



Evaluating the Results

MAXIMIZING VALUE FOR ALL PARTICIPANTS.

Plan design focused on the best interest of all employees

OPPORTUNITY:

A technology and systems engineering firm with 200+ employees understood the importance of employees seeing the value of its retirement plan. Much of the company's existing workforce consisted of former members of the military who were eligible for full pensions—and not fully reliant on a 401(k) plan for future income need. However, the company had recently hired a number of younger employees who did not have those same benefits. So, the retirement plan benefits needed to appeal to multiple participant audiences from various demographic groups.

GOALS:

Reassess and redesign the company's employee retirement plan as part of a significant recruitment initiative in support of the company's growth, in order to keep pace with a competitive industry and attract and retain staff.

RESULTS

- The plan's participation rate increased from 77% to 91%.
- 72% of plan participants are investing 100% in one target date investment.
- Recordkeeping costs reduced by 30%.

SOLUTION:

Even within one company, participants have different needs. It was important to maximize the value that veteran staff would appreciate in the plan, while amplifying the 401(k) benefits that would be most attractive to employees without military pension eligibility.

Multiple plan features and other changes were instituted, such as increased auto-enrollment and company match, a target date default for new employees, reevaluation of investment options in the equity and fixed income categories, and adoption of optional CARES Act provisions. The client also increased fiduciary responsibility (hiring a TPA and strategic retirement partner as a 3(38) investment manager, and a firm to support the plan audit process) and adopted recordkeeping fee leveling for fee transparency and reduced recordkeeping costs by 30%.