

# How do I get my employees engaged in the 401k benefit?

It can be frustrating to offer a retirement plan benefit to find out that not all of your employees are utilizing it. With administrative costs that come with any employee benefit offering, you want to make sure your employees are seeing it for just that – a benefit! These are a few ways that we've found help get participants excited to save.



## **Employer dollars: Talk up the free money!**

By having any sort of a matching or profit sharing component to your retirement offering, you are offering money on the table to each employee. Explaining how it works, sending reminders, and informing them of this “free money” that will go towards their future retirement goals can be a great way to get your employees listening and engaged in the retirement plan.

## **Fiduciary Advice: On-site advisor & education meetings.**

Fiduciary advisors that specialize in retirement plans may offer to come onsite and conduct one-on-one meetings with employees to talk through strategies, goals, and time horizons. As an extension of the retirement plan, this service typically comes at no additional charge. When an advisor comes to your office, ask him or her to have a group meeting and talk about a financial wellness topic to get the group thinking about finances. Sometimes offering lunch or refreshments to your employees that attend the meeting can be an added incentive to get them to the presentation and thinking about retirement.

## **Communication is key: Targeted messaging.**

Depending on your recordkeeping provider, you might have access to target messaging. This allows the recordkeeper to send messages to participants to engage them on a consistent basis. For example, some messages will promote the benefits of saving as little as 1% of employees' paychecks. Other messages will let them know that they aren't taking full advantage of an employer match. Talk to your provider(s) and see if you have access to this feature. Enabling it can be a key way to drive participants to check their balances and start getting serious about saving.

## **Set-up for success: Automatic features.**

Newer features of a retirement plan, like automatic enrollment or auto-escalation are ways that employers have made it easier for their employees to start saving. Auto-Enrollment will enroll any new hire at a defined percentage. If he or she decides **not** to contribute to the retirement plan, the participant will have to go online and opt-out of the program. Auto-escalation works in a similar way, by automatically increasing the percentage a participant is contributing on an annual basis until it reaches a chosen percentage. The participant can opt out of this as well. Check with your TPA and talk to them about plan design features to make this happen if it sounds like it could be good for your corporate culture.

All companies are different and it's important to set up a plan that engages your participants in a way that will speak to them. If you're looking for more ideas, or to potentially hire an advisor to help get your employees excited and on the right track for retirement, feel free to reach out to the PGR Solutions team.