From: Thomas Maloney <tm22056@gmail.com>
Sent: Thursday, March 01, 2018 4:04 PM
To: ETF SMB Board Feedback
Cc: Tom Maloney
Subject: Question for Deferred Compensation Board

In the last Money Talks newsletter (January 2018) from Empower Retirement, I noticed the article on page 2, "Move to e-Delivery of WDC Statements and Newsletters."

I do not object to eDelivery, although I am 'old school' and appreciate paper statements for bills, and accounts that I own.

I will have to 'opt-in'' to continue receiving paper copies. I don't mind ding that at all. Eventually, I may rely on the e-statements.

What concerns me is the following.

Participants pay fees to Empower Retirement for the administration of ETF's Deferred Compensation Program. These fees are relatively modest, and justifiable.

However Empower has created an instant 'profit center' by eliminating printing and postage costs associated with quarterly and annual statements. By eliminating this distribution to thousands of active and retired participants they will generate significant cost savings.

Where does that cost savings go?

Shouldn't these lower plan costs be returned to participants in the form of lower account maintenance fees?

When I called Empower to inquire about this, the woman who answered the phone (presumably at the Madison office) told me that they had expenses, such as setting up meetings, and having an office, etc. I told her that if the costs of business (printing and postage) were to decrease significantly that the savings should be passed on to plan participants. The argument did not seem to impress her, which is why I am writing.

I believe the board should look into this situation, and request Empower to lower account fees for plan participants.

I do not know how many years Great West/Empower have on their contract with ETF. Perhaps is time to begin looking at another provider such as TIAA, who already administer the state's 529 plan, to administer the Wisconsin Deferred Compensation Program.

I look forward to the Board's response.
Thank you,
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From: Schueller, Shelly - ETF
Sent: Wednesday, March 07, 2018 8:30 AM
To: tm22056@gmail.com
Cc: wdcprogram
Subject: Re: Question for Deferred Compensation Board

Categories: Deferred Comp Board

Hello Mr. Maloney -

Thank you for your recent email regarding the upcoming change to the primary distribution method for quarterly statements from the Wisconsin Deferred Compensation Program. On behalf of the Deferred Compensation Board, I am responding to your message, in which you expressed concern that the firm contracted by the Board to administer the WDC would be gaining a new “profit center” as a result of the change to electronic statements. As discussed in the newsletter, the change to electronic delivery as the primary distribution path has been made because in addition to reducing paper, electronic delivery is faster and most experts suggest that electronic delivery is more secure. With electronic delivery as the primary distribution method, the WDC is seeking to minimize any chances that identity thieves could potentially compromise WDC participants’ accounts and identities.

With this change, the Department understands that there should be fewer quarterly statements distributed via paper and US mail, but we also expect the WDC will continue using print methods to share information with participants. Not all WDC participants have shared an email address with the WDC, for example, so these individuals will continue to receive paper quarterly statements. In addition, the WDC will still have other paper documents that will be mailed, which will continue to be part of Empower’s expenses for administering the WDC.

The Board remains committed to maintaining the WDC as an inexpensive savings option with quality options and services for public sector employees choosing to save for their retirements. Public sector employees such as yourself have benefited from their decisions for many years and by continually monitoring the plan and adjusting fees, services and investment options as needed, the WDC will remain a sound supplemental retirement savings option for many years to come.

Sincerely,
Shelly

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