

Healthcare System

Success story



The background

Before partnering with Transamerica, this healthcare system faced two common retirement plan challenges:

1. Employees were not actively engaged in planning for a secure retirement
2. In-house administration was too actively involved with the burdensome task of administering their retirement benefits

The leadership of the newly merged healthcare system was committed to addressing these challenges. Working closely with its financial advisor, the team reviewed top plan providers and chose to transition its defined contribution (DC) plans to Transamerica.

After several years of experiencing the Transamerica difference, it decided to outsource the administration of its frozen defined benefit (DB) plan to Transamerica as well – a move that was completed in one-fourth the time the organization initially anticipated.

The resolution

A number of factors contributed to making this a successful partnership – both in terms of reducing the organization's administrative burdens as well as enhancing its employees' retirement readiness.

Updated DC plan design

As part of the transition process, Transamerica carefully assessed the 403(b) plan design and recommended several updates. To overcome participant inaction, the plan sponsor implemented:

- *Auto-enrollment* – which boosted the average participation rate in the 403(b) plan to 98.8%, thanks to very low opt-outs
- *Auto-escalation* – which drove an average deferral rate of 8.7% – and a 58% lift in those saving 10% or more

The addition of these two features to the 403(b) plan made a significant, sustained impact on participant outcomes.



The client

Sponsor: Healthcare System

Plan(s): 403(b), 457(b), frozen DB

Focus: Improved participant engagement and administration



Participation rate¹

98.8%



58%

increase in participants saving 10% or more within five years²

Holistic DB/DC administration

After several years seeing these strong results, the client opted to take full advantage of Transamerica's *Total Retirement Outsourcing*® (TRO) service. Transamerica now handles all administration, education, compliance, and employee servicing for the organization's DC plans and the frozen DB plan. This seamless integration has helped streamline costs, better manage overall risk, increase reporting accuracy, and improve the participant experience.

Integrated employee reporting

One of TRO's key advantages is that it gives employees an integrated view of their total retirement resources. Better yet, that holistic view is available 24/7 through a single website – where they can model their own DB calculations, manage their DC deferrals and investments, and view their consolidated *OnTrack*® retirement benefit projections.

Not only does this self-service site give employees the information they need whenever they want it, it frees up internal resources, allowing them to focus on other organizational priorities.

Comprehensive employee education

Complementing these high-tech advantages are Transamerica's high-touch services. What employees often find most engaging are the regular learning opportunities Transamerica provides. Each quarter, its retirement planning consultants offer highly attended Get Ready to Retire workshops – as well as other seminars and webinars throughout the year on topics such as Money Management Essentials and Retirement Income Planning.

Focus on retirement forecasts

Transamerica focuses participants on the retirement income their strategies may generate. Using easy-to-understand weather icons, Transamerica's *OnTrack* tool helps participants understand how their savings rate, investment strategy, and desired retirement age and income goals can directly impact their retirement forecast. This assessment can motivate them to take the actions necessary to improve their retirement forecast.

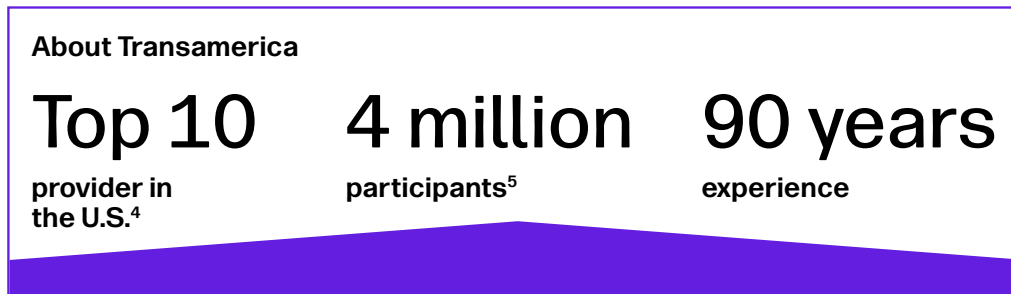
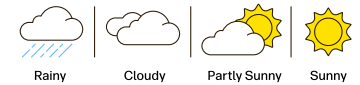
Enhanced participant experience and retirement forecasts

Employees can now access holistic plan info

24/7

85%

of employees who set up a profile have a positive retirement forecast³



¹ Retirement and 403(b) Savings Plan Report, December 31, 2020.

² Transamerica Participant Scorecard 2016 - 2020.

³ Calculated based on those with Partly Sunny and Sunny forecasts after removing participants with an outlook in progress.

⁴ "2024 Recordkeeping Survey," PLANSPONSOR, June 2024.

⁵ As of December 31, 2024.

Important: The projections or other information generated by the engine regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results, and do not guarantee future results. Results derived from the tool may vary with each use and over time.

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