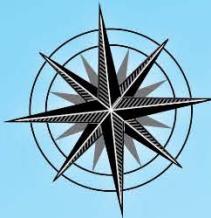




Pensions&Investments

East Coast

Defined Contribution Conference



Pensions&Investments East Coast

Defined Contribution Conference

March 6-8, 2016 | Trump National Doral | Miami

Embracing the Path to Financial Wellness

MODERATOR:

Rachel Weker, Vice President, T. Rowe Price Retirement Plan Services

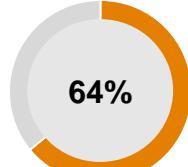
PANELISTS:

- **Tina L. Stamato**, Senior Manager Pfizer Savings Plans, Pfizer
- **Dina Pon**, Assistant Vice President of HR, GEICO
- **Rich Linton**, President of Large Market and Retail Wealth Management, Voya Financial
- **Michael Domingos**, Vice President, National Corporate Strategy & Distribution, Prudential Retirement

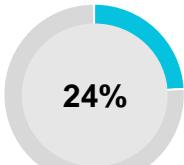
America is Financially Unwell— and Savings Behaviors Show It



Of Americans live
paycheck to paycheck
CNNMoney 2013



Can't cover a \$1,000
emergency without borrowing
MarketWatch 2015



Of their paycheck goes to
consumer debt payments
U.S. Census Bureau et al. 2014

SAVINGS

7.3%

average pretax deferral

78%

not using Auto-Increase

PRIORITIES

Current expenses—

46%

Outstanding debt—

24%

LEAKAGE

24%

of active participants have
\$2.8 billion in outstanding loans

\$130
million

in hardships during 2014

Source: T. Rowe Price Retirement Plan Services, Inc., 6/30/2015 (defined contribution plans on OMNI recordkeeping platform).

Financial Wellness Needs Span a Broad Spectrum



Do you currently offer a Financial Wellness solution to your employees?

1. Yes
2. Yes, and we are further enhancing
3. No, but we are considering adding
4. No, we are not considering at this time



For those offering or considering a financial wellness program, what's the most significant benefit?

1. Improving retirement outcomes
2. Decreasing employee time spent addressing financial issues
3. Aiding in employee attraction and retention efforts
4. Improving employee satisfaction
5. Other



For those not adding a financial wellness program at this time, why not?

1. Not currently a top priority
2. Don't think it will make a difference to employee behavior
3. Don't see it as the employer's responsibility
4. Can't afford it
5. Other



SmartDollar Serves as a Complement to the Participant Experience

A step-by-step approach to handling personal finances and building a smarter future.



Source: SmartDollar, 2015. The average person pays off \$5,300 in debt and saves \$2,700 in the first 90 days of the program.



smartdollar

Highly engaging materials

Attention-grabbing topics

Integrated into the participant experience

Proven to change behavior*

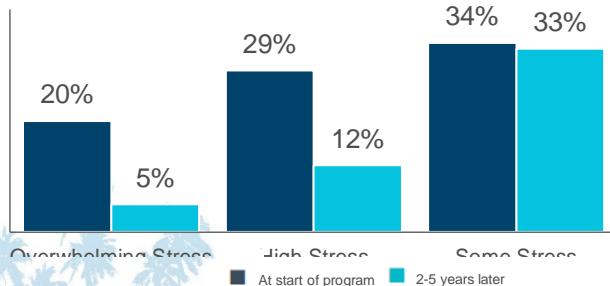
SmartDollar Experience Demonstrates the Ability to Effect Change

IMPROVED EMOTIONAL OUTLOOK



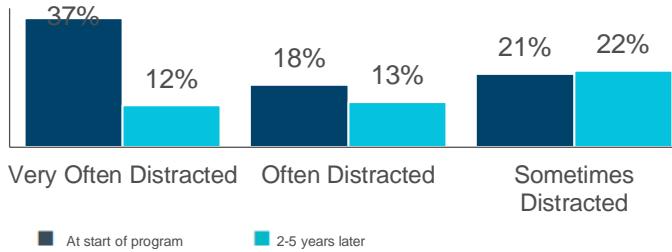
Current = 90 days into the program

FINANCIAL STRESS



Source: SmartDollar, 2015.

FINANCIAL DISTRACTIONS AT WORK



RETIREMENT PREPAREDNESS

39%

Program participants who are saving 15% of their salary for retirement after 2 years in the program

Embracing the Path to Financial Wellness

Tina L. Stamato,

Senior Manager Pfizer Savings Plans
Pfizer



Pfizer Life Stages Program

“Meeting the Colleague Where They Are Today...”

Overview:

- Launched Jan. 1, 2012, in partnership with Fidelity Investments
- A multi-media, targeted communication program
- Reinforces Pfizer's commitment to providing the tools, resources and support
- Designed to:
 - Help colleagues **meet their retirement savings goals**; and
 - **Maximize their benefits**

Identifying Personal Financial Goals

- Budgets
- Debt management
- Benefits utilization
- Multiple savings goals
- Tax strategies and insurance planning



Saving for the Future

- Maximizing savings
- Investment support
- Monitoring progress
- Exploring other options: catch-up, Roth, conversions, IRAs, etc.



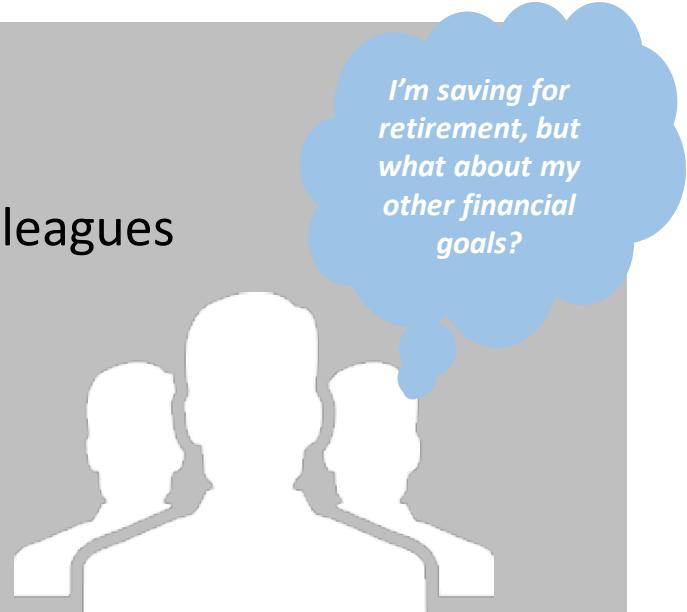
Preparing for Retirement

- Calculating retirement benefits
- Income planning
- Broader wealth planning and transition support



Pfizer – Who We Are

- Average age: 46
- Average tenure: 11 years
- Approximately 55% of Career Pfizer Colleagues are “On-Track” for Retirement*
- 96% participate in 401(k)
- 89% “maximize the match”
- 10.5% Average Deferral Rate
- 12% have elected Roth 401(k)
- 85% have “spillover”



*Measured as replacing 85% of pre-retirement income at age 65;
Career Colleague defined as >25 Years of Service at Retirement

Evolution of Life Stages

2012 **(Launch)**

- Rolled out a custom Life Stages program guide
- Mailed individual Savings Plan "Scorecards"
- Launched PSP Modeling Tool and Retiree Medical Modeling Tool

2013

- Introduced two custom workshops
- Initiated 1-1 financial planning sessions at key locations
- Updated and expanded custom Life Stages program guide

2014

- Expanded to four custom workshops
- Expanded 1:1 financial planning sessions
- Refreshed Retiree Medical Modeling Tool
- Expanded Life Stages to support Health & Insurance Annual Enrollment

2015

- Expanded to eight custom workshops across different financial wellness topics, with focused messages for key populations (Nonqualified Plan Eligible, Women Investors, Puerto Rico, etc.)
→ *Delivered 22 Seminar Days and 30 Webinars*
- Launched Total Rewards Statement to show colleagues the full value of their Pfizer compensation and benefit programs
→ *Over 10,000 unique users in first four months*
- Leveraged Life Stages Campaign to outline enhancements to the Pfizer Savings Plan and educate colleagues regarding required actions
- Continued emphasis on 1-1 guidance on-site and via phone
→ *165 on-site 1-1 days, and 7,500 calls*
- Introduced additional communications and Tip Sheets to guide Pfizer colleagues as they plan

Where We're Headed in 2016

- Roll out new Financial Planning & Guidance Site
- Leverage Life Stages to support onboarding of acquired organizations
- Prepare colleagues for upcoming Pension Plan Freeze / Retirement Savings Contributions
- Develop Estate and Tax Planning materials
- Support broader Pfizer initiatives



Workplace Guidance Offerings 2012-2015

	2012	2013	2014	2015
Over-the-phone Consultations	4,700	5,600	7,500	7,500
On-site Seminars	0	17	33	22
Webinars	6	14	30	18
1-1 Support Days	20	80	130	165

Embracing the Path to Financial Wellness

Dina Pon

Assistant Vice President of HR
GEICO



GEICO Wellness Strategy



Vision

- Inspiring associates and their families to live healthier and wiser

Mission

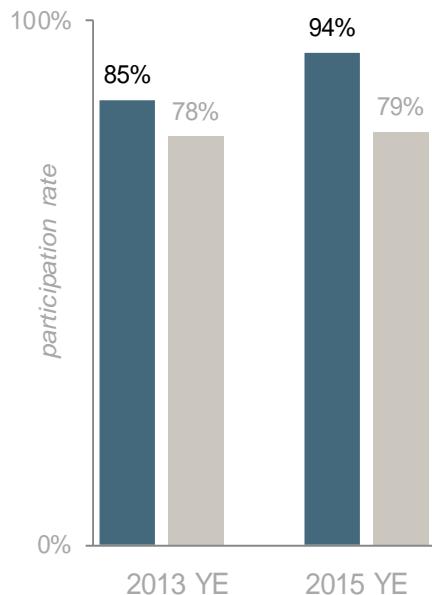
- GEICO strives to support our associates and their families in achieving their physical, emotional, and financial goals by empowering them to optimize their well-being

Goal

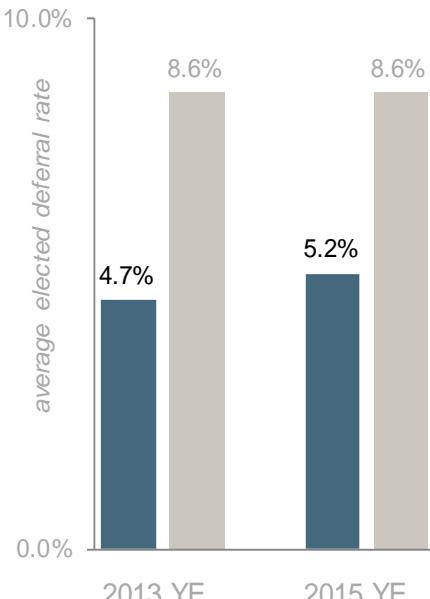
- Improve participation and engagement

Profit Sharing Plan Key Metrics

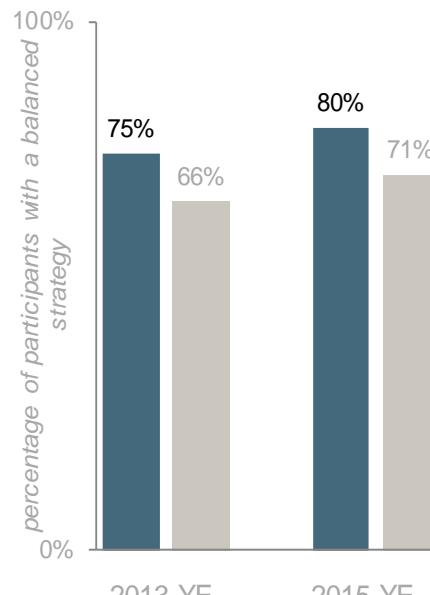
Participation rates



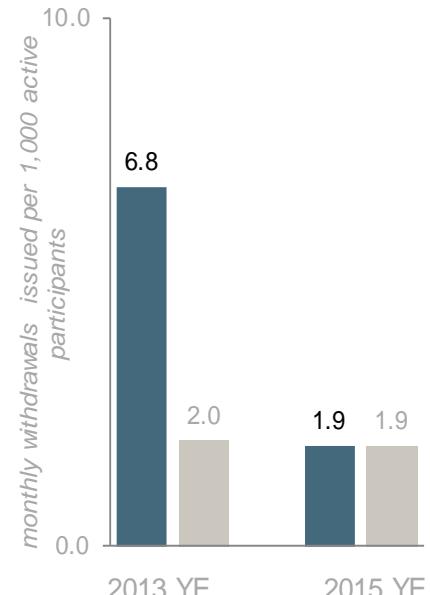
Elected deferral rates



Portfolio construction



Hardship withdrawals



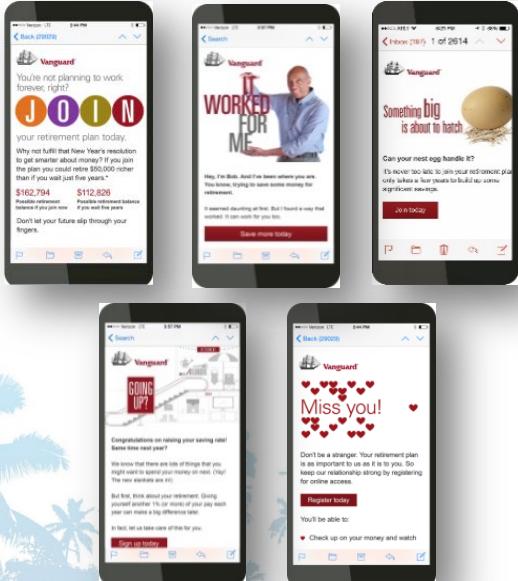
GEICO

Vanguard Benchmark

Current: behavior-based campaigns, online nudges & education

Behavior-based campaigns

Targeted, relevant emails delivered on a monthly basis leveraging a test and learn strategy.



CONFERENCE

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Recommended savings rate nudge

A personalized online experience that makes it easy to take positive action.



Online education lessons

Initial suite of 11 lessons include topics ranging from why join your plan to how much to save.

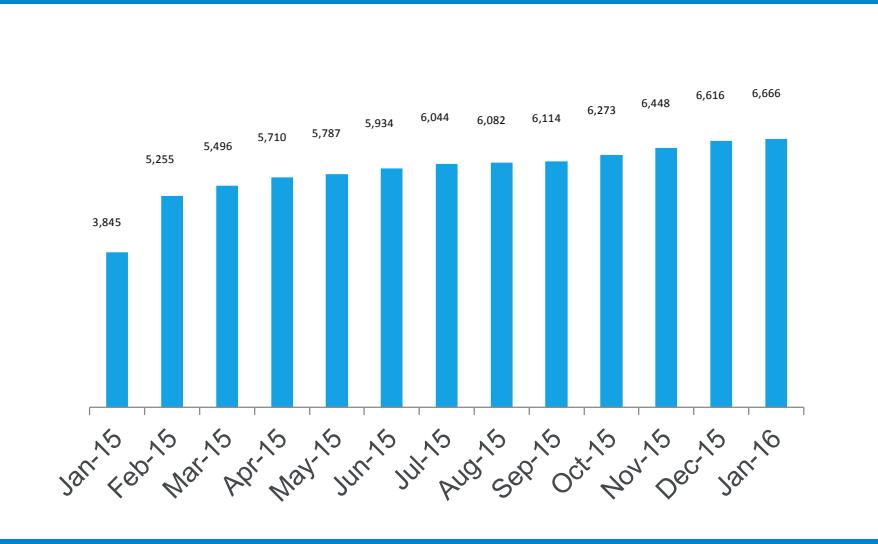
Two screenshots of online education lessons. The top screenshot is titled "Why should I join a retirement plan? It helps make saving money easier". It features a magnet attracting coins and a list of reasons: "It helps make saving money easier", "It's the best way to save for your future", and "You might have less money later if you wait". The bottom screenshot is titled "How much should I be saving? Save a little more each year". It shows a formula: "Your savings rate + Employer contributions + Gradual yearly increases". It includes a list of reasons: "It's easy", "You might get matching cash more", "You get tax breaks", and "You'll have more money". Both screenshots include a "JOIN!" button and a "GO BACK" link.

Future: data driven, targeted solutions

Education Meetings and Webinars	Financial Freedom 	Create your plan SAVING ENOUGH? INVESTING WISELY?	Get on track 
Lesson	Helps employees better balance their financial picture	Explores the two keys to a comfortable retirement—saving sufficiently and investing wisely.	Answers the question, “Am I on track for retirement?”
Audience	Employees who need a basic financial wellness primer; low savers.	Established participants with > 20 years until retirement	Participants nearing retirement (10 – 20 years out).
Call to action	Set up an emergency fund; raise retirement plan contribution.	Raise retirement plan contribution; improve portfolio construction.	Model retirement income; obtain a Social Security estimate.

HelloWallet Targeted Strategy

Cumulative Adoption Rates



"I have fallen in love with the HelloWallet service! I'm not sure where to begin here, I just love having all of my finances reviewable in one place. Checking, savings, loans, credit cards, mortgage, and even my 401k and in one application."

-Jason G.

The Goals

1. Identify and target the most effective marketing channels
2. Match HelloWallet's average email and conversion rates
3. Achieve 100% fulfillment of the 4,800 HelloWallet licenses purchased
4. Utilize testimonials for future promotional strategies at the organization

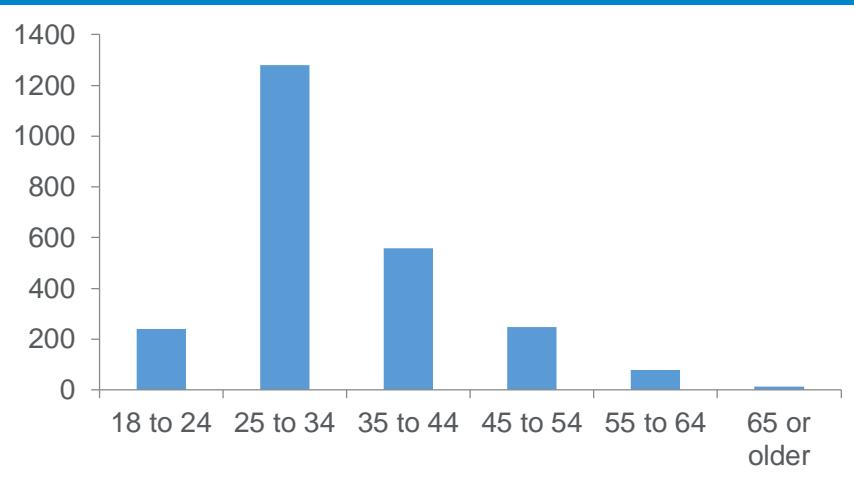
The Rollout Strategy

Multi-channel communications approach including:

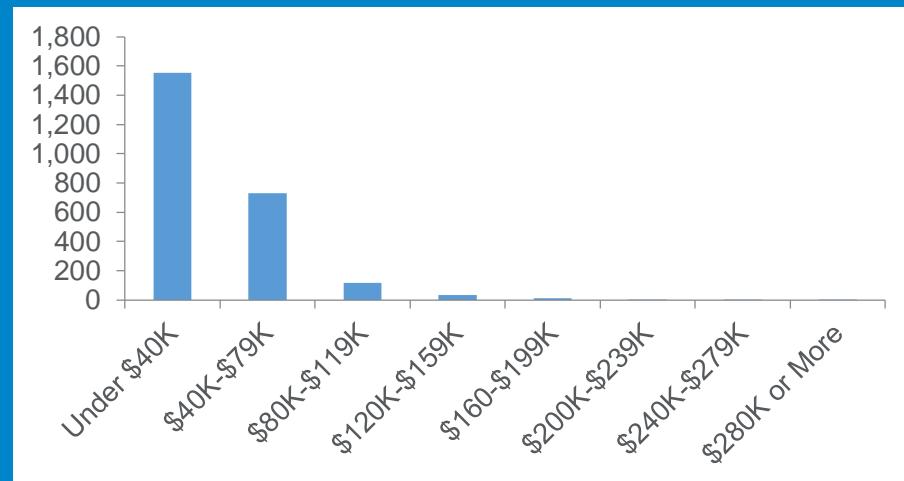
- Comprised of 3-emails series
- Emails optimized based on behavioral tactics such as day of week sent, sender and additional variables in employee responses to email communications, including demographic factors such as gender.
- Live webinars
- Onsite events
- Print and digital collaterals
- Social media
- Internal intranet articles

Utilization Levels for HelloWallet

Member Age Distribution



Member Income Distribution



GEICO						Average HelloWallet B2B Members					
Active Last 30 Days	Active Last 60 Days	Active Last 90 Days	% 1+ Linked Accounts	% 1+ Budget Items	% On The Guidance Roadmap	Active Last 30 Days	Active Last 60 Days	Active Last 90 Days	% 1+ Linked Accounts	% 1+ Budget Items	% On The Guidance Roadmap
22%	29%	35%	63%	40%	7%	14%	19%	22%	40%	32%	7%

"Active" means that members have logged in or opened an email in the past 30, 60 or 90 days, so as long as their last engagement didn't occur on their registration date.

Improved Financial Wellness

Our HelloWallet Members are...



\$500 Increase in
Median Savings



\$2,390 Decrease
in Median Debt



Better prepared for emergencies after just 6 of use.

Decreasing debt balances after just 6 months of use.



5.5% increase in
HelloWallet's
Wellness Score



Improving overall financial wellness after 6 months of use.



8.4% increase in
HelloWallet's
Wellness Score



Improving overall financial wellness after 12 months of use.

Embracing the Path to Financial Wellness

Rich Linton

President of Large Market and Retail Wealth Management
Voya Financial



On Retirement

- Every American worker should have the tools and information to build a secure retirement
 - Regardless of income, age, or life stage
- We can achieve sponsor business goals and educate and inspire employees to create a real impact on income in retirement
- This work is our mission and privilege

CN0205-21868-0318

CONFERENCES

East Coast Defined Contribution Conference



What drives our mission

Today's accumulation



Tomorrow's outcome

Teaching and preaching



Learning through behavior

Retirement: Only focus



Holistic financial planning

Transactions



Actions

Lifeless plan data



Plan health, insights and actions

Deceptive “big number”



Actual monthly income

Reframing the conversation

Retirement income is at the core

Participant experience

The screenshot shows a retirement income calculator. At the top, it displays a balance of \$35,000. Below this, it shows monthly income components: \$2,592 (Estimated monthly income), \$3,208 (Estimated monthly goal), and a gap of \$616. A large graphic of a stack of coins is labeled "Hypothetical Retirement". On the right, a message from "Peter" encourages users to consider retirement from all angles. It includes a slider for "The amount of my pay I can save now" (set at 3%) and a slider for "When I plan to retire" (set at 65). Below these are buttons for "View Contributions", "Reset", and "Make Change Now". At the bottom, there are links for "Average Market Condition", "From My Account Balance", "From My Pension", "From Other Income", "From Social Security", "My Income Gap", "Other Income Sources", "Social Security", "Retirement Healthcare", "Organize My \$\$\$", "About Me", and "How does this work?".

Sponsor experience

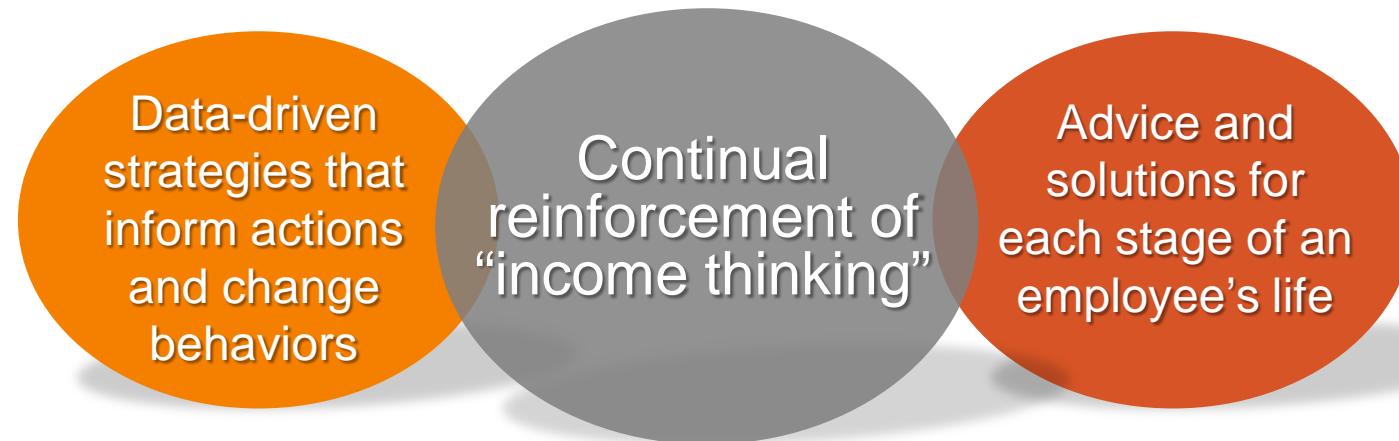
The screenshot shows a dashboard for the Voya Employer Savings Plan. At the top, it says "EMPLOYER SAVINGS PLAN". Below this is a "RELATIONSHIP SUMMARY" section with tabs for "OVERVIEW", "DETAILS", and "BENCHMARKS & TRENDS". The "OVERVIEW" tab is selected. It displays a chart titled "Average Replacement Income All Plans" showing 63% of participants are "On Track" (1,245), 356 are "Not On Track", and 201 are "Unknown". To the right, there is a "Key Plan Metrics" section with the following data:

Key Plan Metrics	Value
Participation Rate	78%
Average % Deferral	5.2%
Average % Deferral	\$164
Investment Diversification	82%
Employee Retention	47% Optimal, 49% Uncertain, 9% Unknown



The employee journey

Distinct experience for employees



Drive actions that produce positive results

Matt's journey



Disengaged with knowledge gap

Education

Engagement

Goal Setting

Account Management

Engaged and informed

Employee Profile: Matt

Age: 28

Customer support specialist

Single

Household income: \$35,000



45% Average consumer debt **\$5,448**

52% Average student debt **\$37,100**

Alexandra's journey



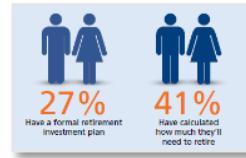
Saver but anxious about getting it right

The collage illustrates various digital tools and interfaces used for financial planning and investment evaluation. It includes sections for Education, Engagement, Goal Setting, and Account Management.

Investor with an organized strategy

Employee Profile: Alexandra

Age: 42
Business analyst
3 children
Household income: \$165,000



Married workers

saved 48% more than singles for retirement.

George's journey



Single lens view with key concerns

Education

Engagement

Goal Setting

Account Management

Holistic plan and confidence

Employee Profile: George

Age: 65
Eligible to retire
Married
Household income: \$58,000



75% I welcome any help managing my life that my employer offers

34% spend five or more hours, each week, at work, preoccupied with personal finances.

Help employees engage and take action

Be Ready for their financial future:

- **Messaged** + 61%
- **Participated** +144%
- **Used advice/planning services** +147%
- **Took positive actions** + 48%
- **Increased contribution rate/amount** +42%
- **Increased catch-up rate/amount** +92%
- **Changed asset allocation** +62%



Source: Voya® myOrangeMoney® DataMart, Large Corporate Market, July 1, 2014 – June 30, 2015.

Embracing the Path to Financial Wellness

Michael Domingos

Vice President, National Corporate Strategy & Distribution
Prudential Retirement





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