NAGDCA Leadership Award Nomination

CalPERS 457 Plan

Technology & Cybersecurity

CalPERS
CalPERS **457 Plan**

Summary

Plan Profile

For more than 80 years, CalPERS has been a not-for-profit public entity in service to those who serve California. This includes a CalPERS 457 Plan for more than 850 participating California public agencies and school employers, and over 38,000 participant accounts totaling $2.97 billion in assets under management as of December 31, 2025. As a voluntary retirement savings vehicle for public agencies of all sizes who may not have the resources or interest to cost-effectively manage an employer sponsored retirement plan of their own, the CalPERS 457 Plan offers state-of-the-art services at a low cost to participants and no cost to employers.

Background

For years in support of the public agencies and school employers that have adopted the CalPERS 457 Plan, CalPERS utilized paper participant forms to administer the Plan. Over time, that approach created a participant experience that heavily relied on working with employers to receive, review, and endorse transactional forms for processing. As an unintentional consequence, the approach limited participant engagement and reinforced reliance on employer-mediated transactions. As the CalPERS 457 Plan grew through agency adoption and participant enrollments, however, CalPERS made the strategic decision to explore ways to improve the overall experience to participate in the Plan by becoming more digital-focused in their administration. While the transition would take time to educate both employers and participants, CalPERS committed to creating awareness to digital resources and cybersecurity concepts to make saving for retirement more convenient. In 2025, that meant creating digital engagement opportunities for existing participants and adding online enrollment capabilities for eligible non-participating employees to help make it easier to achieve their retirement goals.

Goals

CalPERS and the 457 Plan's recordkeeper, Voya, partnered to develop a series of materials for agencies, participants, and eligible employees that educated them about the new online enrollment process and the digital resources available for participants through **CalPERS457.com**. The goals of these campaigns were to position online enrollment as the preferred method for agencies, increase participant account registration and cybersecurity awareness, and drive participation among eligible employees who had yet to enroll.

Commentary

We are always considering ways to make it easier for our contracted agencies to encourage employees to enroll in the CalPERS 457 Plan. Once they are participating, it's also important that we create awareness of the account resources that are available to simplify the retirement saving and planning process. Adding online enrollment as the preferred way for employees to join the Plan was a big step toward increasing overall digital awareness and engagement for new participants. In also focusing on getting existing participants online and in their account more regularly, we are committed to improving retirement outcomes for public employees throughout the State for years to come.

Melody Benavides, Chief, CalPERS Pension Contracts and Prefunding Division

Written Justification

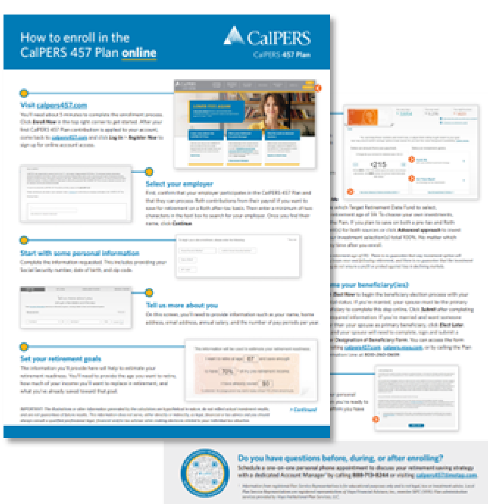
Detailed Description of the Project

The implementation of online enrollment began in 2024 through partnership with CalPERS leadership and Voya. A "soft launch" of online enrollment took place in late 2024 to a small number of adopting agencies to test its functionality and ability to be processed at the agency level. The online enrollment rollout, which at the time only included the ability to enroll by saving on a pre-tax basis, included a number of educational and awareness campaigns for agencies and non-participating employees. Once the soft launch was successful, the process was expanded in early 2025 to include all agencies that had adopted the CalPERS 457 Plan. The online enrollment experience was then updated again in summer 2025 to include the ability for employees to enroll and save on a Roth after-tax basis in addition to, or in place of, pre-tax saving. With online enrollment now fully functional, it's never been easier for eligible employees to enroll in the CalPERS 457 Plan.

For existing CalPERS 457 Plan participants, more education was needed to create awareness of the number of retirement planning and financial wellness resources available through their account online. For example, in recent years a participant's ability to manage beneficiaries online was enhanced, the online account registration process was simplified, the online library of educational content was expanded, and the Voya mobile app was updated to offer the same access to information and transactions as the desktop participant website. These types of improvements needed to be highlighted along with the other benefits of engaging online. As a result, printed and emailed participant campaigns focused on actionable ways that participants could get online, get into their account, and stay engaged with their retirement planning progress.

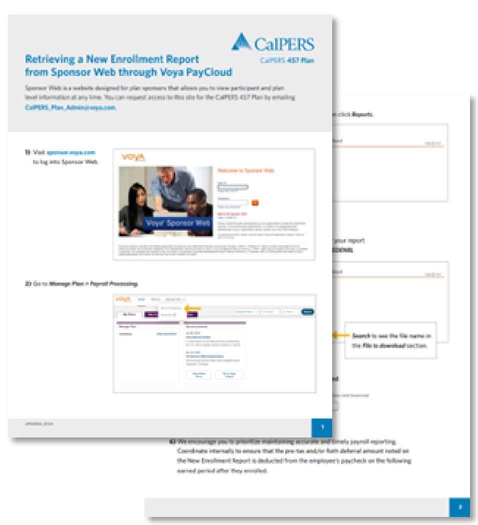
"Employer Cents" Agency Newsletter

The CalPERS newsletter for adopting agencies, *Employer Cents*, is emailed to key contacts and posted online each quarter at **CalPERS-sip.com**. In 2025, *Employer Cents* articles focused on how agencies could help their employees enroll online and included a two-page Online Enrollment Guide to assist employees with navigating the enrollment screens. Articles also guided agency contacts to resources and reports created specifically to help them quickly and effectively incorporate CalPERS 457 Plan enrollments into their payroll process. Once online enrollment was expanded to include the Roth contribution source, resources were shared with agencies through the newsletter to help employees understand some reasons why pre-tax or Roth after-tax savings may be right for them.


How to enroll in the CalPERS 457 Plan online

CalPERS 457 Plan

Do you have questions before, during, or after enrolling?


Retrieving a New Enrollment Report from Sponsor Web through Voya PayCloud

CalPERS 457 Plan


CalPERS 457 Plan

Roth Contribution Option

Which is right for you? Learn more about your options.

Agency Resources for Online Enrollment

In addition to agency emails to introduce online enrollment and create awareness for employees, CalPERS also developed agency resources to help them implement these enhancements. The Online Enrollment Employer FAQ provided agency contacts with a set of questions and answers to help them in guiding employees to enroll and participate in the CalPERS 457 Plan. This includes information about who is eligible to participate, where employees can go for more information prior to enrolling, the information needed for an employee to enroll online, how to get help during the enrollment process, accessing their account after enrollment, and more. The FAQ helped set agencies up for success when promoting CalPERS 457 Plan enrollment and guiding employees appropriately.

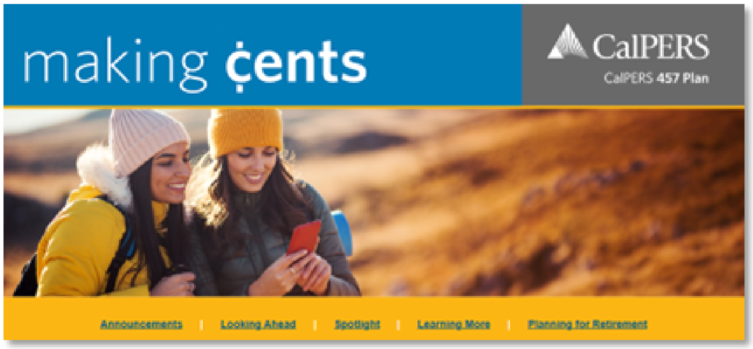
To help agencies process these online enrollments, education and resources were needed to help them change their workflows from the previous paper-based system to a digital environment. As a result, an online enrollment resource page was created for agencies at **CalPERS-sip.com/online_enrollment.html**. The resource page allows CalPERS to be proactive in providing agency guidance, but also reactive as agencies identify educational needs when processing online enrollments. Information on the site includes addressing enrollment pop-up notifications in the myCalPERS system, filing enrollment notification letters, links to resources for agencies and employees, and more.

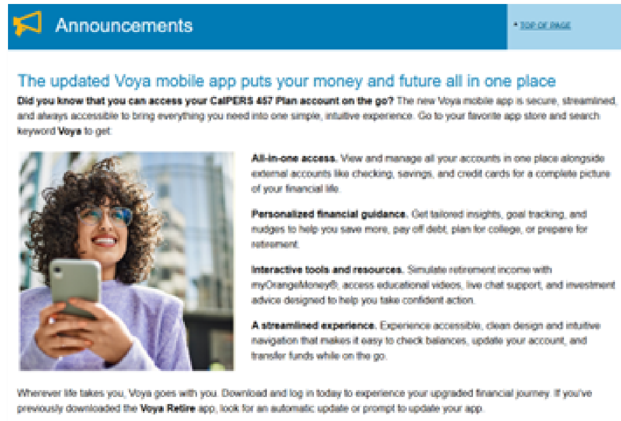
"Making Cents" Participant Newsletter

As the quarterly newsletter for CalPERS 457 Plan participants, *Making Cents* has provided in-plan education and information for years. In late 2023, *Making Cents* became a digital online resource that was emailed to participants instead of inserted at the end of quarterly statements from Voya. The change was immediately successful, creating a participant resource that served as a standalone educational opportunity that focused more on news and information than recent account performance. The newsletter features timely announcements, spotlights key features of participating, dives deeper into retirement planning and investing concepts, and provides guidance to those nearing or in retirement.

Each *Making Cents* article provides education and insight on an important topic, but includes strong calls-to-action for participants to learn more. It may link to an additional article or video on the topic. It may link participants to an additional resource from Voya or CalPERS. The strongest and most prominent call-to-action, though, is for participants to apply what they've learned to their CalPERS 457 Plan account by registering for online account access, logging in regularly, managing their account and investments, monitoring for unauthorized activity, measuring their overall financial wellness, tracking their retirement saving progress, and more. It also encourages participants to meet with a dedicated Account Manager for the CalPERS 457 Plan, which is an additional benefit for all participants and eligible non-participating employees to get individual support and guidance when and how they need it most.

You can see an example of *Making Cents* by viewing the latest edition at **CalPERS-sip.com/MC-current/index.html**.

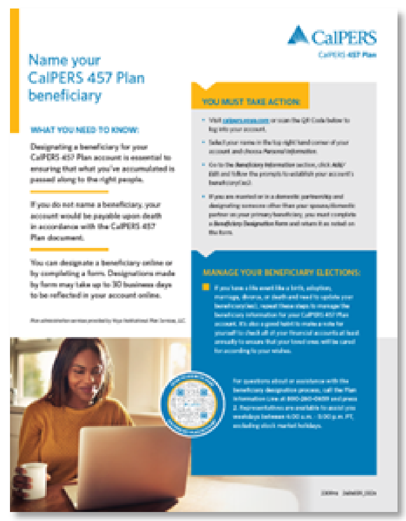




Targeted Participant Campaigns

In addition to the global participant outreach like the quarterly *Making Cents* newsletter, plan change notifications, service enhancement communications, and seasonal campaigns such as America Saves Week and National Retirement Security Month, CalPERS focuses on targeted outreach through the year that feature strong digital calls-to-action. Targeted print and email campaigns include:

- Announcing age-based catch-up contribution limits to participants age 50 or older.
- Electing beneficiaries for participants without a beneficiary designation on file.
- Online account registration for participants who have not logged into their account.
- Welcoming participants who enrolled in the CalPERS 457 Plan during the previous quarter.



On-demand Participant Education

CalPERS understands that people prefer to learn and engage with their retirement planning strategy how, when, and where it's most convenient for them. To support those who prefer to watch a video than to read an email, article, or printed piece, a series of CalPERS 457 Plan educational videos were created and posted at **CalPERS457.com** on a variety of topics such as:

- How to Enroll in the CalPERS 457 Plan Online
- Bridging the Retirement Gap
- CalPERS Pension vs. CalPERS 457 Plan
- Staying the Course
- Exploring the Roth Option
- Retiree Connection
- Foundations of Financial Wellness
- Account Access Made Easy
- Comparing the CalPERS 457 Plan and 403(b) Plans

Results

> **The increased focus on digital engagement resulted in a 14% increase in online account registrations in 2025.**

The focus on providing new digital ways for employees to enroll in the CalPERS 457 Plan and participants to engage with their account has directly contributed to measurable improvements across key plan metrics:

- Participant accounts had a **5%** net increase in 2025 (36,238 as of 12/31/24 vs. 38,100 as of 12/31/25)
- Participant contributions increased by **11%** in 2025 (Approximately $149M as of 12/31/24 vs. $166M as of 12/31/25)
- Participant account registrations increased by **14%** in 2025 (17,720 as of 12/31/24 vs. 20,604 as of 12/31/25)
- Participant e-Delivery adoption increased by **7.5%** in 2025 (13,287 as of 12/31/24 vs. 14,281 as of 12/31/25)
- Nearly **2,000** more participants engaged with their CalPERS 457 Plan account in 2025 (16,764) than 2024 (14,857)

This increase in participation and engagement is also reflected in the effectiveness of the CalPERS 457 Plan's email campaigns throughout 2025.

Email Results	Delivered	Opened	Click-Through
Making Cents (Participant; Average of four 2025 sends)	13,549	**57.7%** (7,814)	**5.1%** of opened (400)
Employer Cents (Agency; Average of three 2025 sends)	2,193	**41.1%** (900)	**38.5%** of opened (347)
Online Enrollment is Now Available (Agency; February 2025)	2,103	**44.1%** (928)	**45.6%** of opened (425)
Review Your Beneficiary Elections (Participant; May 2025)	4,101	**54.3%** (2,225)	**13.5%** of opened (300)
Totals (Participant & Agency; 2025)	118,095	**54.3%** (64,068)	**9.2%** of opened (5,914)

Feasibility for Use by Other Governments

All plan sponsors are faced with the challenge of informing and educating their participants and eligible non-participating employees. Simplifying processes like CalPERS 457 Plan enrollment, which can now be done online at any time, helped to increase the possibility that an employee will take action once they decide to start saving for retirement. Through enrolling employees online, it also immediately established for new participants that our web resources are easy to use and convenient ways to stay focused and on track to achieve their retirement goals. While the CalPERS 457 Plan is introduced to new enrollees digitally, we are also focused on ensuring that legacy enrollees understand the digital resources, tools, and information available to them in achieving similar goals. This will lead us to a new participant experience where they are more digitally aware, more capable of managing their account online, and less at risk for fraudsters by practicing good computing habits. We encourage you to explore digital and cybersecurity opportunities with your plan recordkeeper to understand their capabilities and apply it to the needs of your plan and employees. Focusing on our digital capabilities has helped ensure that CalPERS will continue to offer a best-in-class retirement saving vehicle for current and former public employees throughout the State.