



2011 Retirement Plan Survey Report



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It is our pleasure to provide the results of Mesirow Financial Retirement Plan Advisory's first annual Retirement Plan Survey. We are excited to share with you the perspectives of approximately 100 plan sponsors who responded to the survey and the forward-thinking initiatives they are considering. Retirement plan success is defined in a variety of ways dependent on both plan sponsor and participant goals. The survey results that follow will cover a number of topics sponsors are frequently required to address.

Regardless of the industry, demographics or plan size represented, common themes exist. Plan challenges include, but are not limited to, fiduciary responsibility, market volatility, participant engagement and continued efforts surrounding employee education. Plan success stems from evolving plan design, increased automation, additional levels of oversight, as well as the continued desire of plan sponsors to provide competitive retirement benefits. For this reason, sharing perspectives becomes an invaluable resource as plans continue to evolve and plan sponsors endeavor to enhance this critical retirement vehicle.

We hope you enjoy navigating through the results and learning more about plan sponsor perspectives. If you have any questions or would like to talk further about the survey findings, please contact Chris Reagan, Retirement Plan Advisory practice leader, or your Mesirow Financial investment advisor.

Chris Reagan, CIMA[®], AIF[®], CRPS[®]
Managing Director, Practice Leader
Direct-312.595.8307
creagan@mesirowfinancial.com

About Retirement Plan Advisory

As a market leader, Mesirow Financial's Retirement Plan Advisory practice oversees more than \$2 billion in assets and provides comprehensive, co-fiduciary consulting services to retirement plan sponsors. The group objectively assists plan sponsors in establishing and maintaining a consistent and ongoing documented process of prudent oversight and due diligence. Given the pressures retirement plan committees face, the group's mission is to help plan sponsors make their retirement plans valued, cost effective and competitive.

About Compensation and Executive Benefit Strategies

Mesirow Financial Compensation and Executive Benefit Strategies professionals have a long track record of success in designing creative executive compensation and benefits solutions that help companies recruit, retain, motivate and reward key employees. Tailored programs provide a balance between the needs of the executive and the resources of the employer.

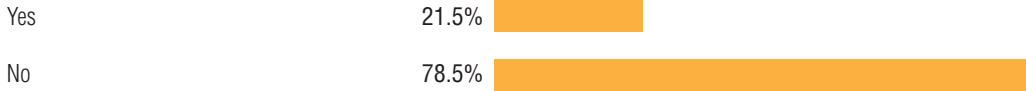
About Mesirow Financial

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, it is an independent, employee-owned firm with more than 1,200 employees in locations across the country and in London. With expertise in Investment Management, Global Markets, Insurance Services and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals. For more information about Mesirow Financial, please visit our website at mesirowfinancial.com.



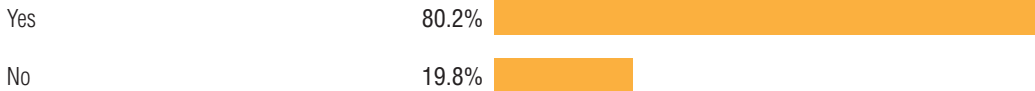
As the sponsor of a retirement plan, your organization is obligated to fulfill certain fiduciary responsibilities. However, your job is made more challenging by today's prevalent issues such as market volatility, ERISA litigation, plan design considerations, Department of Labor scrutiny, fee disclosure and provider suitability. Combined with the fact that a 401(k) plan may be the only retirement savings vehicle an individual has, attention to and scrutiny of these plans will continue to grow.

Do you feel that your participants take full advantage of the savings and retirement tools available to them?



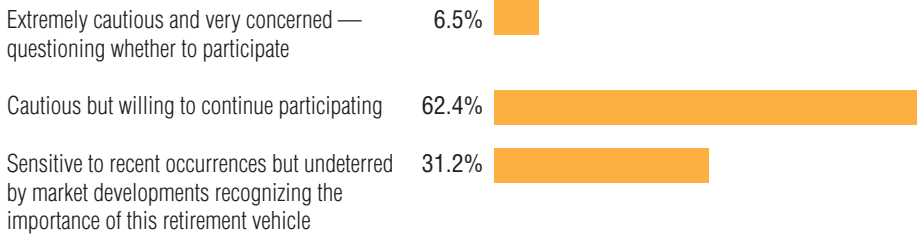
Retirement plan sponsors recognize the importance of providing savings and retirement plans for their employees. As financial markets show signs of improvement and 2011 is underway, 401(k) plans are again taking center stage. While it would be ideal to make dramatic changes to help participants save more, history has shown that 401(k) plan enhancements are more systematic and methodical. The 401(k) marketplace reveals certain plan design changes to be quite impactful, some irrelevant and yet others to show promise.

Does your plan offer Target Date Funds (TDFs)?



Despite gradual improvements, plan sponsors continue to face obstacles. First, market performance continues to play a monumental role. Second, employee complacency continues to mildly frustrate plan sponsors causing them to continuously look for ways to enhance their plans and participant experience. While sometimes frustrated that participants do not appreciate or understand the retirement benefits being provided, plan sponsors push on. To the contrary, the majority of participants remain undeterred in saving for retirement.

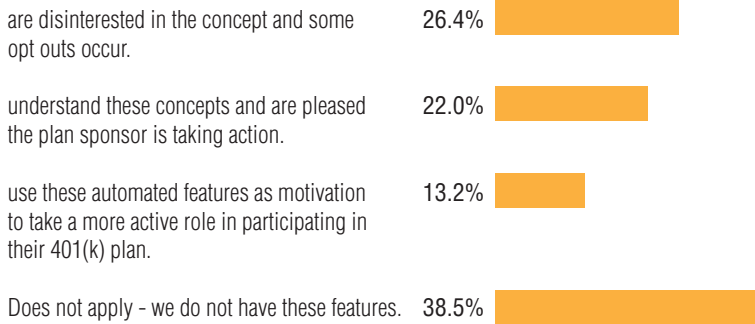
Looking forward, what would best describe the mood of your participants as it relates to their 401(k) accounts?





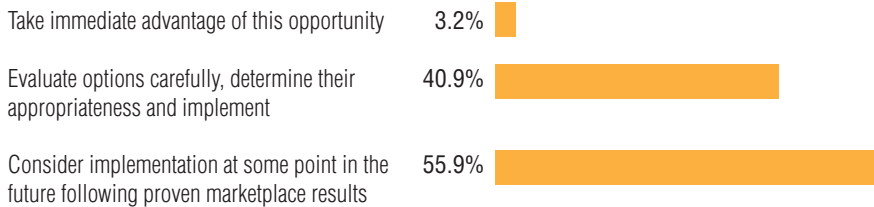
As expected, automation continues to build momentum, but in speaking with plan sponsors their hope is for more shared responsibility. It appears that reliance on automation continues to trend upwards, but more participant involvement as a result of ongoing plan sponsor actions still falls below expectations.

Which comment would most closely align itself with participant reaction to automatic enrollment and/or step up features? Participants



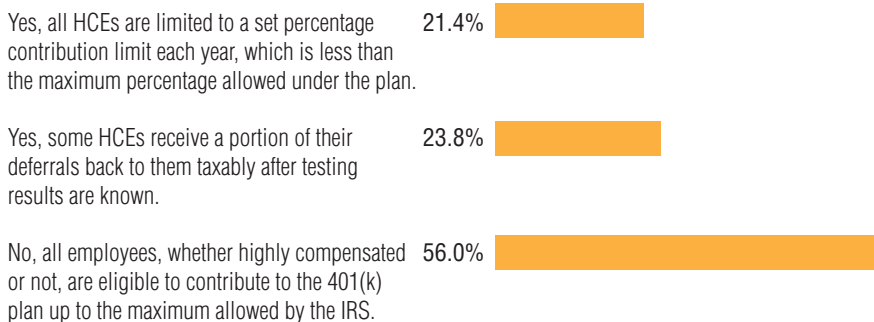
Looking forward, the impact of social media with respect to 401(k) plans will be intriguing to observe and watch evolve. Traditionalists will most likely always require a conservative approach to participant communications. However, over time web-based applications have had a monumental impact on plan operations, participant interaction and arguably on plan success. Will social media have a similar effect?

Given the opportunity to use social media tools and outlets in your 401(k) plan, will you as a plan sponsor:



In the nonqualified area, nearly half (45.2%) of respondents reported adverse effects from IRS limits on highly compensated employees. The most prevalent solution to this issue continues to be a voluntary deferred compensation arrangement. Compliance with IRC Section 409A also remains a key area of concern for plan sponsors.

Are highly compensated employees (HCEs) limited in their voluntary contributions to the 401(k) plan due to non-discrimination testing results? (Check all that apply.)

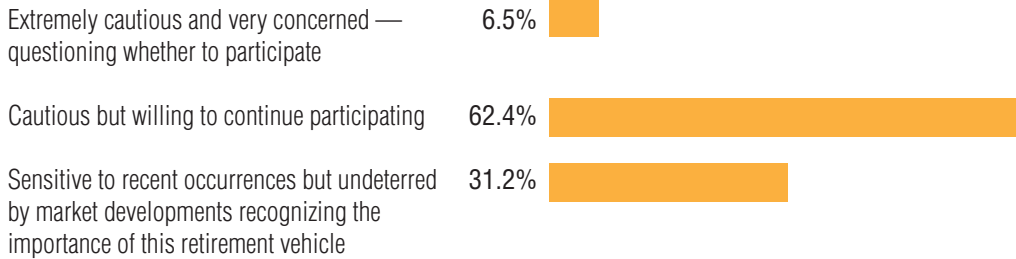


Mesirow Financial provides expertise in both qualified and nonqualified retirement plans and can work with you to create integrated solutions to address your needs in one or both areas.

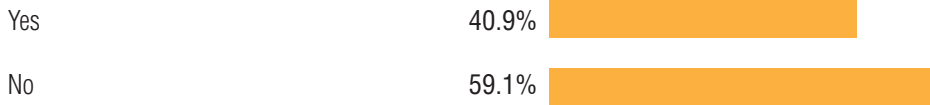
Response Summary

401(k) Perspectives – Plan Sponsor Opinions

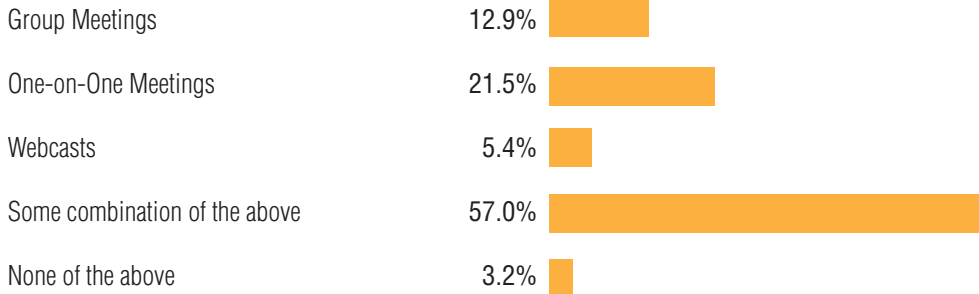
Looking forward, what would best describe the mood of your participants as it relates to their 401(k) accounts?



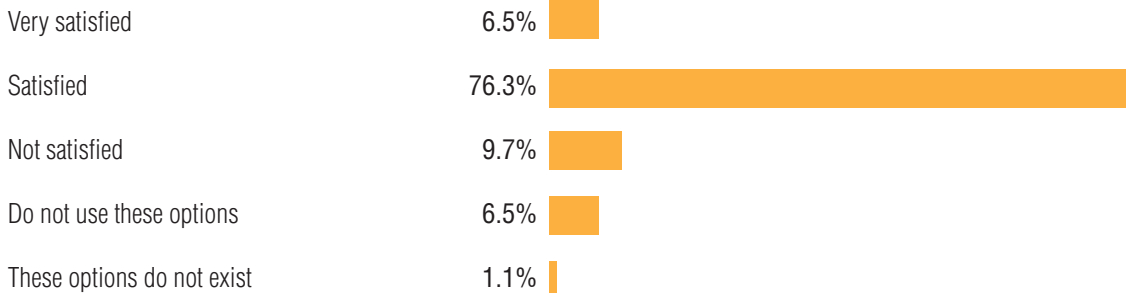
Have you seen an increase in participants asking for assistance with their 401(k) accounts given recent market volatility?



Given the opportunity to choose the most suitable 401(k) education forum, as a first choice would your participant population prefer:

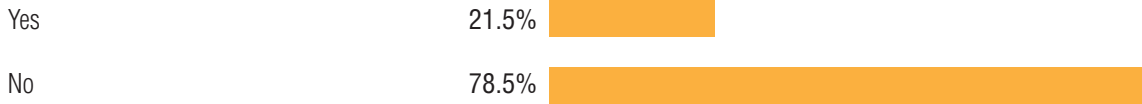


In general, how would you characterize overall participant satisfaction with different planning tools and options available through the participant website, materials and meetings to help reach saving goals?

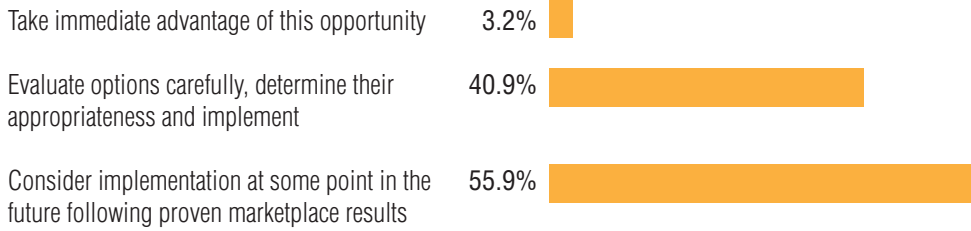


Response Summary

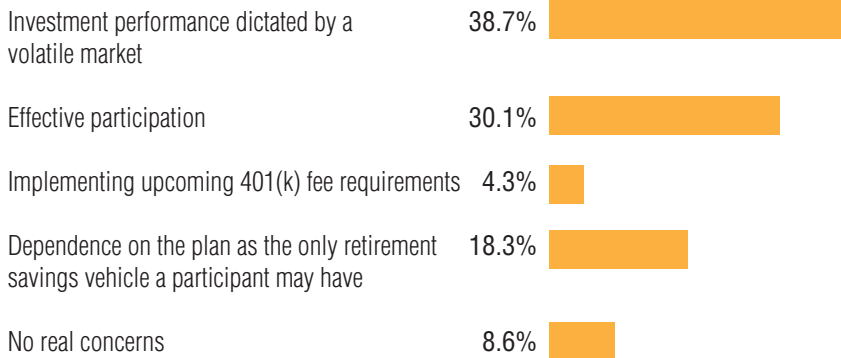
Do you feel that your participants take full advantage of the savings and retirement tools available to them?



Given the opportunity to use social media tools and outlets in your 401(k) plan, will you as a plan sponsor:

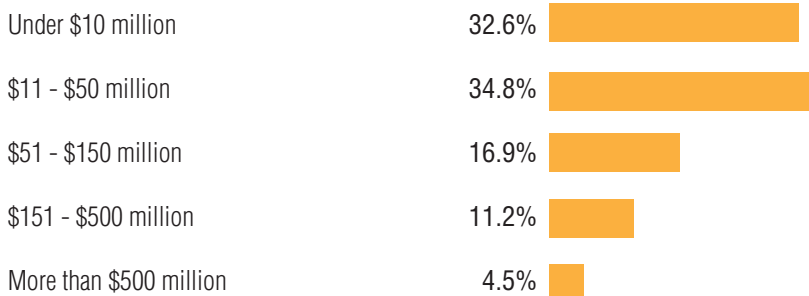


What is your greatest concern related to your plan?



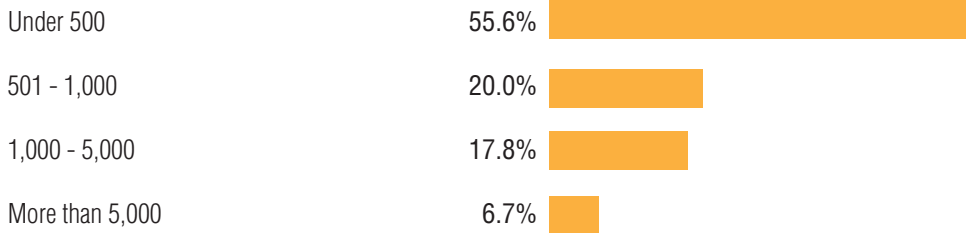
Plan Metrics – Respondent Demographics

Please indicate the level of current plan assets for your organization's most prominent 401(k) plan.

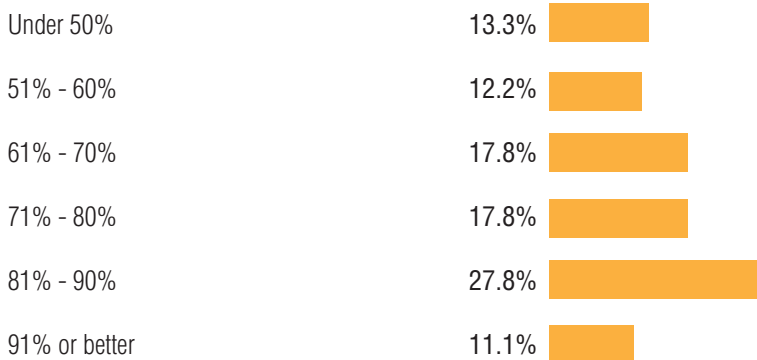


Response Summary

Please state the total number of plan participants in your organization's most prominent 401(k) plan.

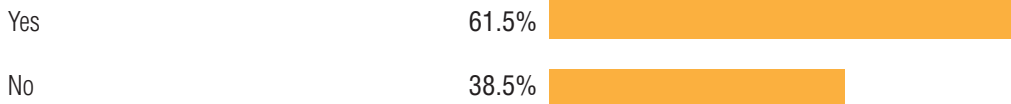


What is the participation rate in your organization's most prominent plan?

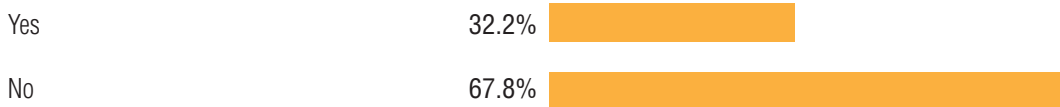


Survey Benchmarks – Plan Features

Does your plan have an automatic enrollment feature?

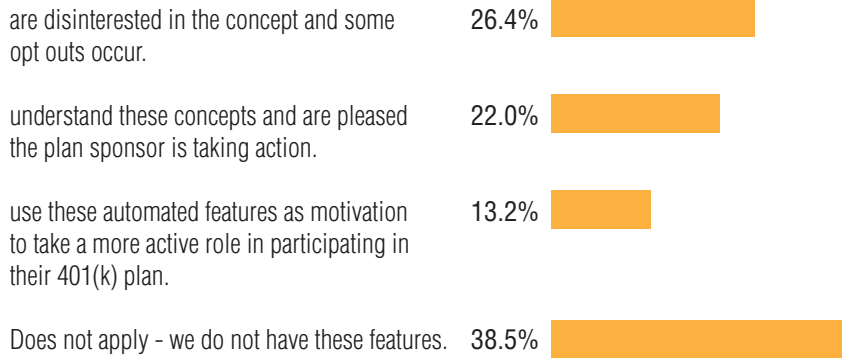


Does your plan have a step-up deferral rate feature?



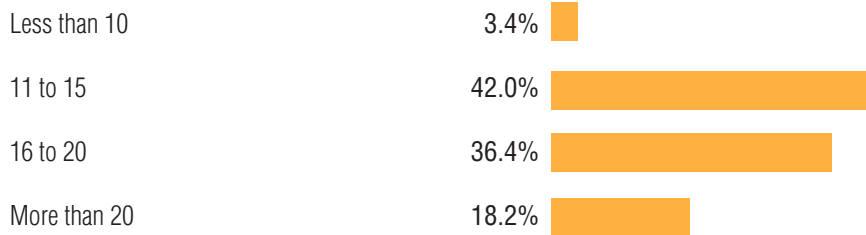
Response Summary

Which comment would most closely align itself with participant reaction to automatic enrollment and/or step up features? Participants

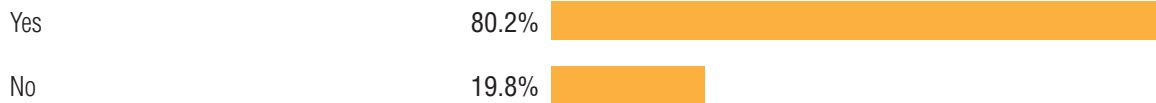


Survey Benchmarks – Investments

What is the total number of investment funds in your investment fund array? (Please count target date funds as one fund.)



Does your plan offer Target Date Funds (TDFs)?



Does your plan offer Exchange Traded Funds (ETFs)?

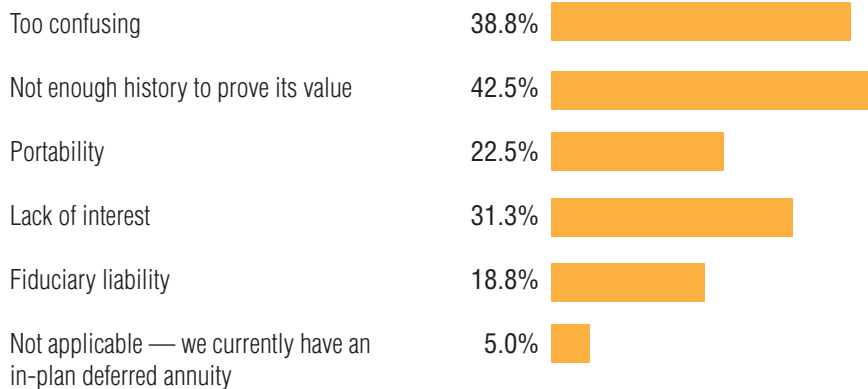


Response Summary

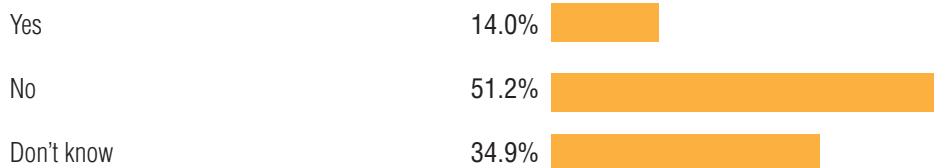
Does your plan have an in-plan income solution (e.g., in-plan deferred annuity, etc.)?



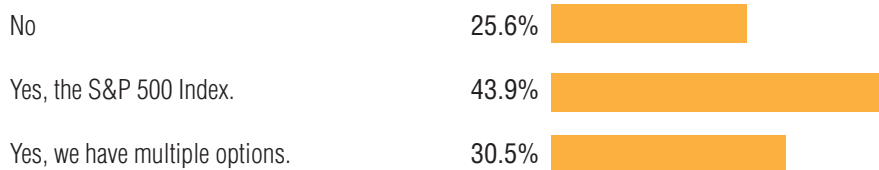
If your plan does not currently have an in-plan income solution, what do you feel is the greatest challenge in having this type of option added to your plan? (Check all that apply.)



Does your plan utilize collective investment trusts?

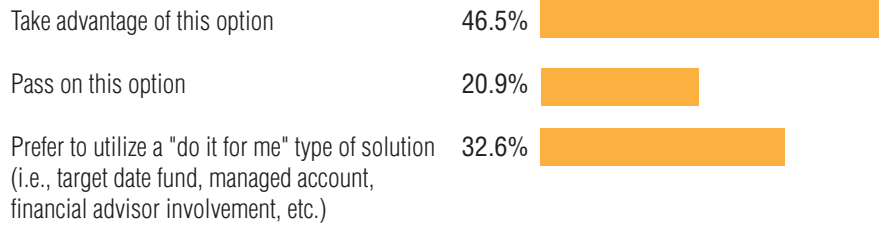


Do you have a passive index investment(s) as an option in your plan?



Response Summary

If additional investment education services were provided to participants, they would:



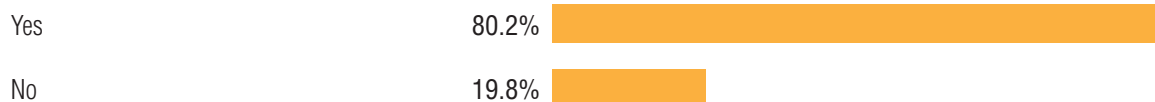
Survey Benchmarks – Fees

Have you reviewed your plan's implicit and explicit fees in the past six months?

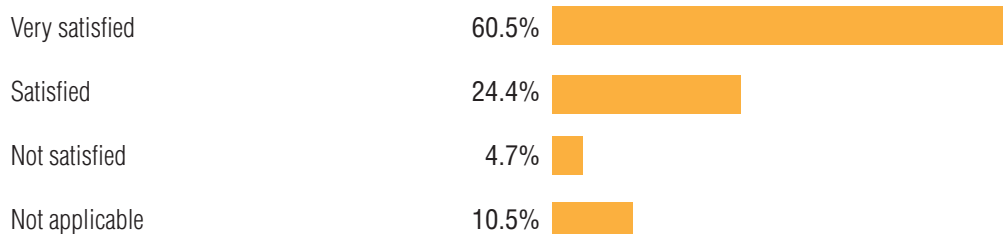


Survey Benchmarks – Advisor Status

Do you utilize an outside investment advisor or consultant independent of your vendor/provider/recordkeeper to help you with your plan?

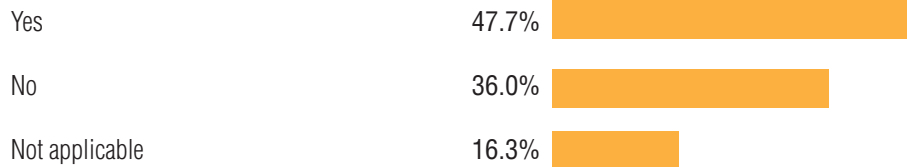


How satisfied are you with the overall services your advisor or consultant provides?

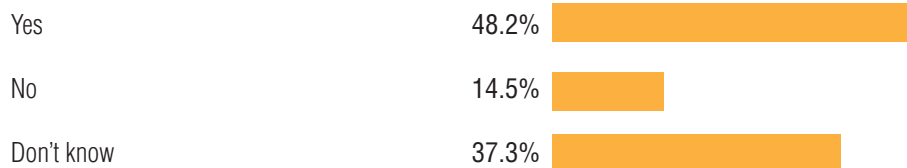


Response Summary

Does this advisor or consultant act as an investment co-fiduciary?

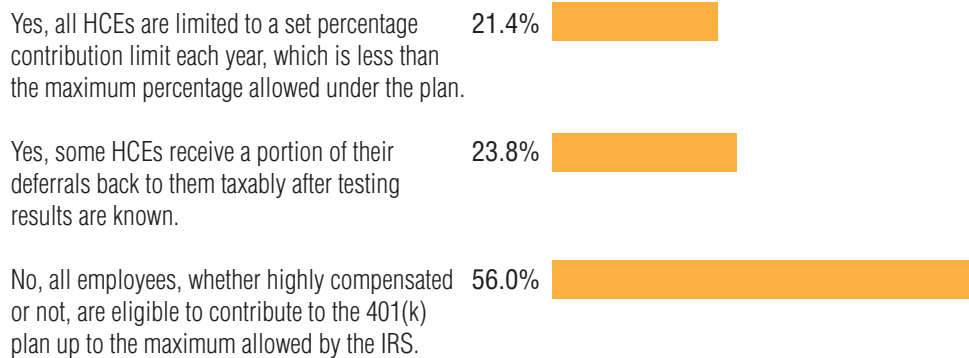


If an investment advisor would act as an investment co-fiduciary for your retirement plan, would your organization take advantage of this option?



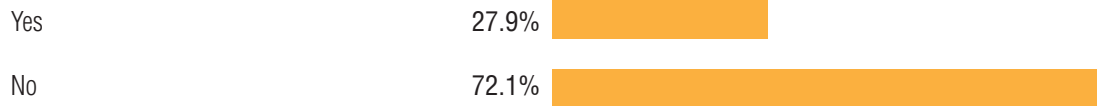
Nonqualified Plans

Are highly compensated employees (HCEs) limited in their voluntary contributions to the 401(k) plan due to non-discrimination testing results? (Check all that apply.)

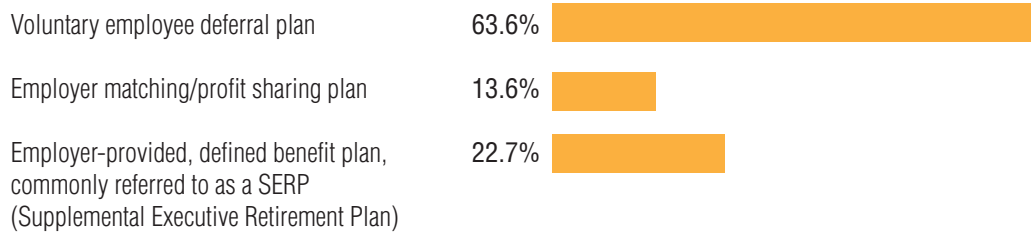


Response Summary

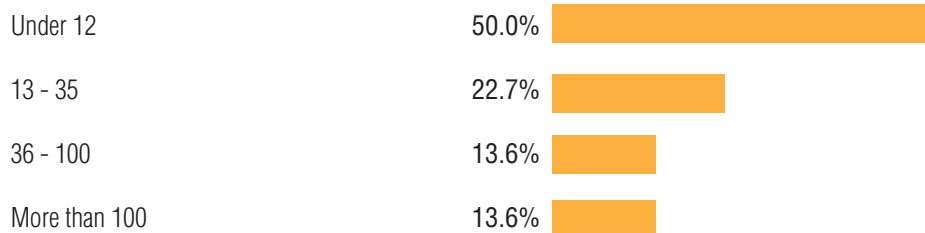
Do you offer any nonqualified benefit plans to your key executives?



Which of the following types of plans do you offer?



What is the total number of key executives eligible/participating?



Have your plans been audited for compliance with IRC section 409A?

