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Researching Benefit Plans

An Interview with Julie Stich

Like the Society of Actuaries, the International Foundation of Employee Benefit Plans (International Foundation) is focused on education and research. The International Foundation's work relates to employee benefits, and their work is geared toward employers and plan sponsors—individuals who are involved in managing employee benefit plans in some way. The interests of the two organizations overlap, and the research done is largely different. The International Foundation conducts several surveys each year on different benefit topics. It also conducts a biennial survey on benefit plan prevalence and design (*Employee Benefits Survey*). The foundation's work covers private sector plans, public sector plans and multiemployer (union) plans. As Director of Research, Julie Stich, CEBS, serves as project leader for all International Foundation research.

WHAT IS MOST IMPORTANT IN YOUR RESEARCH PROGRAM?

Our research efforts tie directly to our mission—to provide “the diverse employee benefits community with objective, solu-



tion-oriented education, research and information to ensure the health and financial security of plan beneficiaries worldwide.” We strive to provide data that is original, accurate, unbiased and unique.

Our members have told us they need practical data to help them run their plans day to day and for benchmarking to make sure their current plans are as effective as possible and to help them strategize for the future. Our 33,000 members represent a variety of sectors and industries throughout the United States and Canada. We're fortunate to be able to tap their experience and knowledge through our survey work. In my opinion, our diverse membership is both key to our research and our strength. We're in a unique position to gain a keen understanding of how benefits are being handled and offered in all sectors. And, with members in both the United States and Canada, we're able to see similarities and differences between the countries.

The area of employee benefits offers many research topic possibilities. There is a lot of really good research already available. How do we decide what to focus on? When we choose topics for upcoming projects, we look at the research that exists and what's missing. We want to fill the gaps, to provide hard-to-find data that our members and others in the industry need. Our ideas come mainly from what we on staff hear from our members and from what we see happening in the industry.

ARE YOU SEEING ANY MAJOR TRENDS IN THE BIENNIAL SURVEY?

We're getting ready to conduct our *Employee Benefits Survey* again for 2016. We continue to ask about “traditional” benefits like retirement plans, life insurance, health benefits and disability insurance, but this year we'll be focusing on nontraditional, newer benefits and those being offered in flexible work environments. In the retirement area, we're focusing on financial and retirement readiness and effective defined contribution (DC) plan design.

We've been conducting this survey since 2007. Interestingly, we've seen great consistency in results each time. While some people may label this as “boring,” as a researcher, it gives me both comfort and confidence in the data. Shifts in employee benefit plan prevalence and design tend to be gradual for the most part. Our survey results reveal changes we expect, like more movement toward high-deductible health plans and continuing shifts away from defined benefit (DB) pensions in the corporate sector.

ARE THERE MAJOR DIFFERENCES BETWEEN TYPES OF PLANS? WHAT ARE SOME HIGHLIGHTS OF THE DIFFERENCES?

Our multiemployer and public-sector members continue to offer DB pension plans, and roughly 60 percent of respondents from those sectors offered DC plans in 2014 too. In the multi-

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employer world, DC plans are largely seen as supplemental to DB plans. About one-third of our corporate respondents offered a DB pension in 2014.

Financial and retirement planning benefits were offered by more than 80 percent of corporate respondents in 2014, with slightly lower percentages among multiemployer and public employer respondents. Given the concerns expressed by both members and the media regarding retirement security, we're interested in seeing if those percentages will increase for 2016.

We're watching a couple of other areas too: automatic features in DC plans, and final distribution options for both DB and DC plans. We've seen consistency in the availability of options over the past several years; we'll be looking to see if there are shifts in these areas for 2016.

WHAT OTHER INTERESTING RESEARCH HAVE YOU DONE LATELY?

We release a variety of research and other reports throughout the year. For the past few years, we've worked with Horizon Actuarial Services, LLC, to analyze 5,500 forms for multiemployer DB and DC plans. The resulting report is a rolling 10-year analysis of trends impacting these plans. We're very excited about this data because it gives us a better understanding of what's really happening in this sector. There's certainly a great deal of change in the multiemployer DB landscape. While our analysis illuminates the challenges facing these plans, we also get a clearer picture of their strengths. For our latest report, covering 2004 to 2013, we found the plans' median funded percentage in 2013 was 86 percent (based on the market value of assets). This was a significant improvement over the median funded percentage at the end of 2008 (68 percent). The increase in funding allowed more plans to enter the "green zone" under the Pension Protection Act (PPA). For 2013, 57 percent of plans had green zone status, up from 34 percent in 2009. Our next couple of reports will show the effects of market volatility and the Multiemployer Pension Reform Act of 2014.

We recently closed a survey on financial and retirement education being offered in the workplace—this is a follow-up to a survey we conducted in 2014. Our work spans nonpension areas as well. For example, we conduct a biennial survey on well-

ness programs and an annual survey looking at the impact of the Affordable Care Act (ACA) on employers. Other recent topics include educational assistance benefits, apprenticeship programs and corporate benefits staffing structures.

As we watch developments that are creating chatter in the industry, we'll occasionally do "quick" surveys tied to what's in the news. These surveys involve fewer questions needing less in-depth analysis. Our goal is to get the results released while the issue is still front-and center. Our members appreciate the just-in-time nature of these projects. For example, in 2015 we surveyed our members about domestic partner benefits (after the June 2015 Supreme Court decision on same-sex marriage), workplace threats (like violence, cybersecurity, illness and disasters), and hot ACA topics like the Cadillac tax and employer reporting.

HOW CAN PEOPLE ACCESS THE RESEARCH? WHICH PARTS ARE AVAILABLE TO THE PUBLIC?

Our survey reports are available at www.ifebp.org/research. Each report has its own web page where International Foundation members can download the full report for free. Survey highlights are available to the public on these pages; each page includes infographics and links to related blog posts and press releases. Nonmembers can purchase full reports, like through our [Online Store](#). ■