



2011 FUND TRANSITION

DEPARTMENT OF RETIREMENT SYSTEMS

MAY 19, 2011

AGENDA

- Background
 - Overall plan goals
 - Why are the funds changing?
 - What is changing?
 - Who is affected?
- Timeline
- Defaulting Strategy
- Communication

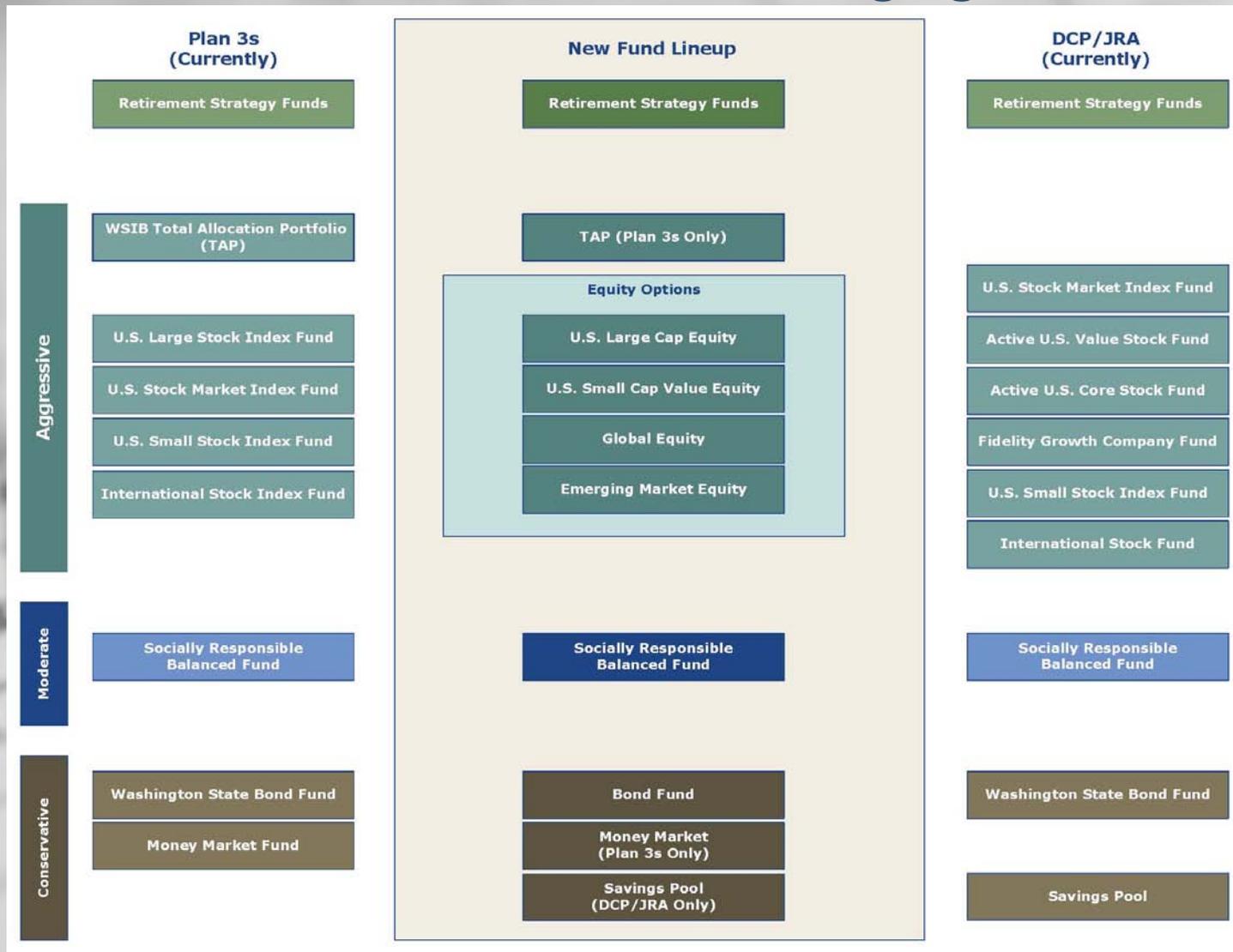
BACKGROUND — Overall plan goals

- Plan 3 (PERS/SERS/TRS) is a retirement plan
- DCP is an optional savings plan that can be used for retirement purposes
- Investment options are:
 - Focused on long term financial security
 - Selected to provide the best results for the majority of participants
 - Designed to be as easy and straightforward as possible

BACKGROUND — Why are the funds changing?

- After a recent review, the WSIB recommended changes
- The streamlined menu of options will:
 - Encourage more people to participate
 - Eliminate duplication and thus, overhead
 - Lower fund management fees
 - Offer new access to emerging and global markets
 - Meet the needs of the majority of participants
- Final decisions about the new fund lineup, including fund managers and fund composition, will be made today at the WSIB board meeting

BACKGROUND – What is changing?



BACKGROUND - Who is affected?

- Deferred Compensation Program
 - 35,000 participants
 - \$1,366,140,000
- Judicial Retirement Account
 - 110 members
 - \$6,357,000
- Plan 3s (PERS/SERS/TRS)
 - 75,000 members
 - \$1,658,000,000

TIMELINE

- **9/23/11 COB (soft close)**
 - Existing funds close to new investments and new funds become available
- **9/24/11 through 10/28/11**
 - Members and participants able to move out of closed funds
 - Payroll contributions will continue to go into closed funds
- **10/28/11 COB (hard close)**
 - Eliminated funds close to all activity
 - Dollars are defaulted into the appropriate Retirement Strategy Fund

DEFAULTING STRATEGY – 10/28/11

- The chart below illustrates the defaulting/mapping scenario based on employee's birth date. The chart assumes a retirement age of 65.

If the employee was born...	Default the employee's account balance to:
in 1988 or after	2055 Retirement Strategy Fund
Between 1983 and 1987	2050 Retirement Strategy Fund
Between 1978 and 1982	2045 Retirement Strategy Fund
Between 1973 and 1977	2040 Retirement Strategy Fund
between 1968 and 1972	2035 Retirement Strategy Fund
between 1963 and 1967	2030 Retirement Strategy Fund
between 1958 and 1962	2025 Retirement Strategy Fund
Between 1953 and 1957	2020 Retirement Strategy Fund
Between 1948 and 1952	2015 Retirement Strategy Fund
Between 1943 and 1947	2010 Retirement Strategy Fund
Between 1938 and 1942	2005 Retirement Strategy Fund
in 1937 or before	2000 Retirement Strategy Fund

COMMUNICATION

- Fund transition website in place
- Record keepers will have resources (call center, voice response unit, secure account access site, etc.) to assist investors and respond to questions
- All communication materials will be updated to reflect the new funds for DCP/JRA and Plan 3

COMMUNICATION

- Transition Guide to inform **ALL** DCP/JRA and Plan 3 investors
 - Mailing will begin end of July
- Separate mailings to
 - DCP/JRA
 - Plan 3
 - Combined DCP/JRA & Plan 3



QUESTIONS?

DEPARTMENT OF RETIREMENT SYSTEMS

MAY 19, 2011