

NAGDCA Leadership Award Submission 2024

Category: Plan Design & Administration

Organization Name: Prince George's County

Plan asset size: \$577 million

Title of Project: Prince George's County 457(b) Enhancement Project; Expanded Tools, Streamlined Access, Paper-Free Progress

Project implementation date: May 2024

Background Information

Historically, Prince George's County administered its deferred compensation plans through multiple providers, leading to fragmented participant experiences, paper-intensive processes, and inefficient administrative practices. Recognizing the need for significant improvements in participant outcomes, administrative efficiency, and cost transparency, the County engaged an external consultant in 2020 to perform a comprehensive evaluation. Key recommendations included consolidating service providers, modernizing the investment lineup, transitioning to transparent fee structures, and improving participant engagement.

Goals

- Streamline administration and reduce operational complexity by consolidating multiple providers into one unified recordkeeper.
- Improve transparency and participant understanding through simplified investment lineups and fee structures.
- Enhance participant experience through paperless processes, the addition of Roth contributions, offer a percentage deferral option, self-directed brokerage, and provide access to fiduciary advice.
- Increase overall participant engagement and financial wellness education.

In their own words

Prince George's County's transition to one deferred compensation provider, coupled with the introduction of paperless services, demonstrates a great deal of leadership and dedication among the County's Deferred Compensation team. Thereby launching the County into the forefront of innovation all while enhancing accessibility, education, and providing millions in annual savings. Implementation of this initiative was a game changer for the County; recognition is much deserved.

• *Jared M. McCarthy, Prince George's County, Deputy Chief Administrative Officer for Government Operations*

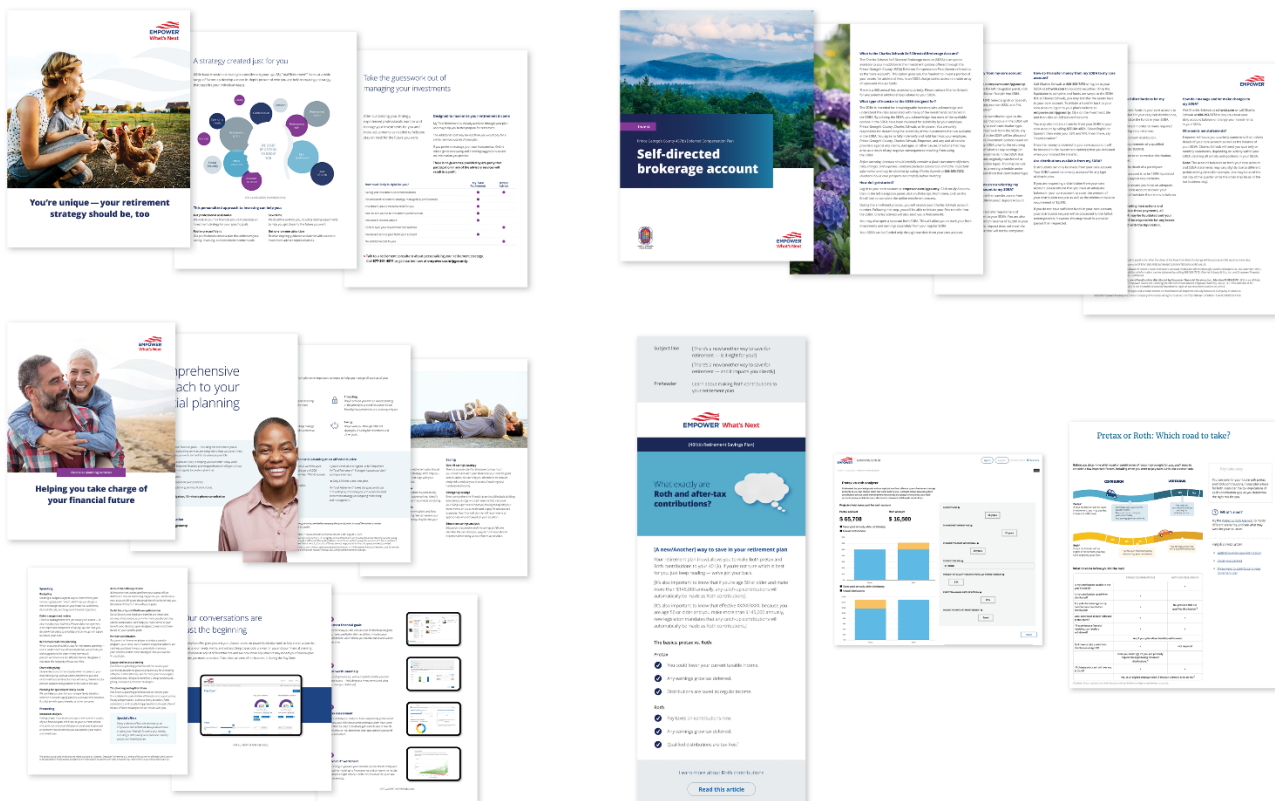
Project Description

Following a comprehensive RFP process, Prince George's County made the strategic decision to transition from two recordkeepers to a single provider. In 2023, this effort involved the successful migration of 2,796 participants and approximately \$233 million in plan assets from another recordkeeper to Empower. And in 2024, the plan finalized implementing enhancements identified in its initial evaluation. Significant enhancements included:

- Introduced a streamlined, cost-effective investment lineup, replacing underperforming funds.
- Implemented a more transparent, participant-friendly fee structure.
- Added Roth contributions to enable more flexible, tax-efficient savings options.
- Eliminated outdated paper-based enrollment, deferrals, and contribution changes, overcoming previous HRIS limitations that allowed only dollar-amount deferrals.
- Added ability for participants to elect a percentage deferral option.
- Provided participants with greater flexibility and control over investment choices with the introduction of self-directed brokerage.
- Provided participants with access to fiduciary advice and ability to meet with Certified Financial Planners.

To ensure effective implementation, the County coordinated bi-weekly meetings involving HR, payroll, and IT teams, achieving a seamless rollout.

Sample marketing materials utilized:



Results

The County's efforts generated substantial positive outcomes:

- **Increased Participant Engagement:**
 - Empower Retirement Plan Advisors delivered 44 webinars in 2024, attended by 385 participants, covering critical topics such as enrollment, Roth contributions, savings strategies, and participant financial wellness resources.
 - Personalized Retirement Plan Advisor meetings grew significantly—from 412 in 2023 to 712 in 2024, highlighting deeper participant engagement.
- **Higher Enrollment and Contribution Rates:**
 - 237 new participants were added between June and December 2024, an increase of 35% from the same time period the year prior.
 - The average deferral rate increased from 6.6% to 6.9%.
 - Roth contribution usage reached 408 participants as of December 2024 (10.9% of active participants).
- **Account Linkages:**
 - Participant account linkages increased by 23.5%. Account linking provides participants with a holistic, integrated view of their financial accounts, which drives positive behaviors and more informed decision making.
- **Improved Retirement Readiness:**
 - The County's plan-wide Lifetime Income Score, which estimates the level of income replacement in retirement for participants, rose from 7% to 8.7% within six months.

Feasibility of Use by Other Governments

Prince George's County's approach demonstrates clear best practices for plan consolidation, administrative efficiency, and enhanced participant engagement — particularly for smaller government plans. Its scalable, strategic model — featuring transparent fee structures, streamlined investments, and effective communications — can be easily adopted by other governmental entities looking to modernize and improve their defined contribution plans.

The measurable success achieved in participant outcomes and operational efficiency makes Prince George's County an exemplary model for peer government plans.