



DELAWARE RETIREMENT SAVINGS PLAN

**DEFER**

For a brighter tomorrow™

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

# 3Q18 PROGRAM REVIEW

DECEMBER 4, 2018

*Voya Financial*

All data is as of period ending 06/30/2018 unless otherwise noted



# State of Delaware

## Your Voya Financial® Team

### Senior Leadership Team



**Charlie Nelson\***  
Chief Executive Officer  
Retirement Services



**Heather Lavallee\***  
President  
Tax Exempt Markets



**Frederick Blue\***  
Senior Vice President  
Head of Relationship  
Management



**Mark Jackowitz**  
Senior Vice President  
Mid-Atlantic Region

### Relationship Team



**Kellie Desrosiers\*\***  
Vice President  
Strategic Relationship Management  
(860) 580-2462  
Kellie.Desrosiers@voya.com

Kellie has primary responsibility for Voya's relationship with the State and will participate in communication and education planning, ongoing service reviews, and will facilitate access to Voya's senior management.



**Sarala Katta\*\***  
Regional Vice President  
Mid-Atlantic Region  
(703) 449-2911  
Sarala.Katta@voya.com

Sarala provides management oversight for the local service team. She will participate in meetings with the State and will work closely with Kellie Desrosiers and Mike DeLauro on executing the communication and education strategy.



**Doug Peters\*\***  
K-12 Regional Vice President  
Mid-Atlantic Region  
(732) 326-5612  
Douglas.Peters@voya.com

Doug will partner with Sarala Katta in local management of your plan. Doug will specifically work with your K-12 education community.



**Mike DeLauro\***  
Customer Experience Consultant  
(612) 224-7739  
Mike.Delauro@voya.com

Mike works with the State to identify plan goals. He collaborates with the State to design participant engagement campaigns and executes the campaigns to help drive participant education and encourage action.

### Local Team



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### Operations



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# Topics for Review

- 1 Program Goals and Progress to Date**  
An overview of program goals and year to date results
- 2 Enrollment Velocity**  
Discuss who is enrolling and key drivers. Discuss ways to continue to improve progress
- 3 Improving Contributions Amounts**  
Targeted Campaigns



# Program Goals and Results

# Plan 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	2017	2018 YTD Actual	Annual Goal
Program Participation Rate	37%	38.5%	39%
Retirement Ready	1,367 participants	1,627 participants	1,641 participants

Retirement Ready = 457 Participants with 15% of their retirement income coming from DC plan. Calculation uses a conservative 4% annual rate of return



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# 2

## Enrollment Velocity

# Driving Enrollment

**Goal:** Increase participation

## Situation

- Currently plan enrollments are up 22% from 2017
- Determined contributing factors and identify areas to further improve

## Strategy

- Multi-touch campaign including email, seminars, direct mail to promote plan enrollment and educate on the importance of saving for retirement.
- Develop process to leverage plan data to learn more about how tenure, age or how other contributing factors correlate to plan enrollment.
- Utilize data to develop more targeted marketing campaigns. Ie. Teachers, New employee, campaign focused on plan consolidation.
- Capture new hire data and determine alternative ways to educate them on benefits ie phone calls, follow-up emails after attend meeting with advisor
- Partner with Statewide Benefits to incorporate enrolling into the 457/403b into the new hiring onboarding process and the annual enrollment benefits election process

## Next Steps

Tools & Services flyer



Enrollment mailing

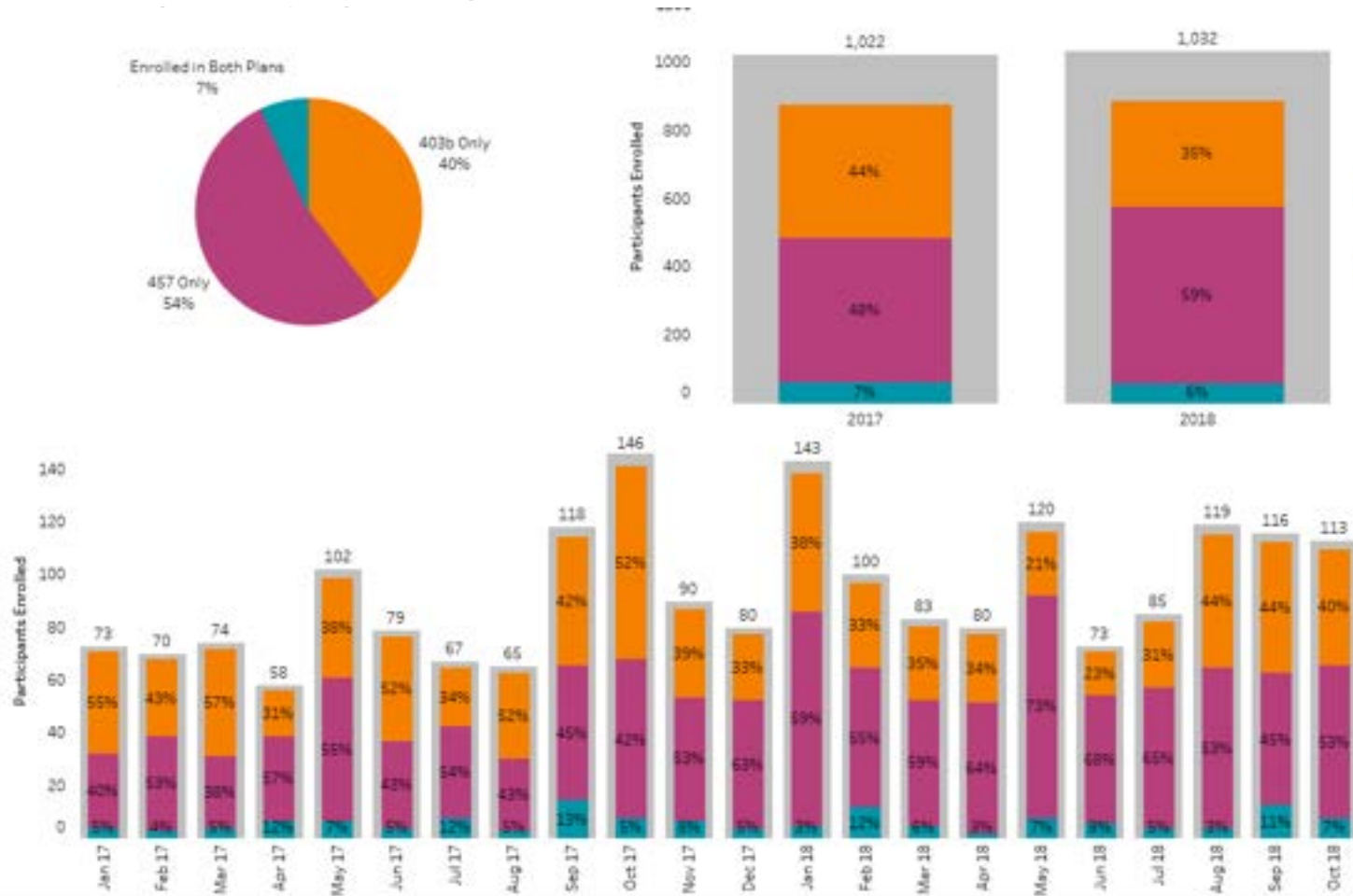


email



# Enrollment Velocity 2017 vs. 2018

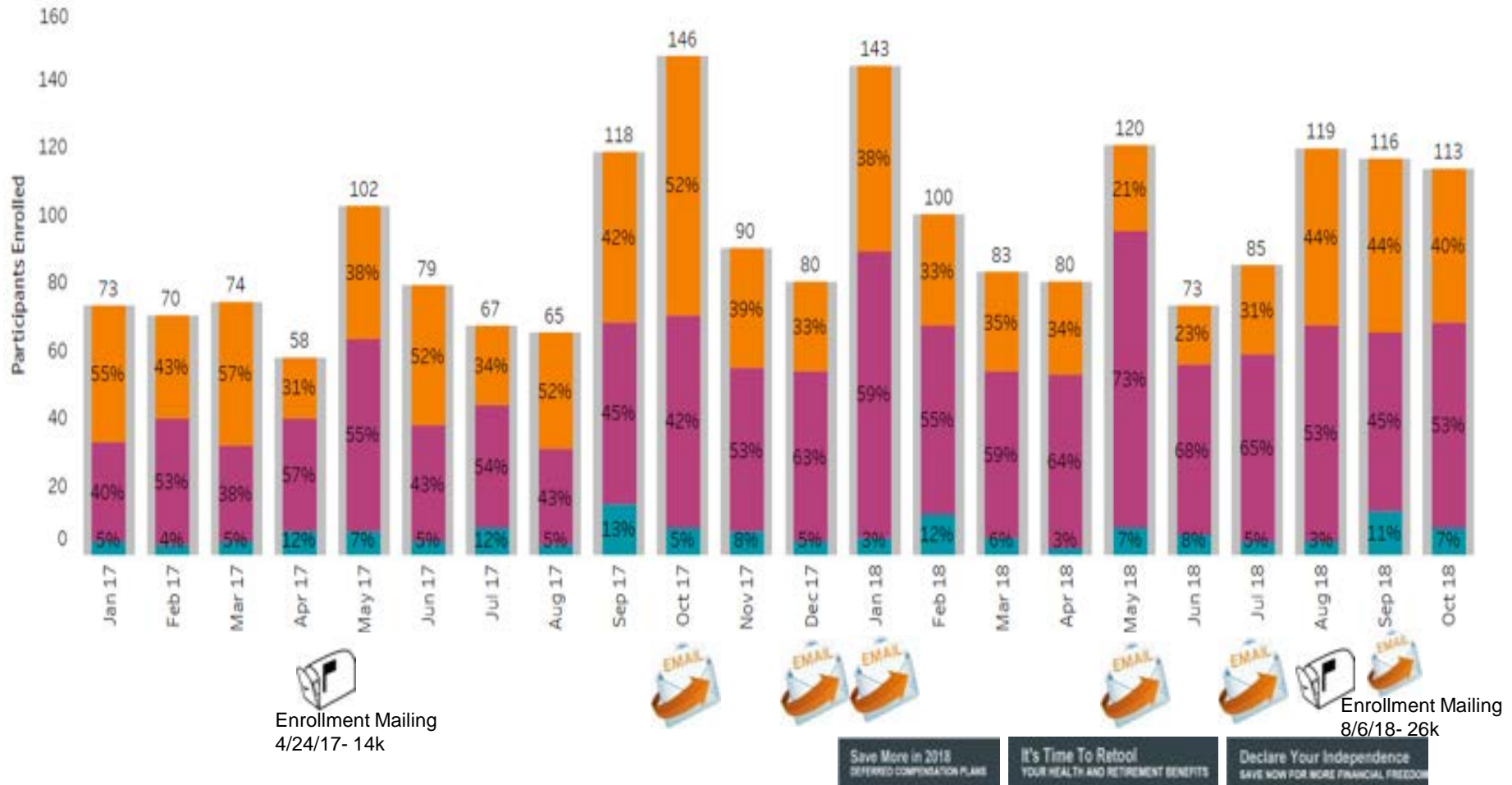
## Enrollment Trend – Prior Year Compare



Enrollments in 2018 are up 22% from 2017



# What are the effects of current tactics?



New Hire paycheck inserts (started 4/14/17, on-going)

On-Going Advisor group meetings and individual appointments



# 3

## Improving Contribution Amounts

# Improving Contribution Amounts

**Goal:** Increase participation and savings rates

## Situation

- Opportunity to increase the amount individuals are contributing to the plan

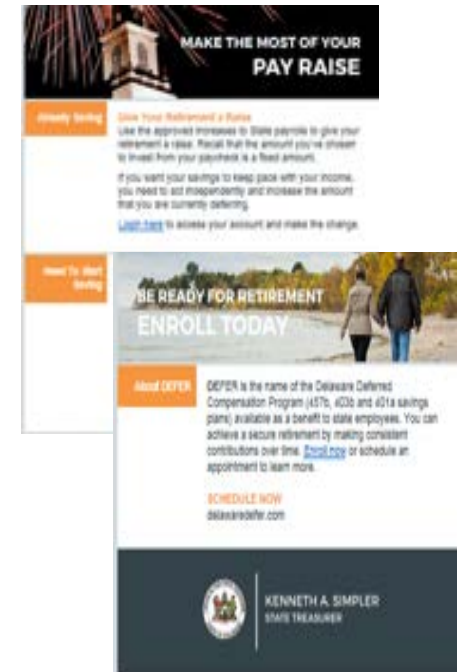
## Strategy

- Educate individuals about the importance of continually increasing contributions to the plan
- Provide information how to easily increase contribution rates using online tool or app
- Utilize plan data to look target key areas to optimize and drive messaging to

## Next Steps

- Utilize data to develop more targeted marketing campaigns

Mailer: increasing contributions








# Contribution Summary 457

	2017	2018
Actively Contributing	11,044	10,914
Average Account Balance	\$38,189	\$41,081
Average Contribution per participant	\$2,623	\$2,700
% of contributions going to T1 funds	79.59%	76.39%
Rollovers/Asset Transfers	\$1,511,349	\$1,429,698

Change since prior period

 Increase
  Decrease
  No Change

# Contribution Summary 403b

	2017	2018
 Actively Contributing	5,105	5,236
 Average Account Balance	\$13,272	\$17,406
 Average Contribution per participant	\$3,092	\$3,061
 % of Contributions going to T1 funds	86.56%	83.54%
 Rollovers/Asset Transfers	\$9,342,465	\$4,308,498

Change since prior period



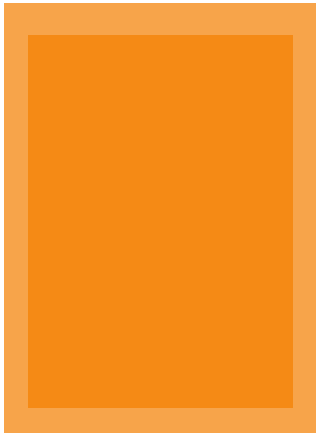
Increase



Decrease



No Change



# Appendix

# Program Summary 01/01/18- 09/30/18

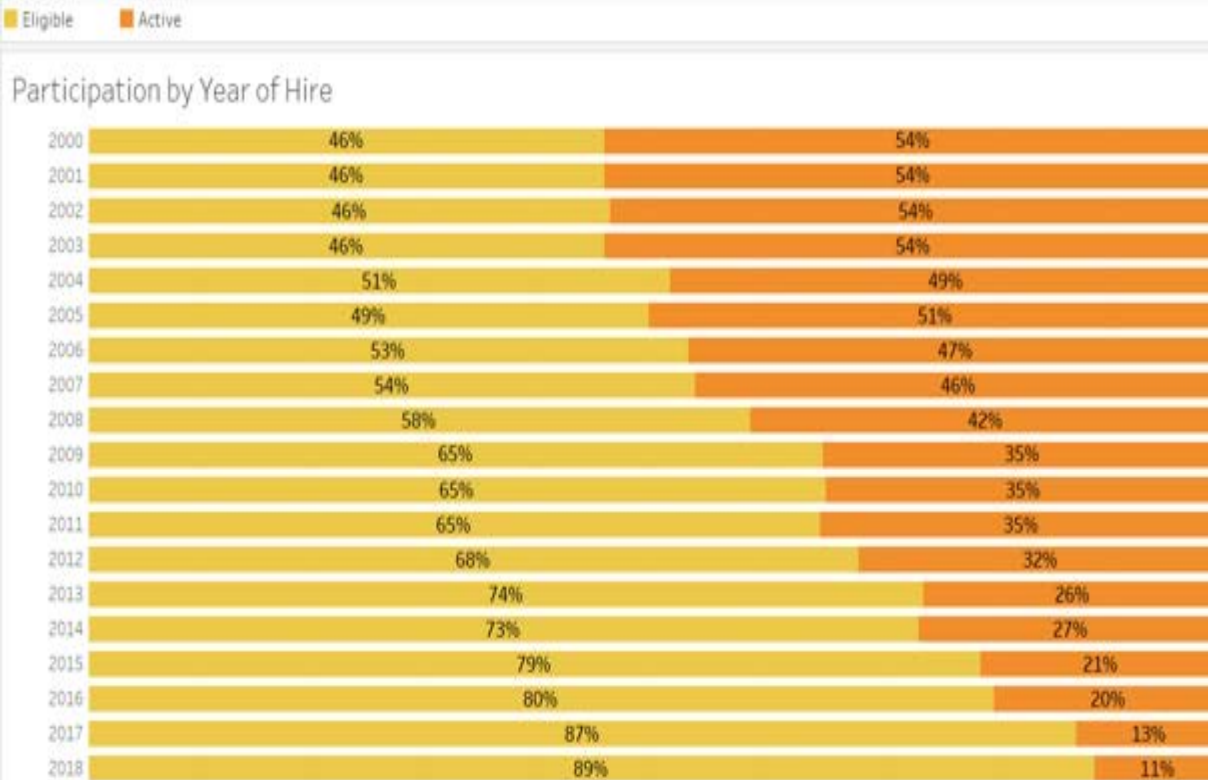
	457(b)	403(b) <sup>2</sup>	401(a)	YTD Total
<b>Beginning Balance</b> <i>January 1, 2018</i>	\$638,794,052.11	\$80,575,752.41	\$22,206,821.00	\$741,576,625.52
<b>Contributions</b>	\$29,466,341.51	\$16,028,227.48	\$0	\$45,494,568.99
<b>Distributions</b>	-\$28,466,191.76	-\$1,974,750.63	-\$911,754.67	-\$31,352,697.06
<b>Rollovers\Transfer &amp; Adjustments</b>	\$968,370.55	\$4,230,229.26	-\$34,571.36	\$5,164,028.45
<b>Dividends</b>	\$1,674,545.43	\$268,691.61	\$29,576.85	\$1,972,813.89
<b>Appreciation\ Depreciation</b>	\$25,361,459.41	\$3,779,130.97	\$830,459.38	\$29,971,049.76
<b>Fees</b>	-\$479,177.65	-\$92,158.81	-\$28,427.05	-\$599,763.51
<b>End of Period Assets</b> <i>9/30/18</i>	\$667,798,577.25	\$102,907,281.10	\$22,120,531.20	\$792,826,389.55
<b>Participant Accounts<sup>1</sup></b>	16,235	5,911	9,793	31,939

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

<sup>2</sup> Data is as of 09/30/18 and includes Voya record kept assets only – Legacy 403b vendor assets excluded .



# Participation by year of hire



## Key Insights:

- Employees hired over the past 10 years are negatively impacting the overall participation average of the program
- This data provides further evidence that while hiring spikes provide an opportunity they are not driving enrollments and rather are hurting participation rates overall since we have an opportunity to improve enrolling new hires

## Opportunity:

- 1) Develop new tactics to influence new hire enrollments to fix low participation in less tenured workers.
- 2) Develop strategy to engage workers with less than 10 years of tenure (could apply some tactics to all current workers but focus should be on those with 10 years or less)



# Managed Account

## 457b Contribution Activity

Beginning of Period participants using Managed Accounts	126
Beginning of Period participant assets	\$4,320,007.23
Participants that added service	47
Participants that canceled service	7
End of Period participants using Managed Accounts	166
End of Period participant assets	\$5,091,228.81
Percentage of overall plan assets	0.76%

## 403b Contribution Activity

Beginning of Period participants using Managed Accounts	42
Beginning of Period participant assets	\$224,922.84
Participants that added service	12
Participants that canceled service	1
End of Period participants using Managed Accounts	53
End of Period participant assets	\$704,945.39
Percentage of overall plan assets	0.69%

# We Celebrate Education!

Each year, through the Voya Unsung Heroes Award program, Voya recognizes and rewards 100 K-12 educators from across the country for innovation that they bring to the classroom to help engage students and prepare them to be lifelong learners.



**Since 1996, 21 Educators from the Delaware have been presented the Unsung Heroes Award!**

## Voya Unsung Heroes Award Winners 2018

**Gail Morris:** Christina School District – “InveSTEAMING For Success”

**Nancy Petrella:** Odyssey Charter School – “Odyssey Through Art”



# We Celebrate Education!



**Nancy Petrella (2018)**

Wilmington, DE

Odyssey Charter School

Petrella's innovative teaching idea, "Odyssey Through Art," focuses on teaching art history and studio art courses to a diverse group of high school students at the Odyssey Charter School. In the art history course, students will explore ideas by using critical thinking and analytical skills to learn about culture through art and architecture. Students involved in the project will learn to connect citizenship with art and their own ideas as they develop an understanding of ways that their generation will impact the future. In the Voya grant-funded studio art course, students will focus on pottery and sculpture as a connection to today's culture and create a means for expressing modern ideas. These combined courses will connect the past to the present with the students' experiences to art and the future.



**Gail Morris (2018)**

Newark, DE

Gauger-Cobbs Middle School

Morris' innovative teaching idea, "InveSTEAMING for Success," focuses on instilling financial and technological literacy in the next generation of leaders at Gauger-Cobbs Middle School. Morris recognizes that in today's technology-driven world, students need to be quick adapters. In understanding the demand for Science, Technology, Engineering, Arts and Math (STEAM)-related careers is steadily increasing; Morris hopes to help students increase their financial literacy skills and broaden their understanding of investing, retirement and debt. Through this project, students will choose a preferred career in the STEAM field, develop a financial plan accordingly and hypothetically invest in a mock stock market experience to learn the basic knowledge of investing. With the Voya grant, Morris will purchase materials for creating STEAM kits to support this exercise which will allow her students to gain a better understanding of critical thinking, communication, collaboration and creativity.

# Delaware State Teacher of The Year

## For 11 Consecutive Years, Voya Sponsors The Delaware Teacher of The Year Award Banquet!

### Delaware State Teacher of the Year Program

The Delaware State Teacher of the Year (DSTOY) program is administered by the Delaware Department of Education. Each year the program honors a Delaware teacher who exemplifies fine teaching in the state. The purpose of the program is to select a teacher who is worthy of speaking for and representing the positive contributions of all teachers statewide. The Delaware Teacher of the Year automatically becomes the state's candidate for the [National Teacher of the Year Program](#).



2019 Delaware Teacher of the Year Dana Bowe

