



The Human Resource People

PRESS RELEASE

Contact: Derek Jensen
800.772.8797 ext. 2210
derek@cardinal-services.com

New Federal Law Helps Employers Enroll Workers in 401(k) Programs

Bend, OR (May 3, 2007) — About a third of the people eligible for a 401(k), according to Fidelity Investments, don't sign up for the retirement investment plans.

A new federal law now smoothes the way for employers to enroll workers automatically next year. Cardinal Services, Inc. is already helping small businesses get ready.

“At a time when many workers haven't saved adequately for retirement, this law should send employee-participation rates in 401(k)s way up,” said Mike Freeman, President of Cardinal Services.

Cardinal Services is a professional employer organization, or PEO. Small and medium-sized businesses turn over complicated human-resource chores, such as doing payroll, to PEOs – so much that they have become one of the fastest-growing service businesses in the country. They can also help employers who don't have time to learn about dozens of new wrinkles like this new law.

“Every year, state and federal governments crank out new regulations affecting employers,” said Freeman. “Small businesses can use a hand getting the most out of these fast-moving changes.”

Consider the new 401(k) rules, part of the Pension Protection Act that Congress passed in 2006.

The tax-free retirement-investment plans are increasingly an essential part of retirement as traditional pension plans decline. Yet unless enrollment is automatic, research shows that third of people eligible won't sign up.

401(k) plans are increasingly the way Americans retire. Fewer than one in five people have a traditional pension today, says the mutual fund industry. And many people haven't been contributing enough to them.

The National Association of Professional Employer Organizations found in a recent survey that a fifth of the clients its members serve say their older workers are staying on past the usual retirement age of 65, and more than a third of these businesses said their older employees are still working because they can't afford to retire.

Cardinal Services helps over 100 employers in the Bend area negotiate the growing thicket of employer regulations. “We're experts on every aspect of employment so our clients don't have to be,” said Mike Freeman.

For more information, contact Troy Neimann at 389-4259 ext 2404.

###

Note to journalists: We're happy to talk to you about how we set up benefit plans for businesses, or help them enforce immigration law, or advise them on worker safety and other workplace issues. As experts on employment, we can be an excellent resource for you. And we're happy to introduce you to some of our customers, who must deal with these employment matters every day.

Cardinal Services helps small and mid sized businesses hire, manage and retain the best employees while minimizing costs. This company focuses on providing Human Resource Compliance, Workers Compensation and Risk Management, Employee

Benefits, and Payroll Administration, to reduce the everyday burden for small business owners, making it easier for them to spend time on what matters most; growing their business and increasing their profits. For 22 years, this family owned business and has been the Human Resource team for hundreds of local Oregon businesses. The end result? A more profitable business overall, and a long-term relationship with Oregon's most trusted Human Resource People.