

CASE STUDY

THE BACKGROUND

Like many large organizations, one of Transamerica's longtime manufacturing clients has operations in multiple U.S. locations, each with their own internal communications staff and payroll resources. In addition, the production schedule is around-the-clock, requiring many employees to work shifts outside typical business hours.

THE CHALLENGE

Working closely with Transamerica, the client decided to freeze its defined benefit plan and merge the assets from its employer-directed money purchase plan into the existing 401(k) plan. In line with these changes, the client wanted to ensure a carefully managed approach to unwinding the plans while driving improved retirement readiness among its employees. A strategic communication plan was needed to address anticipated employee concerns about the perceived loss of these valued benefits.

THE SOLUTION

Among its key goals, the client wanted to increase employee interest and participation in the 401(k) plan and provide a clear understanding about why the retirement plan changes were necessary. Working together, the client and Transamerica focused efforts on two crucial deliveries — plan redesign and a communications strategy for relaying information to employees across several work locations.

PLAN REDESIGN

To address participation rates, the client added auto-enrollment at a 3% default contribution rate (later raised to 5%). The client also introduced an auto-escalation feature, which increased a participant's contribution rate by 1% each year until it reached 20%. As a secondary request from the client, Transamerica added a 12-month waiting period for retirement-plan loans. This curtailed the immediate demand for loans, much to the client's satisfaction.

COMMUNICATION STRATEGY

Transamerica created a custom presentation to explain the reasons for the changes, tailoring the content to address unique information needs of each location across multiple shifts. The presentation also included information designed to engage people on the importance of planning for retirement.

THE CLIENT

SPONSOR: Large manufacturing organization

GROUP: 1,292 employees*

PLAN: 401(k)

FOCUS: Plan Consolidation and Retirement Readiness

Redesigned plan added a:

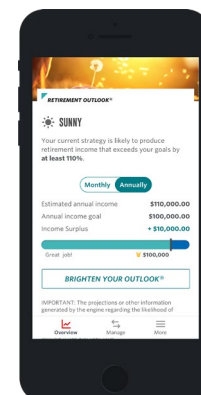
5% default contribution rate

1% annual auto-escalation rate up to 20%

Communications included:



- Custom presentations
- Targeted email campaign
- Personalized forecasts



Images are examples only and do not reflect the experience of any particular user.

CASE STUDY

To complement the presentation, Transamerica created a targeted email campaign emphasizing the importance of saving more, diversifying retirement assets, and using the *OnTrack*® tool to determine retirement readiness. The interactive *OnTrack* tool produces *Your Retirement Outlook*®, a personalized forecast that uses weather icons to show participants if their current strategy is likely to meet their income goals in retirement. Once a participant uses the tool, their forecast appears every time they access their account online. It also appears on their quarterly statements.

To create a more accurate forecast, *OnTrack* automatically includes defined benefit assets administered by Transamerica — even if the plan was frozen, as was the case for the manufacturing client before being terminated.



Rainy



Cloudy



Partly Sunny



Sunny

THE RESULTS

Thanks to creative plan design and an effective communication strategy, the client continues to see an increase in positive retirement forecasts and an overall improvement in plan health.

“Transamerica has been a great partner for more than 25 years. They understand us and our business and continue to help us move the needle and help our participants prepare for retirement.”

— Director
BENEFITS AND COMPENSATION

The changes have had a positive impact on the 401(k) plan’s overall performance.*

POSITIVE RETIREMENT OUTLOOKS INCREASED FROM 84.13% TO

86.17%

AVERAGE ACCOUNT BALANCE INCREASED FROM \$108,630 TO \$121,289 — A JUMP OF

11.7%

ABOUT TRANSAMERICA

TOP 10
PROVIDER IN THE U.S.**

4.1 MILLION
PARTICIPANTS***

85+ YEARS
EXPERIENCE

*Internal client data 2020 through 2021

**“2022 Recordkeeping Survey,” PLANSPONSOR, July 2022

*** As of December 31, 2021

Note: Case studies are illustrative and do not imply an endorsement of any particular product or service. Each employer’s situation is unique, and results may vary.

Important: The projections or other information generated by the engine (which produces *Your Retirement Outlook*®) 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.

Securities offered through Transamerica Investors Securities Corporation (TISC), member FINRA, 440 Mamaroneck Avenue, Harrison, NY 10528.

All Transamerica companies identified are affiliated.

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