

Dear HR/Benefits Manager:

If you are like most retirement plan sponsors, you run your plan to help employees save and invest for a financially secure retirement.

But are you satisfied with employee participation in your 403(b) plan? You may have a low participation rate. Or, perhaps employee contributions seem low. Maybe employees aren't making good investment decisions. All of this adds up to problems for your employees when it comes to financing their retirement years.

Your organization can help make participation more meaningful with automatic features. With an automatic 403(b) plan, participation is the default. Employees are enrolled at a pre-set contribution rate into a preselected investment fund, and are in the plan unless they opt out.

Automatic plan design has gained strong footing in the 401(k) space. The take-up rate among 401(k) plan sponsors stands at about 40 percent.¹ Experts expect this trend to be replicated among 403(b) providers. And, you can automate with the confidence that employees will view your actions favorably. Our research has shown overwhelmingly positive employee endorsement of automatic enrollment.²

As you may be aware, the 403(b) plan landscape is different than it was even just a few years ago. Legislative and regulatory actions have put employers squarely in the center of responsibility for 403(b) plans. The changes have made 403(b) and 401(k) plans virtually synonymous. It's a great time to build off the best practices in the 401(k) marketplace to optimize your 403(b) plan to help participants save for retirement.

Automatic plan features remove impediments that result in "analysis paralysis" over investment decisions. Participants can opt out of participating, or change how much they contribute and where their money is invested. But inertia no longer stands in their way of building a retirement nest egg.

Retirement Made Simpler™ is a coalition formed by AARP, the Financial Industry Regulatory Authority (FINRA) and the Retirement Security Project (RSP). We have created a free Toolkit just for 403(b) plan sponsors. It provides helpful information and communications samples to help you automate your plan.

For more information about automatic retirement plans, or to download an electronic version of any of the following documents, please visit: **www.RetirementMadeSimpler.org**.

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Sincerely,

Retirement Made Simpler™

1 Profit Sharing/401(k) Council of America. 52nd Annual Survey of Profit Sharing and 401(k) Plans. 2009.

2 Retirement Made Simpler Employee Satisfaction Studies. 2007 and 2008.