



News

Transamerica Retirement Solutions
440 Mamaroneck Avenue
Harrison, NY 10528

Contact: Joseph Campbell/
Georgia Gonder
(415) 222-9944

Joseph.Campbell@Edelman.com
Georgia.Gonder@Edelman.com

Top Five Actions Employers Can Take to Help Employees Become Super Savers for Retirement

*Transamerica Retirement Solutions Shares Key Findings
for Plan Sponsors from Retirement Readiness Summit*

HARRISON, NY – May 14, 2013 – Transamerica Retirement Solutions today announced five primary actions that retirement plan sponsors can take to help their employees increase their retirement readiness. The findings are a result of Transamerica's recent Retirement Readiness Summit, and were identified as a potential action plan for employers looking to help their employees better prepare for retirement.

"Employers have more influence than they probably realize in creating a secure financial future for their employees. The primary focus of the plan sponsor's actions should be centered on bettering retirement outcomes for plan participants," said Patricia Advaney, senior vice president and chief marketing officer for Transamerica Retirement Solutions. "We need to move beyond traditional, one-dimensional measures such as participation or average contribution rate to measure plan success. Helping employees retire with enough income to live comfortably is the ultimate goal of any workplace savings program."

Transamerica's Retirement Readiness Summit was recently held in Washington, D.C. and was attended by policymakers and key thought leaders from the retirement plan industry. Commentary from the Summit identified the five key ways an employer can help foster a community of Super Savers for retirement in their company:

1. **Drive employee participation in the plan and encourage contribution increases over time.** Automatic enrollment can be an effective tool to increase participation rates, but often the starting default rates are too low to result in meaningful outcomes. Retirement industry thought leaders say employers need to consider automatically enrolling employees into the retirement plan at initial savings rates of six percent or higher, and then periodically increasing contribution rates to reach a minimum annual contribution rate of 10 percent. Saving 10 percent of pay annually for retirement could dramatically improve retirement outcomes for many employees.
2. **Encourage employees to use resources that help evaluate retirement readiness.** Employees need easy-to-use tools that help decide how much they will need to save for a comfortable retirement and where they currently stand in

terms of saving successfully. Easily-accessible resources that allow employees to simply and conveniently project and modify their savings and investment strategies can improve employees' retirement outcomes.

3. **Offer target date solutions that automate investment decisions.** Many employers offer target date solutions within their menu of available investment choices. Target date solutions invest in a diversified mix of asset classes, and automatically shift to a more conservative asset mix according to a predetermined "glide path" as the stated target date approaches. This approach is an attractive choice for employees who may be intimidated by the process of shifting investment allocations over time, and can help keep employees' savings on track over the long term.
4. **Use proactive communications that motivate employees to take appropriate action.** Employers should consider targeted communications that address individual needs. Those not yet enrolled in an employer plan should be targeted with relevant and meaningful messages that help them to take a first step. People that actively contribute but don't save enough should be targeted with messages and easy ways to increase their savings rates. And individuals that are inappropriately diversifying their funds should receive messages about the benefits of automatic diversification solutions, such as target date funds or services.
5. **Use leadership and centers of influence to promote retirement savings.** Leaders within the organization should personally emphasize the importance of saving for retirement, setting the expectation that a secure retirement is achievable for those who save. The company's leadership can also cultivate "centers of influence" -- employees who are natural leaders among their social circles -- to encourage others to join the plan and save for retirement.

"Automatic enrollment and automatic escalation are excellent features to get employees started in saving for retirement. But we can't stop there," said Advaney. "Getting employees to increase their contributions to ten percent or more could be the key to maximizing retirement outcomes. And for those plans for whom automatic enrollment or automatic escalation is not a fit, plenty of other strategies can be implemented that will result in significant improvement in the retirement incomes of American workers."

The Retirement Readiness Summit was sponsored by Transamerica to promote the importance of saving for retirement. The Summit was attended by policymakers and retirement industry leaders from plan providers, distributors, and trade groups such as LIMRA, Employee Benefit Research Institute, Women's Institute for a Secure Retirement and the American Society of Pension Professionals & Actuaries. The Summit presented commentary on improving the state of retirement preparedness in the U.S. from leaders including U.S. Representative Richard Neal and U.S. Treasury Department Deputy Assistant Secretary Mark Iwry, as well as Professor Jeffrey R. Brown, PhD, from the University of Illinois.

###

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 IRA.

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.