

Military Retiree myPay Reactivation

Clear action steps and behaviorally informed messages increase access to an online financial management platform for military retirees

Agency Objective. Increase military retirees' reactivation of their online military retirement finance management platform accounts to allow retirees faster access to their tax documents and to offset operational burden for the agency during tax season.

Background. One of the purposes of the online platform myPay is to help military retirees manage their finances. It allows electronic download of tax documents, such as a Retirement Account Summary (RAS) and the IRS-1099 form. While myPay accounts are automatically created for all military retirees, many have never used their account, or have let their accounts deactivate by not logging in for 180 consecutive days. At the time of this pilot, about 55 percent of the retiree population had inactive myPay accounts (1.4 out of 2.5 million retirees). This poses a problem during tax season, when the number of retirees contacting the Defense Finance and Accounting Service (DFAS) surges as retirees try to either regain access to myPay or request copies of their tax documents. For example, in the fourth quarter of 2014 DFAS received a monthly average of 12,393 calls regarding accessing myPay accounts, compared to 29,046 during the first quarter (tax season) of 2015. The increased call volume during tax season places operational burden on DFAS and may result in slower services for military retirees.

Methods. DFAS and SBST designed nine different emails to encourage reactivation of myPay accounts prior to the beginning of tax season. A baseline email template was created using existing language about myPay from DFAS newsletters and letters to retirees, with added clear action steps on how to reactivate a myPay account. Eight additional email variants were built upon the baseline template using behavioral insights: an email with a DFAS team signature versus an email with a DFAS director's signature, one email highlighting the resources that could be given to current service members by cutting DFAS' mailing costs, one email appealing to the

security of using myPay, one email that provided social proof information,¹⁴ and three emails with different framings of how myPay can simplify retrieval of tax documents.¹⁵ A control group did not receive any email initially, but received an email after the end of the pilot.^{16,17}

Emails were sent in four separate waves between September 8 and November 5, 2015, two to three treatments at a time.¹⁸

Results. Between September 8 and November 10, 2015, 5.5 percent of retirees who did not receive an email reactivated their myPay accounts. In comparison, 10.2 percent of retirees who received an email had reactivated their myPay accounts—a difference of 4.7 percentage points from the control group ($p < 0.01$, 95% CI [4.50, 4.98]). This translates to about 800–1,000 additional customer service calls during the 3.5 months of pilot.

The most effective email appealed to the security of using myPay to retrieve tax documents, compared with using traditional mail.¹⁹ This email increased reactivation by 5.45 percentage points compared to no email over the same time period ($p < 0.01$, 95% CI [5.13, 5.77]). The other emails also produced significant, positive increases in reactivation relative to no email that ranged between 2.47²⁰ and 5.00²¹ percentage points.

¹⁴ Hunt Allcott, "Social Norms and Energy Conservation," *Journal of Public Economics* 95 (2011): 1082–1095

¹⁵ A generic statement about access to "tax documents," a statement instead referring to specific tax documents—the "1099 and RAS"—and a statement asking individuals to think about their experience last tax season.

¹⁶ After the pilot, two emails were chosen from the original nine, and sent to the control group.

¹⁷ Including the control group, 261,754 retirees participated in the pilot.

¹⁸ Emails were mostly sent on Tuesdays, with the exception of the final two emails, which went out on Wednesday November 4th and Thursday November 5th.

¹⁹ "Don't risk getting your W-2 and other tax documents lost in the mail or opened by someone else."

²⁰ For the email emphasizing past experiences last tax season

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Conclusions. Clear action steps and behaviorally informed messaging can be a significant help for military retirees reactivating myPay accounts. The best performing language will be utilized in DFAS' future communications to further improve their service to military retirees.

²¹ For the email emphasizing benefits to current service members.