
Employers Restore 'Match,' But Worry About Retirement Readiness

By Editor Test *Wed, Feb 10, 2010*

Only 18% of employers were "very confident" about their employees having enough retirement income, Hewitt survey shows.

The percentage of employers who are confident about their workers' ability to retire with enough assets fell to 54% this year from 66% in 2009, according to a new Hewitt Associates study of 162 large and midsize U.S. employers.

Only 18% were "very confident" about their employees having enough income to last throughout retirement. But 80% of employers that suspended or reduced their 401(k) matching contributions in 2009 said they plan to restore the match this year, the study showed.

According to the survey:

- 59% of the employers now offer automatic enrollment, up from 51% in 2009.
- 78% of the employers offer target-date fund options, up slightly from 77% in 2009.
- 46% of the employers that do not already offer automatic rebalancing are "very" or somewhat likely to add that feature to their plans this year.
- 38% said they are very or somewhat likely to add automatic contribution escalation.

"In the last 18 months, employees' 401(k) accounts took a serious financial hit due to the severe market downturn," Pamela Hess, a Hewitt retirement research specialist, said in a statement about the survey results.

"While there has been marked growth in 401(k) balances since the market recovery began, we still see too many workers not saving and investing in a way that will help them achieve their retirement goals," she added.

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