



Testimony of Robert A. Benish, Interim President  
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2012 ERISA Advisory Council  
Successful Retirement Plan Communications  
for Various Population Segments

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First and foremost, I would like to thank the ERISA Advisory Council for allowing the Plan Sponsor Council of America to provide testimony on this important topic. For over 67 years, PSCA members have focused on helping their employees learn about the need to save for retirement. PSCA has worked closely with both plan sponsors and the provider community to provide a platform to share creative ideas and solutions on how to engage and encourage people to save more for retirement.

Consistent with our public policy stance that mandates are not the answer to why people are not saving more for retirement, we have seen a great deal of success when plan sponsors target specific audiences to take specific action. For the past 19 years, through PSCA's Signature Awards, we have numerous examples of companies making significant progress in making it easier for all segments of their employee populations to participate in their defined contribution plans. I am pleased to be able to share some of these stories with you today. They represent custom or target communications for non-English speaking employees, women and other segments of their employee populations.

### **Language and Cultural Diversity**

Companies can face language and cultural barriers to full plan participation. Translating materials or holding meetings in the participants' target language is a great first step, but frequently language isn't the only obstacle to engaging employees and helping them take action. Campaigns in this category may include special and unique targeted communications, advocacy programs, or other cross-cultural communications efforts.

### **The Board of Trustees of the Elevator Constructors Annuity and 401(k) Retirement Plan**

When plan participants viewed the 401(k) plan as unnecessary to their retirement success, Elevator Constructors needed to challenge that perception and encourage participation. Elevator Constructors has generous pension and annuity benefits. However, over the last several years the employment market has been rough, and it became clear that those retirement benefits would not be sufficient.

The primary goal of the campaign was to have an impact in the Elevator Constructors' unique culture by involving the local leadership to promote the value of one-on-one meetings and recruit people to attend.

Elevator Constructors and MassMutual took a creative approach by starting with a new theme to their materials, *“Open a door to more than just retirement”*, which featured a set of elevator doors that opened to dream retirement scenes. They also reframed the enrollment discussion by explaining the 401(k) in a new way, around the reality of their situation by telling the story of Three Constructors whose careers looked similar, but who made different savings decisions that impacted their lives significantly. This story was also woven throughout the one-on-one sessions with print materials available to demonstrate how a 401(k) contribution could benefit them in unexpected circumstances, such as temporary layoff, a hardship situation, or even an early retirement.

Results were outstanding as evidenced by an average 85% action rate among meeting participants. Over the course of 2011, plan participation rates increased from 26.56% to 29.82%. By understanding its distinct cultural needs, Elevator Constructors was able to boost the level of understanding and appreciation for its 401(k) plan.

### **Consolidated Citrus Limited Partner**

Consolidated Citrus is the largest citrus grower in the U.S. Based in Ft. Myers FL, they operate grove locations in the southern half of Florida totaling approximately 40,000 trees. The core business is harvesting juice oranges (about 91% of their business). The workforce is composed of hourly workers of which 90% speak Spanish and do not know how to read or write. They spend the majority of the day outdoors in the groves, so meetings would have to come to them.

The objectives were to increase participation and deferrals, maximize attendance from the target participants, and maximize the match utilization. A program was created to have small group meetings in the groves with Spanish speaking leaders. Announcement posters were put up at the sites, and simple straightforward to the point materials in English and Spanish were used. The results speak volumes: 95% of the targeted group attended meetings. Plan participation went from 40% to 75% and deferrals increased from 4% to 8%. These results prove that if information is delivered in people’s native language, the information will be embraced and proper actions will be taken.

### **Four Seasons Hotels & Resorts**

The Four Seasons is the world’s leading operator of luxury hotels and resorts with 40 percent of their workforce who have Spanish as a first language. The sponsors of the 401(k) plan were concerned about a change from a profit sharing contribution to a match. The employees were going to need to understand they had to contribute to get the company money. The goal of their campaign was to maintain the plan’s participation, increase the percentage of participants contributing at or above match level by 5 percent, and increasing the percentage of those who have made beneficiary designations by 3 percent.

Recognizing that many Hispanics have not just language barriers, but also cultural factors, the plan sponsors got feedback from the regular bilingual meeting presenter to help design the program. Simple printed pieces with a few colors and an elegant graphic appropriate to the Four Seasons’ business were created. Photos used people of Hispanic background. Everything was in Spanish and English. An easy enroll card was sent to participants who opted out of automatic enrollment.

Understanding the culture paid off and all their goals were met. Participation not only remained steady, but increased by a percent. The average deferral rate of the targeted group went from 2.9 percent to 5 percent and beneficiary designations increased slightly. More importantly, employee

feedback was positive and indicated that the employees got out of the meetings what their employer intended. One attendee had this to say, “I haven’t signed up yet because I didn’t think I could afford it, but I’m signing up today. Thank you!”

### **International Union of Operating Engineers Local 4 Annuity and Savings Plan**

The Board of Trustees and Benefit Funds Office of the IUOE Local 4 union do everything they can to make sure participants take full advantage of their retirement plan. However, the unique design of the plan, with most contributions being made by the employers, causes employees to pay little attention to their accounts and not to contribute. With many members scattered over three states in the Northeast, a way had to be found to get people to attend a seminar so they could be encouraged to take action. Reviewing feedback from past events, a recurring theme was that the location of the meeting would drive attendance. Therefore, the meeting was held at a central location, the Gillette Stadium, home of the New England Patriots. The seminar was scheduled on a weekend and spouses were invited. Ultimately, the plan sponsors wanted three goals achieved: increased attendance at the meeting, change of participant investment allocations, and increased usage of the tools available to participants on the web and through the financial planning partner.

A custom theme, played off of the stadium setting, was getting a “retirement game plan” together. It was used on promotional pieces, with tag lines such as “Get the play-by-play on saving for retirement” and “With a good game plan, you could go all the way!” Images of footballs, helmets, playbooks, and a site map with entrances noted to guide people to the meeting location helped get people to attend.

The results were a touchdown. Attendance increased by 50 percent, 22 percent of attendees made an allocation change, the website had a 30 percent increase in visits and the RetireSmart Ready Tool had a 250 percent increase. Impressively, 92 percent of attendees stated they would attend a similar event in the future.

By understanding their predominantly male workforce’s preferences, and the love they have for their team, the plan sponsors for the IUOE Local 4 were able to achieve the goals they set to help their employees understand their retirement plan and be more retirement-ready.

### **The Animation Guild 401(k) Plan**

Members of the Animation Guild are talented artists who work in animation studios located across southern California. As artists, members are first drawn into any communication based on the quality and interest of the artwork that it contains. Unfortunately, the type of work available has changed. Previously, work was with a particular studio, often for years at a time. Much of the new work is temporary. Since members have to re-enroll in their retirement plan each time they move to a new studio, it is a challenge keeping people in the plan. With a goal of increasing participation, the plan sponsors created a uniquely branded piece closely associated with the work done by the guild members. Working with the guild’s business representative, who is in the field talking to members, gave the plan sponsors insight into what could work to help members save for retirement.

The result is a branded piece with a cartoon image urging participants to remember to enroll and have no more excuses. The piece positioned saving as something members couldn’t afford not to do. The piece was inexpensive to produce and mail, but achieved impact. The response rate was over 8 percent with 135 new enrollees.

Despite the challenges of paper enrollment, impermanent employment, and the high value of other benefits offered to members, the sponsors of the Animation Guild's 401(k) plan were able to achieve their goals by leveraging the cultural environment of their employees and creating something that was meaningful to them.

These are but a few examples taken from over 2,000 entries, PSCA has received over the past decade for various categories in Signature Awards. Every entry is an illustration of two positive attributes. First, the untiring effort and commitment of plan sponsors to effectively engage, motivate and educate their employees on the importance of saving for the long term. And, secondly the collaborative synergy between plan sponsors and service providers to go beyond the base level of communications to achieve positive and measurable outcomes for participants.

### **How can the DOL help with these issues?**

PSCA strongly believes that the DOL should formally encourage holistic financial education. The Department should issue guidance clarifying that plan assets may be used to pay for financial education that includes topics not directly related to contribution and investment decisions regarding plan assets. The Department should also issue guidance clarifying that providing financial education does not constitute the provision of advice. PSCA raised this latter issue in its recent comment letter regarding the notice of proposed rulemaking for lifetime income illustrations.

The Department should adopt recommendations by PSCA and many other organizations to modernize its rules for providing required disclosures electronically. Specifically, the Department's position in Field Assistance Bulletin 2006-03, relating to the provision of quarterly benefit statements, should be applied to all disclosures. Under the FAB, disclosures requirements may be met by providing a notice that a required disclosure is available on a secure website and that a paper version of the disclosure is available on request. Additionally, the Department should relax its current rule limiting nonconsensual electronic distributions to participants that access the plan sponsors' electronic information system as an integral part of their duties.