

DC Perspectives

JAN
2022

New Year, New Plan: Resolutions to Support Your Participants in 2022

As 2022 kicks off and resolutions for the new year are finalized, we have decided to compile a list of suggestions for defined contribution plan committees that can serve to support their participants as annual reviews and quarterly meetings begin.

AUTOMATIC FEATURES

- ▾ **Auto-Enrollment Default Rate & Auto-Escalation Cap Rate**
At a minimum, Marquette finds it to be a best practice to have these features included within plan designs. Defined contribution plans and the demographics of the participant base can vary to determine the appropriate rates. If automatic features are already implemented, set a goal to review and potentially increase the rates offered to improve participant contribution elections.

PARTICIPANT COMMUNICATION CAMPAIGNS

- ▾ **Online Account Set-up**
Increase cybersecurity and protection against identity theft. Not having an online account established leaves participants more susceptible to identity theft by outside individuals (e.g., fraudsters setting up accounts on behalf of participants with the intent to liquidate assets). Identify participants within the plan that have not established an online account and take steps to ensure this is corrected.
- ▾ **Beneficiary Election**
Protect the families and significant others of participants. In line with establishing an online account, it's important for participants to elect a beneficiary and identify the individual to whom their funds are entitled. Identify participants within the plan that have not elected a beneficiary and communicate the ways in which these oversights can be corrected.



Matt Nowak, AIF®
Defined Contribution
Specialist

Participant Rollovers

Consolidate retirement accounts from previous employers through in-bound rollovers. According to a recent study conducted by Capitalize, \$1.35 trillion worth of assets were held in forgotten 401(k) accounts as of May 31st, 2021. Participants miss out on additional retirement savings each year their old accounts are left behind with previous employer plans, since holding multiple accounts often leads to investors incurring higher fees.

Additionally, it is important for plan sponsors to collaborate with recordkeepers in order to develop targeted participant communication strategies. These strategies include email, hard copy mail, or onsite visits that highlight the benefits of the resolutions referenced above. Confirm all employee census data is up to date to ensure participant communications are properly received.

All of these resolutions can and should be measurable goals for plan sponsors in 2022 in order to improve participant outcomes. If this is of interest to your plan, please contact your Marquette consultant for additional information and resources. ■

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