

Elevating to the next level

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



Client profile

Industry: Healthcare

Employees: 12,000+

Type of plan: 403(b)

Assets: \$900M+

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 pursue more opportunities to improve the plan and help employees successfully achieve their retirement goals.

The 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 its RCs as trusted members of its team. Relationships RCs have built with participants drive awareness that helps maximize the value of the retirement plan benefit and 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. It 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 per-participant fee. 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, using appropriate images and messaging for each. All three mailers emphasized the plan's convenience, tax advantages, flexibility, and employer matching contributions.

“The retirement consultants are critical to the success of our benefit platform, not just the retirement plan...[The RCs] give me more resources to provide good customer service to our employees than I would have on my own.”

– Consultant

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 achieved a **91% participation rate**.

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