

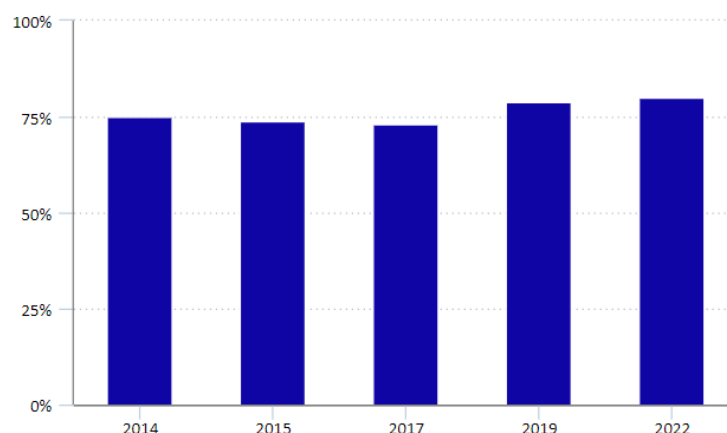
What is automatic enrollment in savings and thrift defined contribution plans?

The National Compensation Survey (NCS) - [Benefits](#) provides estimates for savings and thrift plan participation, as well as automatic enrollment provisions in these plans, for private industry workers across occupation, industry, average wage category, establishment size and geographic area (Census region and division).ⁱ

A savings and thrift plan is a defined contribution retirement plan. Employees may contribute a predetermined portion of earnings (usually pre-tax) to an individual account. Employers may match a fixed percentage of employee contributions or a percentage that varies by length of service, amount of employee contribution, or other factors. Contributions are invested as directed by the employee or employer. Although savings and thrift plans are usually designed as a long-term savings investment, employees are often allowed to select how their contributions are invested and some plans may allow withdrawals and loans before retirement.ⁱⁱ

From the [2022 Retirement Plan Provisions](#) publication, 80 percent of private industry workers participated in savings and thrift plans among workers that participated in a defined contribution plan. In [2014](#), 75 percent of private industry workers participated in a savings and thrift defined contribution plan (See chart 1).

Chart 1. Savings and thrift plan participation rate for private industry workers



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Table 1. Savings and thrift plan participation rate for private industry workers

Year	Participation rate
2014	75%
2015	74%
2017	73%
2019	79%
2022	80%

Source: U.S. Bureau of Labor Statistics

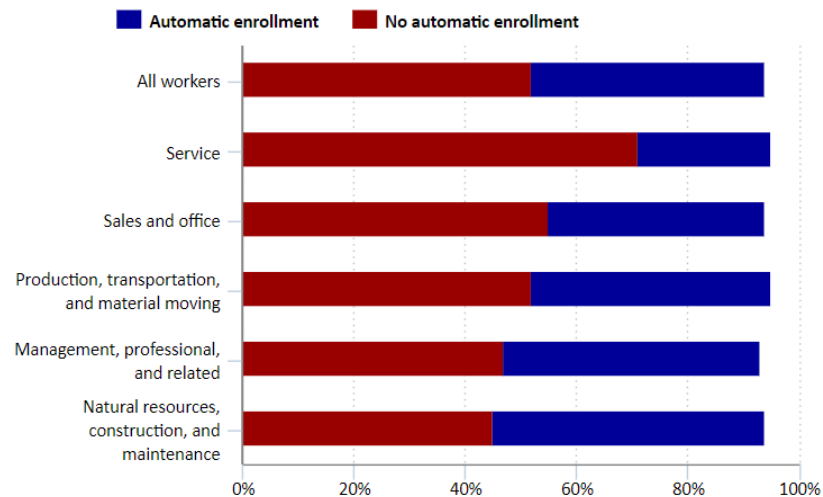
What automatic enrollment estimates are available from BLS?

The National Compensation Survey (NCS) provides estimates on automatic enrollment and escalation. Automatic enrollment is a feature of some savings and thrift plans. As soon as eligibility requirements are met,

employees are enrolled in a plan, with the right to decline coverage at any time. Automatic escalation occurs when employee contributions are automatically increased at a predetermined rate over time, although employees may choose to change their contribution to a different percentage.

Among all private industry workers participating in savings and thrift plans in 2022, 42 percent of workers had automatic enrollment and 52 percent of workers did not have automatic enrollment. Forty-nine percent of natural resources, construction, and maintenance workers and 24 percent of service workers had automatic enrollment. Forty-five percent of service workers and 71 percent of natural resources, construction, and maintenance workers did not have automatic enrollment (See chart 2).

Chart 2. Availability of automatic enrollment for private industry workers by occupational group, 2022



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Table 2. Availability of automatic enrollment for private industry workers by occupational group, 2022

Occupational groups	Automatic enrollment	No automatic enrollment
All workers	42%	52%
Service	24%	71%
Sales and office	39%	55%
Production, transportation, and material moving	43%	52%
Management, professional, and related	46%	47%
Natural resources, construction, and maintenance	49%	45%

Source: U.S. Bureau of Labor Statistics

After automatic enrollment, a minimum default employee contribution rate and default investment options are usually set initially, but employees may choose to contribute a different percentage and change investments. The default contribution percentage of earnings for private industry workers was 2 percent at the 10th percentile and 6 percent at the 90th percentile (See chart 3).ⁱⁱⁱ

Chart 3. Default contribution as percent of earnings for private industry workers, 2022

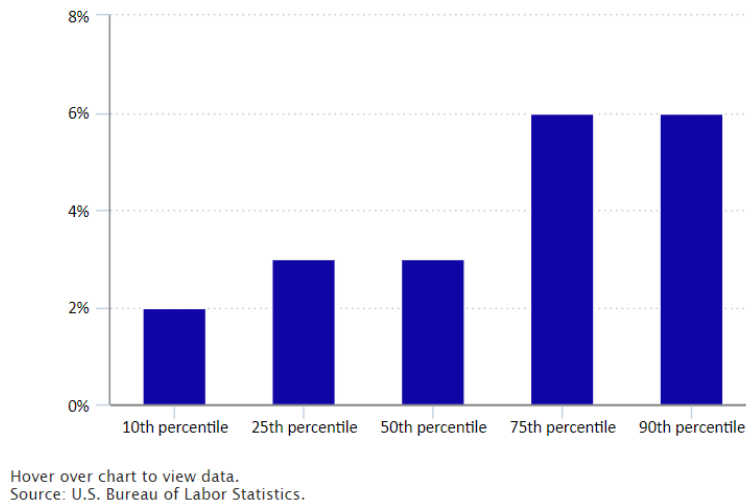


Table 3. Default contribution as percent of earnings for private industry workers, 2022

Workers	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
All workers	2%	3%	3%	6%	6%

Source: U.S. Bureau of Labor Statistics

Among private industry workers that participated in savings and thrift plans, 42 percent had automatic enrollment available in 2022 compared to 39 percent in 2017. Twenty-six percent of private industry workers participated in savings and thrift plans with an automatic escalation feature in 2022 compared to 18 percent in 2017 (See chart 4).

Chart 4. Availability of automatic enrollment and automatic escalation for private industry workers

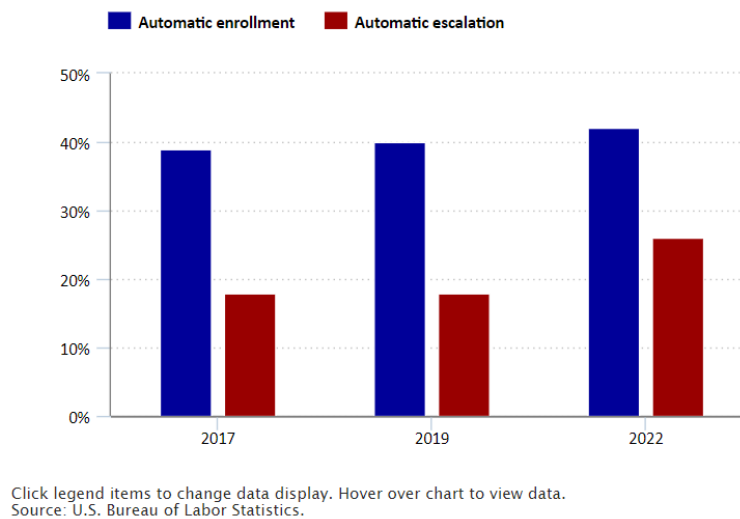


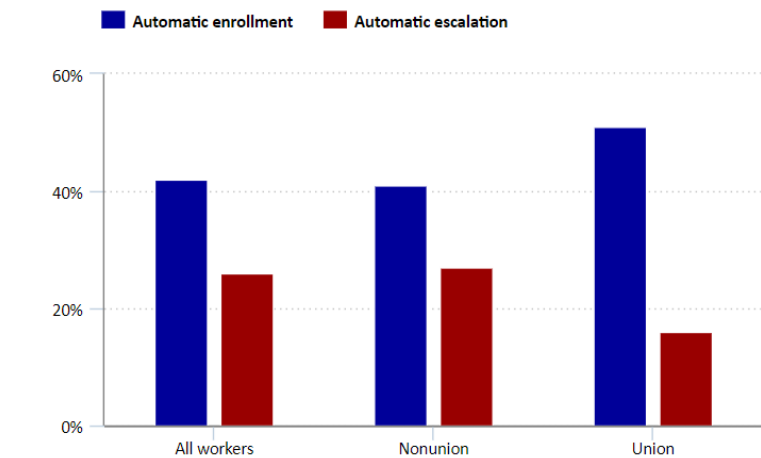
Table 4. Availability of automatic enrollment and automatic escalation for private industry workers

Year	Automatic enrollment	Automatic escalation
2017	39%	18%
2019	40%	18%
2022	42%	26%

Source: U.S. Bureau of Labor Statistics

Forty-one percent of nonunion and 51 percent of union private industry workers that participated in a savings and thrift plan had automatic enrollment in 2022. Twenty-seven percent of nonunion and 16 percent of union private industry workers that participated in a savings and thrift plan had automatic escalation (See chart 5).

Chart 5. Availability of automatic enrollment and automatic escalation for private industry workers by bargaining status, 2022



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

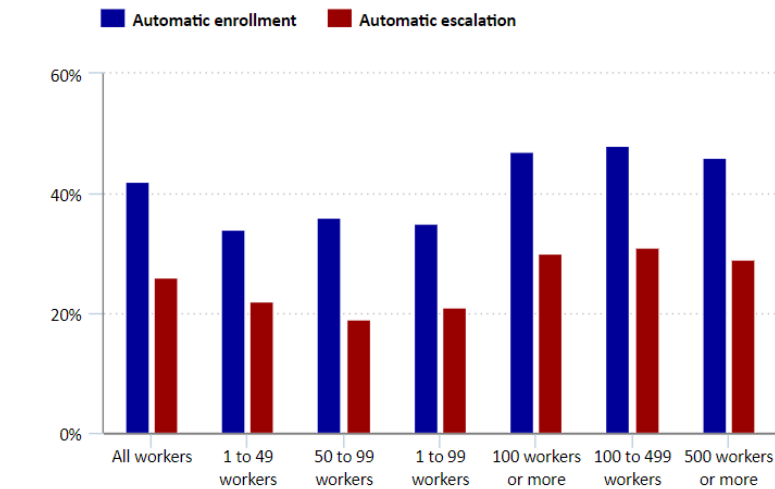
Table 5. Availability of automatic enrollment and automatic escalation for private industry workers by bargaining status, 2022

Bargaining status	Automatic enrollment	Automatic escalation
All workers	42%	26%
Nonunion	41%	27%
Union	51%	16%

Source: U.S. Bureau of Labor Statistics

In 2022, 34 percent of workers in establishments with 1 to 49 workers and 46 percent of workers in establishments with 500 or more workers had automatic enrollment in their savings and thrift plans. Twenty-two percent of workers in establishments with 1 to 49 workers and 29 percent of workers in establishments with 500 or more workers had automatic escalation in their savings and thrift plans (See chart 6).

Chart 6. Availability of automatic enrollment and automatic escalation for private industry workers by establishment size, 2022



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Table 6. Availability of automatic enrollment and automatic escalation for private industry workers by establishment size, 2022

Establishment size	Automatic enrollment	Automatic escalation
All workers	42%	26%
1 to 49 workers	34%	22%
50 to 99 workers	36%	19%
1 to 99 workers	35%	21%
100 workers or more	47%	30%
100 to 499 workers	48%	31%
500 workers or more	46%	29%

Source: U.S. Bureau of Labor Statistics

Estimates are available for the default automatic enrollment amount as a percentage of the maximum employee contribution matched by the employer. The percentage is determined by calculating the ratio between the default enrollment amount and the maximum employee contribution matched by the employer, for plans that specify both values. For example, if an employee is auto enrolled at a rate of 2 percent, but the employer matches employee contributions up to a maximum of 5 percent, then the employee's default enrollment amount is 40 percent of the maximum amount matched by the employer. In 2022, the 10th and 90th percentiles for full-time workers were 40 percent and 100 percent, respectively, while part-time workers had 10th and 90th percentiles of 40 percent and 167 percent. A value of 167 percent means that the default automatic enrollment amount is 67 percent higher than the employer's maximum matching amount. (See table 7).

Table 7. Default automatic enrollment amount as a percent of the maximum amount matched by employer

Bargaining status	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
Full-time	40%	50%	-	100%	100%
Part-time	40%	43%	50%	100%	167%

Source: U.S. Bureau of Labor Statistics

Estimates are available for the automatic enrollment amount after maximum escalation as a percentage of the maximum employee contribution matched by the employer. The percentage is determined by calculating the ratio of the final escalation amount and the maximum employee contribution matched by the employer.^{iv} For example, if an employee is auto enrolled at a rate of 2 percent with automatic escalation up to 7 percent, and the employer matches employee contributions up to a maximum of 5 percent, then the employee's automatic enrollment amount after maximum escalation is 140 percent of the maximum amount matched by the employer. In 2022, the 10th and 90th percentiles of full-time workers were 40 percent and 250 percent, respectively, while part-time workers had 10th and 90th percentiles of 40 percent and 267 percent. A value of 267 percent means that the employee's contributions were automatically escalated to 167 percent higher than their employer's maximum matching amount. (See table 8).

Table 8. Automatic enrollment amount after maximum escalation as a percent of the maximum amount matched by employer

Bargaining status	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
Full-time	40%	60%	100%	167%	250%
Part-time	40%	-	167%	200%	267%

Source: U.S. Bureau of Labor Statistics

Technical Note

The [Handbook of Methods: National Compensation Measures](#) provides information on the survey design, calculations, weighting, and imputation methods used to produce estimates for the ECI, ECEC, and Benefits publications. Information on calculating the reliability of estimates (standard errors) is also included in the [calculation](#) section. For all published estimates of cost, coverage, and provisions of employer-sponsored benefit plans see the [Employee Benefits publications list](#).

Additional Resources

- [Latest news release](#)
- [Archived Benefits news releases](#)
- [Health and retirement plan provision publications](#)
- [Employee Benefits Survey glossary](#)
- [NCS classification page](#)
- [Pay Measure Comparison](#)

Additional Articles

- [Selected characteristics of savings and thrift plans for private industry workers](#)
- [How do retirement plans for private industry and state and local government workers compare?](#)
- [Defined contribution retirement plans: Who has them and what do they cost?](#)
- [Retirement costs for defined benefit plans higher than for defined contribution plans](#)

END NOTES

ⁱ See the [Classifications Systems Used by the National Compensation Survey \(NCS\)](#) for more information on the industry group, occupational group and geographic area classifications. See the [NCS Handbook of Methods](#) for more information on the survey design, calculations, weighting, and imputation methods.

ⁱⁱ See [Employees given range of investment options in 401\(k\) plans](#).

ⁱⁱⁱ The 10th, 25th, 50th, 75th, and 90th percentiles designate position within each published series. For example, at the 50th percentile or median, half of the participating workers receive the same as or more than the benefit shown, and half receive the same as or less than the benefit shown. At the 25th percentile, one-fourth of the participating workers receive the same or less than the benefit shown. The remaining percentiles follow the same logic.

^{iv} If a plan does not have an escalation feature, then the default automatic enrollment amount is considered the maximum escalation amount.