

# GET (K)ONNECTED 401(K) PLAN NEWSLETTER



**GOLDEN RETIREMENT PLAN**

*Helping Grow Your Retirement Nest Egg*



## PUT YOUR 401(K) PLAN ON AUTOMATIC!

We all know that we should be saving money for our retirement, but knowing it and doing it are often two very different things. For most companies, less than half of all eligible employees are contributing to their plan and even those that are contributing, do not contribute enough. As a sponsor of a 401(k) plan, you can help!

By adopting “automatic enrollment” provisions within your plan, you make it easy for your employees to prepare for retirement. With automatic enrollment, each employee’s salary deferral is “automatically” set to a predetermined rate unless the employee makes an affirmative election to the contrary. If they choose, they can specify a savings rate different from the predetermined rate or they can choose to opt out of the plan altogether.

Automatic enrollment helps overcome the biggest problem facing retirement plan participants: inertia. They know they should do it, but often never get around to it. With automatic enrollment, participants must affirmatively take action to opt out rather than requiring them to take action to opt in to the plan. This simple difference can dramatically change participation rates within your 401(k) plan. According to a recent survey, more than 80% of the plans surveyed experienced an average participation rate

increase of 16% when they implemented automatic enrollment (Source: Deloitte Consulting, LLP, 2008 401(k) Benchmarking Survey; based on 436 responses from employers nationwide).

By increasing participation rates, automatic enrollment can also help employers pass the Average Deferral Percentage

Test. If your Highly Compensated Employees have received refunds in the past, this is likely because the average deferral percentage of your Non Highly Compensated Employees is too low relative to the average deferral percentage of your Highly Compensated Employees. Automatic enrollment can eliminate the need for refunds by increasing the average deferral rate enough to allow your Highly Compensated Employees to take full advantage of your plan.

**FOR THE VAST  
MAJORITY OF PLANS,  
AUTOMATIC  
ENROLLMENT WILL  
INCREASE  
PARTICIPATION  
RATES**

To make automatic enrollment even easier, your plan utilizes a Qualified Default Investment Alternative. As a result, if an employee does not select their own investment options, their contributions will automatically be invested for them. It’s never been easier to put your plan on automatic!

**INTERESTED? CONTACT US FOR A CONSULTATION TODAY!**

If you are intrigued, but worried about the administrative challenges or the reaction of your employees, call us today to arrange a free plan design consultation. More and more employers are choosing automatic enrollment with their plan and there are a number of variations from which you can choose to help ensure that the arrangement works for you and your employees. In addition, we will handle all of the administrative requirements including a comprehensive communication campaign and delivery of all required notices.

**Automatic enrollment - just one more advantage of participating in our pooled employer 401(k) plan!**

**If you would like more information about joining a pooled employer plan, contact us today!** We will arrange a plan consultation with a retirement specialist to help you determine if joining a pooled employer plan is the right move for your company.

Name of the Company: \_\_\_\_\_

Form of Entity (check one):

Corporation	S Corporation	Non-Profit/Tax-Exempt	Sole Proprietorship
LLC	LLP	Partnership	Other

Business Product or Service: \_\_\_\_\_

Company Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Company Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Company Contact: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

Alternative Contact: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

**Return this form to:**  
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Golden Retirement Plan  
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