

Increasing the Small Plan Formation: A Blueprint for Congressional Action for the Next Five Years

Congress recognizes the immediate need for a larger percentage of small businesses to offer qualified retirement plans.

Congress recognizes the immediate need for a larger percentage of small businesses to offer qualified retirement plans. Coverage of employees who work for small business lags far below that of employees of larger entities. This is true even though many of these employees work full time. According to the Small Business Administration (SBA), in 1997 small businesses represented over 99% of all employers, created nearly all of the new net jobs and accounted for 51% of the private sector output. Further, the SBA estimates that small businesses employ 53% of the private sector workforce. Yet fewer than half of the employees working for a small business have access to a retirement plan, and as the size of the business decreases, the coverage figures decrease correspondingly. It is estimated that less than one-third of employees working for firms with between 25-99 people are covered. In comparison, 80% of employees working for firms with over 100 employees are covered by a retirement plan.

...

[DOWNLOAD FULL ARTICLE >](#)