

Ask about retirement plans at work, soon

The most important thing you can say to a new hire may well be: “Have you signed up for the 401® yet?”

An astounding three out of 10 workers don’t know whether their employers offer retirement plans, according to a survey by research firm Morning Consult for the Certified Financial Planner Board of Standards. “That was, quite frankly, shocking,” says Kevin Keller, the board’s CEO. “But it clearly shows that people just don’t know what their options are.” You might think people don’t know because their employers don’t offer such plans. Bureau of Labor Statistics’ figures show that 30 percent of workers don’t have access to 401(k)s, 403(b)s, pensions or other retirement plans at work.

But when the certified financial planner board asked 2,200 American adults if their current employer offered a retirement savings plan for employees, 38 percent said yes, 32 percent said no and 30 percent didn’t know.

Why you should care

This survey finding should dismay employers, because retirement benefits are supposed to help attract and retain workers. If your employees don’t know about them, those benefits aren’t doing their job. Rather than assume new hires are getting the word, companies should take every opportunity to explain the value of retirement savings plans and encourage participation. Better yet, make enrollment automatic — an increasingly common and effective option to start people saving.

Taxpayers shoulder the burden when people hit their retirement years unprepared. Impoverished seniors mean more strain on public assistance, especially Medicaid, the health care system for the poor that also pays for a lot of long-term care expenses. Sometimes, a one-on-one conversation can do more to convince someone than any glossy brochure or email campaign.

Your nudge could spur action

In Josh Overmyer’s case, it was a two-on-one conversation.

Overmyer took a job in a Florida county planning department after college. Two of the department’s

“work moms” and took Overmyer under their collective wing. Among the many conversations they had about getting launched in the work world was one about the importance of paying himself first, or putting money into savings before spending on anything else. They recommended he sign up for the agency’s 457 deferred compensation plan, a type of tax-advantaged retirement account.

“When you’re 22, you’re not thinking about retirement,” says Overmyer, who is now 36 and works for the Florida Division of Emergency Management in Fort Myers. “You earn the money, you spend the money.”

Do as I say, not as I did

You don’t have to be a great saver to nudge others, by the way. If you wish you’d started saving earlier or saved more, you can share that sentiment while suggesting your coworkers not make the same mistake.

If you’re not saving because you don’t have a retirement account at work, know that you have plenty of company. Without a workplace plan, most people don’t save: An AARP survey found workers are 15 times more likely to put aside money for retirement if they can contribute through payroll deduction.

That’s why 10 states are rolling out plans to give small-business employees access to simple retirement plans through payroll deduction. Many other states are considering similar legislation.

You don’t have to wait, though. You can contribute to an IRA and encourage your co-workers to do the same.

*This column was provided to the Associated Press by the **personal finance** website NerdWallet. Liz Weston is a columnist at NerdWallet, a certified financial planner and author of *Your Credit Score*.*



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administrative assistants, both in their mid 40s, dubbed themselves his