
Many participants would prefer bigger match, lower pay

By Editorial Staff Thu, Aug 14, 2014

Only 13% of those surveyed by Fidelity said they would take a job with no company match, even if it came with a higher pay level.

If the choice were offered, 43% of workers would accept lower take-home pay in exchange for a bigger employer contribution to their 401(k), a Fidelity Investments survey showed. Only 13% of those surveyed said they would take a job with no company match, even if it came with a higher pay level.

Employer contributions represent more than 35% of the total contributions on average to an employee's workplace savings account, Fidelity said in a release. The giant retirement plan provider recommends a total retirement saving rate of 10% to 15% of salary.

According to the study, 42% of those surveyed are not saving outside of their 401(k). Fidelity recommends that individuals save enough to replace 85% of their net final pay, and more than half of that income is expected to come from personal savings.

Current Fidelity 401(k) data on almost 13 million plan participants show that 79% of workplace savings plans offer an employer match or profit-sharing. As of June 30, 2014, the average employer contribution was 4.3%, and employers contribute an average of \$3,540 per employee annually, which is more than \$1,000 higher than the average employer contribution 10 years ago.

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