



NAGDCA 2023 Leadership Recognition Awards—Plan Design & Administration: Roth Rollout Campaign

Nassau County is a growing county, situated on western Long Island, bordering New York City. It is one of the most densely populated counties in New York State and is considered one of the central counties within the New York metropolitan area. Nassau County contains over 120 municipalities. Its population represents a variety of ethnic and religious origins and socioeconomic levels.

The county employs 7,200 people, working in a 24/7 environment to provide essential services to its residents. In addition to traditional government functions, over 825 full-time Nassau Community College employees are on the Nassau County payroll.

BACKGROUND

With a workforce representing different ages and financial needs, and to address increasing challenges in a competitive labor environment, the Deferred Compensation Board recognized the need for a plan design enhancement. The Board recognized that adding Roth after-tax source to the menu for its 457(b) Deferred Compensation Plan could go a long way to satisfying the needs its employees were expressing.

There were three prominent drivers in the County's decision to add a Roth source. The labor market is very competitive—the County is one of the most affluent and educated parts of the country, being within minutes of New York City. Many public and private sector employees were able to take advantage of Roth contributions with previous employers but could not make or roll over Roth contributions into the Nassau Plan if they chose to work for the County. Additionally, with the volume of COVID-related retirements and younger employees being hired to replace them, the County recognized a need to provide a benefit that would appeal to younger employees. Lastly, some groups within the County realized that as they retired from service, their pensions, Plan distributions, and salaries from post-retirement work would keep them in a high tax bracket. There was a benefit to start "paying taxes now" with Roth, instead of later with traditional pre-tax contributions.

GOALS

The County worked with its longtime 457(b) provider Empower (formerly Prudential Retirement) to develop a plan to roll out and communicate the features of the Roth source, effective 9/1/22.

CAMPAIGN EXECUTION

Central to this initiative was the presence of four retirement counselors dedicated to the County's employees. With almost 18 years average tenure with the County and many well-developed relationships with key personnel, we all knew the counseling team would be a key driver in successful implementation of Roth.

A robust on-site meeting schedule was developed to introduce Roth. Several meetings were planned for September 2022 when the source became available, including dedicated presentations to small group events and benefit fairs—the counselors were prepared. It quickly became apparent that more meetings were needed to meet the demand, and approximately 20 more meetings were added throughout the County, extending through November.

CAMPAIGN COMMUNICATION

To supplement the robust on-the-ground presence from the four counselors, we employed various other channels to promote the new Roth source.

Collateral	Specifics
Emails to all employees	Sent by the County to all employees to capture the group that the recordkeeper has no indicative information for.
Counselor emails	Each counselor was provided a customized email to tailor to their respective constituent employee groups (e.g., one counselor works exclusively with the Nassau County Correctional Center).

Online resources	The Plan has a custom website providing the opportunity for home page placement of news and educational collateral. Additionally, the provider's Roth Contributions Calculator was a helpful tool to illustrate differences in paycheck withholding. The mobile app was updated prior to the Roth rollout, enabling participants to add the Roth or enroll in the Plan at the counselor-led meetings, or at their convenience afterwards.
FAQ	An FAQ document was developed – this proved important in answering many of the questions in the field and was a valuable takeaway for participants to reference at a later date.
Statement messaging	For a population still used to receiving paper statements, the messaging capabilities were utilized to build awareness.
Presentations	A custom Roth PowerPoint presentation was developed to assist the counselors in illustrating the Roth provision and how it differs from traditional pre-tax contributions.

The various electronic communications coupled with the personal outreach by the counselors greatly contributed to the success of the campaign. Following is verbatim feedback from some of those interactions:

- “Good morning, Nina, I want to thank you for the information you gave us in one of your yesterday meetings. it was very helpful for me to take a decision. Thanks for your help!”
- “Thank you very much for your help and guidance, Nina...! I have added Roth 457(b) via phone call. Take care.”
- “This is a great way to create another stream of tax-free income in retirement. It was very informative Jim; I learned a lot from you.”
- “Finally, we have the Roth; I've been waiting for this addition.”
- “I'm now going to max out my contributions in the Roth.”

RESULTS

We were very pleased with the results of our initiatives:

- The initial meetings had 218 attendees and 250 at benefit events conducted at the Community College. The 22 added meetings had 187 attendees: 655 total.
- In the first month of implementation, we had 79 participants using Roth (1% of Active participants); after the first full quarter, we were at 285 Roth participants (4.5%), and 6 months later 437 (7%).
- Total balance in Roth source after 6 months is just over \$1 million; and 63% of those using Roth are Generation Y, born since 1980.

Steve Conkling, Board Chair, summed up the County's reaction to this plan change:

“The Deferred Compensation Board evaluates and strives to maintain a competitive benefits program for our employees. We recognized the importance of a Roth feature and wanted to implement it as soon as it became administratively feasible. The launch was a significant undertaking by both County and Empower staff. We trusted our Retirement Counseling team to present, and generate interest in, this attractive provision – they more than met the challenge. Based on participant feedback, the Rollout Campaign was a success. We see Roth gaining momentum and we look forward to the continued popularity of the Roth feature in the upcoming years.”

Overall, adding Roth to the Plan was a multi-part effort, utilizing existing channels and a deep knowledge of the client to maximize the communications and education provided. Given the early results in the growth rate of Roth contributions, the demographic trends Nassau County is facing, and the participant response, this plan design enhancement is proving a key component of the Deferred Compensation Plan.

FEASIBILITY OF USE BY OTHER GOVERNMENTS OF A SIMILAR SIZE

Other governmental agencies could also benefit from this combined approach of utilizing all available channels and the focused efforts of the dedicated service provider Retirement Counselors. The key was a long history, clear understanding of employees' needs, and the deep partnership between Nassau County and Empower providing collaboration in the development of content, delivery and access to sites across the County.

VISUALS

EVENT PHOTOGRAPHS



Roth discussions with Fire Marshals



Multiple meetings held at Police Headquarters



Utilizing a Roth Calculator at Ceremonial Chambers of the County Executive

COLLATERAL USED – website landing page, news, forms, Statement messaging and custom flyers.

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Welcome to the Nassau County Deferred Compensation Plan

Few things are more important than saving for your financial future. Your Nassau County Deferred Compensation Plan makes it easier by offering you a simple, convenient and consistent way to save for retirement.

Learn about your plan's features and funds, find access to resources and tools that can help with planning and discover solutions to challenges many of us face when saving for retirement.

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Roth Contributions

The Nassau County Deferred Compensation Plan is now offering a Roth feature. Your team of Dedicated Retirement Counselors is conducting workshops throughout the county regarding this new feature. [Click here](#) for a schedule. If you can't attend a seminar, you can reach your counselor by clicking [here](#) to schedule a 1x1.

Stable Value Rate

The third quarter 2022 (July 1, 2022 to September 30, 2022) Stable Value crediting rate for the Nassau County Deferred Compensation plan will be 2.06%.

Tips for Protecting Your Account

Help safeguard your sensitive, personal information by actively managing the security of your account [using these tips](#).

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DEFERRED COMPENSATION PLAN
Your future...create it here.

Roth Contributions Frequently Asked Questions

CONTRIBUTIONS

What are Roth contributions?

Roth contributions are made on an after-tax basis. Roth contributions and any earnings on those contributions are federal tax-free upon distribution if the distribution is a "qualified distribution."

How are Roth contributions different from traditional pre-tax contributions?

Traditional contributions are made on a pre-tax basis, reducing your current taxable income at the time you make the contribution. Traditional pre-tax contributions, and any potential earnings on those contributions, are subject to ordinary income taxes upon distribution.

News & Important Information*

Exciting Plan News! The Deferred Compensation Plan is now offering a Roth feature. Roth contributions are made on an after-tax basis. Upon distribution, Roth contributions and applicable earnings are federal tax-free if the distribution is a "qualified" distribution.

Be on the lookout for workshops regarding this important new feature. Contact your Dedicated Retirement Counselor for more information or for meeting dates:

Nirva Barbarino - 516-306-1401, Jim Cordes - 516-314-9693, Theresa Mansbart - 516-650-0883, Ellen Wilson - 516-368-2437

For information on Empower's acquisition of Prudential's full-service retirement business, visit <https://www.empower.com/prudential-participants-transition>.