



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.

2021 Budget Overview
Finance & Personnel Committee
October 7, 2020

Mission Statement

“To assist City employees in saving assets adequate and appropriate to enable them to retire at the desired time, to retire with dignity, and to enjoy sufficient income throughout retirement.”

Adopted 2014

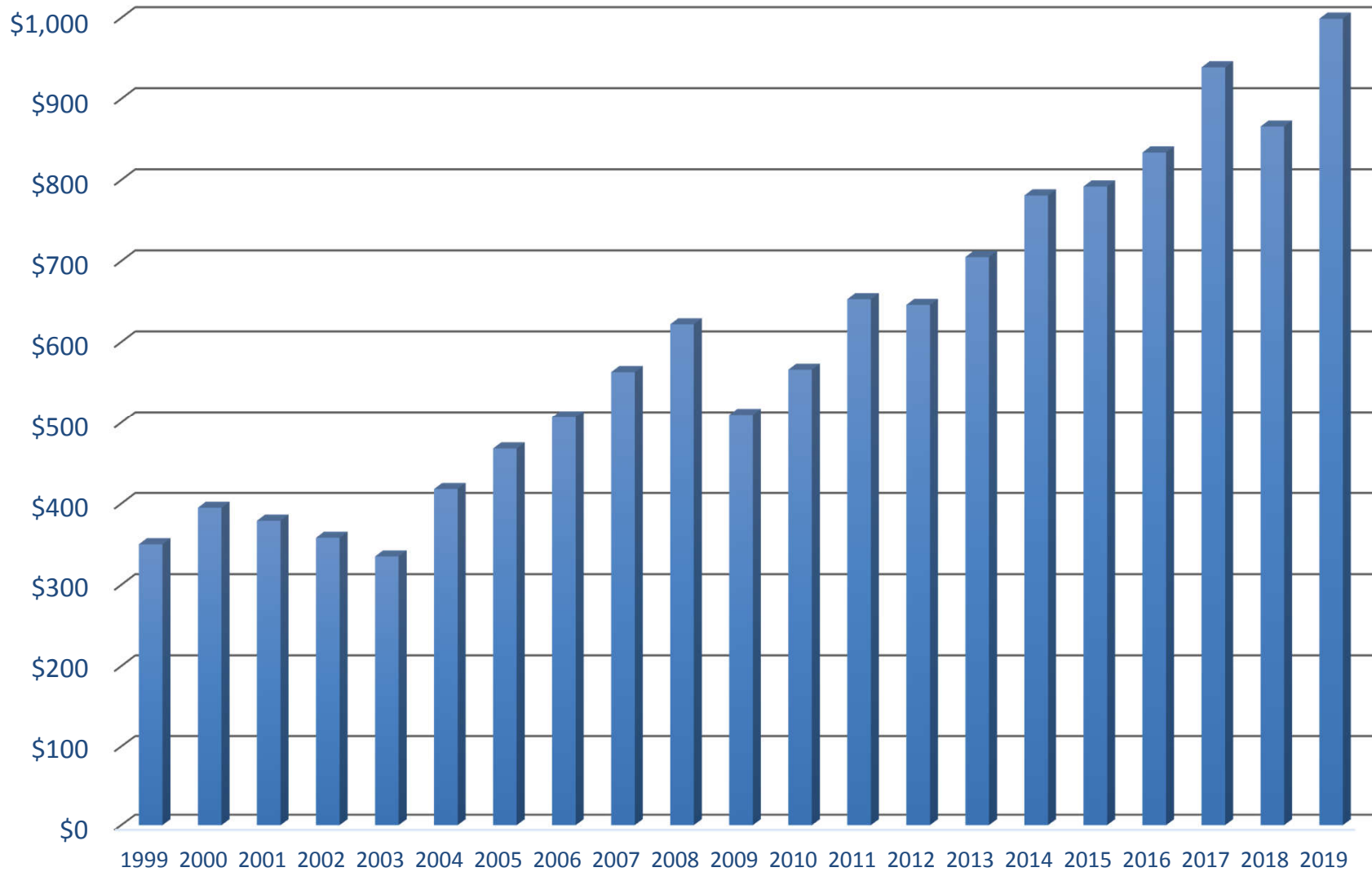
Objectives & Strategies of the DCP

- ❑ Provide a range of tax deferred investment options responsive to employee-participant demographics, risk tolerances, time horizons, and retirement needs
- ❑ Support well-informed investment and retirement planning decisions made by employees/participants
- ❑ Utilize industry best practices to consistently improve the Plan's investment line-up, performance analysis, and employee participation and savings rates
- ❑ Monitor investment management and administrative fees and clearly disclose same to participants on an annual basis
- ❑ ZERO tax levy impact

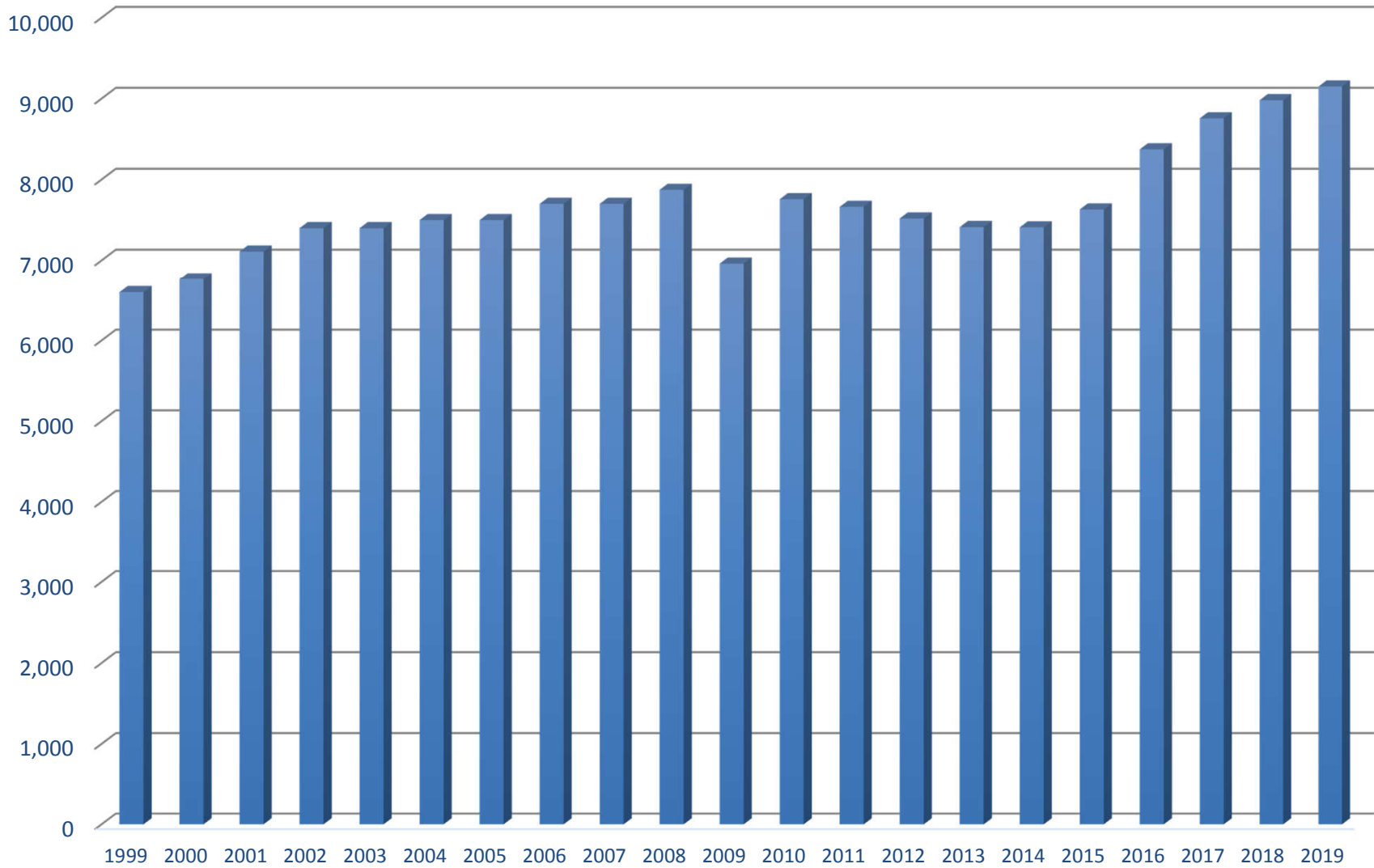
2021 Budget Summary

	2020 ADOPTED BUDGET	2021 PROPOSED BUDGET	DIFFERENCE (amount, %)
FTEs – O&M	3	3	0
FTEs - Other	0	0	0
Salaries & Wages	\$202,100	\$206,837	\$4,737 (2.3%)
Fringe Benefits	81,000	95,145	\$14,145 (17.5%)
Operating Expenditures	112,600	67,600	\$45,000 (-40%)
Equipment	3,000	3,000	\$0 (0%)
Special Funds	75,000	75,000	\$0 (0%)
TOTAL	\$473,700	\$447,582	\$26,118 (-5.5%)

Deferred Compensation Plan Assets in Millions



Deferred Compensation Plan Participants



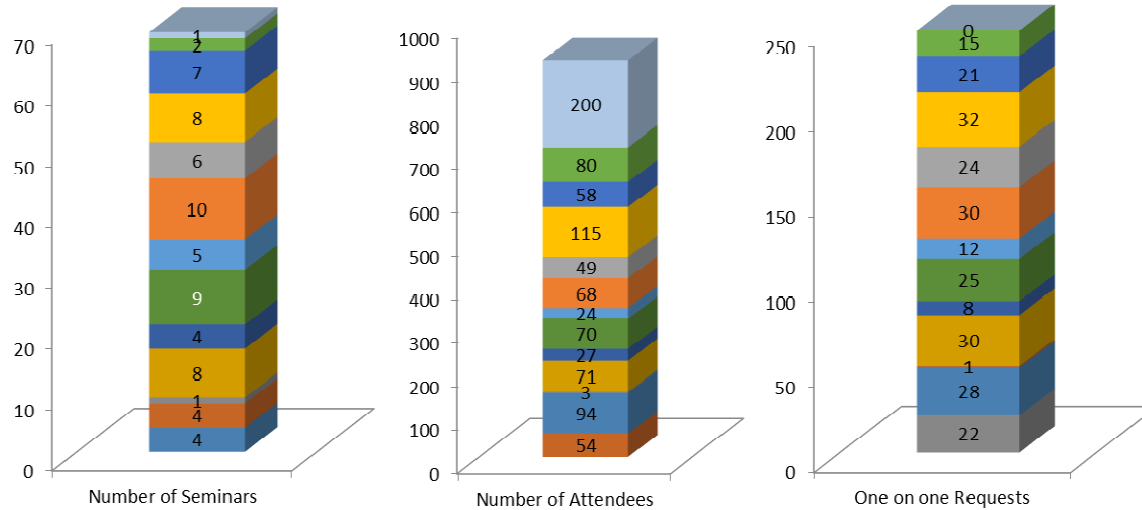
Summary Plan Data

	June 30, 2016 (NRS)	June 30, 2017 (Voya)	June 30, 2018 (Voya)	June 30, 2019 (Voya)	June 30, 2020 (Voya)	2020 vs. 2019 % Change
Total Participants	7,696	8,255	8,775	8,964	9,098	14.95%
Employee Participants	4,665	5,637	5,890	5,948	5,836	-1.88%
Retiree / Termed Participants	3,031	2,618	2,885	3,016	3,262	8.16%
Plan Assets	\$803,962,361	\$882,705,719	\$930,596,881	\$954,034,033	\$991,383,670	3.91%

Recent Accomplishments

- Successful implementation of the annual re-enrollment/elections program
- Compilation and circulation of a clear and comprehensive annual fee disclosure
- Reduction of investment management fees
- Fifth consecutive year of decreases in plan operating expenses
- Continued expansion of the Financial Wellness component in the City's Wellness Program
- Recipient of 2019 National Association of Government Defined Contribution Administrators Leadership Award for Participation Education & Communication
- Recipient of P&I's 2020 Eddy Award for Financial Wellness

Financial Wellness Seminars



- MDCP Overview –Milwaukee Retiree Association Meeting
- FRS Retirement Workshop
- Foundations of Financial Wellness
- Save for your Goals with Smart Budgeting
- Retirement Planning for Women
- Retirement Readiness with myOrangeMoney
- Plan for Your Someday
- Investing Concepts
- Small Steps, Great Strides
- Understanding the Benefits of Participating in the COM Deferred Compensation Plan
- Voya Cares
- Estate Planning for Everyone
- Three Steps to a Social Security Strategy

Wellness Credits



Your Path to Financial Wellness
With Healthy Rewards
(July 1, 2020 – June 30, 2021)

Action Steps	Wellness Credits
Complete a one-on-one phone counseling session with a local Voya Representative	Earn 10 Healthy Rewards Points per session – maximum 30
Financial Wellness Seminars	Earn 5 Healthy Rewards Points per seminar – maximum 55*

*Includes seminars offered by Workforce Health, EAP, Financial/Deferred Compensation, Onsite Nurse Liaison and non-mandatory City safety training. Visit DER website for a schedule.

The Wellness Program is offered to you exclusively through the City of Milwaukee. Voya Financial and its affiliates are not party to this program offering and do not make a determination about how points are valued or awarded.



Calculating monthly expenses

Some expenses may go down ...

- Taxes
- Mortgage payments
- Family expenses
- Household costs
- Employment expenses

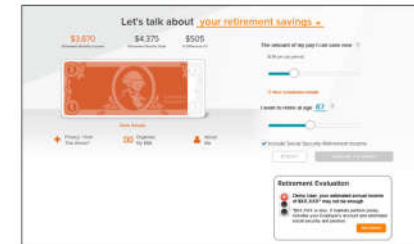


PLAN | INVEST | PROTECT



myOrangeMoney

Need to save more?
It's easy to increase your contribution!

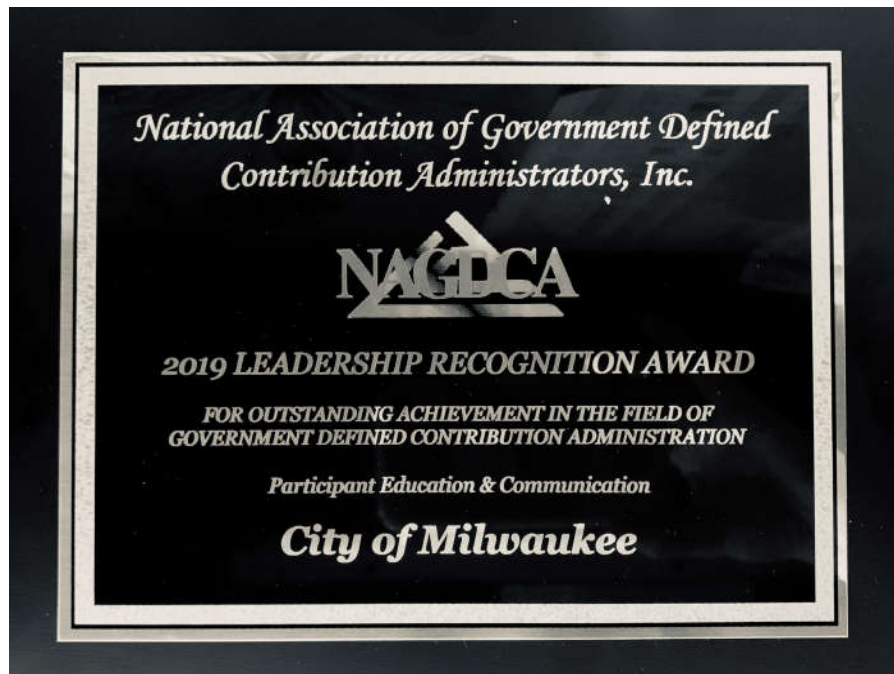


Recipient of 2019 National Leadership Award

(National Association of Government Defined Compensation Administrators, Inc.)

&

Recipient of Pensions & Investments' 2020 Eddy Award



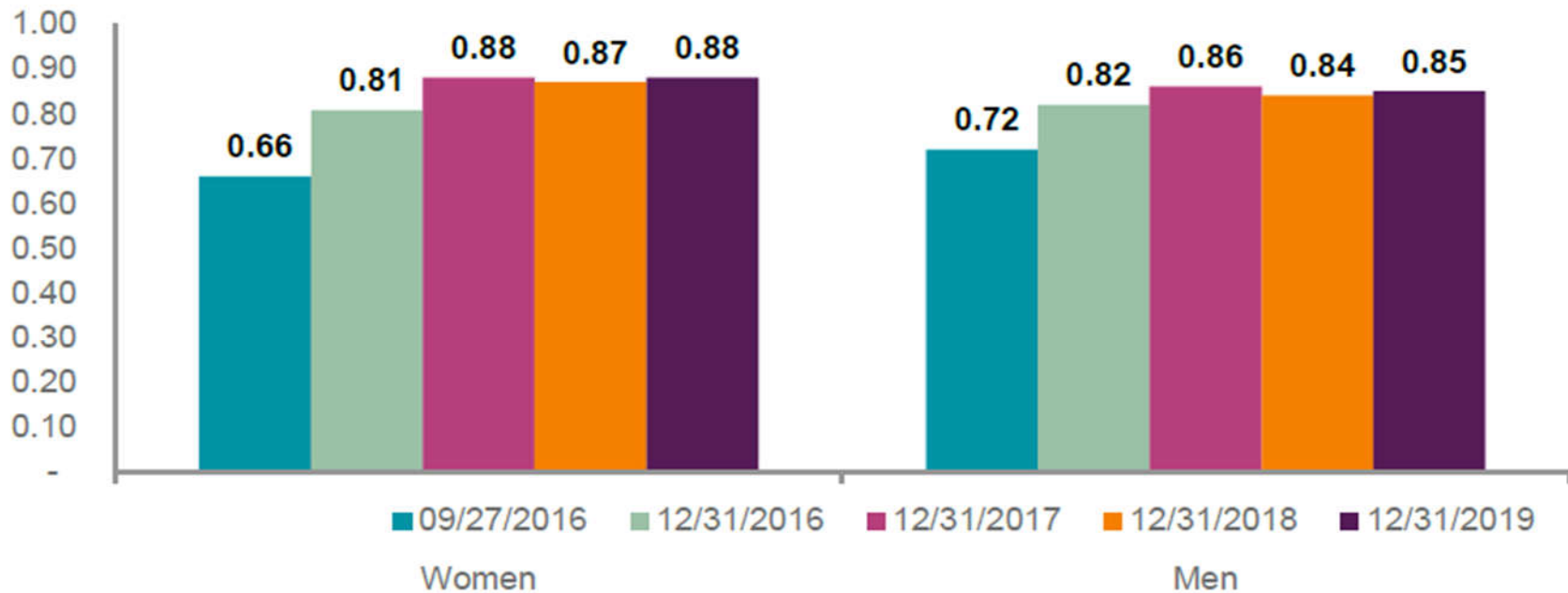
Review of Plan Design Changes

- ❑ Enrollment*
 - Default enrollment for new employees at 3%
 - Default enrollment annually of unenrolled
 - Boost savings rate to 3% for all each year
 - Optional automatic increase
 - 1-time re-enrollment (sweep to TDFs)

- ❑ Remove risk-managed funds, move to TDFs

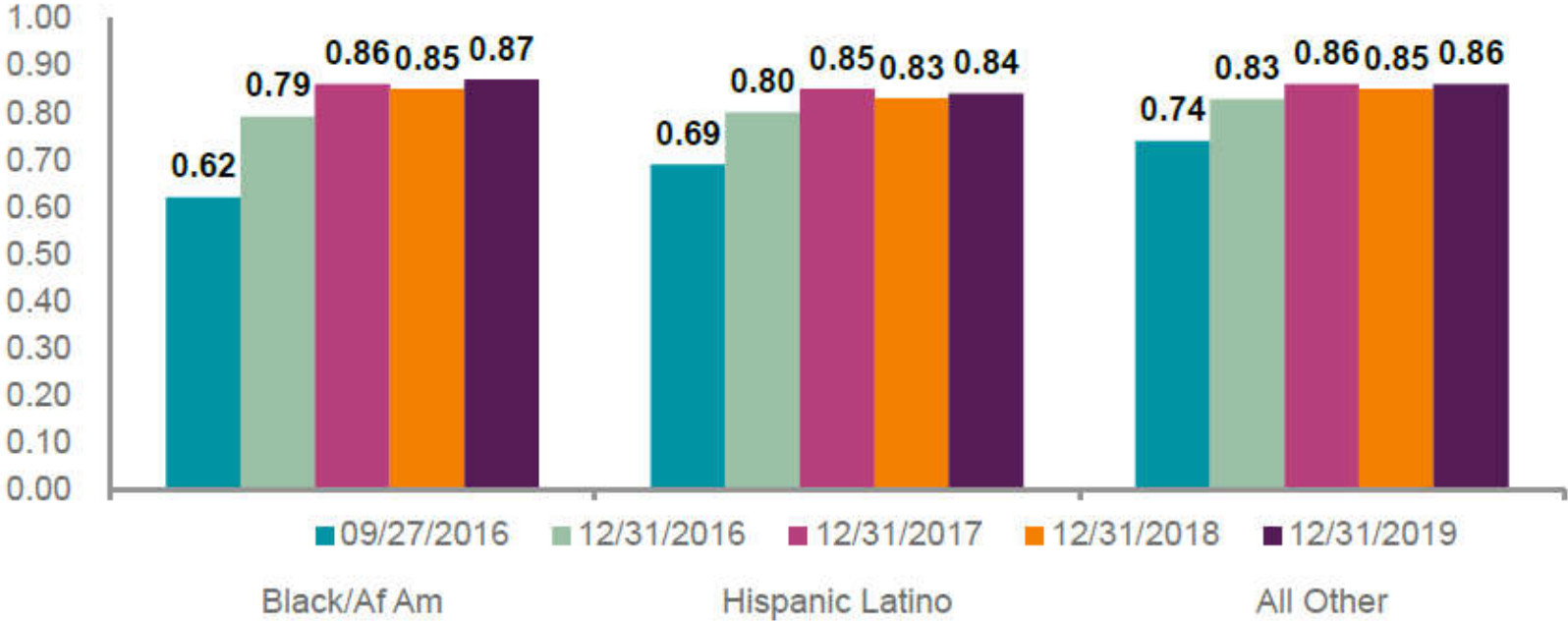
* Excludes protective service union employees

Measuring Results: Gender Analysis



Counts and analysis excludes HACM and WCD employees, as well as all part-time, seasonal, and less than half time employees

Measuring Results: Race Analysis



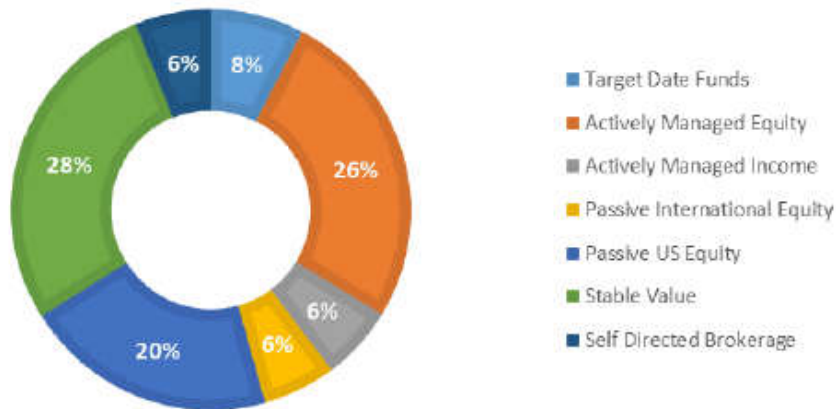
Counts and analysis excludes HACM and WCD employees, as well as all part-time, seasonal, and less than half time employees

Measuring Results: Asset Allocation Impact

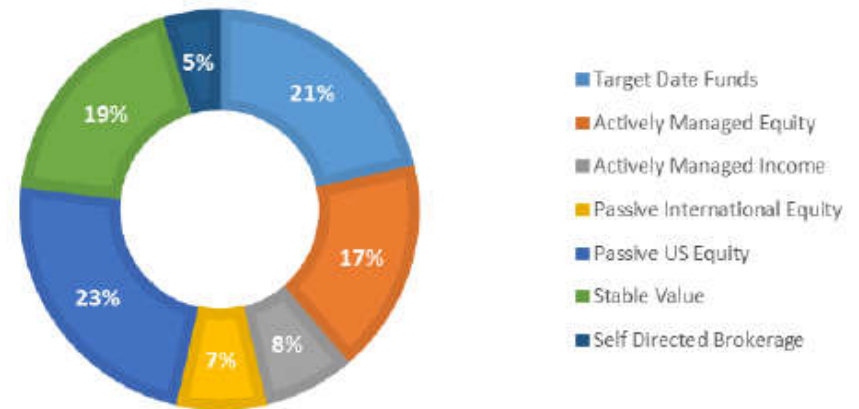
Target date funds were the default investment for participants subject to the default who did not make an active investment election.

Target date fund assets as a percentage of total plan assets consequently increased from 8% to 22% since the initial implementation.

AS OF 10/3/16



AS OF 12/31/19



2021 Plan Goals

- Continue to benchmark comprehensive data analysis (particularly focused on enrollment results, election program and Financial Wellness program outcomes)
- Continue partnering with the City's Wellness Program to promote and offer Financial Wellness learning opportunities
- Continue effective communications programming and outreach
- Review of distribution/lifetime income product offerings for retirees
- Complete a successful elections/enrollment program in 2021, including review of defaults
- Continue monitoring cost/expense controls