

# MDCP Savings and Participation

As of March 31, 2017



**Financial independence. It starts today.**

Information contained herein is proprietary, confidential and non-public and is not for public release.

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# Enrollment and Elections Period – Background

From October 3<sup>rd</sup> through the close of business on October 28<sup>th</sup>, employees and City of Milwaukee Deferred Compensation Plan (“Plan”) participants (with the exception of collectively bargained police and fire employees) were asked to make certain enrollment and investment decisions:

- Whether or not to enroll
- How much to contribute
- How to invest contributions and Plan account balances

This elections process was supported through implementation of a custom microsite to make elections, and a robust outreach program.

Initial results were presented to the Plan’s Executive Finance Committee on November 10<sup>th</sup>, 2016.

The information presented on the following slides are updates to those initial analytics.

# Savings Analysis

## Average Savings Rate – by Union<sup>1</sup> vs. Non Union

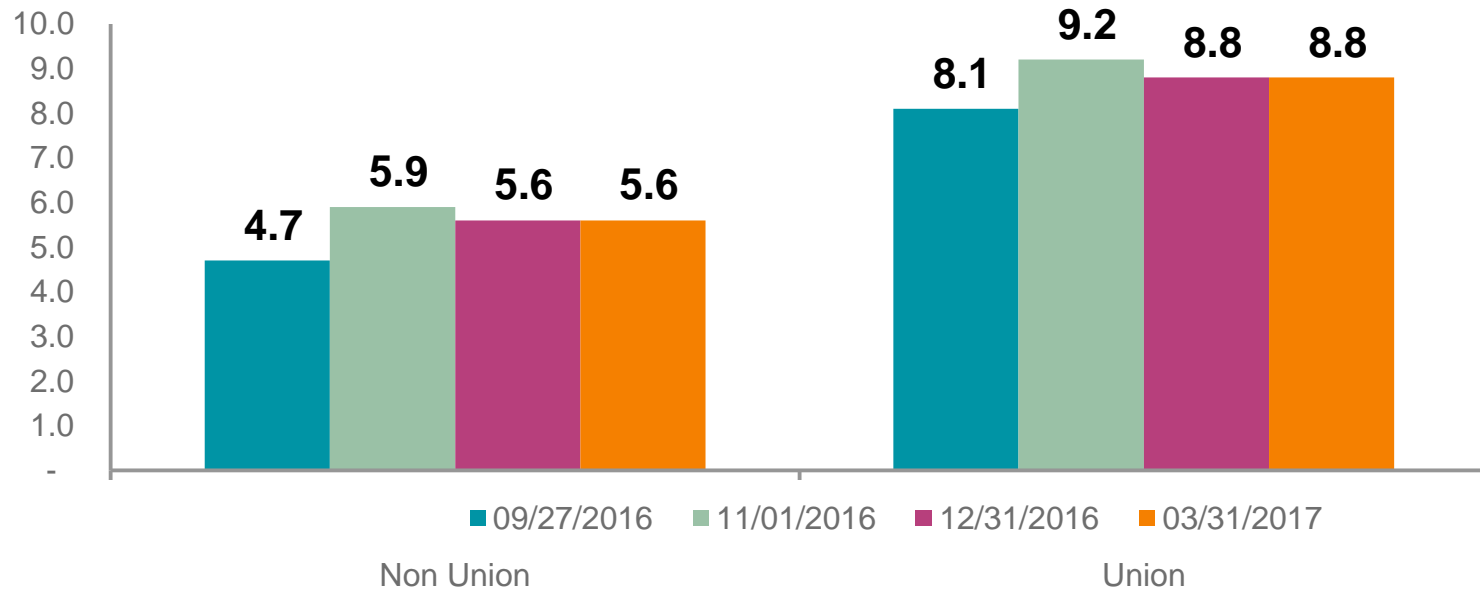
Union Indicator	Employee Count <sup>2</sup>	Pre - Transition	Post Transition			Change from 9/27	% Change from 9/27
		09/27/16	11/01/16	12/31/16	3/31/17		
Non Union	3,972	4.7	5.9	5.6	5.6	0.9	19%
Union	2,567	8.1	9.2	8.8	8.8	0.7	9%
Grand Total	6,539	6.0	7.3	6.9	6.8	0.8	13%

1. “Union” represents collectively bargained police and fire employees who were not subject to the default programs
2. Employee count as of March 31, 2017

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

# Savings Analysis

## Average Savings Rate – by Union<sup>1</sup> vs. Non Union



1. “Union” represents collectively bargained police and fire employees who were not subject to the default programs

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

# Participation Analysis

## Participation Rate – by Union<sup>1</sup> vs. Non Union

Union Indicator	Actively Saving	Not Saving with Balance	Not Saving w No Balance <sup>2</sup>	Grand Total*	Participation Rate		% Increase
					9/27/16	3/31/17	
Non Union	3,138	203	631 • Existing EEs: 507 • New EEs: 124	3,972	0.63	0.79	25%
Union	2,138	218	211 • Existing EEs: 179 • New EEs: 32	2,567	0.81	0.83	2%
Grand Total	5,276	421	842 • Existing EEs: 686 • New EEs: 156	6,539	0.70	0.81	16%

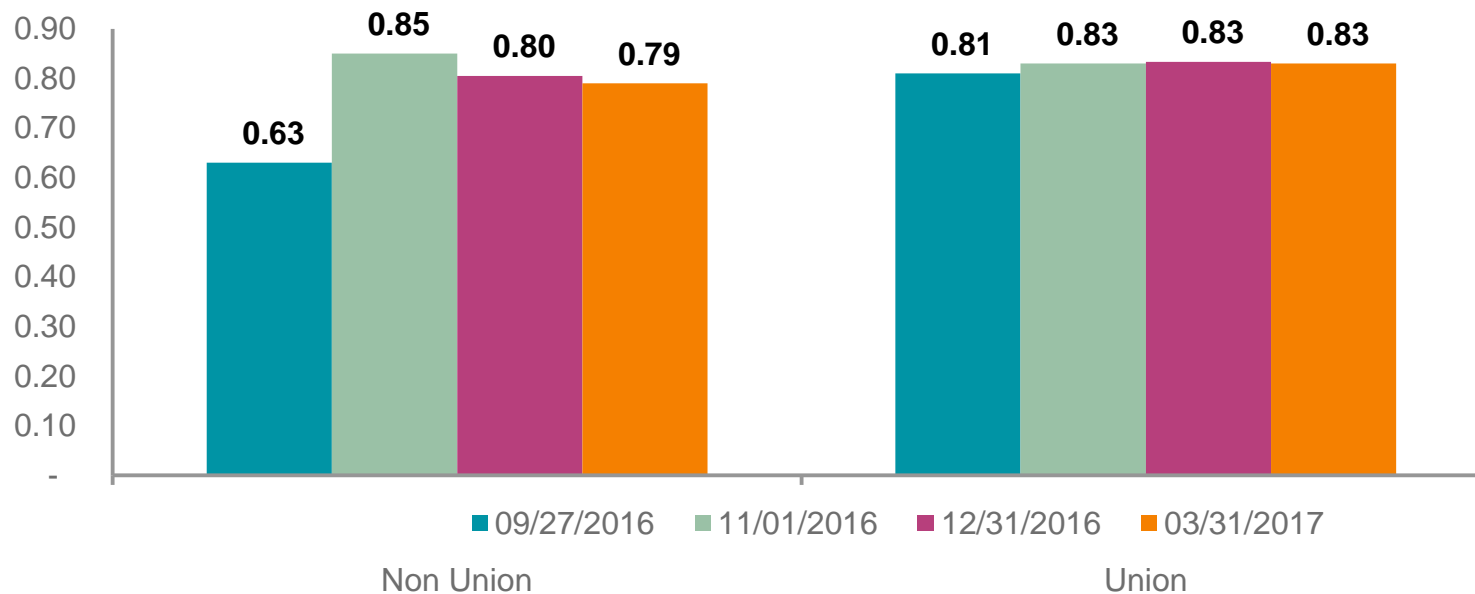
1. “Union” represents collectively bargained police and fire employees who were not subject to the default programs

2. “Existing EEs” represent employees hired prior to 10/3/16; “New EEs” represent employees hired since 10/3/16

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

# Participation Analysis

## Participation Rate – by Union<sup>1</sup> vs. Non Union



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# Savings Analysis

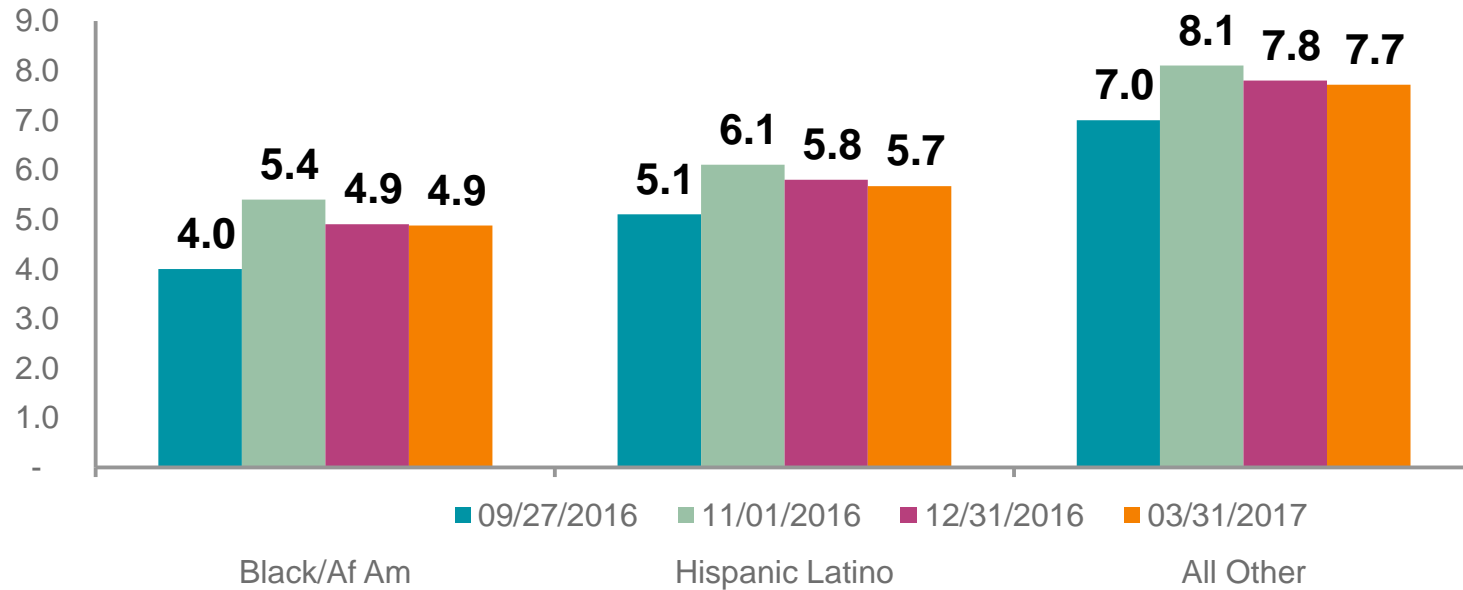
## Average Savings Rate – by Race

Race	Employee Count*	Pre - Transition	Post Transition			Change from 9/27	% Change from 9/27
		09/27/16	11/01/16	12/31/16	3/31/17		
Black/Af Am	1,613	4.0	5.4	4.9	4.9	0.9	23%
Hispanic Latino	605	5.1	6.1	5.8	5.7	0.6	12%
All Other	4,321	7.0	8.1	7.8	7.7	0.7	10%
Grand Total	6,539	6.1	7.3	6.9	6.8	0.7	11%

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

# Savings Analysis

## Average Savings Rate – by Race



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



# Participation Analysis

## Participation Rate – by Race

Race	Actively Saving	Not Saving with Balance	Not Saving w No Balance <sup>1</sup>	Grand Total*	Participation Rate		% Increase
					9/27/16	3/31/17	
Black/Af Am	1,246	120	247 • Existing EEs: 195 • New EEs: 52	1,613	0.62	0.77	24%
Hispanic Latino	471	41	93 • Existing EEs: 72 • New EEs: 21	605	0.69	0.78	13%
All Other	3,559	260	502 • Existing EEs: 422 • New EEs: 80	4,321	0.74	0.82	11%
Grand Total	5,276	421	842 • Existing EEs: 689 • New EEs: 156	6,539	0.70	0.81	16%

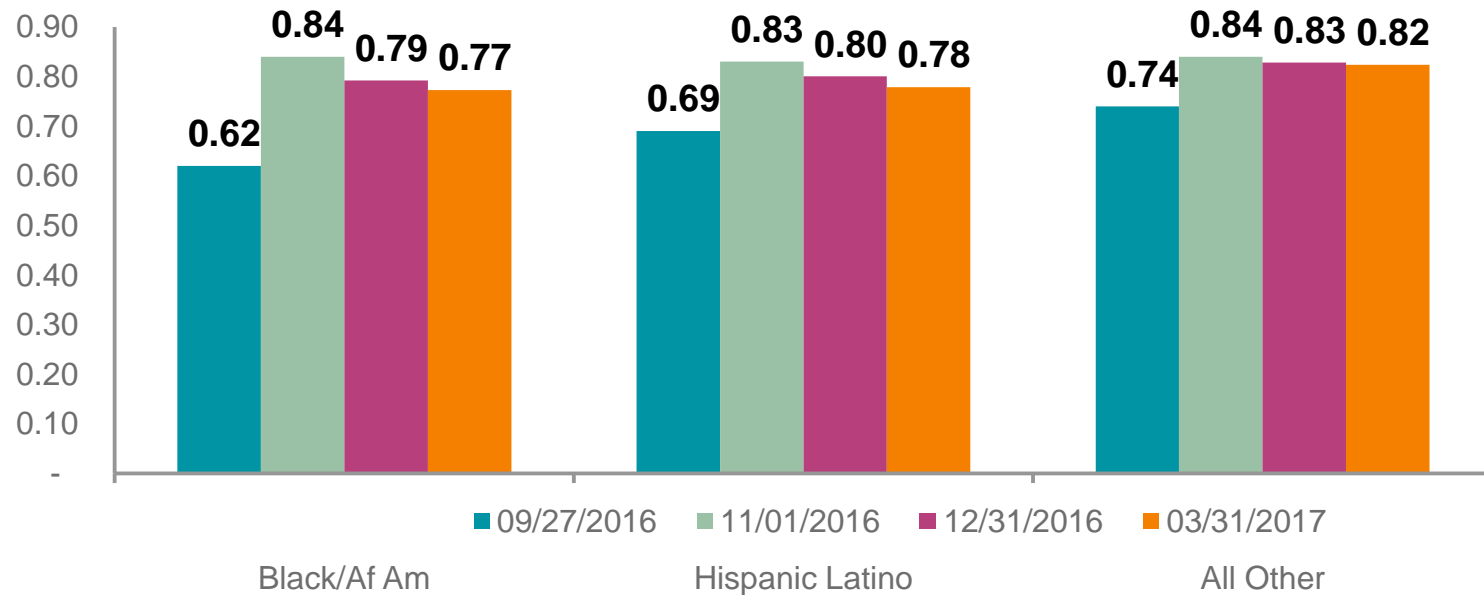
\* Employee count as of March 31, 2017

1. “Existing Ees” represent employees hired prior to 10/3/16; “New Ees” represent employees hired since 10/3/16

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

# Participation Analysis

## Participation Rate – by Race



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

# Savings Analysis

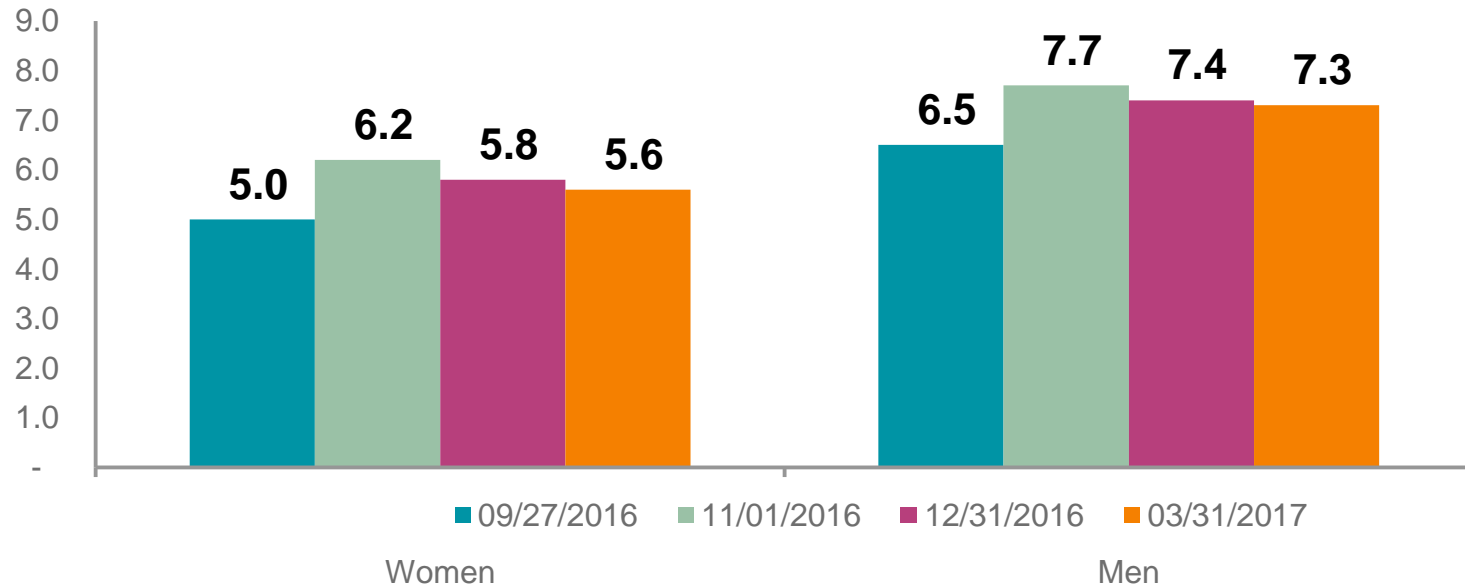
## Average Savings Rate – by Gender

Gender	Employee Count*	Pre - Transition	Post Transition				Change from 9/27	% Change from 9/27
		09/27/16	11/01/16	12/31/16	3/31/17			
Women	1,857	5.0	6.2	5.8	5.6	.6	12%	
Men	4,627	6.5	7.7	7.4	7.3	.8	12%	
Grand Total	6,484	6.0	7.3	6.9	6.8	.8	13%	

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

# Savings Analysis

## Average Savings Rate – by Gender



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

# Participation Analysis

## Participation Rate – by Gender

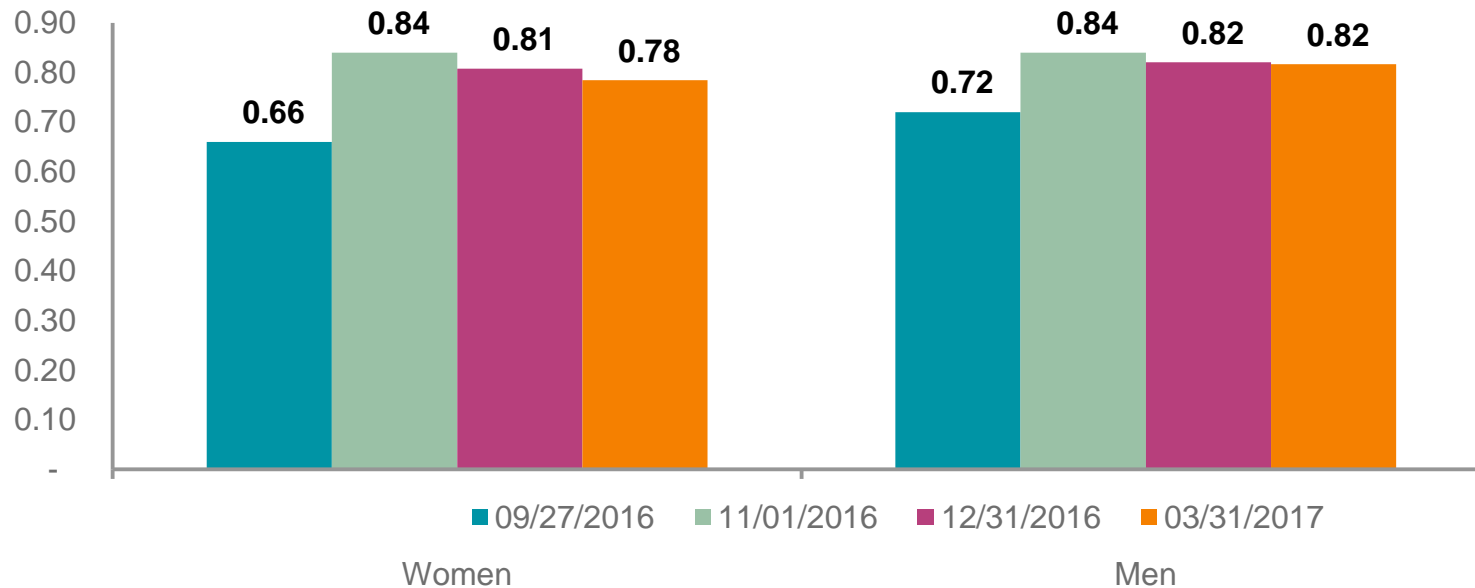
Gender	Actively Saving	Not Saving with Balance	Not Saving w No Balance <sup>1</sup>	Grand Total*	Participation Rate		
					9/27/16	3/31/17	% Increase
Women	1,492	108	303 • Existing EEs: 238 • New EEs: 65	1,903	0.66	0.78	18%
Men	3,781	313	538 • Existing EEs: 450 • New EEs: 88	4,632	0.72	0.82	14%
Grand Total	5,273	421	841 • Existing EEs: 688 • New EEs: 153	6,535	0.70	0.81	16%

1. “Existing Ees” represent employees hired prior to 10/3/16; “New Ees” represent employees hired since 10/3/16

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

# Participation Analysis

## Participation Rate – by Gender



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# Savings Analysis

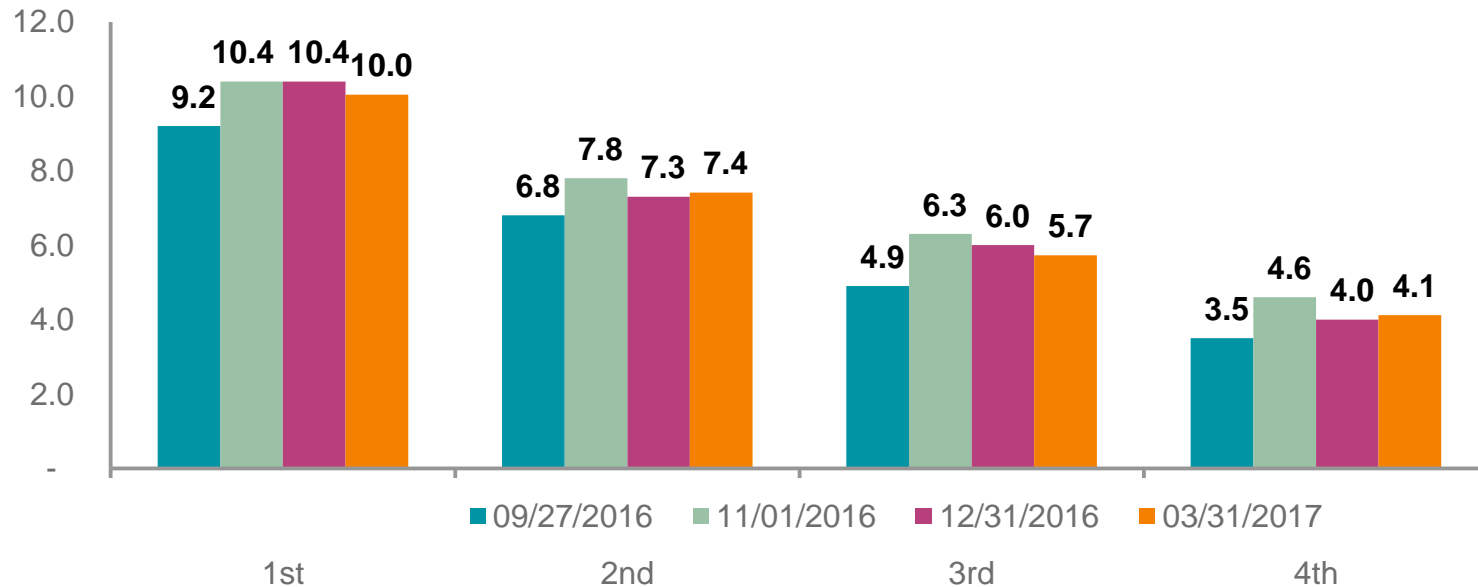
## Average Savings Rate – by Salary Quartile

Salary Quartile	Employee Count*	Pre - Transition	Post Transition			Change from 9/27	% Change from 9/27
		09/27/16	11/01/16	12/31/16	3/31/17		
1 <sup>st</sup>	1,633	9.2	10.4	10.4	10.0	0.8	9%
2 <sup>nd</sup>	1,635	6.8	7.8	7.3	7.4	0.6	9%
3 <sup>rd</sup>	1,635	4.9	6.3	6.0	5.7	0.8	17%
4 <sup>th</sup>	1,636	3.5	4.6	4.0	4.1	0.6	18%
Grand Total	6,539	6.1	7.3	6.9	6.8	0.7	12%

- Counts and analysis excludes HACM and WCD employees, as well as all part-time, seasonal, and less than half time employees
- The salary quartiles in this section are as follows: 1<sup>st</sup>: \$147,355 to \$81,092; 2<sup>nd</sup>: \$81,092 to \$61,296; 3<sup>rd</sup>: \$61,253 to \$43,496, and 4<sup>th</sup>: \$43,496 to \$0

# Savings Analysis

## Average Savings Rate – by Salary Quartile



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# Participation Analysis

## Participation Rate – by Salary Quartile

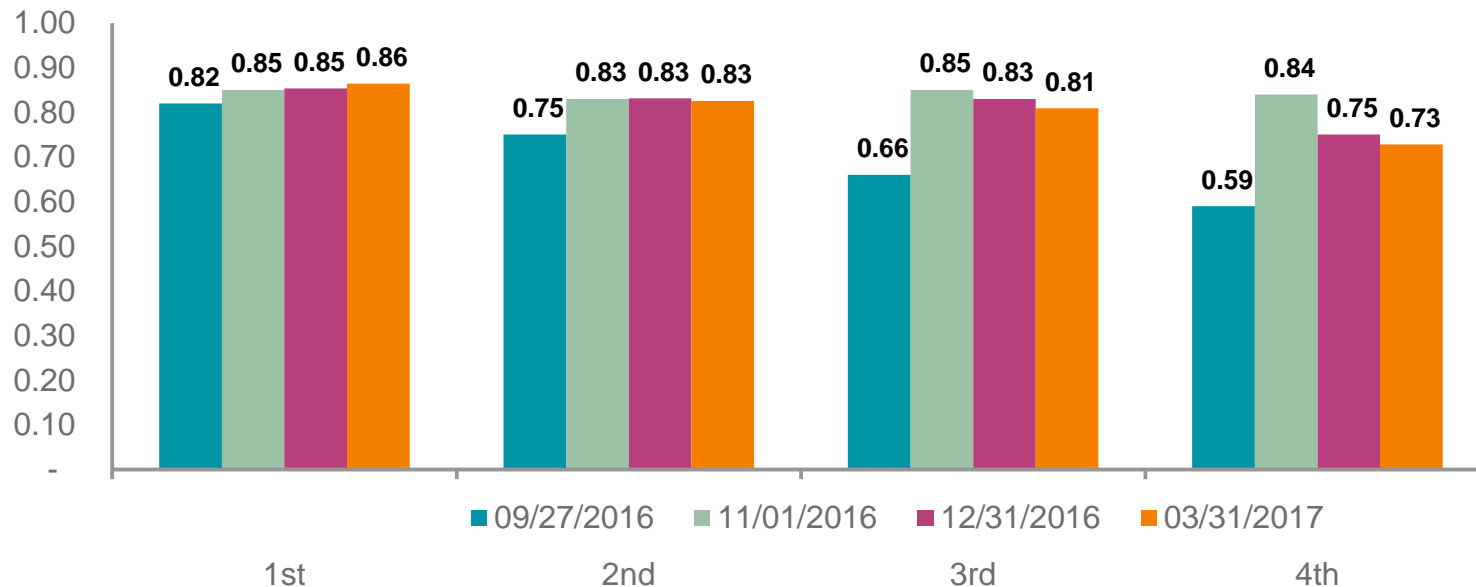
Salary Quartile	Actively Saving	Not Saving with Balance	Not Saving w No Balance <sup>1</sup>	Grand Total*	Participation Rate		% Increase
					9/27/16	3/31/17	
1 <sup>st</sup>	1,412	136	86 • Existing EEs: 83 • New EEs: 3	1,634	0.82	0.86	5%
2 <sup>nd</sup>	1,350	130	155 • Existing EEs: 146 • New EEs: 9	1,635	0.75	0.83	11%
3 <sup>rd</sup>	1,323	88	224 • Existing EEs: 197 • New EEs: 27	1,635	0.66	0.81	23%
4 <sup>th</sup>	1,191	67	377 • Existing EEs: 263 • New EEs: 114	1,635	0.59	0.73	24%
Grand Total	5,276	421	842 • Existing EEs: 689 • New EEs: 153	6,539	0.70	0.81	16%

1. “Existing Ees” represent employees hired prior to 10/3/16; “New Ees” represent employees hired since 10/3/16

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# Participation Analysis

## Participation Rate – by Salary Quartile



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# MDCP Asset Allocation

As of March 31, 2017



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# Asset Allocation – Background

As part of the transition from Nationwide to Voya, several funds were closed, with assets mapped to the new JPMorgan SmartRetirement Target Date Funds (“TDFs”).

Specifically, the following balances were mapped as follows:

Prior Fund	Amount
Socially Conscious Balanced Account	\$33,773,853.94
Conservative Model Portfolio	\$9,231,573.67
Accumulator Model Portfolio	\$4,412,074.66
Wealth Builder Model Portfolio	\$6,698,397.49
Aggressive Model Portfolio	\$6,889,375.79
<b>Total as of 10/3/16</b>	<b>\$61,005,275.55</b>



**JPMorgan  
SmartRetirement  
Target Date Funds**

# Asset Allocation – Background

Since the initial mapping, overall assets have increased by 5%.

The largest overall portion of investments in the plan are held in the target date funds:

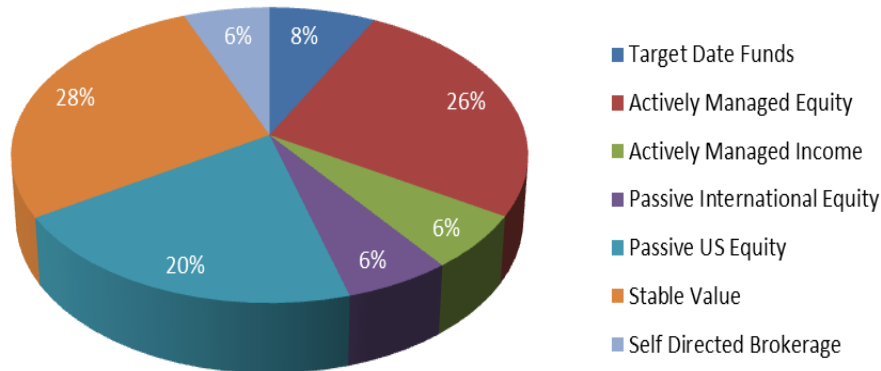
Investment	As of 10/3/16	As of 3/31/17	% Change
Target Date Funds	\$61,129,398	\$204,104,052	234%
Actively Managed Equity	\$210,474,439	\$157,956,081	-25%
Actively Managed Income	\$48,548,688	\$47,823,376	-1%
Passive International Equity	\$47,272,925	\$47,003,432	-1%
Passive US Equity	\$165,159,749	\$163,639,846	-1%
Stable Value	\$223,344,936	\$174,866,455	-22%
Self Directed Brokerage	\$49,574,809	\$49,902,609	1%
<b>Total</b>	<b>\$805,504,946</b>	<b>\$845,295,855</b>	<b>5%</b>

# Asset Allocation – Background

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 24% since the initial implementation.

**As of 10/3/16**



**As of 3/31/17**

