N E W S L E T T E R   V O L U M E   2 0 1 6 ,   E D I T I O N   1

Retirement Plan Forum.

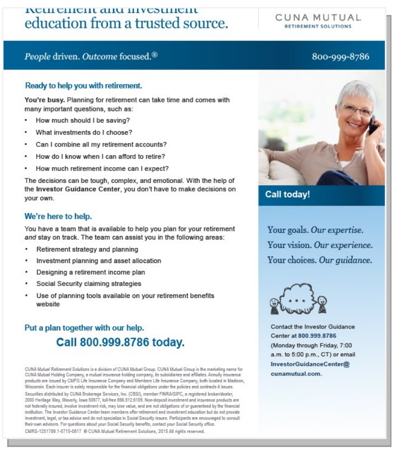
Resources to make your life easier.

More than ever, your employees need help in saving for retirement and they often look to you, their employer. But, you're not an investment professional or retirement specialist. This burden doesn't have to fall on you. Make sure you're using all of the resources that can make your life as a plan sponsor easier.

The Investor Guidance Center.

This dedicated group of retirement representatives is available to you Monday through Friday during normal business hours. They can help your employees with a variety of tasks including investment discussions, retirement planning, building a retirement income program at retirement, and questions about your plan. Here are some ways to help you leverage this group.

Keep a stock of the Investor Guidance Center flyers (shown below) on hand for your employees i.e., when they are able to enroll in the plan or they are approaching retirement. Contact your Plan Services Consultant to order a supply.


education from a trusted source.

CUNA MUTUAL
RETIREMENT SOLUTIONS

People driven. *Outcome* focused.®   800-999-8786

Ready to help you with retirement.

You're busy. Planning for retirement can take time and comes with many important questions, such as:

- How much should I be saving?
- What investments do I choose?
- Can I combine all my retirement accounts?
- How do I know when I can afford to retire?
- How much retirement income can I expect?

The decisions can be tough, complex, and emotional. With the help of the **Investor Guidance Center**, you don't have to make decisions on your own.

We're here to help.

You have a team that is available to help you plan for your retirement *and* stay on track. The team can assist you in the following areas:

- Retirement strategy and planning
- Investment planning and asset allocation
- Designing a retirement income plan
- Social Security claiming strategies
- Use of planning tools available on your retirement benefits website

Put a plan together with our help.

Call 800.999.8786 today.

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Call today!

Your goals. *Our expertise.*
Your vision. *Our experience.*
Your choices. *Our guidance.*

Contact the Investor Guidance Center at 800.999.8786 (Monday through Friday, 7:00 a.m. to 5:00 p.m., CT) or email InvestorGuidanceCenter@cunamutual.com.

Reference Form #CMRS-1251789

Remind your employees that this group of retirement representatives is a resource available to them as a participant in a plan. Many feel they have a need to talk to a financial advisor, but fear taking that step. The Investor Guidance Center is a great stress-free (and no cost) way to get information.

Newsletters and Webinars.

We offer webinars throughout the year on a variety of topics to help your employees make informed decisions within your plan. If they can't attend live, we also record them and post them to BenefitsForYou.com so they can be viewed at your employees' convenience. In advance of these webinars, we send information that you can forward on to your employees about the webinars. Be sure to use these and make them aware.

In addition, there are quarterly newsletters with great retirement savings tips for your employees. Forward these to your employees. They are a quick read and your employees will see them as another way that the benefits you offer them are valuable.

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SPECIAL POINTS OF INTEREST:

- 2016 COLA limits
- National Retirement Planning week: April 11-15 (See Pg. 2)

INSIDE THIS ISSUE:

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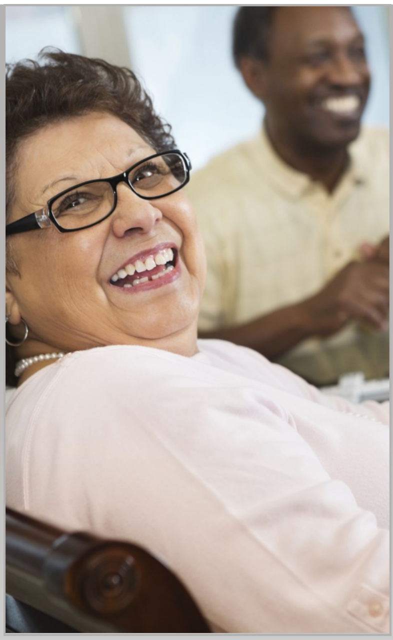

April 11-15 is **National Retirement Planning Week.**® Encourage your employees to participate through email and poster campaigns. Look for communications from CUNA Mutual Retirement Solutions the week of April 7.

Resources to make your life easier — continued from P. 1.

Quarterly Campaigns.

There are different campaigns each quarter that address important issues such as setting your contribution amount, choosing investments, transitioning into retirement, and others. Be aware of them and use them to help drive good decision-making among your employees.

Online Information Center.

On the Information Center tab of the plan administrator side of BenefitsForYou.com and you'll find a variety of communications that you can send to employees that will help drive good retirement planning decisions. ■

Battling low participation rates.

SITUATION: My organization employs a wide range of employees by age. We are having significant issues with low participation of our younger workers in entry level positions…especially those in their 20's.

QUESTION: What can we do to increase participation in this age group?

Stand in their shoes. Retirement is 30 to 40 years away, they may have student-loan debt, they're suffering from the shock of seeing the small size of their paycheck after taxes chop it down, they are starting to acquire and buy things, etc. Overall, they don't see it as a priority and don't think they can afford it either. They need your help.

Make them opt out

Instituting an automatic enrollment program is a sure-fire way to increase their participation. The same apathy that keeps them from joining the plan will keep them from opting out of the plan after they are enrolled.

Give them some incentive

Financial incentive, that is. Consider adding an employer match if your plan doesn't offer one. This is a deal which is too great to pass up. Make sure your automatic enrollment captures the full match. And put some effort into educating them about the value of the match.

The power of compounding

Every dollar counts, but the dollars invested early count more. The power of compounding is remarkable. Encouraging young employees to enroll early and contribute as much as they can will position them to get ahead of the game when it matters most. Educate them on why Albert Einstein purportedly said:

"Compound interest is the eighth wonder of the world. He who understands it, earns it … he who doesn't … pays it." ■

The importance of good participant outcomes.

Following are four reasons why plan sponsors should look beyond just offering a good plan — and care about outcomes.

You want your employees to appreciate your benefit plan(s). If you're responsible for benefit plans in your organization, you have a very real interest in how your workforce (and management team) views those benefits. You want them to value your plan and see it as a positive reason to work for your organization. There is, however, little question that the better your plan performs on an individual basis — positive growth in account balances and the resulting increase of your employees on target to fund their retirement — the better workers will feel about the benefit plans that helped provide that result.

You don't want your employees stressing about their finances at work. A recent study shows that almost 60% of American workers are living paycheck to paycheck.[1] So you know they are already living with a fair amount of financial stress. Any number of workplace surveys bear out the impact that external concerns — particularly external financial concerns — have on morale and productivity at work.

A robust retirement savings balance at work isn't a cure for all financial ills, of course, but it can be a source of solace, as well as a resource in time of true financial need. If they are not feeling good about their progress towards retirement, that's just another stress that could affect their well-being and productivity.

You want your employees to retire on time. Workers who think they can't afford to retire are likely to try and extend their working career — potentially complicating succession planning and your ability to attract (and/or retain) new talent. Data from benefits consultant Mercer notes that each delay in retirement can block 5+ jobs, and that if 4% of your population is retirement eligible and half of those people choose to delay retirement, 10% of your employee population would experience promotion blockage.[2] Besides creating these career roadblocks, these trends can also result in higher labor costs, higher health care costs, and productivity concerns. You don't want employees "hanging on" just because they can't afford to retire.

You want what's best for your employees. This last point assumes you care about your employees and their general welfare as people. They have names, families, dreams and goals just like you do. If you're offering them a retirement plan, you might as well feel good about making a positive impact in many people's lives. ■

2016 Webinar schedule.

The 2016 webinar series for employers provides you — and others responsible for managing your retirement plans — with learning opportunities for managing your retirement plans. REGISTER HERE — attend live or view on demand.

Set up successful Participant Retirement Outcomes, Part I

Wednesday March 16 – 11:00 a.m. CT

- Review the drivers of participant engagement.
- Leverage turnkey participant campaigns to motivate employees.

Set up successful Participant Retirement Outcomes, Part II

Wednesday June 8 – 11:00 a.m. CT

- Set up automatic levers to drive successful participant outcomes. Access tools to actively support employee education and engagement.

Creating a Best in Class Retirement Plan

Wednesday, August 10 – 1:00 p.m. CT

- Promote plan health.
- Improve employee outcomes.

Defined Benefit Plans

Wednesday, November 9 – 11 a.m. CT

- Learn the difference between funding and expense.
- How the unpredictable market and low interest rates will affect pension costs.

94%

Enhancements to **BenefitsForYou.com** are helping increase employees' online engagement. Mobile usage is up by 94%. And the new online enrollment process rolled out in November is driving 88% of new participants to plan online — and go paperless.

Other recent developments in retirement.

Health care costs in retirement. According to the latest estimates from the Employee Benefit Research Institute, a 65-year-old man retiring in 2015 needs $68,000 in savings and a 65-year-old woman needs $89,000 to have a 50% chance of having enough money saved to cover health expenses in retirement. These projections assume median drug expenses throughout retirement. For a 90% chance of having enough savings, a man needs $124,000 and a woman needs $140,000. The analysis does not factor in long-term care expenses.[3] ■

Loan defaults. Failure to repay outstanding plan loans upon termination of employment costs 401(k) plan participants some $6 billion of retirement savings annually, according to the Pension Research Council at the University of Pennsylvania's Wharton School of Business. In addition to the leakage in savings resulting from defaulting on their loans, participants incur income taxes and a potential 10% early withdrawal penalty on the defaulted loan amounts included in their incomes. The researchers estimate that about one in ten loans is not repaid. Are loans an issue with your plan? Are you making them "too available"? [4] ■

Benchmarking survey. On average, 75% of employees participate in their employer-sponsored defined contribution plans, according to an annual benchmarking survey by Deloitte. The average account balance grew to $99,011 in 2015, up close to 4% from the prior period (2013-2014). Two thirds of the surveyed plans (66%) impose no service requirements for entry into the plan, and 49% have no age requirement for plan entry.[5] ■

The general information in this publication is not intended to be nor should it be treated as tax, legal, or accounting advice. Additional issues could exist that would affect the tax treatment of a specific transaction and, therefore, taxpayers should seek advice from an independent tax advisor based on their particular circumstances before acting on any information presented. This information is not intended to be nor can it be used by any taxpayer for the purpose of avoiding tax penalties.

For questions or comments contact the Retirement Service Center at 800.999.8786, or email us.

1 -Source: **BankRate Money Pulse survey, Dec. 17 - 20, 2015**

2—Source: Arthur Noonan, Mercer Consulting, 2015 EBRI Winter Policy Forum

3—Employee Benefits Research Institute, Oct. 2015, Vol. 36, No. 10

4—PRC WP2015-06, Pension Research Council, University of Pennsylvania

5—Deloitte Annual Defined Contribution Benchmarking Survey, 2015 Edition