



How To Talk to Your Employees About Their 401(k)

Adapting in a post-COVID workplace

Despite market volatility and a dynamic business environment, your responsibility as a plan sponsor remains the same—to communicate the same key messages: Save a lot, and save often. What's also crucial in these times? Having a provider that serves you and your employees as a partner, not just a vendor.

If your company needs to **halt its matching contribution...**



Be proactive. With lots of news coverage around companies finding financial workarounds and making cuts, your employees may be anxious about this. Anticipate the follow-up questions you may receive about when and how the cuts will go into effect, providing a clear path forward and your plan to reinstate the company match in the future.

If your employees are anxious about **market volatility...**



Show leadership. Employees will look to you for guidance or smart strategies for managing the volatility. Remind them that the best strategy is to stay the course, and that daily ups and down aren't going to permanently affect their savings. Remind them that they may have access to your provider for specific advice.

If your employees want to **withdraw their retirement funds** or use them to take out a loan...



Depending on your retirement plan design, employees may have the option to access funds before retirement, but employees should only take advantage of these options if they are in dire straits. Make sure that you clearly communicate the conditions of these withdrawals: Loans will need to be repaid, withdrawals will eat into retirement savings they have worked hard to build, and they will need to pay taxes on any withdrawals.

If you have **furloughed or laid off employees** who are returning...



Employees' retirement savings will be hurt if they don't re-enroll in the plan. What's more, the plan's nondiscrimination testing could be affected. The IRS requires that plans not discriminate in favor of highly compensated employees. If enough employees are laid off and they don't elect to re-enroll in the company's plan, this could have a negative impact on the testing.



Adapting Communication Channels For a **REMOTE** Workforce

Are you facing new challenges with a remote workforce?

You're not alone. With the new business environment, it may be time to rethink how you communicate about your plan. Here are five checks to help you adapt communication for your team.

- Consider your team demographics, paying special attention to age

When choosing communication channels, meet your employees where they are, prioritizing ease and access. Consider the platform, length, frequency and level of interactivity required.

TIP: How tech-savvy your workforce is will be a major factor. The pandemic has brought technology to the forefront, but it's not always the answer. You don't have to use every platform: you need to be on the platform that your audience uses, whether it's direct mail or a mobile app.

- Develop targeted messaging

An increasing focus on data-driven technology makes it possible to keep track of participant needs and reach out to specific employees with distinct retirement challenges.

TIP: Use customized subject lines and keep your email communications to a maximum of one per week, or risk decreasing engagement. Consider having team leads or managers give employees a heads-up that communication is coming and why it's important.

- Consider mobile apps

Leveraging mobile apps is a next-level way to engage employees where they are—on their devices.

TIP: Make it easy for employees to opt-in to text messages and notifications about important plan dates.

- Leverage on-demand video

For visual learners, video and webinar trainings are a useful tool. If you're struggling to engage employees in retirement discussions, they may especially prefer a series of videos that are available on-demand. Then they can re-watch a segment if they don't immediately understand an issue, without having to speak up in front of their co-workers.

TIP: Keep videos to shorter soundbites so that each piece is quick and accessible. Talk to your provider about what resources they may already have available.


- Use surveys to ask your employees what they prefer and what matters most

Lots of companies solicit feedback on culture, technology and overall workplace satisfaction—why not ask for feedback on retirement communication and education? It's a complex issue in which all employees have a stake and their insight will be immensely valuable in developing targeted, engaging communications.

TIP: Create an incentive for employees to complete the survey to maximize input.

Working through retirement plan communication challenges in real time? Get in touch to set up a conversation with our team.

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