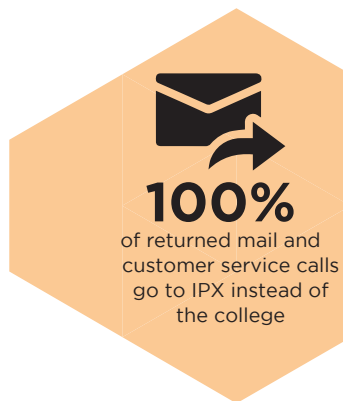


# Higher Education Plan Sponsor Streamlines Their Retirement Plan

<b>Industry:</b> Higher Education	<b>8,000</b> participants	<b>\$19</b> million assets
<b>Type of Plan:</b> FICA Alternative		

A large community college manages four different retirement plans for their employees, including a FICA Alt plan, a 403(b) plan, a 457(b) plan and an ORP plan. The FICA Alt plan is the plan with the largest number of employees, serving mostly part-time and seasonal employees as an alternative to Social Security. Over the last 25 years, the plan had become unruly and inefficient with little guidance or management from the prior recordkeeper. The college's part-time employment base had over 2,500 inactive participants with missing addresses. Since the original recordkeeper could not process census data, the college staff had to process and update thousands of returned mail items every year. The college hired an expert retirement plan advisor who managed the RFP process and search for a new recordkeeper. IPX was the clear winner!

## Benefits After Switching to IPX



## Problem

The original recordkeeper did not have the technical capability to accept or update census data. As a result, employee statements were returned directly to the college office, causing staffers to manually sort through thousands of pieces of returned mail every statement period. Staff then needed to update all the individual account records. The college staff also had to manage employee calls due to

misinformation given by the original recordkeeper. Altogether, the college was wasting too much time servicing former employees who were no longer part of their organization. They also discovered that current employees who changed employment status from part-time positions to full-time positions (and vice versa) could have as many as four different logins to the various retirement plans sponsored by the college.

## Solution

The plan consultant and IPX experts collaborated to re-design the plan, solving the college's problems and providing additional benefits for plan participants.

### **Modernized Plan Design Saves Time and Hassle for Plan Sponsor**

IPX and the plan consultant recommended updating the plan documents to modernize and streamline the plan. For instance, plan documents were updated to include a de minimis account balance force-out provision to the IPX Safe Harbor IRA. Plus, all terminated employees with balances less than \$5,000 were transferred to the IPX Safe Harbor IRA, utilizing our automated process to move these accounts easily and efficiently. The IPX process includes more frequent missing participant searches that located 95% of the former employees whose accounts were then moved to IPX. Former employees were directed to the IPX call center, where trained Customer Service Associates helped to distribute 80% of the assets upon their request, while the remaining account holders chose to stay with IPX Retirement.

This process resulted in zero statements returned to the college's office and the benefit office staff no longer needing to service terminated employees, saving the college from having to hire additional staff members.

**Enhanced investment options combine with lower fees to benefit participants** The plan consultant recommended a fixed account for the Safe Harbor IRA, which pays a competitive interest rate and also negotiated a reduced account maintenance fee, reducing participant expenses and retaining more dollars. The consultant also selected a number of mutual funds for the plan, providing current participants with more investment choices.

### **Easier Plan Administration**

By implementing the IPX recordkeeping system, the community college has the ability to login to view all plan assets that provide staffers with plan oversight. IPX also produces comprehensive reports that allow for educated decisions to be made by the Retirement Committee.