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# Retirement Plan

NEWS AND INFORMATION FOR EMPLOYERS

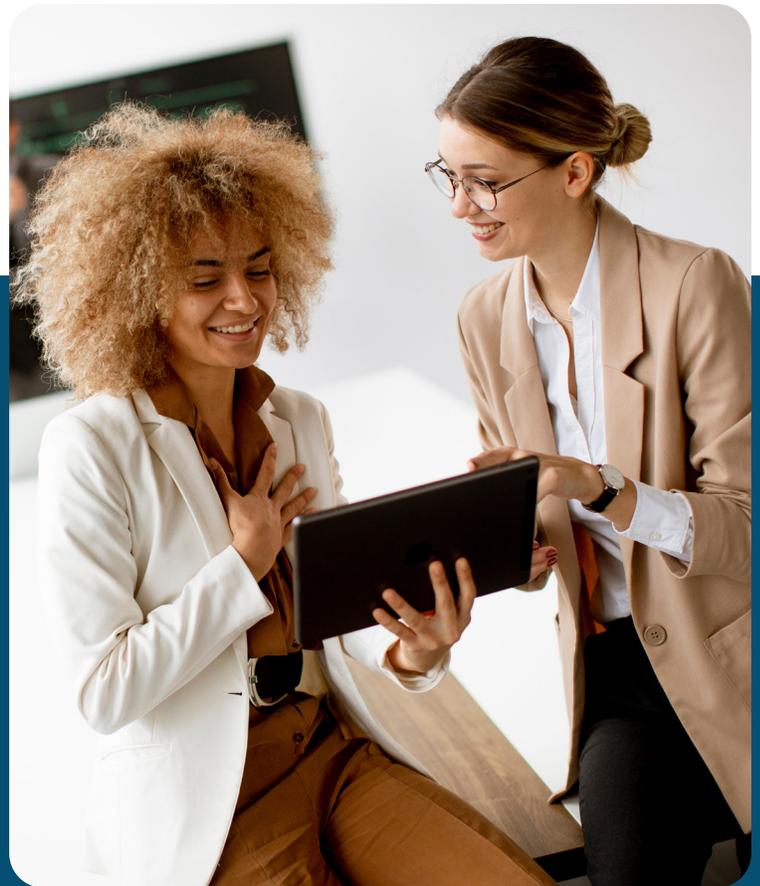
**EMPLOYEE BENEFITS TRENDS**

**Q2**  
2025

**7 Tips to Help Participants  
with Long-Term Saving**

**Leadership's Role  
in Benchmarking  
Retirement Benefits**

**Employee Benefits to Help  
Motivate Your Workforce**





# 7 Tips to Help Participants with Long-Term Saving

Improving retirement outcomes means keeping participants focused on the long-term.

## Helping employees focus on long-term savings is not easy, especially during uncertain times.

This is great news, but it's only part of the solution. Many employees join a retirement plan without fully understanding its purpose. Without such an understanding, they may struggle to stay on track during market volatility, save less than they need, or even cash out early. On the other hand, employees who feel financially secure are 74% more likely to stay with their employer and tend to be more productive.<sup>1</sup>

To get the most out of your benefits package, regular communication and targeted education are key. After all, your retirement plan should inspire a loyal and engaged workforce.

## Raise awareness about the benefits of long-term savings

Sharing the value of long-term saving is a game changer. Regular communication helps employees feel informed. This can lead to higher participation and greater satisfaction with their benefits.<sup>2</sup>

Want to boost awareness? Try these simple strategies:

- **Hosting education sessions.** In-person or virtual sessions are a great way to engage employees. Use these sessions to explain the benefits of saving through the plan. Highlight features like tax savings, compound interest, and building a more secure financial future. Also, address common concerns like investment risks, market volatility, and setting retirement goals.
- **Workplace communications.** Regular communication helps keep savings top of mind. Effective communications may include monthly emails, articles in a company newsletter, or posters in public areas. Adding charts, pictures, or videos can make the message clearer and more engaging.

1 SoFi at Work. "The Future of Workplace Financial Well-Being." 06 Feb. 2024.

2 SoFi at Work. "The Future of Workplace Financial Well-Being." 06 Feb. 2024.

## Retirement saving topics that resonate

No matter how you choose to communicate with employees, the message matters most. Think carefully about the information you'll share. Every plan has distinct demographics, and each group has specific interests. A few education and communications themes to consider this year include:

- **Start saving early.** One of the most important ways employees can improve their retirement readiness is by saving enough along the way. That means starting early. Charts are a great way to show just how big a difference it can make.
- **Make the most of your peak earnings years.** For many employees, peak earning years (usually, ages 40 to 60) are an ideal time to focus on retirement savings. With higher incomes, they have the opportunity to save more and work toward their financial goals. They might consider increasing plan deferrals, making after-tax contributions (if available), or saving in taxable accounts. Taking steps during this time can help them better prepare for the future.
- **Put the power of compound interest to work.** Compounding happens when the interest you earn starts earning interest too. It can be a powerful tool for participants who may not be able to save as much as they would like to save in the plan.
- **Stay calm when markets are volatile.** Keeping a long-term perspective when markets are volatile is not easy. Trading activity in retirement plans tends to rise when markets fall. For example, in August 2024, U.S. stocks experienced a brief downturn, including the worst performance day in nearly two years.<sup>3</sup> Trading activity in 401(k) plans rose to eight times its normal level. Participants fled to safety, pulling money from stock funds and moving it into stable value bonds, and money market funds.<sup>4</sup> Remind plan participants that stock market volatility is normal. Stocks move higher and lower; however, over the long term, historically, they have trended higher.
- **Boost savings with catch-up contributions.** Make sure employees understand how much they can save in your workplace retirement plan. In 2025, the limit for traditional and Roth contributions to 401(k) plans is \$23,500. However, older participants who save the maximum amount can make additional catch-up contributions. In 2025, catch-up contributions are \$7,500 for participants who are ages 50 to 59 or 64 or older. Participants ages 60 to 63 can make “super” catch-up contributions this year of \$11,250.<sup>5</sup>

Looking for resources to support employee education and communication? Contact us—we're here to help! We can help you create campaigns that support long-term success for your workforce.

<sup>3</sup> “Alight Solutions 401(k) Index™: August 2024 Observations.” Alight. Cited 16 Jan. 2025.

<sup>4</sup> “Alight Solutions 401(k) Index™: August 2024 Observations.” Alight. Cited 16 Jan. 2025.

<sup>5</sup> Internal Revenue Service. “401(k) limit increases to \$23,500 for 2025, IRA limit remains \$7,000.” 01 Nov. 2024.



# Leadership's Role in Benchmarking Retirement Benefits

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Stay competitive, compliant,  
and cost-effective

## **Providing competitive benefits is key to building a strong, successful team.**

Benchmarking is an important tool because it helps you get the data and insights needed to make smart decisions for your benefit plans. It's also important for meeting rules, avoiding legal trouble, keeping up with industry standards, and supporting your employees.

Here's why benchmarking should be a priority for your company and how you can use it to improve your plans.

## **What is ERISA and why it matters**

The Employee Retirement Income Security Act (ERISA) sets rules for how employee benefits—like retirement plans—are managed. This law requires employers act in the best interests of their employees. Not following ERISA rules can lead to serious legal and financial problems.

ERISA covers both health and retirement plans, so leaders need to manage both types of benefits responsibly. Reviewing plans regularly, getting outside advice, and taking action can help reduce risks, cut costs, and protect employees and your company.

## Why benchmarking is important

Benchmarking is the process of comparing your benefits against other companies to see how you measure up.

1. **Stay competitive:** Benchmarking helps you keep your benefits in line with what other companies offer, so you can attract and keep top workers.
2. **Save money:** Studies show that reviewing retirement and health plans can uncover ways to cut costs, like lowering fees or improving plan designs.
3. **Make employees happy:** Employees who see real value in their benefits are more loyal and engaged.

## What to look at when benchmarking

To get the most out of benchmarking, you need to look at the right things:

- Check contribution rates, fees, and how investments are performing. Fixing high fees or replacing poorly performing funds can save money while improving quality.

## Keeping plans fair and competitive

Your employee benefits say a lot about your company's values. Benchmarking helps you balance what employees need with what the company can afford. It leads to better hiring, lower turnover, and a more engaged workforce.

## Following your fiduciary duties

ERISA requires employers to act in the best interest of their employees. This means reviewing benefits regularly to catch high costs, outdated options, or other problems. Benchmarking shows you're serious about following the rules and supporting your employees.

## Steps to get started:

1. **Get expert help:** Work with professionals who know how to benchmark benefits.
2. **Compare plans:** Use reports to see how your benefits stack up against others.
3. **Review regularly:** Make benchmarking an annual part of your process.
4. **Ask for feedback:** Talk to employees about what they like and don't like about their benefits.
5. **Review options:** Look for ways to save money without lowering the quality of benefits.
6. **Set up a committee:** Create a team that meets regularly, takes notes, and makes decisions based on findings.

Competitive, compliant, and cost-effective employee benefit plans don't happen by accident: they require thoughtful review and updates. We specialize in helping leaders like you benchmark and optimize 401(k) plans for better outcomes. Let us help you create a retirement plan that works for your employees and your business.



# Employee Benefits to Help Motivate Your Workforce

Tips for attracting, retaining, and engaging top talent

**Employee benefits are no longer just extra perks; they're an essential part of attracting and keeping great employees.**

A thoughtful benefits program can help create a workplace where employees feel valued and motivated. Here's how offering the right benefits can make a difference for your team and your business.

## How benefits help employees stay and succeed

When benefits meet employees' needs, they are more likely to stay with their jobs. In fact, 73% of employees say they'd be more likely to stick with their company if their health insurance options were better.<sup>6</sup>

Offering benefits isn't just about adding more: it's about choosing benefits that align with your team's needs. Employees who feel cared for are more likely to stay with their current company. Research shows that employees who believe their company cares about their well-being are 69% less likely to look for a new job.<sup>7</sup>

<sup>6</sup> MarshMcLennan Agency. "Employee Health & Benefits Trends: The Evolving Workforce." 2024.

<sup>7</sup> MarshMcLennan Agency. "Employee Health & Benefits Trends: The Evolving Workforce." 2024.

## Employee benefits for every generation

Today's workforce spans four generations, each with different needs and priorities. Understanding these differences will help you create a benefits package that works for everyone:

- **Gen Z (ages 26 and under):** This group values mental health support and flexible schedules. Including these benefits can help them stay motivated and engaged.
- **Millennials (ages 27–42):** Many Millennials are focused on paying off student loans and building financial stability. Programs that support student loan repayment or financial wellness can help them move toward these goals.
- **Gen X (ages 43–58):** This group is often balancing responsibilities for both children and aging parents. Flexible schedules and caregiving benefits can help them manage these challenges.
- **Baby Boomers (ages 59–77):** Boomers are focused on preparing for retirement. Retirement planning resources and preventive health benefits can help them work toward financial security as they approach this next stage of life.

By offering benefits that align with each generation's priorities, employers can create a supportive workplace for all employees.

## Retirement planning and financial wellness

Retirement benefits are a top priority for both employers and employees. Most companies offer traditional 401(k) plans, and many include matching contributions, which are essential to helping employees save for the future. However, a common gap is access to personalized guidance—only 49% of employers offer retirement planning or investment advice.<sup>8</sup>

This is where we can make a difference. We don't just help you strengthen your plan; we help employees have access to experienced advisors who can help them make informed decisions for their financial future.

## A simple plan for better benefits

To help employees get the most out of their benefits, employers can focus on three key areas:

1. **Personalization:** When employees can choose benefits that fit their unique needs, they feel more valued. This could include options for health, financial, and family support.
2. **Education:** Many employees don't fully understand the benefits available to them. Clear communication and ongoing support can help them make the best choices for their situation.
3. **Whole-person support:** Benefits that address mental, physical, financial, and social well-being can help employees in every area of their lives. This might include programs for mental health, financial literacy, and caregiving.

## Moving forward together

Great benefits can help create a workplace where employees feel supported and motivated. When benefits align with employees' needs, they are more likely to stay and thrive. Whether it's helping Millennials with financial wellness or supporting Boomers with retirement planning, the right approach can make a lasting impact.

By focusing on thoughtful, well-rounded benefits, employers can build a positive workplace that helps employees work toward their personal and professional goals—while also strengthening the organization.

8 SHRM. "2024 Employee Benefits Survey." 2024.

**No consultant speak.  
No complicated explanations.  
Just simple, accountable results.**



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As Prime Capital Investment Advisors' Northeast Partner firm, we offer the convenience of being local while delivering the resources of a national firm.



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