

SUMMARY OF PROJECT – NAGDCA 2018 LEADERSHIP RECOGNITION AWARD
CATEGORY: NATIONAL RETIREMENT SECURITY WEEK – GENERAL CAMPAIGN

**CITY OF AUSTIN DEFERRED COMPENSATION PLAN – OPEN ENROLLMENT
PARTNERED WITH NATIONAL RETIREMENT SECURITY WEEK
IMPROVES RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

Starting October 15 through November 19, 2017, the City of Austin Deferred Compensation Plan combined their open enrollment period with National Retirement Security Week (NRSW) as a way to educate and inform participants that being enrolled in the deferred compensation plan and increasing their contributions could get them closer to their retirement income goals. The timing and reasoning behind combining these two major events was crucial as many City of Austin employees would be receiving a pay raise in December 2017. During the time period of open enrollment and NRSW, the City launched an increase contribution campaign to encourage participants contributing at the minimum level to take advantage of the raise in their paychecks by increasing their contributions in the plan. Open enrollment meetings also informed eligible employees of the importance of being enrolled in the deferred compensation plan as this could help them bridge the retirement savings gap so they could reach their retirement readiness goals.

To achieve their objectives, the City addressed the general employee population with group and individual meetings as well NRSW communications and launched a multifaceted targeted increase contribution campaign to minimum-saving deferred compensation plan participants.

NRSW campaign tactics included:

- NRSW proclamation from the City of Austin read aloud on TV and signed by the Mayor
- Third quarter City of Austin Deferred Compensation Plan NRSW and increase contribution newsletter articles
- Targeted increase contribution postcard mailing
- Targeted increase contribution email
- Increase contribution BrainShark
- Pre-login increase contribution web tile

Results

- **37** group presentations and **24** individual meetings were held with City of Austin employees during open enrollment.
- **44%** of participants watched **75-100%** of the increase contribution BrainShark.
- The targeted increase contribution email experienced a **44%** open rate, almost double the industry standard of 23%.
- Of those participants who opened the email, **23%** clicked on www.dcaustin.com and **54%** clicked on “LOG IN TO GET STARTED” to take them to the plan website to increase their contribution.
- **179** employees enrolled in the deferred compensation plan. This is a **54%** percent increase when comparing the same timeframe from 2016.
- **721** participants increased their contribution percentage – a **4%** increase compared to the same time period from the previous year.

In their own words

The Austin Deferred Compensation Committee is always looking for ways to maximize employee engagement. By recognizing the increase in pay, combined with NRSW and open-enrollment, the Plan was able to seize the opportunity to not only increase contributions from current participants, but also drive new participation. This synergistic effect proved powerful, and provided the Plan tremendous success to build on moving forward.

AJ Padilla
Fire Specialist, Engine 35-C
Chairperson, City of Austin
Deferred Compensation Committee



**WRITTEN JUSTIFICATION - NAGDCA 2018 LEADERSHIP RECOGNITION AWARD
CITY OF AUSTIN DEFERRED COMPENSATION PLAN – OPEN ENROLLMENT
PARTNERED WITH NATIONAL RETIREMENT SECURITY WEEK
IMPROVES RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

The City of Austin Deferred Compensation Plan combined their open enrollment period with National Retirement Security Week (NRSW) to increase retirement readiness for their eligible and participating employees.

Project Description

To take open enrollment and NRSW to the next level, the City of Austin Deferred Compensation Plan took advantage of the combined timing (October 15 through November 19, 2017) to encourage eligible City employees to enroll in the deferred compensation plan and participating employees to increase their contribution amount. The timing and reasoning behind combining these two major events was crucial as many City of Austin employees would be receiving a raise in December 2017.

To show the City of Austin employees how much the City supports NRSW, the Mayor of Austin attended a council meeting, read the City of Austin's NRSW proclamation aloud and then presented a signed copy of the proclamation to the City of Austin Deferred Compensation Plan's Chairperson, AJ Padilla, via the City's public access television channel.

During the time period of open enrollment and NRSW, the City launched an educational and multifaceted increase contribution campaign to encourage participants contributing at the minimum level to take advantage of the raise in their paychecks by increasing their contributions in the plan. During open enrollment, group and individual meetings also informed eligible employees of the importance of being enrolled in the deferred compensation plan as this could help them bridge the retirement savings gap so they could reach their retirement income goals.

The City of Austin Deferred Compensation Plan's open enrollment period of October 15 to November 19, 2017 resulted in **37** group presentations and **24** individual meetings held with City of Austin employees.

Analytics as from the increase contribution BrainShark showed that **44%** of viewers watched **75% to 100%** of the presentation to learn more about how the City of Austin Deferred Compensation Plan can help them increase their income in retirement.

The increase contribution targeted email was sent to participants who were still contributing the minimum amount in the deferred compensation plan. The email experienced an impressive **44%** open rate (almost double the industry average of 23%). Additionally, analytics showed that of the participants who opened the email, **23%** clicked on "www.dcaustin.com" and **54%** clicked on "LOG IN TO GET STARTED" to take them to the City of Austin Deferred Compensation Plan website to increase their contribution amount.

From the start of NRSW and open enrollment on October 15 to December 31, 2017, **179** eligible employees enrolled in the deferred compensation plan – a **54%** increase when compared to the same time period from the previous year.

Additional data from the open enrollment and NRSW time period showed that **721** participants increased their contribution percentage, which was a **4%** increase when compared to the same time period from the previous year.

The graphic features the City of Austin logo and the slogan "A RETIREMENT UNIQUE TO YOU". It includes a collage of nature photos and a central text area that reads: "Stash away a little more. Small increases today can pile up over time." Below this, a text block explains: "We are here to help you plan for tomorrow without sacrificing today. Getting a raise this year? Consider putting some of that extra income into your 457 plan. Saving an extra 1% of your salary, or even an extra \$25 per paycheck could mean a raise in retirement income, too. In fact, increasing your bi-weekly contribution of \$25 to \$50 may more than double your monthly income in retirement." A call to action says "Visit the City of Austin DC website at www.dcaustin.com to start saving more". At the bottom, there is a "LOG IN TO GET STARTED" button and contact information: "or Call 866-613-6189 to speak a representative about increasing contributions." On the right side, a diagram shows two scenarios: a \$25 paycheck contribution leading to a \$391 monthly retirement income, and a \$50 paycheck contribution leading to a \$782 monthly retirement income. A disclaimer at the bottom right states: "FOR ILLUSTRATIVE PURPOSES ONLY. This illustration assumes bi-weekly contributions for 30 years at 6% annual rate of return and reinvestment of earnings with no withdrawals. Monthly income assumes equal monthly payments for 20 years in retirement at 6% annual rate of return. These rates of return are not guaranteed. Investing involves risk, including loss of principal. This illustration does not include any taxes due, fees, charges or expenses. These deductions would reduce the tax-deferred accumulations shown."

Relative Significance of Improvement/Perspective for the Change

By combining open enrollment with NRSW, City of Austin employees have received more financial information, which could potentially increase returns on their investments, savings rates and provide a greater likelihood of meeting their retirement income goals by closing the retirement savings gap.

Benefits Realized by Service Recipients

City of Austin Deferred Compensation Plan participants have benefited from educational resources that should raise overall financial knowledge and literacy resulting in employees that are empowered with information to make more informed and effective decisions for their retirement savings. Additionally, the City has met its objective to provide a best-quality deferred compensation plan for its employees by providing financial literacy that will help close their retirement income gap.

Return on Investment

The long-term benefits to participants and the City are improved awareness and increased participant involvement in the deferred compensation plan due to this customized and creative education and unique outreach strategy.

Feasibility of Use by Other Governments

The approach taken by the City of Austin Deferred Compensation Plan is a model for other government plans seeking to educate and inform participants about the benefits of deferred compensation savings during NRSW and/or open enrollment.

City of Austin Deferred Compensation National Retirement Security Week (NRSW) / Increase Contribution Campaign

Third Quarter 2017 NRSW Newsletter Article

City of Austin NRSW Proclamation

Third Quarter 2017 Increase Contribution Newsletter Article



Have questions or a request?

Email us at dcaustin@empower-retirement.com
Call us via the voice response system at 866-613-6189 or the local office at 512-457-9240.

Deferred Compensation Committee:
Chair: A. J. Padilla
Vice Chair: Lei Ye
Human Resources: Anitra Jones
Members: Chris Jistel, Lanceli Liu, Tom Matthews, Gal Ray, Glenn Seife

Take the time to plot your own retirement story during National Retirement Security Week

National Retirement Security Week: October 15-21¹

Each of us has a unique life story, and we continue to write new chapters with each phase. Your future is one of those chapters, and it's one that you can start writing today. In fact, the sooner you start the process, the greater the chances that your story will unfold the way you want. That's the idea behind National Retirement Security Week, which takes place October 15-21.

Why is it so important to begin plotting your retirement story now and to modify it as your life and career change? It's possible that you could spend close to as much time in retirement as you do in the workforce² and you'll need adequate income to help you live the life you want. When you look at your entire life as a single story with a plot that keeps building, you'll see how the actions you take now can have a big impact later on.

Wherever you are in your life story, National Retirement Security Week may be the ideal time to make some helpful revisions to your strategy, such as:

- Consider increasing the amount you save from your paycheck.
- Review your investment choices to see if your choices match your income goals and planned retirement date.
- Estimate your future retirement income needs and adjust your savings goals as needed.
- Designate or update your beneficiary.

Want to learn more about how your plan can help you turn your retirement story into a best seller? Contact your plan counselor at 512-457-9240 or at dcaustin@empower-retirement.com. To learn more about National Retirement Security Week, visit www.dcaustin.com.

¹ Established in 2006 by Congressional resolution, National Retirement Security Week is a national effort to raise public awareness about the importance of saving for retirement.

² NAGDCA Your Whole Story video: <http://www.nagdca.org/portals/45/NRSW/Journey/index.html>

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WHEREAS, the United States Congress has designated the week October 15 through October 21, 2017 as "National Retirement Security Week";

WHEREAS, people in the United States are living longer, and the cost of retirement is increasing significantly;

WHEREAS, Social Security remains the bedrock of retirement income for the great majority of the people of the United States but was never intended by Congress to be the sole source of retirement income for families;

WHEREAS, National Retirement Security Week is a special time to be set aside to raise public awareness about the importance of adequate retirement savings and the availability of employer-sponsored retirement plans;

WHEREAS, National Retirement Security Week will educate the population about the importance of participating in employer-sponsored retirement plans, and highlights the importance of active employees and retirees to manage their retirement resources prudently;

WHEREAS, saving for retirement is a key component of overall financial health and security during retirement years, and the importance of financial literacy in planning for retirement must be advocated;

WHEREAS, City of Austin employees can benefit from developing personal budgets and financial plans that include retirement savings strategies that take advantage of tax-deferred retirement savings vehicles offered through the City of Austin Deferred Compensation 457 Plan;

Be it resolved that the City of Austin recognizes and promotes National Retirement Security Week.

One dollar at a time: Even the smallest contribution increases today can help work toward your retirement goals

There is no shortage of research showing that most Americans should be saving more for retirement. One recent survey conducted by the Federal Reserve System concluded that approximately 35% of Americans reported having zero retirement savings. Based on this data and other sources, the Center for American Progress (CAP) calls Americans' lack of retirement savings a crisis that "is getting worse over time"⁴

Even among employees who are saving for retirement, the Federal Reserve says contribution rates are falling short – median retirement account balance among all surveyed households ages 55 to 64 was only \$14,500.⁵ By CAP's estimation, even after excluding households that had no savings, the median account balance of near-retirement households was only \$104,000.

The message is clear: Even if you're saving for retirement through a defined contribution plan, you should consider saving more. With limited resources, and numerous other expenses and financial obligations shouldered by most households, how can you even consider putting more toward retirement?

It's a fair question. The good news is that saving more for retirement doesn't require a big new financial commitment. Just a few dollars more per month, or an increase in plan contributions of just 3-6%, can go a long way toward your financial and lifestyle goals for retirement.

Does even 3% seem like too big of a challenge? Consider a 1% increase. Here are some examples of what a 1% increase looks like in terms of dollar amounts, and how it adds to your retirement savings over time.⁶

AGE	ANNUAL INCOME	CONTRIBUTION INCREASE PER PAY PERIOD	POTENTIAL ADDITIONAL MONTHLY INCOME AT RETIREMENT
25	\$30,000	\$12	\$368
35	\$50,000	\$19	\$301
45	\$70,000	\$27	\$194

It's never too late to increase your contributions in a way that can yield major improvements in your retirement lifestyle down the road. The cost today may be little more than a few dollars per pay period, but the result can be thousands of dollars in additional monthly income when you retire.

Talk to your local retirement plan counselor about maximizing your deferred compensation benefits today.

⁴ The Reality of the Retirement Crisis, Center for American Progress, by Keith Miller, David Madland and Christian E. Weller, January 26, 2015.
⁵ Report on the Economic Well-Being of U.S. Households in 2013, Board of Governors of the Federal Reserve System, released 2014.
⁶ FOR ILLUSTRATIVE PURPOSES ONLY. This is a hypothetical illustration intended to show possible retirement income. It is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% annual rate of return during retirement, reinvestment of earnings, retirement at age 65 and that the payee lives 20 years in retirement. Rates of return may vary. Distributions from a tax-deferred retirement plan may be taxable as ordinary income. The illustration does not reflect any associated charges, expenses or fees. The hypothetical income shown would be reduced if these fees and/or taxes had been deducted.



City of Austin Deferred Compensation National Retirement Security Week (NRSW) / Increase Contribution Campaign

Targeted Increase Contribution Postcard

A retirement unique to you
City of Austin Deferred Compensation Plan

STASH AWAY
A LITTLE BIT MORE

Because there's no better time than right now to save more for your future. Every year you stash away money in the City of Austin Deferred Compensation Plan, it has the potential to pile up through compound interest.

Increase Contribution BrainShark

A retirement unique to you
City of Austin Deferred Compensation Plan

Stash away a little more

Targeted Increase Contribution Email

Subject line: Kristin, see how a small increase today can pile up over time

[Add more to your City of Austin Deferred Compensation Plan account](#) | [VIEW ONLINE](#)

A retirement unique to you
City of Austin Deferred Compensation Plan

Stash away a little more.
Small increases today can pile up over time.

Increase Contribution Pre-login Web Tile



Increase your contribution rate today

A little more savings now could become a lot more for your future.

We are here to help you plan for tomorrow without sacrificing today. Getting a raise this year? Consider putting some of that extra income into your 457 plan. Saving an extra 1% of your salary, or even an **extra \$25** per paycheck could mean a raise in retirement income, too. In fact, increasing your bi-weekly contribution of **\$25 to \$50** may more than double your monthly income in retirement.

Visit the City of Austin DC website at www.dcaustin.com to start saving more

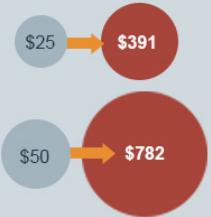
LOG IN TO GET STARTED

or

Call **866-613-6189** to speak a representative about increasing contributions.

Saving a little more today may turn into a lot more over time

Paycheck contribution Monthly income in retirement



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If you're getting a raise this year, consider saving an extra 1% of your salary, or even \$25 more per pay period. That way, it's like getting a raise in retirement, too!



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A retirement unique to you
City of Austin Deferred Compensation Plan
P.O. Box 173764
Denver, CO 80217-3764

Consider increasing your contributions today!

- Log in to the website at www.dcaustin.com
- Call **866-613-6189**

Need a little help getting started — or finding ways to save more?
Call **512-457-9240** to schedule a meeting with your local Retirement Plan Counselor.



Proclamation

Be it known that

Whereas,

The United States Congress has designated the week October 15-21, 2017 as "National Retirement Security Week"; and

Whereas,

Social Security remains the bedrock of retirement income for the great majority of the people of the United States but was never intended by Congress to be the sole source of retirement income for families; and

Whereas,

National Retirement Security Week will educate the population about the importance of participating in employer-sponsored retirement plans, and highlights the importance of active employees and retirees to manage their retirement resources prudently; and

Whereas,

City of Austin employees can benefit from developing personal budgets and financial plans that include retirement savings strategies taking advantage of tax-preferred retirement savings vehicles offered through the City of Austin Deferred Compensation 457 Plan;

Now, Therefore,

*I, Steve Adler, Mayor of the City of Austin, Texas,
do hereby proclaim*

October 15-21, 2017

as

National Retirement Security Week

in Austin.

*In witness whereof, I have hereunto
set my hand and caused the seal of the City
of Austin to be affixed this 19th Day of
October in the Year Two Thousand Seventeen*

A handwritten signature in black ink that reads 'Steve Adler'.

Steve Adler, Mayor, City of Austin

