



Virginia Retirement System

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SmartStep Auto-Increase Awareness Campaign

2022 NAGDCA Leadership Recognition Award Entry

Participant Education & Communication/COVID 19 Response

Summary

Plan Profile

The Virginia Retirement System (VRS), an independent state agency based in Richmond, delivers retirement and other benefits to covered Virginia public sector employees through sound financial stewardship and superior customer service. VRS ranks as the 18th largest public or private pension fund in the U.S. and the 41st largest in the world, serving more than 742,000 active and inactive members, retirees and beneficiaries. Members include public school teachers, political subdivision employees (cities, towns, special authorities and commissions), state agency employees, public college and university personnel, state police, Virginia law officers and the judiciary. Approximately 837 employers have elected to participate in VRS.

Background Information

The COVID-19 pandemic remains a crisis across the globe. Out of an abundance of caution, all VRS offices, including the VRS Service Center, were closed to in-person and walk-in appointments. Most VRS staff are working remotely and continue to provide virtual education and support to its members, employers, and retirees during the coronavirus pandemic.

VRS partnered with MissionSquare Retirement, the third-party record keeper for its defined contribution plans (DCPs), to boost awareness and use of the VRS Commonwealth of Virginia 457 Deferred Compensation Plan's (COV 457) SmartStep automatic-increase feature while driving engagement with the participant website — Account Access.

Goals

To help accomplish VRS' goals, MissionSquare developed an engaging, action-oriented superhero (Captain Save-It) to inspire participants to take initiative and use the SmartStep auto-increase feature. SmartStep allows participants to be a savings superhero by arranging for yearly automatic increases in their contribution amounts.

In Their Own Words

Since the beginning of the pandemic, VRS has reinforced messaging to participants encouraging continued saving for retirement. We also want to meet participants where they are. We made it easier for participants to schedule virtual meetings with plan representatives to talk about planning and provided resources to reassure them in time of market volatility. This campaign was designed to be fun and engaging while increasing awareness about plan features that make it easier to save over the long term.

— Kelly Hiers
VRS Defined Contribution Plan Administrator

(continued)

Written Justification

Detail Project Description

The COVID-19 pandemic caught many Americans off-guard financially. Some needed to dip into their savings, including deleting their emergency savings. VRS took actions to help ensure their staff understood the COV 457 plan and tools to help them save to retire with confidence by:

- Increasing awareness of the 457 plan and its benefits
- Inspiring participants to use the SmartStep auto-increase feature

To accomplish these goals, MissionSquare developed a campaign with a “savings hero” theme that encouraged their staff to continue to help build their retirement savings and be better prepared for emergency expenses.

The campaign promoting the COV 457 plan and SmartStep auto-increase featured multichannel communications, including:

- A featured slide banner on the VRS homepage: varetire.org/457
- An animated video: <https://www.varetirement.org/dcp/money-mayhem.html>
- A highlighted article in the **FOCUSing on Your Commonwealth of Virginia 457 Deferred Compensation Plan** newsletter.
- A splash screen pop-up experience based on behavioral methodology — enhanced active choice — that positioned options in a manner most likely to spur action.
- Enhancements to the Contributions webpage
 - Updated the How much can I save? section to include the Age 50+ Catch-Up amount for a true savings picture.
 - Changed the Contribution button to add a payroll frequency selector to ensure a better experience and help participants make the maximum contribution amount without exceeding annual contribution limits.
- Engaging posts on the VRS Facebook webpage.

Timeline

The multichannel 457 plan and SmartStep auto-increase feature awareness campaign in response to the pandemic’s effect on savings took place between Q1 – Q3 2021.

Significance of Improvement to Operation of the Plan

The COV 457 Deferred Compensation Plan SmartStep auto-increase feature awareness campaign was a necessary response to the financial crisis brought on by the pandemic. The promotion helped participants save for retirement and be better prepared for their financial future.

Examples

My 457 Account COV 457 Deferred Comp Plan Plan #307042

Contributions

Confirm my saving rate is up-to-date and accurate.

Current Savings

PRE-TAX \$20.00	ROTH \$0.00
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How Much Can I Save?

The IRS limits your annual retirement savings to the amount below. If you are eligible for Age 50 or Standard Catch-up contributions, it is reflected in the amount displayed.

\$19,500.00

I would like to learn more about the IRS annual contribution limits for my plan.

Manage Savings

Find below your current contribution amounts. Select change contributions to make changes to your contributions and/or automatically increase your contributions yearly with our **SmartStep** feature.

TYPE	MINIMUM	CURRENT
Pre Tax	\$10.00	\$20.00
Roth	\$10.00	0

Change Contributions

Payroll Contributions Year-To-Date

DOLLAR VALUE

0 80 160 240 320 400

1/1/2021 2/1/2021 3/1/2021 4/1/2021 5/1/2021 6/1/2021 7/1/2021 8/1/2021 9/1/2021 10/1/2021 11/1/2021 12/1/2021

Pre-Tax

Final: \$300

My 457 Account COV 457 Deferred Comp Plan Plan #307042

Change Contributions

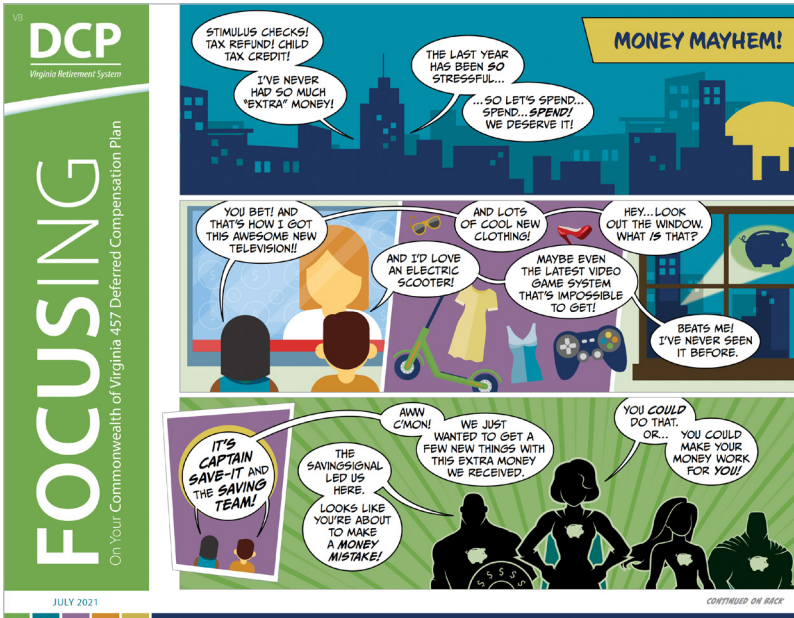
Payroll Frequency: Semi-Monthly (24)

TYPE	CURRENT	MINIMUM	MAXIMUM	AMOUNT	ANNUAL TOTAL AMOUNT	DOLLAR
Pre Tax	\$20.00	\$10.00	\$19,500.00	20.00 Per Pay Period	\$480.00	Dollar
Roth	0	\$10.00	\$19,500.00	<input type="text"/> Per Pay Period	\$0.00	Dollar
Total					\$480.00	

Enhancements to the Contributions webpage

(continued)

Examples continued



Highlighted article in the FOCUSing on Your Commonwealth of Virginia 457 Deferred Compensation Plan newsletter



An animated video

A splash screen pop-up experience

Be a savings superhero

The Commonwealth of Virginia 457 Deferred Compensation Plan makes it easy to be a savings superhero. Increase your contribution now and choose SmartStep to automatically increase your contribution each year, with less impact to your paycheck.

Select One:

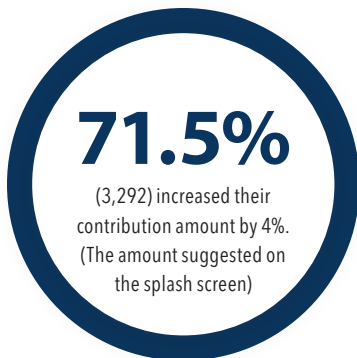
<input type="radio"/> I'm ready to increase my contribution to help improve my future savings outlook.	<input type="radio"/> I want to increase my contributions by a set amount each year automatically.	<input type="radio"/> I am not interested in saving more for my future at this time.
<input type="button" value="Save more now"/>	<input type="button" value="Choose a SmartStep month and amount"/>	<input type="button" value="Wait to save"/>

Results

Q1 – Q3 2021 Compared to Q1 – Q3 2020

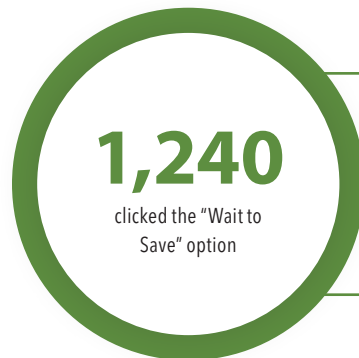
Hybrid splash screen results.

Among participants in both the COV 457 and Hybrid Retirement Plans:



457 splash screen results.

Among participants in the COV 457 plan:



- 2,546 increased their pre-tax contribution amount.
- 1,109 increased their Roth contribution amount.

- 279 increased their pre-tax contribution amount.
- 182 increased their Roth contribution amount.

- 848 increased their pre-tax contribution amount.
- 392 increased their Roth contribution amount.

Results continued

Overall results. The multichannel campaign drove traffic to the Contributions webpage that included details about the SmartStep feature. Analytics found:



Feasibility of Use By Other Governments of a Similar Size

Governments of all sizes could develop a similar campaign to bring awareness to their retirement-saving products, tools, and features.

As the financial effects of the ongoing pandemic continue, a similar campaign would provide an effective way to encourage participants to save for a more confident financial future by improving awareness of options available to help accomplish their savings goals.