

Wisconsin Deferred Compensation (WDC) Program



*Helping You Turn
Over a New
Retirement Leaf*



2019 WDC Strategic Partnership Plan Update

May 17, 2019

FOR PLAN SPONSOR USE ONLY

Update on WDC Initiatives

2019 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 8 new employers Attend 2-3 conventions Attend 45+ benefits fairs
Asset Allocation	<ul style="list-style-type: none"> Help participants properly diversify 	<ul style="list-style-type: none"> MTR upgrade & Free Look Fund changes DB Feed Pilot targeting participants <ul style="list-style-type: none"> (50%+, 80%+ equity exposure) Communicate fund change(s) Participant Education <ul style="list-style-type: none"> Retirement Readiness Reviews Group meetings CTI webinar Employer Education <ul style="list-style-type: none"> Payroll transformation <ul style="list-style-type: none"> ACH Termination dates Employer webinar 	<ul style="list-style-type: none"> Enroll 600+ users in MTR during Free Look
Education	<ul style="list-style-type: none"> Complete retirement readiness reviews 	<ul style="list-style-type: none"> Retirement Readiness Reviews Group meetings CTI webinar Employer Education <ul style="list-style-type: none"> Payroll transformation <ul style="list-style-type: none"> ACH Termination dates Employer webinar 	<ul style="list-style-type: none"> Conduct 2,000 Retirement Readiness Reviews 350 group meetings
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) Retirement Solutions Group (RSG) 	<ul style="list-style-type: none"> 2.5% in-force growth

2019 WDC Communications Calendar

	Q1	Q2	Q3	Q4
THEME	Brand refresh including MTR name and DB feed update	MTR 90 Day Free Look from AAG	Enrollment (State EEs Only) and Survey	Retention (1Q/4Q & 2Q/3Q)
TARGET	All participants about the brand, MTR name, DB feed update, and fund changes	Those not enrolled in MTR	36,000 eligible employees All WDC participants	Encourage participants to stay in the program after retirement.
KEY MESSAGES	New look, MTR name, addition of the DB feed, and fund changes - Same program with a fresh look and a few updates	Enroll in MA meet your retirement goal	Enroll in the WDC Take the survey and let us know what you think about the WDC	Stay on track with the WDC in retirement
TACTICS	Brand refresh/MTR/DB Feed <ul style="list-style-type: none"> Refresh the website Refresh fliers Refresh brochures Refresh emails Refresh presentations Refresh easel banner Announcement Tactics <ul style="list-style-type: none"> Email to all ppts Newsletter article Statement narrative Pre login web bulletin Post login message Tweets 	MTR 90 Day Free Look Campaign <ul style="list-style-type: none"> Video Targeted email Targeted postcard mailing Tweets Fund Change(s) <ul style="list-style-type: none"> Statement narrative Newsletter article Employer Newsletter	Enrollment Campaign <ul style="list-style-type: none"> Video Targeted/self-send email Website banner Tweets Participant Survey Campaign <ul style="list-style-type: none"> Pre login web tile Pre login bulletin Post login message Email Tweets Employer Survey	Stay in the Plan campaign <ul style="list-style-type: none"> Biannual postcard Biannual email National Retirement Security Week Campaign <ul style="list-style-type: none"> Tactics TBD Annual Updates <ul style="list-style-type: none"> Update the library of materials
ONGOING	<ul style="list-style-type: none"> Employer outreach and training to include employer payroll education to move paperless Attend benefits fairs, 2019 Clerks convention and 1-2 additional conventions Employer plan reviews as needed/requested 			



Q1 – Brand refresh including MTR name change

Your Journey to Retirement
Wisconsin Deferred Compensation (WDC) Program

Title Arial Narrow
Subhead Arial Narrow

Wisconsin Deferred Compensation (WDC) Program

WDC Investment Planning Guide

Three Components of a Sound Investment Strategy to Help You Reach Your Retirement Goals

Your Savings Target
By choosing your savings target, consider the amount of money you want to save and invest through the WDC investment plan, and any other retirement plan or other assets you and your spouse might have (if applicable). Establishing a savings target at the beginning will help you create an investment strategy, combining your risk tolerance and time horizon, that can help you reach your savings target goal.

Your Time Horizon
Time horizon is the number of years you have to invest in the WDC before you start making withdrawals to retirement. If you are many years away from retirement, you may be willing to take more risk with your money and invest more aggressively. If you are closer to retirement, your investment strategy may have more toward investments with less risk because they'll have less time to recover should they fall in value.

Your Risk Tolerance
Risk tolerance is your ability to gain and lose with the ups and downs in the value of your investments. The market will likely fluctuate over the course of time, which is why most experts say that investing is a long-term strategy.

Investment Options

The Wisconsin Deferred Compensation Program (WDC) provides you with a wide range of options intended to meet your retirement goals. The options are divided into three paths.

Three paths of investing

Path 1: WDC core funds

- Create your own portfolio
- Range of investment options including:
 - Passively managed index funds or actively managed mutual funds
 - global or domestic funds, and
 - Real-estate or equity options.

For a full list of WDC core funds, please see the reverse side of this list.

Path 2: Pre-mixed target date funds

- A straightforward approach to investing
- Funds that are:
 - Characterized across asset classes and investment style
 - automatically rebalanced each month, and
 - adjusted to a more conservative risk level as the fund nears the target retirement date.

Use the table below and select one of the pre-mixed target date funds based on your target retirement date (the date you will turn 65).

Pre-mixed Target Date Funds	Annual Investment	Annual Fee
Vanguard Target Retirement 2015 Trust ¹	\$10,000	0.40%
Vanguard Target Retirement 2020 Trust ¹	\$10,000	0.39%
Vanguard Target Retirement 2025 Trust ¹	\$10,000	0.39%
Vanguard Target Retirement 2030 Trust ¹	\$10,000	0.39%

Self-Directed Brokerage Account (SDBA)
Small-Dollar Direct Brokerage Account Available (SDBA Small-Dollar) - Reverse Side

The SDBA provides access to more than 3,000 additional mutual funds and a platform for knowledgeable investors who acknowledge and understand the risks associated with the investments contained within the SDBA. There are no fees for participating in the WDC SDBA. However, transaction fees may apply depending on the mutual funds you select from the SDBA menu.

Wisconsin Deferred Compensation (WDC) Program Highlights
Learn more about Wisconsin's section 457(b) Deferred Compensation Program

What is a section 457(b) deferred compensation program?
A number of voluntary retirement programs are defined in the Internal Revenue Code (IRC). This includes section 457(b) programs, commonly called 457 deferred compensation programs. Deferred compensation programs allow eligible employees to save and invest before and after-tax (but) during voluntary payback conditions, implementing any existing retirement/ pension benefits.

Why should I participate?
Having a WDC account may help provide a more comfortable financial future. The more quality retirement options, assets and investment opportunities, the better all these options. Additional education services and planning tools that can help you better prepare for retirement.

Who are my primary beneficiaries?
Participating employees are the primary beneficiaries. If you are experiencing financial difficulties, have someone else or someone else's estate designated as your beneficiary, you may have to take action to ensure your primary beneficiary is properly designated.

Who is eligible to participate?
The WDC is a voluntary employer-sponsored retirement savings program for all active-state and temporary employees. Active local government and elected state employees may also be eligible if your employer has elected to offer the optional program option.

Does participation in the WDC affect my pension or Social Security benefits?
No. The WDC is a voluntary employer-sponsored retirement program and does not replace or reduce any of your Wisconsin Retirement System or Social Security benefits.

What are the advantages of before-tax savings?
With an employer-sponsored plan, you may receive more on your contributions or their potential earnings before you withdraw the money. The value increases on the basis of compounding, generating more money that you would have paid to have the funds had not been deducted. Any savings are invested in a variety of options before the potential for compound growth because they are not reduced by taxes each year.

What are the advantages of after-tax (Roth) savings?
Roth contributions are made with after-tax dollars. Roth 457 contributions reduce your take-home pay because you pay taxes on any earnings immediately, rather than deferring those taxes until you take distributions. Therefore, your contributions and any earnings are not subject to taxes. This can be beneficial if you expect to be in a higher tax bracket during retirement due to your working years.

Contribution limits

Plan year	How much you can contribute	2015 limit	Total annual limit
2015	\$17,500	\$17,500	\$17,500
2016	\$18,000	\$18,000	\$18,000
2017	\$18,500	\$18,500	\$18,500

How much can I contribute?
The maximum contribution is \$17,500 for 2015, \$18,000 for 2016, and \$18,500 for 2017. The maximum contribution is \$17,500 for 2015, \$18,000 for 2016, and \$18,500 for 2017. The maximum contribution is \$17,500 for 2015, \$18,000 for 2016, and \$18,500 for 2017.

The Benefits of Enrolling in the Wisconsin Deferred Compensation (WDC) Program

Saving through the WDC is a simple way to help supplement your WRS retirement and Social Security benefits. It can help you bridge the gap between your financial goals and your destination in retirement. It's important to plan for your future – but you don't have to do alone. Take advantage of all the help available to you.

Get an early start
The sooner you start saving and investing, the better. Having even a few years can make a big difference in the amount you might have in your account when you retire. Take a look at what contributing just \$50 per month starting at age 25 versus age 40 could mean for your monthly retirement income, thanks to the power of compounding growth.

Save what you can
There is no minimum contribution amount to participate in the WDC. This means that even if you can't contribute much now, you can still get started saving for your future. Then, as you are able to save more, increase your contributions. You can contribute 100% of your salary (up to the annual limit set by the IRS, whichever is less). If you are over age 50, you are within three years of retirement, you may be able to take advantage of catch-up contribution limits, which are higher than the normal limit. Check the limit options list at www.wisconsin.gov for the current year's limit.

Potentially lower fees
With the WDC, you can take advantage of competitive expenses and investment fees thanks to the large number of assets and fund companies participating in the Program.

MoneyTalks
Wisconsin Deferred Compensation (WDC) Program

Changes Coming in 2019 to the WDC Lineup
Later this year, the WDC will be introducing the following US Gov 3.5 Year bond fund to participants. Participants in the fund were notified via email and through the WDC website. Participants in the fund were notified via email and through the WDC website.

FDIC Bank Option Moved to Johnson Bank
As a November 2018 meeting, the Internal Compensation Board approved moving the FDIC Bank Option from National Bank to Johnson Bank. National Bank could be banking business and could no longer support the WDC's FDIC Bank Option. On December 18, 2018, the FDIC Bank Option was moved from National Bank to Johnson Bank. FDIC accounts will remain the same, and the account of the FDIC Bank Option is updated to pay one of the accounts. If you have money in the FDIC option, you will see this in the account. If you are required to open your account, you should first transfer your money from the FDIC Bank Option, you can do so by logging in to your account on www.wisconsin.gov. Be sure that you are logging in to the WDC option or contact a WDC representative at 877-457-WDC (WDC) or via question.

New Contribution Limits
Participating in the WDC is a great way to help pay for the retirement income you'll need. However, the Internal Revenue Service sets limits on how much you can save each year through voluntary contributions to 457(b) plans like the WDC. In 2019, the limit is \$18,500. If you are age 50 or older, you can save an additional \$5,000 for a total of \$23,500. If you are under 50, you can save an additional \$5,000 for a total of \$18,500. If you are under 50, you can save an additional \$5,000 for a total of \$18,500. If you are under 50, you can save an additional \$5,000 for a total of \$18,500.

WISCONSIN Deferred Compensation 457(b) Program newsletter

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EMPOWER RETIREMENT™

Helping You Turn Over a New Retirement Leaf

How My Total Retirement works

- ▶ **Personal:** We develop a strategy based on your needs and goals.
- ▶ **Comprehensive:** We look at the big picture, including your saving, investing and retirement income needs.
- ▶ **Simple:** We take on some of your retirement planning tasks, so you can focus on your life.
- ▶ **Ongoing:** We monitor your account, make necessary adjustments and keep you regularly updated.

There is no guarantee that participation in any of the advisory services will result in a profit.

The measurable impact of professional advice



Fees

Please refer to your [plan highlights](#) document for information on fees. In addition, the My Total Retirement materials you receive after enrolling will have additional important information on fees.

¹ Morningstar Investment Management. The Impact of the Default Investment Decision on Participant Deferral Rates: Managed Accounts vs. Target Date Funds. 2016.

² Advised Assets Group, LLC (AAG), Internal Rate of Return (IROR) All Segments Study, 2017. The participant return distribution included in this study is used to illustrate the difference between those participants within the 90th percentile and the 10th percentile to preserve statistical integrity of the data reported. Refer to the study which is available through AAG for additional disclosures and methodologies.


³ Morningstar Investment Management, LLC, Alpha, Beta, and Now... Gamma. August 28, 2013.

Q2 – My Total Retirement™ 90 Day Free Look from AAG


Targeted Postcard Mailing

Targeted Email

Call (877) 457-WDCP (9327) to simplify your investing strategy



Wisconsin Deferred Compensation Program (WDCP)



A retirement strategy as unique as you

Sign up by 7/31/2019 to have investment professionals looking after your retirement strategy for 90 days¹ with no obligation.

My Total Retirement™

Let our experienced investment professionals create a personalized retirement strategy for you. We get to know your individual situation, consider your goals and monitor your plan to help you reach the future you want. Try it free for 90 days² with no obligation.³

Or, if you'd like to manage your own investments, you can simply take advantage of our Online Advice service. The choice is yours.

CALL (877) 457-WDCP (9327) to learn more about this unique offer

or

GET STARTED

My Total Retirement™

There is no guarantee that participation in any of the advisory services will result in a profit or that the account will outperform a self-managed portfolio invested without assistance.

Key benefits

- We do the work for you
- Personal investment strategy
- Ongoing monitoring and management
- Helps you be better prepared

[Watch the video >>](#)



Limited-time offer

Sign up by 08/31/2019 to have investment professionals looking after your retirement strategy for 90 days¹ with no obligation



offer to have investment professionals looking after your investments.

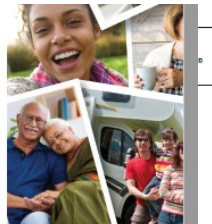
Or, if you'd like to manage your own investments, you can simply take advantage of our Online Advice. The choice is yours.

Call (877) 457-WDCP (9327) to learn more about your special offer or visit www.wdc457.org

There is no guarantee provided by any party that participation in any of the Advisory Services will result in a profit or that the related account will outperform a self-managed portfolio invested without assistance.

My Total Retirement

My Total Retirement



1 Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

2 After the 90-day promotional period, you will remain in the managed account service unless you cancel your enrollment and you will be responsible for any applicable fees. If you choose to remain enrolled in the service, you will be charged applicable fees from your enrollment date. Effective date is the date the application is processed.

3 "No obligation" means participants who enroll can choose to unenroll at any time without penalty. Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

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Look inside to discover the benefits of a personalized retirement strategy

Flyer



A retirement strategy as unique as you

MY TOTAL RETIREMENT™

Wisconsin Deferred Compensation Program

Let our experienced investment professionals create a strategy for you. We get to know your individual situation, consider your goals and monitor your plan to help you reach the future you want. Or, if you'd like to manage your own investments, you can simply take advantage of our Online Advice. The choice is yours.

Experience the benefits for yourself

- Personalize your strategy with your goals and financial situation in mind.
- Gain confidence by having a team of investment professionals do the work for you.
- Reach your goals with advice and guidance from experienced investment professionals.
- Save time with ongoing monitoring and management done for you.

There is no guarantee provided by any party that participation in any of the Advisory Services will result in a profit or that the related account will outperform a self-managed portfolio invested without assistance.

Contact an investment adviser representative at (877) 457-WDCP (9327) or learn more at www.wdc457.org

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2019 Fund changes

- **FDIC change to monthly from quarterly – *to be effective July 2, 2019***
- **BlackRock changes**
- **Potential new bond fund**
- **Stable Value review**



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