

The background of the slide is a collage of three images. The top left shows three firefighters in full gear, smiling. The top right shows a close-up of a smiling female police officer in uniform. The bottom left shows a man and a woman looking at a document together.

# Wisconsin Deferred Compensation Program Display of WRS Pension Estimates

Item 6E – Employee Trust Funds Board

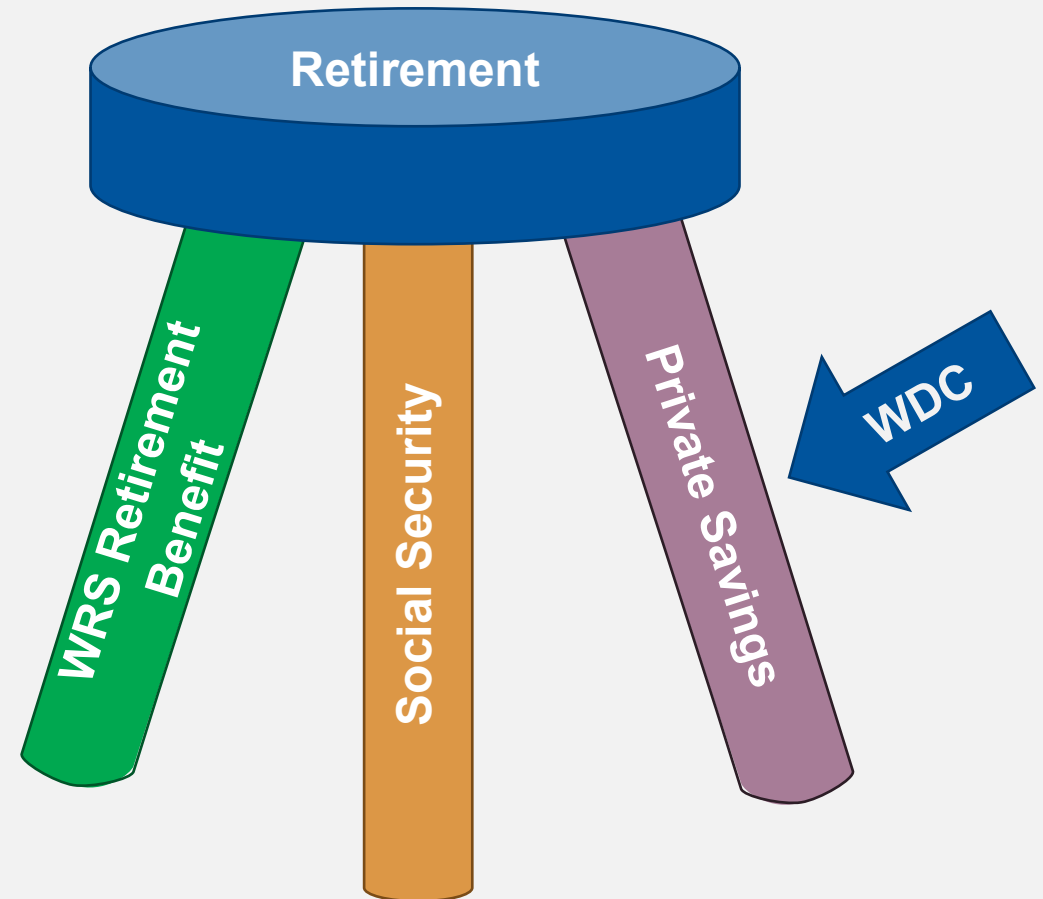
Shelly Schueller, Director

Wisconsin Deferred Compensation Program



# Retirement is a Three-Legged Stool

- Supplementary retirement savings are an important component of retirement preparation
- Public employees in Wisconsin can use the Wisconsin Deferred Compensation Program (WDC) to save



# Most Employees Need to Save More

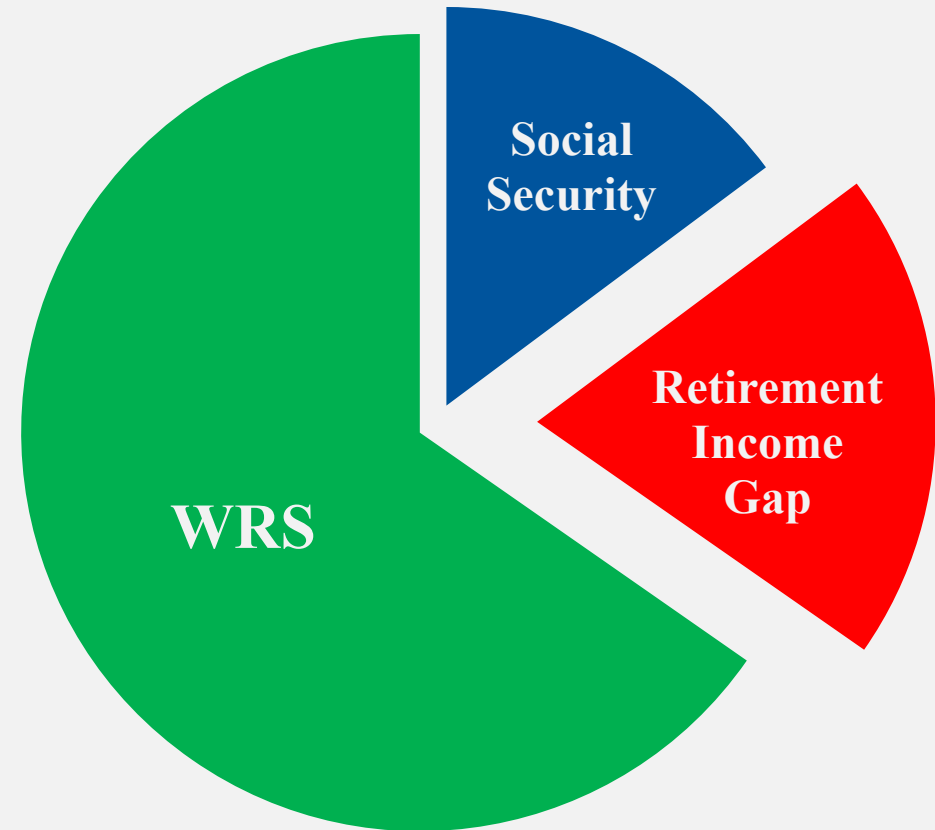
**Retirement Income Needed = 80-90%**

WRS may pay: 40-60%

Social Security may pay: 20% or less

**Retirement “Gap” = 10-40%**

The WDC enables Wisconsin public sector employees to easily save more for their retirement



# The Wisconsin Deferred Compensation Program (WDC)

- 7th largest s. 457 plan in the United States (*P&I*, 2/8/21)
- As of December 30, 2020:
  - Over 900 local employers offer the WDC to their employees
  - 67,000 participants (39,000 state and 28,000 local) hold more than \$6.4 billion
- Established in 1982
- No state funds used for administration of the WDC
- Oversight by the 5 member Deferred Compensation Board, which provides policy direction and program oversight including selecting and monitoring investment options, setting participant fees, approving contracts for administrative services and audits, and hearing participant appeals

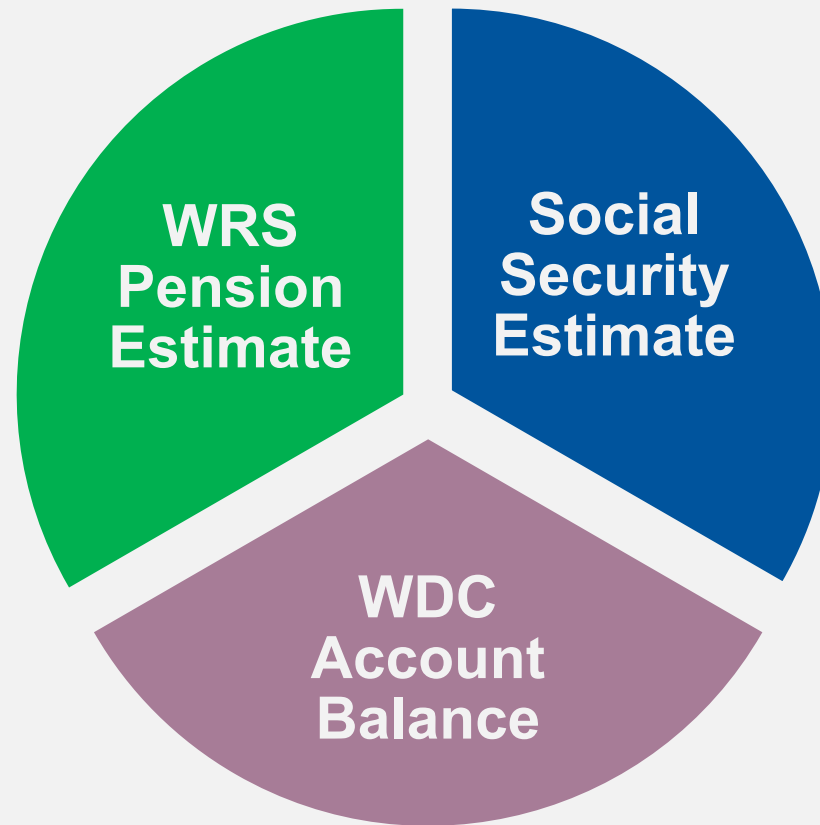


# The WDC at a Glance



- Authorized under s. 457 of the federal tax code
- Convenient payroll deduction
- Tax deferred and Roth (pre-tax) options
- Maximum contribution of \$19,500 or 100% of compensation in 2021
- Catch-up provisions for those nearing retirement
- Flexible distribution options
- No early withdrawal penalty (considered ordinary income in year distribution received)
- Portable among qualified plans: roll \$ in or roll \$ out of another 457, 401(k), 403(b) or traditional IRA
- May use WDC to purchase WRS forfeited and qualifying service

# Pilot to Display Primary Retirement Income Sources

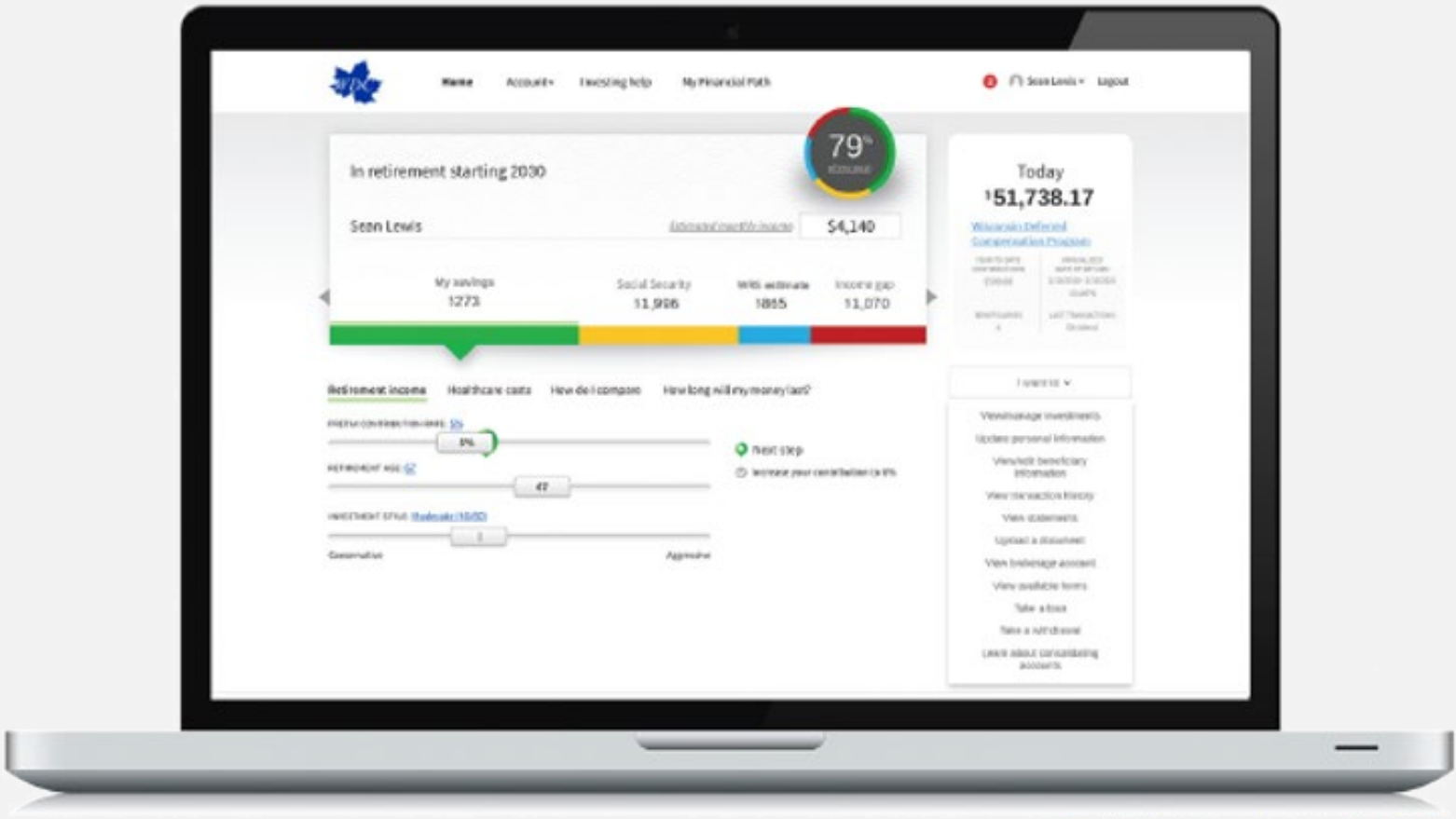


# 2020 Pilot



- **7 employers**
- **1,000 employees**
- **Data visible during 10-week pilot window**
- **Participant data** to capture anonymous demographics, and changes in behaviors and actions
- **Participant satisfaction** measured via pre- and post-pilot surveys

# WDC Participant View During Pilot



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# Pilot Results

- **47%** of pilot participants went online and reviewed their WDC account data
- **58%** of post-pilot survey respondents adjusted the sliders on their WDC website account to make a change in their contribution, planned retirement age or mix of investments
- **92%** of post-pilot survey respondents indicated they would like to continue to see their WRS pension estimate included with their WDC account information
- **Pilot participants engaged with their retirement planning:**
  - **13%** made deferral changes during the pilot
  - **10%** met with their WDC retirement plan advisor to discuss their retirement income and plans
  - **10%** increased their savings deferral amounts
  - **4%** made asset allocation changes
  - **3%** signed up to have their assets rebalanced on a regular basis

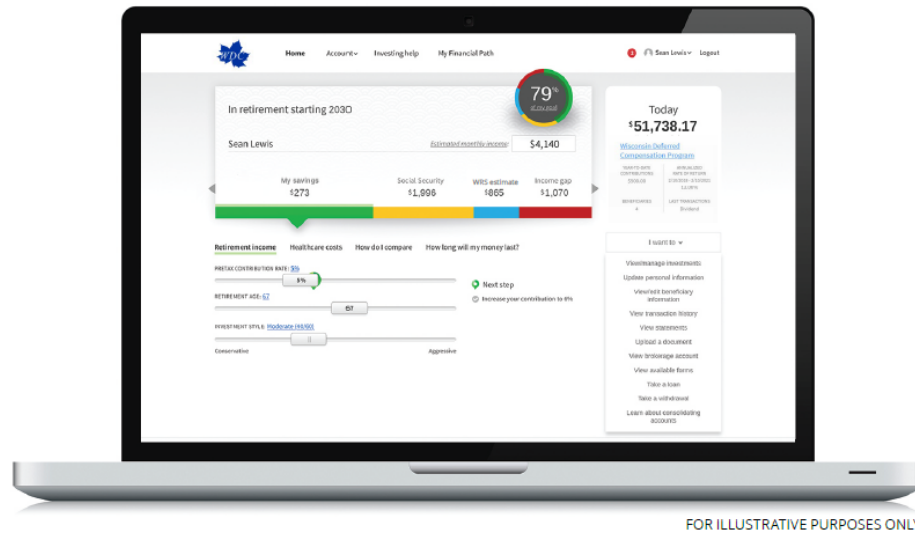
# Next Steps



Helping You Turn  
Over a New  
Retirement Leaf

## New WRS estimate feature

Your Wisconsin Deferred Compensation Program (WDC) account now includes a Wisconsin Retirement System (WRS) pension benefit estimate, so you can see your whole retirement picture all in one place. Log in to see your updated estimated retirement income and track your progress towards your retirement goals.



- WDC will share active participant list with ETF
- After the 2021 Statement of Benefits process is done, ETF will link the “for annuitant’s life” WRS Pension Estimate for vested members to the WDC active participant list
- WDC will populate WRS Pension Estimate data and make feature known to participants
- WRS Pension Estimate data will be updated annually
- Participants can opt-out

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

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# Thank you

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