



401(k) Plans: Common Issues Plan Sponsors Face

You want your employees to be ready for retirement, but it's not easy to keep up with evolving industry trends. Below are some of the most common issues we see plan sponsors dealing with. Bernstein can help—we offer solutions to make your job easier and help your employees achieve their retirement savings goals.



Fees are unknown and/or too high

- When was the last time you benchmarked your plan for fees? To meet your fiduciary duty of ensuring reasonable plan fees and expenses, it's essential to run comparisons against industry peers. We can guide you through the process.



Executives and highly compensated employees are not able to maximize their contributions

- When a portion of participants are not contributing enough, it impacts not only their retirement readiness, but the retirement readiness of everyone in the organization. Adjustments to plan design can resolve this situation.



Employees don't have access to a robust website with tools for retirement planning

- Recordkeeping websites are the “engine” of the plan and equip participants with the necessary tools to plan for retirement. Not all recordkeepers are created equal, so it's a good idea to review your vendor periodically.



Participation in the plan is low, and employees are not taking advantage of this benefit

- This is often a symptom of a broader issue: lack of a strategy to engage participants. While each organization is unique, certain types of outreach can improve participation in most cases, including education seminars, automatic enrollment, and more.



Lack of investment education for employees

- When was the last time your advisor hosted an investment education session for staff? Employee financial literacy can improve participation and deferral rates—it can also lead to a greater sense of well-being and productivity.

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