

Automatic Enrollment



Adopting Employers may choose the recommended default Auto Enrollment rate of 6% or elect a different percentage.

Help employees start saving for a more secure retirement with the Plan's automatic enrollment option. Upon meeting your Plan's eligibility requirements, employees automatically become participants in the Plan, unless they affirmatively choose to opt-out.¹



Always Designing
for People™

Simplifies saving for retirement.

Employees may find themselves overwhelmed or confused by all the information available to them about their ADP TotalSource® Retirement Savings Plan (the "Plan"). Automatic enrollment can help avoid such confusion, while increasing your company's participation rate.

Upon enrollment, employees will be defaulted into one of the Voya Target Solution Trust Funds.²

These options are based upon a participant's date of birth and an estimated retirement age of 65. Younger participants will follow a more aggressive growth oriented investment strategy.

As participants age, the investment strategy of the option they are invested in will become more moderate as they near retirement, ending with a conservative strategy.

While this feature helps participants stay on course with investments appropriate to their age, they should always be encouraged to keep track of their own retirement strategy.

¹ When an Adopting Employer adds the Automatic Enrollment feature to their existing Plan, it will be implemented for all employees eligible to participate in the Plan but with no affirmative elections on file. For example: An employee was contributing to the Plan but changed their contribution amount from 1% to 0%. Even though this participant is no longer contributing to the Plan, they have an affirmative election of 0% on file and they will not be automatically enrolled.

² There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. The "target date" is the approximate date when an investor plans to start withdrawing their money. When their target date is reached, they may have more or less than the original amount invested. For each target date portfolio, until the day prior to its target date, the portfolio will seek to provide total returns consistent with an asset allocation targeted for an investor who is retiring in approximately each portfolio's designated target year. On the target date, the portfolio will seek to provide a combination of total return and stability of principal.

³ 60th Annual Profit Sharing Council of America (PSCA) Annual Survey of Profit Sharing and 401(k) plans reflecting 2016 plan year experience | January 2018.

Automatic enrollment is associated with higher plan participation rates — more than 10 percentage points higher (89% vs. 79%).³

Automatic Enrollment

Automatic increases on contribution rates.

You may also choose to enable automatic increases on contribution rates for automatically enrolled participants. The automatic deferral rate increase will be equal to 1% and will be effective each automatic enrollment anniversary date to cap out at 15% deferrals. Participants can elect to cancel the automatic increases at any time.

Studies regularly show that individuals who are automatically enrolled in retirement savings plans don't opt out of the arrangement. They save more, earn more on their savings and end up in a much better position heading into retirement.

— Automatic Enrollment: The Power of Default, Vanguard | February 2021

If you're interested in adding this feature to your Plan, please contact your 401(k) Specialist.

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