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**Transamerica Retirement Solutions Report on Healthcare:
Employee Engagement is a Challenge for Healthcare Retirement Plan Sponsors**

*Healthcare retirement plan sponsors seek to empower employees
to take an active role in their retirement planning*

Transamerica Retirement Solutions today announced the release of its report on *Retirement Plan Trends in Today's Healthcare Market - 2014*. The report, produced in partnership with the American Hospital Association, examines trends that impact defined contribution and defined benefit plans in the not-for-profit healthcare market.

The 2014 survey reveals that healthcare retirement plan sponsors are becoming more proactive in their efforts to help employees adequately prepare for retirement. They are making adjustments to plan design that can help employees achieve retirement goals and also implementing programs that address the challenge of employee engagement, a hurdle that 75 percent of sponsors agree is one of the biggest challenges of managing a retirement plan.

"This year's survey provides valuable insight into the changing landscape of the not-for-profit healthcare retirement plan market," said Brodie Wood, vice president and national practice leader, not for profit markets. "It shows the unique challenges that healthcare retirement plan sponsors face and reveals trends that will reshape their retirement plans in the future. One of those trends is the increased focus on improving retirement outcomes. These sponsors are well aware of this shift and agree that motivating employees to save adequately and helping them invest wisely are challenges that must be addressed in order to help employees achieve a secure retirement."

Healthcare plan sponsors are addressing the challenge of employee engagement by implementing programs aimed at educating and informing participants. Because of the diverse needs of their employee populations, these sponsors employ a multichannel approach to communicate with their participants. They utilize on-site representatives, meetings, customized print and electronic campaigns, investment advice and comprehensive financial planning among many other tactics to help employees prepare for retirement.

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The focus on retirement readiness is also illustrated by plan sponsors' efforts to optimize plan design. Examples from the survey include:

- **Greater value placed on retirement outcomes.** Plan sponsors still use participation rates as a measure of plan success, but the use of this metric is declining. Retirement readiness measures are gradually supplanting participation rates as reliable indicators of plan performance. Plan sponsors who utilize retirement readiness as an indicator of plan effectiveness increased to 35 percent in 2014 from 23 percent in 2012.
- **Increased default deferral rates.** Eighty-seven percent of surveyed plan sponsors indicated that their plan's default deferral rates were not high enough. The number of healthcare plan sponsors who offer automatic enrollment default deferral rates of three percent or less declined to 48 percent in 2014 from 70 percent in 2012, while the rate of those utilizing a default deferral rate of five percent or more nearly quadrupled during the same period.
- **Streamlined investment options.** While nearly four in ten healthcare plans offer 20 or more investments, there is a clear trend toward offering a more streamlined set of investment choices. The percentage of healthcare plan sponsors who offer 20 or more investments decreased to 39 percent in 2014 from 48 percent in 2012.

To request a copy of the full report on *Retirement Plan Trends in Today's Healthcare Market - 2014*, send an email request to marketinsights@transamerica.com.

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About the Study

Retirement Plan Trends in Today's Healthcare Market—2014 is the eleventh annual study conducted by Transamerica Retirement Solutions and the American Hospital Association. The study presents insight on current issues that impact defined contribution and defined benefit plans in the not-for-profit healthcare market. The report provides analysis to guide healthcare plan sponsors and their advisors as they benchmark their organizations in many areas of plan design and management, in order to critically evaluate opportunities for improvement.

The survey was comprised of 90 questions and was conducted online at the end of 2013. A total of 104 Hospital Administrators and Chief Financial Officers responded to the survey, representing healthcare organizations with one or more active defined contribution plans.

About Transamerica Retirement Solutions

Transamerica Retirement Solutions (Transamerica) is a leading provider of customized retirement plan solutions for small to large organizations.

Transamerica partners with financial advisors, third party administrators, and consultants to cover the entire spectrum of defined benefit and defined contribution plans, including: 401(k) and 403(b) (Traditional and Roth); 457; profit sharing; money purchase; cash balance; Taft-Hartley; multiple employer plans; nonqualified deferred compensation; and rollover and Roth IRAs.

Transamerica helps more than three million retirement plan participants save and invest wisely to secure their retirement dreams. For more information about Transamerica Retirement Solutions Corporation, please visit trsretire.com.



About the American Hospital Association

The American Hospital Association is a not-for-profit association of health care provider organizations and individuals that are committed to the improvement of health in their communities. The American Hospital Association is the national advocate for its members, nearly 5,000 hospitals, health systems and other health care organizations, and 43,000 individuals. Founded in 1898, the American Hospital Association provides education for health care leaders and is a source of information on health care issues and trends. For more information visit the website at aha.org.

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