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Correspondence Memorandum

Date: February 22, 2023
To: Employee Trust Funds 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. As noted in our Strategic Plan, we strive for an improved customer experience. Customer experience differs from customer service. Customer service is only one part of the customer experience, and it aims at a more comprehensive and customized consideration of what each member and employer wants or needs. A presentation regarding our customer experience initiative will be presented at a future Board meeting.

For this report we are using as our data source the North Star Dashboard that was demonstrated at the September 2022 meeting. The Appendix includes excerpts from Dashboard and the data is not only used for reporting but for analysis to monitor and enhance benefit administration operations. There are some differences in data between the Dashboard and the queries we had been using. In the process of using the Dashboard, we were able to learn more about the data we have and able to use targeted date ranges to achieve more precision and quality analysis and reporting.

Workload Demand

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

Lump-sum retirement benefits are new to this report. These are payments made to the member when their account was not large enough to produce a monthly annuity or was in the range where the member had a choice of a lump sum or annuity. If an account produces an annuity of \$502 or more per month, the member may not take a lump sum

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and must take a monthly annuity. This dollar amount is set by statute and indexed each year. The goal here is retirement income.

Comparing the fourth quarter of 2022 to the same quarter in 2021, the number of retirement estimate requests, applications, new annuities, and retirement lump-sum benefits all decreased. The reason is a combination of two factors. First, a large number of teachers retired during 2020 and 2021, some of whom would have retired during 2022. Second, 2022 shows a *percent decrease as compared to 2021*, but the *numbers* are in line with what we would expect to see in a more typical year.

	2021	2022	Change
Q4			
Retirement Estimates Requested	5,212	4,726	-9.3%
Retirement Applications Received	3,268	2,862	-12.4%
Retirement Annuities Started	1,496	1,438	- 3.9%
Retirement Lump Sums Paid	706	672	-4.8%

Comparing the fourth quarter of 2022 to the fourth quarter of 2021, the average turnaround time for a retirement estimate increased from 4.2 day to 5.4 days. This is due to some staff vacancies and a shift of more staff time to member appointments.

The number of retirement estimate requests, applications, and lump-sum retirement benefits all decreased from 2021 to 2022. New annuities increased slightly. The significant decrease in lump-sum retirement benefits has been occurring since 2020, when ETF paid out 6,170 lump sum retirement benefits. This is likely due to two factors: ETF successfully located more “lost” members during 2020 and the first half of 2021, resulting in located members taking their benefits in 2020 and 2021, and inactive members were more likely to cash out their account during that same time frame. We continue to look for ways to stay current with inactive members’ contact information to maintain a balanced volume and related workload year over year.

	2021	2022	Change
Year			
Retirement Estimates Requested	25,764	23,765	-7.8%
Retirement Applications Received	15,537	14,419	-7.2%
Retirement Annuities Started	10,564	10,907	+3.2%
Retirement Lump Sums Paid	3,854	2,892	-24.9%

Comparing 2022 to 2021, the average turnaround time for a retirement estimate increased from 4.2 days to 7.4 days. The volume of requests was similar during the last two years, however, two factors skewed the turnaround time in 2022. First, the volume of retirement estimates in the first quarter was quite high, so this increased the turnaround time. Second, the demand for appointments was so high we shifted more staff from producing estimates to meeting with members. This further increased turnaround times on estimates in the first quarter, skewing the average for the year.

- **Customer Service - Members**

Call volume increased in the fourth quarter of 2022 as compared to the same quarter in 2021.

	2021	2022	Change
Q4			
Calls	41,752	50,361	+20.6%
Email	4,589	5,068	+10.4%
Total	46,333	55,429	+19.6%

The average speed of answer in the fourth quarter of 2022 was 5 minutes 45 seconds, compared to 2 minutes 34 seconds in the fourth quarter of 2021. This significant increase is not surprising given the increase in call volume during the fourth quarter of 2022—due primarily to the *It's Your Choice* open enrollment period for health insurance and the loss of WEA Trust as a provider. That affected more than 55,000 members.

Call volume increased in the year 2022 as compared to the year 2021.

	2021	2022	Change
Year			
Calls	173,013	201,055	+16.2%
Email	19,059	20,281	+6.4%
Total	192,072	221,336	+15.2%

The average speed of answer in the year 2022 was 4 minutes 53 seconds, compared to 2 minutes 40 seconds in the year 2021. This significant increase is not surprising given the increase in call volume during the year 2022. Some of the causes of the large increase in call volume were *It's Your Choice* and the loss of WEA Trust as a provider, changes to tax tables, and IRS changes to Form W-4P and to how it collects taxes on pension payments.

Customer Service and Process Improvements

Improved Employer Resource Information. Health insurance and the accumulated sick leave conversion program are frequent sources of confusion for employers. ETF's Office of Strategic Health Policy and the Employer Services Bureau are publishing an update to the *State Agency Health Insurance Standards, Guidelines and Administration Employer Manual* and to the *Local Employer Health Insurance Standards, Guidelines and Administration Manual*. Staff worked to add common employer questions and concerns and updated content due to legislative changes.

At the same time, ETF is publishing a new *State Sick Leave Employer Administration Manual*. The sick leave chapter will be removed from the *State Agency Health*

Insurance Standards, Guidelines and Administration Employer Manual and recreated in a separate manual to aid employers. The new *Sick Leave Employer Administration Manual* will be a comprehensive guide to the State sick leave program.

Return to Outreach. ETF has resumed outreach travel, which was suspended during the pandemic. This means a return to employer-sponsored sessions and in-person small group retirement appointments hosted at various locations around the state.

The employer-sponsored sessions are offered at the request of an employer, held at employer's work site, and customized for employer's staff. There is no limit on the number of attendees, but they must work for that specific employer.

See the Office of Communication memo for more detail about the in-person small group retirement appointments and early survey results from members who have participated.

Direct and Automatic Data Transmission to Member Files. In March 2022 we demonstrated OnBase, ETF's new enterprise content management system. Improvements included faster imaging of documents to member files and better reporting. ETF has now implemented one additional feature, which is the COLD process (*Computer Output to Local Disk*). The COLD process means automatic, direct transmission of electronic member transaction data from legacy systems to member files in OnBase. Previously, we would have taken many electronic documents from one system, printed these on paper, then turned around to scan them into the member's file.

To understand the significance of this improvement: ETF produces about 25,000 retirement estimates per year. Each one had to be printed on paper twice. One copy was mailed to the member. The other copy was carried to ETF's Records unit, where staff scanned each paper document into the member's file. With COLD, the file copy remains electronic and is instantly added to the member's file.

Retirement estimates are just one example. ETF estimates that approximately 70,000 fewer documents will need to be printed and can instead be added directly to the member's electronic file. This will result in big savings of staff labor and paper.

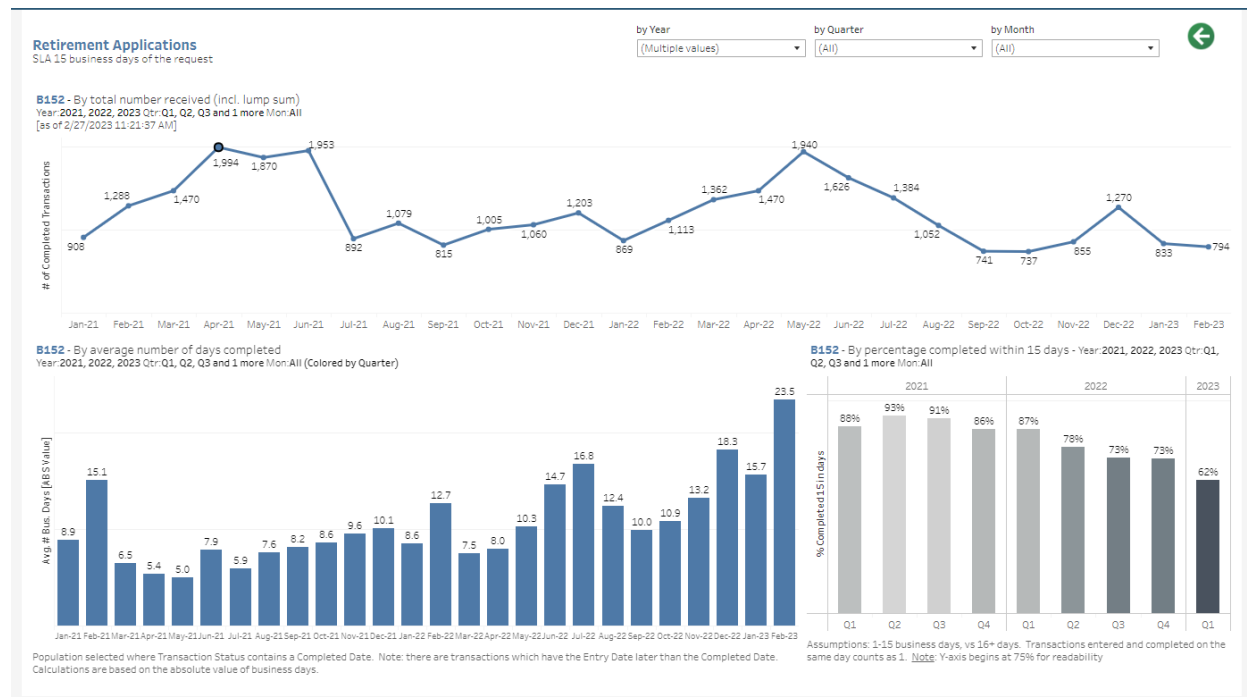
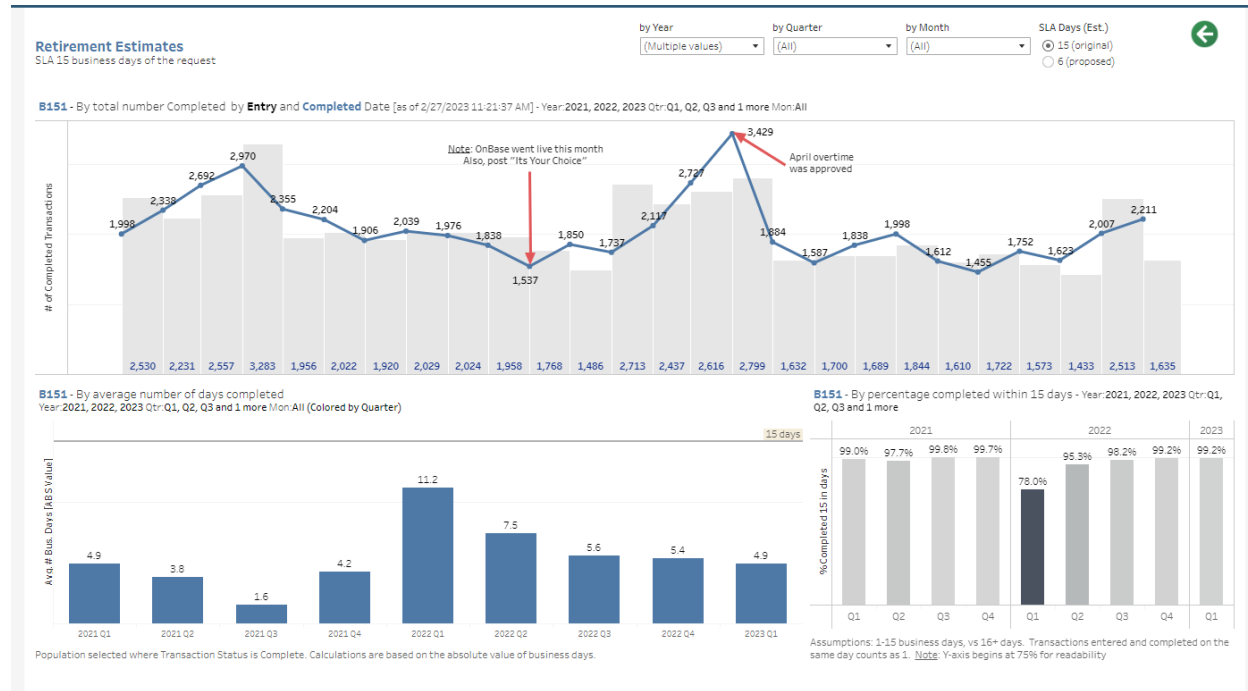
More Accurate Death Information. At the last Joint Meeting, we were about to implement a new death match service, provided by Pension Benefit Information. The implementation has been completed, and we are monitoring the results of this new service.

This CertiDeath service includes more frequent reporting (every week) and a validation of dates of death so that errors are minimized and ETF staff do not have to spend a lot of time doing further research to confirm each death.

The result is constant monitoring of all annuitant accounts, so that ETF is more quickly aware of member or named survivor deaths and can prevent overpayments.

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

APPENDIX



Customer Service Improvements and Trends

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