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Correspondence Memorandum

Date: May 17, 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 Wisconsin 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 administrative code, ETF is proposing two changes to Chapter ETF 70. The rule passed through the legislative review process with no action taken and is now ready for publication in the Administrative Register. Publication is expected in May, and the rule should take effect on June 1, 2021.

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 5/24/21

Board	Mtg Date	Item #
DC	6.10.21	9C