

RETIREMENT PLAN ADMINISTRATION

INCREASING PARTICIPATION AND DEFERRAL RATES BY ENHANCING PLAN DESIGN

BACKGROUND

- One of the nation's largest energy transportation and distribution companies
- Almost 7,000 eligible employees spread throughout the United States

GOALS

- Increase overall plan participation from 76% to 95%
- Raise average non-highly compensated employee deferral rate to 5.5% to assist with passing nondiscrimination testing

MERCER'S SOLUTION

- Implement Smart Enrollment™, a combination of automatic enrollment and systematic deferral increases
 - Retroactively enrolled nonparticipants at a 3% deferral rate
 - Increased all participants contributing below 3% to the 3% deferral rate
- Launch communication campaign to educate employees about the plan enhancements
 - Three-phase, action-oriented enrollment postcard campaign
 - Targeted plan enhancement mailing
 - Updated enrollment materials featuring participant friendly tools

RESULTS

- 2,415 employees were enrolled in the plan
- Overall participation rate rose to 95%
 - Less than .05% of targeted employees opted out of automatic enrollment
- The deferral rate for 1,112 participants was raised to 3%
- Non-highly compensated employee deferral rate increased to 6.3%



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