

# Contents

**Executive Summary** ..... 1

**Full Data Tables** ..... 16

**Respondent Demographics** ..... 17

Table 1 Respondents by Plan Size and Plan Type ..... 17

Table 2 Respondents by Total Plan Assets and Plan Type ..... 17

Table 3 Respondents by Industry and Plan Size ..... 18

Table 4 Other Types of Plans Offered to Employees ..... 18

Table 5 Type of Defined Benefit Plan Offered by Companies Offering Them ..... 19

Table 6 Percentage of Companies That Made Changes to the DC Plan as a Result of Changes to the DB Plan ... 19

Table 7 Percentage of Companies That Offer a NQDC Plan to a Select Subset of Employees ..... 19

Table 8 Reasons Companies Do Not Offer a NQDC Plan to Executives ..... 19

Table 9 Percentage of Companies That Offer a Health Savings Account (HSA) Option to Employees ..... 20

Table 10 Percentage of Respondents That Are Multiple Employer Plans ..... 20

Table 11 Percentage of Plans That Meet the DOL Safe Harbor Exemption ..... 20

**Employee Eligibility** ..... 21

Table 12 Employees Eligible to Participate in Plans as a Percentage of Companies’ Total U.S. Employees ..... 21

Table 13 Employees Eligible to Participate in Plans as a Percentage of Companies’ Total U.S. Employees by Industry ..... 21

Table 14 Employee Groups Eligible to Participate in Plans for Companies That Have Those Types of Employees ... 22

Table 15 Union Worker Eligibility by Plan Size, for Plans That Have Union Workers ..... 22

Table 16 Percentage of Plans That Now Allow Hourly Part-Time Employees To Participate After Three Years of Service (per the SECURE Act) ..... 22

Table 17 Service Requirements for Employees to be Eligible to Make Contributions to the Plan by Plan Size ... 23

Table 18 Service Requirements to Receive Matching Company Contributions by Plan Size ..... 23

Table 19 Service Requirements to Receive Non-Matching Company Contributions by Plan Size ..... 23

Table 20 Plans That Have a Last Day Rule for Company Contributions by Plan Size ..... 24

Table 21 Minimum Age Requirements for Eligibility by Plan Size ..... 24

**Participation** ..... 25

Table 22 Plans Permitting Participant Contributions by Tax Basis and Plan Size ..... 25

Table 23 Types of Participant Contributions Permitted ..... 25

Table 24 Percentage of Plans Allowing Roth That Allow In-Plan Roth Conversions ..... 25

Table 25 Percentage of Eligible Employees With an Account Balance ..... 26

Table 26 Percentage of Eligible Employees With an Account Balance by Industry ..... 26

Table 27 Percentage of Eligible Employees That Made Contributions to the Plan in 2021 by Plan Size ..... 26

Table 28	Percentage of Eligible Employees That Made Contributions to the Plan in 2021 by Industry .....	27
Table 29	Percentage of Eligible Employees That Made Contributions to the Plan in 2021, by Type of Participant Contribution .....	27
Table 30	Average Percentage of Terminated Vested Employees With a Plan Balance (as a Percentage of Total Participants) .....	27
Table 31	Average Years of Participation by Employees Who Retired During the Last Plan Year .....	28
Table 32	Average Deferral Percentage (ADP) and Average Contribution Percentage (ACP) Test Results .....	28
Table 33	Average Percentage of Salary Deferred (Pre- and After-Tax) for All Active Participants .....	28
Table 34	Average Percentage of Salary Deferred (Pre- and After-Tax) for All Active Participants by Industry ....	29
Table 35	Average Percentage of Salary Deferred by Type of Deferral .....	29
Table 36	Percentage of Plans That Provide a Suggested Savings Rate to Participants) .....	29
Table 37	Savings Rate Suggested to Participants (as a Percentage of Pay) .....	29
Table 38	Average Account Balance for Active and Terminated Vested Participants .....	30
Table 39	Percentage of Plans Permitting Catch-Up Contributions by Participants Age 50 and Older .....	30
Table 40	Percentage of Plans Matching Catch-Up Contributions (When Catch-Ups Are Permitted) .....	30
Table 41	Percentage of Participants Age 50 and Older Who Made Catch-Up Contributions (When Permitted) ...	30
Table 42	Percentage of Plans Accepting Rollovers From Other Plans .....	31
Table 43	Permitted Rollover Sources .....	31
Table 44	Point at Which Plans Accept Rollovers (for Plans Permitting Elective Employee Deferrals) .....	31
Table 45	Percentage of Plans That Allow Participants to Roll Assets Into the Plan After Separation From Service .....	32
Table 46	Percentage of Plans That Actively Encourage Participants to Roll Assets Into the Plan .....	32
Table 47	Maximum Percentage of Pay Participants May Contribute to the Plan by Plan Design (Section 415 Limits) .....	32
<b>Company Contributions .....</b>		<b>33</b>
Table 48	Company Contributions as a Percentage of Eligible Participants' Total Annual Payroll by Plan Type and Plan Year .....	33
Table 49	Company Contributions as a Percentage of Eligible Participants' Total Annual Payroll by Plan Type and Plan Size .....	33
Table 50	Company Contributions as a Percentage of Eligible Participants' Total Annual Payroll by Industry ....	33
Table 51	Company Contributions as a Percentage of Eligible Participants' Total Annual Payroll by Type of Contribution .....	34
Table 52	Company Contributions as a Percentage of Eligible Participants' Total Annual Payroll by Rate of Contribution .....	34
Table 53	Company Contributions as a Percentage of Total Net Profit by Plan Type and Plan Size .....	34
Table 54	Employer Contribution Formulas .....	35
Table 55	Safe Harbor Contribution Formulas .....	35
Table 56	Percentage of Plans Where Matching Contributions are Discretionary or Guaranteed .....	36
Table 57	Matching Formulas Used in Plans With Fixed Matching Formulas .....	36
Table 58	Average Maximum Company Contributions Allowed by the Plan, by Type of Contribution .....	37

# Contents

Table 59	Maximum Total Company Contributions by Plan Design .....	37
Table 60	Percentage of Companies That Made Contributions in 2021 by Types of Contributions Offered and Plan Size .....	37
Table 61	Definition of Compensation by Plan Size .....	38
Table 62	Frequency of Non-Matching Company Contributions by Plan Size .....	38
Table 63	Frequency of Matching Company Contributions .....	38
Table 64	Percentage of Companies Making True-Up Matches When Matches Are Not Made Annually .....	39
Table 65	Vesting Schedules by Plan Size and Contribution Type .....	39

## Investment Options .....

40

Table 66	Percentage of Plans That Have the Same Fund Options Available for Participant and Company Contributions for Plans That Offer Both .....	40
Table 67	Number of Investment Funds Available for Company Contributions by Plan Size .....	40
Table 68	Number of Investment Funds Available for Participant Contributions by Plan Size .....	40
Table 69	Average Number of Investment Fund Options by Plan Size .....	41
Table 70	Investment Funds Available in the Plan by Plan Size .....	41
Table 71	Average Number of Funds Offered by Asset Class and Plan Size for Only Those Plans That Offer the Specified Asset Class .....	42
Table 72	Investment Structure by Fund Type .....	43
Table 73	Percentage of Total Plan Assets Invested by Fund Type and Plan Size .....	44
Table 74	Average Asset Allocation by Plan Size .....	45
Table 75	Type of Target-Date Fund Used by Plans Offering Them .....	45
Table 76	Type of Glide Path Used in Target-Date Funds .....	46
Table 77	Management Style of Target-Date Funds, Among Plans That Offer Them .....	46
Table 78	Types of Investment Options Included in the Target-Date Funds Offered .....	46
Table 79	Reasons for Not Offering an ESG Fund .....	47
Table 80	Percentage of Plans Offering a Professionally Managed Alternative .....	47
Table 81	Parties Paying for Professionally Managed Alternative, if Offered .....	47
Table 82	Types of Participants Who Pay for Professionally Managed Alternative When Available and Participants Pay .....	47
Table 83	Percentage of Plans Offering a Professionally Managed Alternative Comprised Only of Funds From the Existing Plan Menu .....	48
Table 84	Percentage of Plans Offering an In-Plan Annuity (Lifetime Income) Option to Participants .....	48
Table 85	Percentage of Plans Using a Qualified Default Investment Alternative (QDIA) .....	48
Table 86	Type of Qualified Default Investment Alternative (QDIA) Used in Plans That Offer One .....	48

## Investment Allocation and Monitoring .....

49

Table 87	Parties Determining How Contributions Are Invested .....	49
Table 88	Parties Determining How Contributions Are Invested in Plans With Fewer Than 50 Participants .....	49
Table 89	Frequency Participants May Initiate Fund Transfers (Excluding Any Individual Fund Restrictions) ...	49

Table 90	Primary Plan Recordkeeper by Plan Size .....	50
Table 91	Percentage of Plans Reporting Having an Investment Policy Statement .....	50
Table 92	Frequency That Investments Are Formally Monitored .....	50
Table 93	Percentage of Plans That Retain an Independent Investment Advisor to Assist With Fiduciary Responsibility .....	51
Table 94	Type of Fee Paid for the Independent Advisor (Among Plans That Use One) .....	51
Table 95	Type of Plan Trustee by Plan Size .....	51
<b>Company Stock .....</b>		<b>52</b>
Table 96	Percentage of Companies That Offer Company Stock as an Investment Option, by Contribution Type and Plan Size .....	52
Table 97	Plan Assets Invested in Company Stock Among Plans That Offer Company Stock Funds .....	52
Table 98	Limits to the Amount of Assets Invested in Company Stock .....	52
Table 99	Percentage of Organizations With Company Stock and Company Contributions That Make Contributions in Company Stock by Plan Size .....	53
Table 100	Percentage of Organizations Taking a Dividend Deduction, When Company Stock Is Offered .....	53
Table 101	Percentage of Organizations That Have an Independent Outside Fiduciary on the Company Stock Fund .....	53
Table 102	Percentage of Organizations That Benchmark Their Company Stock Fund .....	54
Table 103	Frequency That Plans Benchmark Their Company Stock Fund .....	54
Table 104	Benchmark Used by Companies That Benchmark Their Company Stock Fund .....	54
<b>Investment Advice .....</b>		<b>55</b>
Table 105	Percentage of Plans Offering Investment Advice to Participants .....	55
Table 106	Provider of Investment Advice, When Offered .....	55
Table 107	Method Investment Advice Is Delivered to Participants, Among Plans Offering Investment Advice ....	55
Table 108	Percentage of Participants Using Investment Advice When Offered .....	56
Table 109	Payer of Investment Advice by Plan Size .....	56
Table 110	Types of Participants Who Pay for Investment Advice, When Investment Advice Is Offered and Participants Pay .....	56
Table 111	Percentage of Plans in Which the Investment Advisor Is Limited to Funds Available for Participant Direction .....	57
Table 112	Percentage of Companies That Provide Access to a Robo-Advisor to Participants .....	57
<b>Automatic Features .....</b>		<b>58</b>
Table 113	Percentage of Plans With Automatic Enrollment by Plan Size .....	58
Table 114	Application of Automatic Enrollment by Plan Size .....	58
Table 115	Percentage of Plans With Automatic Enrollment by Industry Type .....	58
Table 116	Reasons Companies Do Not Use Automatic Enrollment by Plan Size .....	59
Table 117	Default Deferral Percentage in Plans With Automatic Enrollment by Plan Size .....	59

# Contents

- Table 118 Percentage of Plans That Set the Default Deferral Rate High Enough to Receive the Maximum Match ... 59
- Table 119 Default Investment Option for Automatic Deferrals by Plan Size ..... 60
- Table 120 Average Percentage of Participants Contributing and Average Deferral Rates for Plans That Use an Automatic Enrollment Feature ..... 60
- Table 121 Average Percentage of Automatically Enrolled Participants That Opted-Out of the Plan in 2021 ..... 60
- Table 122 Percentage of Automatic Enrollment Plans That Automatically Increase Default Deferral Rates Over Time by Plan Size ..... 61
- Table 123 Percentage of All Plans That Automatically Increase Default Deferral Rates Over Time by Plan Size .... 61
- Table 124 Amount Default Deferral Is Increased Every Year for All Plans That Automatically Increase Contributions ..... 61
- Table 125 Percentage of Plans That Auto-Escalate the Deferral Rate to the Maximum Match Level ..... 61
- Table 126 Timing for Automatically Increasing Default Deferral Rates Over Time ..... 62
- Table 127 Cap on Automatic Increases for Plans That Automatically Increase Deferrals Over Time by Plan Size ... 62
- Table 128 Percentage of Automatically Enrolled Participants That Made a Change to the Default Options ..... 62
- Table 129 Percentage of Plans That Allow Participants to Automatically Rebalance Their Portfolios ..... 62

**Plan Loans** ..... 63

- Table 130 Plans Permitting Participant Loans by Plan Size ..... 63
- Table 131 Percentage of Plans Permitting Loans by Industry Type ..... 63
- Table 132 Formula Used to Determine Loan Interest Rates ..... 64
- Table 133 Average and Median Loan Interest Rates in 2021 ..... 64
- Table 134 Number of Individual Participant Loans Permitted in Plans With a Loan Feature ..... 64
- Table 135 Minimum Loan Amount Requirements ..... 65
- Table 136 Percentage of Plans That Allow Participants to Continue to Make Loan Repayments Following Termination of Employment ..... 65
- Table 137 Percentage of Plans That Allow Participants to Take New Loans After Separation of Service ..... 65
- Table 138 Types of Loan Fees Charged to Participants/Borrowers ..... 66
- Table 139 Average and Median Loan Fees Charged to Participants/Borrowers ..... 66

**Distributions and Withdrawals** ..... 67

- Table 140 Percentage of Plans Permitting Hardship Withdrawals ..... 67
- Table 141 Percentage of Plans Permitting Hardship Withdrawals by Industry Type ..... 67
- Table 142 Reasons for Permitting Hardship Withdrawals ..... 68
- Table 143 Average Percentage of Participants Taking a Hardship Withdrawal, When Permitted ..... 68
- Table 144 Processing of Hardship Withdrawals ..... 68
- Table 145 Percentage of Plans That Charge a Fee for Hardship Withdrawals ..... 69
- Table 146 Average and Median Fees Charged for Hardship Withdrawals ..... 69
- Table 147 Percentage of Plans Permitting In-Service Distributions (Excluding Hardship Withdrawals) ..... 69
- Table 148 Percentage of Plans That Charge a Fee for In-Service (Non-Hardship) Distributions ..... 70

Table 149	Average and Median Fees Charged for In-Service (Non-Hardship) Distributions	70
Table 150	Age at Which In-Service Distributions (Non-Hardship) Are Permitted	70
Table 151	Percentage of Plans That Adopted the Optional Provision in the Secure Act To Allow Penalty-Free In-Service Withdrawals of Up to \$5,000 Within 1 Year of a Birth or Adoption of a Dependent Child	70
Table 152	Pre-Retirement Distribution Options Offered	71
Table 153	Policies Applied to Participant Distributions Who Terminate Prior to Retirement	71
Table 154	Retirement Distribution Options Offered	71
Table 155	Type of Annuity Distribution Option Offered	72
Table 156	Percentage of Plans That Charge a Fee for Retirement Distributions	72
Table 157	Average and Median Fees Charged for Retirement Distributions	72
Table 158	Percentage of Plans Providing Education to Participants Taking a Distribution	73
Table 159	Percentage of Plans That Actively Encourage Participants to Keep Assets in the Plan at Retirement	73
Table 160	Average Percentage of Retirees That Keep Assets in the Plan at Retirement	73
Table 161	Percentage of Plans That are Considering Adding a Retirement Tier to the Plan for Retirees	73
<b>Participant Education and Communication</b>		<b>74</b>
Table 162	Purpose(s) for Providing Plan Education to Employees	74
Table 163	Primary Purpose for Providing Plan Education to Employees	74
Table 164	Type(s) of Education Materials Used to Accomplish Educational Goals	75
Table 165	Retirement Planning Education Provider	76
Table 166	Percentage of Plans That Evaluate the Success of Their Education Programs	76
Table 167	Measurements Used to Evaluate the Success of Education Programs	76
Table 168	Percentage of Plans That Have a Comprehensive Financial Wellness Program, Beyond a Standard 401(k) Education Program	77
Table 169	Topics Covered in the Financial Wellness Program, When Offered	77
Table 170	Plans That Provide a Projected Monthly Lifetime Income Amount on Participant Statements	77
<b>Plan Expenses</b>		<b>78</b>
Table 171	Payor of Specific Plan Expenses for All Plans, by Category of Expense	78
Table 172	Payor of Specific Plan Expenses Among Plans With 5,000 or More Participants	78
Table 173	Plans Where Terminated Vested Participants Pay the Same Plan Expenses As Their Employed Counterparts	79
Table 174	Types of Recordkeeping and Administration Fees Charged, by Plan Size	79
Table 175	Percentage of Plans Where the Allocation of Fees Changes after Employment Terminates	79
Table 176	Percentage of Plans That Use Revenue Sharing Investments	79
Table 177	Allocation of Revenue Sharing, Among Plans That Have Revenue Sharing	80
Table 178	Percentage of Plans That Use an ERISA Bucket (EBA (Expense Budget Account) or PERA (Plan Expense Reimbursement Account)) by Plan Size	80
Table 179	Frequency a Formal Evaluation of Plan Fees Is Conducted by Plan Size	80

# Contents

**Plan Administration Practices** ..... 81

Table 180 **401(k) Average Deferral Percentage (ADP) Non-Discrimination Test Results** ..... 81

Table 181 **Top Heavy Plan Assessment** ..... 81

Table 182 **Contribution Determination Factors Other Than Company Earnings** ..... 82

Table 183 **Percentage of Organizations Providing Services via Plan Sponsor Benefits Staff** ..... 82

Table 184 **Percentage of Organizations Providing Services via Vendor Call Centers** ..... 82

Table 185 **Percentage of Organizations Providing Services via the Internet** ..... 83

Table 186 **Percentage of Organizations Providing Services via Mobile Technology** ..... 83

Table 187 **Participant Behaviors That Organizations Monitor** ..... 84

Table 188 **Percentage of Organizations That Took Action Based on Monitored Participant Behaviors** ..... 84

Table 189 **Forfeiture Allocation Policies Among Organizations With Forfeitures by Plan Type and Plan Size** .... 85

Table 190 **Cybersecurity Measures Taken in 2021** ..... 86

Table 191 **Percentage of Companies That Have a Participant Data Use Policy With the Plan Service Provider** .... 86

Table 192 **Percentage of Companies That Use an Outsourced Chief Investment Officer** ..... 86

Table 193 **Length of Time Since the Organization Put Out an RFP/RFI** ..... 87

Table 194 **Percentage of Organizations That Made Changes as a Result of the RFP/RFI** ..... 87

Table 195 **Reasons Organizations Put Out an RFP/RFI** ..... 87

Table 196 **Measures Taken To Help With Student Loan Debt** ..... 88

Table 197 **Percentage of Organizations That Provide Education to Retirement Plan Committee Members** ..... 88

Table 198 **Provider of Retirement Plan Committee Education** ..... 88

Table 199 **Education Topic Provided to Retirement Plan Committee Members** ..... 89

Table 200 **Types of Plan Changes Made in 2021** ..... 89

Table 201 **Types of Plan Changes Contemplated for 2022** ..... 90

Table 202 **Percentage of Organizations That Evaluate Whether Their Plan Is Successful (Defined as Meeting Organization Objectives)** ..... 91

Table 203 **Benchmarks Used to Evaluate Plan Success** ..... 91

**Survey Questionnaire** ..... 92

**Index** ..... 103