Study of Multiemployer Defined Contribution Plans

Given the increasing importance of defined contribution plans in helping to ensure participants’ "retirement readiness" as a supplement to a defined benefit pension plan, trustees may want to benchmark their fund's annuity plan, which can be either a profit-sharing plan or a money-purchase pension plan, against Segal's client database.

**Key Findings**

**DESIGN:** Predominant design is a profit-sharing plan *without* a 401(k) feature

- **Profit-Sharing Plan:** 77%
  - 401(k) Feature: 24% Yes, 76% No
- **Money-Purchase Pension Plan:** 23%

**PLAN ADMINISTRATION:** Excludes contributions, which are always handled by the fund office. More than half of plans are self-administered by the fund office

- **Fund Office:** 57%
- **Service Provider (Recordkeeper or TPA):** 32%
- **Shared:** 11%

**INVESTMENT:** Close to an even split between trustee direction and participant direction, but Segal has seen increased interest in participant-directed plans

- **Trustee Directed:** 52%
- **Participant Directed:** 48%

**PROVISIONS FOR EARLY WITHDRAWALS:** Hardship-withdrawal provisions, which can only be offered by profit-sharing plans, more common than loan provisions

- **Hardship Withdrawals Permitted:** 58%
- **Loans Permitted:** 35%

How do the features of your annuity plan compare to plans in our proprietary database? [Contact us](mailto:Contact) for an analysis.

For assistance with the design, governance, administration and communication of multiemployer DC plans, contact your Segal consultant, the nearest [Segal office](http://www.segalco.com) or David Brenner at 617.424.7330 or dbrenner@segalco.com. Segal Rogerscasey, the investment solutions member of The Segal Group, can help with DC plan investment options. Contact your Segal Rogerscasey investment consultant, the nearest [Segal Rogerscasey office](http://www.segalrc.com) or Richard Reed at 617.424.7361 or reed@segalrc.com.

Copyright © 2016 by The Segal Group, Inc. All rights reserved.