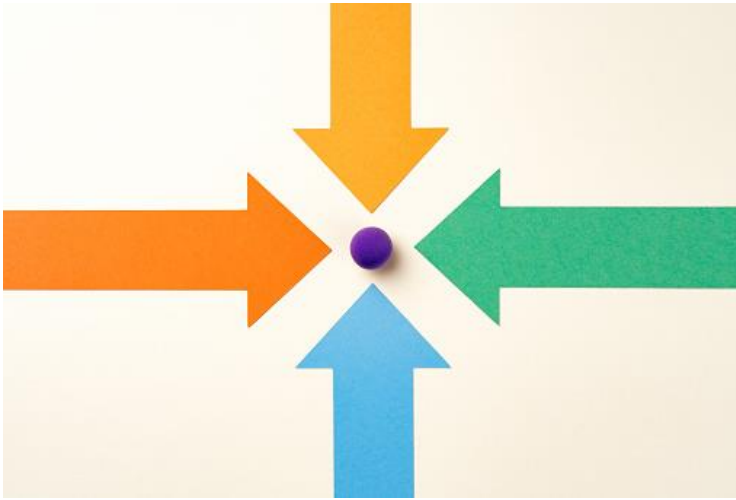




Four Plan Design Features to Help You Attract and Retain Talent



Plan design is a fast-rising differentiator that's driving employee enrollment and supporting talent strategy in many companies according to the Morgan Stanley at Work September Plan Sponsor Research Results.

401(k) plans remain a strong essential workplace benefit, as you well know. As plan sponsors see other benefits evolving to meet the more complex scenarios presented by the changing economic climate, they are emphasizing the need for a competitive plan with a range of features to meet the evolving

financial needs of a diverse workforce.

So, what exactly does that look like? What range of features can make your 401(k) plan stand out among other retirement benefits that might entice your top talent to stick around?

1. **The plan design.** Employees are more likely to participate when the plan shows evident strategy and thoughtfulness in its design. Features such as match, profit sharing, and Roth encourage enrollment because it allows a participant to feel closer to their entire paycheck.
2. **The match amount.** If you're matching 5% or more, you're going to see significantly higher participation rates. If you're matching at 3%, it can still feel like a warm benefit. 2% and below feels a little like the company could take it or leave it, and that will be how the participant feels about the benefit—and possibly their long-term status at the company.
3. **The auto features.** Autoenrollment points them to the benefit. Automatic employer contribution increases the value of the benefit. Automatic escalation raises awareness about the power of savings (and compounding). Automatic reenrollment reminds them of the benefit in case they waived contributions early on and might like to reconsider after becoming more established in the company.
4. **The education.** How do you feel about your education program? Do participants have access to an advisor? When there is a financial advisor available and involved, participation goes way up.



Morgan Stanley at Work full [Plan Sponsor Research Results 2022](#) is chock full of insightful charts and data that can give you more ideas on how your plan design can boost your attraction and retention rates.

We'd love to hear how you're feeling about your plan design and how we can work together to make it a stellar part of your talent strategy.

Sources:

<https://www.napa-net.org/news-info/daily-news/plan-sponsors-prioritizing-401k-plan-design-part-talent-strategy>

<https://www.morganstanley.com/content/dam/msdotcom/atwork/pdfs/plan-sponsor-research-results.pdf>

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