



STATE OF WISCONSIN
Department of Employee Trust Funds
 Robert J. Conlin
 SECRETARY

Wisconsin Department
 of Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax 608-267-4549
 etf.wi.gov

Correspondence Memorandum

Date: February 12, 2021
To: Deferred Compensation Board
From: Dan Hayes, Attorney
 Office of Legal Services
Subject: Administrative Rule Update: CR 19-126

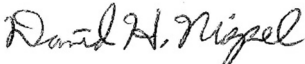
This memo is for informational purposes only. No Board action is required.

This memo updates the Deferred Compensation Board (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, ETF is proposing two changes to Chapter ETF 70. ETF sent the rule to the Governor for approval on December 17, 2019. The Governor approved it on July 31, 2020, and ETF submitted the rule to the Chief Clerks of the Assembly and Senate for legislative review. Because the Legislature was not in session, the rule review was delayed until the next legislative session, which began on January 4, 2021. The rule is now in the Senate Committee on Financial Institutions and Revenue, and the Assembly Committee on Government Accountability and Oversight. If the rule makes it through the Legislature's review, it will be published in the Administrative Register and take effect on the first of the following month.

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 plan 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

Reviewed and approved by David Nispel, General Counsel, Legal Services
 Electronically Signed 2/23/21

Board	Mtg Date	Item #
DC	3.11.21	11D

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.