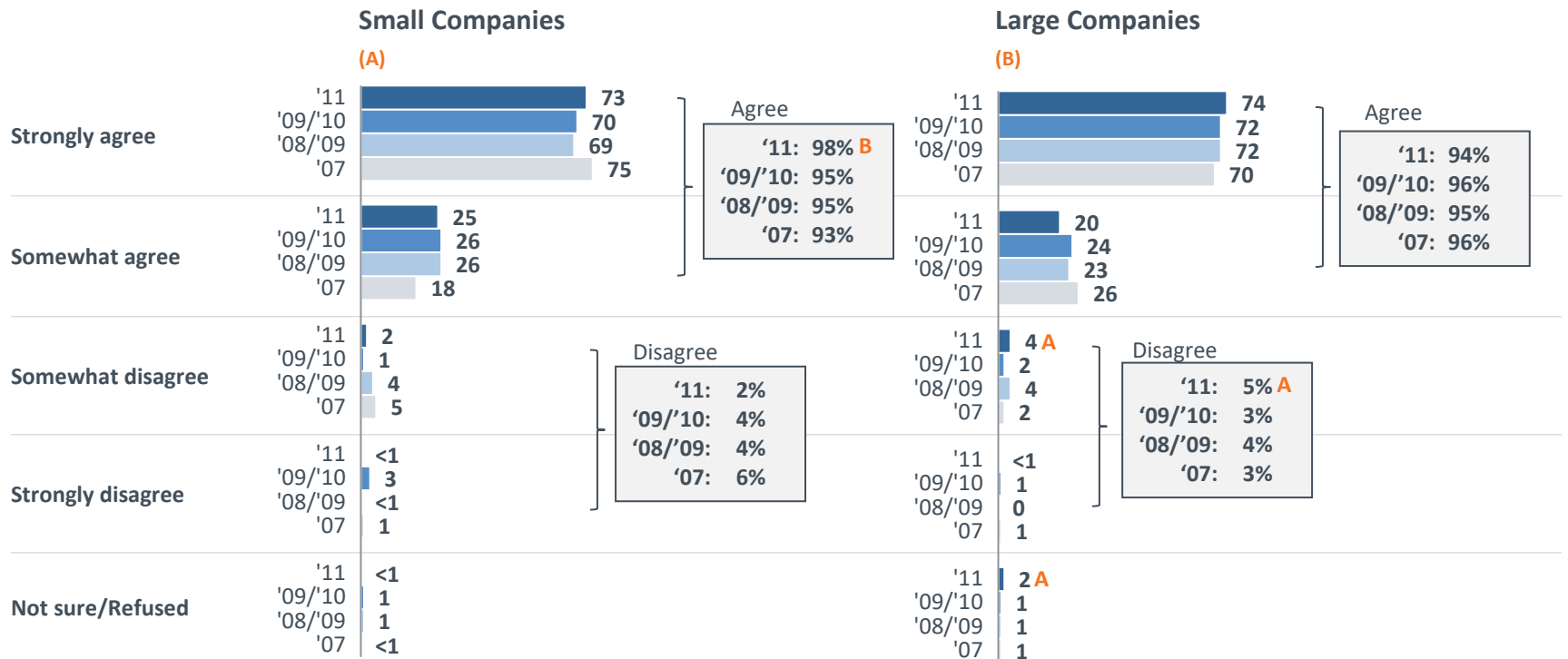
- The vast majority of companies agree that they are satisfied with their retirement plan provider.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
 Q740. Our company is satisfied with our retirement plan provider.

Employer Satisfaction with Plan Provider

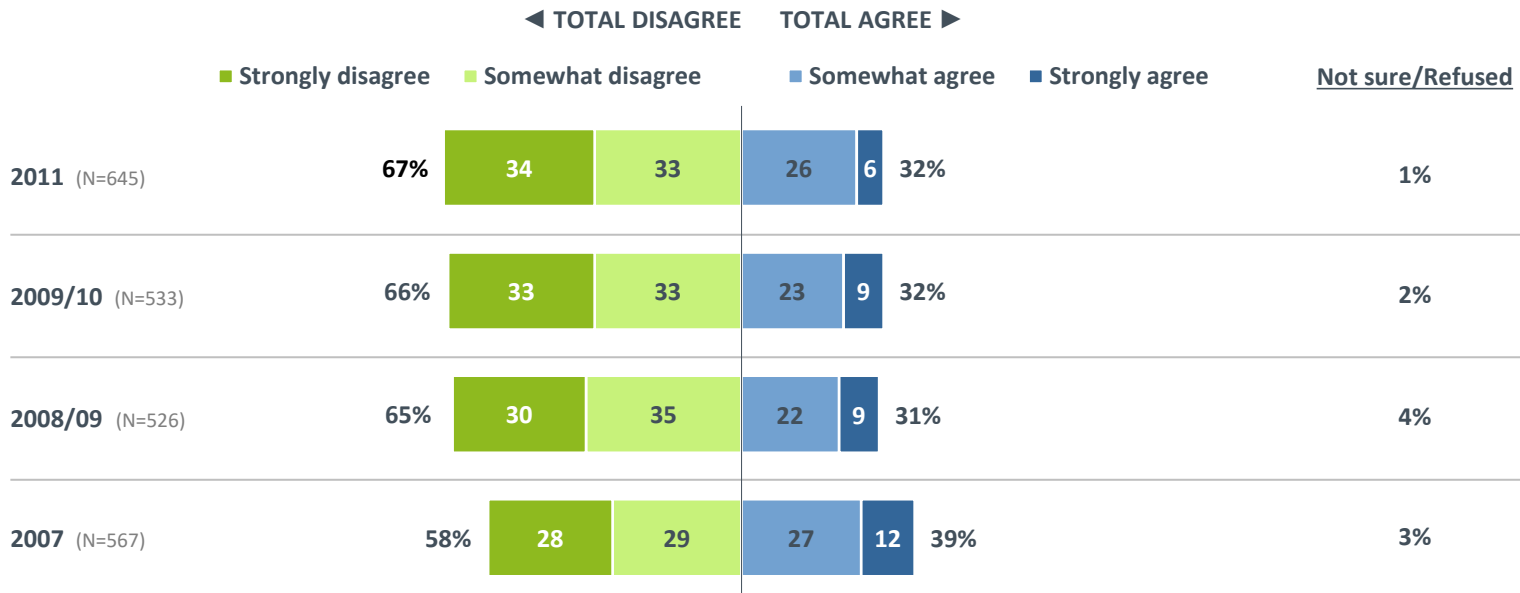
- The vast majority of small and large companies agree that their company is satisfied with their retirement plan provider.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q740. Our company is satisfied with our retirement plan provider.

Employer Desire for Information about Plan Fees and Expenses

- Nearly one-third of employers would like more information from their retirement plan provider. This remains consistent with previous years.

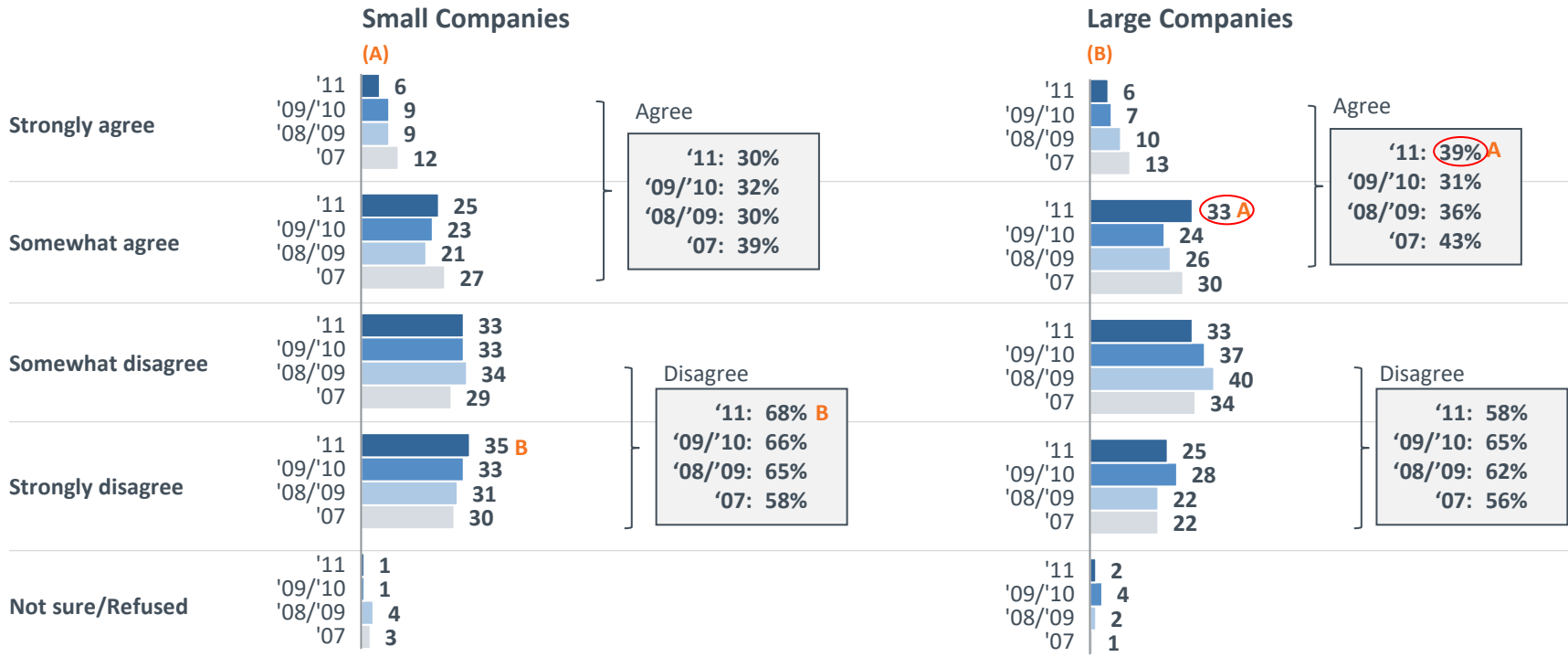


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1045. I would like to receive more information from my retirement plan provider about the fees and expenses associated with the retirement plan.

Employer Desire for Information about Plan Fees and Expenses

- Nearly 40 percent of large companies would like more information regarding fees and expenses from their retirement plan provider compared to only 30 percent of small companies.



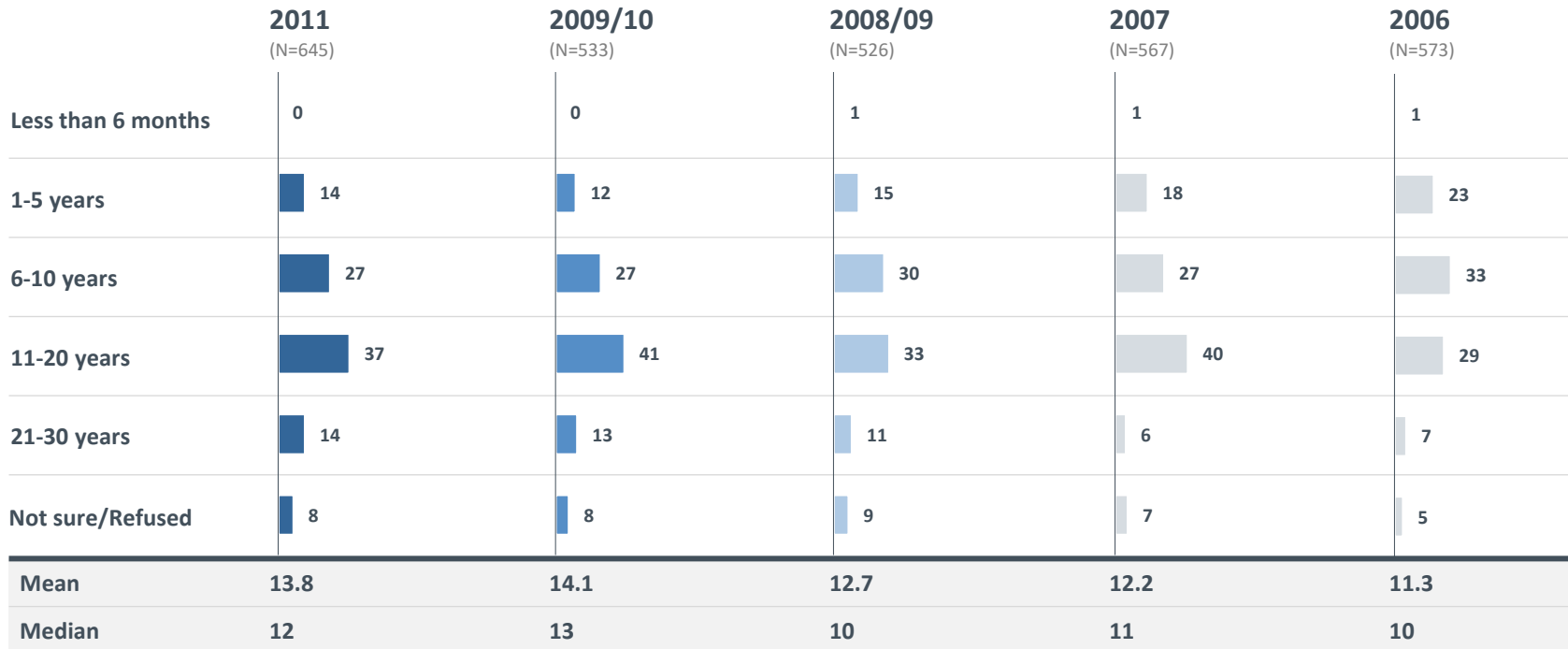
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364);

Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q1045. I would like to receive more information from my retirement plan provider about the fees and expenses associated with the retirement plan.

Employee-Funded Retirement Plan – Length of Sponsorship

- Employers who offer employee-funded plans have a history of offering them for ten or more years.

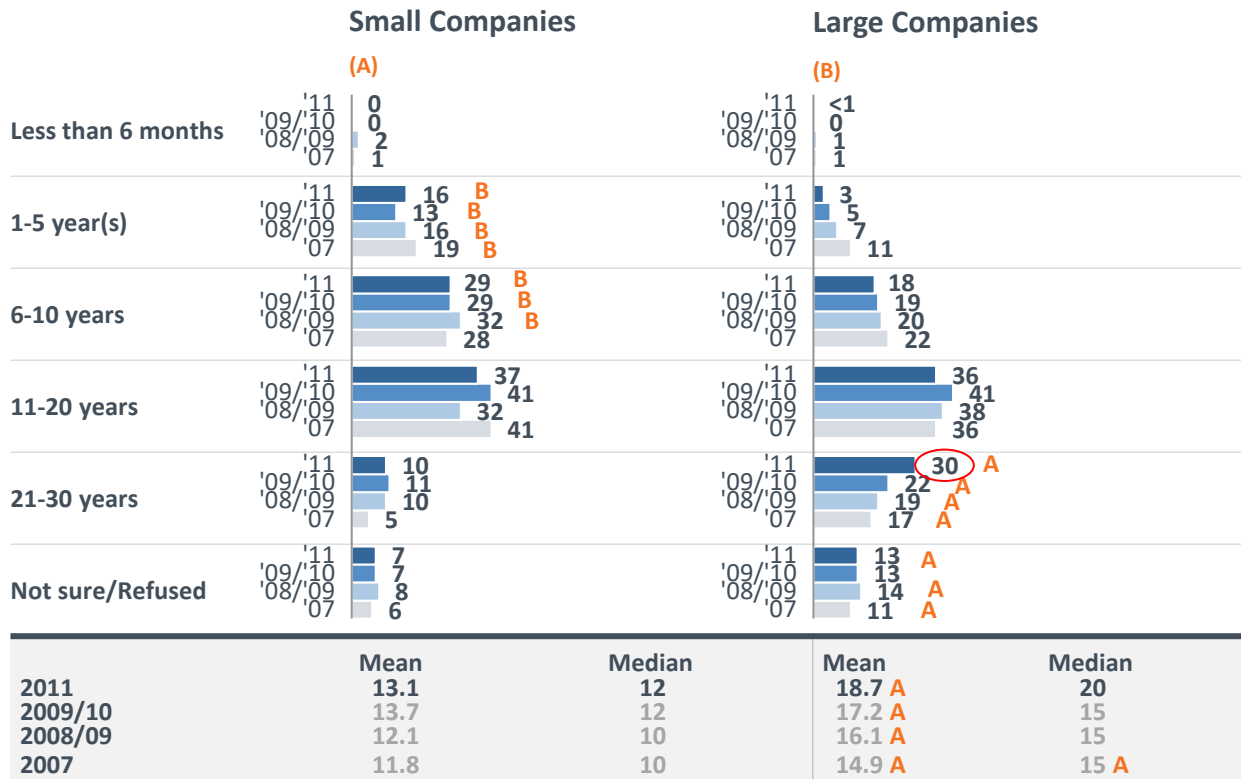


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q620. How long have you offered a 401(k) or other employee-funded retirement plan at your company?

Employee-Funded Retirement Plan – Length of Sponsorship

- Larger companies have generally offered employee-funded plans for a longer time than small companies.



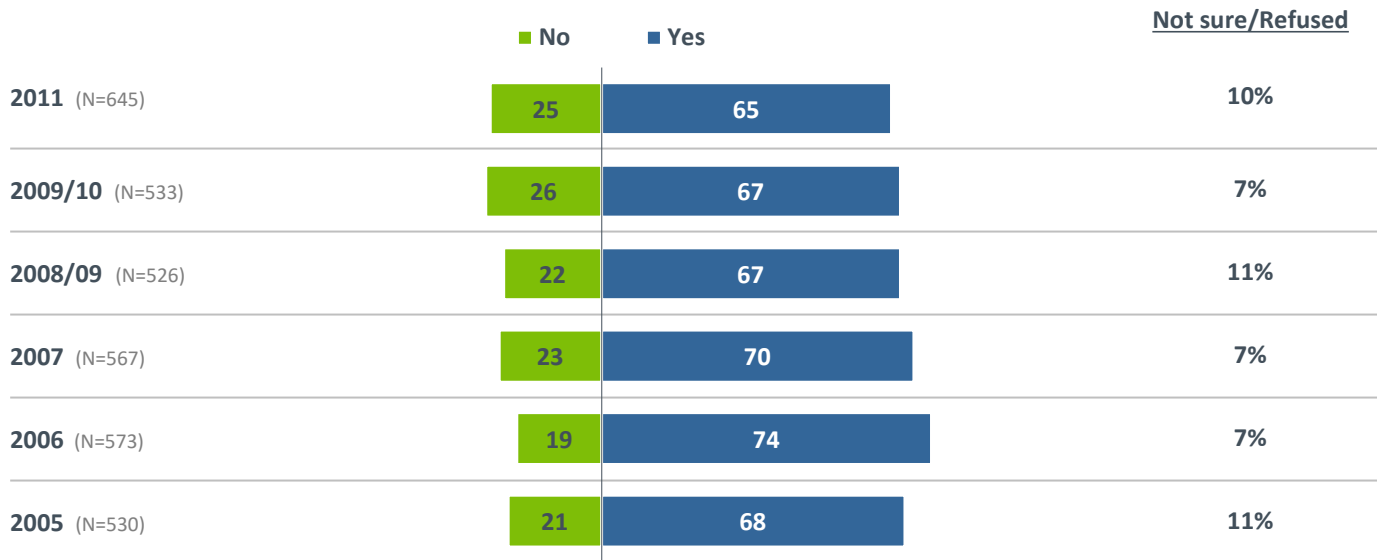
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN; Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364);

Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q620. How long have you offered a 401(k) or other employee-funded retirement plan at your company?

Use of Outside Advisors

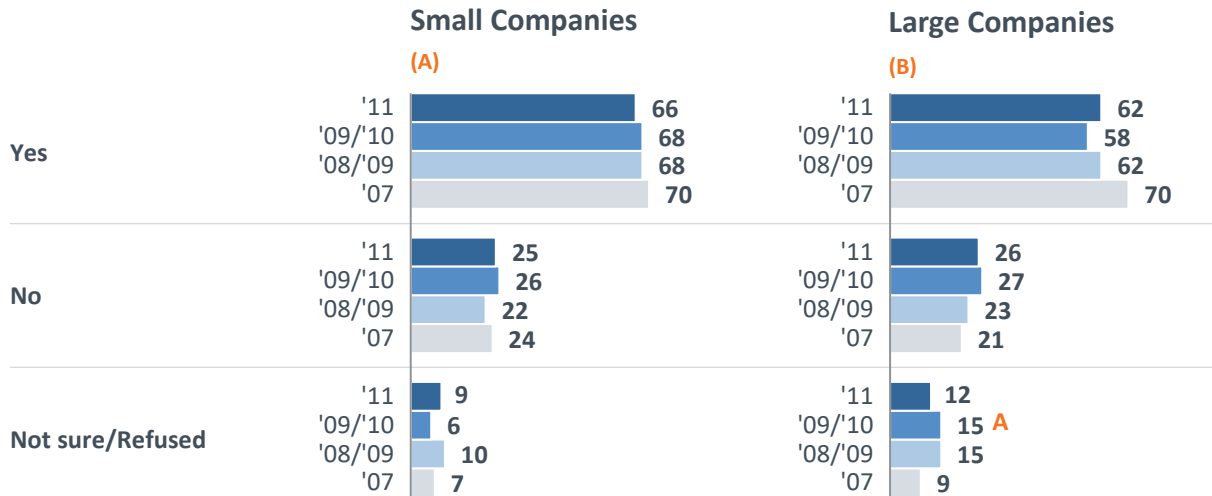
- About two-thirds of employers offering an employee-funded plan use an outside advisor to help select the retirement plan, similar to previous years, but there appears to be a gradual trend of fewer companies using an outside advisor since 2006.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
 Q690. Did you use an outside advisor to help you select your retirement plan?

Use of Outside Advisors

- Employers are likely to use an outside advisor regardless of company size.



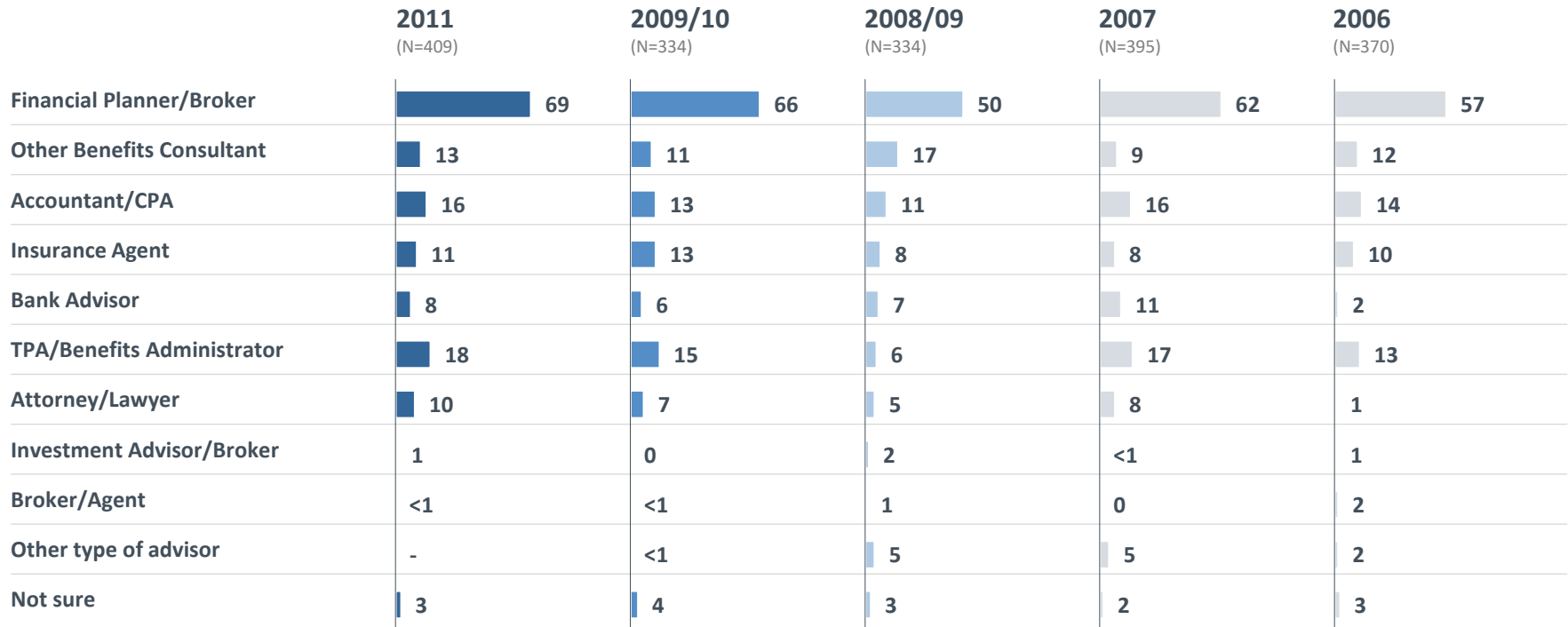
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364);

Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q690. Did you use an outside advisor to help you select your retirement plan?

Types of Advisors

- Financial planners/brokers are the most frequently used type of financial advisor.



BASE: USED OUTSIDE ADVISOR TO HELP SELECT PLAN
 Q700. What type of advisor did you use? SELECT ALL THAT APPLY

Types of Advisors

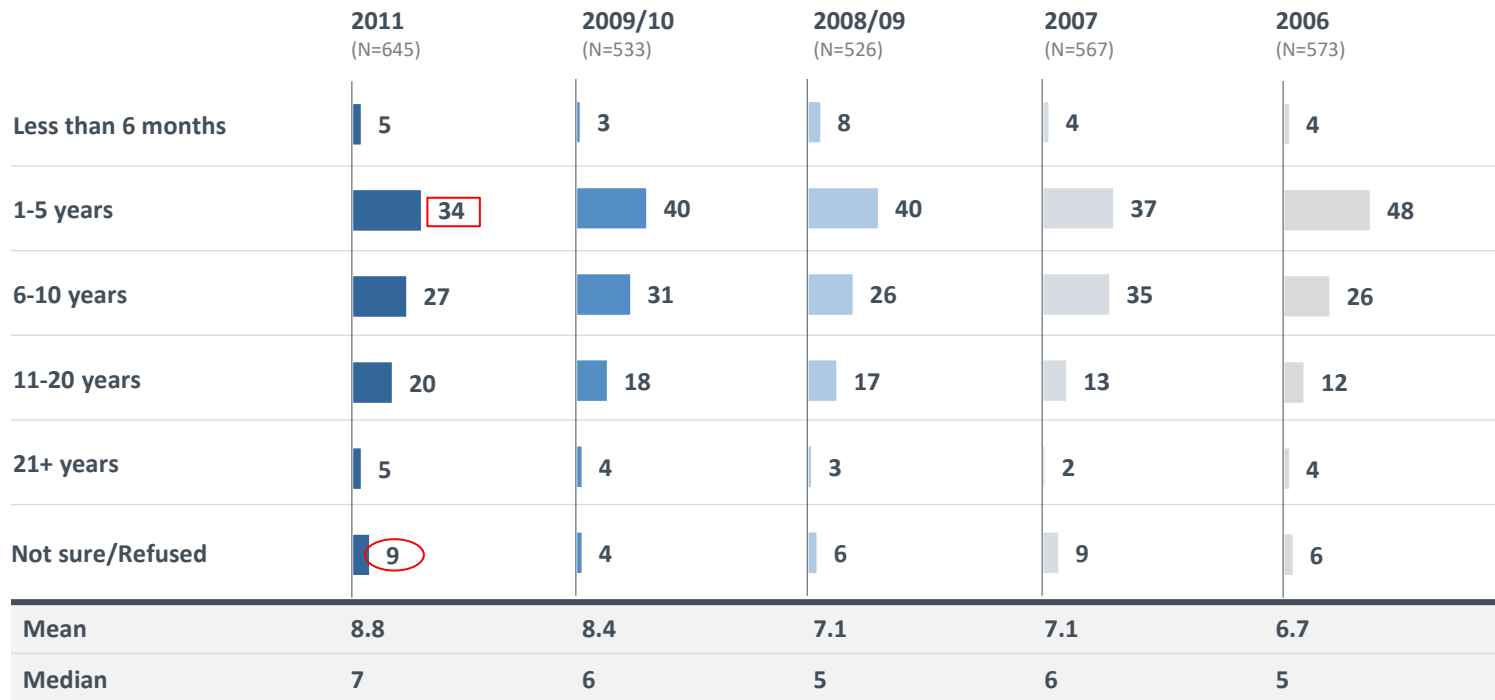
- Small companies are more likely to use financial planners/brokers than large companies and also consult with accountants and insurance agencies more than large companies do.
- The number of large companies using benefits consultants dropped in 2011 to levels seen in 2007-2009 but still significantly exceeds the number of small companies using this resource.

	Small Companies (A)				Large Companies (B)			
	2011 (N=234)	2009/10 (N=173)	2008/09 (N=160)	2007 (N=212)	2011 (N=175)	2009/10 (N=161)	2008/09 (N=174)	2007 (N=183)
Financial Planner/Broker	71% B	68% B	48%	63%	57%	52%	57%	60%
Other Benefits Consultant	11%	9%	16%	7%	26% A	35% A	23%	23% A
Accountant/CPA	17% B	14%	12%	17% B	8%	7%	6%	5%
Insurance Agent	11% B	14% B	8%	8%	3%	3%	4%	3%
Bank Advisor	8%	6%	7%	12% B	8%	6%	2%	3%
TPA/Benefits Administrator	18%	15%	6%	18% B	21%	10%	10%	9%
Attorney/Lawyer	8%	7%	4%	7%	25% A	13%	10% A	10%
Investment advisor/broker	0%	–	2%	–	2% A	1% A	–	1%
Broker/Agent	–	0%	1%	–	–	1%	–	–
Other type of advisor	<1%	<1%	6%	5%	2%	3% A	1%	5%
Not Sure	3%	4%	3%	2%	7% A	4%	5%	4%

BASE: USED OUTSIDE ADVISOR TO HELP SELECT PLAN
Q700. What type of advisor did you use? SELECT ALL THAT APPLY

Plan Administrator History

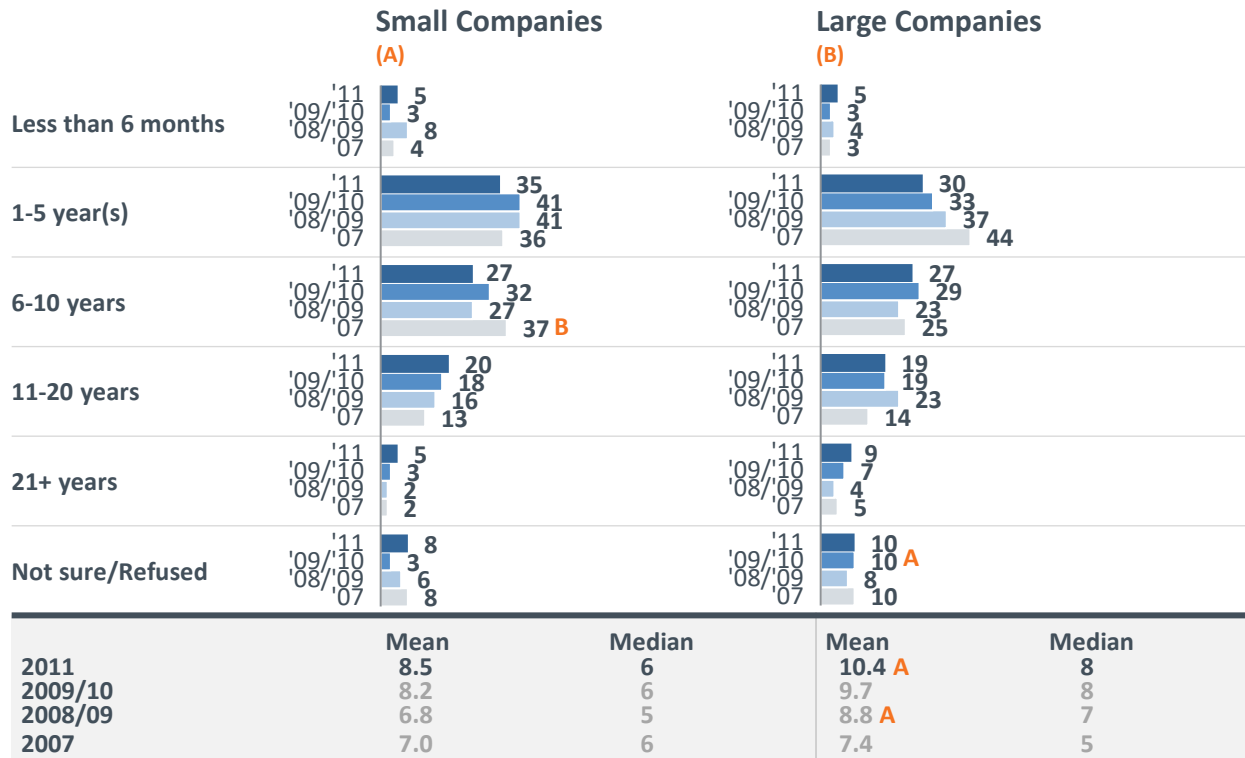
- Most employers have stayed with the same plan administrator for at least five years.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
Q630. How long have you used your current retirement plan administrator?

Plan Administrator History

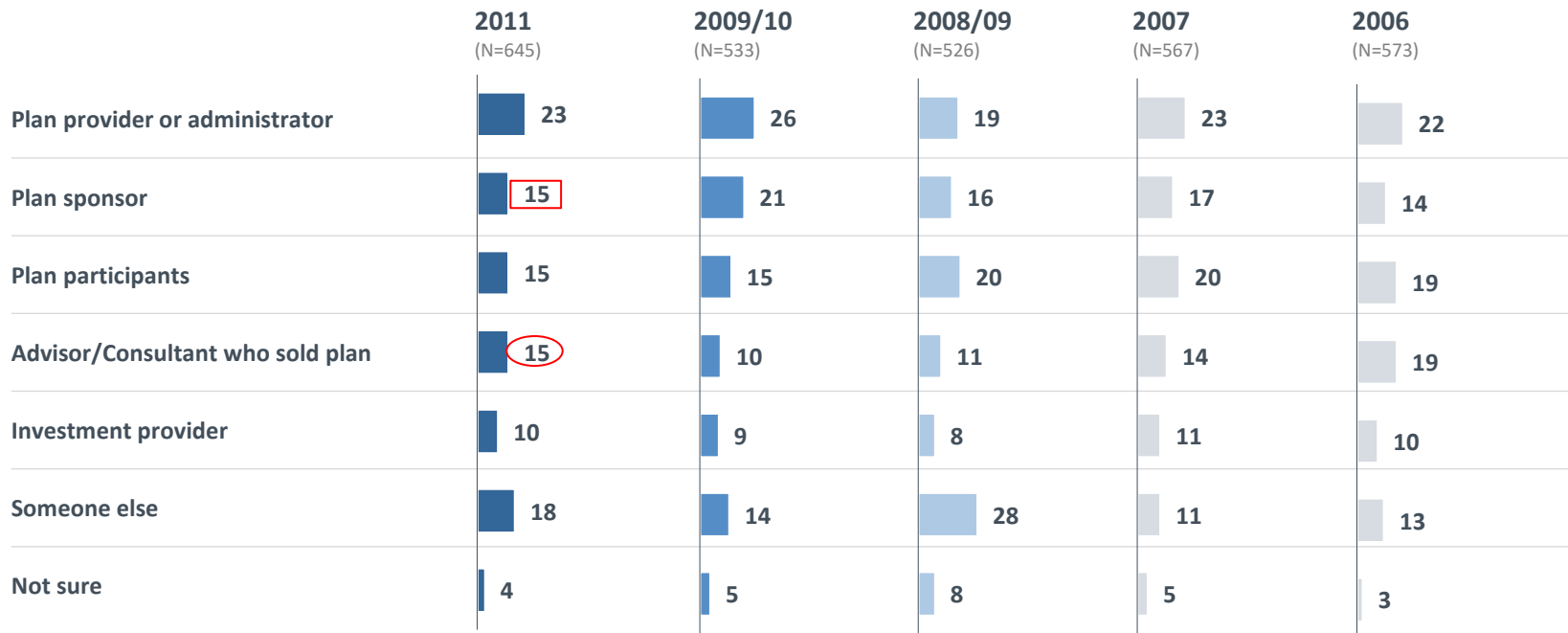
- Both large and small companies tend to have a long-standing history with their administrators.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); **Large Companies:** '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q630. How long have you used your current retirement plan administrator?

Accountability for Selecting/Monitoring Investment Options

- Companies are most likely to consider the plan provider or administrator to be accountable for selecting and monitoring the investment options in their companies' plans. This year's survey found an increase in the number of companies that view the advisor or consultant who sold the plan as accountable.

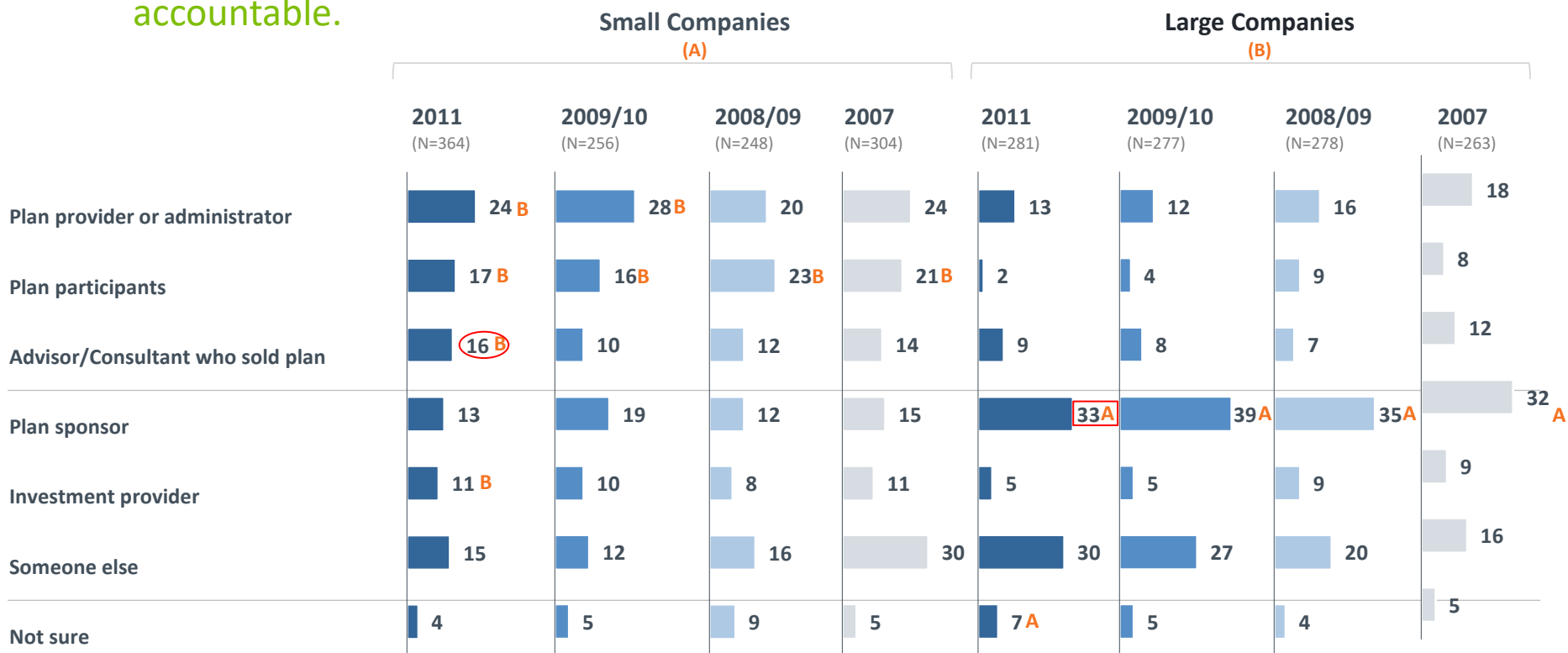


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q710. Who from the following list is most accountable for selecting and monitoring the investment options in your company's retirement plan?

Accountability for Selecting/Monitoring Investment Options

- Large companies are likely to view the plan sponsor as accountable for selecting and monitoring the plan's investments.
- Small companies are most likely to view the provider or administrator as accountable.

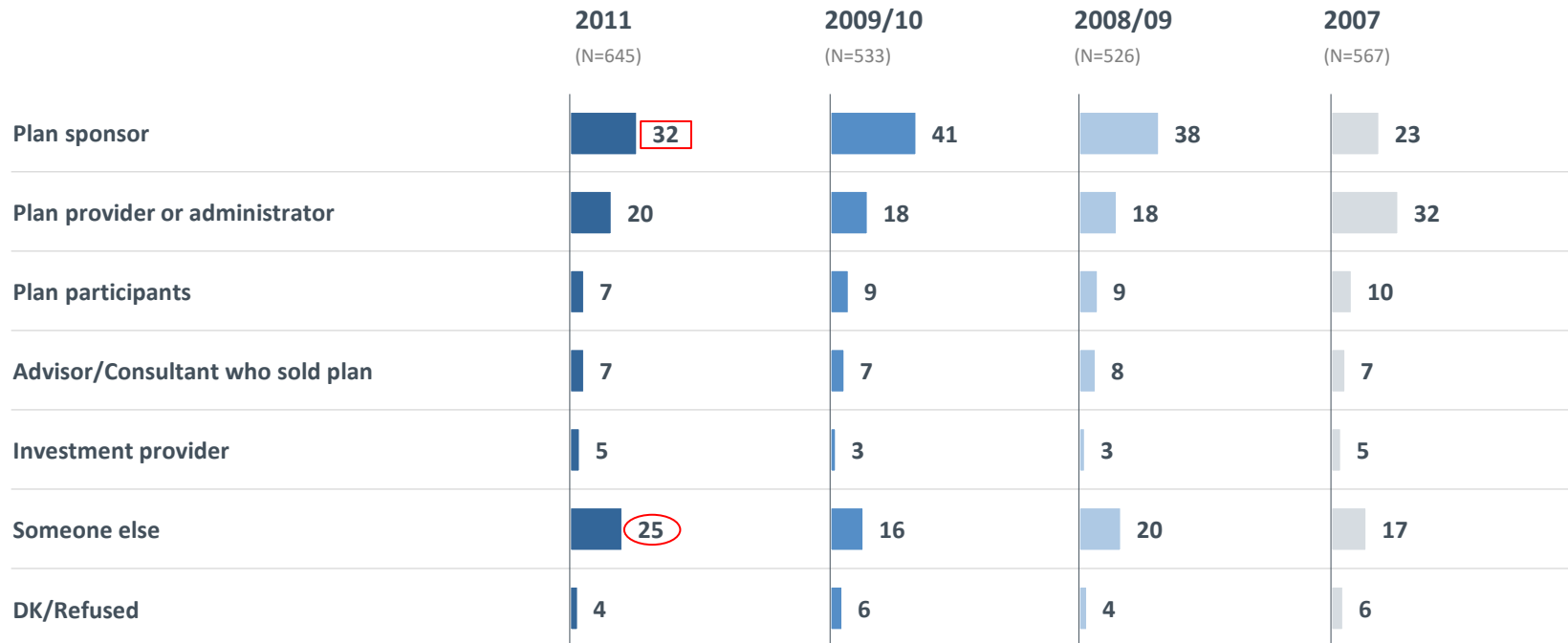


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q710. Who from the following list is most accountable for selecting and monitoring the investment options in your company's retirement plan?

Responsibility for Monitoring Fees & Expenses

- The number of companies that view themselves as responsible for monitoring fees and expenses dropped significantly this year.

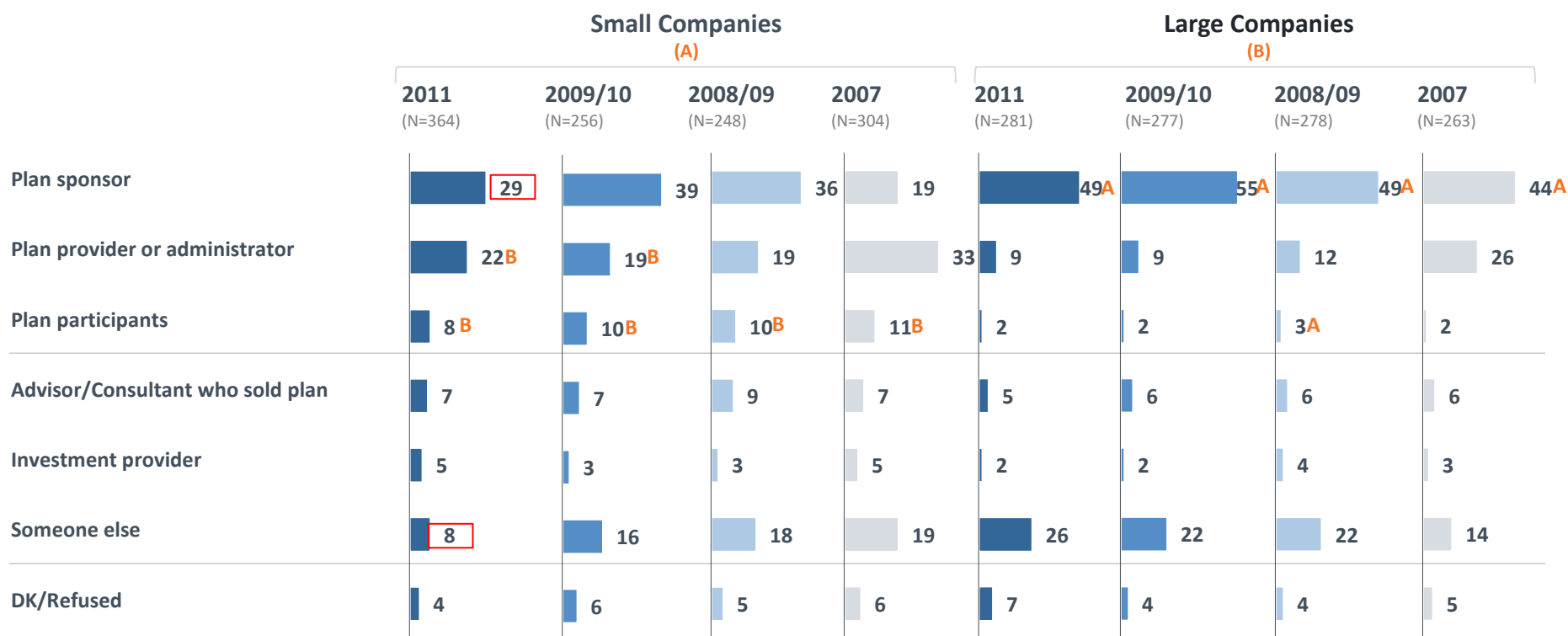


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1035. Who is ultimately responsible for monitoring fees and expenses associated with the retirement plan?

Responsibility for Monitoring Fees & Expenses

- Large companies are more likely than small companies to believe the plan sponsor is ultimately responsible for monitoring fees; this is in line with large companies being more likely to hold themselves accountable for plan options.

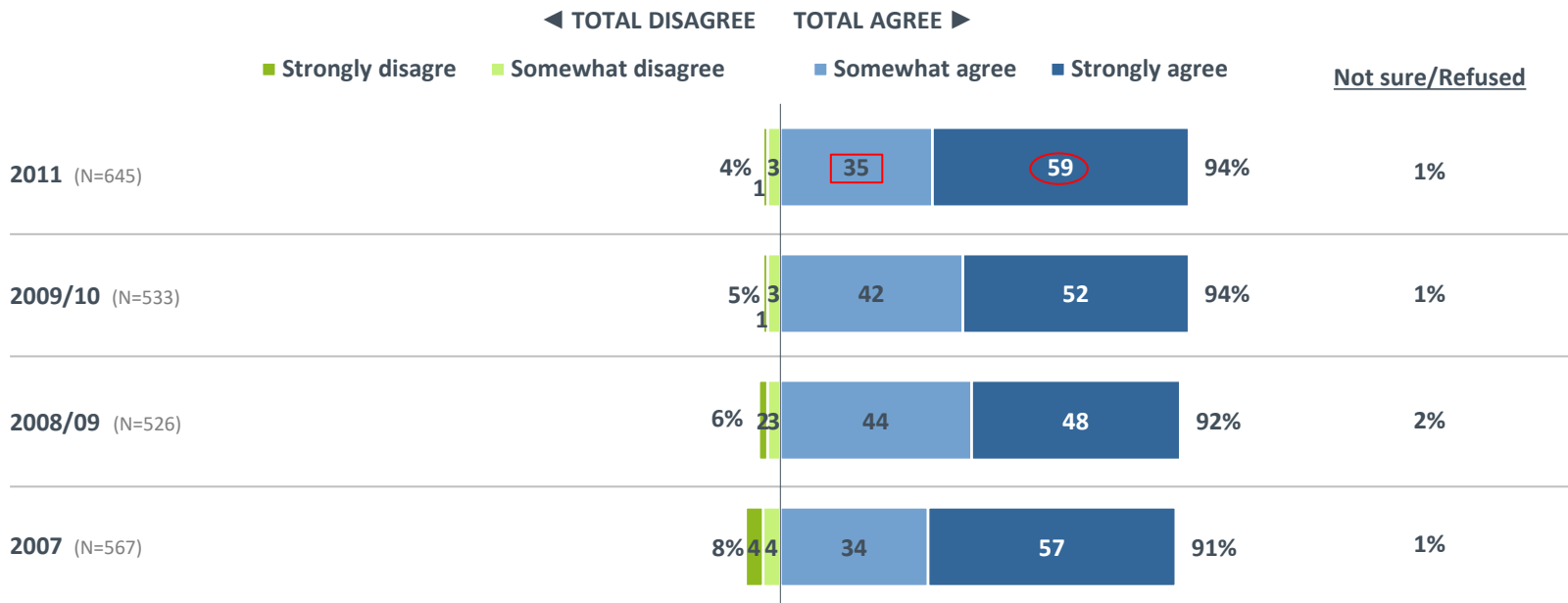


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1035. Who is ultimately responsible for monitoring fees and expenses associated with the retirement plan?

Employer Understanding of Plan Fees/Expenses

- The vast majority of companies agree that those in their firms who are responsible for overseeing their retirement plans have a clear understanding of fees and expenses associated with the retirement plan.

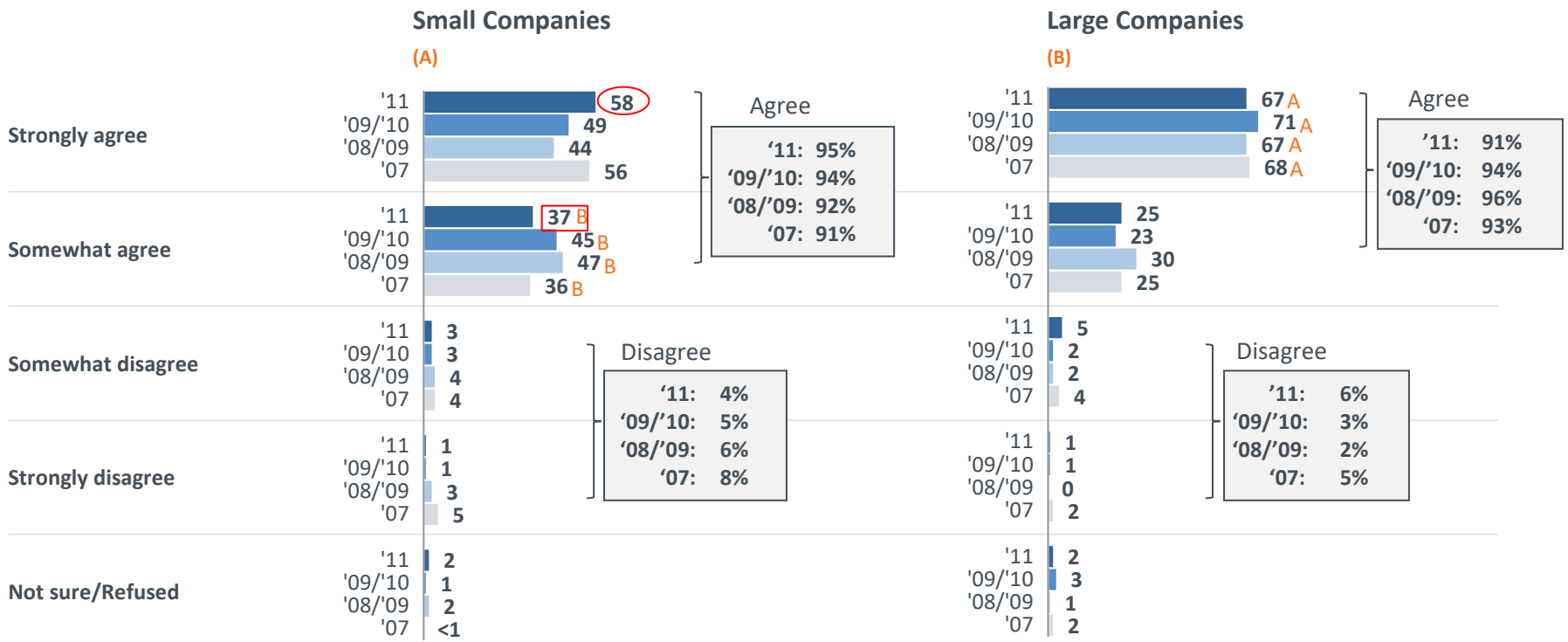


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1039. People at our company, who are responsible for overseeing the company's retirement plan, have a clear understanding of the fees and expenses associated with the retirement plan.

Employer Understanding of Plan Fees/Expenses

- Small companies level of agreement that the people responsible at their company have a clear understanding of fees and expenses has steadily increased.

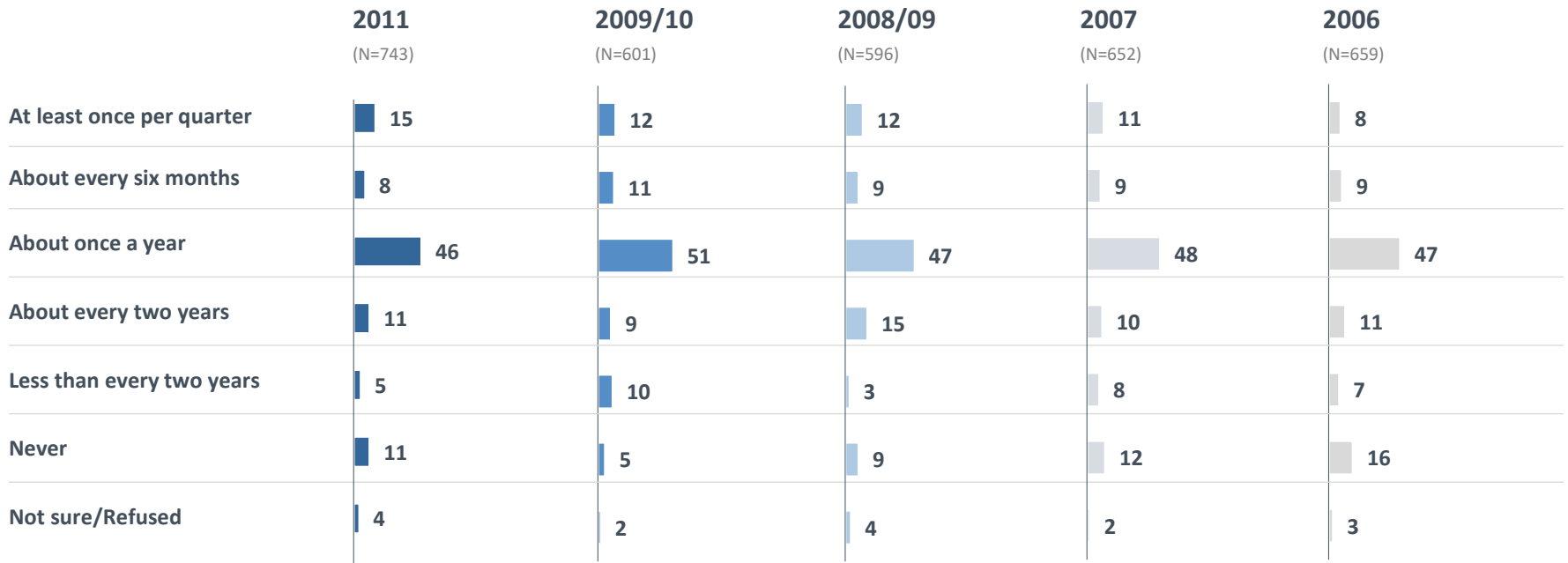


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q1039. People at our company, who are responsible for overseeing the company's retirement plan, have a clear understanding of the fees and expenses associated with the retirement plan.

Frequency of Retirement Benefits Evaluation

- Seven of ten employers evaluate retirement benefit offerings at least once a year.

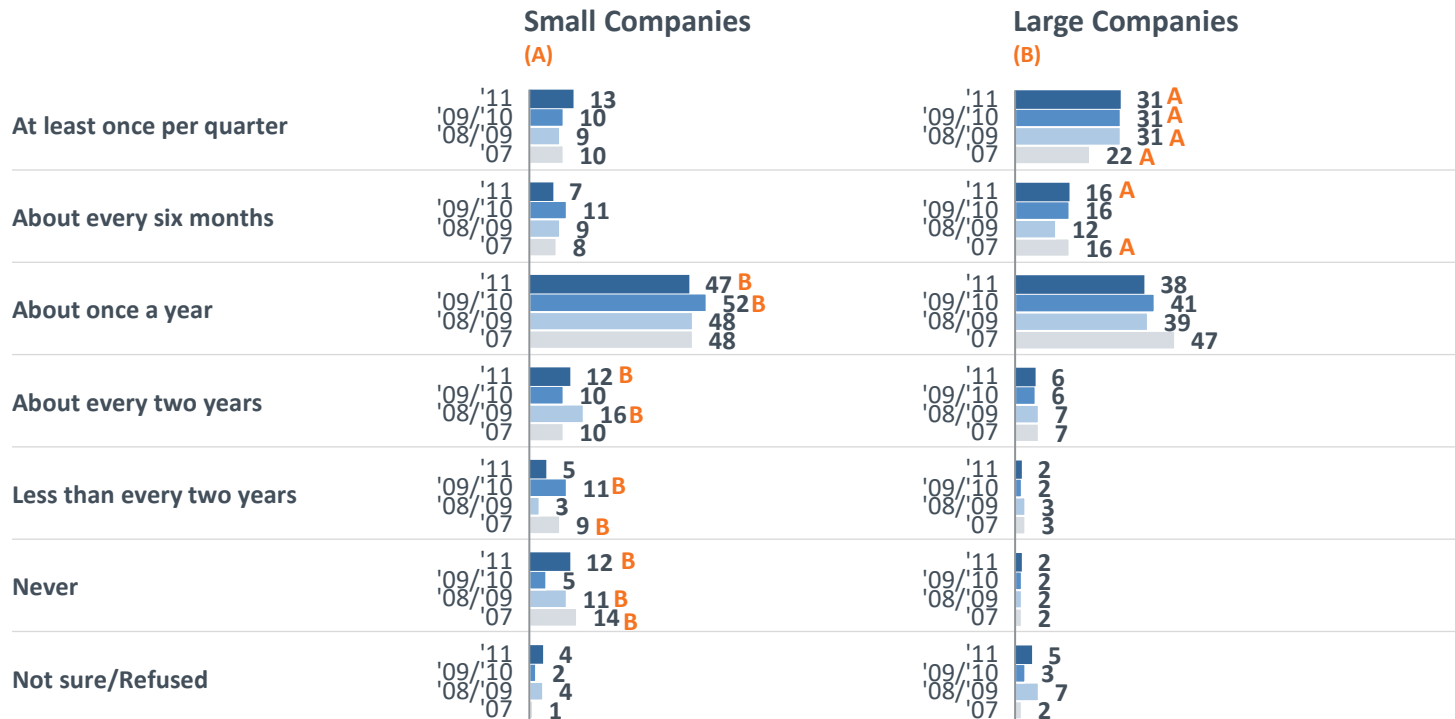


BASE: TOTAL RESPONDENTS

Q790. How frequently does your company evaluate the retirement benefits offered to employees?

Frequency of Retirement Benefits Evaluation

- Large companies are more likely than small companies to evaluate retirement benefit offerings quarterly.
- Small companies tend to review less frequently.

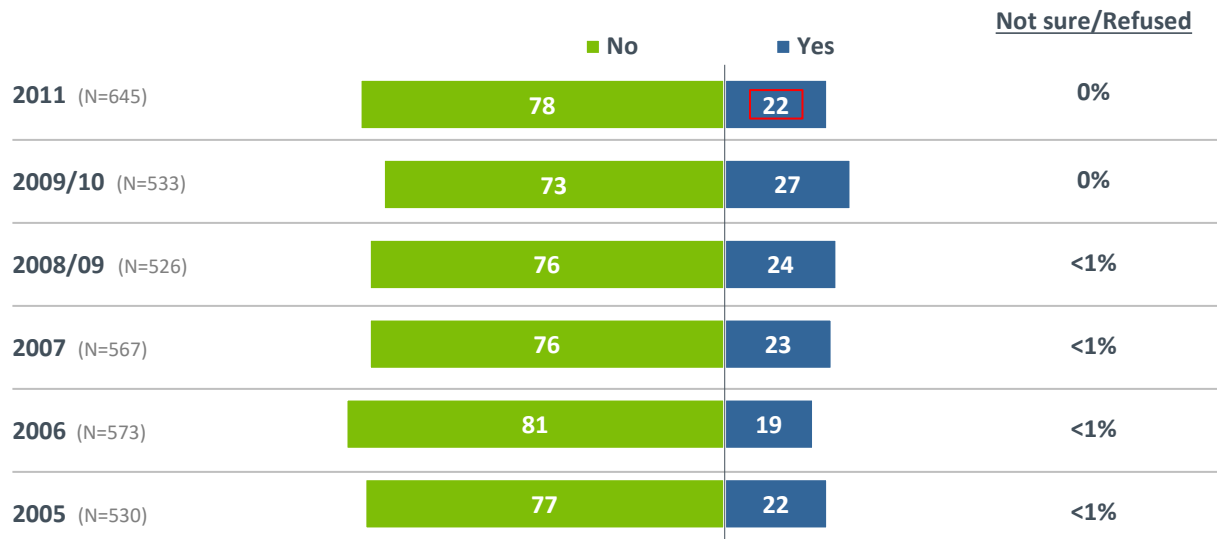


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q790. How frequently does your company evaluate the retirement benefits offered to employees?

Changes Made to the 401(k) Plan In the Past 12 Months

- Only 22 percent of companies reported making any changes to their 401(k) or similar plan in the last 12 months. This represents a decrease in the number of companies that made a change to their 401(k) plan compared to 2009/10.

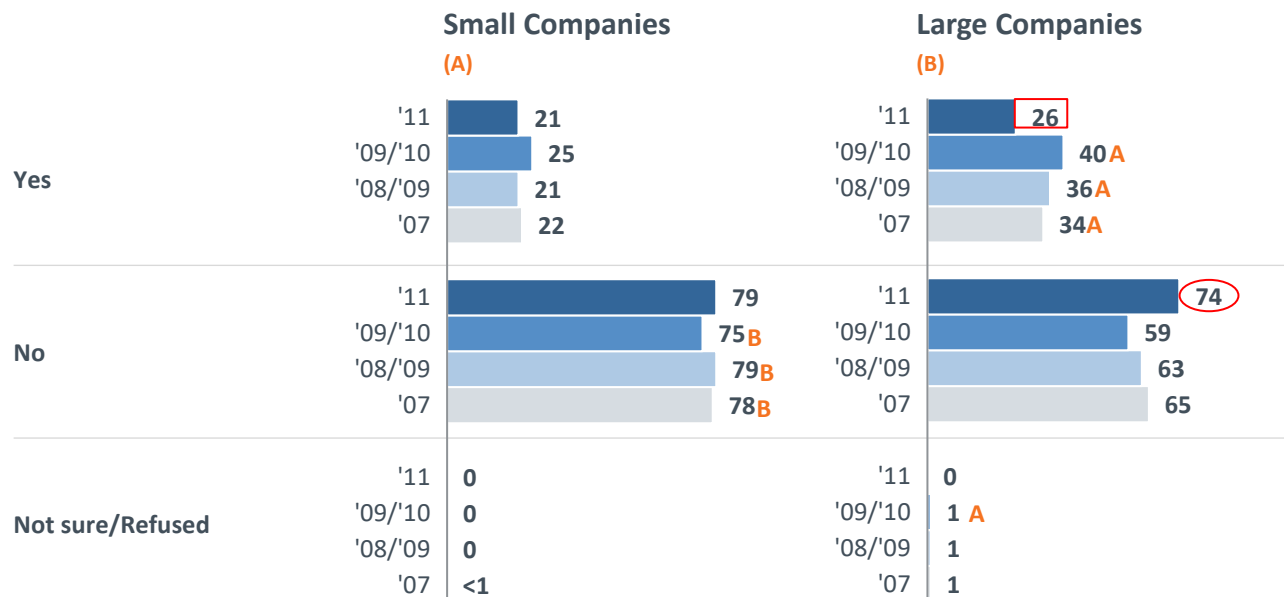


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q670. In the past 12 months, has your company made any changes to its 401(k) plan or other employee self-funded plan?

Changes Made to the 401(k) Plan In the Past 12 Months

- Fewer companies, both large and small, made changes to their plan this year.

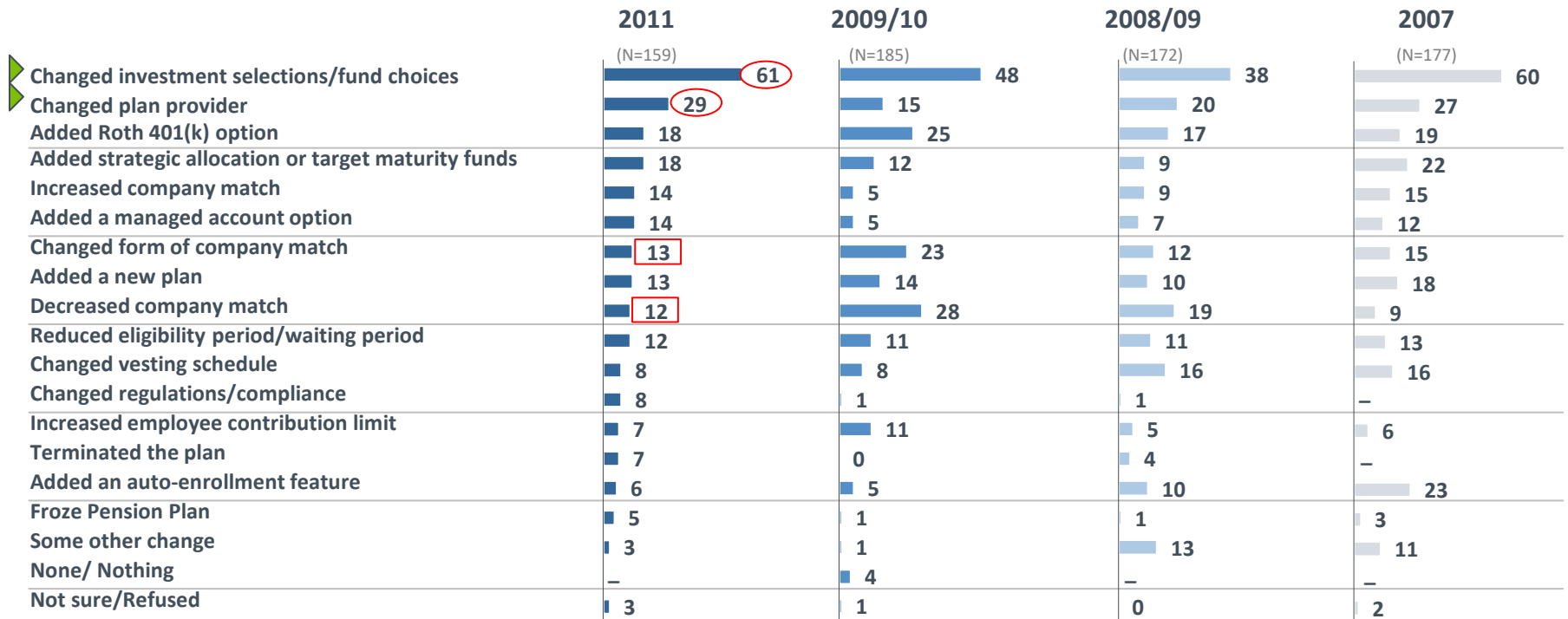


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN **Small Companies:** '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); **Large Companies:** '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q670. In the past 12 months, has your company made any changes to its 401(k) plan or other employee self-funded plan?

Changes Made to the 401(k) Plan In the Past 12 Months

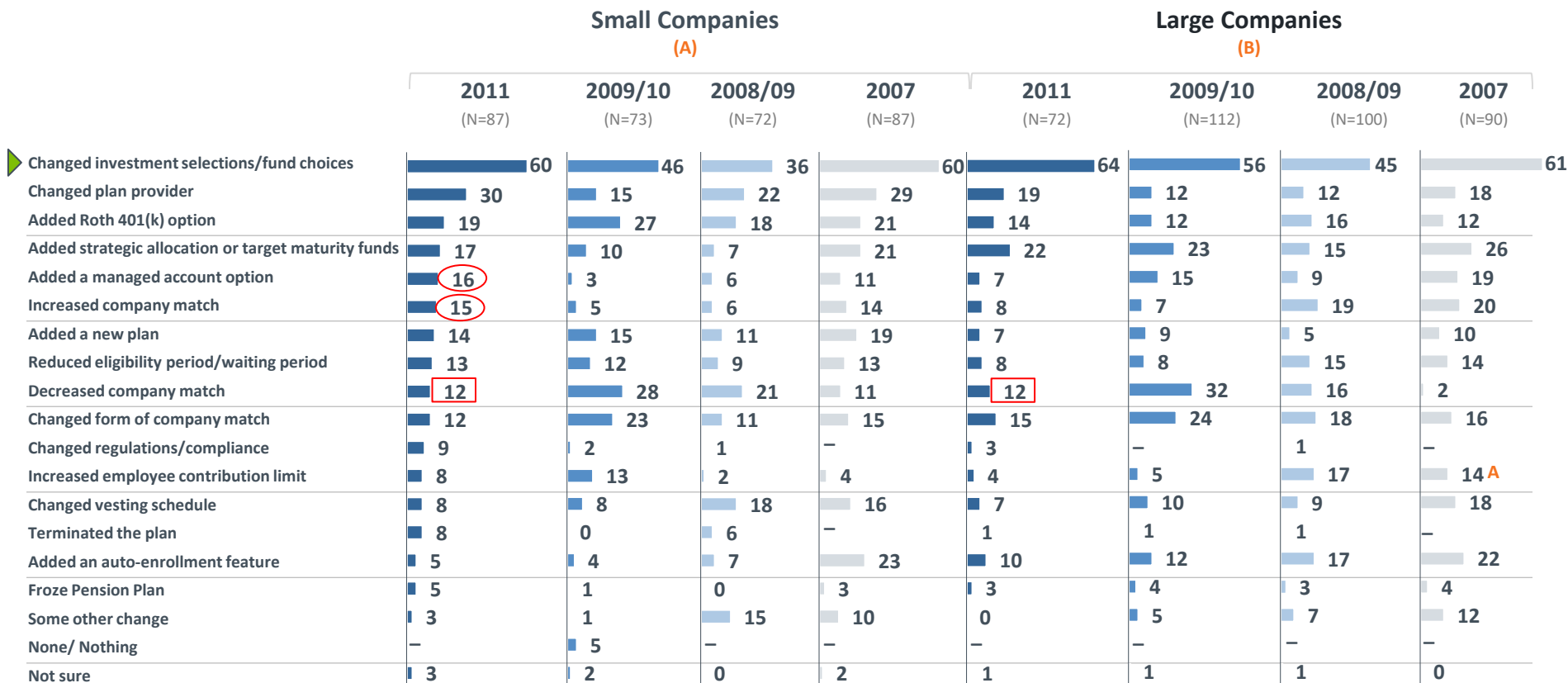
- The number of employers changing investment selections/fund choices and plan providers both returned to 2007 levels, occurring in many more companies in 2011.
- Fewer companies decreased their company match.



BASE: MADE CHANGES TO PLAN IN LAST YEAR
Q680. What was changed in the plan? CHOOSE ALL THAT APPLY

Changes Made to the 401(k) Plan In the Past 12 Months

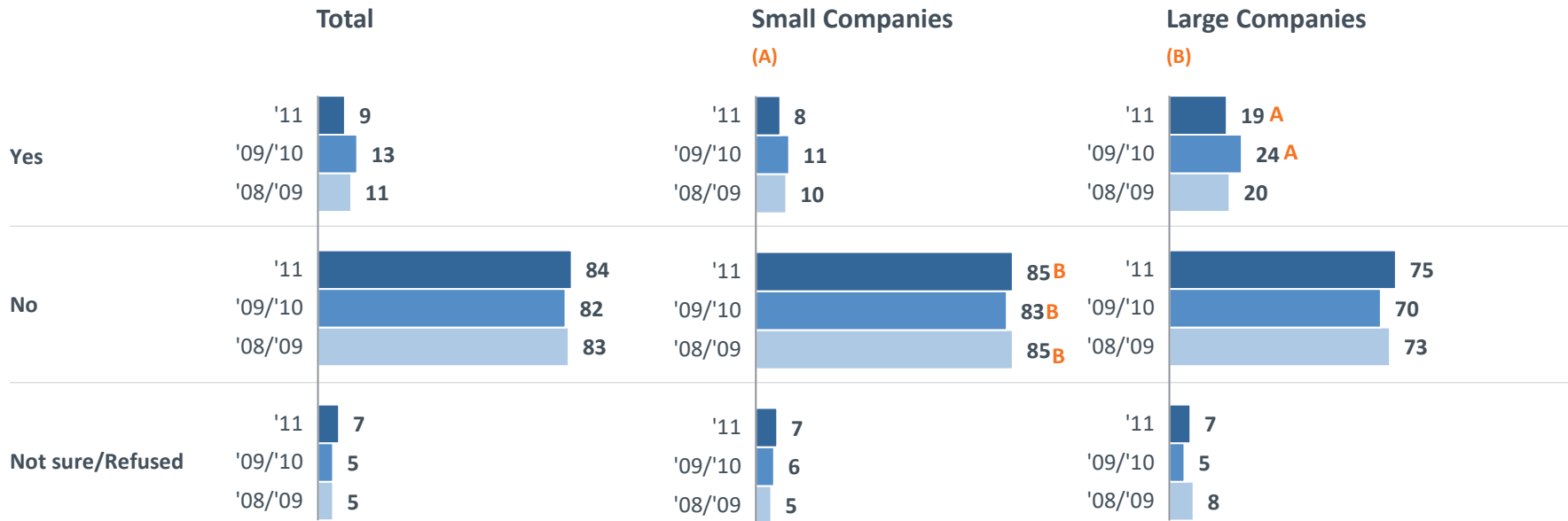
- More small companies that made changes to their plans added a managed account this year and increased the match.



BASE: MADE CHANGES TO PLAN IN LAST YEAR
Q680. What was changed in the plan? CHOOSE ALL THAT APPLY

Considering Changes to 401(k) Plan in the Next 12 Months

- Overall, only about one in ten companies are considering making any changes to their 401(k) or similar plans in the 12 months.
- However, large companies are more likely than small companies to consider making changes.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN : Total : '08/'09 (N=526), '09/'10 (N=533), '11 (N=645); Small Companies: '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q1430. In the next 12 months, is your company considering making any changes to its 401(k) plan or other employee self-funded plan?

Considering Changes to 401(k) Plan in the Next 12 Months

- Of those considering a change to their 401(k) or similar plan in the next 12 months, “changing investment selections/fund choices” was the most frequently cited change.

	Total			Small Companies			Large Companies		
	2011 (N=88)	2009/10 (N=101)	2008/09 (N=87)	2011 (N=35*)	2009/10 (N=34*)	2008/09 (N=33*)	2011 (N=53)	2009/10 (N=67)	2008/09 (N=54)
Change investment selections/fund choices	45%	34%	36%	41%	29%	33%	59%	54%	43%
Change plan provider	32%	30%	13%	31%	34%	10%	36%	18%	20%
Increase company match	26%	21%	18%	25%	17%	18%	26%	36%	16%
Add an auto-enrollment feature	13%	7%	19%	12%	1%	22%	17%	27%	11%
Add Roth 401 (k) option	10%	30%	23%	8%	32%	30%	17%	26%	8%
Change form of company match	8%	22%	22%	7%	22%	24%	13%	24%	17%
Decrease company match	8%	13%	9%	9%	16%	6%	6%	3%	17%
Add a new plan	6%	18%	10%	6%	22%	13%	6%	6%	4%
Add strategic allocation or target maturity funds	6%	4%	14%	5%	2%	14%	9%	10%	13%
Increase employee contribution limit	6%	4%	6%	7%	4%	6%	4%	4%	7%
Terminate the plan	6%	3%	–	8%	3%	–	0%	–	–
Add a managed account option	4%	3%	10%	3%	1%	7%	6%	9%	16%
Reduce eligibility period/waiting period	4%	5%	2%	3%	4%	1%	6%	6%	4%
Change vesting schedule	2%	6%	10%	1%	8%	12%	4%	3%	5%
Consolidation of plans	–	0%	2%	–	0%	1%	–	0%	4%
Freeze the plan	–	<1%	–	–	1%	–	–	–	–
Some other change	–	1%	5%	–	1%	6%	–	3%	2%
None/Nothing	–	0%	1%	–	0%	0%	–	–	2%
Not sure/Refused	7%	<1%	1%	9%	–	1%	4%	2%	2%

*No Significance testing due to small base sizes

BASE: Plans to MAKE CHANGES TO PLAN IN NEXT 12 MONTHS

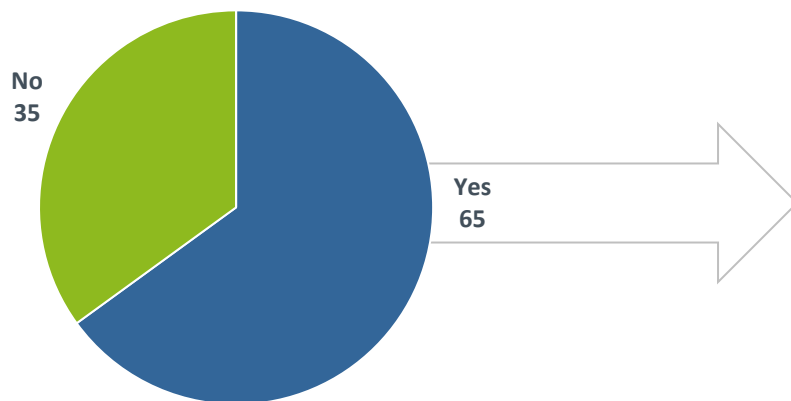
Q1435. What changes is your company considering to make in its 401(k) or other employee self-funded plan in the next 12 months? Choose ALL that apply.

Awareness New Fee Disclosure Regulation And Plan Evaluation

- Two-thirds of companies are aware of the Department of Labor's new fee disclosure regulations, and of those companies that are aware, over half (55 percent) say they will reevaluate their retirement plan's fees and expenses when the regulations go into effect.

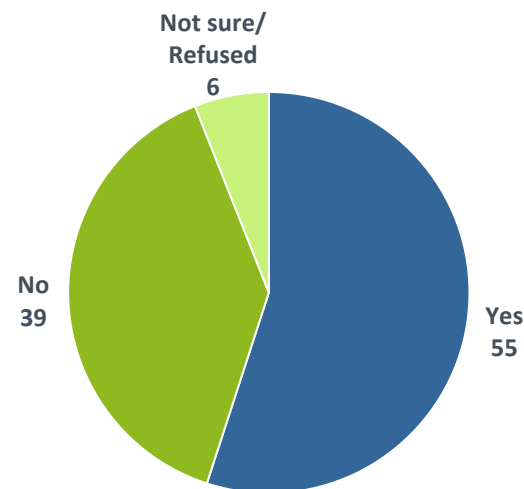
Awareness of New Fee Disclosure Regulation

(N=645)



Evaluation of Retirement Plan Fees and Expenses After Regulation Takes Effect

(N=476)



Base: Offers 401(k) or Other Self Funded Plan

NEW QUESTION IN WAVE 12 Q1625. Are you aware of the Department of Labor's new fee disclosure regulations being required of retirement plan providers that will become effective during 2011?

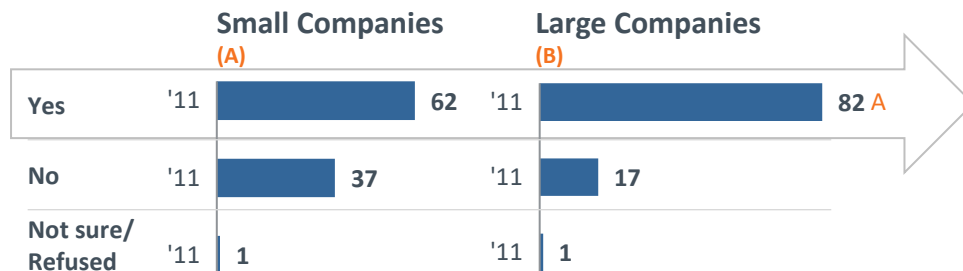
Base: Aware of New Fee Disclosure

NEW QUESTION IN WAVE 12 Q1630. When the new regulations are implemented, will that lead you to evaluate your retirement plan's fees and expenses?

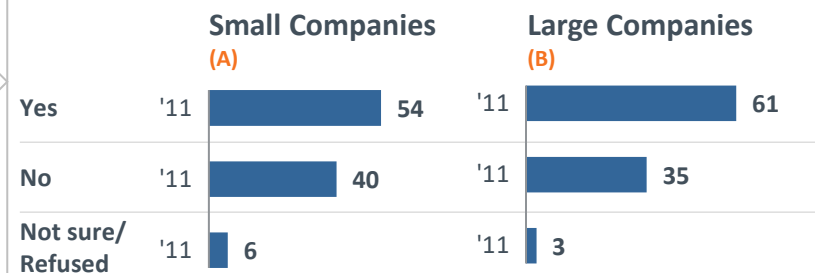
Awareness New Fee Disclosure Regulation And Plan Evaluation

- While the majority of companies are aware of the new regulations, large companies are more likely to be aware. Large companies are also more likely to evaluate their retirement plan's fees and expenses when the new regulations are implemented.

Awareness of New Fee Disclosure Regulation



Evaluation of Retirement Plan Fees and Expenses After Regulation Takes Effect



Base: Offers 401(k) or Other Self Funded Plan **Small Companies:** '11 (N=364); **Large Companies:** '11 (N=281)

NEW QUESTION IN WAVE 12 Q1625. Are you aware of the Department of Labor's new fee disclosure regulations being required of retirement plan providers that will become effective during 2011?

Base: Aware of New Fee Disclosure **Small Companies:** '11 (N=246); **Large Companies:** '11 (N=230)

NEW QUESTION IN WAVE 12 Q1630. When the new regulations are implemented, will that lead you to evaluate your retirement plan's fees and expenses?

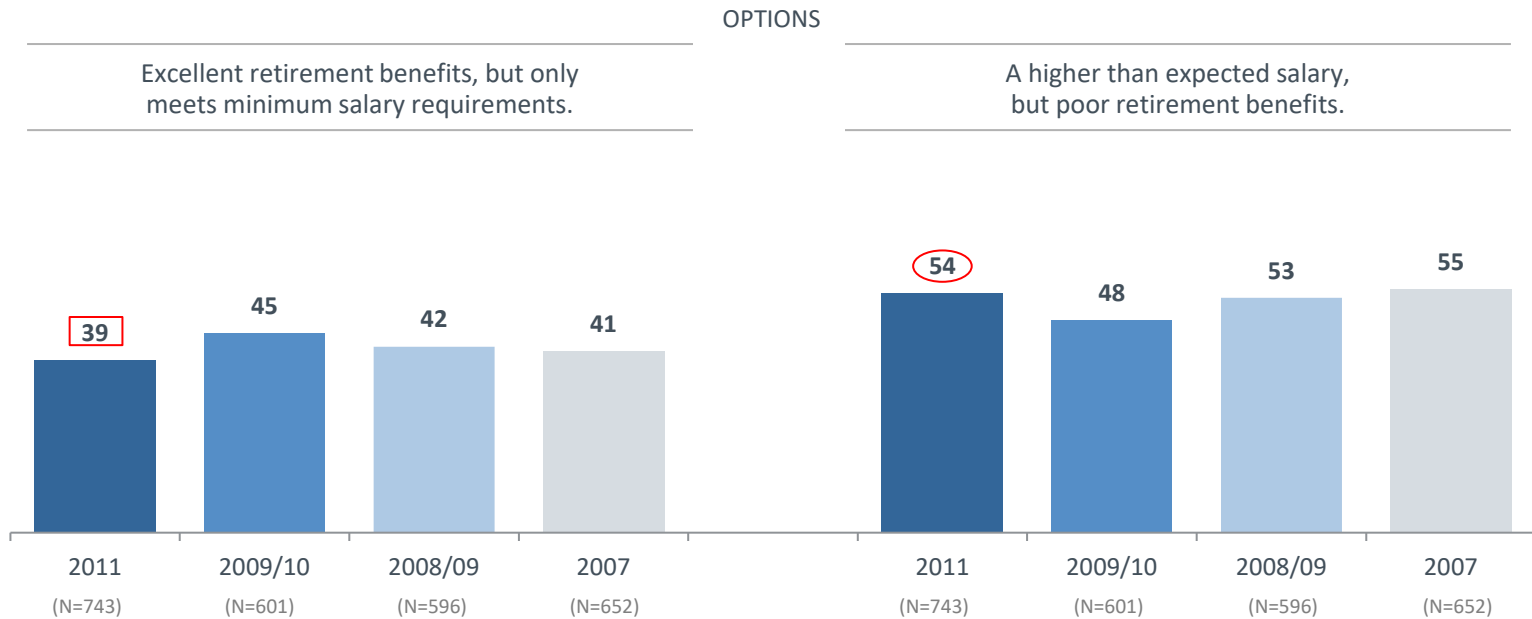


Detailed Findings

- Economic Expectations
- Perceptions of the Relative Importance of Various Employee Benefits
- Benefit Offerings, including Retirement Benefits
- Perceptions and Management of Current Retirement Plan Offerings
- Perceptions of Employee Involvement with Retirement Planning

Perceived Employee Preferences for Salary v. Retirement Benefits

- Employers feel that employees are more interested in a higher salary this year. This is a rebound to sentiment felt in 2007-2009.



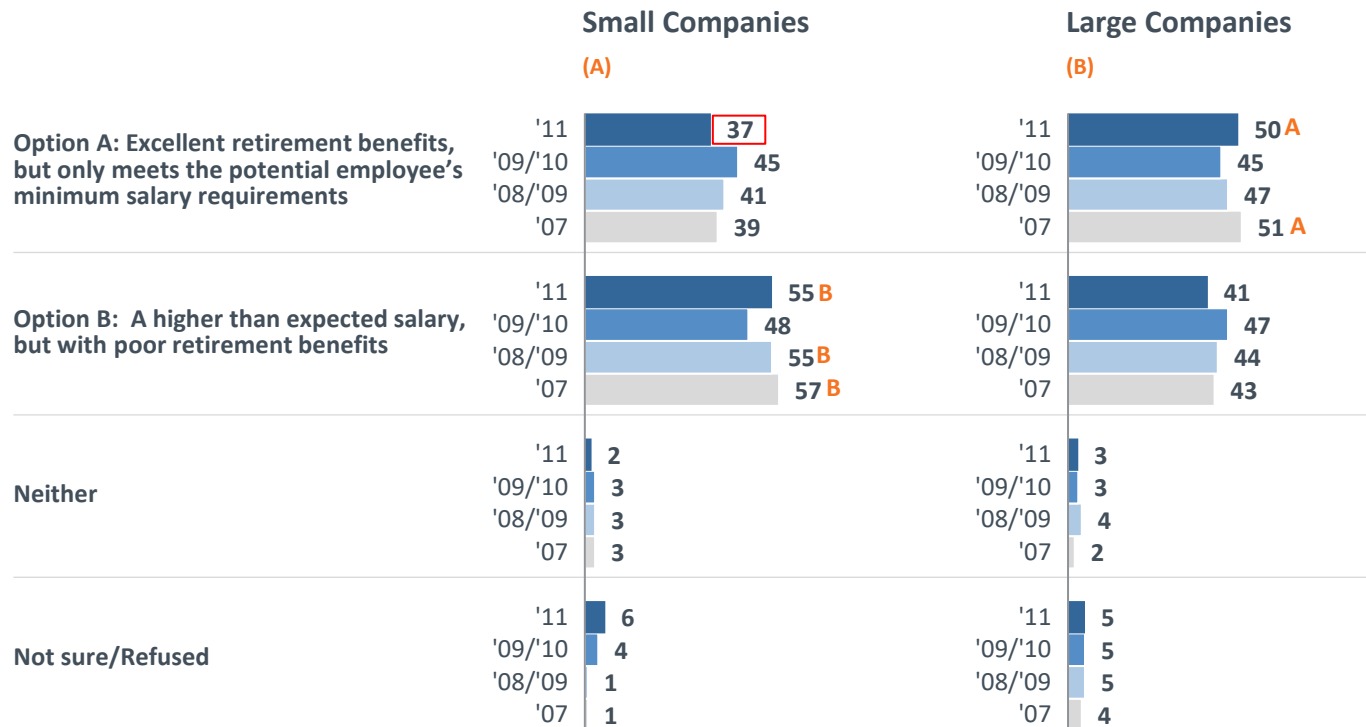
NOTE: Percentages do not add up to 100% because employers were allowed to state "neither" or "not sure."

BASE: TOTAL RESPONDENTS

Q760. Suppose you could offer the following two choices in a job offer to a potential employee. Which one do you feel would be of greater interest to a potential employee?

Perceived Employee Preferences for Salary v. Retirement Benefits

- Large companies are more likely to believe that their employees would favor excellent retirement benefits, while small companies believe that their employees would prefer higher salaries.

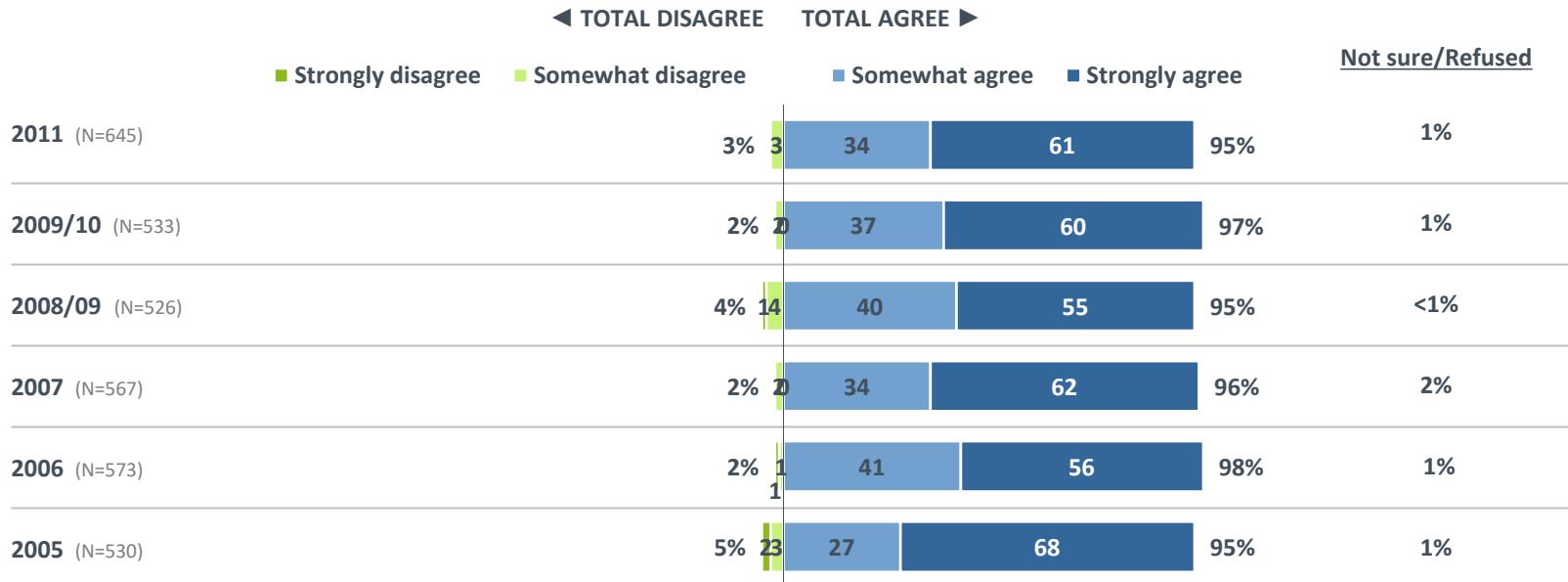


BASE: TOTAL RESPONDENTS; Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q760. Suppose you could offer the following two choices in a job offer to a potential employee. Which one do you feel would be of greater interest to a potential employee?

Perceived Employee Satisfaction with Plan

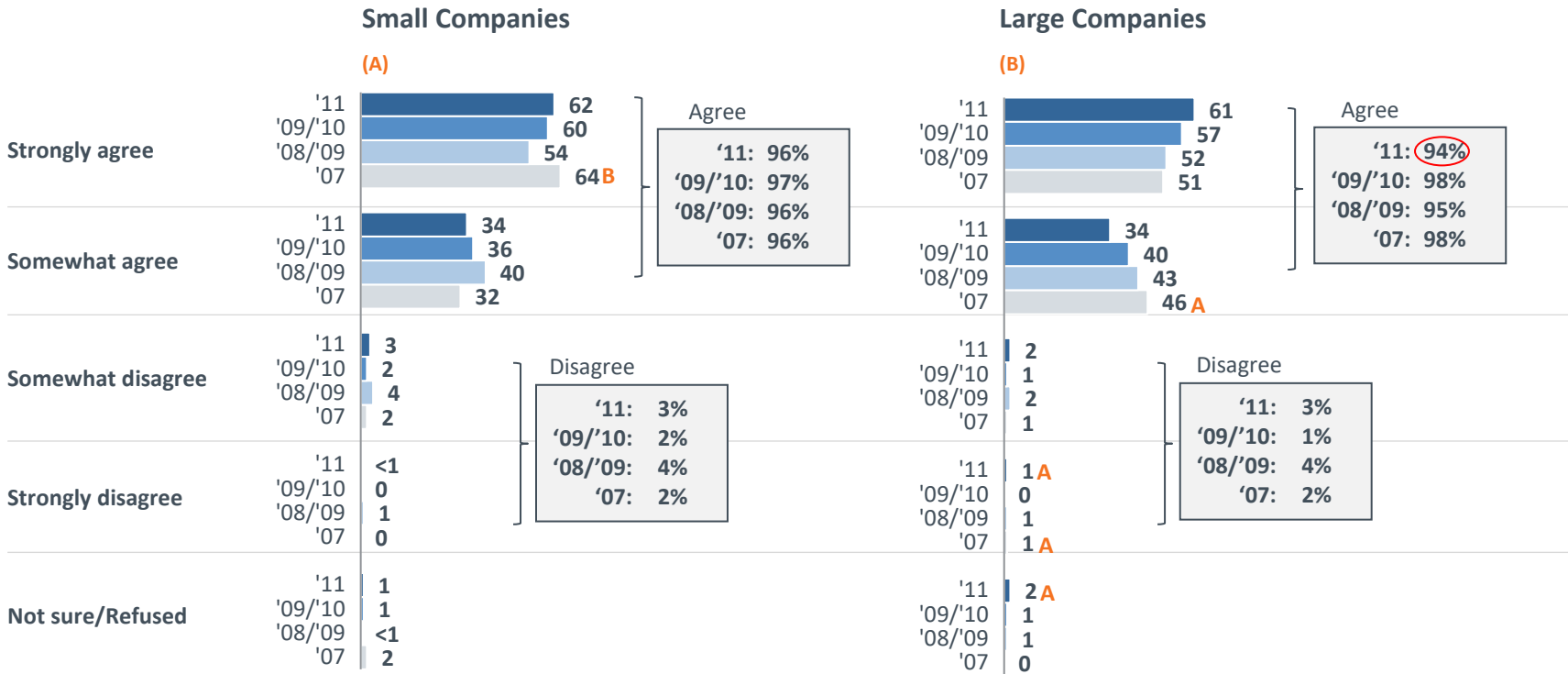
- The vast majority of companies agree their employees are satisfied with the retirement plan offered.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN
 Q750. Our employees are satisfied with the retirement plan the company offers.

Perceived Employee Satisfaction with Plan

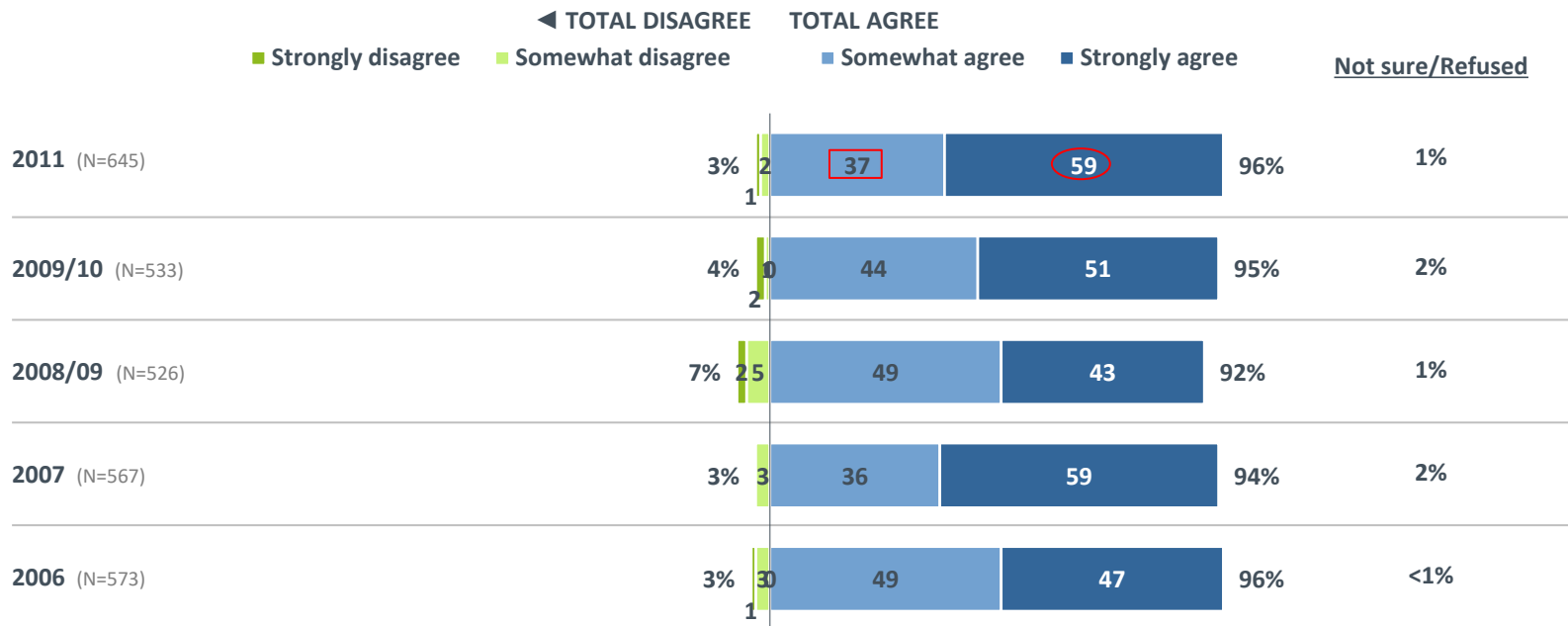
- For both large and small companies, the vast majority of employers agree that their employees are satisfied with the retirement plan the company offers.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N=304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
Q750. Our employees are satisfied with the retirement plan the company offers.

Perceived Employee Satisfaction with Investment Options

- Although a quarter of employers think their employees would like more investment options in the retirement plan, most employers strongly agree that their employees are satisfied with the quality of investment options within their retirement plan.

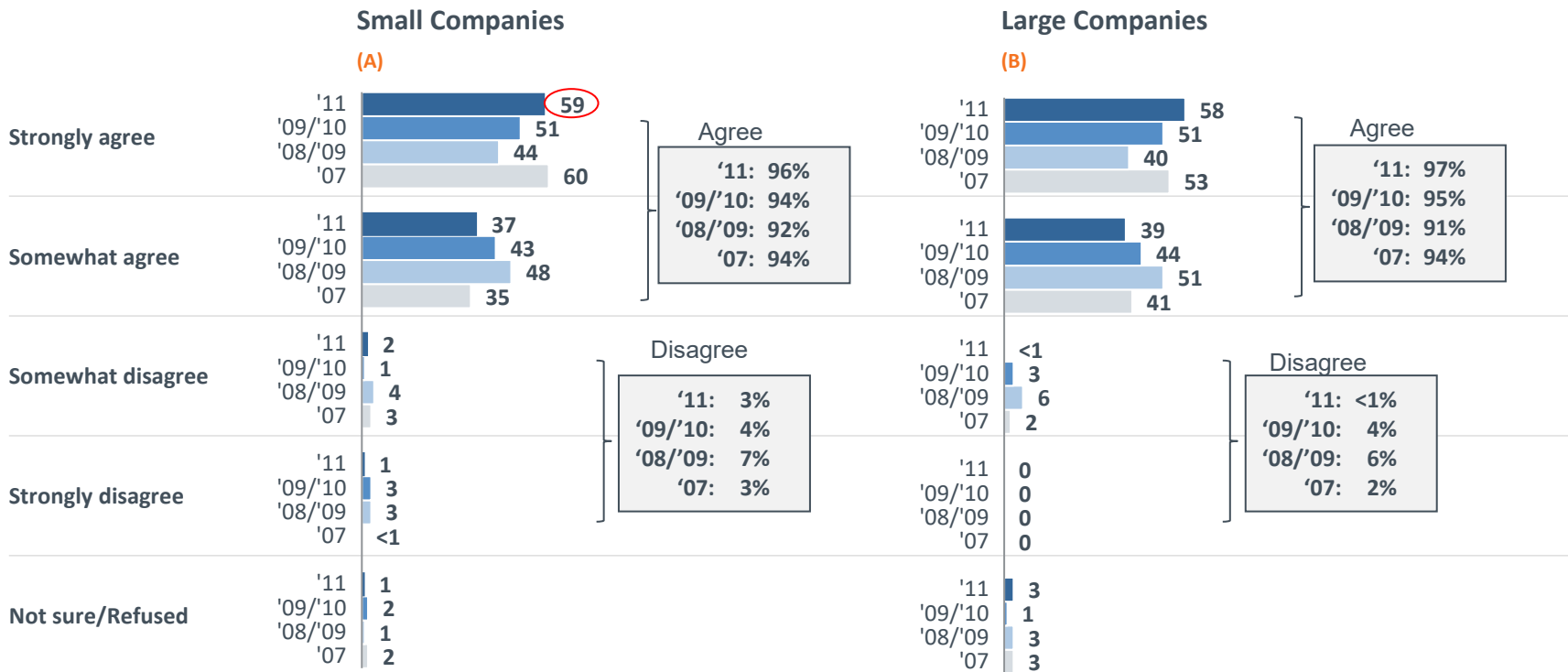


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q725. Most employees in our company are satisfied with the quality of the investment options within the retirement plan.

Perceived Employee Satisfaction with Investment Options

- Regardless of company size, the majority of employers strongly agree their employees are satisfied with the quality of their investment options within the retirement plan.



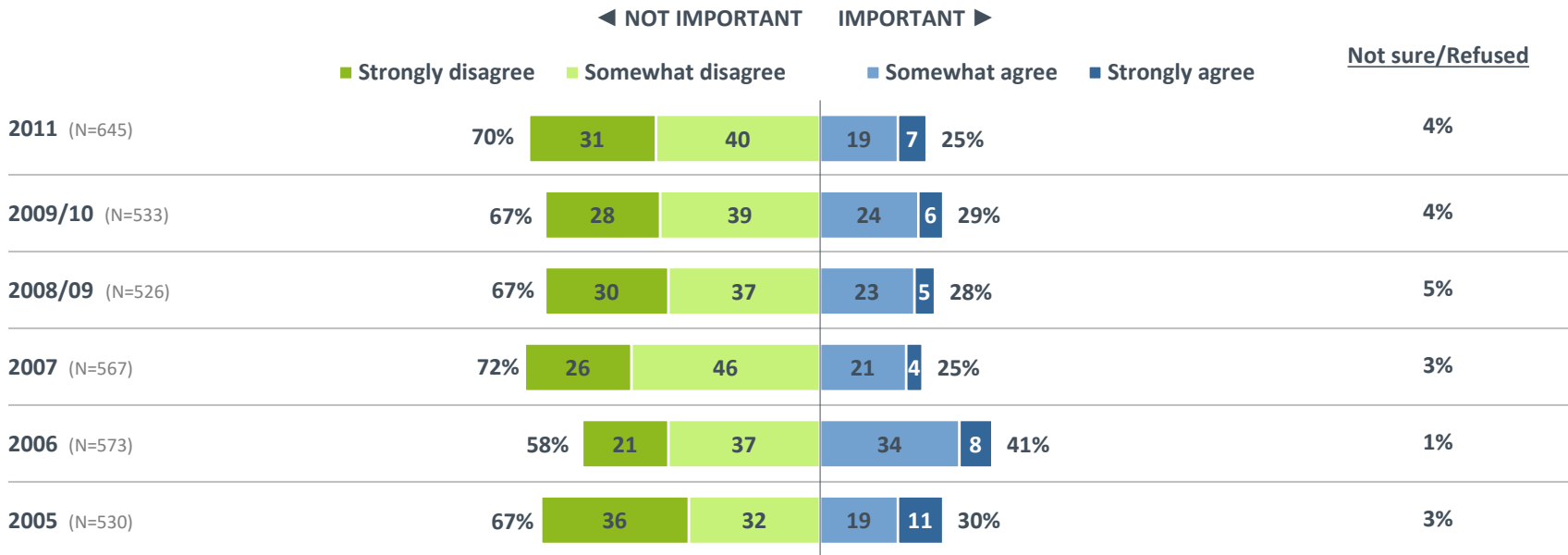
BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364);

Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q725. Most employees in our company are satisfied with the quality of the investment options within the retirement plan.

Perceived Employee Interest in More Investment Options

- Relatively few companies agree that their employees would like more investment options available to them in their retirement plan.

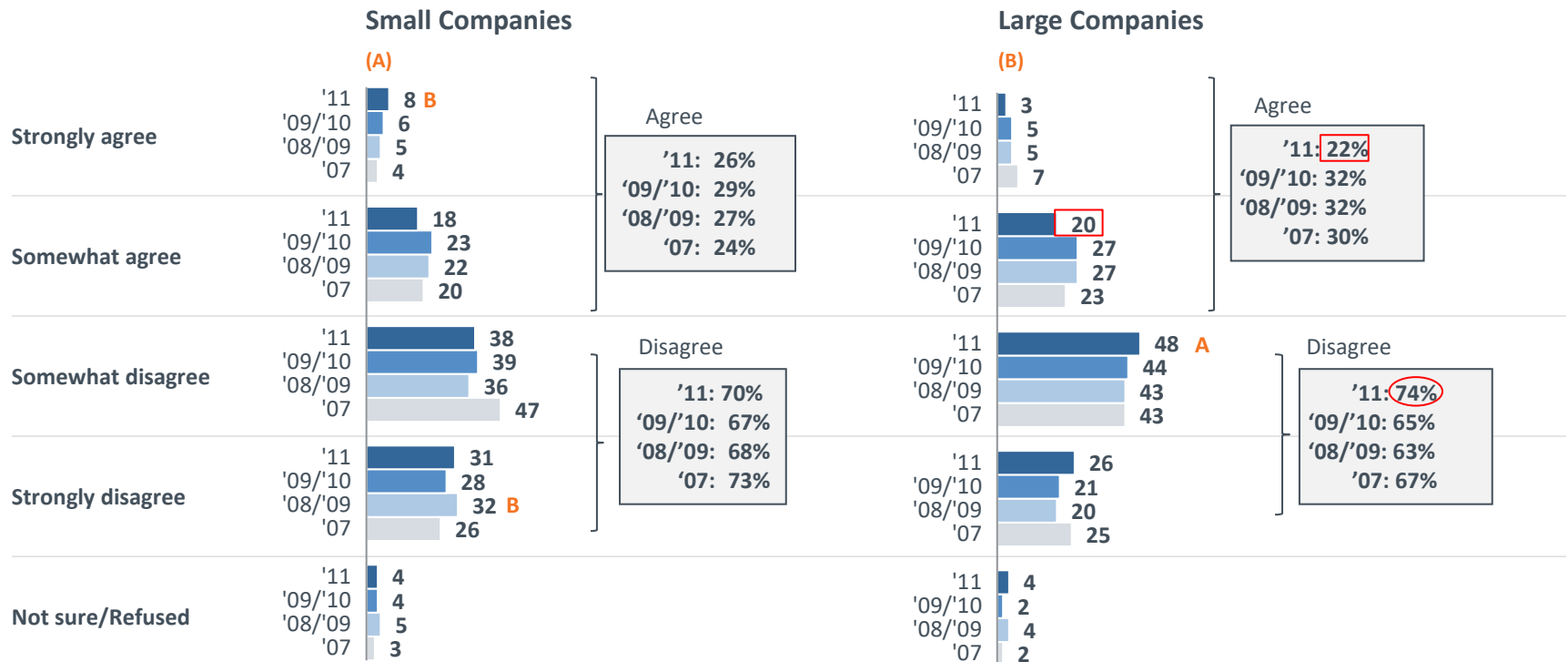


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q720. Most employees in our company would like more investment options available to them within the retirement plan.

Perceived Employee Interest in More Investment Options

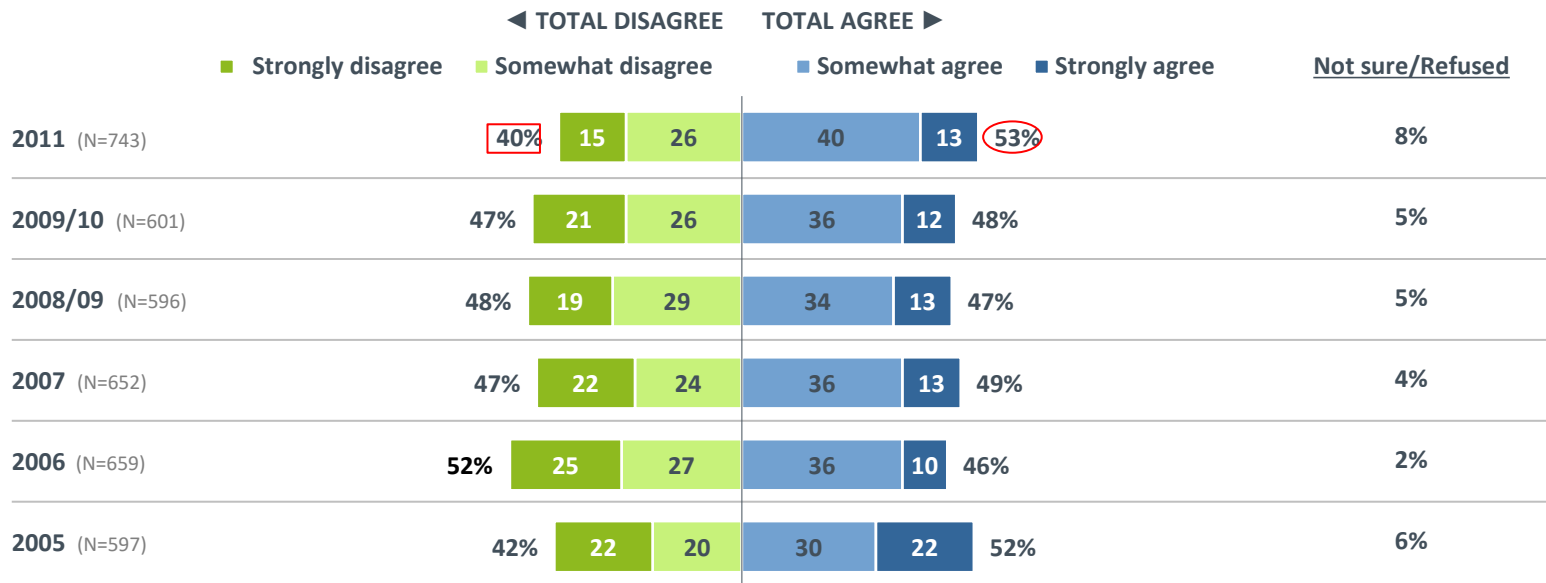
- Fewer large companies agree that their employees want more investment options than reported in last year's survey.



BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q720. Most employees in our company would like more investment options available to them within the retirement plan.

Perceived Employee Involvement with Retirement Savings

- There is an increase this year in employers' level of agreement that employees are very involved in monitoring and managing their retirement savings.

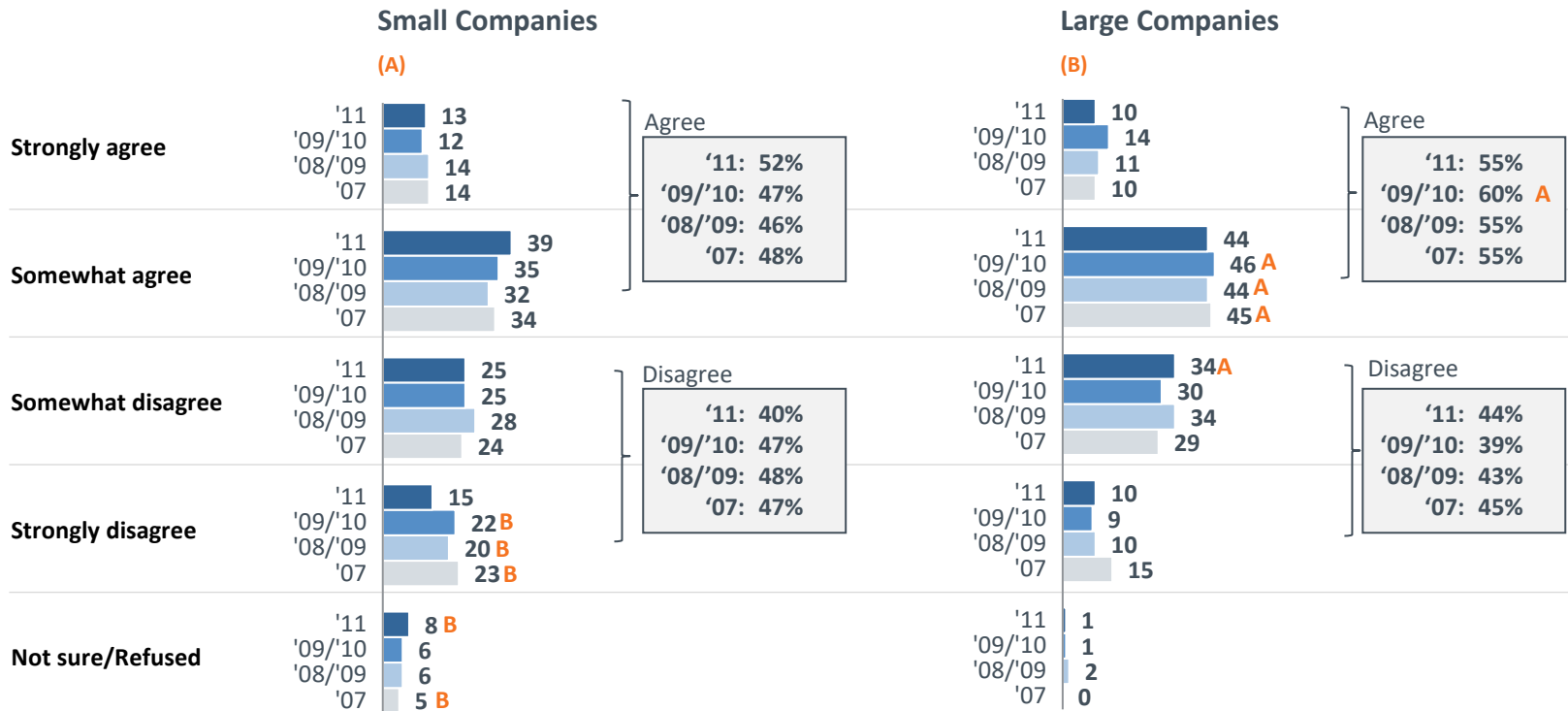


BASE: TOTAL RESPONDENTS

Q810. Employees at my company are generally very involved in monitoring and managing their retirement savings.

Perceived Employee Involvement with Retirement Savings

- This year's survey found that large and small companies generally share the same level of agreement that their employees are very involved in managing and monitoring their retirement savings.

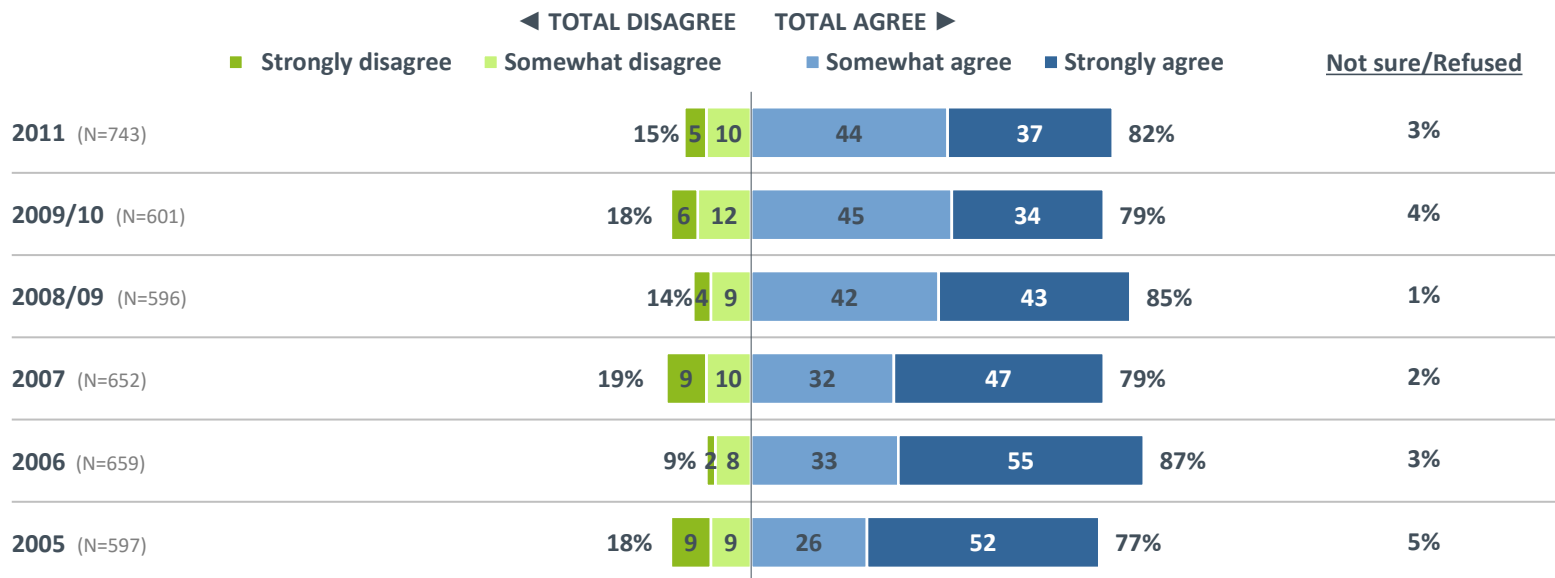


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q810. Employees at my company are generally very involved in monitoring and managing their retirement savings.

Perceived Employee Knowledge About Retirement Investing

- About four in five employers agree their employees do not know as much as they should about retirement investing.
- However, consistent with the past three years' findings, there has been an overall shift from “strongly agree” to “somewhat agree.”

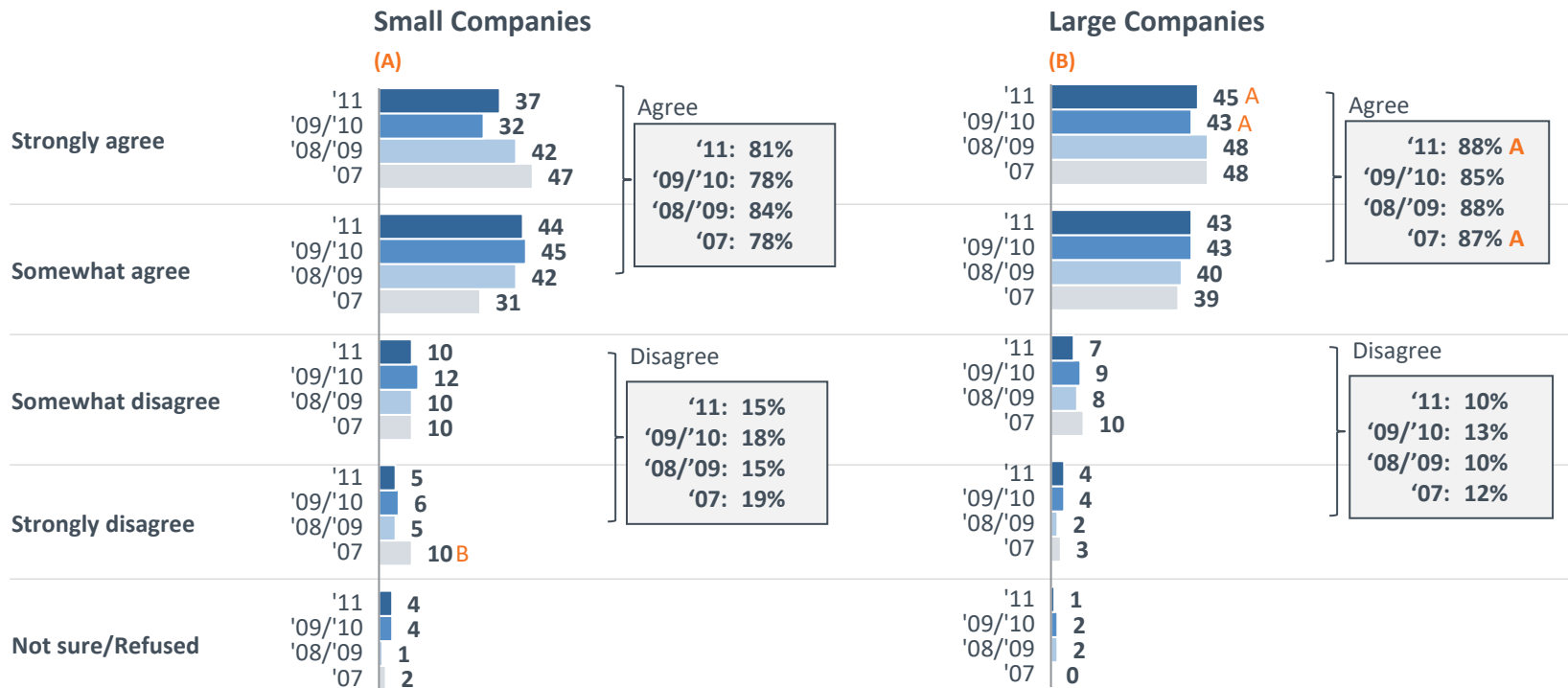


BASE: TOTAL RESPONDENTS

Q820. Most employees at my company do not know as much as they should about retirement investing.

Perceived Employee Knowledge About Retirement Investing

- Large companies more often agree that their employees don't know as much as they should about retirement investing.

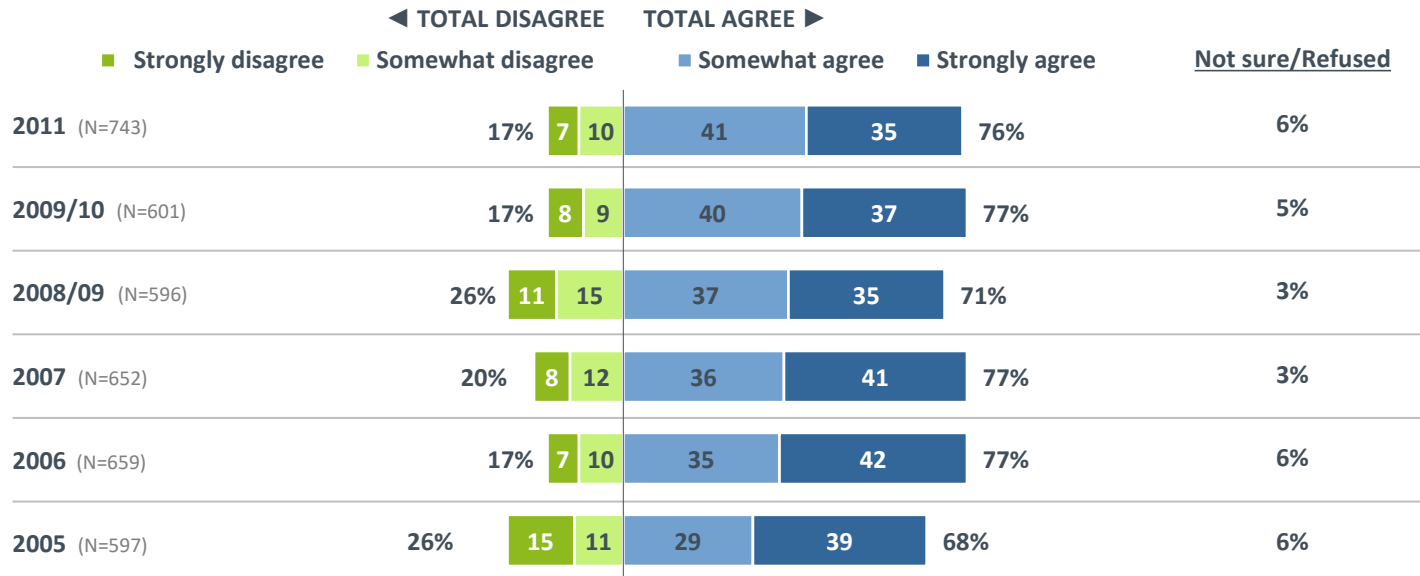


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Q820. Most employees at my company do not know as much as they should about retirement investing.

Perceived Employee Preference to Rely on Experts

- About three-quarters of employers agree that most of their employees would prefer to rely on outside experts to monitor and manage their retirement savings.

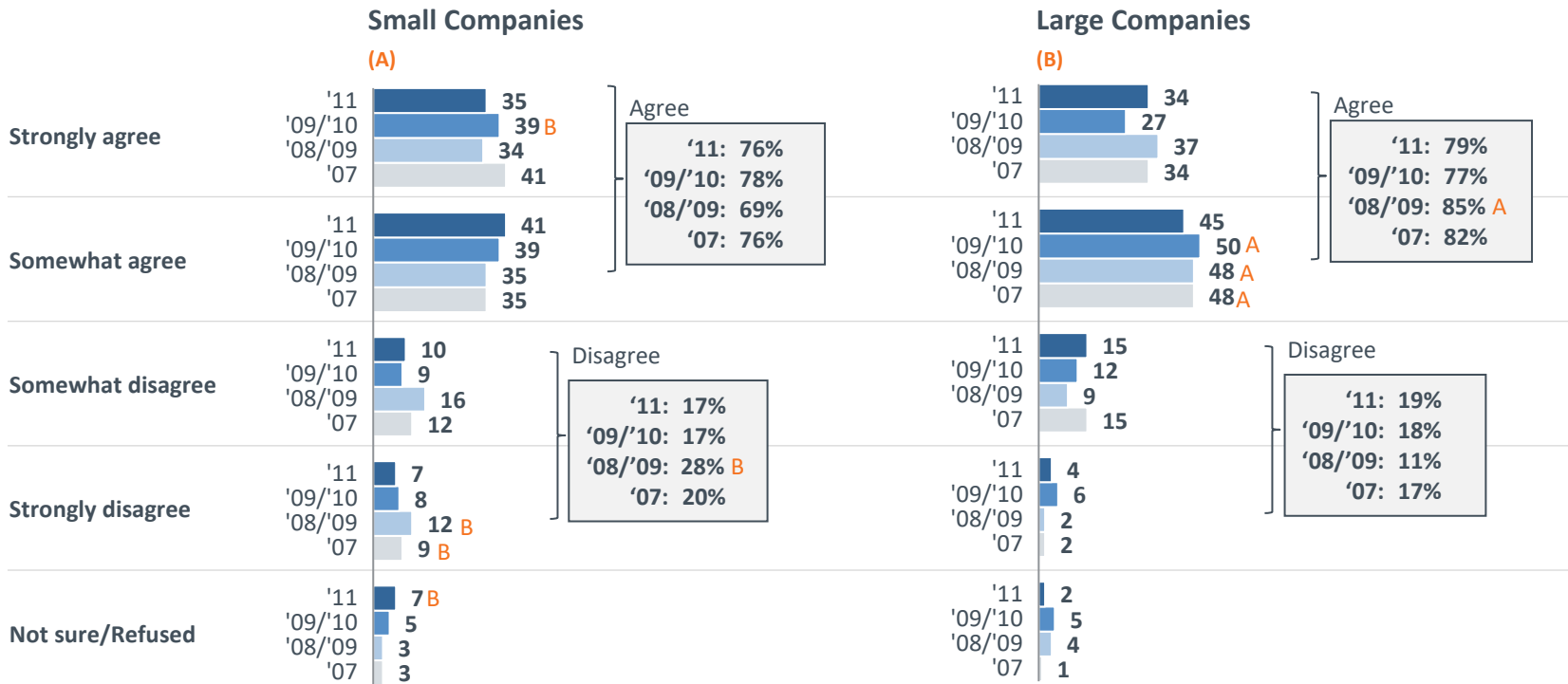


BASE: TOTAL RESPONDENTS

Q830. Most employees at my company would prefer to rely on outside experts to monitor and manage their retirement savings.

Perceived Employee Preference to Rely on Experts

- Overall, agreement that employee preference for outside experts to manage retirement savings is similar for both large and small companies.

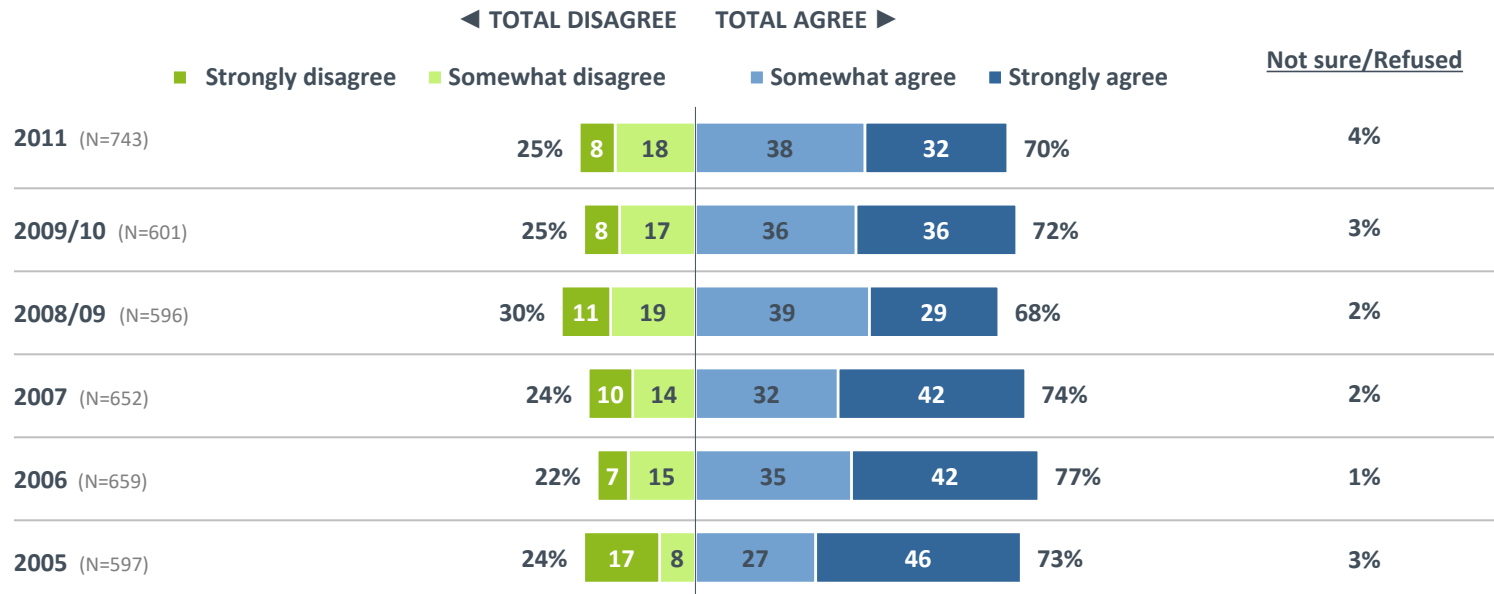


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q830. Most employees at my company would prefer to rely on outside experts to monitor and manage their retirement savings.

Perceived Employee Inclinations to Procrastinate

- About three-quarters of employers agree their employees prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.

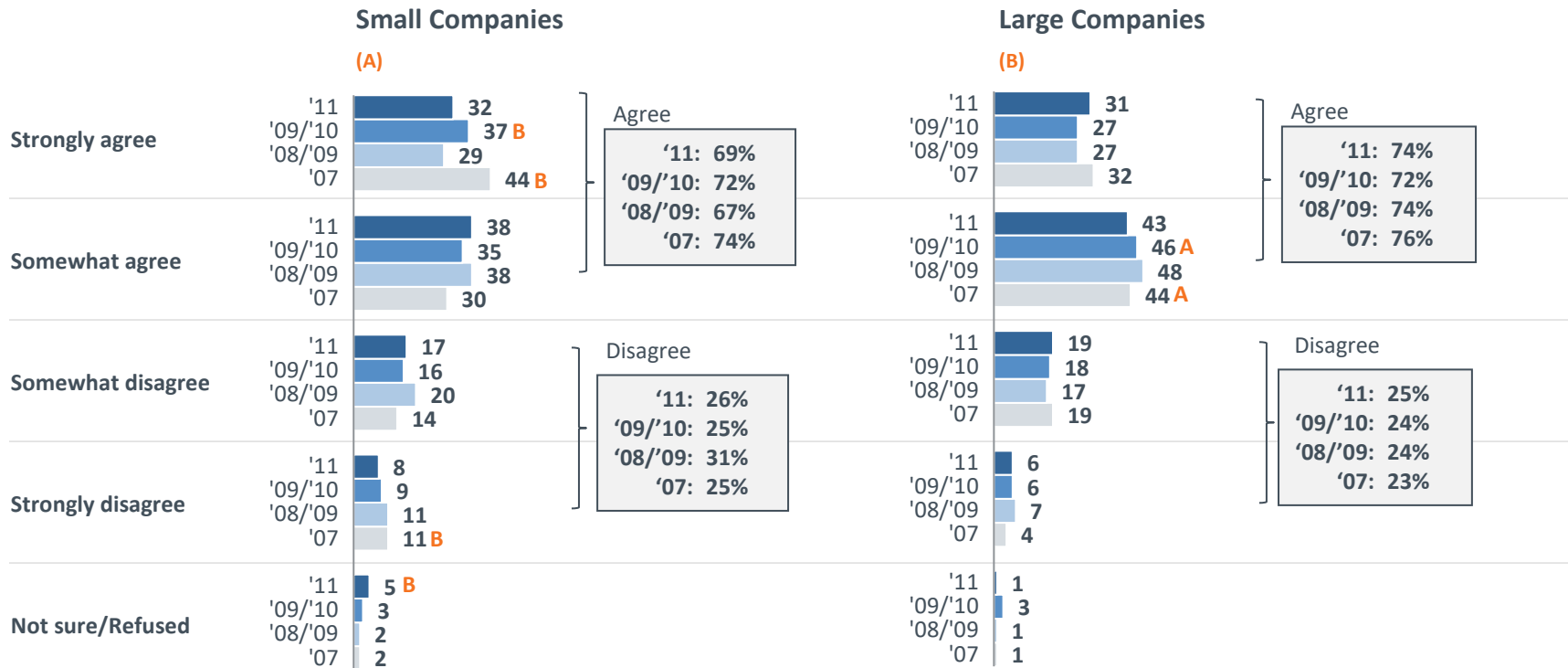


BASE: TOTAL RESPONDENTS

Q840. Most employees at my company prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.

Perceived Employee Inclinations to Procrastinate

- There is little difference in the sentiment between small and large companies that employees prefer not to think about retirement until its close.

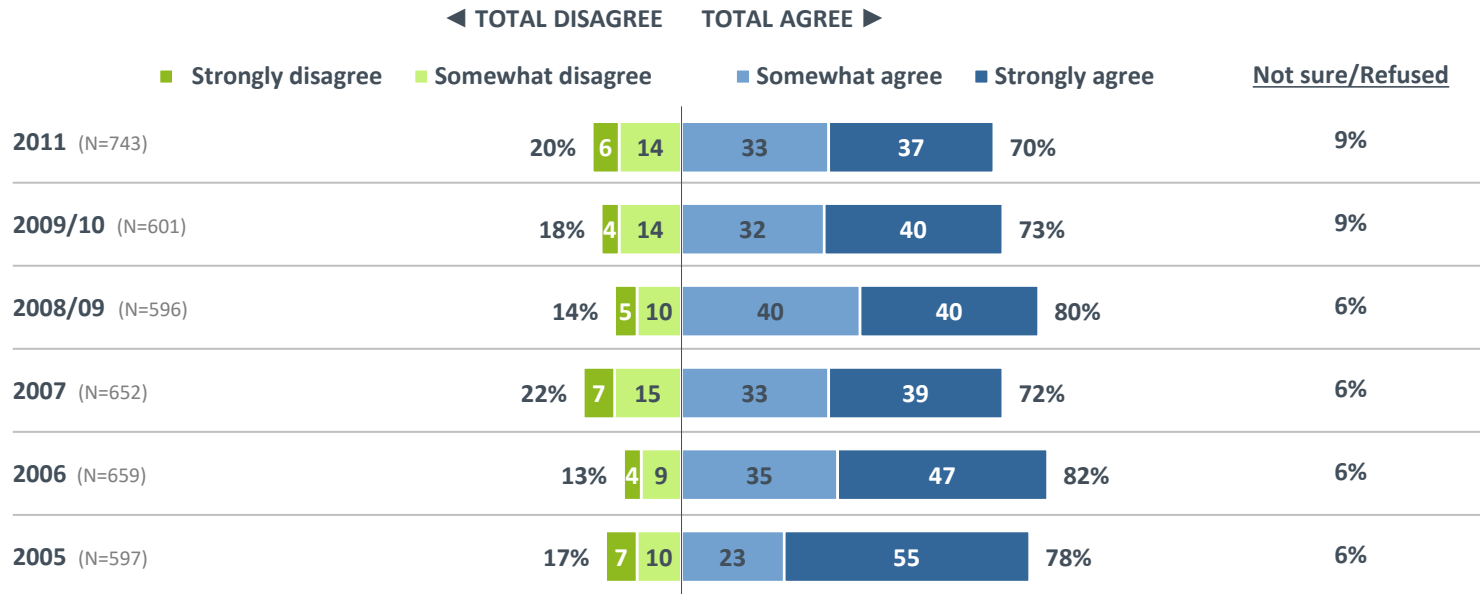


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q840. Most employees at my company prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.

Perceived Employee Savings Adequacy

- The majority of employers agree that employees could work until age 65 and still not save enough to meet their retirement needs, down slightly from previous years.

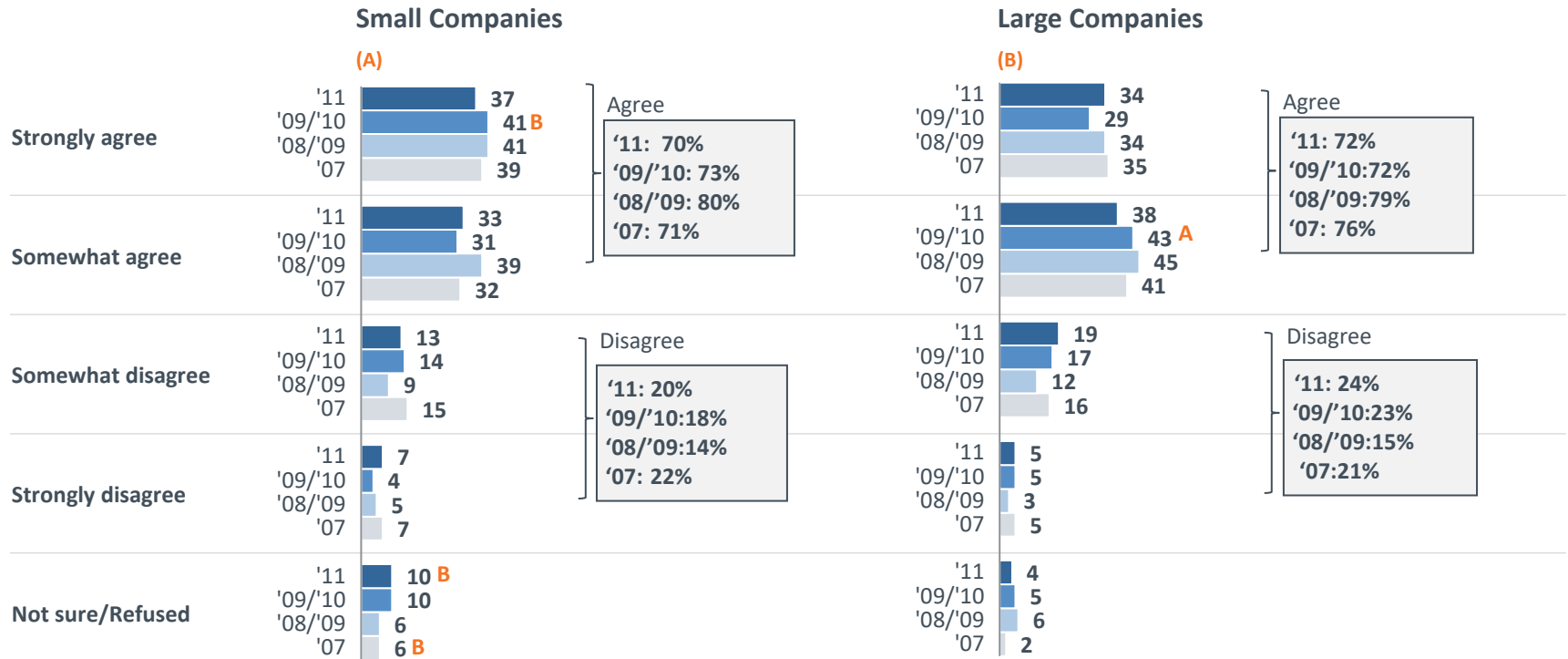


BASE: TOTAL RESPONDENTS

Q850. Most employees at my company could work until age 65 and still not save enough to meet their retirement needs.

Perceived Employee Savings Adequacy

- The majority of both large and small companies agree their employees could work until age 65 and not save enough to meet their retirement needs.

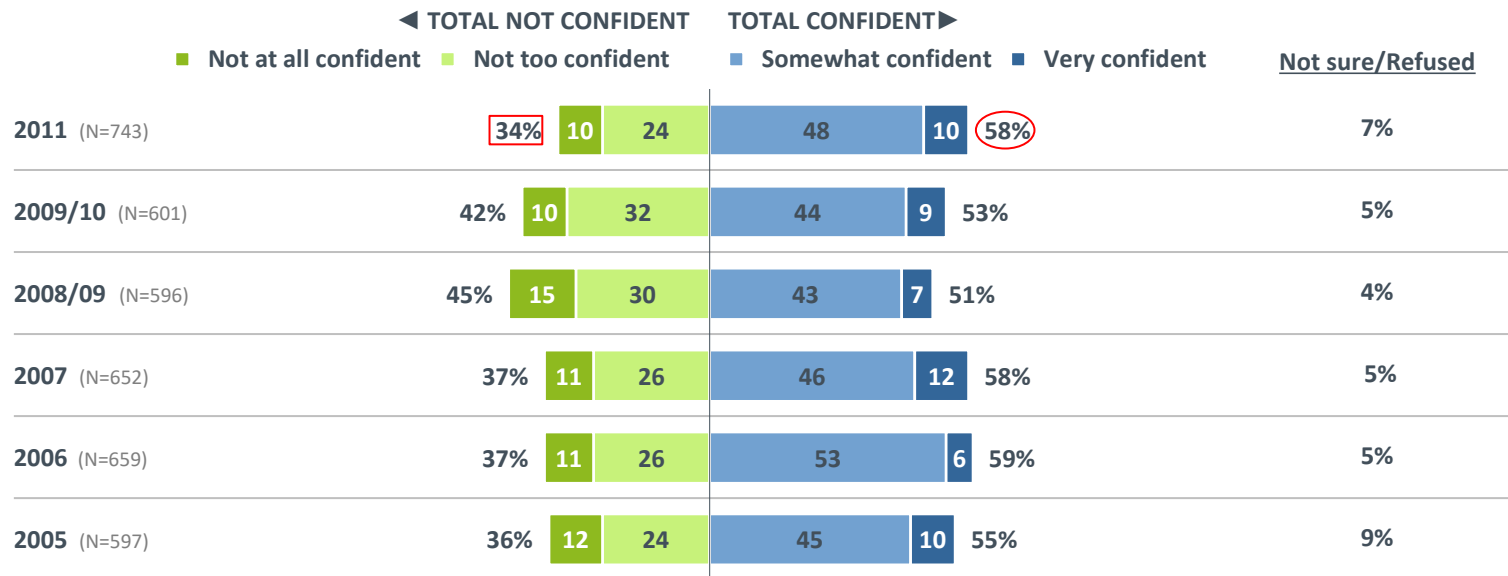


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q850. Most employees at my company could work until age 65 and still not save enough to meet their retirement needs.

Confidence in Employees Achieving a Comfortable Retirement

- Only 58 percent of companies are confident in their employees' ability to achieve a comfortable lifestyle in retirement. Although this number is relatively low, it has increased back to levels reported in 2007 and prior years.



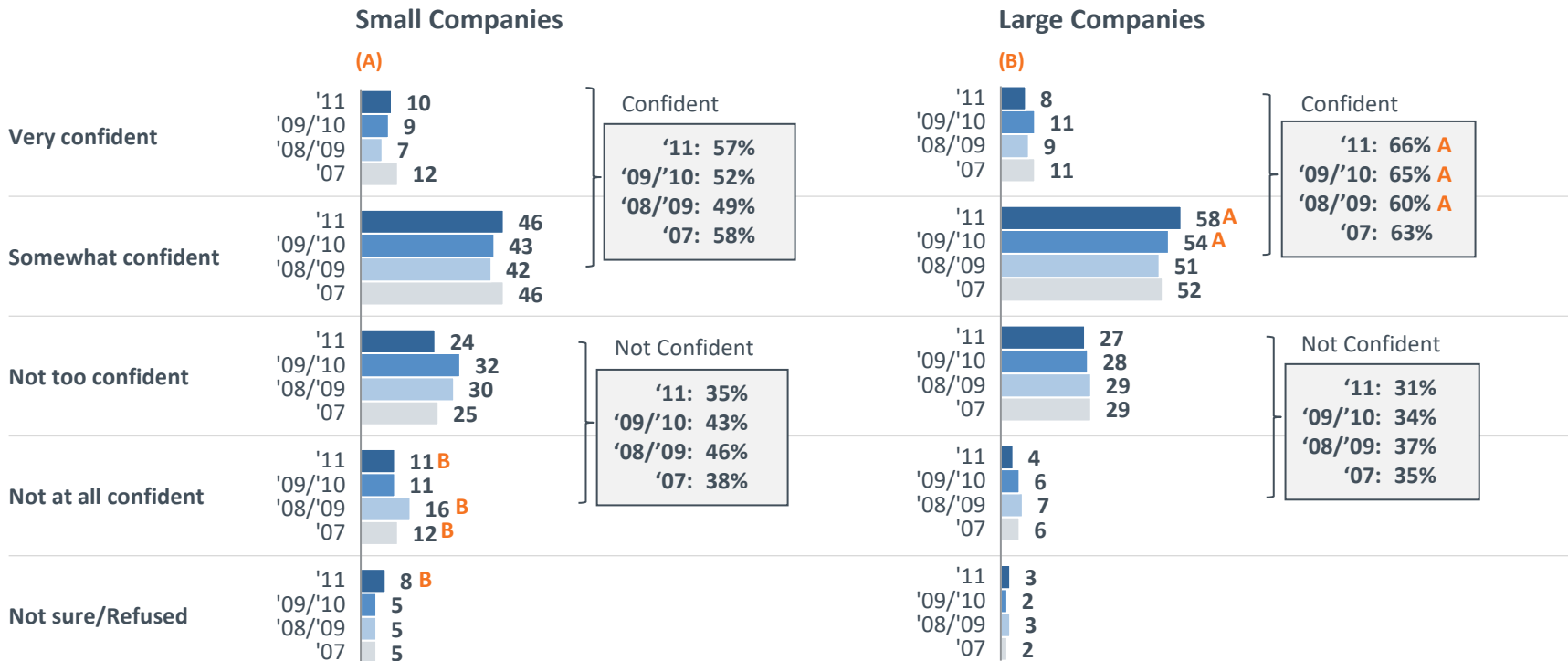
BASE: TOTAL RESPONDENTS

Q800. How confident do you feel your employees are that they will be able to achieve a comfortable lifestyle in their retirement?

Are you very confident, somewhat confident, not too confident, or not at all confident?

Confidence in Employees Achieving a Comfortable Retirement

- As in previous years, large companies are more confident their employees will achieve a comfortable lifestyle in retirement.

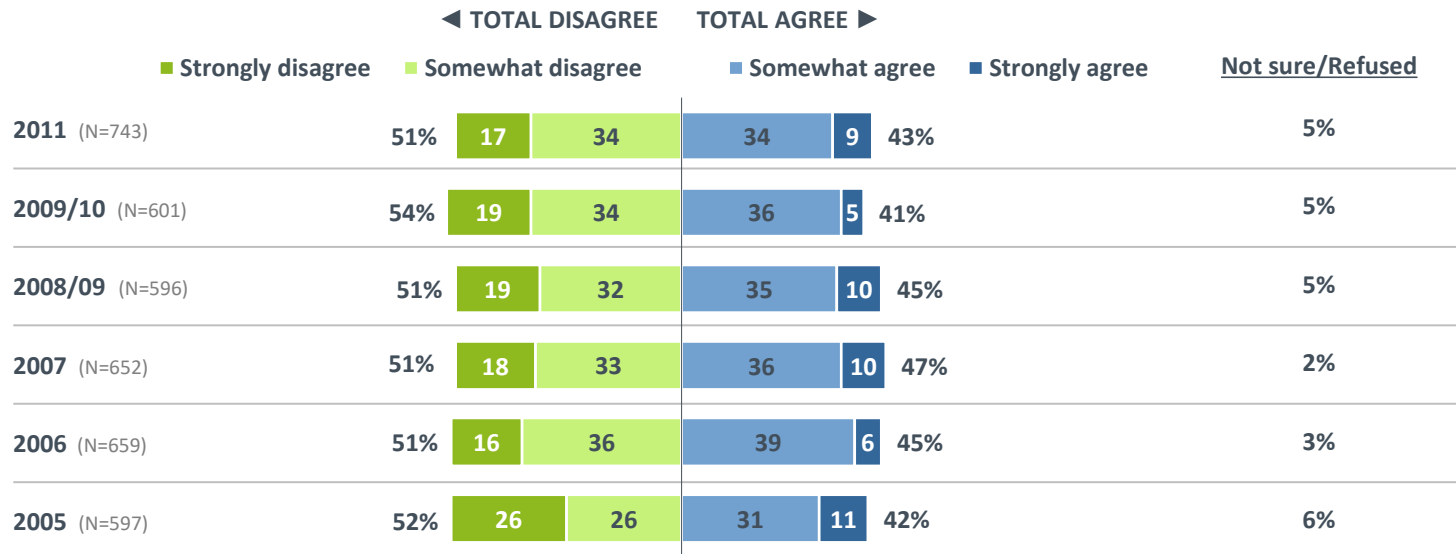


BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q800. How confident do you feel your employees are that they will be able to achieve a comfortable lifestyle in their retirement?
Are you very confident, somewhat confident, not too confident, or not at all confident?

Perceived Employee Desire for More Information

- Only 43 percent of companies agree that their employees would like more information from them on how to reach retirement goals.

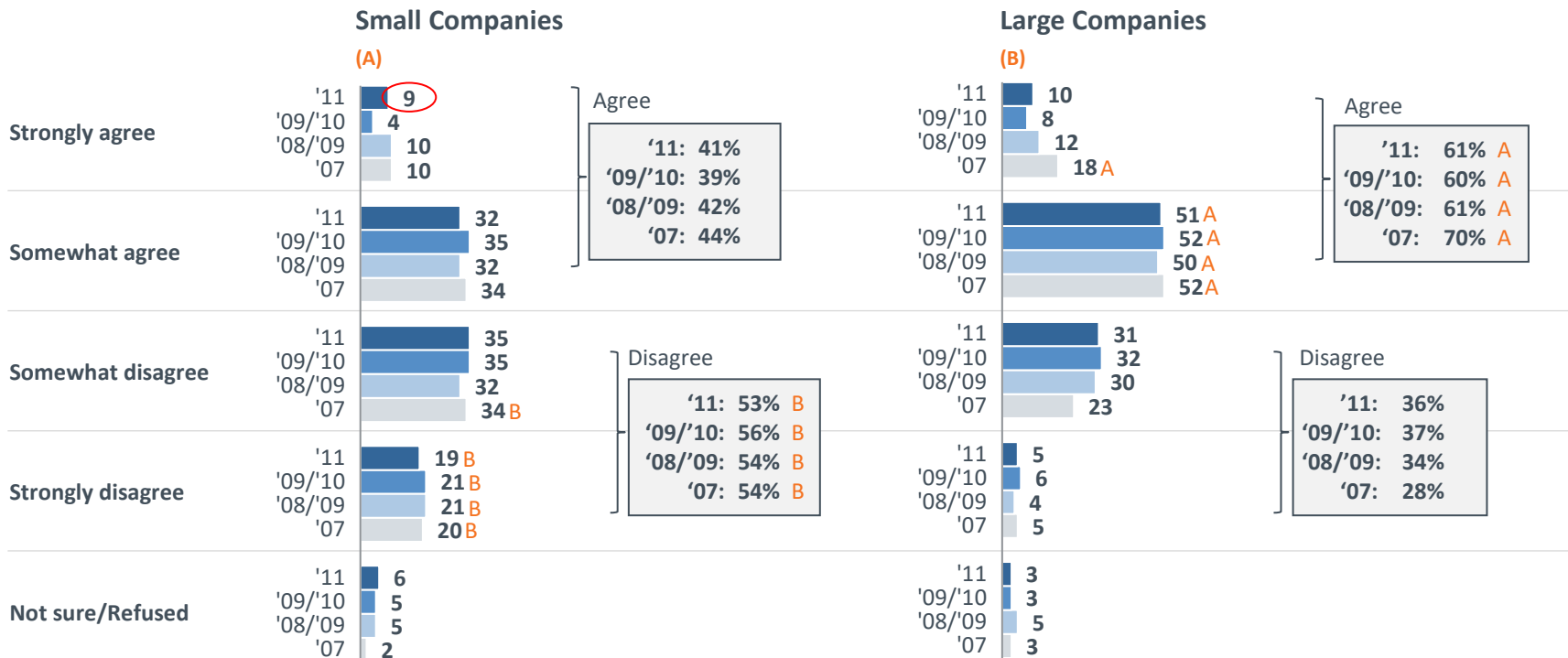


BASE: TOTAL RESPONDENTS

Q860. Most employees at my company would like to receive more information and advice from the company on how to reach their retirement goals.

Perceived Employee Desire for More Information

- Small companies are more likely to disagree their employees would like more information on retirement from them while more large companies think their employees would like to receive more information.

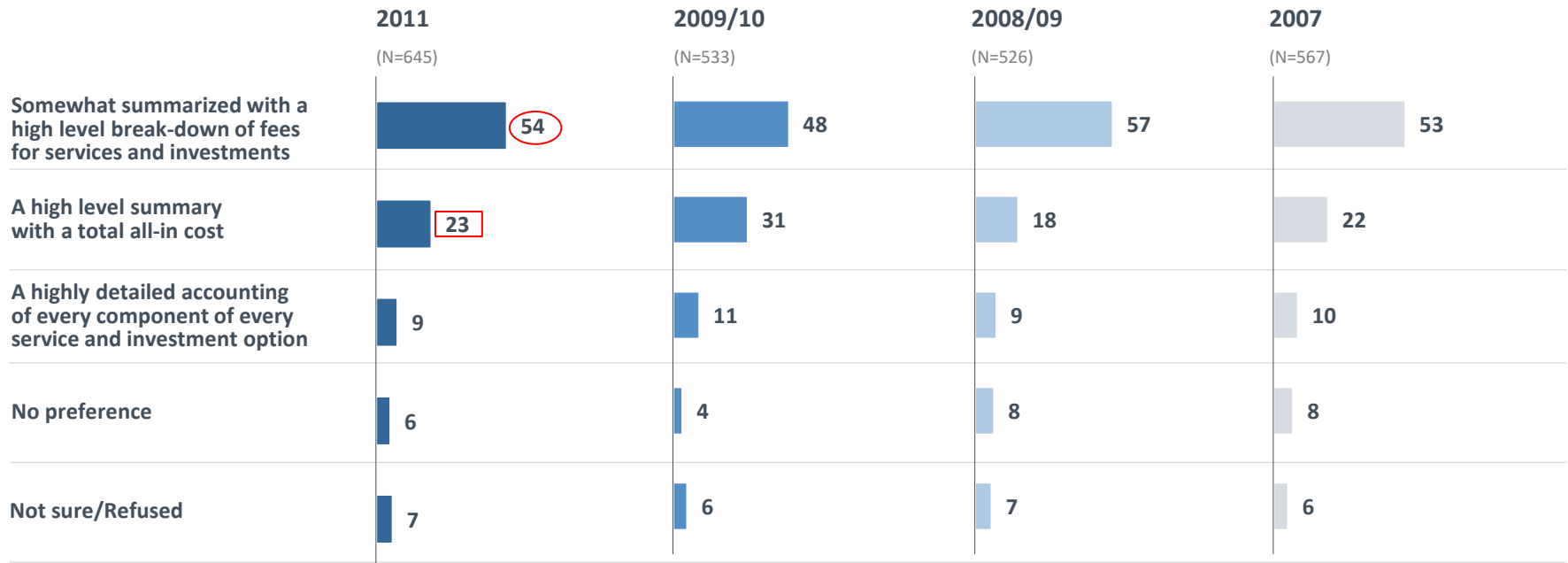


BASE: TOTAL RESPONDENTS: Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)

Q860. Most employees at my company would like to receive more information and advice from the company on how to reach their retirement goals.

Perceived Employee Preferences About Fee Information

- Most companies believe that their employees would prefer to receive information about the retirement plan's fees in a somewhat summarized or highly summarized fashion. Very few companies believe that their employees would prefer a highly detailed accounting.

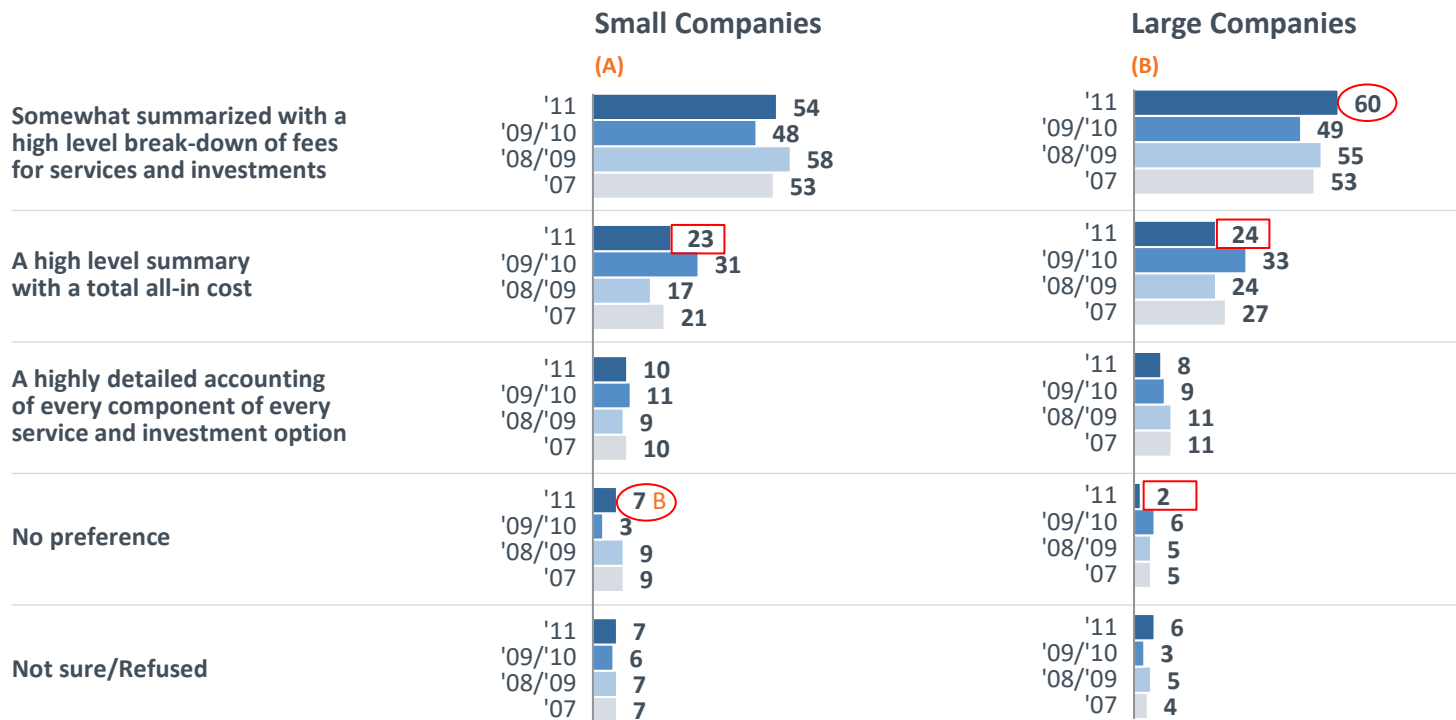


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1047. When it comes to disclosing plan fees to participants, what level of detail would your employees prefer in receiving information about the fees associated with participating in your company's retirement plan?

Perceived Employee Preferences About Fee Information

- Large companies are more likely than small companies to perceive that their employees would prefer to get somewhat summarized information about retirement plan fees.

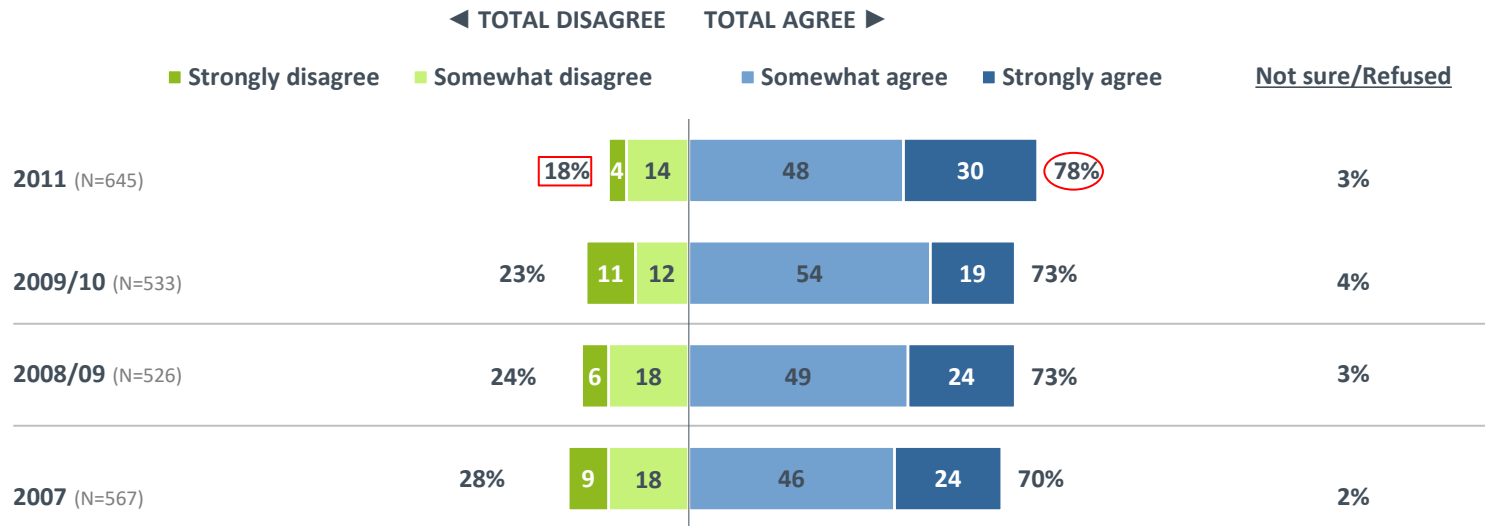


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)

Q1047. When it comes to disclosing plan fees to participants, what level of detail would your employees prefer in receiving information about the fees associated with participating in your company's retirement plan?

Perceived Employee Understanding of Plan Fees/Expenses

- Employers are more likely this year to believe their employees have a clear understanding of the fees associated with participating in the retirement plan.

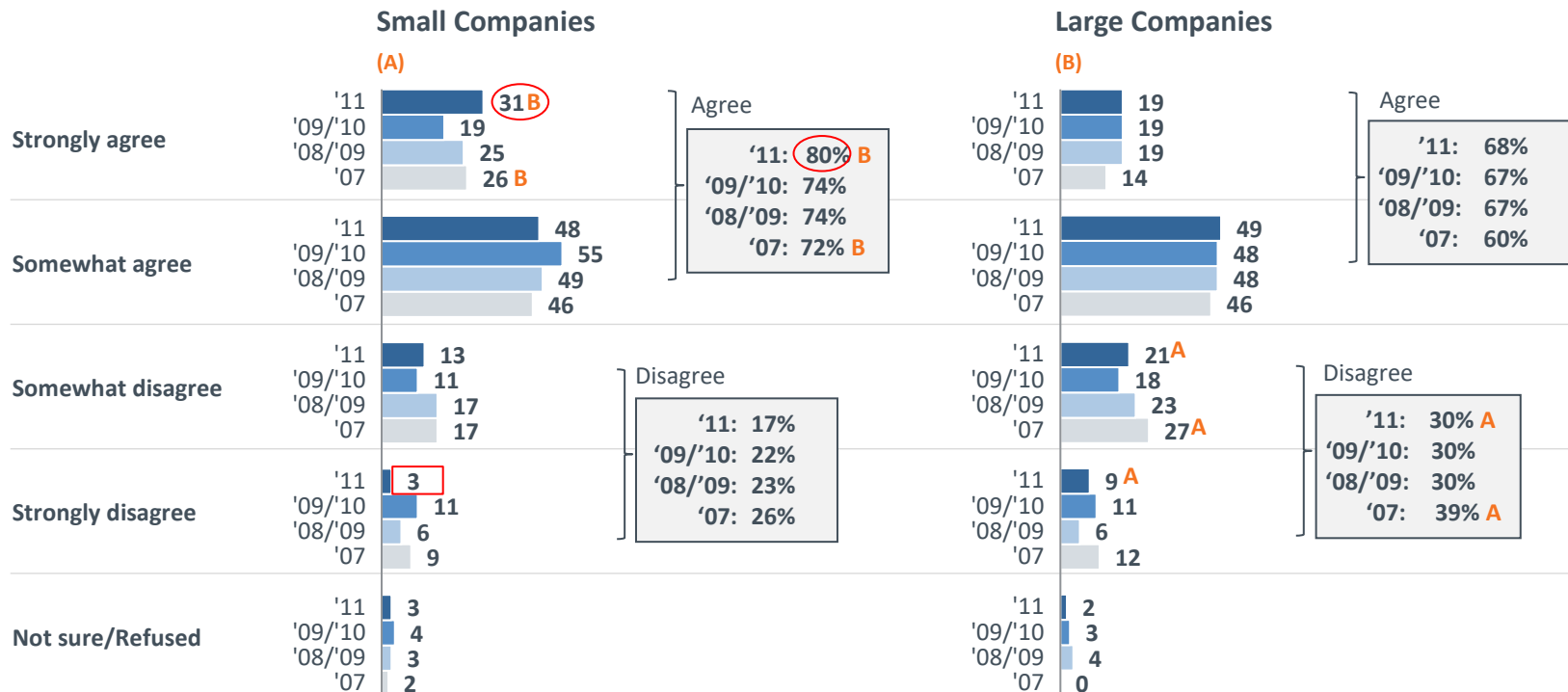


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN

Q1041. Our employees have a clear understanding of the fees associated with participating in the retirement plan.

Perceived Employee Understanding of Plan Fees/Expenses

- Almost a third of small companies strongly agree their employees have a clear understanding of retirement fees, a significant increase over last year's sentiment and a feeling that is shared by more small companies than large companies.

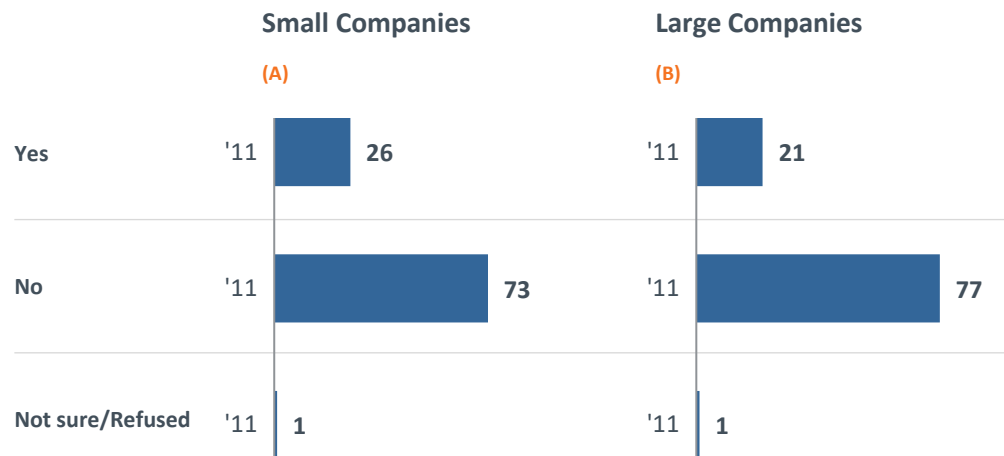
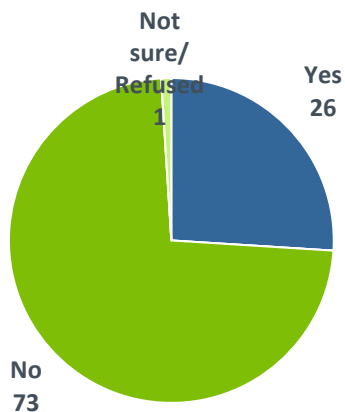


BASE: OFFERS 401(k) PLAN OR OTHER SELF-FUNDED PLAN: RESPONDENTS: Small Companies: '07 (N= 304) '08/'09 (N=248), '09/'10 (N=256), '11 (N=364); Large Companies: '07 (N=263) '08/'09 (N=278), '09/'10 (N=277), '11 (N=281)
 Q1041. Our employees have a clear understanding of the fees associated with participating in the retirement plan.

Conduct Employee Surveys on Retirement Benefits

- Only about a quarter of companies have surveyed their employees about retirement plan benefits.

Surveyed Employees on Retirement Benefits
Total (%)



Base: All Qualified Respondents: Total '11 (N=735); Small Companies: '11 (N=444); Large Companies: '11 (N=299)
NEW QUESTION IN WAVE 12 Q1635. Have you surveyed employees about retirement plan benefits in the last twelve months?



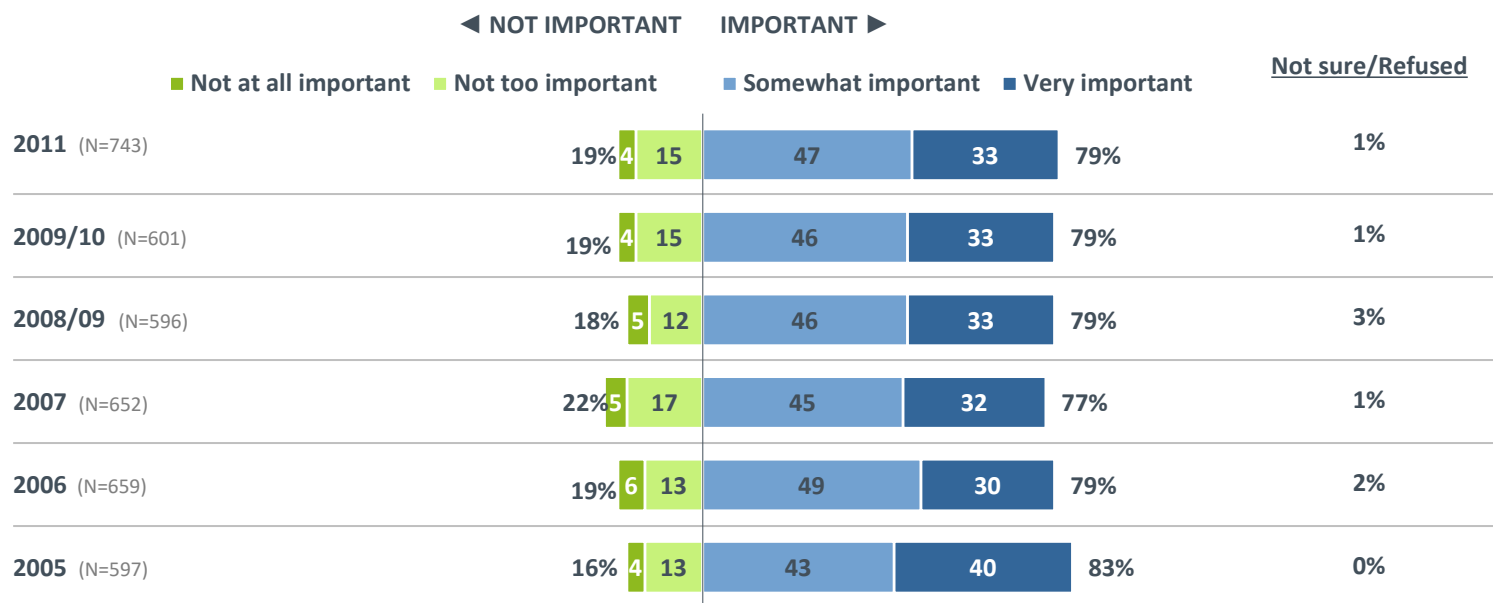
Appendix

Importance of Other Benefits:

- Life Insurance
- Disability Insurance
- Long-term Care Insurance

Importance of Life Insurance

- Employers believe that their employees view life insurance as an important benefit.

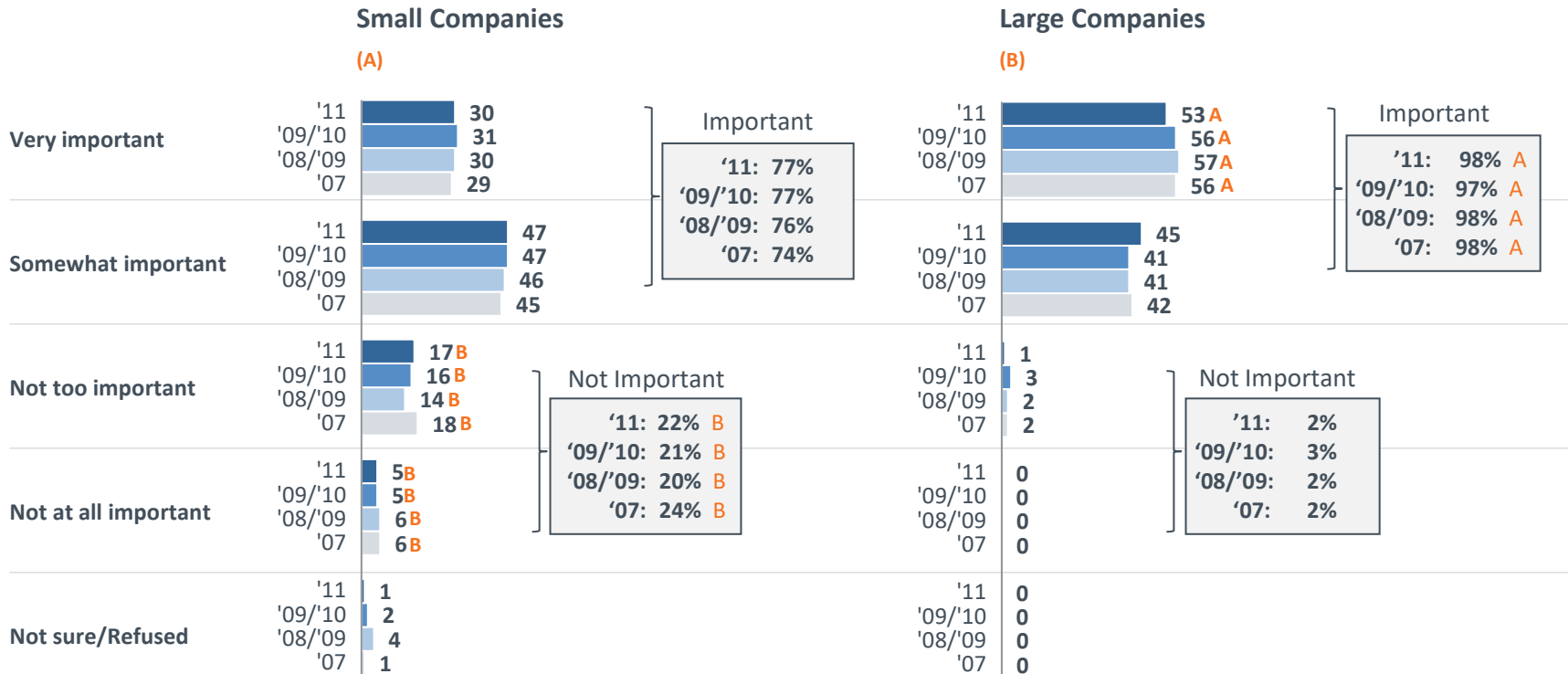


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Life Insurance

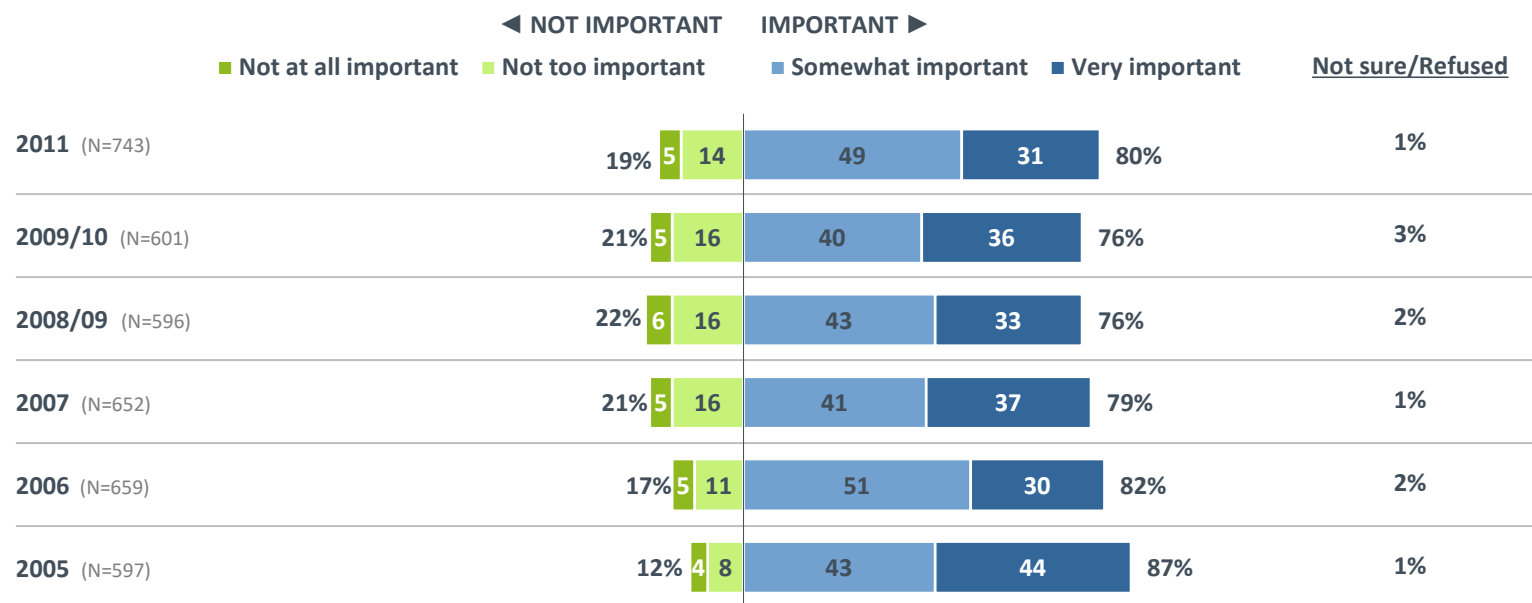
- Large companies are more likely than small companies to believe that their employees view life insurance to be an important benefit.



BASE: TOTAL RESPONDENTS. Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Disability Insurance

- Employers believe that their employees view disability insurance as an important benefit.

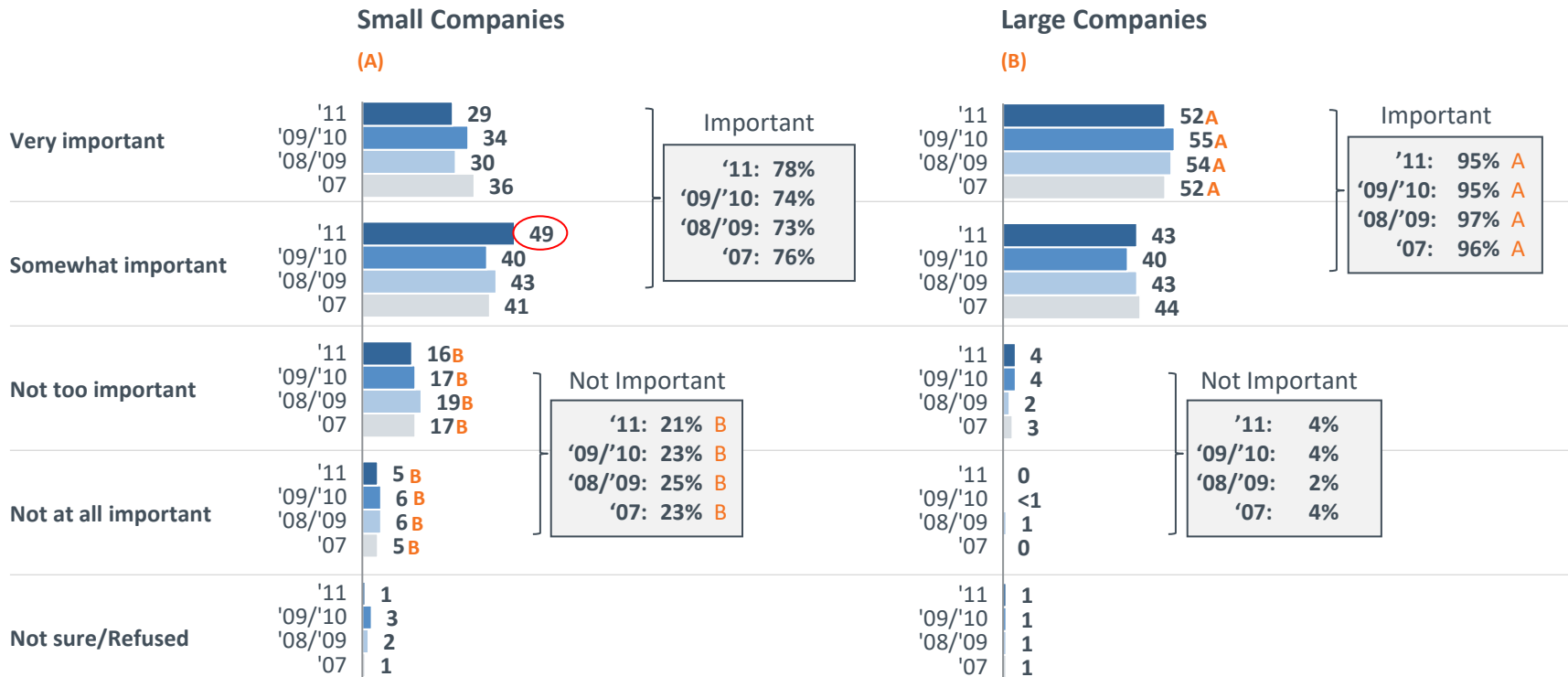


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Disability Insurance

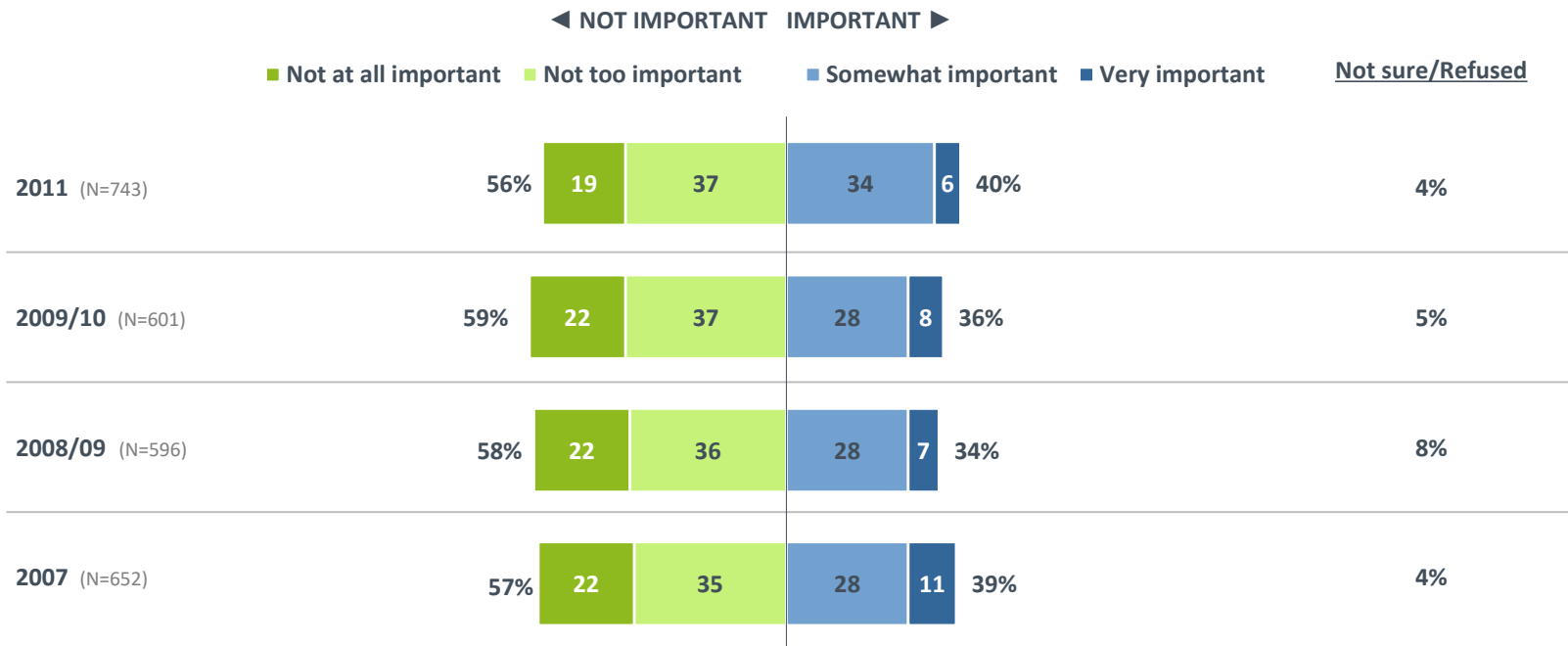
- Large companies are more likely than small companies to believe disability insurance is important to their employees.



BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Long-term Care Insurance

- Compared with other benefits, employers are less likely to believe long-term care insurance is important to employees.
- Four in 10 employers think it is important to their employees.

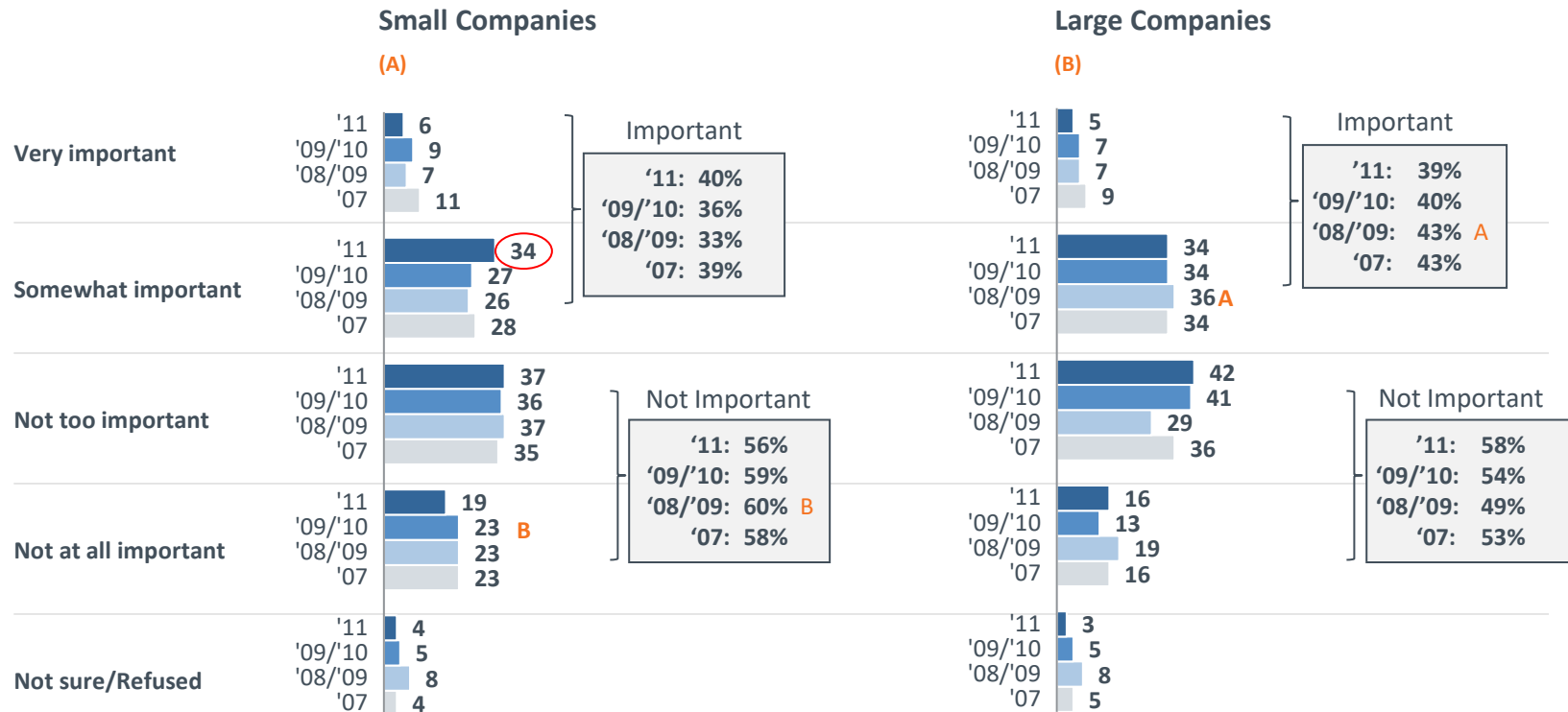


BASE: TOTAL RESPONDENTS

Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?

Importance of Long-term Care Insurance

- Small and large companies similarly view the importance of long-term care insurance compared to other benefits.



BASE: TOTAL RESPONDENTS Small Companies: '07 (N= 369) '08/'09 (N=296), '09/'10 (N=300), '11 (N=444); Large Companies: '07 (N=283) '08/'09 (N=300), '09/'10 (N=301), '11 (N=299)
 Q520 Do you think your company's employees see this benefit as very important, somewhat important, not too important, or not at all important?