



STATE OF WISCONSIN
Department of Employee Trust Funds
David A Stella, Secretary

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: February 11, 2010
TO: Wisconsin Deferred Compensation Board
FROM: Shelly Schueller, Director
Wisconsin Deferred Compensation Program
SUBJECT: Schwab Window Expansion Proposal

Staff recommends the Deferred Compensation Board approve the expansion of the Schwab Personal Choice Retirement Account (PCRA) window to permit participants using the PCRA to defer contributions directly to their Schwab PCRA money market accounts.

Great West Retirement Services (GWRS), the recordkeeping firm for the Wisconsin Deferred Compensation Program (WDC), has developed programming that will permit WDC participants using the Schwab PCRA to contribute directly to their Schwab PCRA money market accounts from their paycheck deferrals. Approximately 800 participants actively use the PCRA. Using the Schwab PCRA is a three-step process. First, WDC participants using the PCRA have their deferrals deposited in their WDC core funds. Second, participants move their funds to their Schwab PCRA money market accounts, and third, they move their funds from the Schwab money market to their PCRA selections.

With this enhancement, participants would have the option of depositing their contributions directly into the Schwab PCRA money market fund. They would still need to move their balances to their selected PCRA mutual funds and maintain a core balance of \$500, but as long as they maintain the minimum core balance, the GWRS technology will allow future contributions to be deposited directly into the Schwab PCRA money market account.

If a WDC participant has not yet met the core minimum balance requirement, the system will first deposit the cash into the core default fund until the core minimum is met. If the participant has elected percentage allocations to other funds, the system will feed the cash to those core funds first. Once the core minimum is met, the remainder of the contribution will be deposited into the participant's Schwab PCRA money market account.

Recommendation

The Department recommends the Board approve this expansion. It is a no-cost plan enhancement that we believe will be positively received by WDC participants. If approved by the Board, this enhancement could be made available to WDC participants this spring. It would be publicized at participant meetings, on the WDC's Web site and in the April 2010 newsletter.

Department and GWRS staff will be available at the March 2 meeting to discuss this proposal.

Reviewed and approved by Jean Gilding, Administrator, Division of Retirement Services.

Signature

Date

| Board | Mtg Date | Item # |
|-------|----------|--------|
| DC | 03.02.10 | 7 |