New regulations, economic downturns, and an increase in legal action have motivated many plan sponsors and advisors to seek opportunities to increase their fiduciary protection through Qualified Default Investment Alternatives (QDIAs).

Following is a brief history of the evolution of the Qualified Default Investment Alternative as a protection against fiduciary risk, the growth in regulation promoting their use, and the rise in popularity of target date funds as the primary QDIA choice for employer-sponsored retirement plans.

**Plan**
- Default fund is a QDIA
- Other QDIA options are also available

**Participant**
- Participants receive a QDIA notice at least 30 days in advance of eligibility and 30 days before each following year.
- Participants receive all required investment information.
- Fund transfers available quarterly (at least)
- Participants can choose to opt out of auto-enrollment

**PLAN PARTICIPANTS WITH SOME ACCOUNT BALANCE IN TDFs**

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>38.9%</td>
</tr>
<tr>
<td>2008</td>
<td>42%</td>
</tr>
<tr>
<td>2009</td>
<td>44%</td>
</tr>
</tbody>
</table>

**TARGET DATE SERIES AVAILABLE IN THE MARKETPLACE**

- Over 30 target date series available in the marketplace

**TIPS FOR ERISA PLAN FIDUCIARIES**

- Participate in plan
- Perform due diligence
- Provide investment information
- Regularly review investment options

**RETIREMENT PLANS WITH ADVICE INCREASE 20% FROM 2008 TO 2015**

- 70% of all retirement plans have automatic enrollment features
- 65% of retirement plan participants use TDFs
- 57.5% of all retirement plans have automatic enrollment features

**PLAN ADOPTION**

- 70% of plans offer Default Investment Options
- 65% of plan participants use TDFs

**CITATIONS:**
1. Target Date Funds: Translating Department of Labor Guidance into Action; JPMorgan Asset Management, Strategic Insight Target Date Assets Analysis, 2010 & 2013 Data
2. DCIIA Plan Sponsor Survey 2014
3. Department of Labor, Employee Benefits Security Administration, Regulation Relating to Qualified Default Investment Alternatives in Participant-Directed Individual Account Plans, April 2008
4. Target Date Fund Use in 401(k) Plans and the Persistence of Their Use, 2007-2013, August
6. Auto Enrollment and Escalation: Does It Really Work? (n.d.)
8. Plan Sponsor Guide to Qualified Default Investment Alternatives, American Century Investments, June 2017
9. Blakely, S. (2016, April 28). New Hires Continue to Favor Target-Date Funds for 401(k)s

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