

## N.J. 401(k) plans see decreased participation, lower employer contributions

By Andrew Kitchenman

10/1/2009

Fewer New Jersey workers are participating in their company 401(k) plans and **Fewer Employers Are Making Contributions**, according to a survey by **O'Meara Financial Group**.

The survey found that 35 percent of companies have had a drop in participation, while 14 percent had an increase.

Along with a shift employers have made from pensions to 401(k) plans, 20 percent of employers have lowered contributions to their 401(k) plans, according to the survey.

Of the survey respondents, 35 percent automatically enroll their employees in their 401(k) plans. A financial adviser is offered by 40 percent of plans, while 33 percent of plans provide no education to employees about the plans.

Of the plans that allow employees to take a loan against their account, 30 percent had an increase in the amount of loans this year.

The plans are reviewed by 63 percent of companies annually or less frequently than annually. Thirty percent of respondents said they will be making changes in the next year, with the biggest changes to be made in investment monitoring and plan design and setup.

**Margaret O'Meara**, company president, said while there has been an increase in the number of employees making early withdrawals from their plans, the increase hasn't been as great as her company expected. These early withdrawals trigger taxes and fees that can reach 50 percent of their value, she said.

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