**2020 NAGDCA Leadership Recognition Award Submission**

**Who:**

The County of San Diego Deferred Compensation Program provides administration of tax-deferred supplemental retirement plans. The Program has helped more than 24,000 participants save over $1.7 billion for a more secure retirement. The available deferred compensation plans include Traditional and Roth 457(b) plans and a 401(a) plan.

**Category:** Participant Education and Communications **Initiative:** 2019 Sheriffs Retention Campaign

**Project Summary:**

The average monthly participant rollout from the County Deferred Compensation Program in 2018 and 2019 was $3.5 million, or close to $41 million per year. Included in this figure are County of San Diego deputy sheriffs and sheriffs' management personnel with an account balance over a set threshold. On average, public safety personnel earn higher salaries and retire at an earlier age than their non-safety peers. Outside brokerage firms target public safety personnel for rollovers for these same reasons. However, while brokerage firms can offer investment advice, they generally charge higher fees, including wrap fees that are not assessed by the County Deferred Compensation Program for similar services (investment research, quality fund selection, Personal Retirement Counselor (PRC) services, etc.). Additionally, the tax code provides favorable treatment for certain distributions made from the Deferred Compensation Program, including the ability to make penalty free withdrawals at age 50 and the ability to exclude $3,000 dollars from income annually for amounts used to pay qualified health and long term care premiums, that are lost if assets are rolled over to an Individual Retirement Account (IRA).

The County analyzed its rollover activity and found its data supported the theory that public safety personnel were likely receiving attention from outside brokerage firms. Between 2014-2019, 15% of all separated deputy sheriff and sheriffs' management roll their assets out of the plan, with 71% of those rollovers occurring within the first six months after separation from active employment. Only 39% of non-sheriff safety and 48% of non-safety rollovers occur during those same time frames. The County and Nationwide identified the deputy sheriff and sheriffs' management audience as a population likely to roll out their assets (particularly within six months of separation) and most likely to be negatively impacted from a liquidity/tax planning standpoint, and developed a retention campaign specific to that audience.

The Program's primary business objective was to retain assets. Its primary marketing objective was to communicate the benefits to keeping assets in their County Deferred Compensation Program account: the Program's proven service to participants, the IRS-granted public safety provisions, lower fees, no wrap fees and ongoing support up to and throughout separation from service and/or retirement.

**Written Justification:**

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A series of articles in the Deputy Sheriffs' Association of San Diego publication, *Silver Star*, was published in late 2018 to set the stage for the 2019 campaign. In 2019, the campaign was conducted in several phases, all with a call to action to contact the County's Personal Retirement Consultant (PRC) for a personal financial analysis and support. Tactics included:

- an email communication sent to the selected sheriff's group that featured new County of San Diego deputy sheriff-specific images from a recent photo shoot. Utilizing actual County sheriff images was crucial to conveying that the Deferred Compensation Program knew the sheriffs community participants, understood them, and had their back.
- development of a new brochure called *Ready to Retire* to convey the benefits of staying in the plan and the retirement process.
- creation of a cell phone desk stand giveaway, packaged in an innovative way and with a targeted message, using the County's Deferred Compensation branding coupled with the deputy sheriffs' uniform colors. The County staff personally packaged the cell phone stands for those in the selected audience and distributed them via interoffice mail. Included in the package was a printed flier version of the email sent to this same audience. The giveaway item was chosen after the County staff had conducted grassroots research of randomly selected deputy sheriff representatives, presenting them with a choice of giveaway options; the cell phone desk stand was the overwhelming winner of the informal polling process.

**Outcomes/Measurement:**

Statistically, the campaign was a success. In prior years, the number of high-balance rollouts by deputy sheriffs or sheriffs' management averaged twelve per year. In 2019, that figure was reduced to one – i.e., delivering a 92% reduction in both the number and dollar amount of rollouts from this population. Interestingly, the single rollout did occur within six months of separation from service, as anticipated.

Anecdotally, the campaign was also a success in the deputy sheriff community. This demographic has a highly prevalent "pied piper" influence (I enroll; we all enroll. I move; we all move), which has now been saturated with good information, goodwill, and Retirement Specialist focus that leverages the information and giveaway already shared. The catchy cell phone stand giveaway now reminds these participants of the cost-effective services provided to them by the County Deferred Compensation Program, their assigned Retirement Specialist, and the Program's PRC. Multiple deputy sheriff and sheriffs' management representatives shared positive feedback on the message and giveaway, even asking for a second stand for use by coworkers and family members who were impressed with the functionality of the giveaway and the message.

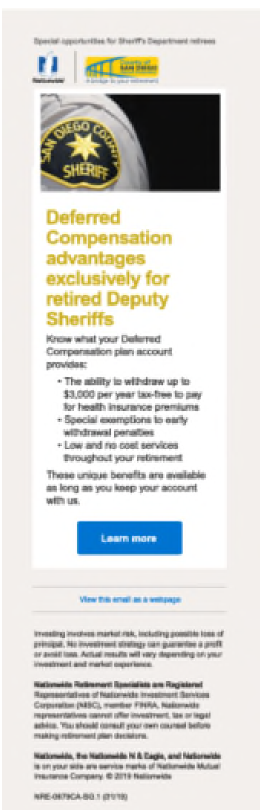
## Application to other plans

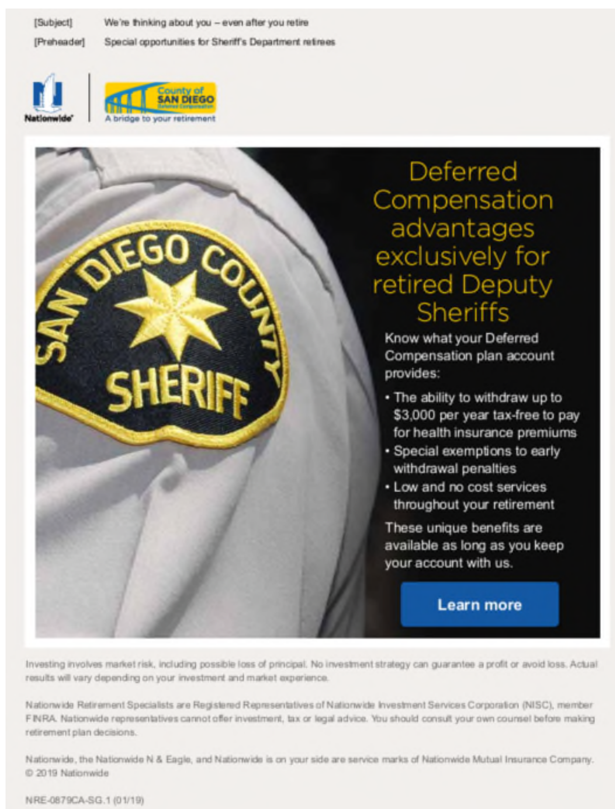
Public sector deferred compensation plans across the nation struggle to retain participants who are targeted by outside brokerage firms. Analyzing data to determine participant segments that are high-risk for rolling out assets and communicating to them six months to two years before they are eligible to retire is a viable approach to effective messaging and participant (and asset) retention.

While one selected audience within this or any Program represents just one step in retaining assets and participants, taking this segmented approach delivers significant short- and long-term Program benefits, as well as sets the stage for additional audience segmentation and messaging.

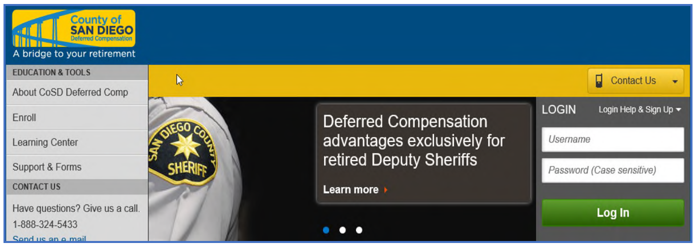
**Supporting Collateral:**

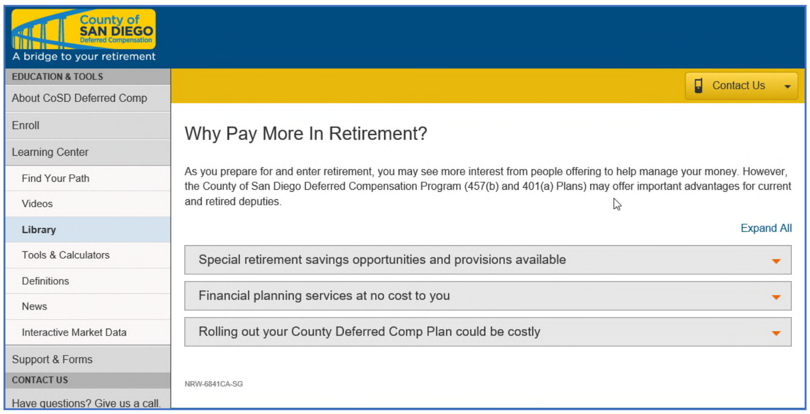
### Emails



## Promotional web banner, web page




## Cell Phone Desk Stand


## Retention Brochure

Sheriffs were included in another targeted mailing of the County's new Retention brochure, with a cover letter from the Executive Director of the Program.