

Defined benefit plan termination SUCCESS

Teamwork and personal support help retain retirement assets



Client profile

Industry: Healthcare

Employees: 7,500

Types of plans: 403(b) and 401(a)

Assets: \$350M

Client need

A large healthcare organization in the Midwest elected to terminate its defined benefit plan and encourage employees to keep the money in a retirement account rather than take a cash distribution.

The solution

Personal support and education combined to form the foundation of this strategy. Lincoln retirement consultants (RCs) worked as a team with the organization's Human Resources department and consultant to educate employees on distribution and rollover options.

The plan sponsor and consultant handled communications and some group meetings, while relying on RCs to explain the details to participants. At group meetings, employees were strongly encouraged to meet one-on-one with RCs so they could understand their options. It was easy for employees to schedule appointments using our *Click2Meet*[®] online scheduling tool, which the plan sponsor extensively promoted.

Lincoln made the rollover process as easy as possible for employees and eased the administrative burden on the plan sponsor. Instead of filling out forms, employees simply had to check a box to roll their defined benefit money to the 403(b) plan. RCs worked with our internal team to ensure that money was handled properly.

Results

The defined benefit actuary and the defined contribution consultant said the results of this effort were like none they had ever seen. The plan sponsor attributed the success of the transition to the extensive communication plan and service of the Lincoln RCs. The one-on-one approach helped participants understand their potentially complicated options for some of the largest retirement assets they have. The strong teamwork of the RCs, the plan sponsor, and the consultant helped the plan sponsor achieve its goals for the termination.

RESULTS



370+ *Click2Meet*[®] appointments and walk-in meetings



93% of the assets remained in retirement accounts



Over 14 days of RC one-on-one meetings, in addition to group meetings



Almost 25% of the assets were rolled to the 403(b) plan — a much better result than the pre-initiative estimate of 10%

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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