

Communicating Retirement Plan Changes During COVID-19

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In March, as the COVID-19 pandemic swept across the globe, the way business was conducted in the United States and around the world changed dramatically. As organizations asked employees to work remotely, retirement plan sponsors were faced with a unique challenge: how to effectively communicate retirement benefits and plan changes – an already daunting task – in an unprecedented virtual environment, where attention is often (and understandably) focused elsewhere.

COMMUNICATION CHALLENGES IN A VIRTUAL WORLD

As the shutdowns widened, some organizations facing retirement plan changes decided to put them on hold. For those that decided to push through, there was great concern over how to effectively communicate previously scheduled and/or upcoming changes. Many became worried that participants would not receive the appropriate information to make an informed decision, particularly when lacking face-to-face meetings, as selecting a vendor or creating a new investment allocation can be daunting for participants even in a conventional environment.

Typically, plan change communication campaigns consist of written communications sent to employees' home or e-mail. In addition, many institutions hold town hall-type meetings, where employees can gather and ask questions about upcoming changes. Often, retirement plan providers conduct one-on-one meetings to

assist in explaining retirement plan changes on the individual level. Like so many other aspects of life, the COVID-19 pandemic dramatically impacted the way in which this was done.

VIRTUAL ADVANTAGES

As the world went virtual, so did many of these employee communication meetings. To the surprise of some plan sponsors, attendance at many of these online meetings was equivalent to – and sometimes greater than – the participation of in-person group meetings. Online meetings allowed employees working both on-site and at home to attend “group” meetings without leaving their work setting. Many employees were able to attend meetings, ask questions, and obtain the information needed to understand upcoming plan changes and how they might be impacted, from the convenience of their home.

One of the benefits of the virtual meetings was the increased ability for employees to ask questions, either verbally or via chat. For those moderating these meetings, navigating the nuances of the various platforms, such as mute and chat, became a perfectible skill. While a live chat during a presentation allows for immediate feedback, it requires additional resources to monitor it while the main presenter is conducting the meeting. Typically, this role was performed by someone in the organization's human resources department. Many plan sponsors found that holding questions until the end prevented the need to pause the

presentation to provide an answer and cut down on distractions. The potential for anonymity provided some participants with the ability to voice their questions without fear of judgement.

Many retirement plan recordkeepers also transitioned to virtual one-on-one meetings during the pandemic. In doing so, concerns over scheduling constraints were alleviated for many, as provider representatives avoided timely travel and offered additional meeting times to meet the needs of the institution. In-person meetings were typically site-specific and often depended on an organization's physical meeting space restrictions. Virtual meetings removed this constraint, allowing participants greater flexibility and more options to join either group or one-on-one meetings.

Additionally, virtual meetings allowed employees to schedule meetings at their convenience, often including spouses, partners, outside plan advisors, and others who would not normally have the ability to sit in on the meeting. Having additional support from interested parties provided some of these retirement plan participants with a better understanding of the retirement plan changes and the individual impact. The uptake on individual virtual meetings, in some cases, has been higher in the COVID-19 environment than under the previous in-person, one-on-one structure.

REMOTE ROADBLOCKS

While the new normal was helpful in many aspects, the shift to virtual meetings also provided some drawbacks. Typically, during an in-person individual meeting, an employee is face-to-face in a meeting room with the provider representative, with few distractions. However, in the new environment, some employees found themselves trying to multitask, conducting their virtual meeting using a cell phone while

engaged in another activity. Situations like this did not allow the individuals to provide their full attention to the meeting or focus on the specific issues at hand. While this was the exception and not the norm, it highlights the need for retirement plan sponsors to continue to find methods to cut through the noise of life, regardless of the environment.

CONCLUSION

Despite the unprecedented environment in which retirement plan sponsors found themselves this year, most organizations were able to adapt and evolve in order to effectively communicate retirement plan changes. Virtual meetings allowed plan participants the ability to participate in group or individual meetings in order to gain the information needed to make decisions and changes, while expanding plan sponsors' ability to interface with participants. The potential for additional reach is welcomed by many plan sponsors as an additional opportunity to engage employees in the retirement plan. As the world moves forward and employees continue to work remotely, the virtual meeting environment will undoubtedly evolve further. Retirement plan sponsors should feel confident in proceeding with necessary plan changes, realizing that the communication process can adapt to work situations. Ultimately, retirement plans that are compliant and work efficiently and effectively will be better positioned for favorable employee participation and participant outcomes.

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