

## Retirement plan services

RecordkeeperDirect®  
automatic enrollment overview



**CAPITAL  
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## Automatic enrollment can help your employees get started on the road to retirement

The SECURE 2.0 Act of 2022 requires most new retirement plans to automatically enroll employees and escalate their contributions.\*

Auto enrollment can boost participation in your plan, help employees invest more for retirement, and save you time by eliminating paperwork. Employees can always make changes to their investments and contributions.

We make it easy to set up auto enrollment and escalation for RecordkeeperDirect plans and offer other services and features that can further ease your administrative efforts. **Together, we can help participants succeed on their journey to retirement.**

### The SECURE 2.0 Act requirements at a glance

- Applies to most plans\*
- Employees must be automatically enrolled at a rate of 3% to 10%
- Deferrals must escalate 1% per year, to a maximum of 10% to 15%

## Automatic enrollment in three simple phases

**1**

### SET UP

Set up your plan's auto enrollment provision.

**2**

### TRACK ELIGIBILITY

Keep track of each employee's eligibility, with or without our help.

**3**

### ENROLLMENT & ESCALATION

Enroll eligible employees, and stay on top of annual escalation.

\* Exemptions apply for small businesses with 10 or fewer employees, church and governmental plans, and companies that have been in existence for less than three years.

**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

# Automatic enrollment made simple

If you haven't already, it may be time to help your employees get a jump on their retirement journey through automatic enrollment. **Here's how to get started.**

PHASE

1

SET UP

Provide the relevant information about your automatic enrollment provision, such as the initial deferral rate and maximum automatic escalation rate (if applicable), so we can effectively support the particulars of your policy.

**New RecordkeeperDirect plans:** Complete the relevant sections in our *Retirement Plan Specifications* paperwork.

**Existing plans:** Submit the *Automatic Enrollment Services Election* form.

**Note:** Additional participant data will be required to enable automatic enrollment services, including current deferral information for participants; we'll provide a spreadsheet template for you to complete and return to us.



## Benefit from bonus features

In order to effectively support your automatic enrollment needs, we'll establish our online enrollment feature suite for your plan, which includes the following components:

- ✓ **Online enrollment** allows employees to conveniently enroll in your retirement plan via the participant website or mobile app
- ✓ **Deferral Designation Services** allow participants to easily update their contribution elections online at any time
- ✓ **Beneficiary Designation Services** allow participants to manage their primary and contingent beneficiaries online

## Optional services to consider

Depending on your preferences, we offer optional services to provide additional support:

- **Employee Deferral Eligibility Tracking Services:** We can track employee eligibility for you, using data provided by you or your payroll provider (e.g., participant hours worked)\*
- **Payroll integration:** We can integrate with many popular payroll providers to lighten your payroll load

\* Unavailable for plans with eligibility requirements of less than 60 days of service.

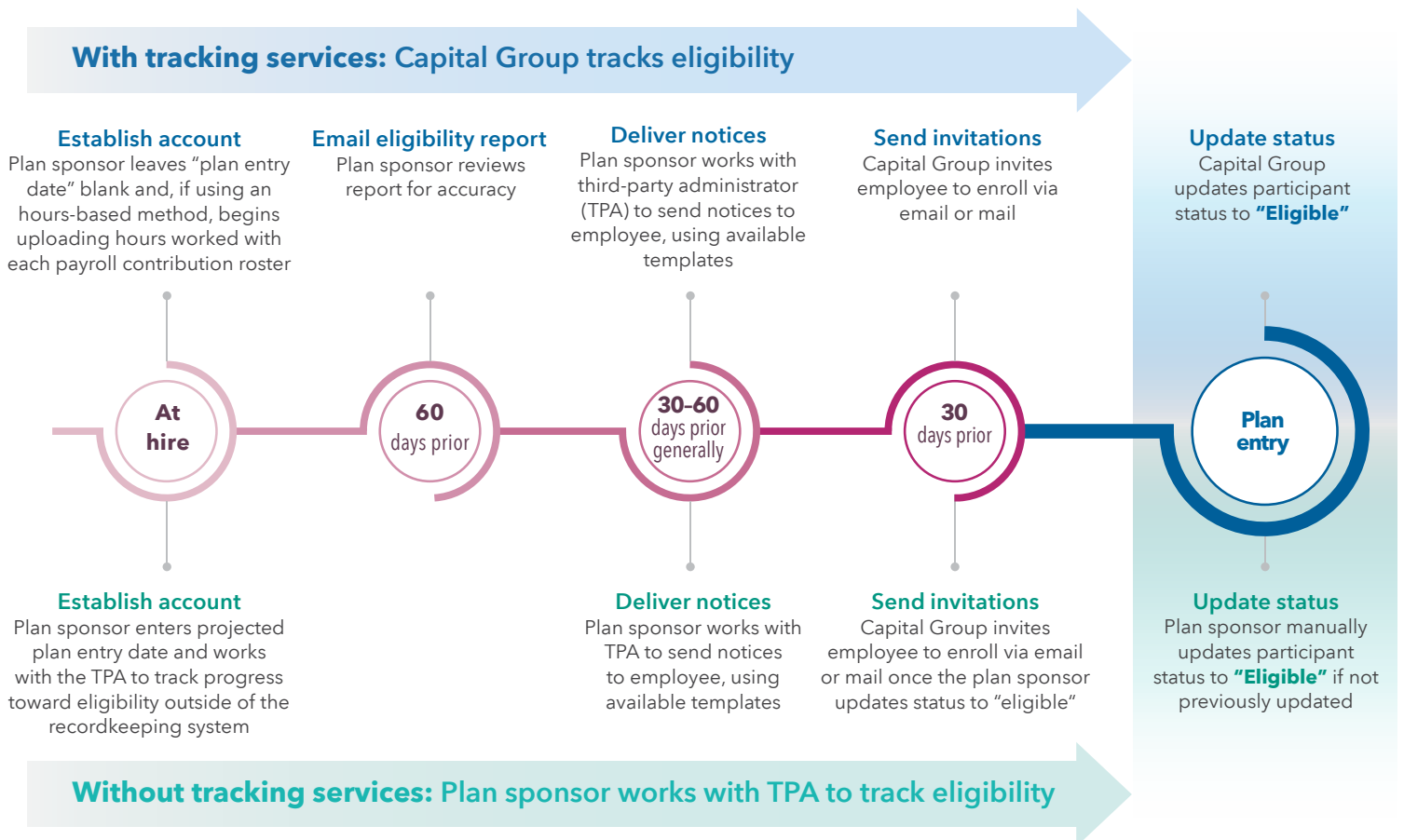


# Ongoing tasks prior to eligibility

PHASE  
**2**  
TRACK  
ELIGIBILITY

Once automatic enrollment services are established for your plan, what happens next?

The plan sponsor's responsibilities will vary in this phase of the process depending on whether our Employee Deferral Eligibility Tracking Services – available for plans with an eligibility requirement of at least 60 days of service – are being utilized. Review the timeline below to understand the key milestones, based on the length of time before the employee's projected plan entry date.



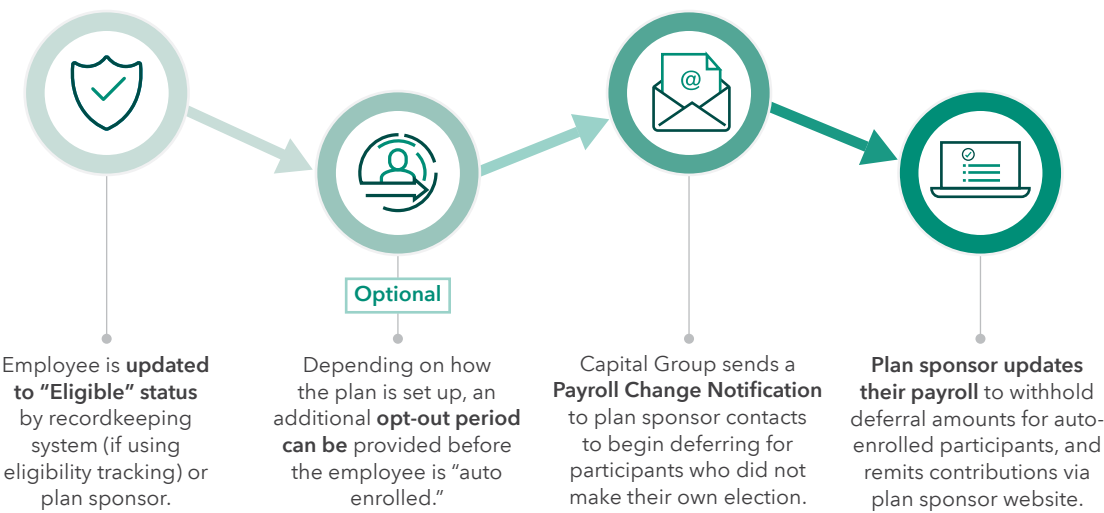
# Automatic enrollment and escalation

PHASE

3

ENROLLMENT  
& ESCALATION

Notification will be sent to the plan sponsor contacts you designate when it's time to update your payroll and begin contributing for auto-enrolled participants. Review the sequence of events below.



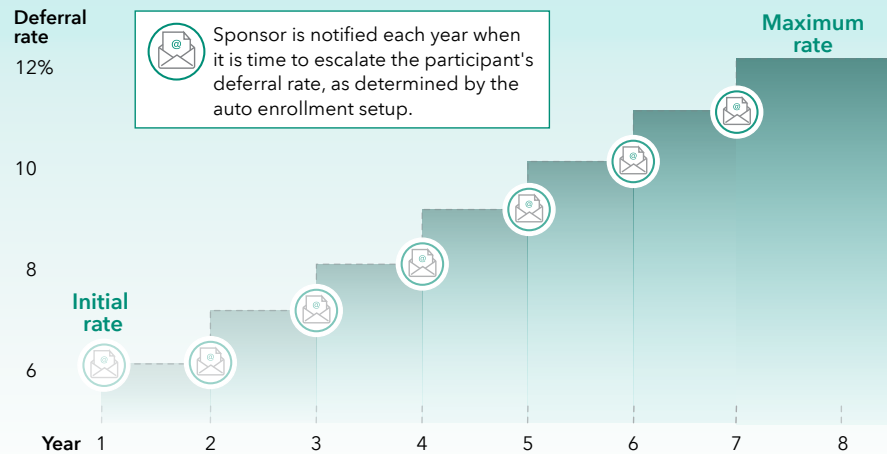
**Permissible withdrawals**

To comply with SECURE 2.0 Act requirements, plans must allow participants to withdraw their automatic contributions penalty-free within 30 to 90 days, as set by the plan. Participants who wish to take a permissible withdrawal can submit the **Permissible Withdrawal Request form**.

## Automatic escalation

A similar process applies for plans with automatic escalation. We'll send another Payroll Change Notification to the plan sponsor contacts when it's time to increase contribution rates for impacted participants each year, as determined by the plan's auto enrollment provision.

The hypothetical example at the right illustrates the process for a plan with a 6% automatic enrollment deferral that escalates contributions by 1% each year to a maximum of 12%.



## We can help you introduce auto enrollment

To learn more about how to enable auto enrollment services for your plan, call us at **(800) 421-9900**.

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