



Fiduciary Pension Partners

The Part-time Participant



The SECURE Act and SECURE 2.0 have increased many part-time employees' access to employer-sponsored retirement plans. As such, understanding the unique challenges of improving part-time participants' retirement readiness, and how their needs may differ from those of full-time employees, is essential for sponsors.

Common Reasons for Part-time Employment

Part-time employees work fewer hours for a number of reasons. Some of the most common include balancing school or training (17.3%), managing non-childcare-related family or personal obligations (13.7%) or limiting earnings due to retirement or Social Security restrictions (8.3%). These challenges highlight the importance of tailoring retirement plan support to part timers' unique circumstances.

Women Are More Likely to Be Part-time

Women are disproportionately represented in part-time roles, often due to caregiving responsibilities. Plan sponsors should recognize these dynamics and tailor communication strategies to address the financial planning challenges women in part-time roles may face, such as balancing immediate family needs with long-term savings goals.

Onboarding for Less Experienced Participants

Part-time employees may have limited familiarity with retirement plans, especially if their previous roles didn't offer such benefits. A robust onboarding process can help them understand the importance of enrolling and the potential impact of starting early. Provide simple, clear resources — like short videos or webinars — to help ensure part-time workers feel informed, supported and motivated to participate in the plan.

Lower Income Levels and Contribution Challenges

Part-time employees often earn less than their full-time counterparts, which can limit their ability to contribute to retirement savings. Employers can help boost participation by matching contributions at lower thresholds and offering resources to calculate potential tax savings from pre-tax contributions. Providing clear, targeted messaging about how even small steps toward saving can make a difference — combined with regular reminders — can also help increase engagement.



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Less Access to Other Benefits

Part-time employees without access to health insurance may face higher immediate financial pressures due to out-of-pocket medical expenses, making it harder to prioritize retirement savings. Employers can support them by providing education and resources around budgeting, managing health care costs and establishing an emergency fund to help address short-term financial pressures.

Financial Wellness Accommodations

Part-time employees may face scheduling challenges that make it difficult to attend live financial education sessions. Employers should provide flexible, on-demand resources tailored to their circumstances, such as recorded webinars, interactive online tools and self-paced educational materials. These options allow part-time workers to access financial education at their convenience, even if they can't attend in-person sessions.

Embrace Part-time Participants Whole Heartedly

Addressing the unique retirement planning needs of part-time employees requires understanding their distinct challenges and fostering a sense of inclusivity alongside their full-time counterparts. By carefully considering onboarding, education, communication efforts and plan design with respect to part-time workers' needs, sponsors can create a more cohesive workforce and strengthen a culture of inclusivity in the workplace.

Sources

<https://institutional.vanguard.com/content/dam/inst/iig-transformation/insights/pdf/2023/how-americans-can-save-more-for-retirement.pdf>

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