

Millard Eisler

Wednesday March 30, 2016

Board Liaison @ Deferred Compensation Board
Dept. of Employee Trust Funds
PO Box 7937
Madison, WI 53707-7931

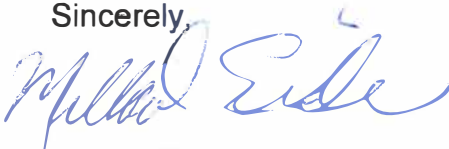
Dear Board of Directors,

I am an 8 year participant in the deferred compensation program, and have the following suggestions to improve it.

- 1) Add to your investment options: a total stock market index fund. This would permit low cost, broad investment diversification. Without it at present, it is time consuming and difficult to split up my deferred compensation into way too many funds to achieve a 1.0 beta. Vanguard and many others have offered total stock market index funds for many years. You should not be so behind the times.
 - a. A plus would also be adding a total bond market index fund.
- 2) It is hypocritical for you to encourage lifetime savings...and not offer lifetime income. Fix this by providing the retirement option...of immediate annuities. At present, what poor service; at retirement you require participants to withdraw money from your program to find income they cannot outlive.

I look forward to your agreement, and quick implementation of these ideas.

Sincerely,



Millard Eisler



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

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April 5, 2016

MILLARD EISLER

Dear Mr. Eisler:

I have been asked to respond to your letter of March 30, 2016, concerning suggestions for the Wisconsin Deferred Compensation Program (WDC). In your letter, you suggested that the WDC add both a total stock market index fund and a total bond market index fund to the core investment options, and also consider providing an annuity option.

Your letter will be shared with the Board at their next meeting in June 2016. To invest in alternative mutual funds now, you may want to open a WDC Schwab Self Directed Brokerage Account (SDBA). The SDBA provides over 2,000 additional mutual fund options beyond the core lineup. Schwab charges transaction fees, but there are no additional WDC fees for using this feature. For more information on the Schwab SDBA, please review the enclosed brochure.

In your letter, you also suggest that the WDC add immediate annuities. The Board may discuss this concept at a future meeting, as annuities have pros and cons to consider. Annuities can be attractive as they usually offer the assurance of principal protection and a stream of income for life. However, they also have their drawbacks. They might not be inflation protected. Annuities have limited flexibility, meaning once you have purchased one, your money is permanently tied up. In addition, when the owner of an annuity dies, there is nothing to pass on to heirs because the remaining funds in the annuity pass to the company from which the annuity was purchased.

The WDC is a supplemental savings plan to the Wisconsin Retirement System (WRS). At retirement, most WRS members receive their pension (retirement) in the form of a monthly annuity. All WRS annuities from required contributions are paid to the participant for life, and a participant may choose from monthly options that provide different levels of death benefit protection. The greater the death benefit protection that you choose to provide, the more your annuity will be reduced to pay for the extra protection. Most WRS retirees also receive an annuity in the form of their Social Security benefits.

Thank you for your suggestions and your interest in the WDC. The WDC Board's goal is to provide a low cost supplemental retirement savings plan that offers a reasonable

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range of monitored investment choices for participants. Please let me know if you have any other comments or concerns regarding the WDC. I can be reached via the address in the letterhead, on the phone at (608) 266-6611 or via email to shelly.schueller@etf.wi.gov.

Sincerely,

A handwritten signature in black ink that reads "Shelly Schueller". The signature is written in a cursive, flowing style.

Shelly Schueller
Deferred Compensation Director

CC 16-022

Enclosure: Charles Schwab PCRA Self-Directed Brokerage Account Brochure