

Financial Wellbeing – An Untapped Plan Benefit?

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The Dimensions of Wellbeing



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

each employee's wellbeing influences
individual and organizational performance

The Challenge



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- 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”?



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- 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



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- **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”



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- 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

<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

Student Loan/Education Assistance Legislation



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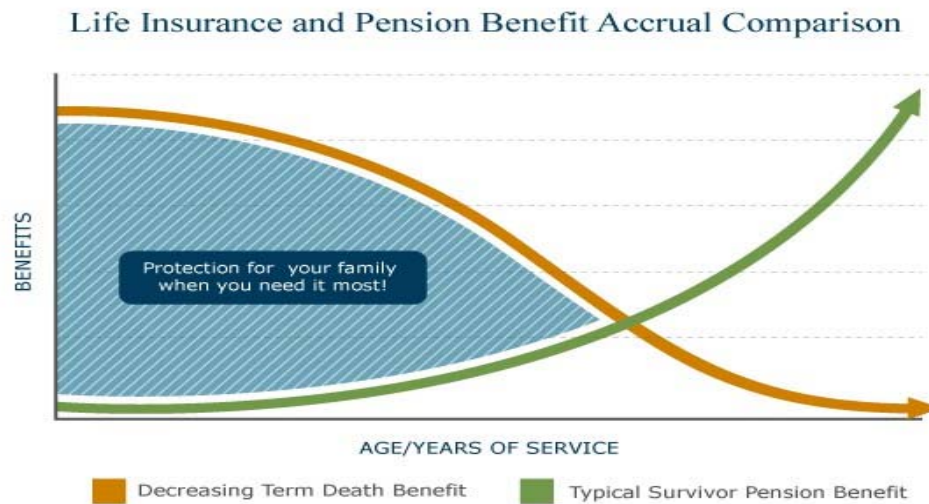
- Seventeen bills introduced in 2018 alone
- Some introduced jointly to House and Senate
- Touches on a variety of forms of financial relief:
 - Expanded use of 529 funds on tax favored basis
 - Grants for education
 - Loan forgiveness
 - Loan repayment deferrals
 - Interest rate reduction, waivers
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

“Finance 101”



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- General financial planning education, relative to life insurance, asset accumulation and debt



How Can NCPERS Help?



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- 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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