

WORKPLACE SUPPORT

More employers would like to offer financial wellness options:

2/3

are interested in offering employees access to an emergency savings account



Among defined contribution plan advisors:

3 in 10

would like to see recordkeepers offer workplace emergency savings alongside retirement plan recordkeeping

Workers struggling to save for a rainy day are increasingly likely to get help from their employers.¹

THE NEW YORK TIMES

MANY APPROACHES

A number of different strategies can address the emergency savings gap:



An in-plan option.

This supplements an existing workplace retirement plan, and it is intended to prevent employees from dipping into their actual retirement savings.



A "sidecar" solution.

Here, a company would offer an option essentially alongside an existing retirement plan (but not within it).



Online.

There are apps available specifically built to facilitate effective savings behaviors.



Insurance.

For owners of a whole life policy with a cash balance, they are able to access those funds during difficult financial circumstances.

Payroll deduction is one way to offer emergency savings accounts. Employees choose an amount to be withdrawn from their paycheck, after taxes. They can access funds, without penalty, whenever they wish. Employers can offer this option during typical benefits enrollment.

ABOUT THE DATA

The statistics cited here originate from recent LIMRA research, including the 2020 Consumer Survey, 2020 Employer Study, and 2020 Defined Contribution Advisors Survey. To learn more, please visit www.limra.com or contact us at asalka@limra.com.

¹"More Workers Get Help in Building Rainy Day Savings," *The New York Times*, November 6, 2020. <https://www.nytimes.com/2020/11/06/your-money/payroll-deduction-emergency-savings.html>