



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
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 SECRETARY

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***Correspondence Memorandum***

**Date:** May 18, 2020  
**To:** Deferred Compensation Board  
**From:** Dan Hayes, Attorney  
 Office of Legal Services  
**Subject:** Administrative Rule Update: CR 19-126

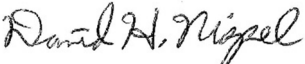
**This memo is for informational purposes only. No Board action is required.**

This memo updates the Deferred Compensation Board on the status of the proposed administrative rule that the Board approved at its October 31, 2019, meeting. As part of a larger rule that makes technical changes throughout the code, the Department of Employee Trust Funds (ETF) is proposing two changes to Chapter ETF 70. As of this date, the Governor’s approval is pending. If the rule receives that approval, it will be sent to the Legislature for review. Because the Legislature’s regular 2019 – 2020 session has concluded, the rule will not be reviewed until the next legislative session.

As a reminder, the two changes affecting the WDC are as follows:

- Amend Wis. Admin. Code § ETF 70.03 (4). This subsection currently requires the Board to annually evaluate the performance of the program administrator, currently Empower Retirement, to determine compliance with its contract with the Board and established performance standards. The rule updates the administrative code to reflect that such evaluations are completed every two years, rather than annually.
- Amend Wis. Admin. Code § ETF 70.08 (3). This subsection currently provides for a two-step process over a 12-month period for participants to move their investment to another investment product if the Board decides to remove an investment product from the plan. This process is significantly longer than standard practice in other plans and limits the Board’s flexibility to make plan changes. The rule modifies this process to provide a 90-day period for participants to move their investment or have it moved for them to a board-designated alternative investment product.

Staff will be available at the Board meeting to answer any questions.

Reviewed and approved by David Nispel, General Counsel, Legal Services  
 Electronically Signed 5/21/20

Board	Mtg Date	Item #
DC	6.11.20	14B