

ADP RETIREMENT SERVICES

Retirement plan solutions for the Wholesale industry

INDUSTRY INSIGHTS
TO HELP YOU BENCHMARK
YOUR PLAN



FOR PLAN SPONSOR DISTRIBUTION ONLY —
NOT FOR DISTRIBUTION TO THE PUBLIC.

ADP
Always Designing
for People®

Multiple disruptions are reshaping the industry

DISRUPTION IS DRIVING BIG CHANGES IN THE WHOLESALE DISTRIBUTION INDUSTRY. Over the last several years, multiple disruptions including supply chain issues, geopolitical conflict, new technologies and environmental regulations have had significant implications on the industry's future. According to Deloitte, the industry is "seeing the emergence of new competitors leveraging completely new business models, rapid advances in the relevance and adoption of new technologies, or seismic shifts in how customers want to interact and transact."¹ To remain competitive, wholesalers must act now to capitalize on this pivotal moment and transform their operations with artificial intelligence, digitalization and improved customer experiences.

Furthermore, wholesaling is facing a shortage of talent partly due to an aging workforce. Younger workers are also not drawn to the industry — especially frontline and client-facing roles. Attracting and retaining talent requires training and upskilling of existing workforces in preparation for the digital future. Rebranding industry jobs as innovative and tech-forward can support efforts to attract workers.

"Technology implementations are no longer an opportunity to change your systems, but an opportunity to transform your business with streamlined processes, centralize back-office functions, enable new service offerings, and better understand business profitability."

— Deloitte²

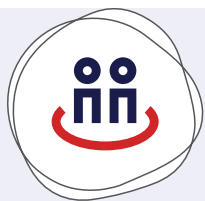


¹ Wholesale distribution disrupted. Deloitte, 2024

² ibid

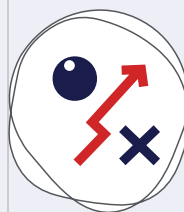
Benefits that support workforce needs

As technology plays a greater role in wholesaling, these organizations can more effectively attract, retain and engage high value talent with HR strategies that champion better benefits, total compensation and quality of life. Employees increasingly are motivated to stay or leave jobs based on employer benefit programs. In fact, better than average pay and meaningful benefits are the top reason that employees change jobs. And 42 percent of employees prefer better benefits over a pay increase.³



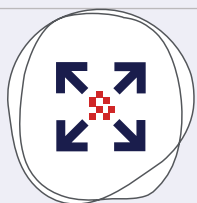
Creating career paths

through training and upskilling programs to keep top workers through growth.



Enhancing compensation and benefits programs

that support personal and financial well-being. In a competitive employment environment, a strong workplace benefits package that includes financial wellness and retirement plan programs can be an effective tool to recruit and retain employees.



Implementing quality of life strategies

that improve work/life balance, offer flexibility and greater economic stability.

³ Employee Sentiment Study. AON, Jan/Feb 2025

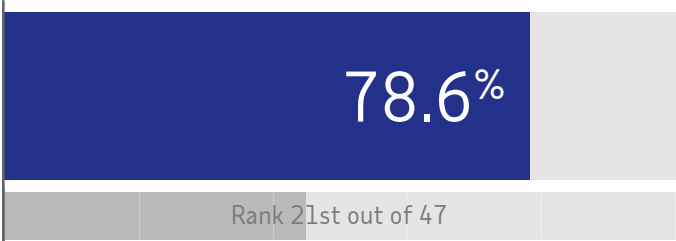
RETIREMENT PLAN REPORT CARD

A retirement plan can help your organization attract and retain motivated, productive workers. ADP provides you with insight into how your plan measures up against other industry retirement plans and can help you optimize your plan to achieve your workforce goals.

The good news

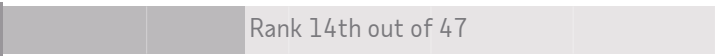
The wholesale industry enjoys participation and account balances that are higher than the overall industry averages. If your numbers look like these, congratulations.

PARTICIPATION RATE



AVERAGE ACCOUNT BALANCE

\$143,660

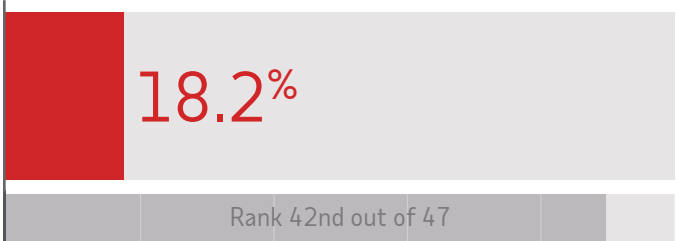


SOURCE: PLANSPONSOR Defined Contribution (DC) Survey, 2024

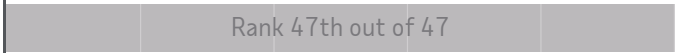
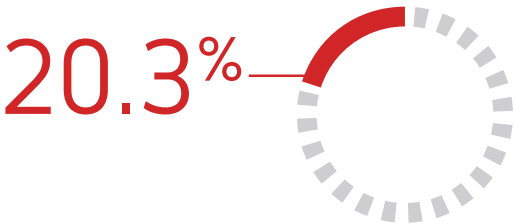
The challenges

While plans in the wholesale industry are in the top 50 percent in two key plan areas, they lag in two key categories — immediate eligibility and immediate vesting.

IMMEDIATE VESTING



IMMEDIATE ELIGIBILITY



SOURCE: PLANSPONSOR Defined Contribution (DC) Survey, 2024

Wholesale industry retirement plans could benefit from utilizing auto features **to improve to improve overall plan health.**



CHALLENGE:

IMPROVING SAVINGS
RATES AND MANAGING
RETIREMENT INCOME.

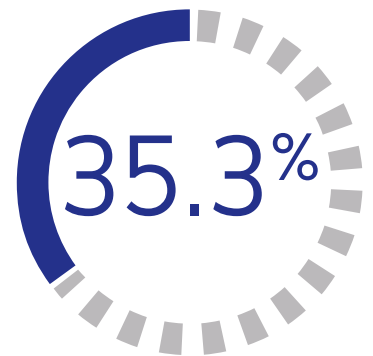
Plans could benefit from using auto features like auto escalation **to help improve average deferral percentages.**



53.9%

of plan sponsors say
the vast majority or all
of their participants
**do not defer enough to get
the full employer match**

MANAGING RETIREMENT INCOME



of plans **do not offer
any income-oriented
products to help participants
manage retirement income**



56.7%

OF PLANS DON'T USE
AUTOMATIC ENROLLMENT

67.2% DON'T OFFER
AUTOMATIC DEFERRAL
INCREASES TO PARTICIPANTS



IMMEDIATE VESTING

18.2%

Automatic plan features can help, **but are underutilized**

SOURCE: PLANSPONSOR Defined Contribution (DC) Survey, 2024

WHY IT MATTERS

- Wholesale plan employees are missing out on one of the most valuable workplace — employer matching contributions.
- Your workers may need to work longer and retire later to make up for under saving, and may not have enough money for the retirement they want.

HOW ADP CAN SOLVE YOUR RETIREMENT PLAN CHALLENGES

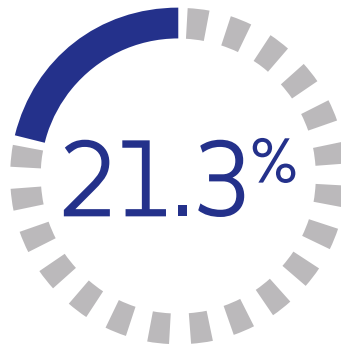
- ADP can help you design effective automatic plan features, including auto enroll and automatic deferral increases using Save Smart, a feature that lets participants schedule their savings rate to automatically increase at designated intervals (like at annual review time).
- Our personalized, guided enrollment process makes it easy for participants to make sound decisions and stay engaged in their retirement planning.
- A knowledgeable education team is available for live virtual enrollment and ongoing education sessions.



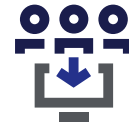
CHALLENGE:

FINANCIAL WELLNESS
AND EDUCATION FOR
EMPLOYEES.

Wholesale industry plan sponsors
**report concerns about employee
retirement preparedness**



Of plan sponsors believe
that most of their
employees **will achieve
their retirement goals
by age 65**



78.7%

Believe it's important
for their plan to offer
participants a means
**to guarantee some level
of retirement income.**



55.3%

Plan sponsors believe **they
are responsible for helping
employees** with their
financial wellness

SOURCE: PLANSPONSOR Defined Contribution (DC)
Survey, 2024

WHY IT MATTERS

- Workers expect help with their financial wellness from employers.
- Providing employee education about the plan is your fiduciary obligation.
- Some wholesale careers can be low paying hourly positions. Employees may struggle with paying daily expenses, debt, saving for emergencies and other financial challenges.
- Everyday financial decisions affect financial wellness. Financial education programs can help participants make better informed decisions — including saving for the future.

HOW ADP CAN SOLVE YOUR RETIREMENT PLAN CHALLENGES

- The ADP Achieve Financial Wellness program delivers messaging and educational resources that can help solve challenges and meet the specific needs of each participant.
- Easy to understand and guided experiences help participants increase their knowledge and make better decisions.
- ADP clients can offer investment advice and guidance for employees through either Edelman Financial Engines or Morningstar.



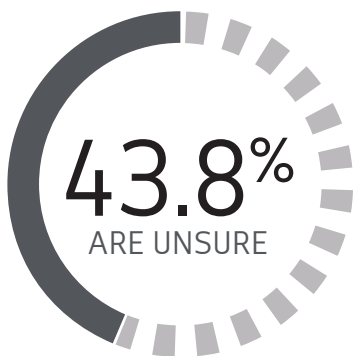
CHALLENGE:

TOO MANY PLANS MAY BE
TAKING UNNECESSARY
FIDUCIARY RISK.

ADP can help you **mitigate fiduciary risk** and act in your employees' best interests.



Have investment
lineups that **include
funds that charge**
12-b1 or sub-TA fees?



Have you or members of your retirement
investment committee had fiduciary training
in the past two years?

50% SAID **NO** OR **DON'T KNOW**

40.7% of plan sponsors **conduct an annual,
formal review** administrative fees

44.6% of plan sponsors either **do not** have
a written IPS or do not know if they do

SOURCE: PLANSPONSOR Defined Contribution (DC) Survey, 2024

WHY IT MATTERS

- It is the responsibility of the plan fiduciary(ies) to diligently select and monitor plan investments to ensure they are appropriate.
- Plan sponsors have a fiduciary responsibility to act in their employees' best interests, including paying reasonable fees for investments. Funds with 12-b1 or sub-TA fees may not be in participants' best interests and may increase your fiduciary risk.

HOW ADP CAN SOLVE YOUR RETIREMENT PLAN CHALLENGES

- ADP offers a selection of low-cost funds (referred to as zero revenue funds) that pay no 12b-1 or sub-TA shareholder servicing fees or compensation in general to ADP or its affiliates. As a result, plan recordkeeping fees are calculated and charged separately providing greater fee transparency.
- To assist you in making investment decisions for your plan, ADP makes optional 3(16) fiduciary administrative services and 3(38) investment management services available to help you mitigate the risks associated with investment option selection and monitoring.

MORE THAN A PROVIDER, ADP IS YOUR RETIREMENT ALLY.



ADP connects you and your employees to data and technology that make retirement plans easy and engaging. Access to data and insights keeps everyone in control of saving for retirement. And our extensive, real-world experience in HCM and data security means we make work easier so you and your employees can thrive. We offer:

- Seamless, automatic flow of data through our ADP platforms to make retirement planning easy and accessible.
- A data-driven approach to employee education that solves unique challenges, uncomplicates retirement planning and empowers employees to make better decisions.
- Plan design to best meet the needs of your business and workforce.
- Industry-recognized security to ensure that your employee data is secure, compliance is managed and risk is mitigated.

Let's Talk.

Let's talk about how ADP can help you solve plan design challenges so you and your workforce can unlock the full potential of your retirement plan. For more information, visit us at adp.com/401k.

Morningstar Retirement ManagerSM is offered by Morningstar Investment Management LLC, a registered investment advisor and wholly owned subsidiary of Morningstar, Inc., and is intended for citizens and legal residents of the United States and its territories. Investment advice generated by Morningstar Retirement Manager is based on information provided and limited to the investment options available in the defined contribution plan. Projections and other information regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results, and are not guarantees of future results. Results may vary with each use and over time.

Edelman Financial Engines[®] Professional Management is a service of Edelman Financial Engines, LLC that provides participant investment advisory and investment management services.

Participant investment advisory and investment management services provided by Morningstar Investment Management LLC or Edelman Financial Engines, LLC (each an "Investment Advisor") is made available through ADP, Inc. ("ADP"), however neither Investment Advisor is affiliated with ADP nor any of ADP's affiliates, parents, or subsidiaries. The provision by ADP, Inc. of non-discretionary administrative services in connection with the participant advisory and management services offered by these Investment Advisors is in no way a recommendation or endorsement by ADP of either, nor does it imply a certain level of skill or services offered by either.

Unless otherwise disclosed or agreed to in writing with a client, ADP, Inc. and its affiliates (ADP) do not endorse or recommend specific investment companies or products, financial advisors or service providers; engage or compensate any financial advisors to provide advice to plans or participants; offer financial, investment, tax or legal advice or management services; or serve in a fiduciary capacity with respect to retirement plans.

Investment options are available through the applicable entity(ies) for each retirement product. Investment options in the "ADP Direct Products" are available through either ADP Broker-Dealer, Inc. (Member FINRA), an affiliate of ADP, Inc., One ADP Blvd, Roseland, NJ (ADP BD) or (in the case of certain investments) ADP, Inc. Only licensed representatives of ADP BD or, in the case of certain products, of a broker-dealer firm that has executed a marketing agreement with ADP, Inc. may offer and sell ADP retirement products and services or speak to retirement plan features and/or investment options available in any ADP retirement product. Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or plan. Registered representatives of ADP Broker-Dealer, Inc. do not offer investment, tax or legal advice to individuals. Please consult with your own advisors for such advice.

ADP, the ADP logo and Always Designing for People are trademarks of ADP, Inc. All other trademarks and service marks are the property of their respective owners. 99-5551-PS-0325 M-724231-2025-04-17 Copyright © 2025 ADP, Inc. All Rights Reserved.

FOR PLAN SPONSOR DISTRIBUTION ONLY — NOT FOR DISTRIBUTION TO THE PUBLIC.

