



2022 Plan Review and RFP Overview



Date: February 21, 2023

Presented by: MissionSquare Retirement

MissionSquare
RETIREMENT





MissionSquare
RETIREMENT

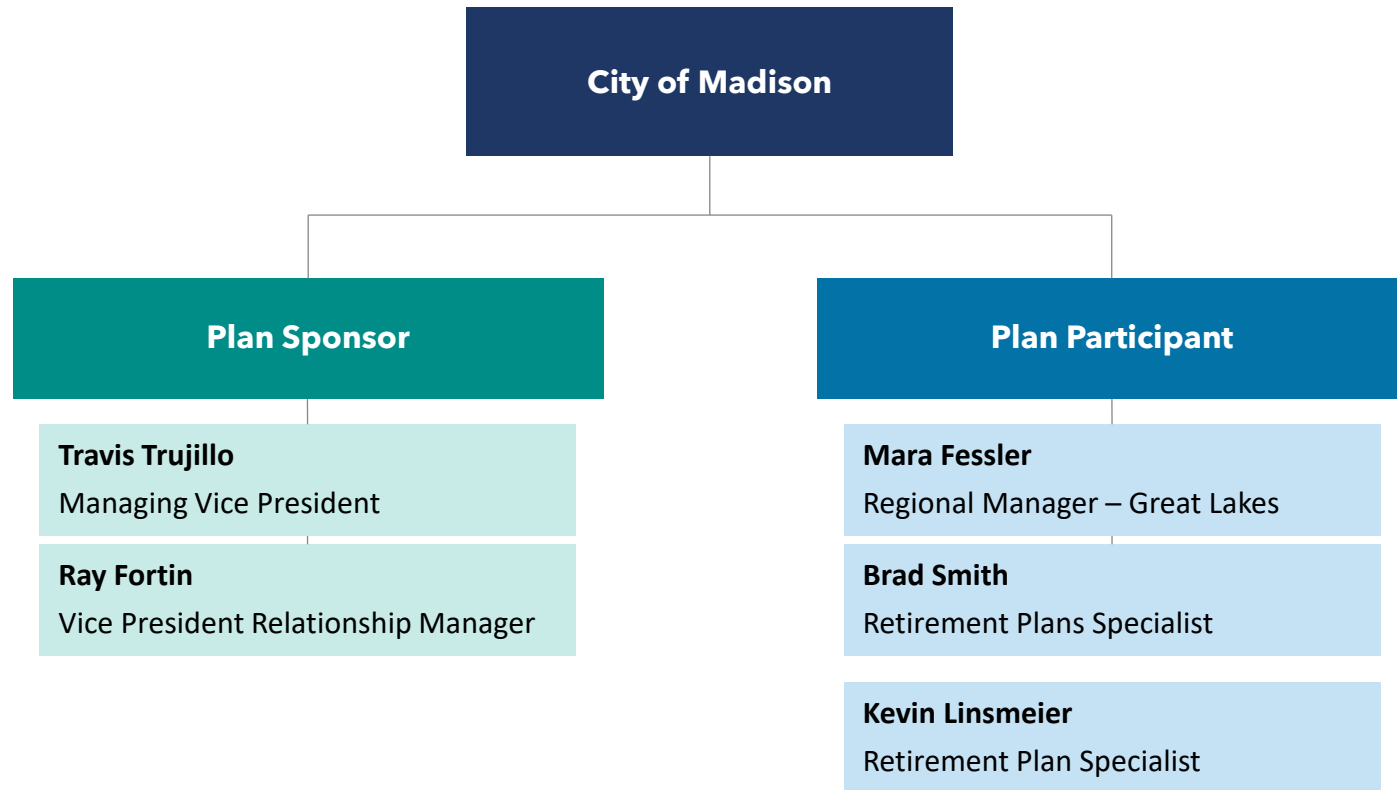


Invest in a shared sense of service™

We celebrate **50 years of helping public service employees** achieve their retirement goals. And for 50 years, our mission has been the same.
Thank you for letting us serve you.



Service Team





MissionSquare News

Keeping You Informed



New MissionSquare Research Institute Report Finds Meaningful Work and Workplace Culture are Top Priorities for Younger Workers



MissionSquare Research Institute Identifies Six Workforce Trends to Watch in 2023



MissionSquare Retirement Applauds Passage of SECURE 2.0 Retirement Legislation



SECURE 2.0 Act of 2022 Included in 2023 Omnibus Appropriations Package



New MissionSquare Research Institute Research Provides In-Depth Insight on the Workforce Diversity, Equity, and Inclusion Challenges and Opportunities Facing Local Governments





Agenda



2022 Plan Review

Accomplishments & Results



2023 Strategy

Participant Engagement



Quarterly Insights

Legislative Updates, Trends, & Research



Request for Proposal

Continuing & Growing our Partnership





2022 Plan Review



2022 Plan Review

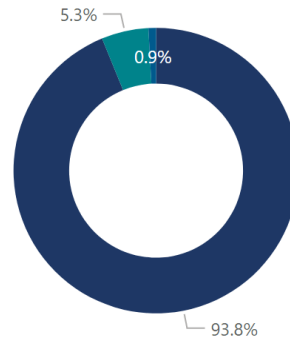
Visual Analytics for Your Plan



As of Date: 12/31/2022 ▼

Balance Summary

Balance
\$141.6M
 Participant Accounts
1,852



- Plan**
- 457 (300149) CITY OF MADISON
 - RHS (803160) CITY OF MADISON
 - RHS (800034) CITY OF MADISON

Balance Summary Details

Plan	Balance	Participant Accounts	Average Balance	Median Balance
457 (300149) CITY OF MADISON	\$132,801,920	1,294	\$102,629	\$43,576
RHS (800034) CITY OF MADISON	\$1,219,882	28	\$43,567	\$21,849
RHS (803160) CITY OF MADISON	\$7,546,403	530	\$14,239	\$13,701

[Summary](#)
[Summary Details](#)
[Trust Details](#)

As of Date 12/31/2022

Plan

- 457 (300149) CITY OF MADISON
- RHS (800034) CITY OF MADISON
- RHS (803160) CITY OF MADISON

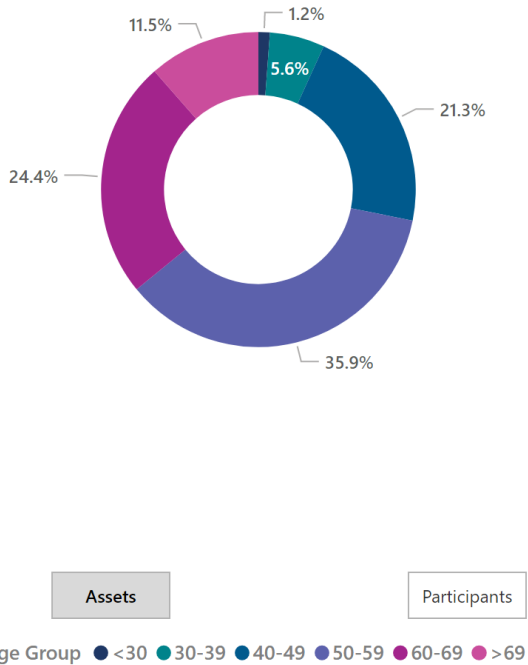
Age Group

- <30
- 30-39
- 40-49
- 50-59
- 60-69
- >69
- N/A

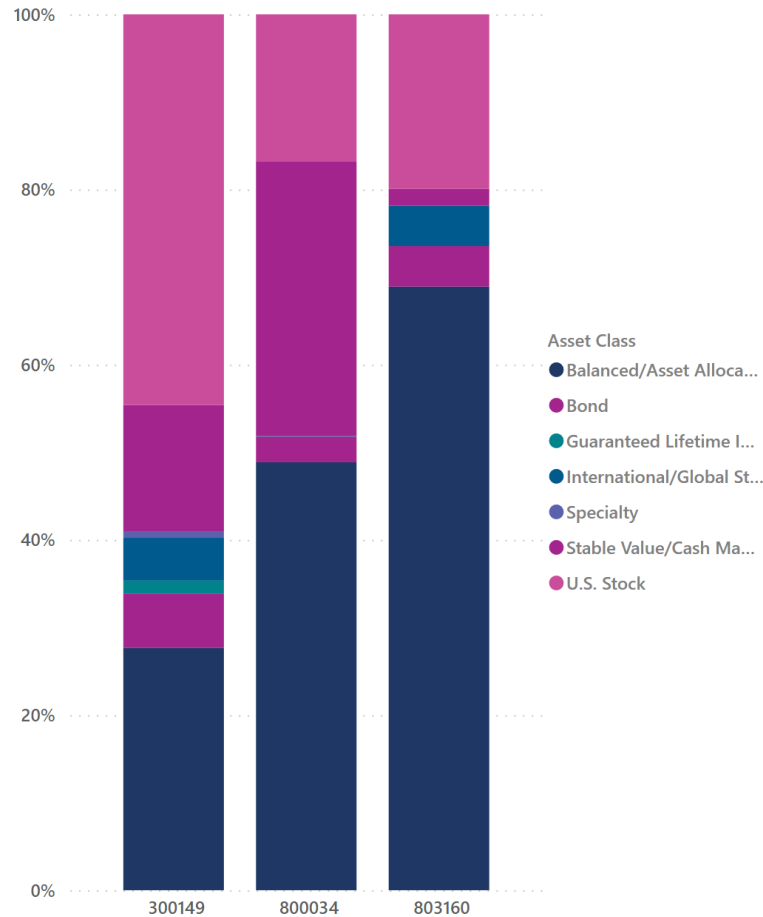
Gender

- Female
- Male
- N/A

Asset Allocation by Age Group



Asset Allocation by Asset Class



As of Date 12/31/2022

Plan

- 457 (300149) CITY OF MADISON
- RHS (800034) CITY OF MADISON
- RHS (803160) CITY OF MADISON

Asset Class

- Balanced/Asset Allocation
- Bond
- Guaranteed Lifetime Income
- International/Global Stock
- Specialty
- Stable Value/Cash Management
- U.S. Stock

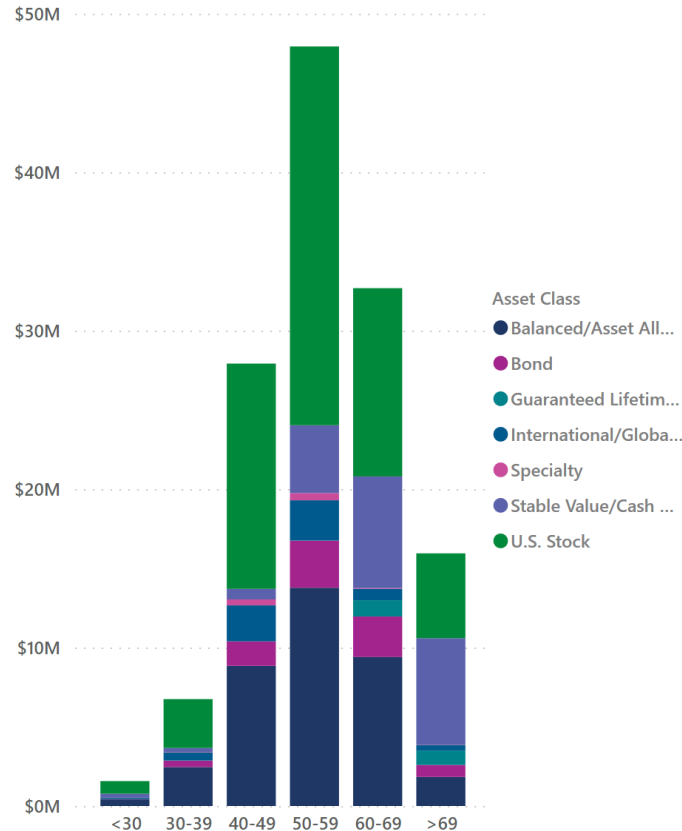
Age Group

- <30
- 30-39
- 40-49
- 50-59
- 60-69
- >69
- N/A

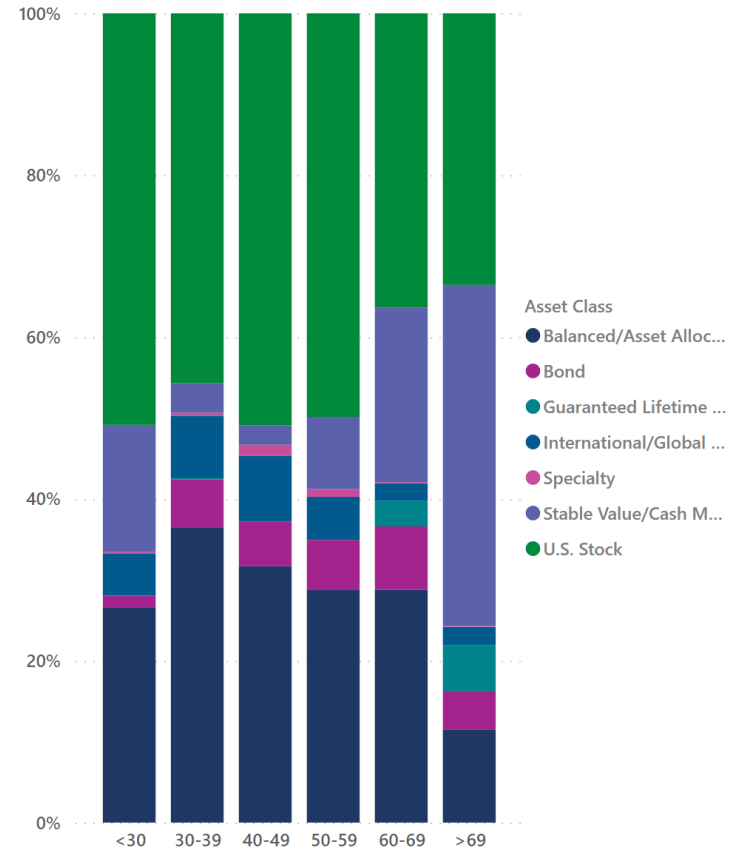
Gender

- Female
- Male
- N/A

Participant Asset Allocation (\$)



Participant Asset Allocation (%)



Assets Contributions Assets Contributions

Select Dates: Start January 2019

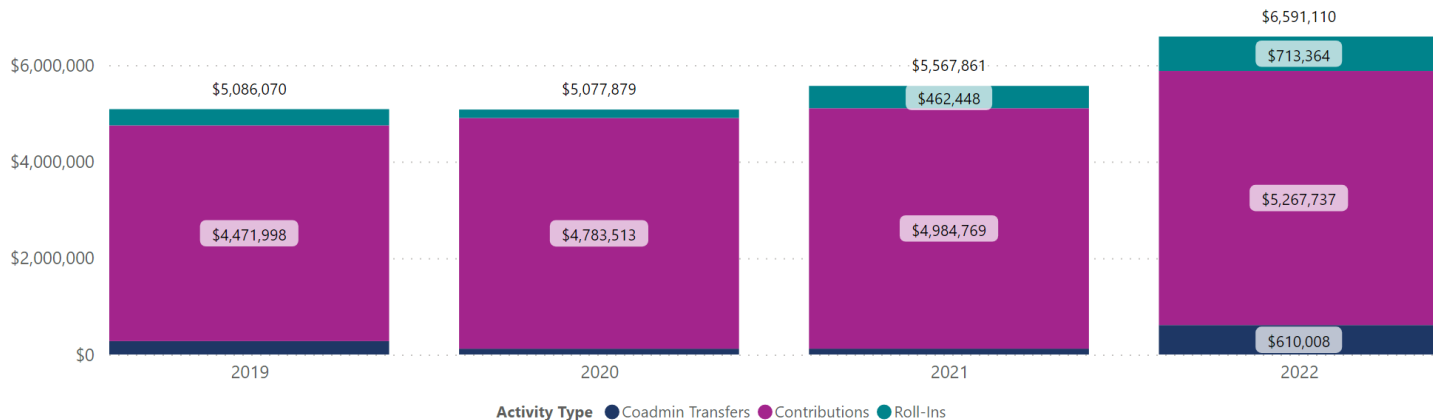
End December 2022

Quarter All

Month All

Plan Contributions/Roll-Ins

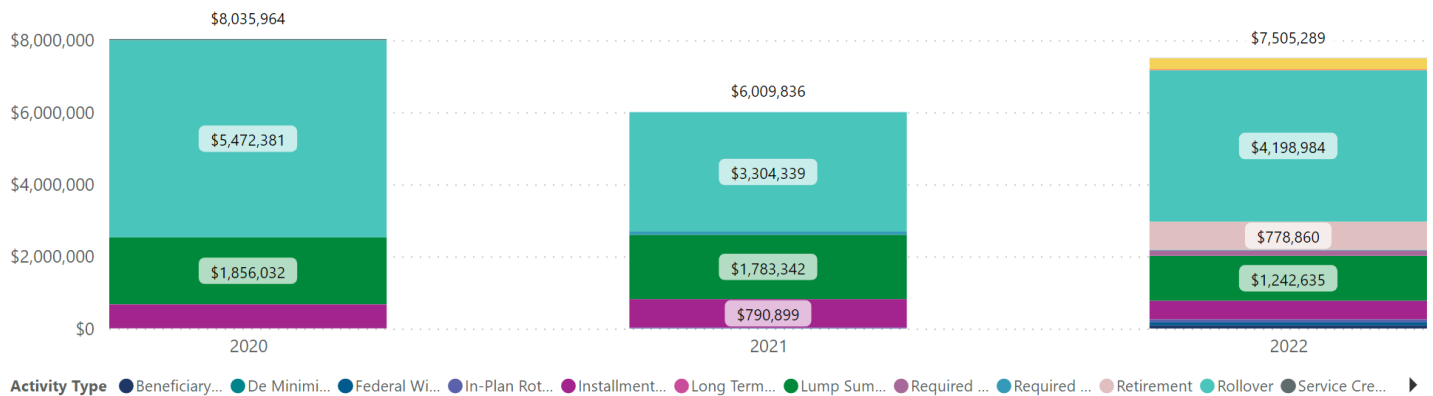
- 457 (300149) CITY OF MADISON
- RHS (800034) CITY OF MADISON
- RHS (803160) CITY OF MADISON



Contributions/Roll-Ins

- Coadmin Transfers
- Contributions
- Roll-Ins

Participant Disbursements (activity 2020 to present only)



Disbursements

- Beneficiary Payment
- Co-Admin Transfer
- De Minimis Payment
- Federal Withholding
- In-Plan Roth Conversion
- Installment Payment
- Long Term Care Purchase
- Lump Sum Withdrawal
- Required Min Distrib
- Required Minimum Distribution
- Retirement
- Rollover

Select Dates:

Start Date

January 2019

End Date

December 2022

Cash Flow (Normal)

Cash Flow (All)

Quarter

All

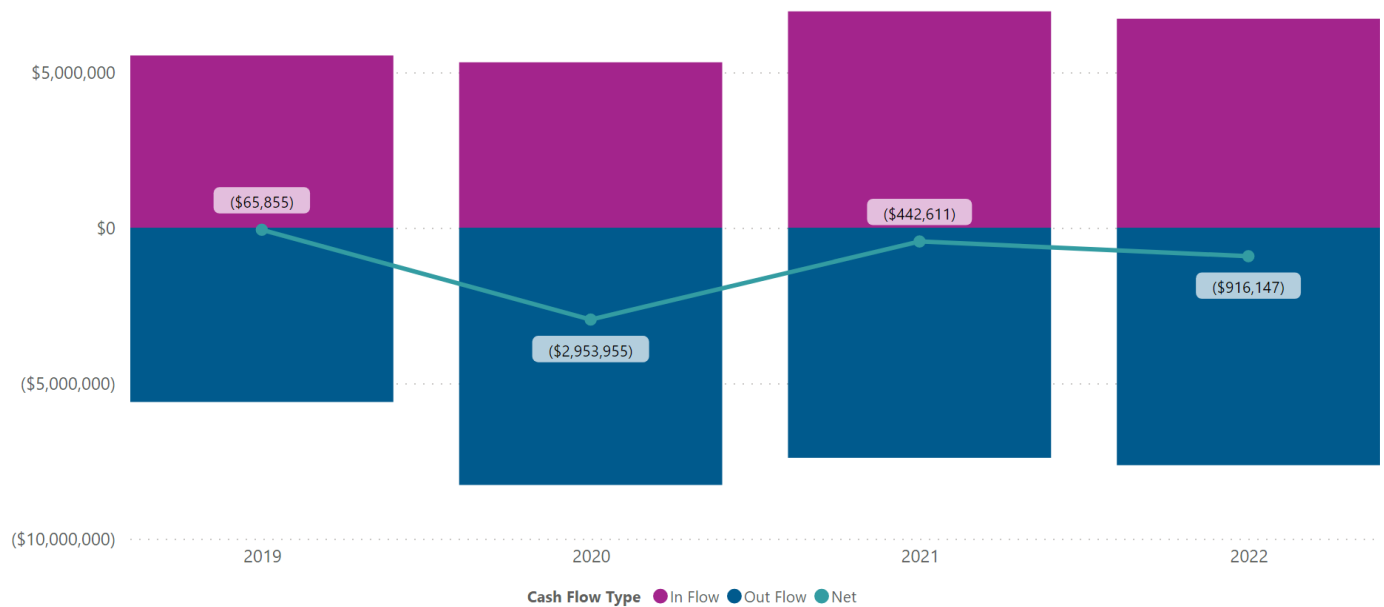
Month

All

Plan

- 457 (300149) CITY OF MADISON
- RHS (800034) CITY OF MADISON
- RHS (803160) CITY OF MADISON
- RHS (883160) CITY OF MADISON - ACCT TRAN

Cash Flow

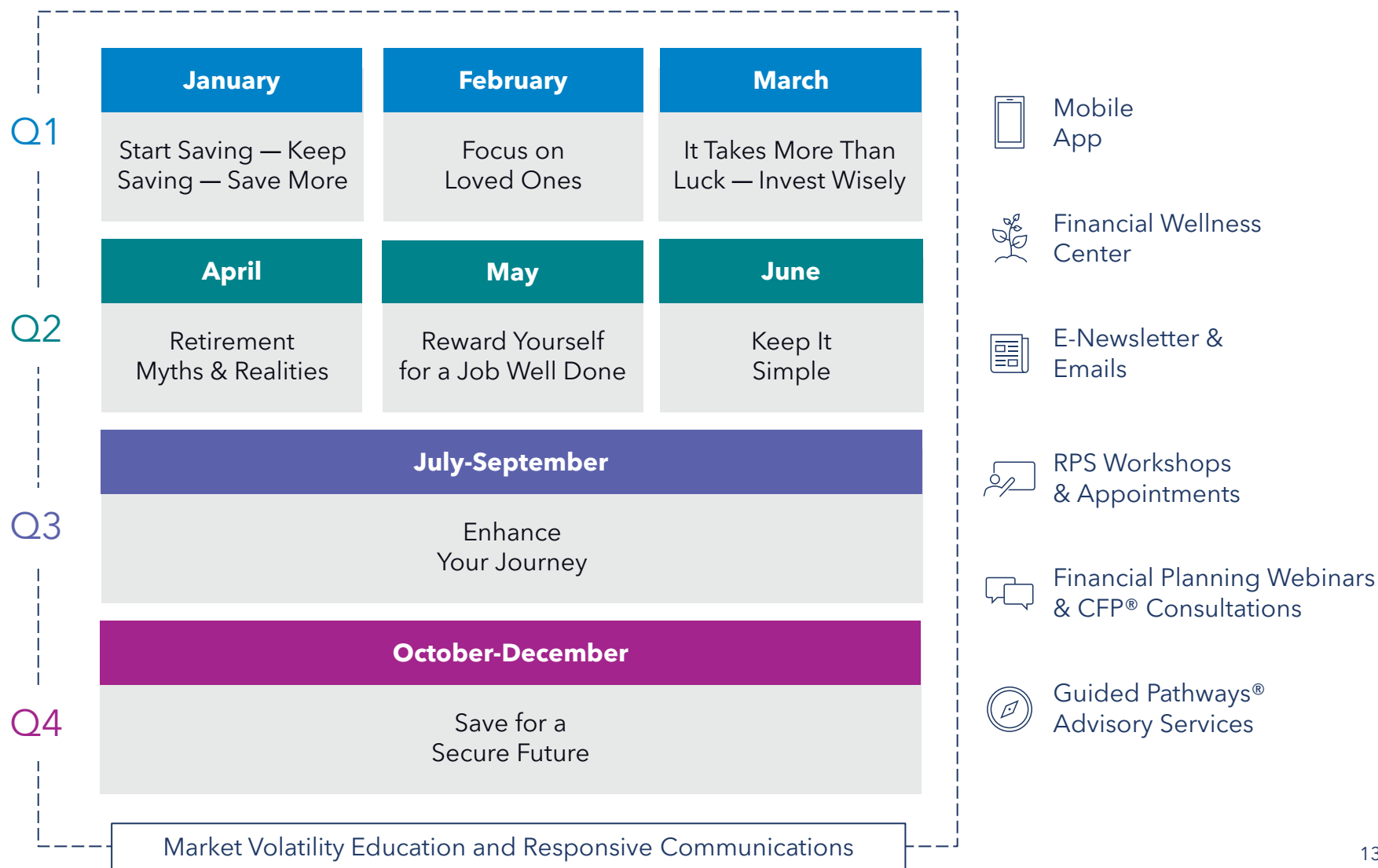


Important Note - Cash Flow is shown here in two different ways :

1. Cash Flow (Normal) : Excluding Conversion In/Out
2. Cash Flow (All) : Including Conversion In/Out



2022 Goal Based Programs





2022 Plan Education and Outreach

Education	447 RPS Consultations	36 On-Site/Virtual Days	
Participation & Savings	86 Enrollments	5.7% Increase in 457 Contributions	
Financial Wellness	24 CFP® Webinars	4 RPS Group Meetings	Police Academy 50-60 Fire 50-60 Water 50-60 PD Accel Academy
Retention	\$1,323,372 Roll Ins		



2023 Strategy



Our Participant Engagement Program



Data-Driven
Solutions



Personalized
Retirement Journey



Long-Term Financial
Wellness Education

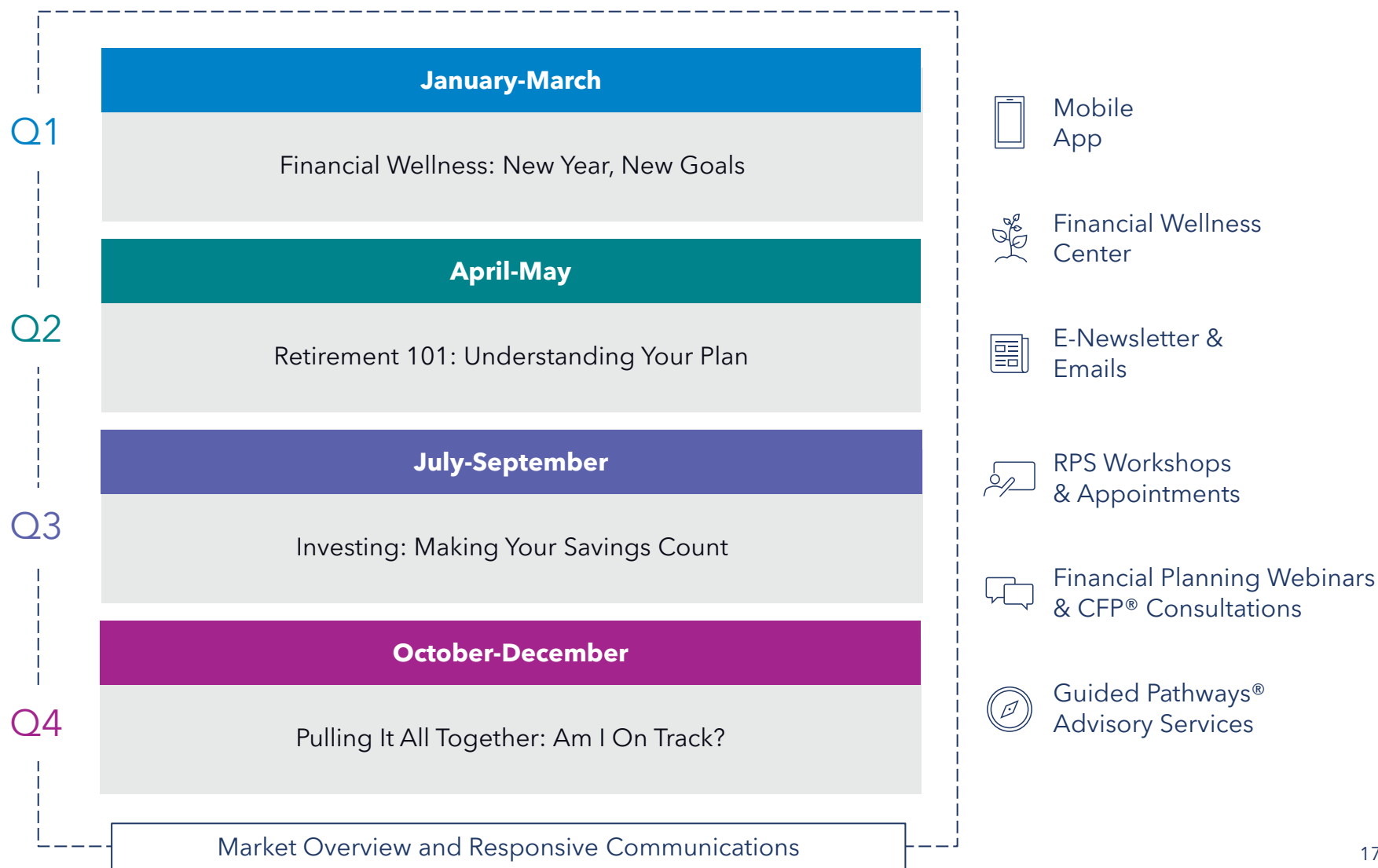


Holistic Engagement
& Outcomes

- **36** scheduled onsite and ongoing virtual meetings with the RPS' and CFPs throughout the year
- Available to do onsite seminars in addition to other ad hoc meetings and trainings



Goal Based Programs





Financial Planning Webinars

Help participants journey to and through retirement.

CERTIFIED FINANCIAL PLANNER™ professionals provide participants with clear and personalized guidance toward a more secure and confident financial future.

View the schedule:

[2023 Schedule \(Central\)](#)

Sign up for webinars: www.missionsq.org/cfpwebinars

Financial Wellness Center Tailored for Government Employees



Hi, Nicole Brown

Print Contact Us Logout

MissionSquare
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Overview Learn Profile

View the Points Board 54 Points

Home View Recommendations Ask a Question Discover Topics Manage Profile View History

Collapse

Great Job So Far!

Your profile is 33% complete.
Enrich your experience.

[Update Profile](#)

Interesting Fact

In 2018/2019, 56% of bachelor degree recipients graduated with an **average debt level of \$28,800.**

Source: The CollegeBoard, Trends in Student Aid, 2020.

History

You have not yet established any history.

[Get started exploring the site.](#)

Prepare for Anything

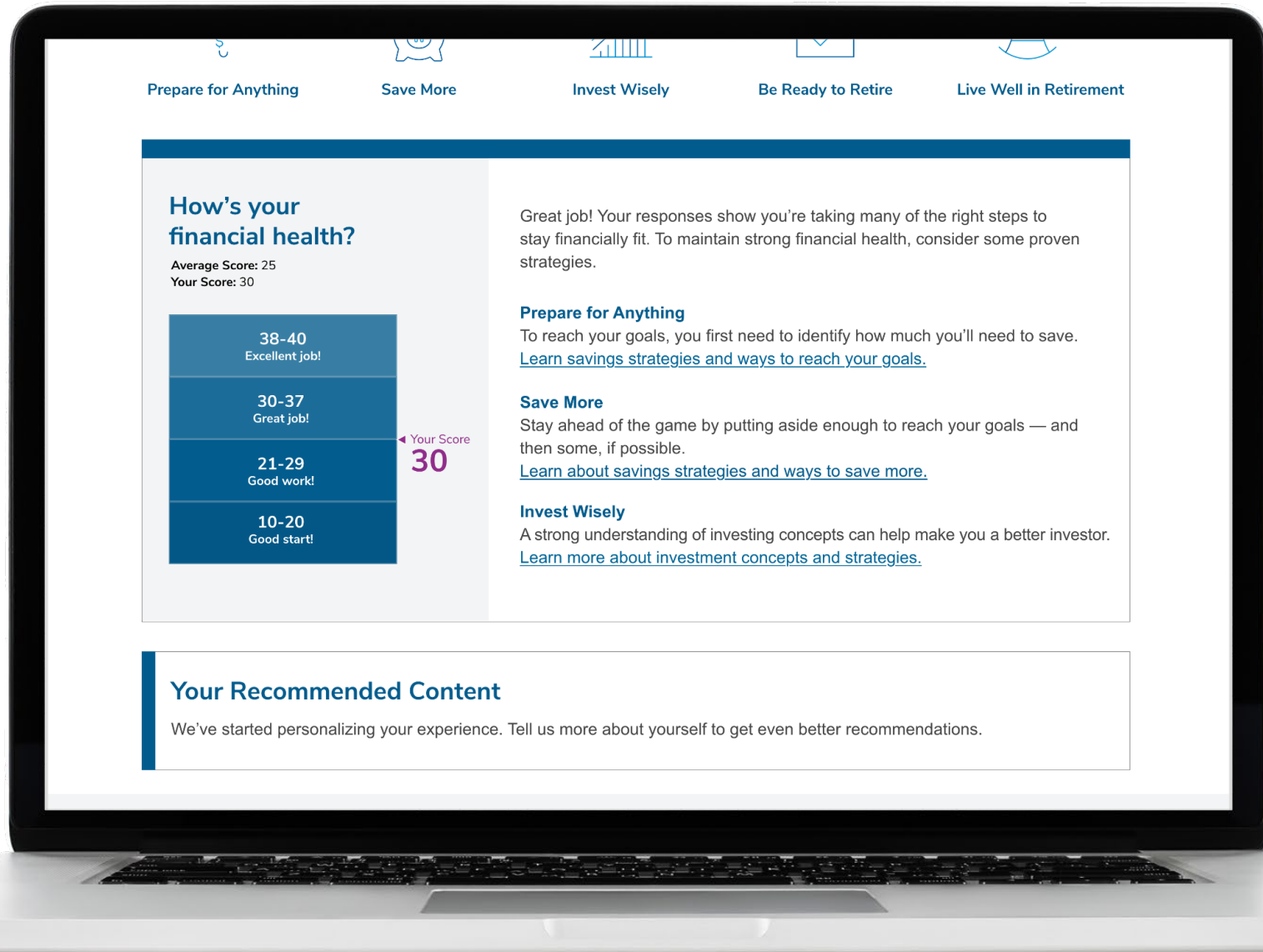
Save More

Invest Wisely

Be Ready to Retire

Live Well in Retirement

Financial Wellness Center Tailored for Government Employees





Quarterly Insights



Secure 2.0

Provisions Requiring Immediate Attention

Increase in RMD Age

- Increased to age 73 effective 2023
- Those attaining age 72 in 2022 or earlier unaffected
- Increases to age 75 in 2033

Catch-up Contributions Must be Roth

- Age-based catch-up contributions must be Roth, starting in 2024
- Employees with wages of less than \$145k (indexed) in prior year exempt
- 457(b), 401(k) and 403(b) plans will need to add designated Roth account feature (or prohibit catch-up contributions)
- Special catch-up contribution rules for 457(b) and 403(b) plans exempt



Secure 2.0

Provisions Affecting Many Governmental Plans

	Optional?	Effective
Self-certification for unforeseeable emergency withdrawal <ul style="list-style-type: none"> May rely on certification that the emergency meets a type described in regulations May rely on certification withdrawal is not in excess of need Also available for 401(k) and 403(b) hardship distributions (safe-harbor) 	Yes	2023
Eliminate “first day of the month” rule for 457(b) plans <ul style="list-style-type: none"> Any pay after election can be contributed 	Yes	2023
RMDs for designated Roth accounts <ul style="list-style-type: none"> No longer required while participant is still alive Aligns with rules for Roth IRAs 	*	2024

*While not technically required, we expect most/all plans will adopt.



Secure 2.0

Government Worker Specific Provisions

Partial income exclusion for plan payments to disabled police, firefighters, EMTs

- Annual limit is the amount of workmen's compensation payments received by the individual during the 12-month period immediately preceding the date on which the individual attains retirement age
- Applies in 2027

Expansion of 10% additional tax exception for public safety officers at age 50

- Also available for an individual with 25 years of service under the plan
- Available for corrections and forensic security officers
- Firefighters (even if privately employed)
- Effective immediately

Exclusion (up to \$3000) for health insurance payments for retired public safety

- No longer required to be paid directed to health plan (employee would attest on tax return)
- Effective immediately



2023 Contribution Limits

Elective deferral limits for 457 and 401(k) plans increase

Limitations (457)	2023	2022	2021
Annual Deferral Limit	\$22,500	\$20,500	\$19,500
"Pre-Retirement" Catch-Up Limit	\$22,500 (\$45,000 total)	\$20,500 (\$41,000 total)	\$19,500 (\$39,000 total)
"Age 50" Catch-Up Limit	\$7,500 (\$30,000 total)	\$6,500 (\$27,000 total)	\$6,500 (\$26,000 total)

Limitations (401(k))	2023	2022	2021
401 Defined Contribution Plans - Annual (\$415(c)(1)(a))	\$66,000	\$61,000	\$58,000
401 Defined Benefit Plans - Maximum Annual Benefit* (\$415(b)(1)(a))	\$265,000	\$245,000	\$230,000
401 Annual Compensation Limit** (non-grandfather / grandfather) (\$401(a)(17))	\$330,000 / \$490,000	\$305,000 / \$450,000	\$290,000 / \$430,000
Annual Deferral Limit for 401(k) Plans (\$402(g))	\$22,500	\$20,500	\$19,500
401(k) "Age 50" Catch-Up Limit (\$414(v))	\$7,500 (\$30,000 total)	\$6,500 (\$27,000 total)	\$6,500 (\$26,000 total)

[More details on the retirement plan limits are available from the IRS](#)

* Special limitations apply to defined benefit plans. Please contact your defined benefit plan administrator should you require additional information.

** OBRA 1993 provided a governmental exception for the maximum compensation limit that grandfathers certain employees under the 1993 compensation limit of \$235,840. Employees eligible to participate in a governmental plan, utilizing the ICMA-RC plan document, prior to January 1, 1994, are subject to the maximum compensation limit of \$235,840 as indexed and shown above as the "grandfather" limit. Employees eligible to participate in a governmental plan, utilizing the ICMA-RC plan document, after January 1, 1994, are subject to the maximum compensation limit of \$150,000 as indexed and shown above as "non-grandfather" limit.



RFP Overview



Request for Proposal

Overview

Continuity of Current Service Team

Participant Education

- Brad and Kevin, two reps covering the Cities employee's retirement planning needs

One on One Meetings and Group Seminars

- Locations visited
- Police Department (North District, South District, West District, Central District, Midtown District, East District, Training Center) Public Works Water Utility (Paterson St & Olin Ave) Traffic Engineering Fleet Services Radio Shop Traffic Engineering Parking Maintenance / Parking Revenue Metro Transit Public Library Streets Division (East & West) Fire Department (Fire Stations 2, 3, 7, 8, 12, 14, Training Center)

Financial Planning, Webinars and Services

- in-depth webinars on essential financial management skills and provide one-on-one financial planning meetings

Pricing



Questions?

