

Three Reasons to Consider a Larger 401(k) Match



Employees place high value on their retirement benefits. In fact, the Employee Benefit Research Institute (EBRI) has cited the **employer retirement plan as the second most important benefit** employees receive from their employer. Putting more money behind a program your employees already value helps them to appreciate this benefit even more.

Consider these three reasons to increase your 401(k) match:

- 1. Increasing or starting a match only helps to improve your employees' retirement outcomes.**
EBRI indicated that an employer match was 73 percent “somewhat likely” to help non-savers save for retirement.
- 2. An employer match is not going to be wasted.**
With a vesting schedule, employees who leave prior to fully vesting will have those non-vested dollars recouped by the employer. The employer can use those non-vested dollars to offset the cost of the match in the future or decrease plan costs.
- 3. Nearly three out of four 401(k) plans provide an employer match.**
During the financial crisis, many of those employer matches were reduced or eliminated. However, many employers have yet to get their employer matches back to where they were. With the corporate tax cuts that rolled out in early 2018, it may be worth the consideration to put some of this back into your biggest asset—your people.

It's no secret. Many Americans are struggling to save for retirement. While they may not communicate it to you, this is an issue weighing on most employees.

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