

# Deferred Compensation Program Update

DRS Advisory Committee

April 24, 2024

Seth Miller, Member Experience Assistant Director



# Outline

- DCP Overview
- New Roth Option (as of Oct 1, 2023)
- Automatic Enrollment for State Employee
- Continued Retirement Readiness Efforts

# Deferred Compensation Program (DCP)

- 457(b) Supplementary retirement savings plan offered by DRS
- Offered to all state agencies and public higher education
- Local governments and school districts employers can choose to join
  - They may also offer their own 457 plan
- As of 12/31/2023
  - \$6.5 B
  - 140,222 people with an account
    - Increase of 15,589 in the last year

# 2024 DCP annual contribution limits

- General limit:
  - \$23,000
- For participants older than 50:
  - \$30,500
- For those within 3 years of retirement:
  - May be up to \$46,000

# Roth Option

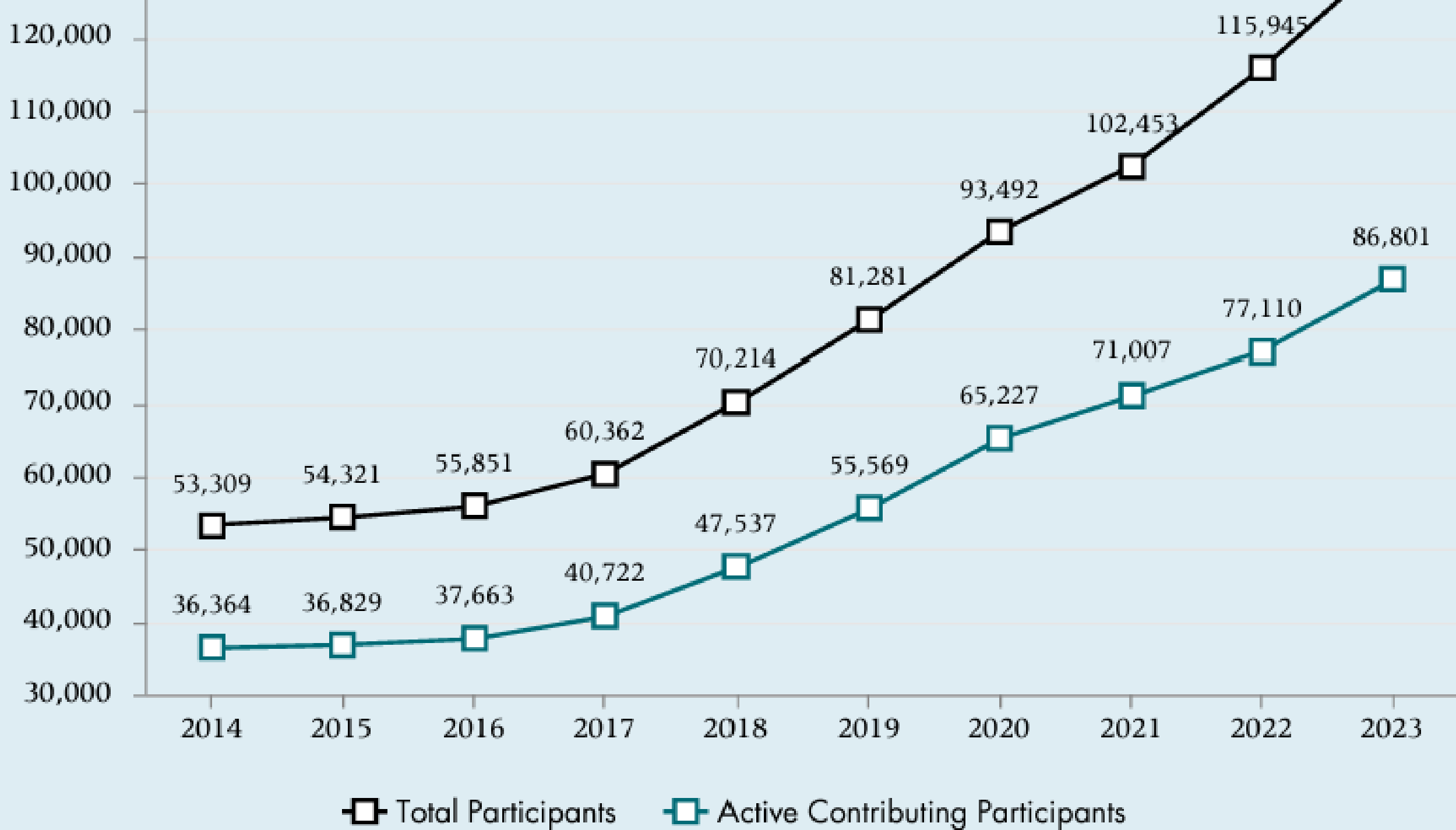
- Traditional 457(b) contributions have been pre-tax
- Starting in Oct 2023, option to contribute post-tax (Roth)
- As of 3/15/2024
  - 5,219 people (5.74%) are contributing via Roth
  - 291 people have converted prior pre-tax contributions to Roth

# Option 1



# Automatic Enrollment

- Starting in January 2017, all newly hired state and higher education employees were automatically enrolled into DCP
- 3% contribution rate
  - Can be increased, decreased, or stopped at any time by the employee
- About 90% of employees stay in the plan





# Financial wellness resources

- Mid-career tools: <https://www.drs.wa.gov/life/mid/>
  - [Financial independence checklist](#)
- DRS webinars: <https://www.drs.wa.gov/webinars/>
  - Emergency savings
  - Debt Management
  - Life transitions (disability, divorce, etc...)
  - Investment basics
  - Identity theft and protection
- Fund Your Future with DRS podcast: <https://www.drs.wa.gov/podcast/>

# Questions?

Seth Miller  
Seth.Miller@drs.wa.gov  
360-664-7304

