A Look at Plan Contributions

Employers and participants both are contributing more to retirement plans. According to the Plan Sponsor Council of America's 56th Annual Profit Sharing and 401(k) Survey, the average company contribution increased to 4.5% of pay in 2012 from 4.2% in 2011 (the most recent data available). Participant contributions rose from 6.4% of pay in 2011 to 6.8% of pay in 2012.

The survey also noted that in 2012:

- 87.6% of eligible employees had a balance in a defined contribution plan
- Matching contributions were made by 95.3% of employers
- 47.2% of plans used auto enrollment
- About 90% of plans that used auto enrollment used it only for new employees
- Nearly 52% of plans used a 3% default deferral rate
- About 35% of plans used a default deferral rate of 4% or greater
- Nearly 60% of plans automatically increased the default deferral rate over time