



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
 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: May 8, 2023

To: Deferred Compensation Board

From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program

Subject: Technical Board Policy Revision Consideration: Administrative Expense Account Investment and Target Balance Policy

The Department of Employee Trust Funds (ETF) recommends the Deferred Compensation Board (Board) approve revising and replacing the Administrative Expense Account Investment and Target Policy.

The Board has an Administrative Expense Account Investment and Target Balance Policy that indicates in which option the Board’s administrative expense account will be invested and what level of reserves should be maintained to cover plan expenses. Attachment A: 2015 Administrative Expense Account: Investment and Target Balance Policy is the current policy.

The Administrative Expense Account Investment and Target Balance Policy was last reviewed and updated in 2015, after the Board learned that the WDC’s third-party administrator could allocate investment option reimbursements directly to plan participants. ETF is recommending the Board replace the current policy with an updated edition. The replacement proposed for adoption is Attachment B: Proposed Administrative Expense Account: Investment and Target Balance Policies.

There are no substantive changes in the draft language in Attachment B. Rather, this proposed replacement policy:

- Is formatted in a manner consistent with other Board policies.
- Clearly articulates that the Board’s Administrative Expense account will be invested in the Stable Value Fund.
- Adds additional elasticity by changing “will” to “should” in the first line of the Target Balance policy and stating the percentage is a guideline.
- Adds policy objectives, which document the Board’s desire to provide flexibility, reduce participant fee volatility, and encourage participation by assessing minimal administrative fees for participants with low account balances.

Matt Stohr

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services
 Electronically Signed 05/11/2023

Board	Mtg Date	Item #
DC	06.08.23	5

Technical Board Policy Revision Consideration: Administrative Expense Account
Investment and Target Balance Policy
May 8, 2023
Page 2

ETF recommends the Board replace the current Administrative Expense Account Target Policy with Attachment B: Proposed Administrative Expense Account: Investment and Target Balance Policies.

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

Attachment A: [Administrative Expense Account: Investment and Target Balance Policy \(2015\)](#)

Attachment B: [Proposed Administrative Expense Account: Investment and Target Balance Policies](#)