



From Data to Decisions:

How Plan Design and Financial Advice Improve Retirement Outcomes

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AGENDA

- Financial and workforce impacts
- Targeting income replacement
- Improving outcomes through plan design
- Improving outcomes through education and advice
- Employer resources
- Key takeaways and action steps

Financial and Workforce Impacts

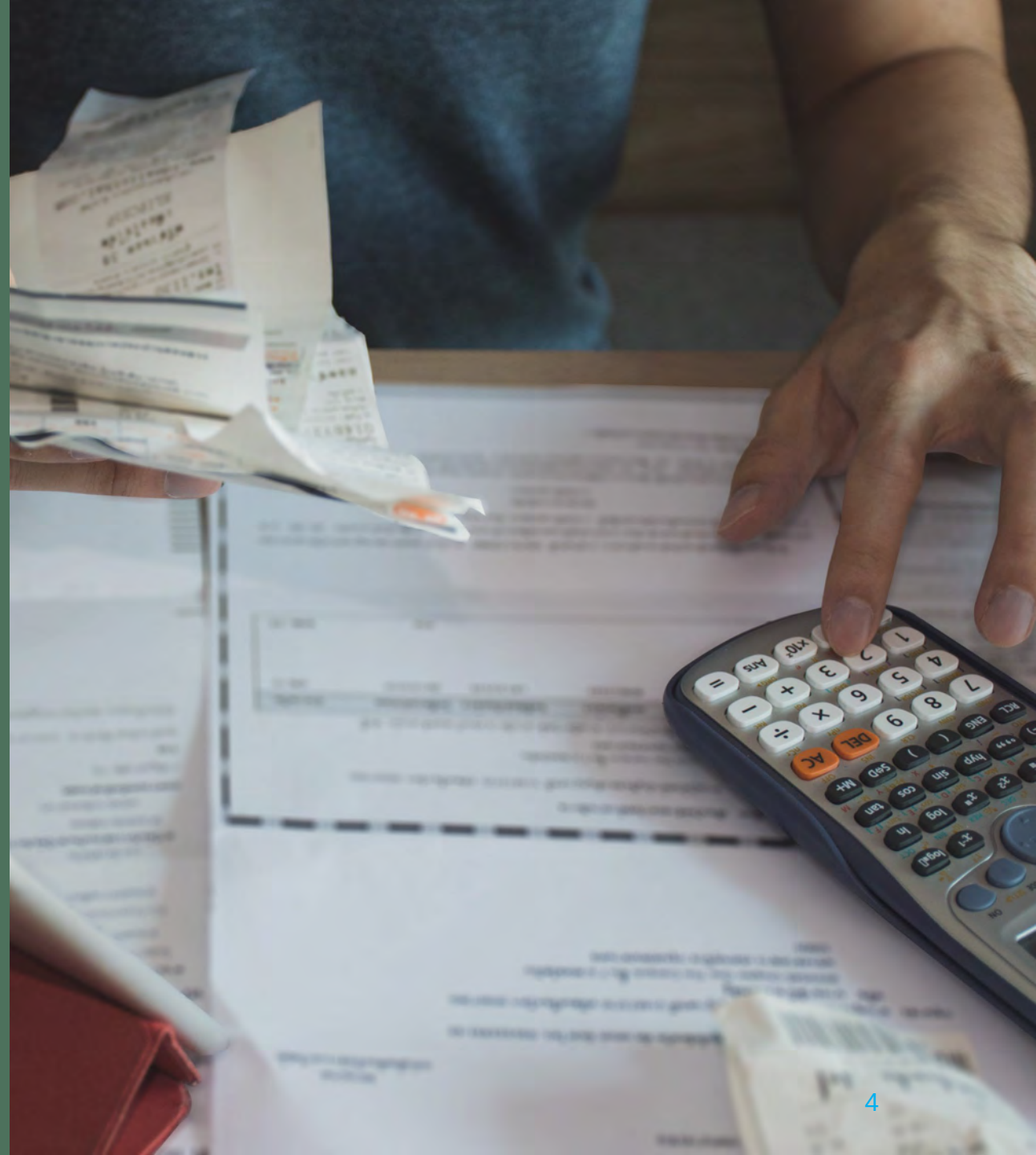


Low Confidence

39%

do not feel confident
they have enough
money to live
comfortably in
retirement.

Source: Employee Benefit Research Institute (EBRI)



Workforce Impact on Employers



Delayed
retirements



Workforce
planning
challenges



Increased
stress



Possible decline
in productivity

Financial Impact on Employers



Higher salaries



Increased utilization
of benefits



Increased health
insurance cost

Targeting Income Replacement



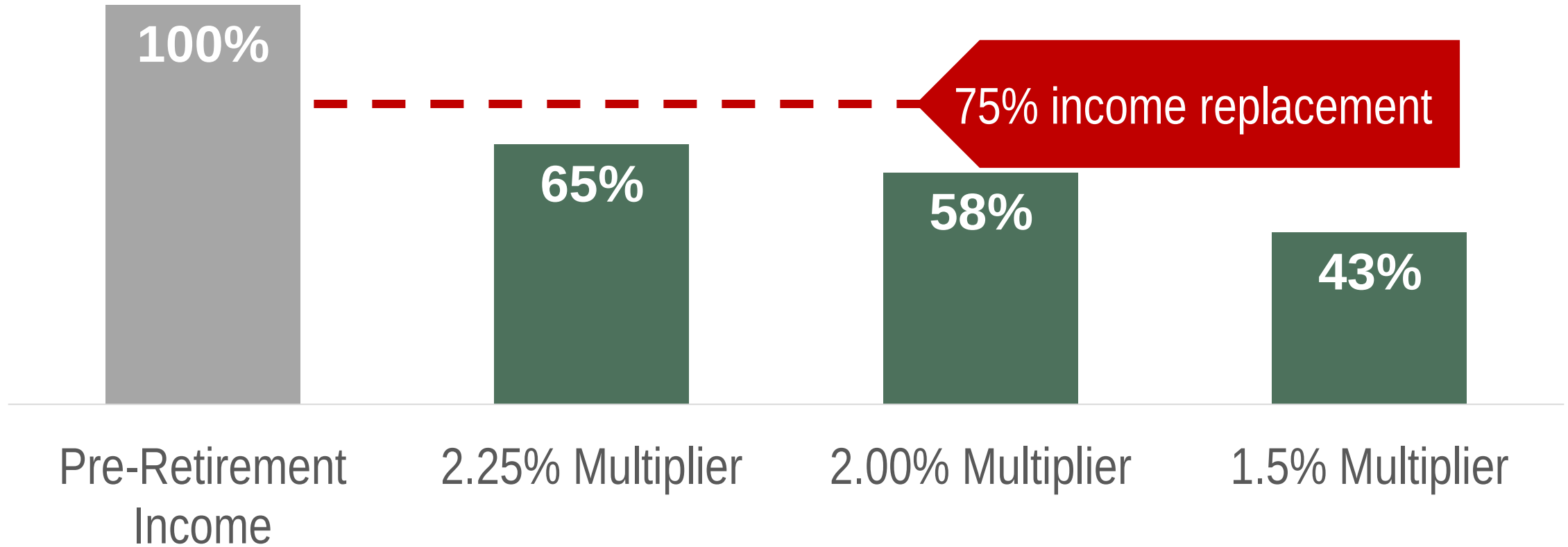
Retirement Planning Questions

How much is
enough?

Where does
that income
come from?

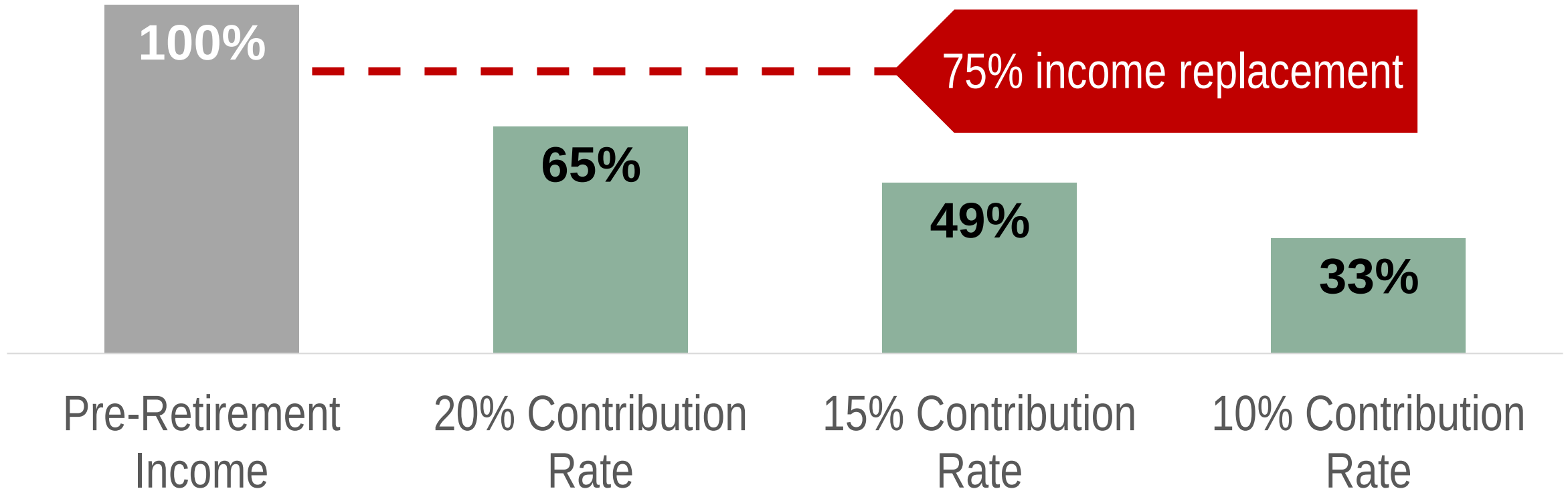
Defined Benefit Retirement Income

Projected Income Replacement Rates with 30 Years of Service

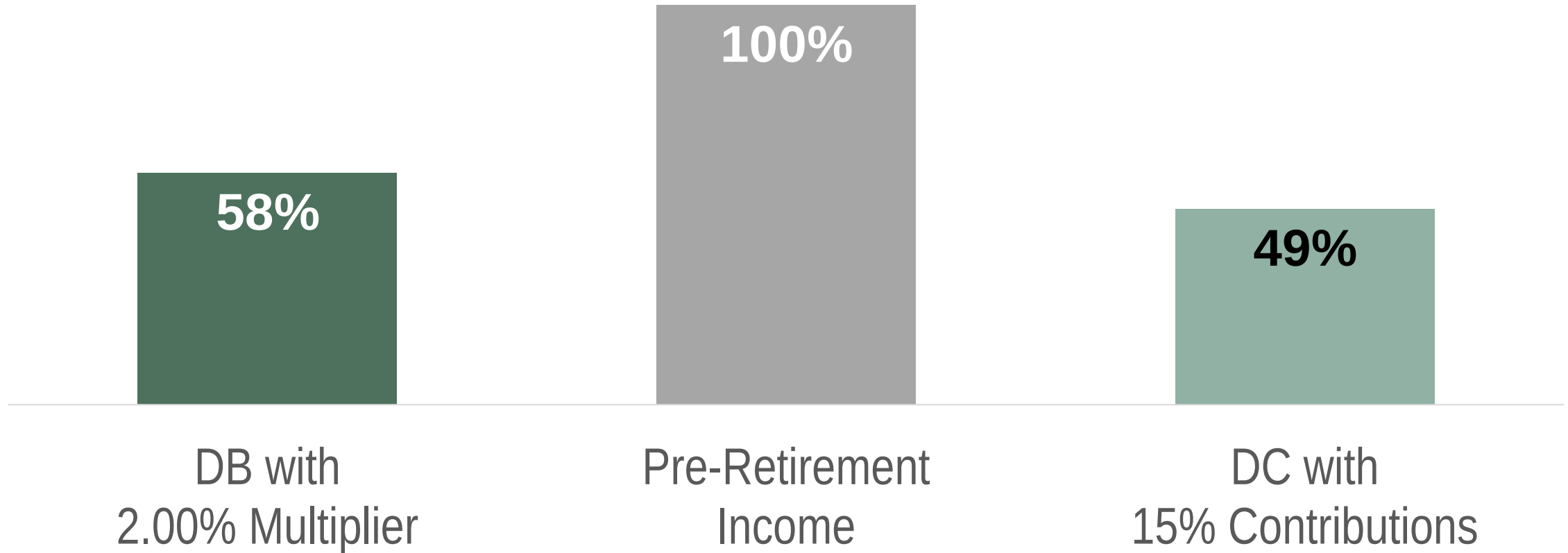


Defined Contribution Retirement Income

Projected Income Replacement Rates with 30 Years of Contributions



Different Plan Type. Similar Results.



America's Workforce is More Mobile

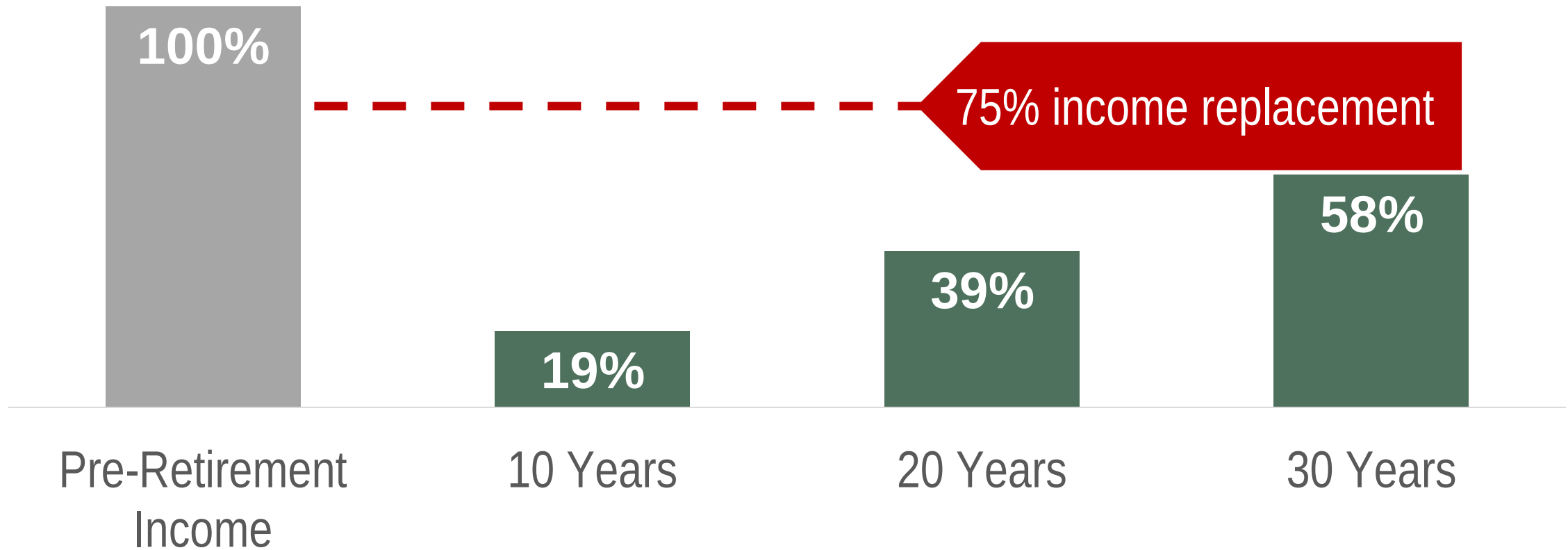
12

Average number of jobs an
American worker will hold
throughout their career.



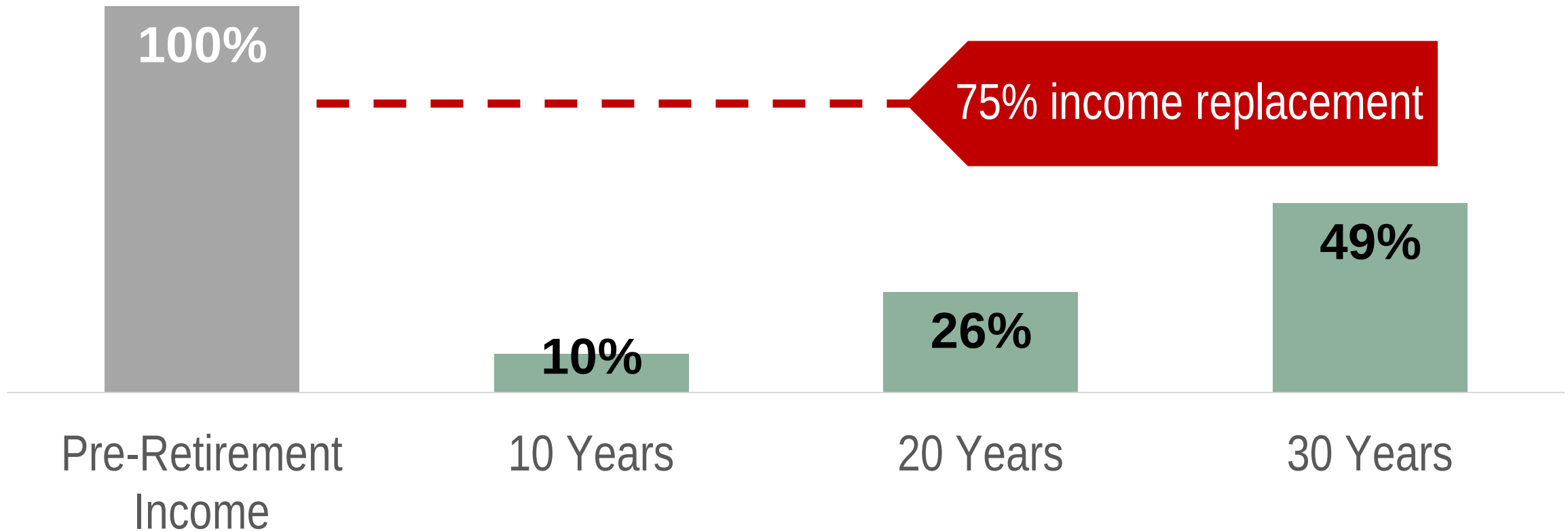
Defined Benefit Retirement Income

Projected Income Replacement Rate – 2.0% Benefit Multiplier



Defined Contribution Retirement Income

Projected Income Replacement Rate – 15% Contribution Rate



Bridge the Gap

Using supplemental savings programs, such as MERS 457 and IRA



Improving Outcomes through Plan Design



Creating the Right Climate for Success

A well-designed plan will...

- Provide adequate income replacement
- Offer flexibility
- Require some degree of participation
- Incentivize additional savings
- Offer a holistic retirement solution



Enrollment Types

Is your plan structured to gain participation?

Mandatory

Voluntary
Opt-In

Least
Employee Effort

Most
Employee Effort

Enrollment Types

Is your plan structured to gain participation?

Mandatory

Voluntary
Opt-Out
(Automatic
Enrollment)

Voluntary
Opt-In

○
Least
Employee Effort

○
Most
Employee Effort

Automatic Enrollment

86%

employee participation

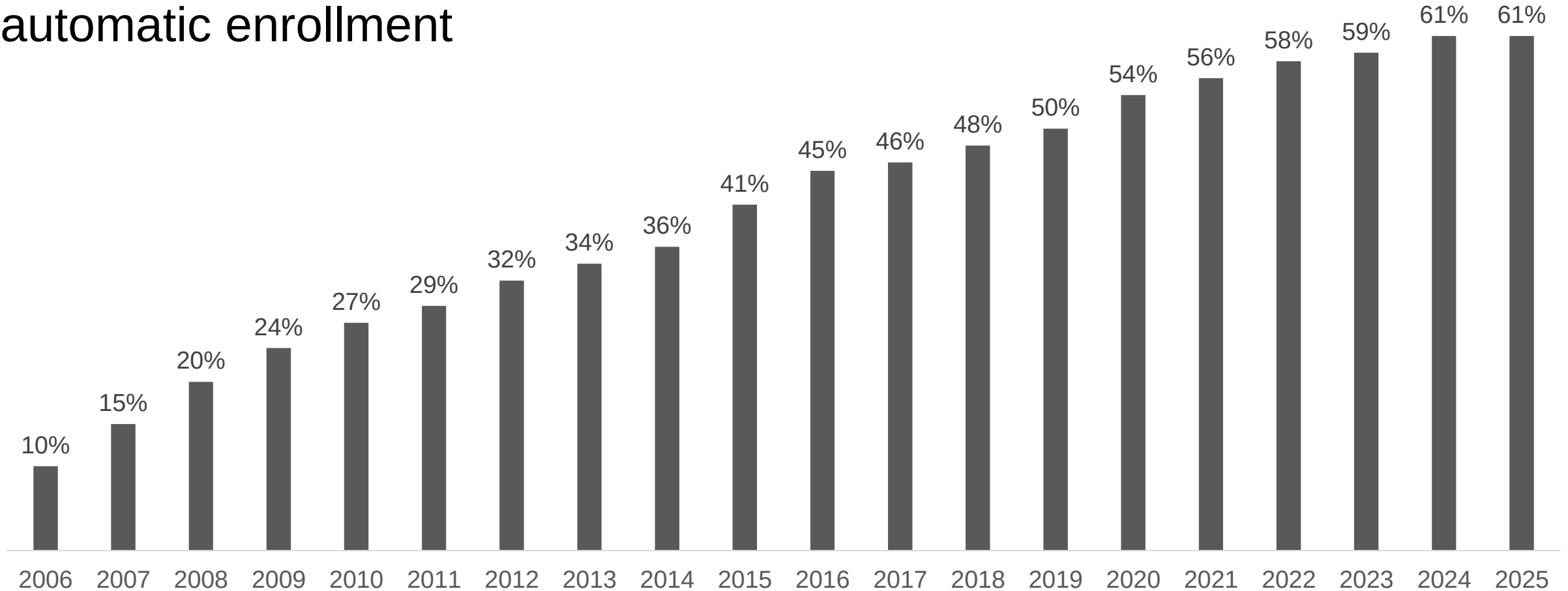
Opt-In Enrollment

36%

employee participation

Automatic Enrollment Adoption

More plans are adopting automatic enrollment



Contribution Structure

Who is putting money into the employee's retirement account?

Employer
Contributions

Employee
Contributions

Who decides how much to contribute?



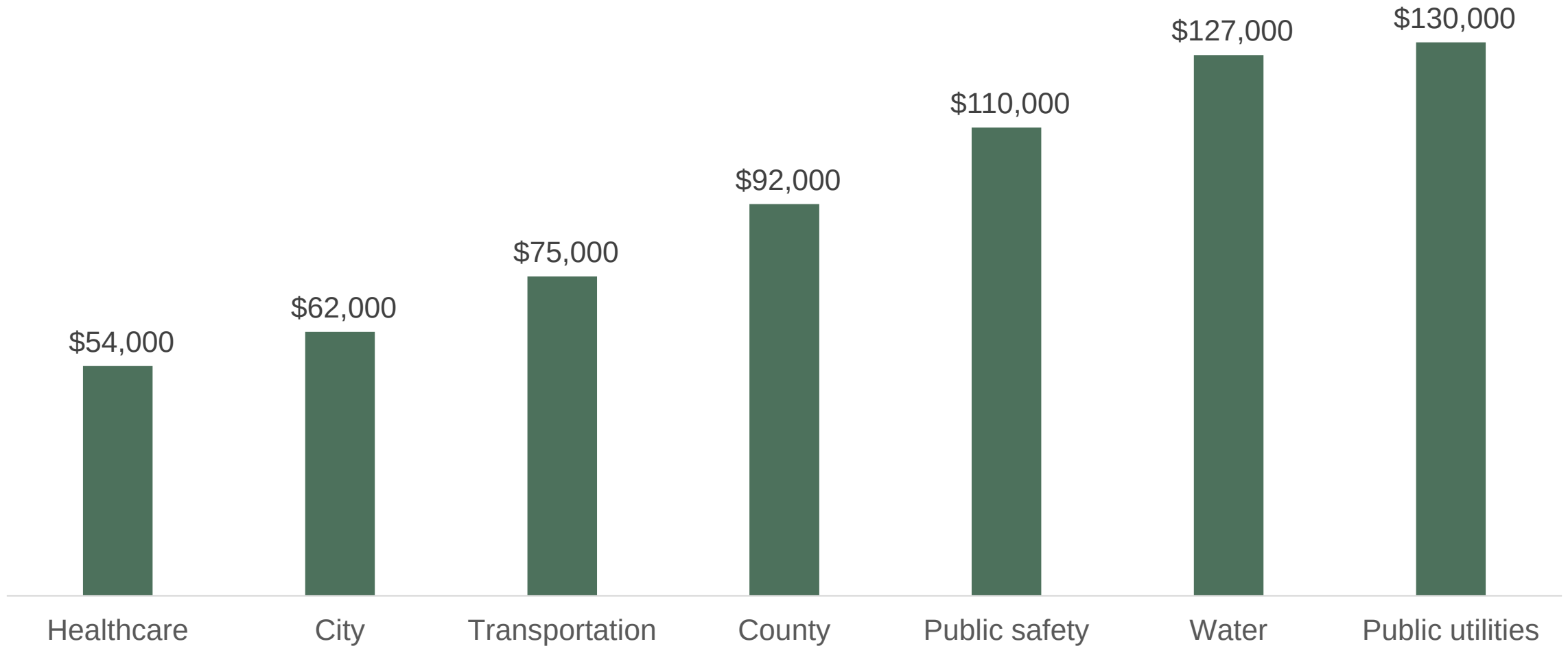
One-Time Election

52%

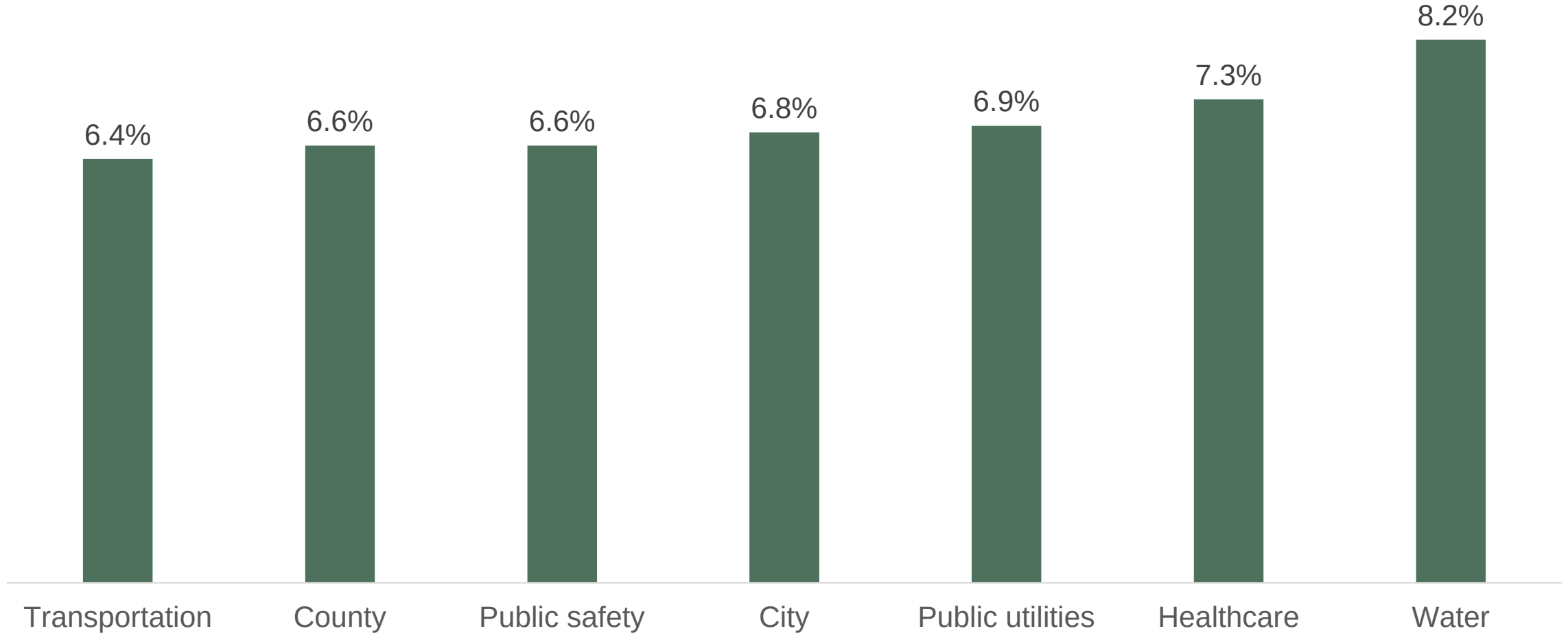
MERS DC employers that
allow employees to
contribute 0%.



Average Account Balances by Sector



Average Contribution Rates by Sector



Automatic Increases

Annual Increase

Employee A started with a 5% contribution and increased 1% each year (to 15%).

Example starts with \$52,000/year salary and 6% annual return for 35 years.

\$836,763

More than 3x as much!

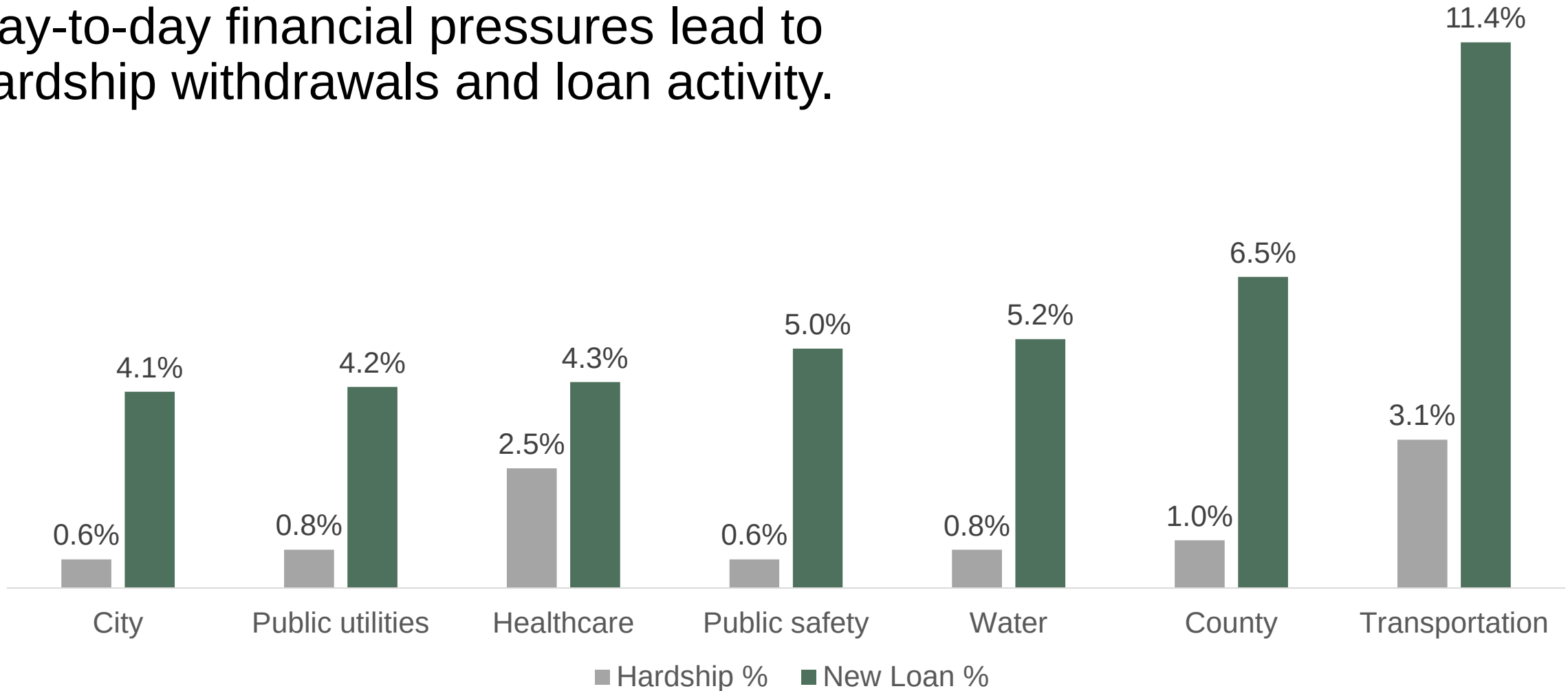
\$222,220

Fixed Amount

Employee B started at 5% and stayed there.

Financial Lives Shape Retirement Outcomes

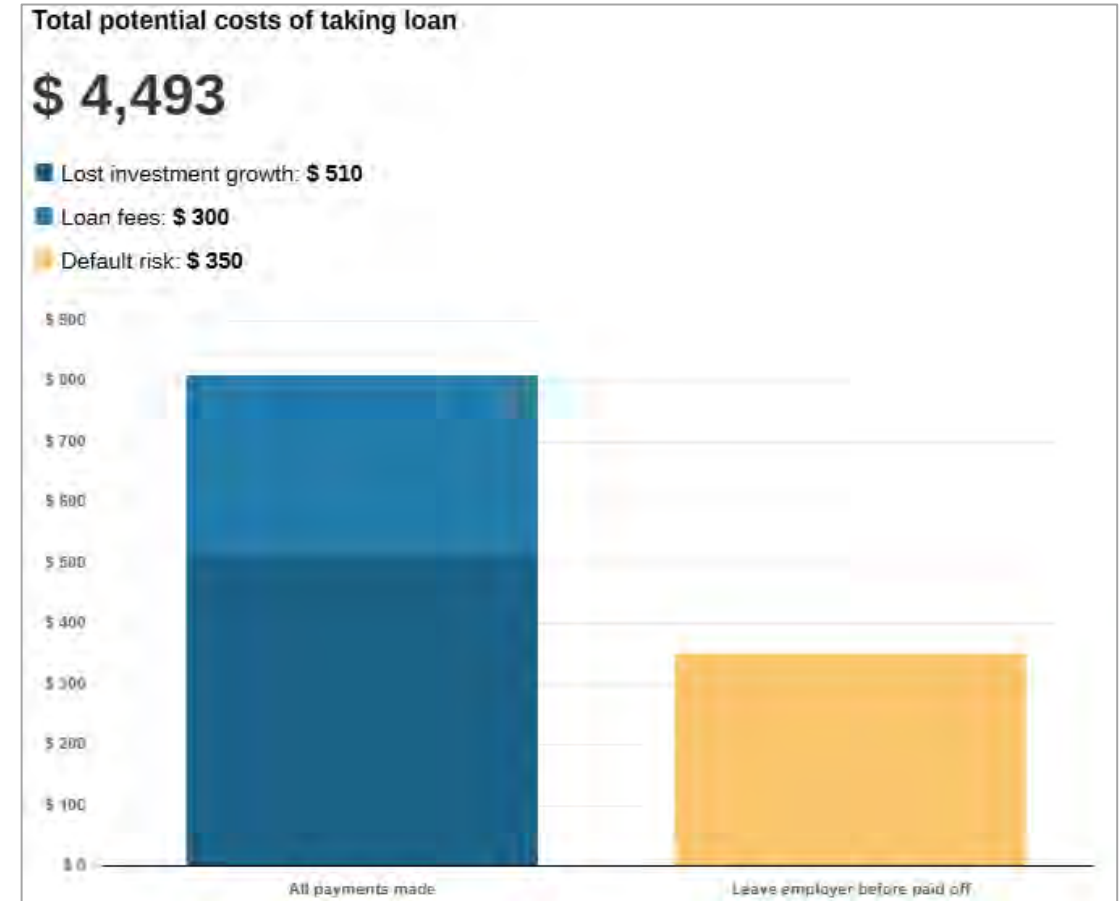
Day-to-day financial pressures lead to hardship withdrawals and loan activity.



Short-Term Relief. Long-Term Considerations.

Impact of Taking a Loan

- Repayment is made with after-tax dollars with the potential for double taxation
- Outstanding loans at separation from employment
- Affect future savings behavior



FOR ILLUSTRATIVE PURPOSES ONLY.

Loans Offered

34%

of MERS Defined
Contribution employers
offer loans.

Source: MERS data as of 9/30/2026

35%

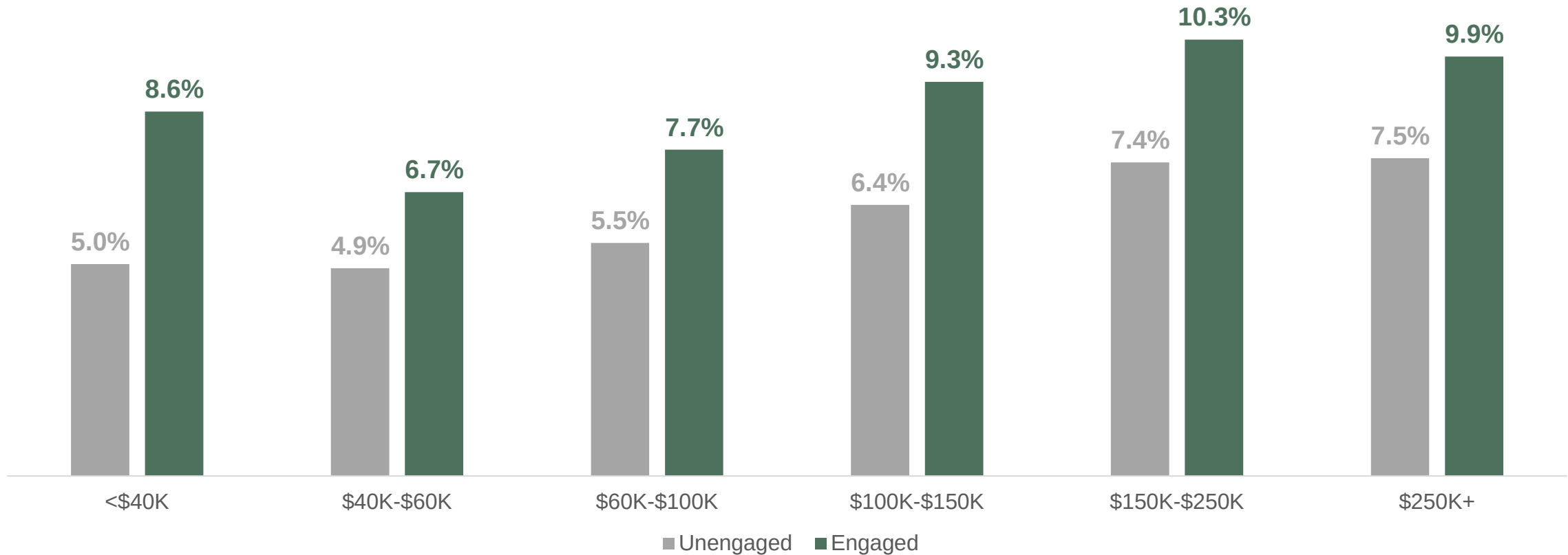
of MERS 457 Program
employers offer loans.

Improving Outcomes Through Education & Advice



Income Matters. Engagement Matters More.

Average savings rate by income and engagement



Employee's Experience

Sample Email

MERS-457-00001-01-Sample City



Get in on one of the easiest ways to save for your future

Enroll in your employer retirement plan today

From the moment you enroll, to the day you retire and beyond, we're making it easier for you to pursue the future you imagine.

Here's what's in it for you

- Save up to \$24,500 in 2026.
- A Roth option allows you to make after-tax contributions that may grow tax-free.**
- You have a complete view of your overall retirement picture.
- We make it easy to access your account and take action.
- Pretax contributions reduce your taxable income.

Sample Postcard



Get in on one of the easiest ways to save for your future

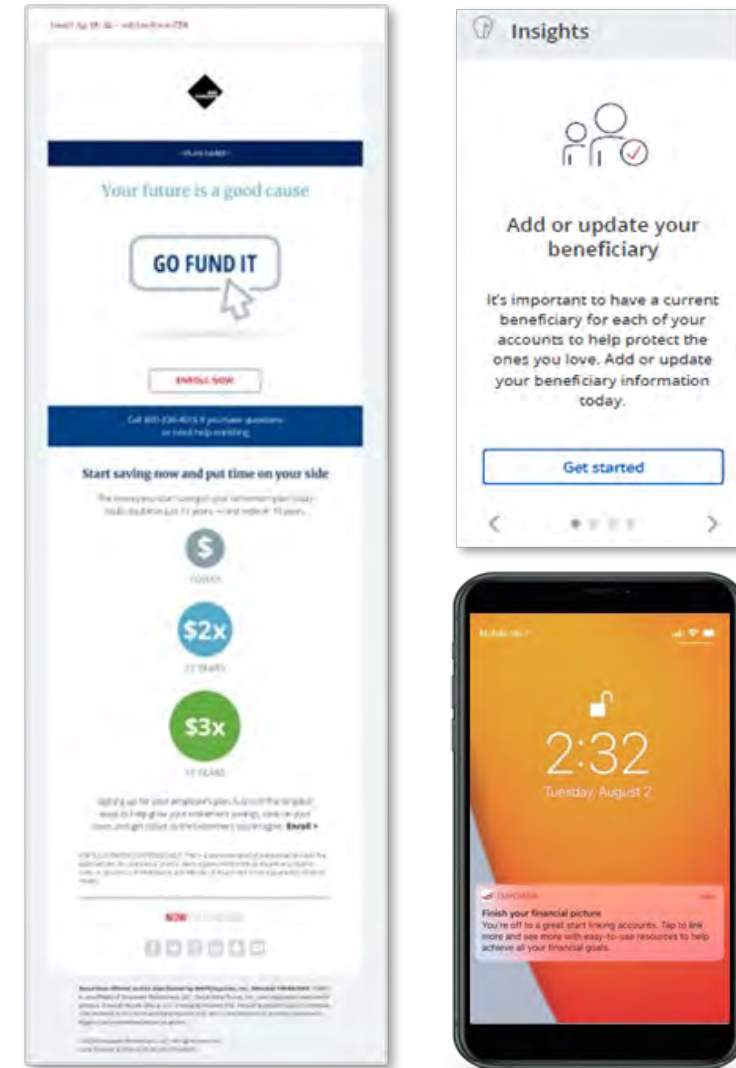
- Save up to \$24,500 in 2026.
- A Roth option allows you to make after-tax contributions that may grow tax-free.**
- See a complete view of your overall retirement picture.

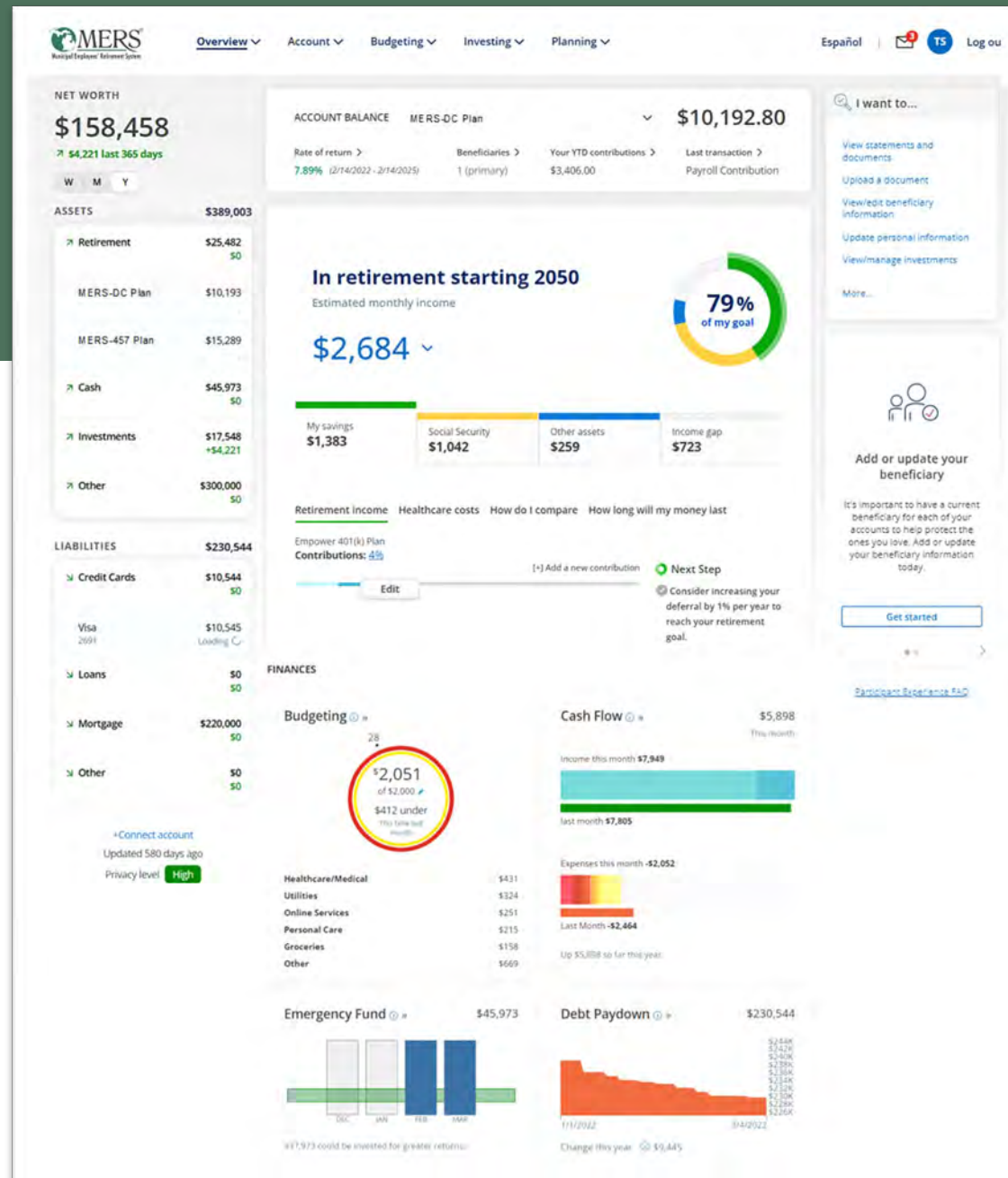
Municipal Employees Retirement System of Michigan - 457(b) Supplemental Retirement Program



Ongoing Personalized Communications

- Welcome to your plan
- Update your beneficiary and profile information
- Save more
- Milestones, including catch-up contributions
- Retirement savings options (when leaving employment)





Keeping Investing Simple

01

Help me do it

with
Target Date Funds

02

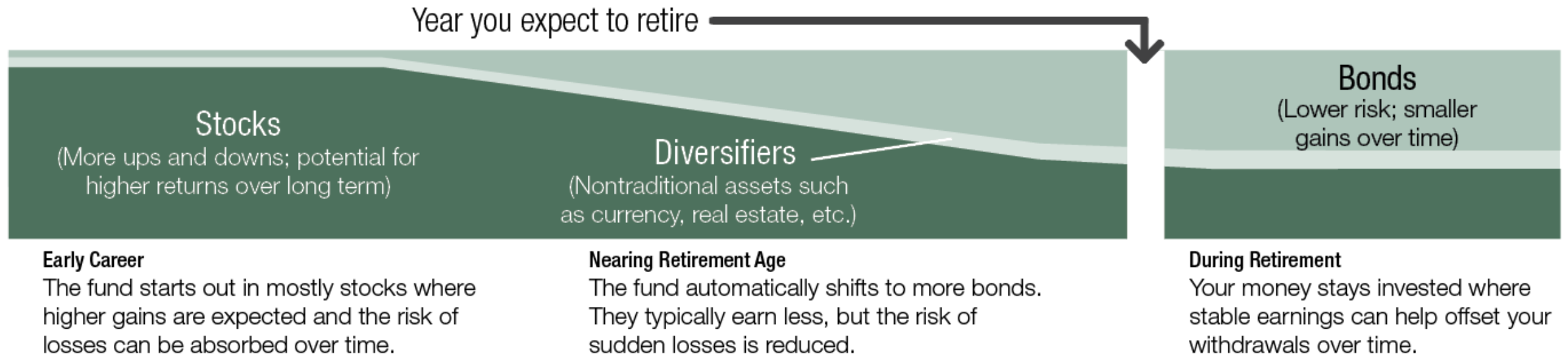
I'll do it myself

with
Additional Fund Options

1

"Help Me Do It"

LifePath Target Date Funds



The date in the name of the target date fund is the assumed date of retirement. The asset allocation becomes more conservative as the fund nears the target retirement date; however, the principal value of the fund is never guaranteed.

2 "I'll do it myself"

Additional Fund Options



Leverage the Resources for Employees



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Employer Toolkit

Search

Enter keywords...

Product

☐ 457 (17)

☐ Defined Benefit (DB) (9)

☐ Defined Contribution (14)

☐ Health Care Savings Program (13)

☐ Hybrid (13)

☐ IRA (13)

Topics

☐ Beneficiaries (5)

☐ Benefits Overviews (10)

☐ Encouraging Engagement (14)

☐ Financial Wellness (1)

☐ Getting Started (20)

☐ Health Care in Retirement (1)

☐ Investing (4)

☐ Maximize Savings (9)

☐ Nearing Retirement (14)

Resources for your employees

Toolkits are key resource that give you, as the employer, everything you need to communicate the benefits of the MERS program(s) effectively. You'll find essential guides and resources for retirement preparation, enhancing your ability to support your employee's financial well-being and bolstering your efforts in talent attraction and retention. Resources can be tailored by your product(s), topics, and/or employee career stages.

To get started simply select your product(s) and either the topic or career stage on the left-hand side. You can then download the material and email it to your staff, post it to your intranet and/or post it in your breakroom.

	Name	Product	Description	Topic
	Enrollment	Defined Benefit (DB)	Quick enroll a new participant into the MERS Defined Benefit (DB) Plan.	Getting Started
	Contribution Election	Defined Contribution	Contribution election form for MERS Defined Contribution (DC) Plan.	Getting Started
	Am I Ready to Retire?	457, Defined Benefit (DB), Defined	Considerations when one is contemplating	Nearing Retirement



Enlist MERS to Help with the Conversation



On site group meetings



Virtual group meetings

Our retirement consultants are at your service

Am I on track for my retirement goals?

How much should I save for retirement?

Which investments are right for me?

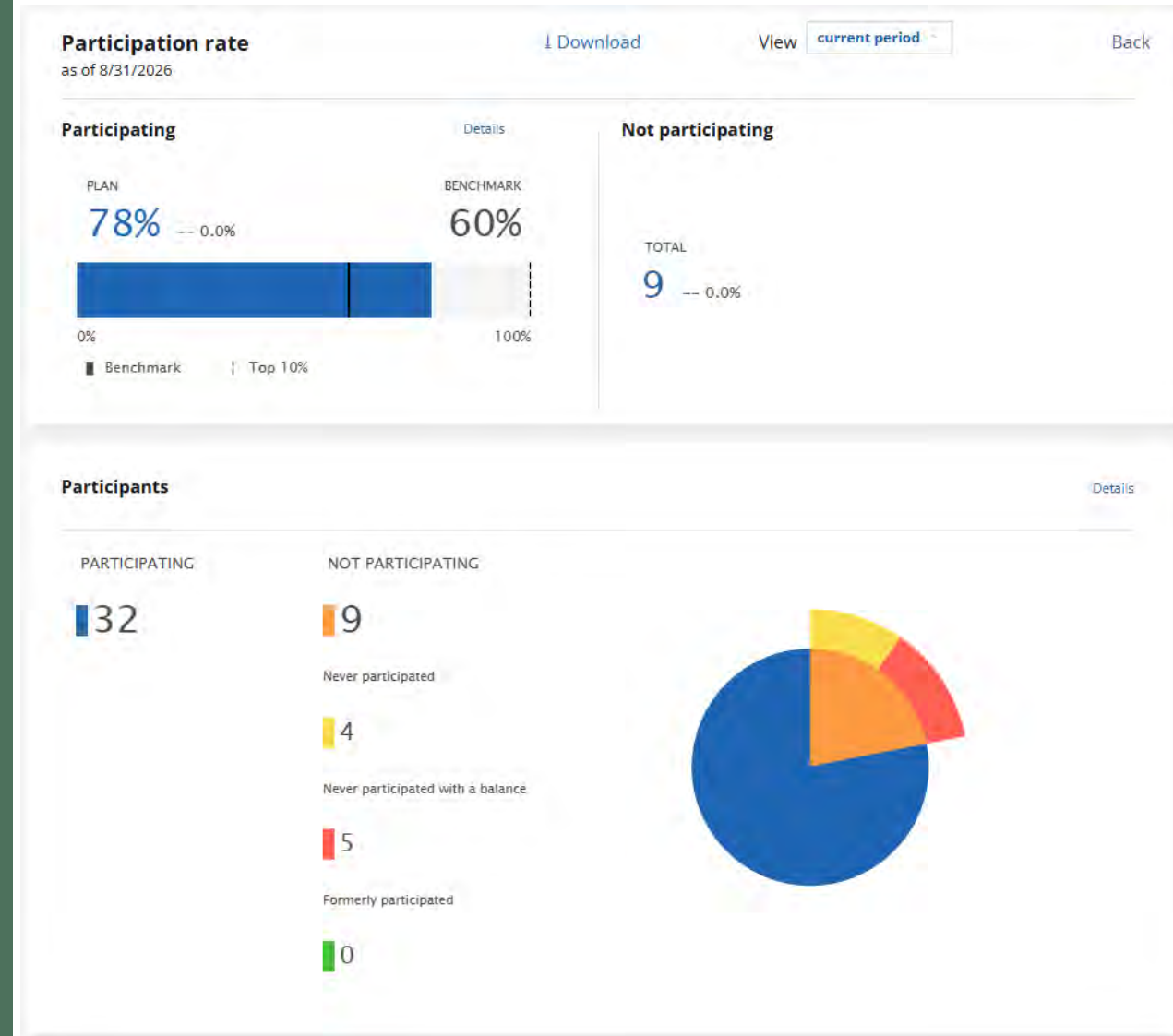


Resources for Employers



Participation Rate for 457

- How does your plan compare to the benchmark?
- What is the breakdown of employees participating vs not?



Contribution Rates

- How does your plan compare to the benchmark?
- What is the breakdown of contribution rates?
- How many employees contribute over 10%?

Contribution rate

as of 8/31/2026

[Download](#)

View [current period](#)

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Average contribution rate

[Details](#)

PLAN

9% -- 0.0%

BENCHMARK

7%



■ Benchmark | Top 10%

Participants deferring over 10%

PLAN

25% -- 0.0%

BENCHMARK

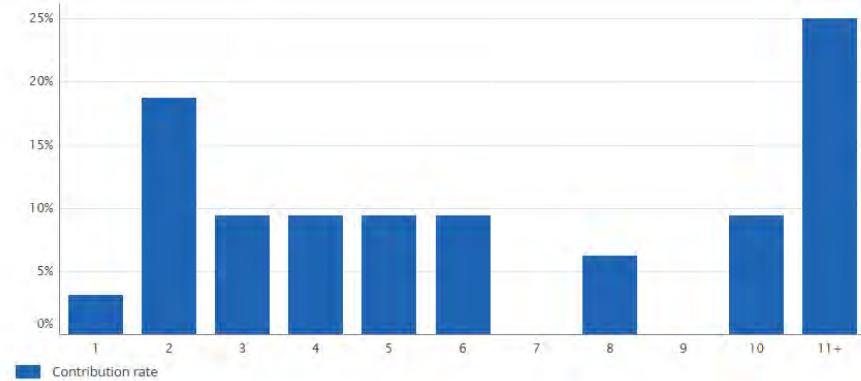
16%



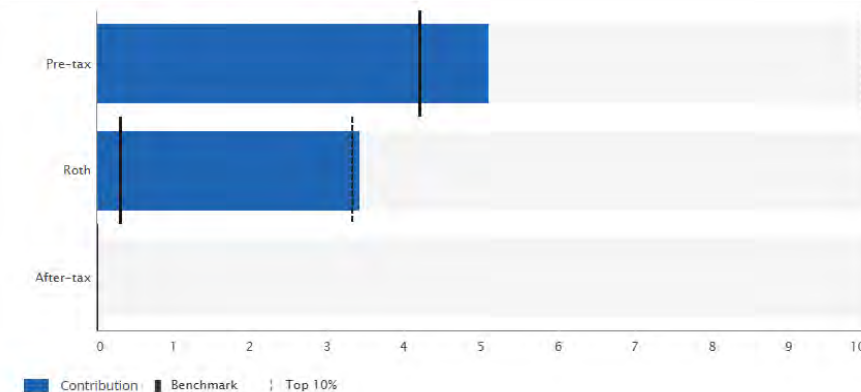
■ Benchmark | Top 10%

Participants by contribution rate

[Details](#)



Contribution rate by type



Lifetime Income Scores

- How does your plan compare to the benchmark?
- How many employees are on track to reach their goals?
- Explore results by age, gender, tenure, and salary.

Lifetime Income Score

as of 8/31/2026

Download

View **current period**

Back

Overall plan

Details



BENCHMARK

67%

TOP 10%

94%

Participants achieving goal

PERCENT ACHIEVING GOAL

7% (2) -- 0.0%

BENCHMARK

17%



0%

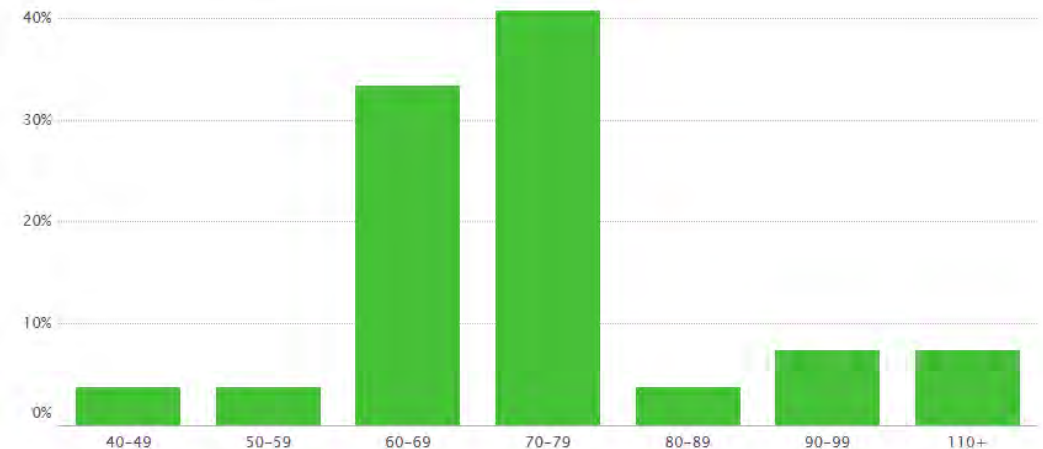
Benchmark

Top 10%

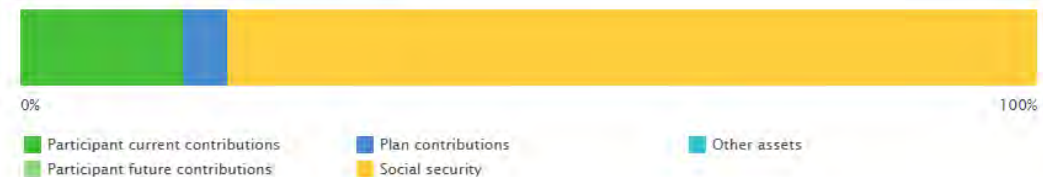
100%

Percent of participants by Lifetime Income Score

Details

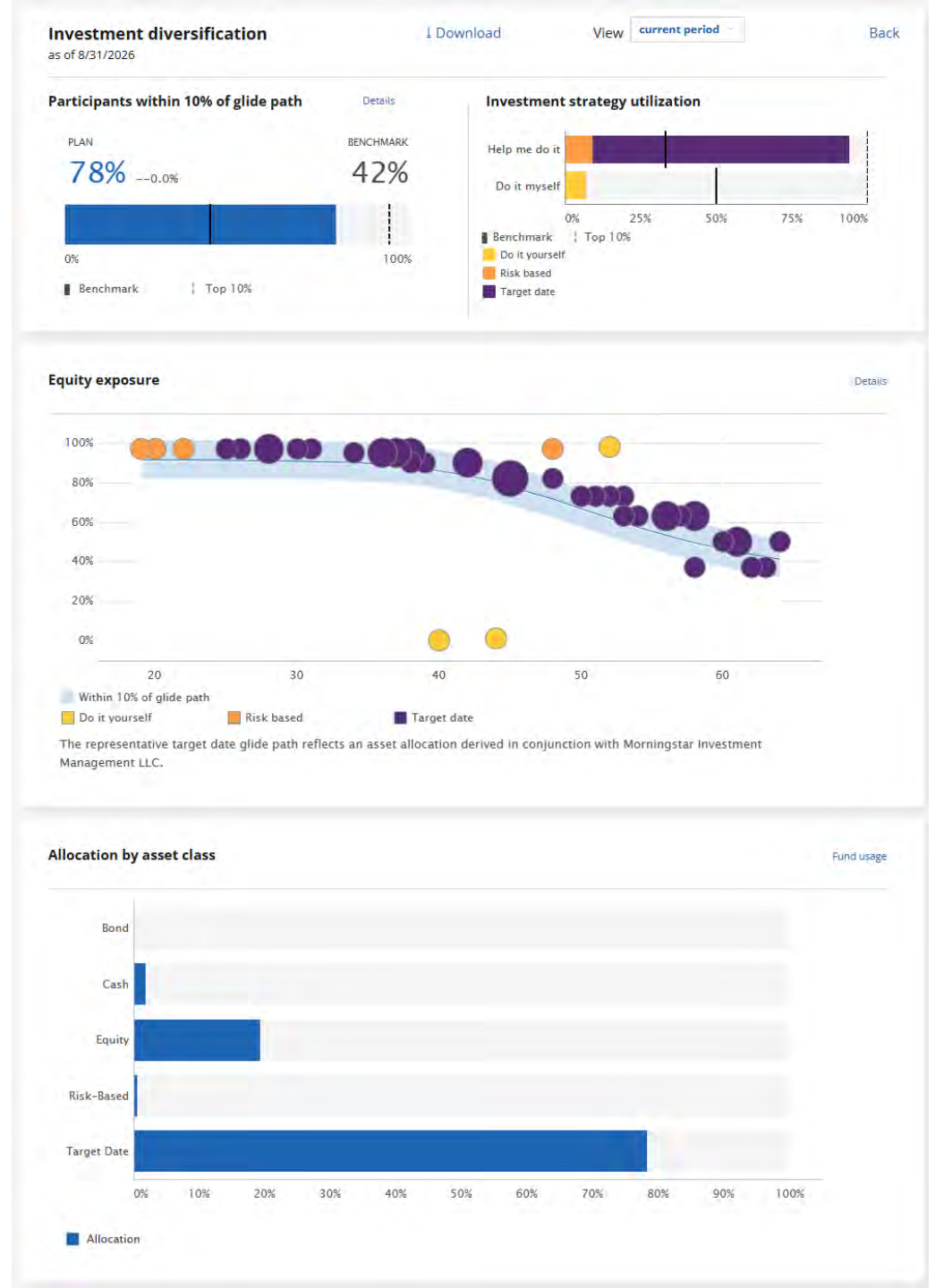


Percent of Lifetime Income Score by source



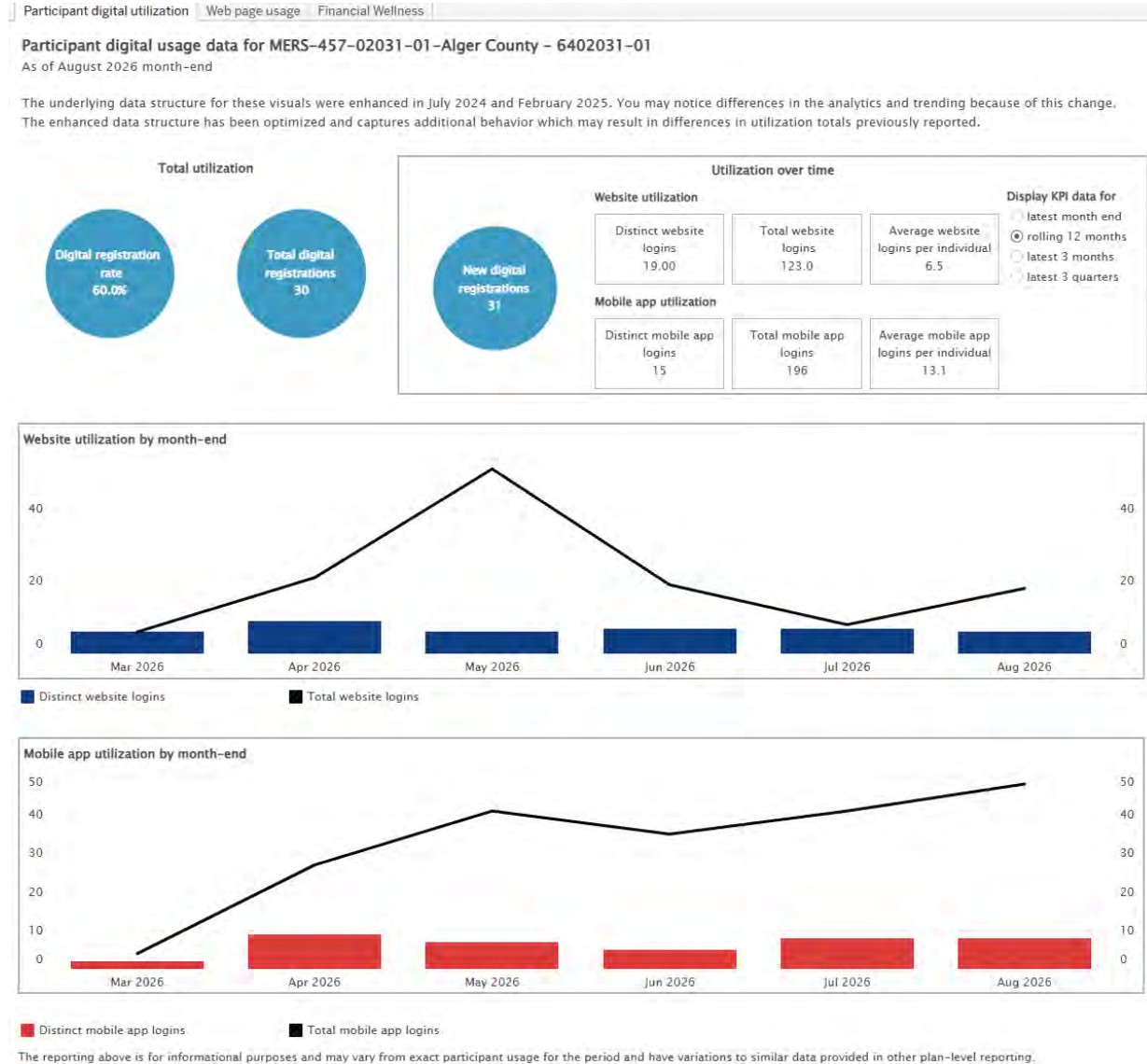
Investment Allocation

- How are employees diversifying their assets?
- How many employees use target date funds?



Website & App Usage

- How many employees have registered their online account?
- How many have downloaded the Empower app?
- What webpages are your employees visiting?
- Which financial wellness tools are they engaging with?



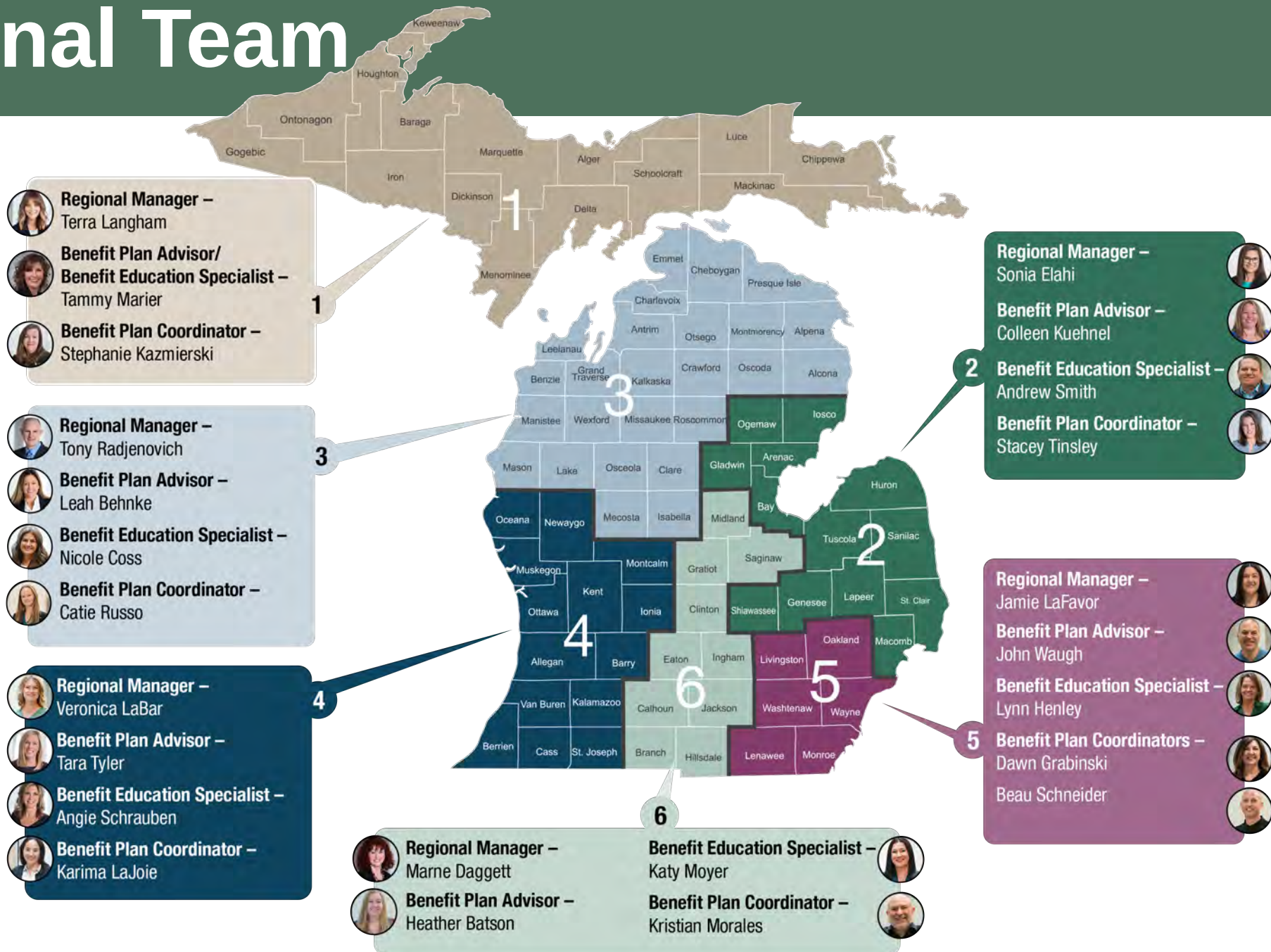
View Report of Beneficiaries

Reports > Standard Reports > Participant Data

The screenshot displays the MERS system interface. On the left is a navigation menu with items like Plan Summary, Action Center, Plan, Participants, Reports (highlighted), Data Library, Standard reports (highlighted), Design my report, My reports, Fiduciary Center, Administration, Contacts, File Sharing, and Help Center. The main content area shows a 'Standard reports' tab selected, with a search bar and a 'Reports catalog' link highlighted by a green arrow. Below this is a table of report categories: My Favorites, Most Frequently Used, Reports I Created, Assets & Investments, Participant Data (highlighted), Contributions, Distributions & Loans, Multi Plan, and Show All. The 'Participant Data' category is expanded, showing a list of reports including 'Best Interest Recommendations Program', 'Compliance Census File', 'Compliance Data Error/ Warning Summary', 'Cost Basis Financial Activity Detail', 'Dividend Pass Through Election Listing', 'Monthly Plan Activity', 'Officer or Insider List', and 'Participant Beneficiary Detail' (highlighted). Each report entry includes a star icon, a link to the report, a brief description, and an 'Options' dropdown menu.

My Favorites	Most Frequently Used	Reports I Created	Assets & Investments	Participant Data	Contributions	Distributions & Loans	Multi Plan	Show All
☆ Best Interest Recommendations Program				Comprehensive review of call types, topics covered, volumes, and trends related to the Best Interest Recommendations Program.				Options ▼
☆ Compliance Census File				Data on personnel employed during a selected plan-year reporting period. Used for compliance testing and 5500 reporting.				Options ▼
☆ Compliance Data Error/ Warning Summary				Summary of several categories of potential data issues to be resolved prior to submitting your year-end census information for compliance testing.				Options ▼
☆ Cost Basis Financial Activity Detail				Report provides participant level financial activity with cost basis by money type or investment option.				Options ▼
☆ Dividend Pass Through Election Listing				Report provides list of all participants who have elected to receive a cash out of their dividend.				Options ▼
☆ Monthly Plan Activity				Summary of plan and participant activity for the month specified.				Options ▼
☆ Officer or Insider List				Listing of all individuals that have been flagged as being an officer, insider or both.				Options ▼
☆ Participant Beneficiary Detail				Provides current beneficiary information on file for each participant; can also identify participants with no designated beneficiaries. Only for plans using our Beneficiary Recordkeeping Services.				Options ▼

Regional Team



Actions to Take Today



Actions To Take Today



- ☒ Think about how your plan design impacts your employees
- ☒ Use your data to drive decisions
- ☒ Report all eligible employees, including their salary information
- ☒ Schedule employee group education
- ☒ Attend an annual account check up

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