

Automatic Enrollment



NRM-9789OH-OH.9 (07/23)



About Ohio DC

Ohio DC is an employer-sponsored supplemental 457(b) retirement plan offered exclusively to all Ohio public employees. Retirement savings have been Ohio DC's only responsibility since 1976.

Our mission is to:
**“Guide participants along the path
to retirement income security.”**



What is going on...Why are we here?

Senate Bill 27

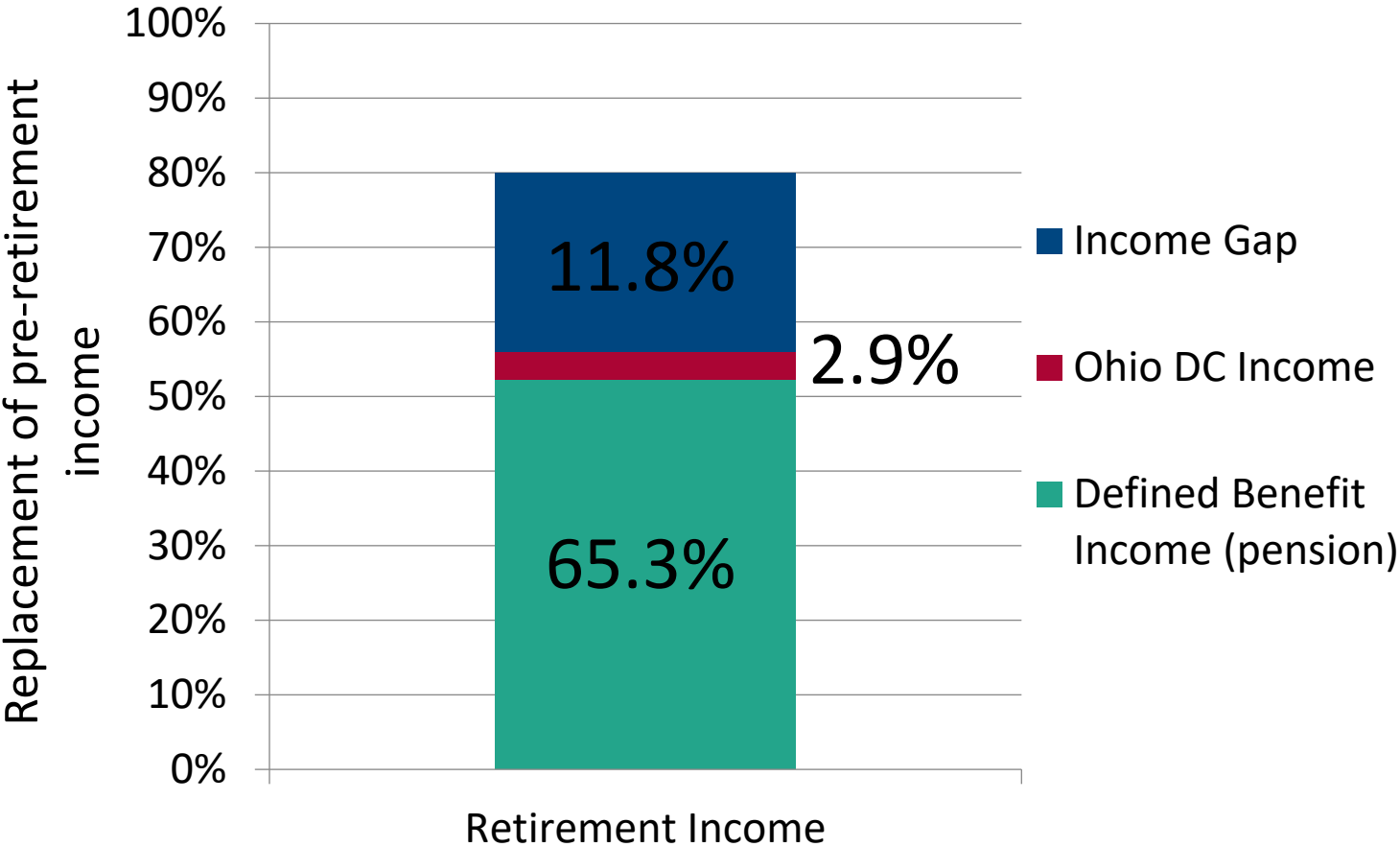
- Authorized automatic enrollment for all new State of Ohio employees (replaces the opt-in/opt-out form requirement)
- Authorized the Ohio DC Board to:
 - Set pre-tax contribution amounts and auto-increase amounts
 - \$25 (bi-weekly) or \$50 (monthly) per paycheck
 - Annually in July, automatically increase by \$30 (bi-weekly) or \$60 (monthly) per paycheck
- Choose default investment option

Why would the legislature do this?

- Savings behaviors in the United States are lacking
- Automatic enrollment is the best way to help people prepare for their retirement and essentially aging
- Automatic escalation is critical to automatic enrollment effectiveness
- Saving for retirement is important for all of us – the cost of aging is high
- Currently over 60% of state employees participate in Ohio DC
- Statistics show that only 5-10% of employees opt-out of automatic enrollment

Employees face a significant retirement gap

Typical Participant with Full-Service Pension Benefit



Automatic enrollment success stories!



- Ohio DC, City of Marietta, OPERS, STRS and SERS automatically enroll their employees with participation rates well above 90%
- Kentucky and Illinois automatically enroll employees
 - Kentucky's participation rate is 94%
 - Illinois' participation rate is 97%
- Pension systems automatically enroll

Ohio DC Auto-Enrollment



How does this work? ►

- Don't worry!
- Ohio DC is responsible for the success of automatic enrollment.

New employee file sent to Ohio DC



Ohio DC receives a WEEKLY file with new hire. New employees will be automatically enrolled unless within ninety (90) days they initiate an enrollment at Ohio457.org or decline automatic enrollment.

Ohio DC mails first notification letter



Ohio DC mails a letter that explains the auto-enrollment process, including the first pre-tax contribution pay date and amount, SMarT increase, and the deadline to decline enrollment. The automatic enrollment flyer is provided.

Ohio DC mails second notification letter



Forty (40) days prior to the deadline to decline, Ohio DC mails a letter that includes the first pre-tax contribution pay date and amount, investment option, SMarT increase amount and month, and the deadline to decline enrollment. A Welcome Kit is provided.

Employee is auto-enrolled



If the employee takes no action, after ninety (90) days, Ohio DC will create a participant account and contribution instructions will be provided to the State payroll system.



Automatically enrolled employees will participate in the SMarT Plan that will automatically increase their contribution annually in July. The SMarT increase amount or month can be changed at any time.

Resources for HR Professionals

- Automatic Enrollment Flyer
- SMarT Automatic Increases Flyer
- LifePath Portfolios Brochure
- Access resources at:
OhioDC.org/automatic-enrollment



Information you should know

Tax and Legal Information

Neither Ohio Deferred Compensation nor any of its representatives give tax or legal advice. Federal tax laws are complex and subject to change. Please consult your tax or legal advisor for answers to specific questions.

This publication does not constitute legal, accounting, or other professional advice. Although it is intended to be accurate, neither the publisher nor any other party assumes liability for loss or damage due to reliance on this material.

Retirement Planning Specialists

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We're here to help



877-644-6457



In-person, phone or virtual appointments



Webinars/field presentations



Ohio457.org



Rewards newsletter