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## *Correspondence Memorandum*

**Date:** March 14, 2023

**To:** Deferred Compensation Board

**From:** Shelly Schueller, Director  
 Wisconsin Deferred Compensation Program

**Subject:** 2022 Strategic Partnership Plan Results

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

Annually, the Board approves a Strategic Partnership Plan (SPP) that identifies Wisconsin-specific enhancements and initiatives for the plan’s third-party administrator, Empower, and the metrics used to measure the results. Staff from Empower will review the 2022 activity and the communications projects summarized in Attachment A at the Board meeting and answer questions.

Between 2010 and 2022, the results of the SPP and growth in the number of participants determined any increases the Wisconsin Deferred Compensation Program’s (WDC’s) administrative fee paid to Empower. The last increase Empower earned occurred in 2022, when the Board approved a 3.5% base fee increase because Empower met the 2021 SPP goals. During the five-year contract term that began December 1, 2022, SPP results will no longer determine administrative fee increases for Empower.

### **2022 SPP Results**

Positive highlights of Empower’s 2022 activities in Wisconsin include:

- Increased deferral amounts for 1,591 participants, an increase of 13.9% of the targeted audience. The goal was to increase deferral amounts by 5% for targeted participants, who were identified as saving less than 1% or \$50 or hadn’t increased their deferral amount in two or more years.
- Attended two conventions: WI Municipal Clerks Association and the WI Association of School Business Officials.
- Provided 2,952 retirement readiness reviews, above the goal of 2,800. This includes 1,483 meetings with targeted at-risk participants (goal was 5% or 970 meetings) and 317 meetings with retirees/terminated participants. For this asset allocation-related goal, the at-risk target group was defined as participants aged 50 or older who have more than 75% of their account invested in equities,

*Matt Stohr*

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services  
 Electronically Signed 03/16/2023

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participants aged 50 or more with less than 10% invested in equities, and participants of all ages with less than 25% invested in equities.

- Provided 428 group informational meetings, above the goal of 415.
- Increased website usage, resulting in 2,864 new users. With the release of the new website experience for participants, 2,864 more unique users logged on to the WDC website and 979 had aggregated their accounts as of 10/31/22.
- Facilitated positive actions by 68% of participants interacting with the WDC, versus the goal of 40%. Positive actions include enrollments, deferral increases, diversification, rollovers, and personalization for those in managed accounts.

However, as shown on the “2022 Scorecard Update” in Attachment A, Empower did not meet all the goals in the 2022 SPP. Empower fell short in reaching goals in the following areas:

- Increasing WDC participants. The goal was a 2.5% increase; however, the actual increase was 1.3%.
- Increasing new local employers. The goal was 12 but 11 were added.
- Meeting with over 500 retirees/terminated participants. 317 individual meetings with retirees/terminated participants occurred.
- Increasing the managed account service by 2% (383) of new users as a result of a free trial period promotion. Results of the campaign indicate 279 additional WDC participants began using the managed account service.

### **Missed Performance Standard**

During the first three months of 2022, Empower’s call center struggled to keep up with incoming calls and the contract performance standard ([Ref. DC | 06.09.22 | 13A3](#)), which states:

... [calls] answered within ninety (90) seconds on average at least ninety percent (90%) of the time on an on-going average annual calendar year basis. On average for the calendar year, there will be less than one percent (1%) of calls that receive a busy signal, and the abandoned call rate will average less than five percent (5%) for the calendar year.

Although call center performance improved significantly later in 2022, Empower was unable to meet the overall call center standard performance requirement for the year. Consequently, Empower was assessed a contract-mandated monetary penalty of one percent (1%) of the 2022 monthly administrative fee. This equates to \$3,228 to be returned to the Board’s plan administrative account.

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