

2008 401(k) Benchmarking Survey

Health Care Sector

Twenty six (26) surveys were completed from companies within the health care sector, representing 6% of total respondents.

Demographics

The health care sector was more likely to be from the Midwest region (46.2%) and less likely from the Northeast (19.2%) and West (11.5%) vs. the nation 34.9%, 24.5%, and 17.0% respectively.

Health care sector respondents were more likely to have privately held ownership structures (66.7%) as compared to the nation (53.6%).

The number of employees in health care sector respondents was more likely to be mid to mega sized (80.8%; 1001-10,000 plus) as compared to the nation (60.2%).

The average employee tenure (years of service) in the health care sector was more likely to be 6-10 (47.8%) as compared to the nation (38.5%).

Participation rates in the health care sector were more likely to be 40.01% to 70% (52%) versus the nation (22.8%).

Eligibility

Service requirements in the health care sector are more likely to be immediate or less than three months (53.8% and 34.6%) as compared to the nation (50.8% and 30.9% respectively).

The health care sector is more likely than the nation to have a minimum age requirement of less than 21 years (42.3% vs. 18.6%).

The health care sector was more likely (15.4%) to have changed eligibility requirements in the past year making them less restrictive than the nation (11.8%).

The health care sector was less likely (38.4%) to report having an automatic enrollment/negative election feature than the nation (42.2%).

The health care sector was more likely to report not having and being unaware of easy enrollment features (16%) than the nation (10.6%).

The health care sector was more likely to report never having a contribution step up feature (50%) than the nation (42.9%).

Employee Contributions

Compared to the national results (25.1%), the health care sector respondents HCE ADPs were more likely to be less than 6% (44.4%).

The health care sector NHCE ADPs were more likely to be less than 4% (44.4%) than the nation (16.2%).

The health care sector response to offering a Roth 401(k) feature (80% no, 20% yes) mirrored the nation (22.8%).

Employer Contributions

Service requirements in the health care sector were longer (63.2%; one year) than the nation (27.4%).

The health care sector is more likely not to offer a safe harbor contribution (75%) compared to the national sample (70.4%).

Investments

The average number of investment options was 17.5 in the health care sector.

Participant Experience

The availability of individual financial counseling/investment advice in the health care sector is less likely (45% no) than the nation (39.8%).

Statements are more likely to be available to health care sector participants between 6-14 days after the end of each quarter (66.6%) compared to the nation (55.7%)

Technology Usage

The features utilized by the health care sector participants were: Internet (100%), call center representatives (88.2%), voice response systems (88.2%) and PDA/wireless (0%) compared to the nation were: Internet (99.7%), call center representatives (94.2%), voice response systems (76.9%) and PDA/wireless (8.4%).

Usage of Internet inquiry and transactions in the health care sector was more likely to be low under 30% participant usage level (37.5%) as compared to the nation (15.5%).

Plan Effectiveness

The health care sector was more likely not to view 401(k) plans as effective recruiting tools (25%) than the nation (19.2%) while sentiments mirrored the national sample (75% vs. 75.5% in retaining existing employees).

The health care sector was more likely to believe that the provisions of their 401(k) plans are less competitive than their peers (31.3%) compared to the nation (12.6%).

Health care sector respondents were more likely to have the opinion that some employees are or will be financially prepared for retirement (81.3%) compared to the nation (65.4%).

For more information, please contact

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