The volatility in financial markets has resulted in another bad year for companies' retirement plans, and the more than 330 finance executives who responded to *Treasury & Risk's* 2009 Retirement Survey seem to be taking a fairly downbeat view. Close to 60% say the Pension Protection Act did not strengthen the pension system, and almost 70% expect the Obama administration's plan to reform U.S. healthcare to add to the pressures on the retirement system. This year's survey includes responses from CFOs, treasurers and pension managers between March 27 and April 8. MORE SURVEY RESULTS CAN BE FOUND ONLINE AT WWW.TREASURYANDRISK.COM
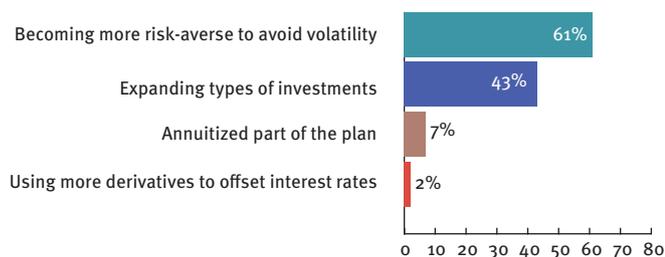
Risks Mount in

Treasury & Risk's 2009 Retirement Survey

59% believe that healthcare costs will be the main trigger to a future retirement crisis, down from 77% who said so last year.

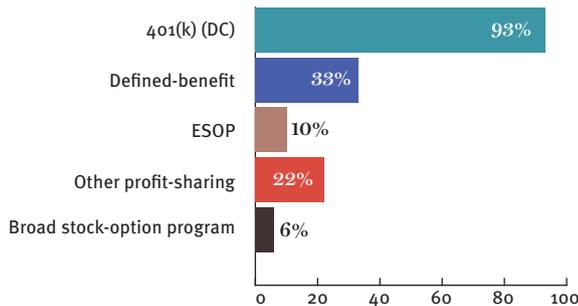**INVESTMENT POLICY CHANGES THAT HAVE BEEN MADE IN DEFINED-BENEFIT (DB) PLANS:**

Becoming more risk-averse to avoid volatility	61%
Expanding types of investments	43%
Annuitized part of the plan	7%
Using more derivatives to offset interest rates	2%

0 10 20 30 40 50 60 70 80

HOW WILL NEW PENSION ACCOUNTING RULES THAT REQUIRE MARKING TO MARKET ASSETS AND LIABILITIES AFFECT DEFINED-BENEFIT PLANS?

- Strengthen, by forcing companies to make plans better — 16%
- Strengthen, by encouraging more conservative investment — 19%
- Weaken, companies more likely to freeze or terminate plans — 50%
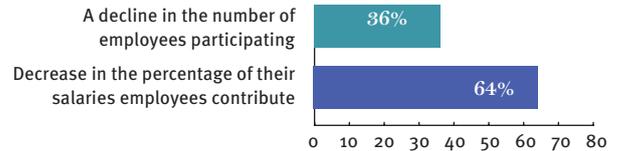- Weaken, accounting changes mean more share price volatility — 15%

25% of DB plan sponsors say they must fund a pension liability this year, while 12% say they likely will need to do so in the future.

More than 60% of DB plan sponsors say the volatility of pension costs
is either "a serious concern" (47%) or a "a major problem" (17%).

PLANS OFFERED BY RESPONDENTS' COMPANIES:

- 401(k) (DC): 93%
- Defined-benefit: 33%
- ESOP: 10%
- Other profit-sharing: 22%
- Broad stock-option program: 6%

AS STOCKS SOLD OFF OVER THE LAST YEAR, YOUR DEFINED-CONTRIBUTION (DC) PLAN SAW:

- A decline in the number of employees participating: 36%
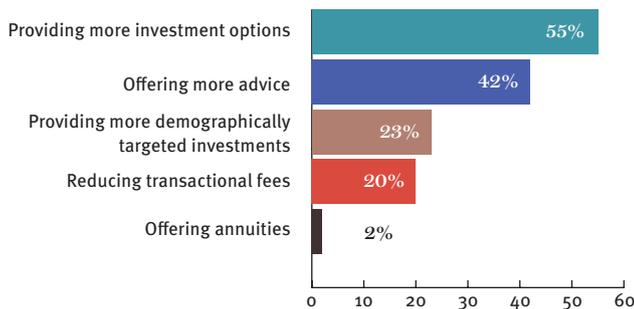- Decrease in the percentage of their salaries employees contribute: 64%

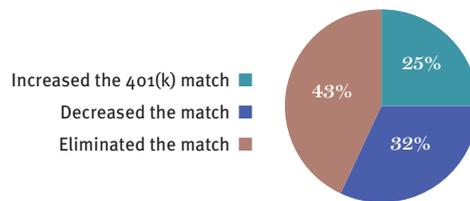**92% of DC plans allow participants to** access information about their accounts online.

Retirement Plans

68% of DC plan sponsors are concerned about new fiduciary risks given the volatility of the financial markets, up from 46% in last year's survey.

OTHER CHANGES MADE TO THE DC PLAN IN THE LAST 12 MONTHS:

- Providing more investment options: 55%
- Offering more advice: 42%
- Providing more demographically targeted investments: 23%
- Reducing transactional fees: 20%
- Offering annuities: 2%

OVER THE PAST 12 MONTHS, HAS YOUR COMPANY:

- Increased the 401(k) match: 25%
- Decreased the match: 32%
- Eliminated the match: 43%

RESPONDENTS' REVENUES FOR MOST RECENT FISCAL YEAR:

- Under $250 million: 42%
- Between $250 million and $1 billion: 26%
- Between $1 billion and $5 billion: 21%
- More than $5 billion: 11%

51% automatically enroll employees in the DC plan, and 6% say they plan to start automatic enrollment in the next 12 months.