



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 9

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager *Hollis Magill*

SUBJECT: Deferred Compensation Plan Outreach Report

BACKGROUND

Your Council has made it a priority to reach out to active participants, non-participating employees and retired participants. The purpose of this item is to report on the state of Plan participation, outreach efforts in the previous quarter, and to present staff and Nationwide's planned efforts. As of July 31, 2019, the participation rate is 54.5%, based on 3,918 contributions and 7,195 eligible employees. In addition, as of August 26, 2019, there are 6,570 total Plan participants, which includes both active and retired/separated employees.

ISSUE

Staff has prepared a summary of activity for both staff and Nationwide, as well as planned activity of staff and Nationwide. In addition, Attachment A provides detailed Plan participation statistics by age band, department, retirement tier, and employee group and Attachment B includes a detailed plan for retiree luncheons.

Prior Activity

Aspire Award – Save Today! 2019

- The County's Save Today! Campaign won an Aspire Award, which is awarded by the National Association of Counties (NACo) for innovative leadership in promoting county employee retirement savings.

County Staff

- Staff assisted twelve (12) retirees to set up contributions of their annual leave payouts to their Plan accounts totaling approximately \$149,000.
- Staff sent emails to employees in bargaining units 1, 3, 4, 12, 14, 22, 30, 35, 36, and 38, as well as most Management and Unrepresented employees, encouraging them to use their recent pay increase to enroll or increase their contributions. In total, staff sent emails to 4,818 employees.

Nationwide

- Nationwide created a custom mailer, containing general information about the advantages of staying in the Plan, to be sent to participants who retire or separate from service. The mailer was sent to 3,735 participants in the 2nd Quarter of 2019.

- 65 County work locations visited, 7 New Employee Orientation sessions attended – resulting in 144 enrollments out of possible 235 (61% “Close Rate”) – and approximately 500 emails and/or phone calls to individuals.
- Total Activity: 310 individual interactions; 7 group presentations; 186 enrollments; and 78 contribution increases.

Planned Activity

County Staff

- Attachment B outlines a plan for the initial retiree outreach and appreciation luncheon. Staff and Nationwide, pending approval of Attachment B, will begin planning a retiree outreach luncheon for the first half of 2020.
- Staff will begin sending emails to all employees who haven’t changed their contribution for 12 or more months.
- Staff and Nationwide will utilize the participation data in Attachment A to develop targeted marketing campaigns to employees in groups with below average participation rates and/or contribution amounts.

Nationwide

- Phillip Edwards resigned from Nationwide effective July 26th, 2019. However, Nationwide has hired Deanna Sisk to replace Phillip Edwards effective September 23, 2019. Ms. Sisk has a background of work in the financial services industry with Edward Jones of Fresno, as well as experience working in the California State Legislature.
- Nationwide continued to present at all New Employee Orientations during the transition period. Nationwide is also working with staff to coordinate on site appointments based on Phillip’s previous activity and the work locations with the most employees.
- Nationwide’s Retirement Resource Group will continue to be available to assist with investment education, enrollments, and consolidations. The group is licensed the same as our Retirement Specialist in the field. There has been a flyer sent out with their contact information and an email sent to employees by County staff.

RECOMMENDED ACTION

Approve the Retiree Outreach Luncheon Action Plan contained in Attachment B as recommended or with amendments and direct staff and Nationwide to host an event in the first half of 2020.

Item 9 – Attachment A

Plan Participation by Retirement Tier (as of 7/31/2019)

Tier	Total Employees	Enrollment	Participation %	Avg. Contribution
Gen Tier I	2389	1276	53.4%	\$145.32
Gen Tier II	95	63	66.3%	\$163.17
Gen Tier III	585	280	47.9%	\$91.15
Gen Tier IV	252	134	53.2%	\$107.77
Gen Tier V	2866	1500	52.3%	\$63.79
Safety Tier I	435	287	66.0%	\$193.91
Safety Tier II	52	33	63.5%	\$263.89
Safety Tier IV	63	44	69.8%	\$180.25
Safety Tier V	458	301	65.7%	\$138.11
Totals:	7195	3918	54.5%	\$113.63

Plan Participation by Department (as of 7/31/2019)

Department	Total Employees	Enrollment	Participation %	Avg. Contribution
Administrative Office	31	15	48.4%	\$117.98
Agriculture Department	91	59	64.8%	\$119.86
Assessor-Recorder	116	61	52.6%	\$183.10
A-C/T-TC	90	46	51.1%	\$105.66
Behavioral Health	500	255	51.0%	\$107.79
Child Support Services	210	109	51.9%	\$85.14
County Clerk - Elections	27	15	55.6%	\$142.26
County Counsel	31	17	54.8%	\$223.14
District Attorney	233	114	48.9%	\$263.96
Human Resources	61	45	73.8%	\$145.44
Internal Services	380	179	47.1%	\$93.15
Library	296	106	35.8%	\$61.96
Probation	598	362	60.5%	\$95.35
Public Defender	134	64	47.8%	\$142.98
Public Health	360	222	61.7%	\$161.63
Public Works	379	202	53.3%	\$112.76
Retirement Association	34	27	79.4%	\$121.73
Sheriff - Coroner	1167	748	64.1%	\$166.07
Social Services	2457	1272	51.8%	\$69.14
Totals:	7195	3918	54.5%	\$113.63

Item 9 – Attachment A

Plan Participation by Age Band (as of 7/31/2019)

Age Band	Total Employees	Enrollment	Participation %	Avg. Contribution
18-29	1117	601	53.8%	\$69.79
30-39	2065	1158	56.1%	\$85.99
40-49	1993	1109	55.6%	\$118.18
50-59	1505	822	54.6%	\$162.52
60+	515	228	44.3%	\$171.26
Totals:	7195	3918	54.5%	\$113.63

Plan Participation by Employee Group (as of 7/31/2019)

Employee Group	Total Employees	Enrollment	Participation %	Avg. Contribution
Management	559	367	65.7%	\$207.36
Unrepresented	344	190	55.2%	\$105.84
Unit 01	426	278	65.3%	\$206.08
Unit 02	1060	603	56.9%	\$99.41
Unit 03	527	260	49.3%	\$87.62
Unit 04	1113	596	53.5%	\$55.10
Unit 07	61	38	62.3%	\$262.34
Unit 10	43	29	67.4%	\$225.57
Unit 11	181	128	70.7%	\$88.94
Unit 12	1302	562	43.2%	\$45.20
Unit 13	129	68	52.7%	\$54.06
Unit 14	44	30	68.2%	\$271.58
Unit 19	156	100	64.1%	\$162.66
Unit 22	242	98	40.5%	\$69.36
Unit 25	53	25	47.2%	\$106.06
Unit 30	109	56	51.4%	\$333.16
Unit 31	72	38	52.8%	\$130.52
Unit 35	27	20	74.1%	\$258.36
Unit 36	451	256	56.8%	\$128.91
Unit 37	43	37	86.0%	\$154.43
Unit 38	5	5	100.0%	\$242.00
Unit 39	72	32	44.4%	\$67.29
Unit 40	22	16	72.7%	\$117.99
Unit 42	23	10	43.5%	\$185.56
Unit 43	131	76	58.0%	\$140.93
Totals:	7195	3918	54.5%	\$113.63

Item 9 – Attachment B: Retiree Appreciation Luncheon Action Plan

Initiative

Host a recurring luncheon to engage and retain Deferred Compensation Plan (the “Plan”) participants who are approaching retirement or have recently retired to share the benefits of staying in the Plan, such as:

- Access to educational resources through Nationwide staff and County staff
- Low administration fee and institutional investment options
- Fiduciary oversight by the Deferred Compensation Management Council and Northwest Capital Management

Targeted Participants

- **Active participants** who are age 50 or older, have 10 or more years of County service, and have a balance of \$100,000 or more.
- **Retired participants** who have retired within the last three (3) years and have a balance of \$100,000 or more.

Potential Discussion Topics

- Retirement Income: County Pension, Deferred Compensation, Social Security, etc.
- Healthcare costs
- Spend-down strategies
- Required Minimum Distributions
- Investment strategies

Logistics and Cost

County staff and Nationwide Retirement Solutions will organize the venue, catering, invitations, etc. Members of County staff will attend each event, along with staff from Nationwide.

Cost assumptions:

- Approximately \$20 – \$25 per attendee;
- Approximately 50 attendees per event, which includes 25 participants and 25 guests;
- The total cost per event will be approximately \$1,000 – \$1,250.

Measuring Success

- Follow-up attendee survey
- Number of requested follow-up meetings with Nationwide staff
- Positive attendee action, such as staying in the Plan, increasing contributions, and asset diversification.