



## **Why Employers Should Help Employees Save for Retirement**

Retirement Readiness has become a big theme recently. Are we saving enough for retirement? Will we be able to have the lifestyle we want in retirement? A study by EBRI (Employee Benefit Research Institute) reports that workers with a workplace retirement plan feel more confident that they will be able to live comfortably in their retirement years....79% in fact.

So as an Employer how can I help my employees save for retirement....and why should I care about helping employees save for retirement? Employer's need to remember that offering a workplace retirement plan (like a 401(k)), is an employee benefit that is unlike any other benefit. It should be a benefit that is offered to recruit and retain quality employees. It may not get the attention that health insurance does, but a 401(k) Plan can help an employer maintain a workforce that can help them be more productive and efficient.

Employer matching and automatic payroll deductions are two great ways to motivate employees to save for retirement. EBRI found that 73% of workers not currently saving say they would be more likely to do so if their employer offered a match. And most of the current non-savers say they would probably not "opt out" of setting aside money via automatic deductions of 3% to 6% of salary.

Employees also need help with tools for putting retirement savings in place. Business owners and executives can help promote good financial habits to their employees by providing regular communications about the benefits of a retirement plan, providing financial learning opportunities through seminars and a financial advisor and communicating to employees how they are saving for retirement too. Employees often forget that they lose out on years of interest and investment earnings and also free employer match that can help grow their retirement savings.

One final note for business owners and helping employees save for retirement is that the business owner is an employee too! They need to take advantage of the retirement plan for themselves and there are many different plan design options that can help them do that. Not to mention that the contributions an employer makes to a retirement plan are a tax deduction.

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