

Question of the Week

2022 Question of the Week Summary

Plan Design and Admin Questions

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We asked a variety of plan design and administration questions in 2022, many suggested by members looking to see how other plan sponsors handle specific design and administration issues that arise. The questions ranged from design features such as eligibility requirements, vesting schedules, and plan entry dates to how these features are used to attract and retain employees as part of an overall benefits strategy. Some questions asked how current conditions are impacting plans in terms of suspended contributions, increase in plan loans or distributions, and how sponsors are administratively implementing parts of the SECURE Act. Below is a compilation of all of these questions and more. If you have a question you would like us to ask in 2023, send it to research@psca.org.

Roth Defaults, January 17, 2022

A handful of organizations (6.4 percent) have considered Roth after-tax contributions as the default deferral type for automatic enrollment – none have made the switch from pre-tax contributions, yet. [Read more>](#)

Emergency Savings Accounts, January 24, 2022

A few pieces of pending retirement legislation in 2022 were aimed at helping participants establish an emergency savings account. No organizations were helping participants with this beyond education or as part of financial wellness, though many were interested. [Read more>](#)

Plan Eligibility Changes, February 7, 2022

Sixteen percent of companies stated they made changes to plan eligibility provisions to either comply with SECURE act provisions or to make the plan more competitive to attract employees. [Read more>](#)

Plan Advisor Qualities, February 21, 2022

Most plan sponsors consider the array of services provided to plan sponsors to be the single most important factor in choosing and working with a retirement plan advisor. [Read more>](#)

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Employee Financial Stress, February 28, 2022

Most companies think that the number one financial stressor for their employees is meeting monthly expenses and that providing access to financial planning professionals and personal finance education are the most important tools available to help address it. [Read more>](#)

Attract and Retain Employees, March 7, 2022

As there was a lot of concern in the beginning of the year about a labor shortage, some companies were adjusting their benefit plans to help attract and retain employees, though most were focused on improving organizational culture. [Read more>](#)

2022 Retirement Benefit Strategies, March 14, 2022

For 2022, plan sponsors were most interested in benchmarking their plan to competitor organizations, followed distantly by adding investment advice, managed accounts, and adjusting/adding automatic features. [Read more>](#)

Vesting Policies, April 11, 2022

Ten percent of plans were changing or considering changes to vesting schedules with an eye towards making the plan more competitive. [Read more>](#)

Saver's Credit, May 2, 2022

Most plan sponsors do not provide education about the Saver's Credit to its employees. [Read more>](#)

Part-time Employee Eligibility, May 23, 2022

A member asked if other plan sponsors have different eligibility rules for part-time versus full-time employees – only ten percent do. [Read more>](#)

Participants with Multiple Retirement Accounts, June 6, 2022

A member wondered how many retirement accounts employees have on average, and how that would impact perceived retirement readiness when it comes to income projections for just the one account. [Read more>](#)

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Tracking hours for LTPT Employees, June 20, 2022

A provision in the SECURE Act passed in 2019 provided for retirement plan eligibility for long-term part-time employees – those that earn at least 500 hours of service in each of three consecutive 12-month periods beginning with the 2021 plan year. This presented somewhat of an administrative challenge, and we asked how plan sponsors were addressing it ahead of the January 1, 2023 implementation deadline. [Read more>](#)

Participants with Former Accounts, July 25, 2022

A member reached out wanting to see if other companies do anything to help participants track down lost 401(k) accounts. Most do not (80 percent) while the rest direct employees to who to contact to find the information. [Read more>](#)

Recordkeeping Fees, August 22, 2022

A member was in the process of reevaluating how recordkeeping fees are passed on to participants and wanted to know how other plan sponsors handle this. [Read more>](#)

Surveying Employees, August 29, 2022

A member of the Education and Communication committee stated they are in the process of surveying employees regarding benefits to ensure that their benefit package met employees' needs . We wondered how prevalent this is and if there are resources PSCA can provide around this topic. [Read more>](#)

Plan Entry Dates, September 12, 2022

Another member question came in regarding plan entry dates – if organizations limit entry to the plan at specific times per year, outside of service requirements, to reduce administrative complexity, or if most companies allow employees to enroll as soon as eligible. [Read more>](#)

Plan Loan Use, September 26, 2022

As inflation was impacting the cost of living for employees, we asked if employers were seeing an increase in loan or hardship requests. [Read more>](#)

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Catchup Contributions and Roth, October 10, 2022

A provision in the EARN bill in the Senate included a requirement for catch-up contributions to be Roth after-tax contributions. We wondered how utilized catch-up contributions are and if plan sponsors thought this provision would impact their plan and participants. [Read more>](#)

Organizations Suspending Contributions, October 17, 2022

A reporter asked if any organizations were cutting retirement plan contributions in response to the economy – as of October, none were. [Read more>](#)

Gen Z Super Savers, October 24, 2022

A recent report suggested that Gen Z are super savers and saving more than other generations. We asked plan sponsors if that was their experience – responses were mixed. [Read more>](#)

Plan Priorities for 2023, November 14, 2022

As we look ahead to next year, we asked plan sponsors what they are focusing on in terms of their retirement plan priorities for 2023. Financial wellness is top of mind for sponsors in the new year. [Read more>](#)

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