

SUMMARY OF PROJECT – NAGDCA 2018 LEADERSHIP RECOGNITION AWARD
EDUCATION/EFFECTIVE COMMUNICATIONS

**COMMONWEALTH OF MASSACHUSETTS – OUTREACH EDUCATING ON RETENTION
WITHIN THE STATE’S 457 SMART PLAN**

In 2017, the Massachusetts 457 Deferred Compensation SMART Plan sought to educate and encourage employees who may not be aware of their option to retain their retirement account at retirement or when changing employment.

The SMART Plan was also concerned that many employees weren’t aware of the ability to consolidate other eligible retirement funds into their SMART Plan accounts.

The Commonwealth launched a multi-touch *Stay the course* campaign beginning in May 2017 and continuing today, to help encourage participants stay with the SMART Plan. The campaign objectives were to:

- Reduce the amount of full withdrawals.
- Encourage participants to consolidate outside retirement accounts into the SMART Plan.
- Educate employees about the benefits of potentially paying lower fees.
- Highlight the access to local advisors and personalized service.
- Feature the valuable online resources and variety of investment options available in the SMART Plan.

The outreach campaign featured a variety of communications tactics, including a website banner, an email, a newsletter article and educational flier.

Results

The initial results across the Commonwealth of Massachusetts prove to be effective and include:

- **124 fewer** distributions (including full and partial withdrawals) from June 2017 – August 2017 when compared to the same time period in the previous year
- Over **\$7,662,293** less money leaving the SMART Plan than for the same time period in the previous year
- Email proved to be effective with respective open and click rates of **47.2%** and **7%**, both above industry standards

WRITTEN JUSTIFICATION – NAGDCA 2018 LEADERSHIP RECOGNITION AWARD
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The SMART Plan deployed a direct-to-participant outreach strategy targeting employees who are approaching retirement and those who have left public service encouraging them to *Stay the course* by maintaining their account balance within the SMART plan. The outreach strategy was designed to educate all employees from hire to retirement on the ability to maintain their account balance even after they’re no longer an employee.

Project Description

The SMART Plan partnered with Empower Retirement to create a special project that would educate and encourage current participants to *Stay the course* with the SMART plan.

The project, called *Stay the course. Stay SMART*, targeted employees with the goal of showing participants of all stages in their careers, the importance of maintaining their account within the SMART Plan.

Because of the importance of this topic, all participants received the same messaging in the newsletter and on the web banner. To continue to engage interest, similar images have been used throughout communications within the Commonwealth, providing the subtle reminder for all participants to *Stay the course*. The email specifically targeted participants age 50 and older as they approach normal retirement age.

Relative Significance of Improvement/Perspective for the Change

The multi-channel outreach proved quite engaging and helped encourage employees to *Stay the course* approaching and during retirement.

Email: The *Follow your dreams ... Stay the course. Stay SMART* email sent to the over 50 population generated a 47.2% open rate and a 7% click-through rate. Both the open and click-through rates are well above the industry standards.

Of the participants who opened the email, 60.9% of them clicked the “Learn more” link directing them to the information flier which provided additional information and 12% clicked the “Contact your rep” link where they could contact a personal representative to provide more information.

Benefits Realized by Service Recipients

The *Stay the course. Stay SMART* campaign highlights the benefits of maintaining a participant’s account after they leave public service, whether as a result of a change of employment or at retirement. Eye-catching imagery attracts attention and is seen throughout multiple communication tactics to reinforce the messaging. The messaging is simple, clear and concise to help answer the most common misunderstandings surrounding retirement assets at retirement or upon leaving employment.

The flier is an educational piece that outlines a few reasons why participants should consider *Staying the course* with their SMART Plan account. It gives an overview of the common concerns while highlighting the benefits of the personalized services, online resources and the wide variety of investment options a participant still has access to even after a change in employment status. The employee is encouraged to schedule a meeting with their local representative to help make the most of their experience.

Return on Investment

Since the *Stay the course. Stay SMART* campaign launched early in 2017, the SMART Plan has experienced **124** fewer distributions from June through August 2017, when compared to that same time period in 2016. Furthermore, the impact of fewer distributions represents **\$7,662,293** less in money flowing out of the SMART Plan in that same year-over-year period.

The Commonwealth of Massachusetts is tasked with continuing to educate participants about the benefits of keeping their hard-earned dollars in the Plan once they leave employment and well throughout their retirement years.

Going forward, these participants (and the Commonwealth) will benefit from:

- Improved awareness of the personalized benefits of Staying the course with their deferred compensation account remaining in the SMART Plan.
- Increased utilization of the plan benefits and features (e.g., managed account services, informed retirement planning, personal retirement advisors) with unbiased financial and education support provided by plan communications.

Feasibility of Use by Other Governments

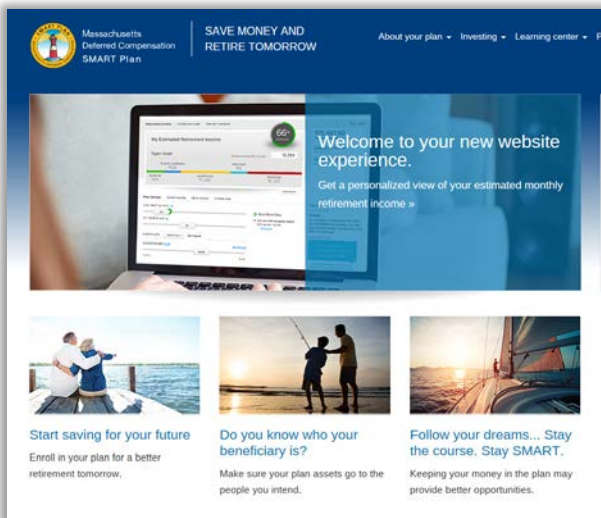
The multi-pronged outreach and approach taken by the SMART Plan is a model for state governments seeking to educate participants about the benefits of “Staying the course” and the benefits of remaining with the plan through their retirement years.

**SUPPORTING DOCUMENTS – NAGDCA 2018 LEADERSHIP RECOGNITION AWARD
EDUCATION/EFFECTIVE COMMUNICATIONS**

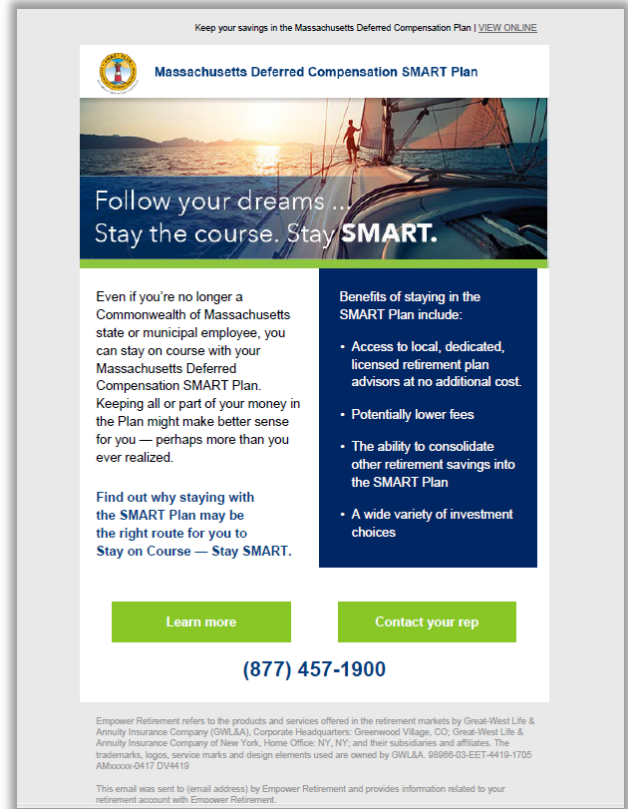
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Web Banner



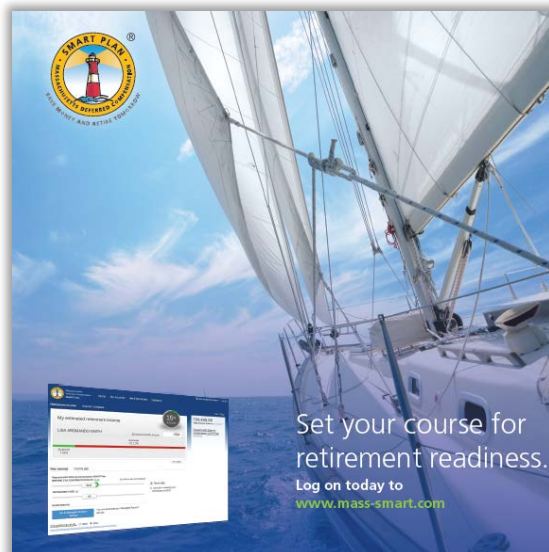
Website tile



Email



Annual payroll calendar



Screen wipe

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**COMMONWEALTH OF MASSACHUSETTS – OUTREACH EDUCATING ON RETENTION
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Two-sided flier

(back)



Did you know you can stay in the SMART Plan even after you leave your job?

When you keep your savings in the Plan ...

Even after you're no longer an employee, you can still enjoy features and advantages of being a participant in the SMART Plan, such as:

You may potentially pay lower fees!	<ul style="list-style-type: none"> Potentially lower fees: With the SMART Plan, you participate along with many other employees, which may mean paying less in fees.
You can consolidate retirement savings into the SMART Plan	<ul style="list-style-type: none"> Simplify your life: By moving your other retirement accounts (e.g., 401(k), 403(b), 457(b), IRA) into your existing SMART Plan account, you can use one website, reduce clutter with one statement and enjoy the convenience of having your portfolio in one place.
You keep the same local advisors	<ul style="list-style-type: none"> Personalized service: You have access to local retirement plan advisors at no cost. They can help you stay on course to retirement—and provide you with the support and education you need.
You maintain access to valuable online resources	<ul style="list-style-type: none"> Valuable online resources: You'll still be able to use the same participant website and take advantage of all the online educational material and interactive calculators.
You have a wide variety of investment options	<ul style="list-style-type: none"> Choice of investments: You can select from a large menu of investments that suit your personal financial situation.

The worksheet on the reverse side of this flier can help you compare fees and expenses. It's important to know this information before you make your decision.

Massachusetts Deferred Compensation SMART Plan

When considering whether you should stay in the SMART Plan, complete this fee-comparison table to help you make an informed choice.*

Fee type	The SMART plan	Other plan or broker
Administrative charges	0.08%	
Contract maintenance fees	None	
Withdrawal fees	None	
Fund management and/or operating expenses	Vary by investment option; may range from 0.01 to 0.99% **	
Fees other providers might charge	Broker/advisor/financial planner fees	None
	Mortality and expense risk charge	None
	Front-end sales charge	None
	Back-end sales charge	None

*This chart does not reflect fees that may be associated with additional services used by participants, such as the self-directed brokerage account.
**Least percentages are available on your statement or by contacting your local retirement plan advisor.

Stay the course — Stay SMART.

CONTACT YOUR LOCAL RETIREMENT PLAN ADVISOR IF YOU NEED HELP COMPLETING THE WORKSHEET. | Call **1-877-457-1900**
Visit **www.mass-smart.com**

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