

# Pension Administration System Modernization Project

Item 4B – Employee Trust Funds Board

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# Informational Item Only

No Board action is required.

# Agenda

- Background
- Benefits of a Modern Pension Administration System
- Future State
- Next Steps
- Q&A

# Background

# ETF Serves



1,607

state and local  
government units  
throughout Wisconsin



265K

public employees in  
Wisconsin's state agencies,  
Universities of Wisconsin,  
technical colleges and  
school districts, cities,  
counties, and local units of  
government



190K

former public  
employees with  
deferred benefits



237K

annuitants (retirees,  
disability recipients and  
beneficiaries)

As of 12/18/2024

# ETF Pension Administration Systems

- ETF Administered Benefits:
  - Retirement
  - 40.63 Disability Retirement
  - 40.65 Duty Disability
  - Separation
  - Death
  - Survivor Continuation

# Current State

- There are 15 siloed legacy systems and sub-systems and multiple databases to manage pension administration activities
- These systems support eligibility determinations, enrollments, payroll, billing, reporting and reconciliation, and customer service functions
- Current legacy systems annually process:
  - Millions of member and employer transactions that impact \$128 billion in trust funds administered by the agency
    - In 2023, annuitant benefit payments were over \$7 billion

# Benefits of a Modern Pension Administration System



# People

## Member Experience

- Increase member self-service through an online and on demand platform
- Increase transparency in benefits and business processing
- Increase accessibility

## Employer Experience

- Improve reporting
- Improve reconciliation

## ETF Staff Experience

- Streamline work
- Reduce manual calculations and audit
- Reduce manual workarounds

# Process

Redesign business processes to be more efficient and reduce complexity

Reduce the risk of not being able to meet business objectives

Reduce manual calculations and the need for auditing

Decrease manual workarounds

Improve customer experience

# Technology

## Increase system reliability, flexibility, and security

- Decrease compliance issues related to updates to state and federal regulations
- Protect sensitive member data

## Reduce risk of system failure and incidents

- Decrease costs related to system incidents
- Decrease the need for specialized, difficult to obtain, legacy developers
- Reduce the complex support structure and technical knowledge needed to manage the existing legacy systems

# Data



Provide centralized member and employer single source of truth data



Decrease siloed systems that were not designed to communicate with each other



Increase trust in data quality



Improve reporting with robust analytics

# Future State

# Commercial Off-the-Shelf Software (COTS) Pension Administration System

- Supports eligibility determinations, enrollments, payroll, billing, reporting and reconciliation, and customer service functions
- Goal is to integrate with our newest modern technologies:
  - OnBase – Enterprise Content Management System
  - MDM – Master Data Management System
  - My Insurance Benefits – Insurance Administration System

# Next Steps

# Proof of Concept (POC)

## Proof of Concepts with two vendors:

- TELUS Health
- Heywood Limited

## Starting Sept 29th

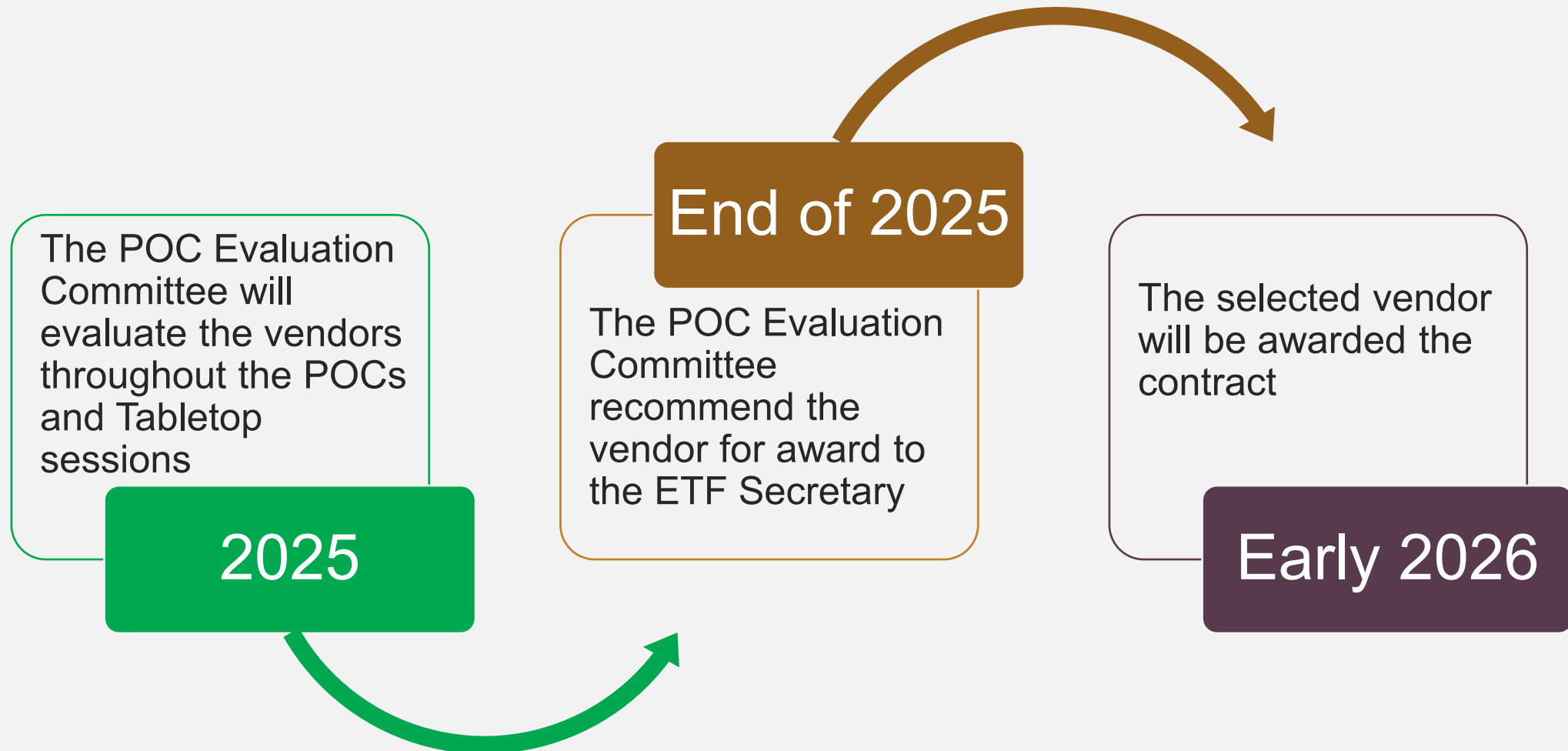
- POCs will take place over an 8-week period

## The goal of the POCs:

- To determine if the vendor can meet ETF's business needs
- Product fit, technology fit, vendor expertise and methodology, requirements to specification, functional delivery and validation
- To determine the team fit
- Collaboration and communication



# Final Selection



# Project Kick-off & Implementation

Spring/Summer 2026

- Project kick-off with the awarded vendor

The project will include:

- Requirements validation
- Design discussions
- Configuration and build
- Documentation
- A lot of testing

5-7 years

- Depending on the selected vendor, the project is expected to take between 5 and 7 years

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# Questions?

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# Thank you

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