

# RETIREMENT PLAN ADMINISTRATION

## ROTH 401(K) IMPLEMENTATION AND EDUCATION

### BACKGROUND

- Leading energy provider in the U.S. Midwest with many long-term employees; average tenure of 15–20 years
- Broad spectrum of salaries, education and investment- and web-savviness in employee population
- Employees tend to be very knowledgeable about their benefits, and 2,658 (87%) participate in the 401(k) plan

### GOALS

- Foster a better understanding of the difference between Traditional 401(k) and Roth 401(k) contribution options
- Provide employees with the tools necessary to make informed decisions about whether Roth 401(k) is appropriate for them
- Increase participation in informational meetings through peer encouragement among employees
- Improve employees' perception of the company's role in enhancing savings plan features

### MERCER'S SOLUTION

- Brochures communicate new Roth 401(k) feature and provide case studies for comparison
- Posters advertise informational meetings at 32 locations
- Announcement message on plan's website introduces the new plan feature and interactive modeling tool
- News articles published in company's internal newsletter
- Employee surveys, distributed at educational meetings, evaluate effectiveness

### RESULTS

- One month after meetings were held, nearly 70 (2.3%) employees had elected Roth 401(k)
- Of the 764 employees who returned surveys after the educational meetings
  - 99% had a better understanding of the Roth 401(k) feature
  - 96% could make an informed decision about whether Roth 401(k) was an appropriate option
  - 98% would recommend this meeting to another employee
  - 97% felt that the company was responsive to new marketplace features that would help to keep the savings plan current

