



## HR Benefit Integration Trend Data

### **Pension and Investment:** *Shift away from Pension payout (Defined Benefit) plan and toward Savings and Investment Plan (Defined Contribution)*

- An analysis of Fortune 100 companies, found that 37 percent offered a traditional defined benefit pension plan in 2005 versus 89 percent only 20 years ago. (Source: Watson Wyatt)
- A study of 700 companies showed that fewer companies are providing defined benefit programs to new hires, down 14 percent in 2004 vs. 1998. (Source: Towers Perrin)
- The Profit Sharing/401(k) Council of America's (PSCA) 48th Annual Survey of Profit Sharing and 401(k) Plans has found investment advice is offered in 56.6 percent of plans.
- In plans permitting participant contributions, the most common formula is a fixed match only, present in 31.2 percent of plans. The most common type of fixed match is \$0.50 per \$1.00 up to the first 6 percent of pay, present in 29.6 percent of plans that have fixed matches, PSCA found.
- Automatic enrollment is utilized by 10.5 percent of plans, up from 8.4 percent in 2003. The most common default deferral percentage is 3 percent of pay, present in 55.8 percent of plans. Plan loans were permitted in 80.6 percent of the plans studied, PSCA found.
- Almost 45 percent of working-age households are "at risk" of being unable to maintain pre-retirement standard of living in retirement. (Source: Center for Retirement Research at Boston College)
- In 2003, 10 percent of workers with pensions were covered solely by a traditional plan, while more than 60 percent had only a 401(K). The remaining 30 percent were covered with both types. (Source: Center for Retirement Research at Boston College)

### **Major Companies Moving from Pension to 401k**

#### **2006**

*Verizon Communications*  
*Sprint Nextel Corp.*  
*Sears Holdings Corp.*  
*Lockheed Martin Corp.*

#### **2005**

*Hewlett-Packard Co.*  
*Unisys Corp.*  
*Coca-Cola Bottling Co.*  
*Nissan NA, Inc.*  
*IBM Corp.*  
*ALCOA*  
*PPG*

#### **2004**

*Circuit City Stores, Inc.*  
*Motorola, Inc.*  
*NCR Corp.*

8/28/06