



Elevating to the next level

A personal touch and revamped plan design increase participation and deferral rates

Client need

A large healthcare provider was committed to caring for the community and its employees. Although this organization was a previous Plan Sponsor of the Year winner, the plan sponsor wanted to continue to pursue opportunities to improve the plan and help employees successfully achieve their retirement goals.

The Lincoln solution

Meetings with Lincoln retirement consultants (RCs), plan design changes, and customized education and communication combined to drive the positive outcomes the plan sponsor desired. The organization embraces their RCs as trusted members of their team. The relationships RCs have built with participants drive awareness of the advantages of maximizing the value of the retirement plan benefit and help smooth communications about plan changes.

To increase enrollment and deferral rates, the plan introduced auto enrollment for new employees and auto escalation for all employees. They also increased the default deferral rate to 4% so newly-enrolled participants would receive the maximum employer matching contribution.

The plan sponsor revamped the investment lineup to add more low-cost all-in-one funds and shifted fees from revenue sharing to a quarterly fee per participant. In addition, Lincoln enhanced the contribution database so the employer match would be calculated automatically, freeing human resources from the administrative burden of calculating it manually.

Some employees who started working for the plan sponsor before auto-enroll was implemented still weren't enrolled in the plan, so Lincoln designed a targeted communication campaign to turn these employees into participants. Lincoln created three mailers that targeted different age groups and used appropriate images and messaging for each. All three mailers emphasized the plan's convenience, tax advantages, flexibility, and employer match.

Results

- The targeted communications campaign—an Eddy Award winner—had a 12.2% response rate, with an average deferral rate of 10.5% for new participants. That's higher than the 9.1% average deferral rate for the plan as a whole.
- Due to RC support, plan design changes, and education efforts, the plan has now reached a 91% participation rate.

"The retirement consultants are critical to the success of our benefit platform, not just the retirement plan...[The RCs] truly are an extension of our team, so it gives me more resources to provide good customer service to our employees than I would have on my own."

— Director of Compensation and Benefits



Client profile

Industry type:

Healthcare

Employees:

12,000+

Type of plan

403(b)

Assets:

\$900M+

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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