

Minette M. Genuchi

Subject: FW: Contribution Accelerator and Default Fund Change Follow Up

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Sent: Thursday, February 08, 2018 11:27 AM

To: Kerry P. Eagan <KEagan@lancaster.ne.gov>; Doug D. Cyr <dcyr@lancaster.ne.gov>

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Subject: Contribution Accelerator and Default Fund Change Follow Up

Hello Kerry and Doug:

The following is an outline of the decisions relating to the implementation of contribution accelerator:

1. Lancaster County has elected to implement contribution accelerator on an opt in basis.
2. Elect an implementation effective date: Tentatively set for May 1, 2018.
3. Define an annual increase percent. This can be designated as 1% per year.
4. Define a contribution rate threshold in which the annual increase will stop. We usually see 15% as the contribution accelerator maximum.
5. Define the date in which each annual increase will occur. There are two options available. The plan may designate the increase to occur on the anniversary date of date of hire. The other option is to choose a specific date in which the annual increase will occur each year, for example, July 1 of each year. Please note, this is only a default date. Members will have the option to elect their own annual increase date if they choose.
6. Define a default contribution source. We typically see the Employee Pre-Tax source as the default. Members will have the option to choose either Employee Pre-Tax or Roth 457(b) as the annual increase contribution source.

We will also need written direction from Lancaster County to move forward with changing the plan level default from GoalMaker Conservative to GoalMaker Moderate. We can also set a tentative effective date of May 1, 2018 for this change. There are currently 97 default investors in 401(a) plan and 4 in the 457(b) plan. Prudential can prepare a communication notifying the default investors of this change.

Please review the various options and provide your response and we can then move forward with the implementation. I'd be happy to give you a call if you have additional questions.

Thanks.

Leah

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