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Correspondence Memorandum

Date: October 20, 2020
To: Wisconsin Deferred Compensation Board
From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program
Subject: 2020 Strategic Partnership Plan Year-to-Date Review

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

The 2020 Strategic Partnership Plan approved by the Board identified specific enhancements and initiatives and the metrics used to measure the results. As shown on the attached 2020 WDC scorecard update, Empower Retirement (Empower) has been working hard to meet the goals for 2020, despite the COVID-19 pandemic. Emily Lockwood from Empower will provide an update at the Board meeting. Goals and highlights from 2020 as of September 30, 2020 include:

- **Enrollment**
 - **Employee participation.** Goal: Increasing new enrollments by 3.0% over enrollments in 2019. As of September 30, 2020, 1,881 new participants have enrolled in the WDC. This is 43% of the overall goal. Empower reports they have seen lower enrollment in all plans since March 2020.
 - **Employer participation.** Goal: Add eight new employers in 2020 and attend over 45 benefit fairs. The WDC has added seven new employers as of September 30, 2020. Conventions and most in-person benefit fairs have been cancelled due to the pandemic. Consequently, the WDC has shared a video with interested convention organizers and offered 70 virtual group benefit fair options during the fall, plus a series of virtual office hours for individual questions. An employer webinar will be hosted in early December.
- **Asset Allocation Goals:** The 2020 asset allocation goals include:
 - 1) retirement readiness reviews with 10% of two specific participant groups:
 - age 58 or older with 90% or more of their WDC account in equities,
 - age 55 or older who are investing on their own and have twice the average account balance or more;
 - 2) a campaign to add/update beneficiaries to accounts; and

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services
 Electronically Signed 10/27/20

Board	Mtg Date	Item #
DC	11.19.20	8A

3) increasing participants using the managed account service by 2%.

As of September 30, 2020, 104 participants in the targeted group have been to a retirement readiness review (23% of goal), and 531 participants have enrolled in the managed account service. Eight percent or 51 of those enrolling in the managed account service were in the targeted audience. The 531 participants who enrolled in managed accounts during the free trial period increased their average deferral rate from 6.28% to 7.33% and their average number of investment options from 2.64 to 8.52.

- Education Goals: The goals include holding 2,000 individual meetings, 300 group meetings, working with ETF to pilot including pension data for participants, and providing webinars for both participants and employers. As of September 30, 2020, the WDC held 2,321 individual retirement readiness reviews (116% of goal) and 191 group meetings (64% of goal). The WDC also successfully piloted incorporating an estimate of WDC participants' Wisconsin Retirement System (WRS) pension estimates into their WDC accounts. Overall, over 84% of post-pilot survey respondents indicated it was helpful or very helpful to see their WRS pension estimates with their WDC account information, and 92% would like to see this continued. Pilot participants at ETF also shared technical suggestions that should be considered before this is rolled out to all WDC participants. ETF will work with Empower on how to best implement these suggestions before returning to the Board to discuss officially adding the WRS data.
- Retention: The 2020 efforts to retain accounts focused on holding retirement readiness reviews with 10% of the 6,362 participants who are age 55 or older and have large account balances, offering a retiree webinar and continuing the "stay in the plan" campaign. As of September 30, 2020, retirement readiness reviews were held with 355 participants in the target group. This is 56% of the goal. The webinar will also occur before the end of 2020.

The attached 2020 Year-to-Date Recap provides a summary of communication campaigns as of September 30, 2020. This includes special communications related to market volatility and the CARES Act, and a list of communication activities to be completed before the end of this year.

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

Attachment A: 2020 Scorecard and WDC Communications Calendar as of 9/30/2020
Attachment B: 2020 Year-to-Date Recap

2020 WDC Scorecard



	Goal/Action item	Tools adopted	Results desired	Results as of 9/30/2020 (% 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"> 1,881 (43%) new enrollments 7 (88%) new employers WMCA 2020 convention virtually participated 70 Group benefits events virtually
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 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 Increase beneficiary designations on file by 10% (new as of June 2020) 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 104 RRRs (23%) with 58+/90%+ target group Beneficiary campaign Free Look campaign 5/1-8/31 <ul style="list-style-type: none"> 531 (457%) participants enrolled in MTR; 51 targeted participants enrolled (44%)
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"> 2,321 RRRs (116%) conducted Results provided separately 191 (64%) group meetings conducted Employer webinar Q4 <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"> 355 (56%) RRRs conducted with 55+/twice average balance Retiree webinar Q4

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	Beneficiary Campaign 9,310 participants without a beneficiary designation	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	Add a beneficiary designation	Appropriate use of a TDF	Satisfaction survey	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 Beneficiary Campaign <ul style="list-style-type: none"> • Pre login tile • Targeted email • Targeted postcard • Tweet 	Survey Mini Campaign (Aug/Sept) <ul style="list-style-type: none"> • Pre login bulletin • Post login message • Email & reminder email • Tweets 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 	(Reboot) Stay in the Plan Mini Campaign <ul style="list-style-type: none"> • Biannual postcard • Biannual email 	
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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2020 Year-to-Date Recap

Stay in the Plan campaign

- Tactics:
 - Sent postcard to 3,906 participants in February 2020



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Ongoing Stay in Plan campaign

Email Send Results					
	4Q16/1Q17 winter version	2Q17/3Q17 summer version	4Q17/1Q18 winter version	2Q18/3Q18 summer version	4Q18/1Q19 winter version
No. of delivered emails	3,796	2,963	3,593	4,068	2,894
Open rate (21% industry average)	42%	41%	41%	43%	36%
Click to open rate (12% industry average)	15%	14%	13%	14%	18%
Clicked the Retirement Check-up flier	79%	79%	80%	78%	82%
Clicked to schedule a meeting	12%	11%	13%	12%	11%



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Market volatility/CARES Act communications

- Market Volatility
 - Presentation
 - Email to all participants
 - Website updates:
 - pre-login bulletin
 - pre-login web tile
 - pre-login web banner
 - post-login plan message
- Employer emails/newsletter
 - March 14 – Office closure/virtual meetings
 - April 16 – Virtual meetings, online contribution processing, CARES Act
- CARES Act
 - Email to all participants
 - Post login “Things to Know” messaging, flyers
- Virtual meetings
 - Pre-login bulletin
 - Employer emails
 - Individual meeting invitations
 - Tweets

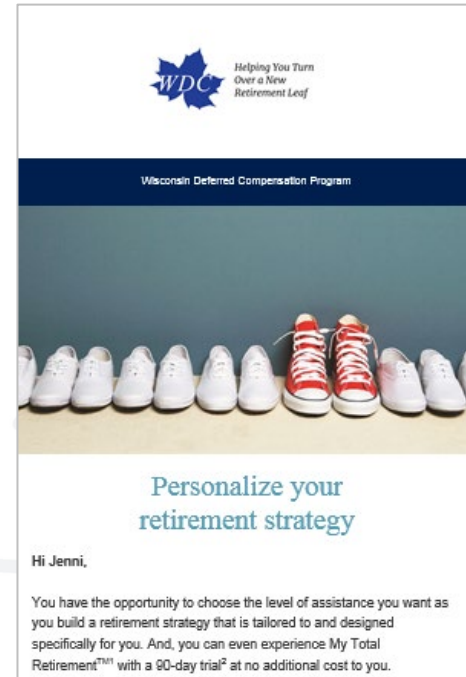


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Targeted My Total Retirement 90-Day Free Look campaign

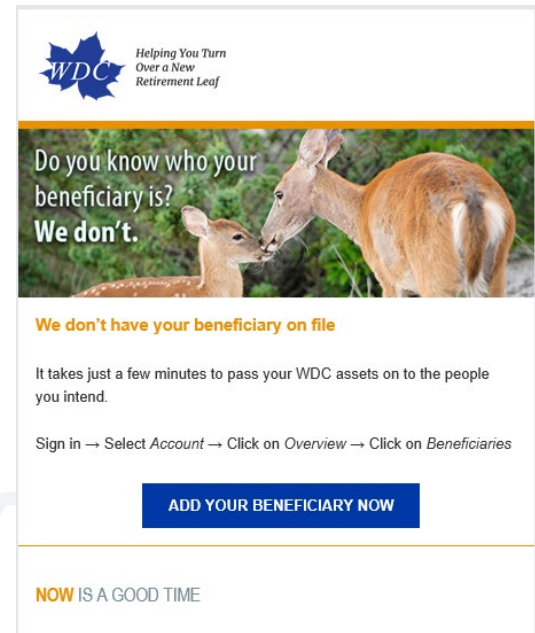
- Audience:
 - New enrollees since 9/1/19
 - Age 58+/90%+ equity
- Tactics:
 - Series of 3 emails
 - Mailer
 - Prelogin bulletin
 - Postlogin messaging
- Results:
 - 531 enrollees; 51 targeted
 - Average deferral rate increased by 17% from 6.28 to 7.33%
 - Average # of investment options increased by 223% from 2.64 to 8.52



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Beneficiary campaign

- Audience:
 - Participants with a balance who do not have a beneficiary on file
 - Participants with “At Will” beneficiary
 - 7,596 total participants targeted
- Tactics:
 - Email
 - Mailer
 - Prelogin tile
 - Tweets
- Preliminary Email Results:
 - 6,151 delivered
 - 51.7% open rate
 - 17.01% click rate
 - 32.9% click through rate
 - 876, or 11.5%, participants added beneficiaries



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Asset allocation campaign

- Audience:
 - Participants with a balance who are invested in a TDF and another fund or multiple TDFs
 - Participants with a balance who are age 58 and over and invested in 90% or more equity
- Tactics:
 - Email
 - Mailer
 - Brainshark
 - Tweets
- Preliminary Email Results:
 - 8,289 delivered
 - 39.8% open rate
 - 1.58% click rate
 - 4% clickthrough rate



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Wisconsin Deferred Compensation Program

Are your retirement plan investments still on target?

Investing can be a moving target, and the way you're investing now may not line up with where you are in your life. Don't worry, the WDC is here to help you get your investments closer to the mark.

Get free guidance about your options. Set up a time to talk with your WDC representative virtually.

[SCHEDULE A MEETING WITH YOUR WDC RPA](#)

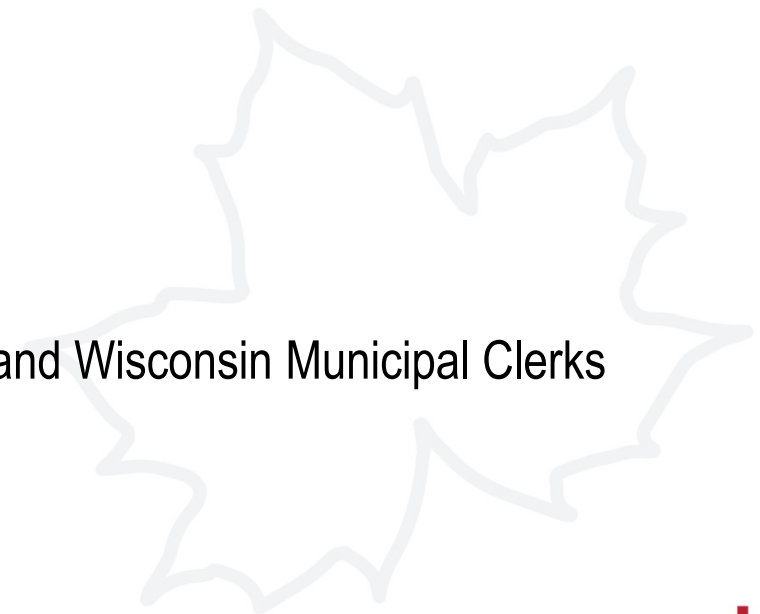
Or call (877) 457-9327

Other projects

- Cybersecurity disclosure on emails
- Posted BlackRock webinar on eLearning page
- Posted Bond video on Investments page
- Stable Value Fund disclosure guide
- 2020 Benefits Fair/Webinar Schedule
- Attendance Card
- Updated alternative to your 403(b) flyer
- Participated in UW Women's Symposium and Wisconsin Municipal Clerks Association virtual conference

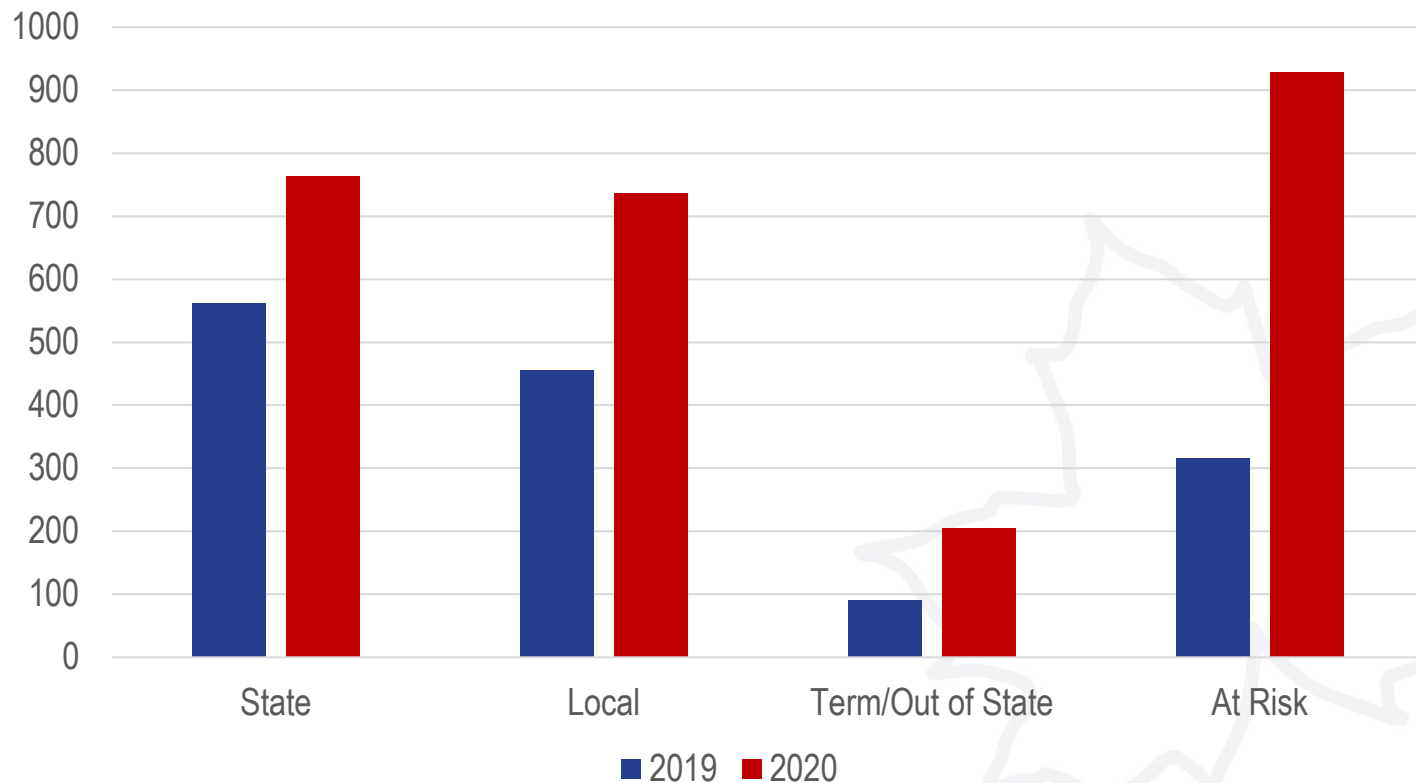


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New Virtual Service Model Engagement

Participants Receiving an RRR



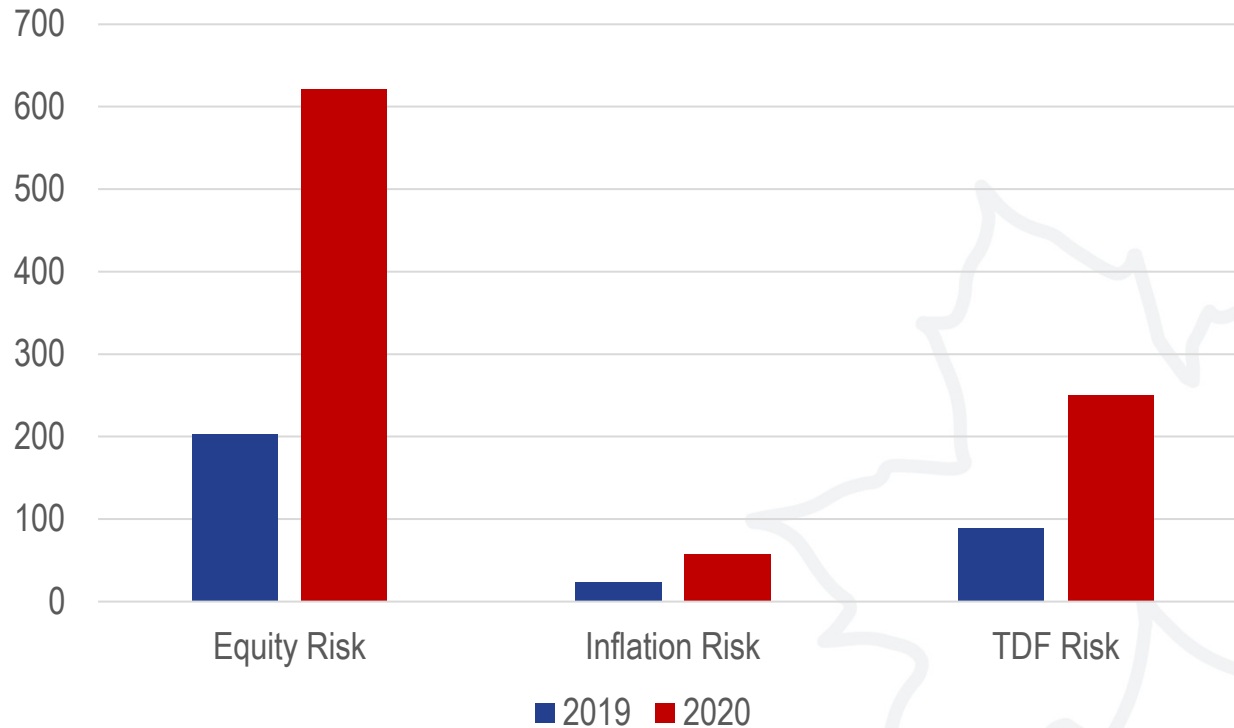
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At Risk RRR Comparison

At Risk Participants Receiving RRRs



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Participant Success Stories

- Mary (55), a UW employee, scheduled an appointment in late June to thank Eric for a meeting they had back in February.
 - Retirement age goal: 57
 - \$1.5M in assets; \$115k in WDC account
 - WDC account would last 2.5 years of retirement bridging gap to 59.5
 - Invested moderate-moderately aggressive (70/30)
 - Enrolled in MTR with a very conservative (10/90) portfolio
- In late June, Mary met with Eric just to say how grateful she was for that advice in February
 - She had unenrolled from MTR satisfied with her allocation
 - Eric did a quick review to make sure her plan was still in tip-top shape, and no further action was taken.
 - Mary was extremely thankful for the services we provide, regrets not participating earlier, and praises the WDC to all of her colleagues and new hires.



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Participant Success Stories

- 69 year old male, retired
 - 100% equity
 - Also had a Minnesota 457 plan that was extremely aggressive
 - Not aware he could consolidate accounts
 - Rolled his MN account into WDC account and enrolled in MTR
 - Liked the idea of having only one statement/account to deal with as he gets closer to RMD.
 - \$1,142,295.68 balance moderately invested



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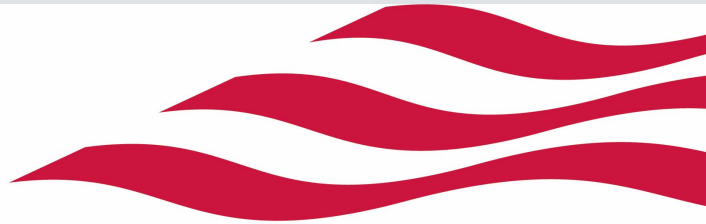
Looking ahead

- Annual Participant Survey
- Stay in Plan campaign
- Employer Newsletter
- Employer Survey
- Employer Webinar



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