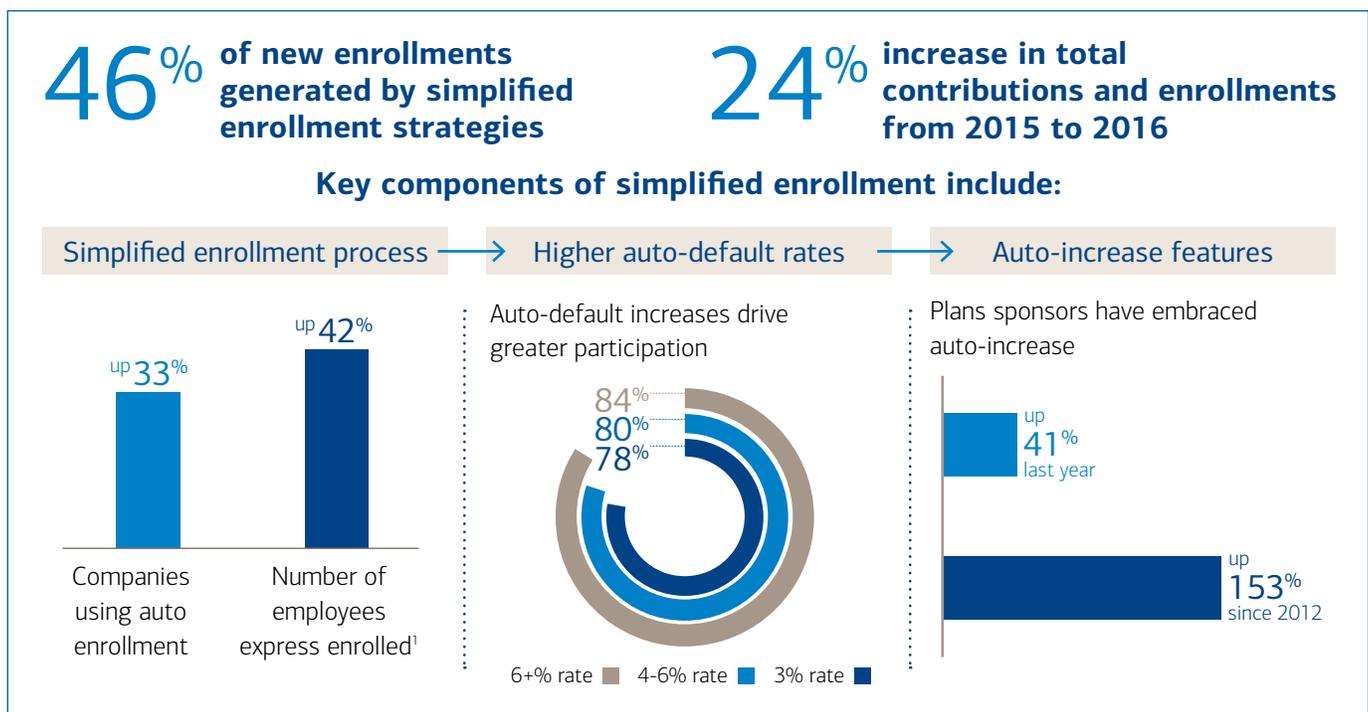


Plan Wellness Scorecard

As of June 30, 2016

Plan design shown to drive employee engagement

As plan sponsors look to increase engagement with their 401(k) plans, key elements of plan design—from enrollment methods and deferral options—can heavily influence employee participation and contribution rates. Bank of America Merrill Lynch data shows that plan design choices can be critical to encouraging positive behaviors, especially among the youngest participants.



These shifts have created a **28%** increase in the number of employees who are auto-enrolled and an **18%** increase in the number of participants covered by auto-increase in the last year.

“Through smart plan simplification, employers can unlock unrealized participation and savings potential for employees. Our data shows that express enrollment and auto features increase plan engagement on a variety of dimensions—including for Millennials—helping to enhance the financial security of American workers.”

— John Quinn
Head of Institutional Product and Platform Management
Bank of America Merrill Lynch

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Investment products:

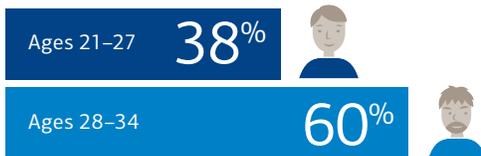
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See next page for important information. For Plan Sponsor use only — Not for use with Participants.

Key features empower young plan participants most

We see marked differences in behavior by age, especially among younger and older Millennials.

401(k) participation tends to be lower among younger employees

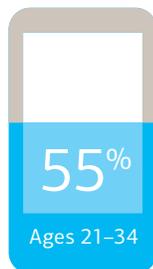
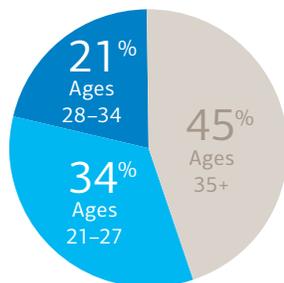


But, smart plan design can help dramatically increase young participant engagement

If a plan has auto-enrollment, participation increases to:



And among plans with an auto-increase feature, younger employees account for more than half of all contribution increases:



Mobile features help drive engagement

with participants ages 21-34 representing 55% of all mobile enrollments.

Participants ages 21-34 generated more contribution rate increase activity during the first half of 2016 than any other age group

Though especially powerful for younger participants, you have the potential to increase engagement of all employees by:

- Adopting simpler processes** like auto-enrollment and auto-default. These features can be implemented on a plan level and should not just be limited to new hires.
- Implementing an automatic increase feature** to help employees contribute more over time. Aligning this with annual pay increases or cost of living adjustments can help reduce employee opt-outs.
- Working with your plan provider to provide a full range of **offline and digital enrollment** and account management tools to allow every employee to engage with the plan, how they want.

How we captured this data

This scorecard monitors plan participants' behavior and sponsors' adoption of new plan design features and services in the Bank of America Merrill Lynch proprietary 401(k) business, which comprises \$169.9 billion in total client plan assets and 3.03 million total plan participants with balances as of June 30, 2016.²

Learn More

Talk to us about how we can help you optimize your plan design and help increase the engagement of your employees. Visit us online at benefitplans.baml.com.

¹ Increase since December 31, 2015. Express Enrollment is a simplified enrollment path that reduces the number of up-front decisions employees must make to complete the enrollment process.

² Bank of America Merrill Lynch's Retirement and Benefit Plan Services (Retirement and Benefit Plan Services) is part of Global Wealth and Investment Management (GWIM), the wealth and investment management division of Bank of America Corporation. As of June 30, 2016, Retirement and Benefit Plan Services had client balances of \$169.9 billion. Client Balances consists of assets under management, client brokerage assets and deposits of GWIM retirement plan participants held at Bank of America, N.A. and affiliated banks.