



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
 A. John Voelker  
 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:** August 25, 2022

**To:** Employee Trust Funds Board  
 Teachers Retirement Board  
 Wisconsin Retirement Board

**From:** Anne Boudreau, Deputy Administrator  
 Division of Retirement Services

**Subject:** Customer Service Improvements and Trends

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

This document provides information about current activities in the Division of Retirement Services, including workload demand, customer use of self-service options, and process improvement projects.

**Workload Demand**

- **Retirement Estimates, Applications, Annuities Started**

The number of retirement estimate requests and the number of retirement applications both decreased in the second quarter in 2022, as compared to the same quarter in 2021.

	2021	2022	Change
<b>Q2</b>			
Retirement Estimates Requested	7,265	6,169	-15.1%
Retirement Applications Received	5,535	5,362	-3.1%
Retirement Annuities Started	3,789	4,017	+6.0%

Comparing the second quarter of 2022 to the second quarter of 2021, the average turnaround time for a retirement estimate doubled, increasing from four days to eight days. This is due in part to position vacancies and to shifting more staff toward providing

Reviewed and approved by Matt Stohr, Administrator, Div. of Retirement Services  
 Electronically Signed 9/7/22

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member appointments, which numbered 1,137 in the second quarter. Of those, 56% were scheduled by the member via the appointment scheduler on our website. The other 44% were scheduled by staff when the member called ETF.

- **Customer Service - Members**

Call volume was higher in the second quarter of 2022 as compared to the same quarter in 2021.

	<b>2021</b>	<b>2022</b>	<b>Change</b>
<b>Q2</b>			
Calls	47,511	52,312	+10.1%
Email	4,303	4,679	+8.7%
Total	51,814	56,981	+10.0%

The average speed of answer in the second quarter of 2022 was 3 minutes and 36 seconds, compared to 1 minute and 57 seconds in the second quarter of 2021. This is not surprising given the rise in call volume during the second quarter of 2022. The increase in call volume is largely due to two items: federal income tax withholding changes and health insurance provider changes.

### **Process and Customer Service Improvements**

Here is a sample of key improvements in the business areas this quarter.

- Customer Service Improvements

**Additional Contributions.** ETF has a new video on its website to educate members about their option to make additional contributions to their own account with post-tax dollars. These dollars are tracked separately from required employer and employee contributions. Additional contributions are an often-overlooked way for a member to enhance their retirement income. Contributions may be made directly to ETF by using the e-Payment option on the ETF website, or by check or money order. Many WRS employers also offer a payroll deduction option, which is a way to spread out contribution amounts into manageable and consistent contributions. This provides members an easy path to a more successful and financially stable retirement. A member must still be actively working in a WRS-covered position to make additional contributions. Last year about 2,200 active members made voluntary additional employee contributions. This was 18% more than the year before.

**Sick Leave.** ETF has also significantly improved the sick leave program content on its website.

The Accumulated Sick Leave Credit Conversion Program allows state employees to convert unused sick leave to credits to pay for State Group Health Insurance Program

premiums during retirement. This is a valuable benefit for members, but a complicated program. Members frequently struggle to understand eligibility rules and requirements.

ETF's Office of Communications, Office of Strategic Health Policy, and Division of Retirement Services joined forces to simplify program information and to centralize related resources in a landing page on ETF's website. Also, while sick leave program information used to be combined for members and employers, each group now has a separate landing page, which allows information to be customized in a much more effective manner.

The member page includes basic eligibility information, links to related forms and brochures, and tiles that lead members to take action, such as saving sick leave, projecting the value of future credits, and using credits to pay for health insurance premiums after retirement. Resources include short (less than 10 minutes) videos to engage and educate members.

The employer page explains the employers' roles and responsibilities, provides training videos, and answers common questions.

- Process Improvements

**Assumed Rate.** ETF implemented a new assumed rate as recommended by GRS in the *WRS Three-Year Experience Study* and as approved by the Employee Trust Funds Board at its December 2021 meeting. The change reduced the assumed rate from 7.0% to 6.8%. This project involved about 20 staff—both technical and operations staff—to identify, implement, and validate system changes. The changes include updates to option conversion and money purchase factors, and to multiple system-generated forms. The new assumed rate was successfully implemented on August 3.

**Tax Withholding.** ETF made significant changes to ETF systems and processes, as well as to member information, in order to comply with an Internal Revenue Service change in how federal taxes are withheld from annuity payments. A fixed amount for federal withholding is no longer allowed.

ETF notified 13,000 retirees who had fixed federal withholding amounts and explained the need to make a change. ETF handled more than 1,500 calls regarding this change and processed approximately 9,000 forms as members filed new elections. For those members who did not take action, ETF converted their federal withholding to a default of married with three exemptions.

This project also includes changes to several ETF computer systems, the external-facing Income Tax Withholding Calculator on ETF's website, staff training materials and work procedures, and several member forms including the *Retirement Benefit Estimate and Application* form—which has a section for members to make tax withholding elections. This project is scheduled to be completed in December 2022.

**Payments to Trusts.** ETF updated its Benefit Payment System to allow electronic deposit of death benefit annuities payable to trusts. A few years ago, the move to multi-factor confirmation of electronic deposits broke this functionality for deposits to trusts. A paper check was the only method of delivery for these benefits. This system change resolved the issue so that now monthly annuity payments to established trusts can be made via electronic deposit.

**Annuity Calculations.** ETF consolidated the annuity calculation function within a single operational area. The vast majority of annuity calculations were being done by staff in the Benefit Initiation Section. A small subset of disability retirement annuity calculations was being done by staff in the Disability Programs Section. The advantages of moving the disability retirement calculations into the same unit that does regular retirement annuity calculations include aligning resources to processes, reducing duplication of effort, and adding more cross training of staff. Cross training increases the number of staff available to do all types of annuity calculations.

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