

# A smooth acquisition

## Client need

A regional hospital system had undergone multiple changes over several years. In approximately 2012, it merged with another hospital system to provide health services to the majority of its state. In 2017, the two systems separated, with this organization again operating on its own.

In 2019, it bought several facilities from the hospital system from which it separated. The other system faced financial difficulties, so the purchase was completed quickly to allow the facilities to stay open and the employees to become employees of the buyer.

The hospital system employed just over 3,000 people when the sale was announced; it now needed to onboard more than 4,000 additional employees in just over a month. Communication was needed about everything, from badges and parking to email taglines and payroll changes — all while new employees were adapting to a new employer.

Because so much had to be done in a short time, the plan sponsor brought the new employees into its 401(k) plan using auto enrollment, rather than transitioning the employees' plan and merging balances. The client encouraged the new employees to enroll in their new plan before auto enrollment and to roll in assets from their previous plan.

## The Lincoln solution

Lincoln was confident that we could leverage our merger and acquisition (M&A) experience to smooth the transition for new employees and ease the burden on the plan sponsor's Human Resources (HR) department. We needed to educate employees about their new plan and their options for the money they were leaving behind with their prior employer.

Because these employees were considered terminated by the previous employer, they were eligible to take a payout of their retirement balances, which could, in the long run, have serious consequences for their retirement readiness. To help new employees and to encourage engagement with the new plan, we put together a strategy that included the following:

- A focus on individual attention for new employees. Transitions can be hard for employees to navigate, so a team of 12 retirement consultants (RCs) spent time at all locations, meeting one-on-one and helping new employees understand their new plan and their options. Our dedicated Internal Retirement Consultant (IRC) team in Fort Wayne, Indiana, was available for off-site employees, third-shift employees, and those who were unable to meet in person with an RC.
- A custom transition brochure that outlined the auto enrollment process, new plan details, and upcoming group and one-on-one meetings. Because employees were asked to attend multiple meetings and the HR staff was concerned about "meeting fatigue," the brochure and the Lincoln team focused on one-on-one meetings for employees.
- Twenty custom group meetings, one of which was recorded and uploaded online so it's available anytime.



### CASE STUDY

#### CLIENT PROGRAM

**Industry type:**  
Healthcare

**Employees:**  
3,000+, increasing to 7,000+

**Type of plan:**  
401(k)

**Assets:**  
\$175M

- A custom transitional website, continually updated, that focused exclusively on transitioning employees and providing the information they needed. Standard items on the site were a link to the *Click2Meet*® online scheduling tool, where an employee could easily schedule a meeting with a retirement consultant (RC); a video recording of the group presentation; a link to enroll in the plan in advance of auto enrollment; and specific group and one-on-one meeting schedules by both date and location. The transitional website was featured in the transition brochure.
- Reminders of upcoming one-on-one meeting opportunities, including links to encourage advance registration, sent via the client’s internal communication portal. Emails customized to each location were created and given to the plan sponsor, who sent them to all employees at specific locations in advance of upcoming RC visits. These emails referred people to the transition website for additional updates.
- A custom two-page roll-in form designed to make it easier for RCs to capture the greatest amount of roll-in assets available from the prior plan. The custom form kept the information needed to complete the form on the first page, which allowed RCs to help participants quickly and easily roll in previous account balances.

## Results

At the end of the transition period, the numbers were beyond impressive.

- Along with the 20 scheduled group meetings, RCs met individually with 2,690 employees, or roughly 67% of incoming employees.
- Of those employees, 1,502 (or 36.6% of all incoming employees) chose to enroll in the plan before auto enrollment took effect.
- Employees completed approximately 1,900 roll-ins totaling \$67 million from previous employers’ plans

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

©2020 Lincoln National Corporation

[LincolnFinancial.com/  
EmployerRetirementPlans](http://LincolnFinancial.com/EmployerRetirementPlans)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN-3117215-060820

CCT 6/20 **Z03**

**Order code: RPS-ULH-FLI001**



This information is for demonstration purposes only. There can be no guarantee that other plans will achieve the same results.

This information is presented solely for the purpose of educating the reader about the various employer-sponsored plan services available. Lincoln Financial Group makes no representation that the material is appropriate or applicable to all employers or participants. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates, including The Lincoln National Life Insurance Company, Fort Wayne, IN, and Lincoln Life & Annuity Company of New York, Syracuse, NY. Variable products distributed by broker-dealer affiliate Lincoln Financial Distributors, Inc., Radnor, PA. Affiliates are separately responsible for their own financial and contractual obligations.

This mutual fund-based program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA) and an affiliate of Lincoln Financial Group, 1300 S. Clinton St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers. Account values are subject to fluctuation, including loss of principal.

This material is provided by The Lincoln National Life Insurance Company, Fort Wayne, IN, and, in New York, Lincoln Life & Annuity Company of New York, Syracuse, NY, and their applicable affiliates (collectively referred to as “Lincoln”). This material is intended for general use with the public. Lincoln does not provide investment advice, and this material is not intended to provide investment advice. Lincoln has financial interests that are served by the sale of Lincoln programs, products, and services.

**For consultant and plan sponsor use only. Not for use with plan participants.**