



# 2023 Retirement Benefits Survey

November 2023



## About McGriff

When it comes to protecting what matters most in business and everyday life, we believe our clients should never settle for less than the best. For more than a century, we've relied on expertise, resources, and relationships to deliver insurance and risk management solutions focused on our clients' priorities and what they value most. McGriff is a subsidiary of Truist Insurance Holdings, the fifth largest insurance broker in the U.S.\*

Our solutions include a full suite of employee benefits programs, retirement consulting and actuarial services, commercial property and casualty, corporate bonding and surety, cyber, management liability, captives and alternative risk transfer programs, small business insurance, and personal lines.

Our experienced risk management specialists develop highly tailored solutions while listening, learning, and executing with precision.

Join the thousands of businesses, organizations and individuals across the country who choose McGriff, a firm dedicated to building long-term relationships and helping protect your most valuable assets. With McGriff, you'll never have to settle for less.

## About Our Survey

In the newest release in the McGriff Survey Series, we asked employers about how they perceive retirement matters and what actions they're considering with respect to their retirement plan offerings. We heard from 237 employers in all major industries and geographies with large employers (500 or more employees) representing 14% of all responses.

Retirement benefits play a pivotal role in securing financial stability for an employee's long-term goals. Employers who recognize the significance of these often overlooked benefits can help facilitate a more comfortable retirement, highlighting a need for greater awareness and engagement with employer retirement offerings. Our key findings suggest that employers see the value in offering meaningful retirement benefits and are mostly comfortable with their current offerings.

<sup>1</sup>Source: Truist IH ranking as listed in BusinessInsurance.com. July 2023



## Key Findings

1

An overwhelming majority (93%) of employers agree that retirement security is very important to their workforce. The importance of these benefits as a recruitment and retention tool is worth pointing out, with 84% of employers agreeing that their workforce considers their retirement benefit package as an important component of their overall compensation and benefits package.

2

Perhaps not surprisingly, the most common plan type offered by employers are 401(k) and 403(b) defined contribution plans- with 96% of employers listing these plans as an offering.

3

Only 11% of employers are currently considering substantial changes to their retirement benefit programs in the next 12 months. But 30% are looking at changing their investment options for defined contribution plans.

4

For employers who offer defined contribution plans, almost all (93%) of them provide a matching contribution for participants. Over half (56%) of employers provide a 100% match of contributions up to a certain amount. The most common percentage cited was from 5% to 6%, with 50% of responses falling in that range.

5

Among employers who maintain a defined benefit pension plan, the majority of them (71%) remain open to new participants. In addition, no employers reported that they are considering terminating in the next year. There was also little to no consideration of pension risk transfer over the next year.

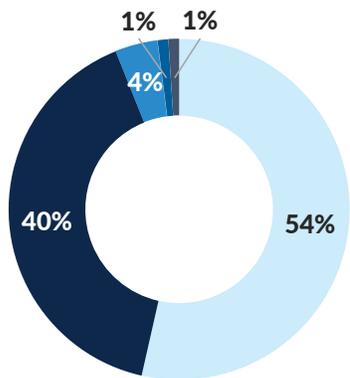
# Organization's Views On Retirement Benefits

Benefits that contribute to retirement security are among the most important benefits that any employer can offer to their workforce. By helping support their employees' financial security beyond their working years, employers can help reduce stress and promote a healthier and happier workforce.

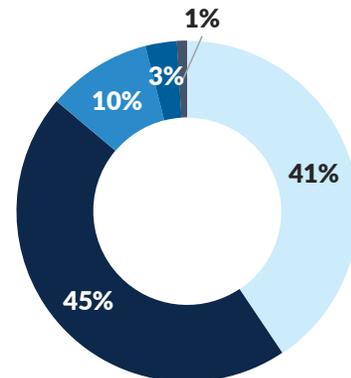
The importance of competitive retirement benefit offerings cannot be overstated. Oftentimes these benefits are the deciding factor for a prospective employee considering a job offer, not to mention the role they play in retaining current key employees. Our findings suggest that employers see the value in providing a strong benefit and believe they deliver competitive offerings at an acceptable cost – with no major changes planned in the next 12 months.

● Strongly Agree    
 ● Agree    
 ● Disagree    
 ● Neither Agree Nor Disagree    
 ● Strongly Disagree

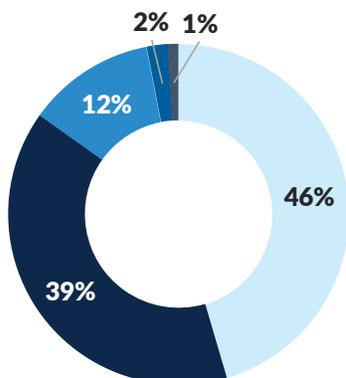
**Retirement Security is very important to our workforce**



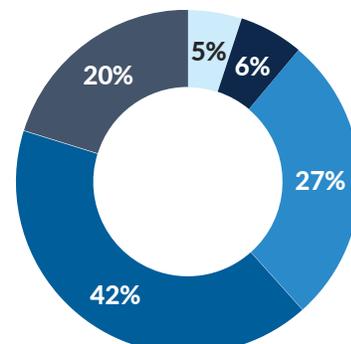
**We deliver competitive retirement programs at an acceptable cost**



**Our workforce considers our retirement package to be an important component of the organization's overall benefit program**



**We are considering substantial changes to our retirement benefit program(s) in the coming 12 months**



## Which of the following retirement benefits does your organization offer to employees?

Nearly all employers (96%) offer a 401(k) or 403(b) defined contribution plan to their employees. Large employers were more likely to offer both a pension plan (22%) and non-qualified executive retirement benefits (22%).

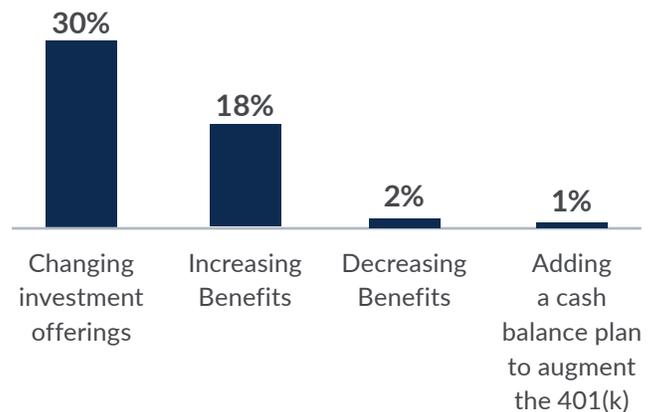
	All Employers	Large Employers
Defined Contribution (401(k) or 403(b)) Plan	96%	91%
Traditional defined benefit pension plan	10%	22%
Cash balance plan	1%	4%
Non-qualified executive retirement benefits (supplemental executive retirement plan (SERP) or a deferred compensation plan)	6%	22%

## Defined Contribution Plans

**66%** of defined contribution plans are safe harbor plans.

Most employers aren't looking to change their retirement benefit offerings, but of those who are, most are looking at options to increase their offering.

### Which of the following changes to your defined contribution plan are you considering in the next 12 months?



# Defined Contribution Plans: Employee Contribution & Employer Match

Providing matching contributions for employees who contribute to their retirement accounts is a great way for employers to show their commitment to the financial well-being of their workforce. This can help support retention efforts by fostering a sense of loyalty among employees and help employers gain a competitive advantage on recruitment initiatives. Eighty-eight percent of employers provide at least a 3% matching contribution, with 58% providing a match for at least 5% of employee contributions to their accounts. Most employers (56%) match at 100% of employee contributions up to their stated cap, and 19% match at 50% of their employees' contribution rate.

**88%** > **58%**

Eighty-eight percent of employers provide at least a 3% matching contribution.

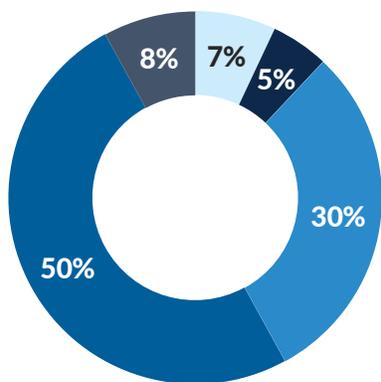
Fifty-eight percent of employers provide a match for at least 5% of employee contributions.

**56%** > **19%**

Fifty six percent of employers match at 100% of employee contributions up to their stated cap.

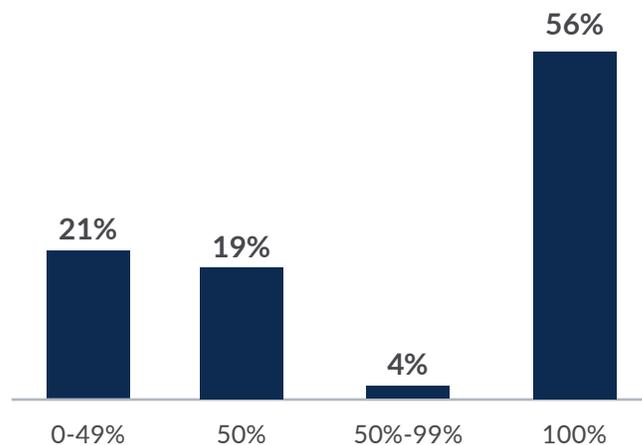
Nineteen percent of employers match at 50% of their employees' contribution rate.

For your defined contribution plan, what is the maximum percentage of employee contributions eligible for an employer match?



- 0%
- 3-4%
- 5-6%
- Greater than 6%
- 1-2%

For your defined contribution plan, what is the employer matching percentage on eligible contributions?



# Defined Benefit Pension Plans

Pensions can be a very strong retention tool to help employers stand out from the pack in terms of their benefits package. In addition to the tax benefits they offer employers, pensions provide employees with a more predictable income stream in retirement and remove some of the burden of selecting and managing retirement investment accounts from individuals. Among employers who currently maintain a pension plan for their workforce, the vast majority remain open to new participants (71%) and virtually none are looking at options to terminate or offload risk in the next 12 months.

## Current participation and accrual status of your defined benefit pension plan



For your defined benefit pension plan, do you plan to transfer risk by offering a lump sum/annuity window in the next 12 months?

● Yes ● No





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