

Department of Retirement Systems Update

DRS Advisory Committee Meeting | November 26, 2024

2024 Q2 Customer Satisfaction Survey Trends and Themes

Over the second quarter (April 1 through June 30) we saw the following trends:

- The method of contact by which customers contacted DRS via scheduled Zoom/phone/in-person appointments saw a slight increase from 7% to 9%, emails also increased from 22% to 29%, while phone calls decreased from 71% to 62%. These findings are pretty consistent with Q1.
- Customer satisfaction regarding wait times for calls, emails, and scheduled meetings increased slightly from 85% to 89% (after a drop from 90% at the end of Q1).
- Regarding interactions with RSs, 98-99% of customers say they were treated respectfully (this is the same as Q1). We saw an identical increase from the start of Q2 to the end of 93-96% of customers said they were given correct information and had all their questions answered (an increase from the end of Q1 of 90%).
- The online retirement application method saw a slight increase this quarter from 78% to 79% (overall this is a decrease from the end of Q1 82%).
- Satisfaction regarding the ease of retirement application remained steady over Q2 at 81% of customers saying they were satisfied or very satisfied (this is close to the end of Q1 responses at 82%).
- Whether the official estimate provided by DRS aided in their decision to retire, 49% of customers said it was “extremely useful and critical” or “yes, it was very useful and helpful” in April, versus 51% in June (overall this is a decrease from the end of Q1 at 63%).
- This quarter we saw an increase in how prepared for retirement customers feel, from 71% to 73% of customers said they are extremely confident or very confident (where 65% said the same at the end of Q1).
- Customer overall DRS experience saw a slight decrease from 88% in April to 87% in June (overall this is an increase from 85% at the end of Q1).

Most common customer comments this quarter:

- Frustration in dealing with HCA, Social Security, and Medicare because communication is lacking or confusing, and the process takes long.
- Based on #1 customer requests for a stage of life timeline retirement planning checklist with detailed steps of who to contact and when to do what (what forms to complete).
- Frustrations around lack of employer-provided guidance/information for their employees.
- Estimate wait times are long, however no complaints about call wait times this quarter!

Customer satisfaction surveys are temporarily on hold as recruitment efforts are underway.

2025-27 Biennial Budget Requests

Inflationary impact on CORE: an unanticipated spike in inflation in 2021 and 2022 impacted vendor costs for the agency’s multibiennia project to replace its 30-yearold pension administration system. Current budget authority for the project was based on detailed market analysis completed in 2020 which was the basis for

the decision package submitted in 2020 and approved/funded in early 2021. Inflation, that had averaged less than 2.0% for more than a decade, spiked to 7.0% and 6.5%, providing a different context for vendors. The cumulative impact of inflation appears in the 2025-27 biennium, because the project's contract is deliverable based and contains holdback provisions. 0.0 FTEs and \$11,079,000 next biennium, with an ongoing cost of \$2,255,000 in the following biennia.

Processing Financial Transactions: DRS requests funding to hire additional FTEs for the agency's fiscal team to support an increasing number of pension transactions that have manual financial processes. These include facilitating customer benefit payments, state financial and federal tax reporting, the collection of timely and accurate contributions to the state's pension systems, and vendor payments. While the various transactions have increased between 30 and 70 percent over the past decade, the associated FTEs in the fiscal area have been reduced. 5.0 FTEs (ongoing) and \$962,000 next biennium, with an ongoing cost of \$926,000 in the following biennia.