



State of Wisconsin
**Wisconsin Deferred
Compensation Program**
Fact Sheet

As of December 31, 2024

The Wisconsin Deferred Compensation Program (WDC) is a supplemental retirement savings program authorized under Section 457 of the Internal Revenue Code (IRC). The WDC was created by Wisconsin Laws of 1981 Chapter 187 and established in 1982 for state employees. It has been available to local employers since 1985.

Program Administration

The Department of Employee Trust Funds and the Deferred Compensation Board (Board) have statutory authority for program administration and oversight. The Board contracts for administrative services (marketing, record keeping, daily program administration) through a competitive bid process. Empower Retirement is under contract to provide these services through November 30, 2027.

The Board selects the investment options offered by the WDC and contracts directly with investment providers. The Board regularly reviews the performance of the investment options offered to determine if they continue to meet established performance benchmarks. Options that are determined to be no longer acceptable may be removed from the WDC and new options may be added at any time.

Features

Maximum Deferral — Section 457 plan participants may contribute 100% of taxable income to their accounts, up to a federal maximum that is adjusted annually.

- People age 50 or older can make annual catch-up contributions. For 2025, you can add an extra \$7,500 for a total maximum contribution of \$31,000 in 2025.
- Under a change made as part of SECURE 2.0, a higher catch-up contribution limit applies for WDC participants aged 60, 61, 62 and 63. If you are in this age range, in 2025, your higher catch-up contribution limit is \$11,250, instead of \$7,500, for a total maximum contribution of up to \$34,750.
- If you are within three years of your normal retirement age, you may use a special catch-up contribution, which allows you to save an additional \$23,500. This allows you to save a total of \$47,000 in 2025.

Account Flexibility — The WDC allows participants to:

- Change the amount of their deferrals at any time.
- Save by deferring traditional pre-tax or Roth (post-tax) dollars.
- Redirect deferrals to other investment options offered by the WDC without restriction.
- Exchange existing account balances from one option to another (subject to the excessive trading policy).
- Elect to use the asset allocation service to provide automatic rebalancing of a participant's account balance based on an established asset allocation model.
- Elect to use the WDC's managed accounts service (additional separate fee applies).

Portability — Dollars from a traditional IRA, a 401(k) and a 403(b) can be rolled into the WDC, and amounts distributed from the WDC, can roll into a traditional IRA, a 401(k) and a 403(b) plan. Dollars rolled out of the WDC are subject to the tax rules of the new plan.

Participant Services — WDC call center representatives in Wisconsin are available at 1-877-457-9327 to assist participants between 7:00 a.m. and 9:00 p.m. every workday of the year, and Saturdays between 8 a.m. and 4:30 p.m. Employers may also receive plan technical support at 1-800-695-4952.

An automated voice response system is available for participants to obtain account information. The WDC's website at wdc457.org offers program information, access to personal account data and execution of transactions online. Distribution of an itemized participant statement occurs within 15 days of the end of each quarter.

Distribution Options — Distribution options available include lump sum payments, partial lump sum payments and periodic payments. Participants may defer receiving distributions from their account up to age 73.

WDC Program Costs

Participant fees provide the primary source of funding for program administration. State funds are not used for the administration of the WDC. The Board reviews administrative revenues and expenses annually and adjusts participant fees as necessary. As of January 1, 2024, annual participant fees were:

If participant balance is between:	Monthly fee deducted:	Equals total annual fee of:
\$0 to \$5,000	\$0.00	\$0.00
\$5,001 to \$25,000	\$0.75	\$9.00
\$25,001 to \$50,000	\$1.75	\$21.00
\$50,001 to \$100,000	\$4.00	\$48.00
\$100,001 to \$150,000	\$5.00	\$60.00
\$150,001 to \$250,000	\$7.00	\$84.00
Over \$250,000	\$10.25	\$123.00

Statistics as of December 31, 2024

- 1,009 local government and school district employers (from approximately 1,660 eligible) have elected to offer the WDC to their employees.
- 70,325 public employees participate in the WDC. 38,831 are state employees including UW and UW Health and 31,944 are employees of local employers including school districts and technical colleges.
- The WDC offered 11 target retirement date (asset allocation) funds and 17 options in the core investment spectrum in 2024. Participants also have access to a managed account service and thousands of mutual fund choices through the WDC's self-directed option at Schwab.

Investment Option	Number of Accounts	Total Assets
FDIC (Johnson Bank)	7,554	180,650,255
Vanguard Adm. Money Market	5,743	63,825,541
Stable Value (Galliard)	26,152	641,942,481
Am. Funds EuroPacific Growth - Class R6	29,553	236,687,530
BlackRock EAFE Index Fund F	27,240	317,757,176
Calvert US Large Cap Core Resp. Index R6	19,696	131,31,624
JP Morgan US Value R6	23,694	64,632,323
Fidelity Contrafund Commingled Pool CL3	32,485	1,090,244,273
Vanguard Inst. 500 Index Trust	34,898	1,164,124,153
T. Rowe Price Inst MidCap Equity Growth	20,307	504,963,012
BlackRock MidCap Equity Index Fund F	28,722	287,854,804
BlackRock Russell 2000 Index Fund M	27,070	178,971,597
Dimensional Fund Advisors U.S. MicroCap	18,448	243,178,945
Vanguard Target Ret. 2020 Trust I	89	5,007,523
Vanguard Target Ret. 2025 Trust I	5,211	340,619,904
Vanguard Target Ret. 2030 Trust I	539	36,790,463
Vanguard Target Ret. 2035 Trust I	6,965	360,016,469
Vanguard Target Ret. 2040 Trust I	631	15,810,580
Vanguard Target Ret. 2045 Trust I	7,135	264,170,174
Vanguard Target Ret. 2050 Trust I	668	9,006,631
Vanguard Target Ret. 2055 Trust I	5,403	120,207,212
Vanguard Target Ret. 2060 Trust I	525	3,657,187
Vanguard Target Ret. 2065 Trust I	264	4,918,187
Vanguard Target Ret. Income Trust I	3,526	152,611,059
Vanguard Wellington Adm.	32,411	611,935,145
BlackRock US Debt Index Fund M	25,381	294,376,872
Dodge and Cox Income X	14,462	83,440,451
Vanguard Long-Term Inv. Grade Bonds Adm.	23,676	138,412,963
Schwab PCRA (incl. Schwab Money Market)	1,203	99,912,183
Total	*429,651	7,647,039,717

*The total number of participant accounts exceeds the number of participants, as participants may invest in more than one investment option. The average number of investment options per participant in 2024 was approximately 6.2.