PLAN SPONSOR OF THE YEAR FINALISTS

2017 Plan Sponsor of the Year Finalists Categories

Corporate 401(k) <$10MM

Corporate 401(k) >$10MM - $50MM
Gonnella Baking Co.
HubSpot
JX Enterprises
Mercersburg Academy
Rotating Equipment Repair
Wheelabrator Group, Inc.

Corporate 401(k) >$50MM - $100MM

Corporate 401(k) >$100MM - $250MM

Corporate 401(k) >$250MM - $1B

Corporate 401(k) >$1B

Public DC

403(b)

Total Retirement Offering

Judges

2016 Plan Sponsor of the Year Winners

2017 Plan Sponsor of the Year Winners

CORPORATE 401(K) >$10MM - $50MM

Wheelabrator Group, Inc.

Bryan Burton

TOTAL PLAN ASSETS/PARTICIPANTS: $30.1 million/339

PARTICIPATION RATE: 94%

AVERAGE DEFERRAL RATE: 8.7%

DEFAULT DEFERRAL RATE: 6%

EMPLOYER CONTRIBUTION: 100% on first 1% plus 50% on next 5%

How does a manufacturer with lots of blue-collar employees and employees who speak Spanish as a first language get 94% participation and an 8.7% average deferral? Stepped-up automatic design features plus targeted education, in the case of Wheelabrator Group, Inc., in LaGrange, Georgia.

Wheelabrator, a maker of surface-preparation technology used by companies in industries such as automotive and aerospace, has a work force spread over four U.S. locations in four states, and with an average age of 45. “Education levels vary by location, but most employees range between a high school diploma to some college experience,” says Bryan Burton, director of human resources (HR), North America for parent Norican Group. “And about 12% of our employees speak Spanish as a first language.”

The employer implemented the QACA (qualified automatic contribution arrangement) plan design for new hires and conducted a one-time re-enrollment for nonparticipating employees in January 2008, when it moved to current recordkeeper The Vanguard Group Inc. But stressful economic conditions led, during the Great Recession, to a participation decline to 85% by year-end 2013. So the plan’s committee decided to conduct an “Undersavers Sweep” in January 2014. It re-enrolled nonparticipating employees, as well as participants contributing less than 6%, at a 6% deferral and a 1% auto increase, up to a 10% ceiling.

Andrew Matsuyama, executive vice president and chief financial officer (CFO) of Norican, points to the plan design changes as key. “We have shifted the paradigm, via auto-enrollment and retro-enrollment, to assume participation,” he says. “Employees still have the same choice they have always had, but now everyone starts the year as a participant and is set up to give himself a [contribution] raise. In the new paradigm, individual effort must be exerted to opt out, as opposed to opting in requiring effort.”

Additionally, Wheelabrator—which works with Castle Rock Investment Co.

as its adviser—has targeted its education more to its specific work force needs. Many employees who yet to participate said they "felt they couldn't afford to *not* have the money in their paychecks due to other financial obligations," Burton says. "This led to developing a more holistic financial-education strategy that includes topics such as budgeting and debt management. Our gamble was that if employees were more likely to better manage their overall finances, they'd continue to participate in the plan and perhaps increase their deferral rates."

In its education, Wheelabrator emphasizes saving in the 401(k) plan based on an employee's realistic current financial abilities. "For example, if we could get one employee to just save 1%, it is better than having that employee completely out of the plan," Burton says.

And Wheelabrator added education customized to its Spanish-speaking employees. Feedback from them "indicated that they had several misconceptions regarding the plan and did not completely understand how it worked," Burton says. "With Vanguard, we were able to conduct on-site educational programs with native Spanish speakers who could address these issues. And we held one-on-one educational meetings in Spanish, to provide individual advice to employees on their options in the plan, where they need to be for retirement, and why they should maximize their contributions." —*Judy Ward*