Financial Wellbeing – An Untapped Plan Benefit?

2018 Public Safety Conference

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The Dimensions of Wellbeing

The **WHOLE** person comes to work every day....

each employee’s wellbeing influences individual and organizational performance
The Challenge

• While dropping after 2008, debt has returned, with total debt in 2017 of $13 Trillion, surpassing the previous record in 2008 by $280 Billion
• 44 million Americans faced with over $1.5 Trillion in outstanding student debt, with an average outstanding balance of $28,000 (LendEDU)
  • Second only to mortgages and greater than credit card debt
• Student loans remain outstanding for many into their 60s and beyond
  • Borrowers age 45-74 owe more, on average, than those under age 35
• More than ½ of workers have less than $10,000 in savings, and over a third have no money saved for retirement
• 59% of young workers say paying off student loans is more important than putting money into retirement savings (American Student Assistance, Young Worker and Student Debt Report)
Millenials – What Do We “Know”?

• 87% of Gen X and Gen Y feel their current benefits package is not sufficiently flexible to meet their personal and financial needs (Barclays)

• 94% of millennials and 92% of Gen X say non-traditional benefits make employers more attractive (ICIMS)

• 46% were most interested in benefits related to financial wellness programs

• Among all employees, achieving financial stability is the highest health priority – 35% (Welltok)
Retirement Landscape

- **Defined benefit plans:**
  - Are you getting your bang for the buck – communicating value
  - What programs/offerings might be appropriate to complement the program?

- **For 403/457/defined contribution programs:**
  - “Management” of the program and offerings
    - Cost effective, quality, reasonable choice
  - Education, promotion
“Finance 101”

- Letting employees know that, beyond Social Security and pensions, personal responsibility for saving is important
- Identify resources for education, assistance
- Make employees aware that certain governmental employees are eligible for student loan forgiveness

Student Loan/Education Assistance Legislation

- Seventeen bills introduced in 2018 alone
- Some introduced jointly to House and Senate
- Touches on a variety of forms of financial relief:
  - Expanded use of 529 funds on tax favored basis
  - Grants for education
  - Loan forgiveness
  - Loan repayment deferrals
  - Interest rate reduction, waivers
  - Free tuition, fees
  - Expanded eligibility
  - Relief in bankruptcy
“Finance 101”

- General financial planning education, relative to life insurance, asset accumulation and debt
How Can NCPERS Help?

• Public Employee Financial Protection Plan
• Unique offering only available to members of NCPERS
• Decreasing term life insurance at affordable rates
  • Providing more life insurance at younger and middle ages, when assets are lower to protect loved ones
• Annual enrollment opportunity
• Never requires medical evidence
• Automatically provides protection for spouse and dependents upon life changes with no action required
• Coverage can continue into retirement
• Coming soon!
  • Student loan reimbursement program for employees upon disability or death
Thank You!

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