

Tips to Increase Participation among Lower-Compensated Employees

If your company failed retirement plan discrimination testing, or you are concerned that you will, here are some ideas for incentivizing lower-compensated employees to increase participation:

- Do a demographic analysis of your company. Figure out which departments and offices have the highest percentage of lower-compensated employees who are not participating.
- Target the departments who have the highest percentage of lower-compensated employees who aren't contributing with a comprehensive plan communication and financial education program. Use multiple methods of communication and education: print materials, e-mail blasts, information on your company intranet, live workshops on retirement planning, investing and basic money management, and financial counseling for employees with specific questions.
- Conduct focus groups with these employees to determine why they aren't participating and ask them for their recommendations on how your company can increase plan participation. Seriously consider all recommendations: employees often have the best recommendations on

issues that directly affect them.

Passing discrimination testing is not easy, and it isn't a problem that can be rectified immediately. But if you make it a priority and implement a well-executed communications and financial education program targeting those lower-compensated employees who aren't participating, you should see strong improvements over time.

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