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## The Online 401k Offers an Automatic Enrollment Feature to Small Businesses

SAN FRANCISCO, CA, January 16, 2008 -- The Online 401k (www.theonline401k.com), the leading provider of full-service, Web-based 401k plans for small and single-proprietor businesses will now offer an Automatic Enrollment feature. Small businesses will be able to access this feature, which was once only available to large companies, through The Online 401k.



The Online 401k continues to focus on offering retirement plans tailored to the specific needs of small businesses. With the Automatic Enrollment feature, it continues its mission of offering small businesses access to big-business 401k features.

The Automatic Enrollment feature requires employees to opt out of contributing to the plan, rather than having to make the decision to enroll in their company's 401k plan. The feature, available with The Online 401k's Blue Chip option, compels employees to at least contemplate saving for retirement even if they don't choose to participate. Employees are presented with three choices -contribute to the plan at the automatic rate using the automatic default investments, opt to contribute to the plan at a self-selected rate and self-selected investments or opt out all together.

Employees who are automatically enrolled are signed up at a standard contribution rate of 3% from each paycheck-this rate increases annually by 1%. If the employee does not select an investment strategy, his or her savings are automatically allocated into a target date mutual fund. This investment platform adjusts accordingly to the target retirement age for each employee.

Chad Parks, CEO of The Online 401k explains, "For some employees, signing up for a 401k plan is an intimidating process. Questions about how much to allocate or what to invest in have prevented many individuals from even starting the process. Automatic Enrollment makes decisions associated with retirement simple."

According to recent studies, approximately 1 in 5 Americans close to retirement do not have a retirement plan. The Automatic Enrollment feature can boost employee participation to up to 90 percent. For countless employees, allocation and investment decisions pose a confusing picture-often, retirement plan information is shoved in a drawer to collect dust and be forgotten. The Automatic Enrollment feature not only encourages employees to save, but assists with allocation amounts and investment decisions. Automatic Enrollment takes the burden off of employers by facilitating employee involvement in planning for their financial future.

### About The Online 401k

The Online 401k is the nation's leading provider of Web-based retirement plan solutions for the small to middle market. Headquartered in San Francisco, CA, the firm provides plan administration and management services to individuals and businesses in all fifty states. For more information on The Online 401k, visit [www.theonline401k.com](http://www.theonline401k.com).

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