

2017



Legislative Reference Bureau

www.milwaukee.gov/lrb



DEFERRED COMPENSATION

2017 Proposed Plan and Executive Budget Review

Prepared by: John Ledvina, Fiscal Planning Specialist
Budget Hearing: 10:30 am on Friday, October 7, 2016
Last Updated: October 5, 2016

Final Version



\$365,367

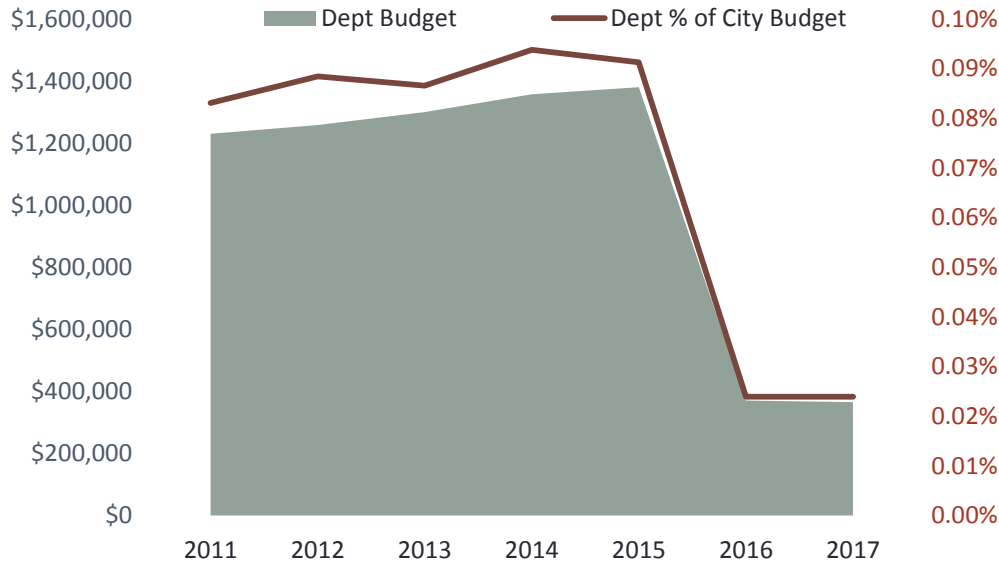
Proposed 2017 Budget

\$5,118

Change in Proposed Budget

1.4%

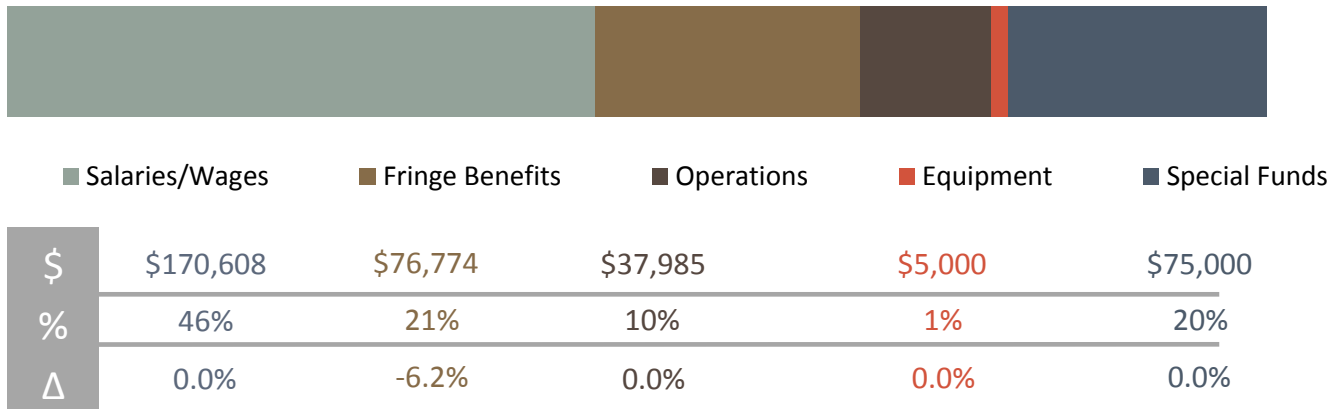
% Change in Proposed Budget



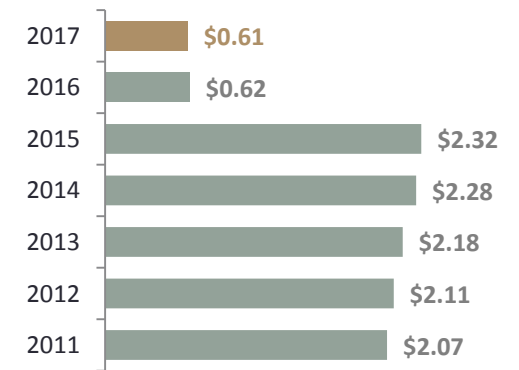
Departmental Budget Impact

The Deferred Compensation Plan's budget is funded entirely through the Plan's assets, as approved by the 11-member Deferred Compensation Board and, therefore, does not have an effect on the Tax Levy or General City Budget.

Departmental Budget Appropriation Category



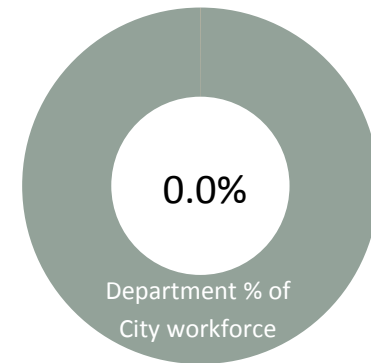
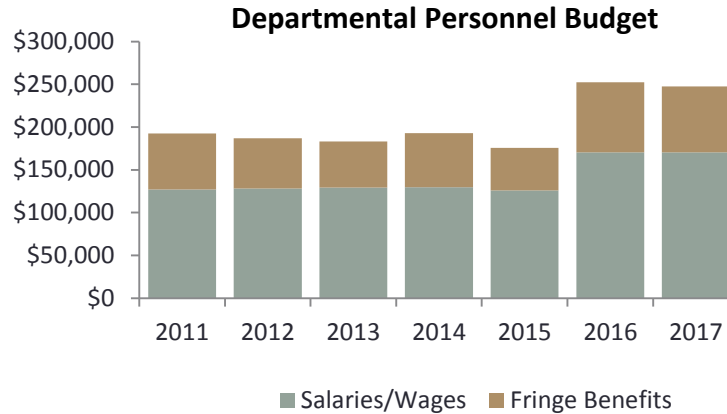
Budget per Capita



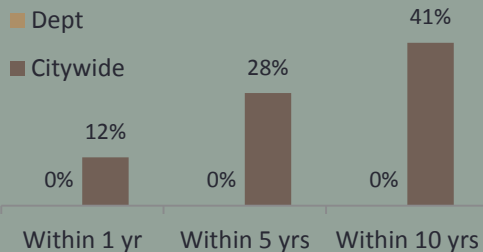
\$170,608

Salary for Deferred Compensation Plan Executive Director and Administrative Assistant IV (see Staffing Update for reclassification).

Deferred Compensation Plan employees are City employees, therefore their salaries and benefits are reflected in the City's budget. The Plan fully reimburses the City for their salaries and benefits.



Retirement Eligible



Staffing Update

- Deferred Comp has 2 employees.
- There are no current vacancies.
- Neither employee is eligible for retirement.

Staffing Update

On September 14, 2016, the Administrative Assistant IV (PR 5IN) was reclassified to a Deferred Compensation Plan Coordinator (PR 2EX) to reflect the position's expanded responsibilities.

2 2 2 2 2 2 2

**Department Positions
2011-2017**

0
Change in Positions

0.0%
% Change in Positions

0
Current Vacancies

0
Voluntary Separations

\$792 million

Deferred Compensation Plan assets as of December 31, 2015, a \$6 million decrease from December 31, 2014.

7,631

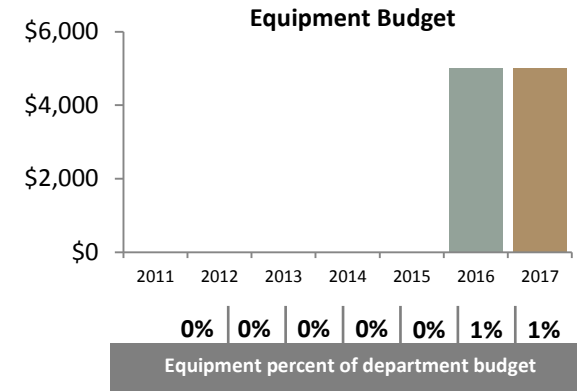
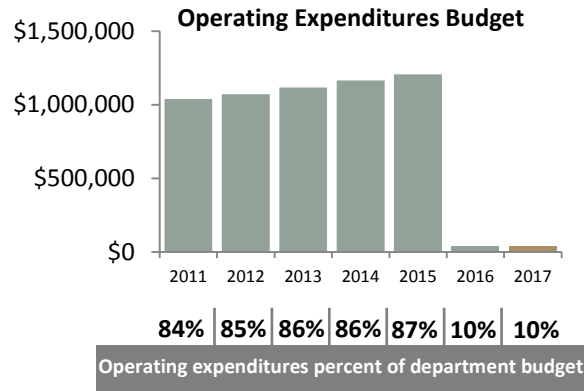
Active and retired participants as of December 31, 2015, an increase of 143 from December 31, 2014.

\$1.31 million

Total 2017 Plan expenses including salaries, benefits, operating expenditures and professional fees. The Plan's expenses are totally self-funded.

1.7

Anticipated Plan expenditures are 1.7 basis points of total Plan assets.



Revenue

The \$365,367 Charges for Services revenue reflects the Plan's reimbursement of City expenditures on behalf of the Plan.

Grants

This department receives no grants.

Special Purpose Accounts

This department has no special purpose accounts.

Capital Requests

This department has no capital requests.

Third-Party Administrator

- New TPA is Voya Financial.
- Result of extensive Request for Proposal evaluation process.
- Lower fees to Plan and participants.
- User-friendly "retirement-readiness" tools.
- Participants may allocate investments in target retirement date, fixed-income, global and domestic equity funds.

Annual Enrollment and Elections

- Open enrollment October 3-28, 2016.
- Auto-contribution of 3% of an employee's wages unless employee affirmatively opts-out or elects a higher percentage contribution.
- Employees automatically placed in age-appropriate investment plans ("target retirement date" plans) unless opt out.