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Correspondence Memorandum

Date: October 7, 2015
To: Wisconsin Deferred Compensation Board (Board)
From: Shelly Schueller, Director
Wisconsin Deferred Compensation Program (WDC)
Subject: 2015 Plan Enhancement Program (PEP) Results to Date

This memo is for informational purposes only. No Board action is required.

The 2015 Plan Enhancement Program (PEP) approved by the Board identified specific enhancements and initiatives on which staff was directed to focus and the metrics used to measure the results. As shown on the attached 2015 WDC PEP Scorecard Update, Empower Retirement staff has been meeting or exceeding many of the goals for the year, including:

- Employee participation. Increasing participation by 1.5%. This goal has already been exceeded, as the WDC has increased participation by 3.0%. As of September 30, 2015, the WDC had 1,841 more participants with account balances than at the end of 2014 (57,581 vs. 55,740).
- Employer participation. Adding eight new employers. This goal has been met already, as nine new employers have adopted the WDC as of September 30, 2015.
- Asset Allocation. With leadership from the local WDC office, Vanguard has worked with the WDC to provide three webinars for participants. In addition, Empower Retirement staff have assisted individual participants in rolling over \$39 million into the WDC (target was \$17 million).
- Education and Learning. The primary goals are to complete 600 group seminars and 7,500 individual counseling sessions. As of June 30, 2015, 415 group seminars and 7,094 individual counseling sessions were completed and staff expects to meet the goals by the end of 2015. Other completed goals include providing a fiduciary responsibility seminar for employers and supporting ETF's EMPOWER campaign targeting women.

Reviewed and approved by Matt Stohr, Administrator
Division of Retirement Services

Electronically signed 10/19/15

| Board | Mtg Date | Item # |
|-------|----------|--------|
| DC | 11.3.15 | 9A |

- Retention. The goal in this area is to provide a Bob Schulz “The Retirement Guy” webinar, which will be completed on November 5.

Staff will be at the Board meeting to answer any questions.

Attachment A: 2015 PEP Scorecard Update

2015 WDC Scorecard



| Four | | | | |
|--|---|---|---|--|
| Dimensions | Metric/Goals | 2015 Goals | Update as of 9/30/15 | |
| 1. Participation a) Employees b) Employers | <p>a. Increase 12/31/2015 in-force account population by 1.5% (≥ 56,576)</p> <p>b. Add 8 new employers by 12/31/15</p> | <p>a1. As of 12/31/14, there were 55,740 in-force accounts</p> <p>a2. As of 12/31/14, there were 902 local employers offering the WDC</p> <ul style="list-style-type: none"> i. Attend 2-3 conventions ii. Attend >40 benefits fairs iii. Develop and release a non-participating employer flier <p>b1. Release targeted direct mail enrollment piece to female State of Wisconsin employees identified by the Department of Administration's central payroll.</p> <p>b2. Conduct 12 plan review meetings for employers</p> | <p>a1. 57,581 in-force accounts, or 3.0% growth</p> <p>a2. 9 new employers added</p> <ul style="list-style-type: none"> i. 2 conventions attended; 1 scheduled ii. Scheduled to attend 55 benefits fairs iii. In development <p>b1. On target for October</p> <p>b2. Conducted 6 plan review meetings for employers; 2 currently scheduled</p> | |
| 2. Asset Allocation | <p>a. Default less than 95% participants should an investment option be removed</p> <p>b. Consolidation of assets – rollovers into the plan – \$17M</p> <p>c. Target employees with 70% or more in a fixed fund or funds</p> | <p>a. Conduct education and outreach so participants can make informed decisions regarding investment options, including exploring ability to provide webinars on specific WDC investments</p> <p>b. Work with participants to consolidate assets from other retirement plans to improve their retirement picture and total asset allocation model</p> <p>c. Send a letter to those participants who have 70% or more of their balance in a fixed fund/funds to explain the importance of diversification</p> | <p>a. 3 Vanguard webinars; 150 attendees at each (4/30, 5/19 and 9/15)</p> <p>b. \$39.9M rolled in; Retirement Education Service Center (RESC) pilot Q2-Q3 a success</p> <p>c. In development</p> | |
| 3. Education and Learning | <p>a. Maintain high visibility in number of group seminars (600) and individual meetings (7,500)</p> <p>b. Conduct an employer webinar and a participant webinar</p> <p>c. Provide content and presentations in support of the "Empower" campaign</p> | <p>a. Develop a "What's Your Excuse" campaign</p> <ul style="list-style-type: none"> a. Fliers b. Newsletters <p>b. Offer two webinars: 1 each for employers (Fiduciary) and participants (Vanguard)</p> <p>c. Develop articles for eNewsletters, provide presentations and other support for ETF's AAC "Empower" campaign as requested.</p> <p>d. Release employer newsletter</p> | <p>a. In progress; 415 group and 7,094 individual meetings</p> <ul style="list-style-type: none"> i. Online scheduler pilot scheduled to go live Q4 <p>b. 25 attended fiduciary webinar on 5/6; 450 attended three Vanguard webinars (4/30, 5/19 and 9/15)</p> <p>c. Participated in 12 workshops, conducted 135 individual appointments, enrolled 57 employees and increased 28, helped promote events in newsletter, online, by word of mouth, and provided giveaways</p> <p>d. Released to all participating employers 4/20</p> | |
| 4. Retention/Retiree Outreach | <p>a. Pre-retirement webinar</p> <p>b. Fee change communications</p> | <p>a. Bob Schulz webinar</p> <p>b. Develop communication strategy to announce fee changes coming 1/1/16</p> | <p>a. Scheduled for 11/5; live webinar to be recorded</p> <p>b. Published fee articles in newsletter Q2 and Q3; additional articles to come Q4 and Q1, along with presentation slides, website updates and individual letter to participants</p> | |