



PLAN PROFILE

Plan: State of California, Savings Plus Program - 401(k) & 457(b) Plans

Participants: 296,000 (as of 3/31/22)

Assets: \$20.2B

Administrator: Nationwide Retirement Solutions

Investment Consultant: Callan LLC

Category: Participant Education & Communication

Initiative: Recipe for your Retirement Readiness Campaign

Overview/Background:

The Savings Plus Program (Savings Plus) administers the 401(k) and 457(b) supplemental retirement plans for state employees. Savings Plus has helped approximately 300,000 participants save over \$20 billion towards a more secure retirement. Savings Plus includes a 401(k) and 457(b) Plan where participants have the option of both Traditional and Roth contributions.

Savings Plus faced an increasing need to reengage and explain to active participants and retirees the importance of keeping their retirement assets in the Program following the onset of the pandemic. During this time, most California State employees received a temporary pay reduction of 9.23%, which lasted from July 1, 2020 until July 1, 2021. This pay reduction resulted in many state employees stopping or decreasing their contributions into Savings Plus.

Savings Plus, in partnership with Nationwide, developed a campaign to engage participants to restart or increase contributions and retain participants after separation from state service. The campaign promoted that staying in the program offered long-term benefits and provided tools, resources, and personalized services, so participants can continue to plan throughout retirement. Savings Plus identified and presented the easiest ways to enroll, receive support, and access tools and education. Being authentic in our outreach was critical. We kept in mind that participants already have busy lives, so it was important to provide them an experience where we optimized speed, efficiency, and simplicity. We worked to demystify the processes and foster belongingness through our imagery and communications.

Goals

Our primary goal was to engage participants through promotion of the educational tools, resources, and personalized services Savings Plus offers, following a year where they experienced a significant pay reduction.

At the onset of the campaign, we identified approximately 47,000 participants that stopped contributing to Savings Plus. Of those participants, 38,000 did not have a retirement readiness score generated by the My Interactive Retirement PlannerSM (MIRP) tool. This tool is especially important in gauging the retirement readiness of our participants, because they can explore retirement income scenarios with a combination of their estimated pension, Social Security benefits, current defined compensation balance, and potential future balances with contribution increases and /or different retirement dates.



Quote from Taylor Schultze, Marketing Manager

“This campaign does a tremendous job of connecting the comfort and nostalgia of preparing a recipe to share with friends and family to the importance of creating a retirement readiness plan. In each instance, participants are using specific ingredients and following the suggested steps to increase success.”

Written Justification

Participants picked a recipe for success by choosing Savings Plus. But, a successful retirement also hinges on choosing the right ingredients and techniques to reach the best outcome. By using authentic and approachable images of people in the kitchen during different stages of life, the campaign focused on the resources that the Program provides and the actions a participant can take to make the recipe successful. Our target audiences were divided into the following segments providing an opportunity to customize messaging for each target audience:

- Early-Career Savers – under age 38
- Mid-Career Savers – ages 38-51
- Late-Career Savers – ages 52+
- Retirees

The goals for each target segment were to:

- Increase usage and engagement with MIRP
- Increase participant contributions
- Reach participants that had stopped contributing and encourage them to restart
- Promote the value of the Savings Plus Personal Retirement Counselor (PRC) for those close to or in retirement
- Retain participant assets

Savings Plus participants became accustomed to living without 9.23% of their usual salary. We knew the salaries would return to their previous amounts effective July 2021, so we used this as an opportunity to promote reengagement with the program and restart and/or increase contributions. Throughout the pandemic, many restaurants weren't open. Cooking at home and trying new recipes had become a necessary and comforting activity for many people and families. We decided to use this emotional connection to friends, family, food, and recipes and attach it to their retirement plan. We created four different postcards and emails designed for each of our target groups and strategically mailed or emailed them a week before state employees' pay returned to previous levels. Participants who had selected e-delivery received the email version and all other participants received the hard copy postcard.

Throughout the entire year we targeted each regional territory with personalized bi-weekly emails from their local Retirement Specialists promoting their webinars and one-on-one appointments. We automatically resent these emails a week later to the participants that did not open the original. Each email blast was sent to one-third of the Retirement Specialist's



territory. This methodology ensured our Retirement Specialists had sufficient time and resources available to meet the needs and demands of the participants in their territory.

The Early-Career Savers postcard and email were designed to let participants know that they picked a solid retirement recipe by choosing Savings Plus, and a key ingredient to their recipe is making and increasing contributions when they can. We provided a QR code or link that took them to the MIRP tool, which presented their retirement readiness score and options to consider when planning for retirement. The picture of a young couple tasting the spaghetti sauce they made together was accompanied by a recipe for the Savings Plus Spaghetti Sauce. The postcard had the recipe on a perforated flap, so it could easily be taken off and placed on a refrigerator or in a recipe book.

The Mid-Career Savers postcard and email encouraged our participants to engage with their online account and check their investment portfolio. Its headline was “Check the Timer” and informed them that contributions were an important ingredient in their recipe, as well as regularly checking in on their account. We also provided a QR code or link to the MIRP tool on our website. The picture of a young family baking with flour on their faces was accompanied by a recipe for California Cinnamon Cookies.

The Late-Career Postcard and email were intended to encourage our near-retirement participants to engage with their local Retirement Specialist for a one-on-one consultation. The QR code or link sent them to the Savings Plus Representative map, allowing them to find their local Retirement Specialist and schedule an appointment. For our retired participants, the QR code or link directed them to an online scheduler for our PRC. The PRC offered participants a holistic financial assessment that provided insights into their preparedness for specific financial goals. The consultation leveraged modern financial analysis tools and expertise to help participants make informed decisions and steps to take for all of their financial goals. The photograph of a couple slicing vegetables was accompanied by a recipe on a perforated flap for Retirement Ready Ranch Vinaigrette.

As all of our participants were being introduced to the campaign via the postcard mailers and emails, we introduced a webpage and web banner to support the campaign. The webpage provided resources to assist in making their retirement recipe a success. We launched two short videos which depicted staff members creating their own recipes to promote our services and tools. The first video was a recipe for a smoothie, which compared the well-balanced and diversified ingredients in the smoothie to our well-balanced and diversified Target Date Funds. The second video portrayed a recipe for simple Increase Your Energy Bites and let participants know that following the recipe was almost as easy as increasing their Savings Plus contribution.

Overall Results

Retaining participants, increasing contributions, and driving awareness of Savings Plus is critical to the program throughout the state. As such, the results derived from the marketing and sales efforts proved to support our overall objective. From January 1 through December 31, 2021, our Retirement Specialists hosted 1,057 workshops, which was 140% of their goal. They also delivered 6,909 one-on-one consultations during this period, which was 110% of their goal. Additionally, over 500 consultations were referred to the PRC for holistic financial assessments. Engaging participants in MIRP proved a successful endeavor, as the number of new users



increased by 4% (13,000 new participants). While California experienced a significant increase in state employee retirements during the year, there was a 37% increase in consolidation of retirement assets into Savings Plus.

After the California state employees pay reduction was lifted and we began to drive our restart and increase initiative, we saw phenomenal results. From July 1 through December 31, 2021, 8,007 participants, 17% of the target population, restarted contributions to their plans. In this same time span, 45,425 participants increased their contributions. We saw a 10% overall contribution lift in the under 38 age demographic of our population and a 23% lift in contribution increases in the 38-51 age demographic.

Feasibility of use

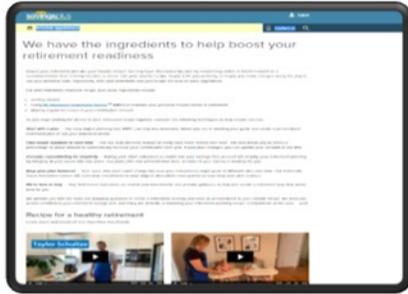
Public sector defined contribution plans across the nation seek new ways to engage employees and increase retirement readiness. Due to the repeatable strategy behind the Recipe for Your Retirement Readiness Campaign, this has been one of Savings Plus' top approaches to reach California plan participants. This approach could be leveraged across the industry, specifically for governmental plans with low engagement and contribution rates.

Communication Materials

Segmented Postcards and Quarterly Newsletters



Recipe Webpage, Videos and Email Communications



Contributing to the plan is a key ingredient

Contributions are an important part of your recipe for retirement. When the time you begin your retirement is still years away, the ingredients you add to your recipe for retirement to help you reach your goals. What does the best time to start your SavingsPlus account?

Access the My Interactive Retirement Planner™ tool (MIRP) to find out your retirement readiness score and learn how to contribute when planning your retirement plan.

[Explore MIRP](#)

We're here to help.
Contact 800-474-4774 or visit savingsplus.com

Recipe on the house: California cinnamon cookies
This ingredient makes them soft and chewy and adds a special touch. But just the plain ingredients is never the same as the highly prepared recipe at SavingsPlus.

Ingredients:

- 1 cup unsalted butter
- 1/2 cup granulated sugar
- 1 egg, room temperature
- 1/2 cup all-purpose flour
- 1/2 cup brown sugar
- 1/2 cup ground walnuts
- 1/2 cup cinnamon

Instructions:

1. Preheat oven to 350°F.
2. Cream butter and sugar in a bowl using an electric mixer. Add all liquid ingredients and mix well.
3. Add the dry ingredients, one at a time, and mix until just combined.
4. Roll into balls and place on a lined baking sheet. Bake for 10-12 minutes.
5. Let cool for 5 minutes before serving.

Optional: Add your choice of ingredients, ground walnuts or hazelnuts.

We offer the ingredients for a successful retirement

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Bookmark this recipe for retirement success

The perfect retirement recipe when you understand SavingsPlus, and we need to make sure you're not missing an important ingredient — even at your retirement.

Our state-approved My Interactive Retirement Planner™ tool (MIRP) is available to help you manage your retirement goals.

Your Retirement Readiness Score, which includes your SavingsPlus account, can help you with your retirement goals. To see whether you're on track, visit savingsplus.com.

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Sweeten your retirement by adding key ingredients

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