

NAGDCA 2021 LEADERSHIP RECOGNITION AWARD

Wisconsin Deferred Compensation Program (WDC) Plan Design & Administration – Defined Benefit Estimate Pilot

WDC Plan Profile

- State of WI offers both a defined benefit plan (the WI Retirement System or WRS) and a 457 Plan
- Asset size: \$6,784,082,777
- Number of participants: 67,167
- Industry partner: Empower Retirement

Background information

The Wisconsin Deferred Compensation Program (WDC) wanted to measure participant interest in having their Wisconsin Retirement System (WRS) defined benefit estimate included on the Plan's website and in participants' personalized Lifetime Income Score.

The Lifetime Income Score (LIS), powered by the WDC's recordkeeper Empower Retirement, estimates the percentage of working income that a participant is on track to replace in retirement. The LIS percentage is

generated by utilizing a participant's individual deferred compensation savings, Social Security data, and any other outside sources of retirement income, such as a defined benefit estimate.

WDC partnered with Empower Retirement to offer a pilot group of 605 participants at 7 different employers a special limited-time option to view their defined benefit estimate in their LIS. The expected outcome was that the pilot group of participants would engage more with their account data on website and their LIS. The pilot program consisted of several communications touchpoints throughout the limited-time offer, which ran from April 15-June 30, 2020.

Goals

The goals of the pilot to include the defined benefit estimate in the LIS were to:

- 1) Enable participants to easily see their primary retirement income sources in one place, which will help them plan for retirement and identify any savings gaps while they are still working; and
- 2) Gauge participant engagement and interest in having their defined benefit estimate added to the participant website.

In their own words

Shelly Schueller, Deferred Compensation Director, said, "The defined benefit estimate pilot gave us valuable information about the desire of our participants to have a complete view into their retirement. We are pleased by the success of this project, and look forward to adding the defined benefit estimate for all active WDC participants in the coming year."

Detailed description of the project

The Defined Benefit Estimate special project included:

- Frequently Asked Questions (FAQ) document for pilot participants about the special project.
- A pre-pilot email and letter to pilot participants explaining the limited time offer and how to access their account. The email and letter also explained how to opt-out of the pilot. The letter and email were sent in early April 2020.
- An opt-out process for any participant who did not want to participate.
- A pre-pilot survey and email to gauge interest about the new feature, which was sent on March 30, 2020.
- A pre-pilot survey reminder email was sent on April 9, 2020.
- A mid-pilot email during the pilot reminding participants to check their LIS was sent on May 20, 2020. Participants were encouraged to check out their new LIS and to meet with their Retirement Plan Advisor (RPA) for any questions.
- A pilot ending email to encourage participants to check their LIS was sent on June 25, 2020. Participants were again encouraged to view their new LIS, add in outside assets to their LIS,

NAGDCA 2021 LEADERSHIP RECOGNITION AWARD

Wisconsin Deferred Compensation Program (WDC) Plan Design & Administration – Defined Benefit Estimate Pilot

- and meet with their RPA.
- A post-pilot email asking participants to take a post-pilot survey about their experience was sent on July 14, 2020.
- The post-pilot survey, which was open until July 25, 2020.
- A survey reminder email to take the post-pilot survey was sent on July 22, 2020.

Examples of the communications campaign and screenshots of the defined benefit projection on the website are shown on pages 4-5.

Results

1. Pilot participants were highly engaged. The pre-pilot survey email was sent on March 30, 2020 and received an outstanding **52% open rate** (over two times higher than the 23% industry standard), and of those who opened the email **34%** clicked on the link to check out more information about the pilot. Other emails sent during the pilot ranged from a **34% open rate** to a **47% open rate**, and a **20% click rate** to a **25% click rate**.
2. Only two out of the 605 pilot group of participants opted out of the pilot.
3. Survey responses were very positive. The pre-pilot survey indicated that **86%** of participants wanted to see all sources of their retirement income in one place, and **95%** would be interested in the LIS including their WRS defined benefit estimate. **96%** of respondents said it would be very helpful to see their WRS defined benefit estimate added to their future retirement income projection. **86%** of respondents said they would be very engaged or engaged with adjusting their LIS if their WRS defined benefit estimate was included.
4. Pilot participants went online to see their data and made changes to their WDC accounts as a result of viewing their WRS defined benefit estimate. During the pilot, which ran from April 15-June 30, **47%** of those targeted went online and reviewed their LIS with their WRS defined benefit estimate included. Average web session duration for these participants lasted about **8 minutes, 39 seconds**, which is about a minute and 32 seconds longer than the WDC average session duration of 7 minutes and 7 seconds. **12%** of the participants who went online decided to add in other outside assets and income, like rental income, to fill out their retirement income picture. **4.5%** of the participants who went online increased their contribution after reviewing their LIS with their defined benefit estimate, and **6%** updated their beneficiaries during their web session.
5. During the pilot, participants could meet with their Retirement Plan Advisor (RPA), to discuss their retirement income and LIS. **10%** of pilot participants chose to meet with their RPA during the pilot to review their new LIS.
6. Pilot participants took action after viewing their LIS: **13%** made deferral changes throughout the pilot, and **10%** of that group increased their deferrals. **4%** made asset allocation changes during the pilot, and **3%** signed up to have their assets rebalanced on a regular basis.
7. The post-pilot survey to participants revealed that **80%** of respondents reviewed their WDC LIS during the pilot. **55%** of respondents said it was very helpful to see their WRS defined benefit estimate added to their total future retirement income projection. **92%** of respondents said they would like to continue to see their WRS defined benefit estimate included in their LIS. **58%** of respondents said they adjusted the sliders on their WDC website account to make a change in their contribution, planned retirement age or mix of investments. **43%** of respondents rated themselves as engaged in adjusting their LIS since the pilot began.
8. Employer feedback was also overwhelming positive, with many noting they are happy that the data is in one place, which assists their employees in planning for retirement. No negative feedback was received.

NAGDCA 2021 LEADERSHIP RECOGNITION AWARD

Wisconsin Deferred Compensation Program (WDC) Plan Design & Administration – Defined Benefit Estimate Pilot

The WDC defined benefit estimate special project confirmed that providing retirement income sources in one place is desirable, because it makes retirement planning for participants much easier. Pilot data also revealed that participants who had access to their defined benefit data engaged with their WDC accounts even further by adjusting their deferrals, asset allocations and even their beneficiaries.


This special project aligns directly with the WDC's mission to help its participants meet their retirement income goals and to make retirement planning accessible and easy to all. The Deferred Compensation Board decided to add the defined benefit estimate to all participant's LIS in April of 2021, given the success of the pilot.

Feasibility of use by other governments of a similar size

Other government plans with a defined benefit plan should work with their recordkeeper to determine if populating their participants' defined benefit data is available to them. Within our recordkeeper's environment, the functionality is available based on the defined benefit administrator's ability to provide the defined benefit file feed in the correct format. If available, we highly recommend that the 457 plan work with their defined benefit plan administrator and their recordkeeper to determine a process to make this available for participants. It makes a huge difference in participant engagement, which we expect to translate to better retirement outcomes for these participants in the future.

Examples of Defined Benefit Estimate Pilot communications

Please help us test a new feature on www.wdc457.org



Wisconsin Deferred Compensation Program

Your employer is participating in a pilot program with the Department of Employee Trust Funds designed to test a possible upgrade to the **Lifetime Income Score** feature available from the Wisconsin Deferred Compensation Program (WDC). As part of the pilot, we would like you to try out a new feature and provide us with feedback so we can determine whether other WDC participants will find it helpful.

As you know, the **Lifetime Income Score** provides a personalized estimate of your future retirement income based on your current rate of contributions to your WDC account, your chosen investment mix, and other factors. The pilot will include your Wisconsin Retirement System (WRS) pension benefit protection as part of your **Lifetime Income Score**. In other words, the estimate of your monthly retirement income will now include the estimated WRS pension income you may receive, in addition to the income from your WDC account.

The addition of your WRS benefit projection should provide you with a more precise projection of your **total** future retirement income, because you'll be able to view your primary retirement income sources: your WDC account, your WRS benefit projection, and an estimate of your social security benefit, all in one place. Having all this data in one place will permit you to better track your progress toward your retirement goals. If you aren't on target, adjusting the sliders on the **Lifetime Income Score** can show you how changes to your WDC account might help you reach your goals. Changes may include increasing your contribution to your WDC account, for example, changing your planned retirement age, and/or adjusting your mix of investments.

Pilot timing and duration
The pilot is scheduled to begin approximately April 15, 2020. When you log in to your WDC account between April 20, 2020 and June 30, 2020, you'll see the addition of your WRS retirement pension benefit projection listed in your **Lifetime Income Score** as an "employer contribution."

We encourage you to log in to your WDC account between April 15, 2020 and June 30, 2020 to explore how the additional data shown in your **Lifetime Income Score** can help you plan for your future retirement. For example, if you adjust the slider to change your planned retirement age, your **Lifetime Income Score** will adjust automatically—including the value for your employer contribution/pension income. The new value is an estimate of your future employer contribution and not data directly from the Wisconsin Retirement System. However, it helps you understand how a change could affect your ability to retire with the income you want.

We want to hear from you
If you choose to participate in the pilot, we want to hear from you. You'll be asked to complete a brief survey before the pilot begins to help us understand how you currently use WDC tools and services to save for retirement. After the pilot ends, you will receive another brief survey to help us understand how you used the WDC tools with the addition of your WRS pension data and whether you took any action as a result.

We'll use the feedback that you and other participants provide to determine whether to include WRS pension estimate information for all WDC participants and whether any other changes may be in order.

Participation is voluntary
If you decide you'd like to opt out of participating in the pilot, you can do so by sending an email to WRS_Data_Opt_Out@empower-retirement.com by March 27, 2020. You will also be asked to complete a brief survey on why you decided to opt out of the pilot, to help us better understand reasons why someone would choose to opt out.

To learn more
If you'd like to learn more about this pilot, call toll free (877) 457-WDCP (9327) or (608) 241-6605 and say "yes" when prompted or visit https://www.brainshark.com/retirement-education/WDC_DB_PilotProgram_FAQ to access the ETF Defined Benefit Pilot Program - FAQ document. We'll also be sending you reminders throughout the pilot to let you know how much time you'll have left to experiment with this new feature.

Thank you for considering being a participant in this important pilot and sharing your feedback with us. We're confident that the new capability added to the **Lifetime Income Score** will help you see your retirement in a new way — and help you make any adjustments needed to reach your retirement income goals.

Sincerely,
Shelly Schueller | Director
Deferred Compensation Wisconsin Department of Employee Trust Funds
Emily Lockwood | State Director
Wisconsin Deferred Compensation Program

www.wdc457.org | (877) 457-9327 | wdcquestions@empower-retirement.com

Pre-pilot email and letter

NAGDCA 2021 LEADERSHIP RECOGNITION AWARD

Wisconsin Deferred Compensation Program (WDC)

Plan Design & Administration – Defined Benefit Estimate Pilot

Department of Employee Trust Funds Defined Benefit Pilot Program
Frequently Asked Questions

Wondering where the employer contributions amount came from? Your most recent pension benefit projection from the Wisconsin Retirement System is shown as "employer contributions" on the WDC website homepage. This information is an estimate, and is provided to help you understand all your sources of income that can help you reach your retirement goal. The monthly dollar amount comes directly from your WRS Statement of Benefits and does not reflect future benefits. The figure is based on your account balance as of January 1, 2020. To project future retirement benefits, visit the ETF Retirement Calculator at <https://etf.wi.gov/retirement/calculator>.

The data will be updated annually, after WRS statement of benefits are released. Click here to copy/paste this link (<https://etf.wi.gov/retirement/wrs-retirement-benefit/my-statement-benefits>) for more information on WRS retirement pension benefit projections. You can also call the Department of Employee Trust Funds at 1-877-533-5020 to speak with a benefits specialist. Additional information regarding your Estimated Retirement Income and percent to goal can be found in the FAQ located at the top of your homepage.

Note: As you adjust the slider to change retirement age, calculations are done to adjust your Lifetime Income Score. These subsequent changes may result in a new value for your employer contributions. This new value is an estimate only and not data directly from the Wisconsin Retirement System.


How can I update this with my other retirement savings?
You can use the "other assets" tab to update your information with any additional resources you have that you'd like included in the projection, including additional contributions to your WRS account, IRA account balances or other retirement plan savings such as a spouse or partner's retirement savings account, i.e. 401(k), IRA, etc.

No employer contribution (WRS amount) included?
If you do not see an amount in the "employer contributions" section, it is likely because you are not yet vested in the WRS. Depending on when you first began WRS covered employment, you may have to meet one of two vesting laws:

- If you first began WRS employment after 1989 and left employment before April 24, 1998, then you must have some WRS-creditable service in 5 calendar years; or
- If you first began WRS employment on or after July 1, 2011, then you must have 5 years of WRS-creditable service.

Note: For non-vested WRS members who want to refine their retirement income estimate, use the "other assets" tab to add in your anticipated WRS pension as a lump sum. *Just remember you'll need to remove this data when you become vested, as otherwise the amount may be double counted and provide an inaccurate picture of your retirement income.*

DB Estimate FAQ document



Wisconsin Deferred Compensation Program

Thank you for taking the time to help improve the Wisconsin Deferred Compensation Program!

As you know, you have been selected to take part in a pilot program designed to test a possible upgrade to the **Lifetime Income Score** feature available on the WDC website. To fully understand how you save for retirement using the WDC tools and features, please take a few moments and give us your feedback. Your responses will be kept confidential and will be used to help determine future WDC enhancements to the Program.

Please click the link before **Saturday, April 11, 2020**. It should only take a few minutes to complete.


Click here to take the survey!

As a friendly reminder, we will ask that you take another survey concluding the end of the pilot program. This information will be used to determine the effectiveness and the success of the possible upgrade to the **Lifetime Income Score** and the WDC Program.

Questions? Call the WDC at (877) 457-WDCP (9327)

Pre-pilot survey email

[VIEW ONLINE](#)



Wisconsin Deferred Compensation Program

Thank you for taking the time to help improve the Wisconsin Deferred Compensation Program (WDC)!

As a friendly reminder, you have been selected to take part in a pilot program designed to test the usefulness and usability of adding your Wisconsin Retirement System (WRS) pension benefit projection to the WDC website. Your WRS projection has been added to your WDC account and is available for review. We kindly ask that you log in to your WDC account at www.wdc457.org and adjust the sliders to see how different contributions (with the addition of your WRS pension benefit projection) affect your **Lifetime Income Score**. The closer your score is to 100%, the closer you may be to your monthly target or annual retirement income.

Please access and review your account before **Wednesday, July 1, 2020**. Your local WDC Retirement Plan Advisors are available to meet with you virtually by phone or videoconference. If you'd like to set up a meeting, please click [here](#).

Please note we will ask that you take another survey concluding the end of the pilot program. This information will be used to determine the effectiveness and success of a possible upgrade to the **Lifetime Income Score** and the WDC Program.

Mid-pilot email



Wisconsin Deferred Compensation Program

The pilot program with the Department of Employee Trust Funds is coming to an end!

Thank you for your participation in the pilot program. Your direct involvement may help improve the Wisconsin Deferred Compensation Program (WDC).

As a friendly reminder, your Wisconsin Retirement System (WRS) pension benefit estimate has been added to your WDC account and is shown as "employer contributions" under *Other Assets*. The monthly dollar amount comes directly from your WRS Statement of Benefits as of January 1, 2020 and does not reflect future benefits. To project future WRS retirement benefits, visit the [ETF Retirement Calculator](#). To review your WRS estimate in addition to your **Lifetime Income Score**, follow the steps below:



- Log in to your WDC account at www.wdc457.org.
- Navigate and click on the *Other Assets* tab below your **Lifetime Income Score**. If you have already added your own pension benefit estimate, you will want to delete it to avoid any duplicate estimates.
- If you have not added a pension benefit estimate, review the WRS estimate and adjust the sliders to see how the addition of your pension benefit estimate and different contributions affect your score.

End-pilot email

NAGDCA 2021 LEADERSHIP RECOGNITION AWARD

Wisconsin Deferred Compensation Program (WDC)

Plan Design & Administration – Defined Benefit Estimate Pilot



Wisconsin Deferred Compensation Program

Thank you for taking the time to help improve the Wisconsin Deferred Compensation Program!



Thank you for taking part in the pilot program designed to test a possible upgrade to the Lifetime Income Score feature available on the WDC website. To help us determine if these upgrades should be made permanent, please take a few moments and give us your feedback. Your responses will be kept confidential and will be used to help determine future WDC enhancements to the Program.

Please click the link before **Saturday, July 25, 2020**. It should only take a few minutes to complete.

[Click here to take the survey!](#)

Questions? Call the WDC at (877) 457-WDCP (9327)

Post-pilot survey email



Wisconsin Deferred Compensation Program

Department of Employee Trust Funds Pre-Pilot Program Survey

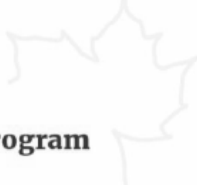


Thank you for taking a few minutes to give us some feedback. Your input is greatly appreciated.

* 1. Have you done any retirement planning on your own?

Yes

No

Pre-pilot survey question



Wisconsin Deferred Compensation Program

Department of Employee Trust Funds Post-Pilot Program Survey

Thank you for taking part in the ETF Pilot Program and for taking a few minutes to give us some feedback. Your input is greatly appreciated.

As part of the pilot, when you logged into your WDC account between April 15, 2020 and July 1, 2020, your WRS pension estimate was included in your Lifetime Income Score. Your Lifetime Income Score is a personalized estimate of your future retirement income based on your current rate of contributions to your WDC account and your chosen investment mix as well as other factors.

* 1. Have you reviewed your WDC Lifetime Income Score since April 15 to view the addition of your WRS retirement pension benefit estimate?

Yes

No

Post-pilot survey question