NAGDCA Leadership Award Nomination

Public School Employees' Retirement System DC Plan
Holistic Financial Wellness

ONE-PAGE SUMMARY

Plan Profile

Since 1917, PSERS (Public School Employees' Retirement System) has served the public school employees of the Commonwealth of Pennsylvania. PSERS was first created as a defined benefit (DB) plan under IRC Section 401(a). Upon passage of Act 5 of 2017, school employees who became new members of PSERS on or after July 1, 2019 now choose from three membership classes: two consisting of DB and DC components and one consisting of a DC only plan. The defined contribution component, the PSERS DC Plan, now serves nearly 105,000 public school employees and more than $692 million in assets under management as of December 31, 2025.

Background

Historically, the bulk of PSERS communication with members focused on nearing or at the time of retirement. The new membership classes will potentially have a significantly reduced retirement benefit from PSERS compared to legacy membership classes, meaning that members need to take a more active role in ensuring retirement readiness compared to their peers before them. For retirement readiness, members can choose their membership class in PSERS, opt to contribute additional after-tax contributions to the PSERS DC Plan, or contribute more through public school employer offerings such as 403(b) plans.

For PSERS members participating in the new classes, a series of communications are provided as part of the onboarding process to begin guiding them to and through retirement. For example, members who are new to defined contribution savings are educated about the elements of DC account management and investing that are different than the pension-only benefit historically provided to Pennsylvania's public school employees. With the creation of these new member classes, PSERS required employers to provide an email address to PSERS for all new employees. This method is used to regularly communicate with participants. After several successful years of global email messaging to educate members about the PSERS DC Plan, PSERS identified a need to provide new targeted and global messages to PSERS members based on their tenure and previous engagement experience instead of a one-size-fits-all mentality.

Goals

Though participation is mandatory for members, PSERS wants members to get and stay actively engaged with their DB and DC components and the supplemental options provided by their employers. Engagement starts in the first 90 days of Pennsylvania public school employment, when members must consider their class election options and choose from the default Class T-G (combined DB and DC components) which provides the most contributions from members and employers towards their retirement, Class T-H (a lower contribution rate total overall consisting of a lower DB benefit and slightly greater DC contribution), or Class DC (with the same lower contribution amount as Class T-H with no DB component). Outside of their class election window, though, PSERS seeks to increase member engagement tied to account registration, beneficiary elections, DC account access, investment management, tracking retirement progress, and more. PSERS also focuses on improving financial literacy and simplifying financial wellness concepts to help members achieve a state of well-being when they live within their means, feel confident in their future, and prepare for the unexpected.

Commentary

"In six years since the PSERS DC Plan was implemented, we have developed a comprehensive library of retirement planning materials for our members. As PSERS DC Plan participation has grown, members have become accustomed to our retirement planning education. Our new tailored communication approach has allowed us to focus more on providing introductory messaging to PSERS members in year 1, exploring retirement planning concepts in years 2-3, and then expanding education to include financial wellness elements such as budgeting, managing debt, tracking spending habits, saving for emergencies, and more once a year 3 PSERS member is fully vested in their employer's matching contributions. This targeted communication approach has led to best-in-class email results, increased registration to the PSERS Member Self-Service Portal, more interaction with PSERS DC account resources and tools, and greater awareness of overall PSERS benefits. As a rapidly growing DC plan sponsor, we are excited to watch our communication plan continue to evolve as we educate members in new and insightful ways to benefit their overall financial wellness."

Jennifer Mills, Deputy Executive Director and Director of Defined Contribution Investments

WRITTEN JUSTIFICATION

Detailed description of the project

Prior to 2025, PSERS DC Plan communications were mostly global monthly emails to all participants. While the global emails were historically successful, PSERS partnered in 2025 with the PSERS DC Plan's recordkeeper, Voya, to explore ways to tailor messaging based on a PSERS member's tenure and engagement to date as a DC Plan participant. PSERS surveyed participants to determine the frequency in which communications should be provided and one to two emails per month was greatly preferred. Using this understanding and desire for targeted communication, email communication "lanes" were developed and implemented in 2025 to align with a participant's PSERS membership experience. The new PSERS DC Plan communication lanes are:

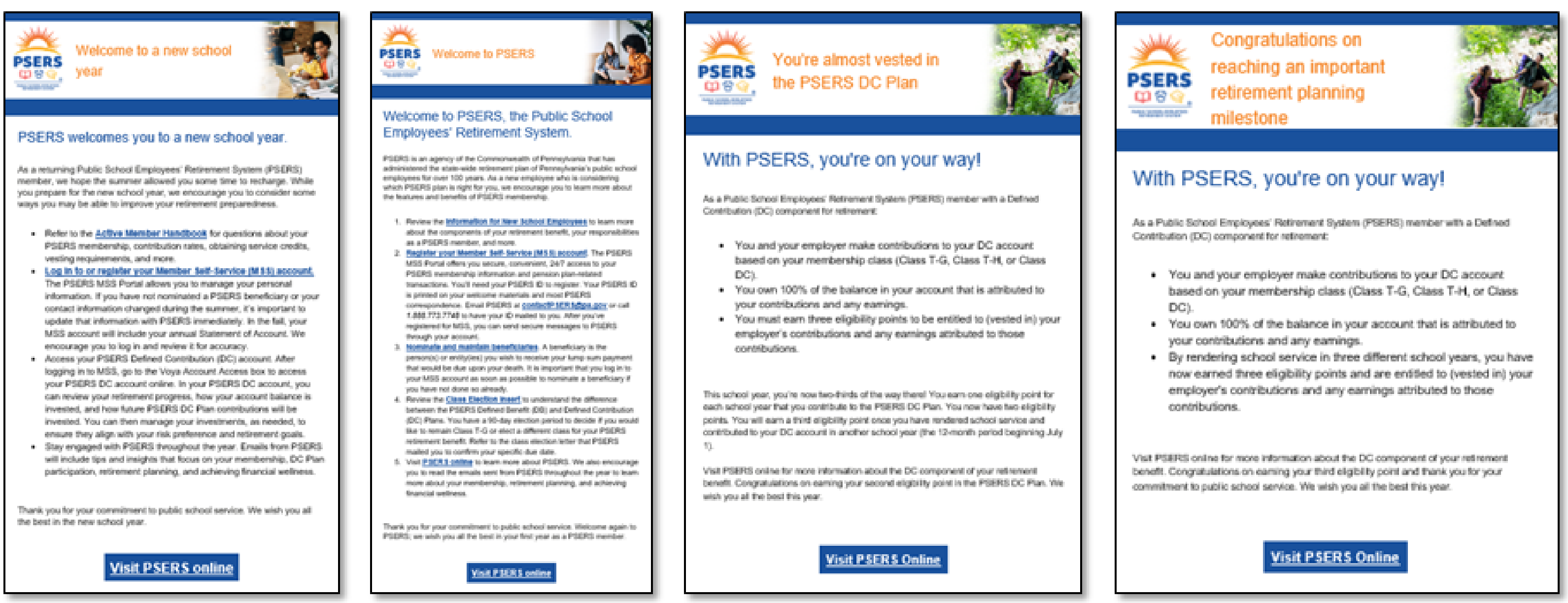
This initiative demonstrates PSERS' leadership in plan sponsor communications by replacing a one-size-fits-all approach with a life cycle-based, data-driven engagement model that measurably improves retirement readiness and financial wellness outcomes at scale.

- **New Member** - These participants are new to PSERS as of the current school year. To date, they have taken no action with their DC account.
- **Year 2-3 Member** - These participants have completed at least one year of service and are nearly vested (year 2) or are now vested (year 3) in their employer's DC contributions. To date, they have taken no action with their DC account.
- **Year 4+ Member** - These participants have been with their employer for 4 or more years and are vested in their employer's DC contributions. To date, they have taken no action with their DC account.
- **Super User*** - These participants have taken action with their DC account. These actions include making a change from their default investment option, rolling in retirement assets from former employers, or making voluntary after-tax contributions.
- **Former Employee or Retired Member** - These participants are no longer employees of a PSERS school but still maintain a DC account balance.

**Once a participant in the New Member, Year 2-3 Member, or Year 4+ Member lane "takes action" with their DC account, they are moved to the Super User communication lane.*

Project timing and implementation

To implement the new PSERS DC Plan communication lanes, PSERS and Voya updated the annual strategic communication calendar to run based on the school year (August – July) instead of the calendar year to better align with the life cycle of the member. That meant rolling out targeted messaging based on communication lanes from January – June 2025 before resetting the communication calendar on a school year basis starting in August with "Welcome to PSERS" messaging to new members and "Welcome back" messaging to returning members.

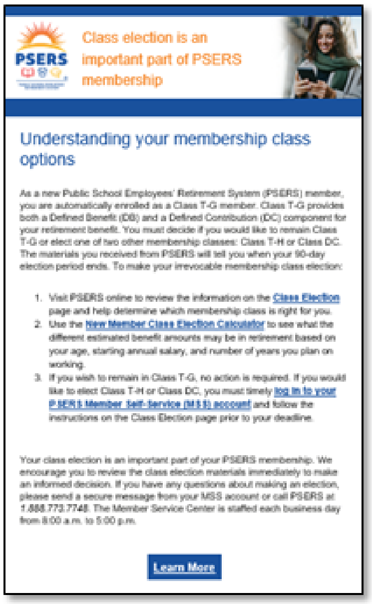


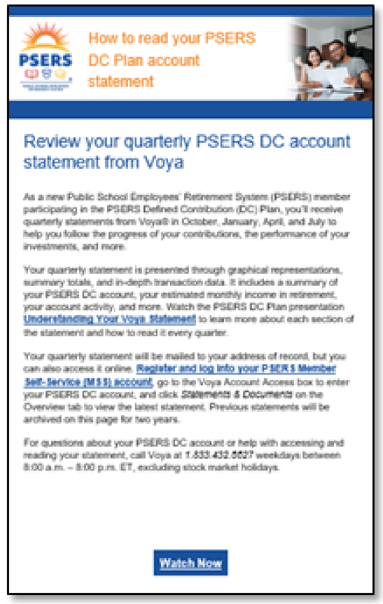
New School Year Emails (from left) - Welcome Back, Welcome to PSERS, Nearly Vested, and Vesting Congratulations

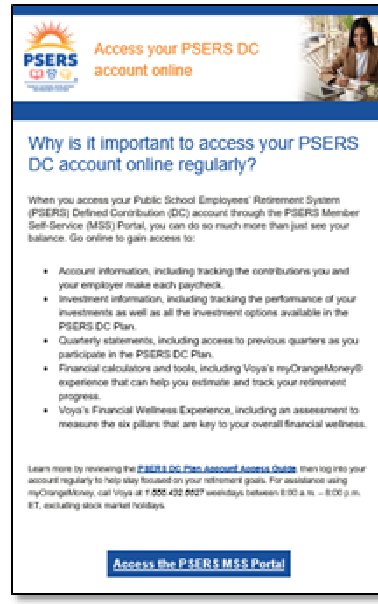
Participant engagement messaging

Unlike traditional segmented campaigns, PSERS' model dynamically evolves as participant behavior changes, automatically transitioning members into new educational tracks once engagement actions occur. The monthly email outreach within each communication lane was designed to build upon themes from previous months. For example, a new member would first receive a message about the importance of registering their online PSERS Member Self-Service account to manage their PSERS membership. The next month, the message would focus on how a new member can log into their Member Self-Service account to access their PSERS DC account online. In subsequent months, messaging would focus on how a new member would engage with their PSERS DC account online to manage their investment elections, track their retirement saving progress, measure their current state of financial wellness, and more. The themes of understanding member benefits, accessing digital resources, and taking action to improve financial wellness and retirement readiness continue to be reinforced until action is taken to move the member to the super user lane.

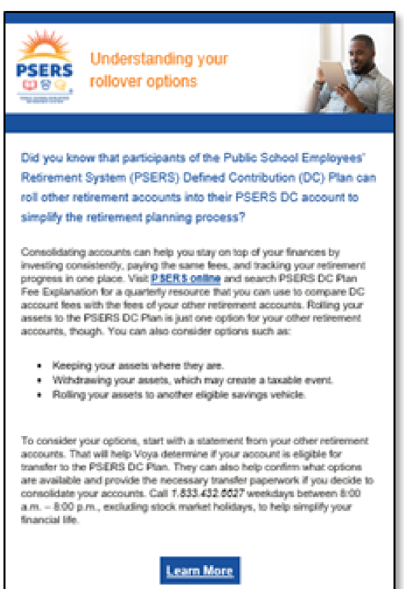
Themes from one lane to the next are generally repeated during the same month as well but are expanded upon with more depth. For example, in March a new member learns about the financial wellness experience in their DC account, while a year 2-3 member gets an email about setting goals, and a year 4+ member gets an email about checking the progress of their goals. By repeating and building on themes each year, we propose that it will lead to the type of engagement we want to help drive even if it takes more than one year to drive it.

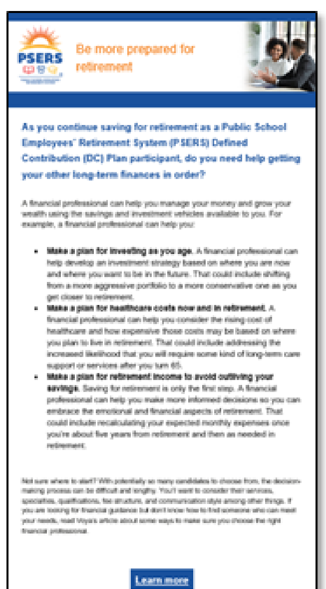


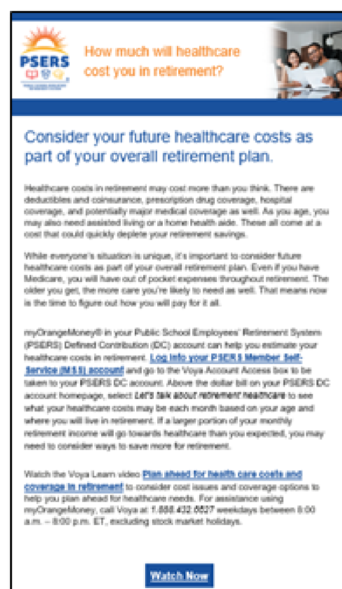




New Member Emails (from left) - Class Election, Register Your Account, How to Read Your Statement, Access Your Account Regularly





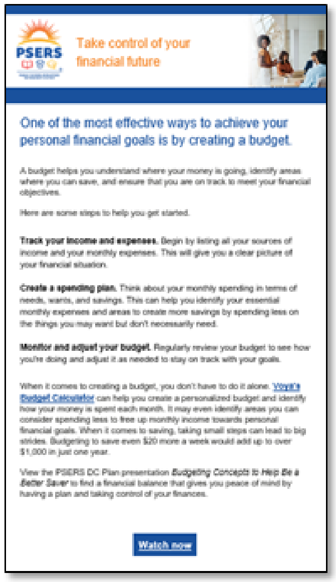


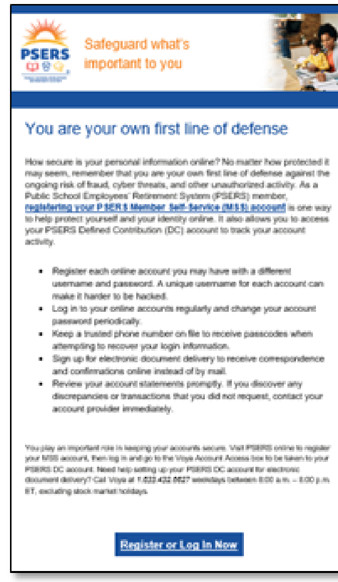
Super User Emails (from left) - Consolidating Your Accounts, Working with a Financial Professional, Understanding Healthcare Costs

Financial wellness messaging

PSERS understands the importance of providing financial wellness education as a complement to the retirement planning education provided to DC participants. Partnering with Voya since 2019, PSERS has created dozens of unique educational reference materials and presentations to assist members on this journey. With these, PSERS DC Plan messaging seeks to educate and inform members about the importance of concepts such as:

- Saving for emergencies
- Setting personal financial goals
- Creating a budget to achieve financial goals
- Prioritizing and managing debt
- Improving spending and saving habits
- Protecting income and assets
- Utilizing cybersecurity best practices





Financial Wellness Emails (from left) - Set Your Goals, Create a Budget, Manage Your Debt, Safeguard Your Accounts

RESULTS

Targeted and Global Emails

PSERS deployed **53** global and targeted email campaigns in 2025 to PSERS DC Plan participants based on the structure of the new communication lanes.

In total, over **1.3 million** emails were delivered to PSERS members. Of the emails delivered, nearly **639,000** of them were opened (638,570; 48.9% of delivered) and calls-to-action within the emails were uniquely clicked nearly **37,000** times (36,755; 5.8% of opened). Both the open and click-through rates exceed expectations within the financial services industry and in the government retirement plan sector. When looking at targeted email results across communication lanes, engagement was consistent regardless of audience or tenure.

PSERS' initiative covers nearly 105,000 participants and over 1.3 million annual communications

- **47.3%** (69,629) of New Member lane emails were opened and calls-to-action within the emails were uniquely clicked **8.0%** of the time (5,600).
- **49.9%** (160,614) of Year 2-3 Member lane emails were opened and calls-to-action within the emails were uniquely clicked **6.5%** of the time (10,409).
- **49.1%** (130,477) of Year 4+ Member lane emails were opened and calls-to-action within the emails were uniquely clicked **4.8%** of the time (6,214).

In addition to the targeted emails, some global campaigns remained in 2025 that were sent to more than one communication lane. Of those sends, **48.5%** (268,033) of the emails were opened and calls-to-action within the emails were uniquely clicked **5.3%** of the time (14,201).

Participant Engagement

Less than 3% of members elect out of the default member class which requires the highest contribution amount from the member and employer, helping them to be more prepared for retirement. Despite only having the option to change their investment allocation or add voluntary after-tax contributions to their account, PSERS members have been actively engaged with their financial futures. The consistent email cadence resulted in greater digital account engagement. The number of members with a Member Self-Service account rose from 149,638 at the end of 2019 to **315,831** by the end of 2025. Just in 2025, online PSERS DC accounts were accessed **108,535** times. This represents a steady increase in the number of unique participants who access their PSERS DC account through the desktop participant website experience or through the Voya mobile app.

- Unique participant website usage increased by an average of **15.1%** per month compared to the same monthly period in 2024 (2,323 unique users per month in 2025 compared to 2,019 in 2024).
- Unique mobile app usage increased by an average of **26.9%** per month compared to the same monthly period in 2024 (429 unique users per month in 2025 compared to 338 in 2024).

This increased engagement represents a growing interest from participants in accessing financial wellness resources. Through data received through Voya's financial wellness assessment, such as average participant financial confidence and scores within each of the pillars of financial wellness, future communications will continue to focus on protection, spending and saving, emergency savings, retirement, debt management, and other personal financial goals. With engagement results exceeding both public-sector DC industry benchmarks and internal expectations, this initiative demonstrates PSERS' leadership in evolving alongside its membership and establishes a repeatable, data-driven model for improving participant outcomes.

1,305,023
Emails delivered

638,570
Emails opened

36,755
Clicked-through

Feasibility of use

This communication framework can be replicated and scaled for public-sector retirement plans of all sizes. The model is not dependent on custom technology, but instead leverages participant tenure, basic engagement signals, and existing communication tools commonly used by recordkeepers and plan sponsors.

By first identifying the key actions participants should take at various stages of their retirement journey and aligning messaging, and calls-to-action to those stages, organizations can adapt this approach to their own plan design and workforce demographics. The use of communication "lanes" allows plans to maintain clarity and relevance while avoiding messaging overload, a challenge common to all plans.

PSERS' approach offers a road map for plan sponsors seeking to modernize participant engagement, improve financial wellness, and drive change through data-informed communication. With PSERS, they're on their way!