



OHIO DEFERRED
COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

Ohio Deferred
Compensation

Automatic Enrollment

Learn About Automatic Enrollment with Ohio DC

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.”***



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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
 - Adjust the contribution amounts at their discretion
 - Choose default investment option



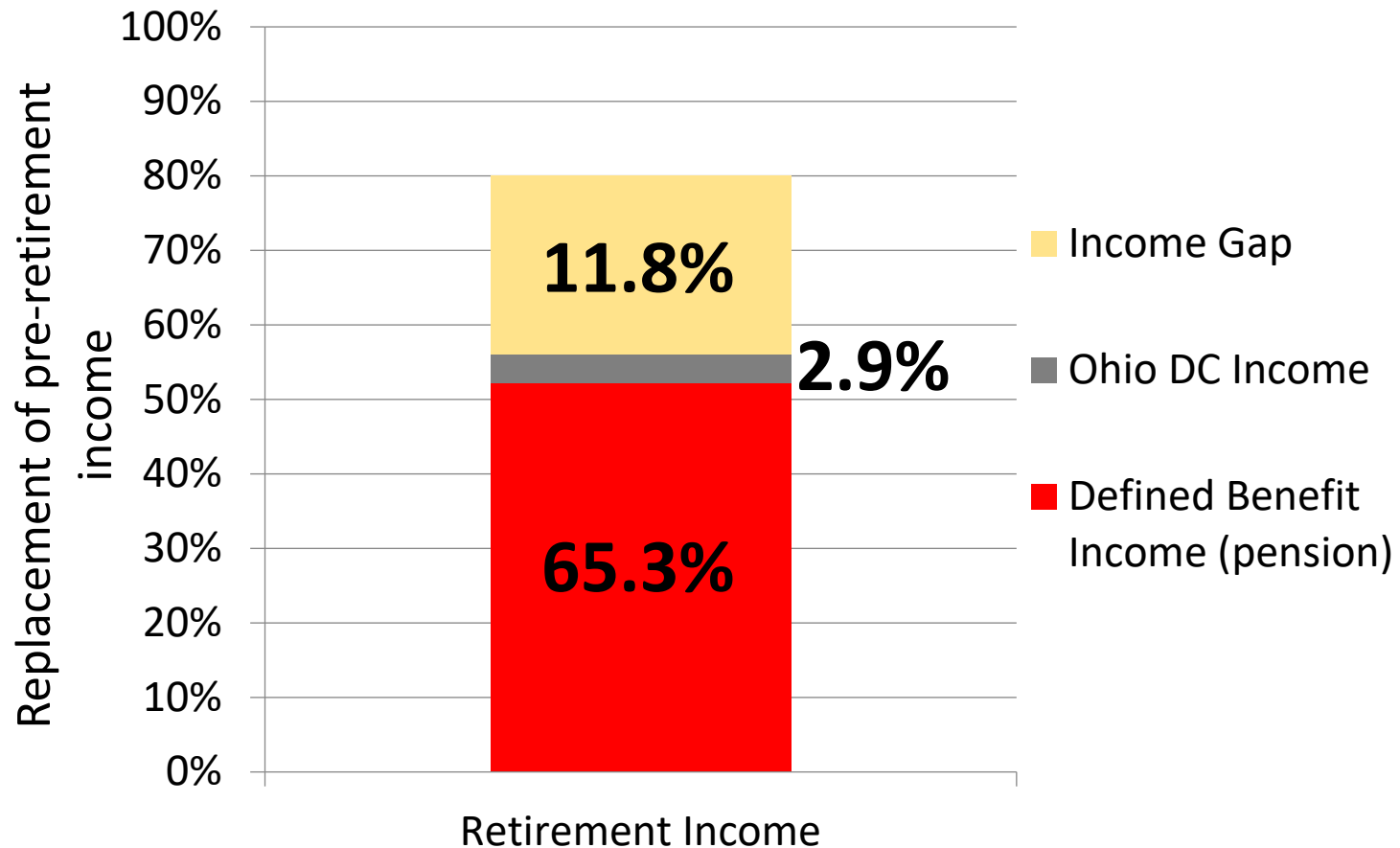
Why would the legislature do this?

- 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



How does this work?

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

Ohio DC Automatic Enrollment



New employee information received



Ohio DC receives a WEEKLY file with new hire information. New employees will be automatically enrolled unless, within 90 days, they initiate an enrollment or decline automatic enrollment.

First notification letter



Ohio DC mails a letter that explains the automatic 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 with this letter.

Second notification letter



Ohio DC mails a second letter prior to the decline enrollment deadline. The letter includes the first pre-tax contribution pay date and amount, investment option, SMarT increase, and the deadline to decline enrollment. A Welcome Kit is provided with this letter.

Employee is auto-enrolled



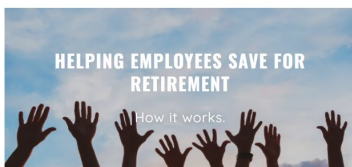
If the employee takes no action, after 90 days, Ohio DC will create a participant account and contribution instructions will be provided to the State payroll system.



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



UNDERSTANDING AUTOMATIC ENROLLMENT

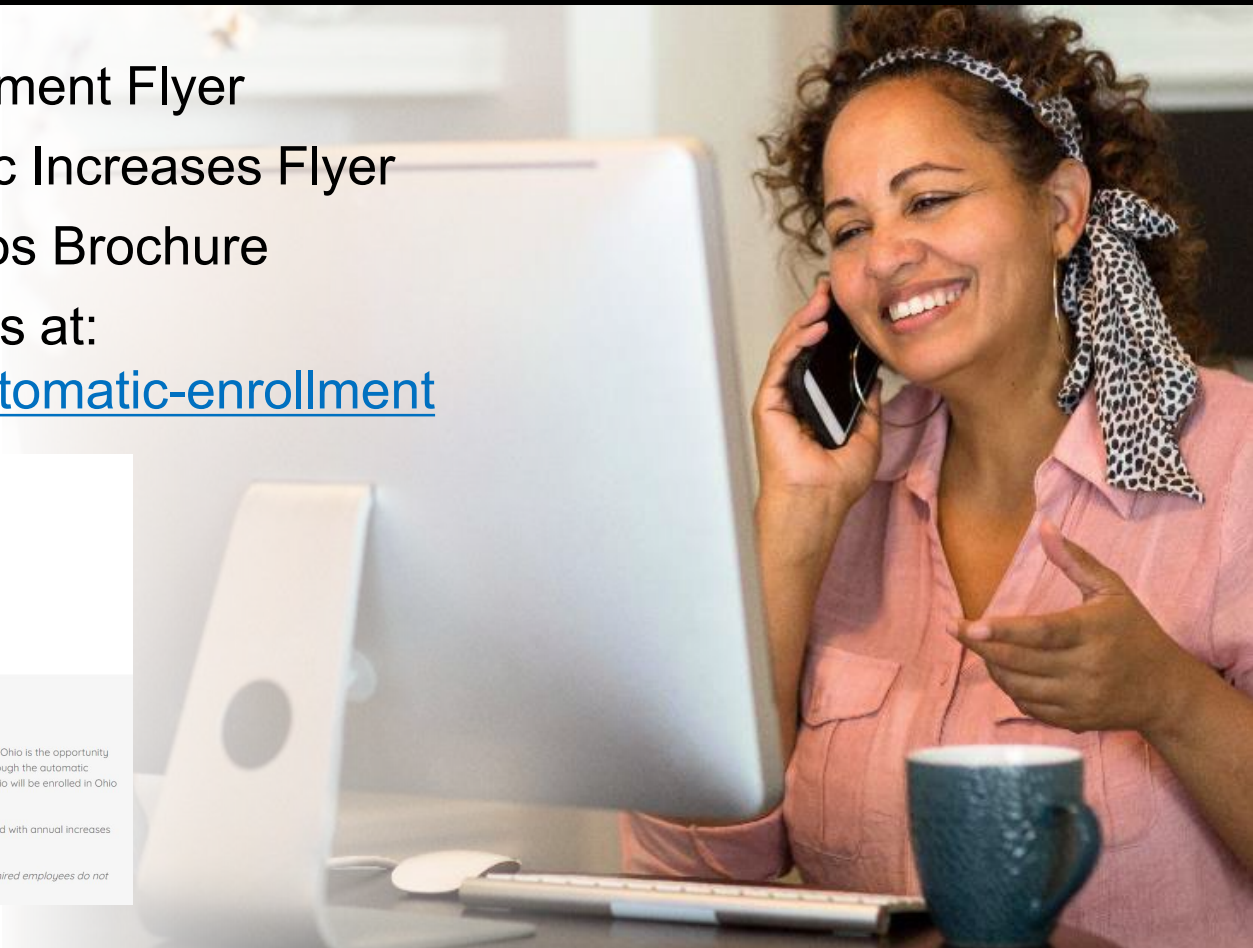
An important benefit for newly hired full-time employees of the State of Ohio is the opportunity to save for retirement with Ohio Deferred Compensation (Ohio DC). Through the automatic enrollment feature, all new, full-time employees hired by the State of Ohio will be enrolled in Ohio DC.

Automatic enrollment helps participants save for a secure retirement and with annual increases it can be a powerful way to increase retirement plan savings.

Once your agency has implemented automatic enrollment, your newly hired employees do not have to do anything to begin saving.

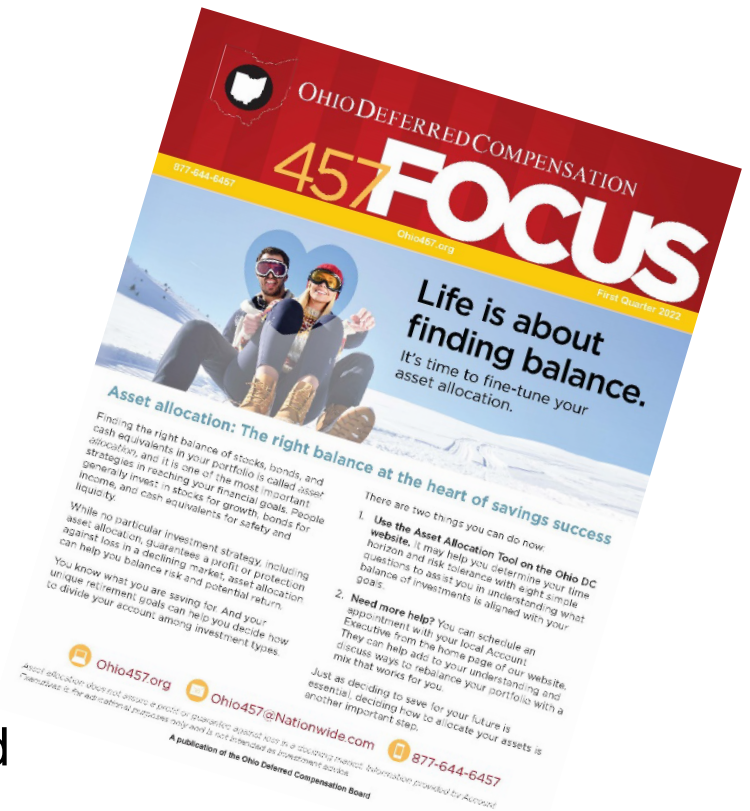


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We are here to help!

- Service Center: 877-644-6457
- Local Field Account Executive
- Website: Ohio457.org
 - Interactive Retirement Calculator
 - Paycheck Impact Calculator
- Financial Wellness Program
 - Access to free online personalized tools to boost financial wellness



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