

Question of the Week

2024 Question of the Week Summary

Plan Design Questions

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PSCA asked a variety of plan design focused questions in 2024 from matching formula, service calculations, target date funds, to retirement income offerings. Below is a compilation of these questions. If you are considering a plan design change and want to know what other plan sponsors are doing, send it to research@psca.org and we will ask.

January 8, 2024: Matching Deferral Rates?

Two-thirds of plan sponsors use automatic enrollment, and nearly 60 percent of those that do enroll participants at the maximum match rate (57.1% of respondents) and 27.6 percent enroll at a lower rate and escalate to the maximum match rate (or beyond). [Read more>](#)

April 4, 2024: Hours or Years?

About half of plan sponsors use hours worked to calculate service time for plan eligibility and/or vesting, and half use elapsed time (number of months or years worked). [Read more>](#)

April 8, 2024: Balancing Access to Retirement Assets and Preserving them

A third of plans limit money sources for plan loads to participation contributions only, and forty percent limit hardship withdrawals in the same manner. [Read more>](#)

April 22, 2024: Reconsidering TDFs as the QDIA

In light of several lawsuits targeting target date fund fees, are plan sponsors reconsidering their use as the plan's qualified default investment alternative? [Read more>](#)

April 29, 2024: Considerations About Direct Deposit for Cashouts

Can plan sponsors cashout small plan balances via direct deposit to the bank account information on file? [Read more>](#)

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May 13, 2024: Considering QLACs

There is some industry talk about plan sponsors taking another look at offering QLACs for retirees, are they? [Read more>](#)

June 3, 2024: Do You Require Forceouts at RMD Age?

A member recently reached out about a question in our annual survey (open now for participation) regarding encouraging employees to keep assets in the plan. [Read more>](#)

June 24, 2024: Restrictions on In-Plan Roth Conversions

An attendee at our national conference mentioned that they restrict in-plan Roth conversions to participants aged 59 ½ or older and wondered if other plan sponsors do the same. [Read more>](#)

July 8, 2024: DC to DB Plan Transfers

In one of the sessions at PSCA's national conference, it was mentioned that some plans may allow transfers from their 401(k) (or other DC plan) to their defined benefit plan. As annuities are common in the DB plans, the question arose as to if allowing DC to DB transfers would be a way to offer in-plan annuities to employees without adding them to the DC lineup. A member reached out after the conference wondering if any plans have done this yet. [Read more>](#)

July 22, 2024: Impact of TDF Lawsuits on Plan Sponsors

Target date funds are by far the most common investment offering. Plan sponsors and participants like them for their ease of use in creating an age-appropriate diversified portfolio but multiple recent lawsuits ask is they are appropriate for everyone. [Read more>](#)

August 26, 2024: Are Plans Allowing Systematic Withdrawal Options?

In recent years, industry attention has turned from helping participants accumulate assets to how we help participants withdraw that money from the plan in retirement. Retirement income has been a hot topic as the industry figures out how to best address this issue. [Read more>](#)

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September 23, 2024: Retirement Income Options Plan Sponsors are Considering

Providing income to retirees from their defined contribution accounts is the current dilemma the industry is trying to solve, and there are multiple options for plan sponsors to consider that will provide employees a guaranteed income stream in retirement. [Read more>](#)

November 11, 2024: Plan Sponsor Interest in Alternatives, Private Equity, ESG, and More

Has plan sponsor interest in alternative investments changed in the last year? Interest perhaps, but additions to the lineup? No. [Read more>](#)

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