

# BLUE PRAIRIE

— Group —

## CASE STUDY:

Review of retirement benefit program  
improved employee retirement readiness

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### Challenge:

A large non-profit organization with more than 300 locations across northeastern Illinois asked Blue Prairie Group to assist them in a strategic retirement plan redesign. The defined benefit plan, with total assets in excess of \$400 million, included 10,000 participants and the 403(b) plan, with \$60 million in assets, included 3,500 participants out of 10,000 eligible.

### Results:

1. Blue Prairie Group managed the process to freeze the defined benefit pension plan and implement a comparable age-weighted defined contribution plan. The age-weighted formula resulted in a benefit level comparable to the benefit previously accrued under the DB plan, and allowed the organization to more accurately plan and budget pension costs.
2. The 403(b) plan was recast and re-branded. Blue Prairie Group conducted a due diligent recordkeeper search and a new recordkeeper was selected. Auto enrollment, auto escalation, and target date funds were introduced.
3. The 403(b) plan now offers lower cost, institutionally-priced mutual funds. **The overall cost of the plan was cut by over 50 percent. While employee participation in the DC plan more than doubled from 35% to 88%.**
4. Conversion to the new recordkeeper included improved employee education, and as a result, employees now have a much greater awareness of their retirement readiness.
5. The client now has a retirement program that provides a competitive benefit level and has eliminated the funding and cash flow uncertainty which had threatened the long-term viability of the plan.

### Background:

With an increased focus on maintaining sound and secure funding levels on DB plans, organizations struggle with satisfying their commitment to provide an appropriate retirement program for their employees, while at the same time keeping the cost of the benefit plan within a manageable level.

Strategies can be employed to meet both needs. Employees must be engaged in and participate in their own retirement planning. While the traditional defined benefit plan model of an employer-funded retirement may no longer be feasible for all cases, plan sponsors can incorporate tools and features that help employees identify and reach their retirement goals.

## **Blue Prairie Group Retirement Services:**

Strategic plan design  
Benchmarking  
Plan cost analysis and fee negotiation  
Investment policy development  
Ongoing investment monitoring  
Custom plan design and maintenance  
DB terminal liability consulting  
Fiduciary training  
Vendor search  
Employee financial education

**If you have any questions or comments,  
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