

Case Study

Technology, paired with personal service, facilitate massive consolidation



Cooperating School Districts (CSD) of Greater St. Louis, Inc. serves 65 K-12 school districts in the St. Louis area. The ultimate mission of the group and the member schools is “providing member school districts with high-quality, cost-effective services [and] resources ... to achieve educational excellence for all students.” The group comprises 160 schools and 13,325 eligible staff members.

CSD Retirement Trust

A program developed by Cooperating School Districts®

“One of the reasons CSD selected VALIC¹ is because the firm is the leading provider of 403(b) K-12 plans in the country. VALIC’s leadership, size and scale allow the firm to offer us very competitive pricing, and its open-architecture model provides our participants with access to diverse retirement savings options.”

–Stephen Keyser, Deputy Executive Director and CFO, CSD

Goals

CSD and member schools sought a provider that could ...

- Enable them to reduce their roster of 30 retirement plan providers
- Lower the pricing/cost of plan to participants
- Manage compliance and administrative burdens for districts
- Manage all 403(b) and 457(b) recordkeeping
- Encourage high enrollment with turnkey services
- Provide pure “education” to employees versus “sales pressure”
- Make plans and services easy to understand for employees and easy to communicate for districts

Challenges

Member districts wanted to consolidate down from the 30 plan providers serving the districts for the following reasons:

- Districts felt unable to maintain records, track disbursements or maintain compliance under the more strict 403(b) regulations that had been enacted
- Districts lacked the “buying power” to press for a better deal on retirement services
- Districts perceived their staff was receiving “sales” information instead of guidance and education about retirement planning and options

CSD originally projected needing up to five providers and bundling services to provide the best products and services for the employees.

Case Study: CSD

Implementation

AIG Retirement Services combined “boots on the ground” with leading-edge enrollment technology to address the diverse needs of the vast CSD consortium. More than 40 financial advisors in the area conducted dozens of enrollment seminars, assisting participants as needed through online enrollment at aig.com/RetirementServices. The advisor team provided one-on-one coaching in hundreds of locations spread across nearly 80 miles in Missouri and southern Illinois, frequently using the schools’ computer rooms.

To address the recordkeeping and compliance concerns for the consortium, AIG Retirement Services offered Retirement Manager, a comprehensive, AIG Retirement Services vendor-neutral solution for managing multiple plans that offered the following:

- For plan sponsors — a suite of robust administrative and compliance services, covering both participant needs and 403(b) regulatory requirements
- For participants — a single point of access to comprehensive retirement plan information, financial planning tools and transaction capabilities across retirement products and legacy carriers

Results

CSD was pleased with the quick acceptance rate. CSD hoped for 21 of their eligible districts to join the new plan in the first year of operation; 17 joined the first quarter alone, with an increased percentage of employee participation. Some districts reported a 15-20% increase in participation immediately.

CSD summarized the results of their decision to consolidate with AIG Retirement Services:

- Increased participation
- Reduced cost
- Improved compliance

CSD began the RFP process prepared to select up to five providers, and then bundle services. Instead, the complete answer to their complex needs was AIG Retirement Services.

Envision **MORE** with AIG

CALL 1-888-478-7020 **CLICK aig.com/RetirementServices**

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

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