

Retirement plan solutions for the engineering industry

AN INDUSTRY BOUNCING BACK

According to the Engineering Services Global Market Report, “the global engineering market is expected to grow significantly due to the recovery from the impact of COVID-19 that had companies rearranging operations, experiencing delays, supply and demand issues and more. Additionally, the market is expected to reach \$1.17 trillion in 2025 with a CAGR of 5.6%.¹

And, according to Deloitte, the industry is likely to help “other industries unlock the future of workplace solutions.”² Of course, in order to increase efficiencies, improve return on investment, and make other improvements, engineering companies may need to embrace new trends and technologies including digital twins, artificial intelligence, big data, sustainability, resilient systems and more.² And that may require skills and talent that may be hard to attract.

ENGINEERING RETIREMENT PLAN REPORT CARD

Challenge	Why it matters	How ADP retirement solutions can help
Only 66.1% of plans say the vast majority or all of their participants defer enough to take full advantage of the match — which could, in part, be because only 48.3% of plans offer automatic escalations.	Failing to contribute enough for a match is like “leaving free money on the table.” And when both employees and employers are concerned about their ability to be ready for retirement, every bit of savings helps.	Save Smart® enables participants to automatically increase their savings rate at designated intervals (like at annual review time).
61.3% of plans believe they are responsible for helping with financial wellness, but only 22-58% truly provide anything on it.	Engineering is a high stress, high time commitment career. And even though it tends to be a higher paying industry, employees can still struggle with paying daily bills, debt, saving for a rainy day — and a number of other financial issues unrelated to investments.	ADP Achieve is a robust financial wellness program for your workforce that can help employees improve their financial literacy, manage debt, protect their identity, plan for retirement, save for college, and more.
31.6% of engineering plans still have investment funds that pay 12b-1 or sub-TA fees, and another 41.8% of plans don't know if they do or not.	Plan sponsors have a fiduciary responsibility to look out for their employees' best interests. Arguments can be made that funds with these types of fees are not in participants' best interests — which can add to your fiduciary risk.	ADP offers a selection of low-cost funds (typically referred to as zero revenue funds). These investment options pay no 12b-1, sub-TA, shareholder servicing fees or compensation, in general, to ADP (or its affiliates). As a result, your plan recordkeeping fees are calculated and charged separately which provides greater fee transparency.

Source: PLANSPONSOR Defined Contribution (DC) Survey, 2020.

¹ Engineering Services Global Market Report 2021: COVID 19 Impact and Recovery to 2030. Reportlinker, May 6, 2021.

² Ibid.

³ Claire Rutkowski. Six Trends Driving The Architecture, Engineering And Construction Industry. Forbes, May 5, 2021.



UNLOCKING BETTER RETIREMENT OUTCOMES

Your retirement plan can help you or hinder you in attracting and retaining motivated, productive employees. ADP retirement plan solutions brings you the services and features you need to improve plan health, reduce administrative burdens and unlock better employee retirement outcomes.

"We expect to see big shifts in employee attitudes in 2021 and beyond,
with a greater emphasis on stability and predictability.

With many in-person workplace perks like catered lunches and employee events abandoned during COVID-19, we foresee a trend toward benefits packages beefing up retirement savings and 401(k) matches, improved health plan offerings and permanently up-leveled remote work and flexible hours options."

— Andrew Chamberlain, Ph.D., Chief Economist, Glassdoor⁴

⁴ Glassdoor Team. Glassdoor Workplace Trends: 5 Trends Reshaping How We Work After COVID-19. June 25, 2021.



MORE THAN A PROVIDER, **ADP IS YOUR RETIREMENT ALLY.**

With more data and experience than any other provider, our advanced technology makes retirement plans easy and engaging. Our flexible, simple to manage retirement plans are backed by:

- Seamless data integration to streamline plan administration and mitigate unnecessary risk.
- A data-driven approach to employee education delivering personalized insights that empower employees to make informed savings decisions.
- Plan design to best meet the needs of your business and workforce.
- Industry-recognized security to ensure that your employee data is secure and compliance is managed.

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Investment options are available through the applicable entity(ies) for each retirement product. Investment options in the "ADP Direct Products" are available through either ADP Broker-Dealer, Inc. (ADP BD), Member FINRA, an affiliate of ADP, Inc., One ADP Blvd, Roseland, NJ 07068 or (in the case of certain investments) ADP, Inc. Only registered representatives of ADP BD may offer and sell ADP retirement products and services or speak to retirement plan features and/or investment options available in any ADP retirement products. Registered representatives of ADP BD do not offer investment, tax or legal advice to individuals. Please consult with your own advisors for such advice.

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Let's Talk.

Let's talk about how ADP can help you solve plan design challenges so you and your workforce can unlock the full potential of your retirement plan.



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