

# Plan Sponsor Case Study

## RETIREMENT & BENEFIT PLAN SERVICES

### Connecting the Health and Wealth Decision

Since 2007, Bank of America Merrill Lynch has worked with institutional retirement plan clients to integrate 401(k) enrollment with annual healthcare enrollment. Those plan sponsor clients who have chosen to take a synchronized approach to overall health and financial wellness have experienced increased rates of both plan participation and contributions — despite a challenging economic environment.

“When employers make it easy for their employees to enroll in or make a contribution change to their 401(k) plan during the health benefit election process, individuals can be more engaged with their overall corporate benefit plans,” said Kevin F. Crain, Director of Client Relationships for Bank of America Merrill Lynch. “We’ve seen this result in significant increases in retirement plan usage.”

#### Why Integrate?

Building plan participation is an ongoing challenge for most plan sponsors, particularly as workforces become more diverse, and the financial demands facing employees seem to be on the rise. While many employees appreciate the value of a retirement plan and may intend to participate “someday,” they may lack the impetus to enroll and begin making contributions. Meanwhile, healthcare is often viewed as an essential benefit with a limited enrollment window and hard deadline each year. By linking retirement plan enrollment with the healthcare campaign, sponsors can create a sense of urgency and an easy way for employees to become engaged in their retirement plan. Additionally, as individuals or employees think about their own health and that of their family, it’s a natural tie-in to consider their overall financial wellness.

#### Varied Implementation Approaches

The process for integrating retirement plan enrollment with healthcare enrollment can be tailored to each client. In the chart on the next page, results are shown for three clients, each of which has taken a slightly different approach to implementing the program. While some have chosen to include simple messaging on their healthcare enrollment screens with a link to Bank of America Merrill Lynch’s retirement plan website, Benefits OnLine®, others have built retirement plan information into the healthcare provider’s third-party website. Regardless of the technology behind the message, the intent is to capture the employees’ interest, and to make it as easy as possible for them to either enroll or change their contribution rate.

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**Impressive Results for Participating Plan Sponsors**

For the institutional plan sponsors who have taken this approach to enrollment, the combined results of integrating retirement with healthcare enrollment are impressive. Their results are shown below.

- Nearly 398,000 employees changed their retirement plan elections in the fourth quarter of 2010 in connection with the annual healthcare open enrollment period, an increase of 11% over 2009.
- In 2010, 93% of participants made a positive change by either enrolling in their plan or increasing their contribution rate. This compares to just 7% who either decreased or stopped contributions.
- The level of positive actions taken in 2010 was up 22% from 2009, and total activity also increased in 2010 by 11% (357,001 in 2009 to 397,647 in 2010).
- The ratio of positive to negative changes also improved from 85%/15% in 2009 to 93%/7% in 2010.

**Integrating Retirement Plan Enrollment with Healthcare Enrollment: Trends in Positive Participant Activity**

	2010		2009	
	%Totals	Totals	%Totals	Totals
<b>Positive Changes</b>	93%	370,628	85%	303,211
<b>Increases</b>	49%	193,527	59%	210,901
<b>Starts</b>	45%	177,101	26%	92,310

Represents three institutional plan sponsor clients that have integrated retirement plan enrollment with healthcare enrollment. Data represents results for each client's open enrollment period in Q4 2010 and Q4 2009.

**For More Information**

Bank of America Merrill Lynch is committed to helping clients identify thoughtful approaches to encouraging full plan utilization among participants. If you would like to learn more about integrating retirement plan enrollment with your annual healthcare campaign, please contact your Client Relationship Manager or your Merrill Lynch Financial Advisor.

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