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Correspondence Memorandum

Date: November 7, 2023

To: Deferred Compensation Board

From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program

Subject: 2023 Board Survey Results

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

After the September Deferred Compensation Board (Board) meeting, the Department of Employee Trust Funds (ETF) distributed a short electronic survey to all Board members, asking for anonymous feedback on topics including board meeting materials and presentations and where the Wisconsin Deferred Compensation Program (WDC) should focus resources.

Unanimously, Board members agreed that the Quarterly Selected Statistics Report was valuable, and the amount of information regarding fiduciary duties provided during a Board meeting was “just right” versus “too little” or “too much.”

Other highlights from the survey results indicated that of the total five Board members:

1. Four members (80%) agreed that the Empower Quarterly Plan Reviews and Strategic Partnership Plan Updates are understandable, accurate, and provide useful information; one member (20%) strongly agreed.
2. Four members (80%) agreed that the Empower Quarterly Investment Performance and Expense Reviews are understandable, accurate, and provide useful information; one member (20%) strongly agreed.
3. Three members (60%) indicated they were overall satisfied with Empower; one (20%) was neutral; and one (20%) was dissatisfied with Empower.
4. Three members (60%) indicated information related to fiduciary duty received outside of Board meetings was “just right;” and two members (40%) indicated that information was “too little.”

Regarding questions 3 and 4 above:

- 3. Satisfaction with Empower: ETF has shared the survey results with Empower and additional improvements in reporting are anticipated.

Matt Stohr

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services
 Electronically Signed 11/14/2023

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- 4. Amount of information shared outside of Board meetings: ETF appreciates the feedback. ETF expects to continue to communicate important news and information with the Board on a timely basis. Where possible, Board meeting materials will be the primary source as Board meeting materials are formally documented.

When asked where the WDC should focus as far as participants priorities, the Board selected the following as the top three priorities:

- First Choice (Highest Ranked Priority): “Adding more participants.”
- Second Choice: “Adding more local employers.”
- Third Choice (tie): “Improving participants’ overall retirement readiness” and “increasing participant deferral amounts.”

There were three open-ended questions requesting ideas for improvements that received some thoughtful responses. Those are shared below:

- **Where would you prefer to see the WDC focus as far as participants?**

“Given the nature of the plan (supplemental, no employer match), focus should be on number of participants, ease of use and offering of lower fee options”

“Making sure they understand all the resources available to assist them.”

“I believe the wide range of investment options offered through the WDC is an excellent lineup with only occasional tweaks needed. Our focus should be on bringing the best possible investment education and service to participants (and employers) at an affordable cost.”

- **How could Board presentations and reports be improved?**

“Appreciate some of the recent changes that have been made (cover letter on investment performance report, etc.). While we see it graphically on the quarterly and annual plan reviews, showing % changes (vs absolute numbers) year over year is helpful to assess trends. Probably additional room to improve the SPP updates - just feels like a laundry list of activities. Lastly, there have been some errors in past materials - understandable but always room to improve.”

“Minor point: Not having a formal investment background, I find, on occasion, that I have to look-up some ETF/financial industry acronyms that are used in reports. Suggestion: Spell out the more obscure acronyms once, when first used in a report. This is less of an issue, the longer I serve on the Board.”

- **How can ETF best support you in meeting your responsibilities as a Board member?**

“Overall, ETF staff does an excellent job.”

“In my view they seem very well organized and cover a lot of info in an efficient manner. I can’t really pin down a specific recommendation.”

“I think sending around information on trends in DC and what other plans like the WDC are doing as educational material outside of the formal board packages would be helpful to board members.”

Lastly, the survey asked for Board member input on how often meetings should be held.

When asked, four of the Board members indicated that meeting quarterly would be most beneficial. One Board member answered that tri-annually would suffice. When given the opportunity to provide open-ended comments, two Board members responded as follows:

“Depends on the activity load. I would say three is fine so long as there's an option to schedule an additional meeting(s) to accommodate any required investment line-up changes or other pressing business.”

“Four or three times a year, if we can cover all the things we need to do?”

ETF greatly appreciates the 100% response rate on this survey. Board input via the survey will be used. For example, ETF will continue to provide the the quarterly selected statistics report in the “operational updates” section of future meeting materials, and because ETF shared the survey results with Empower, the 2024 Strategic Partnership Plan proposal includes goals that reflect Board interests and concerns.

ETF proposes that the same or a similar Board survey occur during 2024 for benchmarking purposes.

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