

DESIGNING A STRONG RETIREMENT PLAN

Preparing Employees Today for
Retirement Tomorrow



1



Retirement is **changing.**



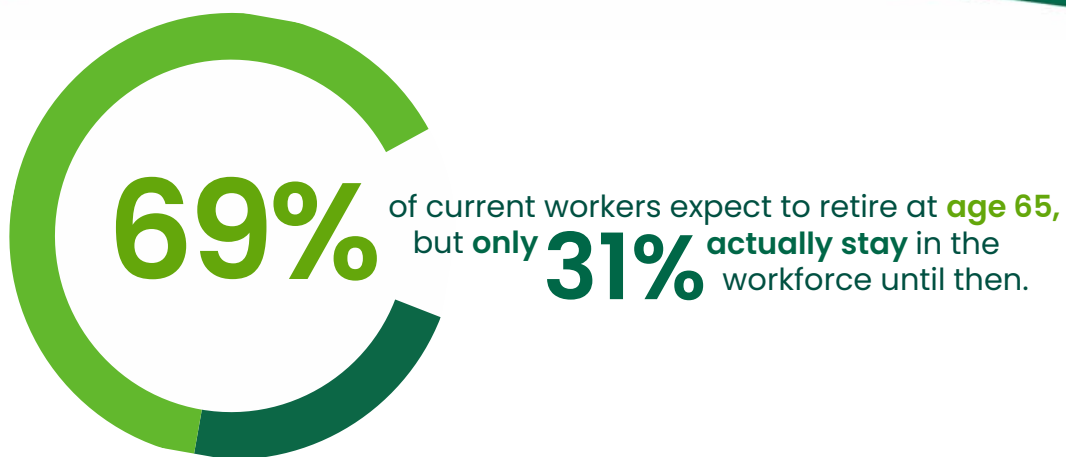
2

Retirement Redefined



3

Retiring Early



Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., 2017 and 2018 Retirement Confidence Survey, Data as of March 2018.

4

Components of Retirement Planning



5

As a plan sponsor, **the decisions you make today** will either improve or hinder the quality of life for your employees during their retirement.

6



Is your plan **keeping up?**



7

Agenda

How to Identify Your Plan Sponsor Level

How Plan Design Supports Retirement Outcomes

How to Leverage Plan Design Toward Successful Retirement Outcomes



8

How to identify your **plan sponsor level**

9

PLAN SPONSOR **Basic**



- Retirement plan available to employees
- No documented plan goals or objectives
- No understanding of fiduciary responsibilities
- No employer contribution
- No employee education



10

PLAN COORDINATOR

Good



- Basic documented objectives
- Limited fiduciary knowledge
- Employer contribution up to 3%
- Limited employee education



11

PLAN MANAGER

Strong



- Clearly defined plan objectives
- Proficient fiduciary knowledge
- Employer contribution up to 6%
- Consistent employee education



12

PLAN STEWARD Champion



- Clearly defined plan objectives
- Advanced fiduciary knowledge
- Employer contribution of 10% or more
- Robust employee education
- Consistent evaluation of plan effectiveness
- Annual reminders to non-participating employees
- Plan reflects overall mission and values of organization



13

How do I know if my plan is moving toward **success?**

Work toward **plan benchmarks:**

- 90% of employees making contributions
- 15% average deferral
- 90% invested appropriately



Run retirement reports through the GuideStone Employer Access® Program (EAP).



14

How Plan Design Supports Retirement Outcomes



15

Know Obstacles to **Successful Retirement Outcomes**

- **Inertia** — Preference for the status quo
- **Myopia** — Detrimental focus on the short term; employees do not identify with their future selves
- **Loss aversion** — The strong negative response to loss



16

Combat Obstacles with **Strategic Plan Design**

Strategic Plan Design

- Promotes **overall plan health**, driving financial wellness for the organization and employees
- Allows you to **stay competitive in the marketplace** by providing essential retirement offerings
- Provides **best-in-class benefits** to attract and retain talent
- Helps employees save well so they can **retire with financial security**
- Creates focus on an employer's **unique financial goals** and objectives



17

SUCCESSFUL PLAN DESIGN: Church Plan Case Study



Plan Goal

Introduce matching contributions for the first time and focus on retirement readiness for staff

Current Plan

- 0% employer contribution
- 108 employees making contributions

Strategic Plan Initiative

- Added 3% employer matching contribution
- Leadership held group meetings to announce the new matching contribution schedule

CHURCH PLAN

60%
ministers

10%
school workers

30%
non-ministerial



18

SUCCESSFUL PLAN DESIGN: Church Plan Case Study



★★★
113%
increase in
employee
participation

The Outcome

- New 3% employer contribution enhances plan
- 230 employees making contributions

Future Initiatives

- Implement automatic enrollment at 6%. This would further increase participation and employee deferral percentages while minimizing costs to the employer.
- Educate participants on the Investment Recommendation tool in order to enhance their overall investment allocation. This would provide a personalized recommendation for each participant.

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19

How to Leverage Plan Design toward **Successful Retirement Outcomes**



20

Apply Best Practices of **Effective Plan Design**

- Add or increase employer matching or non-matching contributions
- Implement a vesting schedule or a waiting period to help retain talent
- Allow employee Roth Contributions
- Remind employees to work toward 15% overall savings
- Discuss retirement savings as part of annual reviews
- Offer a quick enrollment form to streamline plan participation



21

Schedule **Annual Plan Health Checkups**

Take time to review your:



Plan compliance



Plan design
effectiveness



Fiduciary
responsibilities



Educational
impact



22

Engage Employees Through **Interaction**



Point your employees to GuideStone® representatives

- Webinars
- Customer Solutions
- Online advice



Utilize Resources

Our team of professionals is just **one call or email away** from your employees.



23

Engage Employees Through **Interaction**

Direct your employees to our online resources:
[**GuideStone.org/Resources**](https://www.guidestone.org/Resources)



Webinars



Calculators



Articles



24



Retirement is **changing**.
Make sure **you're evolving, too.**



25

NEXT STEPS

- **Continue** your objectives for the plan
- **Create** success measures for your plan
- **Understand** budget capacity and impact
- **Modify** plan design elements to drive action
- **Discuss** plan options with GuideStone



26

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27


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28