

Creating Successful Participant Outcomes

Helping your employees retire on time

CUNA Mutual Retirement Solutions

People driven. Outcome focused.®

Today's topics.

1. The increasing needs of your employees
2. Measuring the success of your plan
3. Steps you can take to increase employee engagement

The responsibility shift.



Responsibility has shifted to the employees, making good decisions within the retirement plan more important than ever!



Financial concerns a big deal.

According to a study from consulting firm Willis Towers Watson 2016, **70%** cite financial concerns as a major source of stress and is reflected in absenteeism and lower productivity.

Willis Towers Watson 

The facts on finances.

- 76% live paycheck to paycheck
- 44% don't have money set aside for unexpected expenses
- 36% don't put any money away for retirement
- 46% spend 2-3 hours/week dealing with personal finances
- 79% report that personal finances keep them awake at night

Source: Financial Wellness in the Workplace , June 2015, Alliant Credit Union

Conflicting priorities.

Ages 55-65		Ages 25-54
83%	You do not earn enough at your job	83%
81%	You have to pay off debts	89%
78%	You have had unexpected expenses	80%
58%	You are more focused on enjoying today than saving for the future	62%
56%	You have simply put it off	55%
49%	You are unsure about how to invest the money	55%
38%	You are not getting good advice about how much to save	39%

Source: Who's in the Driver's Seat?, 2015 National Survey of Defined Contribution Plan Participants, American Century Investments.

Decision making hind-site.

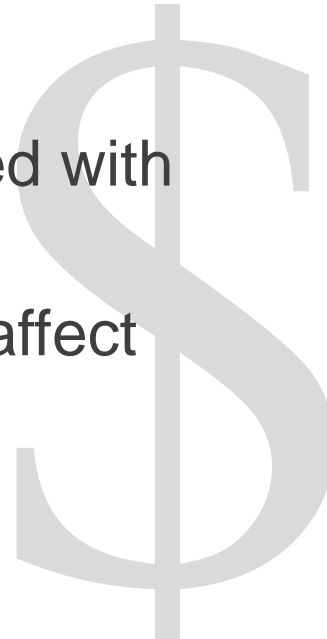


Source: Who's in the Driver's Seat?, 2015 National Survey of Defined Contribution Plan Participants, American Century Investments.

Why does it matter to your organization?

It is estimated that delayed retirement is costing employers anywhere from **\$10,000 to \$50,000** per employee.

- Higher salaries
- Increased healthcare costs associated with older workers
- “Retirement log jam” may adversely affect your younger workers.

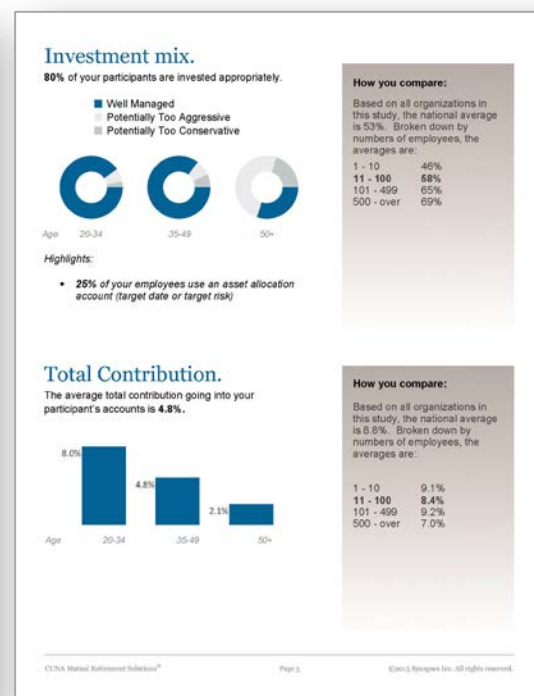
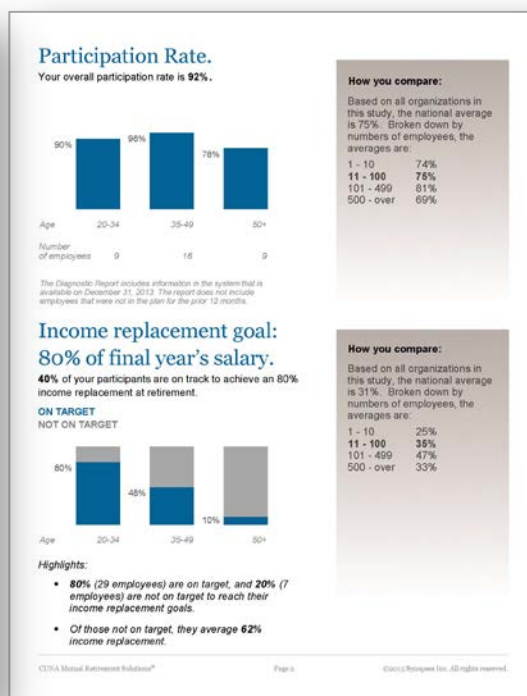
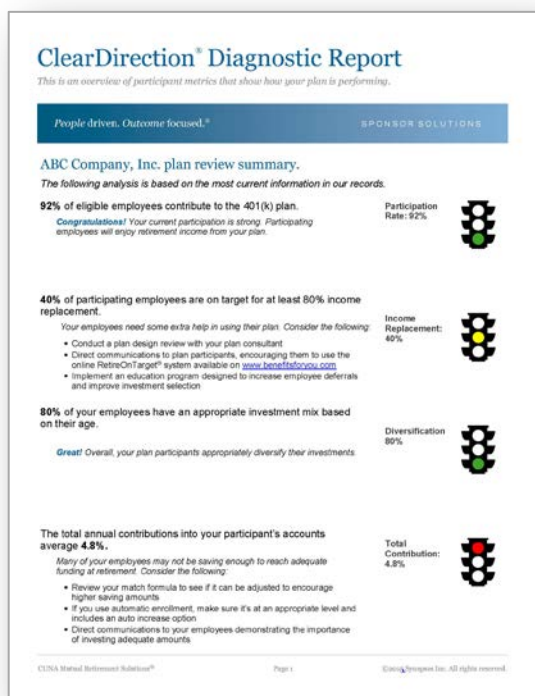


Source: <http://www.investmentnews.com/article/gray-hairedglut> , 2012

Measuring your plan's success.

ClearDirection® Diagnostic Reports.

So, how are your employees doing?

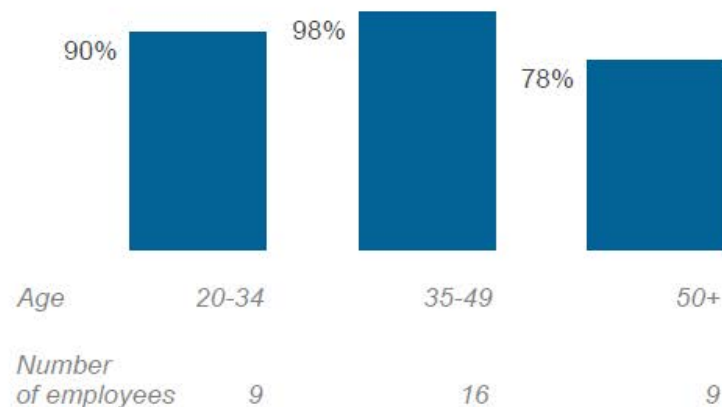


It starts with participation.



Participation Rate.

Your overall participation rate is **92%**.



The Diagnostic Report includes information in the system that is available on December 31, 2013. The report does not include employees that were not in the plan for the prior 12 months.

How you compare:

Based on all organizations in this study, the national average is 75%. Broken down by numbers of employees, the averages are:

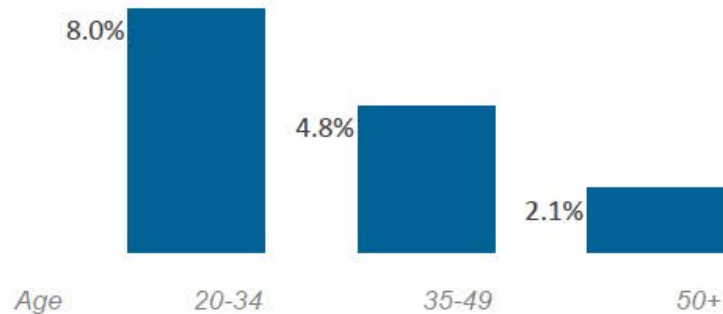
1 - 10	74%
11 - 100	75%
101 - 499	81%
500 - over	69%

How much are they contributing?



Total Contribution.

The average total contribution going into your participant's accounts is **4.8%**.



How you compare:

Based on all organizations in this study, the national average is 8.8%. Broken down by numbers of employees, the averages are:

1 - 10	9.1%
11 - 100	8.4%
101 - 499	9.2%
500 - over	7.0%

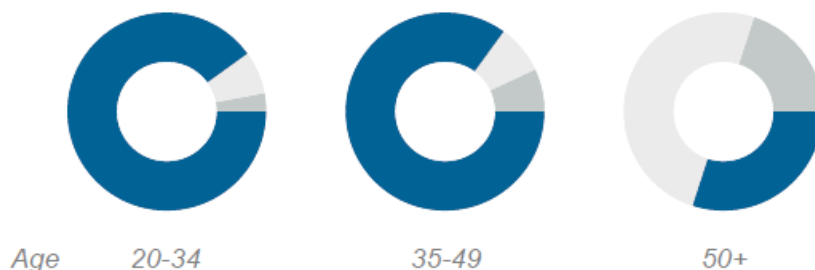
Are they choosing a good investment mix?



Investment mix.

80% of your participants are invested appropriately.

- Well Managed
- Potentially Too Aggressive
- Potentially Too Conservative



Highlights:

- **25% of your employees use an asset allocation account (target date or target risk)**

How you compare:

Based on all organizations in this study, the national average is 53%. Broken down by numbers of employees, the averages are:

1 - 10	46%
11 - 100	58%
101 - 499	65%
500 - over	69%

Are they on track?

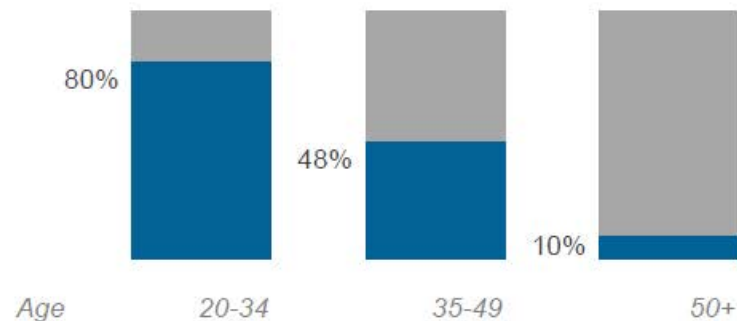


Income replacement goal: 80% of final year's salary.

40% of your participants are on track to achieve an 80% income replacement at retirement.

ON TARGET

NOT ON TARGET



How you compare:

Based on all organizations in this study, the national average is 31%. Broken down by numbers of employees, the averages are:

1 - 10	25%
11 - 100	35%
101 - 499	47%
500 - over	33%

Participant details.

ClearDirection® Diagnostic Detail Report for ABC Company Retirement Plan

Not on target. You can save more and get on target.

Data as of 09/30/2015

Name	Salary	Age	401(k) Deferral %	Retirement Income										Investment Mix										Fully Use TDFs
				401(k) Ppt.	% of Target	Projection	=	Social Security	+ Pension	+ DC Plan(s)	Scenario*	Current Balance				Annual Contributions								
												Amount	%S	%B	%C	Amount	%S	%B	%C					
Test, Anna	\$22,696	38	No	<div><div></div></div> 59%	\$27,054	=	\$27,054	+		+	\$0	\$0												
Test, Susan	\$27,017	33	No	<div><div></div></div> 63%	\$36,148	=	\$36,148	+		+	\$0	\$0												
Test, Carl	\$26,801	46	9.3%	Yes	<div><div></div></div> 74%	\$28,376	=	\$21,157	+		+	\$7,219	Conservative	\$3,869	51	14	35	\$2,500	73	20	7			
Test, Katie	\$82,789	44	4.2%	Yes	<div><div></div></div> 76%	\$94,452	=	\$46,343	+		+	\$48,109	Aggressive	\$116,185	94	5	2	\$3,456	97	3	1			
Test, Joe	\$45,355	46	7.3%	Yes	<div><div></div></div> 76%	\$49,068	=	\$29,084	+		+	\$19,984	Aggressive	\$35,231	100	0	0	\$3,304	100	0	0			
Test, Laurie	\$20,517	27	No	<div><div></div></div> 74%	\$39,010	=	\$39,010	+		+	\$0	\$0												
Test, Lyle	\$36,271	43	No	<div><div></div></div> 51%	\$28,825	=	\$28,825	+		+	\$0	\$0												
Test, Mike	\$35,441	43	5.9%	Yes	<div><div></div></div> 71%	\$39,473	=	\$28,253	+		+	\$11,220	Aggressive	\$7,369	92	6	2	\$2,083	92	6	2			
Test, Mykol	\$36,891	47	No	<div><div></div></div> 48%	\$24,419	=	\$24,419	+		+	\$0	\$0												
Test, Nat	\$46,310	50	8.7%	Yes	<div><div></div></div> 61%	\$35,472	=	\$24,905	+		+	\$10,567	Aggressive	\$18,773	75	5	21	\$4,023	80	0	20			
Test, Natalie	\$73,016	41	5.8%	Yes	<div><div></div></div> 60%	\$73,336	=	\$49,810	+		+	\$23,526	Conservative	\$44,188	19	38	43	\$4,226	69	23	8			
Test, Natasha	\$17,865	45	No	<div><div></div></div> 68%	\$17,863	=	\$17,863	+		+	\$0	\$0												
Test, O. James	\$21,614	29	5.3%	Yes	<div><div></div></div> 100%	\$51,846	=	\$37,368	+		+	\$14,478	Conservative	\$1,779	59	26	15	\$1,148	58	26	15			
Test, O'neal	\$89,185	45	8.6%	Yes	<div><div></div></div> 87%	\$117,022	=	\$45,986	+		+	\$71,036	Aggressive	\$162,201	92	6	2	\$7,201	91	7	2			
Test, Opra	\$76,860	50	8.8%	Yes	<div><div></div></div> 77%	\$75,103	=	\$34,960	+		+	\$40,143	Aggressive	\$142,840	91	7	2	\$6,291	90	7	2			
Test, Oprah	\$47,677	53	8.8%	Yes	<div><div></div></div> 54%	\$29,556	=	\$21,946	+		+	\$7,610	Aggressive	\$13,469	89	8	3	\$4,201	89	8	3			
Test, Oz	\$21,054	24	Yes	<div><div></div></div> 80%	\$47,401	=	\$47,401	+		+	\$0	\$0												
Test, Patrick	\$24,269	40	8.4%	Yes	<div><div></div></div> 91%	\$37,862	=	\$25,844	+		+	\$12,018	Appropriate	\$4,266	70	23	8	\$2,047	70	23	8	Y		
Test, Patty	\$18,856	40	No	<div><div></div></div> 74%	\$22,529	=	\$22,529	+		+	\$0	\$0												
Test, Percy	\$52,410	52	5.8%	Yes	<div><div></div></div> 63%	\$40,383	=	\$24,635	+		+	\$15,748	Aggressive	\$69,013	99	8	3	\$3,032	99	8	3			
Test, Randolph	\$18,122	28	Yes	<div><div></div></div> 79%	\$35,402	=	\$35,402	+		+	\$0	\$0												
Test, Rari	\$60,332	50	11.8%	Yes	<div><div></div></div> 71%	\$54,101	=	\$30,078	+		+	\$24,023	Aggressive	\$90,659	81	7	13	\$7,091	100	0	0			
Test, Tony	\$75,276	53	5.8%	Yes	<div><div></div></div> 79%	\$68,797	=	\$30,402	+		+	\$38,395	Aggressive	\$208,423	100	0	0	\$4,329	100	0	0			
Test, Sandra	\$54,364	29	5.8%	Yes	<div><div></div></div> 91%	\$118,131	=	\$66,530	+		+	\$51,581	Appropriate	\$5,382	86	10	3	\$3,169	81	14	5			
Test, Sarah	\$79,956	37	5.6%	Yes	<div><div></div></div> 74%	\$105,582	=	\$61,150	+		+	\$44,432	Aggressive	\$25,850	83	12	4	\$4,495	81	14	5			
Test, Scott	\$32,539	35	No	<div><div></div></div> 57%	\$37,292	=	\$37,292	+		+	\$0	\$0												
Test, Serena	\$30,141	29	5.6%	Yes	<div><div></div></div> 97%	\$70,524	=	\$45,166	+		+	\$25,358	Appropriate	\$1,735	81	14	5	\$1,676	81	14	5	Y		

Legend: %S - Percent of stock; %B - Percent of bonds; %C - Percent of cash

How employees feel*:

- Have a great deal of regret about their past saving behavior.
- Know it is important to save but want more direction on how to do so.
- Aspire for independence rather than affluence in retirement.
- Look to their employers to help them establish positive saving and investing habits.

*American Century Investments Annual Survey, 2015

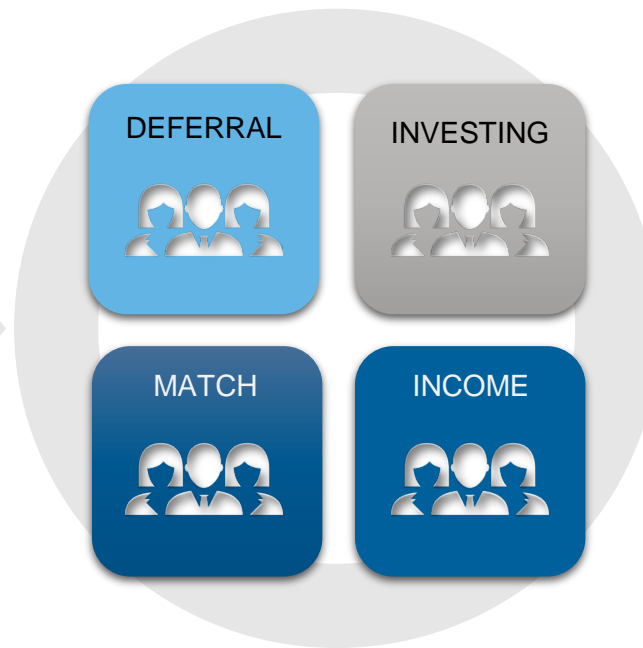


Targeted education/communication.

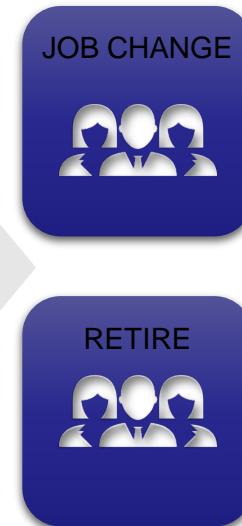
JOIN THE PLAN



IN THE PLAN



LEAVE THE PLAN



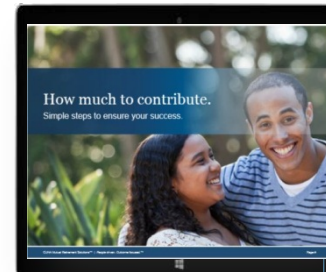
Quarterly campaign touchpoints.

Qtr
Start



Quarterly email

Website Messaging



Webinar

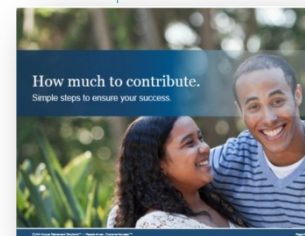
Qtr
End



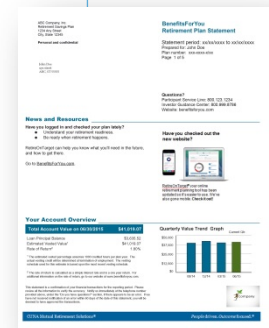
Seminar poster



Newsletter



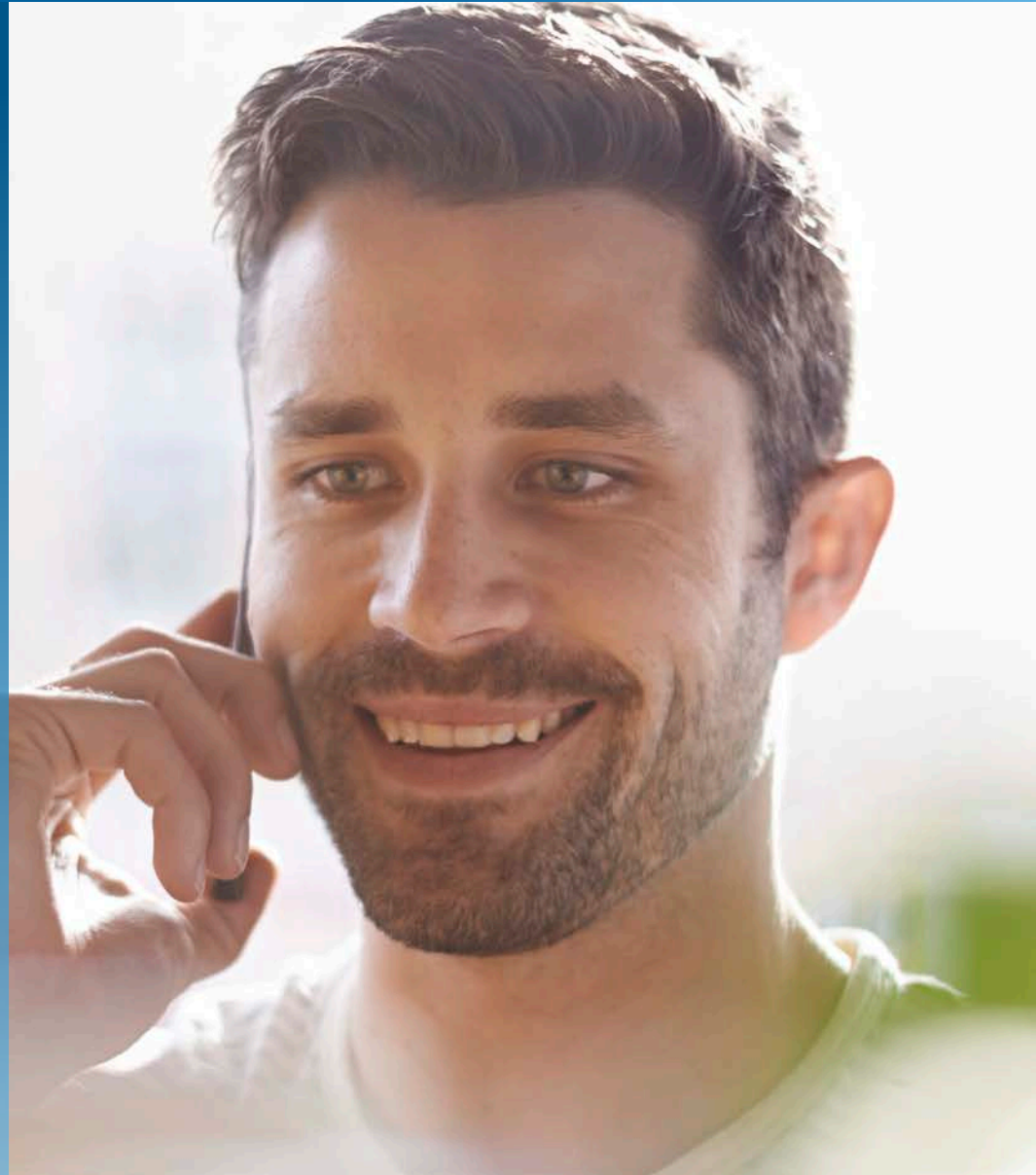
Workplace seminar



Statement Message

Investor Guidance Center:

1. Identify a retirement goal
2. Review your deferral and allocation strategy
3. Help simplify retirement plan planning with consolidation
4. Assist with retirement plan questions.



Investor Guidance Center.

1. Retirement strategy and planning
2. Investment planning and asset allocation
3. Designing a retirement income plan
4. Social Security claiming strategies
5. Use of planning tools available on your retirement benefits website.



Plan design.

Plan design.

- Matching formulas
- Automated features
- Behavioral-based investment line-up
- Roth features

Automation can help employees.

62%

62% of large plans
offered auto-enrollment
in 2014.

2x

Combining auto-enroll
with auto-escalation results in
twice as many employees
saving over 15%.

The Defined Contribution Institutional Investment Association Plan Sponsor Survey, 2014.

Automation can help employees.

54%

54% of plan participants
feel positive about
auto-escalation.

31%

31% of employees
say auto-enrollment
makes savings easier.

Market Strategies International: Navigating Change in the 401(k) Market, July, 2015.

Increasing participant success.

- Making the most of your resources
- Targeted communication
- Quarterly campaigns
- One-on-one guidance
- Plan design
- Steps when they leave plan

How can you help?

1. Encourage participants to go online and share their email address
2. Promote quarterly communication programs by audience and theme
3. Access additional promotional resources
 - Posters
 - Approved emails
4. Direct participant questions to the Investor Guidance Center

Thank you.

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