



GREENVILLE HEALTH SYSTEM

HOW ADOPTING CREATIVE PLAN DESIGN MAXIMIZES RETIREMENT OUTCOMES FOR HEALTHCARE EMPLOYEES

The mission, vision, and values of Greenville Health System (GHS) revolve around innovation, transformation, and leadership, reflecting the commitment of this world class health network to consistently develop better ways to offer each patient the best possible care. Those same values are reflected in GHS's passionate commitment to continually improve its \$405 million 403(b) plan, which serves nearly 14,000 employees.

With eight medical campuses, 10 hospitals, and more than 180 primary and specialty care practices across upstate South Carolina, GHS has steadily grown to become one of the state's largest employers and providers of health care. Much of the organization's growth is through partnerships and collaboration with area hospitals and physician practices.

But partnerships and collaboration can bring with it significant challenges such as integrating staff from other organizations, and getting newly acquired employees actively involved in the GHS 403(b) plan.

DESIGN CHANGES TO INCENT PARTICIPATION AND DIVERSIFICATION

As one of the largest regional employers, GHS must keep its benefits competitive to attract the best and brightest talent to ensure its long-term growth and success in the region. With a strong paternalistic view toward their employees, and in keeping with their mission to improve constantly, GHS has become a fantastic partner that is always willing to explore, and adopt plan design changes that will positively impact their participants and help make their plan as competitive as possible.

When GHS first partnered with Prudential Retirement® in 2008, they enthusiastically adopted Advisor GoalMaker® as a plan option at the suggestion of Anne Comer of Presidium Advisers. As the plan's Advisor, Anne carefully constructed

CHALLENGE:

Achieve meaningful increases in participation rates and deferrals despite an employee population that continues to grow and evolve due to new partnerships and collaborations.

SOLUTION:

Implemented a thoughtful combination of changes in plan design at transition and over the years since (including new auto-enrollment and escalation features) and the addition of Advisor GoalMaker® as the default investment option.

RESULTS!:

A greater than 50% increase in enrollments and a doubling of the number of participants availing themselves of GoalMaker's asset allocation benefits.

PARTICIPATION RATE:

58% → 91%

NON CONTRIBUTING EMPLOYEES:

5,060 → 1,248

GOALMAKER PARTICIPANTS:

4,125 → 8,234

the portfolios and continues to monitor them for GHS. Additional plan design changes came when GHS added Roth to the 403(b) plan about two years ago. Yet, with the constant inflow of newly acquired employees, participation rates failed to crack 60%.

In close collaboration, Prudential and the plan advisor worked together to provide detailed benchmarking data in support of additional proposed changes to the plan design and the default investment option. GHS agreed that the only way to effectively move the needle on plan participation and improved asset allocation would be through the implementation of several additional plan design alterations.

- **Effective January 2014, auto enrollment was added to the plan to both simplify and compel participation of new and existing employees.**
- **In conjunction with adding auto enrollment, GHS agreed to change the plan's default from a stable value fund to a conservative GoalMaker portfolio with age adjustment.**

- **Contribution Accelerator was also added to help increase the plan's average year-over-year deferral rates, but the first 1% increase won't take effect until January 2015.**
- **In May 2014, GHS adopted Quick Join, a series of preset options carefully chosen by GHS to make enrollment even easier for acquired participants who want to opt-in prior to their auto-enrollment date.**

REINFORCING THE GAINS

While its two primary objectives have been achieved, GHS is determined to avoid any regression and to continue improving on other metrics such as participant deferral percentages and average account balance. Typically, when auto enrollment is implemented, both deferral rates and average balances markedly decrease.

In addition to including the auto-escalation feature, GHS is heavily leveraging Prudential's interactive tools, including the Retirement Income Calculator, along with two dedicated onsite retirement counselors, to continue to encourage greater participation and higher contribution rates.

Prudential Retirement thinks about retirement differently. We offer a comprehensive set of solutions with a consultative approach that can help you overcome your retirement plan challenges and help your participants work toward better retirement outcomes.

CONTACT YOUR PRUDENTIAL REPRESENTATIVE TODAY.

¹ Results achieved are reflective of 2008 to 2014 time period.

The Retirement Income Calculator is hypothetical and for illustrative purposes only. It is not intended to represent performance of any specific investment, which may fluctuate. **There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities.**

Retirement Counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

As of 11/2014 unless otherwise noted.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

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