

Use Plan Analytics to Evaluate Your Retirement Plan



Your retirement plan is a valuable resource for your employees and serves as a vehicle to attract and retain top talent. Ensuring plan success is crucial. Examining plan analytics can help evaluate its success.

Plan analytics you should explore:

- **Median age, tenure and savings rates of plan participants**

These analytics can be helpful to determine which age groups are not strongly participating and may be encouraged to do so via on-site meetings, focused mailings and other communication and education.

- **Participants not contributing sufficiently to receive all eligible employer match**

Participants “leaving money on the table” can be studied to explain why contributing to the employer match maximum is so advantageous (e.g., with a 50 percent match, participants automatically earn 50 percent “return” on their contribution before any investment gains occur).

- **Participants, by age, in each target date fund**

Another demographic that can be helped by focused participant communications.

- **Participants taking loans**

It is important for plan fiduciaries to determine if the plan loan provision is being abused. This can result in significant asset leakage with participants and oversight concerns for plan fiduciaries.

- **Loan default rates**

Loan defaults also create problems for participants (taxation & penalties for premature distributions) and plan fiduciaries (loan defaults at 90 days arrear are a fiduciary breach).

- **Dollar amounts of employee contributions by type and source**

These analytics allow for a deep dive into appropriateness of participant behavior potentially impacting plan menu design decisions, employee investment assistance, Roth utilization, TDF utilization and more.

Many factors impact the success of your plan. Studying your plan’s analytics helps you improve your plan and ensures your employees reach their retirement goals.

For assistance in analyzing your plan analytics and how your plan compares to peers, please contact Allison Winge at Plexus Financial Services at 847-307-6127 or awinge@plexusfs.com.