Milwaukee County Deferred Compensation Plan

Automatic Enrollment & Escalation Plan Adoption

Category: Plan Design & Administration

Plan Profile

Milwaukee County offers its employees a defined contribution 457(b) plan serving a diverse public workforce. As of March 2026, the plan includes 5,799 participants with an asset size of $428,847,675. Empower partners with Milwaukee County to provide recordkeeping, education and advisory services.

> *"Automatic enrollment has increased participation, improved contribution rates, and strengthened retirement readiness across our diverse workforce."*
>
> Stephen Cady
> Chairman, Milwaukee County

Background

Milwaukee County's automatic enrollment efforts were shaped by a 2020 ethnicity study that revealed meaningful disparities in retirement plan participation and savings behaviors. Participation rates were approximately 57%, with particularly pronounced gaps among minority employees and those early in their careers.

These findings showed that too many employees were not engaging in the plan early enough, and many faced barriers such as behavioral, structural, or informational, that prevented them from taking the first step. County leadership recognized that improving outcomes would require more than education alone. It would require a plan design change that actively supported participation, reduced friction, and aligned with broader equity goals.

Goals

Milwaukee County established a focused set of objectives to guide its approach. The County aimed to increase participation across the workforce, improve overall retirement readiness, and reduce disparities identified in the ethnicity study. At the same time, leaders aimed to increase contribution rates through plan design and to strengthen engagement through accessible, ongoing communication and support.

Project Overview & Purpose

Milwaukee County implemented automatic enrollment with annual escalation as a strategic response to the participation and equity gaps identified in its workforce. Rather than relying solely on voluntary action, the County introduced a structure that helps employees begin saving immediately and increase contributions gradually over time.

Effective January 1, 2024, employees are automatically enrolled at a 3% contribution rate, with annual increases of 1%, up to 6%. This design reflects a deliberate shift toward behavioral solutions that simplify decision-making and support long-term financial outcomes.

Timeline

The initiative was the result of a multi-year effort grounded in careful planning and cross-department collaboration. Following the 2020 ethnicity study, County leadership spent several years evaluating plan design options, engaging stakeholders, and ensuring operational readiness. In 2022, Empower & Milwaukee County began working on participant education and notification materials. In 2023 the Milwaukee County Select Committee voted unanimously to adopt automatic enrollment and escalation, effective January 1, 2024. On January 1, 2024, automatic enrollment officially began. The first wave of escalations occurred in January 2025. Education efforts around times of re-enrollment and escalation were increased to ensure participants were aware of the changes coming.

What Was Done

Execution required coordinated effort across multiple stakeholders. The Milwaukee County Select Committee provided strategic oversight, while finance, payroll, and budget teams ensured seamless implementation. Local retirement plan advisors played a critical role in participant education and engagement.

County staff were deeply involved at every stage. They led the evaluation and approval of plan changes, coordinated implementation across departments, and worked with Empower to develop a communication strategy that ensured employees would be well informed and educated on the change.

Communication was continuous rather than episodic. Employees were supported through monthly webinars, Q&A sessions, newsletters, quarterly updates, and in-person and virtual events.

Significance to Plan Operations

This initiative meaningfully strengthens plan operations across several dimensions. By embedding participation into the default experience, the County reduced administrative complexity and reliance on manual processes. Participants had a more accessible entry point into saving, while governance improved through consistent monitoring of participation, contribution, and readiness metrics.

Most importantly, the initiative advanced the County's commitment to equity. By addressing barriers that disproportionately affected certain groups, the plan design helped create more consistent outcomes across the workforce. At the same time, increased engagement demonstrated that employees were not only participating but actively interacting with their retirement strategy.

Results (as of March 2026)

Across the board, participation and contribution rates soared.

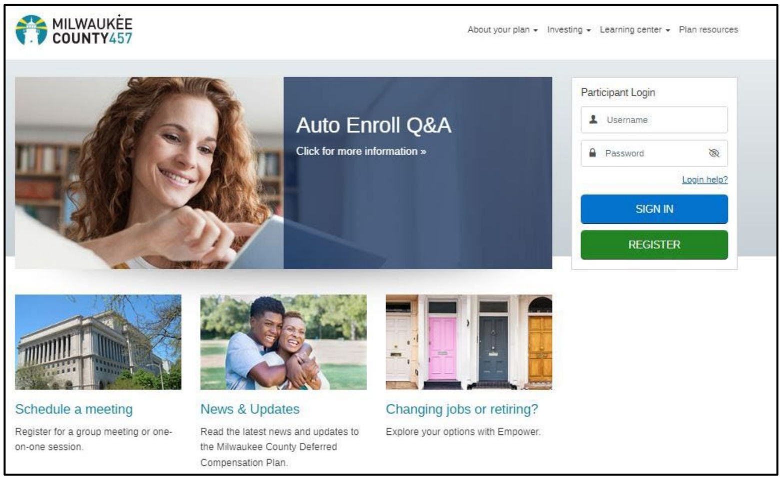
- Overall participation increased from 57% to 79%
  - Asian American participation increased from 52% to 79%
  - African American participation increased from 46% to 76%
  - Hispanic participation increased from 46% to 70%
- Total participants with balances grew from 4,094 to 5,799 (+1,705 participants)
- Median contribution rate increased from 3% to 6%
- Lifetime Income Score improved from 62% to 77%
- Percentage of employees on track to replace at least 75% of income increased from 9% to 23%

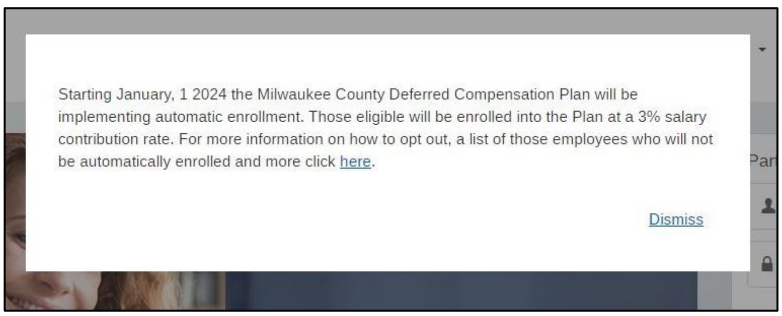
Feasibility for Use by Other Governments

Milwaukee County's approach is highly transferable to other public sector plans. The core elements—automatic enrollment, escalation, and data-informed design—can be implemented using standard plan infrastructure without complex customization.

The County's experience underscores several key lessons. Early alignment among stakeholders is essential to successful implementation, and demographic data can play a powerful role in shaping targeted and effective solutions. Behavioral design, when paired with consistent communication, can drive meaningful improvements across diverse employee populations.

The model is scalable across plan sizes and can be adapted to different workforce characteristics.





MILWAUKEE COUNTY457

Milwaukee County Deferred Compensation Plan

Automatic Enrollment is Here

Hi <First Name>,

This email is to remind you that the Milwaukee County Deferred Compensation Plan (MC457) is moving to automatic enrollment in 2024. Auto-enroll is a retirement plan feature that is becoming increasingly common as employers encourage and help employees to save for retirement.

Milwaukee County employees not contributing, or contributing less than 3% of their salary to the MC457 plan will begin contributing 3% to the MC457 every paycheck beginning with the **January 26, 2024** paycheck.

Empower will be hosting regular Q&A informational sessions, which you are encouraged to attend. To see a list of dates and times, click here.

For more information on automatic enrollment, including who will be enrolled, how to opt out and more click here.

To change your contribution or investments, simply call **877-457-6459** to speak to a representative. You may also access your account online at **milwaukeecounty457.com.**

MILWAUKEE COUNTY457

AUTO ENROLL

Congratulations!

You are going to be automatically enrolled in the Milwaukee County Deferred Compensation Plan. Now is the time to start investing in your future.

Who is automatically enrolled?

All employees of Milwaukee County except:

- Seasonal, Hourly and Intern positions that are not eligible for fringe benefits.
- Represented employees, including:
  - Association of Milwaukee County Attorneys (AMCA)
  - International Association of Fire Fighters (IAFF)
  - Milwaukee Building and Construction Trades Council (MBTC)
  - Milwaukee Deputy Sheriffs' Association (MDSA)
  - Technicians, Engineers and Architects of Milwaukee County (TEAMCO)

Note: They still may participate in the 457 plan.

What do I need to do?

You don't need to do anything to begin saving. After you are automatically enrolled, 3% of your before-tax pay will be deducted from your paycheck each pay period and invested in the Plan for you.

When will this happen?

Current employees will have until Thursday, January 18, 2024 to opt out. Employees hired after November 9, 2023 will have 60 days from hire date to opt out.

Where will my contributions be invested?

Your contributions will be initially invested in the Target Retirement Fund with the year closest to when you'll turn age 65. You can choose to change this investment election at any time.

Why should I participate in the Plan?

Saving through the Plan is a smart, simple way to work toward a more rewarding future — one where you have the replacement income you need to maintain your lifestyle in retirement. Social Security and your pension may not be enough to replace 100% of your working income.

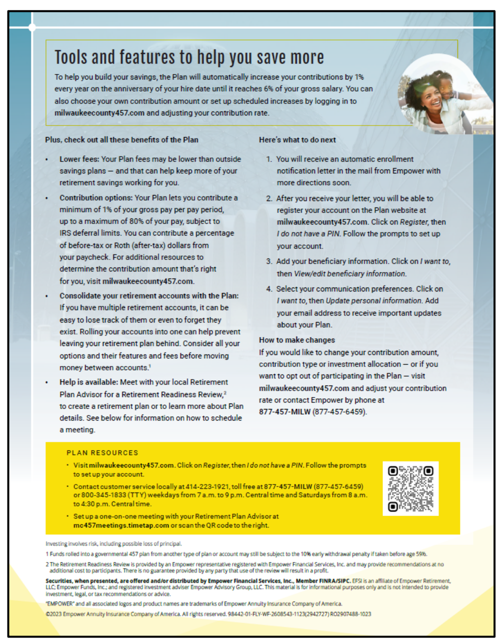
Saving just 3% of your paycheck could mean an extra $677 in monthly retirement income. See how your savings stack up at 3%, 4% and 5% over the years.

3% of your salary → $677 in monthly retirement income

4% of your salary → $903 in monthly retirement income

5% of your salary → $1,129 in monthly retirement income

FOR ILLUSTRATIVE PURPOSES ONLY. This is a hypothetical illustration intended to show possible retirement income. It is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes an annual salary of $45,000 for 35 years, starting at age 30 up until retirement at age 65. The illustration assumes a 6% annual rate of return, a 35% federal income tax bracket, reinvestment of earnings and that the payee lives 20 years in retirement. Rates of return may vary. Distributions from a tax-deferred retirement Plan may be taxable as ordinary income. The illustration does not reflect any associated charges, expenses or fees. The hypothetical income shown would be reduced if these fees and/or taxes were deducted.



Tools and features to help you save more

To help you build your savings, the Plan will automatically increase your contributions by 1% every year on the anniversary of your hire date until it reaches 6% of your gross salary. You can also choose your own contribution amount or set up scheduled increases by logging in to **milwaukeecounty457.com** and adjusting your contribution rate.

Plus, check out all these benefits of the Plan

- **Lower fees:** Your Plan fees may be lower than outside savings plans — and that can help keep more of your retirement savings working for you.
- **Contribution options:** Your Plan lets you contribute a minimum of 1% of your gross pay per pay period, up to a maximum of 80% of your pay, subject to IRS deferral limits. You can contribute a percentage of before-tax or Roth (after-tax) dollars from your paycheck. For additional resources to determine the contribution amount that's right for you, visit **milwaukeecounty457.com.**
- **Consolidate your retirement accounts with the Plan:** If you have multiple retirement accounts, it can be easy to lose track of them or even to forget they exist. Rolling your accounts into one can help prevent leaving your retirement plan behind. Consider all your options and their features and fees before moving money between accounts.[1]
- **Help is available:** Meet with your local Retirement Plan Advisor for a Retirement Readiness Review,[2] to create a retirement plan or to learn more about Plan details. See below for information on how to schedule a meeting.

Here's what to do next

1. You will receive an automatic enrollment notification letter in the mail from Empower with more directions soon.
2. After you receive your letter, you will be able to register your account on the Plan website at **milwaukeecounty457.com**. Click on *Register*, then *I do not have a PIN*. Follow the prompts to set up your account.
3. Add your beneficiary information. Click on *I want to*, then *View/edit beneficiary information*.
4. Select your communication preferences. Click on *I want to*, then *Update personal information*. Add your email address to receive important updates about your Plan.

How to make changes

If you would like to change your contribution amount, contribution type or investment allocation — or if you want to opt out of participating in the Plan — visit **milwaukeecounty457.com** and adjust your contribution rate or contact Empower by phone at **877-457-MILW** (877-457-6459).

PLAN RESOURCES

- Visit **milwaukeecounty457.com**. Click on *Register*, then *I do not have a PIN*. Follow the prompts to set up your account.
- Contact customer service locally at 414-223-1921, toll free at 877-457-MILW (877-457-6459) or 800-345-1833 (TTY) weekdays from 7 a.m. to 9 p.m. Central time and Saturdays from 8 a.m. to 4:30 p.m. Central time.
- Set up a one-on-one meeting with your Retirement Plan Advisor at **mc457meetings.timetap.com** or scan the QR code to the right.

Investing involves risk, including possible loss of principal.

1 Funds rolled into a governmental 457 plan from another type of plan or account may still be subject to the 10% early withdrawal penalty if taken before age 59½.

2 The Retirement Readiness Review is provided by an Empower representative registered with Empower Financial Services, Inc. and may provide recommendations at no additional cost to participants. There is no guarantee provided by any party that use of the review will result in a profit.

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