Iowa PERS

# CEM Pension Administration Benchmark Report - 2024

April 28, 2025

# Key takeaways:

## Cost

- Your total pension administration cost of $51 per active member and annuitant was $87 below the peer average of $139.
- This is mainly because you had lower support costs per member.
- Your total pension administration costs per active member and annuitant increased by 15.6% in the year and decreased by 1.1% per annum over the last 8 year.
- For your peers the average cost increased by 6.3% in the year, and increased by 2.9% per annum over the past 8 years.
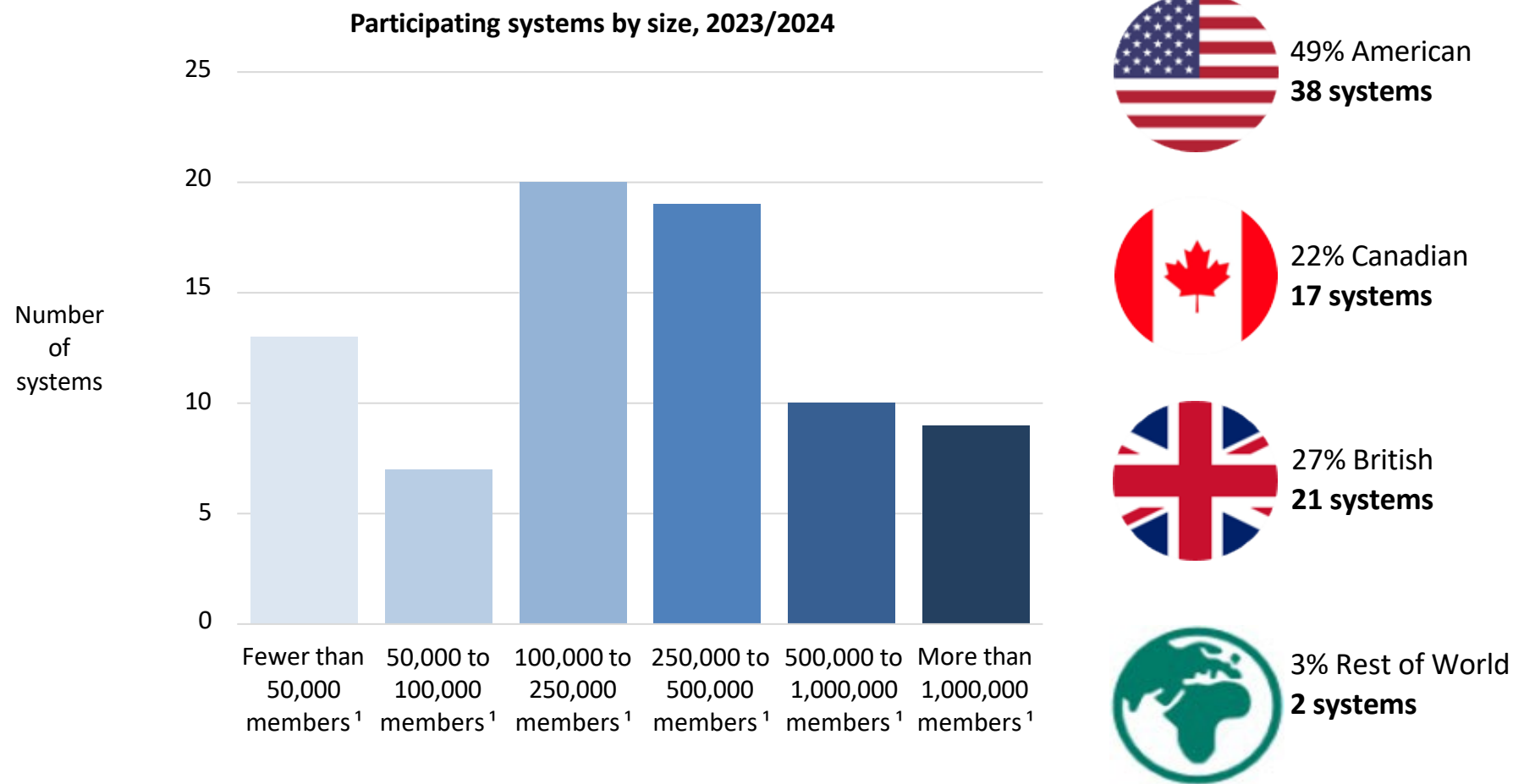
## Service

- Your total service score was 73. This was below the peer median of 82.
- You scored well for service in these areas:
  - Feedback
  - Salary and credit information
  - Pension and disability inception
- You scored below your peers in these areas:
  - Contact center: accessibility, capability and call quality
  - Member presentations
- Your service score has increased from 65 to 73 between 2017 and 2024.

## Cost effectiveness

- You were lower cost and lower service than the average participant in the CEM universe.

# Insights are based on the 78 global pension systems that participate in the benchmarking subscription.

**Participating systems by size, 2023/2024**

Number of systems

| Bar | Value |
|---|---|
| Fewer than 50,000 members [1] | 13 |
| 50,000 to 100,000 members [1] | 7 |
| 100,000 to 250,000 members [1] | 20 |
| 250,000 to 500,000 members [1] | 19 |
| 500,000 to 1,000,000 members [1] | 10 |
| More than 1,000,000 members [1] | 9 |

49% American
**38 systems**

22% Canadian
**17 systems**

27% British
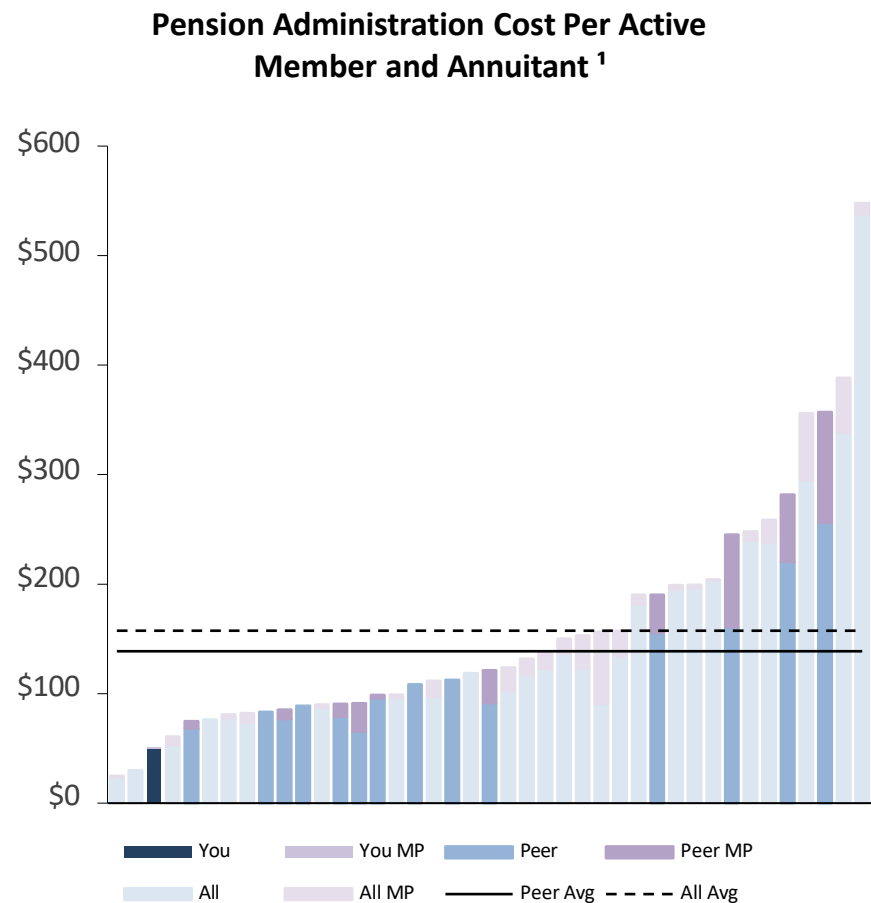**21 systems**

3% Rest of World
**2 systems**

1. Members is equal to the number of active members and annuitants.

2. UK and Local Government systems complete a different benchmarking survey. Their data is not included in this report.

# This report compares your pension administration costs and member service to a custom peer group.

| | | Number of members (in 000s) | | |
|---|---|---|---|---|
| | | Active | | |
| # | System | Members | Annuitants | Total [1] |
| 1 | Washington State DRS | 363 | 233 | 595 |
| 2 | Indiana PRS | 253 | 177 | 430 |
| 3 | Arizona SRS | 221 | 175 | 396 |
| 4 | Colorado PERA | 245 | 137 | 382 |
| 5 | NYCERS | 186 | 179 | 365 |
| 6 | Oregon PERS | 192 | 168 | 359 |
| 7 | STRS Ohio | 192 | 157 | 349 |
| 8 | Illinois MRF | 181 | 153 | 334 |
| 9 | **Iowa PERS** | **183** | **136** | **319** |
| 10 | TRS Illinois | 172 | 133 | 305 |
| 11 | Kansas PERS | 152 | 113 | 265 |
| 12 | PSRS PEERS of Missouri | 132 | 110 | 242 |
| 13 | UCRP | 152 | 89 | 241 |
| 14 | NYC TRS | 128 | 93 | 221 |
| 15 | TRS Louisiana | 95 | 85 | 180 |
| | Median | 183 | 137 | 334 |
| | Average | 190 | 142 | 332 |

**Custom Peer Group for Iowa PERS**

1. Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than active members or annuitants.

# Your total pension administration cost of $51 per active member and annuitant was $87 below the peer average of $139.

## Pension Administration Cost Per Active Member and Annuitant [1]



| Category | $000s You | $ per Active Member and Annuitant You | $ per Active Member and Annuitant Peer Avg |
|---|---|---|---|
| Business-As-Usual Costs | 15,863 | 50 | 114 |
| Major Project Costs [1] | 529 | 2 | 25 |
| Total Pension Administration | 16,391 | 51 | 139 |

We include costs that are directly related to pension administration (e.g., staff costs or an third-party costs) plus attributions of governance, financial control, IT, building and utilities, HR, support services and other costs.

The costs associated with investment operations and investment management are specifically excluded.

1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

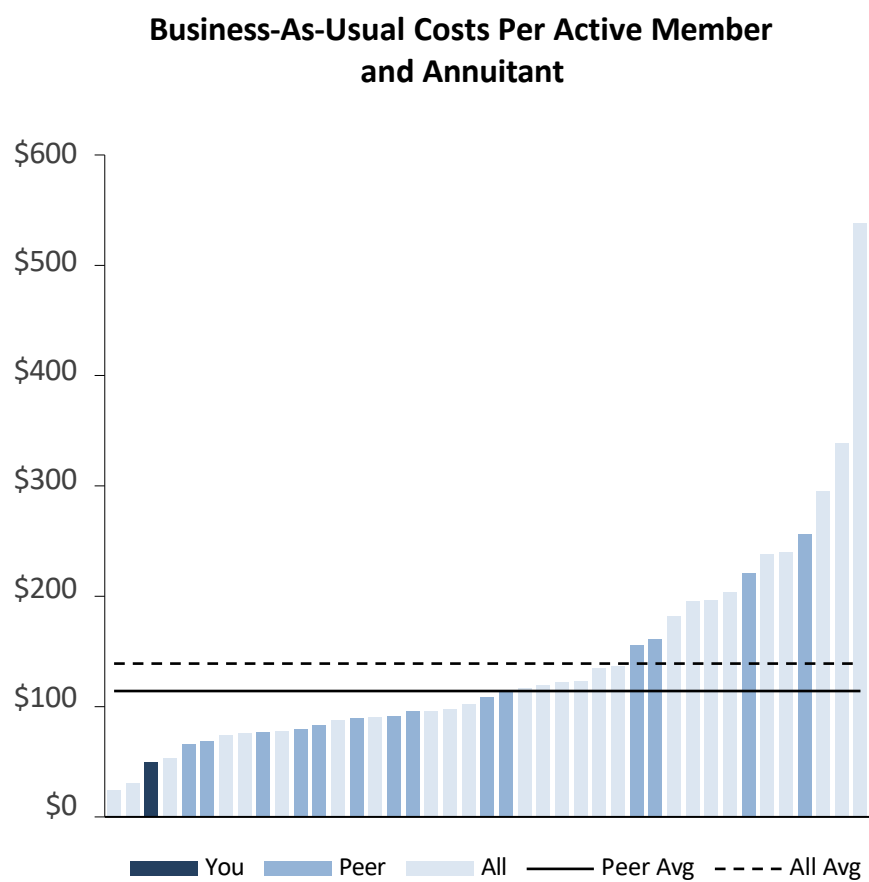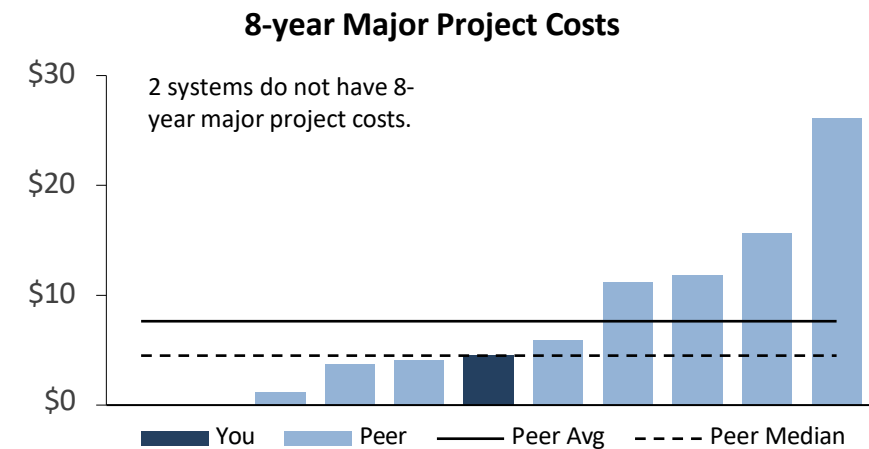*The difference between two costs may not match the difference between their rounded values.

**Your Business-As-Usual (BAU) costs of $50 per active member and annuitant was $64 below the peer average of $114.**

**Business-As-Usual Costs Per Active Member and Annuitant**



Legend: You | Peer | All | —— Peer Avg | - - - - All Avg

| Category | $000s You | $ per Active Member and Annuitant | |
|---|---|---|---|
| | | You | Peer Avg |
| **Front office** | | | |
| Member Transactions | 1,775 | 6 | 20 |
| Member Communication | 2,359 | 7 | 19 |
| Collections & Data Maintenance | 1,816 | 6 | 11 |
| | | | |
| **Governance and support** | | | |
| Governance and Financial Control | 1,499 | 5 | 12 |
| Information Technology | 4,744 | 15 | 29 |
| Building | 2,367 | 7 | 7 |
| HR | 149 | 0 | 3 |
| Actuarial | 213 | 1 | 2 |
| Legal | 509 | 2 | 4 |
| Audit | 319 | 1 | 3 |
| Pay-as-you-go Benefits | 18 | 0 | 1 |
| Other Support Services | 96 | 0 | 5 |
| Total Pension Administration | 15,863 | 50 | 114 |

# Your Major Project costs of $2 per active member and annuitant was $23 below the peer average of $25.

## 2023/2024 Major Project Costs



You — Peer — Peer Avg — — — Peer Median

| Category | Major Project Cost $000s | $ per Active Member and Annuitant | |
| --- | --- | --- | --- |
| | You | You | Peer Avg |
| Single year 2023/2024 | 529 | 2 | 25 |
| Multi-year average[1] | 1,439 | 5 | 8 |

What is included in major project costs:

- One-off costs that were not capitalized.
- Current year amortization on capitalized costs.
- Excluding attributed costs for healthcare, and optional and third-party administered benefits, if applicable.

Project costs reported this year by you:

- 2024  Amortization of costs

## 8-year Major Project Costs



2 systems do not have 8-year major project costs.

You — Peer — Peer Avg — — — Peer Median

1. These costs are averaged over as many years as possible based on the system participation record, with a maximum of 8 years. Systems that have submitted less than 8 years of data are excluded.
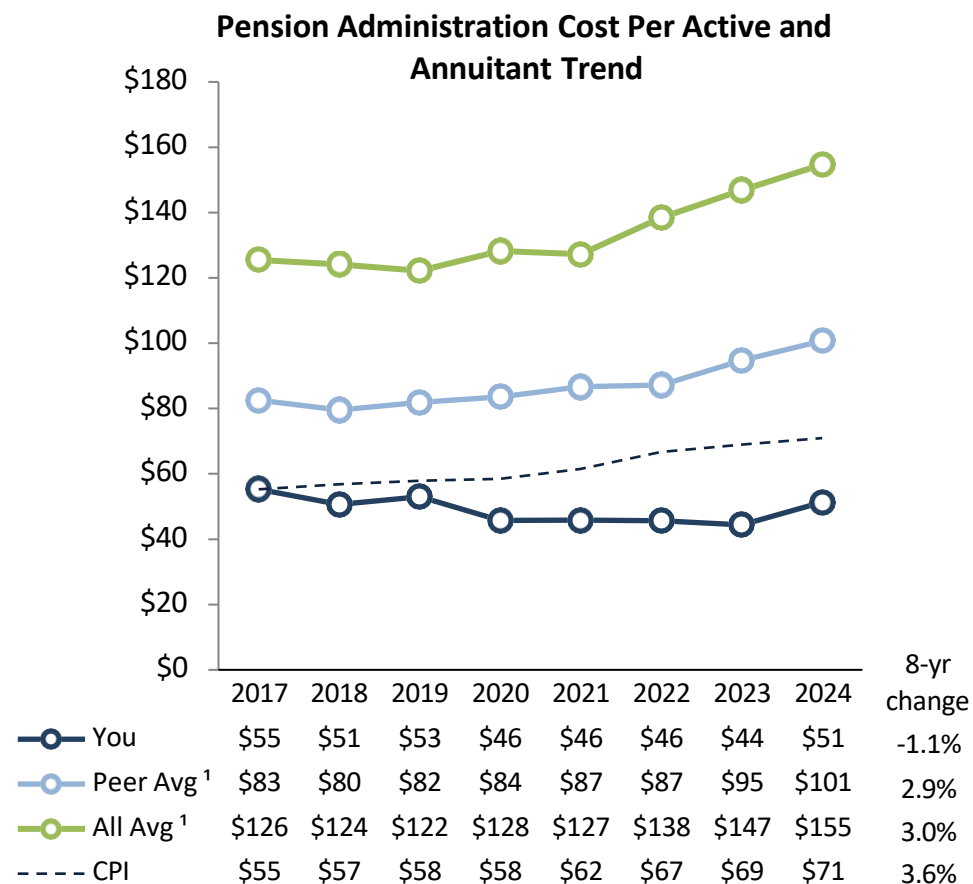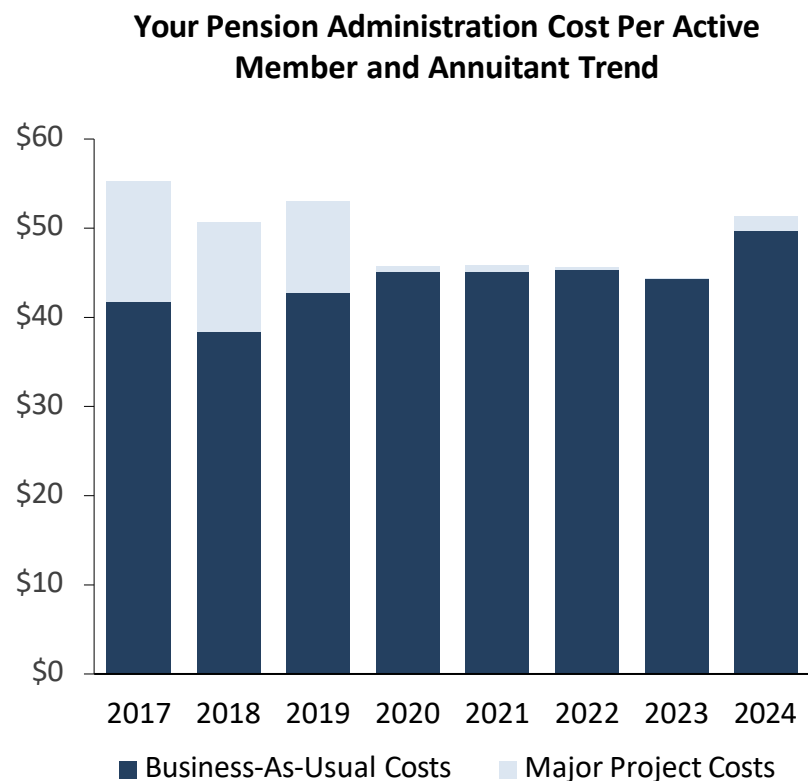
# Reasons why your total cost per member was $87 below the peer average:

| Reason | You | Peer Avg | Impact $ per active member and annuitant |
|---|---|---|---|
| 1 Fewer front office FTE per 10,000 members | 1.3 FTE | 3.8 FTE | -$42 |
| 2 Lower third party costs per member in the front office | $4 | $10 | -$6 |
| 3 Higher costs per FTE | | | |
|     Salaries and Benefits (incl. retiree benefits) [1] | $123,278 | $120,625 | |
|     Building and Utilities | $38,207 | $11,088 | |
|     HR | $2,408 | $5,446 | |
|     IT Desktop, Networks, Telecom | $11,737 | $15,287 | |
|     Total | $175,629 | $152,446 | $14 |
| 4 Lower support costs per member [2] | | | |
|     Governance and Financial Control | $6 | $13 | |
|     Major Projects | $2 | $27 | |
|     IT Strategy, Database, Applications | $14 | $20 | |
|     IT Security | $1 | $4 | |
|     Actuarial, Legal, Audit, Other | $4 | $16 | |
|     Total | $26 | $79 | -$53 |
| Total | | | -$87 |

1. 42% of your total salaries and benefits relates to benefits. This compares to a peer average of 31%.
2. To avoid double counting, governance and support costs are adjusted for differences in cost per FTE.

**Your total pension administration costs per active member and annuitant increased by 15.6% in the year and decreased by 1.1% per annum over the last 8 year.**

### Your Pension Administration Cost Per Active Member and Annuitant Trend



Legend: ■ Business-As-Usual Costs  ■ Major Project Costs

### Pension Administration Cost Per Active and Annuitant Trend



| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 8-yr change |
|---|---|---|---|---|---|---|---|---|---|
| You | $55 | $51 | $53 | $46 | $46 | $46 | $44 | $51 | -1.1% |
| Peer Avg [1] | $83 | $80 | $82 | $84 | $87 | $87 | $95 | $101 | 2.9% |
| All Avg [1] | $126 | $124 | $122 | $128 | $127 | $138 | $147 | $155 | 3.0% |
| CPI | $55 | $57 | $58 | $58 | $62 | $67 | $69 | $71 | 3.6% |

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).

# Your total service score was 73. This was below the peer median of 82.

**Total Service Score**



Legend: ■ You ■ Peer ▪ All ‑ ‑ ‑ Peer Median ── All Median
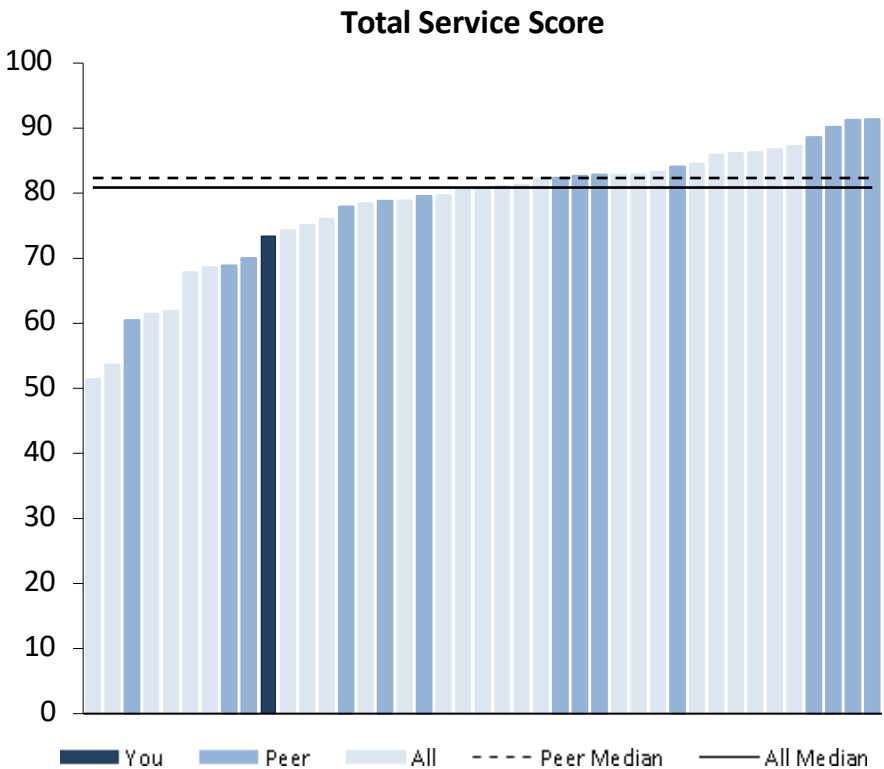
Looking at cost in isolation is unhelpful. Context is required, as is a means to measure value for money. CEM believes the right measure is member service, or the service score.

Service is defined from a member's perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.

Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

Your total service score is the weighted average of the service scores for each of the four member journeys below.

| Service Scores by Journey | | | |
|---|---|---|---|
| Journey | Weight | You | Peer Median |
| Active member experience | 30% | 72 | 76 |
| Inactive member experience | 5% | 65 | 76 |
| Retiring experience | 35% | 72 | 80 |
| Annuitant experience | 30% | 78 | 88 |
| Total service score | 100% | 73 | 82 |

# Your service score for the active member experience of 72 was below the peer median of 76.

**Active Member Experience Service Score**
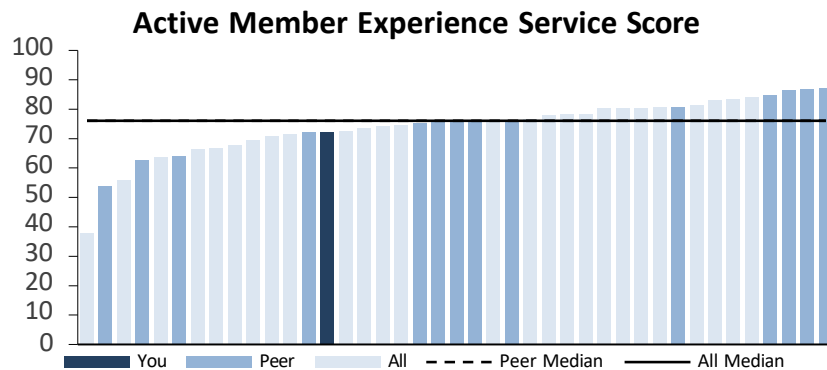


| Activity | Weight | You | Peer Median |
|---|---|---|---|
| Targeted campaigns | 7.5% | 43 | 50 |
| Purchases and Transfers-in | 10.0% | 62 | 62 |
| Member statements | 12.5% | 86 | 60 |
| Personal information | 5.0% | 70 | 90 |
| Salary and service credit information | 5.0% | 100 | 100 |
| Secure website accessibility | 30.0% | 75 | 95 |
| Contact center: accessibility | 7.5% | 41 | 50 |
| Contact center: capability | 5.0% | 70 | 88 |
| Contact center: call quality | 5.0% | 70 | 83 |
| 1-on-1 counseling | 5.0% | 95 | 94 |
| Member presentations | 2.5% | 46 | 100 |
| Feedback | 5.0% | 100 | 80 |
| Active member experience service score | 100.0% | 72 | 76 |

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

## Your strengths

| Activity | Key drivers |
|---|---|
| Member statements | You provide comprehensive member statements and this is available in real time online (Peers: 20% also offer real-time updates). |
| Feedback | You have a robust VoC program surveying members at key touch points, such as, secure website (Peers: 57.1%). |
| Purchases and transfers-in | You provide a written estimate for service credit purchase in 5 days (Peers: 50 days). You also process transfers-ins faster: 1 month compared to a peer average of 2.3 months. |

## Your opportunities

| Activity | Key drivers |
|---|---|
| Secure website accessbility | Your active members access your secure site in lower numbers than your peers (You: 23%, Peers: 47%). Note: you were unable to provide the unique split, as such, CEM used our universe average to apply your split. |
| Contact center: accessibility | Your call wait time was 613 secs (Peers: 317 secs) and your undesired call outcome were 33% (Peers: 14%). 60% of your peers inform callers of the expected wait times. |
| Contact center: capability | 73% of your peers contact center staff have access to member's use of digital tools during telephone calls and offer features like co-browsing (Peers: 33%) to help serve member better. |
| Call quality | Your first contact resolution was 58.6% (Peers: 88%). |

# Your service score for the inactive member experience of 65 was below the peer median of 76.

### Inactive Member Experience Service Score



Legend: You | Peer | All | – – – Peer Median | —— All Median
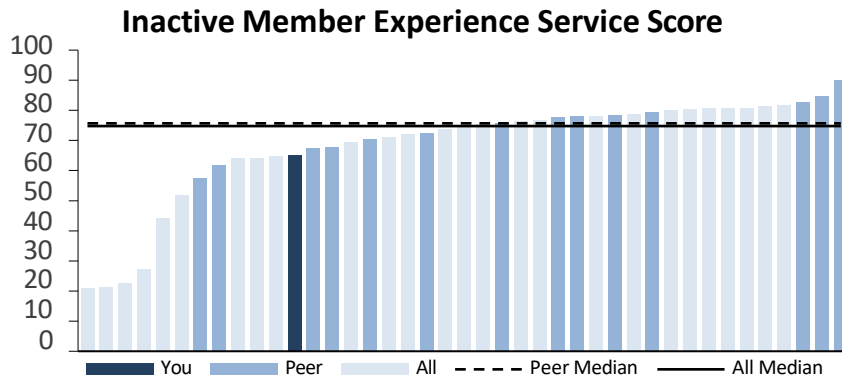
| Activity | Weight | You | Peer Median |
|---|---|---|---|
| Targeted campaigns | 10.0% | 15 | 15 |
| Tracking inactive members | 10.0% | 57 | 87 |
| Transfers-out | 5.0% | 80 | 80 |
| Personal information | 7.5% | 70 | 90 |
| Salary and service credit information | 5.0% | 100 | 100 |
| Secure website accessibility | 40.0% | 72 | 90 |
| Contact center: accessibility | 7.5% | 41 | 50 |
| Contact center: capability | 5.0% | 70 | 88 |
| Contact center: call quality | 5.0% | 70 | 83 |
| Feedback | 5.0% | 100 | 75 |
| Inactive member experience service score | 100.0% | 65 | 76 |

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

## Your strengths

| Activity | Key drivers |
|---|---|
| Transfers-out | You provide members leaving the plan with their transfer value on a real-time basis over the phone (Peers: 80%) and transfers-out are completed in 2 days (Peers: 89 days). |

## Your opportunities

| Activity | Key drivers |
|---|---|
| Targeted campaigns | You have minimal communication with inactive members. 50% of your peers send newsletters to their inactive members and 47% of your peers send targeted communication to inactive members leaving the plan. |
| Tracking inactive members | You did not provide the number of inactive members that reached retirement age and did not receive benefits, most of your peers did. |
| Transfers-out | 50% of your peers allow members to apply for a transfer-out application online. |
| Personal information | Many of your peers offer online functionality, such as, members can upload documents (Peers: 73%) and change communication preferences (Peers: 40%). |
| Secure website: accessibilty | Your inactive members access your secure site in lower numbers than your peers (You: 8%, Peers: 17%). Note: you were unable to provide the unique split, as such, CEM used our universe average to apply your split. |

# Your service score for the retiring member experience of 72 was below the peer median of 80.

**Retiring Experience Service Score**
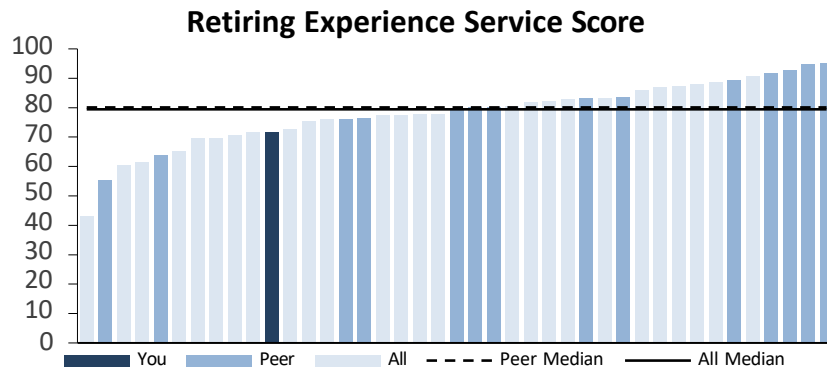


| Activity | Weight | You | Peer Median |
|---|---|---|---|
| Targeted campaigns | 7.5% | 10 | 88 |
| Pension estimates: self-service | 7.5% | 78 | 82 |
| Pension estimates: assisted service | 2.5% | 90 | 90 |
| Retirement applications | 7.5% | 30 | 75 |
| Pension inceptions | 10.0% | 99 | 94 |
| Disability inceptions | 5.0% | 100 | 90 |
| Personal information | 2.5% | 70 | 90 |
| Salary and service credit information | 2.5% | 100 | 100 |
| Secure website accessibility | 20.0% | 83 | 97 |
| Contact center: accessibility | 7.5% | 41 | 50 |
| Contact center: capability | 5.0% | 70 | 88 |
| Contact center: call quality | 5.0% | 70 | 83 |
| 1-on-1 counseling | 7.5% | 95 | 94 |
| Member presentations | 5.0% | 46 | 100 |
| Feedback | 5.0% | 100 | 70 |
| Retiring experience service score | 100.0% | 72 | 80 |

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

## Your strengths

| Activity | Key drivers |
|---|---|
| Pension and disability inceptions | 100% of your member and survivors pensions were set up without cashflow interruption. (Peers: 85% for members, 63% for survivors). You process disability applications within 1 month (Peers: 3 months). |
| Salary and service credit information | You provide a complete history of salary and service credit (Peers: 67%) and it is current to the most recent period (Peers: 80%) online. |
| Pension est: assisted service | Your turnaround time for processing written pension estimate is 0 days (Peers: 6.8 days). Your members can obtain a complete estimate over the phone and during 1on1 counseling sessions (Peers: 87%, 80% respectively). |
| Pension est: self-service | Your online pension estimate calculator has full capabilities allowing your members to model various retirement options. |

## Your opportunities

| Activity | Key drivers |
|---|---|
| Targeted campaigns | Your peers send targeted communication to active (Peers: 57%) and inactive members (Peers: 53%) to engage with them as they approach retirement. |
| Retirement application | 80% of your peers offer submission a retirement application online. You require a member's birth certificate before incepting a pension compared to 80% of your peers who do not. |
| Member presentations | 1.2% of your members attended presentations compared to 8% for your peers. |

# Your service score for the annuitant experience of 78 was below the peer median of 88.

**Annuitant Experience Service Score**



Legend: You | Peer | All | – – – Peer Median | —— All Median
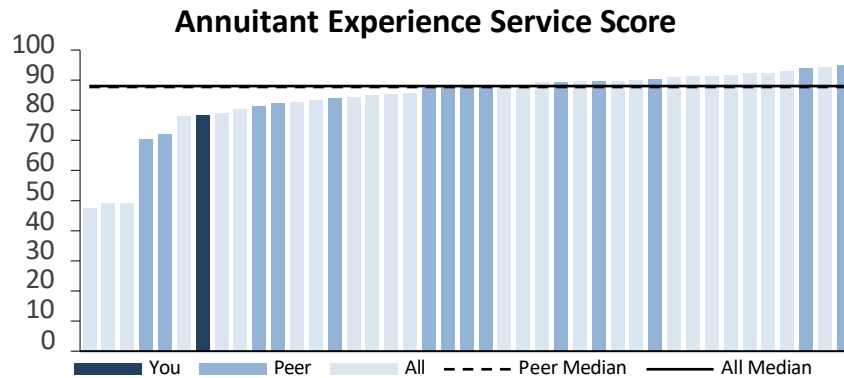
| Activity | Weight | You | Peer Median |
|---|---|---|---|
| Targeted campaigns | 10.0% | 56 | 61 |
| Pension payments | 30.0% | 98 | 98 |
| Personal information | 5.0% | 70 | 90 |
| Secure website accessibility | 32.5% | 77 | 92 |
| Contact center: accessibility | 7.5% | 41 | 50 |
| Contact center: capability | 5.0% | 65 | 87 |
| Contact center: call quality | 5.0% | 70 | 83 |
| Feedback | 5.0% | 100 | 100 |
| Annuitant experience service score | 100.0% | 78 | 88 |

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

## Your strengths

| Activity | Key drivers |
|---|---|
| Pension payments | Your annuitants have a full suite of tools to self service online, including, changing banking information (Peers:73%) and change witholding tax amounts (Peers: 80%). |

## Your opportunities

| Activity | Key drivers |
|---|---|
| Targeted campaigns | Your have email addresses for 56% of your annuitants (Peers: 75%). Your peers send targeted communication to annuitants for missing beneficiaries (Peers: 27%), missing home and email addresses (Peers:7%). |
| Secure website: accessibility | Your annuitants access your secure site less than your peers (You: 18.5%, Peers: 33.2%). Note: you were unable to provide the unique split, as such, CEM used our universe average to apply your split. |

# Your service score has increased from 65 to 73 between 2017 and 2024.

### Trends in Total Service Scores[2]
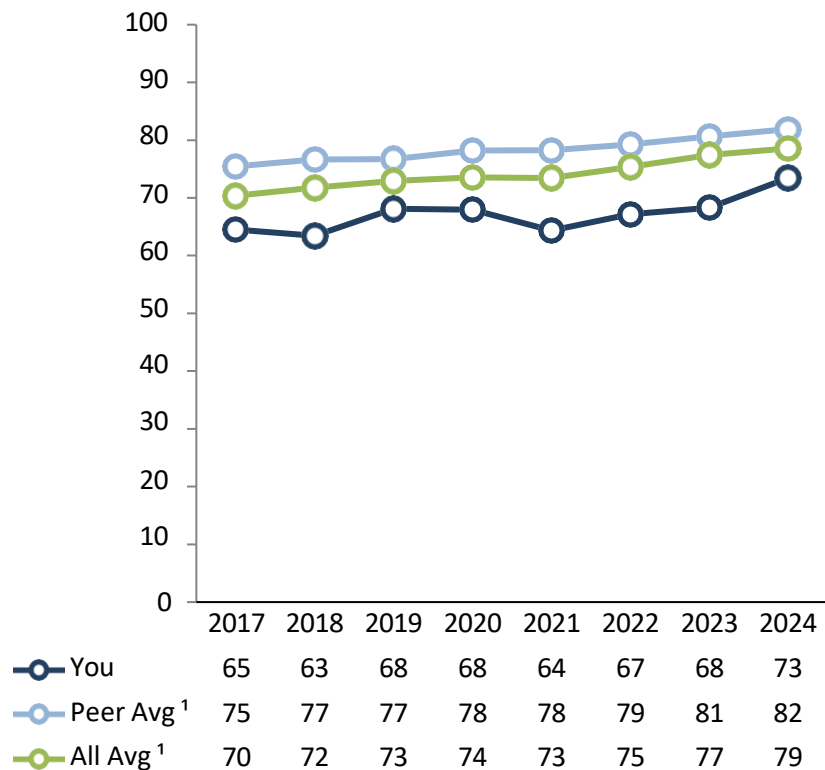


| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | 65 | 63 | 68 | 68 | 64 | 67 | 68 | 73 |
| Peer Avg [1] | 75 | 77 | 77 | 78 | 78 | 79 | 81 | 82 |
| All Avg [1] | 70 | 72 | 73 | 74 | 73 | 75 | 77 | 79 |

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).
2. Historic scores have been restated to reflect changes in methodology. Your historic service scores will differ from previous reports.

## Changes that had a positive impact compared to last year

- Your have expanded your VoC program to include surveying new, inactive and retiring members on their experience as well as secure website, telephone calls, 1on1 counseling.

- You started sending targeted communication to annuitants who are new to retirement.

- Annuitants are now able to change banking information and tax witholding amount online.

## Changes that had a negative impact compared to last year

- Your first contact resolution fell from 81% in 2023 to 59% this year.
- You have stopped giving presentations targeted specifically to new members.

## Longer term changes

- Contact center challenges post COVID remains, for example, call wait time. This is offset by 1on1 counseling and group presentation that is beginning to return to pre-pandemic levels.
- In 2023, you started to review your staff's responses in the contact center.
- You have had a steady increase in all your members using your secure website.

# You were lower cost and lower service than the average participant in the CEM universe.

## Relative Service versus Relative Cost



Relative Service =
Service Score -
All Average Score

Relative Cost Per Member = Cost Per Member - All Average Cost Per Member

○ You   ○ Peers   ○ All   △ You (2017)

# Key takeaways:

## Cost

- Your total pension administration cost of $51 per active member and annuitant was $87 below the peer average of $139.
- This is mainly because you had lower support costs per member.
- Your total pension administration costs per active member and annuitant increased by 15.6% in the year and decreased by 1.1% per annum over the last 8 year.
- For your peers the average cost increased by 6.3% in the year, and increased by 2.9% per annum over the past 8 years.

## Service

- Your total service score was 73. This was below the peer median of 82.
- You scored well for service in these areas:
  - Feedback
  - Salary and credit information
  - Pension and disability inception
- You scored below your peers in these areas:
  - Contact center: accessibility, capability and call quality
  - Member presentations
- Your service score has increased from 65 to 73 between 2017 and 2024.

## Cost effectiveness

- You were lower cost and lower service than the average participant in the CEM universe.

# Pension service organizations globally are experiencing significant changes.

Legacy system modernization AI
Service digitalization Cybersecurity
Data quality management Operational Excellence
Customer Experience Member engagement
Hybrid work Employee recruitment and retention
Regulatory change

**Digitalization**

- Members have higher expectations based on their interactions with companies in other industries.

- Upgrading or replacing legacy systems is impacting the costs for most organizations.

- As digitalization increases, there is a growing concern about cybersecurity and data quality…

- … and there are opportunities with robotic automation and AI.

**Post-pandemic impacts**

- More transactions are happening on secure websites.

- Organizations continue to adjust to hybrid work models.

- Employee recruitment and retention challenges are disrupting pension operations.

- There has been a substantial decrease in call service levels.

**94% of plans with eight consecutive years of data improved their service score between 2017 and 2024. On average, the service improvement was 1.6% per year. 55% of plans improved their service score while decreasing their business-as-usual costs per member.**
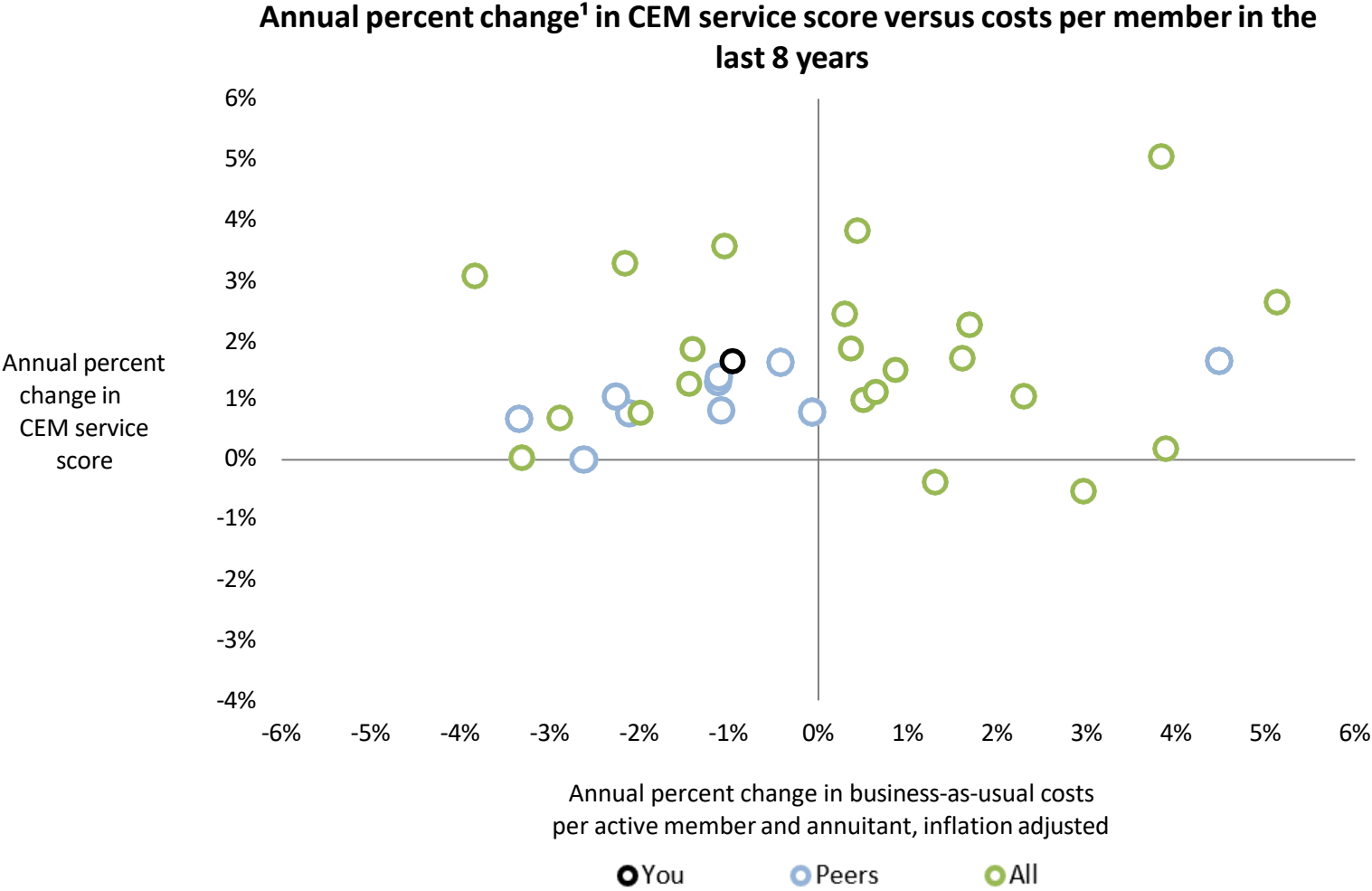
Annual percent change[1] in CEM service score versus costs per member in the last 8 years



Annual percent change in CEM service score

Annual percent change in business-as-usual costs per active member and annuitant, inflation adjusted

⬤ You        ⬤ Peers        ⬤ All

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).

# Your incoming volumes per year versus peers.

| Incoming volumes per year [1] | You | Peer median | # | Low | Medium | High | Outlier |
|---|---|---|---|---|---|---|---|
| Secure website visits, total | 174,794 | 954,856 | 15 | ■ | | | |
| Calls | 81,047 | 161,776 | 15 | ■ | | | |
| Emails | 16,617 | 19,173 | 15 | ■ ■ ■ | | | |
| Secure messages | - | 9,853 | 12 | ■ | | | |
| Letters | Unknown | 91,530 | 15 | | | | |
| 1-on-1 counseling sessions | 6,088 | 4,476 | 15 | ■ ■ ■ ■ | | | |
| Member presentations | 48 | 211 | 15 | ■ | | | |

[1] All peers are assumed to have your number of active members and annuitants.

# Your self-service and assisted service volumes per year versus peers.

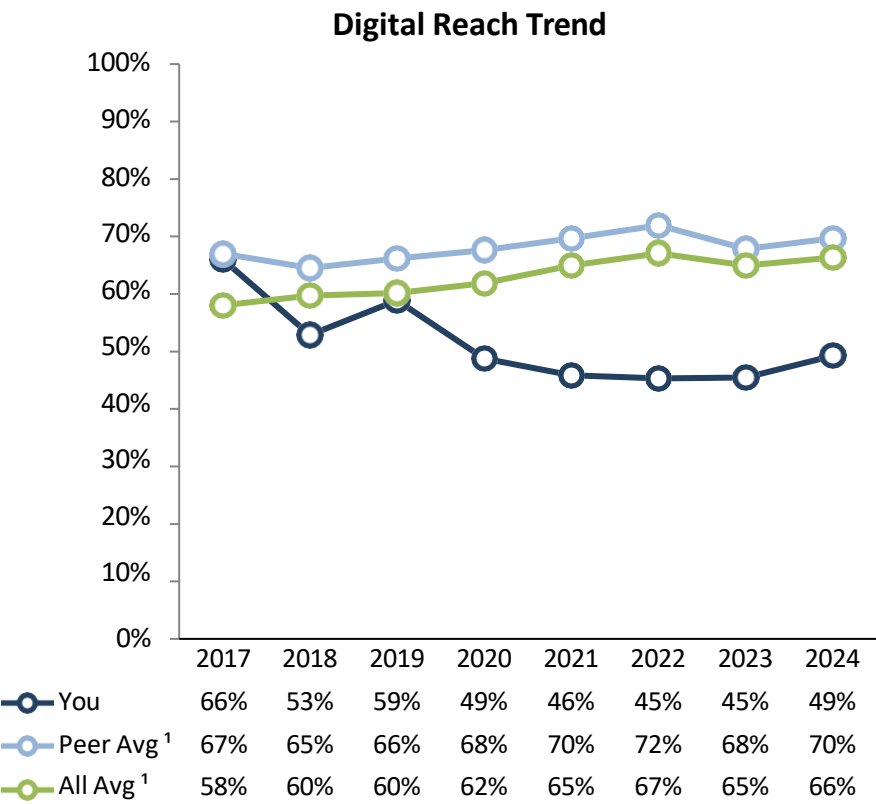| Transactions per year [1] | You | Peer median | # | Low | Medium | High | Outlier |
|---|---|---|---|---|---|---|---|
| Secure website visits, total | 174,794 | 954,856 | 15 | ◼ | | | |
| Secure website visits, unique members | 75,287 | 143,728 | 15 | ◼ | | | |
| Public website calculator use | n/a | 34,534 | 4 | | | | |
| Secure website calculator use | Unknown | 181,517 | 15 | | | | |
| Online retirement applications | n/a | 3,841 | 12 | | | | |
| Written pension estimates | 25,665 | 6,577 | 15 | ◼ | ◼ | ◻ | ◻ |
| Written estimates for refunds/ terminations/ transfer-outs | 8,700 | 807 | 11 | ◼ | ◼ | ◻ | ◻ |
| Written purchase, upgrade, or transfer-in estimates | 671 | 2,610 | 14 | ◼ | | | |

[1] All peers are assumed to have your number of active members and annuitants.

# Greater digitalization is the key driver for higher service scores.

## Transactions per 1,000 members

### You



| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Secure web visits | 1,257 | 649 | 847 | 590 | 595 | 563 | 504 | 547 |
| Calls | 333 | 348 | 334 | 348 | 320 | 314 | 275 | 254 |
| Emails | 89 | 97 | 101 | 110 | 115 | 112 | 98 | 52 |
| Incoming mail | 261 | 172 | 165 | 175 | 278 | 260 | 240 | 278 |

### All Avg [1]

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Secure web visits | 1,673 | 1,748 | 1,721 | 1,891 | 2,065 | 2,167 | 1,979 | 1,962 |
| Calls | 554 | 528 | 532 | 516 | 493 | 507 | 497 | 509 |
| Emails | 102 | 108 | 112 | 120 | 136 | 137 | 109 | 101 |
| Incoming mail | 389 | 348 | 334 | 309 | 267 | 255 | 242 | 249 |

### You



| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| 1-on-1 counseling | 29 | 28 | 28 | 26 | 7 | 15 | 17 | 19 |
| Presentations | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| Written estimates | 40 | 36 | 37 | 35 | 26 | 27 | 25 | 27 |

### All Avg [1]

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| 1-on-1 counseling | 33 | 33 | 33 | 33 | 22 | 25 | 28 | 28 |
| Presentations | 1.1 | 1.2 | 1.4 | 1.1 | 0.6 | 0.7 | 0.7 | 0.8 |
| Written estimates | 35 | 31 | 34 | 32 | 27 | 30 | 27 | 25 |

1. Trend analysis is based on 33 systems that provided 8 consecutive years of data.

# Between 2017 and 2024 your digital reach decreased -2.6% per year. The digital reach of peers with eight consecutive years of data increased by 0.1% per year in the same period.
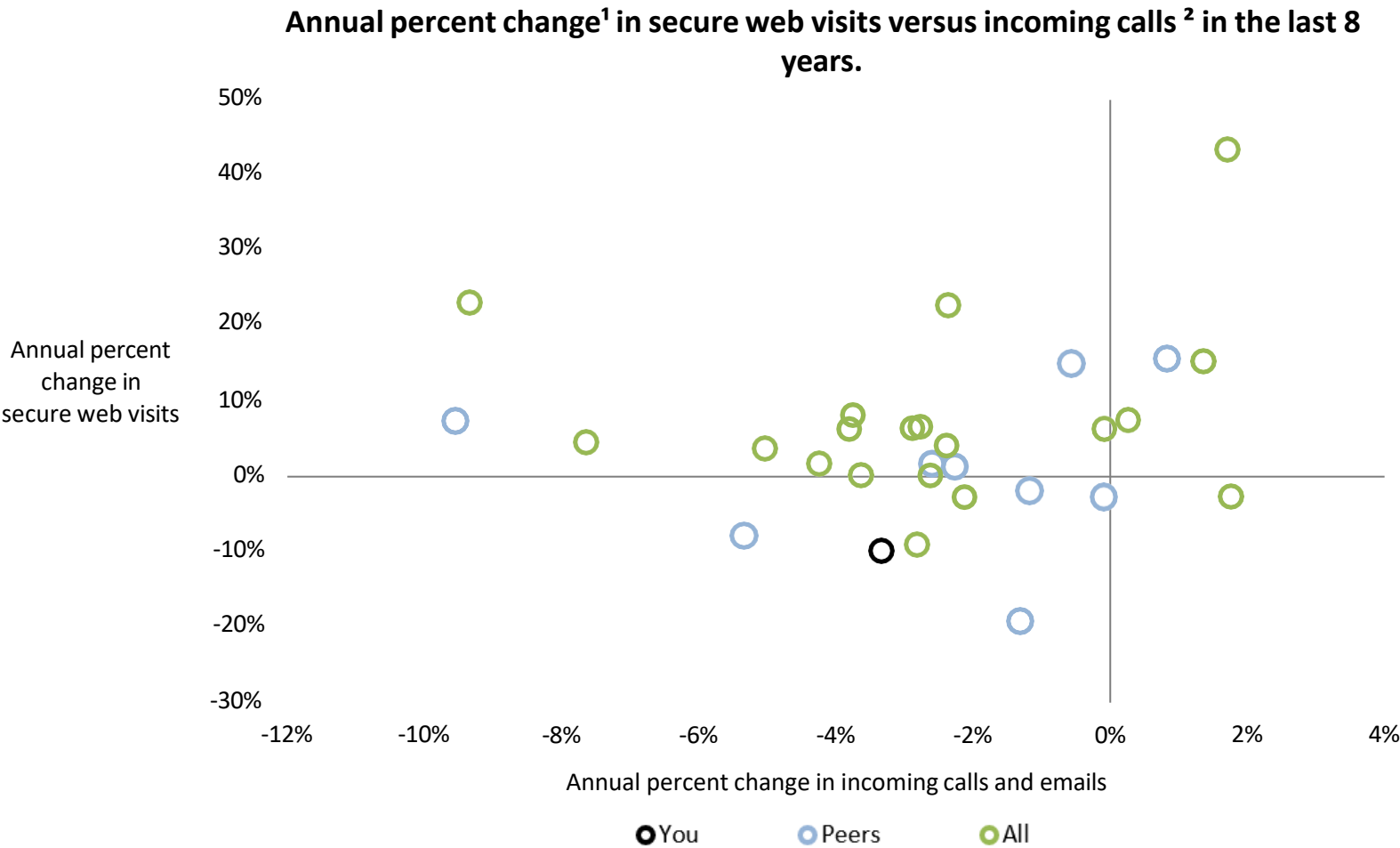
**Digital Reach Trend**



| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | 66% | 53% | 59% | 49% | 46% | 45% | 45% | 49% |
| Peer Avg [1] | 67% | 65% | 66% | 68% | 70% | 72% | 68% | 70% |
| All Avg [1] | 58% | 60% | 60% | 62% | 65% | 67% | 65% | 66% |

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).
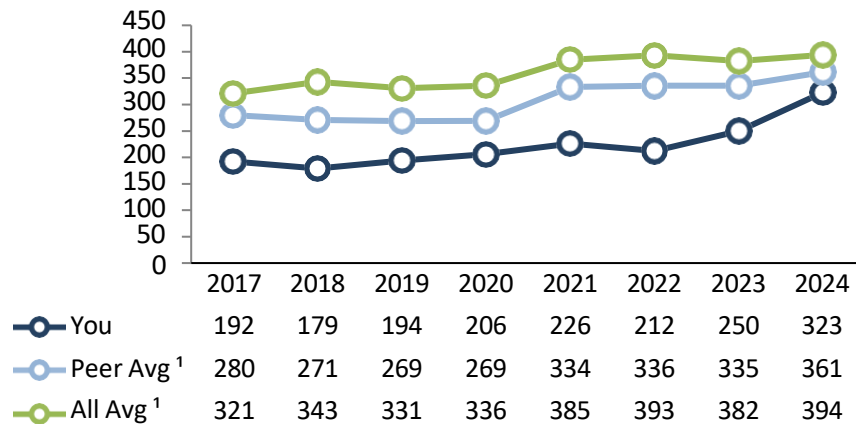
Digital reach measures the proportion of your self-service volumes versus self-service and assisted service transactions, as follows.

| Digital reach | |
|---|---|
| **Activity** | **Volume** |
| Total secure website visits (A) | 174,794 |
| Incoming calls (B) | 74,497 |
| Incoming emails/secure messages (C) | 16,617 |
| Incoming letters (D) | 88,937 |
| Digital reach [A / (A + B + C + D)] | 49% |

**59% of plans with eight consecutive years of data have increased secure web visits while decreasing incoming call and email volumes.**

**Annual percent change[1] in secure web visits versus incoming calls [2] in the last 8 years.**



Annual percent change in secure web visits

Annual percent change in incoming calls and emails
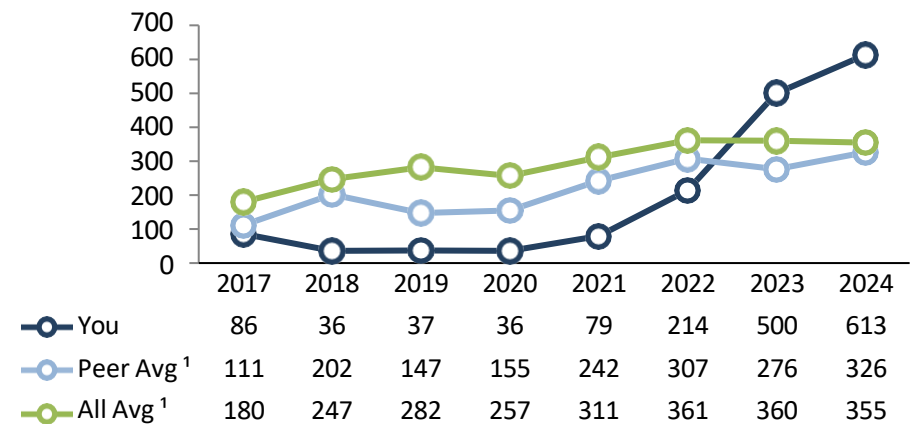
○ You    ○ Peers    ○ All

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).
2. Volumes are calculated per 1,000 active members and annuitants.

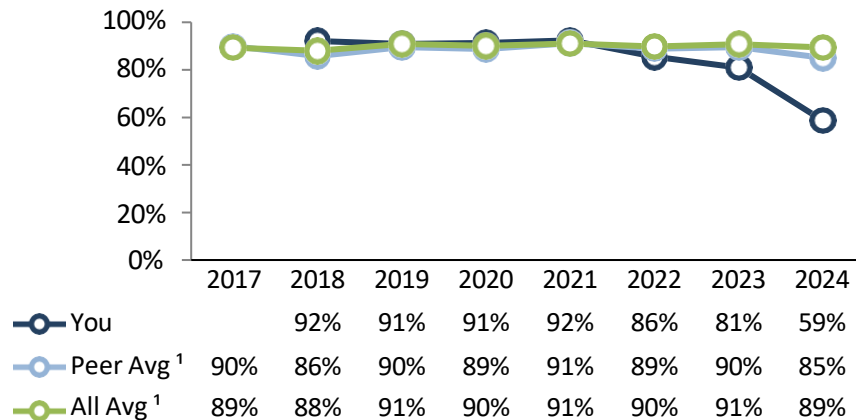# The nature of member calls has changed in the last eight years.
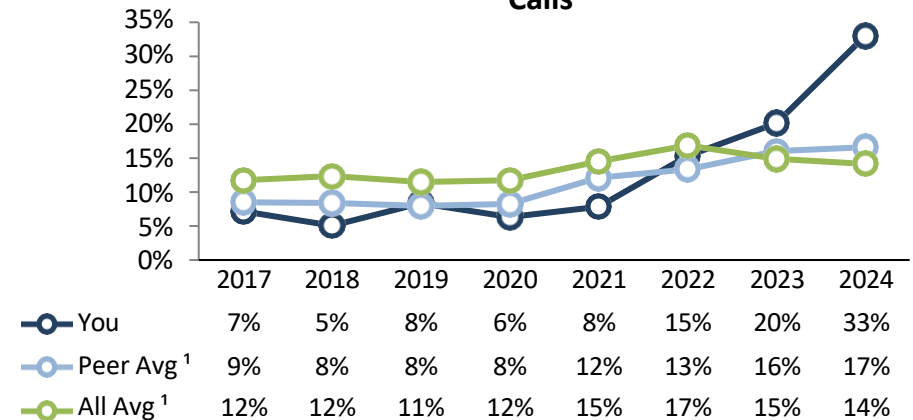
## Time on Call, in Seconds

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | 192 | 179 | 194 | 206 | 226 | 212 | 250 | 323 |
| Peer Avg [1] | 280 | 271 | 269 | 269 | 334 | 336 | 335 | 361 |
| All Avg [1] | 321 | 343 | 331 | 336 | 385 | 393 | 382 | 394 |

## Call Wait Time, in Seconds

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | 86 | 36 | 37 | 36 | 79 | 214 | 500 | 613 |
| Peer Avg [1] | 111 | 202 | 147 | 155 | 242 | 307 | 276 | 326 |
| All Avg [1] | 180 | 247 | 282 | 257 | 311 | 361 | 360 | 355 |

## Percentage of calls satisfied by the first contact

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | | 92% | 91% | 91% | 92% | 86% | 81% | 59% |
| Peer Avg [1] | 90% | 86% | 90% | 89% | 91% | 89% | 90% | 85% |
| All Avg [1] | 89% | 88% | 91% | 90% | 91% | 90% | 91% | 89% |

## Undesired Call Outcomes as a Percent of Incoming Calls

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| You | 7% | 5% | 8% | 6% | 8% | 15% | 20% | 33% |
| Peer Avg [1] | 9% | 8% | 8% | 8% | 12% | 13% | 16% | 17% |
| All Avg [1] | 12% | 12% | 11% | 12% | 15% | 17% | 15% | 14% |

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).

# You are not replacing your existing pension administration system. A total of 18 systems are replacing their administration system.

### Age of your existing administration system



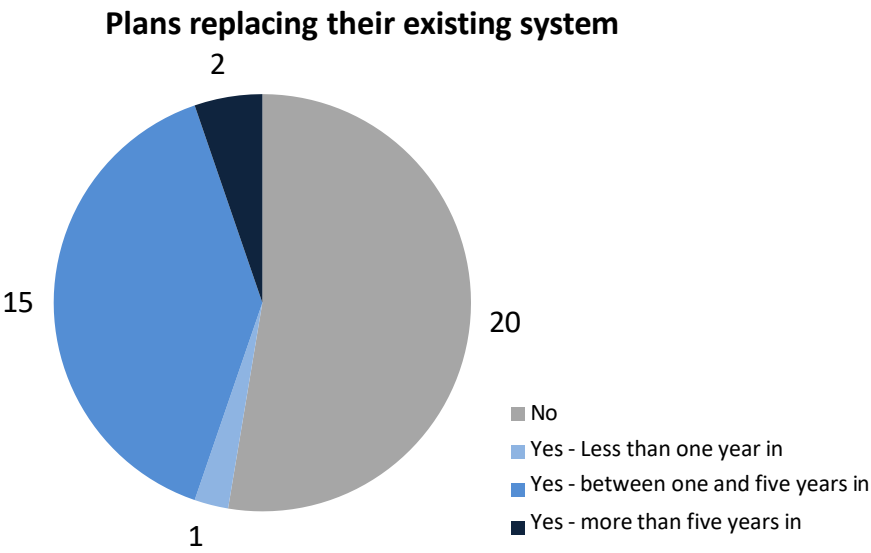Legend: You | Peer | All | Peer Avg | All Avg
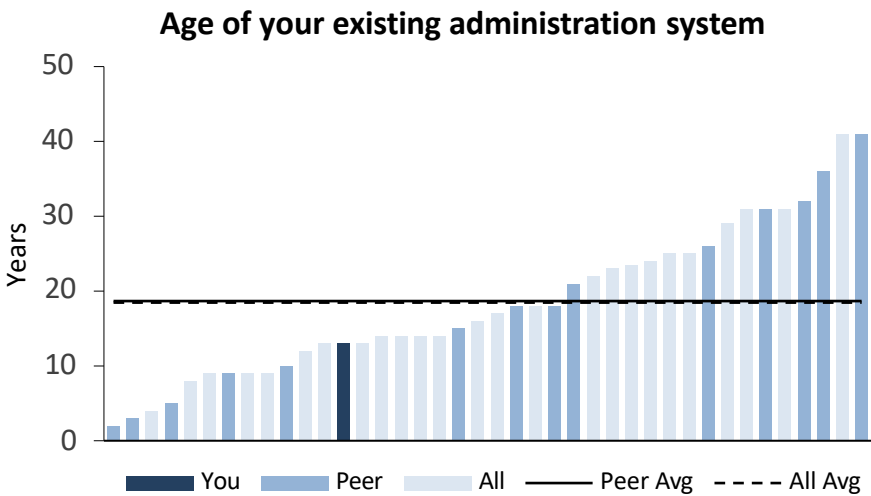
The core pension administration system:
- For 44% of plans, the current system was built in-house.
- For 39% of plans, the current system was built a third-party.
- For 15% of plans, their in-house solution was built by a third-party.

System customization:
- 30% of plans whose current system is third-party, required greater than 90% customization on the third-party solution.
- On average, 53% customization was required on third-party solutions.

### Plans replacing their existing system



Legend:
- No
- Yes - Less than one year in
- Yes - between one and five years in
- Yes - more than five years in

## Plans with cloud access are using AI to improve their operations. Most commonly, plans start with low-risk AI use cases in their contact centers to support their service agents.

**Common use cases**

<u>Contact center</u>

- Automatically create a call transcript and add the post-call summary to the Client Relationship Management (CRM) system.
- Perform call quality assurance and sentiment assessments.

<u>Document management</u>

- Aggregate internal documents into discrete repositories, with meta data, so staff can easily query these repositories for the data they need.

<u>Automation</u>

- Robotic automation of routine back-office tasks.

<u>Proof-of-life verification</u>

- Tracking/identifying members with facial recognition technology.

**Less common or higher risk use cases**

<u>Contact center</u>

- Redirect members to digital channels and guide workflow with an AI assistant that integrates CRM and browser-based solutions.

- Chatbots for processing member information and answering their questions.

- Predicting a member's next question real-time, on call.

- Real-time, on-call member satisfaction metrics based on voice recognition.
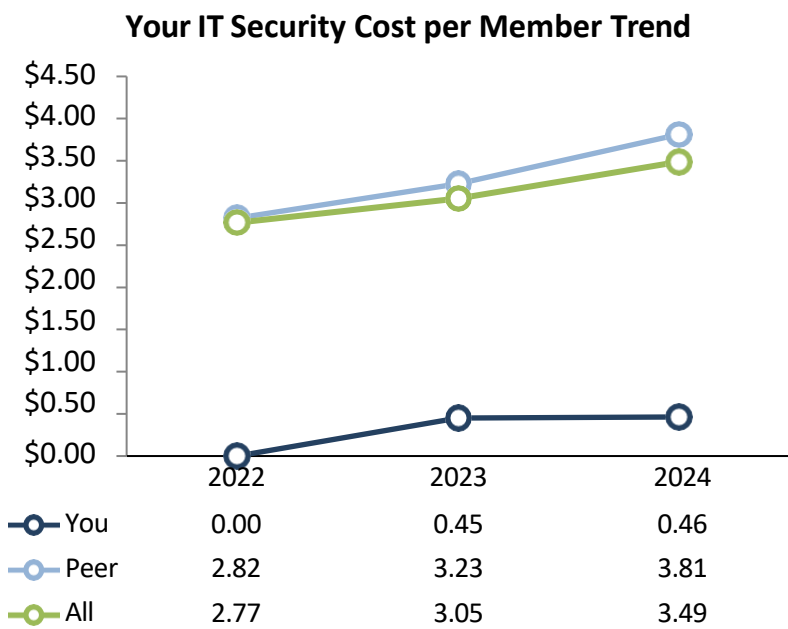
<u>Data quality management</u>

- Large-scale analysis and cleaning of member data.

# IT security is an increasing concern for all systems. Your costs and staffing of IT security compare to your peers as follows:

### IT Security Costs per Member
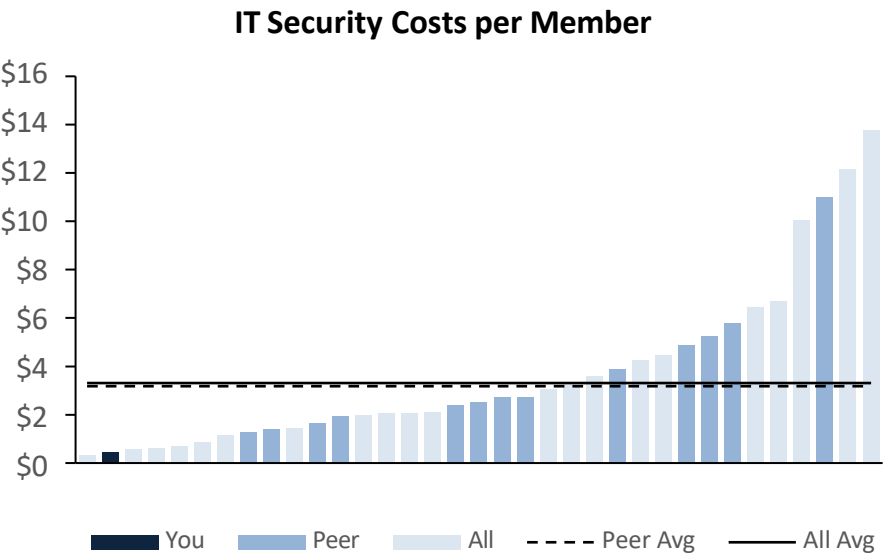


Your IT security cost per member was $0.46 versus a peer average of $3.18.

### Your IT Security Cost per Member Trend



| | 2022 | 2023 | 2024 |
|---|---|---|---|
| You | 0.00 | 0.45 | 0.46 |
| Peer | 2.82 | 3.23 | 3.81 |
| All | 2.77 | 3.05 | 3.49 |

1. Trend analysis is based on systems that have provided 8 consecutive years of data (11 of your 15 peers and 33 of the 41 systems in the universe).

# Thank you

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Director, Client Coverage

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**CEM Benchmarking**