

# 2024



Legislative Reference Bureau

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# DEFERRED COMPENSATION



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## 2024 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst

Budget Hearing: 1:00 pm on Wednesday, October 4, 2023

**\$522,427**

Proposed 2024 Budget + ARPA

**\$522,427**

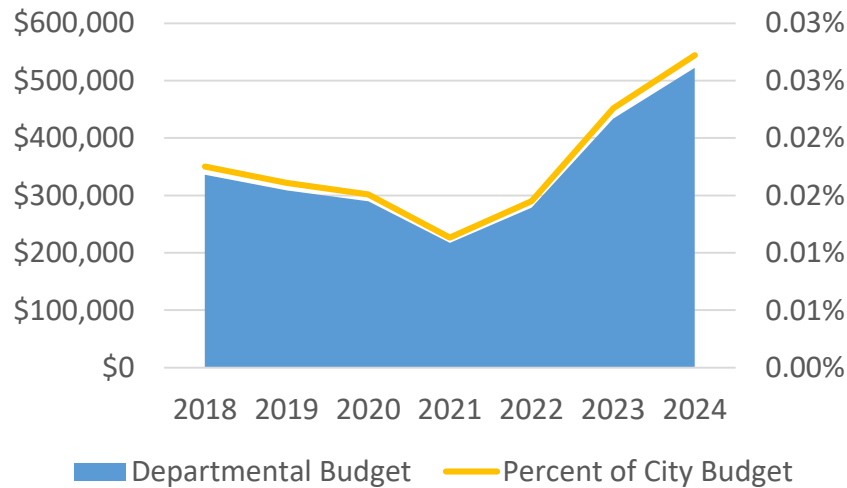
Proposed 2024 Budget

**\$88,925**

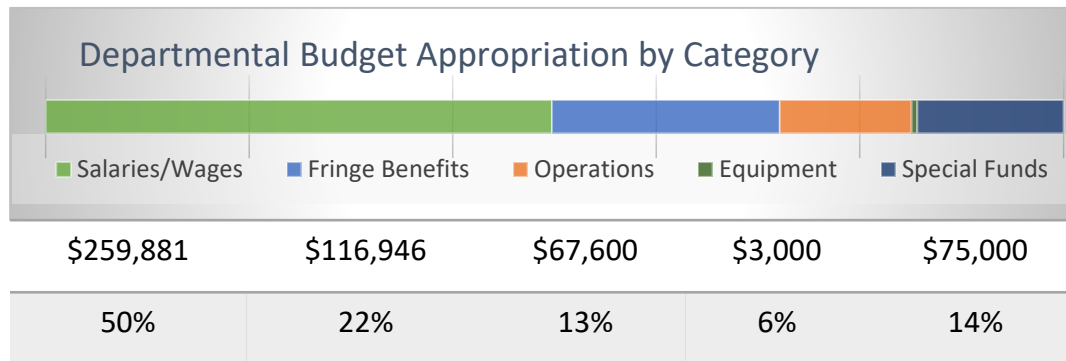
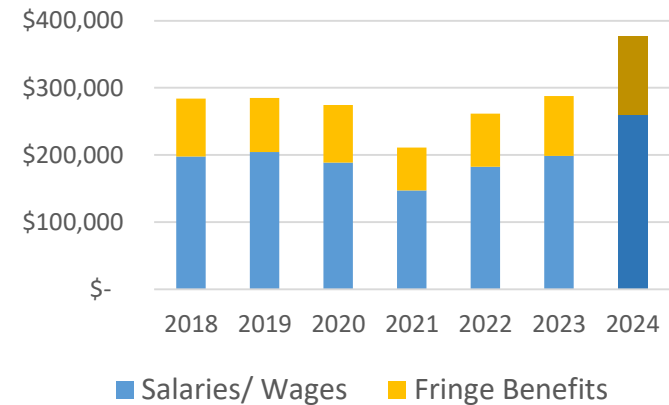
\$ Overall Change from 2023

**\$480,667**

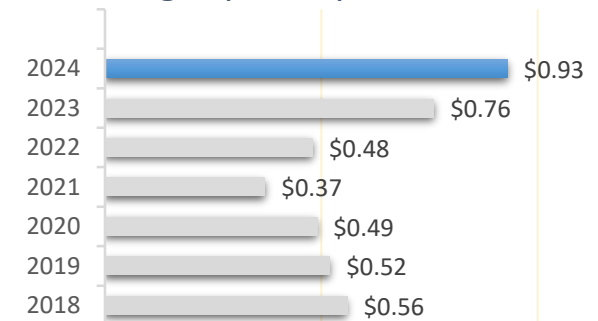
Requested 2024 Budget



### Personnel Budget



### Budget per Capita



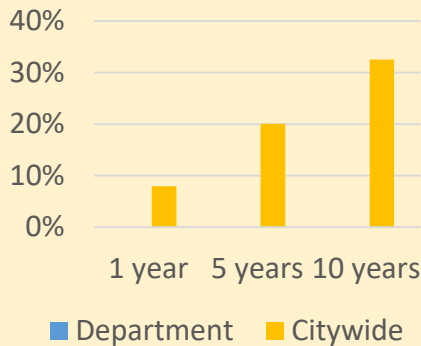
**\$0**

2024 Salaries and Wages  
funded with ARPA

**\$61,328**

Increase in Salaries and Wages,  
compared to 2023

### Retirement Eligible



### Staffing Vacancies

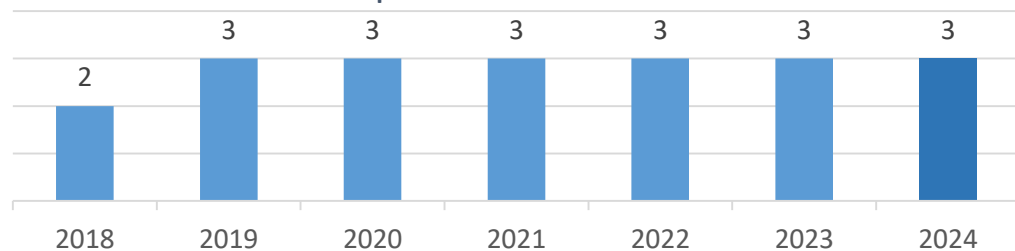
The department has one vacancy for the position of Deferred Compensation Plan Services Assistant.

### Staffing Update

The Executive Director position will be reclassified under the same title, and the Administrative Assistant II will be reclassified to Deferred Compensation Plan Services Assistant in 2024.

These reclassifications account for a significant portion of the increase in salaries in 2024.

### Department Positions



0	0%
Change in Positions	%Change in Positions
1	0
Current Vacancies	Voluntary Separations

# 9,609

Total active and retired Deferred Compensation Plan participants as of December 31, 2022.

# 89% vs 90%

2021 and 2022 Plan participation rates, respectively. Prior to implementing the “Opt-Out” participation strategy in Fall 2016, the participation rate was 65%.

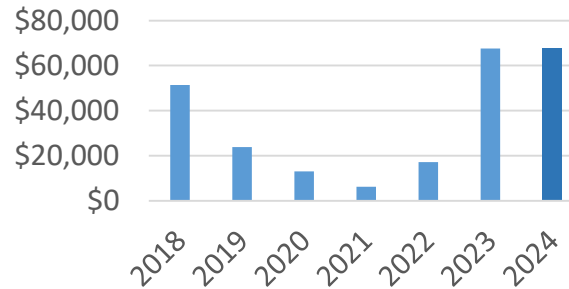
# \$1,016,979,591

Plan assets as of December 31, 2022, a 15.3% decrease (from \$1,201,264,506) over 2021.

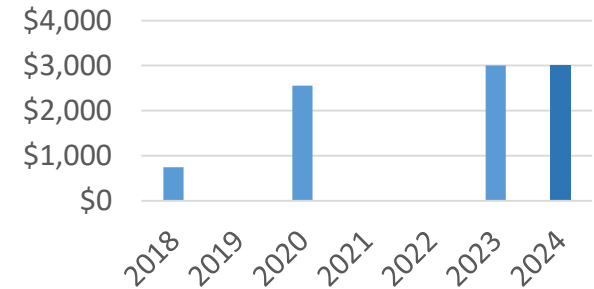
# 3%

Default percentage of wages for contributions unless participants choose to contribute a different percentage of wages or to “Opt Out.”

## Operating Expenditures Budget



## Equipment Budget



## Revenue

Revenues are expected to be \$480,667 in 2024, a 10.9% increase from 2023. Department revenues match total department expenditures. Department expenditures, including salaries and operating, are paid for through the Plan and participant fees. There is no City tax-levy support.

## Special Purpose Accounts

There are no special purpose accounts for this department.

## Grants

This department receives no grant funding.

## Capital Programs and Projects

There are no capital requests for this department.

# 6

Number of years the Deferred Compensation Plan Board has been in contract with Voya. The contract was renewed for an additional 5 years in October 2021.

# 15

Investment options available within the Deferred Compensation Plan, including 9 age-specific Target Date funds, 5 Core funds, and the Self-Directed Brokerage Account option.

# 681

Total Employees Participating in Financial Wellness Activities (Seminars, Consultations, Retirement Workshops)

## Special Funds

Contingency funds cover any unexpected expenses. Funds may only be expended upon Deferred Compensation Board approval.

**TOTAL**

**\$75,000**

## Recent Service Highlights

- Compiled and circulated a comprehensive annual fee disclosure.
- Continued expansion of the Financial Wellness component in the City's Wellness Program.
- Received the 2023 Communicator Awards Excellence in Content Distribution Strategy-Institutional for Marketing Achievement for City of Milwaukee Deferred Compensation Plan Healthy Rewards Program.
- Received the 2023 Communicator Awards Distinction in Overall Communications Strategy-Consumer for Marketing Achievement for City of Milwaukee Deferred Compensation Plan Healthy Rewards Program.
- The Plan was featured as a successful case study in a 2023 Voya Perspectives on financial equity.

## Racial Equity and Inclusion

Over the past few years, the department has been successful in closing several disparity gaps related to Plan participation and savings rates. Since deploying automatic enrollment and re-enrollment Plan design changes in 2016, the Plan participation rate among Black/African American employees has increased from 62% to 88% (for an overall increase of 42%) and the average savings rate has increased from 4% to 5.3% (for an overall increase of 33%). Amongst Hispanic/Latino employees, the Plan participation rate has increased from 69% to 87% (for an overall increase of 26%) and the average savings rate has increased from 5.1% to 6.4% (for an overall increase of 25%). Amongst female employees the Plan participation rate has increased from 69% to 87% (for an overall increase of 26%) and the average savings rate has increased from 5% to 6% (for an overall increase of 20%).