Managing Retirement Plan Changes

Financial Finesse CEO and Founder Liz Davidson, an expert in financial education and employee-consumer education, answers important questions about the major trends in workplace retirement and financial education as well as how companies can stay ahead of the curve by implementing key beneficial programs.

Question:
We are constantly making changes to our retirement plan. The problem is employees are confused because changes happen so rapidly, and sometimes even changes that we consider to be positive are being taken out of context. How can we catch up on the communication side so employees are clear on our current retirement plan design?

Answer:
We recommend a three-step process to manage retirement plan changes so employees understand the changes you are making and have the tools to make informed decisions about the changes:

1. **If your workforce has internet access at work or at home, make plans to go paperless, and make your company intranet the single source of information** on any retirement plan changes so that employees have one place where they can get all the latest information from a source that is always up to date.

2. **If you aren't already doing so, triage the changes**. Figure out which ones are most critical and will require ongoing communication and benefits planning support so that employees have the information, tools and guidance to make decisions in light of the change. These should require 80% of your focus on change management, with the more minor changes consuming 20%.

3. **Roll out all related changes in one communication, and package them under one theme, even making it part of an annual process.** For example, if you are taking action to enhance your retirement plan by removing underperforming funds and adding plan design features, including retirement planning tools and education, all these changes can be communicated as "2010 Retirement Plan Enhancements for ABC Company Employees" rather than messaging them separately.

The Ask Financial Finesse Q&A service is designed to provide general information on trends and developments in workplace financial education programs and participant education strategies. Due to the complex nature of financial benefits and/or workplace financial issues, the information contained in this document is not to be construed as advice.

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