

Study on Coronavirus Related Distributions from 401k plans reveals retirement savings are largely untouched

401GO, a small business 401k provider, reviews the actual impact of Covid-19 on retirement savings to see how many Americans are cracking into their nest-egg.

WEST JORDAN, UTAH, USA, May 6, 2020 /EINPresswire.com/ -- 401GO, a provider of 401k plans for small businesses, has been diligent in their implementation of changes that have come about with the CARES Act, and with that effort made them available to all of their clients. Now, several weeks following the announcement, they have reviewed the impact and response from businesses and participants on their 401(k) platform.

“

Implementation of the CARES Act was very important to us, but equally important was the level of education and assistance available to our clients.”

Jared Porter

As a [small business 401k provider](#), 401GO was concerned with the significant impact Covid-19 would have on their clients. Jared Porter, the companies CEO, said:

"Implementation of the CARES Act was very important to us, but equally important was the level of education and assistance available to our clients. We also wanted to see the range of responses, questions, and overall reaction. Withdrawing funds from a 401(k) plan does seem like the easy first step, but when context and education are provided, such as the time horizon on investments and looking to the future, people might be a little more thoughtful to draining their retirement savings than not." 401GO provided education to their clients in whatever manner they could to give a clear understanding of the unprecedented allowance these types of distributions gave to employees participating in their company's 401(k) plan.

At the time the CARES act changes were made, the company as well as others in the industry expected that a high percentage of participants would soon be cracking into their nest-egg. Now, several weeks after implementation, they are relieved to see that very few of their clients are using the new CARES act provisions and 401k savings are largely untouched.

According to 401GO the quick implementation of the CARES act provisions was well-received, but much fewer used the new changes:

- Less than 10% of their clients responded immediately to have their 401(k) plan adopt either all or some of the COVID-19 distribution provisions. About 19% responded with the need to discuss it further, and the majority, although appreciative for the information, did not make a move to change their 401(k) plan or opt out of its implementation.
- Less than 1% of participants using their platform reached out to inquire about the possibility of using a CRD to access funds and only 0.2% of participants actually used a CRD for a distribution.

In an effort to perceive the needed support and education, 401GO has said they will continue to observe and review client reaction and response, and plan to provide another update in the near future.

While this initial review of Covid-19's impact on retirement savings is better than expected, long

term trends may better reveal the true impact on the economy and on working American's retirement savings.

About 401GO

Founded in 2018, 401GO has the mission to make 401(k) plans accessible to all businesses. Whether it's a new [startup 401\(k\) plan](#) or an existing 401(k) plan, they make setup and administration easy and straightforward. To help ensure everyone is ready for retirement they have low costs and suitable 401(k) investments. No hidden costs, such as setup, document, or filing fees. Their pricing is a simple per participant fee of \$9 per month.

Daniel Beck

401GO, Inc.

+1 801-214-2125

[email us here](#)

Visit us on social media:

[LinkedIn](#)

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases. © 1995-2020 IPD Group, Inc. All Right Reserved.