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Correspondence Memorandum

Date: October 23, 2018
To: Wisconsin Deferred Compensation Board
From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program
Subject: 2019 Strategic Partnership Plan Proposal


ETF recommends the Deferred Compensation Board (Board) approve the proposed 2019 Strategic Partnership Plan.

In partnership with Empower Retirement, the Department of Employee Trust Funds (ETF) has drafted a Strategic Partnership Plan (SPP) for 2019. The SPP identifies specific plan enhancements and areas of focus for Wisconsin Deferred Compensation (WDC) Program staff during the upcoming year and metrics that may be used to measure the results. The 2019 SPP was developed around the following concepts:

1. *Enrollment* – increasing the number of local public employers offering the WDC and eligible employees contributing to the WDC
2. *Asset Allocation* – encouraging appropriate diversification of participant assets in WDC investment options
3. *Education* – providing more financial literacy learning opportunities for all participants
4. *Retention* – retaining retiree accounts and assets in the WDC by providing additional education targeting retirees and near-retirees in the WDC

As shown on the attached draft 2019 scorecard and communications calendar, highlights from the proposed 2019 SPP include:

- *Enrollment*
 - *Participants:* increasing the number of employees contributing to the WDC by 2.5%
 - *Employers:* adding 8 new local public employers. The WDC may be considered a mature plan, with more than 920 local employers making the plan available to their employees. The WDC has added 72 new local employers in the past five years alone, including large public employers such as Brown County and Jefferson County. There have also been several

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services
 Electronically Signed 10/26/18

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mergers of employers and of deferred compensation plans (Dane County and WPPI Energy). The remaining pool of eligible employers is approximately 695, 56% of which are small governing bodies (e.g., sanitary sewer districts, joint library boards) or school districts that may already offer employees a s.403(b) plan. Counties and cities comprise 15% of the remaining pool; while larger entities, these employers can take longer to decide to adopt WDC. Employer plan reviews will continue as needed or requested by local employers.

- *Asset Allocation:* WDC will develop and distribute information related to any changes to the investment option lineup and will also offer a 90-day “free look” at the managed accounts service, with a goal of adding 600 participants to the managed accounts service. Note: Empower is revamping the managed accounts service in 2019 and as part of the revamp it will be called “My Total Retirement.”
- *Education:* In addition to attending at least 45 benefit fairs and 2-3 conventions, WDC staff will carry out other education efforts for both participants and employers, as outlined on the communications calendar.
 - *Participants:*
 - 2,000 1-on-1 Retirement Readiness Reviews, including potentially piloting virtual meetings for participants in remote locations;
 - 350 group meetings; and
 - A webinar explaining the difference between mutual funds and Collective Investment Trusts, possibly in partnership with one of the WDC’s investment providers.
 - *Employers:*
 - ETF and Empower propose focusing on information related to moving to online contributions during 2019. These efforts will include an updated reference guide, webinar and newsletter dedicated to explaining the value and ease-of-use of the online contributions process.
- *Retention:*
 - Continuing the successful seasonally-themed “stay in the plan” campaign from 2018 with emails and postcards sent to pre-retirees and retirees encouraging them to meet with their local WDC advisor and promoting National Retirement Security Week in October 2019.

In addition to the proposed scope of work for the local WDC staff, the Empower staff in Colorado will also be working on additional items for the WDC during 2019 such as:

- Streamlining the WDC “library” of communication materials with an updated and consistent look for all brochures and presentations;
- Working with employers to encourage electronic submission of contributions and obtain termination dates;
- Preparing for the planned addition of Wisconsin Retirement System data to WDC participant accounts. This addition will provide WDC participants a single location to review their primary sources of expected retirement income; and

- Developing and providing personalized plan communications to participants who have enabled personalized messaging. This project has great potential but is dependent on receiving employee-specific data, including employment termination dates. These communications will vary, depending on individual need and plan offerings and may include messages such as “you and your retirement planning” and a new employee welcome encouraging employees to file a beneficiary designation.

WDC Newsletter -- Empower is also recommending that the WDC newsletter, *MoneyTalks*, be shortened to two pages in 2019. This shortened newsletter would comply with the Plan and Trust requirement to notify participants of important plan changes and updates via the newsletter. The shortened format would cover important plan news and updates and would not include any extra articles. ETF agrees with this change, as data from the last eighteen months indicates that less than 2% of WDC participants are opening the electronic newsletter. In addition, respondents to the WDC's 2018 participant survey indicated that other information methods (e-mail, mail, quarterly statements and websites) were preferred to printed materials such as the newsletter. The WDC will utilize additional communication methods (statement narratives, direct mail, e-mail, website notices, ETF channels, etc.) to convey important information to plan participants. If newsletter readership does not improve during 2019, ETF recommends revisiting options for future notification efforts and the newsletter.

Recommendation

ETF recommends the Board approve the 2019 SPP as proposed. Empower Retirement will then finalize the scorecard and use it to communicate SPP progress.

Staff and Empower Retirement will be available at the meeting to answer any questions.

Attachment: Proposed 2019 Scorecard and Communications Calendar

2019 Proposed Scorecard



	Goal/Action item	Tools adopted	Results desired
Enrollment	<ul style="list-style-type: none"> Increase in-force accounts by enrolling new participants Add new employers 	<ul style="list-style-type: none"> New enrollment campaign(s) Employee and Employer 	<ul style="list-style-type: none"> 2.5% in-force growth 8 new employers Attend 2-3 conventions Attend 45+ benefits fairs
Asset Allocation	<ul style="list-style-type: none"> Help participants properly diversify 	<ul style="list-style-type: none"> MTR upgrade & Free Look Fund changes DB Feed Pilot targeting participants <ul style="list-style-type: none"> (50+, 80%+ equity exposure) Communicate fund change(s) 	<ul style="list-style-type: none"> Enroll 600+ users in MTR during Free Look
Education	<ul style="list-style-type: none"> Complete retirement readiness reviews 	<ul style="list-style-type: none"> Participant Education <ul style="list-style-type: none"> Retirement Readiness Reviews Group meetings CIT webinar Employer Education <ul style="list-style-type: none"> Payroll transformation <ul style="list-style-type: none"> ACH Termination dates Employer webinar 	<ul style="list-style-type: none"> Conduct 2,000 Retirement Readiness Reviews 350 group meetings

	Goal/Action item	Tools adopted	Results desired
Retention	<ul style="list-style-type: none"> Increase in-force accounts by retaining accounts 	<ul style="list-style-type: none"> Increased communication efforts Total Advice Solution (TAS) <i>Retirement Solutions Group (RSG)</i> 	<ul style="list-style-type: none"> 2.5% in-force growth



Proposed 2019 WDC Communications Calendar

	Q1	Q2	Q3	Q4
THEME	Brand refresh including MTR name and DB feed update	MTR 90 Day Free Look from AAG	Enrollment (State EEs Only) and Survey	Retention (1Q/4Q & 2Q/3Q)
TARGET	All participants about the brand, MTR name, DB feed update, and fund changes	Those not enrolled in MTR	36,000 eligible employees All WDC participants	Encourage participants to stay in the program after retirement.
KEY MESSAGES	New look, MTR name, addition of the DB feed, and fund changes - Same program with a fresh look and a few updates	Enroll in MA meet your retirement goal	Enroll in the WDC Take the survey and let us know what you think about the WDC	Stay on track with the WDC in retirement
TACTICS	Brand refresh/MTR/DB Feed <ul style="list-style-type: none"> Refresh the website Refresh fliers Refresh brochures Refresh emails Refresh presentations Refresh easel banner Announcement Tactics <ul style="list-style-type: none"> Email to all pts Newsletter article Statement narrative Pre login web bulletin Post login message Tweets 	MTR 90 Day Free Look Campaign <ul style="list-style-type: none"> Video Targeted email Targeted postcard mailing Tweets Fund Change(s) <ul style="list-style-type: none"> Statement narrative Newsletter article Employer Newsletter	Enrollment Campaign <ul style="list-style-type: none"> Video Targeted/self-send email Website banner Tweets Participant Survey Campaign <ul style="list-style-type: none"> Pre login web tile Pre login bulletin Post login message Email Tweets Employer Survey	Stay in the Plan campaign <ul style="list-style-type: none"> Biannual postcard Biannual email National Retirement Security Week Campaign <ul style="list-style-type: none"> Tactics TBD Annual Updates <ul style="list-style-type: none"> Update the library of materials
ONGOING	<ul style="list-style-type: none"> Employer outreach and training to include employer payroll education to move paperless Attend benefits fairs, 2019 Clerks convention and 1-2 additional conventions Employer plan reviews as needed/requested 			

