Education program guidebook

Creating an Education Policy Statement and Education Strategy for your plan
What are an Education Policy Statement and an Education Strategy?

An Education Policy Statement is intended to document your commitment to creating and maintaining an overall employee education program. It’s established once, reviewed annually, and modified only if the core objective, philosophy and/or process for your education program is revised. It establishes the foundation for ongoing participant education efforts.

An Education Strategy is created annually and serves as a roadmap or tactical plan that guides the implementation of specific participant education campaigns tied to specific plan goals. It may consist of campaign descriptions, proposed timelines, and an employee education calendar.

Should you establish an Education Policy Statement?

You should seek guidance from legal experts when determining whether to establish an Education Policy Statement for your plan. However, you can start by answering the following questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes ☐</th>
<th>No ☐</th>
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<tbody>
<tr>
<td>Does the organization want to support an education effort?</td>
<td></td>
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<tr>
<td>Will the organization allocate the resources needed to support an Education Policy Statement?</td>
<td>Yes ☐</td>
<td>No ☐</td>
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<tr>
<td>Do you believe an education program will result in employees making more informed decisions in the plan?</td>
<td>Yes ☐</td>
<td>No ☐</td>
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If you answered “no” to any of these questions, you may not want to establish an Education Policy Statement.
What additional factors should you consider when deciding whether to establish an Education Policy Statement?

If you answered “yes” to all of the questions on page 2, the following questions may help you define your overall education objective, philosophy and planning approach. For each question, consider where your organization falls on the scale provided.

How would you describe the organization’s approach to employee benefits and education?

MORE HANDS-OFF

MORE HANDS-ON

Generally, organizations that are more hands-on or paternalistic feel a greater responsibility for educating their employees. Organizations that are more hands-off often believe their primary responsibility is to provide access to benefits and to fulfill all required regulatory communications.

How would you describe the scope of education that the organization believes is necessary to help employees make effective decisions?

MORE FOCUSED
Addresses the retirement plan only

MORE HOLISTIC
Addresses a broad range of financial topics

Your organization’s attitudes about the appropriate range of participant education can influence how you define your overall education philosophy and goals. It also will influence the type of Education Strategy you choose to implement on an ongoing basis.

How would you describe the appropriate audience for your education programs?

MORE EXCLUSIVE
Includes active participants only

MORE INCLUSIVE
Includes all employees

Your organization’s view of the audience for ongoing, non-regulatory education programs will impact the statement of your education objective, philosophy and goals.
Education Policy Statement outline

The sections listed here are an outline for your plan’s Education Policy Statement. You may decide to use all sections or just a few for your final Education Policy Statement.

1. **Overview of the plan**
   Describe the basic plan information, such as the name of the plan (or plans) covered by the Education Policy Statement, benefits the plan is designed to provide, and how the plan is structured (e.g., it allows employees to contribute and to make their own investment decisions).

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2. **Education objective**
   Describe the overall strategic goals of the plan’s education program. Begin by clearly stating the objective (e.g., the plan sponsor intends to provide ongoing employee education to help ensure that participants understand how to make the most of their plan accounts). Describe what will be done to achieve this objective. How will education campaigns detailed in the Education Strategy enhance this objective? What is the purpose of your employee education efforts?

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3. **Education philosophy**
   Define the organization’s beliefs as they relate to the plan’s education program. Consider why your organization offers retirement education. Your organization’s culture and overall benefits philosophy will directly influence the education philosophy.

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4. **Goals for employee education**
   Define the types of quantitative and qualitative goals that may be used to measure the success of your education program. Specific employee education goals may be determined each year based on an analysis of plan data and employee needs.

   Quantitative goals
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________

   Qualitative goals
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
5 Education planning
Determine how often you’ll meet with Lincoln Financial Group and other interested parties, to assess participants’ education needs, clearly outline your objectives and build a plan that can efficiently be executed and monitored for ongoing success. To be effective, the planning process will include these steps:

________________________________________________________________________________
________________________________________________________________________________
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6 Annual Education Strategy
Each year’s education goals will be documented in an Education Strategy document. Describe what else may be included, such as a communication calendar, specific campaign outlines, implementations guides, and success measurements.

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7 Measuring results
Whenever possible, use plan data to determine the results of each campaign in the overall Education Strategy. Campaign results also will be used to help determine education needs for the upcoming year. Define any specific metrics you’ll use to evaluate the success of the Education Strategy.

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________________________________________________________________________________
________________________________________________________________________________

8 Roles and responsibilities
Define roles and responsibilities outlined in the EPS. Name any outside parties who will assist in planning, implementing and measuring the EPS (e.g., the plan’s financial advisor, Lincoln Financial Group, or others), as appropriate.

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Establishing your annual Education Strategy

Whether or not you decide to create an Education Policy Statement for your plan, you can create an annual Education Strategy to meet employees’ education needs and meet specific plan goals. This outline is designed to help you develop an effective employee Education Strategy. Use this outline as a guide to customize your Education Strategy to suit your plan, your employees, and your education goals.

1 Plan assessment
Define the specific issues to be addressed by the annual Education Strategy. Note that this is simply a statement of the issue, not the solution.
Example: On average, younger plan participants—those under age 30—save very small amounts in the plan.

2 Employee segments
Define target populations for the annual Education Strategy.
Example: The primary target audience for part of the annual strategy may be employees under age 30 who are contributing less than 5% to the plan.
A secondary audience may be “all plan participants,” who would benefit from information that helps to reinforce making appropriate asset allocation decisions.

3 The communication objectives
Answer the question “What actions are we encouraging the target segments to take as a result of the annual Education Strategy?” (e.g., “The goal is for employees to reallocate their plan assets to a more appropriate allocation given their investing time horizon.”)

4 Annual education campaigns
Document the specific education campaigns your plan will implement in the next year to achieve your communication objectives.
Lincoln makes available campaigns for enrollment, increasing contributions, asset allocation education, retirement education and financial wellness topics.
- Get Started (enrollment)
- Save More (increase contributions)
- Invest Wisely (asset allocation)
- Step Into Retirement (Retirement Reality seminar series)
- Manage Life Events
- Financial Wellness

5 Communication calendar
Outline education campaigns scheduled for the coming year. These are typically split into quarters (Q1, Q2, Q3, Q4) or are ongoing.

6 Annual goals and measurement
Define how you’ll measure the effectiveness of your Education Strategy, including specific metrics you’ll monitor, along with target goals for those metrics. For example, measurements may include participation rate or average deferral rate, or a change in average participant account balance.
### Best practices for an effective Education Strategy

#### Use plan data and metrics
Assess the education needs of employees by analyzing plan data and metrics. You can start with basics, such as:
- Plan participation rate
- Average deferral rate
- Asset allocation of plan assets
- Average participant balance

After looking at these plan-level measurements, you may want to delve deeper by segmenting the data by:
- Nonhighly compensated vs. highly compensated
- Location
- Age segments (e.g., 20s, 30s, 40s, 50s, and so on)

#### Benchmark your plan
Evaluate your plan metrics against a comparable peer group to assess your plan’s performance. Industry associations and organizations publish annual surveys that may provide useful starting points for evaluation. In addition, with the recent focus on plan fees and expenses, a range of benchmarking service providers offer comprehensive reports to help plan sponsors see how their plans stack up on a wide range of factors. Specific resources to consider include:
- Plan Sponsor Council of America (psca.org)
- Employee Benefits Research Institute (ebri.org)

#### Gather feedback from employees
In addition to evaluating plan data, it’s important to gather input directly from employees so you’ll know what they want and need to make sound savings and investing decisions in the plan. You can gather employee input from a range of sources:
- Focus groups
- Employee surveys
- One-on-one interviews
- Feedback provided to call center representatives, Human Resources staff, service providers, and others and through ad hoc comments on the web

#### Set SMART goals
Documenting SMART goals is an important part of developing an Education Strategy document that’s clear and can guide the creation of effective education campaigns.

- **Specific**
- **Measureable**
- **Attainable**
- **Relevant**
- **Time-based**
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