what's working | financial wellness matters in Johnson County, Kansas

by | **Kathy Bergstrom, CEBS**

Cameron Ahrens
Benefits and Wellness Manager, Financial Management and Administration, Johnson County, Kansas
Olathe, Kansas

Shawna Sinn
Senior Benefits Administrator, Financial Management and Administration, Johnson County, Kansas
Olathe, Kansas

A yearly financial checkup can be just as valuable as a health risk assessment when it comes to employee well-being, employee benefits administrators in Johnson County, Kansas believe.

That's one reason the county added a financial wellness component to its employee wellness program in 2019, recognizing how worries about money matters can impact employees. The program initially started in 2006 with a focus on just the physical health of the county's 3,500 employees in an effort to trim health care costs.

"Financial education is very important to a person's well-being," said Cameron Ahrens, benefits and wellness manager for the suburban county, located in the Kansas City, Missouri metro area. "We want to reduce the amount of stress and anxiety caused by financial matters."

Choosing a Vendor

The county worked with its benefits consultant to explore financial wellness program vendors as a first step. "A lot of them were unproven, so we decided the best option was to use an existing vendor," Ahrens said.

The county eventually decided to try a new program developed by Voya Financial, which is the administrator of the county's Section 457(b) deferred compensation plan. "We thought it would make sense to utilize their program to keep it incorporated into the retirement savings concept rather than complicating the horizon by throwing in another independent party," Ahrens explained.

Johnson County employees are required to contribute to a defined benefit (DB) pension plan through the Kansas Public Employees Retirement System (KPERS) plan, and they may contribute to a supplemental deferred compensation Section 457(b) plan called the Save Toward a Rewarding Tomorrow (START) plan. The county matches employee contributions to the START plan up to 4% of base pay under its 401(a) plan.

For employees hired on January 1, 2015 and after, the KPERS plan is a cash balance plan with a benefit based on the amounts in the contribution account and the retirement credit account. The required contribution is 6% of employee pay.

Strategies for Success

The county partnered with Voya and Asset Health, the wellness program administrator, to create the strategy for a holistic program. Key components include the following.

Incentives

Employees can earn ten wellness points for completing an annual financial wellness assessment and an additional five points for each financial wellness webinar they attend during the year. The ten points awarded for the financial assessment is on par with incentives offered for activities like completing a health risk assessment or having a preventive screening.

Employees who rack up 100 points during the year qualify for a reduction in their annual health insurance premiums. An employee can earn up to $840 in reduced premiums per year, plus an additional $480 for a spouse.

"We have found that an incentive is appreciated by employees so the fact that we award wellness points has contributed to the financial assessment's popularity and amount of usage," Ahrens said. Awarding points for financial wellness activities also recognizes the workers' varied interests and needs, he added.

Pre-Enrollment

An employee must have an established START plan account to take the financial assessment. Beginning in 2019, the county pre-enrolled at a 0%

contribution all eligible employees who were not already active in the plan. The pre-enrollment not only simplifies the process of getting started on financial education but also opens the door for employees to start contributing to the plan, ideally early on in their careers.

Ahrens acknowledged that some retirement experts encourage plans to automatically enroll employees at a certain contribution level but said the county decided against that approach. "We are respectful that people have limited resources. We'll do everything we can to promote it and encourage it because we do believe in the concept—that people do need multiple sources of income in retirement—but we're not going to push it," he explained.

Education

The financial wellness portal has educational content on the six pillars of the financial wellness program: protection, saving and spending, emergency funds, debt management, retirement and other savings goals. The county also offers quarterly webinars on financial wellness and retirement readiness. Past webinars included "Organizing Your Finances" and "Take Control of Your Financial Wellness." The results of the financial wellness assessments help guide the topics for the coming year, which in 2023 included "Ten Steps on Your Journey to Retirement" and "Invest in Your Future."

The more time employees spend in the portal to either take the assessment or access other financial education increases how much they are thinking about finances and may lead to them increasing their retirement plan contributions or starting to contribute to an emergency fund, remarked Shawna Sinn, Johnson County's senior benefits administrator.

Communication

"Robust, concerted" communication is a key part of the program's success, Ahrens and Sinn believe. Employees who complete the financial wellness assessment periodically receive targeted email reminders to watch a webinar that relates to the concerns they've identified. The program also is promoted through a mailing to new employees and an internal employee newsletter as well as during open enrollment.

"The financial wellness assessment helps us plan strategically for the next year for what items we need to promote to our population," Sinn said.

Results

Participation in the financial wellness program continues to improve, and the county received a 2023 Leadership Award in the holistic wellness category from the National Association of Government Defined Contribution Administrators (NAGDCA).

Nomination materials for the award highlighted the following results for 2022.

- 2,042 employees and 888 spouses earned the wellness incentive, reducing their medical plan contributions by more than $2.1 million in 2023.
- START account log-ins increased nearly 20% to 9,842 in 2022.
- 1,327 financial wellness assessments were completed, and 52% of those employees logged back into their accounts for additional education.
- Employees who completed the assessment averaged a financial confidence score of 6.6 on a 1-10 scale when asked how they felt about their current financial situation.
- Participants who completed the assessment save an average of 5.9% per pay period to the START plan and are on track to replace 68% of their income in retirement compared with an average savings of 4.3% and a 50% projected income replacement ratio for those who have not accessed their START account online.

An Opportune Move

The decision to start the program in 2019 proved timely as the COVID-19 pandemic, inflation and a volatile stock market heightened anxiety over financial issues. "Financial wellness is more important to people since the pandemic," Sinn commented. "It seems like people are more concerned about their emergency savings—not knowing what's going to happen. I think the pandemic made people acutely aware of their finances for many different reasons."