
SHRM[®] RETIREMENT & WELFARE CUSTOMIZED BENCHMARKING REPORT



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**** Fictitious Data ****

**THANK YOU FOR ORDERING A
SHRM 2011-2012 CUSTOMIZED
RETIREMENT AND WELFARE
BENCHMARKING REPORT**

Your report is based on the following criteria:

SELECTION CRITERIA

Industry: Your Industry

Staff Size: Your Staff Size

SHRM Customized Human Capital,
Health Care, Employee Benefits
Prevalence, and Employee Job
Satisfaction and Engagement Reports
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A GUIDE TO YOUR SHRM® CUSTOMIZED BENCHMARKING REPORT

Understanding the Data

As you compare your own data against the other organizations, please keep the following in mind:

1. This report is based on data derived from the SHRM Customized Benchmarking Database, which contains data from a random collection of U.S. companies of all sizes and types. The report is designed to target companies that closely match the selected criteria to allow for a more focused and comparable analysis and interpretation. Therefore, any interpretations of these data should be kept within this context.

2. A deviation between your figure for any retirement or welfare measure and the comparative figure is not necessarily favorable or unfavorable; it is merely an indication that additional analyses may be

needed. Retirement or welfare measures that relate more closely to the context of your organization's industry and employee size are more descriptive and meaningful than information that is more generic in nature, such as all industries combined. The larger the discrepancy between your figure and those found in this report, the greater the need for additional scrutiny.

3. In cases where you determine that significant deviations do exist, it may be helpful to go back and calculate the same retirement and welfare measures for your organization over the past several years to identify any trends that may exist.

4. The information in this report should be used as a tool for decision-making rather than an absolute standard. Because companies differ in their total rewards strategy, location, size and other factors, any

two companies can be well managed, yet some of their retirement and welfare measures may differ greatly. No decision should be made solely based on the results of any one study.

Working With the Data

The information in this report is designed to be a tool to help you evaluate decisions and activities that affect your organization's retirement and welfare plans. When reviewing these data, it is important to realize that business strategy, organizational culture, benefits philosophies and industry pressures are just a few of the many factors that drive various benefits measures. For example, an industry that generally hires nonskilled labor, such as manufacturing, may have less costly benefit packages than the high-tech industry, which hires specialized knowledge workers. This is because organizations in the high-tech industry may need to have richer, more attractive benefits plans to make themselves more enticing in order to attract "hard-to-find" knowledge workers.

Absolute measures are not meaningful in isolation—they should be compared with one or more measures to determine whether a satisfactory level exists. Other measures, for example, might be your organization's past results in this area or comparatives based on organizational size, industry or geographic location.

Each table in the report contains customized retirement and welfare benchmarks in aggregated form. There may be discrepancies between your organization's retirement and welfare benchmarks and the average or median numbers for a particular category. It is particularly helpful to communicate to line managers and other executives that just because your organization has benchmarks that are different from the average or median, it does not mean they are favorable or unfavorable. Rather it may be the result of a particular total rewards strategy, special circumstances or other business initiatives that cause differences with your organization's benchmarks.

Notes

The data in this report were collected in the spring of 2011 and reflect plan year 2010. The number of respondents, indicated by "n," is composed of the organizations that responded to the specific benchmark for which the number is listed. Therefore, the number of peer organizations may vary from benchmark to benchmark. Some benchmarks are less frequently collected by organizations or may be more difficult to obtain. Therefore, some benchmarks show a smaller "n" than others. Some data are not displayed when there are fewer than five organizations for a specific metric.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

DEFINED BENEFIT AND PLAN TYPE PREVALENCE DATA

	n	Percentage
Defined benefits pension plan prevalence	121	41%

	n	Percentage
Traditional final average pension	70	23%
Traditional career average pension	13	4%
Cash balance plan	11	4%
Pension equity plan	8	4%
Other pension plan	23	3%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

DEFINED BENEFIT VESTING AND LUMP SUM DISTRIBUTION PREVALENCE DATA

	n	Percentage
Graded vesting period	30	31%
Cliff vesting period	68	69%

	n	Percentage
Lump sum distribution	60	56%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

DEFINED BENEFIT WAITING AND VESTING PERIODS

	n	25th Percentile	Median	75th Percentile	Average
Waiting period for participation for new employees	102	0 months	0 months	12 months	6 months
Length of vesting period	97	60 months	60 months	60 months	52 months
Length of graded vesting period	23	36 months	60 months	60 months	53 months
Length of cliff vesting period	64	54 months	60 months	60 months	51 months

* To ensure that the data are seen as credible, data for metrics with an “n” of less than 5 are not displayed.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

401(k) PLAN OR SIMILAR SUMMARY

	n	Percentage
401(k), 403(b) or similar prevalence rates	281	96%

	n	Percentage
Percentage of organizations providing employer contribution	229	85%
Percentage of organizations with automatic employee enrollment	87	31%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

401(k) PLAN OR SIMILAR VESTING AND EMPLOYEE CONTRIBUTION PREVALENCE DATA

	n	Percentage
Graded vesting period	112	60%
Cliff vesting period	75	40%

	n	Percentage
Allow employee pre-tax contributions	262	87%
Allow employee after-tax contributions	65	22%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

401(k) OR SIMILAR PLAN PARTICIPATION

	n	25th Percentile	Median	75th Percentile	Average
Employee participation rate	238	40%	60%	78%	57%
Monthly plan administration fee per participating employee	50	\$1.50	\$5.00	\$12.50	\$8.29
Length of vesting period	130	0 months	36 months	60 months	40 months
Length of graded vesting period	81	36 months	60 months	60 months	44 months
Length of cliff vesting period	43	12 months	12 months	36 months	15 months

* To ensure that the data are seen as credible, data for metrics with an “n” of less than 5 are not displayed.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

401(k) OR SIMILAR PLAN CONTRIBUTIONS

	n	25th Percentile	Median	75th Percentile	Average
Employer contribution as a flat percentage of salary	43	3%	5%	7%	5%
Percentage of employee's salary automatically contributed by employer	82	3%	4%	8%	5%
Percentage of an employee's contribution matched by the employer	195	50%	50%	100%	68%
Maximum percentage of salary matched by the employer	191	5%	7%	8%	6%
Maximum dollar amount of pay employees are allowed to contribute	77	\$5,500	\$8,500	\$16,000	\$8,694

* To ensure that the data are seen as credible, data for metrics with an "n" of less than 5 are not displayed.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

OTHER DEFINED CONTRIBUTION PLANS

	n	Percentage
Percentage of organizations providing profit sharing	38	13%
Percentage of organizations providing employee stock ownership plan	23	7%
Percentage of organizations providing money purchase plan	6	2%

	n	25th Percentile	Median	75th Percentile	Average
Employer contribution amount as a percentage of salaries	34	3%	5%	10%	6%

* To ensure that the data are seen as credible, data for metrics with an “n” of less than 5 are not displayed.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

RETIREE HEALTH CARE PLAN PREVALENCE

	n	Percentage
Retiree health care prevalence rate	114	41%

	n	Percentage
Percentage of organizations providing spouse/domestic partner coverage	93	84%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

WELFARE PREVALENCE

	n	Percentage
Percentage of organizations offering short-term disability (STD)	201	67%
Percentage of organizations offering long-term disability (LTD)	239	81%
Percentage of organizations offering life insurance	287	98%
Percentage of organizations offering accidental death and dismemberment (AD&D)	232	79%

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

SHORT-TERM AND LONG-TERM DISABILITY INSURANCE DATA

	n	25th Percentile	Median	75th Percentile	Average
STD benefit amount as a percentage of salary	160	60%	65%	78%	70%
STD waiting (elimination) period	175	1 week	1 week	2 weeks	3 weeks
Duration of STD benefit	177	13 weeks	26 weeks	26 weeks	23 weeks
LTD benefit amount as a percentage of salary	217	60%	60%	60%	59%
LTD waiting (elimination) period	223	12 weeks	24 weeks	26 weeks	20 weeks

* To ensure that the data are seen as credible, data for metrics with an “n” of less than 5 are not displayed.

SHRM RETIREMENT AND WELFARE BENCHMARKING REPORT

LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE DATA

	n	25th Percentile	Median	75th Percentile	Average
Life insurance benefit amount as a multiple of base salary	212	1.0	1.0	2.0	1.6
Life insurance benefit as a flat dollar amount	64	\$12,500	\$25,000	\$50,000	\$36,846
AD&D benefit amount as a multiple of base salary	169	1.0	1.5	2.0	1.8
AD&D benefit as a flat dollar amount	47	\$10,000	\$25,000	\$50,000	\$75,004

* To ensure that the data are seen as credible, data for metrics with an “n” of less than 5 are not displayed.

RETIREMENT AND WELFARE GLOSSARY OF METRIC TERMS, DEFINITIONS AND CALCULATIONS

Statistical Definitions

“ n ”

The letter “n” in tables and figures indicates the number of respondents to each question. Therefore, when it is noted that n = 25, it indicates that the number of respondents was 25.

Percentile

The percentile is the percentage of responses in a group that have values less than or equal to that particular value. For example, when data are arranged from lowest to highest, the 25th percentile is the point at which 75% of the data are above and 25% are below it. Conversely, the 75th percentile is the point at which 25% of the data are above and 75% are below it.

Median (50th percentile)

The median is the midpoint of the set of numbers or values arranged in ascending order. It is recommended that the median is used as a basis for all interpretations of the

data when the average and median are discrepant.

Average

The average is the sum of the responses divided by the total number of responses. It is also known as the mean. This measure is affected more than the median by the occurrence of outliers (extreme values). For this reason, the average reported may be greater than the 75th percentile or less than the 25th percentile.

Defined Benefit and Plan Type Prevalence Data

Defined Benefit Pension Plan Prevalence

This percentage represents those organizations that offer defined benefit pension plans. This is a type of retirement plan that pays fixed periodic benefits or a specified amount all at once when an employee retires. Unlike a defined contribution plan, a defined benefit plan does not have a separate account for each employee.

Traditional Final Average Pension

This percentage represents those organizations that have a defined benefit plan where the amount of benefit is based on the employee's compensation over a specified number of years, near the end of the employee's service period or on the employee's highest compensation period.

Traditional Career Average Pension

This percentage represents those organizations that have a defined benefit plan where the amount of benefit is based on the employee's compensation over the entire period of service with the employer.

Cash Balance/Pension Equity Plan

This percentage represents those organizations that have a defined benefit plan where an annuity or lump-sum benefit is provided at the termination of a participant's employment.

Other Pension Plan

This percentage represents those organizations that have a defined benefit plan that is not specifically a traditional final average pension, traditional career average pension or cash balance/pension equity plan.

Defined Benefit Vesting and Lump Sum Distribution Prevalence Data

Graded Vesting Period

Vested benefits give the employee unconditional entitlement under a pension plan as a result of satisfying age or service requirements. A graded vesting period is a

schedule under which an employee becomes partially vested within a certain number of years and then, with additional years of service, based on a predetermined schedule, becomes fully vested. This benchmark represents the percentage of organizations that have defined benefit plans that have graded vesting periods.

Cliff Vesting Period

Vested benefits give the employee unconditional entitlement under a pension plan as a result of satisfying age or service requirements. Cliff vesting is a characteristic of some retirement plans that specify that an employer's contributions become the property of the employee all at once after a specified time period, rather than gradually. This benchmark represents the percentage of organizations that have defined benefit plans that have cliff vesting periods.

Lump Sum Distribution

A lump sum distribution is a single payout all at once, rather than as a series of payments over time.

Defined Benefit Waiting and Vesting Periods

Waiting Period for Participation for New Employees

For defined benefit plans, waiting period is the amount of time, in months, from the new employee's date of employment to the date when the new employee becomes eligible for benefits.

Length of Vesting Period

For defined benefit plans, the length of the vesting period is the number of months required to be fully vested.

Length of Graded Vesting Period

For defined benefit plans that offer graded vesting, the length of the graded vesting period is number of months required to be fully vested.

Length of Cliff Vesting Period

For defined benefit plans that offer cliff vesting, the length of the cliff vesting period is the number of months required to be fully vested.

401(k) Plan or Similar Summary

401(k), 403(b) or Similar Prevalence Rates

This percentage represents those organizations that offer 401(k), 403(b) or similar plans to employees. A 401(k) plan allows employees to make tax-favored pay deferrals toward retirement savings through a payroll deduction plan. A 403(b) plan is similar to a 401(k), but it allows employees of certain tax-exempt organizations to contribute pretax dollars toward retirement.

Percentage of Organizations Providing Employer Contribution

This benchmark reflects the percentage of employers that contribute to their employees' 401(k), 403(b) or similar plans.

Percentage of Organizations With Automatic Employee Enrollment

This benchmark reflects the percentage of organizations that provide automatic enrollment of employees into 401(k), 403(b) or similar plan.

401(k) Plan or Similar Vesting and Employee Contribution Prevalence Data

Graded Vesting Period

Vested benefits give the employee unconditional entitlement under a pension plan as a result of satisfying age or service requirements. A graded vesting period is a schedule under which a partial amount of an employer's matching contribution becomes the property of the employee in a certain number of years. Then, with additional years of service based on a predetermined schedule, the full amount of an employer's matching contribution becomes the property of the employee. This benchmark represents the percentage of organizations that have 401(k) or similar plans that have graded vesting periods.

Cliff Vesting Period

Vested benefits give the employee unconditional entitlement under a pension plan as a result of satisfying age or service requirements. Cliff vesting is a characteristic of some retirement plans that specify that an employer's matching contributions become the property of the employee all at once after a specified time period, rather than gradually. This benchmark represents the percentage of

organizations that have 401(k) or similar plans that have cliff vesting periods

Allow Employee Pre-Tax Contributions

This benchmark represents the percentage of organizations that permit employees to contribute part of their salary tax-free to a 401(k) or a similar plan.

Allow Employee After-Tax Contributions

This benchmark represents the percentage of organizations that permit employees to contribute part of their after-tax salary to a 401(k) or a similar plan.

401(k) or Similar Plan Participation

Employee Participation Rate

This benchmark represents the percentage of employees in an organization that participate in a 401(k) or similar plan.

Monthly Plan Administration Fee per Participating Employee

This fee is the amount in dollars per employee that the organization pays to administer a 401(k) or similar plan. This amount may vary depending on how well the plan performs financially and also by the number of employees participating in the plan. For example, a low monthly fee per employee indicates the plan is doing well, whereas a high monthly fee indicates the plan is not performing well or that employee participation is low.

Length of Vesting Period

For 401(k) or similar plans, the length of the vesting period is the number of months required to be fully vested.

Length of Graded Vesting Period

For 401(k) or similar plans that offer graded vesting, the length of the graded vesting period is the amount of time in months required to be fully vested.

Length of Cliff Vesting Period

For 401(k) or similar plans that offer cliff vesting, the length of the cliff vesting period is the amount of time in months required to be fully vested.

401(k) or Similar Plan Contributions

Employer Contribution as a Flat Percentage of Salary

This benchmark represents the amount an employer contributes as a percentage of an employee's salary, which is independent of the percentage of an employee's contribution matched by the employer. Organizations provide this contribution at their discretion.

Percentage of Employee's Salary Automatically Contributed by Employer

This benchmark represents the percentage of an employee's salary that the employer automatically contributes to an employee's 401(k), 403(b) or similar account.

Percentage of an Employee's Contribution Matched by the Employer

As a way to encourage participation in the 401(k) or similar plan, employers often will match some or all of the employee's pre-tax contributions. This benchmark represents the percentage of an employee's contribution that the employer will match.

Maximum Percentage of Salary Matched by the Employer

Although employers may match a percentage of an employee's contribution to a 401(k) or similar plan, often there is a cap or maximum amount that will be matched. This maximum amount is typically expressed as a percentage of the employee's salary.

Maximum Dollar Amount of Pay Employees Allowed to Contribute

Employees are encouraged to participate in a 401(k) or similar plan. This benchmark, expressed as a dollar amount of the employee's salary, is the maximum amount the employee can contribute to the plan.

Other Defined Contribution Plans

Percentage of Organizations Providing Profit Sharing

This percentage represents those organizations that provide a profit-sharing plan. This plan is established by an employer to provide for the participation in its profits by the employees.

Percentage of Organizations Providing Employee Stock Ownership Plan

This percentage represents those organizations that provide an employee stock ownership plan. This plan is a qualified stock bonus plan or a qualified stock bonus and money purchase plan.

Percentage of Organizations Providing Money Purchase Plan

This percentage represents those organizations that provide a money purchase plan. A money purchase plan requires a fixed percentage of compensation to be contributed to each employee annually.

Employer Contribution Amount as a Percentage of Salaries

This figure represents the amount that organizations contribute to other defined contribution plans. The employer's contribution is expressed as a percentage of total salaries.

Retiree Health Care Plan Prevalence

Retiree Health Care Prevalence Rate

This percentage represents those organizations that provide a retiree health care plan. This plan is established by an employer to provide continued health care coverage to the employee after retirement.

Percentage of Organizations Providing Spouse/Domestic Partner Coverage

This percentage represents those organizations that provide retiree health

care coverage to an employee's spouse or domestic partner.

Welfare Prevalence

Percentage of Organizations Offering Short-Term Disability (STD)

This percentage represents those organizations that offer short-term disability. Short-term disability is a form of insurance that pays benefits up to a specified amount and period of time to an employee who is unable to work due to illness or disability.

Percentage of Organizations Offering Long-Term Disability (LTD)

This percentage represents those organizations that provide long-term disability (LTD). Long-term disability is a form of insurance that provides a reasonable replacement of an employee's income that is lost through serious and prolonged illness.

Percentage of Organizations Offering Life Insurance

This percentage represents those organizations that provide life insurance. Life insurance provides for a payment of a sum of money upon the death of the insured employee.

Percentage of Organizations Offering Accidental Death and Dismemberment (AD&D)

As form of insurance, AD&D pays a specified amount or a multiple of the weekly disability benefit should the employee die or

suffer loss of limbs or eyesight as the result of an accident.

Short-Term and Long-Term Disability Insurance Data

STD Benefit Amount as a Percentage of Salary

This benchmark represents the percentage of salary that an employee covered under short-term disability will receive.

STD Waiting (Elimination) Period

This benchmark represents the length of time, in weeks, before an employee qualifies to receive short-term disability benefits.

Duration of STD Benefit

This benchmark represents the length of time, in weeks, during which the employee covered under short-term disability will receive STD benefits.

LTD Benefit Amount as a Percentage of Salary

This benchmark represents the percentage of salary that an employee covered under long-term disability will receive.

LTD Waiting (Elimination) Period

This benchmark represents the length of time, in weeks, before an employee qualifies to receive long-term disability benefits.

Life Insurance and Accidental Death and Dismemberment Data

Life Insurance Benefit Amount as a Multiple of Base Salary

Payout of this benefit occurs when the employee dies at the time the policy is in effect. The amount paid out is typically based on the deceased employee's salary multiplied by a specific number often called a multiple.

Life Insurance Benefit as a Flat Dollar Amount

Payout of this benefit occurs when the employee dies at the time the policy is in effect. The amount paid out is a flat rate.

AD&D Benefit Amount as a Multiple of Base Salary

Payout of this benefit occurs as a result of accidental death or loss of limbs or eyesight. The amount paid out is typically based on the employee's salary multiplied by a specific number often called a multiple.

AD&D Benefit as a Flat Dollar Amount

Payout of this benefit occurs as a result of accidental death or loss of limbs or eyesight. The amount paid out is a flat dollar amount.