MFS RESEARCH

2023 MFS® DC Plan Sponsor Survey

Building Better Outcomes

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/ AUTHORS /

JONATHAN BARRY
MANAGING DIRECTOR - INVESTMENT SOLUTIONS

JERI SAVAGE
RETIREMENT LEAD STRATEGIST - INVESTMENT SOLUTIONS

Introduction

Retirement plans offer distinct benefits to both employees and organizations. The first benefit is as a vehicle aimed for employee wealth accumulation, which can help foster financial well-being and long-term planning to ultimately contribute to pursuing successful retirement outcomes. Employees often see their retirement plan as a fundamental financial resource and often rely on their employers as an integral part of their financial support system.

The second benefit favors the organization. Competitive retirement plans within a comprehensive benefits package can enhance employee wellness and function as a strategic asset in talent management. Moreover, retirement plan design often reflects the strategic priorities of an organization, where plan philosophy aligns with talent development.

However, sponsors must balance the diverse needs of their workforce with the ongoing challenges of legislative changes, administrative burdens, investment performance and litigation fears — making plan management a complex task.

To help sponsors meet the challenge, MFS Investment Management® (MFS®) led an insightful exploration into employer views on a wide variety of retirement issues through a robust survey of more than 140 plan sponsors. This study gathered sponsor perspectives on retirement confidence, managing investment lineups in uncertain markets, retirement income and their views on an array of legislative issues and litigation concerns.

These findings complement MFS' 2023 Global Retirement Survey, "The Road to Better Outcomes," which surveyed more than 4,000 plan participants in four countries. In this report, we complement our plan sponsor findings with data from the Global Retirement Survey to highlight synergies and disparities between employer actions and employee expectations.

Through this dual lens spanning participant and employer views, we believe industry practitioners can gain actionable insights to enrich their understanding of the retirement landscape and proactively address evolving retirement challenges in 2024 and beyond.

Key Themes

Our surveys revealed three overarching themes:

1) Employers and Employees are Concerned About Retirement Readiness.

The past three years have been trying for participants and sponsors alike, with the global pandemic, geopolitical uncertainty and rising inflation weighing on our collective consciousness. In this environment it is not surprising that only 34% of participants are confident they will be able to retire at the age they want to.

The survey showed that sponsors are even less confident than participants, with 86% indicating they are somewhat or very concerned about their participants' ability to achieve an adequate and secure income in retirement, and only 23% are confident their employees will be able to retire at the age they want.

The survey highlighted the impact that competing financial priorities have on retirement readiness, with 79% of sponsors acknowledging that financial challenges such as emergency savings, student loan payments and saving for education have a major to moderate impact on their participants' ability to save for retirement.

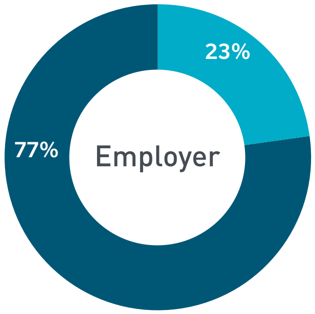
Other factors — such as contribution levels, participant engagement, availability of tools and services, and the overall economic backdrop — contributed to sponsors' confidence level (or lack thereof) and participants' outlook on their ability to retire. Our survey highlights some interesting differences between confident and not-confident employers, and also found that advisory services continue to rise, but there are differences in how these services are accessed through the plan.

The survey results help highlight different strategies employers might take to improve participant retirement confidence. Employers will need to continue to bridge the gap between employee expectations and available resources, as the need for a personalized approach to retirement planning grows. The increasing role of employers facilitating advisor connections also offers an opportunity for employers to foster a culture of financial preparedness for their workforce.

Exhibit 1: Confidence in Retirement Readiness

HOW CONFIDENT ARE YOU THAT YOUR PLAN PARTICIPANTS WILL BE ABLE TO RETIRE AT THE AGE THEY WANT TO?

- Very/Extremely Confident
- Not at All/Not Very/ Somewhat Confident



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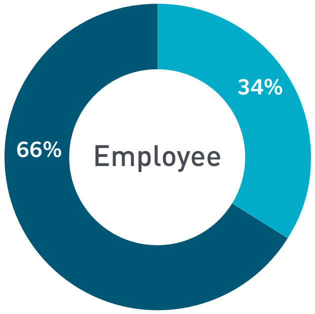


2) Investment Lineups are Being Re-Evaluated, Including Retirement Income Solutions.

In a volatile market environment, plan sponsors are making changes to their investment lineups, with sponsors more likely to add fixed income and inflation protection options than equity options. The survey showed sponsors are more likely to replace equity managers than fixed income managers, and Qualified Default Investment Alternatives (QDIAs) tend to see fewer changes than core menu options.

Even with potential lineup changes on the horizon, simplicity is key. Most sponsors provide a streamlined investment menu, with 20% offering fewer than 10 investment options and 45% offering 10 to 14 options. Simplified investment menus can help improve overall plan efficiency while also helping to reduce decision paralysis among participants.

The survey also highlighted potential disconnects between sponsors' intentions and target date fund (TDF) design, with only 40% of sponsors actively encouraging participants to stay in the plan after they retire, compared with 67% offering a "through" glidepath, which often better aligns with keeping participants in plan post-retirement.

Employers are broadening the distribution options available to participants, with 69% of plans currently offering withdrawals beyond a lump-sum payment and an additional 16% either adding or evaluating the feasibility of new options. However, there is a wide variety in how retirement income is manifested on the DC menu, with only 14% of sponsors offering guaranteed-income or annuity-based products and 38% considering products such as TDFs or fixed income as retirement income offerings.

We encourage sponsors to evaluate whether they want to sponsor an "accumulation plan," where participants accumulate assets and exit the plan upon retirement, or a "destination plan," where participants are encouraged to stay in the plan upon retirement. There is no right or wrong answer, and different sponsors will come to different conclusions based on their circumstances.

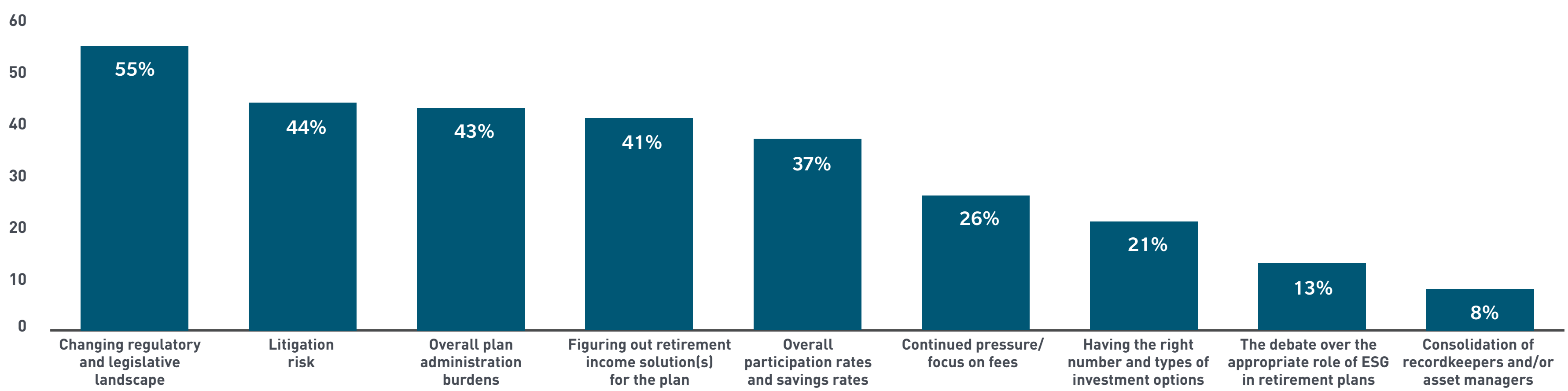
3) 2024 Trifecta of Employer Concerns: Litigation, Legislation, and a Litany of Administration.

We asked sponsors what keeps them up at night, as seen in Exhibit 2. Topping the list was the changing regulatory and legislative landscape, followed by litigation risk.

With SECURE 2.0 now a year old, sponsors continue to take stock of the wide range of provisions that cover several areas, including financial wellness. We asked sponsors which of these provisions they planned to implement and found 45% plan to add emergency savings features. However, when asked what changes they would make if they were not limited by budget or resource constraints, the answers change considerably, with 57% indicating they would match student loan payments, and 76% indicating they would create a vehicle for, or provide access to, 401(k) assets for emergency savings.

This demonstrates that sponsors recognize their participants could benefit from these features, and we will see in 2024 how the market responds as these features become permissible in DC plans.

Exhibit 2: What Keeps Plan Sponsors Up at Night



Detailed Study Findings

/ RETIREMENT PLAN PHILOSOPHY AND PRIORITIES /

Retirement plans offer distinct benefits to both employees and organizations. The first benefit is as a vehicle aimed for employee wealth accumulation, which can help foster financial well-being and long-term planning to ultimately contribute and pursue successful retirement outcomes. Employees often see their retirement plan as a fundamental financial resource and often rely on their employers as an integral part of their financial support system.

82% | **OF SURVEY RESPONDENTS SEE THEIR DC PLAN AS EQUAL PARTS RECRUITING AND RETENTION TOOL.**

The second benefit favors the organization. Competitive retirement plans within a comprehensive benefits package can enhance employee wellness and function as a strategic asset in talent management. Moreover, retirement plan design often reflects the strategic priorities of an organization, where plan philosophy aligns with talent development.

When asked how the DC plan should serve employees, sponsors ranked wealth accumulation as the most important priority at 62%, with the plan serving as a necessary tool to compete for workforce talent coming in second at 35%. Despite retirement income garnering headlines in the industry, only 4% of respondents ranked decumulation of assets in retirement as the prime objective for the plan.

Employers of all sizes are aligned on what they believe are the most important responsibilities as plan sponsors including:

1. Selecting and monitoring appropriate investment options (74%)*
2. Managing costs for the plan and participants (74%)
3. Educating employees about retirement saving and investing (60%)

Lower priorities included improving plan participation rates and plan design features (51%) and ensuring quality service from recordkeepers (42%).

> When it comes to overall philosophy and priorities, the data suggest sponsors still think of DC plans primarily as accumulation tools. As we discuss retirement income later in the paper, overall plan philosophy and corresponding priorities will need to adjust or broaden to meaningfully incorporate decumulation objectives in DC plans.

*Percentage represents % that ranked item as a top 3 priority.

/ GAPS IN RETIREMENT CONFIDENCE /

The past three years have been trying for participants and sponsors alike, with the global pandemic, geopolitical uncertainty and rising inflation weighing on our collective consciousness. Not surprisingly, market events have dented participants' retirement confidence, as highlighted in MFS's 2023 Global Retirement Survey, "The Road to Better Outcomes" as shown in Exhibit 3 below.

Accordingly, only 34% of participants are confident they will be able to retire at the age they want to.

Sponsors are even less confident than participants, with 86% indicating they are somewhat or very concerned about their participants' ability to achieve an adequate and secure income in retirement, and only 23% confident their employees will be able to retire at the age they want.

Exhibit 3: Impact of Market Events on the DC Participant Psyche

71%
indicated they will need to save more than planned

60%
are taking a more conservative posture with their investments

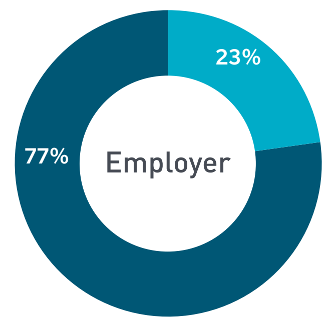
56%
thought they will need to work longer than planned

29%
no longer think they will be able to retire

Exhibit 4: Confidence in Retirement Readiness

HOW CONFIDENT ARE YOU THAT YOUR PLAN PARTICIPANTS WILL BE ABLE TO RETIRE AT THE AGE THEY WANT TO?

- Very/Extremely Confident
- Not at All/Not Very/ Somewhat Confident



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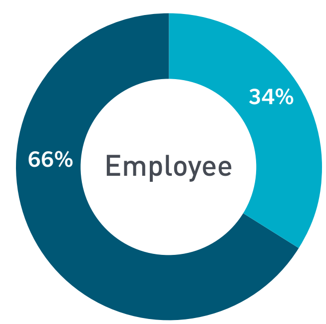


Smaller and mid-sized plans indicate heightened levels of apprehension as shown below.

Exhibit 5: Confidence in Employee Retirement by Plan Sponsor Size

	SMALL PLANS	MID-SIZE PLANS	LARGE PLANS
Very Concerned	41%	24%	25%
Somewhat Concerned	55%	62%	57%
Not Concerned	0%	7%	10%

Digging deeper, the survey highlighted the impact that competing financial priorities have on retirement readiness, with 79% of plan sponsors acknowledging that financial challenges such as emergency savings, student loan payments and saving for education have a major to moderate impact on their participants' ability to save for retirement. This concern is even more pronounced among small employers, with 97% expressing this concern.

These concerns were also reflected by employees, where 80% reported that various financial obligations get in the way of their ability to save for retirement as shown below.

80%

OF PARTICIPANTS STATE FINANCIAL OBLIGATIONS GET IN THE WAY OF SAVING ADEQUATELY FOR RETIREMENT.

Exhibit 6: Competing Financial Priorities for Participants

35%
Saving for emergencies

21%
Saving for education

17%
Student loan payments

21%
Living paycheck to paycheck

We asked sponsors what factors contributed to their confidence level (or lack thereof) in their participants' ability to retire and saw an interesting split between confident and not-confident employers.

Exhibit 7: Employer Confidence Factors

	CONFIDENT	NOT CONFIDENT
Contributions	78%	71%
Engagement	63%	57%
Tools and Services	63%	30%
Economy	13%	56%

Note: Not confident includes employers who responded, "somewhat confident."

The survey revealed that confident employers had an average reported contribution rate of more than 10%, versus only 6% for not-confident employers. Confident employers also had higher participation rates, averaging over 90%, versus 74% for not-confident employers and 89% for somewhat-confident employers.

Exhibit 8: Participation Rates by Retirement Confidence

Confident (often large employers)	Not Confident (often small employers)
78%	39%
achieve 90% to 100% plan participation rates	achieve 90% to 100% plan participation rates

The survey also showed disparities in where tools and services such as budgeting and income calculators are being used. While 89% of survey respondents indicated they offer retirement planning tools, confident employers offer them at a much higher rate (91%) than their not-confident peers (78%).

Finally, the influence of the economy on retirement confidence varied widely between large and small employers as well as confident and not-confident employers. Only 34% of large employers citied the economy as a key factor contributing to their retirement confidence compared with 62% of small employers.

The divide is even wider between confident and not-confident employers, with only 13% of confident employers citing the economy as a key factor versus 71% of not-confident employers.

We think these statistics highlight several key issues. First, large employers are often better positioned to weather uncertain financial times, whereas smaller employers may be concerned about their ability to continue to provide robust retirement benefits. Second, the data suggests that larger and more confident employers may be taking a longer view towards retirement planning, where short-term economic fluctuations often tend to have little impact on outcomes 20 to 30 years in the future.

/ THE ROLE OF ADVISORS IN RETIREMENT PLANNING /

MFS' 2023 Global Retirement Survey indicated that most employees would leverage advisory services if their retirement plan offered access.

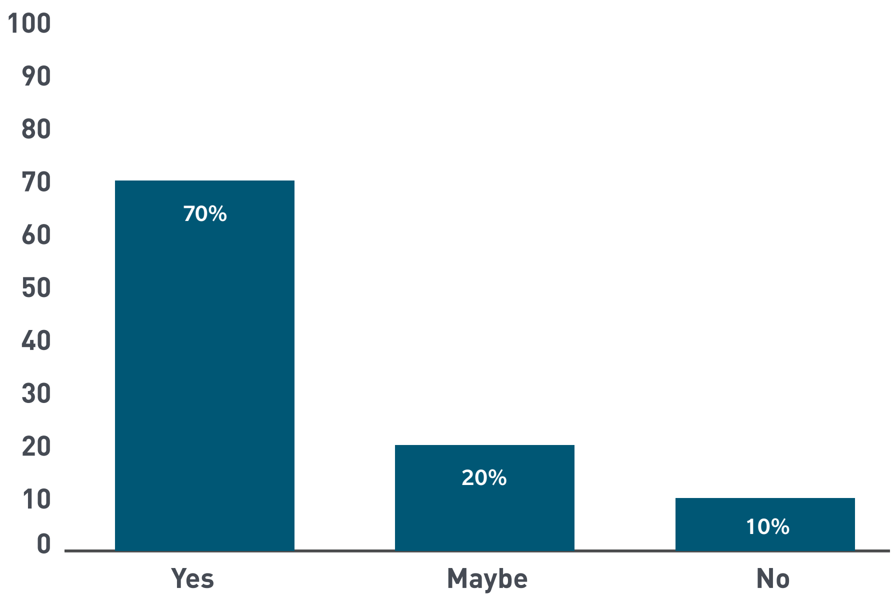
Employers can play a significant role in advisor introductions, and 53% of employees indicated they found or expect to find their advisor through their employer.

Plan sponsors are broadly aligned with this employee need, with 64% offering advisory services and an additional 17% considering offering these types of services. Yet, there are differences in how advisors are accessed through the plan. Among those that offer advisory services, large plans primarily provide advisors through managed account offerings (56%), while small and mid-sized plans lean towards more general access to advisors (74% and 64%, respectively).

The survey data highlights different strategies employers might take to improve participant retirement confidence. Some of these factors can be influenced by plan sponsor action such as improving contribution and participation rates, along with providing better tools and service and access to advice. Competing financial priorities can potentially be at least partially influenced through programs that help with emergency savings and student loan support, although smaller plans and employers may lack the resources to provide these strategies.

Exhibit 9: Participant Interest in Financial Advisors

If Your Workplace Retirement Plan Offered Access to an Advisor, Would You Use This Resource?



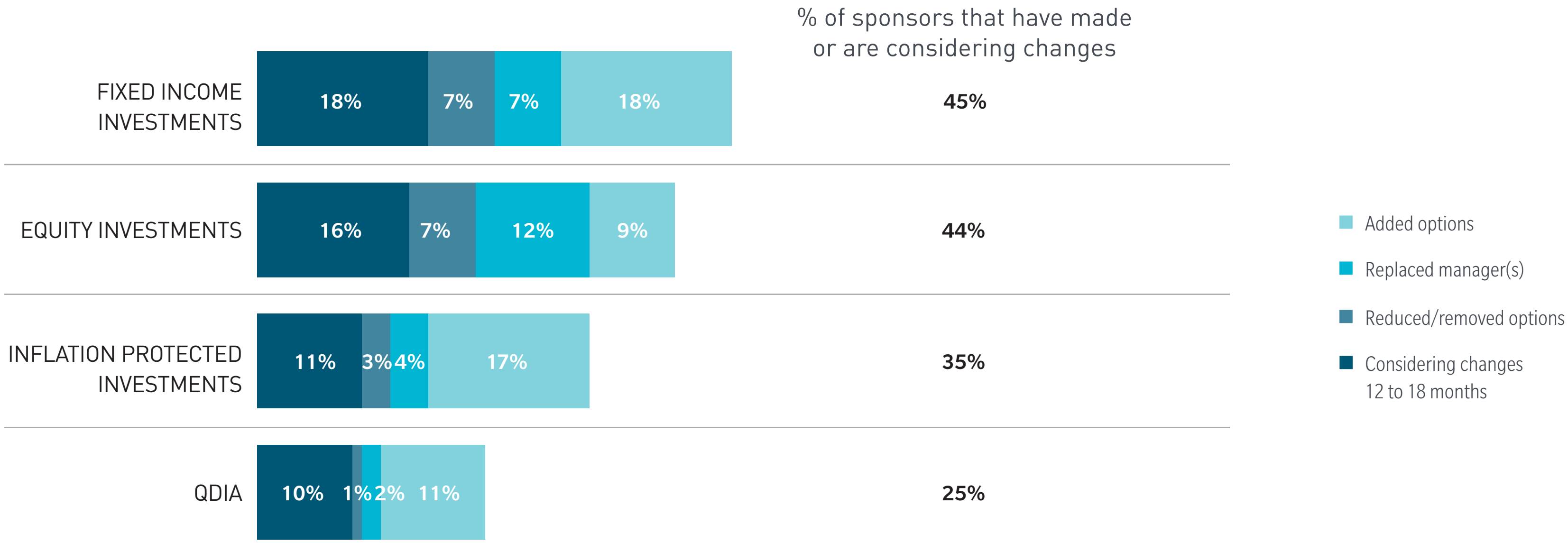
Employers will need to continue to bridge the gap between employee expectations and available resources, as the need for a personalized approach to retirement planning grows. Facilitating advisor connections also offers an opportunity for employers to foster a culture of financial preparedness for their workforce.

/ STRATEGIC INVESTMENT OUTLOOK /

In a volatile market environment, plan sponsors are making changes to their investment lineups, with sponsors more likely to add fixed income and inflation protection options than equity options.

The survey showed sponsors are more likely to replace equity managers than fixed income managers, and QDIAs tend to see fewer changes than core menu options.

Exhibit 10: Plan Investment Lineup Changes



Even with potential lineup changes on the horizon, simplicity is key as most sponsors provide a streamlined investment menu, with 20% offering fewer than 10 investment options, and 45% offering 10 to 14 options. Simplified investment menus can help improve overall plan efficiency while also helping to reduce decision paralysis among participants.

/ TDFS IN FOCUS /

The survey showed target date funds (TDFs) continue to dominate, with 90% of respondents offering TDFs and 80% using them as their QDIA. Large plans favor a primarily passive approach to TDFs, which likely reflects an increasing focus on ERISA litigation, while small and mid-sized plans are more likely to have a mix of active and passive funds in the TDF.

Collective Investment Trusts and separate accounts figure more prominently in large plans, while mutual funds are more commonly used in small plans, as shown below.

Exhibit 11: TDF Management Style

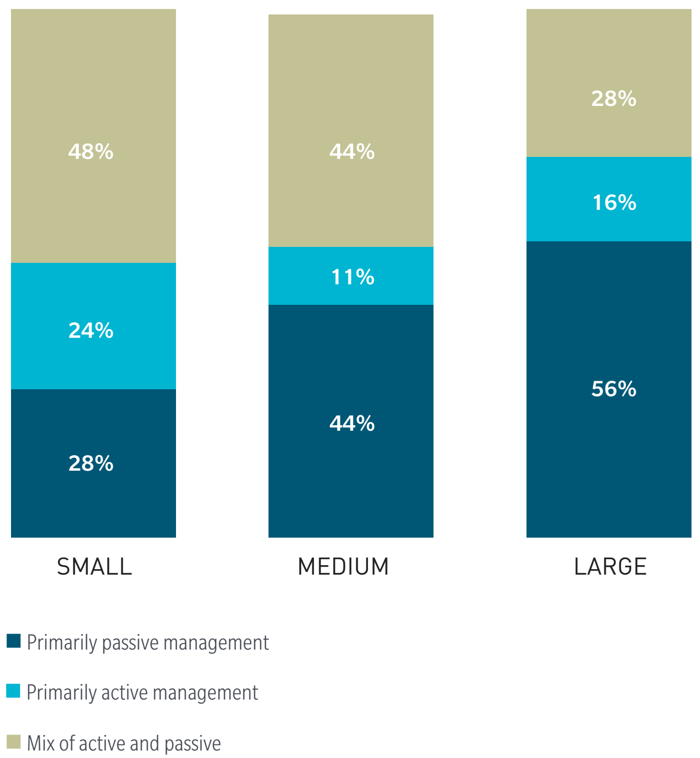
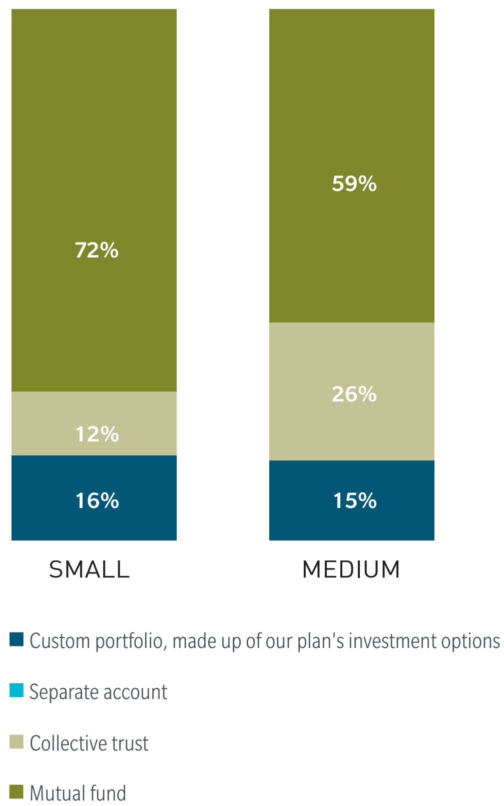
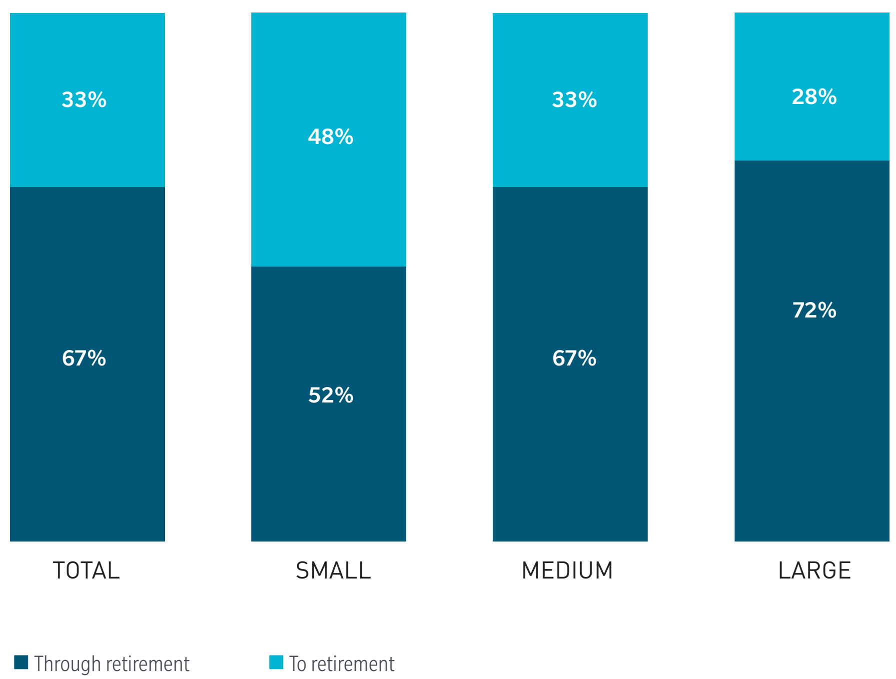


Exhibit 12: TDF Investment Vehicle



About two-thirds of sponsors offer a "through" retirement TDF, but small employers are roughly evenly split between "to" versus "through" strategies while 72% of large sponsors employ a "through" glidepath.

Exhibit 13: "To" Versus "Through" Retirement TDF Usage



The data highlights a potential disconnect with the 67% that offer a "through" glidepath as, in theory, sponsors offering "through" glidepaths and we feel should have a higher desire to keep participants in plan after retirement.

We asked sponsors about their philosophy on keeping participant assets in plan post-retirement and their views on retirement income solutions. Only 40% of sponsors actively encourage participants to stay in the plan after they retire.

/ RETIREMENT INCOME /

The survey showed employers are intent on broadening the decumulation options available to their participants beyond traditional lump sums. Overall, 69% of plans currently offer withdrawals beyond a lump sum payment, with an additional 16% either adding or evaluating the feasibility of new options. Large plans offer more options than small plans, with 83% offering options beyond lump sums compared to 48% of small and mid-size plans.

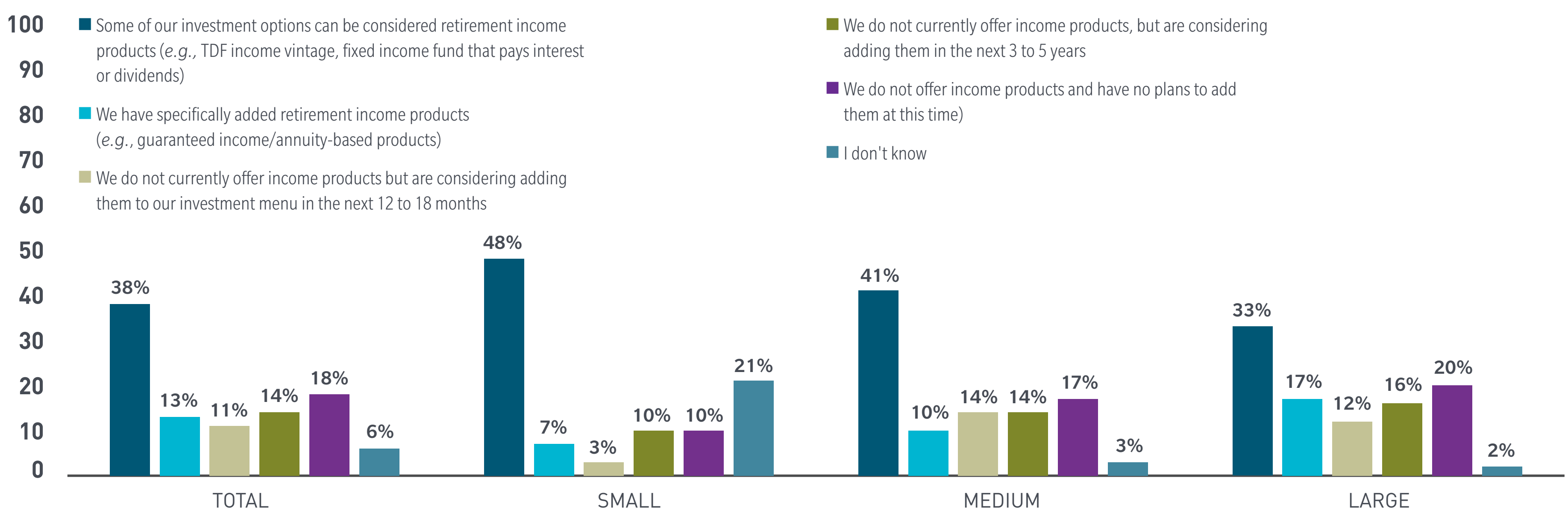
Looking closer at retirement income solutions, 51% of sponsors offer a retirement income product, but there is a wide variety in how this is manifested on the DC menu. Only 14% have specifically added a guaranteed income or annuity-based product, while 38% indicated that some of their investments, such as the TDF or fixed income offerings, could be considered a retirement income product. Not surprisingly, large employers are more likely to offer guaranteed income products.

The survey indicates that retirement income solutions will likely continue to slowly gain traction over the next few years.

However, retirement income solutions are not the only ingredient in building and working towards a successful retirement outcome. The MFS participant survey indicated that 63% of participants expect their retirement to be a gradual transition, where they may reduce hours or switch jobs, versus only 22% who anticipate a traditional "hard stop" at a fixed retirement age.

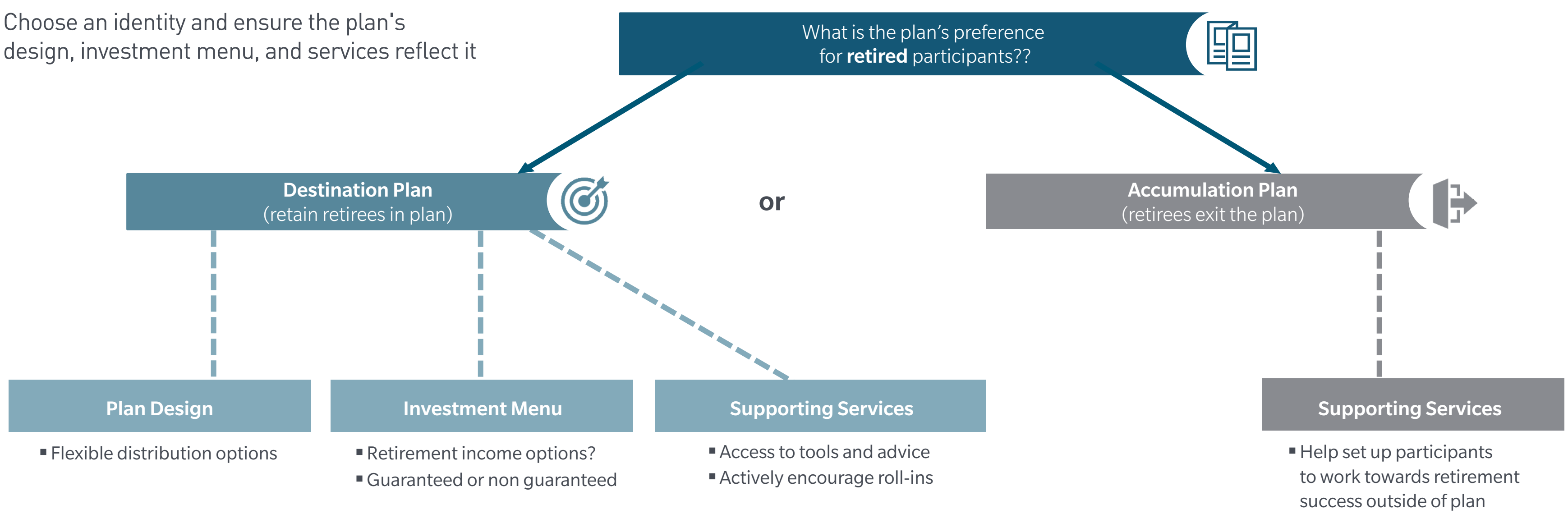
Sponsors are beginning to take steps to address this emerging workforce dynamic, with 26% currently offering programs that can allow employees to have a more gradual transition into retirement, through reduced hours rather than a hard stop. Encouragingly, an additional 23% of employers are considering implementing these types of programs which can benefit both employers and employees.

Exhibit 14: Retirement Income Product Offerings



We encourage sponsors to ask whether they want to sponsor an "accumulation plan," where participants accumulate assets and exit the plan upon retirement, or a "destination plan," where participants are encouraged to stay in plan upon retirement.

Exhibit 15: Decision to Make: Destination Plan or Accumulation Plan



There is no right or wrong answer, and sponsors will make different decisions based on their individual situations. For those that do want to sponsor a destination plan, there are three key dimensions to consider:

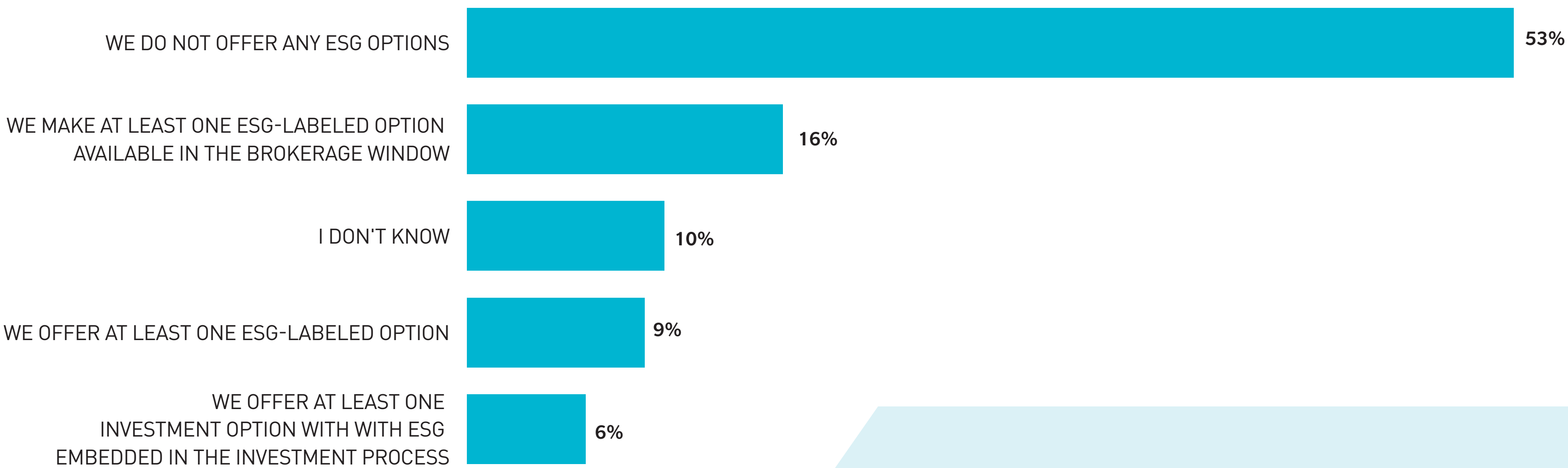
1. The plan's design, in particular its ability to allow flexible distribution options in retirement.
2. The investment menu: What investments are you offering to keep retirees in the plan and what level of guaranteed options make sense?
3. Supporting services, including tools and potentially access to advice.

> Too often, we find that the retirement income conversation is almost wholly focused on investment products that can be added to a DC plan menu as the proverbial silver bullet solution. While investments will undoubtedly be an important component of a plan's approach to positioning itself as a "destination plan," we believe decisions regarding the plan's design and how it will support retired participants are just as important.

/ SUSTAINABILITY /

When sponsors were asked which statement best describes the use of durable, long-term investments in their DC plans, their answers varied, with the majority indicating they do not offer any ESG options. Only 9% of plans offer an ESG-labeled option directly, while 16% make at least one option available through the brokerage window. An additional 6% of plans embedded ESG in at least one fund's investment process, as shown below.

Exhibit 16: Sponsors Use of Sustainable Investments/ESG in Plan



Plan sponsors are challenged with meeting the needs of a growing segment of their workforce that values sustainability and social responsibility. However, this continues to be a hot-button topic, with a highly politicized and ever-changing landscape. Plan sponsors' approach to this space reflects the complex issues involved.

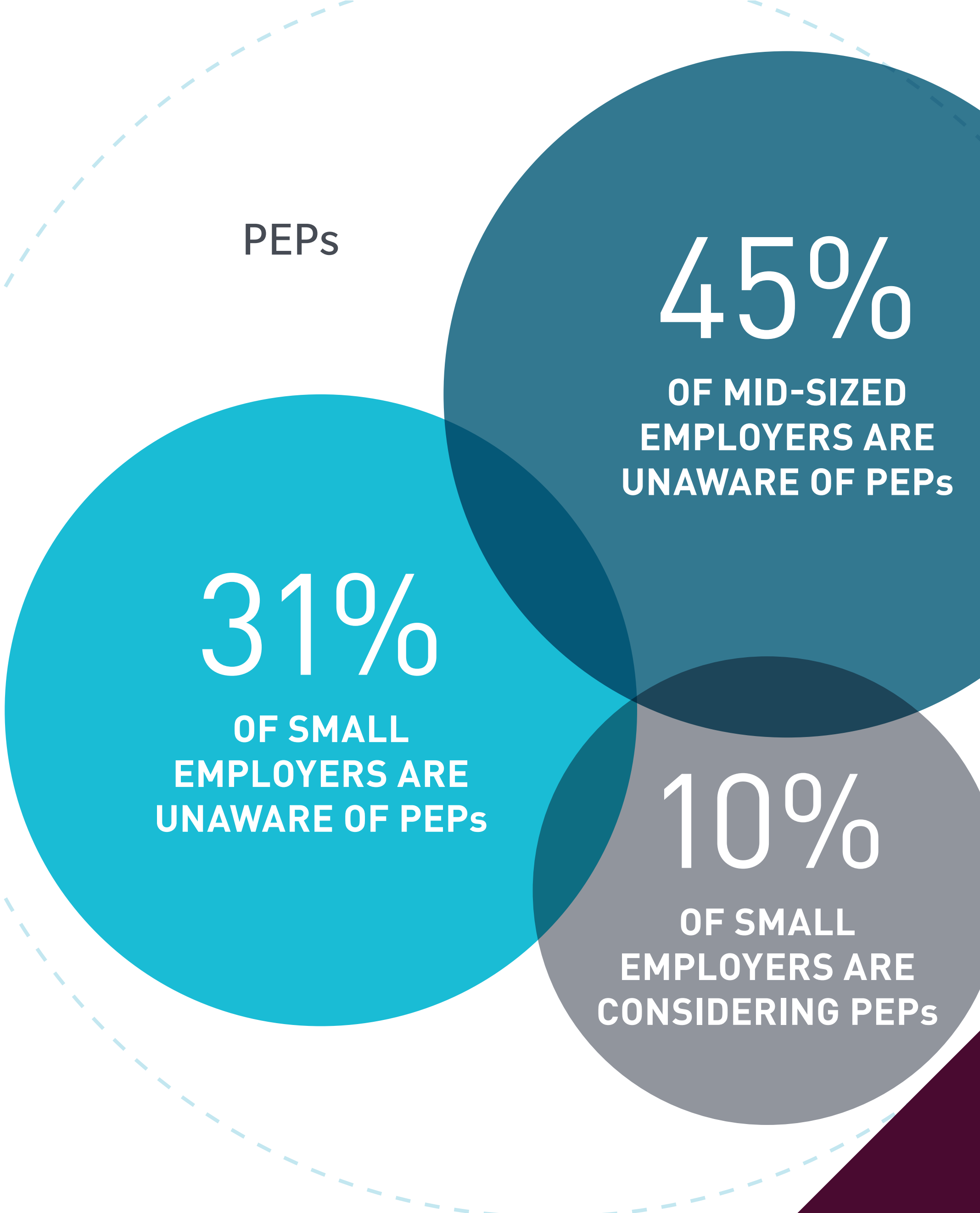
Please keep in mind that a sustainable investing approach does not guarantee positive results

/ PEPs /

While Pooled Employer Plans (PEPs) offer potential advantages for small and mid-sized employers, a notable percentage of small (31%) and mid-sized (45%) employers are unaware of PEPs. Furthermore, only 10% of small plans are considering PEPs as an alternative to their current DC plan structure, with no mid-size or large plans currently considering this option in the near term.

A POOLED EMPLOYER PLAN (PEP)

ALLOWS UNRELATED BUSINESSES TO PARTICIPATE IN ONE RETIREMENT PLAN MANAGED BY A POOLED PLAN PROVIDER (PPP). THE PPP HAS DISCRETION OVER PLAN ADMINISTRATION AND INVESTMENTS.

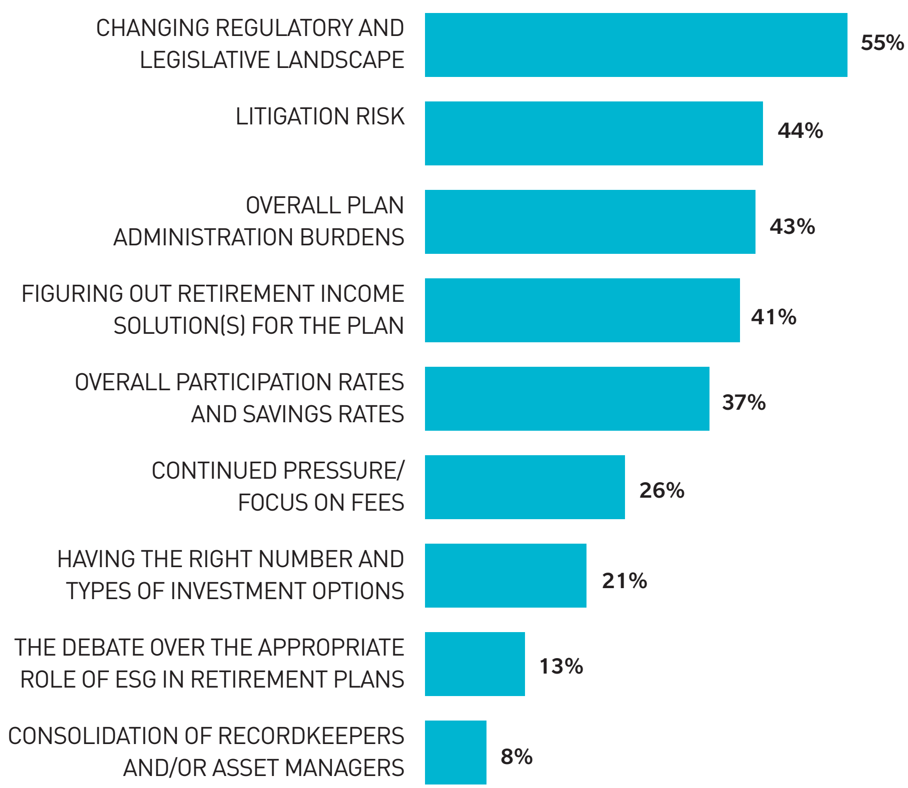


> While the industry has been focused on the role PEPs can play, more education and awareness are needed for plan sponsors.

/ EMPLOYERS' MIDNIGHT DILEMMAS: LITIGATION RISKS AND SECURE 2.0 /

The survey asked respondents what keeps them up at night, and topping the list was the changing regulatory and legislative landscape, followed by litigation risk.

Exhibit 17: What Keeps Plan Sponsors Up at Night



However, the worries differ depending on plan size, as shown below.

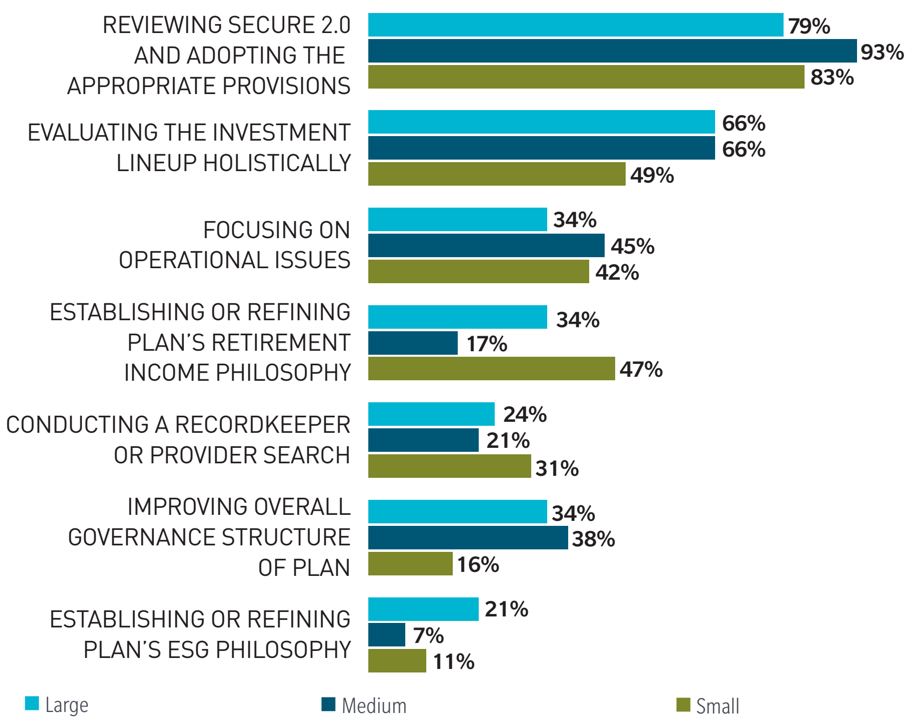
Exhibit 18: Top Concerns of Plan Sponsors by Plan Size

	SMALL	MEDIUM	LARGE
Top concern	Changing regulatory landscape	Participation rates	Litigation risk
Second concern	Participation rates	Administrative burdens	Changing regulatory landscape
Third concern	Administrative burdens	Changing regulatory landscape	Retirement income solutions

When queried, 70% of employers indicate they actively consider ERISA litigation as an input to their decision making, with 14% stating that they offer passively managed options as a result.

Turning to top areas of focus for the next 12 months, SECURE 2.0 implementation led the list.

Exhibit 19: Areas of Focus over Next 12 Months

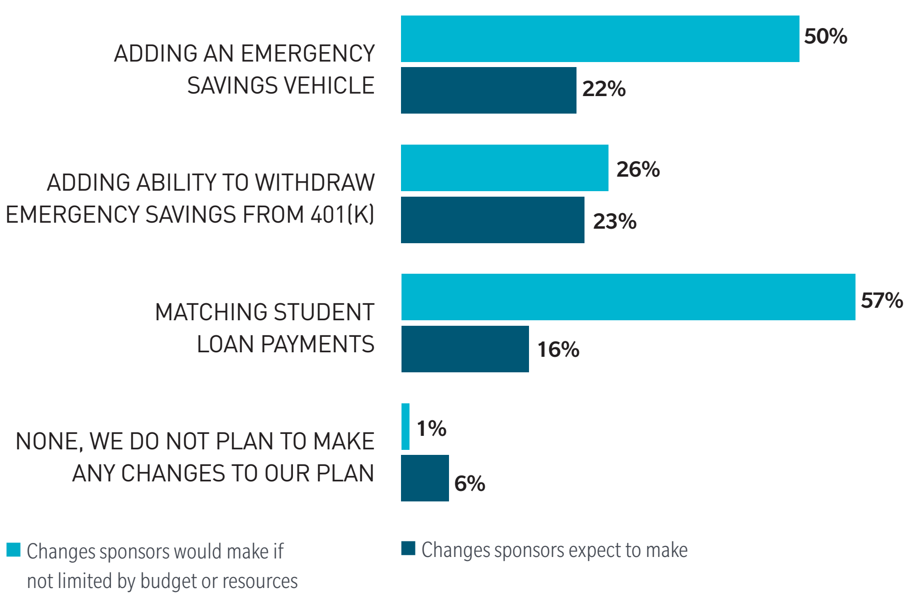


The differing priorities across employer sizes indicate that distinct strategies to address these challenges may be needed, but the common focus on SECURE 2.0 showcases a collective, industry-wide response to evolving regulations.

With SECURE 2.0 now a year old, sponsors continue to take stock of the wide range of provisions that cover several areas, including financial wellness. We asked sponsors which of these provisions they planned to implement and found a combined 45% plan to add emergency savings features. However, when asked what changes they would make if they were not limited by budget or resource constraints, the answers change considerably, with 57% indicating they would match student loan payments, and a combined 76% indicating they would create a vehicle for or provide access to 401(k) assets for emergency savings.

This demonstrates that sponsors recognize their participants could benefit from these features, and we will see how the market responds in 2024 when these features become permissible in DC plans.

Exhibit 20: How Plan Sponsors are Thinking About SECURE 2.0 Provisions



Appendix

/ METHODOLOGY /

A quantitative, blind survey was conducted from September to November 2023 of 141 plan sponsors of varying asset sizes. All survey respondents were promised anonymity and are not identified in this report. Plan sponsors were based in the United States and sourced through the DCIIA Plan Sponsor Institute (PSI). DCIIA Plan Sponsor Institute (PSI)., an independent third-party research provider, conducted the study. MFS was not identified as the sponsor of the study. MFS Investment Management nor its subsidiaries is affiliated with DCIIA Plan Sponsor Institute (PSI).

The asset size classes of plan sponsors were identified as such:

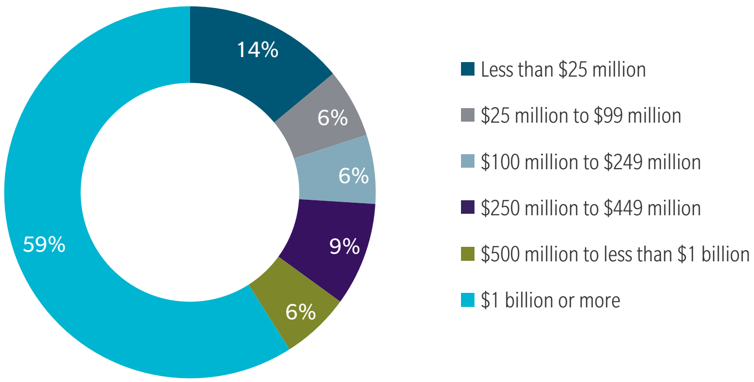
- Small plans: <$25 million to $99 million
- Mid-size plans: $100 million to $999 million
- Large plans: $1 billion or more

Industry practitioners were screened and selected using the following criteria:

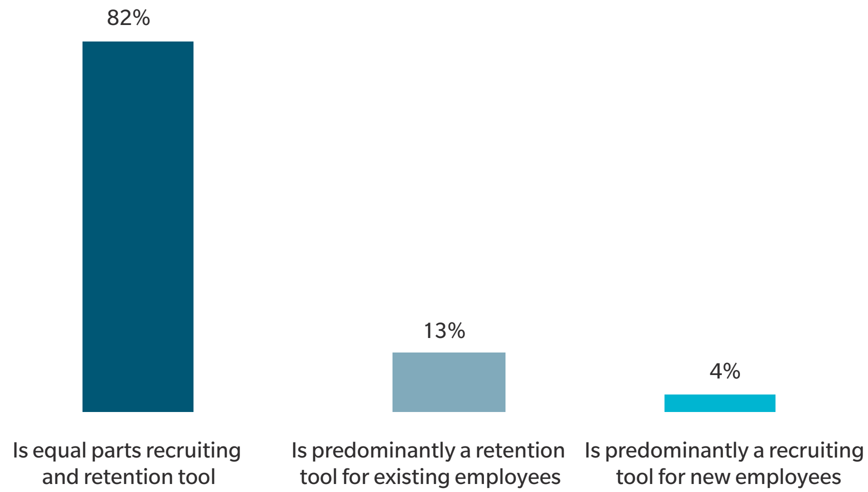
- Offered defined contribution plan (401(k), 403(b), and/or 457)
- Primary defined contribution plan was governed by ERISA

/ DETAIL ON SELECTED SURVEY QUESTIONS /

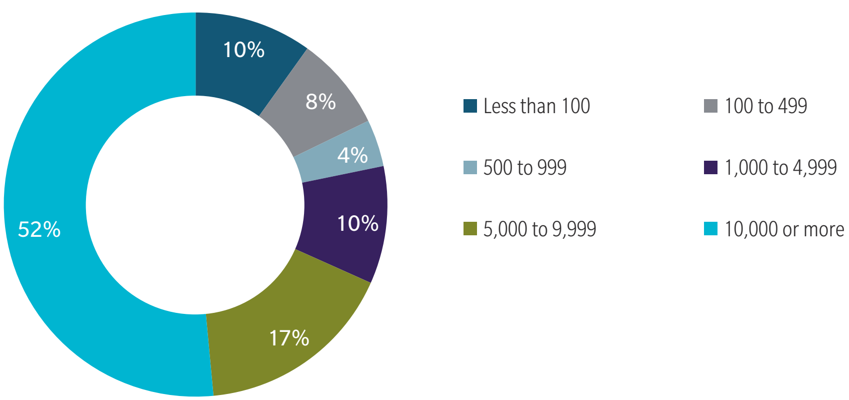
Q8: What is the total value of the assets in your primary DC plan?



Q12: Which statement best describes the main goal of your company's primary DC plan?



Q9: How many employees participate in your primary DC plan?



Q13: When thinking about how your primary DC plan should serve your employees, rank the following in terms of importance.

#1
A tool for employees to **accumulate wealth** throughout their working career

#2
A benefit we need to provide to be **competitive with workforce talent**

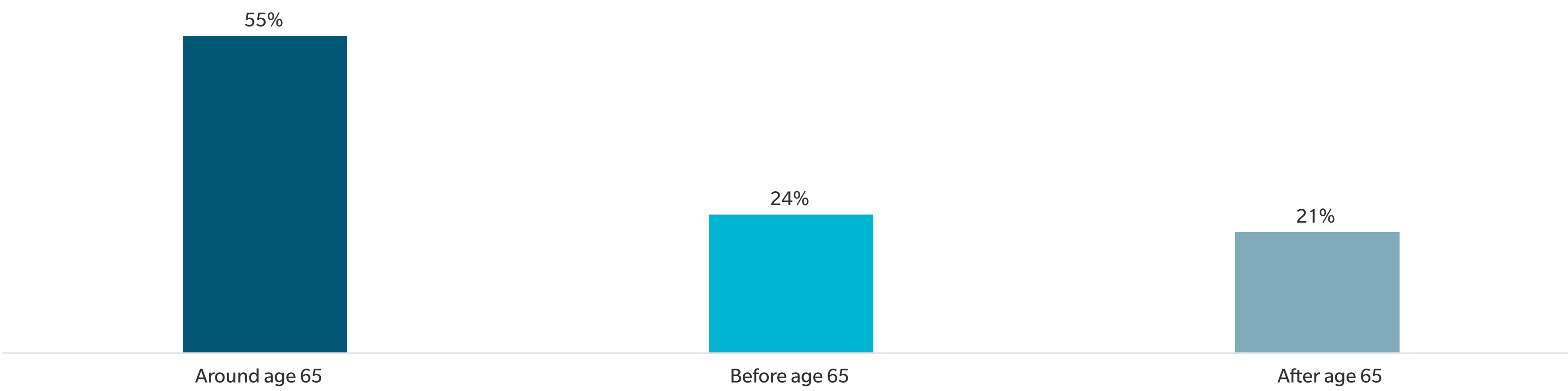
#3
A tool for employees to **decumulate assets** in retirement

Q14: Regarding plan sponsor responsibilities, rank the following in terms of importance to your organization.

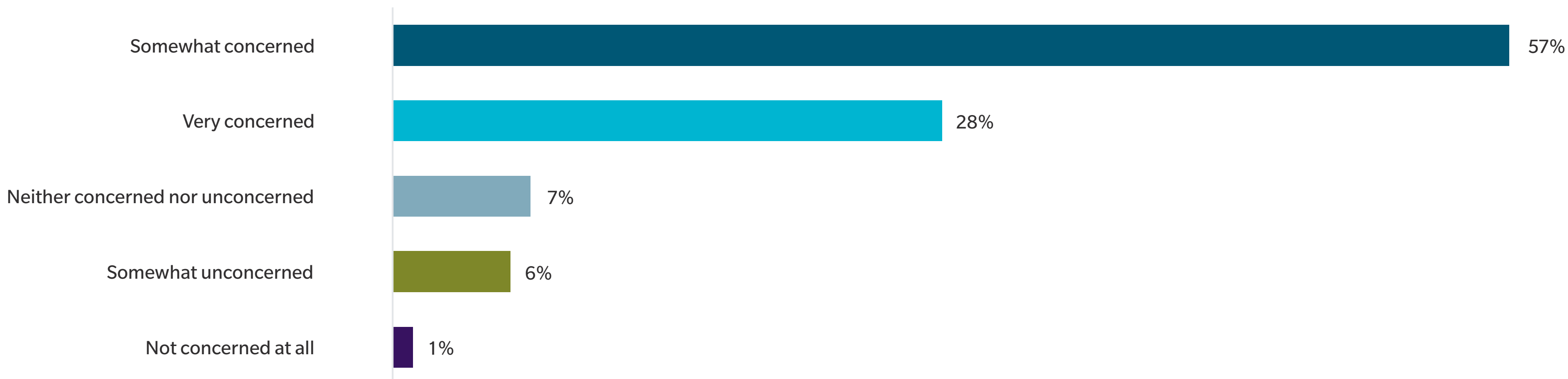
#1	Managing costs for plan and participants	74%
#2	Selecting and monitoring appropriate investment options	74%
#3	Educating employees about retirement saving and investing	60%
#4	Improving plan participation rates and plan design features	51%
#5	Ensuring recordkeeper is delivering high level of service	42%

Percentages indicate % ranked in Top 3

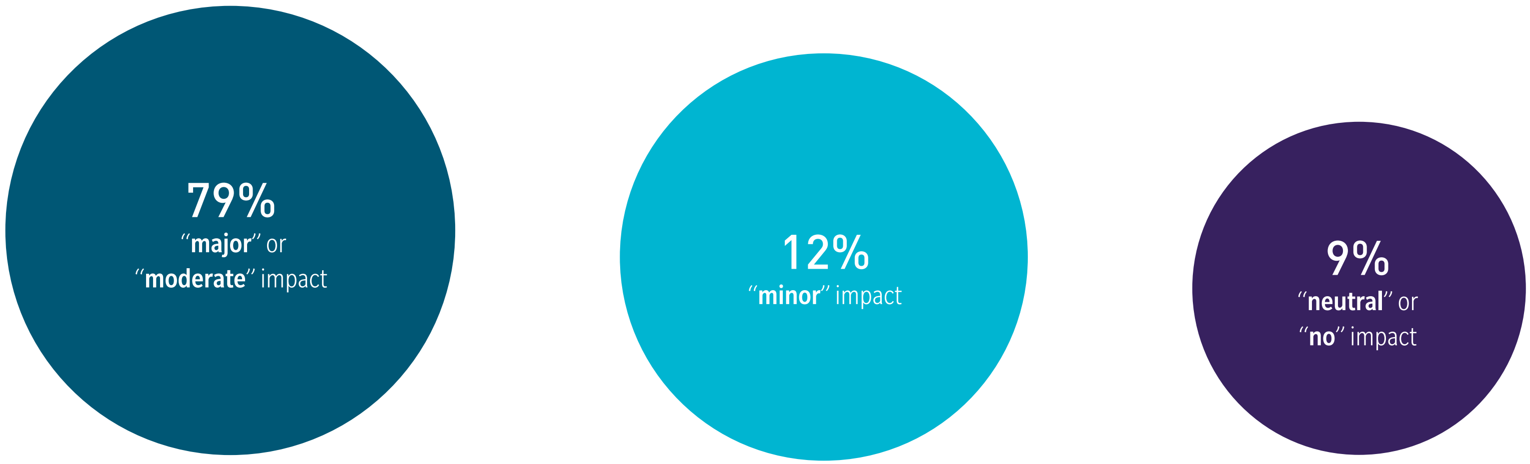
Q15: What is the average/typical age that your workers retire?



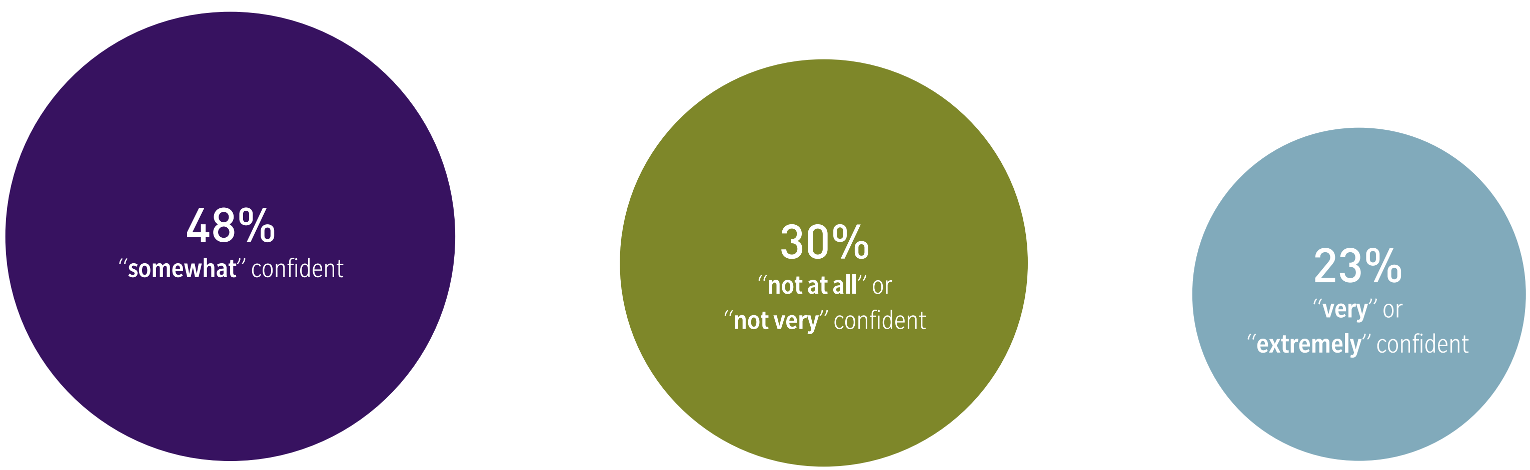
Q16: As an employer, how concerned are you about your participants' probability of achieving an adequate and secure income in retirement?



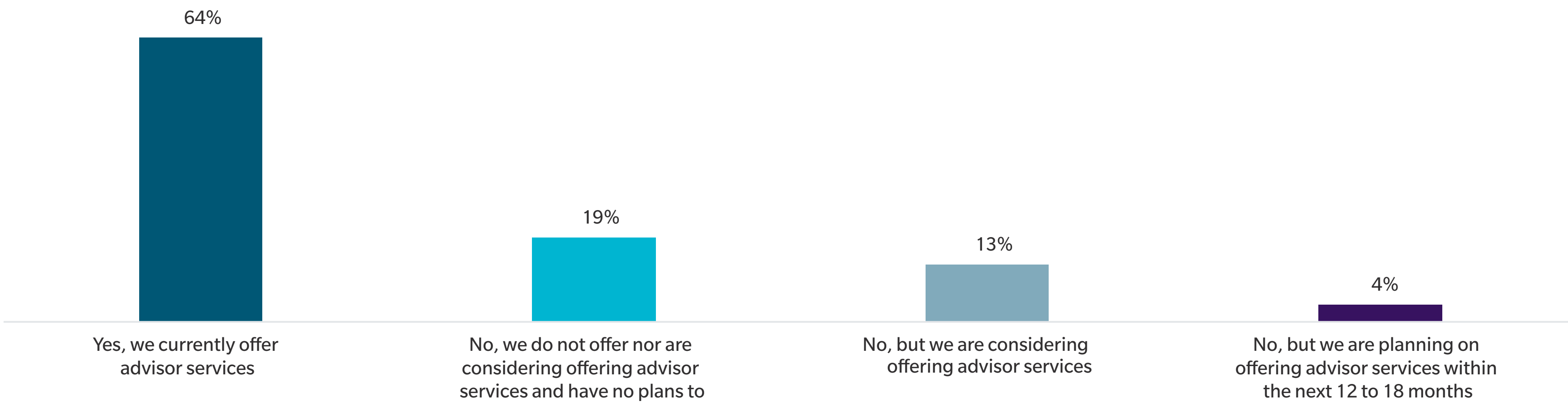
Q17: What impact do competing financial priorities have on your participants ability to save for retirement?



Q18: How confident are you that your plan participants will be able to retire at the age they want to?

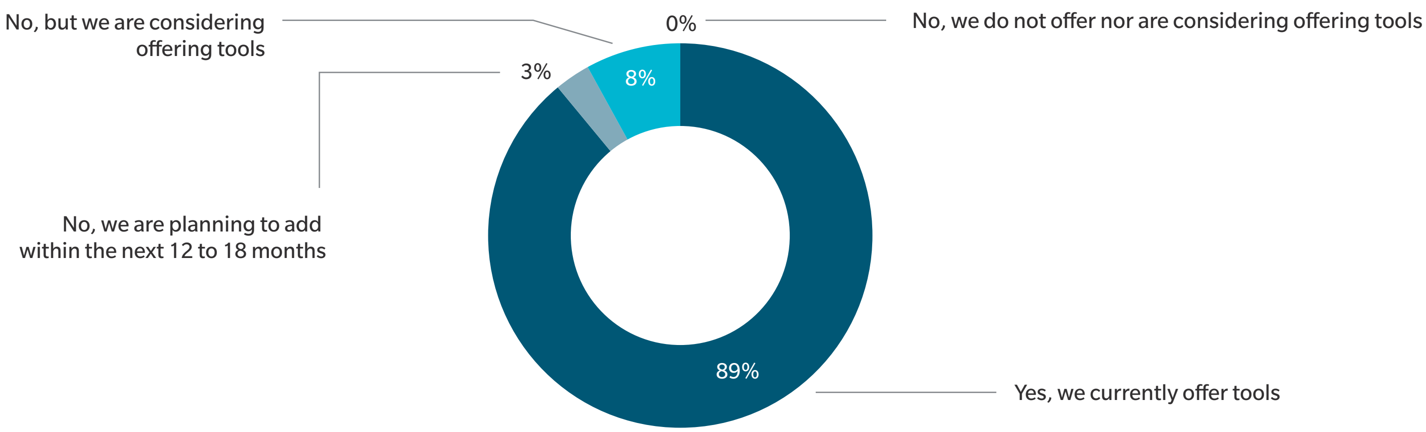


Q20: Does your primary DC plan offer participants access to an advisor?

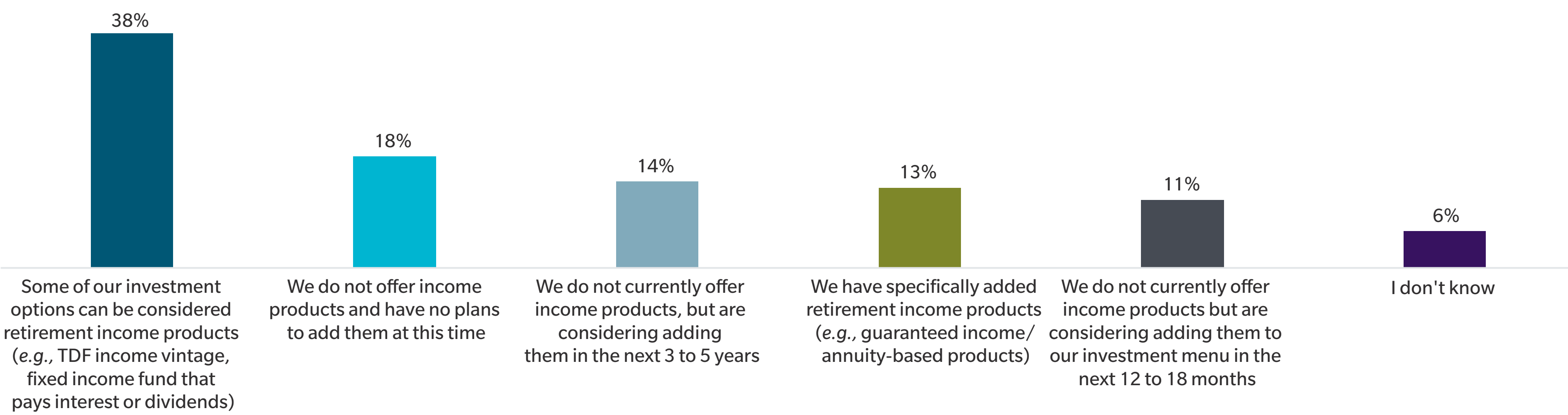


Q21: How do DC plan participants access the advisor?

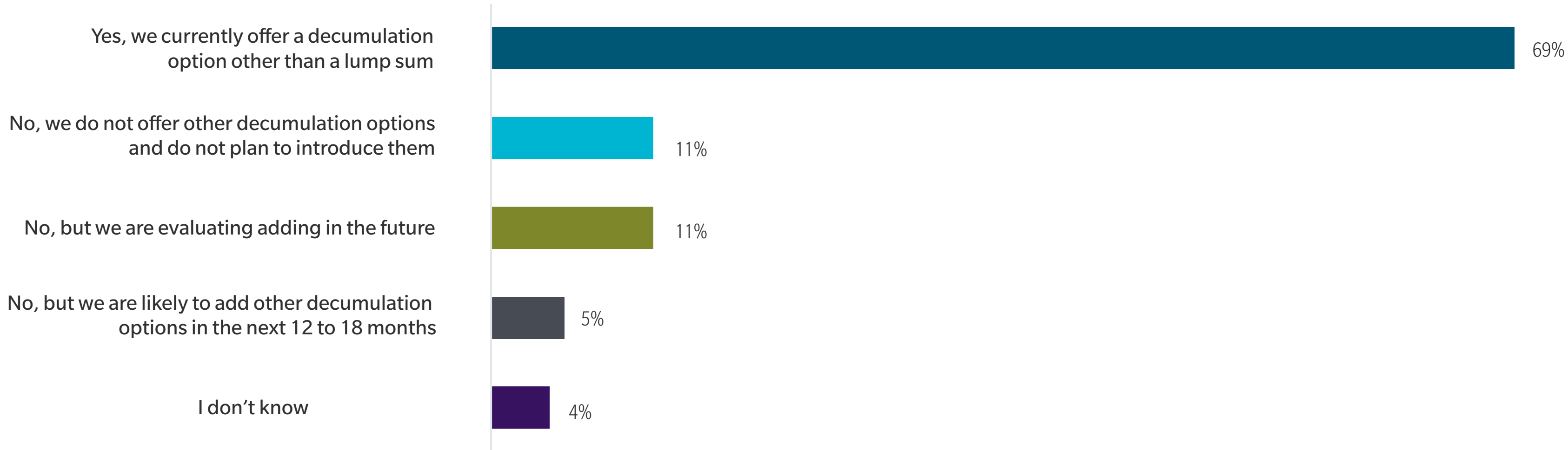
Q22: Does your plan offer participants any retirement income planning tools? (*e.g.*, budgeting tools, income calculators).



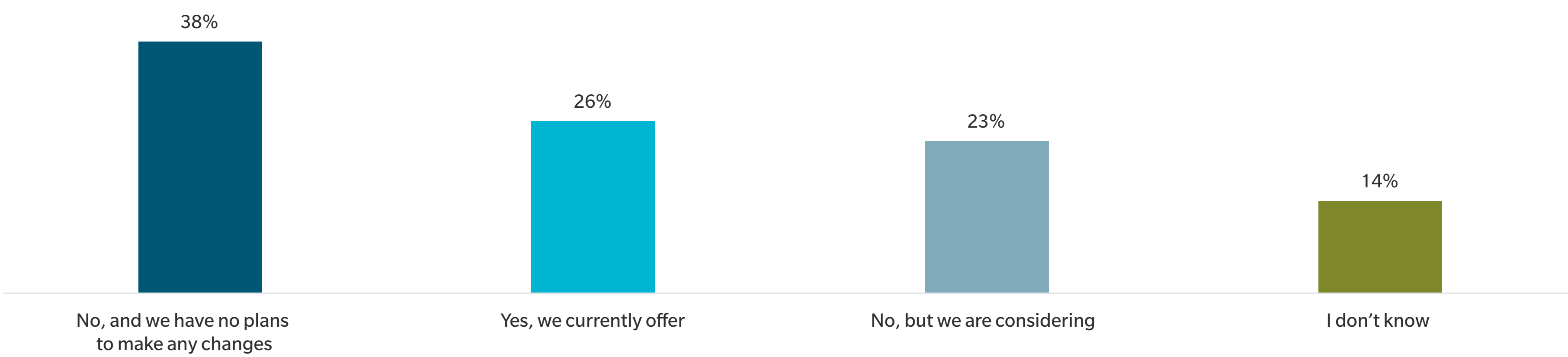
Q23: Which statement best describes your primary DC plan's use of retirement income investment products? (*e.g.*, investment options that provide income or help distribute income)



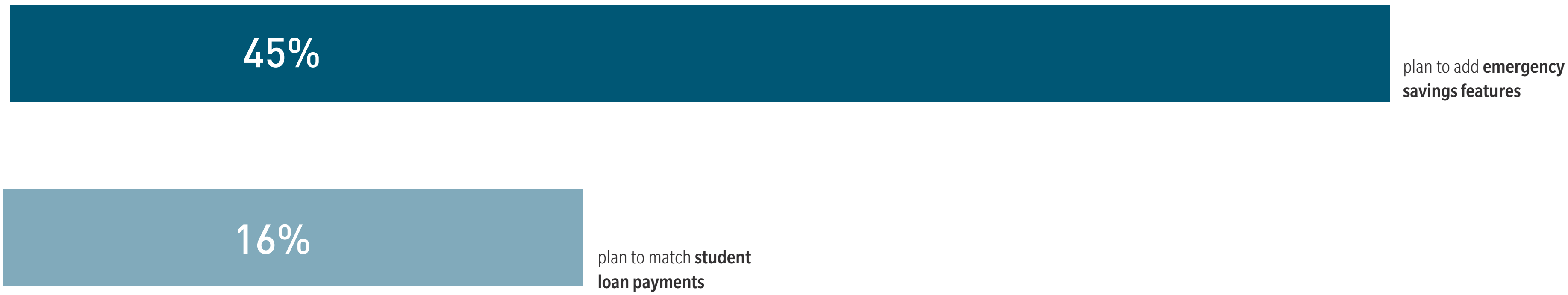
Q24: Does your primary DC plan offer decumulation options for participants other than a lump sum?



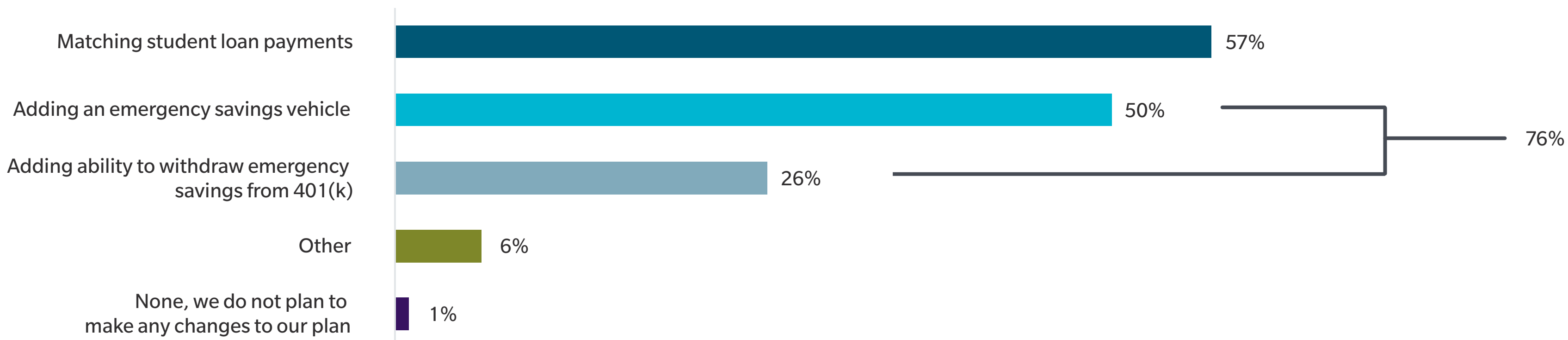
Q25: Do you currently have programs in place that allow employees to have a more gradual employment transition into retirement where they reduce hours rather than a hard stop?



Q26: Thinking about SECURE 2.0, what changes do you expect to make to your primary DC plan?



Q27: Thinking about SECURE 2.0, if you were NOT limited by budget or resource constraints, what changes would you make to your primary DC plan?



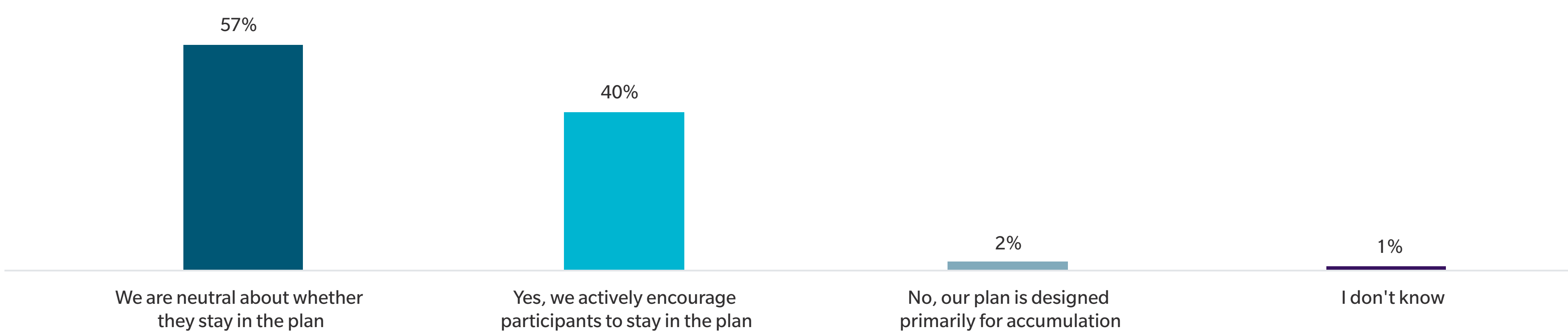
Q28: Please rank these changes in order of importance.

#1
Adding an **emergency savings vehicle**

#2
Matching **student loan** payments

#3
Adding ability to **withdraw emergency savings** from 401(k)

Q29: Does your plan want to keep participants' assets in the plan after they retire?



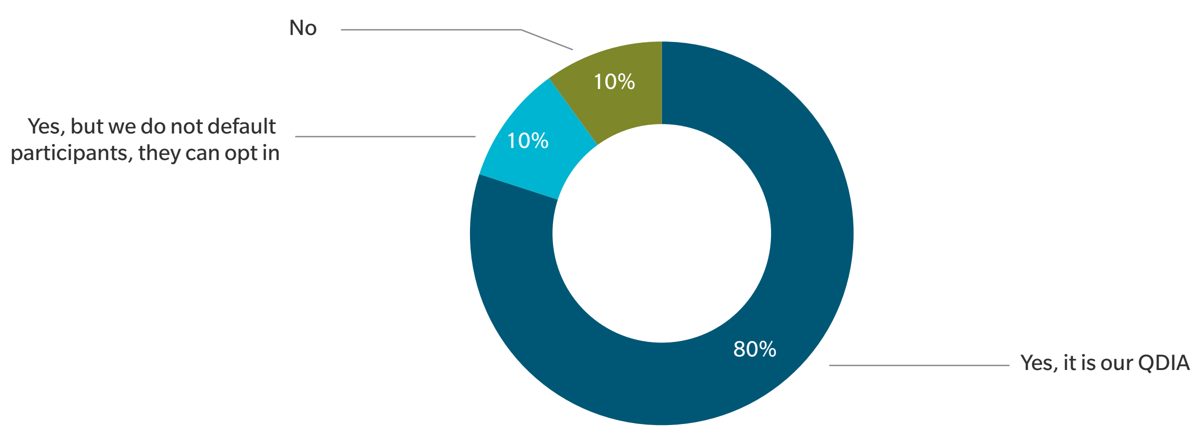
Q30: Why do you want to keep participants in the plan after they retire?

#1
To maintain **low investment and administrative fees**

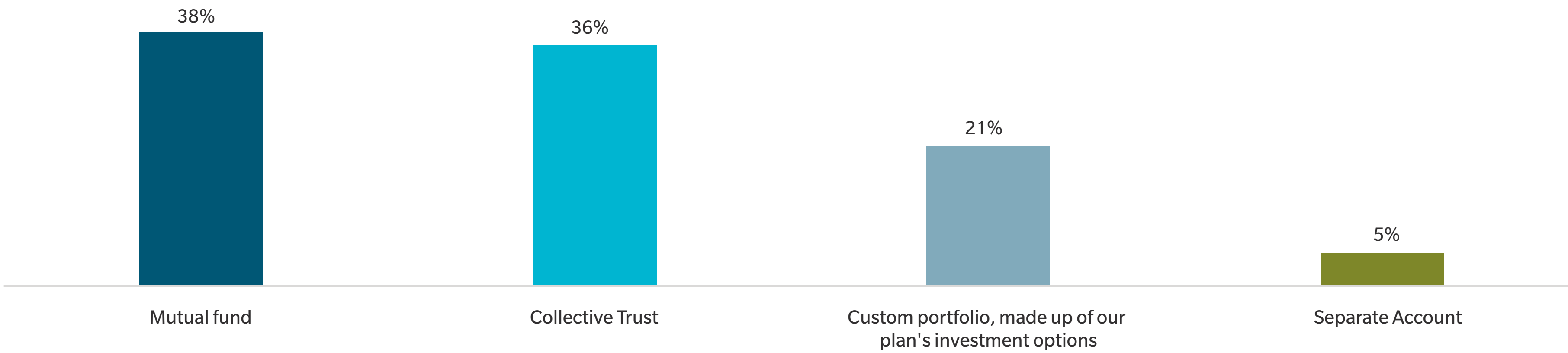
#2
To help our employees with **access to trusted solutions** because it is the right thing to do

#3
To encourage an **orderly workforce turnover** for long-term talent planning

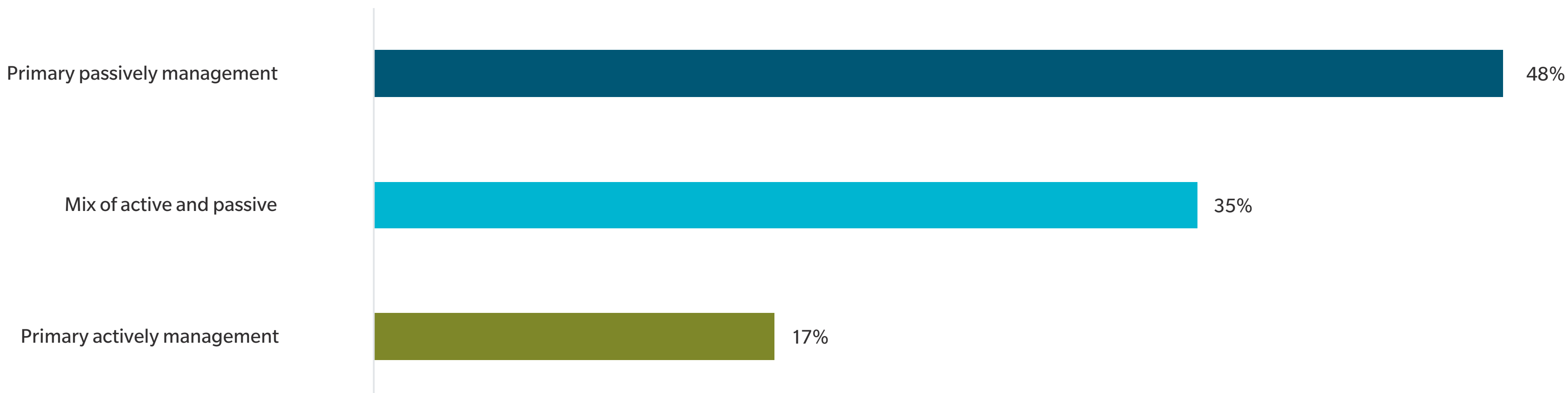
Q32: Does the primary DC plan offer target date funds?



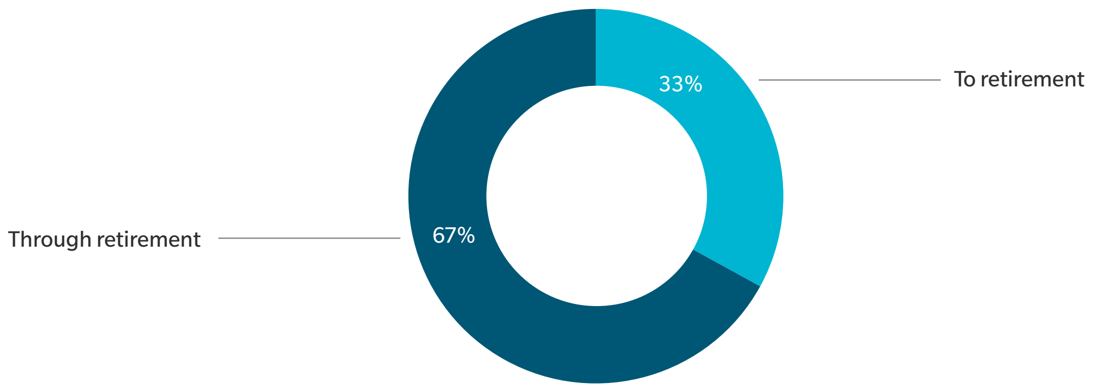
Q33.1: What type of TDFs do you have in your plan? – Portfolio Vehicle



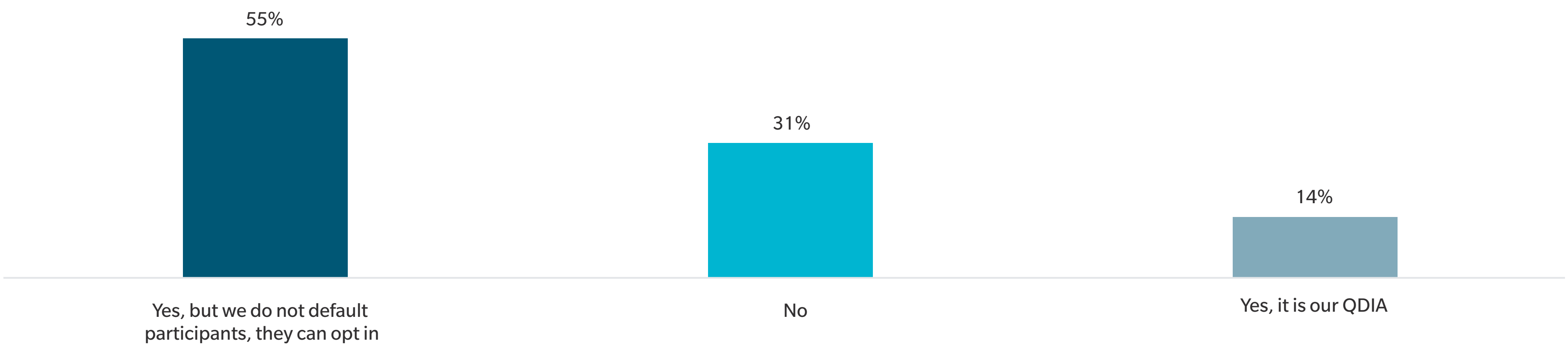
Q33.2: What type of TDFs do you have in your plan? – Management Style



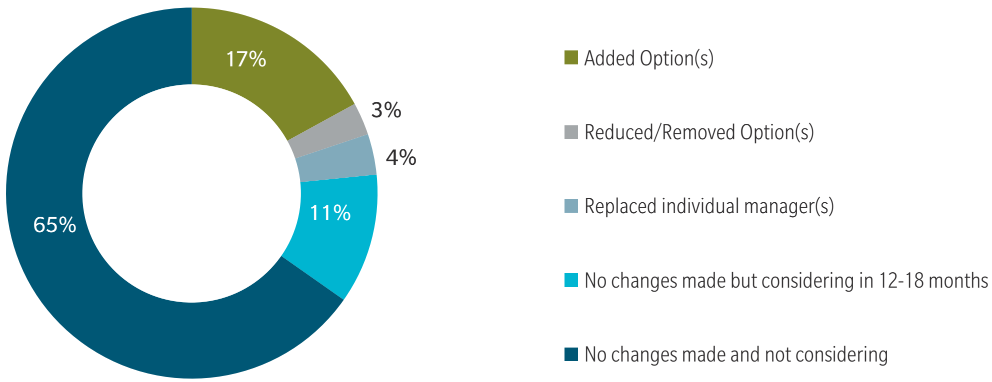
Q33.3: Managed to/through retirement, does the glidepath end at retirement age or does the portfolio continue to get more conservative through retirement?



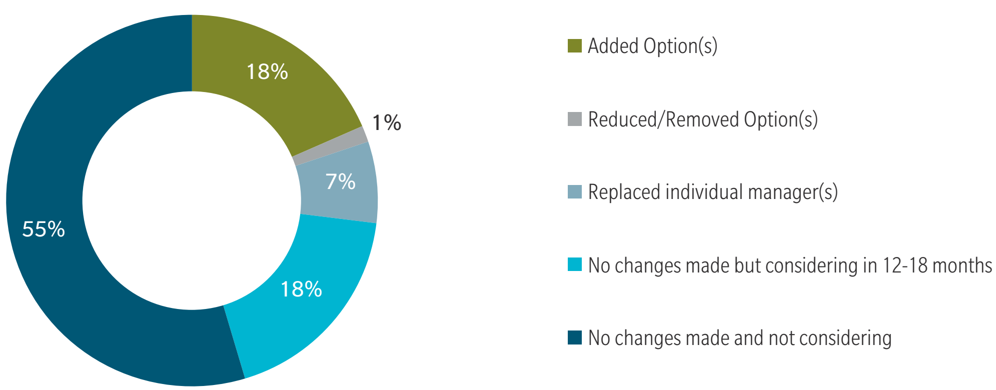
Q34: Does the plan offer managed accounts?



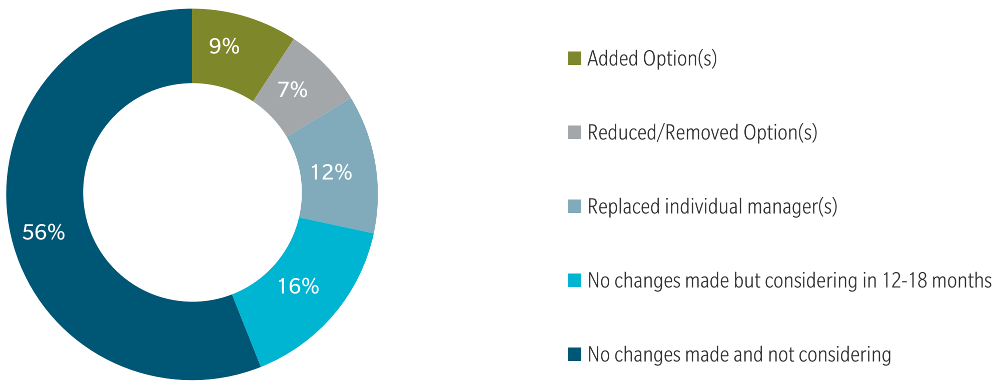
Q35.1: What changes have been made or are being considered to the plan's investment lineup related to Inflation Protection Investments?



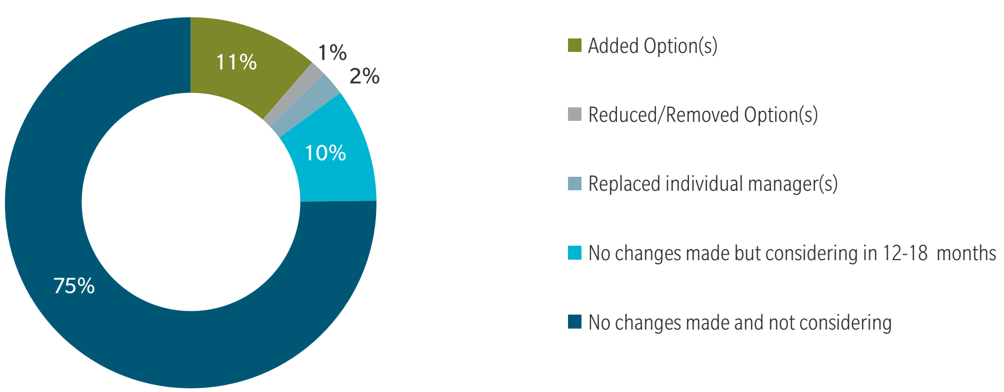
Q35.2: What changes have been made or are being considered to the plan's investment lineup related to Fixed Income Investments?



Q35.3: What changes have been made or are being considered to the plan's investment lineup related to Equity Investments?



Q35.4: What changes have been made or are being considered to the plan's investment lineup related to the QDIA?



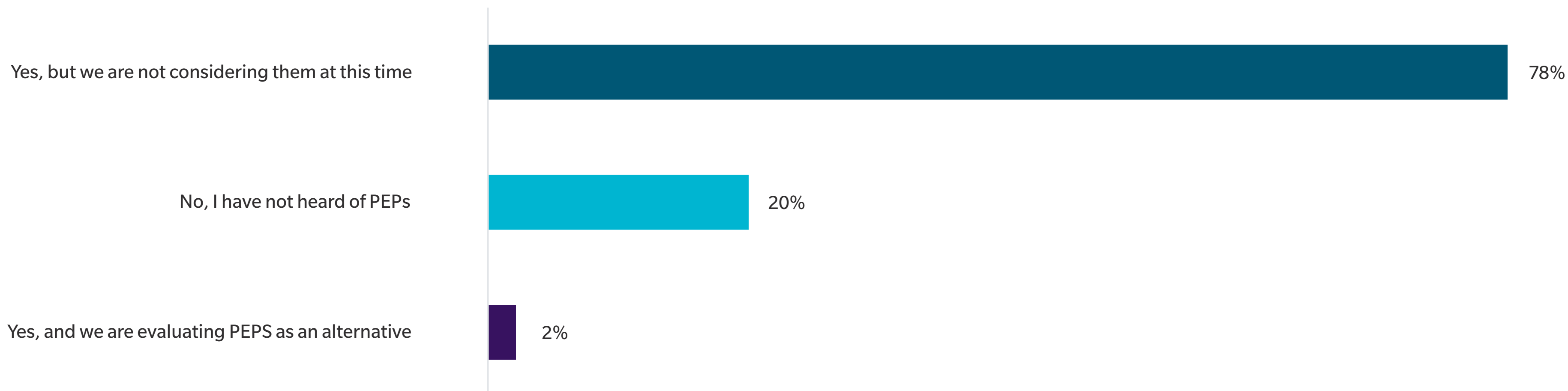
Q36: How do you think about ERISA litigation in the context of making plan decisions?

70%
use it as an **input** to the decision-making process

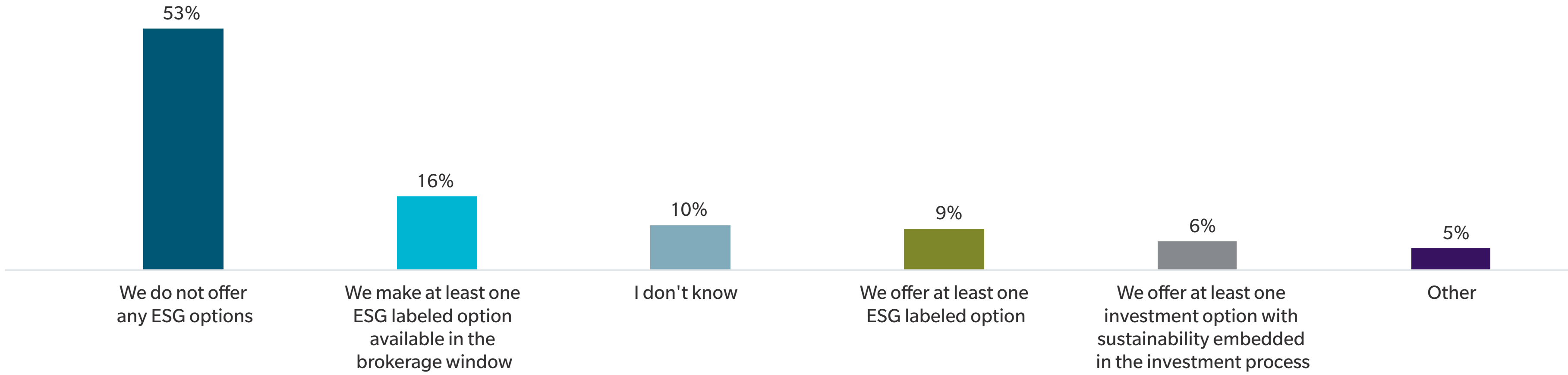
15%
offer more **passively managed options** as a result

15%
do not think about potential litigation when considering their fiduciary duty

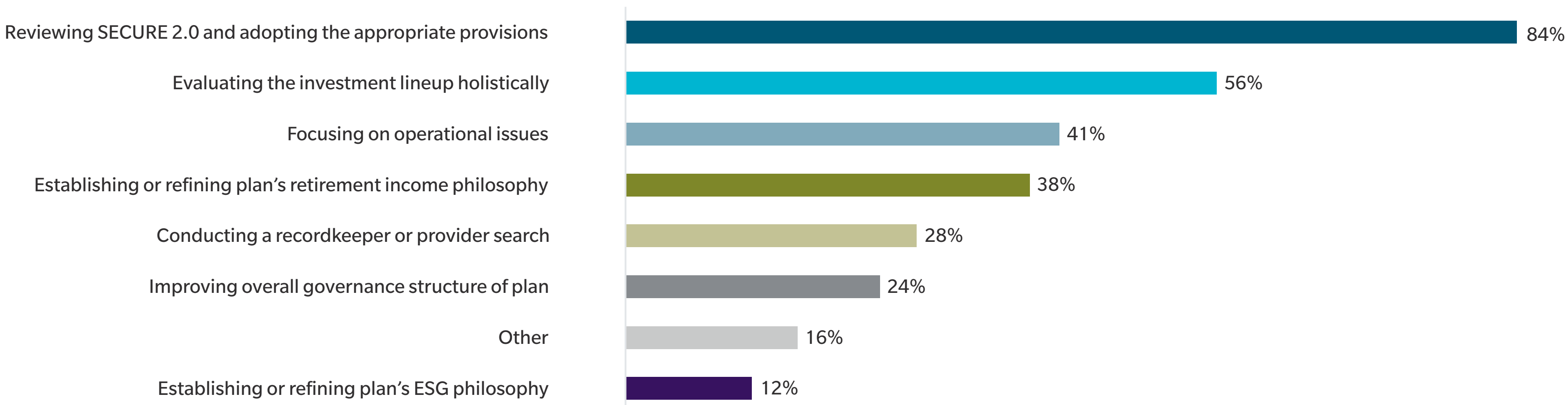
Q37: Are you aware of Pooled Employer Plans, or PEPs?



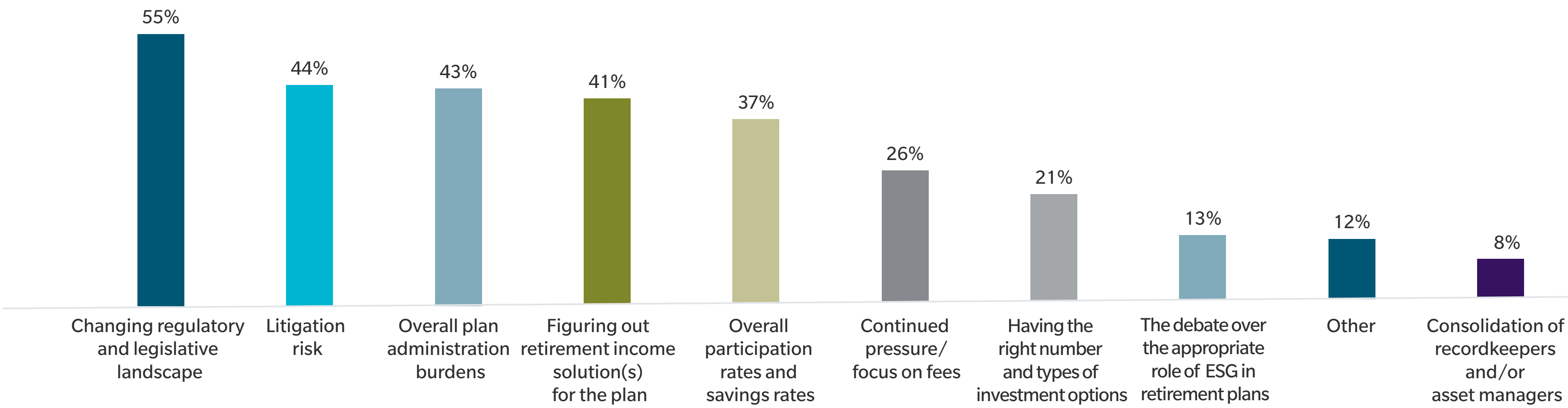
Q38: Which statement best describes use of sustainable investments or ESG in your plan?



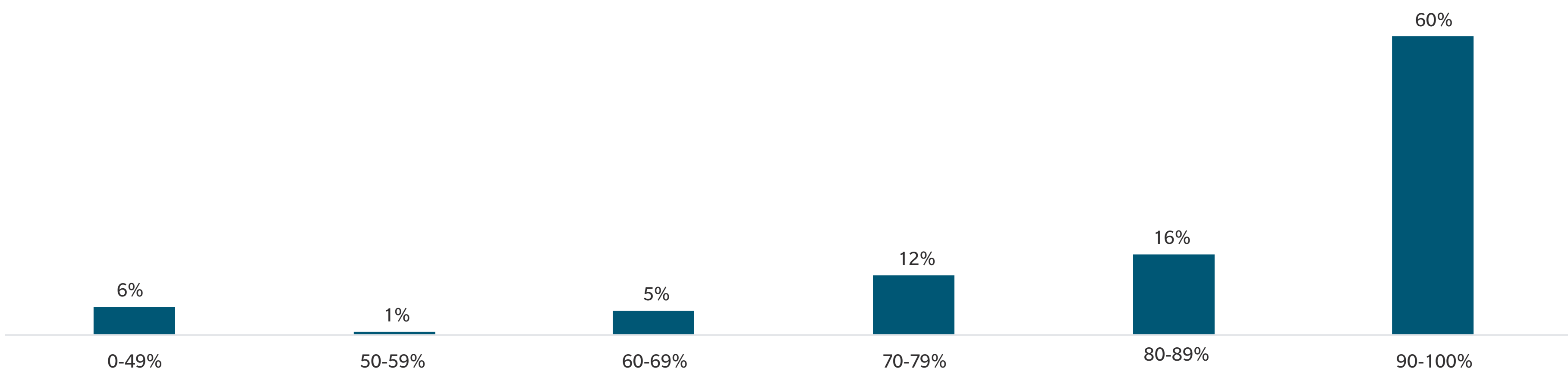
Q39: What are your plan's top three areas of focus over the next 12 months?



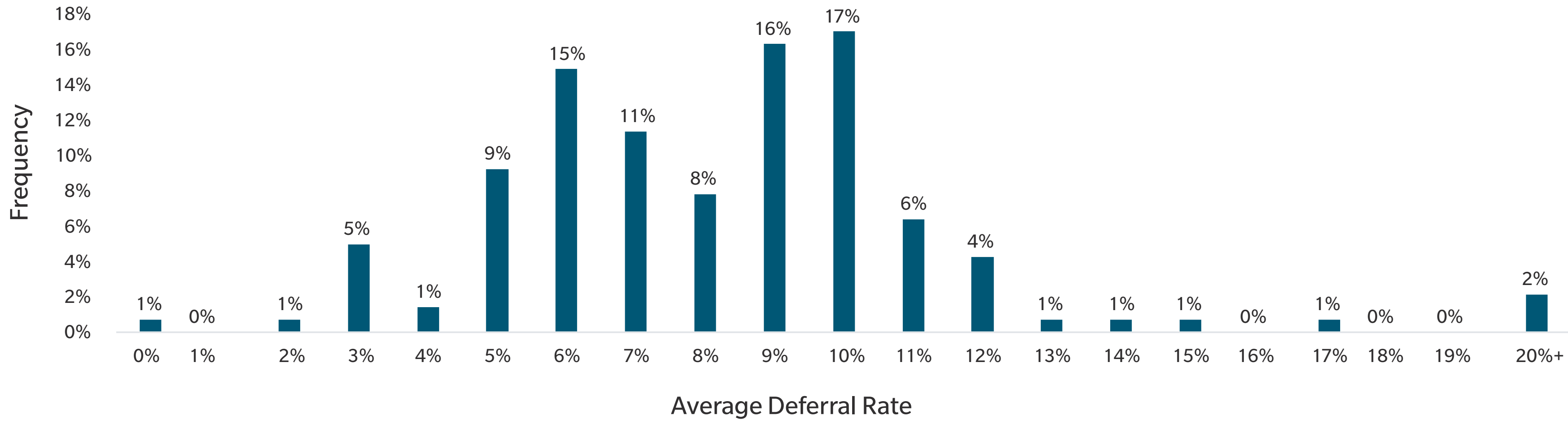
Q40: What are your top three worries that keep you up at night?



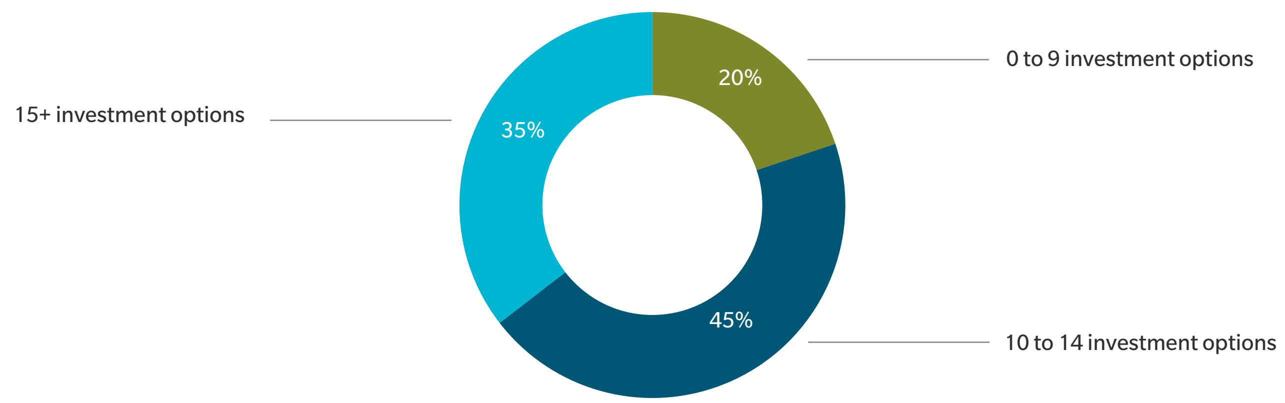
Q41: About what percentage of the employees in your organization who are eligible to participate in your DC plan are either currently contributing to or have a balance in the plan?



Q42: What is your DC plan participant's average deferral rate?



Q43: Counting a target date series as one, how many different investment options do you offer in the core menu of your DC plan? Brokerage windows are excluded.



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