



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
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: February 21, 2020
To: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board
From: Mark Lamkins, Director, Office of Communications
Subject: Communications Update

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

Core Annuity Adjustment

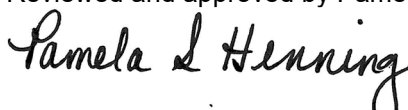
In January the Department of Employee Trust Funds (ETF) began informing Wisconsin Retirement System (WRS) retirees about the *projected* Core annuity adjustment of 1.5% to 1.9%. This is in line with past communications complementing the release of preliminary, year-end investment performance by the State of Wisconsin Investment Board and outlining when to expect ETF's annuity adjustment news.

In the January edition of *WRS News*, we addressed the question: Given the Core Fund return hit 19.9%, why isn't the Core annuity adjustment higher? Our explanation included reminders of the important levers that underlie the adjustment-setting process, including why and how Core Trust Fund investment performance is recognized (smoothed) over five-year periods, and various actuarial factors. Retirees will see Core and Variable annuity adjustments in their May 1 payments. The article is attached.

From January through May ETF benefit specialists conduct a webinar on WRS effective rates and annuity adjustments. The webinar covers how the annual effective rates and annuity adjustments are calculated, and how the rates affect WRS benefits. Participants can also ask questions. There have been 227 webinar participants so far this year.

ETF plans to provide an update on the current annuity adjustments and projections for 2021 at upcoming retiree events of the UW-Madison Retirement Association, Wisconsin Coalition of Annuitants, and Wisconsin Retired Educators' Association.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary

 Electronically Signed 3/6/20

Board	Mtg Date	Item #
ETF	3.26.20	6J

ETF Website: Metrics

At the Board meeting last December, I presented some new [key performance indicators](#) (KPI) to measure the impact of etf.wi.gov for the first quarter after the launch of the redesigned site in July 2019. We are continuing to explore Google Analytics and to build a high-level data dashboard. Data is analyzed on a quarterly basis and compared to the previous quarter, or 92 days. Comparisons to the previous year will be added as annual data is collected. The report for Quarter 4, 2019 (October 1-December 31) is attached.

It is important to note that data for November was lost due to a technical error by our web support vendor. Fortunately, data for October's open enrollment for health benefits was not affected. Process improvements have been implemented to prevent and mitigate the risk of similar errors in the future.

Here are highlights of results for Quarter 4, compared to the previous quarter:

- 7% increase in pages viewed per session*
- 17.4% increase in average session duration
- 6.9% decrease in bounce rate

*Session = A series of page views by a user during a period of web activity

Increases in pages viewed per session and average session duration are anticipated during open enrollment when members are being directed to the site and there is a call to action. A moderate decrease in bounce rate means users are engaged by spending more time on the site and/or viewing more pages. Conversely, an increase in bounce rate means users are less engaged by spending less time on the site and/or viewing less pages.

Hot Topics – Under the Hot Topics section of the report, you will find what users were looking for via site searches. This data collection was turned on in December, so it does not include the entire reporting period. There were 5,575 total unique searches.

Examples include:

- “additional contributions” and “variable” (Variable Fund) – both terms for year-end considerations
- “login” – there is currently not a secure portal for accessing individual benefits information
- “2313” and “2331” – ET form numbers for *Canceling Variable Participation* (ET-2313) and *Group Health Insurance Application/Change for Retirees & COBRA Continuants* (ET-2331)

Benefits Available to Me – On the [Benefits Available to Me](#) page, users can find their ETF-administered retirement, health, and other benefits by entering their current or last employer. The University of Wisconsin was the highest searched employer. There were 13,735 event labels for “(not set),” which indicates a user error and not tracked by Google Analytics. This could indicate users are not entering an employer name before hitting the submit button.

In future reports we will add user demographics and downloads of PDF files, such as top used forms and publications. We are also planning to exclude internet provider addresses of ETF staff, who are using the site for content management and customer support, from the data dashboard.

ETF Website: Improvements

We will soon launch an interactive glossary on the site. Users will find plain language definitions of key terms for ETF-administered benefits.

Other recent improvements include:

- Added keyword tags to program and benefit landing pages so that they appear at the top of the site search
- A new sortable, [table](#) view of educational events
- A new page listing [top used forms and publications](#) for quick access
- Presentation of results for the [Benefits Available to Me](#) page to help decrease user errors
- A new page, [Career Benefits for State Employees](#), to assist employers with recruitment
- A new [Careers at ETF](#) section describes employee benefits and our workplace culture

Social Media

We set up an ETF profile page on LinkedIn in December. Since then, we have been using LinkedIn for engaging our employees and recruitment. There is also synergy with Twitter and other external communications about the strength of the WRS and education on WRS benefits.

Board members are encouraged to follow us on LinkedIn at "[WI Department of Employee Trust Funds](#)" and Twitter [@WI ETF](#).

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

Attachment A: WRS News Article - ETF Projections for Annuity Adjustments

Attachment B: Google Analytics for etf.wi.gov (Quarter 4, 2019)

ETF Projections for Annuity Adjustments

The Department of Employee Trust Funds expects to provide positive Core and Variable annuity adjustments (increases) to Wisconsin Retirement System retirees this year. The Core annuity adjustment is projected to be between 1.5% and 1.9%. The Variable annuity adjustment is projected to be between 19% and 23%.

These figures are projections only—the actual adjustments will be announced in March, after 2019 investment returns have been finalized and an actuarial analysis conducted. In late April ETF will send all retirees a personalized annuity statement showing any change to the monthly payment for the coming year, and the reason for the change.

Projections are based on preliminary calendar year 2019 investment performance of the WRS Trust Funds, which are invested and managed by the State of Wisconsin Investment Board. By law, the WRS does not provide for an automatic cost-of-living adjustment. Instead, post-retirement annuity adjustments depend on investment performance and can be increased or decreased as a result.

Given the 2019 investment performance of the WRS Trust Funds, why isn't the projected Core annuity adjustment higher? Annual Core Fund investment performance is smoothed (recognized) over a five-year period. Due to this gradual smoothing, year-to-year changes in retirees' Core annuities are more stable, compared to what they would be if investment returns were fully recognized each year. Only 20% of 2019's Core Fund excess (gain) is available to fund this year's adjustment; the remainder will be carried over into the computation process for the next four years. This year's adjustment covers investment losses in 2015 and 2018 and investment gains in 2016, 2017, and 2019.

Variable Fund investment performance is not smoothed. Investment performance is fully recognized each year and as a result, Variable annuity adjustments can vary widely from one year to the next. All WRS retirees participate in the Core Fund; approximately 41,000 also participate in the optional Variable Fund.

The following factors influence WRS annuity adjustments:

- The purpose of the WRS is to provide a lifetime benefit to retirees. In order to fulfill that guarantee in a manner that is actuarially sound, a 5% return on investments is needed. WRS annuities are funded based on the assumption that the trust fund will earn 5% interest each year. Annuity adjustments, both Core and Variable, therefore, are based on investment earnings above and beyond the 5% assumed earnings.
- Core annuities can be adjusted if the increase (or decrease) would be at least 0.5% (or -0.5%). Last year, the final computed rate for the Core annuity adjustment fell between 0.5% and -0.5%; therefore, no Core annuity adjustment was provided.
- Variable annuities can be adjusted if the increase or decrease would be at least 2.0%. Last year, retirees participating in the Variable Fund saw a 10% reduction to this portion of their annuities, due to investment losses in 2018.
- Life expectancies of WRS retirees continue to increase, and that is a good thing. But it also means ETF is paying pensions for longer periods of time than expected. Consequently, the liabilities of the system are higher, and this in turn affects surplus funds available to pay post-retirement adjustments.

For More Information

Webinar: WRS Effective Rates and Annuity Adjustments

This 30-minute webinar reviews how ETF calculates the annual effective rates and annuity adjustments and how these rates affect your WRS benefits. Questions are encouraged! Registration is easy and quick. Find it on the Events page of our website at <https://etf.wi.gov/events>.

Google Analytics for etf.wi.gov

Oct 1, 2019 - Dec 31, 2019

Quarter 4, 2019 | October 1 – December 31, 2019

This report is a high-level data dashboard created using Google Data Studio. Interactive functionality has been disabled. See page 5 for definitions of key terms or brief explanations of how to interpret data. Questions? For assistance, please contact the Office of Communications at ETFSMBCommunications@etf.wi.gov.

Site Impact

How many users visited the website?

Users

147,334

↓ -13.6% from previous 92 days

Pageviews

1,248,682

↓ -16.1% from previous 92 days

Sessions

259,646

↓ -21.5% from previous 92 days

New Users

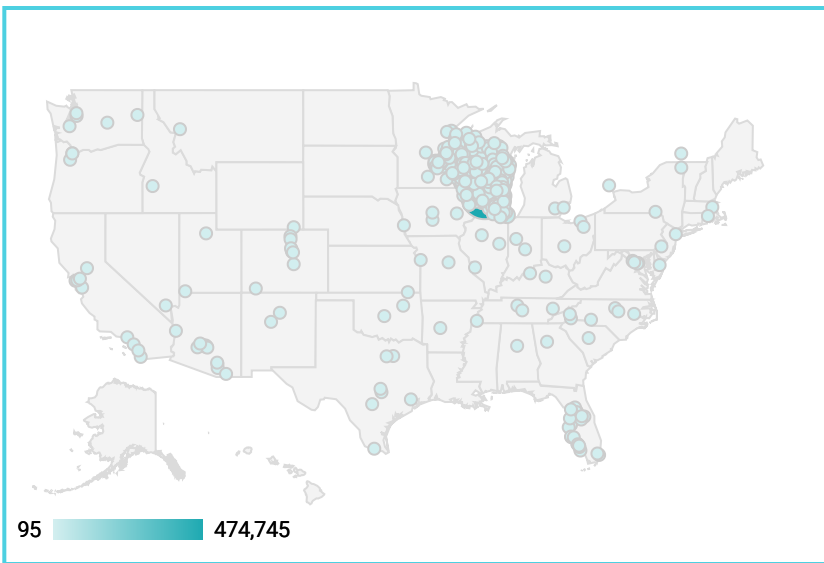
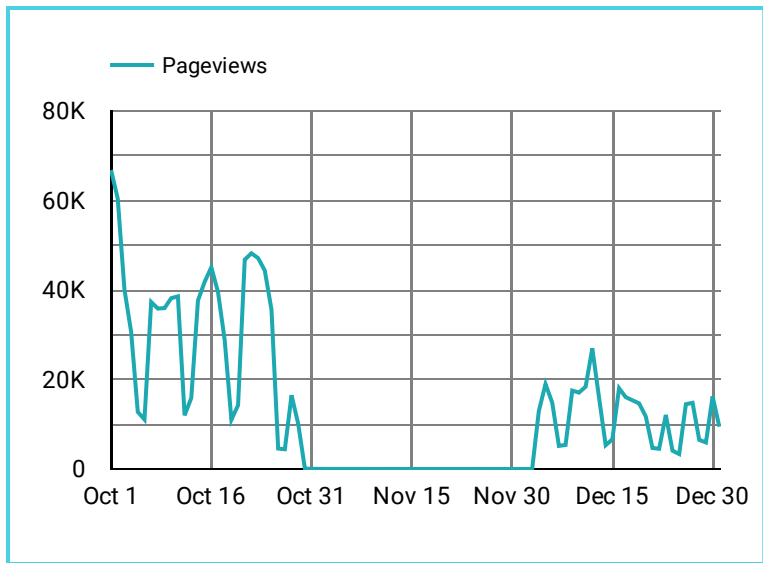
117,162

↓ -28.7% from previous 92 days

Unique Pageviews

898,208

↓ -16.6% from previous 92 days



Engagement

How engaged were users within the website?

Pages / Session

4.81

↑ 7.0% from previous 92 days

Bounce Rate

40.04%

↓ -6.9% from previous 92 days

Number of Sessions per User

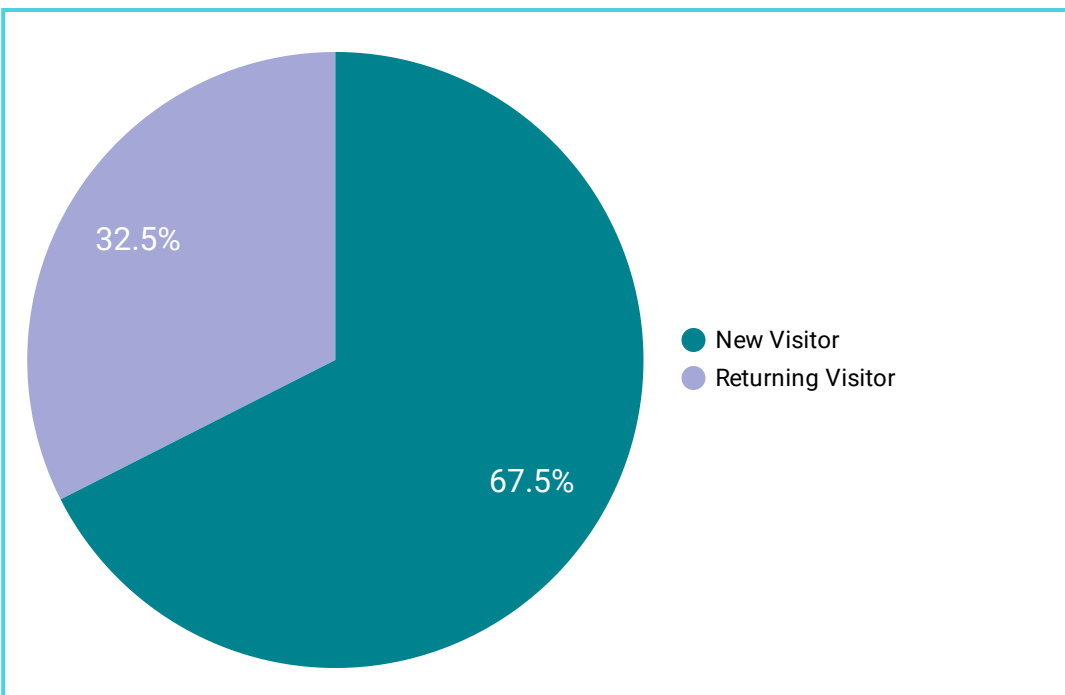
1.76

↓ -9.2% from previous 92 days

Avg. Session Duration

00:04:35

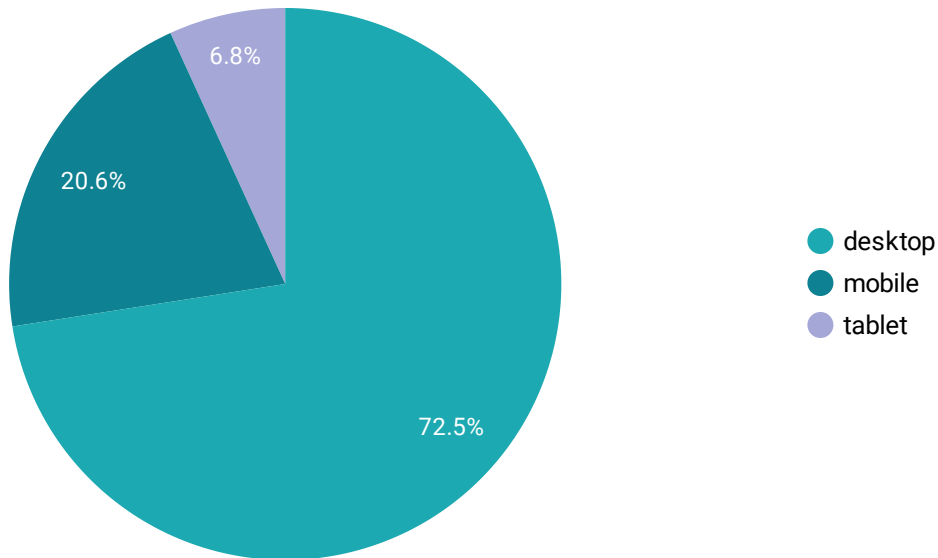
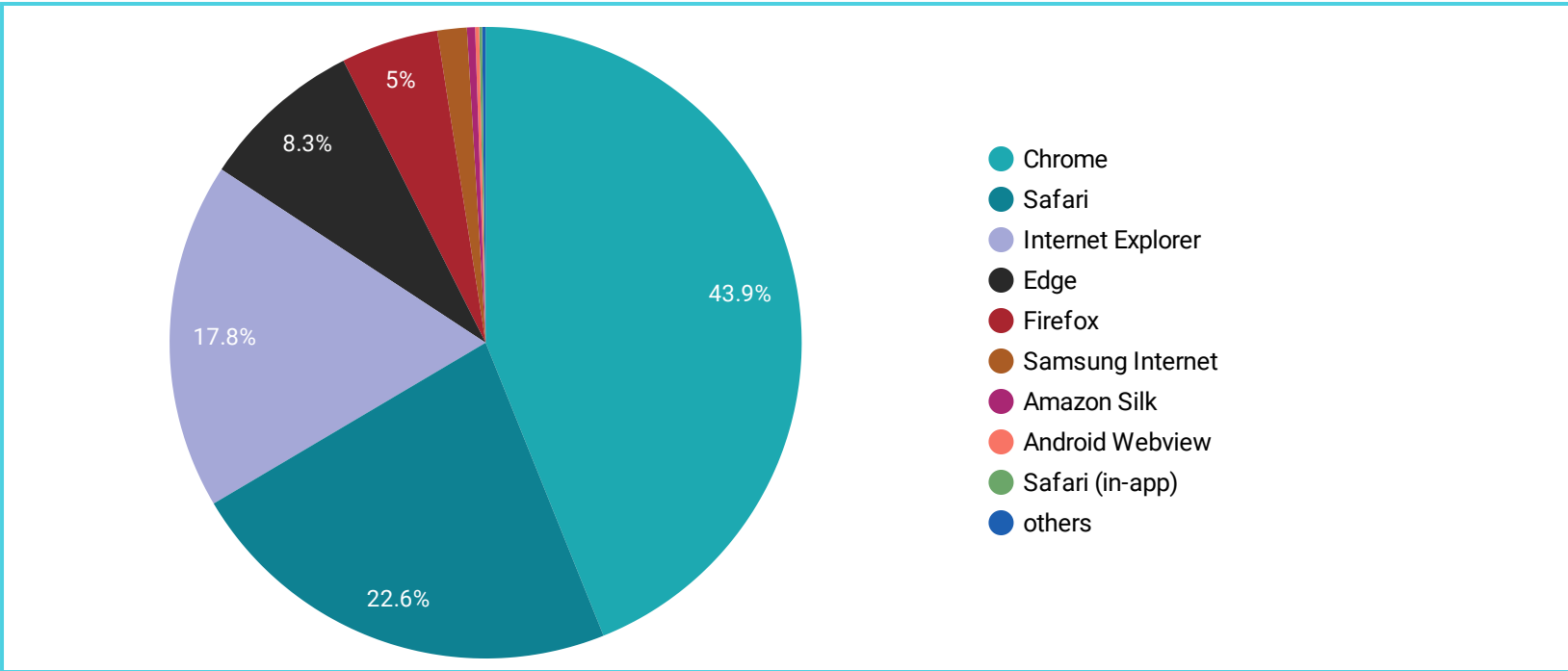
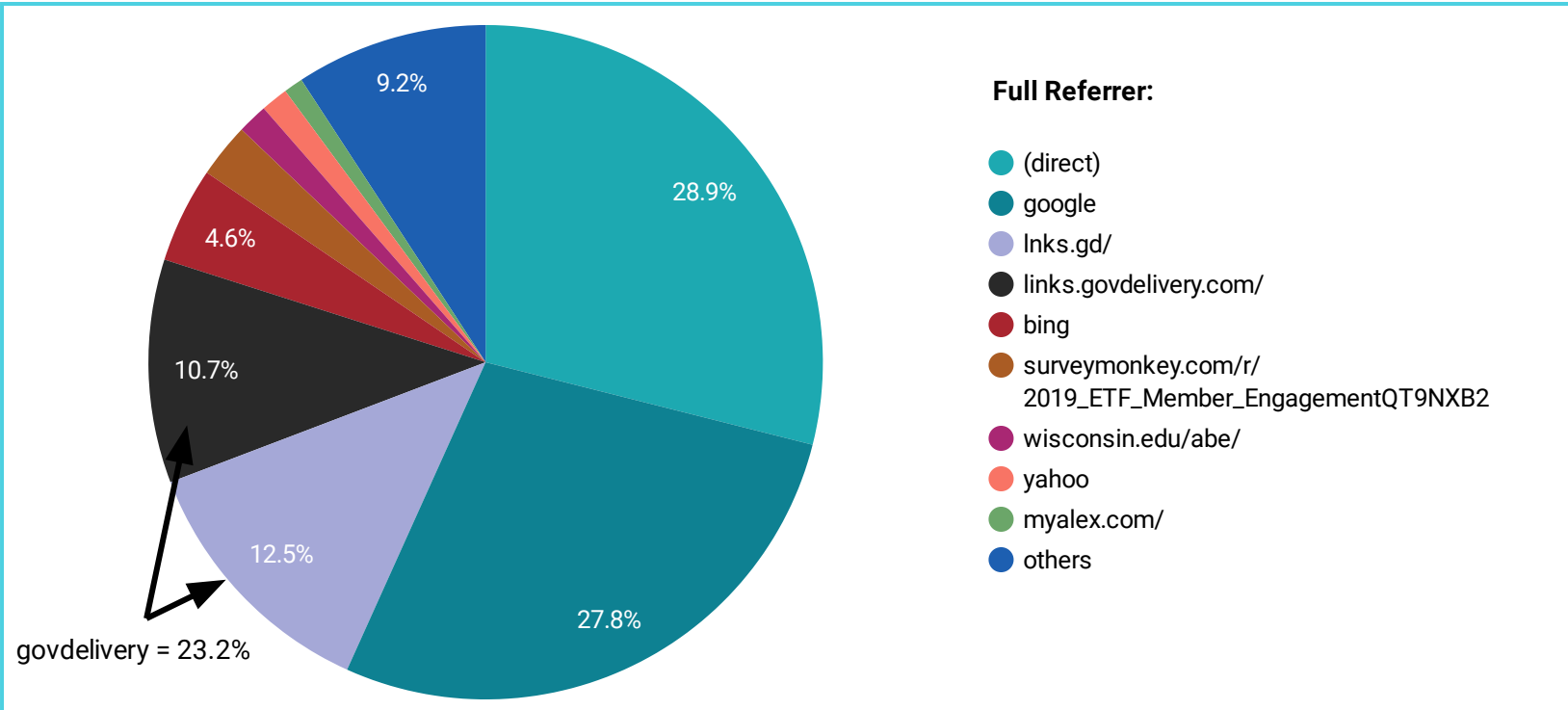
↑ 17.4% from previous 92 days



Source

Where do users come from?

Oct 1, 2019 - Dec 31, 2019



Hot Topics

What were users looking for?

Oct 1, 2019 - Dec 31, 2019

Site search terms indicate how users are looking for information or completing a task.

Site searches:

	Search Term	Total Unique Sea...
1.	additional contributions	74
2.	variable	65
3.	2313	48
4.	life insurance	45
5.	login	35
6.	tasc	33
7.	2331	31
8.	beneficiary	26
9.	forms	26
10.	sick leave	25
		1 - 100 / 3474 < >

Total Unique Searches

5,575



Benefits Available to Me

What are users searching for?

On the [Benefits Available to Me](#) page, users can find their ETF-administered retirement, health, and other benefits by entering their current or last employer.

Legend: (not set) = user error and not tracked by Google Analytics

Users entered for employer:

	Event Label	Total Events
1.	(not set)	13,735
2.	University Of Wisconsin System	12,033
3.	Employee Trust Funds, Dept Of	3,778
4.	Corrections, Dept Of	3,317
5.	Natural Resources, Dept Of	3,127
6.	Transportation, Dept Of	2,988
7.	Uw Hospital Authority	1,833
8.	Health Services, Dept Of	1,657
9.	State of Wisconsin	1,004
10.	Administration, Dept Of	987
		1 - 100 / 6742 < >

After entering employer, users clicked on:

	Event Action	Total Events
1.	Search for Employer	46,909
2.	State Employee & Retiree Health Plan	21,785
3.	Don't See Employer	6,253
4.	WRS Retirement Benefit	2,143
5.	Reset Employer Name Clicked	1,531
6.	Local Deductible Health Plan (PO14)	1,173
7.	Group Life Insurance	1,043
8.	Accumulated Sick Leave	838
9.	Local Traditional Health Plan (PO2)	799
10.	Local Traditional Health Plan (PO12)	619
		1 - 20 / 20 < >

Key Pages

What pages are users viewing and leaving?

Oct 1, 2019 - Dec 31, 2019

Legend: / = home page (etf.wi.gov) **Pages** are indicated by URL address location after home page (etf.wi.gov/_____)

Pages users entered the site from:

	Page Title	Page	Pageviews
1.	Wisconsin Department of Employee Trust Funds ETF	/	104,362
2.	Benefits Available to Me ETF	/benefits-by-employer	53,302
3.	State Employee & Retiree Health Plan ETF	/its-your-choice/2020/state-employee-retiree-health-plan	39,342
4.	Latest Investment Performance ETF	/wrs-performance/latest-investment-performance	38,786
5.	Open Enrollment for 2020 Health Benefits ETF	/news/open-enrollment-2020-health-benefits	32,545
6.	My Info ETF	/my-info	24,161
7.	2020: Health Plan Search ETF	/its-your-choice/2020/health-plan-search/state	20,528
8.	WRS Retirement Benefits Calculator ETF	/retirement/calculators/wrs-retirement-benefits-calculator	20,451
9.	WRS Retirement Benefit ETF	/retirement/wrs-retirement-benefit	19,367
10.	Contact Us ETF	/contact-us	17,775
11.	It's Your Choice 2020 Decision Guide: State of Wisconsin Group Health I...	/resource/its-your-choice-2020-decision-guide-state-wisconsin-gro...	17,562
12.	Benefits Provided by ETF ETF	/benefits/benefits-provided-etf	15,651
13.	Employers ETF	/employers	15,486
14.	Calculators ETF	/retirement/calculators	14,875
15.	Important Changes for 2020 ETF	/its-your-choice/2020/state-employee-retiree-health-plan/important...	13,164

1 - 100 / 43826 < >

Pages users left the site from:

	Page Title	Exit Page	Pageviews
1.	Latest Investment Performance ETF	/wrs-performance/latest-investment-performance	31,587
2.	Wisconsin Department of Employee Trust Funds ETF	/	27,228
3.	WRS Retirement Benefits Calculator ETF	/retirement/calculators/wrs-retirement-benefits-calculator	13,571
4.	Contact Us ETF	/contact-us	11,987
5.	It's Your Choice 2020 Decision Guide: State of Wisconsin Group Health In...	/resource/its-your-choice-2020-decision-guide-state-wisconsin-gr...	8,542
6.	2020: Health Plan Search ETF	/its-your-choice/2020/health-plan-search/state	8,386
7.	Benefits Available to Me ETF	/benefits-by-employer	8,152
8.	Meet ALEX! ETF	/its-your-choice/2020/state-employee-retiree-health-plan/health-in...	7,917
9.	Wisconsin Deferred Compensation Program ETF	/retirement/wisconsin-deferred-compensation-program	7,262
10.	Calculators ETF	/retirement/calculators/wrs-retirement-benefits-calculator	6,962
11.	Benefits Available to Me ETF	/its-your-choice/2020/state-employee-retiree-health-plan/health-in...	6,541
12.	My Info ETF	/my-info	6,174
13.	Wisconsin Department of Employee Trust Funds ETF	/contact-us	4,894
14.	ETF Web Applications for Employers ETF	/employers/wisconsin-retirement-system/etf-web-applications-em...	4,872
15.	Enrollment Information ETF	/its-your-choice/2020/state-employee-retiree-health-plan/pre-tax-s...	4,702

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Site Performance

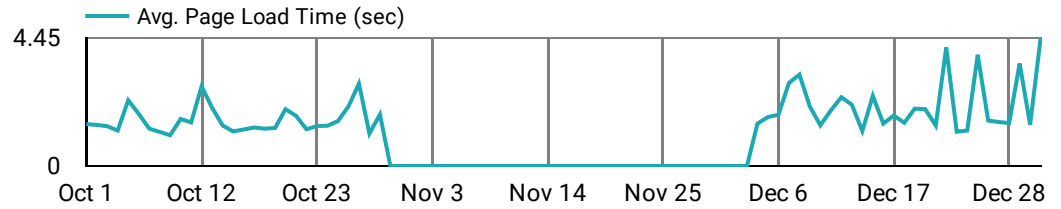
Oct 1, 2019 - Dec 31, 2019

How quickly are pages loading?

Avg. Page Load Time (sec)

1.57

⬆️ 3.2% from previous 92 days



Key Terms and Definitions

Site Impact

Users: a person who has visited and interacted with the site

Pageviews: the recorded number of times a page is viewed by a user during the reporting period

Unique Pageviews: the number of pageviews by a user during a session

Sessions: a series of pageviews that a single user makes during a period of web activity. The session ends after the user either closes the browser, clears cookies, or is inactive for 30 minutes

Engagement

The number of pages users have viewed per session and how long they were on the site.

Bounce Rate: the number of users who viewed one page and left the site

Avg. Session Duration: the amount of time users are spending on the site

Pages/Session: the average number of pageviews in each session

Source

Tracking how users come to the site and what type of device they use.

Full Referrer: an external site or application that directed the user to our site

Organic Search: users came to the site by entering terms into a search engine

Referral: users came to the site from a link on another website

Direct: users came to the site from an external direct link