



# 2017

## RETIREMENT CONFERENCE

# Effective Communications and Financial Wellness Trends

*For Human Resource Professionals*



This session has been approved for continuing education credits.



You must sign in during the session to receive credit for attending!



# Agenda

---

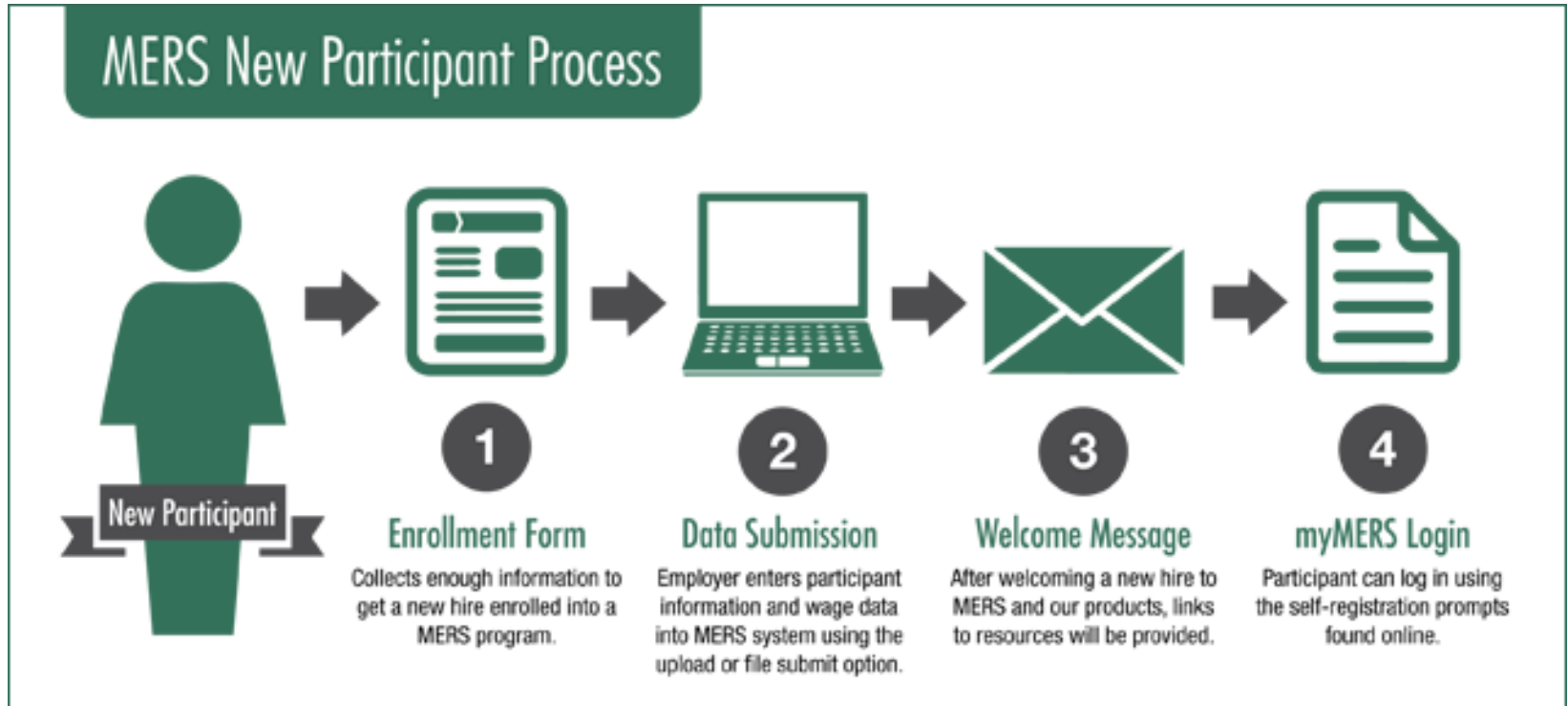
- Welcoming a New Hire
- Ongoing Benefit Communications
- Wellness Trends



# Welcoming a New Hire



# Based on Your Feedback



# Enrollment Forms

ENROLL TODAY

## MERS 457 Supplemental Retirement Program

### About the Program

The MERS 457 Supplemental Retirement Program offers you a flexible retirement account you manage. You decide how much to contribute, how to invest the assets, and how to plan for the future. One of the benefits of the program is that you have access to your account when you leave employment, even if that's before age 60.

#### Contributions

The MERS 457 Program is flexible because you determine how much you want to contribute, either a flat dollar amount or a percentage of pay, and you can start, stop, increase or decrease your contributions, without fees or penalties. Your contributions can be made pre-tax or Roth (if your employer has adopted this option). So how do you decide? Let's start with the basics:

With a **pre-tax** election you make contributions with pre-tax dollars, so you get a tax break up front, helping to lower your current income tax bill. Your money—both contributions and earnings—grow tax-deferred until you withdraw them. At that time, withdrawals are considered to be ordinary income and taxed at your current tax rate.

With a **Roth** contribution, it's basically the reverse. You make your contributions with after-tax dollars, meaning there's no upfront tax deduction. However, withdrawals of both contributions and earnings are tax-free at age 59½, as long as you've held the account for five years.

So it all comes down to deciding when it's better for you to pay the taxes—now or later. You can access online calculators on the MERS website to help you determine the best option for your goals.

#### Why Should You Enroll?

**Help meet your retirement goals**—Experts suggest that you should plan on needing at least 60% of your current income in retirement, so chances are you're going to need to rely on personal savings, over and above your Social Security and other retirement benefits.

**Low cost**—as a nonprofit organization the MERS program is the most cost-effective way of saving—putting more of your money to work for you.

**It's easy!** You contribute through the convenience of automatic payroll deduction.

**One-stop planning**—experienced retirement educators are available to help with any questions you may have.

800+ municipalities enrolled in MERS programs

elected board members oversee the system

100,000+ participants

\$9 Billion+ in combined total assets

#### Who is MERS?

MERS is an independent, professional retirement services company that serves municipal members across the state of Michigan. MERS listens and works in partnership with our members to deliver a superior value that meets our members' needs.

## What's Next?

- 1
**Complete the Quick Enrollment Form**  
 After completing the form, tear it off and return it to your employer.
- 2
**Receive Welcome Email**  
 Once you're enrolled, MERS will send you a welcome email with more information about your plan.
- 3
**Access myMERS (Your Online Account)**  
 Our website, [www.mersofmich.com](http://www.mersofmich.com), provides you access to your individual account. For your first time logging in, you should follow the prompts for self-registration and enter your social security number as your User ID. Here you may review your **beneficiary information** and access your account details.

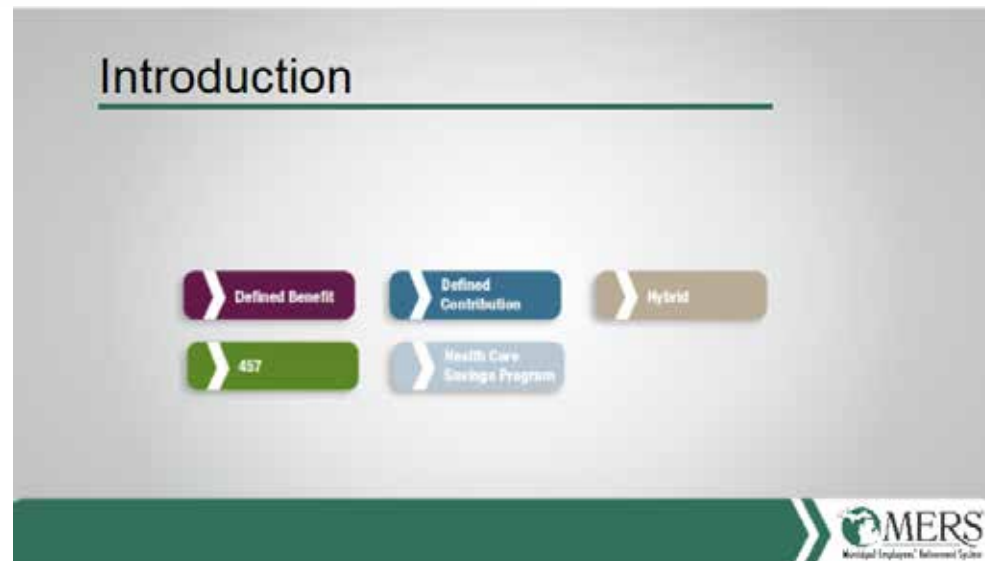
### 457 Enrollment Form

1 First Step to Start Saving

Employer Information			
Name of Employer	Division number (if applicable)	Date of first participation (mm/dd/yyyy)	
<input type="checkbox"/> Retiree?			
Personal Information			
Last name	First name	M	Full SSN
Mailing address	City	State	Zip code
Email address	Phone number (with area code)	Date of birth (mm/dd/yyyy)	Gender <input type="checkbox"/> M <input type="checkbox"/> F
Contribution Information			
All contribution changes will be effective as of the first pay period of the month following the date you submit this form to your employer, or as soon as administratively possible thereafter.			
Pre-tax Amount to be deducted from each pay period		Roth/After-tax Amount to be deducted from each pay period (This includes if your employer's program has the option)	
<input type="text"/> % OR \$ <input type="text"/> .00		<input type="text"/> % OR \$ <input type="text"/> .00	
Signature			
Signature		Date (mm/dd/yyyy)	
My signature acknowledges that I have received, read, understand, and agree to this 457 Quick Enrollment Form and affirms that all information I have provided is true and correct. I have also received all informational material detailing the general program features, the investment options offered, and any and all administrative charges and fees which may be deducted from the account(s) maintained on my behalf. I understand that my rights under the program shall be governed by the terms and conditions of the MERS Plan Document pursuant to all applicable state and federal laws, rules and regulations.			
I understand that my contributions will be placed in an age-appropriate Retirement Strategic Fund. Once enrolled, I can make changes online or by phone.			
Data collected on this form will be used by MERS staff for identification and documentation only.			
Please submit your completed form to your Human Resources representative.		To review other investment options, designate beneficiaries, or roll qualified funds into your MERS 457 account, please visit <a href="http://www.mersofmich.com">www.mersofmich.com</a> .	
Form MD-400 (January 2017 03-04) <span style="float: right;">* Required field</span>			



# Welcome Email with Link to Interactive Video



# Ongoing Communications





# Year-Long Education Objectives

- Increase communication with participants
- Encourage participants to consider their current level of savings and take an age-appropriate approach to saving adequately for retirement
- Drive participants to complete their Full Picture Report
- Increase followers on Facebook, thereby delivering MERS' message to more participants on a regular basis



# Participant Outreach

---

- MERS developed a postcard and email campaign to educate participants about the importance of saving more for retirement
- We used messaging that was targeted by age to make the communications relevant



# Joining the Conversation on Social Media

---

Social media provides a unique opportunity to:

- Expand communication
- Become a trusted industry expert
- Deliver relevant, accurate and immediate content
- Educate customers
- Gather instant reactions to what our customers like and want to share
- Improve stakeholder engagement



# Retirement Readiness Snapshot Reports



- These reports provide participants a “snapshot” of their projected income in retirement using the information that MERS has along with projected Social Security
- There is no action required by the participant to receive these free reports
- Our goal is to give participants an understanding of where they are in meeting an industry standard definition of retirement readiness and drive them online to complete their Full Picture Report



# Resources

---



## Quick Bite webinars

- Our webinar series delivers online education
- Participants can tune in live and ask questions or view recorded sessions from the library of topics any time



## Pizza & Planning

- Free, local education for employees held after traditional work hours
- Hosted at various locations throughout the state



## On-site education

- Group presentation can be held at your location during work hours or whenever is convenient for your employees
- Attend benefit fairs
- One-on-one meetings for all MERS programs



# Wellness Trends



# Strategy of Wellness Programs

---

## What is a Wellness Program?

- An employer approach to improving employees' health
- Also supports strategic organizational objectives
- More than 9 in 10 organizations offer at least one kind of wellness benefit<sup>1</sup>
- From 2016 to 2017, nearly ¼ of companies increased offerings<sup>1</sup>

<sup>1</sup> Society of Human Resources Management "Designing and Managing Wellness Programs"





*Reference: Officevibe 2016 Report*







Companies that  
implement wellness  
programs have

**28%**

reduced sick leave,

and

**26%**

reduction in medical costs.

**1**

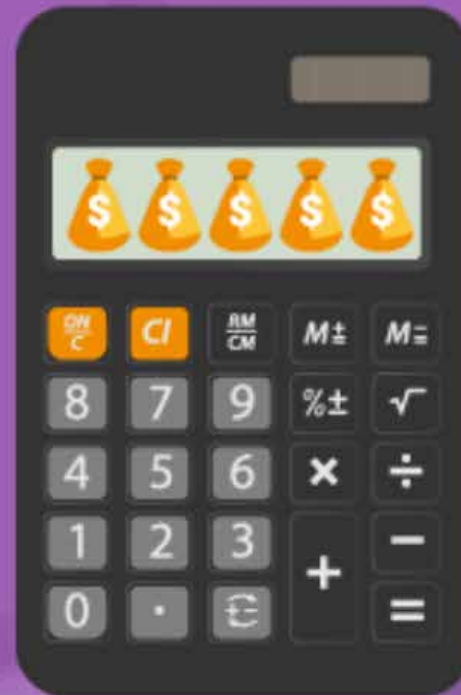


# \$1,800,000,000

That's 1 TRILLION!

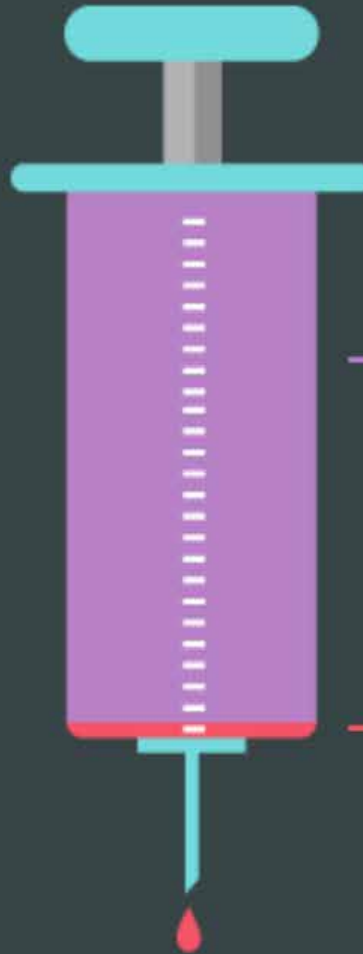
2

is the annual impact  
of poor health,  
according to The U.S.  
Department of Labor



3

For every  
**\$1**  
spent on  
healthcare,



**\$0.95**  
is spent on treatment

and only  
**\$0.05**  
is spent on prevention.



# Wellness Programs

---

- Health care costs continue to increase
- Employers and employees are searching for ways to keep costs under control and manageable
- Preventative health and wellness benefits designed to maintain or improve employees' behavior
- Achieve better health and to reduce health risks
- Hope to save on long-term health costs
- Programs may be simple or complex



# Examples of Wellness Benefits

---

- Incentive programs to motivate employees to complete certain health and wellness activities
- Annual health risk assessments
- Smoking cessation programs
- Weight loss programs
- Health and wellness education
- 24-hour nurse line
- CPR / First aid training
- Massage therapy services
- Onsite nap rooms / sick rooms / medical clinics
- Fitness center / club memberships

*Reference the Society of Human Resources Management 2016 Benefits Survey*



# Wellness Programs

---

## *Increasing employee engagement*

- Family and loved ones are strong motivators
- Tools, resources and support to get started
- Focus on gaining employee trust
- Co-workers exert major influence to become involved
- Clear and concise communication

*Reference the Society of Human Resources Management 2016 Benefits Survey*



# Wellness Programs

---

## *"Lessons Learned"*

- Keep it relevant
  - Aligned with corporate goals, linked to incentive (personally and financially)
- Make it social
  - “We’re all in this together” / social network
- Stay positive
  - Improvement-oriented / feel good about themselves
- Integrate
  - Contract with multiple vendors (training, employee assistance program, ergonomics)
- Play it safe
  - Data integrity, safety, security and regulatory compliance



# Evolution to “Wellbeing”

Wellness / Health Management as a true employee value proposition:  
Total Employee Wellbeing





# Financial Wellness

---

- Financial wellness is a program or set of programs designed to improve employees' financial behavior and outcomes, while also driving business impact
- Financial wellness is not simply creating a financial plan, ideally it also shows participants how to:
  - Make decisions about their financial situation
  - Manage their own financial wellness over time
- Therefore, financial wellness is much more than just financial literacy or education



# A Means to Retirement Security

---

- Low financial well-being can have severe consequences in the workplace:
  - Increased employee tardiness and absenteeism
  - Unplanned days off
  - Increased number of loan and hardship withdrawal requests
- According to our most recent survey, 32% of MERS participants are “Not at all confident” or “Not too confident” they’re doing a good job preparing for their retirement



# Pillars of Financial Wellness

---

*MERS will be offering holistic support to employees so they can meet short-term needs while working toward long-range goals*



# Spending Within One's Means

---

- Means that what you spend is less than or equal to the amount of money you bring in
- A budget is a tool that tells your money where to go ahead of time vs. wondering where it all went after you spend it



# Debt Management

---

- Debt can come in many forms
  - Credit cards
  - Student loans
  - Other types of loans
- Debt management is simply creating a plan to repay debt in a meaningful way
- Some tools that can be used to manage debt include:
  - Debt consolidation
  - Debt settlement



# Emergency Savings

---

- An emergency fund is money that's been set aside to cover any of life's unexpected events
- This money will allow you to live for a few months should you happen to lose your job or if something unexpected comes up that will cost a fair chunk of money
- This money can then be accessed quickly and easily to handle an unfortunate event



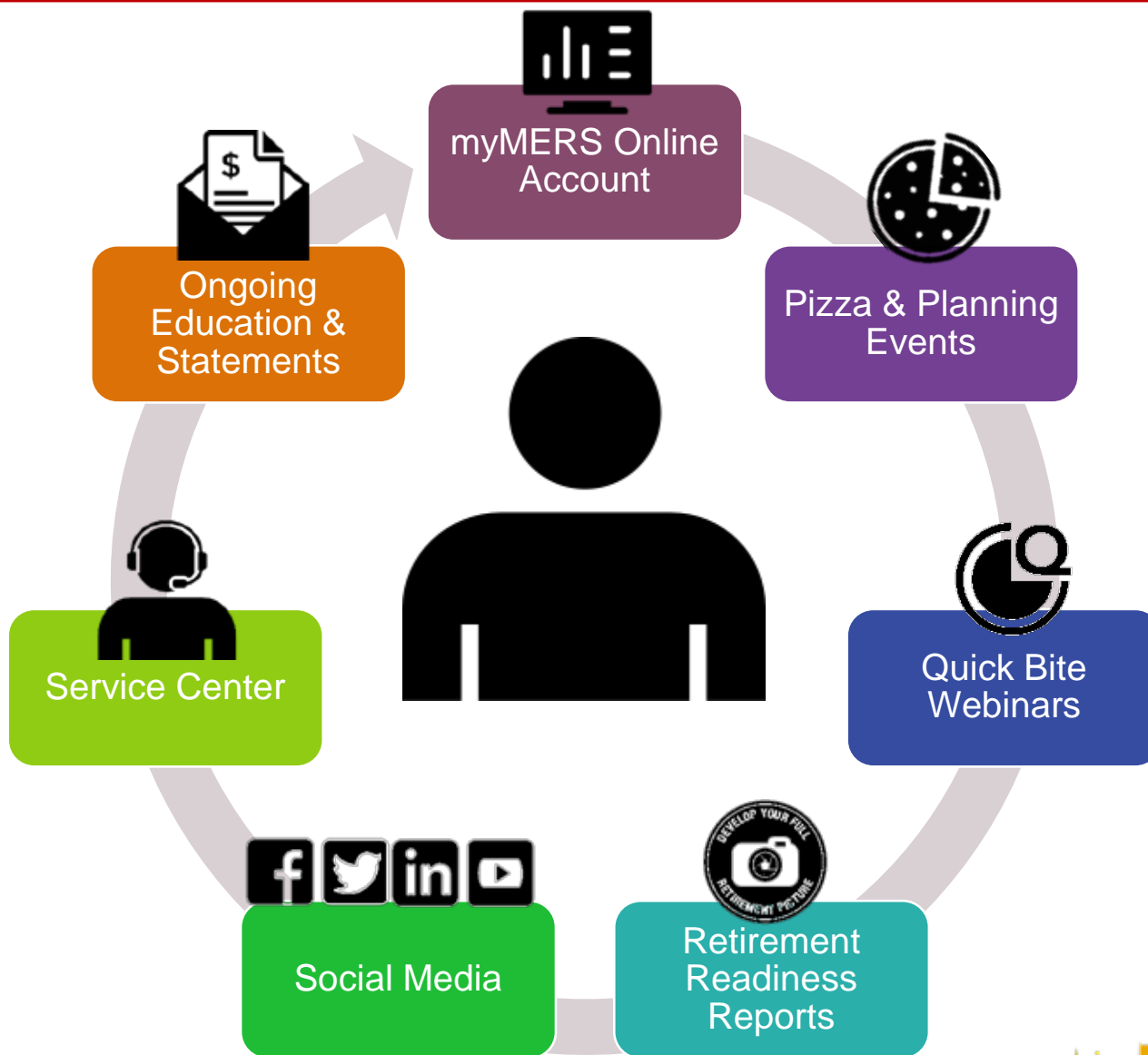
# Having a Plan for the Future

---

- Having a plan for the future may be referred to as a financial plan
- A financial plan can encompass:
  - Retirement planning
  - Saving for college
  - Saving for health care in retirement
  - Investing
  - Estate planning
  - Social security claiming strategies, etc.



# Resources Revolve Around the Participant





# Questions?

---



# MERS of Michigan

---



## MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

1134 Municipal Way  
Lansing, MI 48917

800.767.MERS (6377)

[www.mersofmich.com](http://www.mersofmich.com)

*This presentation contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.*

