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Correspondence Memorandum

Date: October 1, 2019
To: Wisconsin Deferred Compensation Board
From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program
Subject: 2020 Strategic Partnership Plan Proposal

ETF recommends the Board approve the proposed 2020 Strategic Partnership Plan, which includes discontinuing the quarterly newsletter.

In partnership with Empower Retirement, the Department of Employee Trust Funds (ETF) has drafted a Strategic Partnership Plan (SPP) proposal for 2020. The SPP identifies specific plan enhancements and areas of focus for Wisconsin Deferred Compensation (WDC) staff during the upcoming year as well as metrics that may be used to measure the results. As in previous years, the 2020 SPP was developed around the following concepts:

1. *Enrollment* – continuing to increase 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, and retaining retiree accounts and assets in the WDC

As shown on the attached draft scorecard and proposed communications calendar, highlights of the 2020 SPP include:

- *Enrollment*
 - *Participants:* enrolling 3% more new employees. This is a slight increase from 2.5% in previous years. We will use the number of WDC participants as of 12/31/19 and seek to add 3% more new participants in 2020.
 - *Employers:* adding eight new local public employers. This is the same goal as in the past two years. The WDC is a mature benefit plan, with more than 930 eligible local employers making the plan available to their employees. Fifty-six

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

Electronically Signed 10/7/19

Board	Mtg Date	Item #
DC	10.31.19	12B

percent of the remaining pool of eligible employers are small governing bodies (sanitary sewer districts, joint library boards, etc.) or school districts that may already offer a s. 403(b) plan to their employees. Counties and cities make up 15% of the remaining pool; they often take longer when deciding to adopt the WDC.

- *Asset Allocation* – The WDC will focus efforts on the following:
 - Encouraging diversification by setting a goal to increase the average number of investment options used by 3%.
 - Facilitating a pilot project with a small group of employers that will explore employee interest in a display of their Wisconsin Retirement System pension estimate in their WDC accounts
 - Offering the managed accounts “free look” to newly enrolled participants
 - Offering retirement readiness reviews
- *Education* – In addition to providing 300 group meetings and 2,000 retirement readiness reviews, WDC staff will continue with specific education efforts for both participants and employers. These projects are outlined on the communications calendar located on the back page of the proposed 2020 SPP scorecard. This includes a special campaign encouraging state employees to save part of their expected 2% pay increases during 2020, campaigns directed at participants using a target date fund in combination with other funds or with balances in the Schwab money market and offering state-wide webinars for both participants and employers.
- *Retention* – During 2020, the local WDC staff will provide retirement readiness reviews for 10% of the WDC population that is over age 55. Participants over age 55 should be preparing for retirement. In addition, there is a significant population (approx. 5,800) in this age category that have large WDC account balances and would likely benefit from some focused, personalized attention on retirement planning.

The WDC will also continue using the successful “stay in the plan” campaign from 2018-19 with emails and postcards sent to pre-retirees and retirees, encouraging them to meet with their local WDC advisor.

In addition to the proposed scope of work for the Wisconsin staff, the Empower staff in Colorado will also be working on additional items for the WDC during 2020 such as continuing to work with employers to encourage electronic submission of contributions and to obtain termination dates.

WDC Newsletter. Empower is recommending that the WDC newsletter, *MoneyTalks*, be discontinued in 2020. At the November 2018 meeting, the Board learned about potential information gaps caused by low newsletter readership, including participants missing

news regarding changes to federal deferral limits and investment lineup ([Ref. DC | 11.15.18 | 11 Attach B](#)).

To help increase newsletter readership in 2019, ETF and Empower agreed to promote the WDC newsletter via additional communication methods (online, via ETF’s newsletter and its Twitter account, etc.). As illustrated in the table below, electronic WDC newsletter readership has continued to be very low.

WDC Newsletter Readership										
	Paper and Electronic				Electronic Only					
	Four Page Newsletter								Two Page Newsletter	
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Unique Visits	372	82	79	416	1,188	1,012	589	723	553	345
% of unique views*	0.5%	0.1%	0.1%	0.6%	1.8%	1.6%	0.9%	1.1%	0.9%	0.5%

*WDC participant population of 65,014

Despite heightened quarterly newsletter promotional efforts during 2019, newsletter readership results remained discouraging. Consequently, ETF concurs with the recommendation to discontinue the newsletter.

If the Board approves discontinuing the newsletter beginning in 2020, the WDC will use various additional communication methods (e.g., statement narratives, direct mail, e-mail, website notices, ETF communication channels) to convey important information to participants. Empower and ETF will continue to track participant visits and views of WDC news and information as provided to participants via WDC e-mail and website visits, ETF e-mail updates and ETF’s Twitter.

Empower will also allocate the staff hours previously used to develop the quarterly newsletter to Board-directed WDC campaigns.

Recommendation

ETF recommends the Board approve the 2020 SPP as proposed, which includes discontinuing the quarterly newsletter. If approved, Empower Retirement will update the scorecard with participant data as of December 31, 2019 and use the scorecard to communicate SPP progress.

Staff from Empower Retirement and ETF will be available at the meeting to answer any questions.

Proposed 2020 WDC Scorecard



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	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"> • Employee and Employer • Group meetings 	<ul style="list-style-type: none"> • 3% increase over 12/31/19 new enrollments • 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"> • Outreach to participants using TDF and other investment(s) • MTR Free Look for new enrollees • Continue reaching out to participants in need of RRR 	<ul style="list-style-type: none"> • 3% increase in average number of investment options used Example: Increase of 3% over 5.16 as of 12/31/18 is 5.41. Will calculate using 12/31/19 data when available.
Education	<ul style="list-style-type: none"> • Complete retirement readiness reviews 	<ul style="list-style-type: none"> • Participant Education <ul style="list-style-type: none"> • Retirement Readiness Reviews (RRR) • WRS Data Pilot • Save more • State-wide webinar • Employer Education <ul style="list-style-type: none"> • Continue encouraging ACH and termination dates • Employer webinar – ex. PSC Tutorial • Increased communication with employers via PSC 	<ul style="list-style-type: none"> • Conduct 2,000 Retirement Readiness Reviews (including 581 of the 55+ population outlined below). • Pilot to involve 5-8 employers and 800-1,000 participants • 300 group meetings

	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"> • Retirement Readiness Reviews • Retiree webinar • Retirement Solutions Group (RSG) retention services OR Stay in the Plan campaign 	<ul style="list-style-type: none"> • Provide RRRs for 10% of pre-retiree/retiree population [5,813 participants as of 12/31/18 were 55+ with twice the average plan balance or more and investing on their own] <p>*In the event there is a plan/employer initiated event that impacts this population, we'll adjust this number accordingly</p>

Proposed 2020 WDC Communications Calendar



	Q1	Q2	Q3	Q4		
THEME TARGET	DB Feed Pilot Participating employer's employees	Save More 7,919 contributing 1% or \$50	MTR 90 Day Free Look Campaign New plan enrollees as of 9/1/19 not utilizing MTR	Survey All WDC participants	Asset Allocation Campaign 27,581 invested in a TDF and another fund)	Stay in the Plan All active participants with a balance, age 58-64
Purpose	Outline the DB feed to pilot employees	Save 2% more due raise	Enroll in MTR	Let us know what you think about the WDC	Appropriate use of a TDF	Stay in WDC after you leave service
TACTICS		Stay in the Plan Mini Campaign <ul style="list-style-type: none"> • Biannual postcard • Biannual email 				Stay in the Plan Mini Campaign <ul style="list-style-type: none"> • Biannual postcard • Biannual email
		DB Feed Pilot Major Campaign <ul style="list-style-type: none"> • FAQ • Pre-pilot survey • Pre-pilot email • Halfway reminder email • Halfway reminder letter • Pilot ending reminder email • Pilot ending reminder letter • Post-pilot survey • Post-pilot email 		MTR 90 Day Free Look Major Campaign (PPC or AAG) <ul style="list-style-type: none"> • Video • Targeted email • Targeted postcard mailing 	Survey Mini Campaign <ul style="list-style-type: none"> • Pre login bulletin • Post login message • Email & reminder email • Tweets 	Annual Updates <ul style="list-style-type: none"> • Update library for 2021
			Save More Major Campaign (2% raise for State employees) <ul style="list-style-type: none"> • Video • Web banner • Targeted email • Targeted postcard mailing • Tweets 	SDBA Schwab MM Fund Annual Mini Campaign (Local office) <ul style="list-style-type: none"> • Letter 	TDF and Another Fund Major Campaign <ul style="list-style-type: none"> • Video • Targeted email • Targeted postcard mailing • Tweets 	Employer Newsletter (Design only) Employer Survey (Local office)
ONGOING	<ul style="list-style-type: none"> • Employer outreach and training to include employer payroll education to move paperless • Attend benefits fairs, 2020 Clerks convention and 1-2 additional conventions • Employer plan reviews as needed/requested 					





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Highlights of the Proposed 2020 Strategic Partnership Plan

September 30, 2019

Newsletter Data Summary

- Completely electronic in 1Q18
- E-newsletter pre and post login on the website
- Pre login web bulletins to alert participants it is live
- Moved to a two-page version in 1Q19
 - Still **under 1%** of total accounts for unique views
 - Average view after page one **down by at least 43% vs. 40% in 2018**
- The 1Q19 newsletter **took more time** than the custom targeted postcard and web bulletin tactics combined
- Two quarters of newsletters is **almost equal to** five custom targeted campaign tactic hours*
 - 28.25 hours for newsletters versus 34.5 hours for one custom campaign

* Communication strategist hour results are based on reviewing pieces and updating as necessary from the agency portion of the process only. They do not include the additional time needed for compliance review and client review.

Zmag Newsletter Visits Results

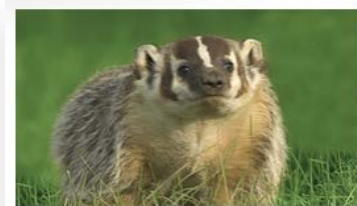
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Zmag Newsletter Page Views Results

	Electronic Only Version					
	Four-page Newsletter				Two-page Newsletter	
	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19*
Page 1 views	2,204	2,038	1,042	1,237	1,095	644
Page 2 views	972	1,342	782	840	628	358
Page 3 views	967	1,328	779	859	N/A	N/A
Page 4 views	632	792	511	599	N/A	N/A

Newsletter Proposal

- Eliminate the newsletter starting 1Q20
- Newsletter discontinued campaign tactics:
 - 4Q19 newsletter article that this is the last one and additional details on where to get information
 - Statement narrative
 - Pre login web messaging linking to the newsletter article
 - Post login web messages linking to the newsletter article
 - *News & updates* tile
 - WRS newsletter article similar to the WDC article
- Program updates, e.g. fund/fee changes, to participants and/or retirees via:
 - Pre and post login web messages
 - Emails
 - *News & updates* tile
 - E-statement stuffers
 - Statement narratives
 - WRS active/retired member newsletter articles
 - Tweets
- Add one targeted campaign if the newsletter is eliminated



News & updates

Read the latest news and updates to the WDC Program.

Personalized Participant Communications (PPCs)

Goal

- Address the needs of all employees based on where they are in their retirement planning stage and time to retire

Components

- Personalized messaging emails
- Two-touch, auto-triggered emails

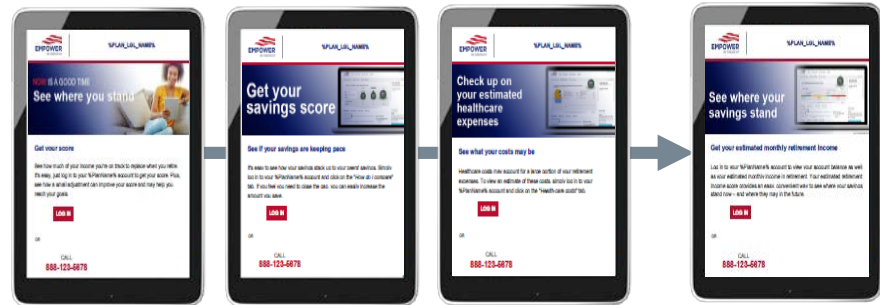
Key messages

- Vary based on individual need and plan offering

Audience

- Employees in the plan with an email address on file who meet necessary criteria for each message
- Plan Level Reporting

Savings PPC: See where you stand



- Currently available PPCs (see Appendix for PPC samples)
 - Your retirement and planning
 - Update your profile (for tenured employees)
 - Encourages beneficiary election or update and confirm communications preferences
 - Welcome (for new employees)
 - Encourages beneficiary election or update and confirming communications preferences
 - Check your savings
 - MTR Enroll
 - MTR Welcome (after enrolling)
 - Investing Wisely



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