

Sample Education Policy Statement

The Plan

Summary of Plan Information

Plan Name:	[Plan Name]
Type of Plan:	[Plan Type]
Current Assets:	[\$000,000,000 (00/00/0000 balance)]
Total Eligible Participants:	[000]
Plan Year:	[January to December]
Plan Administrator:	[Plan Sponsor or Mr./Mrs./ABC]
Plan Financial Advisor:	[Mr. /Mrs., ABC Company]
Plan Fiduciary:	[CEO, Plan Sponsor] [CFO, Plan Sponsor] [HR Office, Plan Sponsor]
Plan Provider:	[ABC Company]

Statement of Purpose

This Education Policy Statement (“Statement”) is intended to assist [Plan Sponsor] with implementing, monitoring and evaluating a proactive employee education program that meets strategic goals to retain employees by providing an ongoing and coordinated employee education program

[Plan Sponsor] will review this Statement on a regular basis, but no less frequently than annually or as needed in light of prevailing market conditions affecting the overall performance of the plan.

Education Objective

The Statement will assist [Plan Sponsor] in effectively designing, monitoring and evaluating an employee education plan. The education plan will:

- Provide educational materials to help employees make informed investment decisions
- Work on meeting and exceeding the goals set forth by [Plan Sponsor]
- Encourage selection of an appropriate asset allocation based on risk tolerance, time horizon and other factors relating to personal financial status.
- Educate employees about the relative risk and return of investing in different asset classes
- Inform employees about the potential reduction of risk from diversified investing
- Encourage employees to participate to their maximum benefit

Goals of education program

The plan’s quantifiable goals are:

- [Introduce new service provider and explain the transition process]
- [Increase participation rate to (variable) percent]
- [Increase average deferral rate to (variable) percent]
- [Introduce automatic enrollment]
- [Introduce Roth feature]
- [Introduce (variable) service]

Other important plan goals include:

- [Insert other]
- [Insert other]

Education planning and strategy

The education program will support the delivery of an effective enrollment campaign to assist eligible employees with understanding plan provisions, investment options and investing for their needs. The enrollment campaign will be supported by on-site enrollment meetings held [insert frequency]. The on-site meetings will be promoted with the use of enrollment posters and save the date materials. Additionally, enrollment materials will be provided to eligible employees.

Ongoing communications may support increased participation, improved deferral/contribution rates, and improve overall asset allocation based on providing needed financial planning information. Segments will include the following topics:

- [General personal finance]
- [Participating in a retirement plan]
- [Investing]
- [Changing employers]
- [Nearing or entering retirement years]
- [Insert other]

Results measurement

On a timely basis, but not less than [quarterly, semi-annually, annually] [Plan Sponsor] will review each of the goals listed to determine if they are being satisfied based on the metrics described below. A rating will be assigned of Meets Goal (MG), Exceeds Goal (EG), or Needs Improvement (NI).

- Measure improvement of average participation rate of retirement plan compared to previous period.
- Measure improvement in average employee contribution/deferral rate for retirement plan compared to previous period.
- Review plan demographic summary to identify areas for improvement
 - Number of eligible participants by age group
 - Average participation rate by age group
 - Average contribution/deferral rate by age group
 - Average account balance for plan by age group
 - Number and/or percentage of participants with outstanding loans (if applicable)
 - Number and/or percentage of hardship withdrawals
 - Participants with more than one loan or hardship withdrawal
 - Participants not receiving the full matching contribution

Roles and responsibilities

[Plan Sponsor] is responsible for:

- Preparing a written document defining the goals and objectives of the plan.
- Establishing criteria to be used to measure the effectiveness of the education plan.
- Selecting the plan service providers and coordinating the scope and frequency of employee education activities

Investment Professional

[Plan Sponsor] will retain an investment professional to assist with developing an education process that will provide guidance to employees. The investment professional will be responsible for disclosing, in writing, if they are acting as a fiduciary when providing investment education services to employees.

Plan Recordkeeper

The role of the recordkeeper is to provide reports on account activities to track:

- Participation rate
- Salary deferral rates
- Asset allocation
- Demographic summary of participant activities
- Plan loans and hardship withdrawals

The Statement creates no obligation to act in a particular way. This Education Policy Statement can be amended to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

ON BEHALF OF THE [\[Plan Name\]](#):

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____