



## BMC Health System case study

# Helping employees seek optimal financial wellness

BMC Health System is committed to caring for all people. For its employees, this means providing not only affordable and comprehensive medical care, but also wellness services and programs to enhance its employees' overall well-being, including financial health.

The system is committed to helping its entire workforce better plan for retirement. First, BMC simplified retirement plan administration by collaborating with TIAA as its sole recordkeeper. By bundling services, reducing investment menu choices and consolidating the plan, BMC freed up time for its benefits staff, so it could focus on other priorities. This also made the plan more simple and effective for employees, removing decision points that often lead to inertia and implementing guardrails to keep employees on track for a successful retirement.

### **BMC found retirement readiness could be improved**

BMC had too large a number of eligible employees not enrolled in the plan, so these employees were missing out on BMC's generous employer contributions. And many of those who signed up for the plan never updated their investment options or contribution amounts. In their minds, it was one and done.

To address these issues, BMC implemented automatic enrollment and automatic increase. With TIAA as sole recordkeeper, choosing investments became more streamlined for employees. Plus, BMC designated TIAA Lifecycle Funds as the qualified default investment alternative (QDIA), to be sure it had maximum participation. With these changes and features, the benefits team had more time to focus on optimizing and enhancing the plan.

“With the help of TIAA, we consolidated multiple plans and redesigned many plan features. This reduced participant confusion, increased perceived value, and ultimately made it easier for employees to have successful retirement outcomes.

—Kerry Ryan, Director, Benefits,  
BMC Health System



**Boston Medical Center  
HEALTH SYSTEM**



### BMC's remedy: Retire Happy campaign

The benefits team worked with TIAA to redesign the plan and update the investment lineup, and created a multiyear participant engagement strategy that educated employees with a robust communication, education and advice program delivered under a new, custom Retire Happy brand. They tied communications and advice campaigns to monthly wellness themes through presentations, events and modules on a financial literacy site built for BMC. Additionally, TIAA's Stay Smart® for Life program proactively reaches out to employees as they approach retirement age.

The benefits team's goal was to educate employees to help them make informed decisions and understand their options. For example, BMC wanted employees to leave their money in the plan so they would benefit from the lower-priced institutional share class on funds versus the higher priced retail options available to retail Rollover IRAs. The team introduced features to boost engagement and value for employees, including:

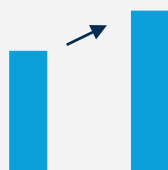
- A public service loan forgiveness program to ease the burden of student debt through TIAA's partnership with Savi.
- Working Credit—a one-on-one financial coaching program where employees implement a customized work plan to improve their credit score while addressing outstanding debt.
- A well-being guide called *Together We Can Thrive*, which features BMC, government and nonprofit support programs to aid employees in need of social support assistance.
- Advice and resource materials on identity theft, estate planning, student loan support, college financing, protecting employees' credit and buying a home.
- Seminars and workshops on maximizing Social Security benefits, FAFSA (Federal student aid program) and estate planning.
- Beneficiary campaign, to encourage employees to update their information.
- TIAA's Retirement Plan Portfolio Manager, a discretionary qualified managed account allowing for in-plan professional money management without employees having to roll out their money from the plan.

## Results from the redesign and updated strategy



Number of advice sessions increased

230%<sup>1</sup>



Plan participation rate went from

68% to 90%<sup>1</sup>



Plan costs decreased 30% and investment fees went down 9 basis points<sup>1</sup>

“We were thrilled to have our program recognized with an Eddy Award. But what’s most gratifying to us is the ability to really help our employees achieve their personal financial and retirement goals.”

—Laura Cocca,  
Senior Benefits and Wellbeing Analyst,  
BMC Health System

#### The program has delivered healthy results

- **Increased participation and contribution rates.** The number of advice sessions more than doubled, helping plan participation go from 68% to a robust 90%. With auto-enrollment, the number of new hires contributing to the plan shot up 3x to 83%. And the average contribution rate increased 55%.
- **Greater financial benefits for employees.** The hugely popular public service loan forgiveness program, for example, enables employees and eligible family members to restructure student loans to save an average of \$170 per month, and receive an average projected \$70,000 loan forgiveness.
- **Reduced costs.** Plan costs declined 30%, and investment fees went down by nine basis points.
- **Industry recognition for excellence.** *Pensions & Investments* recognized the Retire Happy program with an Eddy Award in 2020. It won third place in the “Special Products” category, which showcases special investment education and communication programs.



1. Source: TIAA Institutional data, 12/31/2019.

Time period was from 12/31/2015-12/31/2019. Results experienced by the institution may not be typical of all plans. Individual results and investment value will vary.

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor’s own objectives and circumstances.

**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to [TIAA.org/prospectuses](https://www.tiaa.org/prospectuses) for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

Savi and TIAA are independent entities. A portion of any fee charged by Savi is shared with TIAA to offset marketing costs for the program. In addition, TIAA has a minority ownership interest in Savi. TIAA makes no representations regarding the accuracy or completeness of any information provided by Savi. TIAA does not provide tax or legal advice. Please contact your personal tax or legal adviser.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

©2022 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017

2380878

(8/2022)

For institutional investor use only. Not for use with or distribution to the public.