

Should You Evaluate Your Plan to Better Prepare Employees for Retirement?

With the lingering effects of the pandemic, remote work environments and changing labor market, the retirement savings needs of employees are evolving. As a plan sponsor, you may find it's time to review the design and structure of your retirement plan to help ensure employees are saving enough for a comfortable retirement.

Employees Seek to Improve Financial Wellness

Despite ongoing concerns, workers, retirees and plan sponsors alike are optimistic about navigating the economic impact of the pandemic. However, cybersecurity topped the list of concerns for workers (72%) and retirees (88%). And both were equally concerned about the increase in healthcare costs after the pandemic has passed (66%).¹

With this backdrop in mind, over half of workers surveyed for the Principal Retirement Security Survey expressed that they want to improve their financial wellness, and employers want to help.

Workers define financial wellness as...

- 84%** Having an emergency savings account
- 79%** Ability to meet all financial obligations
- 78%** Feeling comfortable and financially secure overall
- 77%** Ability to withstand financial shock
- 77%** Having a good understanding of my financial situation
- 76%** Balancing finances today while being able to prepare for tomorrow

Source: Principal Retirement Security Survey June 2021

Employers Provide Retirement Resources

From the employer's perspective, 69% offer financial wellness for employees or would like to via these avenues: education delivered in a variety of formats; products including retirement plans, emergency savings accounts and HSAs; and advice from a financial professional or institution.

The power of educating employees about managing finances and providing financial wellness resources can't be underestimated. Employees stated that the more educated they are about finances, the more ready they will be for retirement.

Educational Formats Employees Prefer

The survey also highlighted the way that employees would like to be educated: Emails with educational content that links back to your website (39%); webinars (34%); and in-person meetings (29%). Most plan sponsors (87%) agree that offering automated features, such as automatic enrollment to a retirement plan, increases employee participation in the plan. Additionally, two-thirds of automatic enrollment plans have implemented auto-escalation to pair with automatic enrollment.

For example, the plan administrator could automatically increase savings by 1% or more annually until they amount to a certain percent of pay unless the employees actively opt-out of the automatic increase feature. Furthermore, 73% of employees said they would react positively if the plan automatically recommended how much they should save for retirement. These financial wellness programs and design features are powerful in helping people feel more secure as they strive to build their retirement savings.

Partner With Your RPS Team

The Retirement Plan Solutions team at Mariner Wealth Advisors can partner with you to evaluate your current plan and educational resources. We offer virtual and in-person meetings, webinars, and educational collateral to help educate your employees so they can feel better prepared for retirement.

For more information visit: marinerwealthadvisors.com

¹ [Principal Retirement Security Survey, June 2021](#)

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