

Investment Option Selection and Reimbursements Policy

Adopted: June 16, 2015

Investment Option Selection

The Deferred Compensation Board (Board) seeks to offer participants quality, low-cost investment options through the Wisconsin Deferred Compensation Program (WDC). When available and fiscally feasible, the Board will offer these investment options in share classes (e.g., institutional) that do not provide reimbursements to the plan.

Reimbursements Policy

When an investment option provides reimbursements, these reimbursements may be allocated back to the participants in the option that generated the revenue when the reimbursement on individual WDC accounts exceeds one cent during a month.

- Mutual fund¹ reimbursements may be rebated to participants on a monthly basis. Participants investing in options generating reimbursements may be rebated using the following calculation:

Participant fund balance x revenue share = fund reimbursement amount to participant

- After the annual reimbursement has been received from any fixed options² offering reimbursements, these reimbursements may be rebated to participants when a minimum rebate threshold amount of one cent per participant has been reached.

Fixed option reimbursement example:

Number of participants using the FDIC option as of December 31, 2013: 3,373

2013 FDIC option reimbursement received March 2014 = \$472.12.

$\$472.12/3,373 = 0.139$

For 2013, there would be a reimbursement of \$0.13 to FDIC option account holders.

¹ As of January 2015, the Fidelity Contrafund and the Federated US Government Securities 2-5 year fund provided reimbursements to the WDC on a quarterly basis.

² As of January 2015, the Stable Value Fund and the FDIC Option provided small reimbursements to the WDC on an annual basis.