

CASE
STUDY

TAKING FINANCIAL WELLNESS BEYOND RETIREMENT PLANNING

REGIONAL IT FIRM

450 EMPLOYEES

\$10 MILLION AUM



Michael Kane

SECURITY

THE SITUATION

A small, successful IT firm in the South has been turning a profit for the last 10 years. Operating out of 11 regional offices, they specialize in networking, encryption and IT security for small businesses. However, their retirement plan consistently under-performs and low overall participation and deferral rates reflect a general lack of appreciation by employees. The workforce is primarily under 35, but the average tenure is eight years. Senior management wanted to engage a financial advisor who could help them improve the plan's performance, increase employee participation and help them better help their employees attain their retirement goals.

THE SOLUTION

Plan Sponsor Consultants of Alpharetta created a plan that illustrates their commitment to comprehensive employee and employer education. By developing a holistic solution that incorporates education, budgeting for retirement savings, and managing overall debt, PSC offers financial wellness that goes far beyond retirement planning.

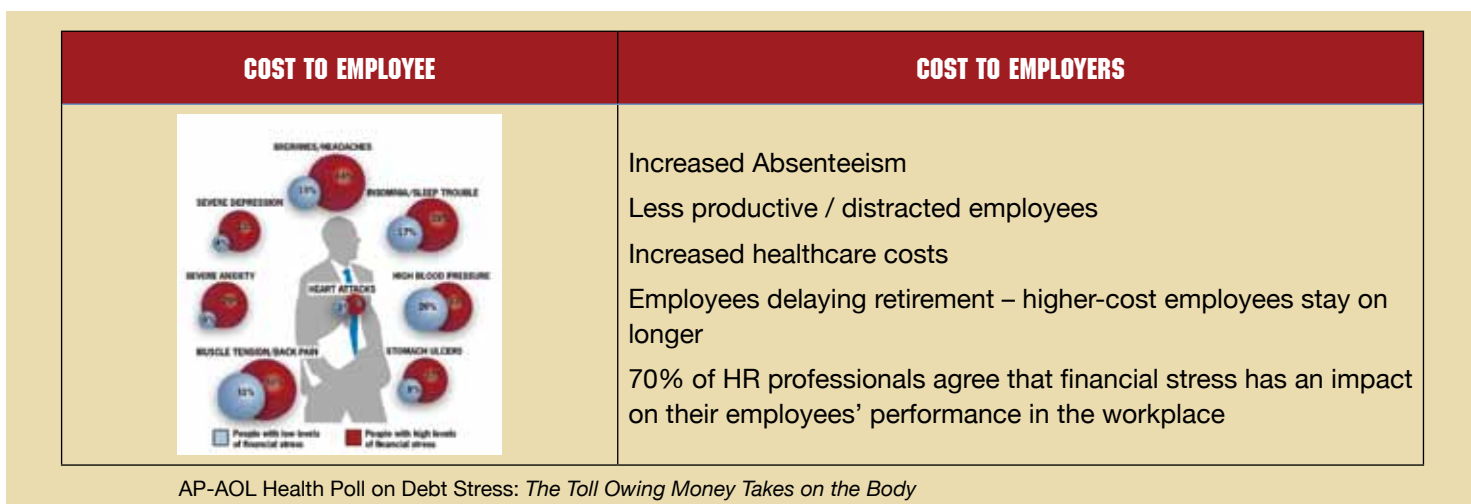
By addressing the bigger picture of all things that affect employees' financial lives, the client realizes measurable and lasting effects which can be seen in their retirement plan statistics but improved financial wellness also serves to retain and motivate employees for the ultimate long-term benefit of the company.

SEEKING TRADITIONAL HELP, THEY FOUND MODERN EXPERTS

The plan sponsor didn't realize the impact that the absence of financial wellness had on their employees and how its effects were impacting more than just their retirement plan. PSC's Financial Wellness program offered them the ability to customize their employee education program in four steps:

- 1. Employer Marketing Support.** PSC works with the client to create materials that encourage employees to participate in the Financial Wellness Assessment. The marketing materials in the program are all turn-key, and include everything needed to create an effective marketing campaign. In addition, some internal champions were found within the company who helped encourage their peers to participate in the program.
- 2. Financial Wellness Assessment.** Employees were surveyed about their specific needs, making clear the areas where they needed help and received customized individual feedback and guidance facilitated by PSC.
- 3. Solution Modules.** The areas identified in the assessment were addressed using both individual online sessions and group employee meetings. The content of the program is designed to meet employees where they are in the retirement planning spectrum and includes modules tailored to employees at different ages and stages of life, from "Kids and Cash" to "The Retirement Zone."
- 4. Results Tracking Reports.** PSC tracks the progress of the plan through participation rates, contributions and overall education levels. The effectiveness of the program measures employee progress toward their financial goals, including retirement readiness.*

*Plan Sponsor Consultants has evaluated a variety of Financial Wellness vendors and maintains multiple relationships. While all vendors have several elements in common (e.g. Online Assessment Tool), their approaches reach different demographics more effectively. As such, it is important to consider your employee population when determining which vendor is appropriate for your plan use.



THE CONCLUSION

After the program was in place for six months, the results were measured to reveal meaningful improvements in both retirement plan metrics and employee engagement.

In addition to these quantitative improvements, there was an increase in employee engagement as demonstrated by the number of times employees logged on to their retirement plan website or mobile app to review their accounts or

elect to increase their savings rates. And the client was very pleased with a 19% reduction in new loan initiations over the first year after the Financial Wellness program was introduced.

“Overall, the financial wellness program helped the client improve their plan. However, what we are most proud of is that we were able to educate employees about the value of retirement plan savings and the importance of saving early and saving regularly.” said Mike Kane of Plan Sponsor Consultants.

PLAN SUCCESS METRICS	BEFORE	AFTER
Under performing DC Plan	Low Participation	Robust Participation
DC participation	63%	92%
Average deferral rate	4.2%	8.7%
Employee Education Solution use	N/A	90% of participants at least took the first step

Case Studies may not be representative of the results of all clients and are not indicative of future performance or success. Michael Kane can only discuss or transact securities business with residents of the following states: AL, CA, GA, MD, MI, MN, MO, NC, NM, NY, SC, TX, VA, WI. Securities and Advisory Services offered through LPL Financial, Registered Investment Advisor, member FINRA/SIPC. Retirement Advisor Council and Each Enterprises are separate entities from LPL financial and Plan Sponsor Consultants

In addition to providing dynamic guidance about Financial Wellness, Plan Sponsor Consultants also specializes in:

FIDUCIARY SUPPORT

Bringing client retirement plans in line with the highest fiduciary standards, then monitoring and managing them to maintain these standards, with services including:

- Fee/expense benchmarking versus peer group, in an effort to help to eliminate any unreasonable fees
- Access to proprietary Request for Proposal (RFP) and service provider RFP database, to conduct RFP searches as needed
- 404(c) review and compliance assistance and safe harbor consultations

DOCUMENTATION ASSISTANCE

Helping sponsors create and adapt key plan documents, including:

- Investment Policy Statements
- Quarterly independent monitoring reports
- Committee by-laws

INVESTMENT COMMITTEE GUIDANCE

Providing assistance with:

- Setting up an Investment Committee, establishing templates for by-laws, minutes and other documents
- Investment Committee meetings; available to attend and bring expertise and research into the decision-making process
- Fiduciary training for members of your Investment Committee

ABOUT PLAN SPONSOR CONSULTANTS

Plan Sponsor Consultants provides independent advice for retirement plans, specializing in helping sponsors with their fiduciary processes and guiding participants to help pursue achieve their retirement goals. Each member of the team has an advanced degree or designation, with over 20 years of industry experience on average. Plan Sponsor Consultants was named Finalist for the ASPPA/NAPA 401K Leadership Award in 2013, Finalist for PLANSPONSOR magazine's

Advisor Team of the Year Award in 2010 and to the 2016 PlanAdviser Top 100 Retirement Plan Advisers Founder Mike Kane has more than 30 years of experience in both executive and senior planning positions.

ASPPA/NAPA 401(k) Leadership: nominated and selected by industry peers based on leadership, innovation and contributions to the retirement plan industry. PLANSPONSOR RP Team of the Year: selected based on quantitative evaluation of service levels and feedback from plan sponsor clients. PLANADVISER Top 100 Retirement Plan Advisers: selected based solely on quantitative factors, including plan assets and number of plans, as reported directly by nominees.

ABOUT THE RETIREMENT ADVISOR COUNCIL

The Council advocates for successful qualified plan and participant retirement outcomes through the collaborative efforts of experienced, qualified Retirement Plan Advisors, investment firms and asset managers, and defined contribution plan service providers. The Council accomplishes this mission by its focus on:

- Identifying duties, responsibilities and attributes of the Professional Retirement Plan Advisor
- Sharing our professional standards with plan sponsors
- Providing collective thought capital to decision makers, product providers, legislators and the public
- Giving voice to the Retirement Plan Advisor community
- Providing tools to evaluate Advisors, helpful in promoting successful retirement outcomes.



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