



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: March 1, 2021

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

From: Anne Boudreau, Deputy Administrator
 Division of Retirement Services

Subject: Retirement and Customer Service Update

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 feedback, and process improvement projects.


Workload Demand

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

The number of retirement estimate requests decreased, and the number of retirement applications increased in the fourth quarter in 2020, as compared to the same quarter in 2019.

	2019	2020	Change
Q4			
Retirement Estimates Requested	6,160	5,385	-12.6%
Retirement Applications Received	3,195	3,467	+ 8.5%
Retirement Annuities Started	1,344	2,145	+59.6%

Comparing the fourth quarter of 2020 to the fourth quarter of 2019, the average turnaround time for a retirement estimate remained the same at six days.

Reviewed and approved by Matt Stohr, Administrator, Div. of Retirement Services
 Electronically Signed 3/9/21

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Looking at the year, the number of retirement estimates requested, the number of retirement applications received, and the number of retirement annuities started all increased significantly in 2020 as compared to 2019.

	2019	2020	Change
YEAR			
Retirement Estimates Requested	25,765	28,722	+11.5%
Retirement Applications Received	14,412	17,536	+21.7%
Retirement Annuities Started	10,173	10,736	+ 5.5%

In previous reports I have talked about the “Missing Members Project.” The Member Services Bureau is searching for inactive members with whom the Department of Employee Trust Funds (ETF) has lost contact. This project has resulted in substantially more than the usual retirement estimates and applications. This is driving part of the spike in retirement estimate requests and retirement applications, because the initial focus of that project has been on members who are at minimum retirement age or older.

Removing these numbers—which are on top of normal retirement “traffic”—we can see a more accurate picture of actual retirement estimate requests and applications.

	2019	2020	Change
Adjusted Totals – full year			
Retirement Estimates Requested	25,765	24,299	- 5.7%
Retirement Applications Received	14,412	14,748	+ 2.3%

- **Deaths**

We have also been seeing an increase in the number of member deaths, which we believe to be caused at least in part by the pandemic.

Deaths – full year	2019	2020	Change
Annuitant	5,089	5,821	+ 14.4%
Non-annuitant	1,190	1,104	- 7.2%
TOTAL	6,279	6,925	+ 10.3%

Of those deaths that result in a new or continuing annuity (as opposed to a lump-sum benefit or no benefit), it is typical that about 81% continue to a named survivor, about 15% are guaranteed payments continuing to a beneficiary, and about 4% are new annuities paid to a beneficiary due to the death of a *non*-annuitant member. During the fourth quarter of 2020, the percentage of annuities continued to a named survivor was closer to 87%. This makes sense given the significant increase in annuitant deaths combined with the decrease in non-annuitant deaths.

ETF does not track the *cause* of death for each member because it would be labor-intensive and is not typically relevant to the death benefit payment process. Only in the case of homicide would ETF take action based on the *cause* of death, because someone who causes the “intentional and unlawful” death of the member may not benefit from their crime.

The Wisconsin Retirement System (WRS) group life insurance administrator, Securian, does track this information and its data is of interest in the middle of this pandemic.

Among those members who carry WRS group life insurance, the number of deaths attributable to COVID-19 are shown in the following charts.

Class	Number of Deaths
Active	16
Retiree	219
Spouse/Dependent	12
Total	247

Male	151
Female	96
Total	247

Renee Walk, Lead Policy Advisor in ETF’s Office of Strategic Health Policy, provided additional background: “In addition to COVID-19 specific deaths, Securian reported an increase in deaths across the board; they attribute this to deaths caused by missed treatment opportunities, care avoidance, and deaths of despair due to isolation and economic hardship. Increased death has occurred for both active employees and retirees, but the rate of increase is more significant for retirees.”

- **Calls**

Call volume was lower in the fourth quarter of 2020 as compared to the same quarter in 2019.

	2019	2020	Change
Q4			
Calls	47,417	43,852	-7.5%
Email	4,079	4,582	+12.3%
Total	51,496	48,434	-5.9%

The average speed of answer in the fourth quarter of 2020 was 2 minutes and 22 seconds, compared to 1 minute and 42 seconds in the fourth quarter of 2019. This was due to two staff vacancies in the call center, higher email volume, and longer talk times.

As mentioned in previous reports, we have noticed many more members using email to communicate with ETF. On average it takes staff about 7 minutes to respond to an email versus a little more than 5 minutes to handle a call.

The longer talk times are due to more members wanting to go over their whole retirement application by telephone rather than booking an appointment for this purpose. The average talk time for all of 2019 was 5 minutes, 20 seconds. In 2020, that increased to 5 minutes, 50 seconds.

Customer Feedback—Compliments for Staff

Here are a few of the compliments staff received during the fourth quarter of 2020:

Lisa A. called with questions about her *Annual Statement of Benefits*. She called back to speak with a supervisor and said,

I was so very happy with the service Eric provided, and wanted you to know this. He was professional, helpful, and enthusiastic. I am a Quality Improvement Specialist, so I know what A1 service should look like. Eric met the criteria!

Kim K. had a compliment for ETF staff in general. She said,

Everything that I've heard about ETF is completely true. You all make everything so easy to understand, hold our hands as we walk through the process and make sure that we're taken care of in retirement. Not everyone has it as lucky as those of us who retire with the WRS, thanks to ETF.

Denise J. called to ask a lot of questions about the differences between regular retirement and disability retirement. She said,

I was so thankful for all of the information Tasha provided. She really knows her stuff! She did a great job of explaining the information in a way that I could understand. She was so patient and gave me her full attention.

The WRS agents at two of our local employers also had compliments for staff. The first WRS agent said,

I really appreciate working with Nancy. This was my first year as a WRS agent and I had so many questions. Nancy was extremely helpful to me in answering those and also walking me through various examples. Not only during the annual reconciliation process, but over the last year, Nancy has shown a positive and helpful attitude. She is ready to assist me with whatever question or situation I have encountered. She is truly an asset to ETF.

The second WRS agent said,

Our case manager, Michelle, is always quick to respond to questions and inquiries while watching our account to keep us current. I love her regular email reminders. And because she explains not only the "how" but the "why," we really

have our Annual Reconciliation process down to a science and have been able to clean up our account, which was a real mess. Even with all of her clients, Michelle somehow always remembers me when I call!

Process Improvement Projects

Service Purchases – Other Governmental Service

Active WRS members who earned non-WRS service from a public employer may be able to purchase WRS creditable service for that employment if specific conditions are met. Other governmental service (OGS) could include service performed for another state's government or for the federal government, service performed inside of Wisconsin for employers that did not participate in the WRS or that excluded specific employment categories during the time service was performed, or certain service performed in the military. There are a number of other eligibility requirements, such as, the member may not be receiving a benefit elsewhere based on that same service he/she wishes to purchase.

For all of these kinds of service, there would not have been any employer contributions made for the member to the WRS. Therefore, an eligible member would bear the full cost of the benefit increase and would essentially pay both the employee and employer contributions to fully fund the benefit from an actuarial standpoint. This means that the benefit can be quite expensive. A member may decide to purchase all or some of the OGS.

In the past, the Member Services Bureau staff would mail an estimate with a brochure explaining eligibility and the process of making an OGS purchase. When the member received this information, they would either immediately change their plan (too expensive) or they would call with questions. Those questions would go to the Division of Trust Finance staff, who processed the applications. This was inefficient since ETF was producing estimates for members who had no idea of the cost of OGS, and members were calling the Division of Trust Finance with questions about the impact on their retirement benefit. Those questions belonged with Member Services.

In the new process, Member Services staff contact the member by telephone prior to preparing a service purchase estimate. Staff explain the cost of OGS, the potential impact on the member's benefit, the return on their investment, and the option for making additional contributions to enhance retirement benefits as an alternative to the purchase of OGS.

The new process results in better educated members, a more efficient use of agency resources (avoiding production of unnecessary OGS estimates, moving member education to Member Services), and higher member satisfaction.

New Division-wide Training Curriculum

The Division of Retirement Services (DRS) has a relatively new training coordinator position dedicated to managing the training of new and existing staff at the division level. Previously each section or bureau determined its own training plan.

The training coordinator has developed a robust new curriculum for training new staff so that they receive a broader, more holistic understanding of DRS functions and goals. The curriculum is set up in a way to provide base training, plus additional training modules that supervisors can select for their staff, cafeteria style. After completing the initial base training, staff will move to their own work units to continue training specific to their job tasks. The training coordinator and the individual work unit trainers have worked together to develop the boundaries of division-wide and work-unit-specific training, and to make this “handoff” of staff run smoothly.

The broader training should not only help staff do better at whatever job they have at ETF, but it should facilitate more movement of staff within the division, both for promotional opportunities and for cross-training. This should help the division become more agile in dealing with workload spikes in certain areas at certain times of the year.

This new training curriculum will also benefit existing staff because they will be able to attend modules where they might have missed some concepts or need a refresher.

This new training curriculum will be put to the test as we train five new staff who started in DRS on Monday, March 1, 2021. Stay tuned as we carry out this exciting initiative and adapt the new training plan as we learn more along the way.

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