

LifeHealthPRO

3 simple, strategic steps for retirement plan enrollment success

Put these tactics to work to create a more favorable enrollment experience and foster the creation of strong new client relationships.

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As the retirement planning landscape continues to evolve, successful brokers are differentiating themselves by partnering with retirement plan providers that take a more contemporary approach to the enrollment process.

How? These brokers, with the help of a provider partner, are beginning to understand and address the main roadblocks that prevent employees from making critical decisions during enrollment. These roadblocks include employees being overwhelmed with the complexities of enrolling, not knowing how much to save, and being confused as to how and where to properly invest their savings.

Using the following simple strategies, a good broker/provider team can help employees overcome these behavioral obstacles for a successful retirement plan enrollment process. In doing so, brokers will keep their plan sponsor clients happy by boosting employee participation and deferral rates. In addition, employees will be empowered with the tools and knowledge necessary to properly plan for retirement.

1. Make enrollment and participation easy.

Although it is often not given the attention it deserves, the enrollment meeting represents a major opportunity to “strike while the iron is hot” and get employees enrolled in their retirement plan. To do this, brokers, providers and sponsors must work together to capture employee attention, simplify the meeting and make enrollment as simple as possible.

Capture employee attention

One way to encourage employee enrollment is by developing a communications campaign around enrollment. Communications should come early and often. This might include sending messages about the plan and its options via e-mail, through a company’s intranet or through other means, such as posters, payroll stuffers and social media. Ongoing and proactive communication will help employees better understand why and how to participate and be better prepared when it comes time to enroll.

Simplify the enrollment meeting

Combining the enrollment meeting with other benefits sessions can be an effective strategy. Pairing benefits meetings makes it easier on the employer and often can result in an upswing in enrollment. It is important, however, to avoid overloading employees with too much information, so the presentation must be interactive and engaging, and the materials must be impactful and relevant.

Another idea is to take your enrollment meetings into the virtual realm. Employers with more than one location often face extra obstacles when attempting to simplify meetings and reduce costs during enrollment. Enrollers can leverage technology, such as webinars, to bring together many people from different areas in a cost-effective way. Webinars allow people to follow along from one presentation, and participants can type in or call in with questions. Plus, participants can easily access companion educational materials via a link afterward.

Make enrollment headache free

Providing employees a way to sign up for their company's retirement plan at the enrollment meeting is a great way to simplify the process. The plan information is still fresh in their minds, so it's imperative to sustain this momentum. Don't give employees the chance to go back to their desks and put off enrolling for another time. Enrollers can leverage technology such as iPads to actively engage employees and allow them to enroll securely on the spot, while getting any questions answered right away.

Perhaps the easiest way to support high retirement plan participation is by encouraging plan sponsors to incorporate automatic enrollment in their retirement plan. With automatic enrollment, employees are enrolled in their company's retirement plan unless they choose not to participate. This plan feature essentially eliminates the need for employees to act by setting up an automatic contribution rate and asset allocation.

Automatic enrollment helps employees overcome decision avoidance by reducing the number of active decisions an employee has to make. By making enrollment easy for employees, there is potential to see dramatic improvement in employee participation rates.

2. Provide personalized plans.

Employees now have more say in how they manage their retirement savings than ever before, yet employee participation in company-defined contribution plans remains low. At the same time, employees are more likely to feel ownership of their retirement plan if it is customized just for them.

That's where brokers can help. Brokers can highlight the benefits of offering managed accounts to participants. Managed accounts are personalized, flexible investment portfolios tailored to the specific needs of each individual.

Some popular one-size-fits-all investment options (such as target date funds) may only take into account a person's estimated retirement age. But, the fact is, individuals with the same estimated retirement age may be in completely different financial situations and, therefore, require completely different retirement solutions. Think about it — a 35-year-old who is married with four kids would have completely different retirement goals than a 35-year-old bachelor.

A managed account approach offers a comprehensive retirement planning solution that is all about addressing the unique needs of each participant in order to determine an optimal savings rate and asset allocation.

Managed accounts factor in an individual's current savings, future retirement income needs, risk tolerance, future increases in income, cost of living increases and more. The result is a personalized solution that gives employees a true sense of what they need for retirement and the ability to get there.

3. Provide ongoing retirement education.

Retirement education should not begin or end at the enrollment meeting. For a plan sponsor's retirement plan to generate consistent and sustainable employee participation, it is critical to provide employees with ongoing education on the best practices and how-to's of retirement planning.

This ongoing education can be delivered through face-to-face meetings, such as brown bag lunches and presentations, or quick tips via fliers and tailored e-mails. These ongoing learning modules will help build employees' retirement knowledge and get them on the right track to making sound savings and investment choices. Popular topics include:

- Basics of the financial markets
- Tips for saving money
- Using everyday strategies to build financial strength
- How to overcome investing fears
- Building your knowledge of investment options
- Helping retirement money last

In addition, employees should be encouraged to take advantage of free, interactive online financial tools that will help educate them about their retirement and investment options. For instance, Adaptu, a wholly owned subsidiary of StanCorp Financial Group Inc., is an online financial life planning and management service that members can use to create personalized views of their financial lives. It can connect all aspects of a person's finances so he or she can proactively manage them and see the bigger financial picture. Individuals also can connect with other members, via discussion boards, blogs and videos, in order to give and receive advice from others who are going through similar financial situations.

Making it all work

Putting these important strategies to work will help brokers create a more favorable enrollment experience for everyone involved and help build and foster strong client relationships. Sure, making the sale is important, but guiding and supporting plan sponsors and participants after the sale is just as critical to a broker's long-term success. And when the time comes, and those plan participants are retirement-ready, they just may have their broker to thank.



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