

## **NAGDCA 2022 Leadership Recognition Awards—Participant Education & Communication**

NYC Health + Hospitals is the largest public healthcare system in the nation. We provide essential inpatient, outpatient, and home-based services to more than one million New Yorkers every year in more than 70 locations across the city's five boroughs.

We offer the Tax-Deferred Arrangement (TDA)—a voluntary 403(b) Plan that supplements the pensions many of our employees receive. Just over 50% of employees participate in this voluntary plan. The TDA plan is over \$3 billion in assets and has 40,000 participants.

### **BACKGROUND**

NYC Health + Hospitals represents a diverse employee population with a wide variety of job positions, salary ranges, and levels of experience when it comes to financial/investment knowledge. Our operation is 24/7, which requires us to serve employees beyond standard working hours.

2021 was an extremely challenging year for our employees. With the continued pandemic, they were solely focused on patient care and didn't have time to think about saving for retirement. We needed to find a unique way to reach out to them - especially those who took a Coronavirus-Related Distribution (CRD) payment. We wanted to make sure they knew they had options to repay the CRD back into the TDA.

Also, any opportunity for our dedicated TDA Education Representatives to meet with our employees took into consideration different shifts, their extremely busy schedules, and their limited availability.

### **GOALS**

The goal of this program was to educate plan participants about the importance of continuing to save for retirement in the NYC Health + Hospitals Tax-Deferred Arrangement (TDA), a voluntary 403(b) plan that supplements the pension plan. The campaign was targeted to individuals who took negative action in their TDA account related to the coronavirus crisis.

As a result of taking a CRD payment in 2020, several individuals had previously either stopped contributing in the TDA altogether or decreased their contributions. A campaign, which ran from June - August 2021, was developed to encourage these individuals to start up their contributions again, increase their contributions and/or pay back their CRD.

**Quote from Mohammad Raihan, Assistant Vice President, HR Retirement Services, NYC Health + Hospitals regarding why the nomination deserves an award:** *"The CRD campaign was a great example of how we could change participant behavior – in a positive way. During these unprecedented times, we were very pleased with the fact that many individuals who had taken a CRD got "back on track" to a better retirement by continuing to participate in the TDA.*

### **WRITTEN JUSTIFICATION**

Communicating to this group was a challenge – since they were experiencing a hardship and felt they had a legitimate need to withdraw money from their TDA account. At the same time, we wanted to make sure they realized the consequences after taking this distribution– and to remind them that they could repay all (or a portion) back into their retirement account. Our communications emphasized that fact that the repayment is considered a tax-free rollover as long as it's repaid within three years of the date in which the individual received the CRD funds.

Our targeted campaign utilized the following approach:

- Communications materials, including digital (email) and print (flyer and Frequently Asked Questions), that leveraged crisp, clean graphics with eye-catching photos of city landmarks and a clear call-to-action.
- Our dedicated team of TDA Education Representatives provided assistance and consultation via virtual one-to-one discussions. TDA Education Representatives also conducted outreach to this group via phone and via email to ensure they received information about the ability to pay back their CRD and to see if they had any questions.

Communication materials included the following:

- Email reminder about the benefits of paying back their CRD
- Flyer reminder about the benefits of paying back their CRD
- Frequently Asked Questions (FAQ) regarding CRD tax consequences

## RESULTS

Our initial multi-media campaign was highly successful. The TDA Education Representatives were able to meet virtually with over 50% of the individuals that had either stopped or decreased their contributions – and as a result, 26% increased their contribute rate or restated their contributions. Additionally, the average increase among this audience was a little over 7.5%.

In addition to the digital and print materials, we attribute the success of this campaign to personal outreach by phone and one-to-one meetings conducted by the dedicated TDA Education Representatives.

Following is verbatim feedback from several of the Plan's dedicated TDA Education Representatives:

*"I made various outbound calls to touch base with participants to see how I could help. One person I spoke to was very happy that I called. She is an RN at Woodhull who wanted to restart contributions but was too busy to get it done. We set up another virtual meeting to do a full account review. During that review, she increased her contribution to 4% & we started discussing a possible rollover in for approximately \$33,000 from her old job at another hospital. Most importantly, the participant was grateful I reached out. She said if I didn't call, the increase may have never happened."*

*"I spoke to a participant who was an employee of Kings County Hospital, who took a CRD and then turned off his TDA contributions. He mentioned that things had since gotten better, and he was ready to start contributing again. He was thankful for my call because he was waiting for the right time. Two goals were achieved that day: First, we helped this employee get back on track to a financially secure retirement. Additionally, a new relationship was created that will last for many years and will help this individual feel supported when making important retirement planning decisions."*

*"I reached out to a Jacobi employee who had taken a CRD and asked if we could meet to review her TDA account. While the participant welcomed my call, she requested a Spanish-speaking counselor. I immediately enlisted the help of my fellow TDA counselor, who was fluent in Spanish, to make the employee feel more comfortable. During our conversation, the participant shared that she had stopped contributing due to her overtime being cut. However, after we talked – and I stressed the benefits of contributing as much as she could to the TDA – she increased her contribution from 0% to 2%. She said she was also going to revisit her contributions within the next 6- 8 months."*

## FEASIBILITY OF USE BY OTHER GOVERNMENTS OF A SIMILAR SIZE

The outreach by the NYC Health + Hospitals TDA Education Representatives was very impactful.

Other governmental agencies could also benefit from this approach. This simple gesture of following-up with these individuals via phone or email (and providing that "personal" touch) truly made a difference in encouraging participant to take action in a positive way. This was also a cost-effective way of reaching these individuals (as opposed to traveling to the various facilities to meet with them.)

# NYC Health + Hospitals Communications

## Email

Take a step toward a more secure retirement. [View on the web](#) | [Log in](#)



### BENEFITS OF REPAYING YOUR CORONAVIRUS-RELATED DISTRIBUTION



#### Repaying today can help ensure a better tomorrow

Participants who took a Coronavirus-Related Distribution (CRD) from any of their retirement accounts in 2020 under the CARES Act can repay the amount (or any portion) into their NYC Health + Hospitals TDA Program 403(b) plan.

#### Refocus on your financial future now!

The TDA 403(b) plan can help you save for the retirement you deserve, and repaying the CRD is a positive step toward achieving a more secure financial future.

Your repayment is considered a tax-free rollover as long as it's repaid within three years of the date you received the funds. Amounts not repaid within three years will be taxable income.

Please review the [CRD Repayment FAQ](#) for more information on the tax consequences of a CRD.

#### Schedule a virtual 1-on-1 today!

To repay all or a portion back to your TDA plan account, meet virtually with a TDA Education Representative to get your questions answered.



**Michael Ricciardi**

Schedule an appointment



**Nina Talao-Pazymino**

Schedule an appointment



**Zack Yevdeyev**

Schedule an appointment



**Joseph Chang**

Schedule an appointment



**Anthony Anzellotti**

Schedule an appointment

#### Not sure who your TDA Education Representative is?

Find your TDA Education Representative by your location.



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## Flyer

### REPAYING YOUR CORONAVIRUS-RELATED DISTRIBUTION (CRD)



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## Frequently Asked Questions

### REPAYING YOUR CORONAVIRUS-RELATED DISTRIBUTION (CRD) FAQs



Prudential has prepared the following general summary to help you understand the tax consequences associated with the coronavirus-related distribution you received.

<b>What is a coronavirus-related distribution?</b>	A coronavirus-related distribution is a distribution that is made from an eligible retirement plan to a qualified individual from January 1, 2020, to December 30, 2020, up to an aggregate limit of \$100,000 from all plans and IRAs.
<b>Do I have to pay the 10% additional tax on a coronavirus-related distribution from my retirement plan?</b>	No, the 10% additional tax on early distributions does not apply to any coronavirus-related distribution.
<b>When do I have to pay taxes on coronavirus-related distributions?</b>	IRS guidance states that the taxable portion of a distribution is included in equal portions over a three-year period, starting with the year in which you receive your distribution. For example, if you receive a \$9,000 coronavirus-related distribution in 2020, you would report \$3,000 in income on your federal income tax return for each of 2020, 2021, and 2022. However, you have the option of including the entire distribution in your income for the year of the distribution.
<b>How will Prudential tax report my coronavirus-related distributions?</b>	In accordance with IRS guidance, Prudential will report the entire amount of your distribution on Form 1099-R for the year of distribution. IRS guidance states that taxpayers should use Form 8915-E to determine the amount of any coronavirus-related distribution includible in income for the tax year or to report any repayment of a coronavirus-related distribution.
<b>Who should be contacted for questions about taxability of my coronavirus-related distribution?</b>	If you have questions about the taxability of your distribution or how this affects your individual tax return, please consult with your legal or tax advisor.



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