



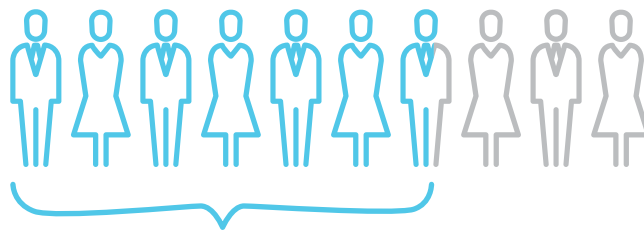
MassMutual@WORK

Is delayed retirement impacting your bottom line?

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What happens when your employees aren't financially prepared for retirement?

For some workers, the solution seems obvious: just keep working a few extra years and make up the shortfall.



In fact, nearly half of American workers (49%) say they plan to delay retirement for financial reasons, according to a recent study.¹

But what happens when your employees can't retire on time? Their plans for the future take a hit – and, so may your company's bottom line.

RETIREMENT READINESS IS AN ISSUE NOT ONLY FOR YOUR EMPLOYEES, BUT ALSO FOR YOUR BUSINESS.

Potential impact on your employees

Potential impact on your business

Financial worries
take a toll

54%

of employees are stressed
about their financial situation²

Productivity suffers

13 hours/month (average)³

Amount of time financially stressed employees spend worrying at work

Labor costs increase

\$7,000/year (average)⁴

Estimated annual employer cost for lost productivity for each financially stressed employee

Behaviors that derail retirement savings

Approximately 1 in 4 pre-retirees⁵

took money from their retirement plan

Insurance and benefit costs add up

\$10K – \$50K⁶

Estimated additional cost to employers for each year an employee delays retirement

Employees delay retirement

50% of workers

age 60 and older⁷ plan to work until at least age 70

Lack of advancement for younger workers could increase turnover

\$15,000⁸

Average cost of turnover per employee (Based on \$45,000 median U.S. worker salary)



These potential costs may be offset by certain factors such as the increased skill and productivity that older workers may bring to the workplace.



Viability: a new approach to boosting plan health

The ability to retire on time has a financial impact for you and your employees that is real. Yet, one of the biggest hurdles plan sponsors face in addressing the savings gap and helping employees to retire on time is knowing where to begin.

MassMutual has a proprietary retirement plan analytic tool to help measure retirement readiness. This includes access to Viability, a leading-edge tool that uses your plan data to help you and your advisor:

-  Help quantify the projected economic costs to your business of delayed retirement.
-  Help determine which plan design, participant education, and investment levers you can pull to drive better outcomes for your employees — and your business.

VIABILITY CAN HELP YOU MOVE THE NEEDLE ON RETIREMENT READINESS BY FOCUSING ON THESE THREE LEVERS:

Plan design



Automated features, including enrollment and reenrollment, escalation, and rebalancing are proven to help boost participation and savings rates.

Participant education



Engaging and relevant participant education personalized for your employees' financial concerns can help drive change.

Investment solutions



Creating the right line-up of investments and default options can help participants make smarter choices about their retirement savings.



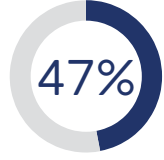
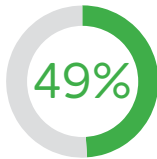
Do you know



Plans that have both auto-enrollment and auto-escalation features have a **21% higher** average participation rate than plans without them.⁹

A **1%** improvement in plan investment performance (all else being equal) could boost the number of employees that are **80% – 100%** retirement ready by 15%.¹⁰

Half of workers say that **retirement, financial, or health care** planning programs would be helpful in increasing their productivity at work.¹¹



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Which lever is the right one to pull for your retirement plan?

With MassMutual's Viability report, your advisor can help you understand the unique challenges facing your organization and implement a strategy to better prepare your employees for retirement. To get your Viability report, contact your retirement plan advisor today.

When you help your employees to be on target for a successful retirement, everyone wins.

Can your current plan provider tell you:

- ① What percentage of your employees are on target to be retirement ready?
- ② What delayed retirement is costing your business?
- ③ Which “expected behaviors” are putting your participants at risk for reaching retirement financially unprepared?
- ④ What levers specific to your plan can you pull to drive better outcomes for your plan and participants?



- ¹ 2018 RCS Fact Sheet #2: Expectations About Retirement, EBRI.
https://www.ebri.org/pdf/surveys/rcs/2018/RCS_18.FS-2_Expect.pdf
- ² PwC US, 2018 Employee Financial Wellness Survey.
<https://www.pwc.com/us/en/industries/private-company-services/library/financial-well-being-retirement-survey.html>
- ³ Mercer Inside Employees Minds <https://www.mercer.com/content/dam/mercer/attachments/global/inside-employees-minds/gl-2017-inside-employees-minds-financial-wellness.pdf>
- ⁴ Financial Fitness Group, The Cost of Financially Stressed August 2014
<https://www.financialfitnessgroup.com/cost-financially-distressed-infographic/>
- ⁵ MassMutual Retirement Savings Risk Study 2018.
<https://www.massmutual.com/-/media/Files/MM%20Risk%20Study%20Report.pdf>
- ⁶ Society of Actuaries; Gregory Ward, Calculating ROI Measuring the Benefits of Workplace Financial Wellness, 2017.
<https://www.soa.org/essays-monographs/financial-wellness/2017-financial-wellness-essay-ward.pdf>
- ⁷ Half of Mature U.S. Workers Will Wait Until at Least Age 70 to Retire or Won't Retire at All, CareerBuilder. March 31, 2017.
<https://www.prnewswire.com/news-releases/half-of-mature-us-workers-will-wait-until-at-least-age-70-to-retire-or-wont-retire-at-all-300432256.html>
- ⁸ Work Institute, 2017 Retention Report: Trends, Reasons & Recommendations.
<http://info.workinstitute.com/retentionreport2017>
- ⁹ The 2017 PLANSPONSOR DC Survey. <https://www.plansponsor.com/research/2017-dc-survey-plan-benchmarking/2/>
- ¹⁰ Viability Report 2018 Hypothetical example based upon a plan design with an employer match of 50% up to 5%, without auto enrollment nor auto deferral increase and a balanced portfolio rate of return plus 100 basis points. Projections assume a continuance of employee funding behavior and do not factor in loans, withdrawals nor deferral changes. (C: RS-38399-02)
- ¹¹ 2017 Retirement Confidence Survey, Employee Benefit Research Institute, March 2017.
https://www.ebri.org/pdf/briefspdf/EBRI_IB_431_RCS.21Mar17.pdf