



Benchmarking Retirement Plans **in Senior Living**

Smarter Comparisons, Stronger Outcomes

June 3, 2025

Agenda

By the end of this session, you'll understand:

1. Why benchmarking is essential for plan strategy and fiduciary oversight
2. Which key retirement metrics reveal the most valuable insights
3. How benchmarking leads to smarter plan design, lower costs, and better outcomes
4. The collaborative role of HR and Finance
5. Where retirement plan trends are heading beyond the 401(k)/403(b)







Why *benchmarking* matters?

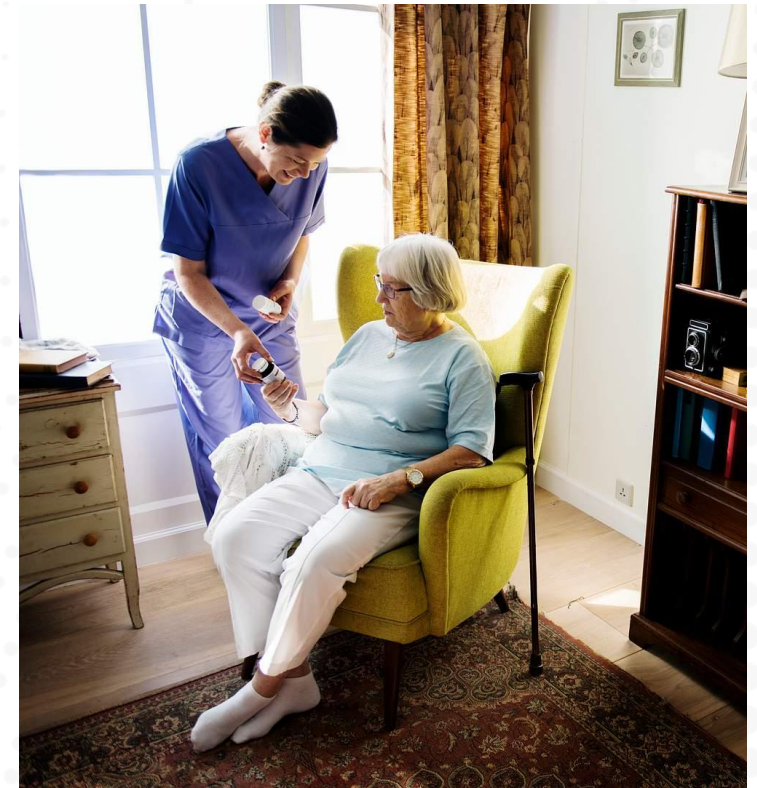
Benchmarking helps you:

- ✓ Understand how your plan compares to industry peers
- ✓ Spot early warning signs: low participation, underutilized match, outdated fund lineups
- ✓ Document ongoing evaluation for fiduciary best practices
- ✓ Support strategic decisions with real data

The Senior Living Challenge

Unique Workforce Dynamics

- 65% of senior living operators cite hiring and staff retention as their top challenge in 2024.¹
- Senior living care has an employee turnover rate of nearly 50%, one of the highest turnover rates of any industry in the United States.²
- Many mid- or late-career employees
- Limited access to benefits education



Metrics That Matter: What to Track

Participation Rate: Are employees enrolling?

Deferral Rate: Are they saving enough to retire?

Distributions: Are employees tapping their retirement savings before retirement?

Employer Match Utilization: Are employees leaving money on the table?

Retirement Readiness Score: Are participants on track?

Financial Wellness Indicators: Are financial stressors impacting productivity?

Case Study

Real-World Effects of Benchmarking

Organization	Action	Before Benchmarking	After Benchmarking
5M Plan 100 employees	Switch who pays advisor v. recordkeeper fees	Organization pays \$15,500 (increasing with employee growth). Employees pay .35% + investment expense. For a Target Date Fund investor that is .43%.	Organization pays \$16,000 a year (\$4,000 a quarter) and this does not fluctuate. Employees pay .19% - .21% + investment expense. For a Target Date Fund investor that is .26% - .36%.
40M Plan 450 employees	Advisor and Recordkeeper RFP	.95%	.49% (same target date fund)
17M Plan 200 employees	Update Plan Design Auto Enroll and Auto Increase	Over 30% of employees not saving enough to meet employer match	All but 5 employees' savings to hit employer match



Benchmarking as a Fiduciary Obligation

- **ERISA 404(a):** Fiduciaries must ensure plan fees are reasonable relative to the services provided.
- **Best Practice:** Conduct a “live bid” benchmarking process every 3–5 years.
- **Triggers for Early Review:**
 - Significant plan growth
 - Service or technology concerns
 - Change in provider personnel or ownership
- **Fiduciary Risk:** Failing to benchmark or document this process can increase legal exposure.

Turning Insights Into Action

Use benchmarking insights to:

- Reevaluate plan design: auto-enrollment, match structure, vesting
- Improve investment menu: remove underperformers, streamline choices
- Renegotiate fees with vendors
- Enhance employee education and outreach
- Justify plan changes to leadership with evidence

EXAMPLE

How do benefits overall compare?

How does our retirement plan match and executive compensation benefits stack up?

Benchmarking

1. Are your healthcare premiums above or below the norm?
2. Are your required employee contributions in line with competitors?
3. Are your maximums for co-pays, deductibles, coinsurance & out-of-pocket in line with specific geography, industry, and company size averages?
4. How do your annual premium increases compare with other employers in the same area?
5. How do your prescription drug benefits compare?

Borislow Insurance has a partnership with Milliman Actuarial.

Benchmarking tool is designed to help our clients benchmark their medical plans in their state, industry and nationally.

	National	MA	Industry Software Publishers	Size 101-250
# of Companies Participating	27,328	590	33	2,525
# of Employees Represented	2.5M	62,299	15,296	392,541
Healthcare Dollars Spent	\$34.6B	\$958M	248M	\$5.6B

Data based on 2024 Milliman survey results

Where We Stand - Total Rewards Snapshot

Benefit Category	ABC COMPANY	Peer Average	How ABC Compares to Benchmark	ABC Contribution Single/Family	Peer Average	ABC COMPANY
Medical Coverage	PPO \$2000	\$1,500 Ded	▽ Below Benchmark	92% / 72%	76% / 65%	✔ Competitive
Medical Coverage	PPO \$0	\$1,500 Ded	✔ Competitive	75% / 60%	76% / 65%	☑ At Benchmark
Medical Coverage	PPO \$2000	HMO 2000 PPO 2000 HSA 2000	☑ At Benchmark	92% / 72%	76% / 65%	✔ Competitive
Medical Coverage	PPO \$0	HMO 2000 PPO 2000 HSA 2000	✔ Competitive	75% / 60%	76% / 65%	☑ At Benchmark
Dental Coverage	\$1,500 Max	\$1,500	☑ At Benchmark	75% / 60%	74%	☑ At Benchmark
Vision Coverage	\$10 / 12 / 12 / 12	\$10 / 12 / 12 / 24	✔ Competitive	Voluntary	75%	▽ Below Benchmark
Life Insurance	Flat \$10,000	Flat \$50,000	▽ Below Benchmark	100%	100%	☑ At Benchmark
Life Insurance	Flat \$10,000	1 x salary to \$350K	▽ Below Benchmark	100%	100%	☑ At Benchmark
Short Term Disability	60% of Salary	60% of Salary 57% Offer STD	☑ At Benchmark	100%	100%	☑ At Benchmark
Long Term Diability	Not Offered	60% of salary 76% offer LTD	▽ Below Benchmark	N/A	100%	▽ Below Benchmark
401(k) + Match	100% match up to 3.0%, 50% on next 2% of pay	50–100% match up to 6%	✔ Competitive	N/A	N/A	N/A
Paid Time Off	Unlimited PTO	10–20 days average	🌀 Different	N/A	N/A	N/A
Paid Time Off	Unlimited PTO	Unlimited PTO	☑ At Benchmark	N/A	N/A	N/A
Commuter	In-House, \$15 per day, approx \$1,500 per year- approx 25 employees using benefit	\$100 per month	✔ Competitive	N/A	N/A	N/A
Wellness or Life Style Spending Account	Not Offered	\$500–\$1,000 annual stipends	▽ Below Benchmark	N/A	N/A	N/A

Key Strengths & Opportunities

Strength	Opportunity
Dual Medical Option	Add HSA Option
Favorable Medical Risk	Consider Level Funding
Strong 401(k)	No Change
Strong Dental	No Change
Commuter	Consider reallocating funds to a Life-Style Spending Account (LSA)
Strong Vision	Consider Employer Contribution
FSA	No Change
Life and STD	Increase Life Maximum, Add LTD, Offer Individual Disability Insurance (IDI)

403(b)

\$X investment in 2024

\$X investment year to date 2025

- ✓ One of the most easily understood benefits
 - ✓ not having a 403(b)-match proved challenging in the interview process
- ✓ Above average match and plan design
- ✓ Appreciated and highly utilized benefit
 - X% participation in 2024
 - Most employees save at a rate to maximize the employer match (X% average deferral rate in 2024)

How do we compare to other Plans using our same recordkeeper?

Safe Harbor Match made on a per payroll basis

- 29% of Plans offer safe harbor

Immediate Eligibility

- 63% of Plans offer immediate eligibility for matching
- 7% require a year wait before providing an employer match

Immediate Vesting

- Approximately half of plans with match have immediate vesting

ABC Company Match	
Employee Contribution	Employer Match
1%	1%
2%	2%
3%	3%
4%	3.5%
5% +	4%

Figure 8. Most frequently used match formulas Vanguard defined contribution plans with matching contributions

Match formula	Percentage of plans
50% on first 6% of pay	16%
100% on first 6% of pay	10%
100% on first 3% of pay, 50% on next 2% of pay	10%
100% on first 4% of pay	8%
100% on first 5% of pay	6%

Source: Vanguard 2024.

*Benchmark data from the 23rd edition of Vanguard's How America Saves. This universe consists of more than 1,500 qualified plans and nearly 5 million participants for which Vanguard directly provides recordkeeping services. Unless otherwise noted, all references to "Vanguard" are to this universe, and all data is as of December 31, 2023.

Now, let's get specific

Among the companies listed below, C is the only one known to offer a more competitive 401(k) match.

Company Name	Match Details	Other Details
A	4% Match	Offers a 403(b) retirement plan open to all employees, including per diems.
B	3% Match	Eligible after one year of service - 403(b)
C	Up to 6% employer match	403(b)
D	Unknown	Offers a 401(k) retirement savings plan.
E	Up to 3% employer match	Provides a 403(b) retirement plan with employer contributions.

**Per the IRS, the maximum employer match an employee can receive is limited to \$14,000 in 2025 (\$350,000 IRS max compensation times 4%)*

Considerations

- To make it more generous consider requiring a true-up at year end for employees who miss match based on the timing of their contributions
- To recapture some of the 401(k) match the only way to have vesting on a safe harbor plan is to do a QACA arrangement. Up to 2-year vesting (meaning anyone with you less than 2-year forfeits match they received from day 1). Traditional QACA required 6% auto-enroll with a 3.5% employee match if employees contribute at least 6%. (Your current match is 4% when employee defer 5% and it is immediately vested. We could replicate the match you currently use in a QACA arrangement.)



Additional resources to perform specific comparisons



1. <https://www.efast.dol.gov/5500Search/>
2. <https://www.guidestar.org/>
3. <https://www.glassdoor.com/Community/index.htm>
4. Organizations Website
5. Advisor Resource (example – Judy Diamond gives your plan a score based on 5500 data)

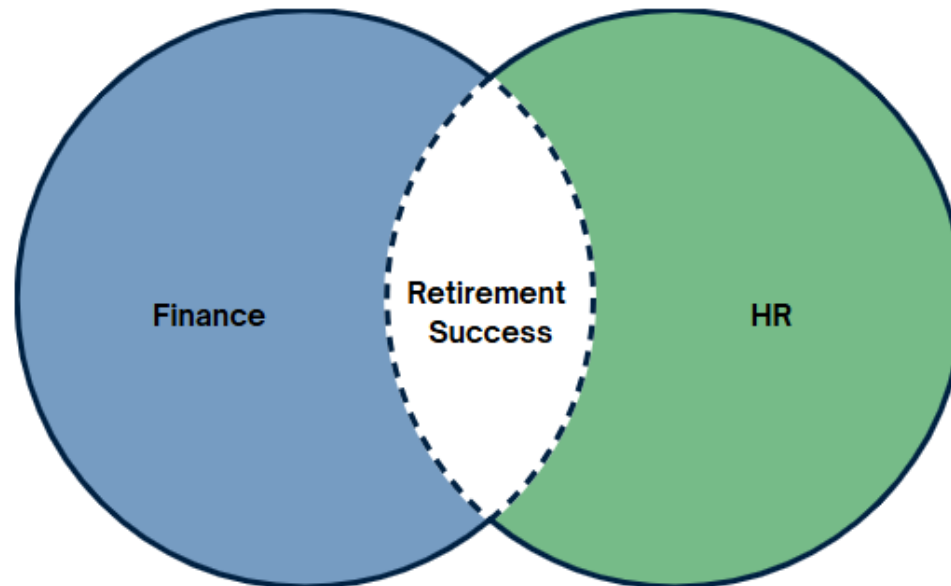
How can a benefits dollar = more than a dollar?

The Role of HR and Finance: **Better Together**

HR brings *employee insight, communication, and wellness goals*

Finance brings *cost control, compliance, and risk lens*

Together, they align benefits with both business outcomes and employee needs



Making a dollar = more than a dollar

- Capture savings and repurpose dollars
- Employee Choice
 - Student Debt Matching available today
 - Paid Time Off Exchange
 - IRS Private Letter Ruling on separate sections of the IRC



Poll: Which would you pick?

A) 401(k) plan nonelective contribution

Employees will automatically receive the entire amount as a nonelective contribution to their 401(k) plan accounts unless they make a different election during open enrollment. For employees who elect to apply their contributions to a different benefit option, the sponsor will automatically contribute amounts exceeding the allocable portion to the 401(k) plan as a nonelective contribution.

B) HSA contribution

HSA-eligible employees can allocate the employer contribution into their HSAs.

C) Notional contribution to retiree HRAs.

Employees who satisfy the sponsor's retiree HRA eligibility criteria (i.e., are age 55 or older and have 10 years of service) *at the time of their election* can allocate the employer contribution to their retiree HRAs.

D) Student loan repayment under educational assistance program.

Employees can apply the contribution to pay down the principal or interest of a qualified education loan under the sponsor's Internal Revenue Code (IRC) Section 127 educational assistance program. Employees may not elect to apply the contribution toward other benefits allowed under Section 127. (This election won't be available after 2025 unless Congress again extends the Coronavirus Aid, Relief and Economic Security Act provision allowing employers to reimburse employees' qualified education loan payments.) This element of the proposed design is not a matching contribution, and thus is different than the SECURE 2.0 Act's provision allowing sponsors to make matching contributions to a defined contribution plan based on employees' qualifying student loan payments.

What's Next? Beyond the 401(k)/403(b)

- Emergency savings linked to payroll
- Student loan repayment assistance
- HSAs for health + retirement integration
- Financial coaching or virtual guidance





Your Next Steps?

- ✓ Request or run a plan benchmarking report
- ✓ Identify 1-2 areas for immediate improvement
- ✓ Align HR + Finance for a strategic review
- ✓ Explore easy enhancements to plan design and/or funds and fees
- ✓ Don't overlook the power of clear employee communication



Let's Keep the Conversation Going

Ready to see how your plan stacks up?

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Thank You for Spending it with Us

