



# 401(k) Automatic Enrollment

## It may be just what your plan needs

- > Want to increase your 401(k) plan participation or contributions?
- > Could your employees use help establishing a retirement savings plan?
- > Are contribution refunds a recurring issue?



If you answered yes to any of these questions, you should consider the advantages of automatic enrollment.

Studies show that participants appreciate any support they get from their employer in helping them prepare for retirement.<sup>1</sup>

But helping employees take full advantage of their benefits can be a daunting task. Not only do employees need to understand how to maximize the value of a 401(k) plan, they also need to take action to:

- > Enroll
- > Select a contribution amount
- > Choose their investment allocations

Not to mention giving thought to increasing future contributions and conducting a regular review of their investments. With all this, it's easy to see why decisions are often put off.

Approximately 30 percent of eligible workers do not participate in their employer's 401(k) plan.

Studies suggest that automatic enrollment could reduce this rate to less than 15 percent, significantly increasing retirement savings.<sup>2</sup>

Automatic enrollment can shift this inaction in a positive way to help employees establish sound retirement savings plans.

As an employer, you can choose from a menu of plan options and automatic enrollment features best suited for your employees. Or, if you'd like some professional assistance, your Mutual of Omaha representative or Third-Party Administrator (TPA) can work with you to explain your options.

Automatic Enrollment Features	Description
Automatic Enrollment	Automatically enrolls employees into your 401(k) plan once they are eligible.
Automatic Increase	Automatically increases an employee's contribution percentage by a set amount annually until reaching an established maximum.
Qualified Default Investment Alternative (QDIA)	Automatically invests employee contributions into a predetermined investment option.

Once you've made your selections, simply notify your employees 30 days prior to the effective date. This allows them time to make any desired changes regarding their contribution rates and investment allocations, or to opt out of automatic enrollment entirely.

In 2011, 56 percent of companies offered some kind of automatic enrollment program, up from 19 percent in 2005.<sup>3</sup>

### Ready to get started?

With more than 45 years of experience in retirement services, Mutual of Omaha Retirement Services is here to help. Please contact your Mutual of Omaha representative or TPA for any questions and to discuss your options in more detail. We look forward to working with you.

<sup>1</sup> State Street Global Advisors Biannual DC Investor Survey, July 2013

<sup>2</sup> 2013 Automatic Enrollment 401(k) Plans for Small Businesses – A joint project of the U.S. Department of Labor's Employee Benefits Security Administration (DOL/EBSA) and the Internal Revenue Service.

<sup>3</sup> Science Magazine; March 8, 2013: *Behavioral Economics and the Retirement Savings Crisis*, Sholomo Bernartzi and Richard H. Thaler

Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09, 903-GAQC-14, 903-GAQC-14 FL, 903-GAQC-14 MN, 903-GAQC-14 OR, 903-GAQC-14 TX, or state equivalent) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company, Omaha, NE 68175 is licensed nationwide except in New York. Companion Life Insurance Company, Hauppauge, NY 11788 is licensed in New York and underwrites the group variable annuity (Form 900-GAQC-07(NY)). Each company accepts full responsibility for each of their respective contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract. Specific features of the Lifetime Guaranteed Income Account vary by state. Restrictions apply. The Lifetime Guaranteed Income Account is not available in Nevada or New York. Neither United of Omaha Life Insurance Company, Companion Life Insurance Company, nor their representatives or affiliates offers investment advice in connection with the contract.

Group variable annuities are long-term investment vehicles designed to accumulate money on a tax-deferred basis for retirement purposes. Distributions may be subject to ordinary income tax and, if taken prior to age 59½, a 10 percent federal tax penalty may apply. Investing in a group variable annuity involves risk, including possible loss of principal.