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Online 401(k) Adds Auto Plan Features

January 16, 2008 (PLANSPONSOR.com) – The Online 401(k) will now offer automatic plan features to its small and single-proprietor business clients.

The San Francisco-based firm said the feature is available with The Online 401(k)'s Blue Chip option. Employees will be able to choose to contribute to the plan at the automatic rate using the automatic default investments, contribute to the plan at a self-selected rate using self-selected investments, or opt out of participating.

Employees who are automatically enrolled are signed up at an initial contribution rate of 3%, to increase annually by 1%. If an employee does not select an investment strategy, his or her contributions will be automatically invested in a target date mutual fund, the company said.

"For some employees, signing up for a 401(k) plan is an intimidating process," said Chad Parks, CEO of The Online 401(k), in the announcement. "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."

More information is at www.theonline401k.com.

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