n December, when many are focused on giving gifts to others, a Michigan public retirement system reminded plan participants to give a gift to themselves: a secure retirement.

Plan participants in the Municipal Employees’ Retirement System (MERS) of Michigan received holiday-themed postcards suggesting they give themselves a “holiday bonus” by investing more money in their retirement plans. The postcards were part of a year-long campaign to tie different parts of the year to specific actions participants could take to boost retirement readiness.

The campaign was one element of the system’s goal to get 70% of its participants to know where they are on the path to a secure retirement. Other messages included one in May that compared investing in a retirement plan to planting a garden and a Fourth of July “get more bang for your buck” message highlighting the impact of investment fees.

Instead of the “fire hydrant approach” of flooding participants with all of the available information, “we’re targeting times of the year, really making the information bite-sized and relevant to participants,” said Jennifer Mausolf, communications director for MERS.

Eighty-five percent of Michigan’s pension plans participate with MERS, representing about 800 different employers across the state from the Upper Peninsula to the Detroit area to Grand Rapids. MERS manages more than 2,000 different retirement plans covering more than 115,000 participants.

Benefits are determined at the local level, and plans include defined benefit and defined contribution plans, hybrid plans, supplemental savings 457 plans and a health care savings program. MERS has an investment program that municipalities can invest in if they want to administer their own pension plan. The system also has a group buying program for group life and disability insurance and Medicare.

Before 2015, MERS communications focused on educating participants on the basics—how their benefits work, where to find forms, how to designate beneficiaries and other information.

Many members, however, were modifying their plans—73% have made changes to reduce their unfunded liabilities over the last five years. This created communication challenges explaining changes such as plan design modifications, increased employee contributions or lowered benefit multipliers.

“What we were seeing was concern from employers . . . about how we ensure that each employee understands his or her benefits and understands how they fit into the large picture of being prepared for retirement,” Mausolf said. Employers recognized that employees who are not financially prepared for retirement are often stressed, and that affects factors such as absenteeism and productivity. “There is a good financial reason to help participants be prepared for retirement,” she said.

To help participants determine how prepared they were, MERS used the industry standard of assuming they would need 80% of preretirement income during retirement.

MERS used these guiding principles to design its education and communication strategy.

- Create targeted communication that is relevant to the audience.
- Use mass customization that takes advantage of inertia—No action required.
- Provide bite-sized information that is in plain language.

“A lot of people think communication is ‘let’s put everything in the handbook or on the member statement,’ ” Mausolf said. “What we were finding is that a lot of information didn’t actually translate into effective communication. Telling people when they first get hired, ‘Here’s how to collect your benefits 30 years from now’ . . . wasn’t very effective.”
“It’s much more meaningful to tell participants what they need to know in a particular moment or stage in life rather than looking 30 years in the future,” she noted.

Now, instead of receiving a 30-page handbook when they’re hired, participants receive an e-mail or letter outlining a few action steps they should take as new enrollees in MERS. Suggestions include enrolling in myMERS (the online participant portal), designating a beneficiary and others.

The e-mail also includes a link to a short interactive video that allows participants to choose what topics they want to learn more about. Participants are encouraged to watch the video with their spouse or partner. Participants also receive a followup e-mail asking if they have completed those steps.

MERS wanted to personalize the information as much as it could. The system held one-on-one, in-person meetings with participants, but only about 20% participated—typically those who were months away from retirement.

“We tried to look at that and say, ‘How can we provide personalized information to everybody in an efficient manner?’” Mausolf said. The result was the development of a retirement readiness Snapshot Report, which is mailed annually to all participants who are enrolled in a MERS retirement plan. MERS worked with its recordkeeper to build the reports.

The Snapshot Report provides participants with projected income from their MERS plan(s), combined with projected Social Security benefits, to give a picture of retirement income. Each report has a flag on the cover: Green indicates the participant has an 80% or higher chance of making the retirement income goal; yellow, a 60-79% chance; and red, a less than 60% chance.

“The goal is to drive people online to customize the reports for themselves so they get the whole picture,” Mausolf said. The “full picture” section of the retirement readiness section on the website allows participants to change assumptions such as how much of preretirement income they will need during retirement and add other savings sources or income from a spouse, for example.

MERS also integrated with its recordkeeping system so that participants can go to the site to change deferral rates or investment allocations without having to take any extra steps.

Other elements of the MERS communication campaign include:

- **Social media.** MERS is active on Facebook, Twitter, YouTube and LinkedIn and is considering experimenting with Pinterest.
- **Financial Resource Center.** Located on the MERS website, the center targets information to participants in four stages: Imagine, for those aged 20 to 30; Prepare, for those 31 to 50: Anticipate, for those 51 to 65; and Realize, for those over the age of 65.
- **Regional participant meetings.** The “Pizza & Planning” meetings are held quarterly, after work where education is provided on MERS benefits and pizza is served.
- **“Quick Bite” 30-minute webinars.** The webinars are offered over the lunch hour and archived on the MERS website for participants to view presentations any time.

MERS is wrapping up work on the three-year strategy and has established a new goal for financial wellness. “It’s a much more holistic program designed to motivate financial behavior,” Mausolf said. “It’s not about where they are in wealth but how are they are in wellness.”

A lot of past efforts focused on planning for the future, and “where we want to start going is making sure our participants are as educated on all these aspects as they are on being retirement ready.”

MERS sent this holiday-themed postcard to plan participants in December.