Callan Institute

Research

2023 Defined Contribution Trends Survey

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Introduction

The world is changing dramatically, and our annual *Defined Contribution (DC) Trends Survey* is evolving to fit the shifting landscape. The 16th annual *DC Survey* covers SECURE 2.0 (pre-passage) and diversity topics, along with the key tenets of DC plan management, governance, and financial wellness. The insights and experience distilled in our *2023 DC Survey* inform this discussion, and we are grateful to all of those who contributed.

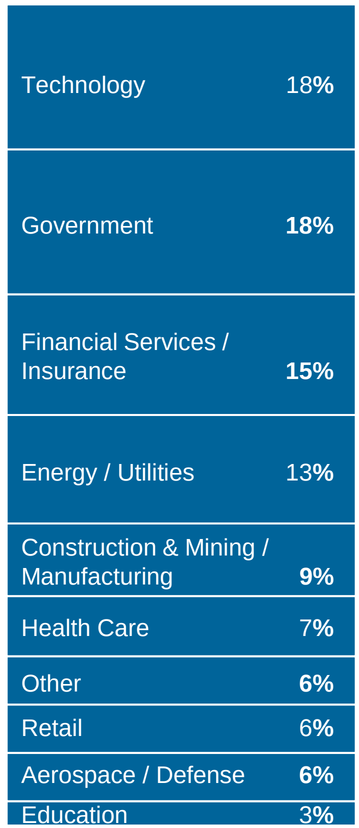
Respondent Characteristics

Callan conducted this *DC Survey* online in late 2022. This survey incorporates responses from 99 large DC plan sponsors, including both Callan clients and other organizations.

Respondents spanned a range of industries; the top were technology, government, financial services, and energy/utilities. Note, the survey requested the primary industry that an employer looks to hire from, which means that there is some disconnect between the responses on this page and the organization type described on the following page.

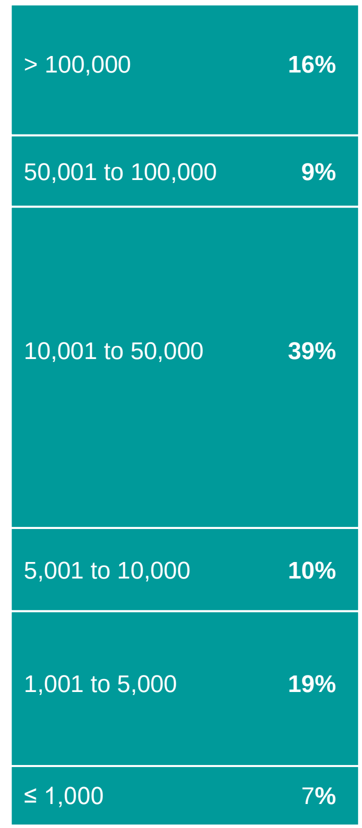
94% of plans in the survey had over $200 million in assets; moreover, 73% were “mega plans” with more than $1 billion in assets and 64% had more than 10,000 participants.

Primary industry employees hired from

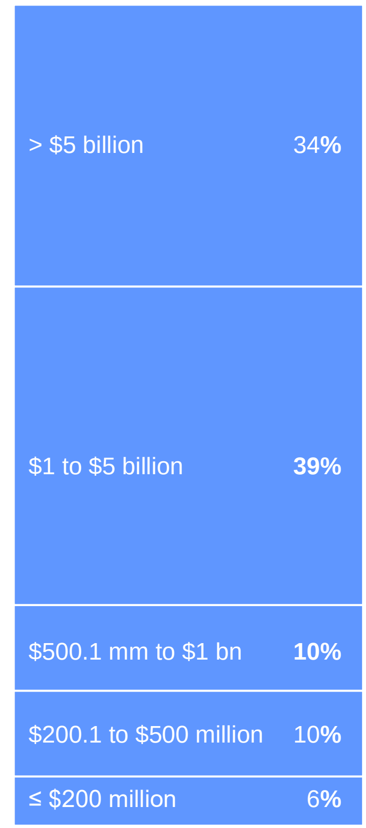


Other categories: nonprofit (1%), professional services (1%), telecommunications (1%), and transportation (1%).

Number of participants in DC plan



Assets in DC plan



Note: Throughout the survey, charts may not sum to 100% due to rounding.

Respondent Characteristics (continued)

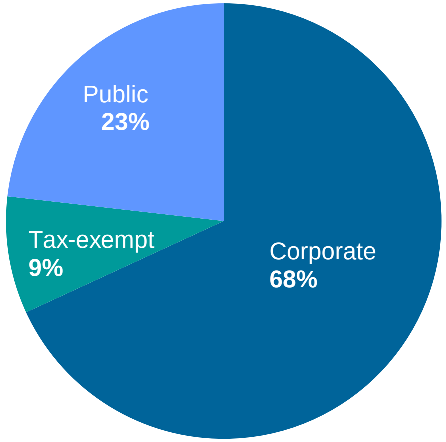
More than two-thirds of respondents were corporate organizations, followed by public (23%) and tax-exempt (9%) entities.

As seen in prior surveys, a 401(k) plan was the primary DC offering (81%). The percentage of 457 plans (27%) offered increased from last year due to the increase in public/tax-exempt entity respondents.

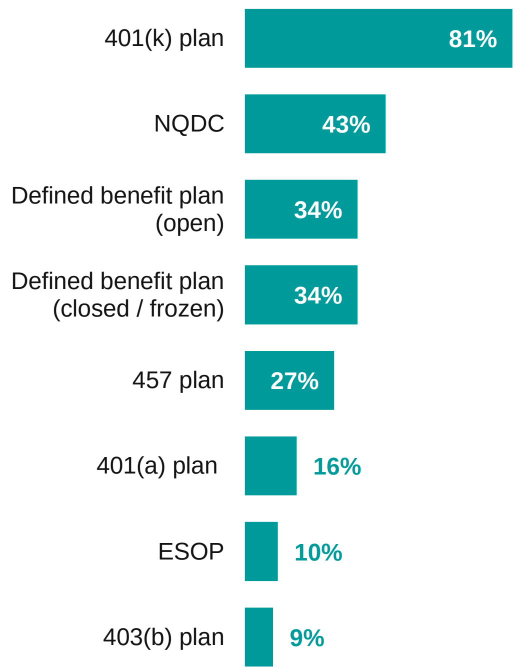
Nearly half of corporate respondents offered a non-qualified deferred compensation (NQDC) plan.

About 3 in 10 DC plan sponsors surveyed offered either an open or closed/frozen defined benefit (DB) plan. Governmental entities were more likely to offer an open DB plan, while corporate plan sponsors were the most likely to have a closed or frozen DB plan.

Organization type



Retirement benefits offered*



*Multiple responses allowed. **401(a) plans include DC plans with no deferrals.

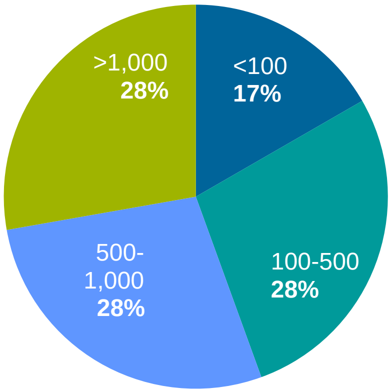
Non-Qualified Plans

For those offering a non-qualified (NQ) plan, the size of the plan by number of participants and the plan assets were evenly distributed. Roughly 56% of the plans had 500 or more participants while 59% had at least $100 million in assets.

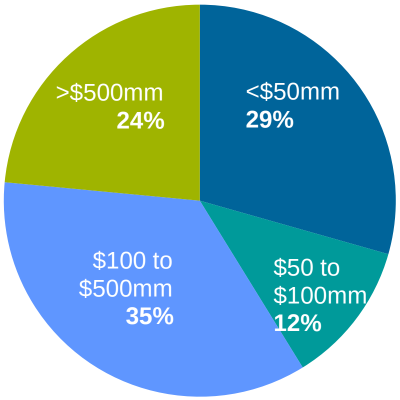
The NQ plan investment menu design mirrored the DC plan more than half of the time with just under a quarter of plans offering fewer options than what was offered in the DC plan.

In terms of plan governance, 42% of respondents used the same committee members for the DC plan and the NQ plan.

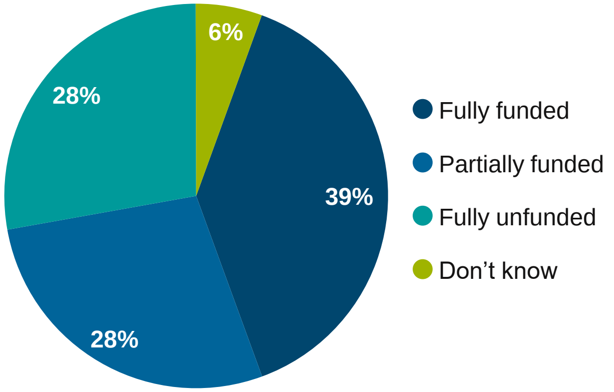
Number of participants in NQ plan



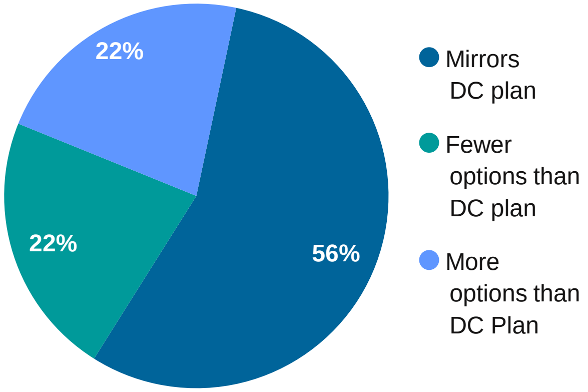
Assets in NQ plan



NQ plan funding strategy



NQ plan investment menu design



Key Findings: DC Trends in Governance

Top Challenges

1. Competing priorities
2. Strained internal resources
3. Decision-making timeliness

See page 15 for details

Areas of Fiduciary Focus

1. Governance and process
2. Evaluate investment structure
3. Investment management fees

See page 14 for details

55% viewed their committees as highly effective

See page 19 for details

Evening the Odds

Committees with an odd number of members are more effective

See page 8 for details

54% single committee

46% separate investment and administration committees

See page 7 for details

6.5 average investment committee members

8.8 Public plans

7.3 Small plans

4.3 Single committee members

See pages 8 for details

Most common non-committee members who attended meetings regularly

Investment consultant (90%)

See pages 13 for details

The ratio of virtual to in-person meetings flipped following the pandemic

See page 12 for details

75% of plans with <$1bn had a single committee

See page 7 for details

Committee Framework

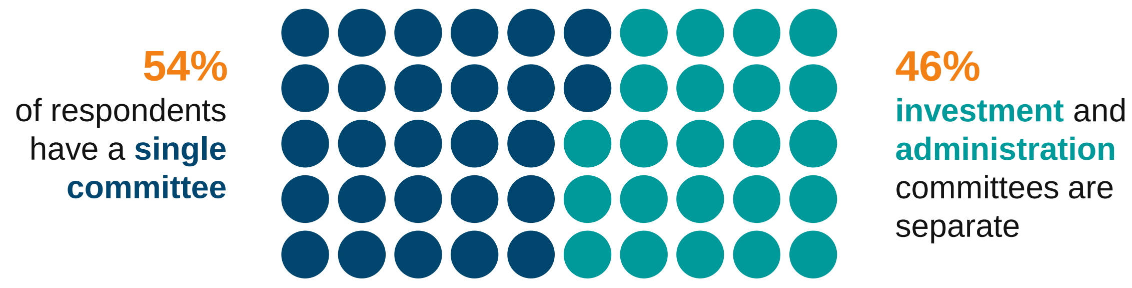
When DC plan sponsors delegate authority and responsibilities to a "named fiduciary," it is either a **single committee** or separate **investment and administration committees**.

A slight majority of plan sponsors responded that they have a single committee to monitor and manage their DC programs, with the rest splitting the responsibilities between a separate investment committee and administrative committee. This is almost unchanged from Callan's *2017 DC Governance Survey,* where 53% of respondents indicated they had a single committee.

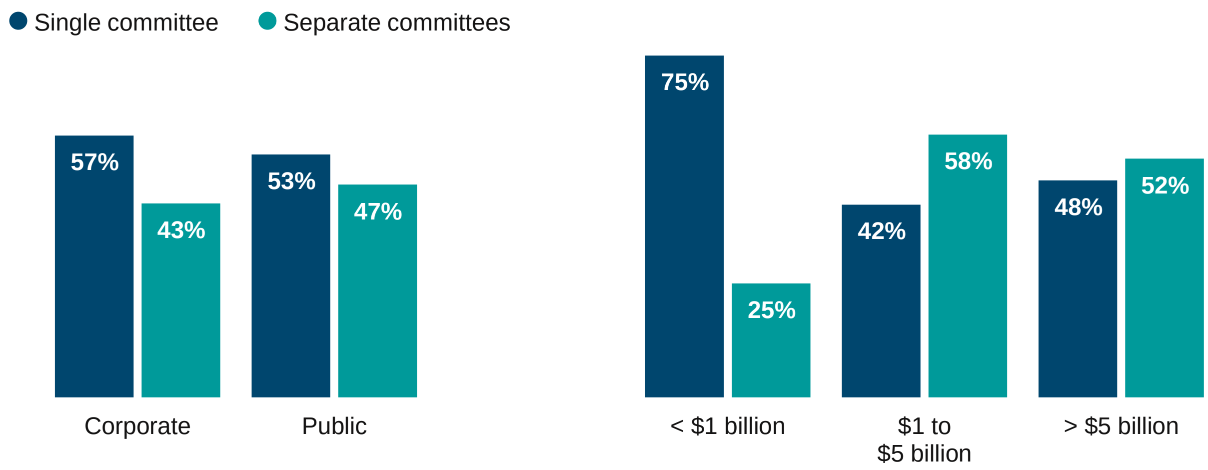
Plans with higher assets were more likely to have separate committees. Overall, respondents with a single committee rated their effectiveness slightly lower (4.3 out of 5) than those with separate committees (4.5).

Non-ERISA plans may refer to the governing body as a "board" rather than a "committee."

Committee structure



Committee structure by type and size



Committee Framework

Many committees opt to have an odd number of members in order to avoid deadlock caused by a tie vote and minimize potential roadblocks. Respondents with an odd number of members assigned a higher rating to their committees' effectiveness. Overall, single committees were slightly more likely to have an odd number of members (68%), compared to standalone investment (63%) and administrative (62%) committees.

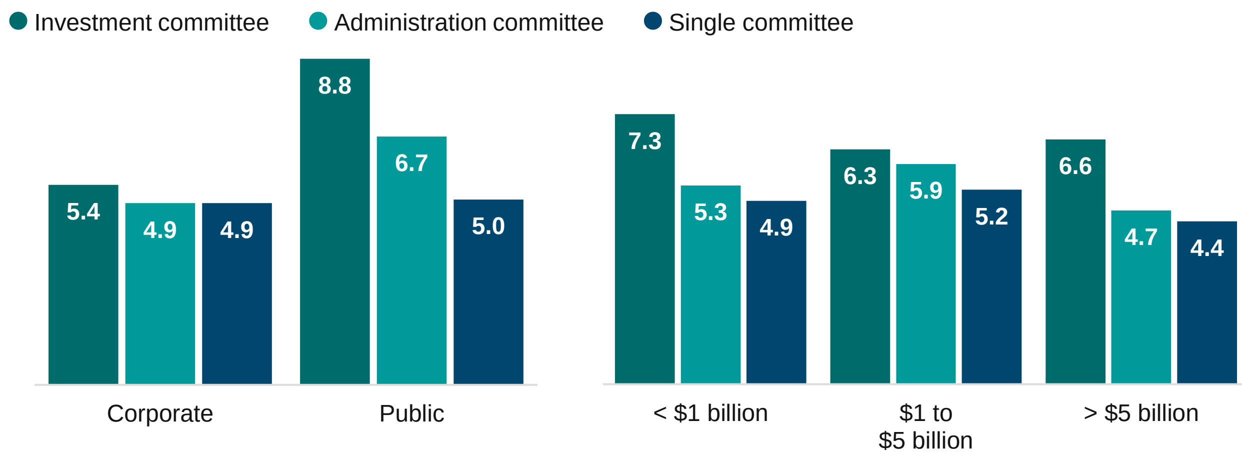
Average Effectiveness	Committees with an odd number of members	Committees with an even number of members
Investment Committee	4.7	4.3
Administration Committee	4.7	4.1
Single Committee	4.4	4.3

Committees with an even number of members were more likely to report challenges with strained internal resources (38%) and timeliness of making decisions (31%), compared to committees with an odd number of members (21% and 17%, respectively).

TIP: Consider maintaining an odd number of committee members to prevent tie votes.

Average number of committee members

Average number of members by committee type and size



Committee Framework

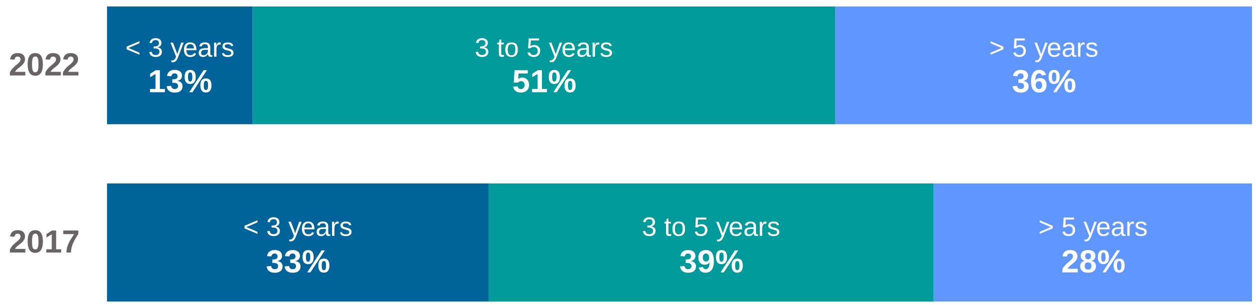
As turnover on committees occurs, the average tenure fluctuated notably. In 2017, 39% of respondents indicated that the average committee tenure was between 3-5 years, compared to nearly 51% in 2022. At the same time, the proportion of committees with shorter average tenure decreased significantly (-20 percentage points) and longer tenure increased (+8 percentage points). Plans with lower assets were more likely to report a longer average tenure than larger plans. Notably, public sector respondents' tenure tends to be influenced by the presence of discrete terms established by statute or regulation.

One question that faces all committees is how long any individual can or should serve. The challenge is to balance the benefit of familiarity, experience, and perspective that comes with longer tenure with the value of new insights and a changing group dynamic provided by having new, qualified committee members.

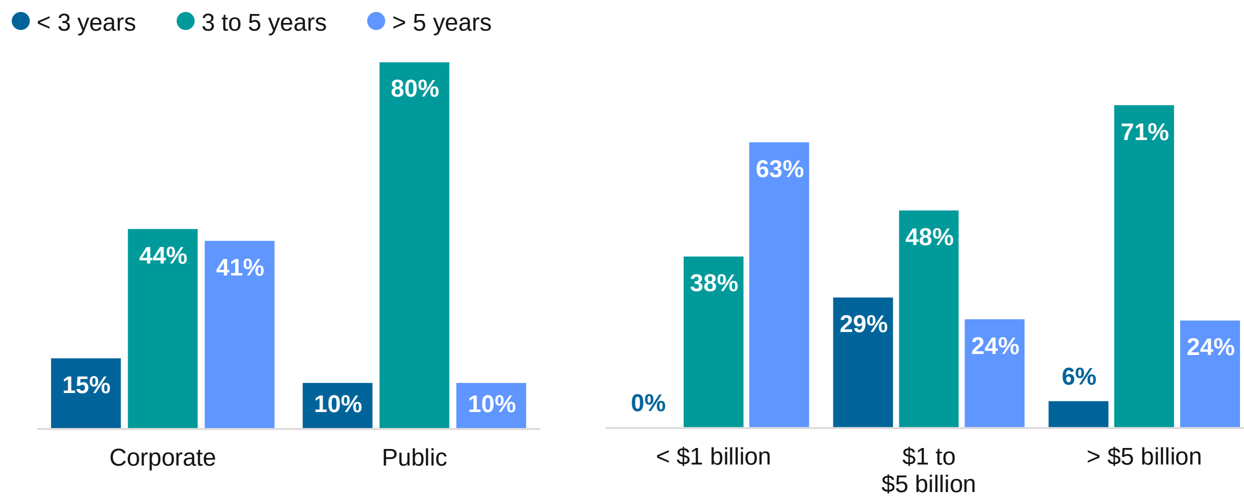
Committee effectiveness compared to average tenure

	Average
Less than 3 years	4.6
3-5 years	4.0
More than 5 years	4.8

Average tenure of committee members



Average tenure of committee members by type and size



Committee Framework

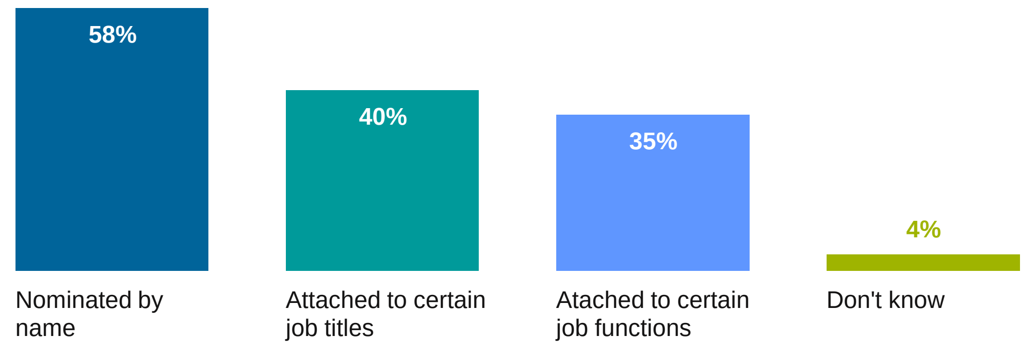
Delegating authority or oversight for the DC plan to a committee or individual is itself considered a fiduciary act. The majority of respondents indicated that committee members were identified by name. Attaching membership to job function or title was also common and may be seen to demonstrate impartiality by the appointing fiduciary.

TIP: A benefit of designating members by job function or specific criteria, rather than by job title, is to streamline the nomination process in the event of turnover or organizational restructuring.

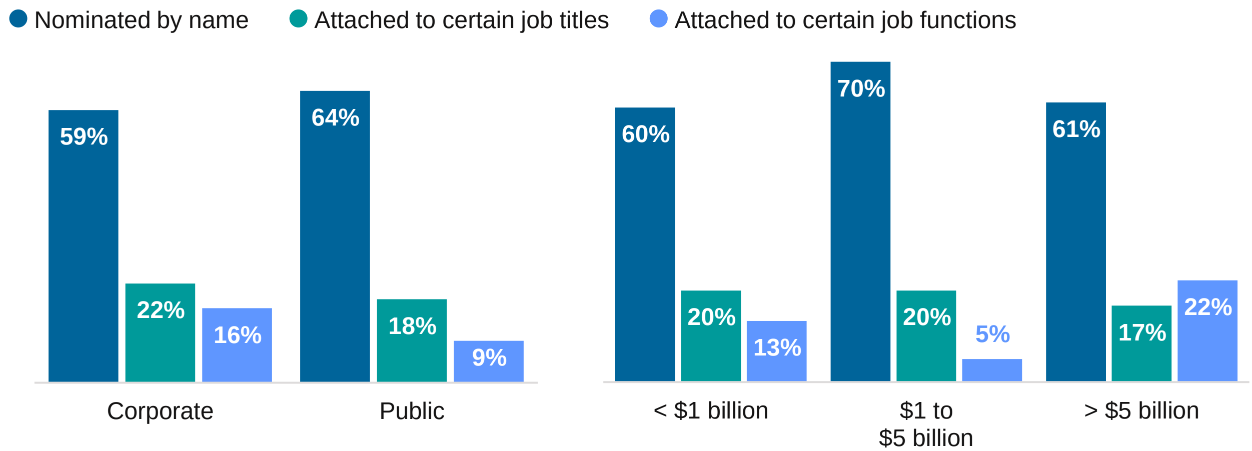
In public entities, the process to identify committee members may be specifically limited by statute.

TIP: Review committee documents to confirm voting procedures and what constitutes a majority: Is it based on the total number of members or those present at the time of the vote?

How committee members are appointed / designated*



How committee members are appointed / designated by type and size



*Multiple responses allowed.

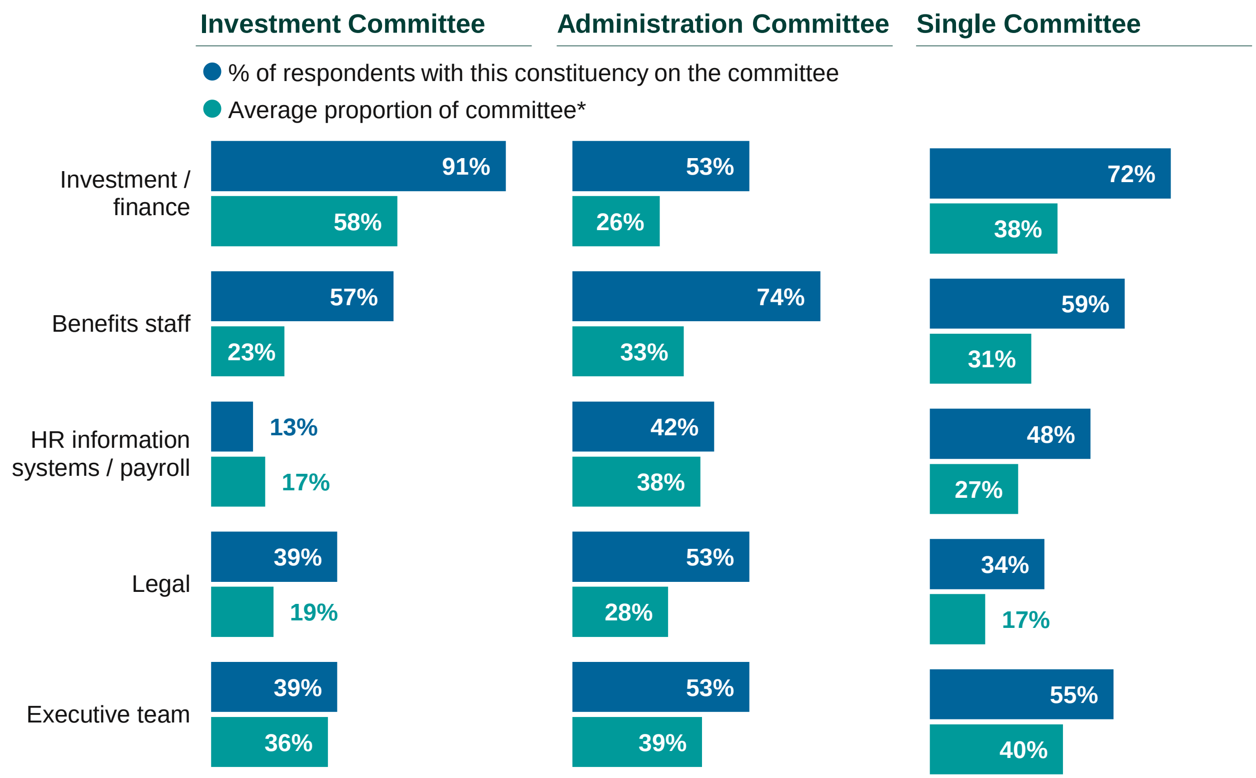
Committee Composition

The composition of the committee should be flexible to meet new issues that may require different skill sets.

Corporate plan sponsors should consider the merits of including members of the C-suite or general counsel.

Public organizations were the least likely to include benefits, investment, or executive team members. This variation may be due in part to the structure of the organization, where separate functionalized groups may not be in place or membership may be pre-defined by statute.

Committee makeup by committee type



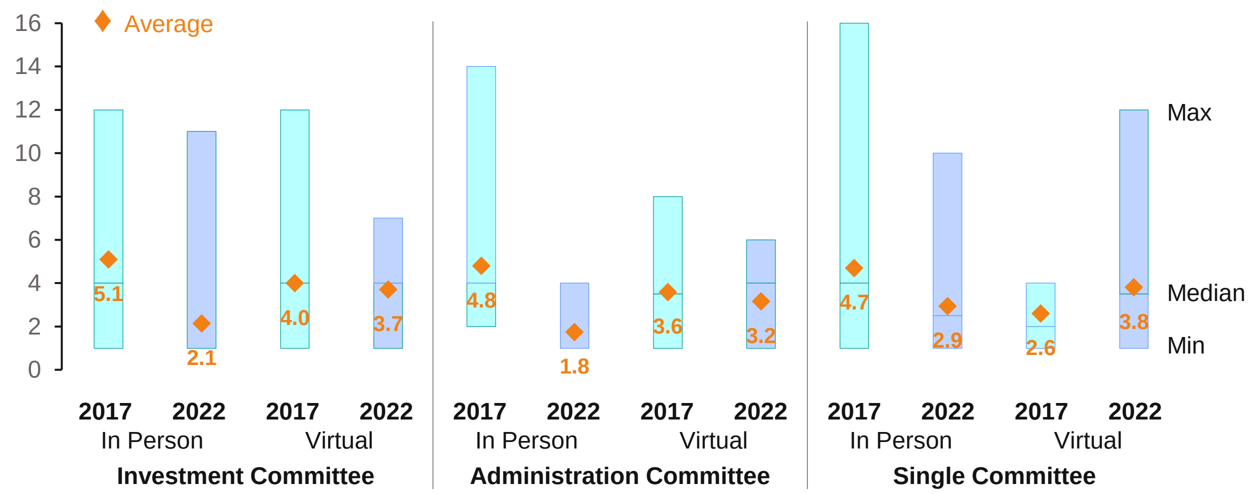
*The average is based on those respondents that report they include that constituency.

Committee Meetings

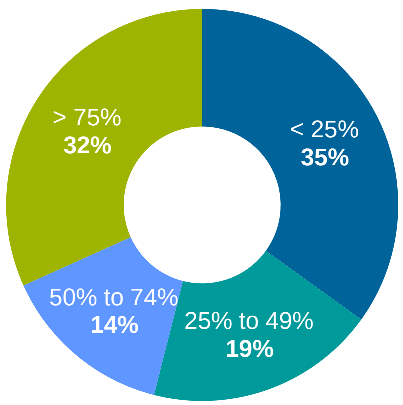
TIP: Callan generally recommends at least four meetings annually.

In 2017, more than 70% of respondents indicated they had conducted in-person committee meetings only. As the pandemic drove virtual work arrangements, this shift impacted governance committees. In 2021, 5% of administration committees and 9% of investment committees conducted in-person meetings only. The overall number of meetings also dropped markedly over the course of the pandemic. As return-to-work has taken hold, the incidence of committees with only in-person meetings has increased slightly. In 2022, the proportion of administration committees with no virtual meetings increased to 11% and investment committees to 14%.

Average number of meetings by committee type



Percentage of future meetings expected to be conducted virtually



DC Plan Governance Trends: Non-Committee Member Attendees

Investment consultants were the most likely non-committee members to attend committee meetings in both the *2023 DC Survey* and *2017 Governance Survey*.

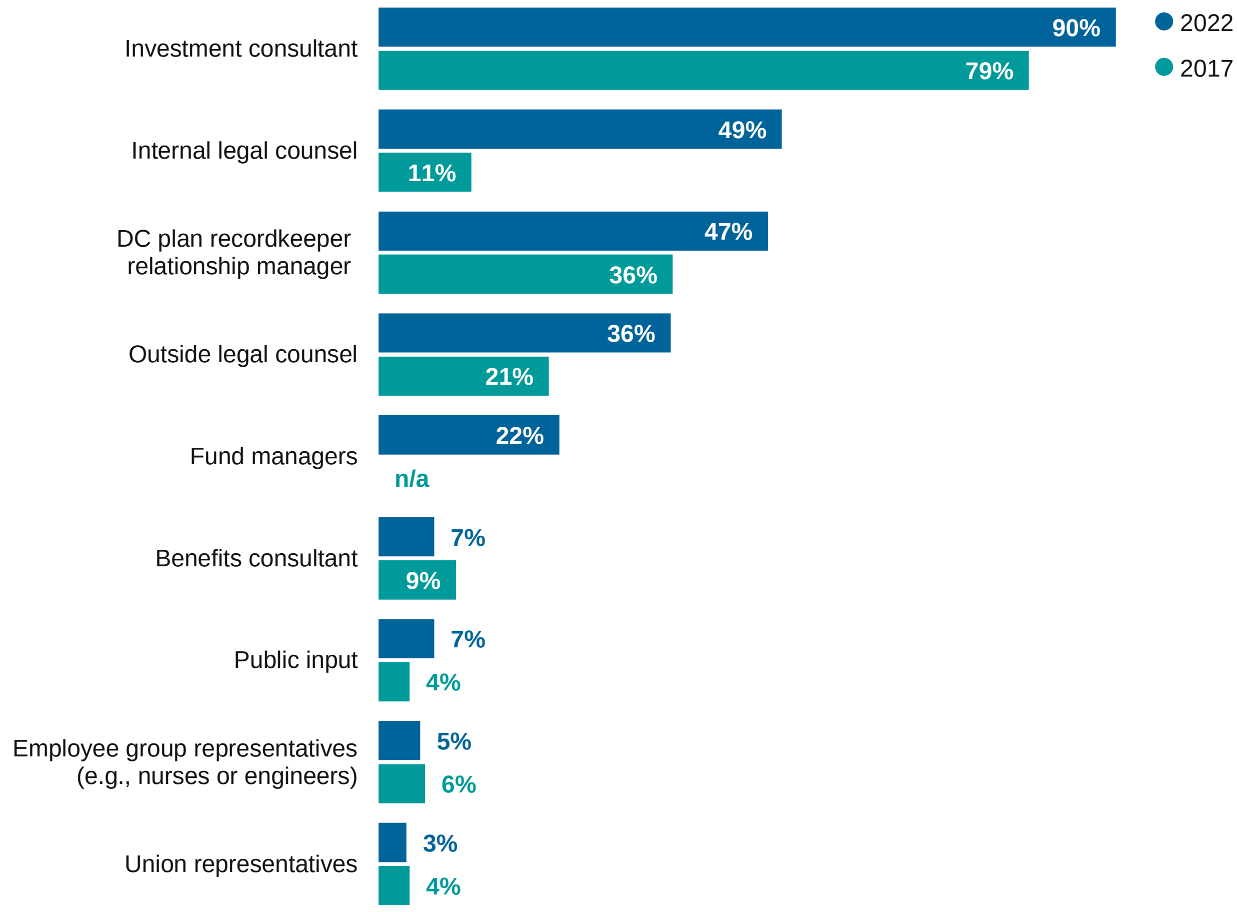
We observed a sharp increase in respondents reporting that legal counsel attended meetings, with internal legal counsel attendance increasing from 11% in 2017 to 49% in 2022 and external counsel increasing from 21% to 36%. A near majority of respondents indicated that the relationship manager from the DC plan recordkeeper attended meetings in 2022 compared to a third of plans in 2017.

Few plans include public input, employee representatives, or union representatives at committee meetings.

Most common non-committee attendees

1. Investment consultant
2. Legal counsel
3. DC plan recordkeeper relationship manager

Non-committee members that attend the committee meetings*



Fund managers was not an option in 2017.

*Multiple responses allowed.

Areas of Focus

Following a decade of abundant litigation, DC committees have refined the elements of fiduciary focus.

Plan governance and process has consistently ranked as one of the top-rated areas of focus. This broad category includes much of the basic blocking and tackling that plan sponsors do on an ongoing basis.

Investment management fees have ranked as a top area of focus year over year, while plan administration fees have consistently been ranked slightly lower. Investment management fees are generally more straightforward to benchmark and monitor, allowing for more frequent review. Plan sponsors should be mindful to review all plan fees on a regular basis.

Investment structure and fund/manager due diligence continue to rank in the top five, although actual rankings vary year over year.

Top areas of focus

2022		2021		2020	
Plan governance and process	3.8	Plan investment management fees	2.8	Plan governance and process	3.9
Investment structure evaluation	3.2	Plan governance and process	2.7	Investment structure evaluation	2.7
Plan investment management fees	2.8	Plan administration fees	2.5	Fund / manager due diligence	2.7
Fund / manager due diligence	2.3	Fund / manager due diligence	2.3	Plan investment management fees	2.3
Plan administration fees	2.0	Investment structure evaluation	2.2	Asset allocation and diversification	1.2
Participant retirement readiness	1.3	Participant retirement readiness	1.5	Participant education and communications	1.2
Plan operational compliance	1.0	Cybersecurity	1.5	Committee education and fiduciary training	1.1
Committee education and fiduciary training	0.9	Participant education and communications	1.1	Qualified default fund selection	1.1
Participant education and communications	0.9	Asset allocation and diversification	1.1	Plan administration fees	1.1
Asset allocation and diversification	0.8	Committee education and fiduciary training	1.1		

(5=Most focus. Total ranking is weighted average score.)

Additional 2022 categories: plan design (0.6), financial wellness (0.6), provider evaluation (0.6), qualified default fund evaluation (0.5), cybersecurity (0.3), market volatility (0.2), guaranteed lifetime income options (0.2), alternative asset classes (0.1)

Top Challenges

Respondents ranked competing priorities and strained internal resources highly as challenges for committees. Poor participation by committee members and lack of appropriate expertise were greater challenges for committees in the *2017 Governance Survey*.

Top challenges for DC plan committee(s)

2022		2017	
Competing priorities*	4.1	Strained internal resources	4.7
Strained internal resources	2.9	Timeliness of making decisions	4.3
Timeliness of making decisions	2.2	Lack of appropriate expertise	3.1
Clarity around roles and responsibilities	1.2	Clarity around roles and responsibilities	2.3
Ensuring proper documentation is in place and followed	1.0	Ensuring proper documentation is in place and followed	2.0
Not meeting often enough	0.6	Poor participation by committee members	2.0
Lack of appropriate expertise	0.6	Not meeting often enough	0.6
Too much turnover of committee members	0.3	Poor interactions between committee members	0.6
Lack of clear agenda	0.3	Lack of clear agenda	0.5
Poor participation by committee members	0.3	Too much turnover of committee members	0.4

(5=Most focus. Total ranking is weighted average score.)

New category in 2022: competing priorities
Additional categories (2022 / 2017), meeting too often (0.1 / 0.3), poor interactions between committee members (0.1 / 0.6), lack of communication between committee and staff (0.1 / n/a)

Fiduciary Initiatives

In 2020 and 2021 (not pictured), DC plan sponsors were largely focused on reviewing plan fees, their investment policy statement (IPS), and the investment structure. These were all top areas in 2022 and will be areas of focus in 2023.

In 2022, slightly less than half of respondents conducted formal fiduciary training, a decrease from 2021 (52%). However, the percentage of those conducting formal fiduciary training will rebound in 2023, to nearly 60% of respondents.

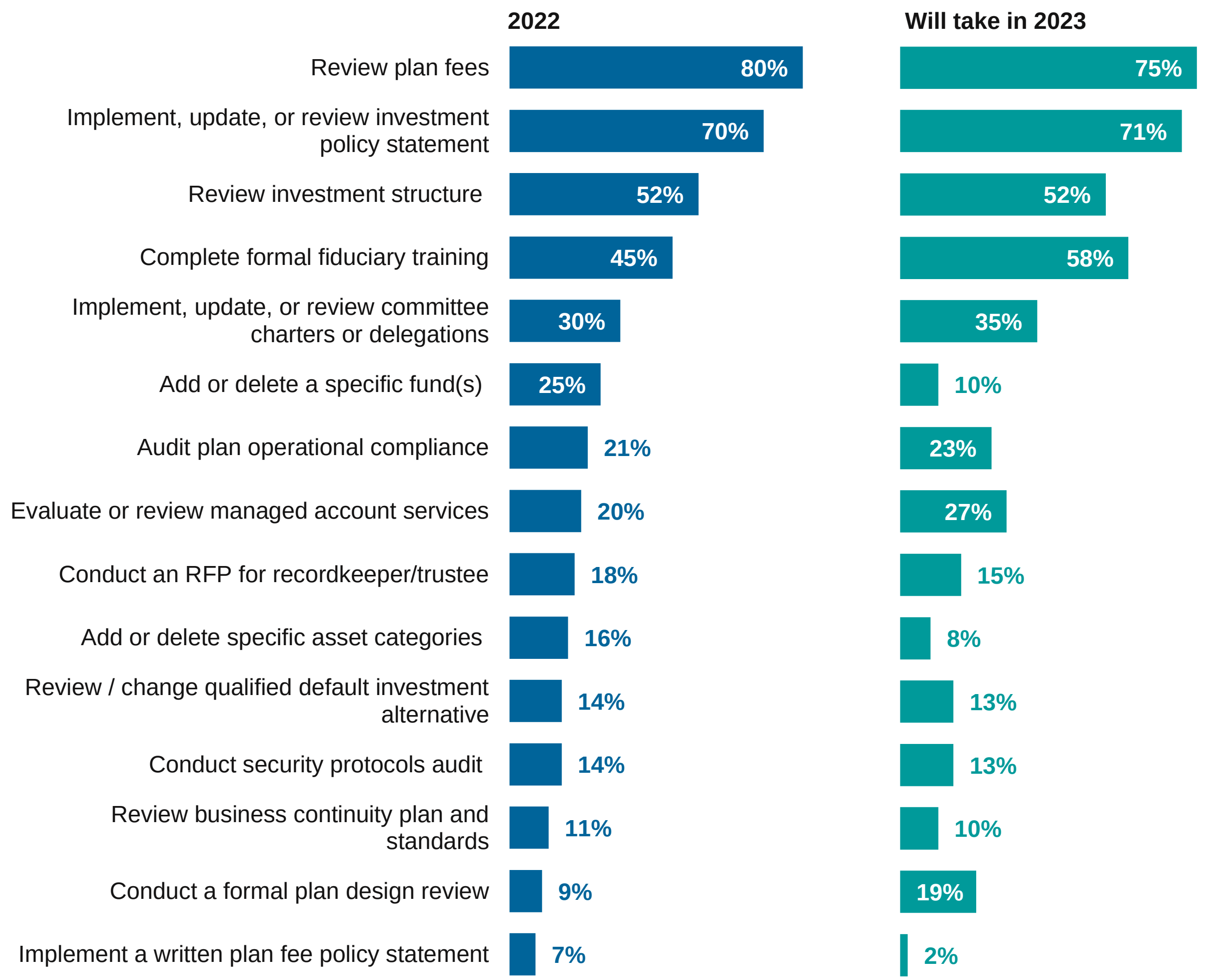
In the 2021 survey, we saw a sharp increase in respondents reporting they were reviewing security protocols (41%), in response to U.S. Department of Labor (DOL) guidance. This fell dramatically in 2022 to 14% and only 13% of respondents plan to review cybersecurity in 2023.

Around one-quarter of respondents added or deleted a fund in 2022, but fewer plans expect to do so in 2023 (10%). This drop-off reflects the nature of fund changes: they are not necessarily premeditated many months in advance.

Top actions planned for 2023

1. Review plan fees
2. Review IPS or structure
3. Complete formal fiduciary training

Fiduciary actions DC plans took or will take*



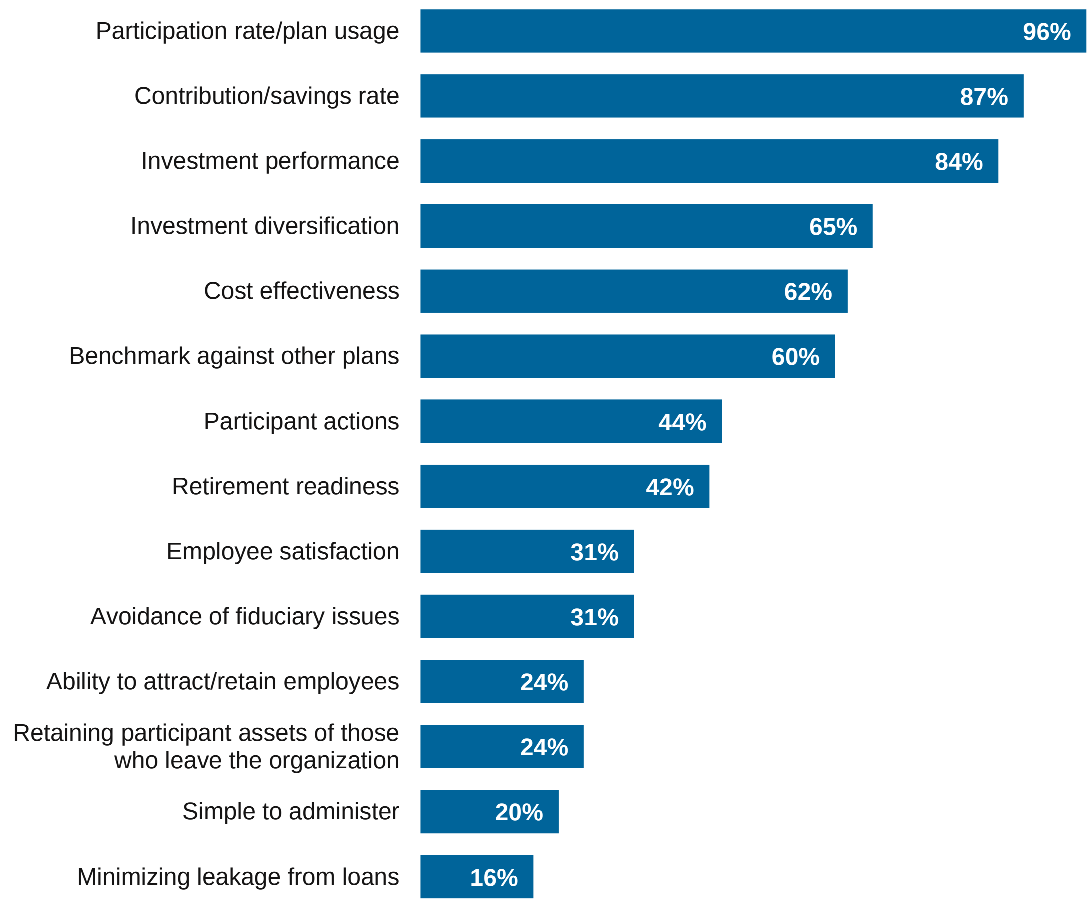
*Multiple responses allowed.
Other actions taken with less than 8% include: Implement a written plan fee policy statement, change/hire investment consultant, evaluate/implement 3(38) discretionary services, add /change managed account services, change trustee/custodian, evaluate independent fiduciary services for company stock.

DC Plan Measurement

Survey respondents monitor 6.9 metrics, on average, to measure the success of the DC plan.

In line with the past three years, most plan sponsors use participation rate/plan usage to measure the success of their DC plan. Contribution/savings rate and investment performance followed closely.

Criteria used to measure plan success*



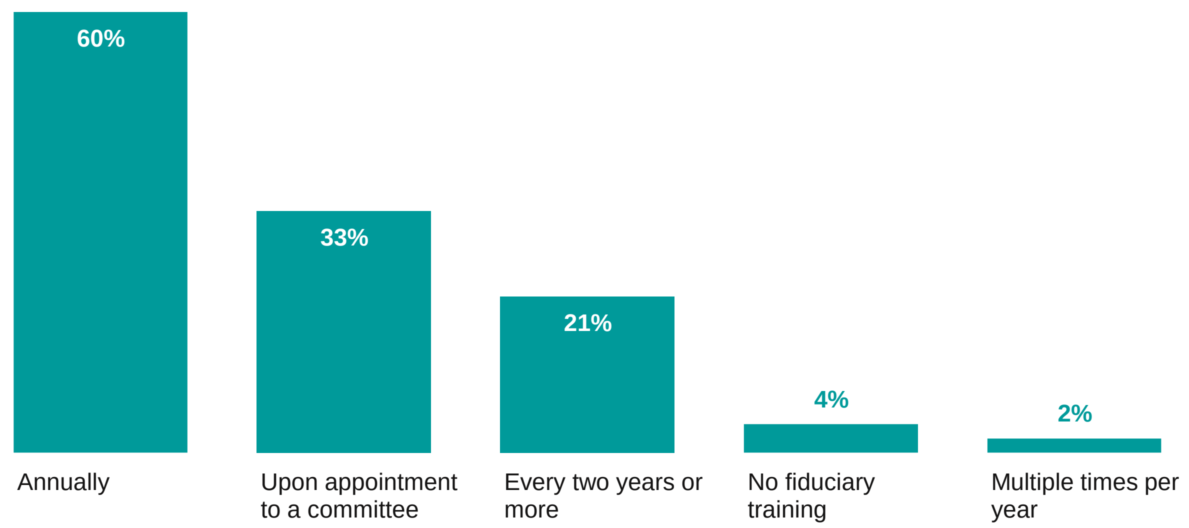
Additional 2022 categories: don't measure (2%)

*Multiple responses allowed.

Fiduciary Training

Fiduciary training is vital for committees to operate efficiently and safely. Fiduciaries can be personally liable for both their actions and those of their co-fiduciaries, if they knew about and did not rein in those actions. That liability may require the fiduciaries to restore any losses to the plan or to restore any profits gained through improper use of plan assets. Typically, comprehensive fiduciary training is warranted at the formation of a committee, for new members, and as a refresher for all committees at least every few years. Committees should also receive regular updates to understand changes to laws, implications of recent litigation, and basic industry trends.

Frequency of fiduciary training



TIP: Comprehensive fiduciary training should be conducted at the formation of a committee, for new members, and as a refresh for all committees at least every few years.

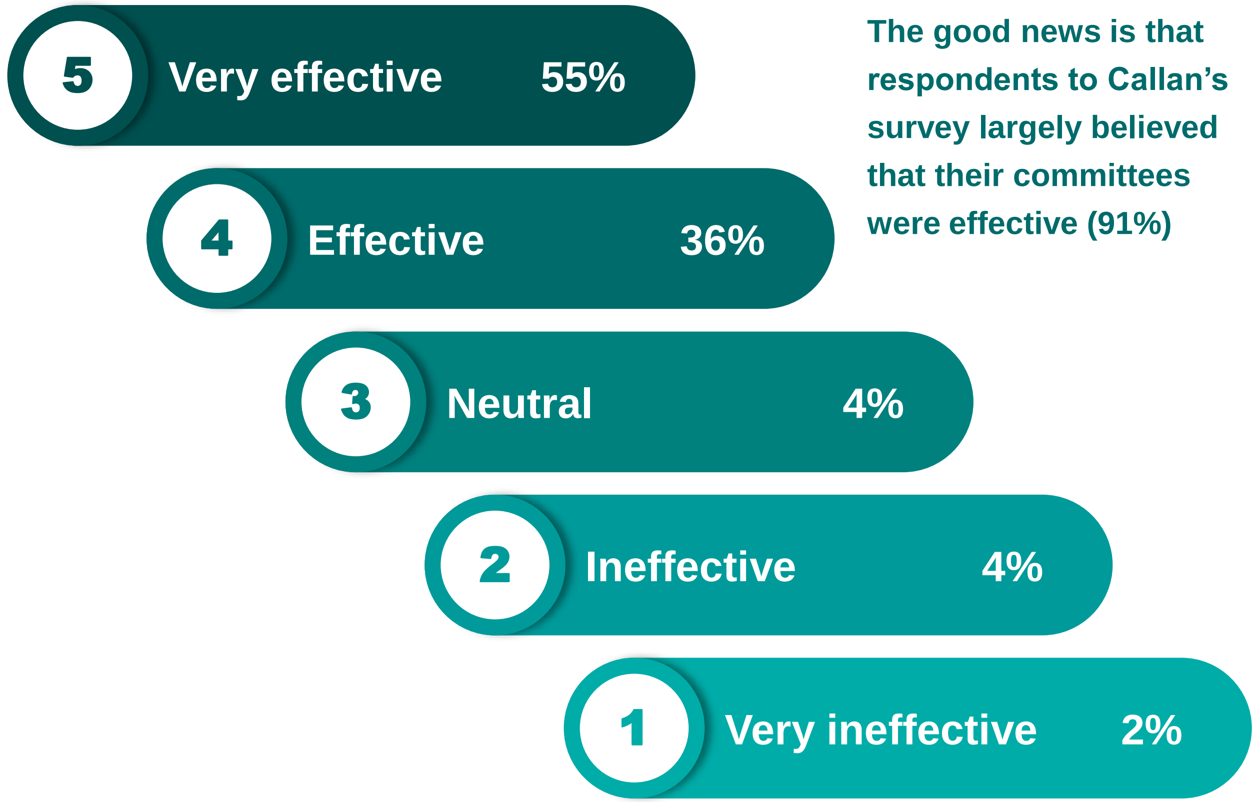
Effective Governance

Effective governance of their defined contribution (DC) plans helps employers meet fiduciary responsibilities, abide by regulatory requirements, and minimize the risk of litigation and negative press.

Action Steps

- Confirm the governance structure and processes are appropriate for the DC plan you have today.
- Assess committee meetings and consider if there are areas that can be streamlined and if the number of meetings is in line with resources.
- Develop and use tools to assist committees or its delegates—calendars, compliance checklists, administrative manuals—to fulfill their fiduciary obligations.
- Ensure timely, appropriate fiduciary training is available.

Effectiveness of committee fulfilling responsibilities



(scale of 1 to 5)

The good news is that respondents to Callan's survey largely believed that their committees were effective (91%)

Key Findings: Diversity, Equity & Inclusion

Diversity, equity & inclusion are three closely linked values held by many organizations working to be supportive of different groups of individuals, including people of different races, ethnicities, religions, abilities, genders, and sexual orientations.

DEI Initiatives

- Leveraging employee groups
- Evaluating communications
- Measuring financial wellness metrics by groups

See page 23 for details

Some are exploring changes to investments or plan design to support DEI

See page 24 for details

57%

Indicated an interest in expanding DEI efforts in retirement plans

6 in 10

plans > $1bn have an interest in expanding DEI efforts

47%

plans < $1bn don't know what their DEI strategy is

See page 21 for details

84%

did not track DEI-specific metrics

See page 22 for details

9 in 10

Measures and analyzes retirement plan behavior by sub-group – most often age, tenure, and gender

See pages 22 for details

ERISA only acknowledges discrimination based on income

See page 22 for details

Diversity, Equity & Inclusion

The employer retirement plan is the primary savings vehicle for the majority of Americans. While there is no “right” way to integrate diversity, equity, and inclusion (DEI) into DC plans, plan sponsors and committees can seek to understand the circumstances and background of their employee population to ensure their disparate needs are being met.

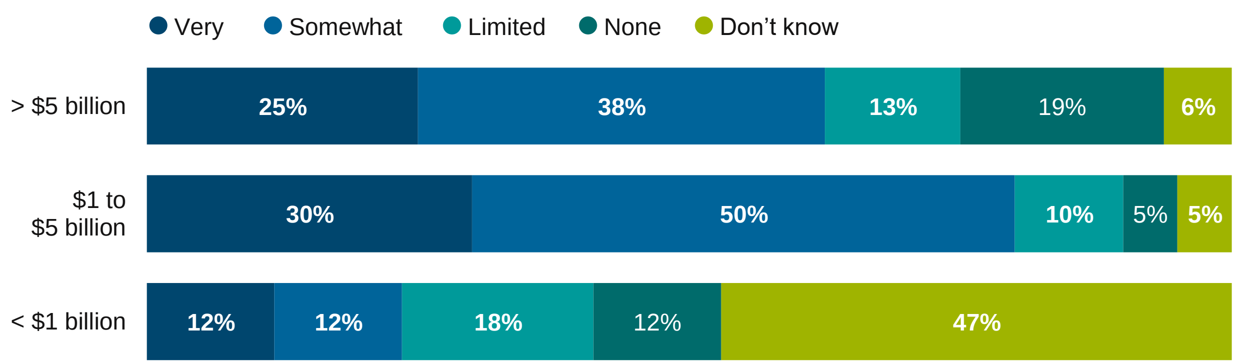
A majority of plan sponsors indicated an interest in expanding DEI efforts in retirement plans (57%). This focus could include efforts to improve plan participation, increase savings rates, and minimize the impact of loans and early distributions.

Plan sponsors can explore DEI initiatives to understand what is appropriate for their plan by assessing participant savings behaviors, evaluating communications, reviewing the committee makeup, and confirming the investment lineup meets the needs of differing groups.

Small plans, with assets under $1 billion, were the least likely to express an interest in expanding DEI in their retirement plan (24%), in contrast to 8 out of 10 large plans and 6 in 10 mega plans with an interest in doing so.

Interest in expanding DEI efforts in retirement plans

Interest in expanding DEI efforts in retirement plans by size



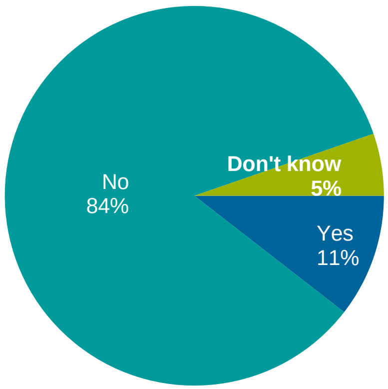
Diversity, Equity & Inclusion

The first step in addressing DEI initiatives in retirement plans is to understand the underlying groups that make up the plan population—which will be different for each employer. While ERISA defines discriminatory thresholds solely based on income (i.e., highly compensated vs. non-highly compensated), understanding the underlying characteristics of different employee groups, based on elements other than compensation, can help plan sponsors improve the plan utilization and effectiveness.

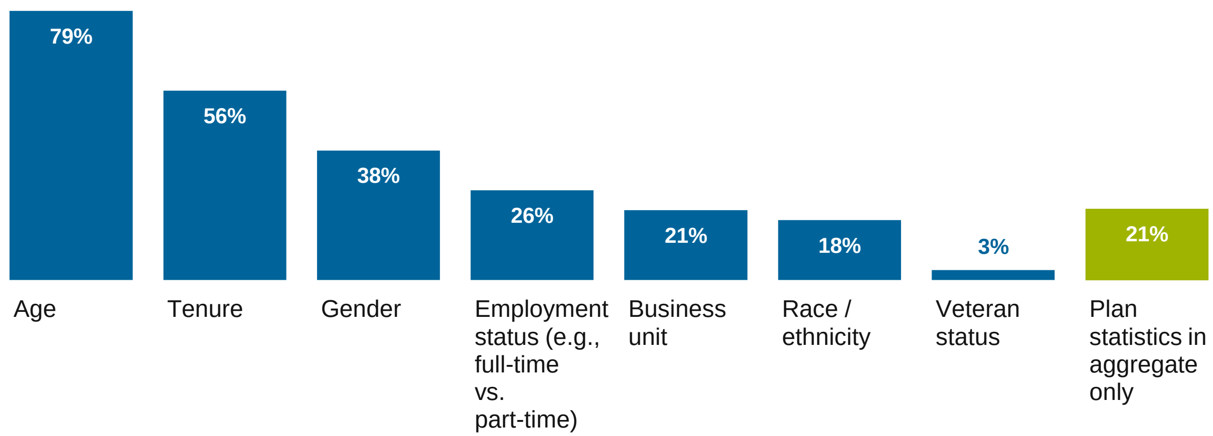
Only 1 in 10 respondents formally tracked DEI metrics in their retirement plan. One limiting factor is the data available—race, ethnicity, sexual orientation, or gender identity—are rarely tracked in employer payroll or recordkeeper systems. However, 90% of respondents indicated that they do break out retirement plan behavior by various groups that could support DEI initiatives. Age was the most common lens for plan sponsors to review plan behavior, followed by tenure and gender.

21% of respondents indicated that they **reviewed plan statistics in the aggregate only.**

Formally track DEI metrics in retirement plans



Segments that measure and analyze retirement plan behavior*



*Multiple responses allowed.

Diversity, Equity & Inclusion

Nearly half of respondents indicated they plan to enhance DEI by leveraging employee resource groups to understand retirement and financial needs. Representatives from diverse participant groups bring differing perspectives of saving challenges and retirement needs.

Almost 4 in 10 respondents said they recently evaluated plan communications with a specific focus on DEI. This could have included a review of unconscious bias in text or exploring where it could behoove the plan sponsor to focus communication efforts.

Unconscious bias is defined as social stereotypes based on the viewer's specific background, personal experience, and cultural context. These variables may create "snap judgments" that fall outside a person's conscious awareness.

Example of unconscious bias: Women are consistently found to have lower DC plan account balances. Elements of unconscious bias may seek to account for this variation due to perceived time away from the workplace for child/elder care, or because "women are not the primary breadwinner" in their household.

Plans to enhance DEI within retirement plan*

*Multiple responses allowed.

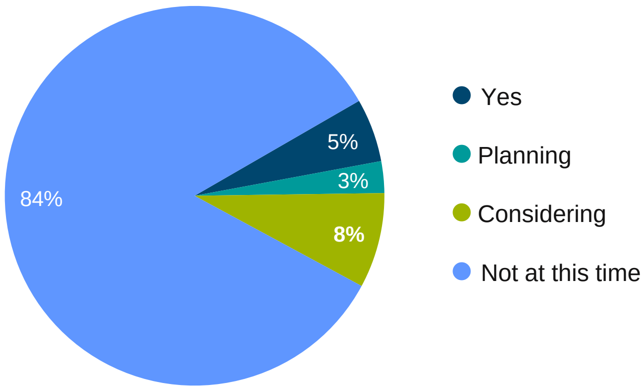
Diversity, Equity & Inclusion

Sponsors can adapt their periodic reviews of benefits and their design, features, and communications to ensure that all groups are presented with, and able to take advantage of, the participation and savings opportunities the plan offers, and to monitor the achievements of those groups at various career stages.

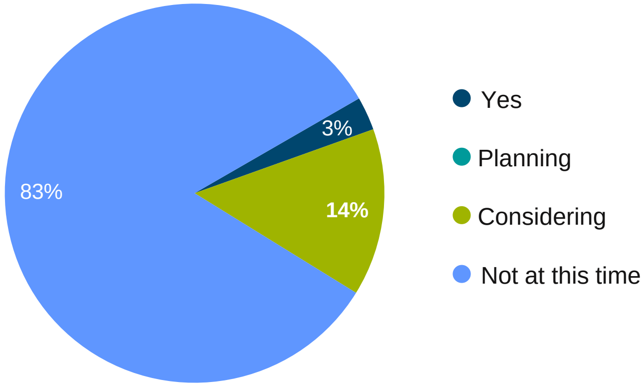
DEI in the investment selection process can address weaknesses or roadblocks to participants' savings behaviors. Some plan sponsors may seek to add a brokerage window to permit participants with religious prohibitions on investing in the core lineup to save in the plan. Additionally, plan sponsors can look to include a DEI element when assessing asset managers.

Plan design can also address DEI needs by tackling loan and withdrawal trends, or participant and savings rates. Some plan sponsors noted that they address DEI via automatic enrollment, automatic escalation, and non-matching employer contributions. Alternatively, the new emergency savings account options authorized by SECURE 2.0, effective beginning in 2024, may help participants save within the plan and receive matching contributions on emergency savings deferrals.

Changes to investment fund lineup to support DEI initiatives



Changes to plan design to support DEI initiatives



Key Findings: Service Providers and Plan Fees

24%

reported exploring a recordkeeper search in 2023

See page 32 for details

9 in 10

plans engaged an investment consultant

See page 27 for details

45%

of plans negotiated lower fees following a benchmarking study

39%

kept fee structure the same

9%

changed the way fees are paid

See page 30 for details

> 3 / 4

of plans reported using a per-participant fee for plan administration

See page 31 for details

4 in 5

plans had a forfeiture account, an ERISA account, or both

See page 33 for details

7 in 10

plans calculated their all-in administration fees within the past 12 months

See page 28 for details

8 in 10

plans calculated the investment management fees

56%

included indirect revenue in their administration fee calculation

See page 28 for details

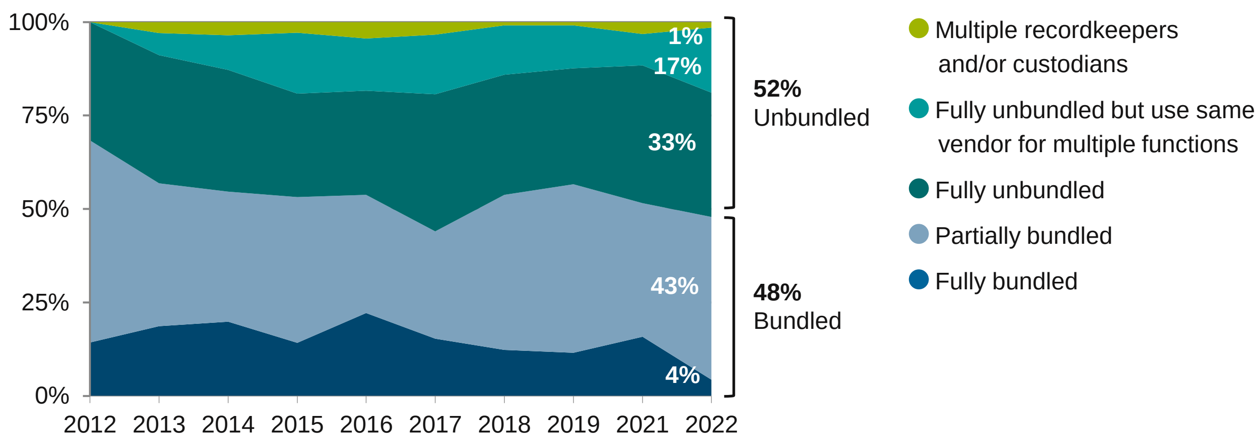
Plan Structure: Bundled vs. Unbundled Arrangements

Bundled and unbundled arrangements have remained evenly split going back to 2013. Unbundled arrangements have become more common as fund lineups moved towards open architecture. Prior arrangements were decidedly bundled.

The number of plans that identified themselves as being fully bundled (4%) was also down significantly from last year's 16%. We suspect this uptick may be due to a change in the respondents' composition between the two surveys, as well as a general trend away from bundling.

The market share of the largest five recordkeepers in our survey has remained the same year over year, at roughly 70%.

Plan structure



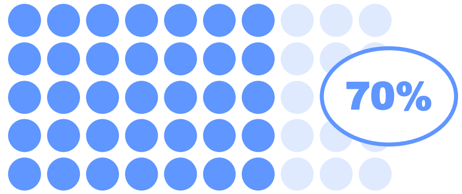
Fully unbundled: The recordkeeper and trustee are independent, and none of the investment funds are managed by the recordkeeper.

Partially bundled: The recordkeeper and trustee are the same, but not all of the investment funds are managed by the recordkeeper.

Fully bundled: The recordkeeper and trustee are the same, and all of the investment funds are managed by the recordkeeper.

Top 5 Recordkeepers Used

- Fidelity
- Empower
- Alight
- Voya
- Vanguard



of respondents used these 5 recordkeepers

Use of Investment Consultants and Documentation

More than 9 in 10 of plan sponsors engaged an investment consultant (retainer and/or project) in 2022, closely in line with both 2019 and 2020 (89%). In all years, more sponsors used a retainer over a project consultant.

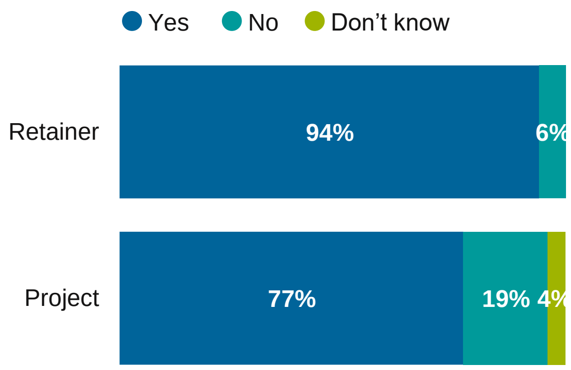
Of those that used a retainer investment consultant, most did so on a 3(21) non-discretionary basis (69%). A minority of plan sponsors (8%) were unsure whether they use a discretionary or non-discretionary consultant.

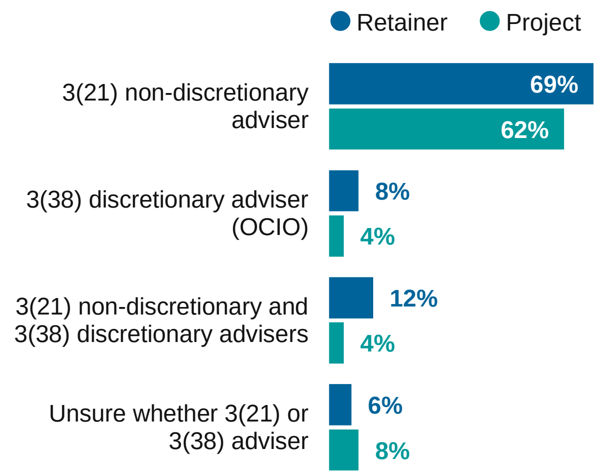
For governance and decision-making, all respondents used an investment policy statement. Committee/board charters were used frequently as well. A quarter of respondents indicated that they maintained signed acknowledgements of fiduciary responsibility from committee members.

3(38) discretionary consultant: The investment consultant selects and monitors funds and acts as a co-fiduciary (also known as an outsourced chief investment officer or OCIO model).

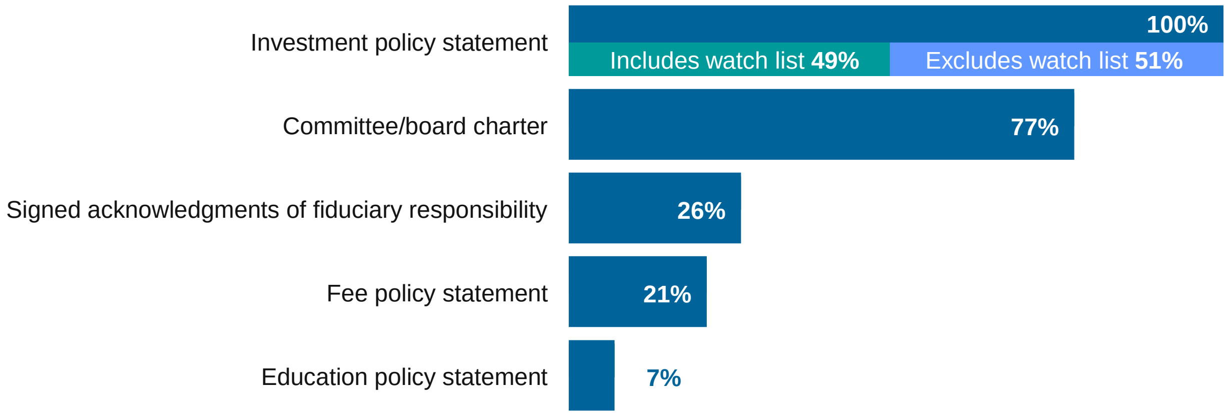
3(21) non-discretionary consultant: The investment consultant monitors and recommends changes as a co-fiduciary, while the plan sponsor maintains the fiduciary responsibility in selecting investments.

Use of investment consultant (project or retainer)





Documentation used for governance and to support decision-making*



*Multiple responses allowed.

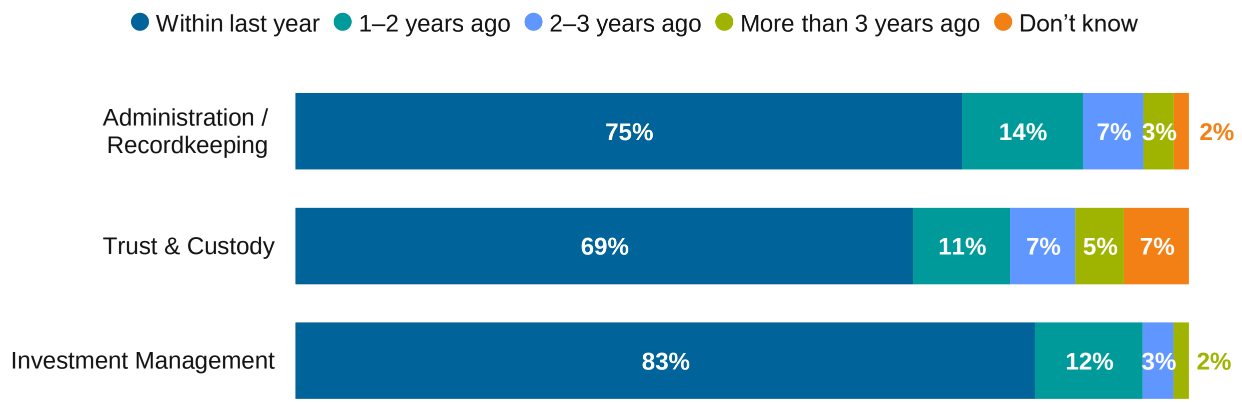
Fee Calculation

All-in administration fees can encompass a variety of expenses, including administration, participant transaction fees, compliance, custody, communications (e.g., print and distribution), and indirect sources of revenue.

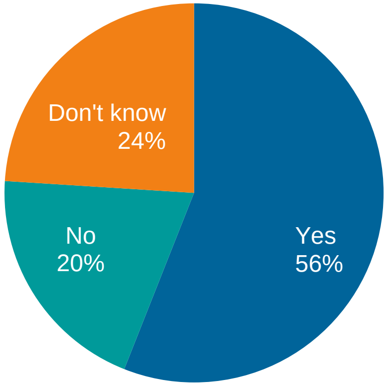
More than **7 in 10** plan sponsors calculated their all-in administration DC plan fees within the past 12 months. Another 14% did so in the past one to two years. Only 2% were unsure of the last time all-in fees were calculated. Similar levels were seen for trust and custody and investment management fees. For the latter, as a major target of litigation, reviewing the investment management fees regularly is broadly considered best practice.

When calculating all-in fees, more than half of respondents also evaluated sources of indirect revenue (e.g., revenue shared with the recordkeeper from managed accounts, brokerage windows, or rollovers of DC plan balances into an individual retirement account). Fewer plans (20%) did not evaluate indirect revenue, and a larger proportion (24%) did not know whether their all-in fee calculation involved an evaluation of indirect revenue.

Last time all-in plan fees were calculated, by service type*



Evaluated indirect revenue when calculating all-in fees



*All-in fees include all applicable administration, recordkeeping, trust/custody, and investment management fees.

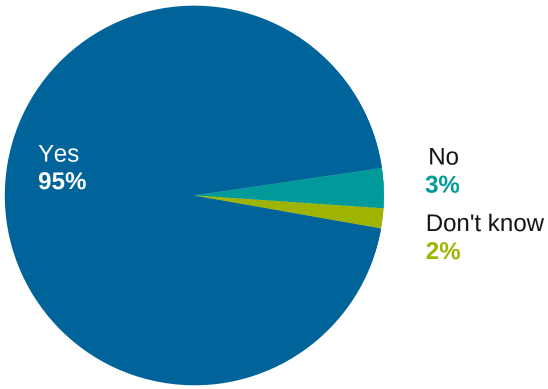
Fee Benchmarking

More than 9 in 10 plan sponsors benchmarked plan fees as part of their fee evaluation process, identical to last year. The percentage of plan sponsors that did not know whether plan fee levels were benchmarked (2%) dropped meaningfully from prior years.

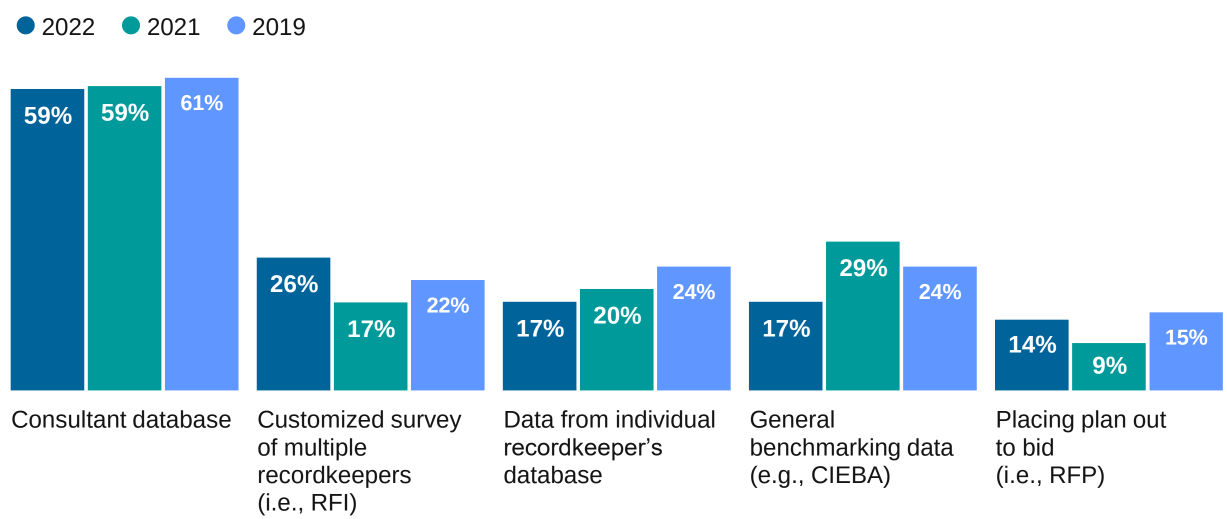
Plan sponsors tend to use multiple data sources in benchmarking their fees. Consultant databases (59%) were the most commonly used method, consistent with prior years. Customized surveys rose slightly from prior years (26%). Putting the plan out to bid increased slightly over last year.

7 out of 10 both **calculated and benchmarked** plan fees within the past 12 months.

Fees were benchmarked when calculating



How benchmarking was done*



*Multiple responses were allowed.

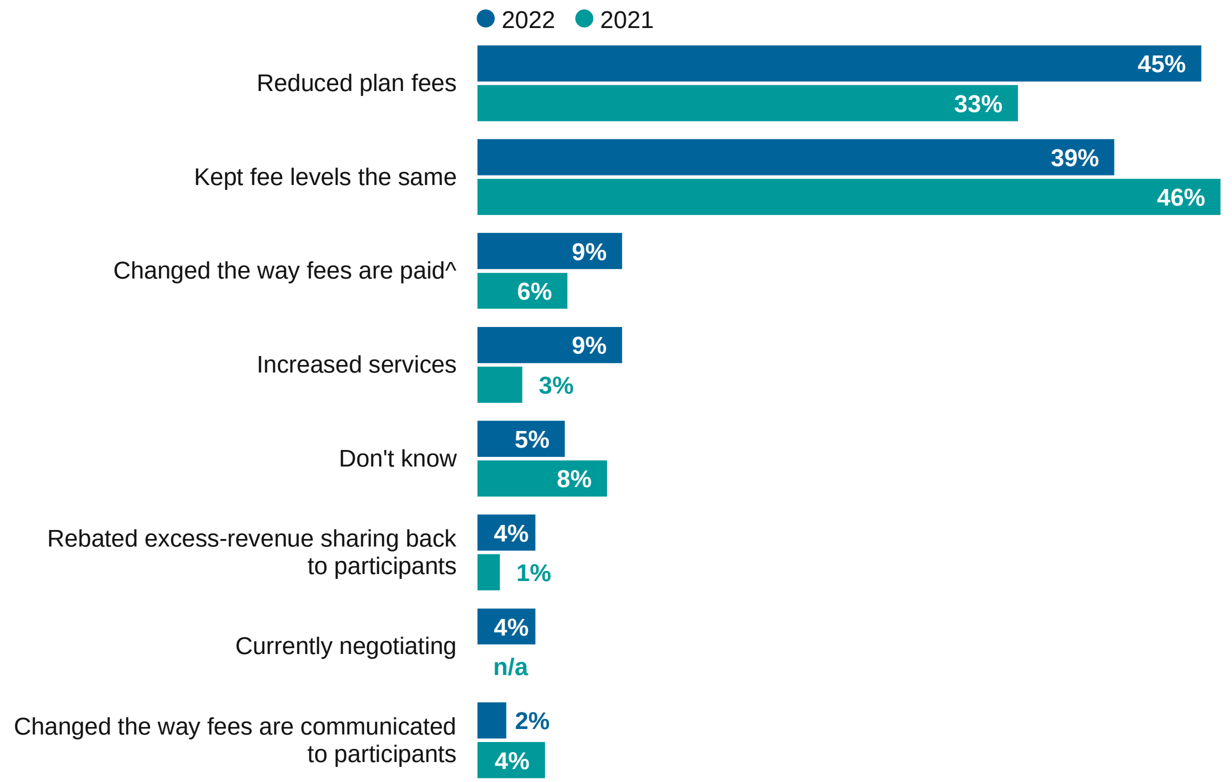
Fee Calculation and Benchmarking Outcomes

Fewer than half of plan sponsors kept fees the same following their most recent fee review, while nearly half reduced fees.

After reducing fees, the next most prevalent actions resulting from a fee assessment in 2022 were increasing services (9%) and changing the way fees are paid (9%).

Few plans were currently in negotiations (4%) or have changed the way fees are communicated to participants (2%) as a result of their fee review. Another small group (4%) noted that they have begun to rebate excess revenue sharing to participants. This relatively low percentage is likely attributable to the proportion of plans who report no revenue sharing (50%) from the fund lineup.

Outcome of fee analysis*



New category in 2022: Currently negotiating

^e.g., change from use of revenue sharing to an explicit participant fee

*Multiple responses were allowed.

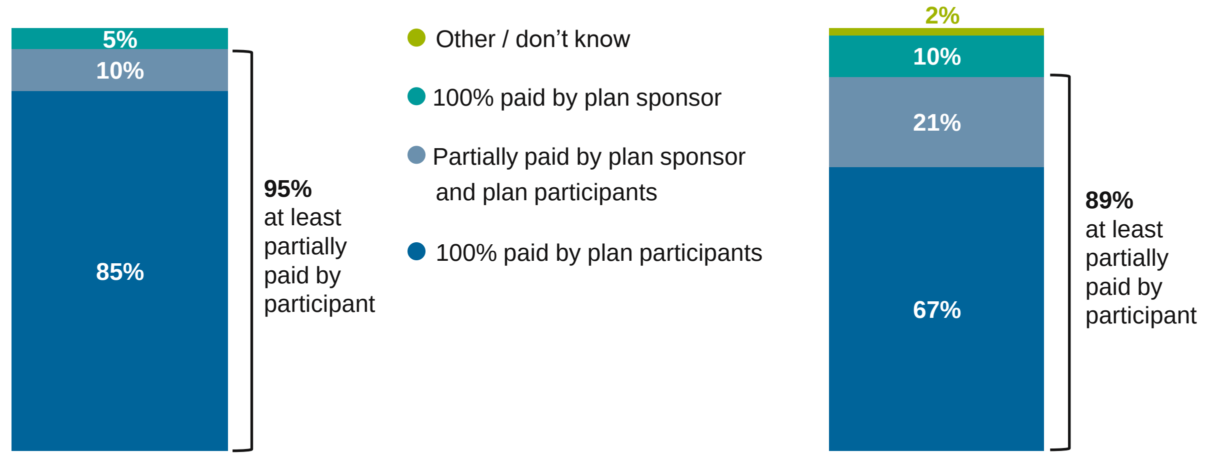
Fee Payment

Investment management fees were most often paid entirely by participants (85%), and almost always at least partially paid by participants (95%). By contrast, 67% of all administrative fees were paid entirely by participants, up significantly from two years ago (49%). Most plan sponsors (89%) noted that at least some administrative fees were paid for by participants.

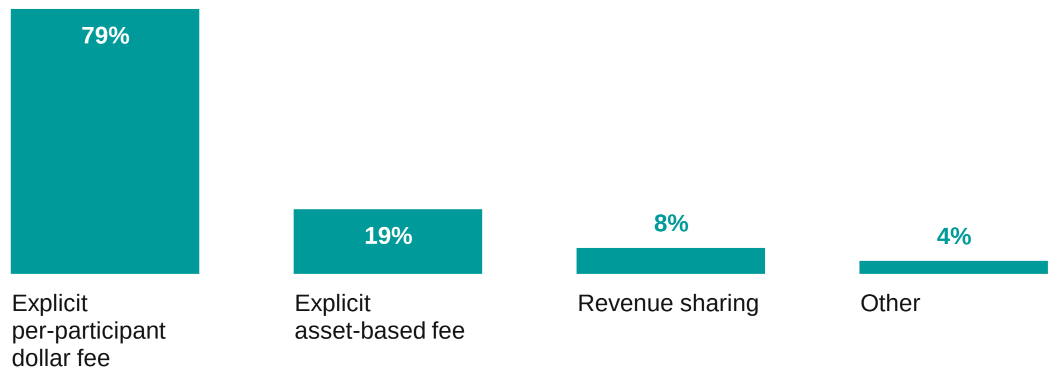
More than three-quarters of plan sponsors reported using a per-participant fee for plan administration. Flat, per-participant fees continued to be more prevalent than asset-based fees where the revenue collected by the recordkeeper fluctuates based on account balances and market performance (79% vs. 19%, respectively).

How investment management fees are paid

How administrative fees are paid



How participants pay for plan administration*



*Multiple responses allowed.

2023 Fee Initiatives

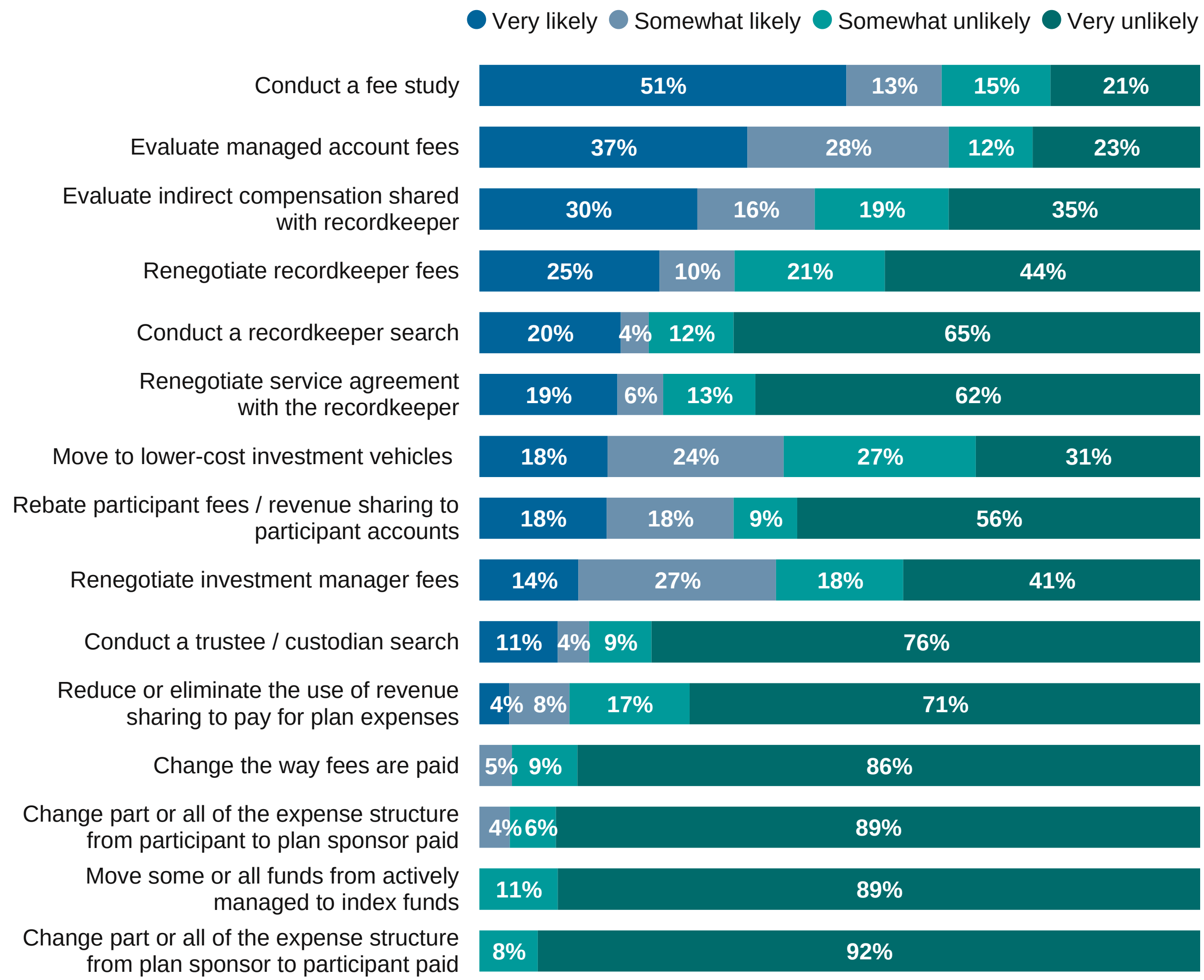
More than two-thirds of plan sponsors are either somewhat or very likely to conduct a fee study in 2023, down slightly from the prior year's DC survey (72%). Most respondents also indicated they are very or somewhat likely to review other fee types (e.g., managed account services fees) and indirect revenue.

Nearly one-quarter of plan sponsors (24%) reported exploring a recordkeeper search in 2023, the same as last year's survey results.

Four in 10 respondents are likely to move to lower-cost investment vehicles (e.g., move from an R6 share class to a collective investment trust) in 2023, a notable decrease from 2022 (58%).

Other somewhat or very likely actions include renegotiating investment manager fees (41%), renegotiating the service agreement with the recordkeeper (25%), and renegotiating recordkeeper fees (35%).

Fee initiatives planned for 2023



Forfeiture and ERISA Accounts

About 4 out of 5 plan sponsors had either a forfeiture account (48%), an ERISA account where excess revenue sharing or other sources of compensation are maintained to pay plan-related expenses or rebated back to participants (12%), or both (21%).

Notably, 8% of respondents did not know whether they maintained a forfeiture account or an ERISA account.

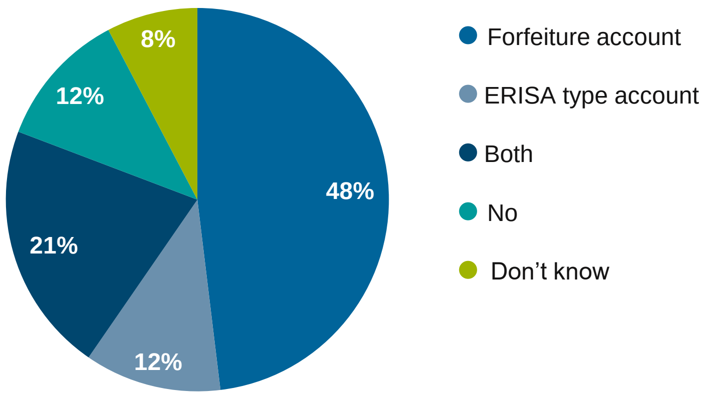
Only qualified plan expenses may be paid from DC plan assets. The expense may be eligible for payment if it is direct, reasonable, and necessary within the meaning of ERISA. These expenses are considered by the DOL to benefit 401(k) plan participants exclusively.

Auditing, consulting, and legal fees were the most commonly paid expenses through the forfeiture and/or ERISA account(s).

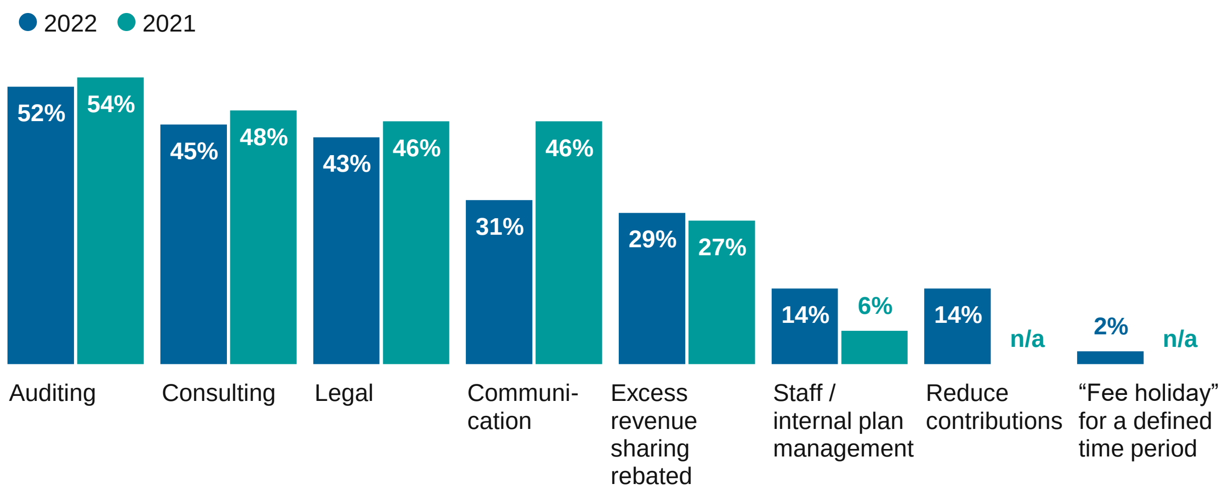
Communication expenses were less often paid for via these methods than in prior years (31% vs. 46%)

29% of plan sponsors reallocated assets in the account(s) back to participants.

Have a forfeiture account and/or ERISA type account



Expenses paid through the forfeiture/ERISA account*



New categories in 2022: Reduce contributions, "Fee holiday" for a defined time period
Additional category (2022 / 2021): Other / Don't know (12% / 31%)

*Multiple responses were allowed.

Key Findings: Plan Design

Most Common Enhanced Savings Features

Roth Deferrals **94%**

76% Automatic enrollment

See page 35 for details

Top Reasons for Not Offering Automatic Enrollment

- Unnecessary
- Too costly
- Not a high priority

See page 36 for details

4.6%

average automatic enrollment default contribution rate

See page 37 for details

1 in 4

plans reported making a change to their company match in 2022…

HALF

of those plans increased the match

See page 40 for details

8 in 10 plans sought to retain retiree assets

Most plans offered a retirement income solution to employees—the most common solutions were:

80% partial distributions

80% installment payments

See pages 41 & 43 for details

10.4%

average maximum automatic escalation rate following SECURE 2019

See pages 38 for details

78%

sent required notices via electronic

*vs. **22%** that rely on postal mail*

See page 45 for details

DC Plan Design Trends: Prevalence

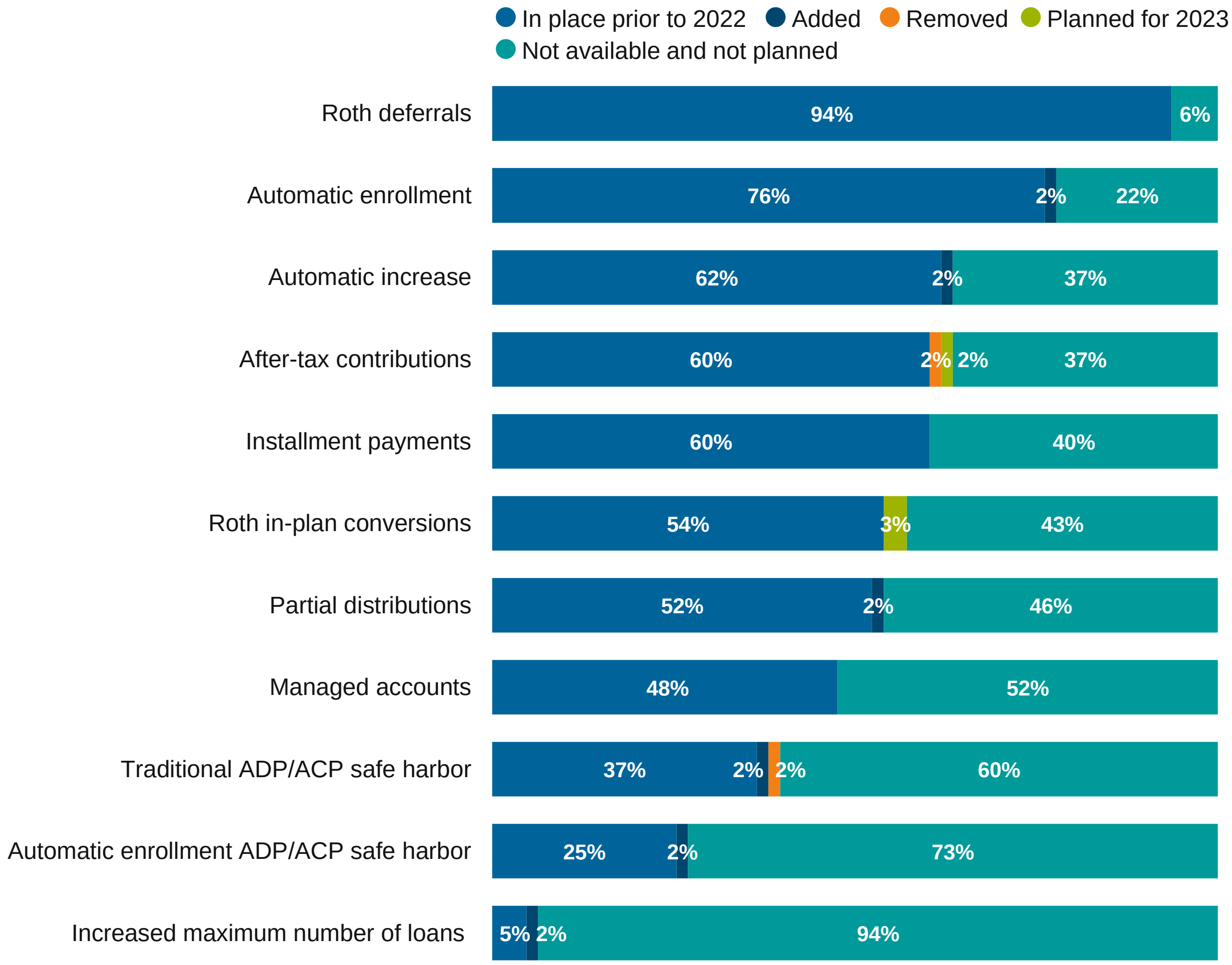
Survey respondents noted that Roth deferrals (94%) and automatic enrollment (76%) were the most common enhanced savings features. In 2013, our survey found that only 47% of plan sponsors offered Roth deferrals. Both features were formalized at a federal level by the Pension Protection Act of 2006 (PPA) and have had more than a decade to become majority practice. Traditional after-tax contributions (60%) saw a resurgence due in large part to the availability of Roth in-plan conversions. This conversion feature is the most common planned enhancement for 2023 (3%), followed by adding after-tax contributions (2%).

Notably, **6 in 10** plans indicate they have utilized a **safe harbor plan design**.

Explainer: Plans that utilize a safe harbor plan design are not subject to annual nondiscrimination testing, avoiding the complexity of testing and minimizing the economic and employee impact of a failed test.

The majority of plan design decisions are considered settlor in nature. However, the decision to include managed account services is a fiduciary action. Plans with, or considering adding, managed accounts should consider the fiduciary implications of this service.

DC plan design changes

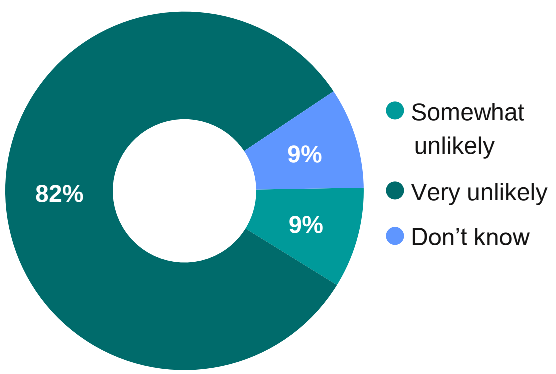


Automatic Enrollment

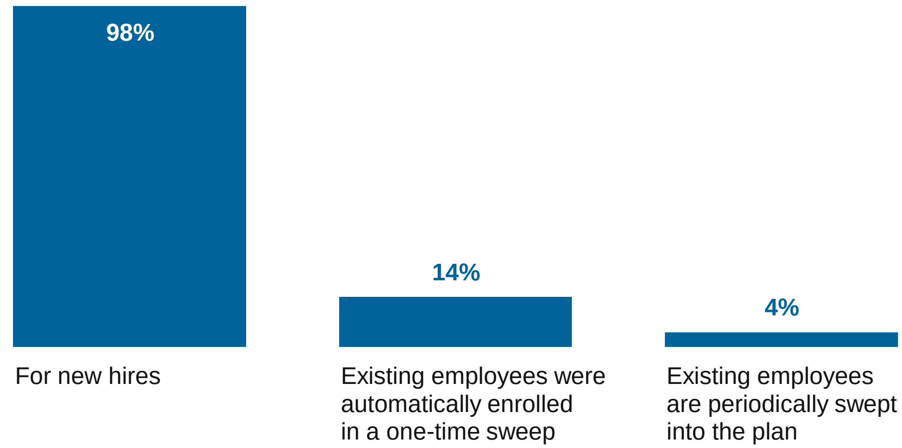
Three-quarters of DC plans offered automatic enrollment, compared with only 50% in our *2013 DC Survey*. While this number has plateaued in recent years, it may see a resurgence in the near future as SECURE Act 2.0 makes automatic enrollment mandatory for any new plans established after Dec. 29, 2022, beginning in 2025. Unsurprisingly, the vast majority of plans with auto enrollment used it for new hires (98%). However, nearly 1 in 5 also reported auto-enrolling existing employees either through a one-time or periodic sweep.

The two main reasons plan sponsors cited for not offering automatic enrollment were adequate participation and cost implications.

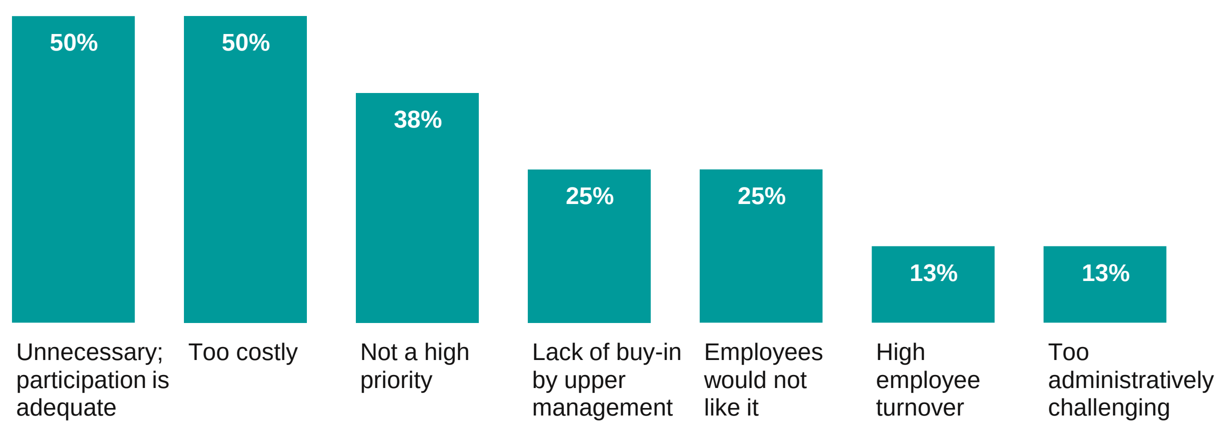
Likelihood plan will offer automatic enrollment in 2023



Of plans offering automatic enrollment*



Reasons for not offering automatic enrollment*



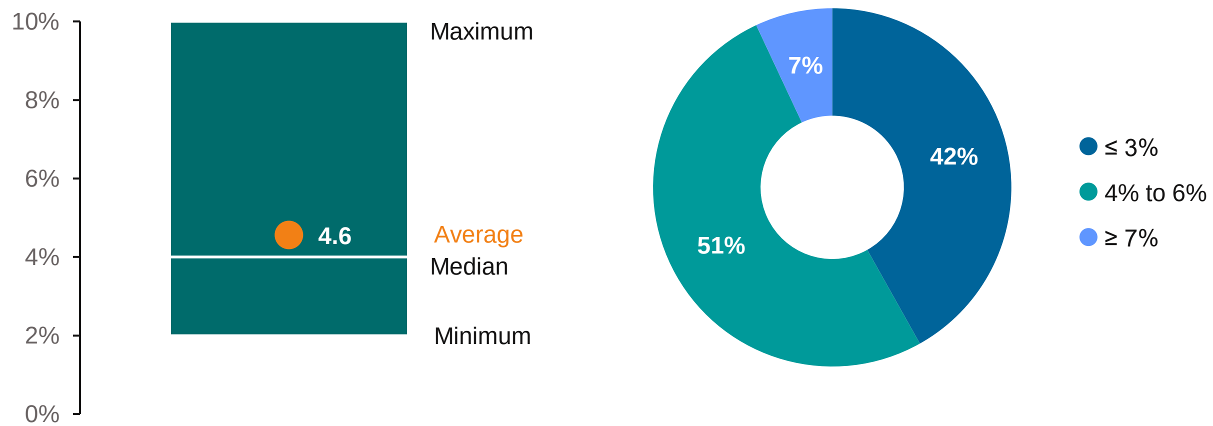
*Multiple responses were allowed.

Automatic Enrollment

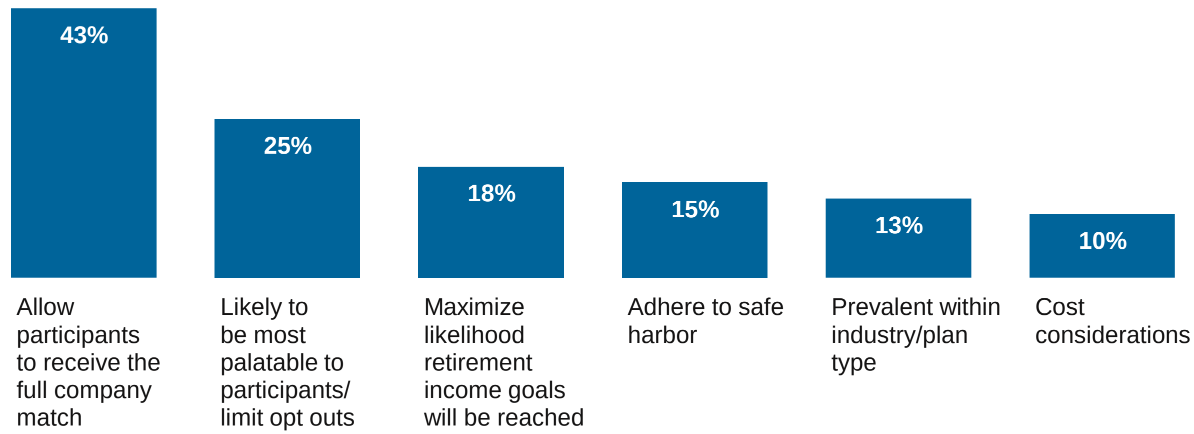
Historically, 3% was the most common starting deferral rate in plans that automatically enrolled participants. That rate has increased in recent years, due in part to the auto enrollment safe harbor plan design, available beginning in 2008, as well as plan sponsors looking to help participants meet the match level (43%) and limiting the opt-out rate (25%).

While plans can technically use either pretax or Roth for automatic enrollment, none of the respondents indicated they use Roth for auto enrollment.

Automatic enrollment default contribution rate



Reasons for selecting automatic enrollment default contribution rate*



*Multiple responses were allowed.

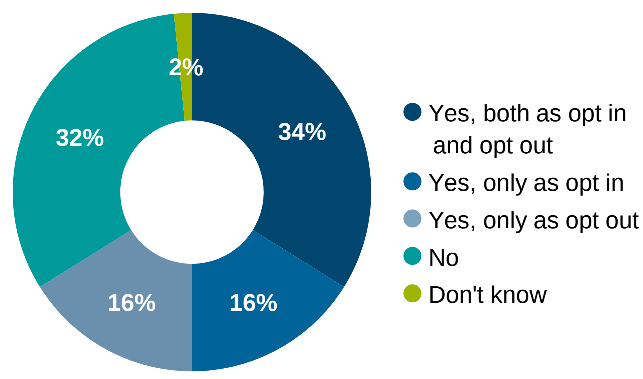
Automatic Escalation

Adoption of automatic contribution escalation continues to lag automatic enrollment, with 66% of plans allowing participants to increase deferral levels on an automatic basis, in comparison with 43% a decade ago.

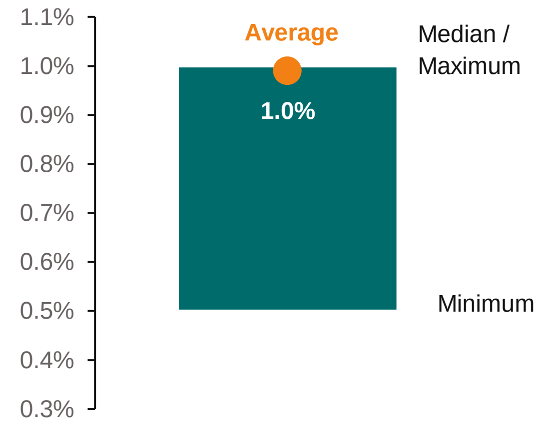
The vast majority of plans use 1% as their escalation rate, although some respondents did indicate that they escalate in half percents.

The average maximum escalation rate has increased notably in the past two years in response to the 2019 SECURE Act, which increased the maximum rate for automatic enrollment safe harbor plans from 10% to 15%. This was an optional provision, but nearly three-quarters of plans have set the maximum rate above 10%.

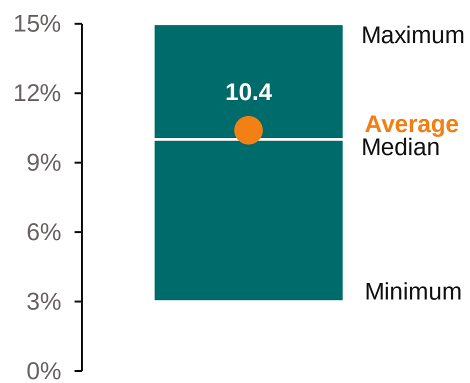
Plans offering automatic escalation

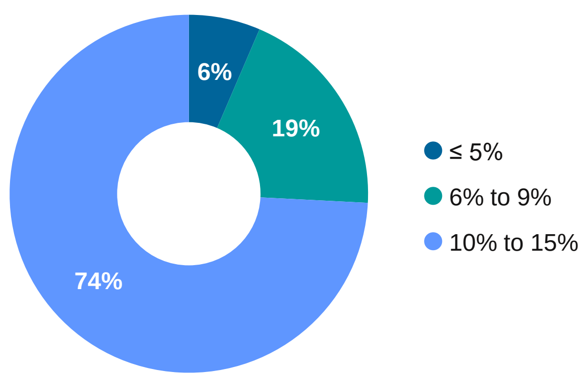


Automatic escalation increment



Maximum escalation rate



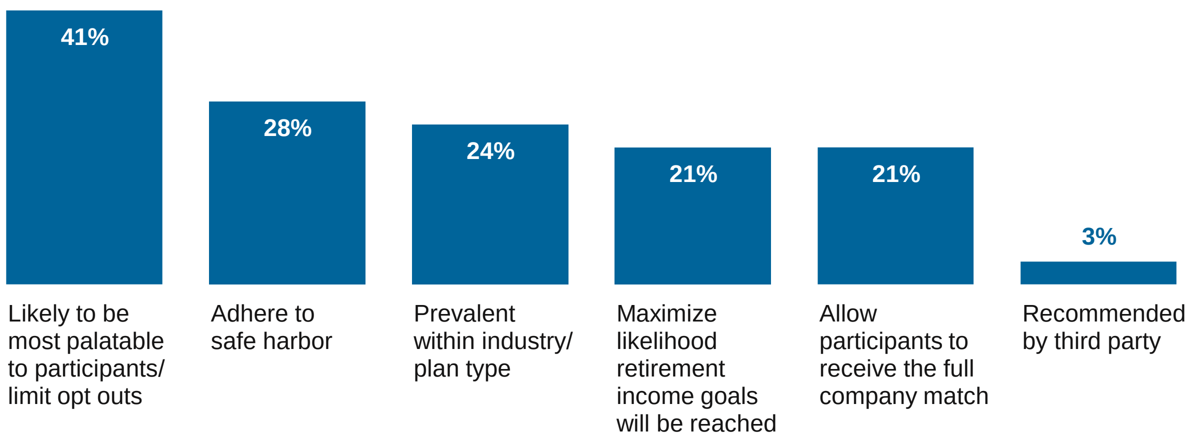


Automatic Escalation

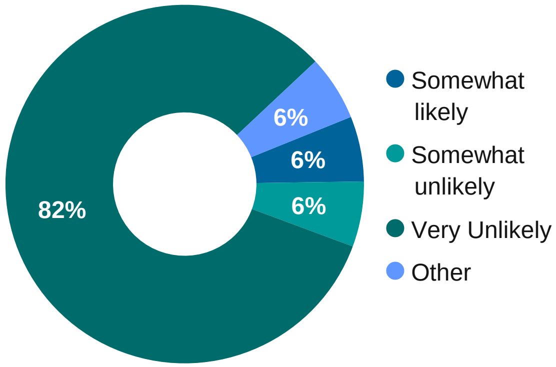
Limiting opt-outs was the most common reason for selecting the automatic escalation cap, although adhering to the safe harbor plan design requirements made up more than a quarter of responses.

Only 6% of plans without automatic escalation indicated they were somewhat likely to add it in 2023. Among respondents without an automatic increase, it was viewed as not a high priority (50%), and 35% noted that the employees would not like the feature.

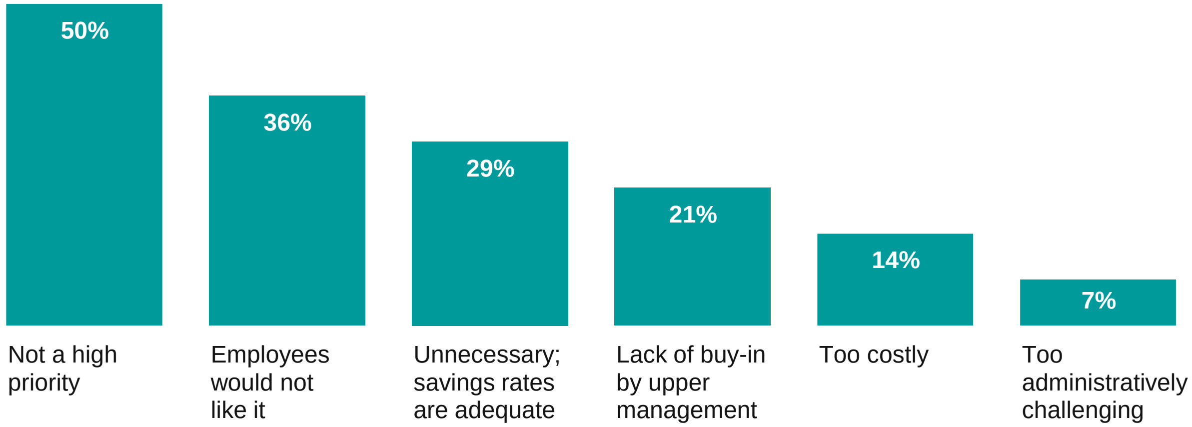
Reasons for selecting automatic escalation cap*



Likelihood plan will offer automatic escalation in 2023



Reasons for not offering automatic escalation*



*Multiple responses were allowed.

Company Match

One-quarter of plan sponsors reported making a change to their company match in 2022, and the same percentage plan on making a change in 2023. Of plans that reported making or planning a change, the majority indicated the change would benefit participants. Half of DC plans that made a change to the matching formula increased the match in 2022 and another quarter plan on increasing the match in 2023. Notably, 43% of respondents planning a change in 2023 indicated they would be adding a year-end true-up contribution.

In contrast only 13% indicated they eliminated the matching contribution in 2022 and 14% plan on eliminating it in 2023.

Company match actions*

Took step in 2022		Will take in 2023	
Increase matching contributions	**50%**	Add a match true-up feature	**43%**
Add a match true-up feature	**13%**	Increase matching contributions	**29%**
Eliminate matching contributions	**13%**	Eliminate matching contributions	**14%**
Restructure matching formula	**13%**	Restructure matching formula	**14%**
Reinstate matching contributions	**13%**	Reinstate matching contributions	**0%**

One-quarter of plan sponsors reported plans to make a change to the company match in 2022. The same was true in 2023.

Of those making a change, **5 in 10** plans **increased the match** in 2022.

*Percentages out of those taking steps with respect to the company match. Multiple responses allowed.

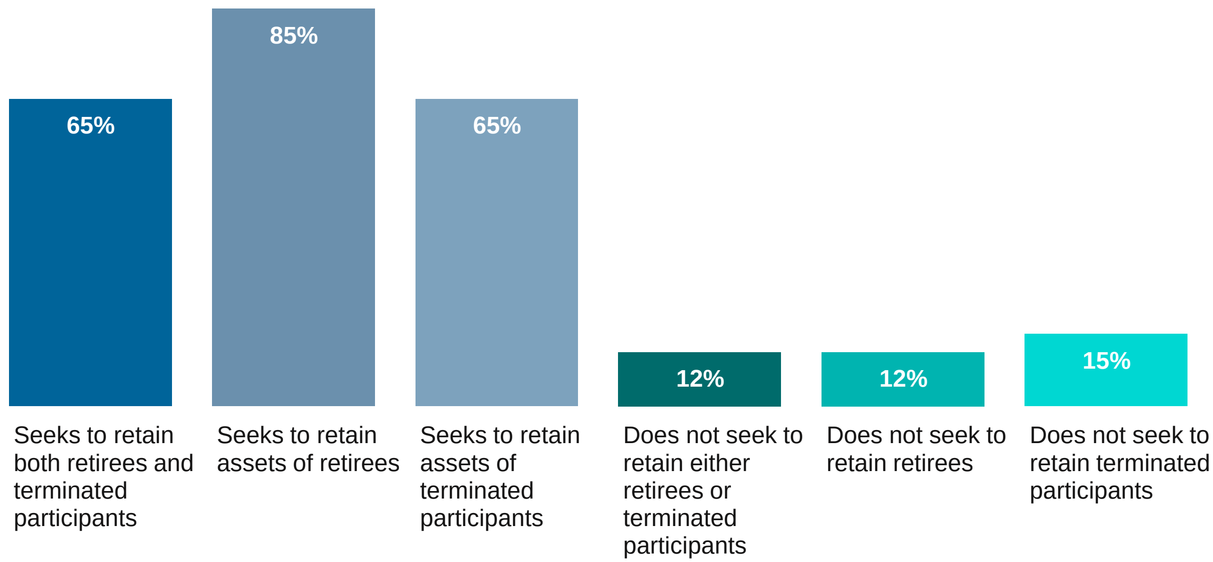
The majority of plan sponsors (65%) with a defined strategy around this issue sought to retain the assets of both retiree and terminated participants, a notable increase from 2015 (44%). More than 8 in 10 plans sought to retain retiree assets, while fewer sought to retain terminated participant assets (65%).

Various rationales can drive the decision to retain assets. For example, retirees often have higher account balances, which can lead to cost efficiencies for the plan. On the other hand, account balances of employees who terminate before retirement can vary widely, as can the length of time before retirement, making these accounts potentially less efficient to retain.

Plan sponsors should weigh cost efficiency benefits against the fiduciary responsibility of retaining assets for participants who are not actively employed with the plan sponsor (e.g., maintain contact information to provide notices, monitor investments).

Half of respondents do not have a defined strategy on retaining assets in the plan.

Strategies to retain retiree / terminated assets*



*Percentages out of those with a stated intent in place. Multiple responses allowed.

Plan Leakage

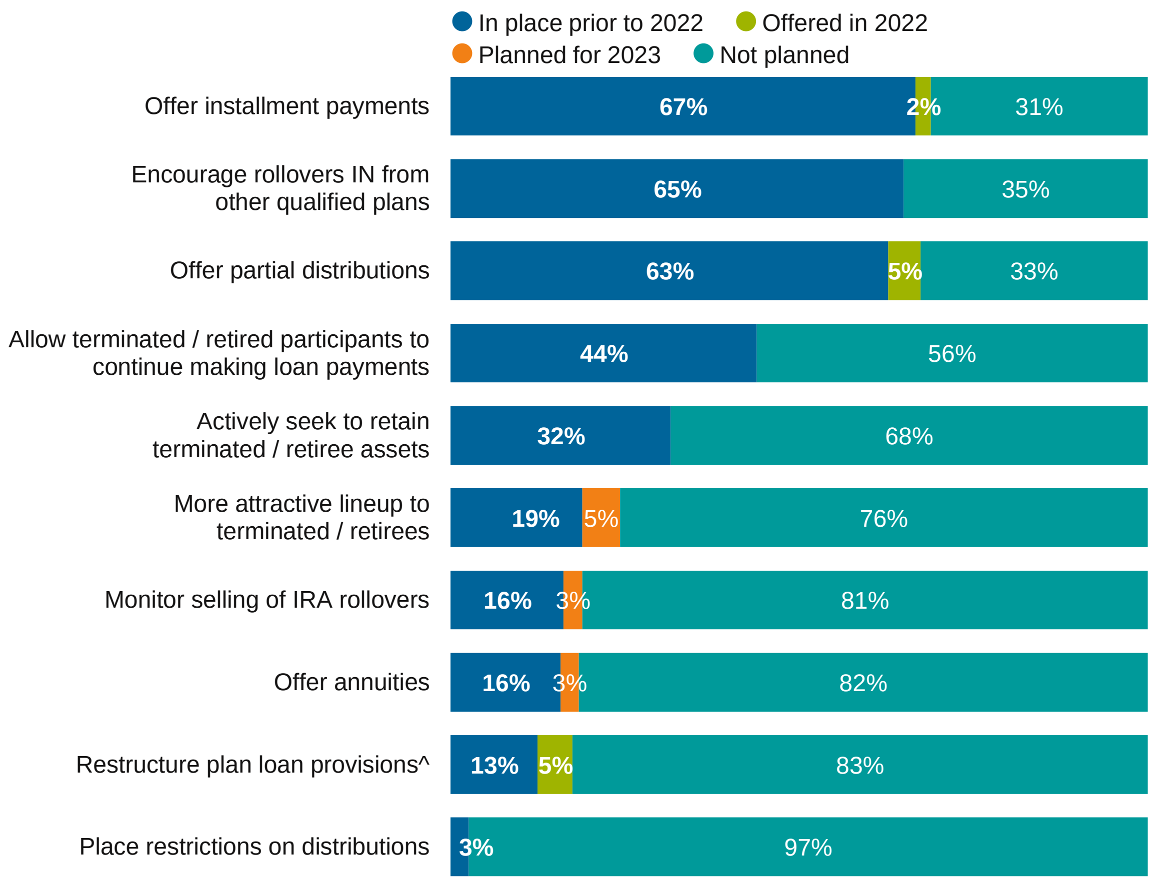
Most plan sponsors reported taking steps to prevent plan leakage. Actions included offering installment payments (67%)† and encouraging rollover in from other qualified plans (65%). These types of distribution options can help prevent plan leakage since the participant is not forced to take a total distribution.

Another common action was to offer partial distribution (63%). Slightly fewer than half of survey respondents allowed terminated participants to continue repaying their DC plan loans.

Only 11% of respondents anticipated taking additional steps to prevent plan leakage in 2023—most notably, to make the fund lineup more attractive to retirees.

† Note, these percentages may vary from others referenced in the *2023 DC Survey*. The metrics included on this page reflect actions taken specifically to minimize leakage only.

Steps taken to prevent plan leakage*



*Multiple responses allowed.

^e.g., reduce number of loans allowed, change loan frequency.

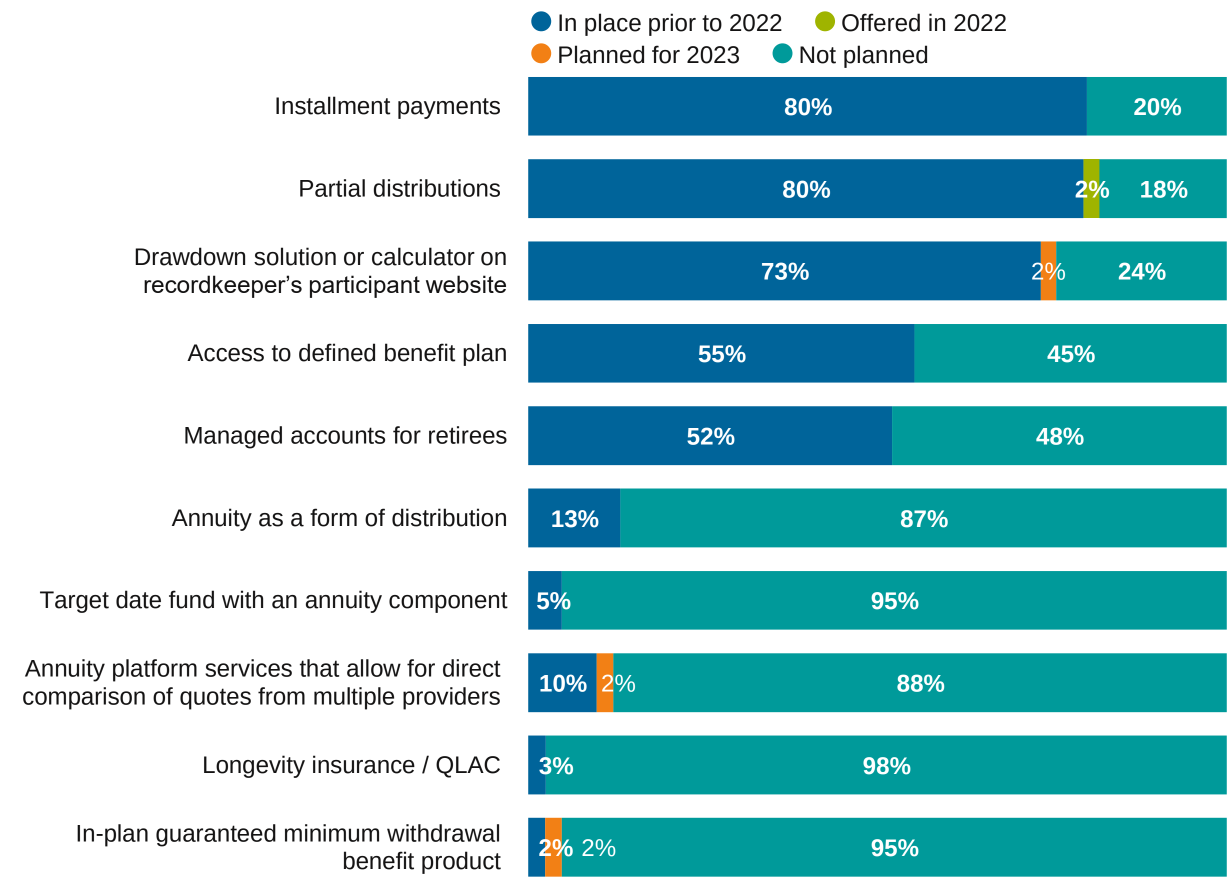
Retirement Income Solutions

Most plans offered some sort of retirement income solution to employees by 2022. Partial distributions (80%) and installment payments (80%) were the most common solutions. Providing access to a drawdown solution or to a defined benefit plan were the next two most common.

> **Explainer:** A drawdown solution is a simplified process on the participant website (e.g., a one-step button) to implement the output from a retirement calculator. It is a more streamlined process for participants to establish a stream of income, who would otherwise have to manually transfer the calculator output into the transactional section of the website.

Only 3% of plan sponsors offered qualified longevity annuity contracts (QLACs) or longevity insurance in their plans despite a 2014 Treasury Department ruling making it easier to do so.

Retirement income solutions offered*



*Percentages out of those with a solution in place. Multiple responses allowed.

Reasons for Not Offering Annuities

Plan sponsors cited a number of reasons to explain why they were unlikely to offer an annuity-type product in the near term: it is unnecessary or not a priority, there is a lack of participant need/demand, or it is seen as being too costly to plan sponsor/participants. Respondents also noted that the fiduciary implications around an annuity-type product can be uncomfortable or unclear, and cited this as part of the reason to not offer these products. They also noted that the administration of these products can be too complex.

Reasons for not offering an annuity-type product

Most important

	Ranking
Unnecessary or not a priority	3.6
No participant need or demand	2.9
Too costly to plan sponsor/participants	2.3
Uncomfortable / unclear about fiduciary implications	2.1
Too administratively complex	1.8
Uncomfortable with available products	1.5
Difficult to communicate to participants	1.3
Availability of defined benefit plan	1.2
Lack of product knowledge	1.2
Products are not portable	1.0
Concerned about insurer risk	0.9
Recordkeeper will not support this product	0.1

Least Important

(5=Most important. Total rating is weighted average score.)

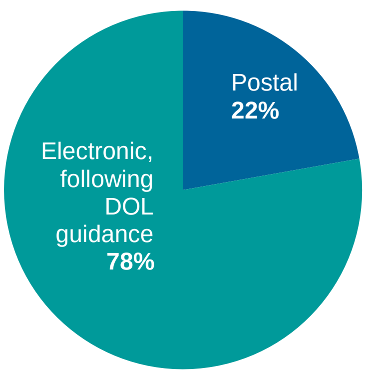
Participant Communication

Increasing savings rates and retirement readiness were the top areas of focus for plan communications—both were also in the top three last year. Plan participation came in third.

While plan sponsors were heavily focused on managing plan fees, they were not as focused on communicating them, according to their lower ranking.

In terms of media channels, email continued to be the most common medium, with 94% of plan sponsors using it. The recordkeeper's website and postal mail came in second, at 85% and 73%, respectively. Mobile app messaging saw an increase in prevalence to 35%, from 22% the year before, while the share of plan sponsors offering webinars fell after the pandemic, at 56%, from 72% in 2021.

Required notices

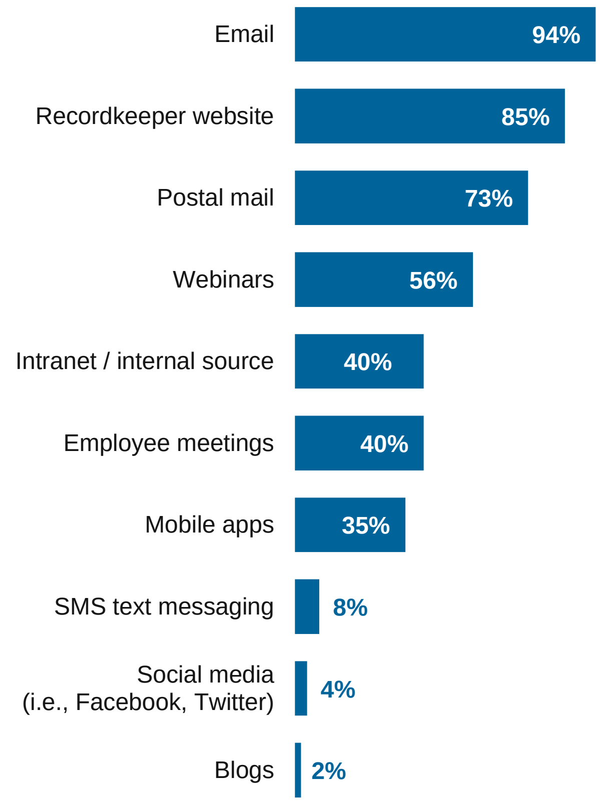


Areas of communication focus for 2023

	Ranking
Increasing savings rates	3.5
Retirement readiness (e.g., income replacement levels)	3.3
Plan participation	2.9
Investing (e.g., market activity, use of funds, diversification, market timing)	2.0
Financial wellness	1.5
Plan design changes	1.2
Managing income in retirement	0.9

(5=Most focus. Total ranking is weighted average score.) Additional categories: Investing during market turmoil (0.8), plan fees (0.7); managed account services (0.5); loans (0.4), withdrawals / distributions (0.4), company stock (0.2)

Media channels used to communicate plan information to participants*



*Multiple responses were allowed.

Key Findings: Plan Investments

Top reasons for selecting or retaining target date funds

1 portfolio construction
2 performance
3 fees

See page 56 for details

1 in 5 plans used unitized funds

See page 49 for details

52% offered a target date suite only

45% offered the target date along with managed accounts as an optional service

See page 53 for details

84% offered collective investment trusts

Up from 48% a decade ago

79% offered collective a mutual fund

down from 92% a decade ago

See page 48 for details

50% of plans reported no revenue sharing funds

See page 50 for details

9 in 10 plans had a mix of active and passive investment options

See page 47 for details

88% of plans did not offer an ESG fund

13% will consider adding one in the future

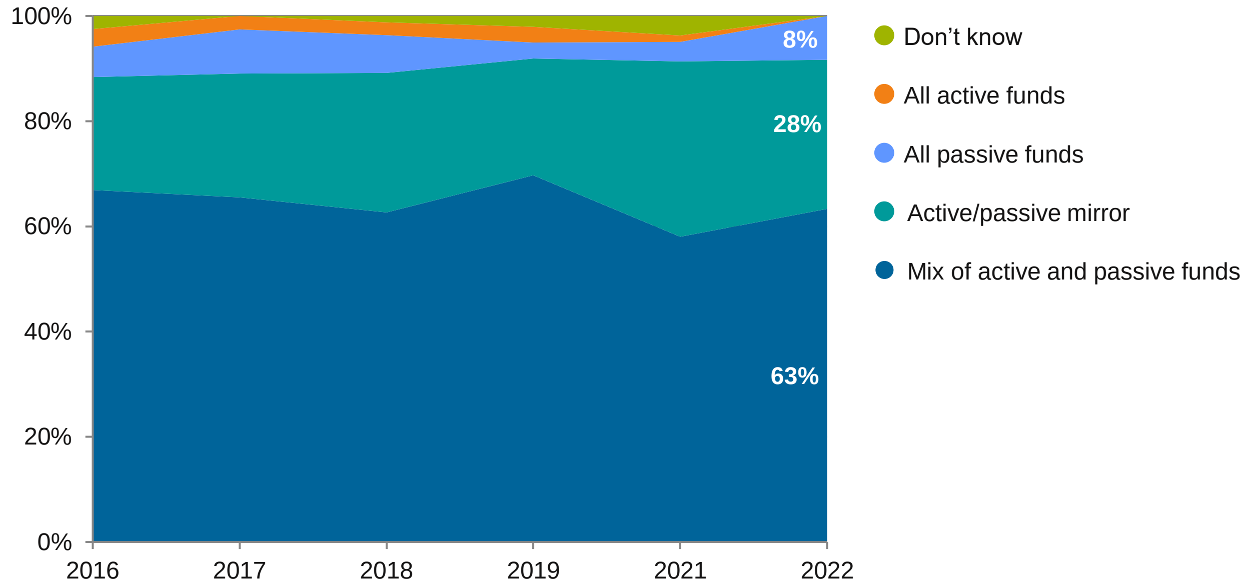
See page 61 for details

Investment Menu

The vast majority of DC plans had a mix of active and passive investment funds (91%). Purely passive (8%) lineups remained a rarity, while no respondents indicated a purely active menu. Larger plans by assets were more likely to offer a purely passive menu—11% of plans with greater than $5 billion in plan assets offered a purely passive menu, compared to 5% of plans with less than $1 billion.

After increasing over the prior two years, there was a slight decrease in those offering an active/passive mirror versus those offering a mix of active and passive funds. A mirrored lineup is when virtually all core asset classes are represented by both active and passive versions.

Investment menu approach



Prevalence of Mutual Funds and CITs

Collective investment trusts (84%) and mutual funds (79%)** continued to be the most prevalent investment vehicles. Plans were less likely to use CITs for stable value funds (39%) than non-stable value options (77%). Large plans were less likely to offer mutual funds in general and significantly less likely to offer mutual funds that are proprietary to the recordkeeper (26% of plans with more than $1 billion dollars in plan assets).

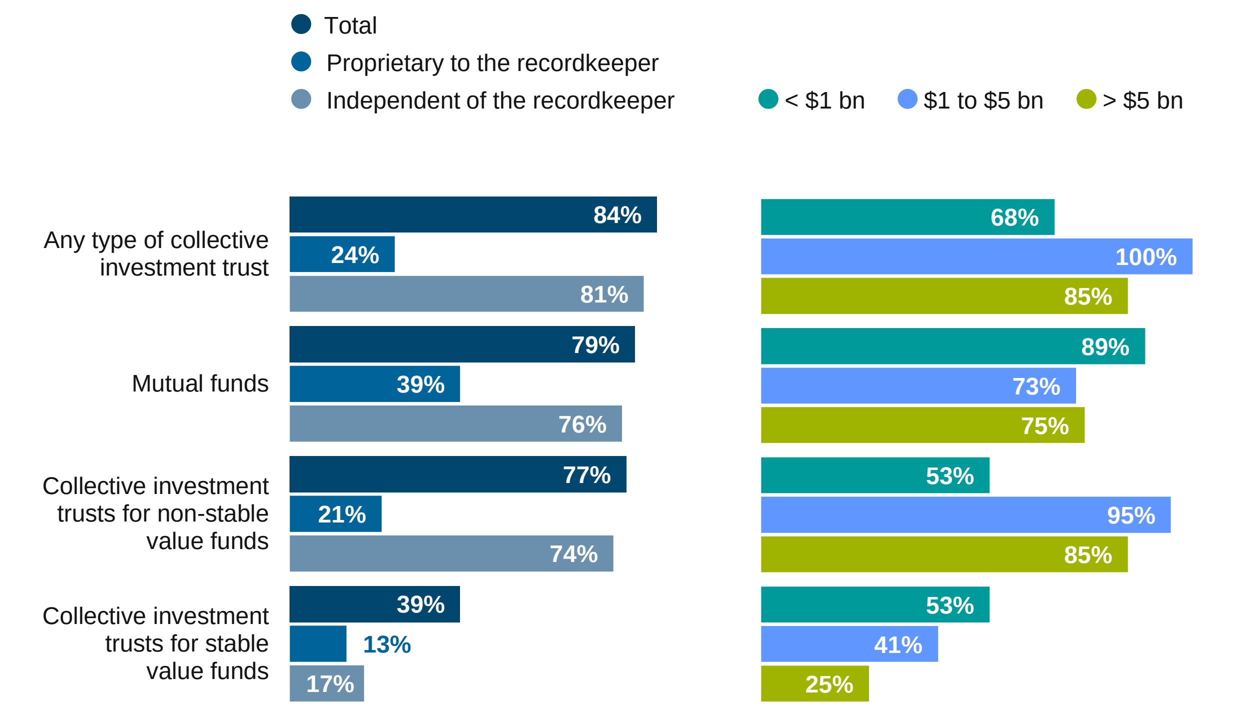
Over the past decade, the use of mutual funds fell by about 13 percentage points while the use of CITs rose by more than 30 percentage points.

The proportion of plans with mutual funds that are offered independent of the recordkeeper stayed relatively consistent between 2020 and 2022, while the proportion that offered non-stable value CITs independent of the recordkeeper increased from 64% to 74%.

2012 investment types

Mutual funds	**92%**
Collective investment trusts	**48%**
Separately managed accounts	**43%**

Investment types within the fund lineup*



*Multiple responses allowed. Some respondents offer multiple asset classes in each vehicle type (e.g., both stable value and another asset class are offered as a collective investment trust and/or separate account).
** Includes both those proprietary to the recordkeeper and independent, and for collective investment trusts, for both stable value and non-stable value funds.

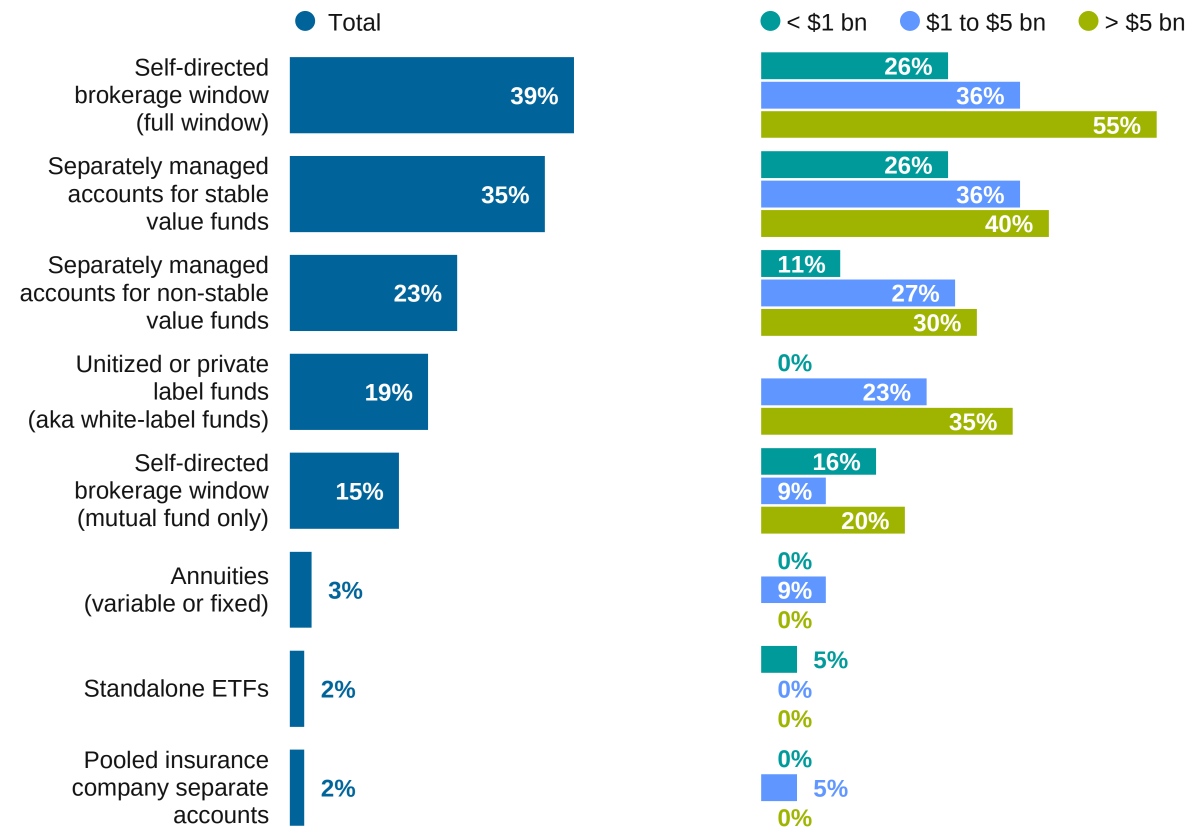
Other Investment Types Within the Fund Lineup

About a fifth of plans used unitized funds in 2022, down slightly from roughly a quarter of respondents in 2021. No small plans reported using unitized funds.

4 in 10 plans offered a full self-directed brokerage window, compared to 15% that offered a self-directed brokerage limited to mutual funds only.

Over the past decade, the use of separate accounts increased by nearly 10 percentage points.

Investment types within the fund lineup*



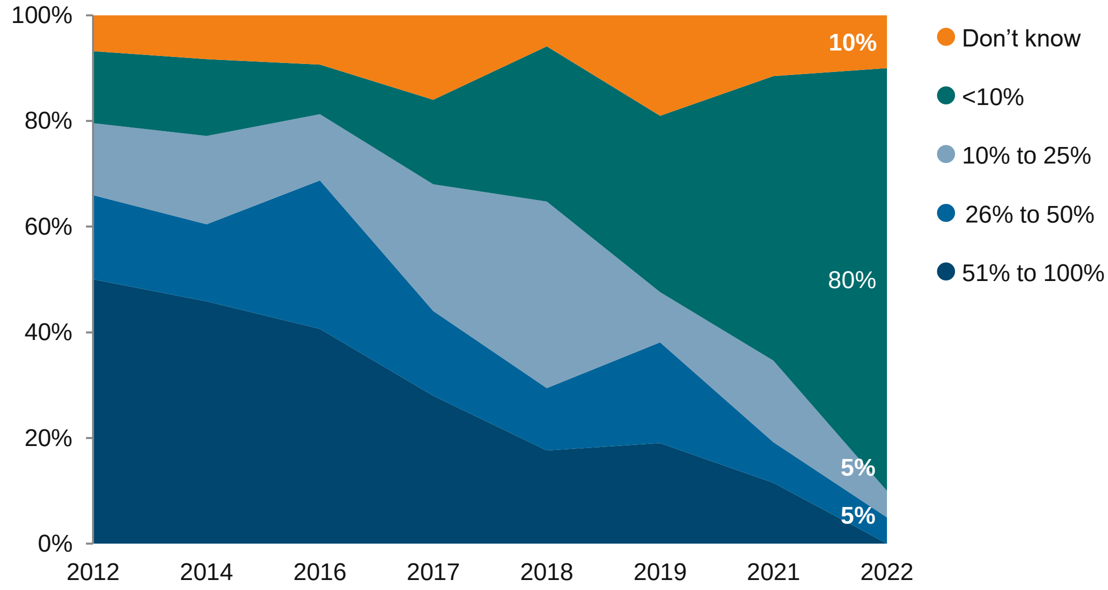
*Multiple responses allowed. Some respondents offer multiple asset classes in each vehicle type (e.g., both stable value and another asset class are offered as a collective trust and/or separate account).

Revenue Sharing

Of plans with revenue sharing (or some kind of administrative allocation back from the investment fund), no respondents reported that all of the funds in the plan provided revenue sharing, consistent with 2021.

The most common was to have no revenue sharing at all (50%), This was followed by 30% of plans with less than 10% of funds paying revenue sharing. This represents a trend that has continued over time, as the percentage of plans with revenue sharing has decreased.

Percentage of funds that have revenue sharing



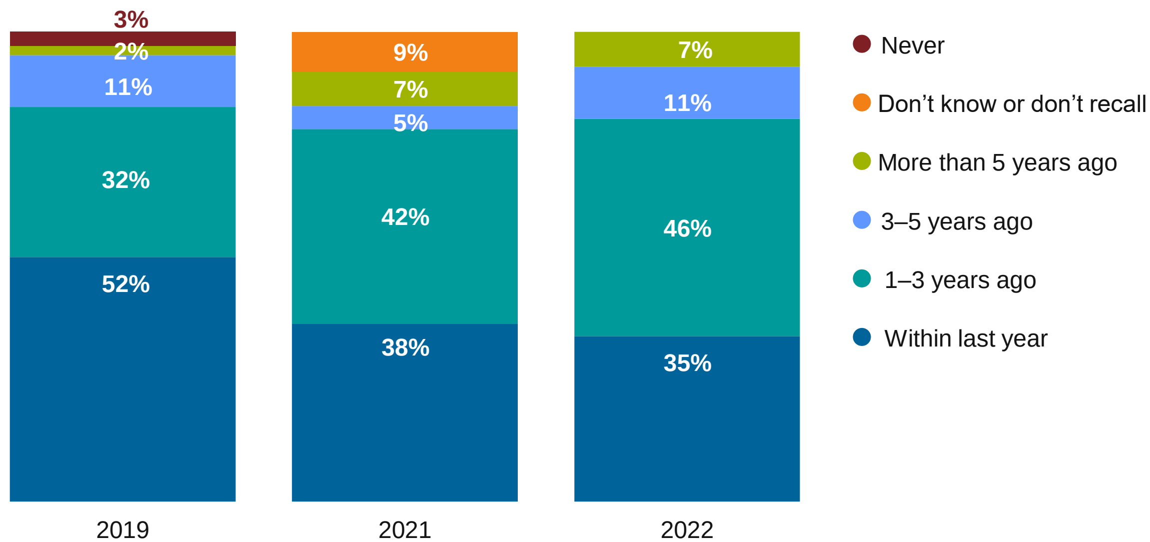
Investment Structure Evaluation and Mapping

In a drop-off from past years, only 35% of plan sponsors conducted an investment structure evaluation within the past year, while 81% have done so within the past three years.

Respondents with less than $1 billion in plan assets were more likely to have completed an evaluation within the past year (50%), compared to those with plan assets between $1 billion and $5 billion (29%) and with greater than $5 billion (18%). The lower rates for larger plans may be due to the 43% of respondents with between $1 and $5 billion that had completed an evaluation in the prior one to three years, and 7 out of 10 plans with more than $5 billion indicated they had conducted an evaluation in that same time frame.

More than half of plans mapped assets, as needed, to "like" funds. **One-quarter** mapped to the default fund and slightly less than one-quarter mapped to both based on the funds being changed.

Timing of investment structure evaluation



Assets mapped from eliminated funds

Investment Menu Structure

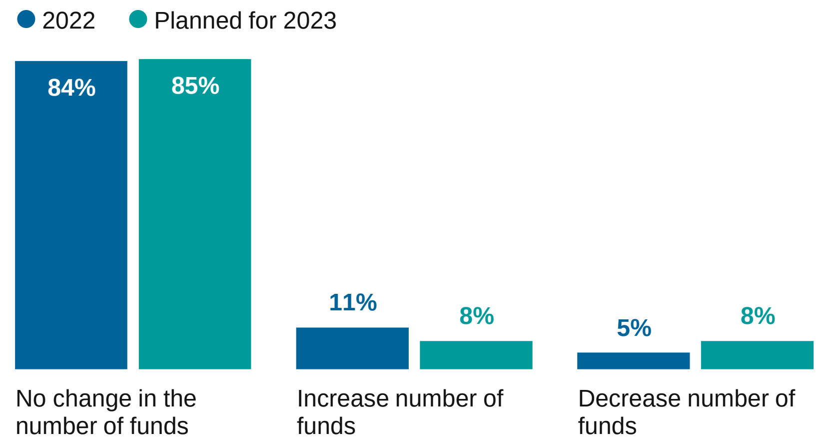
Most plan sponsors did not change the quantity or style of the funds offered last year, and they do not expect to in 2023.

Only 16% of plan sponsors reported making changes to the number of funds in 2022. Roughly the same percentage of sponsors indicated they are planning a change in 2023. Of those that made changes in 2022, the more common action was to increase the number of funds, while a decrease in the number of funds was slightly more common among those planning to make changes in 2023. This does not include adding or deleting a new target date vintage, as those are typically counted as a single fund option.

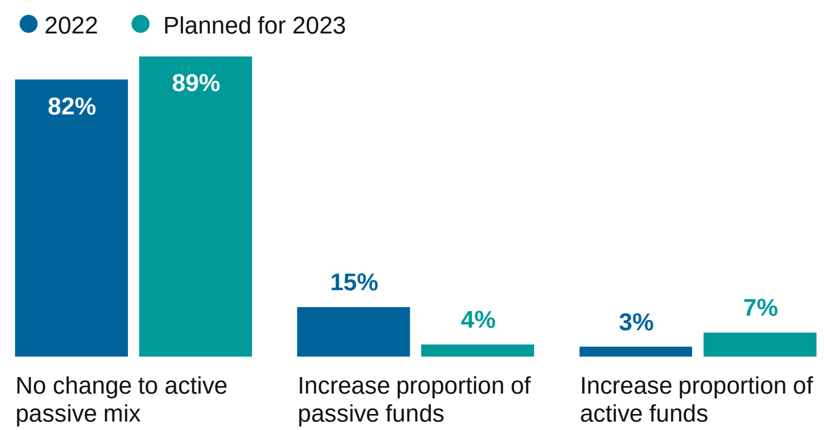
Similarly, most plan sponsors did not change the proportion of active versus passive funds in their plan in 2022. Even fewer sponsors indicate they are planning a change in 2023—11% of all respondents. For those that made a change in 2022, more increased the proportion of passive funds (15%) than active funds (3%).

Fewer than **3 in 10** plan sponsors are **planning some change to the investment structure** in 2023.

Investment structure change in fund quantity



Investment structure change in fund style



Default Investments

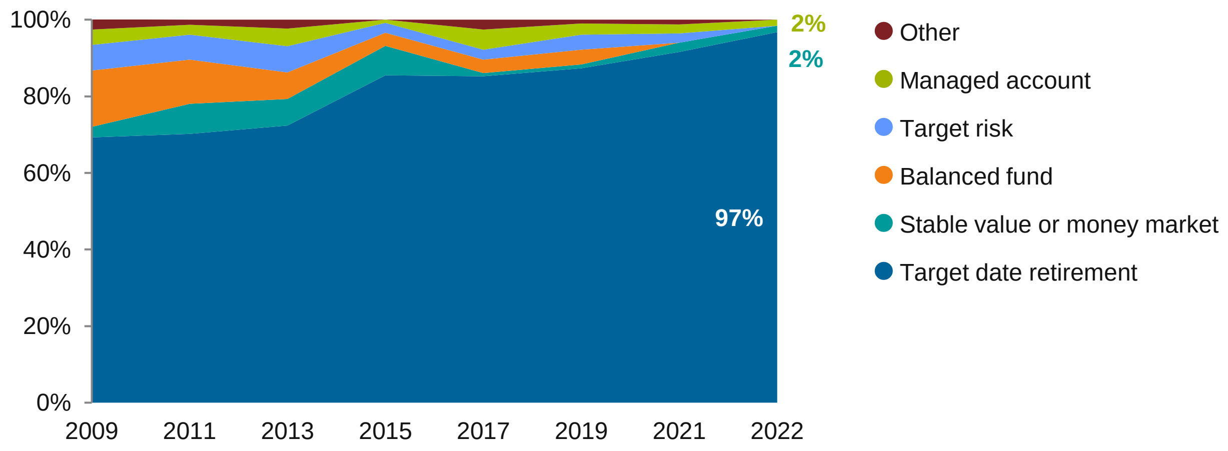
A key provision of the 2006 Pension Protection Act (PPA) provides relief to DC fiduciaries that default participant assets into qualified default investment alternatives (QDIAs) under regulation 404(c)(5). Plan sponsors complying with this provision are responsible for the prudent selection and monitoring of the plan's QDIA, but they are not liable for any loss incurred by participants defaulted into the QDIA.

Before the PPA, target date fund usage as a QDIA was only 35% in 2006, with money market/stable value making up 30% and risk-based funds at 28%. The PPA paved the way for a major uptick in the adoption of target date funds as QDIAs.

In 2022, 98% of plans offered a target date suite and 97% of plans used a target date fund as their default for non-participant directed monies, an all-time high. 52% of plans indicated they offered a target date suite only, while 45% offered the target date suite as the default along with managed accounts as an optional service. Only 2% of respondents included managed accounts as the QDIA. Use of other QDIA types remained low.

Plans offering target date funds

Current default investment for non-participant directed monies



Target Date Fund Approaches

The use of recordkeepers' proprietary target date vehicles in DC plans continued to drop over time.

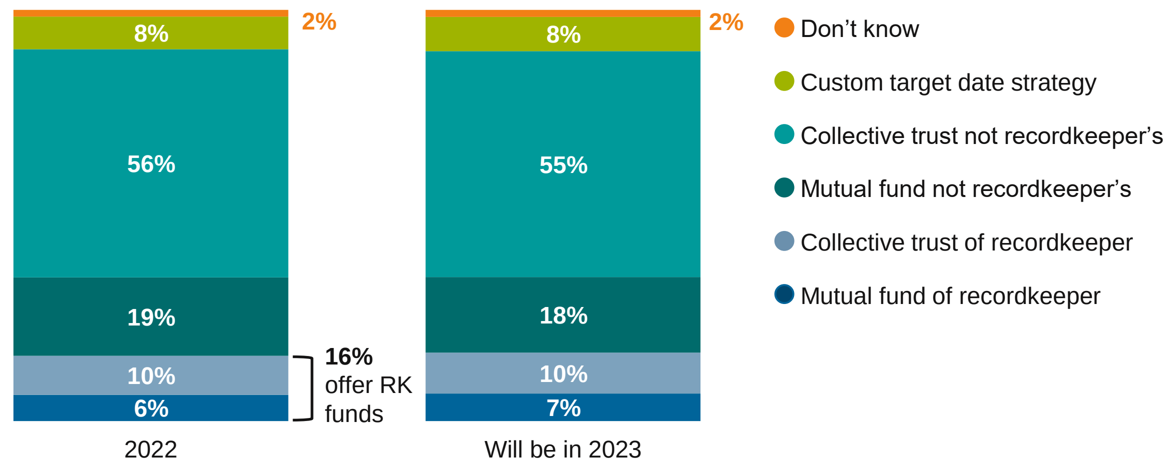
Only 16% of respondents used their recordkeeper's target date option in 2022, a small decrease from the 20% reported in 2021, but a sharp drop from 59% a decade ago. That number is projected to remain relatively steady in 2023.

The prevalence of mutual funds for the target date fund continued a decline as well. In 2010, 67% of plans used a mutual fund for their target date fund compared to 42% in 2020. In a noticeable jump, this decreased further in 2022 to 25%.

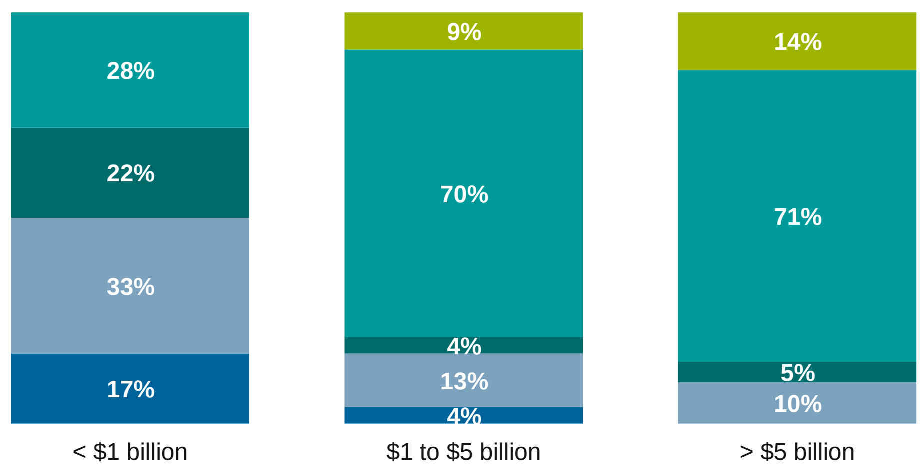
Unsurprisingly, plans with less than $1 billion in assets were more likely to use mutual funds (15%), compared to those with plan assets between $1 billion and $5 billion (6%) and those with more than $5 billion (3%).

Additionally, all respondents that used custom target date funds had at least $1 billion in plan assets.

Target date fund approach: in place and will be in place



Target date fund approach by size

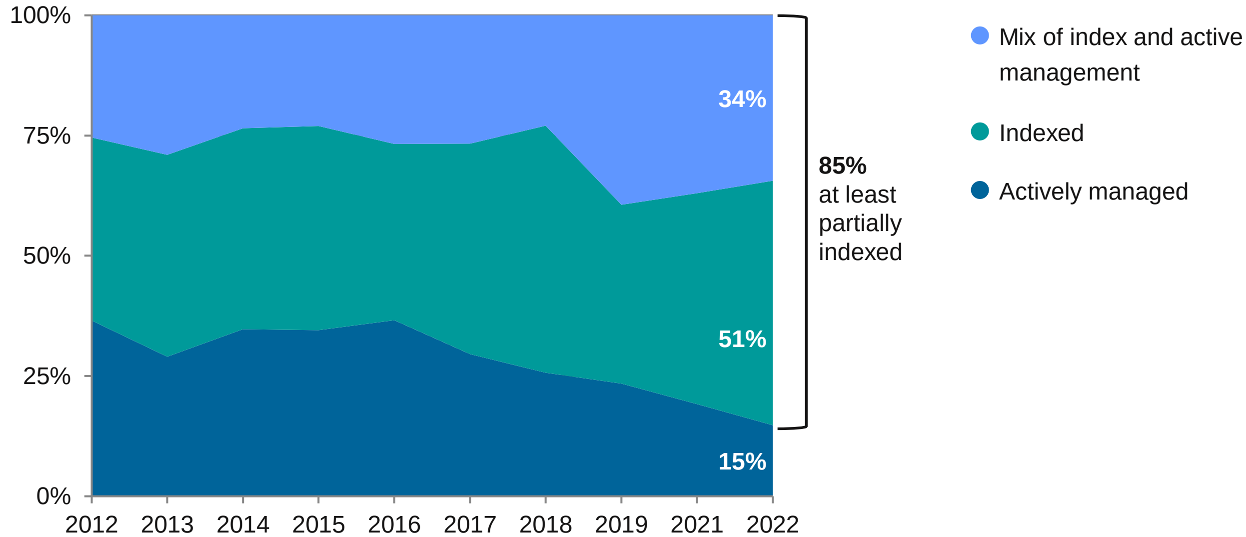


Target Date Fund Landscape

Among those that offer target date funds, over 8 in 10 used an implementation that was at least partially indexed.

The share of active-only strategies continued to be the smallest and is now at its lowest point in our survey's history (15%).

Target date fund investment approach



Target Date Fund Selection

While the order was different, priorities remained the same as previous years. The top three reasons for selecting or retaining target date funds in 2022 were: portfolio construction, performance, and fees.

Criteria for selecting or retaining target date funds

Most important key attributes

2017	2018	2019	2021	2022	Ranking
Portfolio construction	Performance	Portfolio construction	Performance	Portfolio construction	4.0
Fees	Portfolio construction	Fees	Fees	Performance	3.1
Performance	Fees	Performance	Portfolio construction	Fees	3.0
Risk	Number, type, and quality of underlying funds	Ability to achieve pre-specified retirement goal	Risk	Risk	1.7
Ability to achieve pre-specified retirement goal	Risk	Risk	Number, type, and quality of underlying funds	Number, type, and quality of underlying funds	1.1
Number, type, and quality of underlying funds	Active vs. passive	Active vs. passive	Ability to achieve pre-specified retirement goal	Active vs. passive	0.8
Active vs. passive	Usage of tactical asset allocation	Number, type, and quality of underlying funds	Active vs. passive	Ability to achieve pre-specified retirement goal	0.6
Usage of tactical asset allocation	Name recognition	Usage of tactical asset allocation	Name recognition	Usage of tactical asset allocation	0.4
Name recognition	Whether the funds are proprietary to the recordkeeper	Name recognition	Usage of tactical asset allocation	Name recognition	0.2
Whether the funds are proprietary to the recordkeeper	Ability to achieve pre-specified retirement goal	Whether the funds are proprietary to the recordkeeper	Whether the funds are proprietary to the recordkeeper	Other	0.2

(5=Most important. Total ranking is weighted average score.)

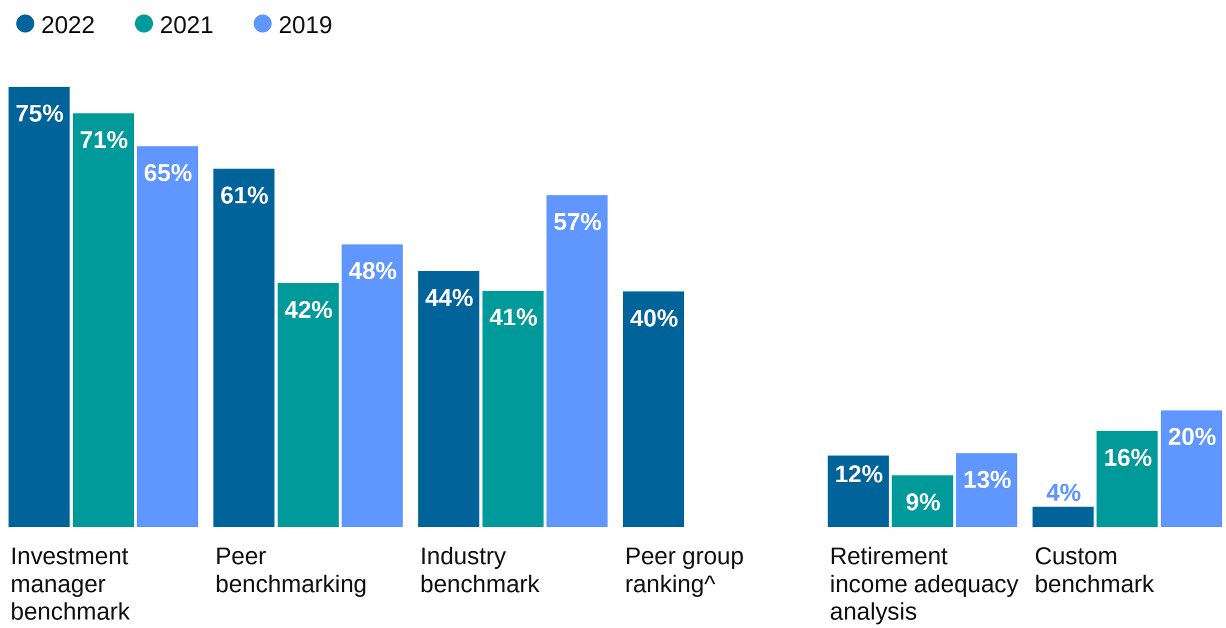
Target Date Fund Benchmarking

Guidance on appropriate benchmarks for target date funds has been limited to date. The DOL's participant disclosure regulation requires that each fund option's historical performance be compared to an appropriate broad-based securities market index. However, this rule does not adequately address asset allocation funds, like target date funds. SECURE 2.0, passed in Dec. 2022, directed the DOL to issue regulations providing that, in the case of an asset allocation fund, the administrator of a plan may, but is not required to, use a benchmark that is a blend of different broad-based securities market indices. This guidance is required within two years. This guidance may impact future survey results.

All respondents indicated they benchmark their target date funds. The current *DC Survey* shows more than 8 in 10 plan sponsors reported using multiple benchmarks to monitor their target date funds, indicating that plan sponsors are seeking a more nuanced evaluation.

Manager benchmarks (75%) continued to be the most common means of measurement and have shown increased acceptance over the past few years. Peer benchmarks are the next most used, followed by industry benchmarks and peer group rankings, at about the same level.

Target date fund benchmarks*



Additional categories (2022 data): other (7%).
^Response option added in 2022.

*Multiple responses were allowed.

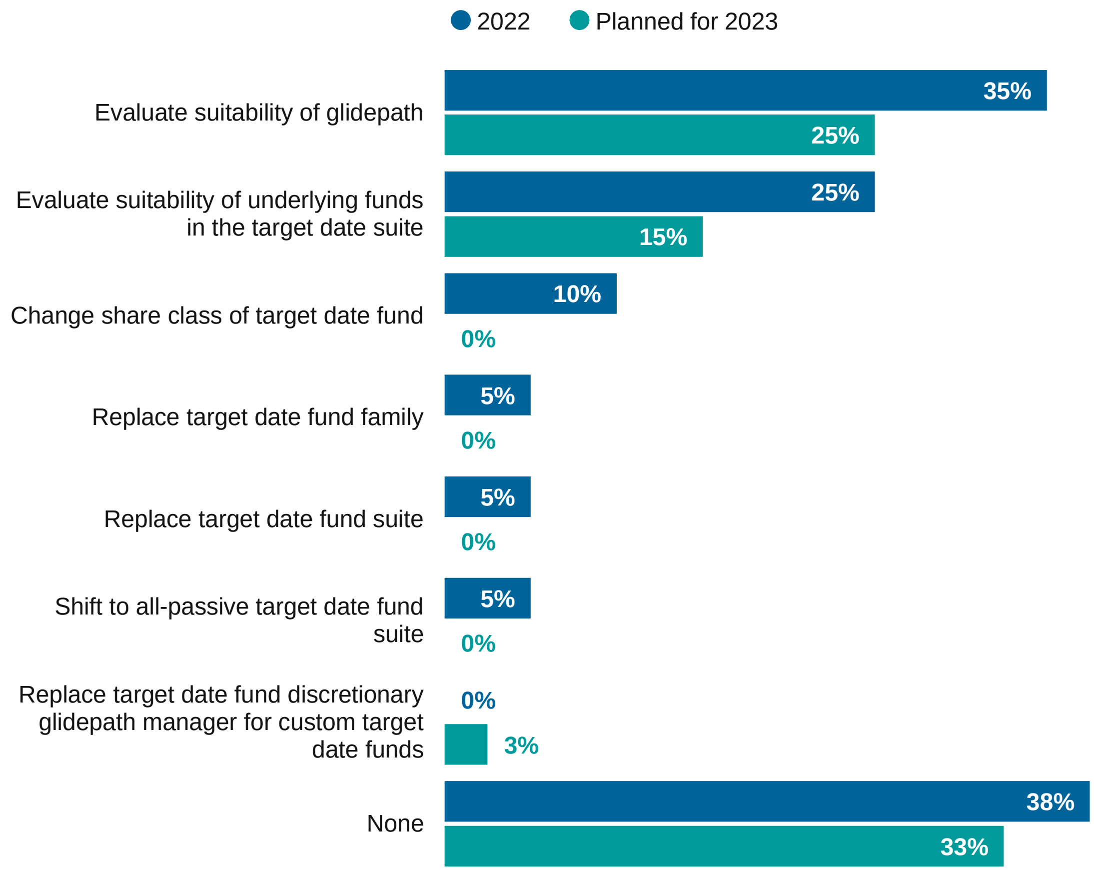
Actions Taken Around Target Date Funds

Over 6 in 10 plans took at least one action around the target date fund suite in 2022. The most common actions taken were to evaluate the suitability of the glidepath and the suitability of the underlying funds. Since target date funds often serve as the QDIA, the fund selection is often held to a higher standard and should consider additional variables than one may use for other funds – e.g., population demographics, savings rates, other benefits, among others.

In 2023, evaluating the suitability of the glidepath and underlying funds are also the most common actions planned.

Notably, 10% of respondents indicated they changed the share class of the target date fund in 2022, while no respondents indicated they plan to do so in 2023.

Actions taken or planned regarding target date fund suite*



Additional categories: Other 2.5% Planned for 2023

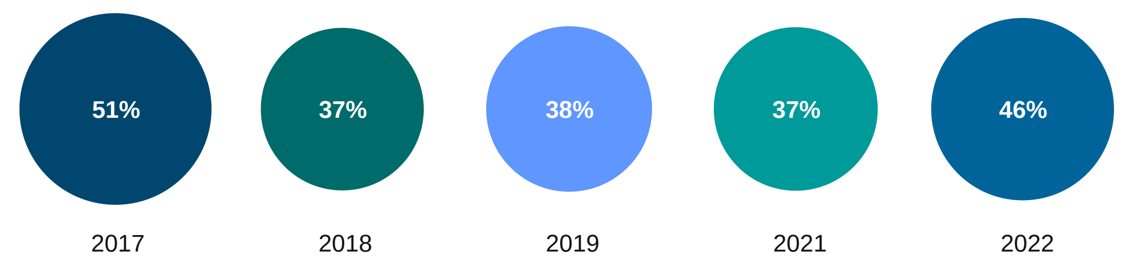
*Multiple responses allowed.

Company Stock Prevalence

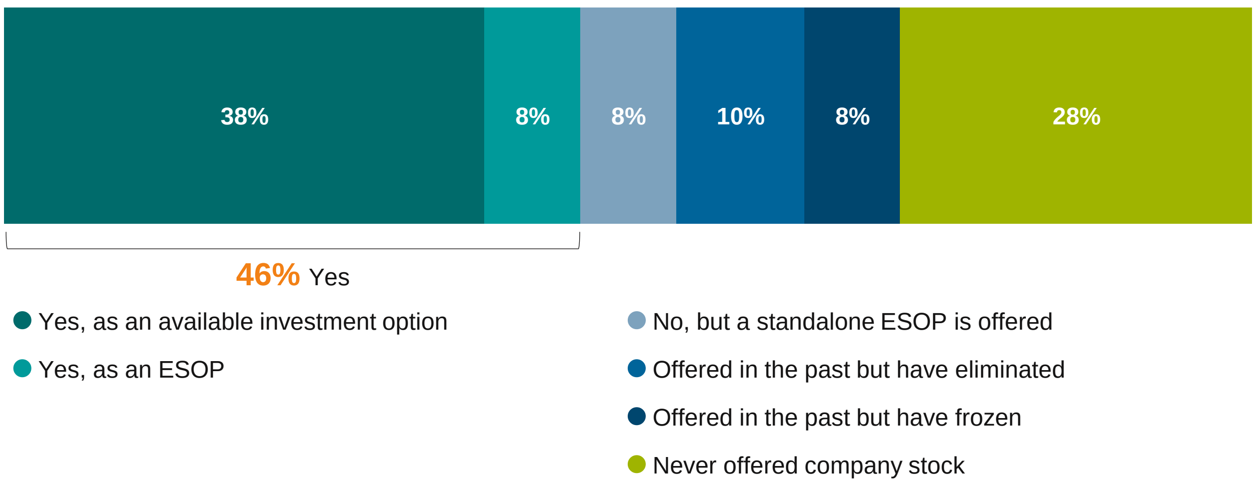
The share of plan sponsors that offered company stock either as an available investment option or as an ESOP within the plan rose slightly from prior years.

Most plans that did not offer company stock indicated the plan has never done so (28%). However, 10% of respondents indicated that the plan once offered company stock but has eliminated it, and another 8% offered company stock but have since frozen it.

Plans offering company stock



Plans offering company stock



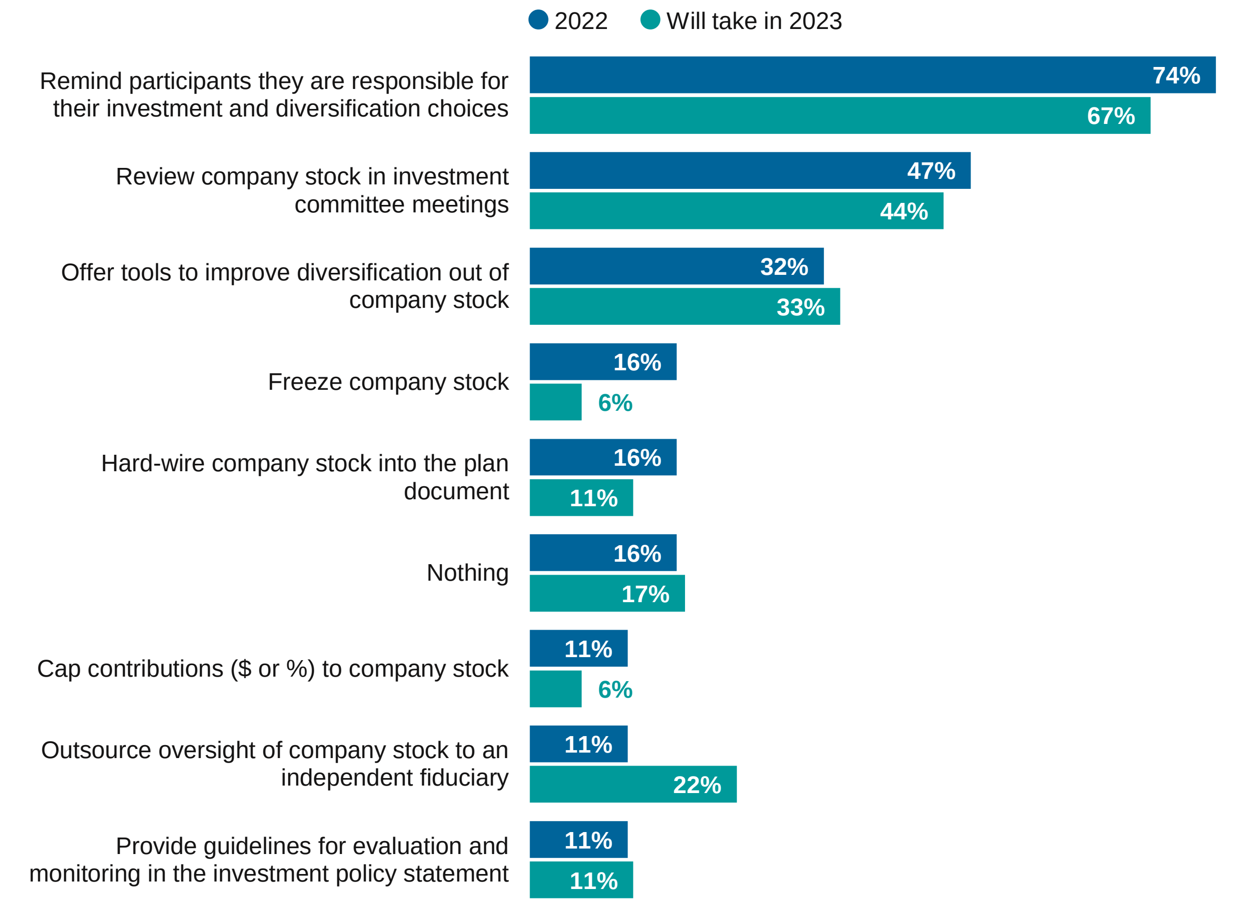
Anticipated Changes to Company Stock

Almost three-quarters of plan sponsors with company stock took some type of action regarding their company stock offering in 2022, and a similar share of plans anticipate taking an action in 2023.

The most prevalent actions in 2022 were reviewing their company stock offering in investment committee meetings and offering tools to participants to improve diversification out of company stock (47% and 32% respectively). These are also the most common action sponsors anticipate taking in 2023.

Slightly more than one-third of plan sponsors included company stock in the DC plan. In 2022, 16% of sponsors with company stock froze the offering, and another 6% plan to do so in the coming year.

Steps taken / will take regarding company stock*



Additional category (2022 / 2023): Eliminate insiders from investment committee (0% / 6%);

*Multiple responses allowed.

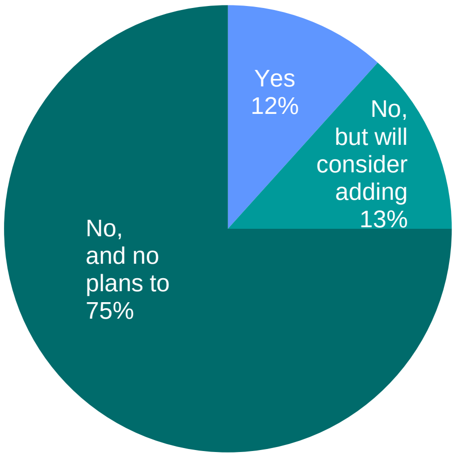
Environment, Social, and Governance (ESG) and Cryptocurrency in DC Plans

Most plans (88%) did not offer an ESG fund in the core fund lineup. But slightly more than 1 in 10 (13%) will consider adding an ESG option in the future.

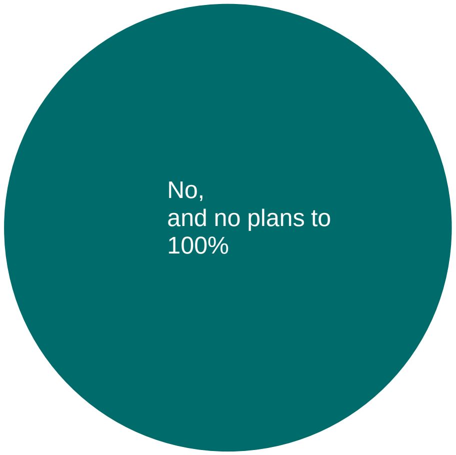
In response to an increasing interest in digital assets, the DOL issued a compliance assistance bulletin in March 2022 regarding cryptocurrency investments in a DC plan. The bulletin includes a significant number of stern warnings about the potential fiduciary challenges of offering digital assets inside a defined contribution plan. At the same time, the Employee Benefits Security Administration (EBSA) announced the intention to begin investigating plans that do offer digital assets, and to take appropriate actions to protect the interests of plan participants and beneficiaries. Notably, the EBSA investigations will cover both the core investment options or crypto investments through brokerage windows.

Following this guidance and other concerns, no respondents reported offering or planning to offer a cryptocurrency-focused investment option. This was a newly added question for the *2023 DC Survey*.

Plans that offer an environmental, social, and governance (ESG) fund



Plans that offer a cryptocurrency-focused investment option



Key Findings: Participant Advice and Managed Accounts

95% offered general guidance to participants

7 in 10 plans offered advice

See page 63 for details

28% of plans with managed account services benchmarked the outcomes of the services

See page 66 for details

More than **6 in 10** plans reported offering managed accounts

See page 63 for details

90% of plans with advisory services are at least partially paid by participants

See page 65 for details

2 in 5 plans offered advice or managed accounts through a sub-advised product

See page 66 for details

97% offered managed accounts as an opt-in service

See page 65 for details

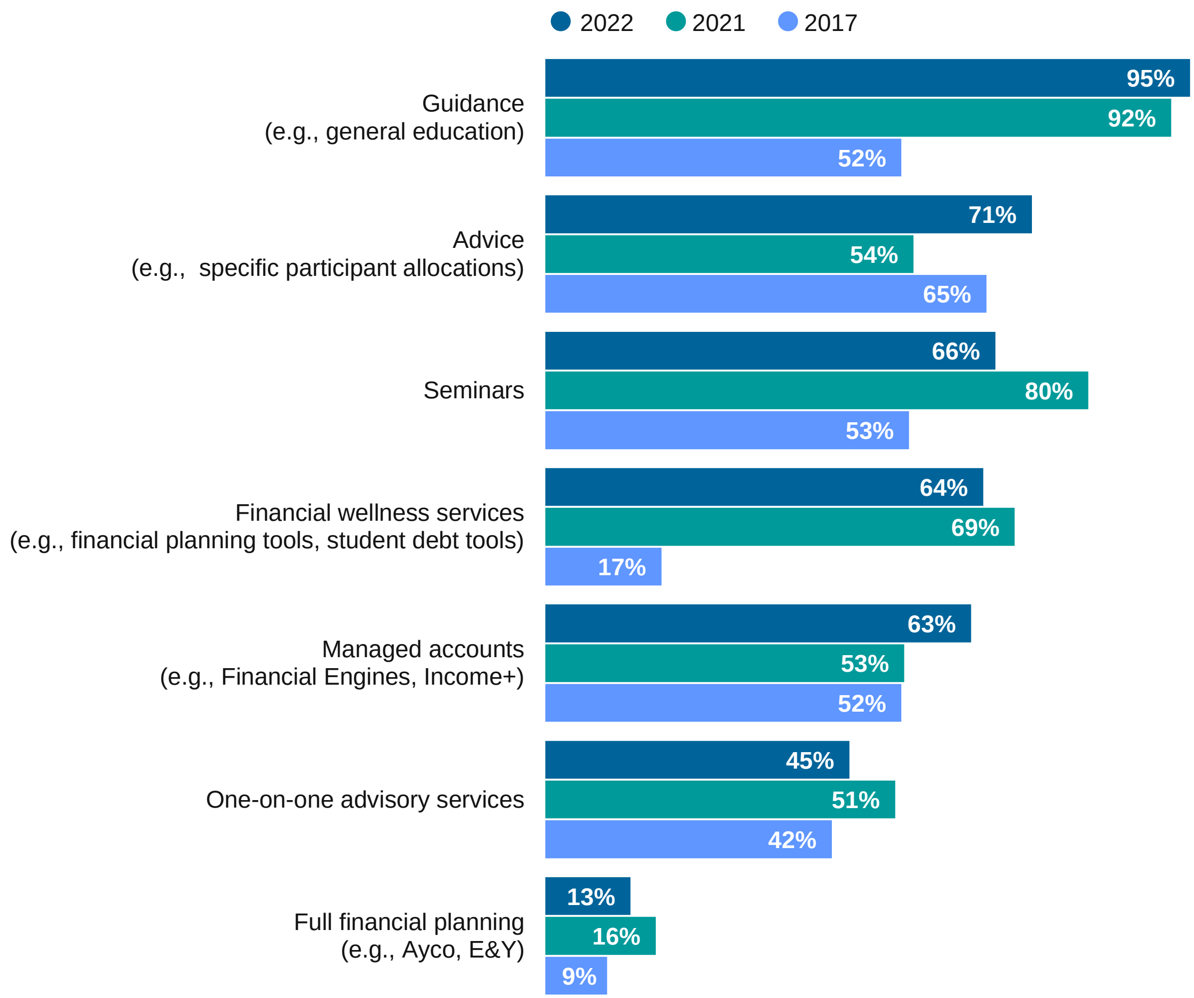
Advisory Services: Prevalence

Nearly all respondents offered general guidance to participants (95%), while more than 7 in 10 offered advice.

Notably, there was a meaningful uptick in the prevalence of a managed account service from five years ago. These services are geared toward “do-it-for-me” investors who desire greater personalization. Managed account providers are investment managers under Section 3(38) of the Employee Retirement Income Security Act (ERISA). They offer independent, third-party advice and implement the portfolio recommendations, with a glidepath, and ongoing rebalancing. **More than 6 in 10 plans report offering managed accounts in 2022.**

Conversely, the share of respondents that offered seminars (66%), financial wellness tools (64%), one-on-one advisory services (45%), and full financial planning (13%) all fell from the prior year.

Type of service offered*



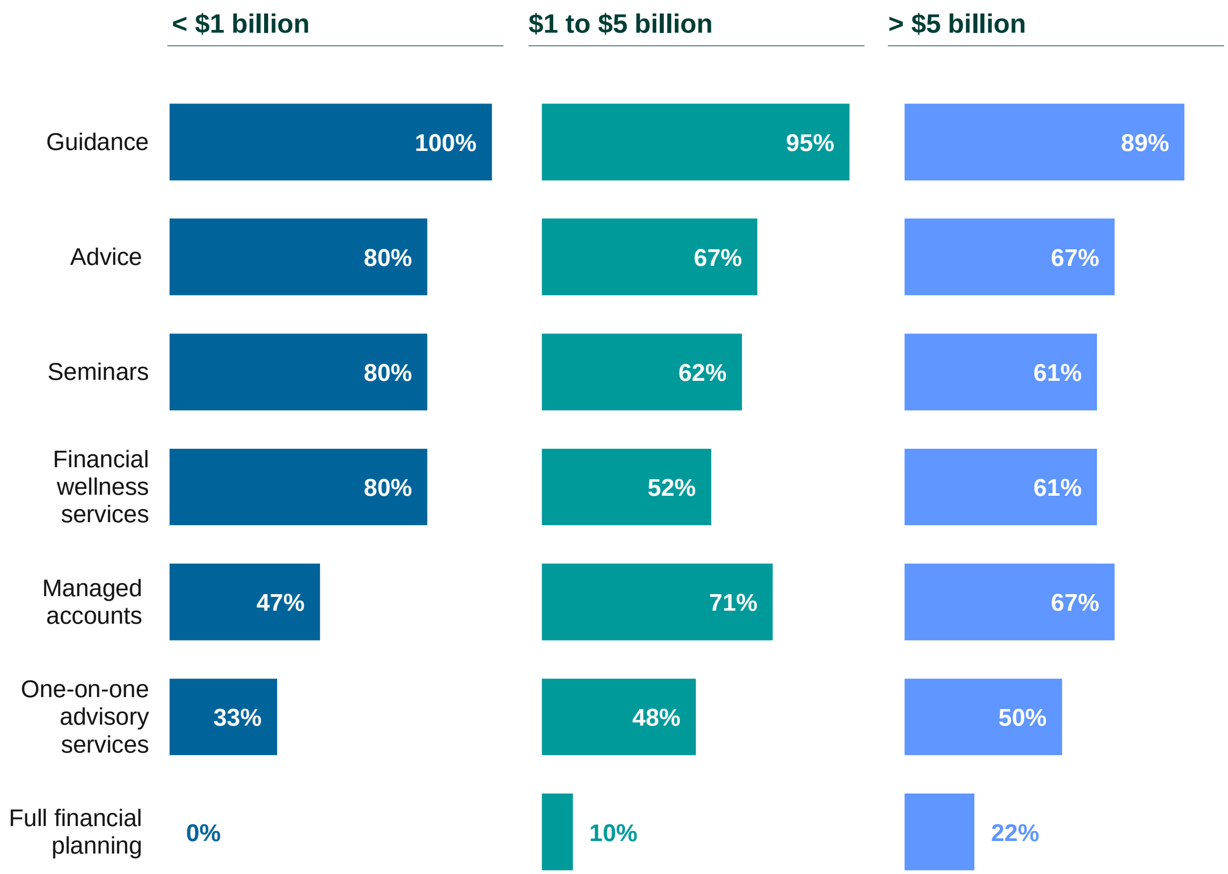
*Percentages out of those offering advisory services. Multiple responses were allowed.

Managed Accounts and Advice

Smaller plans are more likely to offer guidance, advice, seminars, and financial wellness services than plans with more than $1 billion in assets.

Conversely, larger plans were more likely to offer a managed account service, one-on-one advisory services, and full financial planning. These types of services tend to incorporate a relatively high degree of personalization, and for some participants and plan sponsors, they could be considered key features of a financial wellness program.

Types of services offered by size*



*Managed account products include an advice component.

Advisory Services: Enrollment and Payment

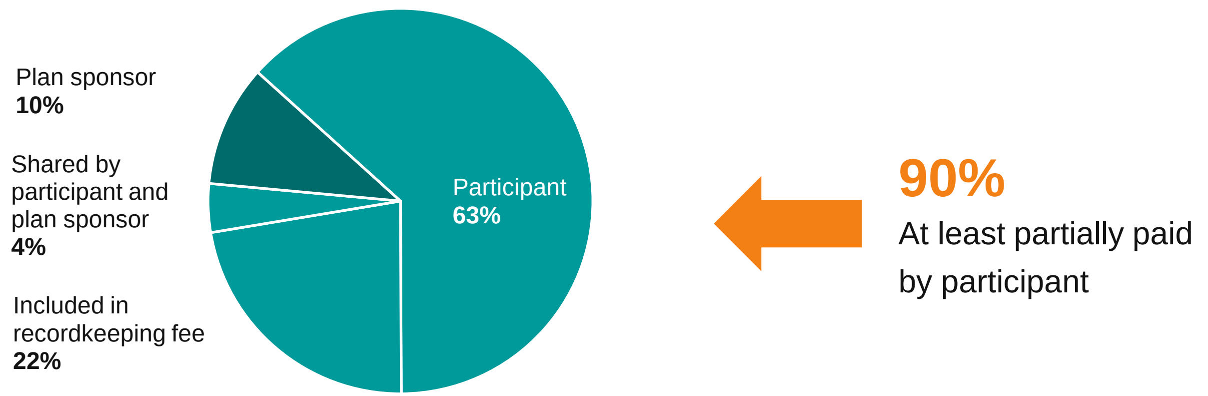
It remained most common for participants to pay for advisory services, either explicitly or as part of the overall recordkeeping fees.

One in 10 plan sponsors paid the full expense of investment advisory services, an increase from prior years.

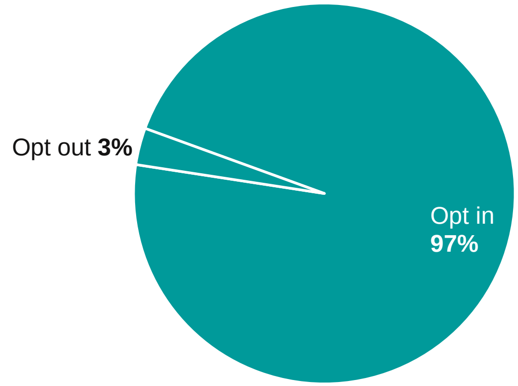
For plans that offered managed accounts, the vast majority (97%) offered them as an opt-in feature whereby participants must affirmatively elect to use the service. By comparison, few plans enrolled participants on an opt-out basis (3%), lower than the prior year (8%) but directly in line with the level observed in 2019.

The fees associated with a managed account service are a frequently cited reason for not offering opt-out enrollment. Plan sponsors do have the ability to negotiate the managed account service fees as utilization increases over time and these fees should be benchmarked at a regular cadence.

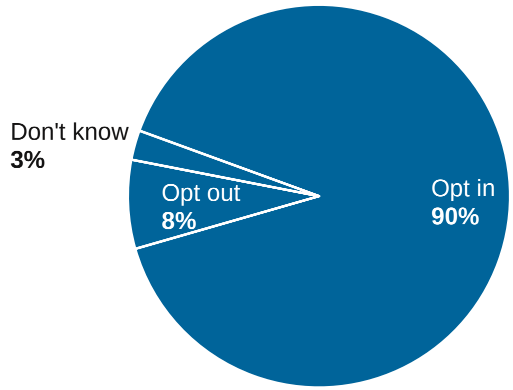
Who pays for advisory services?



How are participants enrolled in managed accounts?



2022



2021

Managed Accounts and Advice: Fiduciary Relationship

A plan can choose from two basic types of fiduciary arrangements for managed account services providers: sub-advised and direct.

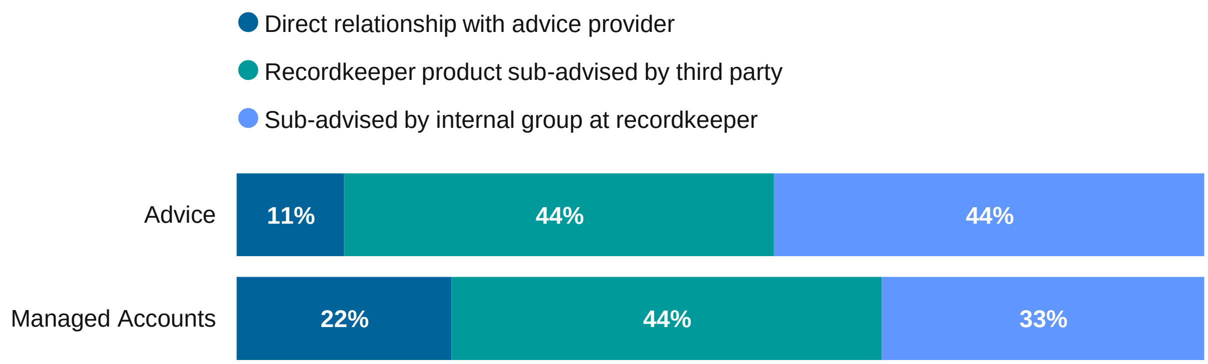
Sub-Advised Relationship
The recordkeeper (or an affiliate) is the adviser and fiduciary; the advice provider serves as a sub-adviser. The recordkeeper supports communications and the call center. It also sets the fees and pays the advice provider a sub-advisory fee.

Direct Relationship with Advice Provider
The advice provider serves as the adviser and fiduciary while providing communications and call center support. It also determines fees and pays the recordkeeper an ongoing fee for data, transactional, web, and operational support.

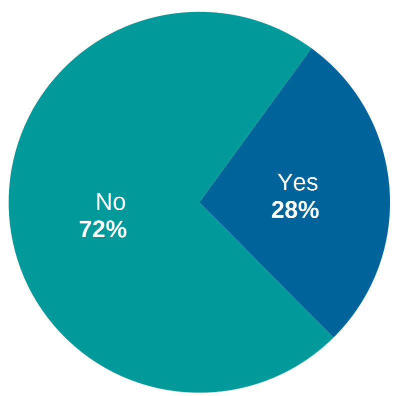
Managed accounts services were most commonly offered through a recordkeeper product sub-advised by a third party (44%), with fewer plans using managed accounts powered by an internal group at the recordkeeper (33%) or through a direct relationship (22%).

Notably, only a quarter of plans with managed account services benchmarked the outcomes of the services.

Fiduciary relationship of managed accounts services or advice*



Performance of managed accounts services is benchmarked



*Managed account products include an advice component.

Satisfaction with Advisory Services

Plans reported high levels of satisfaction with investment advisory services. Financial wellness tools and full financial planning received the highest overall marks, with 100% of respondents very or somewhat satisfied.

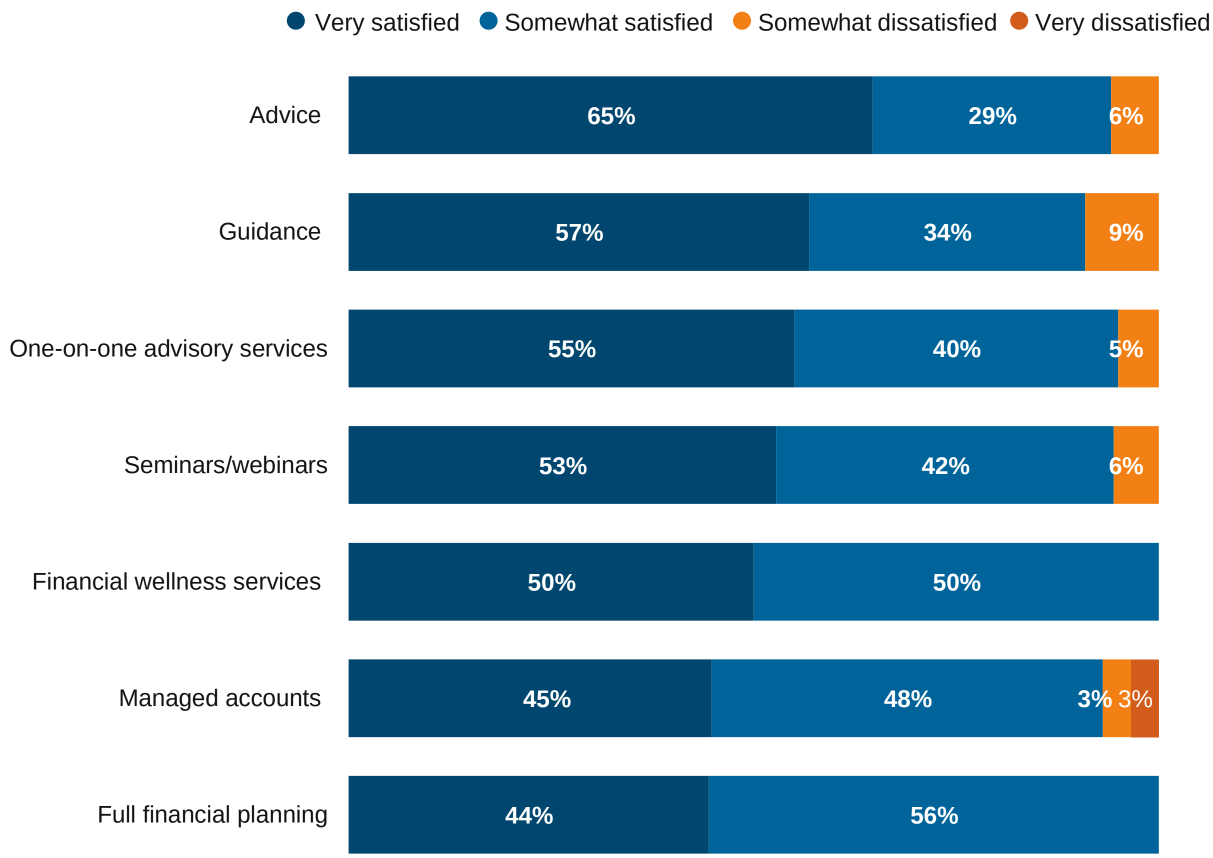
The service with the largest percentage of dissatisfied respondents was guidance, with 9% of respondents reporting being somewhat dissatisfied.

While that is the case, managed accounts were the only service that received a response of very dissatisfied.

In the coming year, for sponsors that plan to add advisory services of some kind, financial wellness (50%), advice (30%), managed accounts (20%), and full financial planning (20%) are the most likely to be added.

No plan sponsors reported they are likely to eliminate investment advisory services in 2023.

Satisfaction ratings for advisory services



*Percentages out of those planning to add. Multiple responses allowed.

Financial wellness is an umbrella term covering a myriad of financial concepts that help employees become financially informed and able to act intelligently with respect to their own financial matters in all stages of life.

Most prevalent financial benefits

Retirement saving behavior

Life insurance

Investing support

Tuition assistance

See page 71 for details

4 in 10

plans conducted an employee survey to gauge the importance of different financial needs

See page 74 for details

Top reason to offer a financial wellness program

Organizational philosophy to support employees **91%**

See page 73 for details

3.5

(scale of 1-5)

average program effectiveness

Newer programs reported the lowest satisfaction (3.0)

Mature programs deemed their programs most effective (4.2)

See page 77 for details

4 in 10

plans provided either adoption assistance or fertility benefits

See page 70 for details

7 in 10

plans offered some financial wellness support

See page 72 for details

Availability of childcare benefits and elder care support increased notably in 2022

See page 70 for details

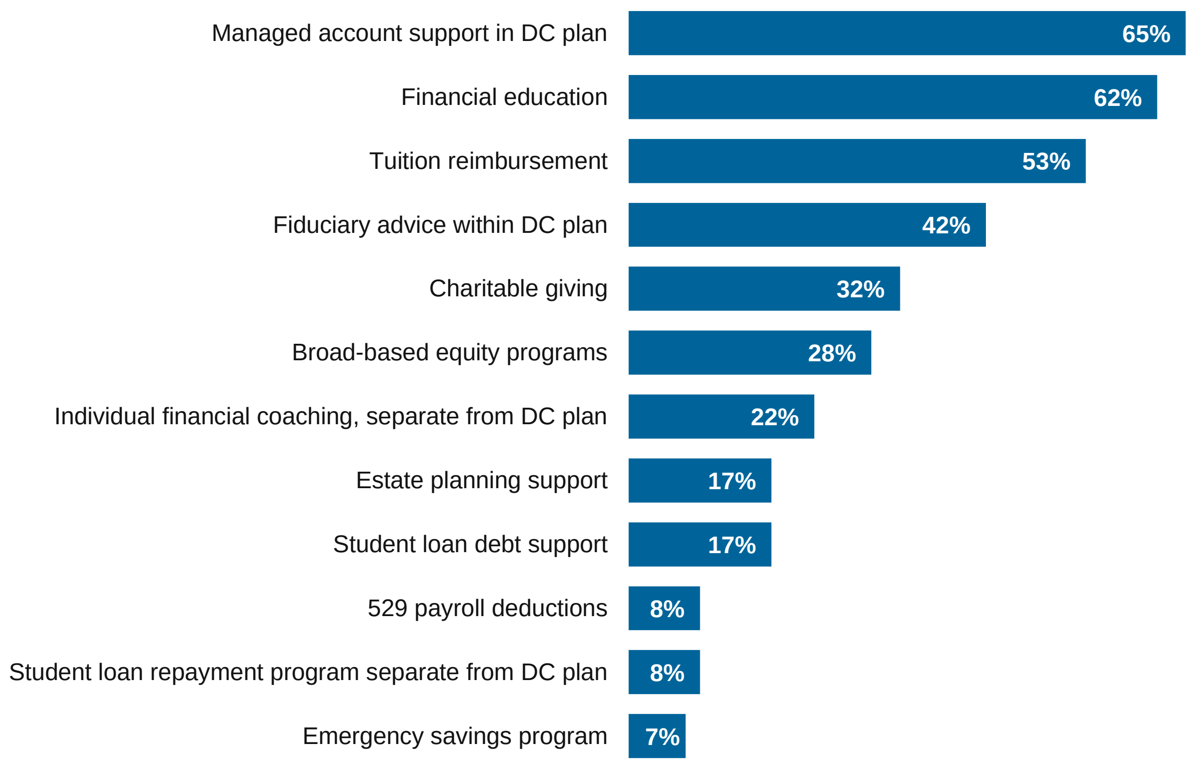
Elements of Wealth Benefits

Managed account services in DC plans, financial education, and tuition reimbursement were the top three wealth benefits sponsored by employers. Other common financial wellness programs included fiduciary advice within DC plans, charitable giving programs, and broad-based employee stock equity programs.

Sponsored wealth non-retirement benefits that included automatic deductions from payroll were less prevalent than optional programs such as fiduciary advice. Only 8% of survey respondents maintained a 529 payroll deduction program and 7% indicated they offered an emergency savings program. This last metric may change following the implementation of “side-car” savings accounts as described in SECURE 2.0.

Student loan support was ranked lower in this year’s survey; however, it is expected that interest in these programs will increase once student loan repayments resume following the expiration of CARES Act forbearance prompted by the COVID-19 pandemic.

Wealth non-retirement benefits sponsored by employer*



*Multiple responses allowed.

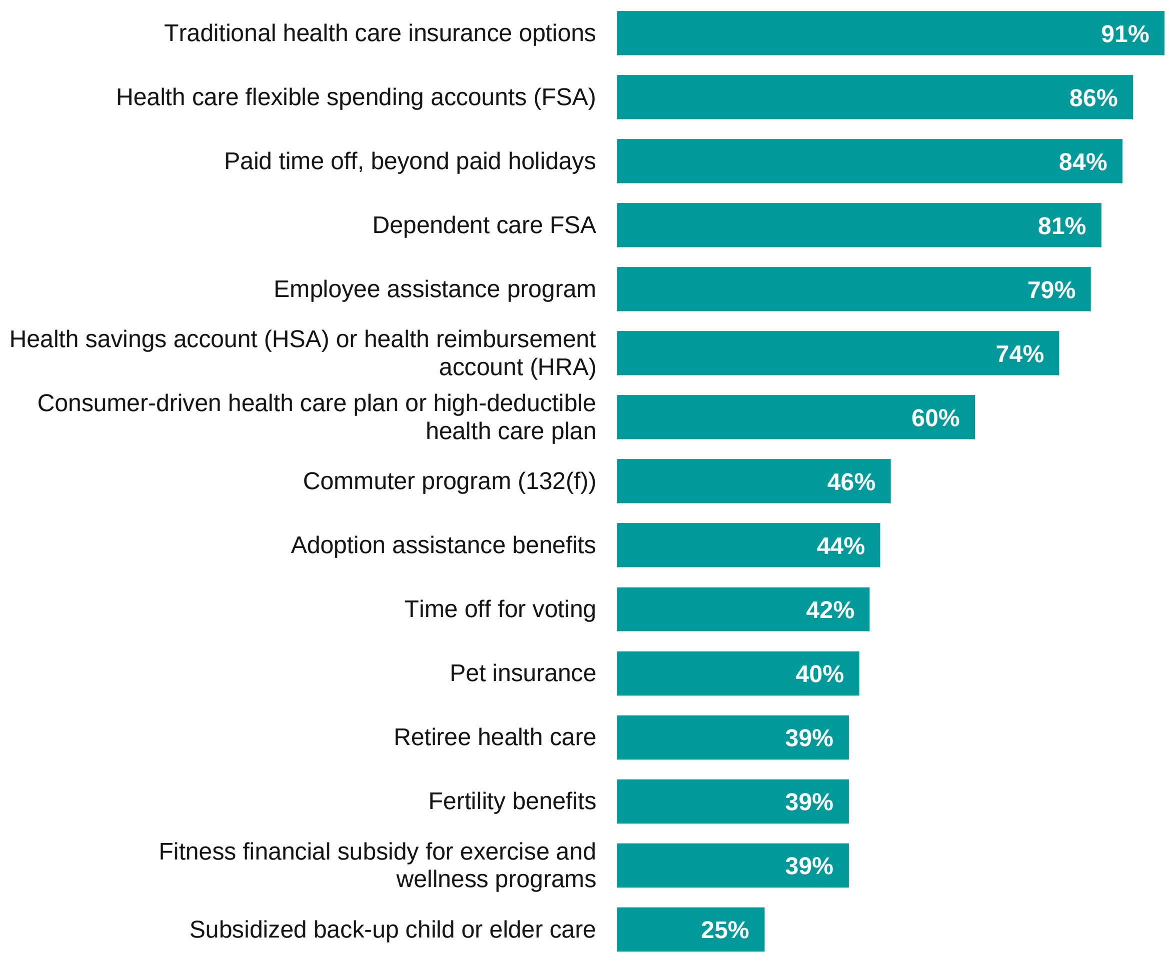
Elements of Health and Welfare Benefits

Most respondents provided financial wellness tools in conjunction with other benefits (e.g., retirement or health and welfare benefits), which generally fall under the umbrella of ERISA.

Nearly all respondents provided traditional health care insurance (91%), the most common option. Health care flexible spending accounts (FSAs), paid time off, and dependent care FSAs were each sponsored by over 80% of respondents.

4 in 10 respondents provided either adoption assistance or fertility benefits.

Health and welfare benefits sponsored*



*Multiple responses allowed.

Elements of Financial Wellness

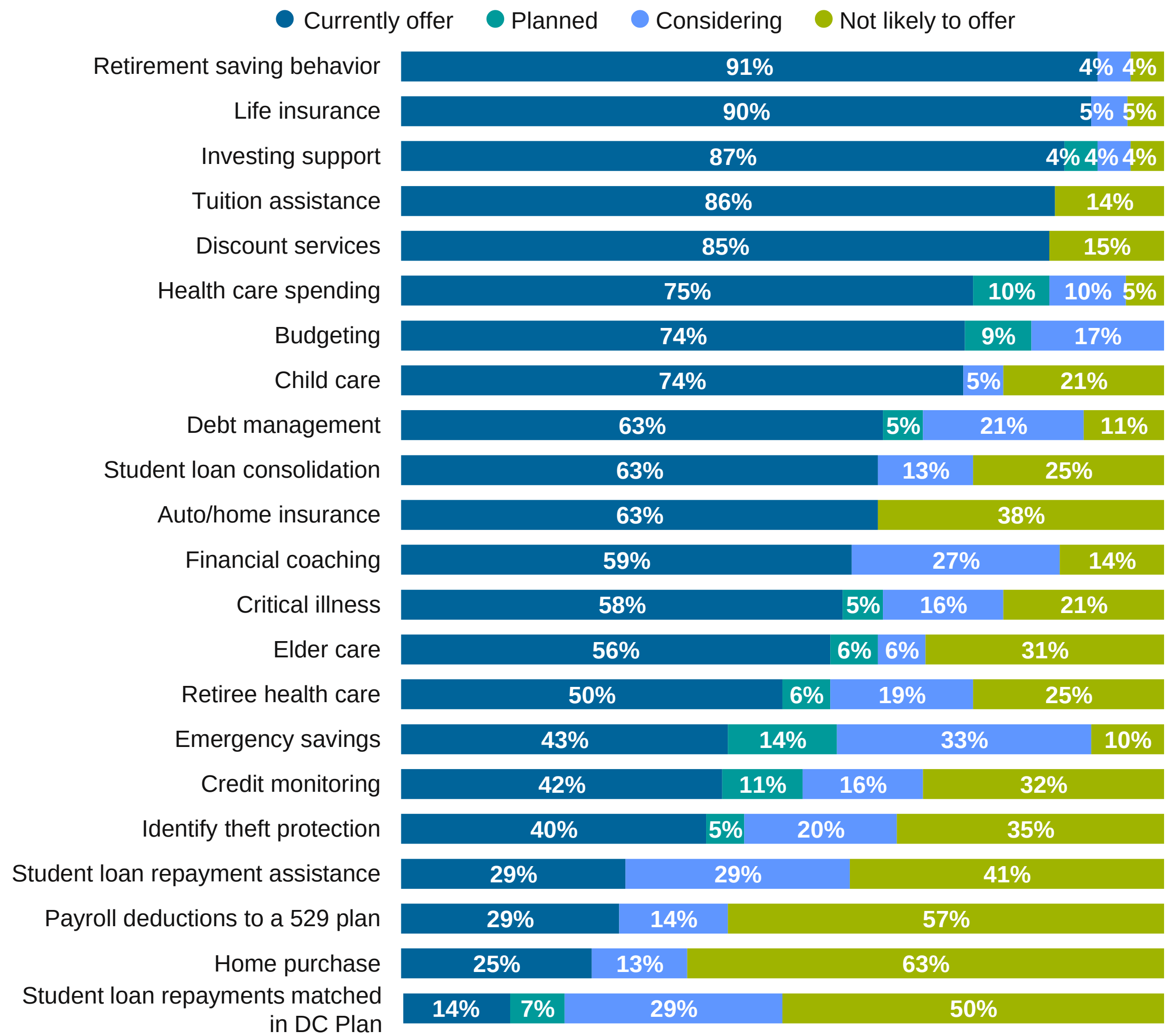
Financial wellness is an umbrella term covering a myriad of financial concepts that help employees become financially informed and able to act intelligently with respect to their own financial matters in all stages of life. Employers are looking beyond the DC plan to understand where employees have savings needs that eclipse the limitations of traditional retirement plans, such as educational expenses, health care costs, and emergency savings.

The most prevalent types of financial benefits were traditional programs where regulatory guidance is available, including retirement saving behavior, life insurance, investing support, and tuition assistance.

Regarding future planned enhancements, the services with the most traction included emergency savings, credit monitoring, health care spending, and budgeting. Many respondents were considering whether to offer additional financial wellness services such as student loan repayment assistance and retirement contributions based on student loan repayments.

The availability of child care benefits and elder care support increased notably in 2022, compared to 2020 (74% from 60% in 2020 and 56% from 39%, respectively). This is likely due to challenges highlighted by the COVID-19 pandemic.

Financial wellness program services included



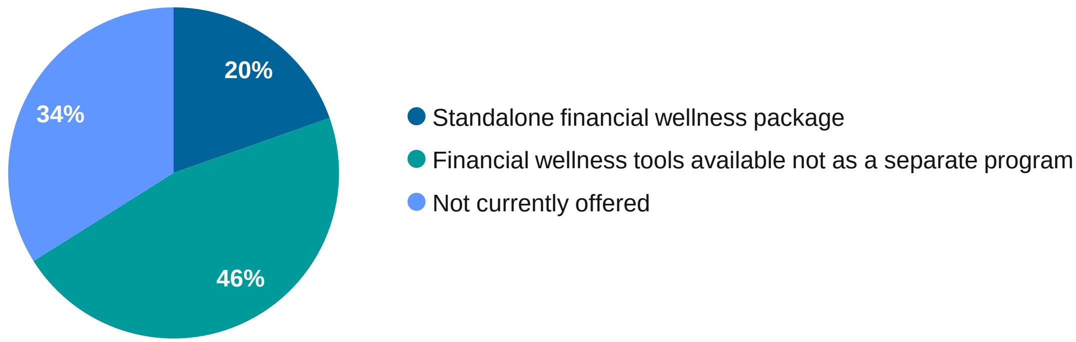
Financial Wellness Prevalence

Financial wellness has been a topic of interest for several years, yet most employers did not have a formal standalone financial wellness program. Instead, most respondents provided financial wellness tools in conjunction with other benefits (e.g., retirement or health and welfare benefits). One-third of respondents did not offer any specific financial wellness support.

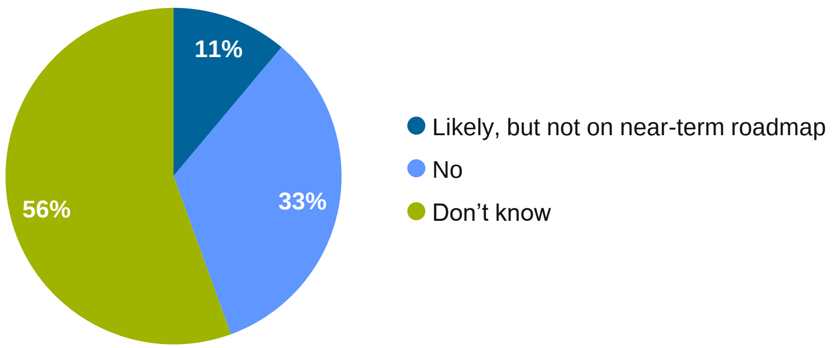
Further, one-third of respondents without a financial wellness program indicated they are unlikely to offer one. The majority of respondents without a program were uncertain of future plans to offer a financial wellness program.

Nearly 7 in 10 employers offered some financial wellness support.

Financial wellness program availability



If none, plans to create a financial wellness program for employees

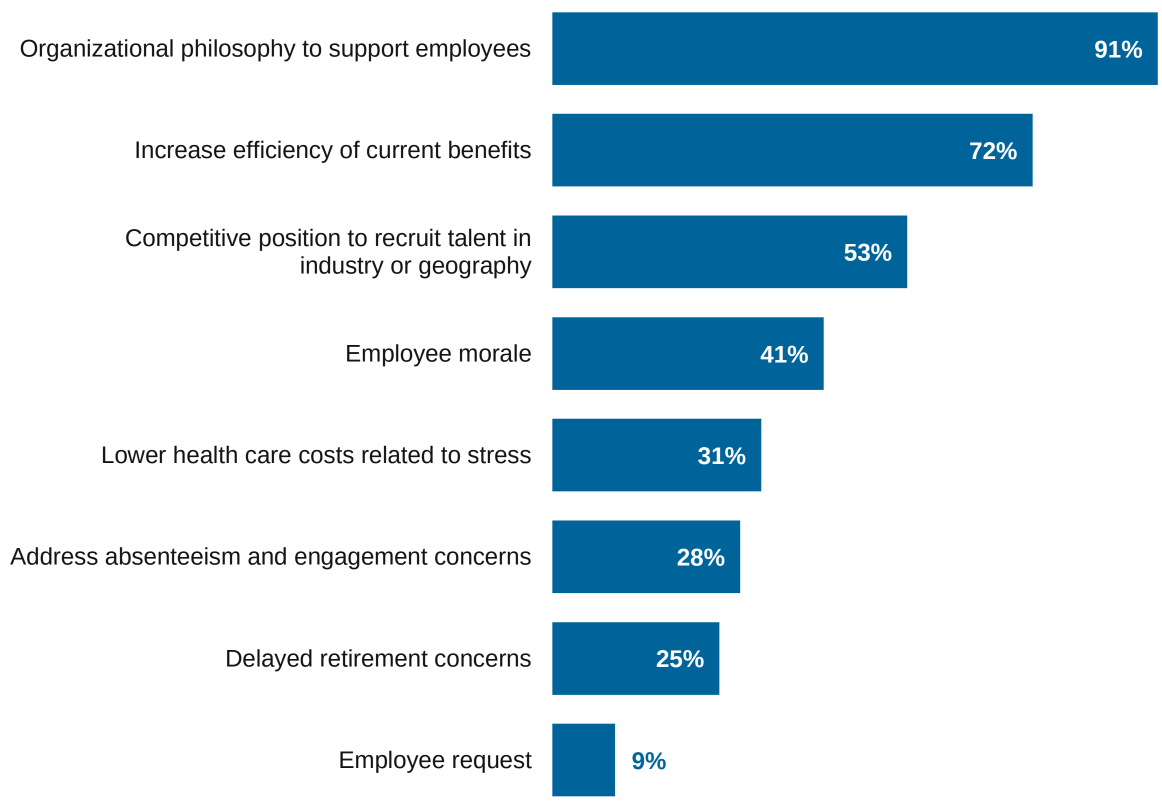


Rationale for Offering Financial Wellness

The top reason plan sponsors offered financial wellness support was due to an organizational philosophy to support employees (91%). Additionally, 7 out of 10 respondents stated a reason for offering financial wellness support to employees was to increase the efficiency of current benefits, up by 13 percentage points from the *2021 DC Survey* (59%).

One-quarter of respondents stated the reason for offering financial wellness support to employees was to **address absenteeism and engagement concerns**, up 14 percentage points from the *2021 DC Survey*.

Reasons for offering financial wellness support to employees*



*Multiple responses allowed

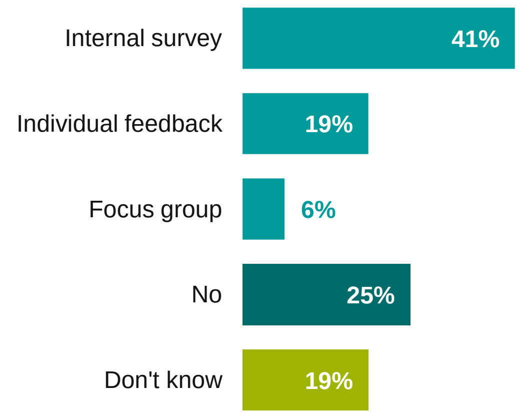
Financial Wellness Needs and Objectives

Four out of 10 respondents indicated using internal surveys to gauge the importance of different financial needs. One quarter did not track employee feedback on financial wellness needs and another 20% don't know how feedback is gathered.

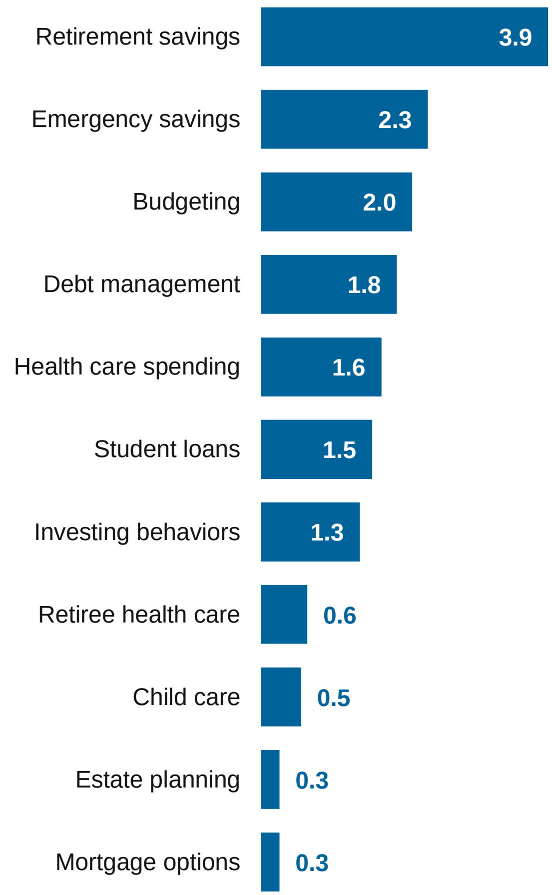
The top financial needs focused on savings behaviors and roadblocks to saving, including budgeting and debt management. Nine out of 10 respondents indicated retirement savings was a top financial need (3.9 weighted average rank out of 5). 63% highlighted emergency savings needs (2.3) and 56% called out either budgeting (2.0) or debt management (1.8).

One-quarter reported offering some sort of **incentives to participate** in a financial wellness program.

Means of soliciting employee feedback on financial wellness needs*



Top financial needs identified



(5=Most important. Total ranking is weighted average score.)

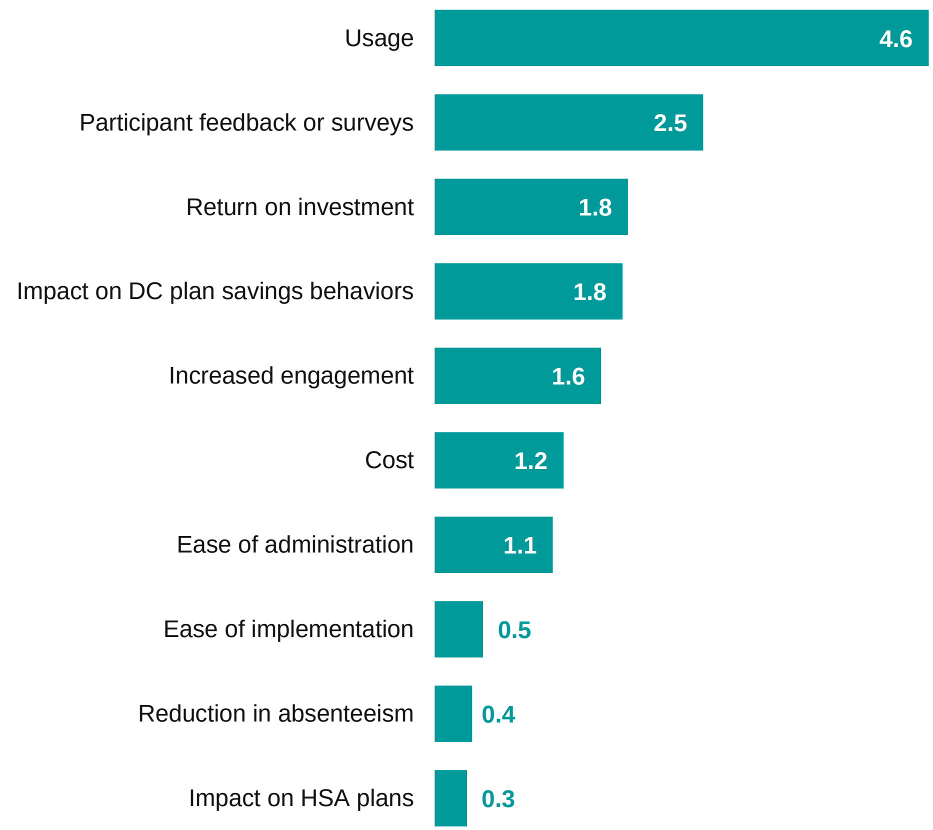
*Multiple responses allowed

Financial Wellness Effectiveness

Survey respondents monitored 4.1 metrics, on average, to measure the success of the financial wellness program, in contrast to the DC plan where 6.8 metrics are measured on average.

Respondents prioritized usage, participant feedback or surveys, and return on investment to measure financial wellness program success. This is consistent with our findings in 2021.

Top criteria to gauge success of financial wellness program



(5=Most important. Total ranking is weighted average score.)

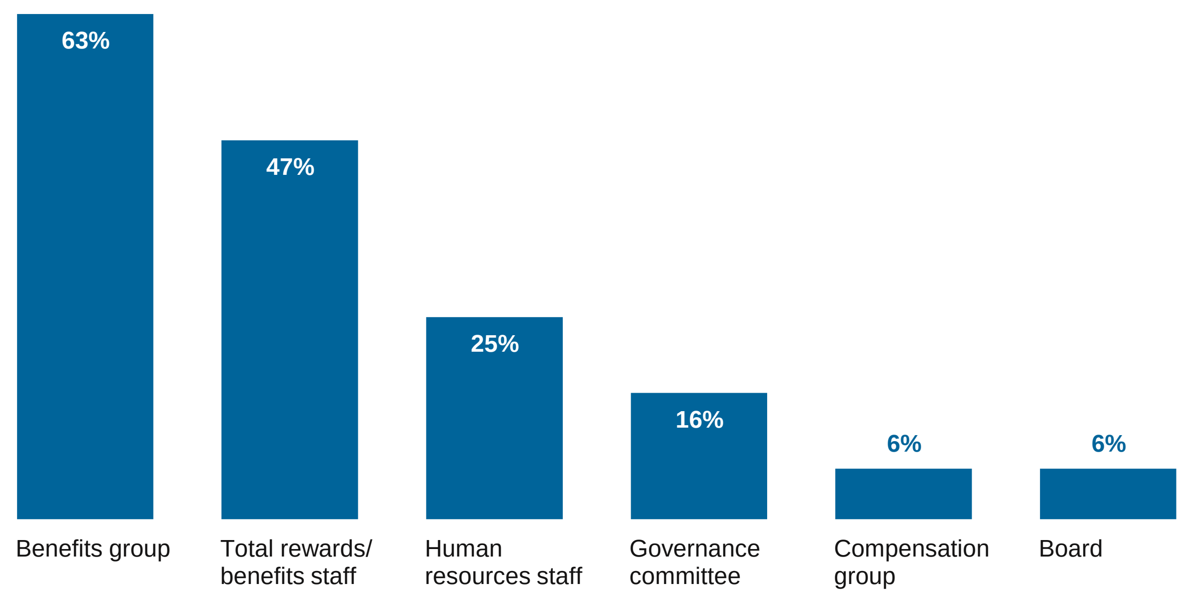
Financial Wellness: Employer Education

The responsibility for designing and monitoring the financial wellness program most often falls within staff purview, rather than a governance committee. Unlike most DC plans (and certain health and welfare plans), financial wellness generally does not fall under ERISA, which means employers that add benefits outside the existing legislative or regulatory framework do so at their own risk. Plan sponsors should be aware of and consider how to manage these benefits to ensure they are not inadvertently taking on undue risk.

This can pose difficulties in monitoring and supporting these benefits.

While the two programs (retirement and financial wellness) may interact, they are typically monitored by separate bodies, which can lead to efficiency gaps. DC plan fiduciaries may require regular reporting on the financial wellness program in conjunction with their ongoing monitoring to ensure both programs are operating optimally.

Responsibility for designing and monitoring the financial wellness program*

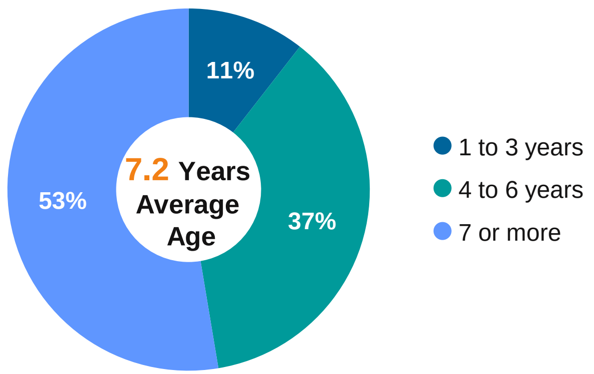


*Multiple responses allowed.

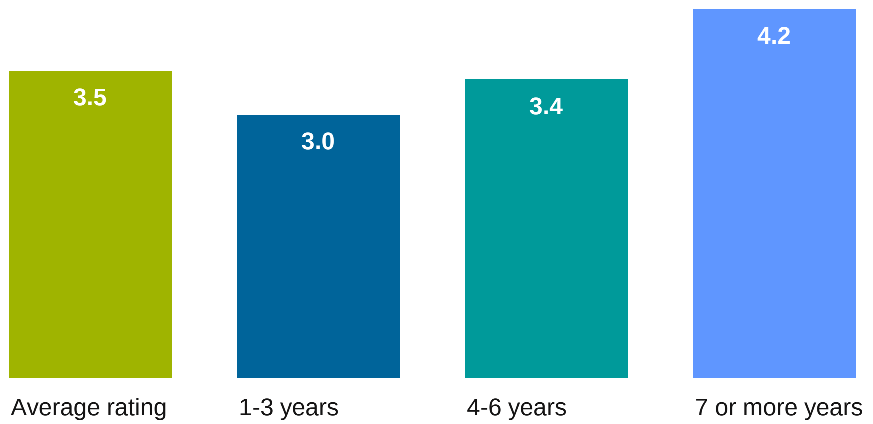
Financial Wellness: Program Age

The average age of the financial wellness program, among those with a formal program, was 7.2 years, an increase from 6 years in 2020. Respondents ranked program effectiveness (formal or informal program) at 3.5 on a scale of 1 to 5 (5 = highest). Newer programs reported the lowest average effectiveness rate (3.0) while the most mature programs deemed their programs most effective (4.2).

Age of financial wellness program



Financial wellness program satisfaction compared to age

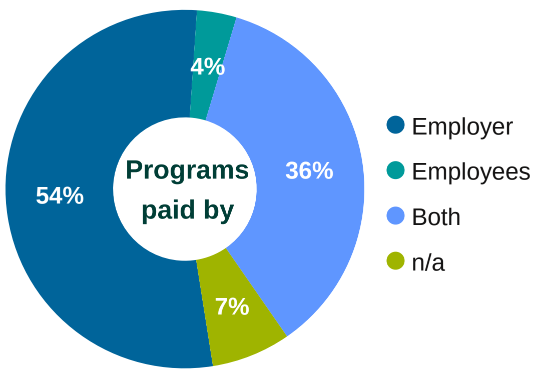


Scale: 1 (ineffective) to 5 (very effective)

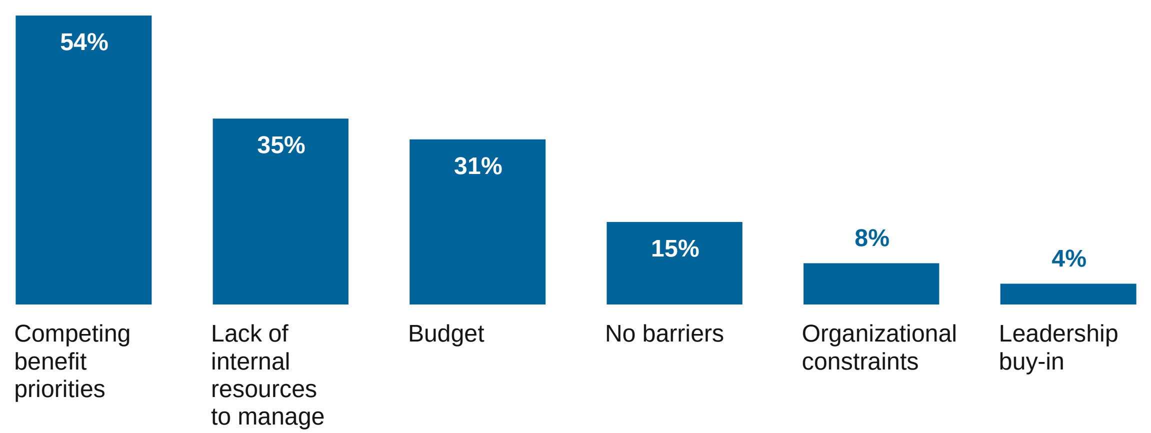
Financial Wellness Concerns

Competing benefit priorities, lack of internal resources, and budget were the chief concerns cited by survey respondents. A significant number of programs (40%) did not generate additional fees, either for the employer or employee; many of these programs were supported in part or in full by existing vendors. Employees who utilize programs supported by a retirement plan vendor may not be eligible for the plan, which could raise concerns that the plan is subsidizing ineligible participants.

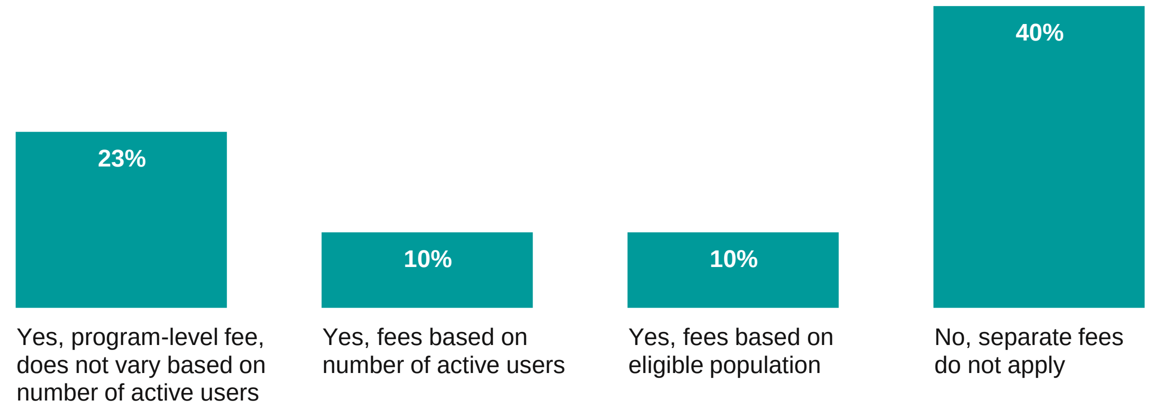
5 in 10 respondents indicated the employer pays for the financial wellness program



Barriers to offering financial wellness support*



Additional costs for financial wellness program*



*Multiple responses allowed

Key Findings: Legislation

CARES derailed

2019 SECURE Act

SECURE 2.0 is a more practical, actionable piece of legislation with broader application

82%

signaled unlikely to join an MEP or PEP

See page 85 for details

18%

indicated they offer birth / adoption withdrawals

See page 87 for details

Only 5%

of respondents indicated somewhat likely to add an annuity option following the 2019 SECURE Act

See page 84 for details

24%

of plans with a QACA have or will increase their automatic escalation rate as a result of 2019 SECURE

See page 83 for details

SECURE 2.0

9 in 10

reported an interest in either enhanced savings opportunities or maintaining assets in the tax-preferred DC plan for a longer period

71%

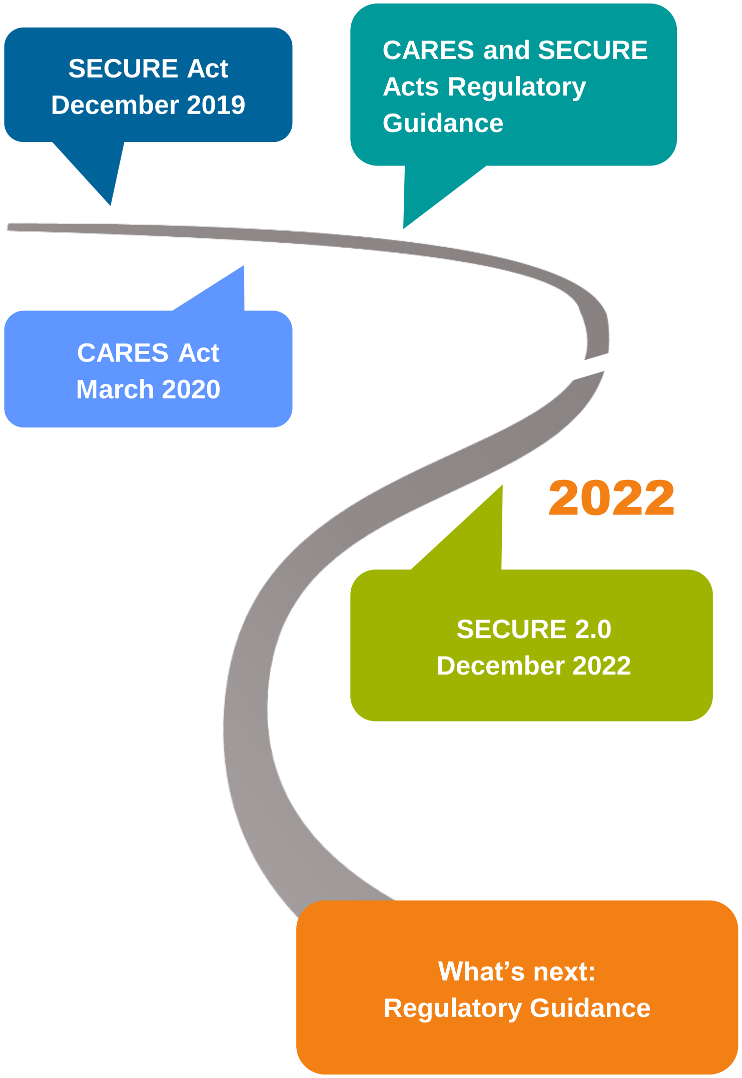
noted they are very interested in increasing the catch-up amount for older individuals

60%

indicated they are very interested in increasing the starting age for required minimum distribution to age 75

See page 82 for details

Legislation Map



In Dec. 2022 Congress passed the **SECURE Act 2.0** as a part of the Consolidated Appropriations Act, 2023. This significant piece of legislation follows the original SECURE Act (Setting Every Community Up for Retirement Enhancement) passed in Dec. 2019 and Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020.

The **2019 SECURE Act** was the first major retirement-related legislation enacted since the Pension Protection Act (PPA) in 2006. **2019 SECURE** represents the culmination of years spent negotiating and revising the bill. Its primary goal was to increase coverage—increasing the deferral cap in certain safe harbor plans, adding the new requirement to let "long-term part-time" employees defer into a 401(k) plan, and devising the new Pooled Employer Plan (PEP) and revised Multiple Employer Plan (MEP) structures. In spite of its lofty goals, it was almost immediately sidelined by the COVID-19 pandemic and resulting **CARES Act**. In contrast to the long road to **2019 SECURE**, **CARES** was introduced to Congress on March 25, 2020, and passed on March 27, with some retirement provisions effective immediately.

While **2019 SECURE's** aim is to expand retirement savings opportunities, **CARES'** focus is to make retirement assets available to participants with as few barriers as possible.

Overall, **SECURE 2.0** is a more practical, actionable piece of legislation with broader application. This legislation increases to the savings rates for older employees, modifies Roth requirements – both with the catch-up provisions and required minimum distributions, facilitates matching contributions on student loan repayments, and introduces emergency savings accounts in DC plans. Learning from the pandemic and resulting societal impacts, this legislation also includes a number of optional withdrawal provisions.

Significant regulatory guidance will be required to implement this new legislation.

While Callan's *2023 DC Survey* was issued before **SECURE 2.0** was passed, Callan looked to understand the degree of implementation for **2019 SECURE** and the anticipated reaction to different provisions in **SECURE 2.0.**

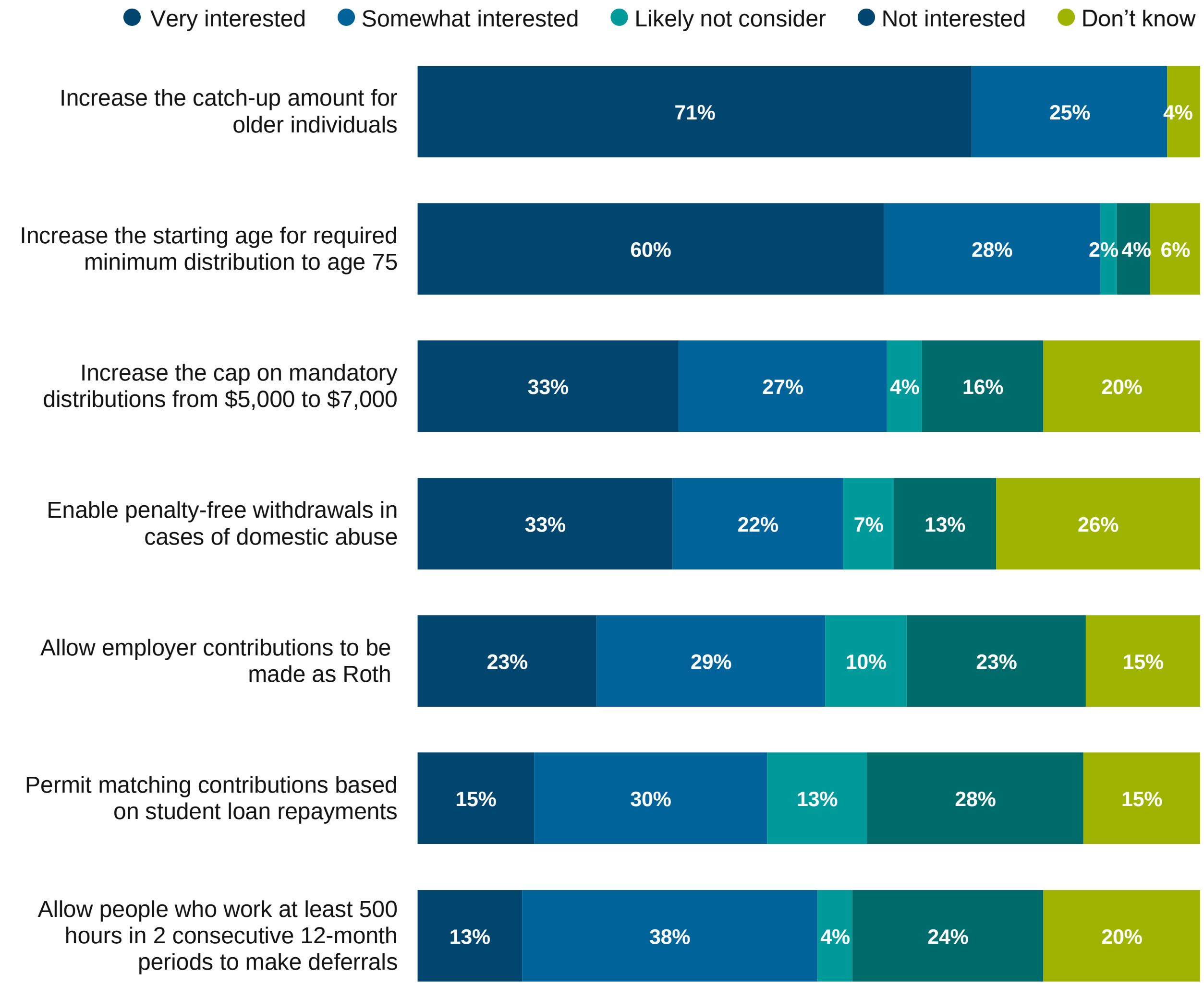
SECURE Act 2.0

What you need to know	▶ SECURE 2.0 will have a significant impact on DC plans ▶ Regulatory agencies will need to issue guidance, which is time and resource consuming, to explain how to implement different provisions ▶ Recordkeepers and plan sponsors will need to update programming, plan documents, tax withholding and reporting, required notices, forms, and summary plan descriptions ▶ Additionally, robust participant communications will be needed to explain the changes
Increased savings and access	▶ Requires participants whose income in the prior year exceeded $145,000 to make any catch-up deferrals as Roth in 2024 ▶ Allows plans to offer increased savings rates to participants aged 60-63 in 2025 ▶ Requires that any new plan established after Dec. 29, 2022 include automatic enrollment beginning in 2025 ▶ Permits DC plans to include emergency savings 'side-car' accounts beginning in 2024 ▶ Allows DC plans to match a participant's student loan repayments beginning in 2024 ▶ Modifies the eligibility period for long-term part-time employees from three to two years ▶ Allows plans to permit participants to elect to receive employer contributions as Roth (somewhat redundant, since participants can currently request an in-Plan Roth conversion of employer contributions) effective immediately
Increases decumulation flexibility	▶ Increases the age to commence required minimum distributions (RMDs) beginning in 2023 ▶ RMDs will no longer be required from Roth accounts in DC plans beginning in 2024 ▶ Allows DC plans to increase the small-dollar cash-out limit from $5,000 to $7,000 beginning in 2024 ▶ Permits plan sponsors to offer various withdrawal provisions – for emergencies, qualified disasters, domestic abuse
"Simplified" administration	▶ Provides a safe harbor for plan sponsors to enable "automatic portability," where small-dollar balances forced out of a qualified DC plan can later be transferred to a subsequent employer's plan ▶ Relaxing notice requirements for unenrolled participants ▶ Directing the Treasury Department to develop a "retirement lost and found" searchable database ▶ Directing the DOL to identify appropriate performance benchmarks for asset-allocation funds

SECURE Act 2.0

There were nearly 100 provisions included in the SECURE 2.0 Act passed in 2022. The topics that generated the most interest were those that permit older employees to build and maintain their account balances—9 out of 10 plans reported an interest in either enhanced savings opportunities or maintaining assets in the tax-preferred DC plan for a longer period. The two topics following, with more than half of respondents indicating they were somewhat or very interested, are both optional and would facilitate distributions from the plan, albeit for very different reasons. Respondents also showed strong support and interest for allowing employers to make matching contributions on a Roth basis, allowing a match in the DC plan for those repaying student debt, and allowing people who work 500 hours in two consecutive 12-month periods to make deferrals in the DC plan.

SECURE 2.0 expected provisions to be adopted

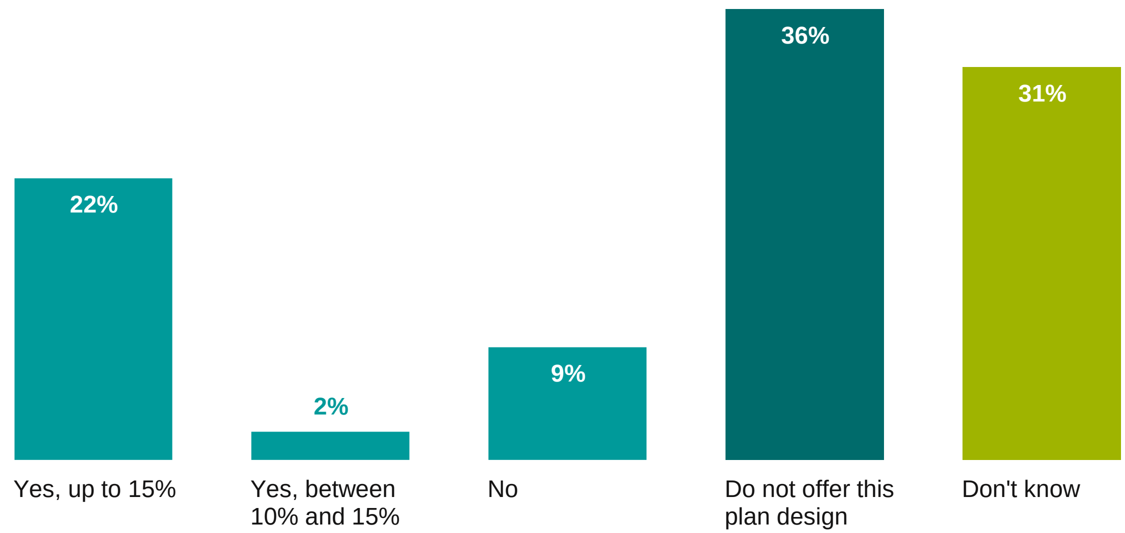


2019 SECURE Act: Encouraging Retirement Savings

Plan design changes are driven in part by legislation or regulations providing guidance to plan sponsors. The 2019 SECURE Act allowed plan sponsors with an automatic enrollment safe harbor, called qualified automatic contribution arrangement or QACA plan design, to increase the automatic escalation cap to 15%. The cap was previously set at 10% as per the 2006 PPA. Without this new legislation, plan sponsors with a QACA would not be able to take advantage of a higher automatic savings rate.

Shown in the chart, 22% of the plan sponsors that have a QACA indicated they will increase the automatic escalation cap to 15% and another 2% indicated that they would increase the cap between 10% and 15%. One in 10 plans with a QACA said that they would not increase the rate and another 36% did not offer this plan design feature. Further, the 31% that currently “don’t know” may also elect to make a change in the future.

Have or will increase automatic escalation cap in QACAs



24% of plan sponsors with a QACA have or will **increase their automatic escalation rate** as a result of 2019 SECURE.

2019 SECURE Act: In-Plan Annuity Safe Harbor

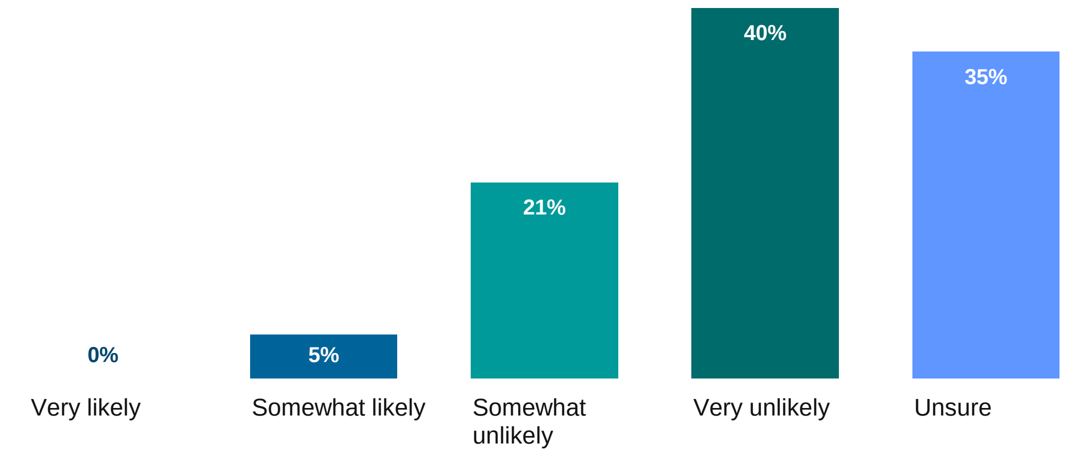
The 2019 SECURE Act looked to address plan sponsors' concerns and provide a safe harbor for in-plan annuity selection.

Only 5% of respondents indicated they are somewhat likely to **add an annuity option** following the 2019 SECURE Act and none are very likely—a notable decrease from 2020 when 17% indicated this was likely.

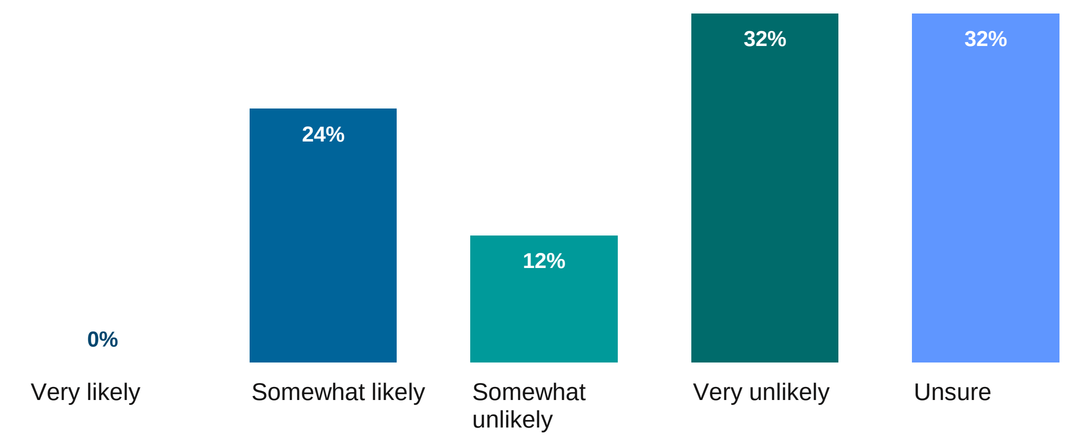
Until the 2019 SECURE Act, DC plans that allowed a lifetime income investment faced a dilemma if they wished to remove the product from the plan or move to a new recordkeeping platform that did not support the product. The 2019 SECURE Act created portability for lifetime income options that can no longer be held as an investment option in a DC plan by permitting a direct rollover to an IRA or other retirement plan, or in the case of an annuity contract, through direct distribution to the individual.

This change gave plan sponsors flexibility to remove these options while permitting participants to preserve their lifetime income investments and avoid surrender charges or penalties. As a newer provision, this option has not been triggered frequently—but 24% of plan sponsors indicated that they would be somewhat willing to utilize it, if needed.

Likeliness to add an annuity option following SECURE



Willing to rollout lifetime income balances based on SECURE, if needed



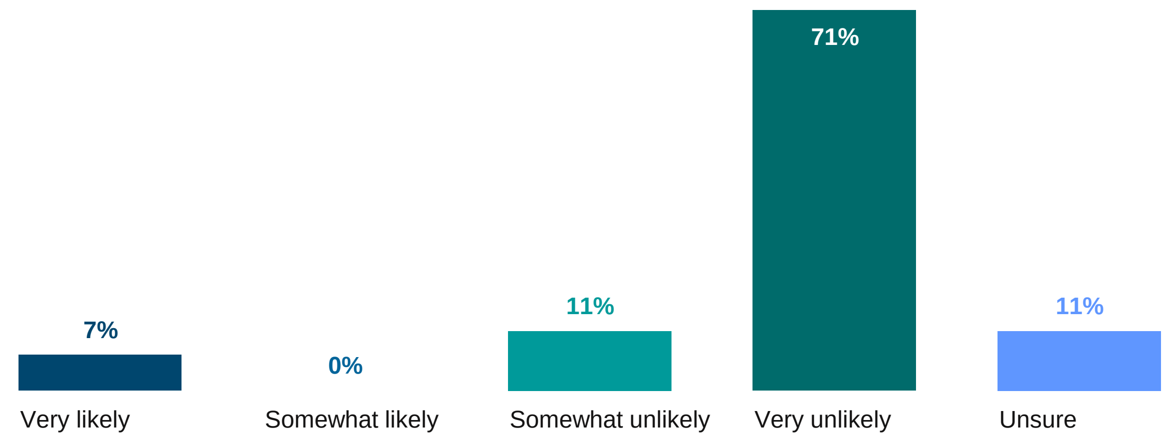
2019 SECURE Act: MEP / PEP Adoption

2019 SECURE paved the way to expand open multiple employer plan (MEP) usage by removing the requirement that participating employers share a common nexus (i.e., business affiliation). It also removed the "one bad apple" rule and protected employers in an MEP from penalties if other participating employers violate fiduciary rules.

The 2019 SECURE Act went beyond the existing scope of MEPs by creating pooled employer plans (PEP), which is a 401(k) MEP sponsored by a pooled plan provider (PPP). A PPP is the main fiduciary and a 3(16) administrator for the plan. Under 2019 SECURE, PEPs are not available for 403(b) or 457(b) plans. SECURE 2.0 expanded coverage to include 403(b) plans. Since this change was made after the *2023 DC Survey* was released, the question was not asked of 403(b) plan sponsors and as such, the responses may change in the next year when 403(b) plans are permitted to join a PEP.

MEPs and PEPs require a uniform fund lineup and may be cumbersome to administer (e.g., multiple payrolls, numerous money sources with differing vesting schedules or distribution options). While they have traditionally targeted micro-plans, 2019 SECURE does not limit MEPs/PEPs to small plans.

Likelihood of joining an MEP or PEP*



The majority of respondents (71%) signaled they are **very unlikely to join an MEP or PEP** with 11% being somewhat unlikely. Only 7% of respondents are very or somewhat likely to participate in these plan types. Another 11% are unsure or awaiting further guidance.

*Of those that do not currently participate in a MEP or PEP.

2019 SECURE Act: MEP / PEP Concerns

Guidance is still required for countless administrative and compliance hurdles, including safe harbor plan status for participating employers, nondiscrimination testing, distribution tracking (e.g., managing distributions and rollovers for a participant who leaves one employer in the MEP and moves to another), complexity around administration (e.g., employees moving between employers with different rights or features based on money source, nondiscrimination testing, limits monitoring), and a prohibited transaction exemption for PPPs.

Survey respondents were generally concerned about administrative issues: 88% of respondents identified less control over plan administration as a concern (3.9 weighted ranking out of 5) and administration complexity was cited by 72% of respondents (2.9). Competitiveness relative to the existing plan was a concern for 64% of respondents (2.4) and limited cost efficiencies was cited by 56% of respondents (2.2). This was the same rank order as last year's survey.

Top concerns around moving to an MEP or PEP, as defined in the SECURE Act

	Ranking
Less control over plan administration	3.9
Complexity around administration	2.9
Competitiveness relative to existing plan	2.4
Limited cost efficiencies due to efficiencies in current plan size	2.2
Limited investment choices	1.4
Data security	0.9
Employee satisfaction	0.8
Payroll programming obstacles	0.5
Regulatory landscape	0.5
Vendor pool and capabilities	0.5

(5=Most concerned. Total ranking is weighted average score.)

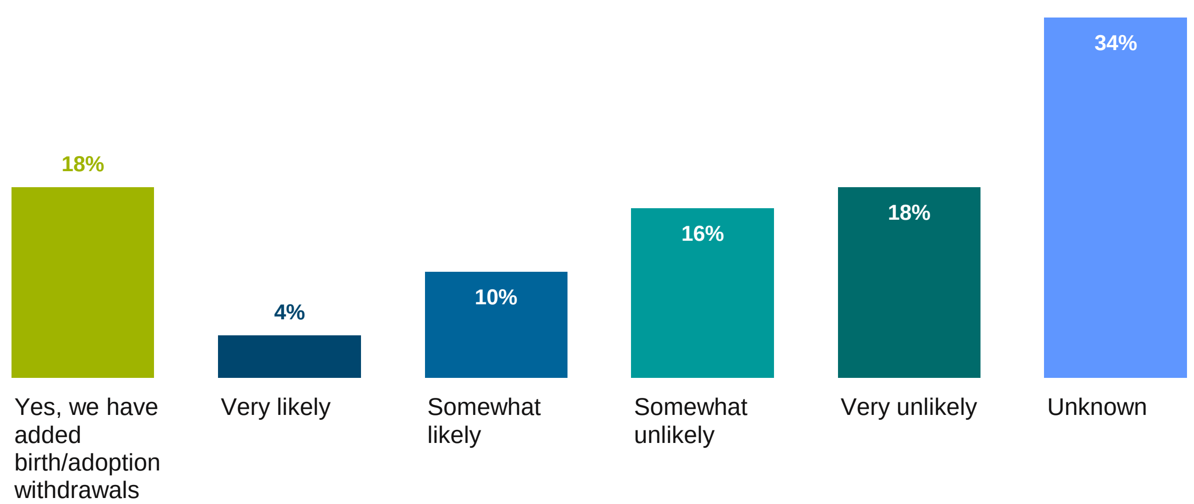
2019 SECURE Act: New Withdrawal Types

Birth/Adoption Withdrawals

2019 SECURE allowed parents to take early withdrawals of up to $5,000 per child from their retirement accounts within a year of a child's birth or adoption. These withdrawals are not subject to the 10% excise tax for distributions prior to age 59½ or 20% mandatory withholding. Participants can repay this type of withdrawal to the distributing plan (if it accepts rollover contributions). SECURE 2.0 clarified that any repayments had to be made within three years of the distribution.

18% currently offer birth / adoption withdrawals—a similar result from the *2022 DC Survey*.

Will add birth or adoption withdrawals



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Callan's DC Research and Consulting Group complements our investment consultants, providing specialty research and expertise around plan trends, aspects of compliance and administration, behavioral aspects of structure design specific to DC plans, and vendor and fee management. We have a strongly tenured team that works with a wide variety of plan sponsors and recordkeepers, which provides valuable context and expertise to our clients.

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Disclosure

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