



State of Wisconsin
**Wisconsin Deferred
Compensation Program**
Fact Sheet

As of December 31, 2023

The Wisconsin Deferred Compensation Program (WDC) is a supplemental retirement savings program authorized under Section 457 of the Internal Revenue Code (IRC). The WDC was created by Wisconsin Laws of 1981 Chapter 187 and established in 1982 for state employees. It has been available to local employers since 1985.

Program Administration

The Department of Employee Trust Funds and the Deferred Compensation Board (Board) have statutory authority for program administration and oversight. The Board contracts for administrative services (marketing, record keeping, daily program administration) through a competitive bid process. Empower Retirement is under contract to provide these services through November 30, 2027.

The Board selects the investment options offered by the WDC and contracts directly with investment providers. The Board regularly reviews the performance of the investment options offered to determine if they continue to meet established performance benchmarks. Options that are determined to be no longer acceptable may be removed from the WDC and new options may be added at any time.

Features

Maximum Deferral — Section 457 plan participants may contribute 100% of taxable income to their accounts, up to a federal maximum that is adjusted annually. In 2023, this maximum was \$22,500. Note: This amount was raised to \$23,000 for 2024. Participants over age 50 are eligible to contribute an additional \$7,500 annually. The maximum limit for federal income tax purposes may be periodically increased (in \$500 increments) for cost of living adjustments tied to the consumer price index. Participants within three years of normal retirement age in 2024 who under-contributed in prior years may also be eligible to contribute an additional \$30,500 annually.

Account Flexibility — The WDC allows participants to:

- Change the amount of their deferrals at any time.
- Save by deferring traditional pre-tax or Roth (post-tax) dollars.
- Redirect deferrals to other investment options offered by the WDC without restriction.
- Exchange existing account balances from one option to another (subject to the excessive trading policy).
- Elect to use the asset allocation service to provide automatic rebalancing of a participant's account balance based on an established asset allocation model.
- Elect to use the WDC's managed accounts service (additional separate fee applies).

Portability — Dollars from a traditional IRA, a 401(k) and a 403(b) can be rolled into the WDC, and amounts distributed from the WDC, can roll into a traditional IRA, a 401(k) and a 403(b) plan. Dollars rolled out of the WDC are subject to the tax rules of the new plan.

Participant Services — WDC call center representatives in Wisconsin are available at 1-877-457-9327 to assist participants between 7:00 a.m. and 9:00 p.m. every workday of the year, and Saturdays between 8 a.m. and 4:30 p.m. Employers may also receive plan technical support at 1-800-695-4952.

An automated voice response system is available for participants to obtain account information. The WDC's website at wdc457.org offers program information, access to personal account data and execution of transactions online. Distribution of an itemized participant statement occurs within 15 days of the end of each quarter.

Distribution Options — Distribution options available include lump sum payments, partial lump sum payments and periodic payments. Participants may defer receiving distributions from their account up to age 73.

WDC Program Costs

Participant fees provide the primary source of funding for program administration. State funds are not used for the administration of the WDC. The Board reviews administrative revenues and expenses annually and adjusts participant fees as necessary. As of January 1, 2023, annual participant fees were:

If participant balance is between:	Monthly fee deducted:	Equals total annual fee of:
\$0 to \$5,000	\$0.00	\$0.00
\$5,001 to \$25,000	\$1.25	\$15.00
\$25,001 to \$50,000	\$3.00	\$36.00
\$50,001 to \$100,000	\$6.50	\$78.00
\$100,001 to \$150,000	\$8.25	\$99.00
\$150,001 to \$250,000	\$11.75	\$141.00
Over \$250,000	\$17.25	\$207.00

Statistics as of December 31, 2023

- 995 local government and school district employers (from approximately 1,400 eligible) have elected to offer the WDC to their employees.
- 69,545 public employees participate in the WDC. 38,176 are state employees and 31,169 are employees of local employers including school districts and technical colleges.
- The WDC offered 11 target date (asset allocation) funds and 17 options in the core investment spectrum in 2023. Participants also have access to a managed account service and thousands of mutual fund choices through the Schwab Personal Choice Retirement Account (PCRA), the WDC's self-directed option.

Investment Option	Number of Accounts	Total Assets
FDIC (Johnson Bank)	12,799	169,063,173
Vang. Adm. Money Market	5,890	52,703,700
Stable Value (Galliard)	29,222	698,657,085
Am. Funds EuroPacific Growth - Class R6	28,844	206,072,762
BlackRock EAFE Index Fund F	26,198	291,781,065
Calvert US Large Cap Core Resp. Index R6	18,134	117,508,599
JP Morgan US Value R6	22,344	63,217,685
Fidelity Contrafund Commingled Pool CL3	27,767	872,457,347
Vang. Inst. 500 Index Trust	33,566	888,895,554
T. Rowe Price Inst MidCap Equity Growth	33,909	545,512,048
BlackRock MidCap Equity Index Fund F	27,429	286,341,678
BlackRock Russell 2000 Index Fund M	25,935	130,555,380
DFA U.S. Micro Cap	23,599	239,449,194
Vanguard Target Ret. 2020 Trust I	52	3,352,130
Vanguard Target Ret. 2025 Trust I	5,646	341,352,206
Vanguard Target Ret. 2030 Trust I	291	19,829,762
Vanguard Target Ret. 2035 Trust I	7,063	319,228,999
Vanguard Target Ret. 2040 Trust I	301	7,763,009
Vanguard Target Ret. 2045 Trust I	7,074	221,131,998
Vanguard Target Ret. 2050 Trust I	297	2,928,816
Vanguard Target Ret. 2055 Trust I	5,323	97,510,807
Vanguard Target Ret. 2060 Trust I	256	1,153,262
Vanguard Target Ret. 2065 Trust I	98	1,785,741
Vanguard Target Ret. Income Trust I	3,683	160,237,453
Vanguard Wellington Adm.	31,779	565,298,462
BlackRock US Debt Index Fund M	24,313	290,374,633
Dodge and Cox Income X	17,366	97,120,586
Vanguard LongTerm Inv. Grd Bonds Adm.	22,159	126,582,872
Schwab PCRA (incl. Money Market)	1,199	90,036,578
Total	*442,536	6,907,902,584

*The total number of participant accounts exceeds the number of participants, as participants may invest in more than one investment option. The average number of investment options per participant in 2023 was approximately 6.4.