

State of Retirement Plan Industry

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Retirement Plan Coverage

• "79 percent of full-time employees in mediumand large- sized firms are covered by an employment-based retirement plan, compared with 46 percent in small firms".

DOL segments employers by size:

• Small: less than 100 employees

• **Medium:** 100 – 250 employees

• Large: 250+ employees



Types of Defined Contribution Plans Offered Among Small Employers

Among companies offering a defined contribution plan



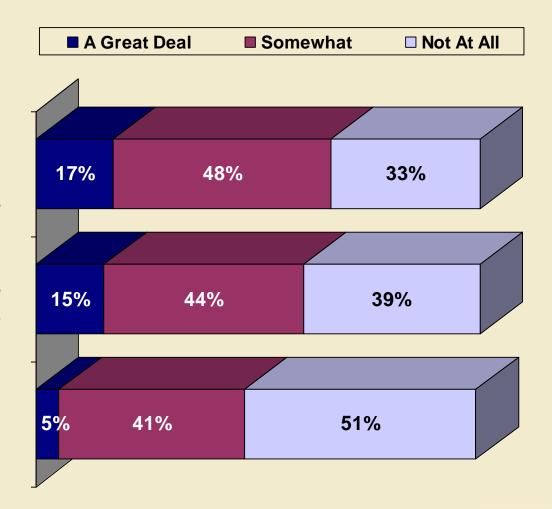
Small Employer Beliefs About Retirement Plan

Among companies without a retirement plan

A retirement plan would have a positive effect on your employees' attitudes and performance

A retirement plan would offer a competitive advantage for your business in employee recruitment and retention

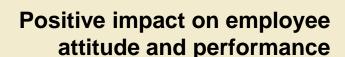
You have an obligation to provide a retirement plan for your employees





Top Five Reasons for Offering a Retirement Plan to Employees

Among companies offering a defined contribution plan

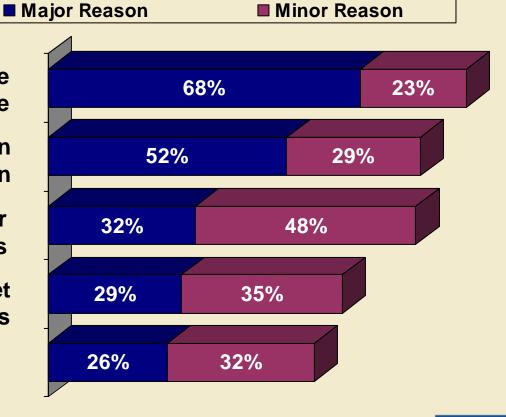


Competitive advantage in recruitment/retention

Tax advantages for employees

Plan customized to meet your business' needs

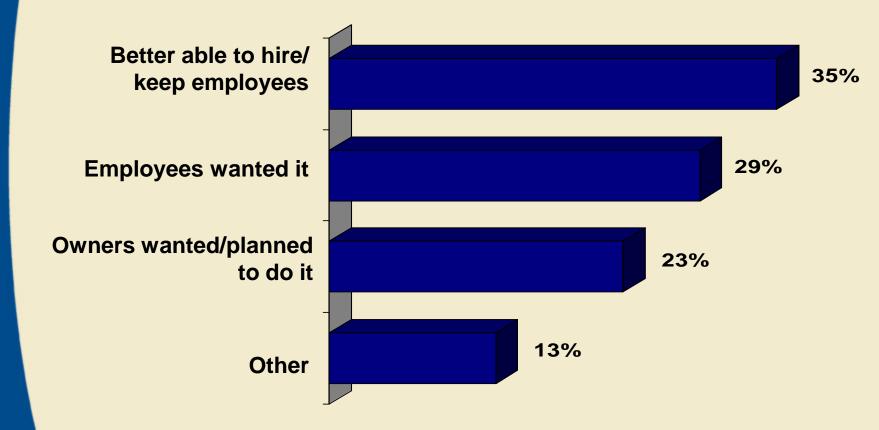
Demand from employees





Deciding Factor for Offering Retirement Plan

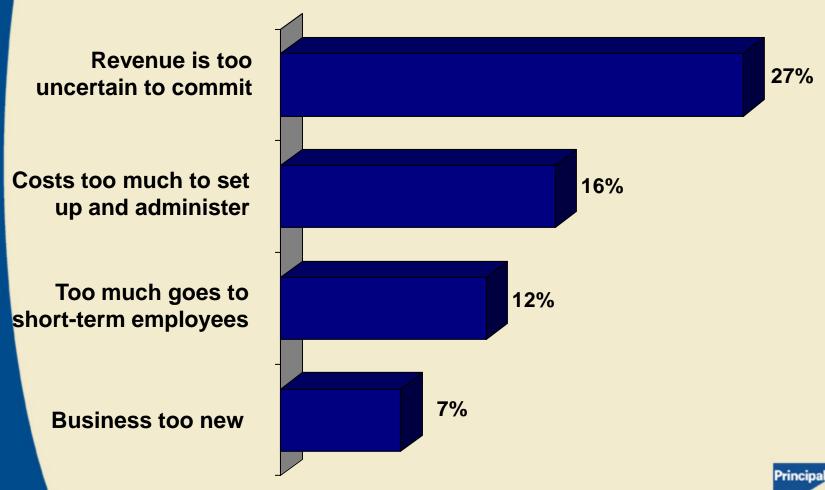
Among companies offering a defined contribution plan





Top Reasons Why Small Employers Do Not Offer a Retirement Plan

Among companies without a retirement plan





What Might Lead to Serious Consideration of Plan Sponsorship

Among companies without a retirement plan

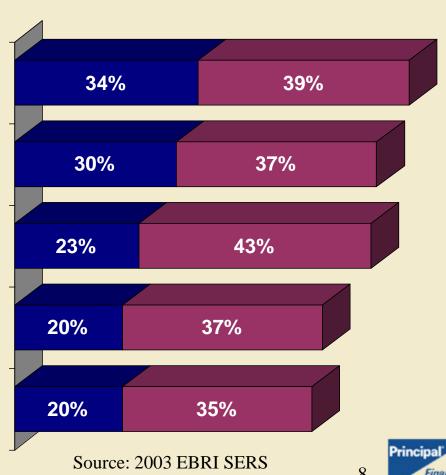
Increase in business' profits

Plan requiring no employer contributions

> **Business tax credits for** starting

> > Plan with reduced administrative requirements

Easy to understand information

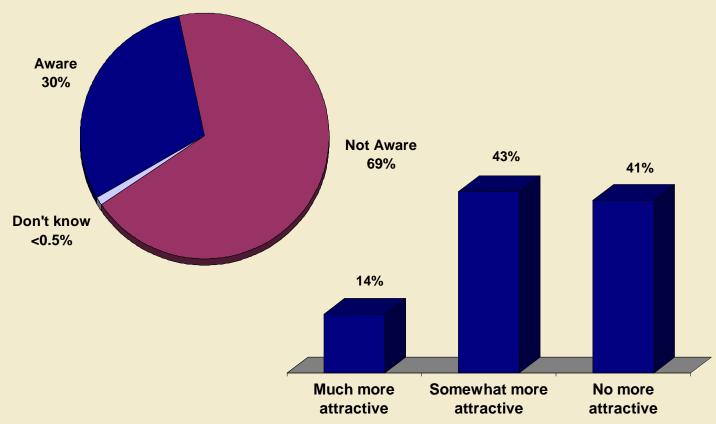


■ Much More Likely ■ Somewhat More Likely



Does Passage of the Law Leads to Action?

Awareness about EGTRRA passed in 2001 among employers without retirement plan



Impact of new tax law on employers without a retirement plan to establish one

Source: 2003 EBRI SERS



Saving for Retirement Through the Workplace Is Far More Effective than Individual Savings Arrangements

- Employer sponsored plans offer:
 - Discipline of payroll deduction
 - Educational assistance and on-going communication
 - Employer match
- Support for Employer Retirement Savings Account
- Lifetime Savings Accounts could undermine employersponsored retirement plans
- Short-term savings versus long-term financial security