

2009 401(k) Benchmarking Survey Technology, Media & Telecommunications



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.

Seventy three (73) surveys were completed from companies within the Technology, Media & Telecommunications industry, representing 12% of the total respondents.

Demographics

Exhibit 1. Participants by region

	Industry	National
Midwest	21%	41%
South	19%	22%
Northeast	25%	21%
West	35%	16%
Total	100%	100%

Exhibit 2. Average age of participants

	Industry	National
< 30 years	0%	2%
31 - 40 years	41%	28%
41 - 50 years	58%	67%
51+ years	1%	3%
Total	100%	100%

Exhibit 3. Average length of service of participants

	Industry	National
1 - 5 years	28%	24%
6 - 10 years	46%	44%
11 - 15 years	19%	24%
16 - 20 years	5%	6%
21 - 25 years	2%	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	26%	30%
Yes, does not satisfy the safe harbor conditions defined by the Pension Protection Act of 2006	10%	17%
Yes, unsure of safe harbor conditions	4%	5%
No, we never had it	43%	33%
No, we discontinued it	1%	1%
No, but considering it	16%	14%
No, we were unaware of this feature	0%	0%
Total	100%	100%

Exhibit 5. Default deferral percentage

	Industry	National
2% or less	7%	16%
3%	76%	60%
4%	14%	11%
5%	3%	4%
6% or more	0%	9%
Total	100%	100%

Exhibit 6. Default investment election

	Industry	National
Principal Preservation (stable value, money market, etc.)	3%	9%
Balanced Fund	7%	10%
Lifestyle Fund (risk based)	14%	12%
Lifecycle / Target Retirement Date Fund	63%	65%
Managed Account	10%	3%
Other	3%	1%
Total	100%	100%

Easy enrollment

Exhibit 7. Easy enrollment feature in place

	Industry	National
Yes	15%	15%
No, we never had it	59%	64%
No, we discontinued it	4%	3%
No, but considering it	11%	11%
No, we were unaware of this feature	11%	7%
Total	100%	100%

Exhibit 8. Population targeted for easy enrollment

	Industry	National
New hires only	36%	39%
Entire population	46%	49%
Other	18%	12%
Total	100%	100%

Step-ups

Exhibit 9. Step-up contribution feature in place

	Industry	National
Yes	53%	42%
No	32%	41%
No, but considering it	10%	13%
No, we were unaware of this feature	4%	2%
Other	1%	2%
Total	100%	100%

Exhibit 10. Elective or automatic

	Industry	National
Elective	62%	58%
Automatic for some or all participants	38%	42%
Total	100%	100%

Exhibit 11. Incremental step-up percentage

	Industry	National
1%	57%	65%
2%	3%	2%
Other percentage	0%	1%
Employee's choice	40%	32%
Total	100%	100%

Employee contributions

Exhibit 12: HCE average deferral percentage

	Industry	National
< 4%	2%	10%
4 - 5.99%	9%	19%
6 - 7.99%	67%	47%
8% or more	22%	24%
Total	100%	100%

Exhibit 13: NHCE average deferral percentage

	Industry	National
< 4%	4%	21%
4 - 5.99%	44%	37%
6 - 7.99%	28%	28%
8% or more	24%	14%
Total	100%	100%

Exhibit 14: Roth 401(k) feature

	Industry	National
Yes	38%	31%
No	62%	69%
Total	100%	100%

Employer contributions

Exhibit 15: Service requirement for employer matching contribution

	Industry	National
Immediate	70%	57%
Less than 1 year	13%	14%
1 year	12%	24%
Other	5%	5%
Total	100%	100%

Exhibit 16: Service requirement for profit sharing

	Industry	National
Immediate	44%	31%
Less than 1 year	33%	16%
1 year	11%	44%
Other	12%	9%
Total	100%	100%

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

	Industry	National
Yes, we have	16%	17%
No, and we are not considering any changes	58%	68%
No, but we are considering	26%	15%
Total	100%	100%

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

	Industry	National
Yes, we have		
Increased match	10%	28%
Instituted safe harbor	10%	13%
Suspended/discontinued	20%	29%
Decreased match	40%	27%
Instituted discretionary	20%	5%
Instituted other formula/design changes	0%	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	19%	10%
A change to institute safe harbor	6%	14%
A change to decrease match	56%	32%
Suspending/discontinuing match	19%	45%
A change to institute discretionary	13%	8%
Other formula/design changes	13%	16%

Investments

Exhibit 20. Investment vehicles utilized

	Industry	National
Annuities	6%	8%
Collective trust funds	26%	28%
Mutual funds	96%	91%
Separate accounts	14%	21%
Other	15%	10%

Exhibit 21. Managed accounts offered

	Industry	National
Yes	31%	26%
No	55%	65%
No, but considering it	9%	8%
No, unaware of this feature	5%	1%
Total	100%	100%

Plan effectiveness

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

	Industry	National
Yes	65%	79%
No	35%	21%
Total	100%	100%

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

	Industry	National
Yes	48%	68%
No	52%	32%
Total	100%	100%

Exhibit 24. Generational segmentation considered

	Industry	National
Yes	31%	37%
No	69%	63%
Total	100%	100%

Exhibit 25. Financial counseling availability

	Industry	National
Yes, to all participants	53%	50%
Yes, to some participants	2%	4%
No	43%	41%
No, but we are in the process of implementing this feature	2%	5%
Total	100%	100%

Provider relationship

Exhibit 26. Provider structure

	Industry	National
Bundled	77%	75%
Alliance	12%	10%
Unbundled	11%	15%
Total	100%	100%

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

	Industry	National
Yes	36%	42%
No	38%	34%
Dont know	26%	24%
Total	100%	100%

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