



DELAWARE RETIREMENT SAVINGS PLAN

DEFER

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State of Delaware 457b, 401a, and 403b

1Q18 PROGRAM REVIEW

JUNE 12, 2018

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All data contained is as of 3/31/18

VOYA
FINANCIAL



Agenda

- Progress to Goals
- 2018 Marketing
- Program Considerations
- Business Metrics

Goals

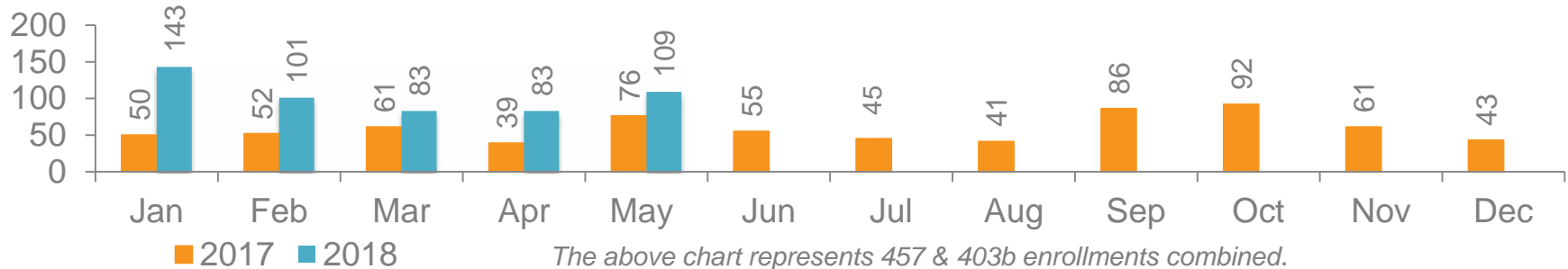
1. Increase program participation by 2% per year 2017-2019
2. Increase the number of participants that would qualify as “retirement ready” by 20% per year (retirement ready is defined by 100% income replacement goal with 15% coming from deferred compensation programs)
3. Manage investment offering to ensure overall performance meets or exceeds respective benchmark each year

Scorecard	2018 YTD Actual	Annual Goal
Program Participation Rate	37%	39%
Retirement Ready	1,627 participants	1,972 participants



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Goal 1 – Increase Program Participation



Commentary

- 327 enrollments in 1Q18
- 100% increase in enrollments when comparing to 1Q17
- 66% increase in enrollments from 4Q17
- 92% Existing Employees
- 8% New Hires
- 519 enrollments YTD
- 43% of Advisor appointments with non-participating eligible employees
- Employees are responsive to e-mail campaigns
- 686 Terminated participants in 1Q
- 117 Contributing participants terminated in 1Q

Drivers

- 3 HTML Program Awareness e-mails (Dec, Jan & May)
- New Hire Outreach – Invitation to enroll (ongoing)
- First Paycheck Inserts – 983 New Hires in 1Q
- 189 non-participating employees met with Advisors in Q1
- Open Enrollment Benefits Fairs – May
- 7 Group Meetings
 - Department of Finance 1/17 & 1/18
 - Department of Corrections 1/24, 2/15, 3/13 & 3/16
 - State Police Headquarters 2/21
- DSEA Events – 3 meetings and 250 attendees

Participant Universe

	457(b)	403(b)	401(a)
Total Participants with a Balance	16,169	5,739	9,991
Active ¹ Participants	10,876	5,363	6,741
Terminated ² Participants with a Balance	5,293	376	3,250
Eligible Participants	38,734	30,586	0
20,601 Unique Participants with a Balance 14,225 Unique Participants Contributing			

1- "Active" participant = a participant with a balance and no termination date on file, contributing and non-contributing

2- "Terminated participant" = a participant with a balance and a termination date on file



Goal 2 – Increase Retirement Readiness

Factors	457(b)	403(b)
Count of Active Contributing Participants	10,396	4,976
Average Account Balance	\$39,439	\$15,111
Average Contribution Per Pay Period:	\$155	\$298
Average Contribution Per Pay Period: New Participant (Enrolled in 1Q18)	\$168	\$125
Percent of Participants Contributing to Tier 1 (Target Date Funds)	77%	84%
Count of Managed Account Users	117	38




Commentary

- 1% Decrease in count of contributing participants when comparing the same time period in 2017
- 277 Less contributing 457 participants due to maturing population that are retirement eligible
- New 457 Participants are contributing more than the existing 457 participants
- 457 Average account balance is up 12% over the same time period last year
- 403b Average account balance is up 50% over the same time period last year
- Overall the average contributions in 1Q18 trailed 4Q17 – correlation to market performance
- Tier 1 or Target Date funds are still the most popular amongst all employees

Drivers

- 3 HTML Program Awareness e-mails (Dec, Jan & May)
- 1Q18 – Market Volatility Statement Insert
- 2Q18 – Program Benefits/Consolidation Statement Insert
- 250 Retirement Consultations w. Advisors in Q1
- Pension Meetings 3/20 & 3/28
- 440 Advisor Appointments
- 1,018 Virtual Appointments
- 4,644 Unique Participants Visited the Website
- 2,807 Initiated a Transaction
- My Orange Money Engagement:
- 278 Unique Participants Took Action
- 245 Contribution Increases/catch up

2018 Marketing Areas of Focus

Digital	Print	Local Engagement
<ul style="list-style-type: none"> ▪ Bi-Monthly E-mail campaigns- 7/1 & 9/1 ▪ Financial Wellness Tool – Voya website 5/1 ▪ Enrollment Video 7/1 ▪ Single Sign-On Launch 7/1 ▪ Automation E-mail Journey – Savings Rates 8/1 	<ul style="list-style-type: none"> ▪ Statement Stuffers – Ongoing ▪ Paycheck Inserts – Ongoing ▪ Invitation to Enroll – Ongoing ▪ Consolidation Campaign – All Participants 7/1 ▪ Targeted Mailings - Eligible Not- Participating Eligible Not-Participating 50+ 	<ul style="list-style-type: none"> ▪ Agency Outreach – Top <37% ▪ Enrollment Day – 8/1 ▪ Retirement Consultations- Ongoing ▪ Business Manager Meetings – Ongoing ▪ National Retirement Security Week Meetings 10/22
		

Future Considerations

- Allowing Deferrals in Dollar and Percent
- Government Client Case Study



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Appendix



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Program Snapshot 1Q18

	457(b)	403(b) ²	401(a)	1Q18 Total	2017 Total
Beginning Balance	\$638,794,052.11	\$80,575,752.41	\$22,206,821.00	\$741,576,625.52	\$609,297,826.70
Contributions	\$10,194,016.30	\$5,558,050.37	0	\$15,752,066.67	\$57,371,819.58
Distributions	(\$9,426,430.17)	(\$571,963.63)	(\$334,333.49)	(\$10,332,727.29)	(\$37,423,527.18)
Rollovers\Transfer & Adjustments	\$519,809.75	\$1,363,890.98	(\$2038.54)	\$1,881,662.19	\$12,769,948.62
Dividends	\$393,097.26	\$54,048.82	\$6,285.10	\$453,431.18	\$18,951,638.25
Appreciation\ Depreciation	(\$1,589,432.95)	(\$210,130.55)	(\$31,062.79)	(\$1,830,626.29)	\$82,062,692.79
Fees	(\$209,318.04)	(\$28,245.75)	(\$9,502.13)	(\$247,065.92)	(\$1,453,773.24)
End of Period Assets	\$638,675,794.26	\$86,741,402.65	\$21,836,169.15	\$747,253,366.06	\$741,576,625.52
Participant Accounts¹	16,169	5,739	9,991	31,899	31,870

¹ Participant accounts represent actual number of accounts on Voya recordkeeping system and are non -unique

² Data is as of 03/31/18 and includes Voya record kept assets only – Legacy 403b vendors excluded .



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Plan Design Case Study



Goals

- Encourage greater participation and savings in the Plan by eligible employees
- Simplify Plan investment options and reduce costs

Strategy

- Microsite outlining participant information/options
- One-on-one meetings with key officials
- Advance notification mailing to employees and participants
- Educational seminars
- Reminder postcards and emails



Results

- Overall participation went from 62% to 83%
- Deferral rates increased from 5.5% to 6.5%
- Default fund (Target Date Funds) usage from 8% to 29%

