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Correspondence Memorandum

Date: October 10, 2017
To: Deferred Compensation Board
From: Shelly Schueller, Director
Wisconsin Deferred Compensation Program
Subject: 2018 Strategic Partnership Plan Proposal

ETF recommends the Board approve the 2018 Strategic Partnership Plan as presented.

The Department of Employee Trust Funds (ETF) has worked closely with Empower Retirement to create a draft 2018 Strategic Partnership Plan (SPP). The SPP identifies specific plan enhancements and areas of focus for Wisconsin Deferred Compensation (WDC) staff during the upcoming year and metrics that may be used to measure the results. The 2018 SPP was developed around the following dimensions:

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* – providing additional education to retirees and near-retirees; retain retiree accounts and assets in the WDC

As shown on the attached 2018 proposed scorecard and communications calendar, highlights from the draft 2018 SPP include:

- *Enrollment*– maintaining the increase in the number of employees contributing to the WDC at 2.5% and add 10 new local public employers. Employer plan reviews will continue as needed or requested by local employers.
- *Asset Allocation* – beginning the “increase your contributions” campaigns targeted at two groups of participants: 1) the 2,300 participants currently saving less than \$10 a paycheck; and 2) the 33,494 participants with a balance who are currently not contributing.

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

Electronically Signed 10/19/17

| Board | Mtg Date | Item # |
|-------|----------|--------|
| DC | 11.6.17 | 8B |

The WDC will also seek to improve participant diversification during 2018. This goal could be focused on either increasing the use of Target Date Funds from 9.4% to 10% of WDC participants, or increasing managed account users from 10,387 to 13,000 WDC participants. ETF suggests selecting the Target Date Funds project for the asset allocation goal.

- *Education* – Launching the new website experience in late winter 2018, encouraging participants to update their beneficiary designations, and providing 500 group seminars and 4,000 individual meetings.
- *Retention* – Continuing the “stay in the plan” campaign and expanding it to include targeted emails regarding catch up contribution options; participating in the National Retirement Security Week campaign in October 2018.

After the Board decides on which asset allocation campaign to pursue (target date funds or managed accounts), ETF recommends the Board approve the 2018 SPP as proposed. Once the 2018 SPP goals have been established, the scorecard will be finalized and used to communicate SPP progress.

Staff from Empower Retirement and ETF will be available at the meeting to discuss the 2018 proposals and goals with the Board.

Attachment: 2018 Scorecard and Communications Calendar

2018 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 • 10 new employers |
| Asset Allocation | <ul style="list-style-type: none"> • Help participants properly diversify | <ul style="list-style-type: none"> • Free Look and/or TDF campaign/email | <ul style="list-style-type: none"> • Increase TDF users to 10% (from 9.4% as of 12/31/16) • Increase MA users to 13,000 (from 10,387 as of 12/31/16) |
| Education | <ul style="list-style-type: none"> • Complete retirement readiness reviews | <ul style="list-style-type: none"> • Total Advice Solution (TAS) | <ul style="list-style-type: none"> • Conduct 500 group meetings • 4,000 individual counseling sessions |

| | 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) | <ul style="list-style-type: none"> • 2.5% in-force growth |



2018 WDC Communications Calendar



| | Q1 | Q2 | Q3 | Q4 |
|--------------|---|--|--|--|
| THEME | New Website, E-delivery & Beneficiary Election | Increase Contribution | Diversification | Retention |
| TARGET | All participants about the website and e-delivery. 8,314 participants without a beneficiary on file. | 2,383 participants contributing \$1-\$10 and 33,494 participants with a balance who are not contributing. | Those still not enrolled in MA. OR Those who are invested in more than one TDF (457 participants). | Encourage participants to stay in the plan after retirement. |
| KEY MESSAGES | Go to the new website experience. Update or elect your beneficiary. | Increase your contribution. | Enroll in MA meet your retirement goal. OR Make sure to only be invested in one TDF. | Stay on track with the WDC in retirement. |
| TACTICS | New Website and E-Delivery <ul style="list-style-type: none"> • 4Q newsletter articles (mailed) • Statement narrative • Targeted email linking to flier New Website Experience <ul style="list-style-type: none"> • Update all ongoing tactics with new website information as needed • Website live 2/22 • Tweet for ETF to release Beneficiary Campaign <ul style="list-style-type: none"> • Pre login tile • Targeted email • Video • Targeted postcard mailing • Tweet for ETF to release | Increase Contribution Campaign <ul style="list-style-type: none"> • Targeted email • Targeted postcard mailing • Video • Pre login tile • Flier • Newsletter article (1Q) • Tweet for ETF to release | Managed Account 90-Day Free Look Campaign <ul style="list-style-type: none"> • Video • Targeted email • Targeted postcard mailing • Newsletter article (2Q) • Tweet for ETF to release <p style="text-align: center;">OR</p> More Than 1 TDF Campaign <ul style="list-style-type: none"> • Targeted email • Targeted postcard mailing | Stay in the Plan campaign <ul style="list-style-type: none"> • Biannual postcard • Biannual email • Targeted catch-up email linking flier • Newsletter article (3Q) National Retirement Security Week Campaign <ul style="list-style-type: none"> • Tactics TBD Annual Updates <ul style="list-style-type: none"> • Overhaul library of materials |
| ONGOING | <ul style="list-style-type: none"> • Employer outreach and training to include NEE training and monthly outreach to non-participating employers • Attend benefits fairs and the 2018 Clerks convention • Employer plan reviews as needed/requested | | | |

