

**PREPARING PUBLIC SECTOR EMPLOYEES FOR  
A COMFORTABLE RETIREMENT CAN BE**

**HARD**

**A STEADY PAYCHECK, GOOD BENEFITS  
AND A COMFORTABLE RETIREMENT THAT  
IS GUARANTEED. TRADITIONALLY, THIS  
HAS BEEN THE PROMISE OF A JOB IN THE  
PUBLIC SECTOR.**

**LATELY, HOWEVER, OFFERING THAT  
COMFORTABLE RETIREMENT HAS BECOME  
MUCH MORE CHALLENGING.**

**FUNDING PRESSURES, AMONG OTHER  
THINGS, HAVE MADE MANAGING A QUALITY  
PUBLIC SECTOR RETIREMENT PLAN**

**HARD**

**THERE IS A BETTER WAY.**

**AT PRUDENTIAL RETIREMENT®, WE  
CAN HELP YOU TRANSFORM YOUR  
RETIREMENT PLAN SO THAT EVEN IN  
TODAY'S UNCERTAIN LANDSCAPE, YOUR  
EMPLOYEES CAN LOOK TO THE FUTURE  
WITH CONFIDENCE.**

**SIMPLY PUT, WE MAKE RUNNING A  
PUBLIC SECTOR RETIREMENT PLAN**

**EASY**



# RETIREMENT SHOULD BE SOMETHING TO LOOK FORWARD TO.

A good retirement plan is more than a benefit. It's part of the American dream. But, the old way of achieving a comfortable retirement doesn't necessarily apply today.

At Prudential Retirement, our goal is to make financial security a reality for both you and your employees. We do this by providing you with a well-designed plan—and then we help your employees confidently engage with it.

Our approach involves providing you with unique ways to encourage and reward participant engagement—simple things that can help you and your employees manage assets, allocate risk, seize opportunities and ultimately build a more secure future.

The way we see it, some simple changes can dramatically impact your employees' ability to retire with confidence. With the right approach, a comfortable retirement can still be part of the American dream.



GETTING YOUR EMPLOYEES TO ENGAGE WITH THEIR RETIREMENT PLAN CAN BE

**HARD**

OR IT CAN BE

**EASY**

# A LITTLE EDUCATION GOES A LONG WAY.

Nobody innately knows how to plan for retirement. In fact, the prospect of life-after-work can seem so distant for many people that they can be tempted to push off planning.

At Prudential, we believe you can't combat the universal challenges surrounding retirement planning unless you understand them. That's why we've partnered with a team of top behavioral scientists to identify many of the reasons people avoid confronting their own retirement. We use that information to develop and continually enhance our Participant Engagement Program.

## CHANGING BEHAVIOR CHANGES OUTCOMES

Our Participant Engagement Program has changed the way employees think about retirement and has produced meaningful results for many public sector workers. By both simplifying and demystifying retirement planning, the program encourages workers to engage with the tools and resources we've made available. This approach has resulted in many workers contributing more robustly to their plan, taking charge of their investments and allocating their assets more effectively.

## WHY DO PEOPLE AVOID PLANNING FOR RETIREMENT?

In order to get people to plan for retirement, you've got to first figure out why they don't. Our behavioral scientists have helped identify five universal behaviors that keep people from planning.

1. **Trouble imagining a long life** (I might live *how long?*)
2. **Procrastination** (I'll do it later.)
3. **Being overly optimistic** (It won't happen to me.)
4. **Following the pack** (I just can't resist.)
5. **Instant gratification** (I want it now!)



## TOOLS & RESOURCES

Our research into the way people think about retirement has inspired us to develop novel ways to motivate employees to engage with their plan.

### EDUCATION Guidance when and where participants need it

- ◆ Dedicated retirement educators
- ◆ On-demand digital content on any device
- ◆ Support in Spanish

### TOOLS Digital technologies that help make retirement planning easier to access and approach

- ◆ Retirement Income Calculator
- ◆ Mobile-optimized plan web portal
- ◆ Plan-specific asset allocation program

### COMMUNICATIONS Personalized “nudges” to remind and encourage your employees to engage

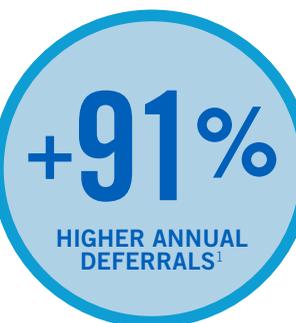
- ◆ Action-oriented email targeting key events and milestones
- ◆ Integrated monthly digital and direct mail correspondences
- ◆ Workplace communications and interactive onsite events

## RESULTS

Our Participant Engagement Program significantly improves employee involvement. Here are the facts.

### 401(k) Plans

PRUDENTIAL RETIREMENT VS. NAGDCA BENCHMARK



### 457(b) Plans

PRUDENTIAL RETIREMENT VS. NAGDCA BENCHMARK



# HOW WE HELP PUBLIC SECTOR PLANS LIKE YOURS

## STATE OF NEW JERSEY



### GETTING WORKERS INVOLVED IN THEIR RETIREMENT

To help 135,000 NJ state employees understand the importance of engaging with their deferred compensation retirement plan, Prudential created a National Retirement Security Week campaign with the theme of “Keeping the Future in Focus.” The multi-channel campaign included seminars that were held in 23 locations around the state, which encouraged people to take advantage of the resources that Prudential provides. The campaign was so successful it produced an 82.3% increase in meeting attendance over the prior year and received a 2015 NAGDCA Leadership Recognition Award.



## METROPOLITAN TRANSPORTATION AUTHORITY (MTA)



### PROMPTING POSITIVE RETIREMENT SAVINGS BEHAVIOR

Many of us underestimate the number of years we'll live in retirement. So, it's not surprising that there is often a gap between the number of years an individual spends in retirement and the number years he or she plans to spend in retirement. To address "longevity disconnect" at the MTA, Prudential had an idea: create an interactive app for MTA employees to let them easily take an honest look at where and how they'll be able to retire. With more than triple the take-action rate for similar campaigns, the following results speak for themselves.



**64%**

of attendees joined the plan or increased contribution rates<sup>3</sup>

**7 min, 41 sec**

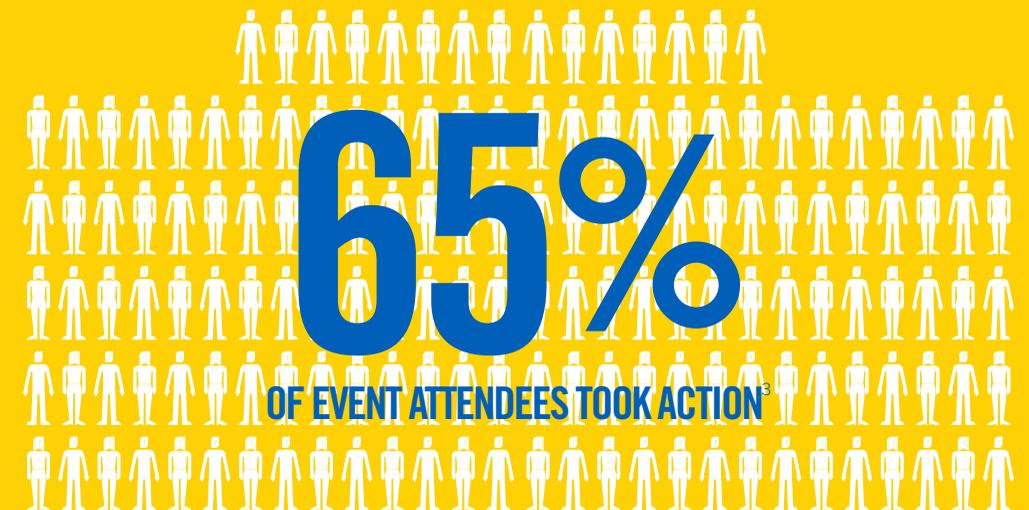
is the average time people spent with the app<sup>3</sup>

## STATE OF HAWAII



### HELPING EMPLOYEES TAKE ACTION

With the great weather and healthy lifestyle, it's no wonder Hawaii residents tend to live longer than most. But coupled with a higher cost of living, Hawaii residents have to be particularly vigilant in planning for retirement. To help State of Hawaii and participating county workers save more in the Island Savings Plan, Prudential partnered with the State and held a series of Employee Benefit Fairs to provide education and promote participation. The results are impressive.



**3X**

the action rates compared to the industry average<sup>3</sup>

**SURVEY RESULTS:**

**95%**

said they received all the information they wanted<sup>3</sup>

**98%**

said they would encourage colleagues to attend the next fair<sup>3</sup>

# A HIGH QUALITY WORKFORCE DESERVES HIGH QUALITY INVESTMENTS.

Asking your employees to trust you with their financial future is a big responsibility. But the burden becomes much easier to shoulder if the investments you're providing are going to be the best choice for the long-term.

That is why we offer an open architecture investment platform with options across a broad range of investment funds, managers and asset classes, and an option that includes fiduciary coverage.

Our approach to investing is based on a few core understandings:

- ◆ Risk tolerance can vary greatly from one employee to another
- ◆ Diversification is core to a long-term investment strategy
- ◆ Smart long-term investments (like Prudential's #1 ranked customizable Stable Value solutions), needs to be part of a long-term strategy<sup>4</sup>

## WHAT YOU GET WHEN YOU CHOOSE PRUDENTIAL

#1

A company ranked #1 in Stable Value assets with over 40 years of experience in the Stable Value market<sup>4</sup>

TOP  
10

A top 10 worldwide institutional money manager<sup>4</sup>

\$1.2  
TRILLION

An experienced partner with more than \$1.2 trillion in assets under management—including more than \$59 billion in public sector retirement plans<sup>4</sup>



The flexibility to invest in outside mutual funds traded by the National Securities Clearing Corporation (NSCC)

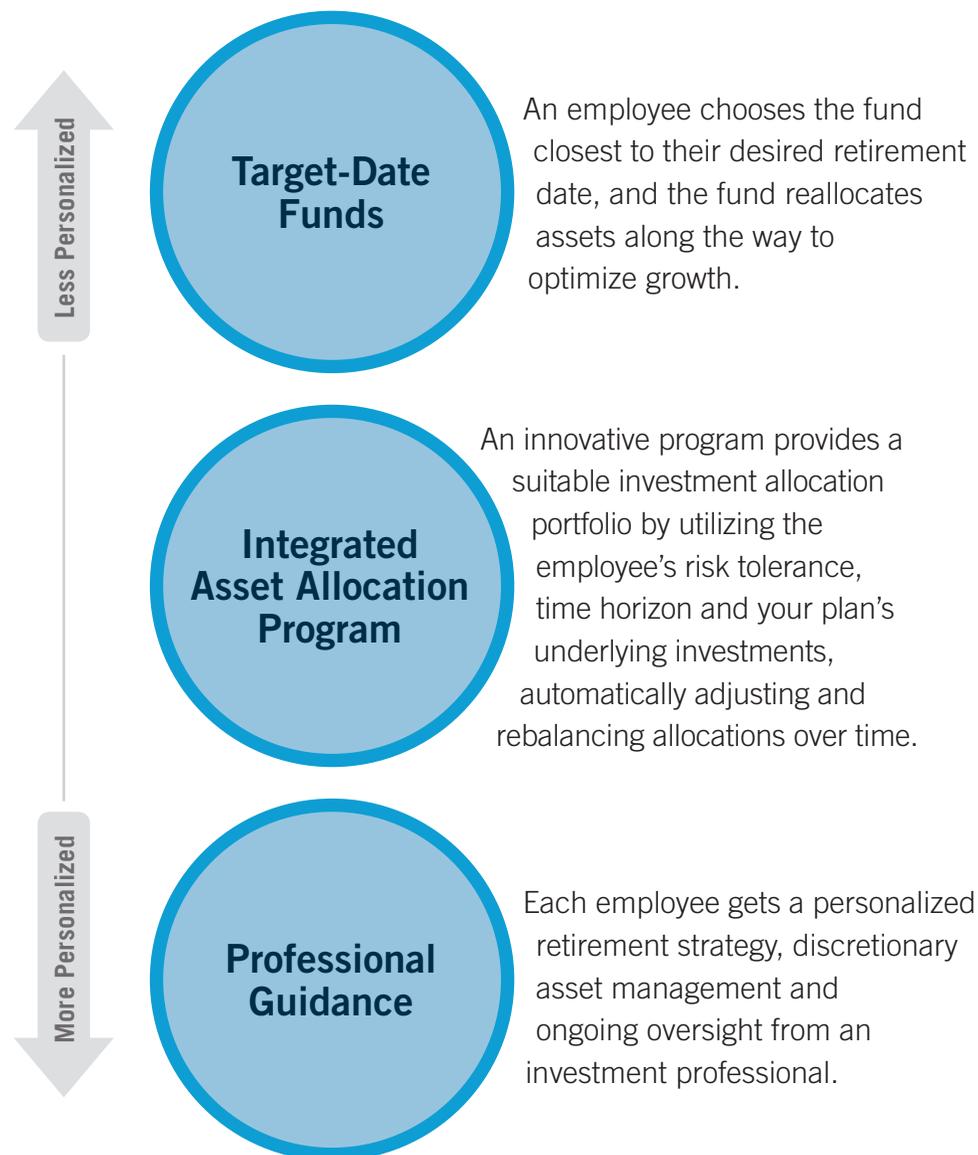
# HOW DO YOU MAKE TODAY'S RETIREMENT PLAN FEEL AS SECURE AS YESTERDAY'S PENSION PLAN?

Chances are, your employees have a single expectation of their retirement plan—they want the comfort of knowing it's going to provide income for as long as they live.

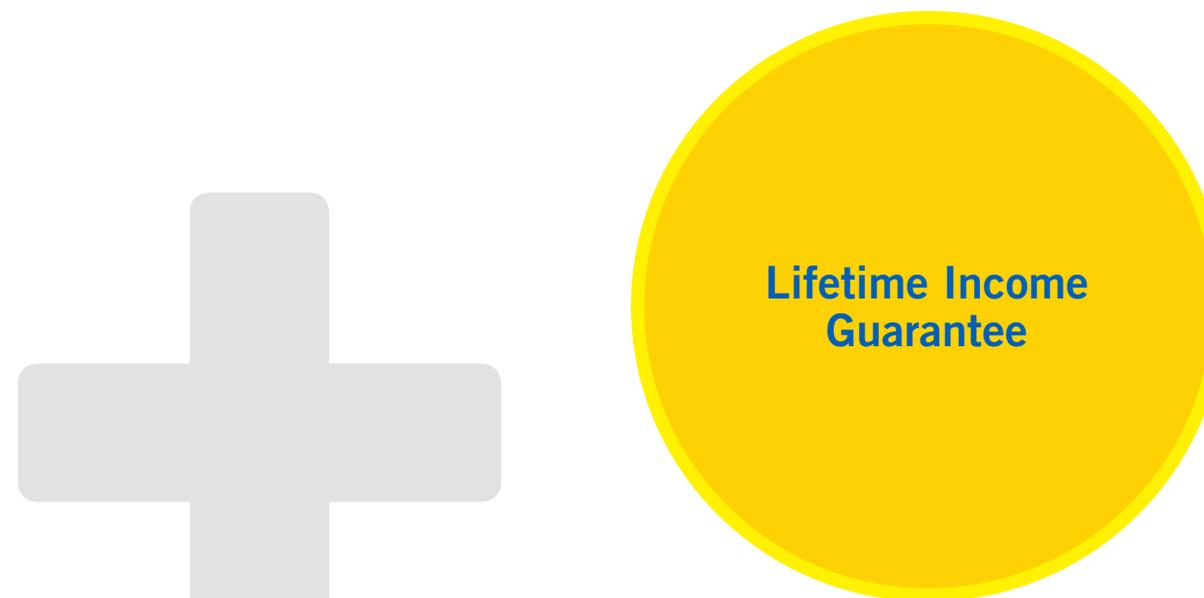
At Prudential Retirement, we provide a full range of asset allocation solutions to help employees grow their assets along with an income solution to both protect their income stream from downside risk and guarantee income for life.

The bottom line is that, growth + protection + a guarantee = confidence to and through retirement.

## Provide employees with quality asset allocation solutions



## Add a guaranteed lifetime income solution



### Lifetime Income Guarantee

As your employees prepare for, and enter, retirement, a guaranteed lifetime income solution works with their chosen asset allocation solution to protect their retirement income from downside risk. Once retired, they're guaranteed an income stream for life, which makes for a pension-like experience. An additional fee of about 1% will apply to those assets.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

Guarantees are based on claims-paying ability of the insurance company and are subject to certain limitations, terms and conditions.

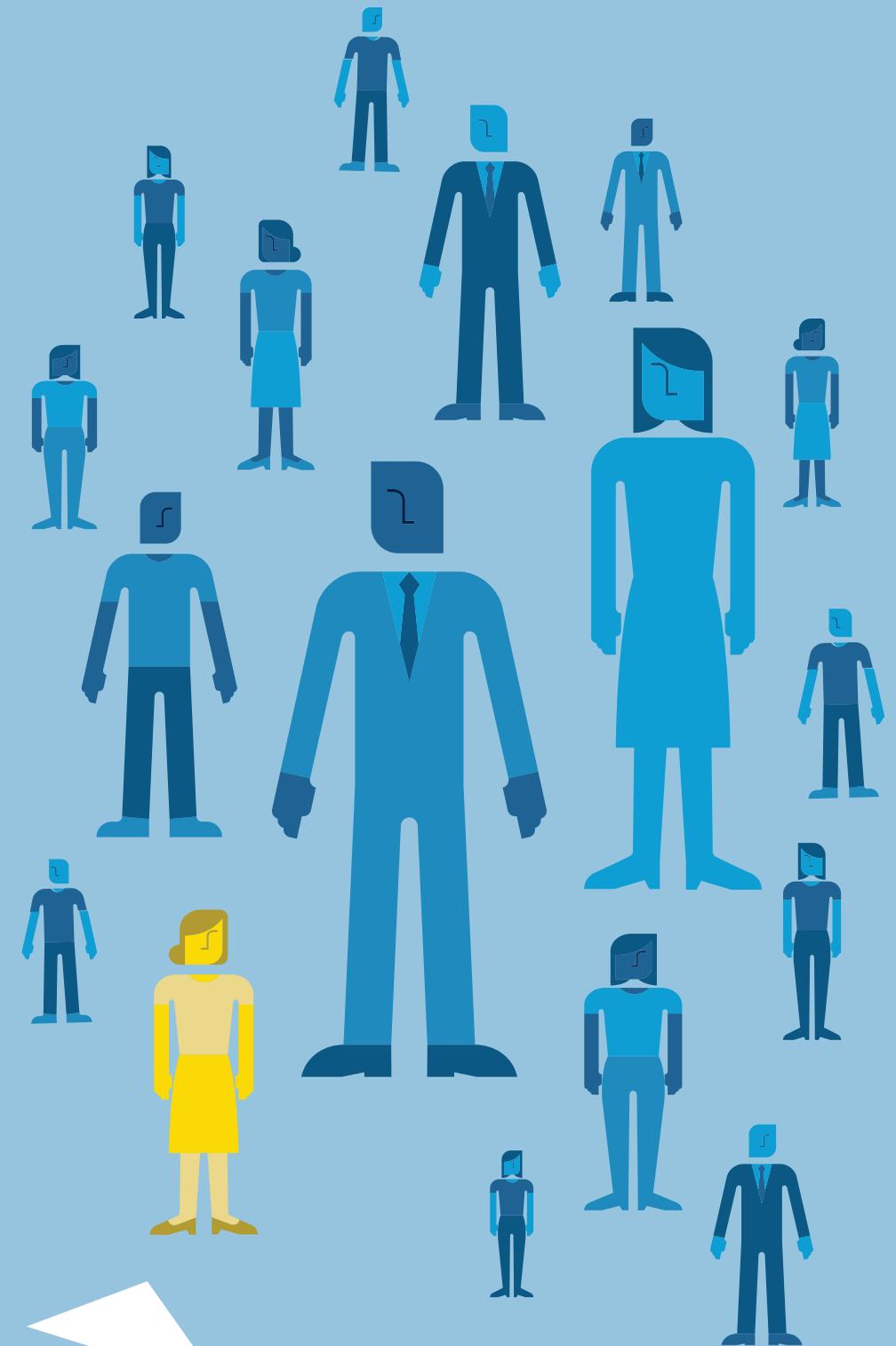
# A NEXT GENERATION RETIREMENT PLAN IS NEEDED TO ATTRACT THE NEXT GENERATION OF TALENT.

As a public sector employer, you're often competing with private sector companies for the same talent. Sometimes that just doesn't seem fair given the flexibility private companies have with salary packages.

The good news is that a well-designed retirement plan has the ability to help attract the next crop of talent into the public sector.

To aid in your hiring efforts, Prudential provides a set of informational materials—both printed and digital—to help promote your retirement plan's value to prospective candidates.

There's no doubt that competition for top talent can be hard. But offering an attractive retirement plan can help make it a whole lot easier.



**HARD** **EASY**™

# BETTER RECORDKEEPING. SMARTER ADMINISTRATION.

As you know, administering a public sector plan can be significantly more complex than providing recordkeeping and compliance for a corporation. Things like unforeseen hardships, special catchups and GASB40s are unique to the public sector and require a special level of expertise.

As a Prudential client, you can rely on a dedicated team to provide the strategic and consultative support that's crucial to ensuring your plan is operating at its most efficient level.

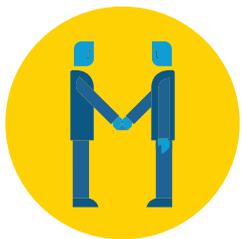
The result? Recordkeeping and administration that remains accurate, streamlined and easy for you to stay ahead of.

# HARD

FINDING MONEY FOR YOUR RETIREMENT PLAN  
WHEN YOU'RE FACING BUDGET CUTS

# EASY

FINDING A RETIREMENT PROGRAM  
THAT PROVIDES VALUE FOR THE MONEY



**YOUR RETIREMENT PLAN  
CONSULTANTS WILL HELP YOU:**

- ◆ Better navigate administration or compliance issues that may arise
- ◆ Keep up to date on new and pending legislation

## REMAINING IN COMPLIANCE.

Life is easier when your retirement plan is in compliance with government regulations. Drop the ball, and things start to get complicated very quickly.

At Prudential, we assign you a dedicated Retirement Plan Consultant who will first make sure your transition runs smoothly, then monitor the day-to-day administrative operation of your plan to make sure it continues to run optimally.

When appropriate, your consultant will provide you with research and communications on legislative or regulatory changes that may affect your plan, and organize plan reviews as necessary to help keep you informed of your plan's performance and new opportunities for engagement.

# SEAMLESSLY MOVING YOUR PLAN TO PRUDENTIAL.

Transitioning your plan to a new provider can seem hard. Enough so that sticking with an existing provider might appear more attractive, even when moving to a new one is more prudent.

Prudential has transitioned thousands of plans, creating unique plan conversion strategies that win industry awards year after year.<sup>5</sup> We have particular expertise in designing the type of public sector plans that reflect your values, environment and culture.

We structure every aspect of our transition support to ensure the experience is seamless while positioning your plan for a better future once it's on our platform. That includes everything from assigning you a tenured implementation and conversion team, to weekly status calls, plan design discussions, file transfer and more.

In other words, **we make moving your retirement plan easy.**

# HARD

PROTECTING YOUR EMPLOYEES' INTERESTS  
IN A RAPIDLY CHANGING WORLD

# EASY

FINDING A PARTNER THAT CAN HELP YOUR  
EMPLOYEES RETIRE SECURELY

# WE KNOW RUNNING A PUBLIC SECTOR PLAN CAN BE **HARD**

**WHICH IS WHY THROUGH EVERY STEP OF THE  
PROCESS, PRUDENTIAL PROVIDES SOLUTIONS  
SPECIFICALLY DESIGNED TO HELP MAKE A  
COMFORTABLE RETIREMENT A REALITY FOR  
YOUR EMPLOYEES.**

**WE MAKE OFFERING A RETIREMENT PLAN  
**EASY****

<sup>1</sup>Prudential Retirement, Dec. 31, 2014. Public Sector Defined Contribution Plan Survey Report, NAGDCA, 2014

<sup>2</sup>Plan statistics are from Prudential Retirement's Internal Analysis. Unless indicated otherwise, statistics are reflective of 2014 results

<sup>3</sup>Plan statistics are from Prudential Retirement's Internal Analysis. Unless indicated otherwise, statistics are reflective of 2015 results

<sup>4</sup>Pensions & Investments 2015 Money Manager Survey, May 2015

<sup>5</sup>NAGDCA, 2016

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Participants using the Retirement Income Calculator should consider other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) when assessing the adequacy of the estimated income stream as provided by this tool. The Retirement Income Calculator is hypothetical and for illustrative purposes only and 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.**

The target-date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target-date approaches by lessening the equity exposure and increasing the exposure in fixed income type investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target-date. There is no guarantee that the fund will provide adequate retirement income.

A target-date fund should not be selected based solely on age or retirement date. Participants should carefully consider the investment objectives, risks, charges and expenses of any Fund before investing. Funds are not guaranteed investments and the stated asset allocation may be subject to change. **You can lose money by investing in securities, including losses near and following retirement.**

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**To find out more, contact Scott Boyd,  
Head of Public Sector Solutions at 860-534-2330  
or at [scott.boyd@prudential.com](mailto:scott.boyd@prudential.com).**

OR IT CAN BE

**EASY**



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