Learning to speak the language of wealthcare Build a resilient practice as retirement planning and benefits consulting merge

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.











What language do you speak?

Sponsors Recordkeeper **QDIA** DCIO PPA Sub TA Positive retirement outcomes **Participants** Form 5500 CIT **ADP/ACP testing** Glide path TPA ERISA budget Zero rev

What language do benefits professionals speak?



Today's agenda

1. The paradigm shift

Reasons to learn the language

2. A quick primer

Key back-pocket ideas

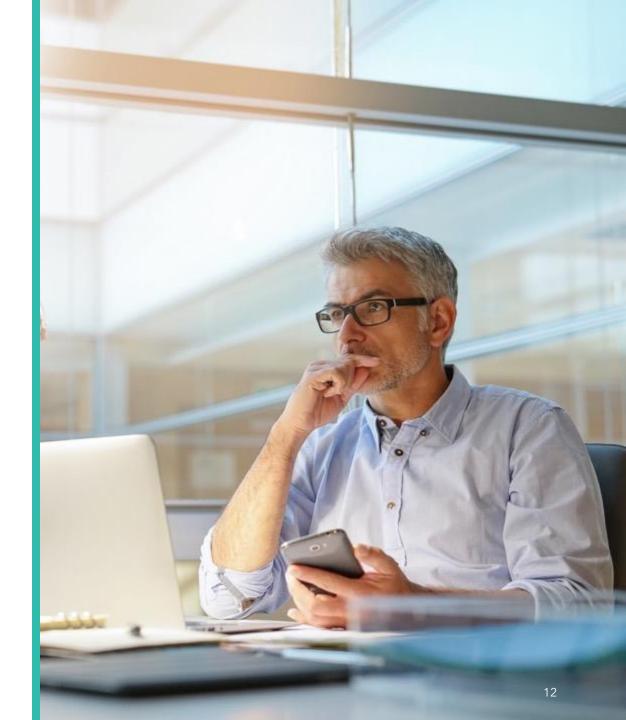
3. Education into action

Remember who we're here to help



Employers need help engaging employees

- 2/3 find their benefits difficult to understand¹
- 37%: "no education or feedback"²
- Only 29% know about caregiving resources³
- Only 12% access voluntary benefits²



¹ Source: Kaiser Family Foundation. "Kaiser Family Foundation / LA Times Survey of Adults with Employer-Sponsored Health Insurance" May 2019.

² Source: Employee Benefit Research Institute, "The State of Employee Benefits: Findings From the 2018 Health and Workplace Benefits Survey," January 2019.

³ Source: Bank of America, "2019 Workplace Benefits Report," September 2019.

Why employee interest is employer interest

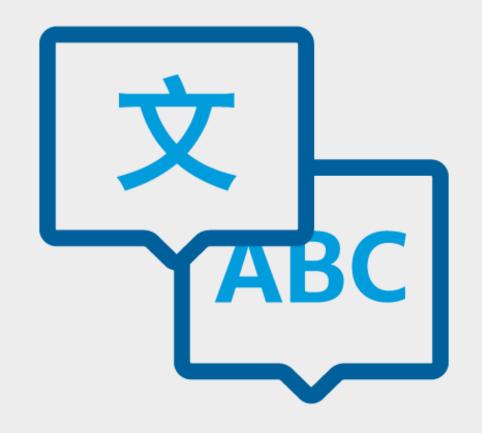
Improving productivity

Attracting and retaining workers

Improving worker morale and engagement

PART II: A quick language primer

Keep these in your back pocket



Out-of-pocket

Out-of-network

Deductibles

Coinsurance

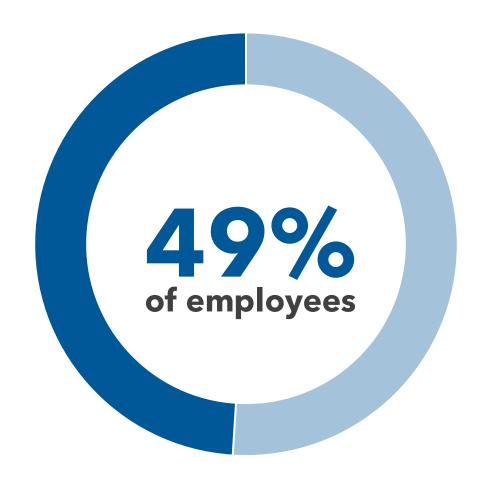
In-network

Copay

Source: healthcare.gov, 2020.

PPO

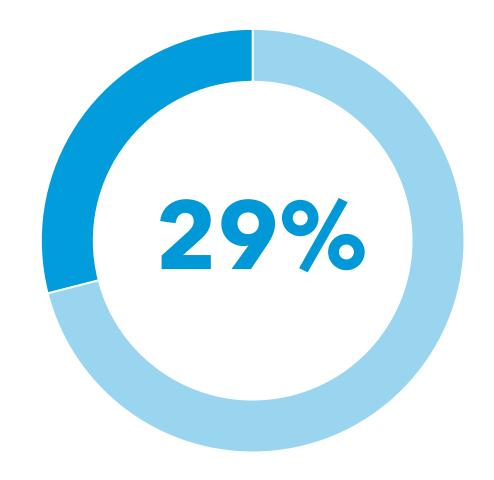
Preferred provider organization

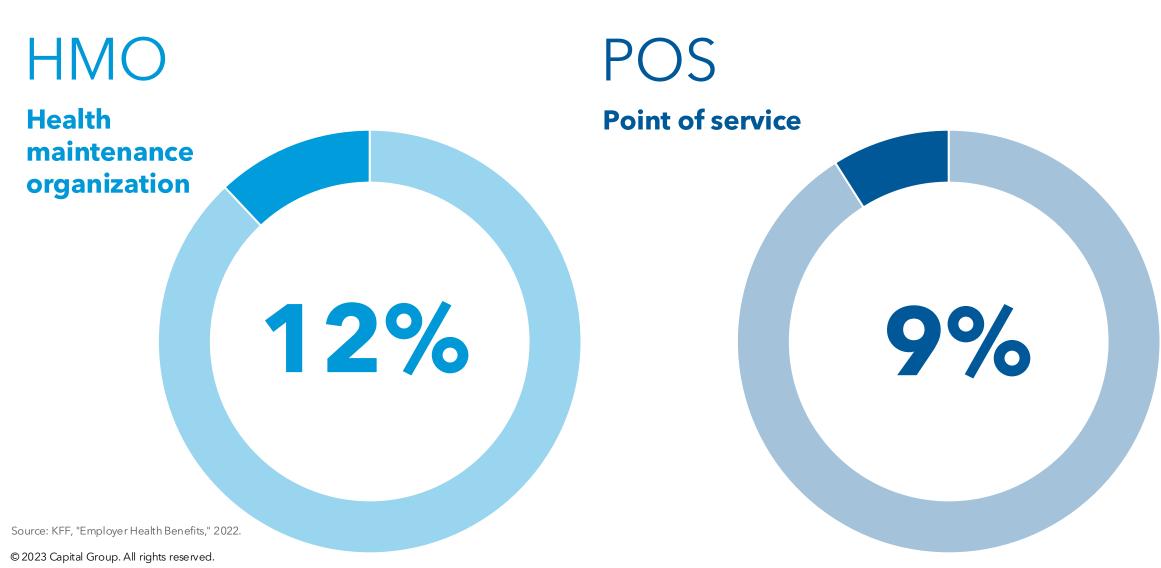


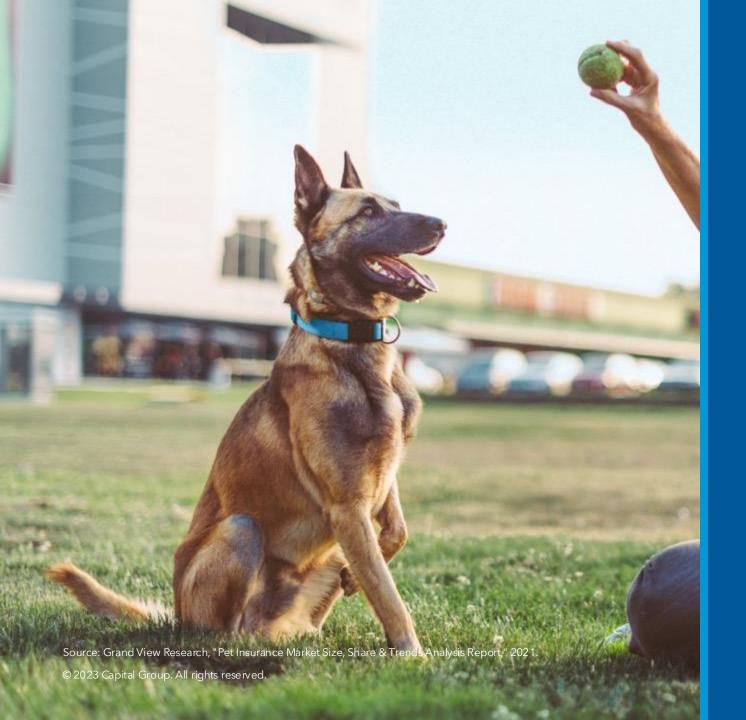
HDHP / CDHP

High-deductible health plan (HDHP)

Consumer-driven health plan (CDHP)







Your competition

The voluntary benefits menu

The employer's language

What themes do we speak to with employers?



Use your new benefits language to reframe retirement costs



Advocate innovative solutions to health care problems



Speak to employees' retirement concerns in areas like Medicare

Use your new benefits language to reframe retirement costs

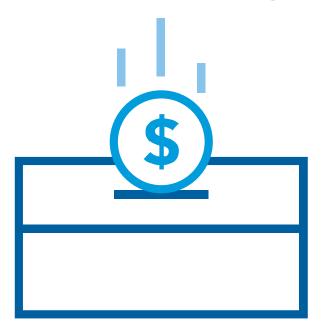
Average family premium: \$22.5k

- Employer pays \$16.4K
- Employee pays \$6.1k

Over last 5 years:

- Deductibles up by 28%
- Premiums increased by 20%

When is 5% actually 50%?



The new retirement:
Financial professionals are asking for a 50% increase in contributions

Advocate innovative solutions to health care costs

... that support the employer's bottom line.

Telemedicine¹²

Mail service pharmacy

Preventive solutions³

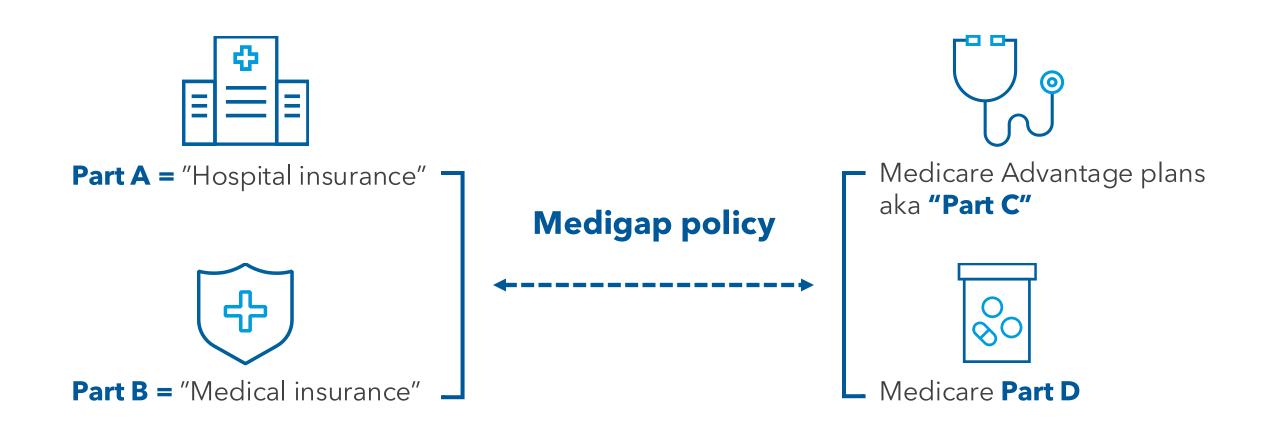


 $^{^{1}}$ Source: Kaiser Family Foundation, "Employer Health Benefits 2022 Annual Survey," October 2022.

² Source: Mercer Marsh Benefits, "Health on Demand," 2021.

³ Source: HealthCare.gov, "Preventive care benefits for adults," "Preventive care benefits for women" and "Preventive care benefits for children," accessed March 13, 2023.

Speak to employees' retirement concerns in areas like Medicare



PART III:

Education into action

Remember who we are here to help



Practice your new language

With a benefits consultant (BC) partner

Your value prop to a BC includes:

Education for the employer and employee

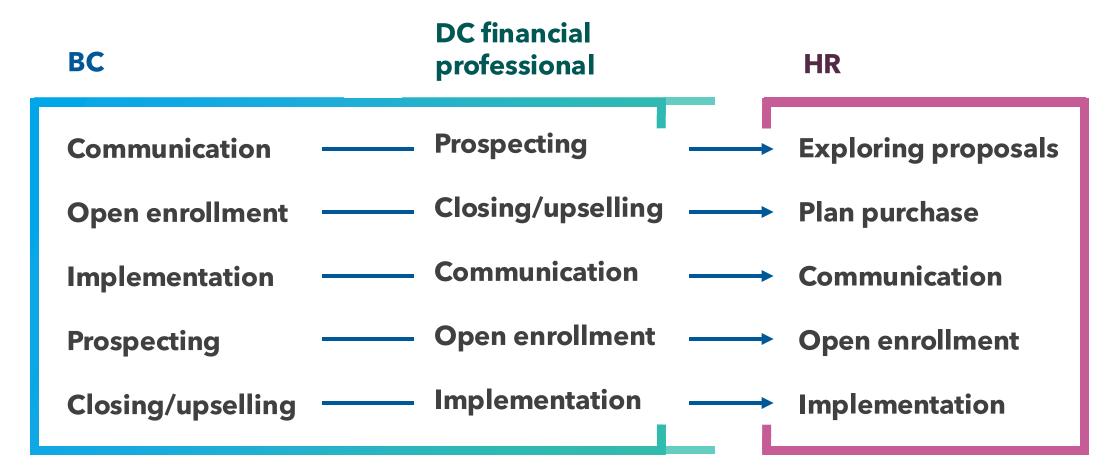
Industry partnerships and client network

Market intelligence via similar clients

Investment knowledge Partner resources

Bundle your timing

To leverage economies of scale



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Many pathways to entering the conversation

- The other "active vs. passive" debate
- The axis of wallet share and tuition reimbursement
- Digital transparency tools and services





Offer a co-branded partner resource pack

- Biometric screening forms
- MSP information
- Financial wellness resources
- List of preventive services
- Telemedicine

Wealthcare references to add to your resource pack

SSI Outreach Office: ssa.gov

Medicare Outreach Office: cms.gov

Longevity calculator: livingto100.com

Caregivers support network: caregiveraction.org

USAging: n4a.org

Eldercare Locator: eldercare.acl.gov

Direct PLUS Loan application for parents: studentaid.gov

Resources for parents of children with special needs: supportforfamilies.org

National Opioid Action Coalition: www.noac.org

Speak to solutions your native language offers

Don't forget your roots!

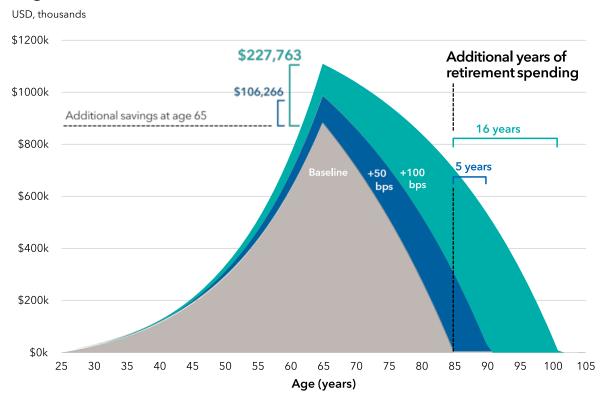
- SECURE Act and the recently released SECURE 2.0 Act of 2022
- Cybersecurity responsibility
- HDHP enrollment and HSA adoption rising
- Voluntary benefits that support wealth



Why it matters: Active investing can be a healthy choice

Health care spending in retirement: \$315,000*

To help meet this need, even slightly higher returns can make retirement savings last longer[†]



^{*} Source: Fidelity's annual Retiree Health Care Cost Estimate, May 2022.

[†] Source: Capital Group. This hypothetical example is for illustrative purposes only and is not intended to provide any assurance or promise of actual returns and outcomes. Assumptions for this example: starting balance, \$0; starting age, 25; starting salary, \$40,000; annual salary growth rate, 3%; annual contribution rate, 10%; retirement age, 65; ending salary at 65, \$130,482. Assumptions for the baseline scenario: Returns before 65, 5.5%; returns after 65, 3.5%; account balance at 65, \$886,415. Assumptions for the +100 bps scenario: returns before 65, 6.0%; returns after 65, 4.6%; account balance at 65, \$992,680. Assumptions for the +100 bps scenario: returns before 65, 6.5%; returns after 65, 4.5%; account balance at 65, \$1,114,117. Assumption for all scenarios: a nnual withdrawal amount, \$60,260 (46% of ending salary).

Takeaway



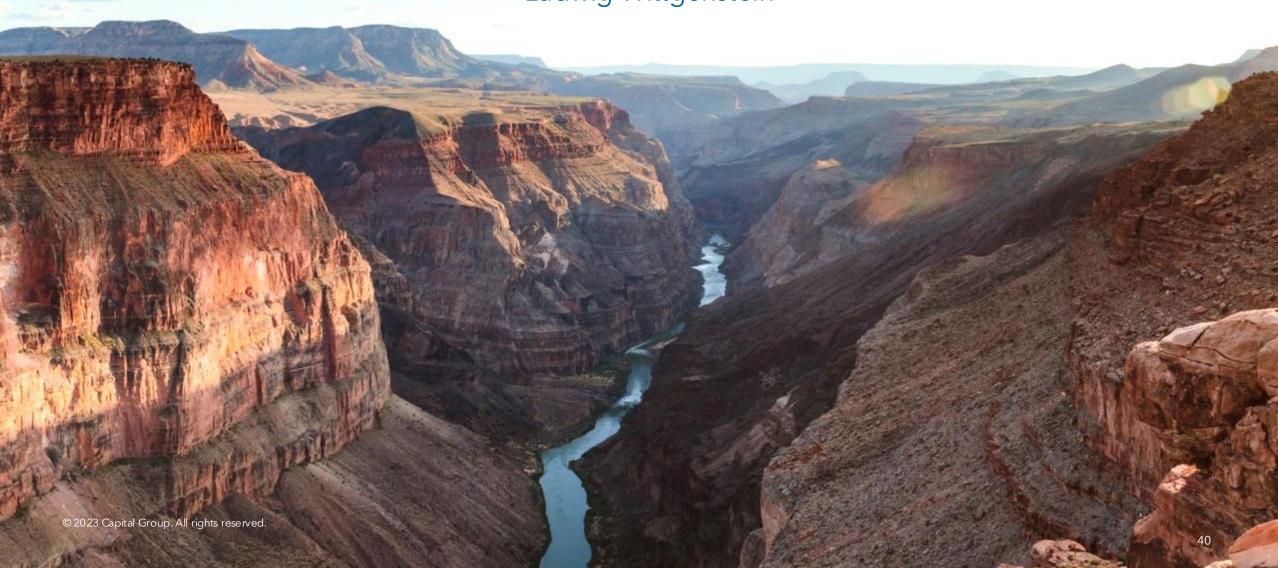
3 action steps

- Create a value prop
- Use the basics of the language to join critical conversations
- Work with a benefits consultant to bundle offerings, meetings and a partner pack



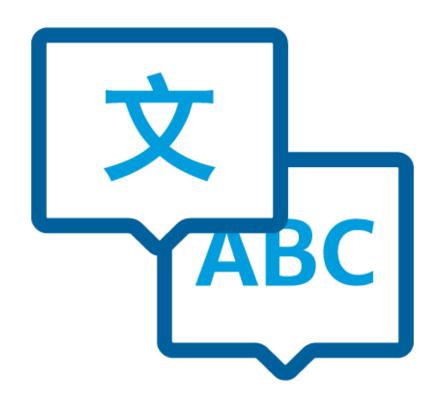
"The limits of my language are the limits of my world ..."

- Ludwig Wittgenstein



Thank you!

And enjoy enhancing your practice through the language of wealthcare.



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