

Leveraging Technology & Participant Tools

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Participants

Tools to promote engagement



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Engaging with Retirement Plans

- Understanding what participants need from their plan
- Questions we can help them answer
- Supporting participants in their financial wellness journey



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Simple Tasks

Online accounts are used to manage their non-transactional tasks

- Change beneficiary
- Update their contact information
- Review their account balance
- Look at the growth/decline of any investments

When it comes to making financial decisions, participants trust financial representatives to make them on their behalf.

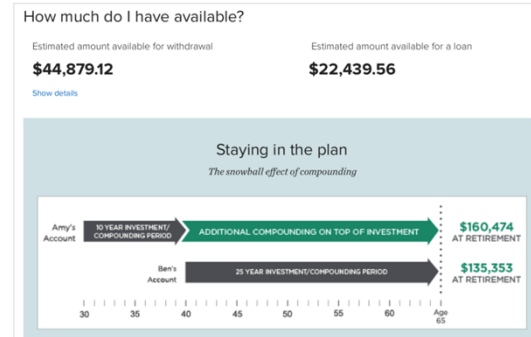
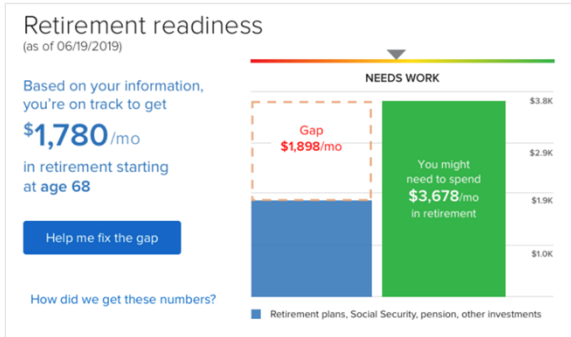
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Snackable Education

Education needs to be...

- Relevant
- In-Context
- Gradually revealed



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Big Picture View

Participants have difficulty understanding how investments work together

A full view helps answer questions such as:

- Where are they now?
- Where are they going?
- What are their goals?
- How do they get there?



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Questions They Have

- “How much do I need to retire?”
- “What steps need to be taken to reach my goal?”



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Supporting Participants on Their Financial Wellness Journey



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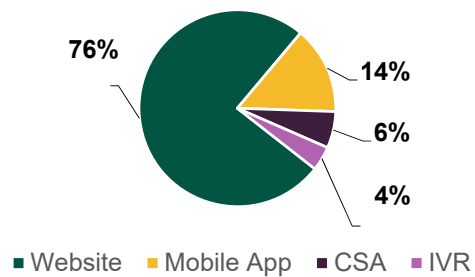
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Participants increasingly engage through digital tools

207 million smartphone users in the US¹

74% use online banking services²

Voya Retirement Plan Participants Full Year 2018



¹ <https://www.statista.com/topics/2711/us-smartphone-market/>
² Federal Reserve, "Consumers and Mobile Financial Services. (2015)"

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Leveraging technology for employer oversight

Plan success metrics – point in time

- Participation
- Savings rate
- Diversification

Plan success metrics – assessing plan health

- Income replacement measures
- Reporting by sub-group to identify who is not on track
- Include all sources of retirement income

Tracking to plan's unique goals

- Set benchmarks
- Develop strategic plan
- Measure outcome to goals over time
- Reports
- Dashboards

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Comprehensive plan reporting requires data

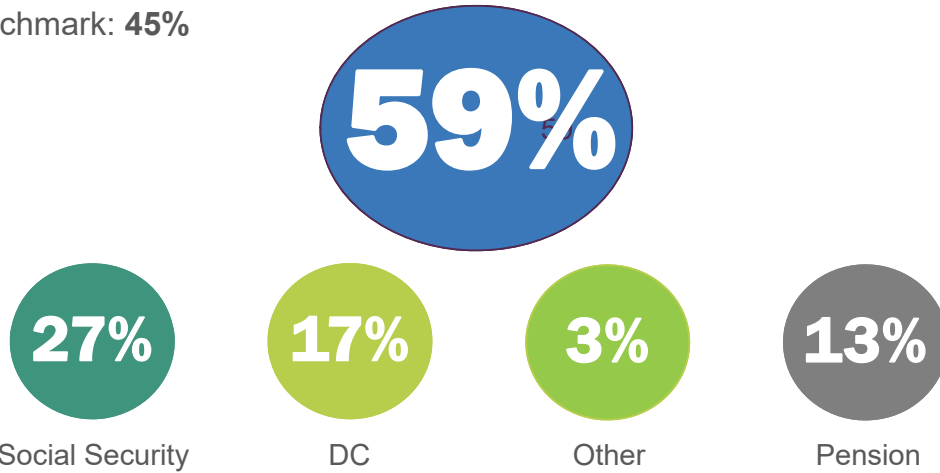
Data Requirement	Required for Metric	Plan Health Potential
Eligible population	Participation rate	Increase participation
Salary	Savings rate, Income replacement	Identify those not on track
Contribution rate change	Savings rate	Automation of increased savings
Email	Personalized messaging	Identify specific need per participant
Defined benefit	Holistic planning	Income replacement
Termination dates	Retention	Retiree strategy/spend down guidance

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Income replacement by source

Benchmark: 45%

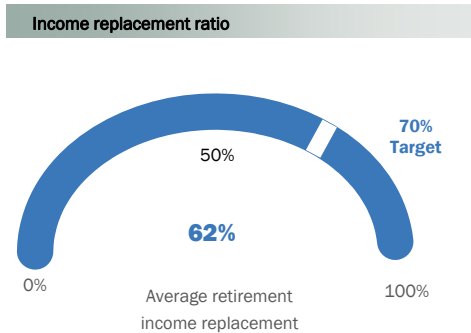


Voya internal data

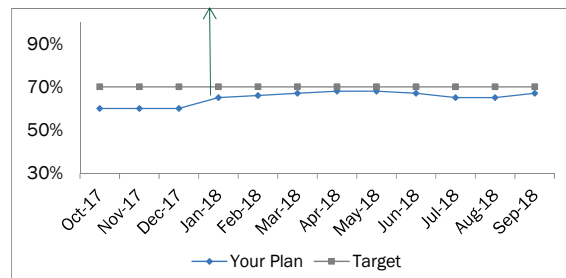
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Income replacement over time



Point in time when r/k took over as record for deferrals

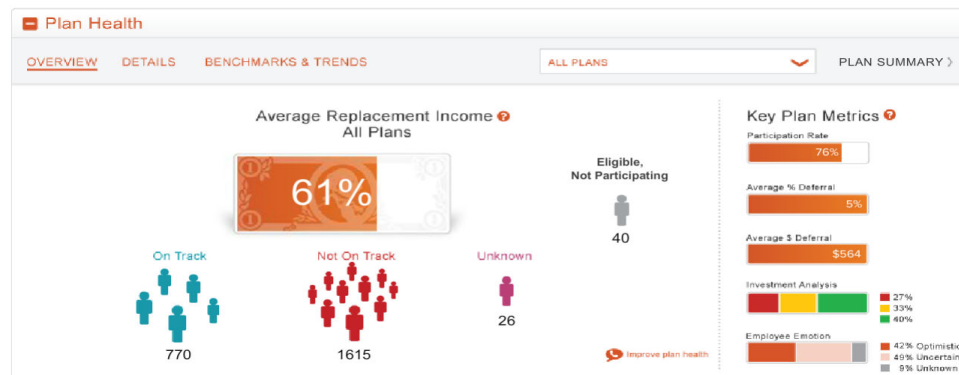


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Web tools to identify underperformers

RELATIONSHIP SUMMARY



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Case study – participant rate increase

3030 eligible participants

- Eligible file received monthly
- Discretionary matching contributions

Email file provided

- 2 emails sent to eligible non-participating in two subsequent quarters after hire

3 part-time financial advisors

- 30 group meetings 2018
- 544 individual meetings 2018

Participation Rate = **70%**

Voya internal data

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Case study – savings rate increase

Opt out re-enrollment

- Target audience: contributing <3%

Process

- Active choice election/must elect to stay same
- 3 emails over 4 weeks
- Seminars
- Voice over presentation
- 1:1 meetings

Results	Employee
Audience	664
Default to 3%	331
Opted out	211
Changed election	64
Increased later	2
Stayed same	50
Removed from process	16

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Case study – plan health reporting

Plan design

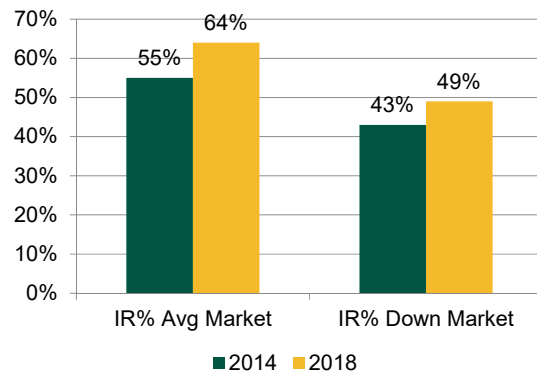
- Auto enrollment at 4% since 1997
- Employer match since 2012
- 92% increased contributions to meet match

Plan fee reduction of 28%

- Investment and administration

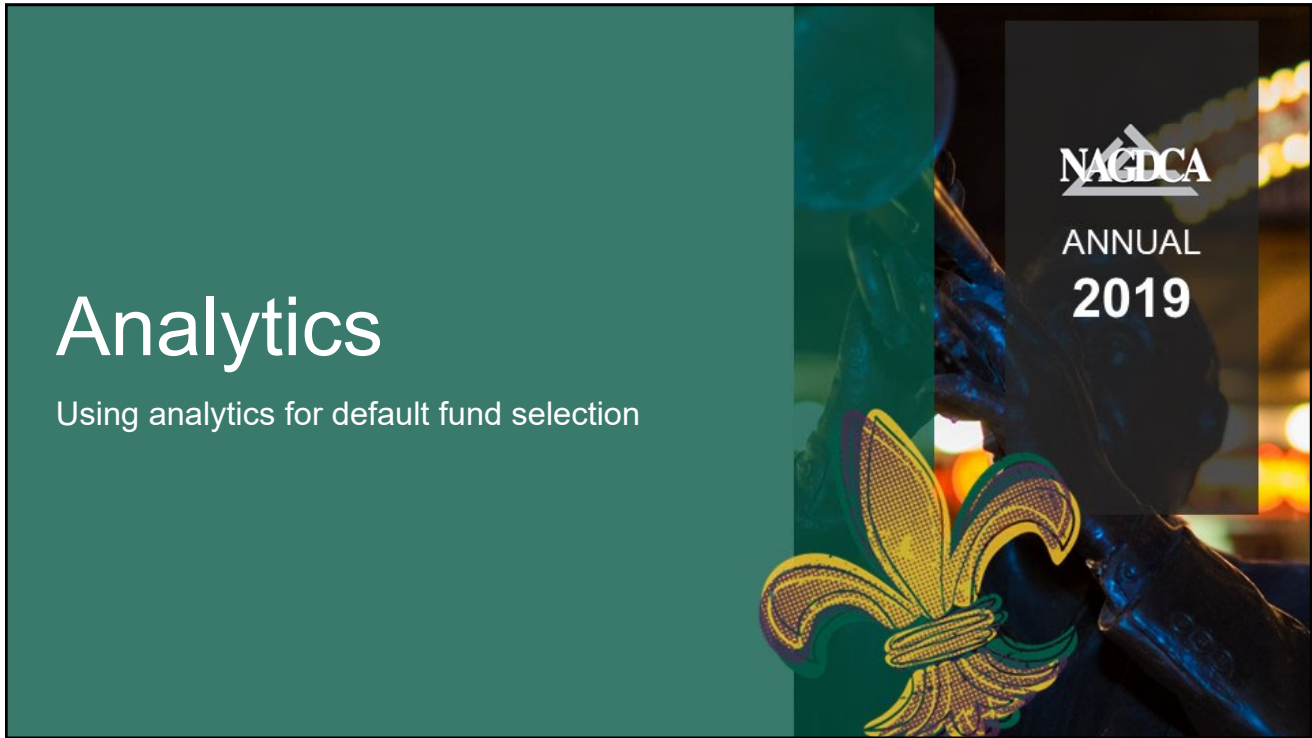
Participant communication (2015-present):

- Elective window to auto escalate
- Multiple campaigns on plan features
- Focus groups to understand needs




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The Optimal QDIA



Stop Guessing

Using Participant Data to Select the Optimal QDIA

Morningstar Investment Management LLC
January 30, 2018


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Executive Summary

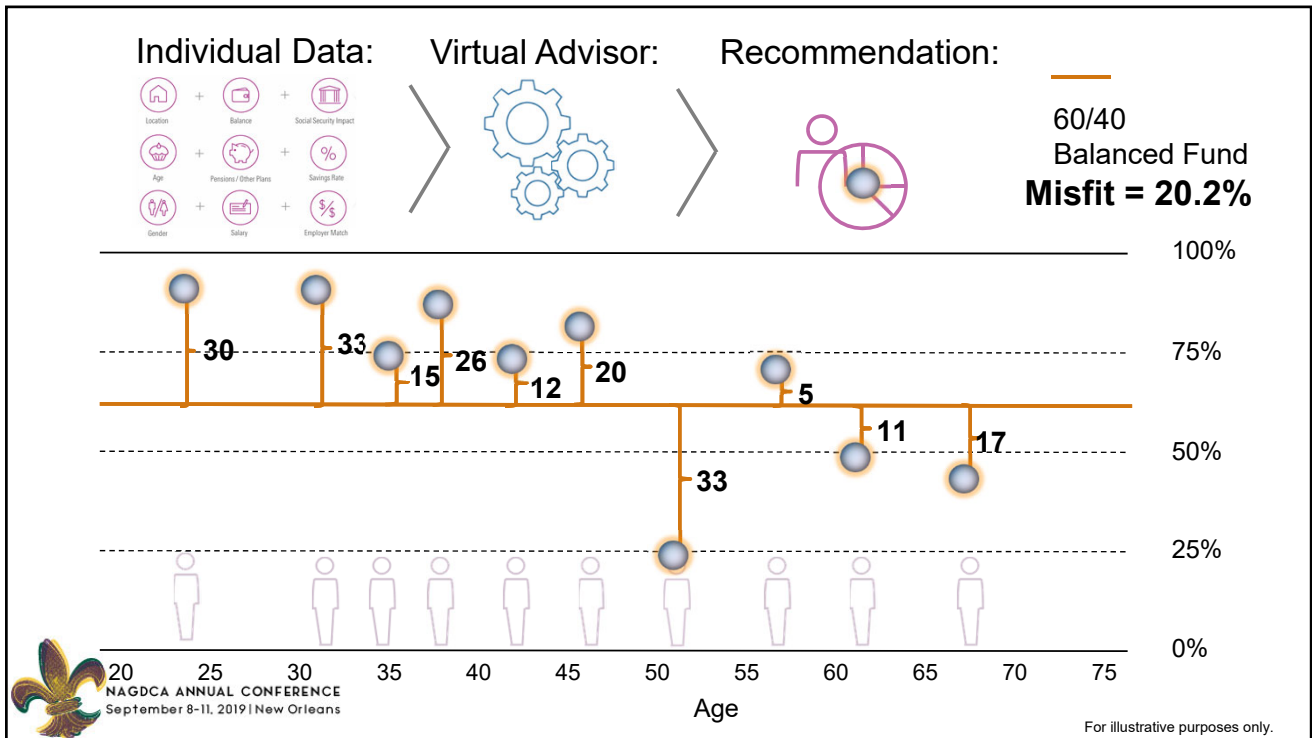
To receive safe harbor regulatory protections, defined contribution plan sponsors must, among other things, follow a prudent process for selecting a qualified default investment alternative. This includes considering the specific demographics of the participants when a plan sponsor is making its QDIA selection - balance/target-risk, target-date (including custom), retirement managed accounts, or a hybrid-QDIA. Unfortunately, the regulations do not provide much of a blueprint on how plan sponsors could and should consider plan demographics within a prudent process. Recent technological advancements, along with increased data availability and quality, enable plan sponsors to stop guessing and move beyond heuristics to use detailed data on individual participants to make a robust, data-driven selection of an appropriate QDIA. This paper presents a framework for using participant data to help determine which type of QDIA is most appropriate for a plan, including which glide path best fits the demographics of the plan participants, when a custom glide path makes sense, what the "pivot" age



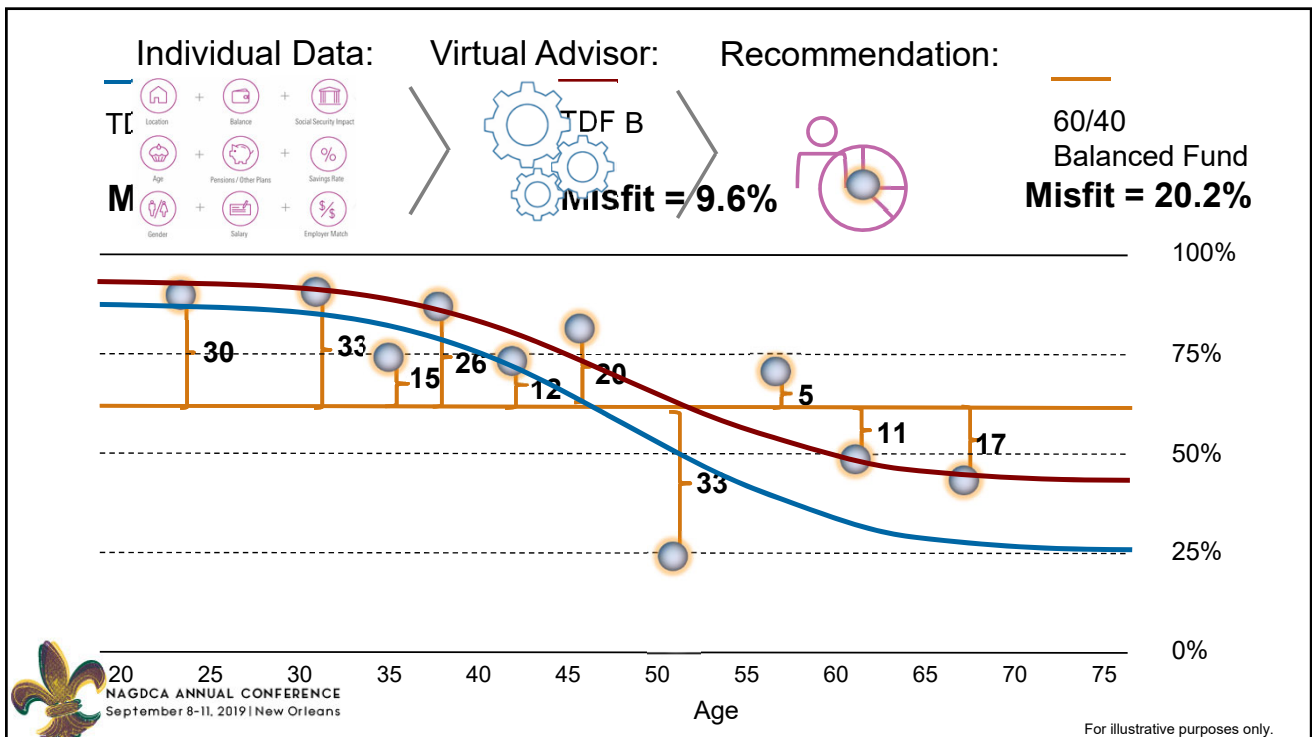
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For illustrative purposes only.

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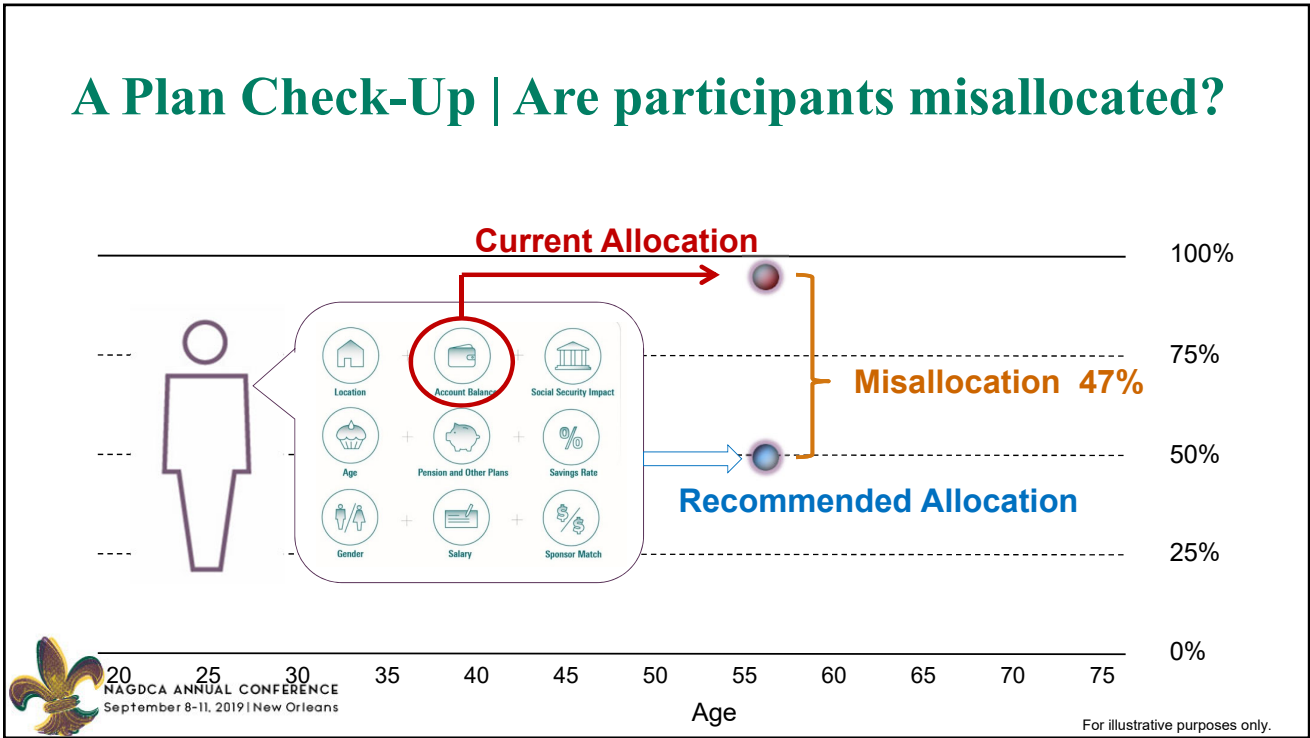


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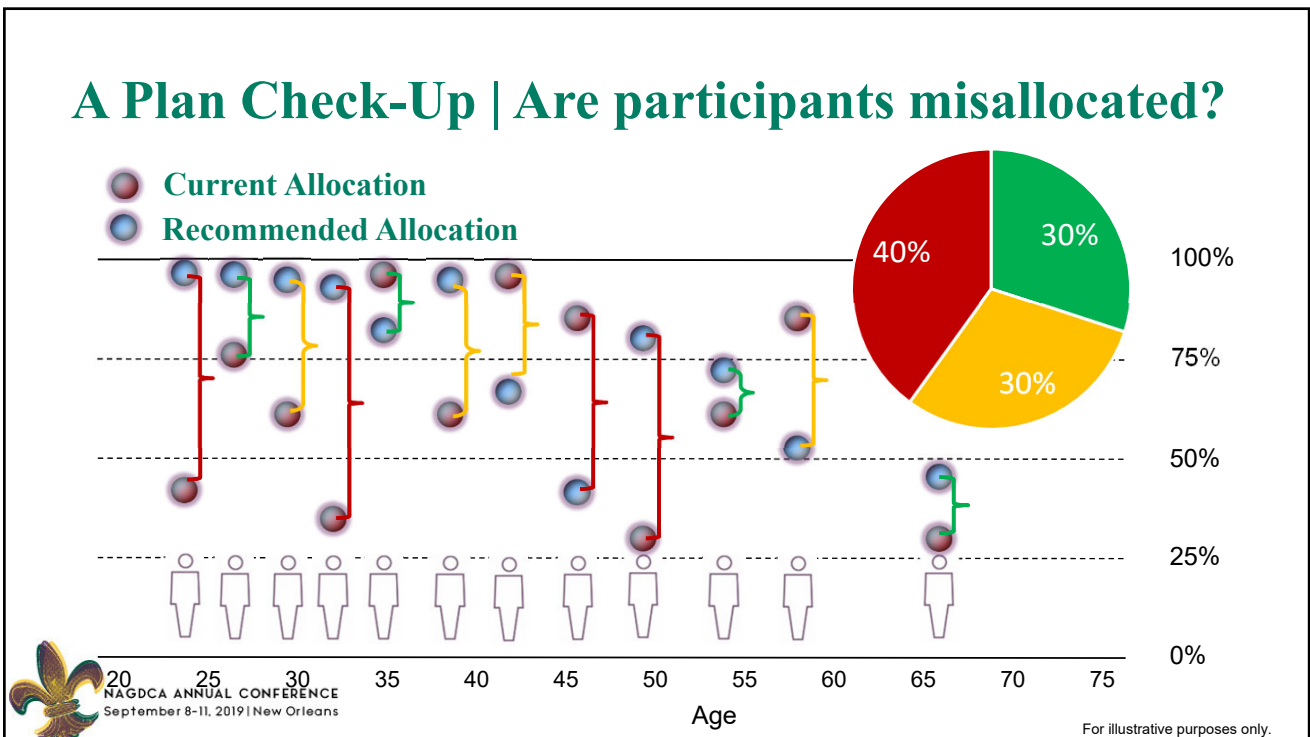
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A Plan Check-Up | Are participants misallocated?



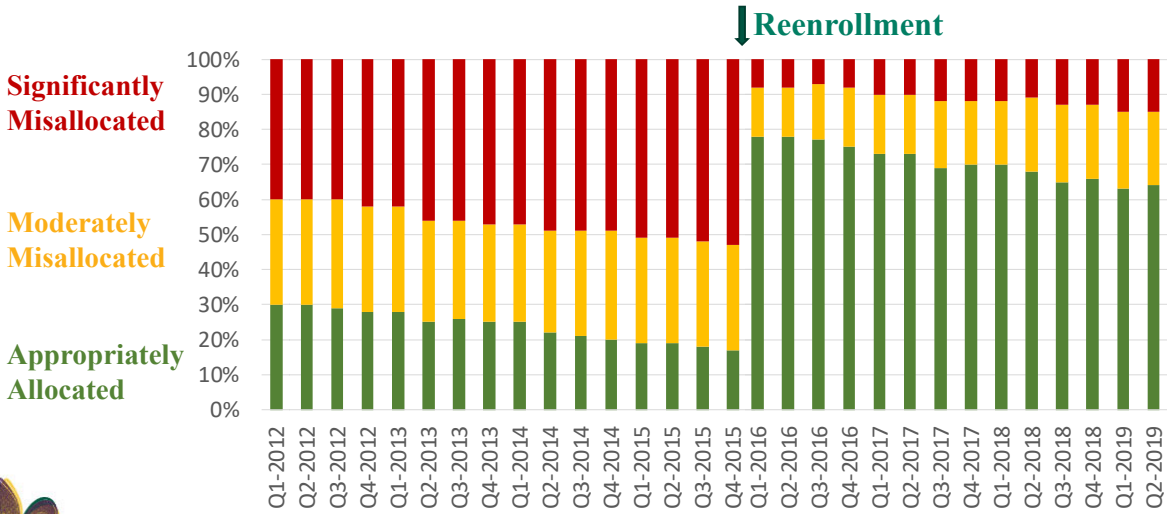
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A Plan Check-Up | Are participants misallocated?



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A Plan Check-Up | Are participants misallocated?



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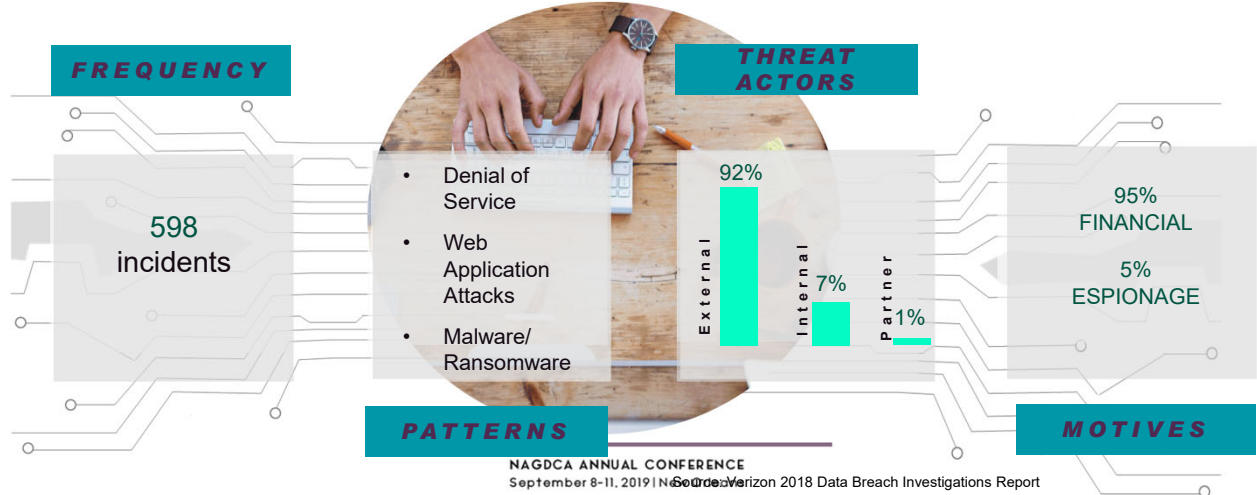
Cyber Security

Considerations and oversight

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Industry-wide cyber security trends in 2018

Cyber risks, trends and data across the financial services industry

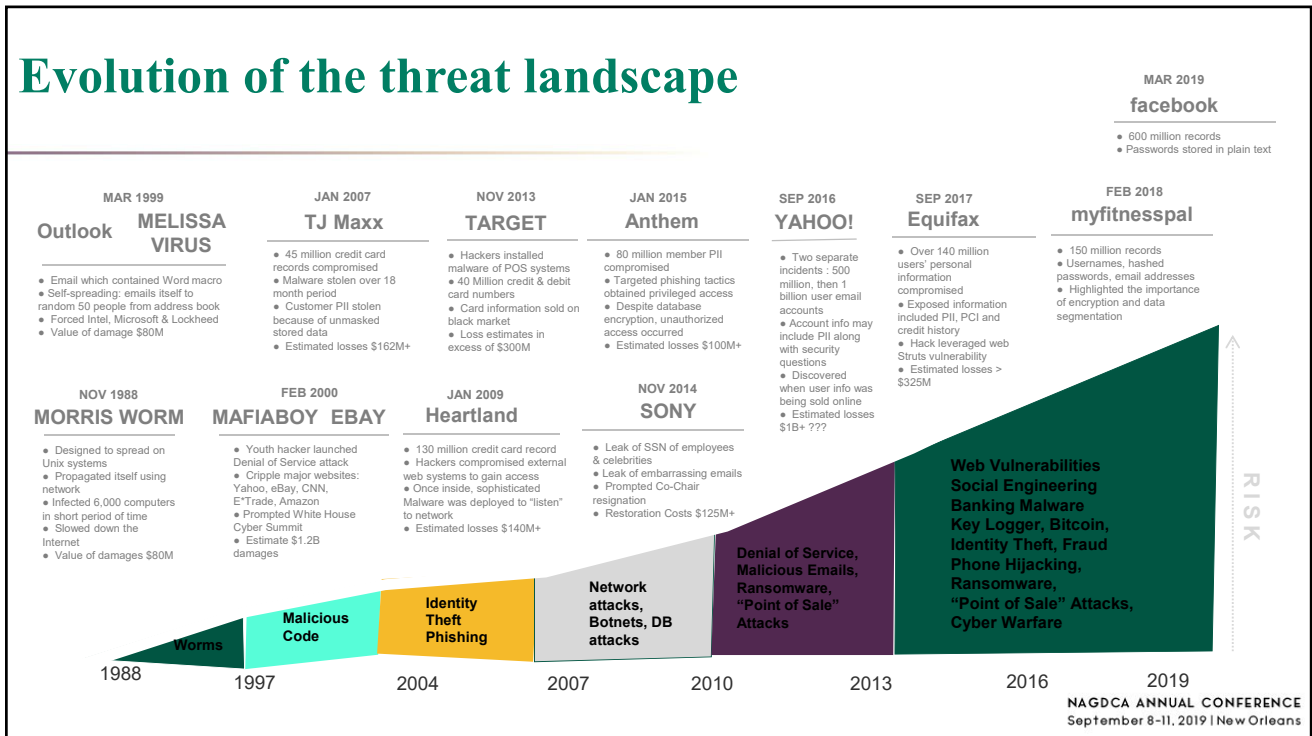


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Questions to ask regarding security controls

- Does provider have SOC 1 and SOC 2?
- Does provider have fraud policy, security guarantee?
- Does plan have cyber security policy?
 - Federal Commerce group (missed framework)
 - <https://www.ftc.gov/tips-advice/business-center/small-businesses/cybersecurity/nist-framework>
- Does contract contain service level agreements?
 - Do you report and monitor them annually?

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