

NAGDCA 2024 Leadership Recognition Award

City of Portland

Technology and Cybersecurity

Plan Profile

Most financial professionals agree that Americans will need at least 70 percent or more of their pre-retirement income to maintain their lifestyle in retirement. For many individuals, Social Security benefits won't provide enough to meet this need. The City of Portland (City) recognizes this dilemma, which is why they provide their employees the opportunity to save a portion of their pay towards retirement through a deferred compensation plan.

The City of Portland 457(b) Deferred Compensation Plan (Plan) is a deferred compensation program for public employees provided under Internal Revenue Code Section 457. The Plan is overseen by a Deferred Compensation Committee comprised of County employees and managed by the City's Human Resources Plan Administrator. The recordkeeping and administrative responsibilities of the Plan are contracted to Voya Financial®.

As of December 31, 2023, there were 7,342 plan participants with assets over \$1.13 billion.

Background Information

Since the inception of the Plan in 1982, the City has required employees to submit paper forms to their Human Resources department for some account services/transactions, including: 1) enrollment into the Plan, 2) changing one's deferral amount (percentage or dollar amount) per pay period and 3) designating/updating beneficiary information.

In early 2023, the City made the decision to enhance the employee and participant experience by adopting online capabilities and functionality. The rationale behind this decision was multi-faceted – to increase employee participation and engagement in the Plan, improve the employee experience from enrollment to retirement, increase efficiency and data security/integrity and reduce administrative challenges and burdens for the City.

In April 2023, the City enabled online enrollment, online contribution rate change service (CRC) and online beneficiary maintenance. Going forward, these services would be exclusively conducted online through a participant's account via the dedicated Plan website at prime.beready2retire.com. This significant shift in process (from paper form submissions to Human Resources to online submissions directly to the recordkeeper) required a comprehensive multi-touch communication campaign that was executed throughout the year. An important consideration concerned beneficiary designations – as a result of the transition from paper forms/storage to online beneficiary maintenance, no existing beneficiary designations were transferred to the recordkeeper; all participants needed to designate a beneficiary on their Plan account.

Goals

The overall goals of the campaign were to:

- Improve the employee experience from enrollment to retirement in the Plan through the use of online account services.
- Increase enrollments and participant engagement.
- Encourage participants to designate and maintain their beneficiary designations online.

In their own words

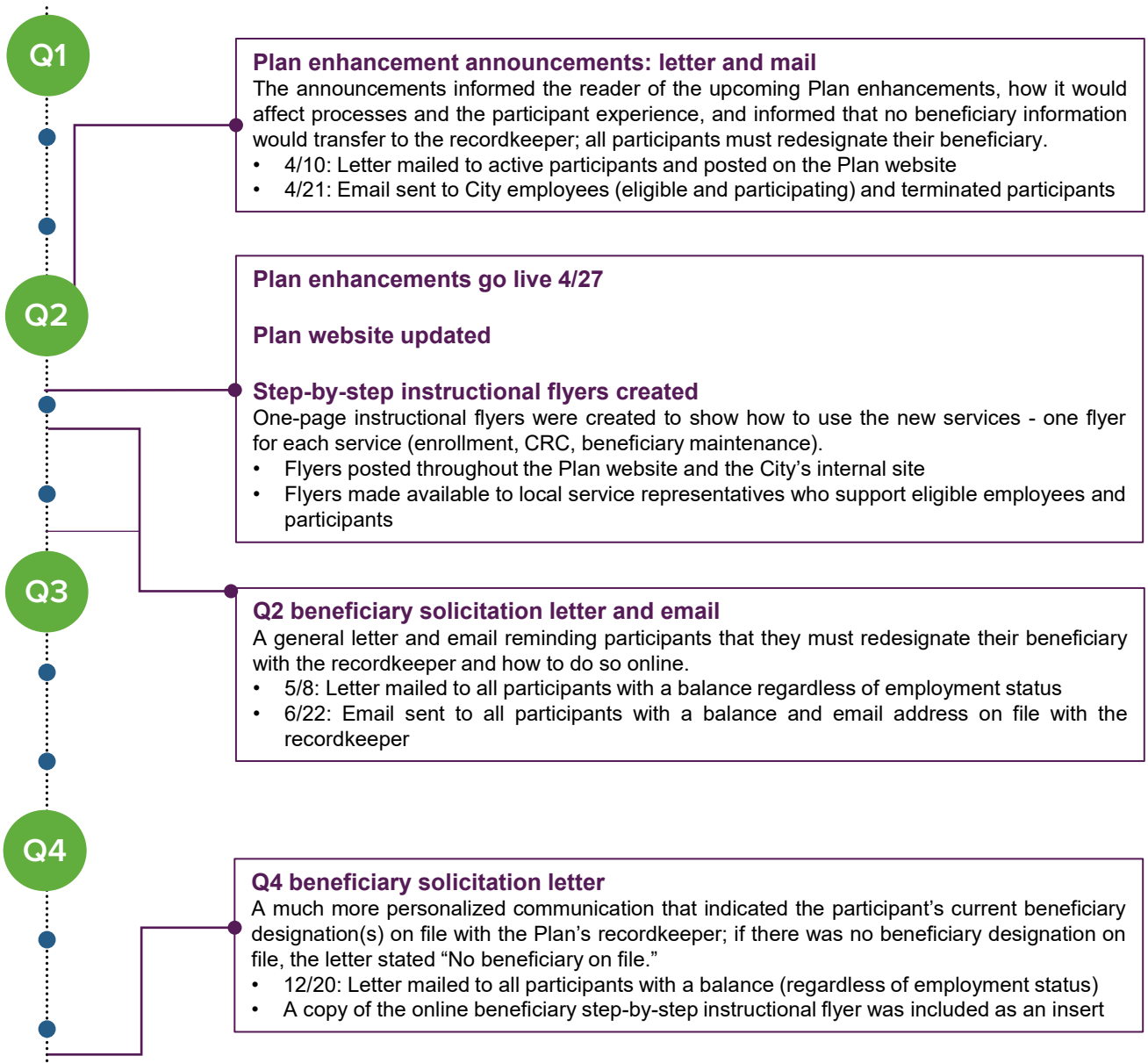
The project was pivotal in creating real change in removing barriers and promoting equitable access for employees to their 457(b) Deferred Compensation Plan Account. Without digital access to Deferred Compensation, some people—often people who are already disadvantaged—miss out on opportunities in their financial wellness journey. Implementing the project has allowed us to better support all employees wherever they are in their financial wellness journey and help them achieve their full potential.



Project Description

- An important component of the Plan enhancement project was the communication strategy. It was critical to:
- clearly communicate the new processes for enrollment, deferral amount changes and beneficiary designations/maintenance and inform employees/participants that the previous processes through the City would no longer be supported,
 - shift the participant mindset to be more proactive and autonomous while increasing account engagement and positive actions/behavior,
 - update the Plan website functionality and site content to support the enhancements; and
 - solicit beneficiary designations as no beneficiary records were transferred from the City to the recordkeeper.

This multi-touch campaign was executed throughout 2023 and included flyers, personalized letters, emails and website content. All collateral was fully designed, written to be informative but succinct and adhered to the Plan's brand standards.



Results – Campaign metrics

Plan enhancement announcements: letter and mail

- 4,720 letters mailed
- 6,076 emails
 - Unique open rate: **35.5%**
 - Unique click-thru to:
 - local service online scheduler tool: **27.49%**
 - letter on Plan website: **7.63%**
 - Plan website: **4.19%**

Great News! 457(b) Deferred Compensation Plan Enhancements Coming Soon!

Exciting changes are coming soon.

Effective April 27, the City's 457(b) Deferred Compensation Plan (the Plan) is implementing several new plan enhancements to expand access to all employees in an effort to help make it easier to manage your retirement savings with Voya Financial. You'll no longer have to make changes while logged into the City's website or via City equipment and can do so from any device, any time.

Plan enhancements provide access to managing your account via multiple devices including smartphones. Click here to learn more about these exciting changes online.

Change how much you contribute online.

Through your online account, you'll be able to view your account balances, review and make changes to your contribution amounts and manage which investment options you contribute to.

Make it automatic.

Use the Deductions to automatically make your contributions easier to manage and less of a hassle. Cancel this feature at any time.

Do something good for those you care about.

Designating beneficiaries for your account as an important, which is why the City is introducing online beneficiary designations through your online account. Once you add your beneficiaries online, you can easily manage and make changes to the list of beneficiaries in the future such as marriage, birth of a child, or divorce.

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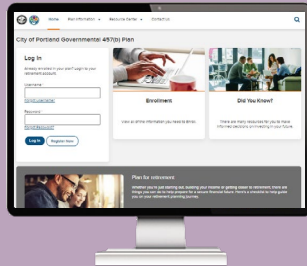
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Plan website:

- +211% Plan website visits from March to May

Step-by-step instructional flyers



Life ahead.
Better for you, better for the family.

How to designate your beneficiary online in just 3 easy steps

- Step 1: Go to voya.com/457b and log in to your account.
- Step 2: Click "Designate New Beneficiary" under the "Manage Your Account" section.
- Step 3: Follow the prompts to add a beneficiary or change an existing beneficiary.

It's easy to get started

Welcome to the City of Portland. Your future is worth it.

Designating beneficiaries for your 457(b) Deferred Compensation Plan account can help ensure that the money you've worked hard to accumulate is passed on according to your wishes. It's a good idea to review your beneficiary designations regularly, especially if there's been a change in your personal details, such as a marriage, divorce or birth of a child.

Q2 beneficiary solicitation letter and email

- 6,945 letters mailed to all participants with a balance
 - 1,183 new beneficiary transactions (unique SSN per day) = **17.03% action rate**
- 4,923 emails sent
 - Unique open rate: **63.2%**
 - Unique click-thru to:
 - Plan website: **4.70%**
 - Resource page for special needs: **1.00%**

Review your retirement account beneficiary election today and protect your loved ones

Are you sure you know who your beneficiary is? When is the last you checked your beneficiary designations? Even if you think you know who it is, it's still a good idea to periodically check to make sure the right person is listed. It's especially important to do this when you experience a major life event, such as marriage, the birth of a child or a divorce. You've worked hard to build, make sure your savings goes to the person you want to receive it.

Log in today to ensure your beneficiary designations are accurate.

It's easy to name your beneficiary. Just follow these steps.

1. Log in to your account.
2. Click "Add or Change Beneficiary" under the "Manage Your Account" section.
3. Follow the prompts to add a beneficiary or change an existing beneficiary.

Important – you must take action
Effective April 27, you will maintain all beneficiary designations you have completed in your account online through voya.com/457b. If you have not completed a beneficiary designation, you will need to do so by April 27, 2023. If you have not completed a beneficiary designation, you will need to do so by April 27, 2023.

Beneficiary designator considerations to note:

- Designating beneficiaries for your 457(b) Deferred Compensation Plan account has implications on the IRS required minimum distributions (RMDs) for your account.
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Q4 beneficiary solicitation letter

- 7,235 letters mailed
 - 1,897 letters mailed to participants who had a beneficiary on file
 - 5,338 letters mailed to participants missing a beneficiary designation
 - 1,032 new beneficiary transactions (unique by SSN per day) = **19.33% action rate**
- Does not include beneficiary updates to previously existing designations*

VOYA
457(b) DEFERRED COMPENSATION PLAN

November 28, 2023

Thank you for having your beneficiary designations on record. It's a good idea to review your beneficiary designations regularly.

Dear Jane,

Designating beneficiaries for your 457(b) Deferred Compensation Plan account can help ensure that the money you've worked hard to accumulate is passed on according to your wishes. It's a good idea to review your beneficiary designations regularly, especially if there's been a change in your personal details, such as a marriage, divorce or birth of a child.

Review your beneficiary designations today and protect your loved ones.

Log in today to ensure your beneficiary designations are accurate.

It's easy to name your beneficiary. Just follow these steps.

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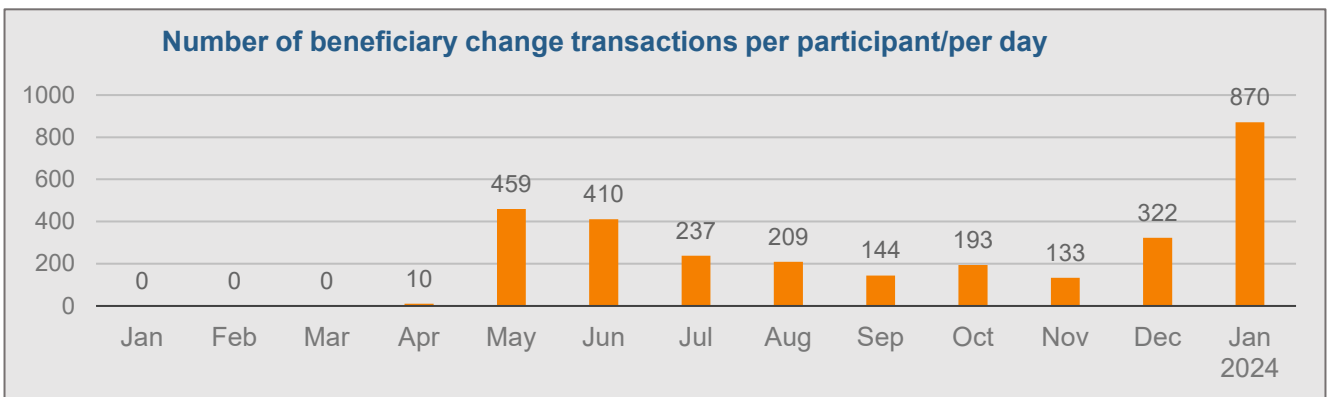
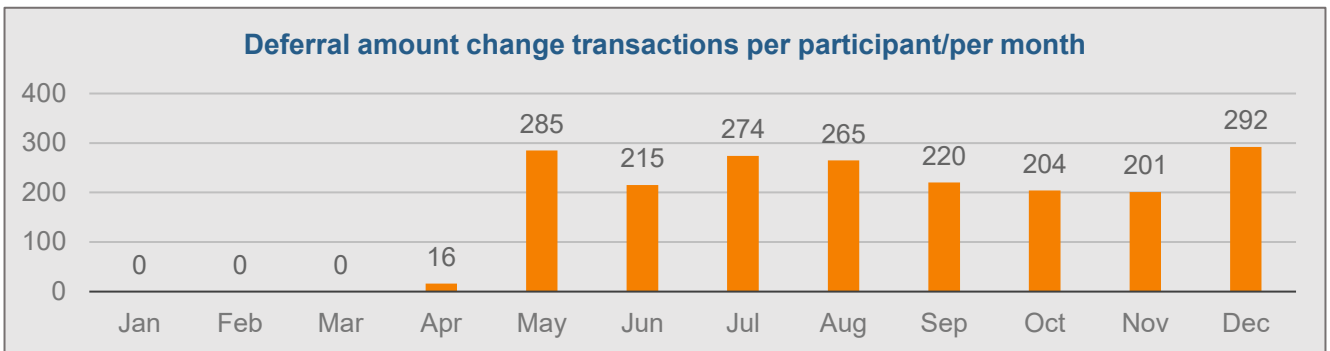
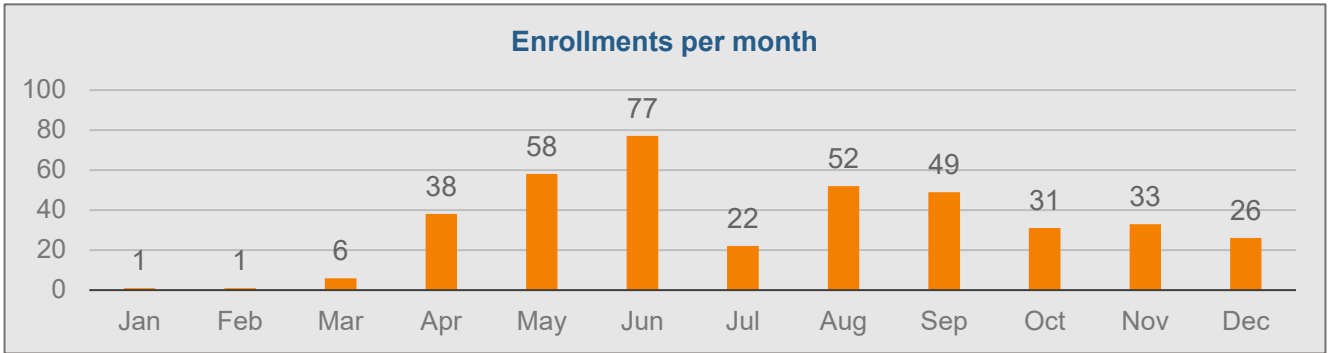
Average benchmarks (All industries) - open rate: 19.21%, click-through activity: 2.44%
 Average benchmarks (Financial Services) - Unique open rate: 20.20%, click-through activity: 2.50%

[Email Marketing Benchmarks for 2023:](https://www.webfx.com/blog/marketing/email-marketing-benchmarks/)

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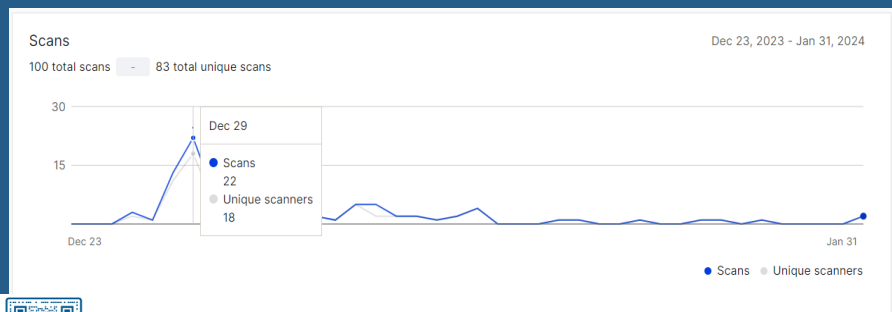
Results – Plan metrics

The following graphs show the number of enrollments (excluding auto-enrollments), deferral amount changes and beneficiary changes in the Plan. Plan enhancement services were enabled 4/27/23.



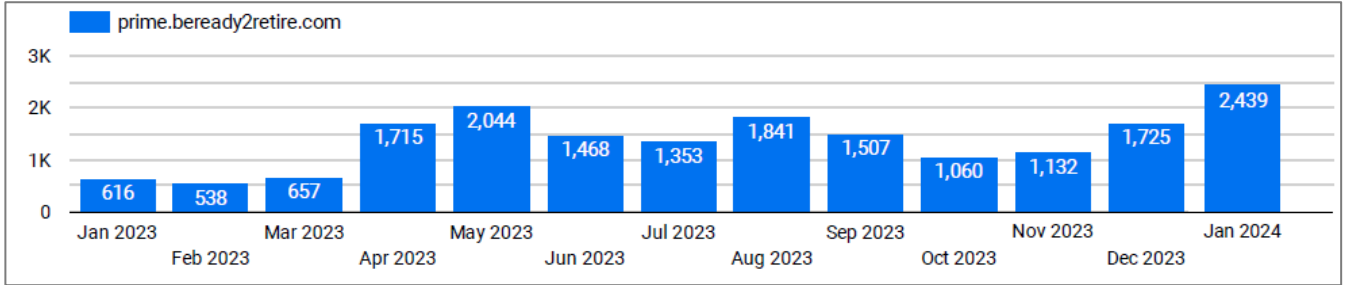
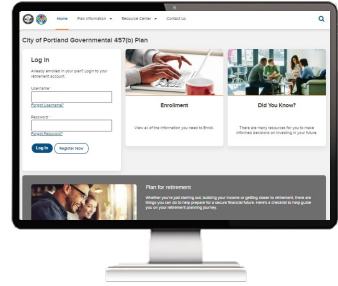
The Q4 beneficiary solicitation letter included a QR code that redirected participants to the Plan website. The following chart shows the number of QR scans from 12/23/23 – 1/31/24.

- 100 total scans
- 83 unique scans
- 1/22/24 had the highest volume of scans (7 scans).



Results – Digital engagement

There was an increase in online digital engagement after the Plan enhancements were enabled. This graph shows the number of unique visits per day to the Plan website from 1/1/23 – 1/31/24.



The recordkeeper, Voya®, offers an interactive, educational, online experience (account post-login) that shows a participant the monthly retirement income they'll likely need and the estimated progress towards that goal. Prior to 4/27/23, a participant would use the tool and, if wanting to make a deferral amount change, complete and submit a paper form to the City. With CRC enabled, a participant is now able to make changes to their deferral amount through the tool itself. The table below shows the tool engagement in 2022 (paper form submissions required) compared to 2023 (CRC enabled 4/27/23).

myOrangeMoney (myOM)	2022	2023
Participants who logged into their Plan account		
Viewed myOM	71%	70%
Engaged/interacted with myOM	29%	39%
Took action	3%	23%

- 2023 – Action taken:
- 134 ppts were saving an average of 1.8% more per pay period (from 7.5% to 9.3%)
 - 133 ppts were saving an average of \$77 more per pay period (from \$373 to \$450)
 - 32 ppts changed a fund allocation
 - 10 ppts rolled money into plan

Feasibility of Use

Using technology, governmental plan sponsors can reduce or eliminate the need for paper forms and processing for many deferred compensation plan administrative services. Transitioning to digital can help to improve the employee experience, increase efficiency and data security/integrity and reduce administrative challenges. Based on the City's results outlined in this submission, the introduction to self-service technology has increased engagement and action within the Plan. The successful launch of these new enhanced services was accompanied by a multi-touch, multi-media communication campaign that sought to introduce these new services. The City understands that the world may not yet be at the time when all paper forms can be submitted and processed electronically; however, the City of Portland is excited to be seen as a successful case study on how a few enhancements can have a positive affect on the participant experience and Plan health.