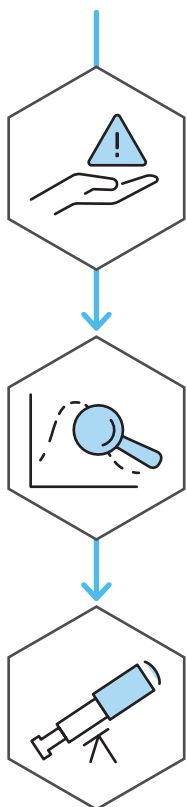


Communicating About Retirement Benefits During Difficult Times

The current crisis and the resulting uncertainty in the financial markets has many people worried about their financial security. As an employer, you are in a unique position to help your employees face these challenges, take advantage of resources available to them, and make smarter decisions. How you communicate with your people and the steps you take now can help address some of their immediate concerns and better prepare them to handle the future.

How you prioritize messages and actions will change as you and your people move from managing the immediate crisis to operating in a new normal.



Managing the Crisis

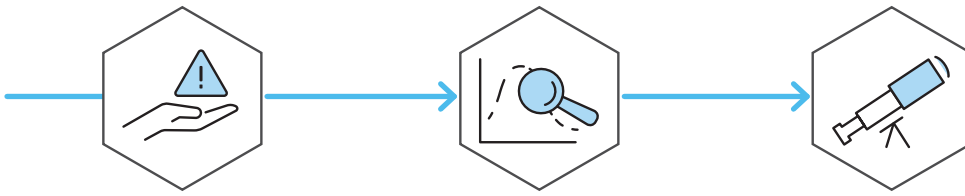
These are scary times for many people. In addition to seeing losses and volatility in their retirement savings, there will be other financial hardships and extraordinary uncertainty. It is important to tackle the immediate concerns and needs of your people. This understanding should frame how and what you communicate.

Stabilizing the Business

At some point, we will move beyond the crisis and start the process of recovery. It will be important to rebuild positive actions among your employees (e.g., save and invest wisely), and to carefully understand how the needs of your various audiences may have changed as a result of the crisis—for example, those close to retirement, employees just starting out, those who took loans and employees returning from furloughs.

Planning for the New Normal

The impact of what we are experiencing will likely become a wake-up call for many employees. Some may find themselves worse off than before—they may need to save more and work longer. Many will seek to build their financial literacy, while others will be looking to take actions, such as starting an emergency fund, paying back loans, addressing multiple savings needs (home, education, retirement), and diversifying their investments. As their employer, they will turn to you for education, resources, and guidance.



Managing the Crisis

Stabilizing the Business

Planning for the New Normal

Recognize this is an emotional and financially challenging time for many households; some employees may need to **stop or lower their contributions**

Communicate with those who stopped or reduced their contributions during the crisis and remind them to **start saving again or save more**

Encourage employees to **save for their financial security**, including emergency savings, health care, retirement and other savings goals

Leverage your recordkeeper's **market volatility communication and resources** but be sensitive to the timing and messages of those communications

Encourage participants to **review and potentially rebalance their investments** with a goal of diversification

Provide **ongoing investment education** to help employees rebuild their financial confidence

Ensure information about plan **loans and withdrawal options** is up to date and easily accessible

Offer and promote **resources that help with budgeting, debt management, and financial planning**

Enhance your **financial wellbeing strategy** to target the unique needs of different groups of employees

Address any **legislative impacts** with clear and simple communication to participants

Continue to **monitor legislation** for additional retirement plan impacts

If appropriate, update your communications as **regulations wind down**

Be transparent about if and why plan design changes are necessary (e.g., short-term change in employer contributions as you seek financial flexibility, versus changes in investment options due to regular review of fund managers)

Make it easy for employees to **increase their retirement savings** (e.g., promote auto features, use easy escalation programs, target low savers)

Improve your employees' **retirement readiness and financial wellbeing** through personalized modeling, advice or guidance resources, and interactive education

Pension plan providers:

Remind employees that the defined benefit plan provides **income security** in retirement

Communicate your commitment to **long-term funding of the plan**, regardless of short-term delays

Consider how future actions such as **derisking the plan** can be used to support positive messaging around the retirement program

Facing Bigger Challenges?

We understand that every situation is unique. If you are facing even larger challenges, such as furloughs, layoffs or other reductions in your workforce, we can help you address the additional communication considerations related to your retirement programs, as well as support your overall communication strategy in changing times.

The information contained herein and the statements expressed are of a general nature and may not apply to particular factual or legal circumstances. Readers should not use this report as replacement for legal, tax, investment, accounting, or consulting advice that is specific to the facts and circumstances of their business. We encourage readers to consult with appropriate advisors before acting on any of the information contained in this report.

Aon's Strategic Advisory Communication team of experienced consultants can help you create and execute a communication strategy to navigate through this crisis and come out on the other side ready to help your people with their ongoing retirement and financial wellbeing needs.

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