

2009 401(k) Benchmarking Survey Energy & Resources



Administered against the backdrop of unprecedented economic challenges, the 2009 401(k) Benchmarking Survey sheds light on the collective “frame of mind” of employers. To further this analysis, the following represents industry segmentation of 401(k) plan activity based on employers surveyed as well as a comparison to national averages. While in certain circumstances the economy has forced the hand of some plan sponsors to take action, for the majority of surveyed employers, plan designs have remained relatively consistent.

Forty eight (48) surveys were completed from companies within the Energy & Resources industry, representing 8% of the total respondents.

Demographics

Exhibit 1. Participants by region

	Industry	National
Midwest	29%	41%
South	42%	22%
Northeast	15%	21%
West	14%	16%
Total	100%	100%

Exhibit 2. Average age of participants

	Industry	National
< 30 years	2%	2%
31 - 40 years	9%	28%
41 - 50 years	82%	67%
51+ years	7%	3%
Total	100%	100%

Exhibit 3. Average length of service of participants

	Industry	National
1 - 5 years	18%	24%
6 - 10 years	20%	44%
11 - 15 years	38%	24%
16 - 20 years	17%	6%
21 - 25 years	7%	2%
26+ years	0%	0%
Total	100%	100%

Automatic enrollment

Exhibit 4. Automatic enrollment feature in place

	Industry	National
Yes, satisfies safe harbor conditions defined by the Pension Protection Act of 2006	33%	30%
Yes, does not satisfy the safe harbor conditions defined by the Pension Protection Act of 2006	29%	17%
Yes, unsure of safe harbor conditions	0%	5%
No, we never had it	25%	33%
No, we discontinued it	0%	1%
No, but considering it	13%	14%
No, we were unaware of this feature	0%	0%
Total	100%	100%

Exhibit 5. Default deferral percentage

	Industry	National
2% or less	10%	16%
3%	57%	60%
4%	13%	11%
5%	3%	4%
6% or more	17%	9%
Total	100%	100%

Exhibit 6. Default investment election

	Industry	National
Principal Preservation (stable value, money market, etc.)	10%	9%
Balanced Fund	3%	10%
Lifestyle Fund (risk based)	13%	12%
Lifecycle / Target Retirement Date Fund	74%	65%
Managed Account	0%	3%
Other	0%	1%
Total	100%	100%

Easy enrollment

Exhibit 7. Easy enrollment feature in place

	Industry	National
Yes	13%	15%
No, we never had it	63%	64%
No, we discontinued it	4%	3%
No, but considering it	6%	11%
No, we were unaware of this feature	14%	7%
Total	100%	100%

Exhibit 8. Population targeted for easy enrollment

	Industry	National
New hires only	33%	39%
Entire population	67%	49%
Other	0%	12%
Total	100%	100%

Step-ups

Exhibit 9. Step-up contribution feature in place

	Industry	National
Yes	42%	42%
No	44%	41%
No, but considering it	8%	13%
No, we were unaware of this feature	0%	2%
Other	6%	2%
Total	100%	100%

Exhibit 10. Elective or automatic

	Industry	National
Elective	56%	58%
Automatic for some or all participants	44%	42%
Total	100%	100%

Exhibit 11. Incremental step-up percentage

	Industry	National
1%	65%	65%
2%	4%	2%
Other percentage	0%	1%
Employee's choice	31%	32%
Total	100%	100%

Employee contributions

Exhibit 12. HCE average deferral percentage

	Industry	National
< 4%	6%	10%
4 - 5.99%	20%	19%
6 - 7.99%	53%	47%
8% or more	21%	24%
Total	100%	100%

Exhibit 13. NHCE average deferral percentage

	Industry	National
< 4%	12%	21%
4 - 5.99%	53%	37%
6 - 7.99%	27%	28%
8% or more	8%	14%
Total	100%	100%

Exhibit 14. Roth 401(k) feature

	Industry	National
Yes	32%	31%
No	68%	69%
Total	100%	100%

Employer contributions

Exhibit 15. Service requirement for employer matching contribution

	Industry	National
Immediate	82%	57%
Less than 1 year	7%	14%
1 year	9%	24%
Other	2%	5%
Total	100%	100%

Exhibit 16. Service requirement for profit sharing

	Industry	National
Immediate	13%	31%
Less than 1 year	12%	16%
1 year	50%	44%
Other	25%	9%
Total	100%	100%

Exhibit 17. Change in company's matching formula in the past year

	Industry	National
Yes, we have	19%	17%
No, and we are not considering any changes	72%	68%
No, but we are considering	9%	15%
Total	100%	100%

Exhibit 18. Yes, changed company's matching formula in the past year

	Industry	National
Yes, we have		
Increased match	50%	28%
Instituted safe harbor	13%	13%
Suspended/discontinued	13%	29%
Decreased match	0%	27%
Instituted discretionary	0%	5%
Instituted other formula/design changes	25%	10%

Exhibit 19. No, did not change company's matching formula in the past year

	Industry	National
No, but we are considering		
A change to increase match	25%	10%
A change to institute safe harbor	0%	14%
A change to decrease match	0%	32%
Suspending/discontinuing match	25%	45%
A change to institute discretionary	0%	8%
Other formula/design changes	50%	16%

Investments

Exhibit 20. Investment vehicles utilized

	Industry	National
Annuities	3%	8%
Collective trust funds	42%	28%
Mutual funds	90%	91%
Separate accounts	18%	21%
Other	8%	10%

Exhibit 21. Managed accounts offered

	Industry	National
Yes	29%	26%
No	62%	65%
No, but considering it	9%	8%
No, unaware of this feature	0%	1%
Total	100%	100%

Plan effectiveness

Exhibit 22. 401(k) as an effective employee recruitment tool

	Industry	National
Yes	97%	79%
No	3%	21%
Total	100%	100%

Exhibit 23. 401(k) as an effective employee retention tool

	Industry	National
Yes	83%	68%
No	17%	32%
Total	100%	100%

Exhibit 24. Generational segmentation considered

	Industry	National
Yes	42%	37%
No	58%	63%
Total	100%	100%

Exhibit 25. Financial counseling availability

	Industry	National
Yes, to all participants	43%	50%
Yes, to some participants	11%	4%
No	39%	41%
No, but we are in the process of implementing this feature	7%	5%
Total	100%	100%

Provider relationship

Exhibit 26. Provider structure

	Industry	National
Bundled	60%	75%
Alliance	16%	10%
Unbundled	24%	15%
Total	100%	100%

Exhibit 27. Fees at risk or additional services provided for maintaining service and performance levels

	Industry	National
Yes	48%	42%
No	26%	34%
Dont know	26%	24%
Total	100%	100%

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