

Ball Horticultural Company (Ball)

Ball is a leader in the horticultural industry, known for treating its workforce more like family than employees. When the company decided to switch 401(k) plan providers, they used the transition as an opportunity to review their current 401(k) package and take the pulse of their employees' satisfaction with their retirement plan offerings. In doing so, Ball noticed declining participation rates, primarily due to newly eligible employees not opting into the current program.

Ball's sense was that their employees were very interested in saving for retirement but either didn't take the time to sign up or were confused by the various options available in the plan. Soon after, Ball learned about automatic enrollment for 401(k)s. Working with their Retirement Plan Committee (composed of members of the finance, operations and human resource teams), their new plan provider, and a third-party consultant, Ball realized automatic 401(k)s were an opportunity to remove at least one of the major hurdles their employees ran into when trying to save for their retirement.

Ball followed many of the best practices recommended by automatic 401K experts. They set the baseline savings rate at four percent to maximize the company match, and the default funds chosen were target retirement funds (similar to lifecycle funds) based on employee age, to ensure an appropriate mix of investments based on their retirement date. The decision was made to enroll only new employees due to feedback received from existing employees that were not participating in the plan. From beginning to end, the entire process took less than a year.

Ball already had a process to educate new employees so it only needed to be adjusted for the new automatic enrollment process. A detailed communications plan was designed to educate new employees. Using informational letters, paycheck stuffers, and on-site meetings, Ball worked to ensure each new employee was well aware of the new enrollment process and how it would affect them.

After Ball transitioned to an automatic 401(k) enrollment process, participation rates skyrocketed for newly eligible participants from between 60 – 70 percent to nearly 95 percent. And employees have completely accepted the changes. Most viewed the automatic enrollment process as a non-event that required little to none of their time, and those who have provided feedback have been very positive about the experience.

For Ball, their new automatic enrollment process has been everything they hoped for. Now their employees have a stronger starting point for their retirement savings, and as their Committee Chairman noted, "people don't ever say they wish they would have saved less."