

PROGRAM DESCRIPTION

Department: Office of Administration

HB Section(s): 5.505

Program Name: Deferred Comp Match

Program is found in the following core budget(s):

1a. What strategic priority does this program address?

To provide a Deferred Compensation employer match for state employees and thereby incentivize employees to increase their retirement savings.

1b. What does this program do?

The MO Deferred Comp Plan is a retirement savings plan for the state of MO employees that allows income to be contributed pre-tax into an account until funds are withdrawn in retirement. In 1995, an employer match was implemented for this program but was ceased in 2010 due to budgetary constraints. Effective 07/01/22, an employer match of up to \$75 per month was authorized for employees contributing at least \$25 per month. The employer match incentivizes employees to make a contribution, or increase their contribution, to maximize the employer match.

2a. Provide an activity measure(s) for the program.

MO Deferred Comp Plan Statistics

Total Plan Assets: \$2.6 Billion

Total Plan Participants: 70,828 Active: 37,379 Separated/Retired: 33,449 Average Account Balance: \$28,914

2b. Provide a measure(s) of the program's quality.

MO Deferred Comp surveys members on their satisfaction of their interactions with our staff during one-on-one education consultations. On a scale of 1 to 5, MO Deferred Comp continues to receive high satisfaction scores of 4.7 and higher.

DC FY22 One-On-One Education Consultation Evaluation Results	
566 Responses on a Scale of 1 to 5*	
During my appointment, my questions and/or concerns were addressed in a clear and understandable manner.	4.8
The amount of time with the financial education professional was appropriate for my needs.	4.7
The financial education professional was knowledgeable about the deferred compensation plan benefit.	4.9
Overall, how would you rate your appointment?	4.7

* 5 being the highest representing answers of "Strongly Agree", "Always", or "Extremely Helpful"

2c. Provide a measure(s) of the program's impact.

The \$75 employer match was first eligible to participants in July 2022.

From June 2022 to August 2022:

Total active participants contributing to the program **increased** by 5.9% from 33,439 to 35,418.

Active participants contributing \$75 per month & over **increased** by 29.7% from 14,890 to 19,307.

Median monthly contribution **increased** by 36.4% from \$55 per month to \$75 per month.

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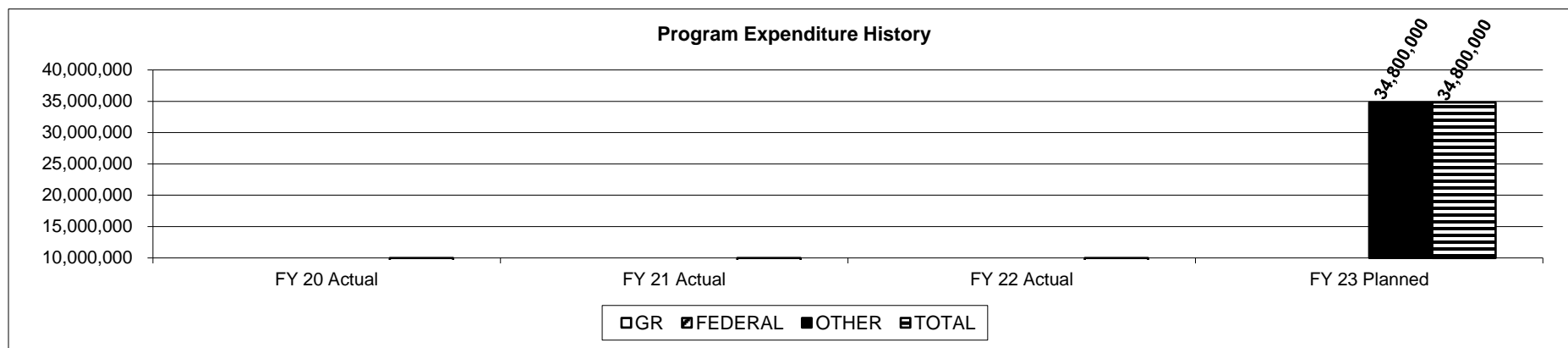
Program is found in the following core budget(s):

2d. Provide a measure(s) of the program's efficiency.

MO Deferred Comp Plan total investment management fee cost of 0.22% is consistently lower than the average peer cost of 0.25%.

The total recordkeeping/internal administration cost is 0.10% versus the average peer cost of 0.13%.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

6. Are there federal matching requirements? If yes, please explain.

7. Is this a federally mandated program? If yes, please explain.

	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Planned
GR				
FEDERAL				
OTHER				34,800,000
TOTAL	0	0	0	34,800,000