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Correspondence Memorandum

Date: May 17, 2020

To: Deferred Compensation Board

From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program

Subject: 2020 Strategic Partnership Plan Update and Proposed Revision

ETF recommends the Board revise the 2020 Strategic Partnership Plan to remove the “save more” campaign and replace it with a beneficiary update campaign.

As illustrated on the attached documents, the Wisconsin Deferred Compensation Program’s 2020 Strategic Partnership Plan (SPP) approved by the Board includes goals and communications targeted to specific categories of participants on the themes of “save more,” a 90-day free trial of the managed accounts service, appropriate asset allocation, and staying in the plan.

The COVID-19 global pandemic has caused economic stress for public employers across Wisconsin and changed how work is getting done for virtually everyone. Most employer locations are closed and WDC meetings are done over the phone or virtually instead of in person. Several of the WDC’s largest employers, including the State of Wisconsin and the University of Wisconsin System have announced budget cuts and additional changes are expected throughout state and local government. The ripple effects of these changes will impact employees saving for retirement with the WDC.

With mounting economic pressures during 2020, it seems likely that WDC participants will not have ability or incentive to contribute more to their retirement savings and that the results of the planned “save more” campaign will not be worth the time and effort put into it. Consequently, ETF recommends the Deferred Compensation Board revise the 2020 Strategic Partnership Plan to remove the “save more” campaign and replace it with a beneficiary designation update campaign. The goal would be to have ten percent of the approximately 9,300 participants without a beneficiary designation on file complete a designation. If this change is approved, Empower Retirement will formally update the 2020 scorecard and communications calendar (draft with proposed changes attached) and begin planning the new campaign with an expected implementation in the third quarter of this year.

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

Matt Stohr Electronically Signed 5/21/20

Board	Mtg Date	Item #
DC	6.11.20	12

Emily Lockwood from Empower will attend the meeting to discuss Empower's progress on the SPP year-to-date results through April 30, 2020 (attached) and answer any questions. Empower was busy during the first three months of 2020, as the COVID-19 pandemic created the need for several additional communication items. These included an email and webpage link on market volatility for participants and CARES act changes, and messages updating employers on the CARES Act and online meetings with local plan representatives.

Staff will be at the meeting to answer any questions.

Attachments: a) 2020 WDC SPP Year to Date Results
b) 2020 SPP Proposed Revisions (draft)

Wisconsin Deferred Compensation (WDC) Program



2020 YTD Campaign Results

Emily Lockwood
State Director

5/14/2020



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Update on WDC Initiatives

1. DB Feed Pilot
2. Stay in the Plan Campaign
3. Market Volatility and COVID-19 Communications

1. Defined Benefit (DB) Feed Pilot

Tactics:

- FAQ's and opt out process
- Pre-pilot survey
- Pre-pilot email and letter
- Reminder email and letter
- Pilot ending reminder email and letter
- Post-pilot survey
- Post-pilot email

Details:

- 7 employers
- 1,119 potential participants (621 actively contributing)
- 3/16-6/30
- Results to be shared at November
- Board meeting

Due Date/Target Launch Date	Communication/Action Required	Objective	Method/Tactic	Audience	Owner	Deliverable	Status
1/15/2025 writing in file	FAQ live on website	FAQs including ability to opt-out of pilot	Posted on WDC website	PIAs at pilot employers	Employer	Questions answered regarding pilot	Complete
2/16/2025	Introduce DB Pilot to employees		Phone call	Employer contacts at targeted employers	WDC SPA	Confirm employer interested	Waiting on Southwest Tech
2/16/2025	Follow-up on interest and answer any questions		Phone call	Employer contacts at targeted employers	Shelly	Employer agrees to participate in pilot	
3/12/2025	Full list of WDC participants at participating employer		Need email addresses (primary and work if available) and mailing addresses and participant ID for internal use (do not provide to print vendor)	N/A	Kathy	Data to be able to email and mail	
3/16/2025	Provide details in writing to employees		Letter via email	Employer contacts at targeted employers	Shelly	Letter including details and hopefully addressing questions	
3/16/2025	Introduce DB Pilot to participants (aka "kickoff")		Self-serve email (WDC and RTF logos for image) provided by Employer, sent by Shelly or employees; Letter mailed by WDC local office on RTF site/office	PIAs at pilot employers	RTF	Employees ready to see their data on WDC site	
3/16/2025	Pre-pilot survey	Pre-pilot survey (measurement)	Self-serve email (WDC and RTF logos) with link	PIAs at pilot employers	Lincolney/land	Employees pre-pilot measurement	event get it to Shelly by 3/16 (used adding engagement for employee's demographics optional to complete)
3/20/2025	Opt out survey	Opt out why they opted out	PIA	PIA	PIA		
4/20/2025	Copy check opt-outs and pull from list			N/A	Kim/Kathy	Successful opting out	
4/22/2025	WDC Participant data to RTF	Provide RTF list of participating employer participants, including contact info	Upload in PSC	RTF	Kathy	List of WDC participants at participating employers	
4/15/2025	DB data to WDC	Provide DB estimate for participating employees	Upload in PSC	WDC	Kathy	Kathy checking with Perry on including data on the CR statements	Kathy checking with Perry on including data on the CR statements
4/15/2025	DB data live on website	Perry to upload data into 11 plan		Pilot participants	Perry		
4/15/2025	DB data live on statements			Pilot participants	Kathy	Statements released	
4/19/2025	On site meetings	Individual and group meetings	1 person (face-to-face)	PIAs at pilot employers	WDC local office	More demand for meetings, leading to better planning and outcomes for members who have 1-on-1 meetings during pilot	
5/20/2025	Halfway reminder	Remind employees to check WDC accounts/ take action and continued ability to opt-out of pilot	Self-serve email provided by Employer, sent by employer	PIAs at pilot employers	Lincolney/land	Employees log-in to website/ take action on accounts and/or meet with the WDC	
6/28/2025	Pilot ending reminder	Remind employees pilot is ending	Self-serve email provided by Employer, sent by employer	PIAs at pilot employers	Lincolney/land	Employees log-in to website/ take action on accounts and/or meet with the WDC	
6/30/2025							
7/16 or 7/17 7/22 or 7/23	Post pilot survey	Post pilot survey (measurement)	Email link	PIAs at pilot employers	Lincolney/land	Employees post pilot measurement for satisfaction pilot	
7/16/2025	Post pilot employer feedback	Employer feedback	Phone call and/or email	PIAs at pilot employers	Shelly and/or WDC local office	Employer feedback for next pilot	
8/15/2025	Full Action Taken data				Kathy and local office		
8/15/2025	Full Survey results				Lincolney/land		
8/15/2025	DBs, CRs, etc				Lincolney/land		
8/17/2025	Results	Detail on results of pilot and provide recommendations	Presentation	Shelly	Kathy, Shelly, land and local office	Include if pilot should be expanded to all WDC participants	
10/14/2025	Summary report	Summary pilot	Presentation	CR board members	Shelly and Kim	Summary for board members	
11/15/2025	WDC's submission?				Lincolney/land		

1. Defined Benefit (DB) Feed Pilot (continued)

Pre-pilot survey, sent to
605 employees on 3/30/20

Employer	PPT with balance 2/2020	Last contribution date 2/2020
Department of Employee Trust Funds	246	123
Department of Financial Institutions	158	65
WHEDA	149	72
Oconto County	124	115
Southwest Technical College	92	43
Western Technical College	218	112
WPPI Energy	132	91
Total Ppts	1119	621



Wisconsin Deferred Compensation Program



Thank you for taking the time to help improve the Wisconsin Deferred Compensation Program!

As you know, you have been selected to take part in a pilot program designed to test a possible upgrade to the **Lifetime Income Score** feature available on the WDC website. To fully understand how you save for retirement using the WDC tools and features, please take a few moments and give us your feedback. Your responses will be kept confidential and will be used to help determine future WDC enhancements to the Program.

Please click the link before **Saturday, April 11, 2020**. It should only take a few minutes to complete.

Click here to take the survey!

As a friendly reminder, we will ask that you take another survey concluding the end of the pilot program. This information will be used to determine the effectiveness and the success of the possible upgrade to the **Lifetime Income Score** and the WDC Program.

Questions? Call the WDC at (877) 457-WDCP (9327)



1. Defined Benefit (DB) Feed Pilot (continued)

Summary

21.52% DB Pre-Pilot Survey Response Rate

86.15% of respondents would like to see their anticipated retirement income in one place.

95.31% of respondents would be interested in the LIS including their WRS pension estimate.

96.09% of respondents said it was very helpful or helpful to see their WRS pension estimated added to their future retirement income projection.

36.72% of respondents said they were currently very engaged or engaged with adjusting their LIS.

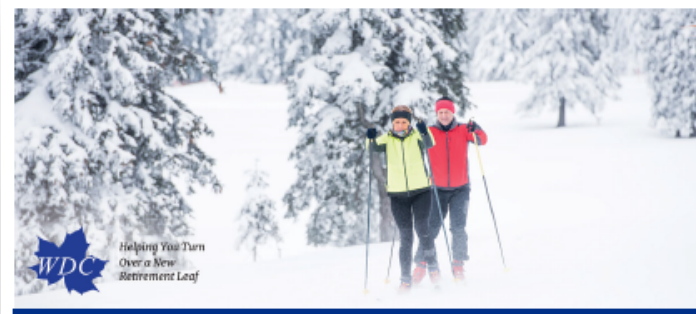
85.83% of respondents said they would be very engaged or engaged with adjusting their LIS if their WRS pension estimate was included.


2. Ongoing Stay in the Plan Campaign



DON'T GIVE UP
BEFORE YOU'RE FINISHED.

Stay on track
by staying in the Wisconsin
Deferred Compensation
(WDC) Program



 Helping You Turn
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The **closer** you get to **retirement**, the more you want to ensure you **stay on track**.

Stick with the WDC to help you reach your retirement goals.

Start by reviewing the Annual Retirement Plan Account Check-up to see if you are on track to meet your retirement goals.

WDC RETIREMENT CHECK-UP

Then take action and schedule a meeting with your local WDC Retirement Plan Advisor to learn the benefits of keeping your savings with the WDC.

SCHEDULE A MEETING

Or, call (877) 457-WDCP (9327), press 0 and say "yes" to speak with a representative.

Benefits of staying in the program include:

- Potentially lower fees.
- Access to local, dedicated advisors.
- A wide variety of investment choices.

CALL TODAY!
(877) 457-WDCP (9327)
www.wdc457.org

3. COVID-19 – Customized Communications

1. **Market Volatility**

1. Presentation
2. Email to all participants
3. Website updates:
 - pre-login bulletin
 - pre-login web tile
 - pre-login web banner
 - post-login plan message

2. **Employer emails/newsletter**

1. March 14 – Office closure/virtual meetings
2. April 16 – Virtual meetings, online contribution processing, CARES Act

3. **CARES Act**

1. Email to all participants
2. Post login TTK, flyer(s)

4. **Virtual meetings**

1. Pre-login bulletin
2. Employer emails
3. Individual meeting invitations



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Field Activity – Retirement Plan Advisors



OPTIMIZING THE VALUE OF YOUR FIELD TEAM

Total Plan Population:

- Assets: \$5.68 B
- Participants: 66,000
- Avg Acct Balance: \$86,070
- Avg Age: 51 yrs old
- Avg Equity: 86%

Communication Method

- Digital Campaigns
- Webinars
- Group setting meetings
- RPAs on-site at employer
- Virtual group and individual meetings

Targeted Population: (58+/90%+ equity)

- Assets: \$833 M
- Participants: 4,620
- Avg Acct Balance: \$180,441
- Avg Age: 67
- Avg Equity: 98%

Makes up:

- 7% of Plan Participants
- 14% of Plan Assets

Communication Method

- Proactive RPA engagement
- Targeted emails
- Online scheduler
- Retirement Readiness Reviews
- Financial Planning



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Virtual RRR 2020 Success Stories

1. 32 years old, DNR, \$17k balance, saving \$600/paycheck and \$6k/year in Roth IRA
 - She plans to retire at age 55 and has protected status through WRS
 - RRR determined that she is currently on track to replace 128% of her desired income in retirement

2. *Thank for your time, I found this meeting very useful and it helped alleviate some of my concerns regarding my investments. Initially, I was hesitant to schedule a meeting, as I felt it may be some type of pressured sales jargon... I am happy it was not and again very pleased with your help and insightfulness.*



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2020 WDC Scorecard



	Goal/Action item	Tools adopted	Results desired	Results as of 4/30/2020 (% to goal)
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 4,267 new participants were added in 2019, including 346 from the enrollment campaign 8 new employers Attend 1-2 conventions (WMCA plus one more) Attend 45+ benefits fairs 	<ul style="list-style-type: none"> 1,023 (24%) new enrollments (as of 3/31/20) 3 (38%) new employers, 38% WMCA 2020 convention cancelled Benefits fairs unknown
Asset Allocation	<ul style="list-style-type: none"> Help participants properly diversify 	<ul style="list-style-type: none"> Asset allocation campaign Outreach to: <ul style="list-style-type: none"> Participants using TDF and other investment(s) Population age 58+ with 90%+ equity exposure Save more campaign Beneficiary campaign Free Look for new hires (9/1/19-time of campaign) and 58+/90%+ not using MTR 	<ul style="list-style-type: none"> 2% of participants using TDF and other investment move to one TDF or MTR 9,917 participants had a TDF and another investment option as of 12/31/19 Provide RRRs for 10% of 58+/90%+ target group 4,585 as of 12/31/19 7% of campaign participants increasing their contribution 9,349 saving less than 1% or \$50 as of 12/31/19 Increase beneficiary designations on file by 10% (new) 9,310 participants without a beneficiary designation as of 5/11/20 2% of Free Look group enrolling in MTR Enrollees since 9/1/19 + 4,585 from target group 	<ul style="list-style-type: none"> Asset allocation campaign moved to Q3 75 RRRs (1.6%) with 58+/90%+ target group Save More campaign cancelled; replace with Beneficiary campaign Free Look campaign 5/1-8/31
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 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 636 of the 55+ population outlined below and 458 of the 58+ with 90%+ equity exposure) Pilot to involve 5-8 employers and 800-1,000 participants 300 group meetings 	<ul style="list-style-type: none"> 1,152 RRRs (58%) conducted Pilot in progress 102 (34%) group meetings conducted <p>*Virtual meetings began 3/16/2020</p>
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 Stay in the Plan campaign 	<ul style="list-style-type: none"> Provide RRRs for 10% of pre-retiree/retiree population 6,362 participants as of 12/31/19 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 these populations, we'll adjust this number accordingly</p>	<ul style="list-style-type: none"> 246 (4%) RRRs conducted with 55+/twice average balance

2020 WDC Communications Calendar

	Q1	Q2	Q3		Q4	
THEME TARGET	DB Feed Pilot Participating employer's employees	MTR 90 Day Free Look Campaign New plan enrollees as of 9/1/19 not utilizing MTR and at risk group	Save More 7,919 contributing 1% or \$50	Asset Allocation Campaign 9,823 invested in a TDF and another fund*	Survey All WDC participants	Stay in the Plan All active participants with a balance, age 58-64 or reboot for 58+
Purpose	Outline the DB feed to pilot employees	Enroll in MTR	Save 2% more due raise	Appropriate use of a TDF	Let us know what you think about the WDC	Stay in WDC after you leave service
TACTICS	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 Bond article/video posted to website (Bill Thornton)	MTR 90 Day Free Look Major Campaign (PPC or AAG) <ul style="list-style-type: none"> • Video • Targeted email • Targeted postcard mailing Market Volatility <ul style="list-style-type: none"> • Market Volatility Presentation • Email to all participants • Website updates (incl. pre-login bulletin, web tile, web banner, and post-login plan message) • Individual meeting invitations CARES Act <ul style="list-style-type: none"> • Employer emails/newsletter • Email to all participants • Website updates (incl. post login TTK, flyer(s)) 	SDBA Schwab MM Fund Annual Mini Campaign (Local office) <ul style="list-style-type: none"> • Letter Asset Allocation Campaign Call to action: Meet with your RPA <ul style="list-style-type: none"> • TDF and another fund group • 58+/90% equity + group <ul style="list-style-type: none"> • Video • Targeted email • Targeted postcard mailing • Tweets 	Survey Mini Campaign (Aug/Sept) <ul style="list-style-type: none"> • Pre login bulletin • Post login message • Email & reminder email • Tweets Save More Major Campaign (2% raise for State employees) <ul style="list-style-type: none"> • Video • Web banner • Targeted email • Targeted postcard mailing • Tweets Beneficiary Campaign <ul style="list-style-type: none"> • Pre login tile • Targeted email • Targeted postcard • Tweet Employer Newsletter (Design only)	(Reboot) Stay in the Plan Mini Campaign <ul style="list-style-type: none"> • Biannual postcard • Biannual email 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 					