
A Third of DC Plans Have Auto-Enrollment—Mercer

By Editor Test Tue, Oct 13, 2009

While 74% of employers have a targeted employee participation rate of 80% to 100% percent, only half have achieved that goal.

One-third of employers globally offer at least one automatic feature in their defined-contribution plans, according to a Mercer survey of 1,500 employers representing \$440 billion in defined-contribution pension plan assets, Pensions & Investments reported.

One third said they offered auto-enrollment in DC plans, one third offered automatic escalation, and about 20% offered automatic rebalancing. Among employers offering a default investment option, 67% use lifecycle funds, the June 2009 survey found.

Also, 90% of employers considering adding or changing a default option are looking at lifecycle funds. Seventy-two percent of employers surveyed have 15 or fewer investment options in their defined-contribution pension plans.

Only one-third of employers plan to change their fund lineups over the next two years. Of those, most plan to increase their options or introduce a lifecycle fund. Also, while 74% of employers have a targeted employee participation rate of 80% to 100% percent, only half of them have achieved that goal.

© 2009 RIJ Publishing. All rights reserved.