



FOR YEAR ENDED DECEMBER 31, 2008

2008

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

State of Wisconsin
Department of
Employee Trust Funds



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DAVID A. STELLA
SECRETARY

State of Wisconsin
Department of
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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MARCH 24, 2010
GOVERNOR JIM DOYLE
MEMBERS OF THE STATE LEGISLATURE
PUBLIC EMPLOYEES, EMPLOYERS AND OTHER INTERESTED PARTIES:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 2008. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation. I hope you will find this report useful and informative.

This CAFR contains information on the following benefit plans administered by ETF:

Wisconsin Retirement System	Employee Reimbursement Accounts
Group Health Insurance	Deferred Compensation
Group Life Insurance	Accumulated Sick Leave Conversion Credit
Income Continuation Insurance	Commuter Benefits
Duty Disability	Badger Rx
Long-Term Disability Insurance	

The report consists of six sections:

1. **Introduction** – Contains information on the Department and its governing boards, highlights for each benefit plan, summaries of recent legislation, and accomplishments and future objectives.
2. **Finances** – Contains independent auditor's opinion, financial statements and related notes, and all required supplementary information.
3. **Statistics** – Contains significant statistical information relating to the benefit plans.
4. **Actuarial** – Contains actuary's certification letter, the results of the actuarial valuation, and information on the actuarial assumptions and methods employed.
5. **Investments** – Contains information from the State of Wisconsin Investment Board on trust fund investments.
6. **Employers** – Contains a complete listing of all employers participating in the Wisconsin Retirement System (WRS), unfunded actuarial accrued liability, covered payroll, and required contributions for 2008.

Historical Overview:

The WRS was created effective January 1, 1982. The system covers state and local public employees, including the University of Wisconsin System, local police and firefighters, and all publicly employed teachers in the state. Those not included are employees of the City of Milwaukee and Milwaukee County, who are covered under separate retirement systems. While the WRS has existed since 1982, pension coverage for local government employees has been in place since 1891, when the legislature required Milwaukee to create a pension fund for retired and disabled police and firefighters. Since that date, the legislature has extended pension coverage to other public employees, along with creating group life and health insurance programs. The Group Insurance Board was created in 1959 to monitor the administration of the life and health insurance programs. In 1967, the Department of Employee Trust Funds was created to administer the various retirement and related benefit programs.

ETF Mission and Responsibilities:

ETF's mission is "to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust." The Department administers retirement, health, life, income continuation, long-term disability, and long-term care insurance programs, along with an employee reimbursement accounts program, commuter benefits program, and a deferred compensation plan. ETF also administers retirement disability coverage and serves as the state's designated coverage agent for Social Security for Wisconsin public employers. There are five different statutory boards with responsibilities for programs operated by the Department. The ETF Board is both the overall governing body for the Department and the general policy-setting and trustee board for the entire WRS.

All insurance programs are administered through contractual arrangements with private sector insurance firms and service corporations. Participation by eligible employees is mandatory for retirement and Social Security but optional for the other programs. ETF collects but does not invest the trust fund monies created for these programs. That responsibility rests with the State of Wisconsin Investment Board (SWIB).

ETF is responsible for:

- Collecting all monies due the trust funds.
- Calculating and ensuring appropriate disbursement of all benefit payments from the trust funds.
- Providing information to, and answering inquiries from, participating employees and employers.
- Establishing the controls, systems, and procedures necessary to ensure the appropriate administration and security of the trust.

Membership:

The WRS is composed of 27% state employees and 73% local employees. As of December 31, 2008, the WRS had 265,721 active employees, 144,033 annuitants (retirees, disabilitants, and beneficiaries), and 147,308 inactive employees with deferred benefits payable.

Funding:

The WRS continues to be one of the best-funded public retirement systems in the country. As of the end of 2008, the system had accumulated assets, on an actuarial basis, equal to 99.7% of the benefits earned by its members. A well-funded system ensures that a lifetime of benefits can be paid to today's workers without burdening the next generation of taxpayers with higher contributions. It is a tribute to the funding discipline exhibited by the legislature and the ETF Board, and the effective investment strategies of the SWIB, that the WRS remains so well funded.

Plan Design and Administration:

The Wisconsin Retirement Systems (WRS) continues to be one of the most cost-efficient systems in terms of administrative expenses per member. In the most recently available pension administration benchmarking study conducted by industry leader CEM Benchmarking Incorporated, the annual WRS per member administrative expenses associated with the retirement and disability programs was \$56, compared to the median cost of peer public pension systems of \$71. The WRS employs one full-time equivalent staff person per 2,289 members, compared to the peer system median of one full-time staff person per 1,644 members.

Internal Controls:

The Department has a formal internal control plan that is reviewed annually and updated as necessary. This plan provides reasonable assurance that the Department's assets are being safeguarded, that applicable statutes and rules are being followed, and that the Department's goals and objectives are being achieved. The Legislative Audit Bureau considers the Department's controls in order to determine its auditing procedures for the purpose of expressing an opinion on the Department's annual financial statements, but it does not provide an opinion on the controls. These financial statements are presented in accordance with Generally Accepted Accounting Principles, and all supporting schedules and statistical tables have been fairly presented.

Acknowledgements:

This report is intended to provide comprehensive and reliable information about ETF, the WRS, and other benefit plans and trust funds administered by the Department. I would like to express my appreciation to the Governor, members of the legislature, members of the boards, staff, employers, participants, and all those whose efforts and interest combine to assure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,



David A. Stella
Secretary



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2008***

Presented to

Wisconsin Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator



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INTRODUCTION

**State of Wisconsin
Department of
Employee Trust Funds**



PROGRAM HIGHLIGHTS

The following section presents condensed financial statements, statistical information, and analysis of the programs administered by the Department of Employee Trust Funds (ETF). All values in the Summary Financial Statements, including totals and percentages, have been rounded for presentation. As a result, totals and percentages may not appear to be calculated correctly. A percentage change of “n/a” indicates that prior year actual amounts were negative and the percentage change is not meaningful.

WISCONSIN RETIREMENT SYSTEM

Summary Financial Statements				
	2008	2007	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
Assets	\$68,046.4	\$94,506.7	(\$26,460.3)	(28%)
Liabilities	<u>8,616.2</u>	<u>9,850.3</u>	<u>(1,234.1)</u>	(13%)
Reserves:				
Employer Reserve	22,839.9	23,523.5	(683.6)	(3%)
Employee Reserve	16,045.3	16,801.0	(755.7)	(4%)
Annuity Reserve	38,370.1	39,666.3	(1,296.2)	(3%)
Reserve for Changes in the Market Value of Investments	(17,821.2)	4,588.1	(22,409.3)	(488%)
Undistributed Earnings	(6.5)	75.4	(81.9)	(109%)
Blended Administration	<u>2.6</u>	<u>2.1</u>	<u>0.5</u>	24%
Net Assets Held in Trust	<u>\$59,430.2</u>	<u>\$84,656.4</u>	<u>(\$25,226.2)</u>	(30%)
Additions				
Contributions	\$1,367.0	\$1,307.4	\$59.6	5%
Investment Income	(22,744.1)	6,495.9	(29,240.0)	(450%)
Other Additions	<u>19.9</u>	<u>22.6</u>	<u>(2.7)</u>	(12%)
Total Additions	<u>(21,357.2)</u>	<u>7,825.9</u>	<u>(29,183.1)</u>	(373%)
Deductions				
Benefits and Distributions	3,849.9	3,542.6	307.3	9%
Admin. & Other Expenses	<u>19.1</u>	<u>17.7</u>	<u>1.4</u>	8%
Total Deductions	<u>3,869.0</u>	<u>3,560.3</u>	<u>308.7</u>	9%
Net Increase (Decrease)	<u>(\$25,226.2)</u>	<u>\$4,265.6</u>	<u>(\$29,491.8)</u>	(691%)

FINANCIAL HIGHLIGHTS

- For presentation purposes, the administrative fund, general fund, and fixed assets have been blended into the Wisconsin Retirement System (WRS) financial statements. This blending resulted in an increase of \$2.6 million in 2008 and an increase of \$2.1 million in 2007 in the Net Assets Held in Trust.
- The Annuity Reserve decreased by 3.3% in 2008, from \$39.7 billion to \$38.4 billion. This included a 2.1% increase in the Core Annuity Reserve of \$0.7 billion and a 44.2% decrease in the Variable Annuity Reserve of \$2.0 billion.

- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to WRS. The MRA decreased by \$23.4 billion in 2008, the result of \$21.5 billion in investment losses from 2008 being deferred for future recognition, and \$1.9 billion of previously-deferred investment gains from 2004 through 2007 being recognized in 2008. 96% of the deferred balance in the MRA is attributable to the WRS.
- Contributions increased by 4.6% in 2008, from \$1.31 billion to \$1.37 billion. This included a 4.8% increase in employer contributions, from \$602 million to \$631 million, and a 4.2% increase in employee



contributions, from \$706 million to \$736 million. The increased contributions resulted from a 4.9% increase in covered payrolls less a small decrease in voluntary employee contributions. There were no changes in the required contribution rates in 2008. While most employee contributions are paid by the employer on behalf of the employee, employees paid over \$20.5 million in retirement contributions in 2008.

- Net investment income decreased by \$29.2 billion in 2008, from a \$6.5 billion gain to a \$22.7 billion loss. This included a decrease in Core Trust Fund income of \$26.2 billion, from a \$6.1 billion gain to a \$20.1 billion loss, and a decrease in Variable Trust Fund income of \$3.0 billion, from a \$377 million gain to a \$2.6 billion loss.

- The balanced Core Trust Fund realized a (26.2%) investment return, while the equity-based Variable Trust Fund experienced a (39.0%) return. The Core Trust Fund loss, after being smoothed through the MRA, resulted in a Core effective rate of 3.3% being credited to the Core Fund accounts and reserves. The Variable Trust Fund loss was passed through to Variable Fund accounts and reserves with a (40%) Variable effective rate.

- Benefit payments increased by 8.7%, from \$3.54 billion to \$3.85 billion. Core annuities (including Section 62.13 Police & Firefighters) increased by 10.2%, from \$3.02 billion to \$3.33 billion, while Variable annuities increased by 1.4%, from \$422 million to \$428 million. Lump sum payments (separations, death benefits, and minimum annuities) decreased by 6.3%, from \$95.7 million to \$89.6 million.

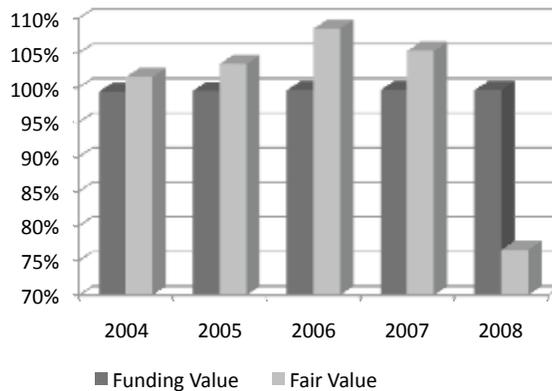
FUNDED STATUS

The funded status of the WRS is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio was unchanged at 99.7% funded.

The fair value-based funded status for the WRS decreased from 105.3% funded to 76.5% funded. This decrease was the result of the investment losses in 2008 and previously deferred investment gains being amortized and recognized in the funding value of investments.

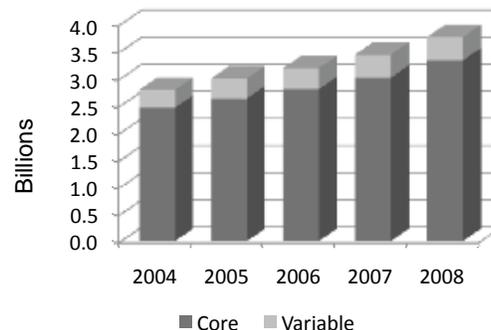
WRS Funded Ratio



ANNUITY PAYMENTS

In 2008, ETF paid out a total of \$3.8 billion in benefits to retired persons, disabled retirees, and beneficiaries of retirees. This was an increase of 9.1%, or \$313 million, over 2007. Core annuities increased by 10.2%, from \$3.0 billion to \$3.3 billion, while variable annuities increased by 1.4%, from \$422 million to \$428 million. Annuities paid to the closed group Section 62.13 Police and Firefighters decreased by 5.6%, from \$10.8 million to \$10.2 million.

Annuity Payments

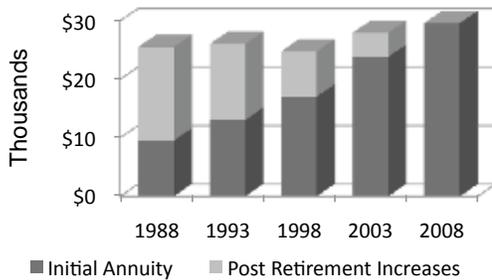




Annuity holders with Core annuities received a 6.6% increase in their benefits in 2008, while Variable annuities were unchanged, effective April 1, 2008.

Approximately 8,400 additional persons began receiving annuities during 2008, while 7,273 annuities were ended due to death or expiration of a guarantee period. At year-end, 144,033 people were receiving retirement, disability, or beneficiary annuities, an increase of 0.8% over 2007.

Average Annual Annuity by Year Annuity Began



The **average** annual annuity received by **all** retirees (Core and Variable combined) increased to \$26,565 in 2008, up 8.2% from the previous year. The average annual amount of new annuities begun during 2008 was \$29,598, up 1.5% from \$29,169 in 2007.

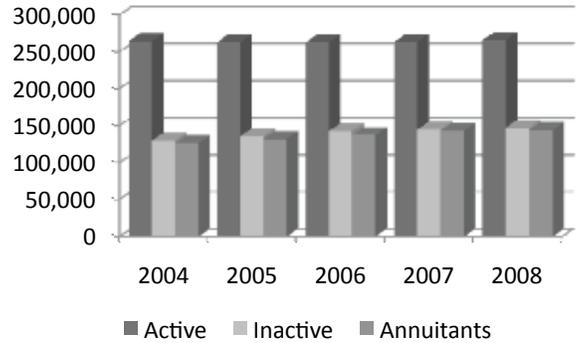
While the initial amount of new annuities has increased over time, post-retirement increases have maintained the purchasing power of existing annuities. The accompanying chart shows how new annuities have increased over time, as well as how post-retirement increases multiplied the value of the annuity over time.

PARTICIPATION

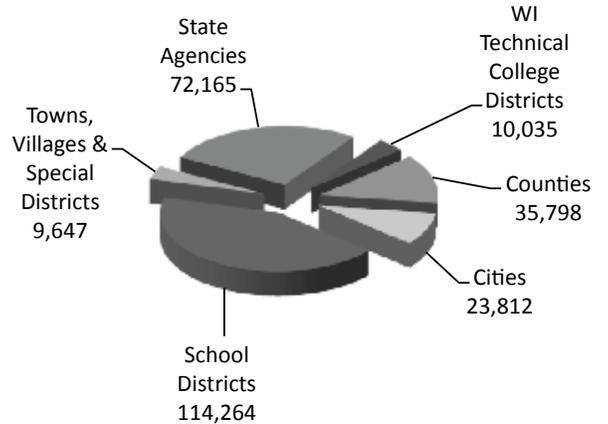
There were 557,062 WRS participants as of December 31, 2008, an increase of 1.1% over the previous year. Participants include 265,721 active government employees, an increase of 0.9% from the previous year; 144,033 retirees and others receiving annuities; and 147,308 “inactives,” or former public employees who had not yet taken a benefit from their retirement accounts. To put the WRS growth in perspective, the total participation level has risen by 105,291 persons since 1998, a 23.3% increase.

In 2008, the total number of employers participating in the WRS increased from 1,438 to 1,462. The increase included the addition of three state agencies, two 4th class cities, five villages, three towns, and eleven special districts.

WRS Participants



Participants by Employer Type





ACCUMULATED SICK LEAVE CONVERSION CREDIT (ASLCC) PROGRAM

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
Assets	\$1,623.3	\$2,271.2	(\$647.9)	(29%)
Less: Liabilities				
Estimated Future Claims	2,176.0	2,152.5	23.5	1%
Other Liabilities	0.0	0.2	(0.2)	(100%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(536.7)</u>	<u>125.7</u>	<u>(662.4)</u>	(527%)
Unfunded Liability	<u>(\$16.0)</u>	<u>(\$7.2)</u>	<u>(\$8.8)</u>	n/a
Additions				
Contributions	\$39.9	\$44.5	(\$4.6)	(10%)
Investment Income	<u>(595.0)</u>	<u>180.1</u>	<u>(775.1)</u>	(430%)
Total Additions	<u>(555.1)</u>	<u>224.6</u>	<u>(779.7)</u>	(347%)
Deductions				
Benefits and Distributions	115.9	278.5	(162.6)	(58%)
Administration	<u>0.2</u>	<u>0.3</u>	<u>(0.1)</u>	(33%)
Total Deductions	<u>116.1</u>	<u>278.8</u>	<u>(162.7)</u>	(58%)
Net Increase (Decrease)	<u>(\$671.2)</u>	<u>(\$54.2)</u>	<u>(\$617.0)</u>	(1,138%)

FINANCIAL HIGHLIGHTS

- At the end of 2008, the unfunded liability is attributable to the University of Wisconsin Hospital Authority, the Wisconsin Health and Education Facility Authority, and Wiscraft. No liability exists for state agencies or the University of Wisconsin.
- Contributions received in 2008 declined by 10.0% from 2007. This is the net of a 16.7% decrease in the required contribution rate and a 6.7% increase in the covered payroll.
- The Benefit and Distributions expense is the actuarially determined increase in liabilities during the year. During 2008 liabilities grew more slowly than in previous year due to lower accumulations of sick leave by participants.
- 2.9% of the deferred balance in the MRA is attributable to the ASLCC Program.

FUNDED STATUS

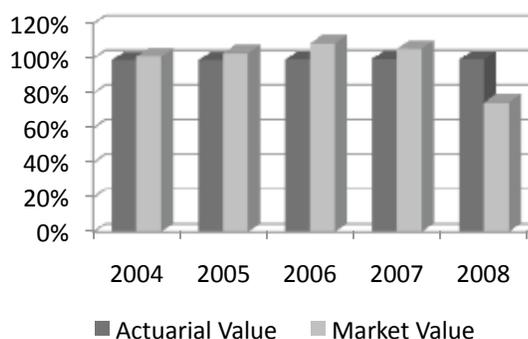
The funded status of the ASLCC Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more

timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio decreased from 99.7% funded to 99.3% funded. The very small decrease in the funding value funded ratio was the result of current year investment loss and normal payments from employers to amortize unfunded liability.

The fair value-based funded status decreased from 105.5% funded to 74.6% funded. The decrease in the fair value funded ratio resulted from the recognition of current year investment loss and prior year deferred investment gains.

Accumulated Sick Leave Conversion Credits Funded Ratio





STATE OPEB (OTHER POST-EMPLOYMENT BENEFITS) LIFE INSURANCE PLAN

Summary Financial Statements				
	2008 \$ in millions	2007 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Net Assets Held in Trust	\$339.2	\$330.1	\$9.1	3%
Additions				
Contributions	\$4.6	\$1.4	\$3.2	229%
Investment Income	18.7	19.1	(0.4)	(2%)
Total Additions	23.3	20.5	2.8	14%
Deductions				
Benefits and Distributions	13.1	9.1	4.0	44%
Admin. & Other Expenses	0.7	0.5	0.2	40%
Total Deductions	13.8	9.6	4.2	44%
Net Increase (Decrease)	\$9.5	\$10.9	(\$1.4)	(13%)

FINANCIAL HIGHLIGHTS

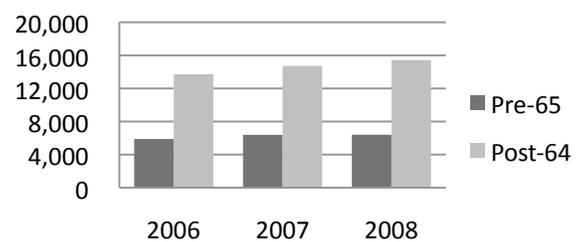
- In accordance with Governmental Accounting Standards Board (GASB) Statement 43, beginning in 2006 the State Retiree Life Insurance Plan was segregated from the Local Government Retiree Life Insurance Plan and the combined State and Local Government Active Member Life Insurance Plan for financial statement presentation.

- Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.
- Contributions received in 2008 increased by 229% or \$3.2 million. Starting in 2008 the Pre-65 annuitant group is being reported in the State OPEB Life Insurance Plan. Pre-65 annuitants pay their premiums and the contributions for this group is \$3.2 million in 2008.

PARTICIPATION

6,411 pre-65 retirees and 15,431 post-64 retirees participated in the State Retiree Life Insurance Plan in 2008. Pre-65 retirees pay premiums equivalent to comparably-aged active participants. Post-64 retirees receive a reduced benefit without payment of premium.

State Retiree Participants



FUNDED STATUS

Actuarial valuations of the State Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2008. As of that date, plan assets represented 86.3% of plan actuarial liabilities.



LOCAL GOVERNMENT OPEB (OTHER POST-EMPLOYMENT BENEFITS) LIFE INSURANCE PLAN

Summary Financial Statements				
	2008 \$ in millions	2007 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Net Assets Held in Trust	\$216.1	\$212.8	\$3.3	2%
Additions				
Contributions	\$5.7	\$2.5	\$3.2	128%
Investment Income	11.8	12.1	(0.3)	(2%)
Total Additions	17.5	14.6	2.9	20%
Deductions				
Benefits and Distributions	9.2	5.3	3.9	74%
Admin. & Other Expenses	0.9	0.4	0.5	125%
Total Deductions	10.1	5.7	4.4	77%
Net Increase (Decrease)	\$7.4	\$8.9	(\$1.5)	(17%)

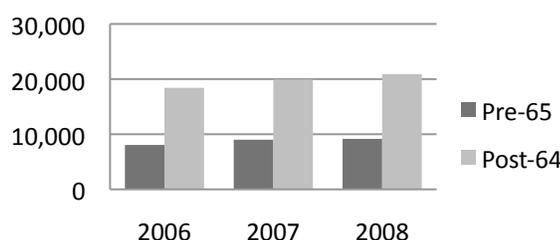
FINANCIAL HIGHLIGHTS

- In accordance with Governmental Accounting Standards Board (GASB) Statement 43, beginning in 2006 the Local Government Retiree Life Insurance Plan was segregated from the State Retiree Life Insurance Plan and the combined State and Local Government Active Member Life Insurance Plan for financial statement presentation.
- Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.
- Contributions received in 2008 increased by 128% or \$3.2 million. Starting in 2008 the Pre-65 annuitant group is being reported in the Local OPEB Life Insurance Plan. Pre-65 annuitants pay their premiums and the contributions for this group are \$3.9 million in 2008.

PARTICIPATION

9,165 pre-65 retirees and 20,912 post-64 retirees participated in the Local Retiree Life Insurance Plan in 2008. Pre-65 retirees pay premiums equivalent to comparably aged active participants. Post-64 retirees receive a reduced benefit without payment of premium.

Local Retiree Participants



FUNDED STATUS

Actuarial valuations of the State Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2008. As of that date, plan assets represented 90.8% of plan actuarial liabilities.



ACTIVE MEMBER LIFE INSURANCE PLAN

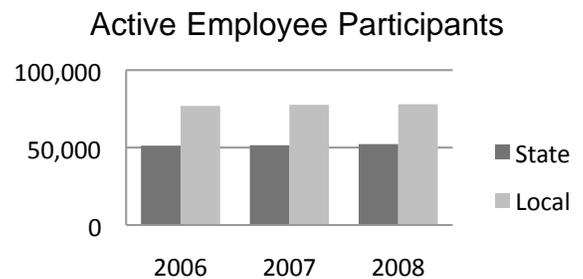
Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in thousands</i>	<i>%</i>
Net Assets Available for Benefits	\$309.9	\$329.1	(\$19.2)	(6%)
Revenues				
Administrative Reimbursement	\$339.1	\$570.0	(\$230.9)	(41%)
Investment Income	<u>28.7</u>	<u>51.4</u>	<u>(22.7)</u>	(45%)
Total Revenues	<u>367.8</u>	<u>621.4</u>	<u>(253.6)</u>	(41%)
Expenses				
Administrative Expense	<u>387.0</u>	<u>564.8</u>	(177.8)	(32%)
Total Expenses	<u>387.0</u>	<u>564.8</u>	<u>(177.8)</u>	(32%)
Net Increase (Decrease)	<u>(\$19.2)</u>	<u>\$56.6</u>	<u>(\$75.8)</u>	(134%)

FINANCIAL HIGHLIGHTS

- In accordance with Governmental Accounting Standards Board (GASB) Statement 43, beginning in 2006 the combined State and Local Government Active Member Life Insurance Plan was segregated from the State Retiree Life Insurance Plan and the Local Government Retiree Life Insurance Plan for financial statement presentation. Active Member Life Insurance is reported as an “Insurance Purchasing Pool” under GASB Statement 10, which focuses on claims-servicing revenue and administrative costs. Amounts collected or due from pool participants and paid or to be paid to settle claims are reported as a net asset or liability.
- Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.

PARTICIPATION

52,257 active state employees and 77,985 active local government employees participated in the life insurance plan in 2008. Many of these employees participated in additional and supplemental coverage in addition to basic coverage.





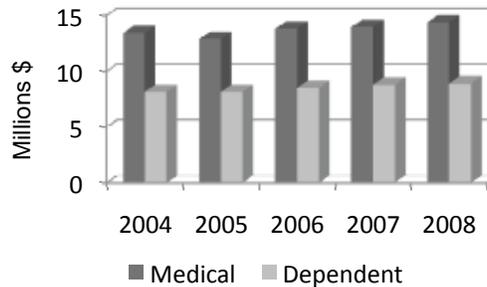
EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$7.3	\$7.0	\$0.3	4%
Liabilities	<u>6.0</u>	<u>5.7</u>	<u>0.3</u>	5%
Net Assets Held in Trust	<u>\$1.3</u>	<u>\$1.3</u>	<u>\$0.0</u>	0%
Additions				
Contributions	\$23.7	\$23.3	\$0.4	2%
Investment Income	<u>0.1</u>	<u>0.3</u>	<u>(0.2)</u>	(67%)
Total Additions	<u>23.8</u>	<u>23.6</u>	<u>0.2</u>	1%
Deductions				
Benefits and Distributions	23.1	22.1	1.0	5%
Administrative Expenses	<u>0.7</u>	<u>0.8</u>	<u>(0.1)</u>	(13%)
Total Deductions	<u>23.8</u>	<u>22.9</u>	<u>0.9</u>	4%
Net Increase (Decrease)	<u>\$0.0</u>	<u>\$0.7</u>	<u>(\$0.7)</u>	(100%)

PARTICIPATION

At the end of 2008, the ERA program had 13,108 participants, a decrease of 6.2% from 13,976 in 2007. Employees created 2,186 dependent care accounts and 10,922 medical expense accounts. The ERA Program allows state employees to establish pre-tax reimbursement accounts for medical care expenses not covered by insurance and for dependent child or adult care expenses. Total salary reductions were \$23.3 million (\$8.9 million for dependent care and \$14.4 million for medical expenses), an increase of 2.3% from 2007. Reductions in FICA tax from this program saved the state an estimated \$1.8 million in 2008, with combined FICA and income tax savings of \$6.7 million realized by participants.

Salary Reductions





COMMUTER BENEFITS PROGRAM

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in thousands</i>	<i>%</i>
Assets	253.0	\$458.4	(\$205.4)	(45%)
Liabilities	<u>231.5</u>	<u>489.8</u>	<u>(258.3)</u>	(53%)
Net Assets Held in Trust	<u>\$21.5</u>	<u>(\$31.4)</u>	<u>\$52.9</u>	n/a
Additions				
Contributions	\$1,421.8	\$1,395.8	\$26.0	2%
Investment Income	<u>(5.4)</u>	<u>(12.3)</u>	<u>6.9</u>	n/a
Total Additions	<u>1,416.4</u>	<u>1,383.5</u>	<u>32.9</u>	3%
Deductions				
Benefits and Distributions	1,210.4	1,196.0	14.4	2%
Admin. & Other Expenses	<u>153.2</u>	<u>144.2</u>	<u>9.0</u>	7%
Total Deductions	<u>1,363.6</u>	<u>1,340.2</u>	<u>23.4</u>	2%
Net Increase (Decrease)	<u>\$52.8</u>	<u>\$43.3</u>	<u>\$9.5</u>	22%

FINANCIAL HIGHLIGHTS

- The Commuter Benefits Program began operations in August 2002. Startup costs were funded through an advance from the state's general fund. As of December 31, 2008, \$27,700 remained payable to the general fund.

- The assets and liabilities decreased in 2008 due to the timing of collecting money due from other funds and contributions receivable as well as the timing of paying money to the third party administrator.

MILWAUKEE RETIREMENT FUND

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets				
Investment in Core Fund	\$89.0	\$129.3	(\$40.3)	(31%)
Investment in Variable Fund	<u>10.1</u>	<u>13.0</u>	<u>(2.9)</u>	(22%)
Net Assets Held in Trust	<u>\$99.1</u>	<u>\$142.3</u>	<u>(\$43.2)</u>	(30%)
Additions				
Deposits	\$13.1	\$15.6	(\$2.5)	(16%)
Investment Income	<u>(41.1)</u>	<u>10.1</u>	<u>(51.2)</u>	(507%)
Total Additions	<u>(28.0)</u>	<u>25.7</u>	<u>(53.7)</u>	(209%)
Deductions				
Benefits and Distributions	<u>15.2</u>	<u>8.1</u>	<u>7.1</u>	88%
Total Deductions	<u>15.2</u>	<u>8.1</u>	<u>7.1</u>	88%
Net Increase (Decrease)	<u>(\$43.2)</u>	<u>\$17.6</u>	<u>(\$60.8)</u>	(345%)

FINANCIAL HIGHLIGHTS

- During 2008 and 2007, the Milwaukee Retirement Fund included only investments from the Milwaukee Public Schools Supplemental Retirement Program.



DUTY DISABILITY INSURANCE PROGRAM

Summary Financial Statements				
	2008	2007	Increase (Decrease)	Increase (Decrease)
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
Assets	\$257.6	\$328.1	(\$70.5)	(22%)
Less: Liabilities				
Other Liabilities	2.3	2.2	0.1	5%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(100.2)</u>	<u>4.0</u>	<u>(104.2)</u>	(2605%)
Net Assets Held in Trust	<u>\$355.5</u>	<u>\$321.9</u>	<u>\$33.6</u>	11%
Additions				
Contributions	\$50.6	\$47.8	\$2.8	6%
Investment Income	<u>(93.6)</u>	<u>25.9</u>	<u>(119.5)</u>	(461%)
Total Additions	<u>(43.0)</u>	<u>73.7</u>	<u>(116.7)</u>	(158%)
Deductions				
Benefits and Distributions	27.1	26.2	0.9	3%
Administration	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>	100%
Total Deductions	<u>27.5</u>	<u>26.4</u>	<u>1.1</u>	4%
Net Increase (Decrease)	<u>(\$70.5)</u>	<u>\$47.3</u>	<u>(\$117.8)</u>	(249%)

FINANCIAL HIGHLIGHTS

- Contributions increased by 5.9% over 2007. The contribution formula was unchanged in 2008. The increase in contributions is attributable to higher protective occupation salaries and movement within the contribution rate tiers by individual employers.
- 0.5% of the deferred balance in the MRA is attributable to the Duty Disability Insurance Program.

FUNDED STATUS

The funded status of the Duty Disability Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market

value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement but can be extremely volatile, while the funding value measurement is less representative of current market values but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio remained relatively unchanged from 75.5% funded to 75.4% funded. Since 2003 the funded ratio has improved from 48.2% to 75.4% funded. The steady increase in the funding value funded ratio shows the success of the long-term strategy to fully fund the program.

The fair value-based funded status decreased from 76.4% funded to 54.1% funded. The decrease in the fair value funded ratio was the result of investment losses during 2008.

INCOME CONTINUATION INSURANCE (ICI) PROGRAM

Summary Financial Statements				
	2008	2007	Increase (Decrease)	Increase (Decrease)
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
Assets	\$74.9	\$101.1	(\$26.2)	(26%)
Less: Liabilities				
Estimated Future Claims	76.7	68.6	8.1	12%
Other Liabilities	0.4	0.3	0.1	33%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(11.7)</u>	<u>14.0</u>	<u>(25.7)</u>	(184%)
Net Assets Available for Benefits	<u>\$9.5</u>	<u>\$18.2</u>	<u>(\$8.7)</u>	(48%)
Revenues				
Contributions	\$14.0	\$13.0	\$1.0	8%
Investment Income	<u>(23.1)</u>	<u>7.4</u>	<u>(30.5)</u>	(412%)
Total Revenues	<u>(9.1)</u>	<u>20.4</u>	<u>(29.5)</u>	(145%)
Expenses				
Benefits and Distributions	22.9	12.6	10.3	82%
Admin & Other Expenses	<u>2.4</u>	<u>2.4</u>	<u>0.0</u>	0%
Total Expenses	<u>25.3</u>	<u>15.0</u>	<u>10.3</u>	69%
Net Income (Loss)	<u>(\$34.4)</u>	<u>\$5.4</u>	<u>(\$39.8)</u>	(737%)

FINANCIAL HIGHLIGHTS

- Net Assets Available for Benefits decreased by 48% during 2008. This was the combination of a \$21.2 million decrease in state plan assets, a \$5.1 million decrease in the local plan assets, and a \$25.7 million decrease in the reserve for changes in market value of assets.
- 0.1% of the deferred balance in the MRA is attributable to the ICI program.

FUNDED STATUS

The funded status of the ICI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

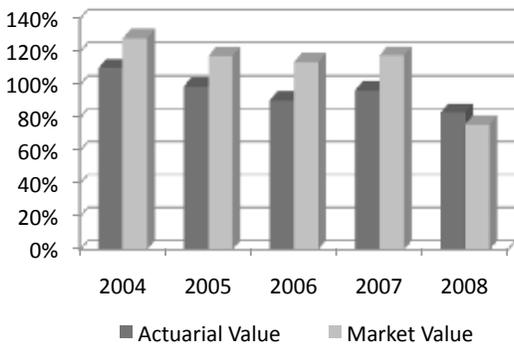


State Plan

The funding value-based funded ratio decreased from 97% funded to 83% funded. This decrease is the result of the investment losses in 2008. The target for this program is to maintain a funded ratio of 115% to 125% of liabilities as a hedge against adverse claims performance.

The fair value-based funded status decreased from 118% funded to 76% funded. This decrease is the result of the investment losses in 2008.

**State Income Continuation Insurance
Funded Ratio**

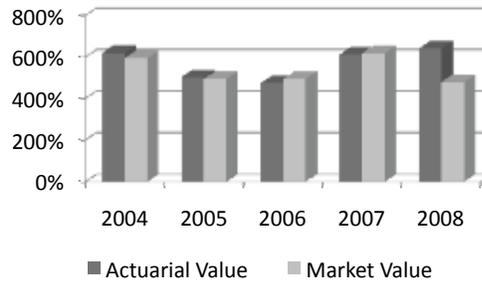


Local Plan

The funding value-based funded ratio increased slightly from 616% funded to 645% funded. This increase is the result of lower than anticipated claims experience. The target for this program is to maintain a funded ratio of 100% to 200% of liabilities as a hedge against adverse claims performance. Because of the small size of this plan, significant year-to-year volatility in claims experience is expected.

The fair value-based funded status decreased from 622% funded to 483% funded. This decrease is the result of the investment losses in 2008.

**Local Income Continuation Insurance
Funded Ratio**





LONG-TERM DISABILITY INSURANCE (LTDI) PROGRAM

Summary Financial Statements				
	2008	2007	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
Assets	\$217.7	\$327.6	(\$109.9)	(34%)
Less: Liabilities				
Estimated Future Claims	138.6	135.7	2.9	2%
Other Liabilities	3.0	2.9	0.1	3%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(99.0)	(0.7)	(98.3)	n/a
Net Assets Available for Benefits	<u>\$175.1</u>	<u>\$189.7</u>	<u>(\$14.6)</u>	(8%)
Revenues				
Investment Income	(\$88.3)	\$27.9	(\$116.2)	(416%)
Total Revenues	(88.3)	27.9	(116.2)	(416%)
Expenses				
Benefits and Distributions	23.3	45.1	(21.8)	(48%)
Admin. & Other Expenses	1.3	1.4	(0.1)	(7%)
Total Expenses	24.6	46.5	(21.9)	(47%)
Net Income (Loss)	<u>(\$112.9)</u>	<u>(\$18.6)</u>	<u>(\$94.3)</u>	n/a

FINANCIAL HIGHLIGHTS

- No contributions were collected for this program during 2008, due to sufficient reserves available in the fund.
- The Benefit and Distributions expense is the actuarially determined increase in liabilities during the year. During 2008 liabilities grew more slowly than in previous year due to favorable claims experience.
- 0.5% of the deferred balance in the MRA is attributable to the LTDI program.

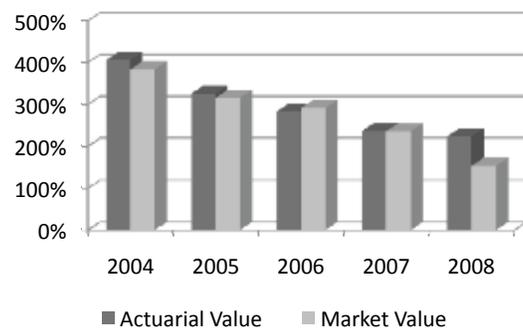
FUNDED STATUS

The funded status of the LTDI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed actuarial value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio decreased from 237% funded to 224% funded. The decrease in the actuarial value funded ratio was due to the contribution holiday during 2008. Despite the decline, the funded ratio still exceeds the target funding range, and the contribution holiday will continue for another year.

The fair value-based funded status declined from 236% funded to 154% funded. The decrease in the fair value funded ratio was the result of the contribution holiday and investment losses during 2008.

Long Term Disability Insurance Funded Ratio





GROUP HEALTH INSURANCE PROGRAM

Active Member Group Health Insurance

Summary Financial Statements				
	2008 \$ in millions	2007 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Assets	\$189.3	\$233.3	(\$44.0)	(19%)
Less: Liabilities				
Unearned Revenue	94.3	85.6	8.7	11%
Estimated Future Claims	10.4	10.2	0.2	2%
Other Liabilities	2.6	0.3	2.3	767%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(55.0)	0.0	(55.0)	(100%)
Net Assets Available for Benefits	<u>\$137.0</u>	<u>\$137.2</u>	<u>(\$0.2)</u>	1%
Revenues				
Premiums	\$1,021.8	\$940.7	\$81.1	9%
Investment Income	(53.4)	7.7	(61.1)	(794%)
Total Revenues	<u>968.4</u>	<u>948.4</u>	<u>20.0</u>	3%
Expenses				
Benefits and Distributions	1,010.1	919.5	90.6	10%
Administration	13.4	11.2	2.2	20%
Total Expenses	<u>1,023.5</u>	<u>930.7</u>	<u>92.8</u>	10%
Net Income (Loss)	<u>(\$55.1)</u>	<u>\$17.7</u>	<u>(\$72.8)</u>	(412%)

FINANCIAL HIGHLIGHTS

- These statements include activity related to health insurance coverage for the current employees of state and local government employees. Statements for the state and local retiree health plans are presented on the next page.
- The 2007 beginning reserve balance was increased by \$14.4 million to correctly reflect the division of assets between the active member and retiree health plans.

- In 2008 the Health Insurance Programs, including State OPEB Health Insurance and Local OPEB Health Insurance, were moved to the Core Fund to invest the excess money in the funds and participate in the investment earnings. Therefore, this is the first year that the funds have a Reserve for Changes in the Market Value of Investments.
- 0.3% of the deferred balance in the MRA is attributable to the Group Health Insurance Program.



State OPEB (Other Post-Employment Benefits) Health Insurance

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$13.4	\$15.7	(\$2.3)	(15%)
Less: Liabilities				
Estimated Future Claims	6.4	7.3	(0.9)	(13%)
Other Liabilities	0.6	0.1	0.5	500%
Due To Employers	7.7	8.3	(0.6)	(8%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(1.3)</u>	<u>0.0</u>	<u>(1.3)</u>	(100%)
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

FINANCIAL HIGHLIGHTS

- Beginning in 2006, the state retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.

- In 2008 the Health Insurance Programs, including State OPEB Health Insurance and Local OPEB Health Insurance, were moved to the Core Fund to invest the excess money in the funds and participate in the investment earnings. Therefore, this is the first year that the funds have a Reserve for Changes in the Market Value of Investments.

- Less than 0.1% of the deferred balance in the MRA is attributable to the State OPEB Health Insurance.

Local OPEB (Other Post-Employment Benefits) Health Insurance

Summary Financial Statements				
	2008	2007	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$0.6	\$0.8	(\$0.2)	(25%)
Less: Liabilities				
Estimated Future Claims	0.2	0.3	(0.1)	(33%)
Other Liabilities	1.2	0.4	0.9	225%
Due to Employers	(0.9)	0.1	(1.0)	(1,000%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>0.1</u>	<u>0.0</u>	<u>0.1</u>	100%
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

FINANCIAL HIGHLIGHTS

- Beginning in 2006, the local government retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.

- In 2008 the Health Insurance Programs, including State OPEB Health Insurance and Local OPEB Health Insurance, were moved to the Core Fund to invest the excess money in the funds and participate in the investment earnings. Therefore, this is the first year that the funds have a Reserve for Changes in the Market Value of Investments.

- Less than 0.1% of the deferred balance in the MRA is attributable to the Local OPEB Health Insurance.



FUNDED STATUS

The funded status of the Group Health Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants, meet the liquidity needs of the plan, and smooth year-to-year volatility in claims. Funded status is measured as the ratio of reserves to annual expenses (claims plus administration). The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

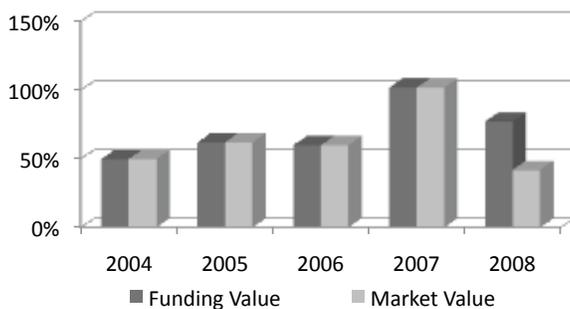
2008 is the first year the Health programs are invested in the Core Fund and therefore need to report both funding value-based and fair value-based funded ratios. In years prior to 2008 the funding value-based and fair value-based funded ratios are the same.

State Standard Health Plan

The funding value-based funded ratio decreased from 101.8% funded to 77.3%. This decrease is the result of the investment losses in 2008.

The fair value-based funded status decreased from 101.8% funded to 41.9% funded. This decrease is the result of the investment losses in 2008.

State Standard Health Plan
Funded Ratio

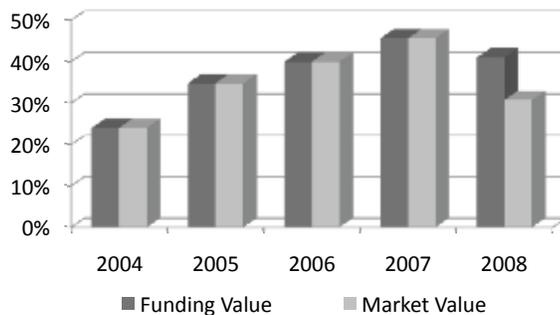


State Pharmacy Benefit Reserve

The funding value-based funded ratio increased slightly from 45.6% funded to 46.7%. This increase is the result of the investment losses in 2008 that were deferred to future years.

The fair value-based funded status decreased from 45.6% funded to 30.8% funded. This decrease is the result of the investment losses in 2008.

State Pharmacy Benefit Reserve
Funded Ratio

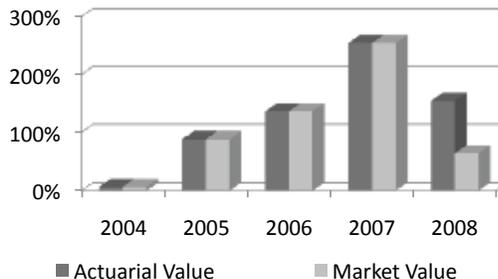


Local Standard Health Plan

The funding value-based funded ratio decreased from 254.4% funded to 154.7%. This decrease is the result of the investment losses in 2008.

The fair value-based funded status decreased from 254.4% funded to 64.5% funded. This decrease is the result of the investment losses in 2008.

Local Standard Health Plan
Funded Ratio





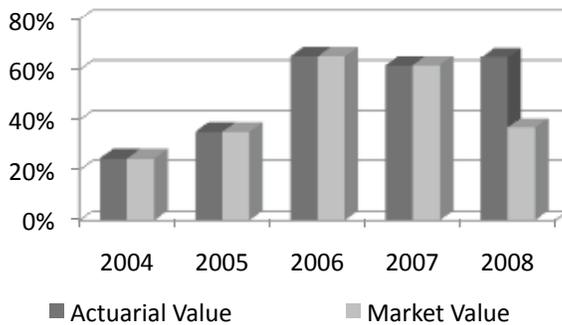
Local Pharmacy Benefit Reserve

The funding value-based funded ratio increased from 61.8% funded to 64.9%. This increase is the result of the loss ratio being lower in 2008 than it was in 2007.

The fair value-based funded status decreased from 61.8% funded to 37.0% funded. This decrease is the result of the investment losses in 2008.

This plan experiences significant year-to-year volatility due to a small participant base. Larger reserve balances are required to assure the solvency of the plan.

Local Pharmacy Benefit Reserve Funded Ratio

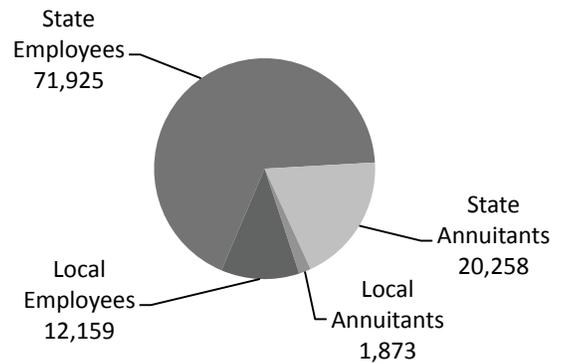


PARTICIPATION

The state Group Health Insurance Program covered 71,925 active employees and 20,258 retired State of Wisconsin employees at the end of 2008, about 200,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$1,038 million. Participants and annuitants contributed \$111 million toward their health insurance premiums.

The Wisconsin Public Employer Group Health Insurance Program covered 12,159 active and 1,873 retired participants. With their dependents, the total number of people covered was approximately 35,000. Annual premiums paid totaled \$157 million.

Health Insurance Participants





ETF BOARDS AND DEPARTMENT ORGANIZATION

The individuals who serve on the five boards that provide oversight for the Department of Employee Trust Funds (ETF) play important roles. Board decisions affect hundreds of thousands of individuals who participate in the retirement programs funded by the trust funds as well as other fringe benefit programs the Department operates for Wisconsin.

This section explains how members are appointed or elected and how membership overlaps. It also provides information on individual board members. Under state law, members of the boards are chosen in a variety of ways. Some members are direct appointees of the governor, others are appointed to fixed terms from lists submitted to the governor by specified organizations, and still others are directly elected by active participants or retirees.

The members and officers of each board are listed below, along with a short explanation of board responsibilities.

EMPLOYEE TRUST FUNDS BOARD (13 MEMBERS)

This board sets policy for ETF; appoints the ETF Secretary; approves tables used for computing benefits, contribution rates and actuarial assumptions; authorizes all annuities except for disability; approves or rejects ETF administrative rules; and generally oversees administration of the benefit programs, except group insurance and deferred compensation. State law sets membership criteria, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board).

BOARD MEMBERS

Chair: Marilyn J. Wigdahl

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b)7 or 8 (participating employee or public member who is not a participant).

Vice Chair: Wayne E. Koessl

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b) 1,2,4,5 or 8 (chief executive, finance officer or member of a governing

body of a participating city or village, county clerk, deputy county clerk, chairperson, or member of the governing body of a participating county or town, or public member who is not a participant).

Secretary: Robert M. Niendorf

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)4 (UW teacher participant).

John David

Appointed by the WR Board. Any WR Board member. § 15.16 (1)(b)

Jennifer Donnelly

Ex officio; Director of the Office of State Employment Relations or the Director's designee. §15.16 (1)(intro.)

Rosemary Finora

Appointed by the governor, with Senate confirmation. Public member who is not a participant in or beneficiary of the WRS, with at least five years of experience in actuarial analysis, administration of an employee benefit plan, or significant administrative responsibility in a major insurer. § 15.16 (1)(c)

Theron Fisher

Elected by WRS annuitants. WRS annuitant as defined for purposes other than life insurance under § 40.02 (4). § 15.16 (1)(d)

Rick Gale

Appointed by the WR Board. WR Board member appointed under §15.16 (3)(b)3,6, or 7 (participating employee of a city or village, participating employee of a local employer other than a city or village or participating state employee). § 15.16 (1)(b)2

Kathleen Kreul

Elected by educational support personnel. WRS participant who is either a public school district educational support personnel employee or a technical college district educational support employee. § 15.16 (1)(f)

Irena Macek

Appointed by the TR Board. TR Board member elected under § 15.165 (3)(a)7 (City of Milwaukee teacher participant). § 15.165 (1)(a)3



Wayne D. McCaffery

Appointed by TR Board. TR Board member appointed or elected under § 15.16 (3)(a)1 or 2 (public or vocational school teacher). § 15.16 (1)(a)1

Gary Sherman

Ex officio; Governor or the governor's designee on the Group Insurance Board. § 15.16 (1)(intro.)

Nancy L. Thompson

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)3 or 5 (public school administrator or school board member). § 15.16 (3)(a)5

WISCONSIN RETIREMENT BOARD (9 MEMBERS)

The WR Board advises the ETF Board on matters relating to retirement; approves or rejects administrative rules; authorizes or terminates disability benefits for non-teachers; and hears appeals of disability rulings. This board appoints four members to the ETF Board and one non-teaching participant to the State of Wisconsin Investment Board.

BOARD MEMBERS

Chair: Rick Gale

Appointed by the governor. Participating employee of a participating city or village and from a different county than subds. 1 & 2. § 15.165 (3)(b)3

Vice Chair: Wayne E. Koessl

Appointed by the governor from a list of five names submitted by the executive committee of the Wisconsin Counties Association. Chairperson or member of the governing body of a participating county or town, and from a different county than subds. § 15.165 (3)(b)4

Secretary: Mary Von Ruden

Appointed by the governor. Participating employee from a participating local employer other than a city or village and from a different county than subds. 4 & 5. § 15.165 (3)(b)6

Jamie Aulik

Appointed by the governor. County clerk or deputy county clerk from a participating county different than subds. 4 & 6. § 15.165 (3)(b)5

John David

Appointed by the governor from a list of five names submitted by the Board of Directors of the League of Wisconsin Municipalities. Chief executive or member of the governing body of a participating city or village and from a different county than subds. 2 & 3. § 15.165 (3)(b)1

Sean Dilweg

Ex officio; Commissioner of Insurance or an experienced actuary in the Office of the Commissioner designated by the Commissioner. § 15.165 (3)(b)9

Herbert Stinski

Appointed by the governor. Participating employee and principal finance officer of a participating city or village and from a different county than subds. 1 & 3. § 15.165 (3)(b)2

Vacant

Appointed by the governor as a public member who is not a participant or beneficiary of the WRS. § 15.165 (3)(b)8

Marilyn J. Wigdahl

Appointed by the governor. Participating state employee. § 15.165 (3)(b)7



TEACHERS RETIREMENT BOARD (13 MEMBERS)

The TR Board advises the ETF Board on retirement and other benefit matters involving public school, technical college, state and university teachers; acts on administrative rules and authorizes or terminates teacher disability benefits and hears disability benefit appeals. Nine of the 13 members are elected. This board appoints four members to the ETF Board and one teacher participant to the State of Wisconsin Investment Board.

BOARD MEMBERS

Chair: Lon Mishler

Elected by annuitants who were teacher participants. Annuitant who was a teacher participant in the WRS. § 15.165 (3)(a)6

Vice Chair: Dennis Panicucci

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Secretary: Robin Starck

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Michael Langyel

Elected by Milwaukee Public School teachers who are participants. City of Milwaukee teacher who is a participant in the WRS. § 15.165 (3)(a)7.

Wayne D. McCaffery

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Dan Nerad

Appointed by the governor. Public school administrator who is not a classroom teacher. § 15.165 (3)(a)3

R. Thomas Pederson

Elected by participating Wisconsin Technical College teachers. Public school teacher from a participating Wisconsin Technical College district and a participating employee in the WRS. § 15.165 (3)(a)2

Patrick Phair

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Roberta Rasmus

Appointed by the governor. Member of a school board. § 15.165 (3)(a)5

Steven Scheible

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Robert Shaw

Appointed by the governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

David Wiltgen

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Vacant

Appointed by the governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

GROUP INSURANCE BOARD (11 MEMBERS)

This board sets policy for the group health, life, and income continuation insurance plans for state employees and the group health, life, and income continuation insurance plans for local employers who choose to offer them. The board also can provide other insurance plans, if employees pay the entire premium. Members, how they are chosen for the board, and their original source of appointment or election are:

BOARD MEMBERS

Chair: Stephen H. Frankel

Appointed by the governor. No membership requirement. § 15.165 (2)

Vice Chair: Cindy O'Donnell

Ex officio; Attorney General or his/her designee. § 15.165 (2)

Secretary: Esther Olson

Appointed by the governor. Insured participant in the WRS who is a teacher. § 15.165 (2)



Robert Baird

Appointed by the governor. Insured participant in the WRS who is an employee of a local unit of government. § 15.165 (2)

Martin Beil

Appointed by the governor. Insured participant in the WRS who is not a teacher. § 15.165 (2)

Janis Doleschal

Appointed by the governor. Insured participant in the WRS who is a retired employee. § 15.165 (2)

Jennifer Donnelly

Ex officio; Director of the Office of State Employment Relations or his/her designee. § 15.165 (2)

Eileen Mallow

Ex officio; Commissioner of Insurance or his/her designee. § 15.165 (2)

David Schmiedicke

Ex officio; Secretary of Department of Administration or his/her designee. § 15.165 (2)

Gary Sherman

Ex officio; Governor or his/her designee. § 15.165 (2)

Vacant:

Appointed by the governor. Chief executive or member of the governing body of a local unit of government that is a participating employer. § 15.165 (2)

DEFERRED COMPENSATION BOARD (5 MEMBERS)

This board sets policy, contracts with investment and administrative service providers, and oversees administration of the Deferred Compensation Program. The board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the Program. The governor, with senate confirmation, appoints all board members; there are no statutory requirements for appointments. Members, how they are chosen for the board, and their original source of appointment or election are:

BOARD MEMBERS

Chair: Edward D. Main

Appointed by the governor with no membership requirements. § 15.165 (4)

Vice Chair: John F. Nelson

Appointed by the governor with no membership requirements. § 15.165 (4)

Secretary: Martin Beil

Appointed by the governor with no membership requirements. § 15.165 (4)

Michael Drury

Appointed by the governor with no membership requirements. § 15.165 (4)

Gail Hanson

Appointed by the governor with no membership requirements. § 15.165 (4)

PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD

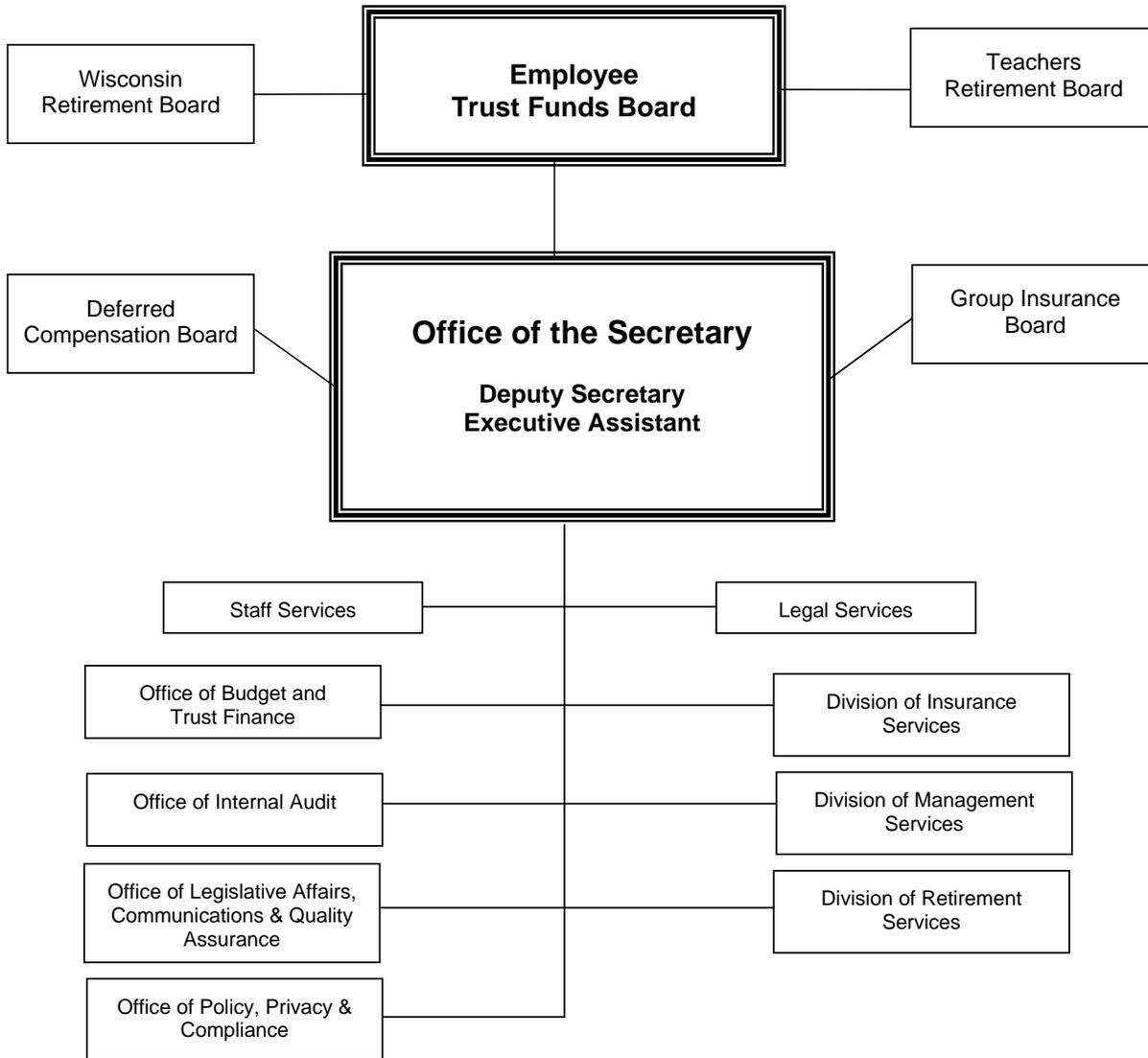
The Private Employer Health Care Coverage Program (PEHCCP) was created by 1999 Wisconsin Act 9 (1999-2001 Biennial Budget Act). 2007 Wisconsin Act 20 deleted all funding and position authority for the program and the statutes authorizing the program have been repealed effective January 1, 2010.



DEPARTMENT ORGANIZATION

The Department of Employee Trust Fund had 212.7 permanent positions and 8 project full-time equivalent positions at the end of 2008. If all positions had been filled, the employee count would have been 226.

The Department's organizational chart is shown below:





2008 ETF MANAGEMENT STAFF

Secretary: David A. Stella
Deputy Secretary: Bob Conlin
Executive Assistant: Rhonda Dunn
Chief Legal Counsel: Robert Weber

Division of Retirement Services
Administrator: Jean Gilding

Division of Insurance Services
Administrator: Tom Korpady
Deputy Administrator: Lisa Ellinger

Division of Management Services
Administrator: Pam Henning

Office of Budget and Trust Finance
Director: Jon Kranz

Office of Internal Audit
Director: John Vincent

Office of Legislative Affairs, Communications & Quality Assurance
Director: Matt Stohr

Office of Policy, Privacy & Compliance
Director: Steve Hurley

PRINCIPAL CONSULTANTS AND ADMINISTRATORS

Consulting Actuaries:

Gabriel Roeder Smith & Company
Southfield, Michigan

Deloitte Consulting
Minneapolis, Minnesota

Auditors:

Legislative Audit Bureau
Madison, Wisconsin

THIRD PARTY ADMINISTRATORS

Health Insurance:

WPS Health Insurance
Madison, Wisconsin

Pharmacy Benefits Manager:

Navitus Health Solutions
Appleton, Wisconsin

Income Continuation Insurance and Long-Term Disability Insurance:

Aetna, Inc.
Burlington, Massachusetts

Deferred Compensation:

Great-West Retirement Services
Greenwood Village, Colorado

Employee Reimbursement Accounts and Commuter Benefits:

Fringe Benefits Management Company
Tallahassee, Florida

Life Insurance:

Minnesota Life Insurance Company
St. Paul, Minnesota



LEGISLATION AND ANNUAL ACCOMPLISHMENTS

LEGISLATION

The legislation that became law in 2008 that affected the Wisconsin Retirement System (WRS) and/or other employee benefit programs administered by the Department of Employee Trust Funds (ETF) is described below:

2007 Wisconsin Act 131, which became effective in 2008, made changes with respect to the operation and administration of the Wisconsin Retirement System (WRS). The law helped the Department streamline practices, conform state law to federal law, eliminate certain inequities in current law and, generally, made other technical changes desired by the Department for the efficient operations of its programs.

The statutory changes included:

- **Accelerated Payment Option:** The law removed the requirement that the temporary additional pension payment must end at the retiree's death if the retiree dies before age 62. Instead, the retiree's named survivor or a beneficiary would receive the temporary additional pension payment through the month in which the retiree would have turned 62.
- **Death Benefits:** The law clarified that the number of guaranteed death benefit payments that are payable to a beneficiary of a participant in the WRS may not exceed the life expectancy of the beneficiary. This clarification aligned the law to federal law and Department practice.
- **Earnings Definition:** The law clarified the definition of "earnings" for employees serving in a position covered under the federal Uniformed Services Employment and Reemployment Rights Act to comply with federal law for purposes of the WRS.
- **Amortization Period:** Unfunded prior service liabilities under the WRS were required to be amortized over a 40-year amortization period. However, changes in national accounting standards require these liabilities to be amortized over 30 years. Act 131 reduced the amortization period to 30 years for all unfunded prior service liabilities incurred after the bill's effective date (4/5/08).

- **Waiver of WRS Benefits:** The old law permitted a participant, beneficiary, or distributee of an estate to waive WRS benefits and provided that the waiver was effective on the first day of the 2nd month commencing after the waiver was received by the Department or on the date specified in the waiver, if later. To provide greater consistency and ease of administration for the Department, the new law provided that the waiver is effective 30 days after the Department receives it or on the date specified in the waiver, if earlier. It also provided that the participant, beneficiary, or distributee may cancel the waiver in writing before the effective date.

- **Beneficiaries:** The law eliminated the surviving spouse of a deceased child as a default beneficiary so that assets will pass to the children of the deceased child. In addition, the law added great-grandchildren and other descendants of the deceased employee and nieces, nephews, and other descendants of the deceased employee's brothers and sisters to the list of default beneficiaries.

2007 Wisconsin Act 20 (Biennial Budget) made one change affecting ETF:

- **Health Insurance for state employees:** The new law provided the state employer contribution for group health insurance premiums to eligible state employees not appointed to a limited-term position after **two** months of employment. The old law provided this contribution after **six** months of employment except for faculty and academic staff employed by the University of Wisconsin System (contribution for these employees is provided upon hire). These provisions were effective July 1, 2008.

ETF Goals and Objectives for 2008

The Department's goals and objectives are reviewed and updated annually. They are as follows:

Goals:

1. To protect the integrity of the Trust and administer benefits through effective **governance** with an emphasis on fiduciary responsibilities.
2. To provide effective and efficient **service** to participants, employers, and other customers.



3. To deliver quality **benefits** through prudent administration and the development and implementation of cost-containment strategies.
4. To develop and maintain a **workforce** with the necessary knowledge and skill sets.

OBJECTIVES:

Governance

1. Broaden administrative flexibility to enhance the ability to carry out fiduciary responsibilities.
2. Assist Boards in developing effective governance measures.
3. Educate external and internal parties on fiduciary and Trust administration responsibilities.
4. Develop and monitor internal controls to safeguard assets and ensure conscientious and effective administration.

Service

1. Identify existing organizational structures, processes and operations within ETF that can be simplified or streamlined, develop a plan to implement, and execute the plan.
2. Further develop the Department's ability to meet customer needs for guidance and timely, accurate information by providing information through a variety of mechanisms that is informative, accurate, and accessible.
3. Provide ombudsperson services to assist participants in resolving benefit issues and assess whether customer needs are being met through current services.
4. Maintain high quality operations and service by continually assessing issues raised; reviewing and adopting appropriate best practices; and changing benefit processes, structures and/or delivery as needed.
5. Clearly communicate benefit details and options to members and other stakeholders by improving the quality and quantity of internal and external communications.

Benefits:

1. Work with the Governor's Office and the Legislature to protect benefits now offered to participants, seek statutory changes needed to reflect present operating conditions, and suggest changes that would maximize both the levels of service and the cost effectiveness of current benefits.
2. Develop and implement information technology applications based on business strategies that effectively and efficiently improve internal functions and external services.
3. Educate members and other stakeholders on the advantages of the ETF hybrid pension benefit model and the package of other employee benefits that complement the overall pension benefit structure.
4. Communicate to members and other stakeholders the role of ETF in effectively administering a well-funded benefit program.
5. Educate members and other stakeholders on the roles and responsibilities of the State of Wisconsin Investment Board in effectively managing fund investments while working in partnership and cooperation with ETF.

Workforce:

1. Encourage documentation of workflow processes to facilitate transition of knowledge among employees.
2. Promote an atmosphere where candid discussion, critical thinking and innovation are encouraged and rewarded.
3. Provide cross-organizational training and utilization of staff to assist in handling changing demands and priorities.
4. Maintain a comprehensive, strategic workforce plan.
5. Refine employee development and recruitment efforts to ensure staff has the needed skill sets.
6. Conduct supervisory and managerial meetings with the Secretary's Office to provide a forum for policy and operational discussions across divisions, cultivating



a staff that understands the business processes and interrelationships across the organization.

2008 ACCOMPLISHMENTS

Governance

- Completed OPEB (other post-employment benefits) actuarial valuations of the retiree health insurance program.
- Submitted a required retiree drug subsidy reconciliation to the Centers for Medicare and Medicaid Services for receipt of more than \$10 million in drug subsidy payments for plan year 2006. The Department used the subsidy to help lower the cost of drug coverage for annuitants on Medicare.
- Developed new contract language for third-party administrators to ensure members are protected from breaches of privacy and identity theft.
- Published the Department's annual *Information Technology Plan*, which identifies ETF's strategic direction and high-priority project plans.
- Received an independent consultant's study reviewing the Department's statutory and administrative framework to examine whether the Department and Board have sufficient flexibility and authority to fulfill fiduciary and statutory responsibilities.
- Received an independent consultant's report examining the Department's operations and comparing cost of administering the WRS with similar-sized retirement systems. The report concluded the WRS is funded at a lower rate, provides fewer services, and has a higher member-to-staff ratio when compared to peers.
- Received an award on behalf of the WRS from the Public Pension Coordinating Council in recognition of meeting professional standards for public pension plan design and administration.

Service – to Members

1. Several improvements were made to enhance customer service provided to members, including:

- Developed and implemented a multi-faceted, multi-media communications plan to provide information on the effect of the economic turmoil in the investment markets on the WRS trust funds. The effort included separate strands for employers as well as active and retired members and involved the use of online videos, direct mailings, employer bulletins, the Department's Internet site, e-mail, meetings with constituent groups, and targeted messages to stakeholders.
- Revised forms to enhance communication about accelerated benefit payment options and Social Security benefit estimates.
- Revised the *Life Insurance Application* to a single-sided form that can be completed online, creating cost savings for the Department and convenience for members.

2. The Department produced or updated more than a dozen online videos, including: *Message on the Condition of the WRS; Interest Rates and Annuity Adjustments; The WRS Trust Funds: Core and Variable*; two programs on the effect of divorce on WRS benefits; *Canceling Variable Participation; WRS Benefits; Now That You're Retired; Commuter Benefits; Income Continuation Insurance Benefits*; one promoting a Wisconsin Deferred Compensation Program service; *Payment Options-Choosing an Annuity Option*; and *The Employee Reimbursement Accounts Program*.

3. The Department conducted a series of statewide workshops for members, combining presentations by representatives of the WRS, the Social Security Administration and the Wisconsin Deferred Compensation Program.

Information technology updates included:

- Implemented the Benefit Payment System (BPS), replacing a 30-year-old system that stored data for use by staff and other information technology systems to calculate and pay retirement benefits.
- Launched the second phase of the Lump Sum Payment System for automating and processing lump



sum payments, including minimum annuity, separation and death benefit payments.

- Completed a series of improvements to the “Contact Us” portal on the Department’s Internet site.

Service – to Employers

Several improvements were made to enhance customer service provided to employers, including:

- Improved the “student status” eligibility process, which streamlined reporting, reduced processing time and ensured timely updates to the Health Insurance and Complaint System.
- Modified the Interactive Voice Response system, an automated telephone system used by employers, to accommodate increased options for reporting supplemental data and other information.
- Completed high-priority annual processing enhancements to expedite employer data validation phases and further automate information processing.
- Improved the online employer training program, including updating training modules and incorporating new learning activities and materials. Also conducted 13 in-house training sessions for state and local government employers.
- Eliminated state agency employer bulletin printing and distribution costs by implementing an electronic notification and distribution process for each edition.

Information technology updates included:

- Completed a project to add health plans to the Electronic Eligibility Data Transfer system, which processes health plan eligibility information according to federal standards. Employers no longer have to send eligibility applications to health plans, which will reduce labor and resource costs.
- Implemented phase 1 of a new Web-based application providing secure, online Wisconsin Retirement System employer training.

Benefits

The Department continued to deliver quality benefits through prudent administration and the development and implementation of cost-containment strategies, including:

- Successfully negotiated with the participating alternate health plans (health maintenance organizations) to hold premium rate increases to single digits for the fifth consecutive year.
- Reduced monthly premium rates by 2% for retired state employee participants in the Medicare Plus \$1 Million plan.
- Developed and implemented 2007 Wisconsin Act 131 changes in accelerated annuity payment options and standard sequence of beneficiaries.
- Implemented 2007 Wisconsin Act 226 provisions for deducting health and long-term care premiums from public safety officer retiree annuities.
- Carried out communication plans to ensure complete and accurate 2009 health insurance information for participating state and local health insurance employers. The effort included electronic distribution of materials, which saved agency and employer time and resources.
- Implemented new ideas to help reduce costs and streamline administrative processes, including:
 - Used in-house resources to develop a user-friendly contact management system for use in the Contact Management Center. The significant cost savings included avoiding an expensive upgrade of the old system, eliminating annual maintenance and license fees and reducing data storage and processing costs.
 - Migrated to a new version of the Department’s database software and utilized different desktop antivirus software, thereby reducing licensing and maintenance costs.



- Implemented a new method for printing 1099-R tax statements in-house, saving staff time and resources.
- Eliminated a long-standing backlog in Duty Disability participant tax return reviews.

Information technology updates included:

- Streamlined existing processes for collecting and updating eligibility data from participating health plans and completing the planning phases of the Health Insurance Eligibility, Validation and Payment project, which will improve employer and employee processes involving health insurance enrollments, validation and premium payments.
- Created a new health insurance premium statistics data mart for business user query and reporting. This data mart collects health insurance premium data from multiple sources and provides an easy-to-use resource for reporting on premium data.

Workforce

The Department continued to develop and maintain a skilled and knowledgeable workforce, as evidenced through these accomplishments:

- Submitted a multi-year workforce plan to the Office of State Employment Relations, highlighting strategies to address critical hiring needs and recruitment and retention of employees. Also submitted to the Department of Administration's Division of State Facilities a capital budget request addressing long-term space needs of the agency.

- Developed and implemented a training database for retirement estimate training that will expand staff knowledge of other job types.
- Conducted multiple training sessions for staff regarding volatility in the investment markets and the effect on WRS benefits.
- Created a new training plan for Trust Funds Specialists and defined operational tasks and workload issues in the Division of Information Technology to enhance staff training.
- Held orientation sessions for new employees and conducted training sessions on the Accumulated Sick Leave Conversion Credit Program and privacy trainings for new employees and staff in the Division of Insurance Services.
- Developed a group training program that reduced the time spent in one-on-one, on-the-job-training for staff in the Member Services Bureau.

Information technology updates included:

- Upgraded all staff desktop computers to Microsoft Office 2007 and replaced all staff monitors with new LCD monitors.
- Installed new hardware to support applications and disaster recovery plans.



FINANCES

**State of Wisconsin
Department of
Employee Trust Funds**



STATE OF WISCONSIN

Legislative Audit Bureau

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Janice Mueller
State Auditor

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements for the following fiduciary and proprietary funds administered by the State of Wisconsin Department of Employee Trust Funds as of and for the year ended December 31, 2008: the Wisconsin Retirement System, Duty Disability Insurance, Accumulated Sick Leave Conversion, State Retiree Life Insurance, Local Retiree Life Insurance, Employee Reimbursement Accounts, Commuter Benefits, Milwaukee Retirement Systems, Badger Rx, State Retiree Health Insurance, Local Retiree Health Insurance, Long-Term Disability Insurance, Health Insurance, Income Continuation Insurance, and Life Insurance. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to in the first paragraph present only the fiduciary and proprietary funds administered by the Department and do not purport to, and do not, present fairly the financial position of the State of Wisconsin and the changes in its financial position and its cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph, present fairly in all material respects, the respective financial positions of each fiduciary fund and of each proprietary fund as of December 31, 2008, and the respective changes in their financial positions and their cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on the Wisconsin Retirement System's schedules of funding progress and employer contributions, the required supplementary information on claims development information for public entity risk pools, and the required supplementary information on the other post employment benefits schedules of funding progress and employer contributions are not required parts of the financial statements but are supplementary information

required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Department. The supplementary information included in the Introduction and the sections entitled Statistics, Actuarial, Investments, and Employer Unfunded Liability Balances, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. This supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2010, on our consideration of the Department's internal control over financial reporting; our tests of its compliance with certain provisions of laws, regulations, and contracts; and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

LEGISLATIVE AUDIT BUREAU

March 24, 2010

by



Janice Mueller
State Auditor



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets
December 31, 2008
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
Assets:			
Equity In Pooled Cash & Cash Equivalents	\$ 2,602,671	\$ 0	\$ 0
Securities Lending Collateral	5,707,981	0	0
Prepaid Expenses	4,767	0	0
Receivables:			
Contributions Receivable	123,584	4,648	3,942
Prior Service Contributions Receivable	285,139	0	0
Benefit Overpayments Receivable	2,759	391	0
Due From Other Trust Funds	4,626	0	10
Rebates Receivable	0	0	0
Miscellaneous Receivables	75,777	0	0
Interest and Dividends Receivable	206,299	0	0
Investment Sales Receivable	90,910	0	0
Total Receivables	<u>789,094</u>	<u>5,039</u>	<u>3,952</u>
Investments at Fair Value:			
Fixed Income Investments	20,339,831	0	0
Preferred Securities	76,548	0	0
Convertible Securities	24,698	0	0
Stocks	30,974,667	0	0
Limited Partnerships	6,418,962	0	0
Mortgages	77,641	0	0
Real Estate	468,139	0	0
Multi Asset Investments	561,317	0	0
Investment In Core Fund	0	252,635	1,619,332
Investment In Variable Fund	0	0	0
Investment in External Pool	0	0	0
Total Investments	<u>58,941,803</u>	<u>252,635</u>	<u>1,619,332</u>
Capital Assets	<u>49</u>	<u>0</u>	<u>0</u>
Total Assets	<u>68,046,365</u>	<u>257,674</u>	<u>1,623,284</u>
Liabilities:			
Core Investment Due Other Programs	2,421,601	0	0
Variable Investment Due Other Programs	10,142	0	0
Securities Lending Collateral Liability	5,707,981	0	0
Benefits Payable	268,671	2,278	0
Other Estimated Future Benefits	0	0	2,175,990
Unearned Revenue	210	0	0
Due To Other Trust Funds	245	70	0
Due to General Fund	0	0	0
Miscellaneous Payables	116,635	0	0
Investment Payables	90,758	0	0
Total Liabilities	<u>8,616,243</u>	<u>2,348</u>	<u>2,175,990</u>
Net Assets Held in Trust for Pension Benefits and Pool Participants	<u>\$ 59,430,122</u>	<u>\$ 255,326</u>	<u>\$ (552,706)</u>

The accompanying notes are an integral part of the financial statements.
A schedule of funding progress for the Wisconsin Retirement System is presented on page 77.



Statement 1

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 0	\$ 0	\$ 6,767	\$ 0	\$ 0	\$ 120
0	0	0	0	0	0
0	0	345	5	0	0
0	0	17	248	0	2
0	0	0	0	0	0
0	0	0	0	0	0
11	15	216	0	0	5
0	0	0	0	0	54
9	12	1	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>20</u>	<u>27</u>	<u>234</u>	<u>248</u>	<u>0</u>	<u>61</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	88,987	0
0	0	0	0	10,142	0
339,230	216,111	0	0	0	0
<u>339,230</u>	<u>216,111</u>	<u>0</u>	<u>0</u>	<u>99,129</u>	<u>0</u>
0	0	0	0	0	0
<u>339,250</u>	<u>216,138</u>	<u>7,346</u>	<u>253</u>	<u>99,129</u>	<u>181</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	5,052	0	0	0
0	0	0	0	0	0
0	0	846	91	0	0
20	27	0	141	0	0
0	0	0	0	0	95
0	0	124	0	0	0
0	0	0	0	0	0
<u>20</u>	<u>27</u>	<u>6,022</u>	<u>232</u>	<u>0</u>	<u>95</u>
<u>\$ 339,230</u>	<u>\$ 216,111</u>	<u>\$ 1,324</u>	<u>\$ 21</u>	<u>\$ 99,129</u>	<u>\$ 86</u>



**Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2008
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
Additions:			
Contributions:			
Employer Contributions	\$ 630,840	\$ 50,574	\$ 39,916
Employee Contributions	736,149	0	0
Total Contributions	<u>1,366,989</u>	<u>50,574</u>	<u>39,916</u>
Deposits	0	0	0
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(24,842,896)	0	0
Interest	656,144	0	0
Dividends	636,751	0	0
Securities Lending Income	212,493	0	0
Other	72,677	(93,620)	(595,002)
Less:			
Investment Income Distributed to Other Funds	(896,109)	0	0
Investment Expense	226,364	0	0
Securities Lending Rebates and Fees	149,024	0	0
Net Investment Income	<u>(22,744,110)</u>	<u>(93,620)</u>	<u>(595,002)</u>
Interest on Prior Service Receivable	18,277	0	0
Service Reimbursement Income	0	0	0
Miscellaneous Income	1,618	1	0
Total Additions	<u>(21,357,226)</u>	<u>(43,045)</u>	<u>(555,086)</u>
Deductions:			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary	3,822,544	27,150	0
Separation Benefits	27,375	0	0
Other Benefit Expense	0	0	115,871
Distributions	0	0	0
Carrier Administrative Expenses	0	0	0
Departmental Administrative Expenses	19,128	351	249
Total Deductions	<u>3,869,047</u>	<u>27,501</u>	<u>116,120</u>
Net Increase (Decrease)	<u>(25,226,273)</u>	<u>(70,546)</u>	<u>(671,206)</u>
Net Assets Beginning of Year	<u>84,656,395</u>	<u>325,872</u>	<u>118,500</u>
End of Year	<u>\$ 59,430,122</u>	<u>\$ 255,326</u>	<u>\$ (552,706)</u>

The accompanying notes are an integral part of the financial statements.



Statement 2

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 1,405	\$ 1,806	\$ 397	\$ 212	\$ 0	\$ 0
3,152	3,892	23,306	1,209	0	0
4,557	5,698	23,703	1,421	0	0
0	0	0	0	13,100	21
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
18,674	11,802	144	(5)	(41,106)	3
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
18,674	11,802	144	(5)	(41,106)	3
0	0	0	0	0	0
48	65	0	0	0	0
0	0	11	0	0	0
23,279	17,565	23,858	1,416	(28,006)	24
0	0	0	0	0	0
0	0	0	0	0	0
13,149	9,251	23,115	1,211	0	0
0	0	0	0	15,200	0
620	818	601	94	0	0
48	65	118	59	0	7
13,817	10,134	23,834	1,364	15,200	7
9,462	7,431	24	52	(43,206)	17
329,768	208,680	1,300	(31)	142,335	69
\$ 339,230	\$ 216,111	\$ 1,324	\$ 21	\$ 99,129	\$ 86



Statement 3

Wisconsin Department of Employee Trust Funds
Statement of Net Assets -- Proprietary Funds
December 31, 2008
(In Thousands)

ASSETS	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Current Assets:				
Cash and Cash Equivalents	0	\$ 11,102	\$ 0	\$ 1,685
Investment In Core Fund	217,497	168,100	70,703	0
Prepaid Expenses	0	1,527	0	0
Rebates Receivable	0	7,832	0	0
Contributions Receivable	0	104	1,038	0
Due From Other Trust Funds	90	683	14	74
Benefit Overpayment Receivable	115	0	3,119	0
Miscellaneous Receivables	0	0	0	131
Total Current Assets	217,702	189,348	74,874	1,890
Total Assets	217,702	189,348	74,874	1,890
LIABILITIES				
Current Liabilities:				
Premiums Payable	0	0	0	1,580
Unearned Revenue	0	94,226	151	0
Current Portion of Estimated Future Benefits	18,940	10,429	16,507	0
Due To Other Trust Funds	2,908	1,316	0	0
Miscellaneous Payables	78	1,324	203	0
Total Current Liabilities	21,926	107,295	16,861	1,580
Noncurrent Liabilities:				
Noncurrent Portion of Estimated Future Benefits	119,700	0	60,182	0
Total Noncurrent Liabilities	119,700	0	60,182	0
Total Liabilities	141,626	107,295	77,043	1,580
NET ASSETS RESTRICTED FOR BENEFITS	\$ 76,076	\$ 82,053	\$ (2,169)	\$ 310

The accompanying notes are an integral part of the financial statements.



Statement 4

Wisconsin Department of Employee Trust Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets -- Proprietary Funds
For the Year Ended December 31, 2008
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Operating Revenues:				
Contributions	0	\$ 1,021,786	\$ 14,044	\$ 0
Miscellaneous Income	0	14	47	2
Administrative Reimbursement Income	0	0	0	337
Total Operating Revenues	0	1,021,800	14,091	339
Operating Expenses:				
Benefit Expense	23,328	1,010,086	22,965	0
Carrier Administrative Expenses	913	9,960	1,859	0
Departmental Administrative Expenses	349	3,479	520	387
Total Operating Expenses	24,590	1,023,525	25,344	387
Operating Income (Loss)	(24,590)	(1,725)	(11,253)	(48)
Nonoperating Revenues:				
Investment Income	(88,334)	(53,415)	(23,111)	29
Total Nonoperating Revenues	(88,334)	(53,415)	(23,111)	29
Net Income (Loss)	(112,924)	(55,140)	(34,364)	(19)
Change in Net Assets	(112,924)	(55,140)	(34,364)	(19)
Total Net Assets - Beginning of Year	189,000	137,193	32,195	329
Total Net Assets - End of Year	\$ 76,076	\$ 82,053	\$ (2,169)	\$ 310

The accompanying notes are an integral part of the financial statements.



Statement 5

Wisconsin Department of Employee Trust Funds
 Statement of Cash Flows -- Proprietary Funds
 For the Year Ended December 31, 2008
 (In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Cash Flows from Operating Activities				
Cash Received for Rebates	\$ 0	\$ 12,922	\$ 0	\$ 0
Cash Received for Insurance Premiums	0	1,033,201	13,996	0
Cash Paid for Employee Benefits	(20,086)	(1,022,781)	(15,195)	122
Cash Paid for Administrative Services	(1,598)	(13,074)	(2,319)	(323)
Service Reimbursement Income	0	0	0	337
Miscellaneous Income	0	14	47	2
Net Cash Provided (Used) by Operating Activities	(21,684)	10,282	(3,471)	138
Cash Flows from Investing Activities				
Investment Income	(88,334)	(52,935)	(23,110)	24
Decrease (Increase) in Investment in Core Fund	110,018	(168,101)	26,581	0
Net Cash Provided (Used) by Investing Activities	21,684	(221,036)	3,471	24
Net Increase (Decrease) in Cash and Cash Equivalents	0	(210,754)	0	162
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	0	221,856	0	1,523
Equity in Pooled Cash and Cash Equivalents at End of Year	0	11,102	0	1,685
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(24,590)	(1,725)	(11,253)	(48)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
Decrease (Increase) in Rebates Receivable	0	(26)	0	0
Decrease (Increase) in Contributions Receivable	0	1,192	(74)	0
Decrease (Increase) in Miscellaneous Receivables	0	0	0	172
Decrease (Increase) in Benefit Overpayments Receivable	3	0	(300)	0
Decrease (Increase) in Prepaid Expenses	0	(1,046)	0	0
Decrease (Increase) in Due From Other Trust Funds	(90)	751	59	(69)
Increase (Decrease) in Estimated Future Benefits	2,885	238	8,036	0
Increase (Decrease) in Premiums Payable	0	0	0	122
Increase (Decrease) in Unearned Revenue	0	8,604	26	0
Increase (Decrease) in Benefits Payable	0	0	0	0
Increase (Decrease) in Miscellaneous Payables	(12)	1,061	35	0
Increase (Decrease) in Due to Other Trust Funds	120	1,233	0	(39)
Total Adjustments	2,906	12,007	7,782	186
Net Cash Provided (Used) by Operating Activities	\$ (21,684)	\$ 10,282	\$ (3,471)	\$ 138



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets - Agency Fund
December 31, 2008
(In Thousands)**

Statement 6

	State Retiree Health Insurance	Local Retiree Health Insurance
Assets:		
Cash and Cash Equivalents	\$ 0	\$ 0
Prepaid Expenses	269	2
Receivables:		
Federal Subsidy Receivable	5,281	0
Benefit Overpayment Receivable	11	0
Due From Other Trust Funds	0	0
Rebates Receivable	3,538	529
Total Receivables	<u>8,830</u>	<u>529</u>
Investments at Fair Value:		
Investment in Core Fund	4,347	0
Total Investments	4,347	0
Total Assets	<u>13,446</u>	<u>531</u>
Liabilities:		
Unearned Revenue	0	466
Due To Other Trust Funds	308	711
Miscellaneous Payables	251	31
Benefit & Loss Liabilities--Current	6,413	244
Due To Employers	6,474	(921)
Total Liabilities	<u>13,446</u>	<u>531</u>
Net Assets Held In Trust	<u>\$ 0</u>	<u>\$ 0</u>



**Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets - Agency Fund
December 31, 2008
(In Thousands)**

Statement 7

	Balance		Balance	
	January 1, 2008	Additions	Deductions	December 31, 2008
Local Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ 220	\$ 18,828	\$ 19,048	\$ 0
Prepaid Expenses	17	2	17	2
Receivables:				
Contributions Receivable	3	0	3	0
Due From Other Trust Funds	27	0	27	0
Rebates Receivable	563	244	278	529
Total Receivables	593	244	308	529
Investments at Fair Value:				
Total Assets	830	19,074	19,373	531
Liabilities				
Unearned Revenue	434	466	434	466
Due To Other Trust Funds	1	710	0	711
Miscellaneous Payables	2	188	159	31
Benefit & Loss Liabilities--Current	311	3,339	3,406	244
Due To Employers	82	18,486	19,489	(921)
Total Liabilities	\$ 830	\$ 23,189	\$ 23,488	\$ 531
State Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ 5,822	\$ 172,591	\$ 178,413	\$ 0
Prepaid Expenses	238	269	238	269
Receivables:				
Federal Subsidy Receivable	5,540	10,713	10,972	5,281
Benefit Overpayment Receivable	10	1	0	11
Due From Other Trust Funds	288	2	290	0
Rebates Receivable	3,766	6,480	6,708	3,538
Total Receivables	9,604	17,196	17,970	8,830
Investments at Fair Value:				
Investment in Core Fund	0	4,347	0	4,347
Total Investments	0	4,347	0	4,347
Total Assets	15,664	194,403	196,621	13,446
Liabilities				
Due To Other Trust Funds	0	841	533	308
Miscellaneous Payables	70	2,463	2,282	251
Benefit & Loss Liabilities--Current	7,333	90,900	91,820	6,413
Due to Employers	8,261	165,337	167,124	6,474
Total Liabilities	\$ 15,664	\$ 259,541	\$ 261,759	\$ 13,446



NOTES TO FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRESENTATION BASIS

The financial statements of the Wisconsin Department of Employee Trust Funds (Department) have been prepared in conformity with generally accepted accounting principles (GAAP) for government units as prescribed by the Governmental Accounting Standards Boards (GASB). The Department is not a general-purpose government and does not present government-wide statements. The Department is included in the State of Wisconsin financial reporting entity.

The assets and operations of the Department are accounted for in the following funds:

FIDUCIARY FUNDS

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Wisconsin Retirement System (WRS): This fund is used to account for the collection of employee and employer contributions; investment of assets; and payment of retirement, disability, and death benefits to former employees, and their beneficiaries, of the state and participating local governments in Wisconsin.

Accumulated Sick Leave Conversion Credits (ASLCC): This fund is used to account for the collection of employer contributions, investment of assets, and purchase of post-retirement health insurance for retired employees of the state and their beneficiaries. This benefit allows employees, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance. The value of their account is increased by an employer match of part or all of their unused sick leave accumulation.

State Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of the state.

Local Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment

of life insurance benefits for retired employees of participating local governments in Wisconsin.

Employee Reimbursement Accounts: This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying medical and dependent care expenses for employees of the state in compliance with Internal Revenue Code (IRC) Section 125.

Commuter Benefits: This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying transportation expenses for employees of the state in compliance with IRC Section 132.

Duty Disability Insurance: This fund is used to account for the collection of employer contributions, investment of assets, and payment of special disability benefits to protective occupation participants in the WRS.

INVESTMENT TRUST FUND

Milwaukee Retirement System: This fund is used to account for the receipt, investment, and disbursement of funds from other public pension funds in Wisconsin.

PRIVATE PURPOSE TRUST FUND

Badger Rx: This fund is used to account for the advance of pharmaceutical rebates to local pharmacies and the collection of those rebates from the pharmaceutical companies. The state uses leveraged bargaining powers established for employee health insurance to provide discounts and rebates on prescription drugs for participating individuals in the State.

AGENCY FUNDS

State Retiree Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of the state.

Local Retiree Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of participating local governments in Wisconsin.



PROPRIETARY FUNDS

ENTERPRISE FUNDS

Long-Term Disability Insurance: This fund is used to account for the collection of employer contributions, investment of assets, and payment of disability benefits to participants in the WRS.

Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for current employees of the state and participating local governments in Wisconsin.

Income Continuation Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, and the payment of disability benefits for employees of the state and participating local governments in Wisconsin.

Life Insurance: This fund is used to account for the collection of employee and employer contributions and the purchase of life insurance coverage for current employees of the state and participating local governments in Wisconsin.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations for these proprietary funds are collecting premiums and using the accumulated premiums and investment income to pay benefits. Revenues and expenses not directly related to the principal ongoing operations are classified as non-operating.

Department-wide administrative expenses, capital assets, and general fund activities are most closely associated with the WRS fund and have been blended with that fund for presentation.

All material intrafund transactions have been eliminated from fund financial statements. Interfund transactions have not been eliminated.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Department have been prepared in accordance with GAAP. The WRS, Duty Disability Insurance and Retiree Life Insurance Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the period in which the underlying earnings on which the contributions are based are paid and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The State Retiree and Local Retiree Health Insurance Funds are accounted for using the accrual basis of accounting, but have no measurement focus by virtue of their custodial nature. All other funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Financial Accounting Standards Board statements effective after November 30, 1989, are not applied in accounting and reporting for proprietary operations.

INVESTMENTS

The assets of the WRS and Milwaukee Retirement System are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund). The assets of the Income Continuation Insurance, Duty Disability Insurance, Long-Term Disability Insurance, Health Insurance, State Retiree Health Insurance, Local Retiree Health Insurance, and Accumulated Sick Leave Conversion Credit Programs are invested in the Core Fund. Earnings are allocated between the WRS and other programs, based on the average balance invested for each program. Earnings allocated to other programs are classified as Income Distributed to Other Funds on the *Statement of Changes in Fiduciary Net Assets*. Investments of these programs in the Core and Variable Funds are classified as Investment in Core Fund and Investment in Variable Fund on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*. Investments for the Retiree Life Insurance Funds are



held by the plan administrator and classified as Investment in External Investment Pool on the *Statement of Fiduciary Net Assets*. All other benefit plan assets are invested in the State Investment Fund (SIF). Investments in the SIF are classified as Equity in Pooled Cash and Cash Equivalents on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*.

The State of Wisconsin Investment Board (SWIB) manages the Core Fund, Variable Fund, and SIF with oversight by a board of Trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company.

FUNDING VALUE OF ASSETS

While investments are valued at fair value for financial statement presentation, a funding value of assets is used in evaluating the funded status of the benefit plans and in determining future contribution requirements. Funding value does not include deferred market gains and losses that have not yet been distributed from the Market Recognition Account (MRA) to the program reserves. See Note 7 for further explanation of the MRA. As of December 31, 2008, the funding value of reserves (\$ in millions) was as follows:

Benefit Plan	Reserves at Actuarial Value	Deferred Market Gains (Losses)	Reserves at Fair Value
Wisconsin Retirement System	\$77,251.3	\$(17,821.2)	\$59,430.1
Income Continuation Insurance(1)	9.5	(11.7)	(2.2)
Duty Disability Insurance	355.5	(100.2)	255.3
Long-Term Disability Insurance(1)	175.1	(99.0)	76.1
Accumulated Sick Leave Conversion Credits(1)	(16.0)	(536.7)	(552.7)
Health Insurance	137.1	(55.0)	82.1
State Retiree Health Insurance	7.8	(1.3)	6.5
Local Retiree Health Insurance	(1.0)	.1	(.9)

(1) The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Long-Term Disability Insurance, and Accumulated Sick Leave Conversion Credits have been reduced by the estimated future claims for the benefit plan.

ADMINISTRATIVE EXPENSES

The administrative costs of all Department programs are financed by a separate appropriation and are allocated to the benefit plans in accordance with Wis. Stat. § 40.04. The sources of funds for this appropriation are investment earnings and third-party reimbursement received from the various programs administered by the Department. Total administrative expenses for the year were \$26.0 million.

SWIB incurs expenses related to investing the trust funds. As authorized by Wis. Stat. § 25.187 (2), these costs are charged directly to the investment income of each fund.

CAPITAL ASSETS

Capital assets consist of office furniture and equipment. The Department capitalizes all furniture and equipment with a purchase price in excess of \$5,000. Assets are depreciated on a composite basis over an estimated life of two years, using the straight-line method of depreciation.

As of December 31, 2008, the total value of capital assets was \$2,396,760, less accumulated depreciation of \$2,347,902, for a net capital asset value of \$48,858.



LONG-TERM LIABILITIES

Accumulated Sick Leave Conversion Credit: The Accumulated Sick Leave Conversion Credit Fund reports an actuarially-determined liability for future benefits. The liability is determined using the Frozen Initial Liability actuarial cost method and actuarial assumptions that include a 7.8% long-term rate of investment return and a 4.1% annual base salary increase.

During 2008, the liability changed as follows (\$ in millions):

Beginning balance	\$2,153
Plus: New Liabilities Recognized	116
Less: Benefits Paid	(93)
Ending Balance	<u>\$2,176</u>

The portion estimated to be due within one year is \$98 million.

INTERFUND ASSETS / LIABILITIES

Interfund assets and liabilities at December 31, 2008 consist of the following (\$ in thousands):

Due to Other Funds	Due From Other Funds									Total
	Wisconsin Retirement System	Commuter Benefits	Long-Term Disability Insurance	Health Insurance	State Retiree Health Insurance	Local Retiree Health Insurance	State Retiree Life Insurance	Local Retiree Life Insurance	Duty Disability	
Wisconsin Retirement System		\$31	\$2,908	\$1,282	\$308	\$28			\$70	\$4,627
Employee Reimbursement Accounts	26	109		34			20	27		\$216
Badger Rx	5									\$5
Long Term Disability Insurance	90									\$90
Health Insurance						683				\$683
Sick Leave	10									\$10
State Retiree Life Insurance	11									\$11
Local Retiree Life Insurance	15									\$15
Life Insurance	74									\$74
Income Continuation Insurance	14									\$14
Total	\$245	\$140	\$2,908	\$1,316	\$308	\$711	\$20	\$27	\$70	\$5,745

Interfund transfers are primarily the result of administrative expense reimbursement to the Wisconsin Retirement System, and annuitant payments for insurance. The outstanding balances between funds result from the time lag between the dates that interfund services are provided or reimbursable expenditures occur and when payments between funds are made. All interfund liabilities are expected to be paid within one year of the balance sheet date.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported herein. Due to the inherent uncertainty involved, actual results could differ from those estimates.



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that government-wide financial statements include an MD&A to provide an overview of the government's financial activities. This requirement does not extend to Department financial statements. It was management's determination that this type of information could be better presented in other areas of the Department's *Comprehensive Annual Financial Report*, and therefore management has not included an MD&A with the basic financial statements.

2 ACCOUNTING CHANGES

GASB STATEMENT NO. 50

The Department implemented GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements 25 and 27* in 2008. GASB Statement No. 50 requires disclosure of the WRS funded status in the notes to financial statements, as well as a reference to the multi-year trend information in the Required Supplementary Information (RSI) Schedule of Funding progress. Additionally, a description of the actuarial methods and significant assumptions used to determine the annual required contribution (ARC) for the current year is included in the notes to financial statements.

GASB 50 disclosures are found in Note 6.

RETIREE LIFE INSURANCE

2008 beginning balances have been restated to correctly reflect the division of investments and fund balance between the active member life insurance fund and the retiree life insurance plans. Balances were adjusted as shown below (in thousands \$):

	Active Member Life Insurance	State Retiree Life Insurance	Local Retiree Life Insurance
Other Investments	<u>4,555</u>	<u>(390)</u>	<u>(4,165)</u>
Fund Balance	4,555	(390)	(4,165)

Active Member Life Insurance is classified as an Insurance Purchasing Pool, where financial reporting is limited to premiums due from plan participants and payable to the insurer. The insurer's investments and equity are not included in the financial statements.

3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

VALUATION OF SECURITIES

The investments of the Core and Variable Funds are valued at fair value, per Wis. Stat. § 25.17 (14). Monthly, the investments are adjusted to fair value, with unrealized gains and losses reflected in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.

Generally, fair value information represents actual bid prices or the quoted yield equivalent for securities of comparable maturity, quality and type as obtained from one or more major investment brokers. If quoted market prices are not available, a variety of third party pricing methods are used, including appraisals, certifications, pricing models and other methods deemed acceptable by industry standards.

Commercial mortgages are priced via a matrix pricing system. The traditional discounted cash flow methodology is employed, where discount rates are developed, based on market derived spreads over a base Treasury or London inter-bank offering rate yield. Spreads incorporate such factors as coupon rates, term to maturity, agency ratings, and sector/industry information.

Private placements are priced using a multi-tiered approach that prices each holding based on the best available information using the following hierarchy of pricing sources:

1. Custodian-supplied prices for assets that are in the Barclays Capital U.S. Aggregate Bond Index
2. Prices provided by a third party with expertise in the bond market
3. Modeled prices utilizing CMS BondEdge where spreads are supplied by a contracted third party.



In a few instances, private placements cannot be priced by one of the above three sources. In these circumstances, the investment is priced using an alternative bond index price or, if no independent quotation exists, the investment is priced by SWIB management, usually at cost.

Limited partnerships' fair value is estimated based on periodic reports from the limited partnerships' management. Annually, the reports are audited by independent auditors.

The basis for valuing real estate is independent appraisals, which are prepared once every three years. In years when appraisals are not performed the asset managers are responsible for providing market valuations. These valuations are based on generally accepted industry standards and are most typically based on discounted cash flow and comparable sales methodologies. Annually, direct real estate holdings are audited by independent auditors.

A limited number of securities are carried at cost. Certain non-public or closely-held stocks are not reported at fair value, but are carried at cost, since no independent quotation is available to estimate fair value for these securities.

All derivative financial instruments are reported at fair value in the *Statement of Fiduciary Net Assets*. The instruments are marked to fair value at least monthly, with valuation changes recognized in income. Gains and losses are recorded in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments during the period the instruments are held and when the instrument is sold or expires. The nature and use of derivative instruments is discussed later in these notes.

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company) in the Company's investment pool. The methods used to value that pool's investments are described in Note 9.

DEPOSIT AND INVESTMENT RISK

The State of Wisconsin Investment Board (SWIB) recognizes that risk issues permeate the entire investment process, from asset allocation to performance evaluation. SWIB monitors risk through

multiple forms of analysis and reporting. Inspection of levels of diversification, nominal risk exposures, risk/return plots, value at risk, tracking error, and worst case scenario modeling form the core of the monitoring process. Comprehensive reporting is presented to SWIB's Investment Committee and the Board of Trustees. In addition, portfolios and asset classes are reviewed monthly for compliance with investment guidelines.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. With the exception of derivative instrument credit risk, there are no fund-wide investment guidelines related to credit risk exposures within the Core and Variable Funds. Information regarding SWIB's credit risk related to derivatives is found later in these notes. Other fixed income credit risk investment guidelines spell out the minimum ratings at the time of purchase by individual portfolios or groups of portfolios based on the portfolios' investment objectives. In addition, some fixed income portfolios are required to carry a minimum weighted average rating at all times.

The following schedule (see next page) displays the lowest credit rating assigned by several nationally-recognized statistical rating organizations on debt securities held by the Core and Variable Funds as of December 31, 2008. Included in this schedule are fixed income securities, including certain short-term securities classified as cash equivalents on the *Statement of Fiduciary Net Assets*. Obligations of the United States and obligations explicitly guaranteed by the US government have been included in the AAA rating below although they are considered to be without credit risk.

The schedule on the next page also includes investments in externally managed commingled or pooled funds that have not been rated by an independent rating agency. Although the funds themselves do not carry ratings, external management investment guidelines govern minimum credit quality standards for the investments within each portfolio. These standards are determined based on the investment objectives and risk parameters of each fund.



Credit Quality Distribution		
Ratings	Fair Value	% of Total
P-1 or A-1	108,501,868	0
Aaa or AAA	6,463,967,234	23
Aa3 to Aa1 or AA- to AA+	2,722,120,832	10
A3 to A1 or A- to A+	2,517,755,006	9
Baa3 to Baa1 or BBB- to BBB+	947,345,598	3
Ba3 to Ba1 or BB- to BB+	334,078,042	2
B3 to B1 or B- to B+	220,043,392	1
Caa1 to Caa3 or CCC- to CCC+	93,702,977	0
Ca1 to Ca3 or CC- to CC+	7,019,457	0
C	2,358,642	0
D	10,031,338	0
Commingled or Pooled Funds	11,801,324,106	42
Not Rated	<u>2,710,226,983</u>	<u>10</u>
Total	<u>\$ 27,938,475,475</u>	<u>100%</u>

Credit risk for the Retiree Life Insurance Funds is minimized by the Company monitoring portfolio diversification by asset class, creditor, and industry and by complying with investment limitations governed by insurance laws and regulations. However, the pool itself is not rated.

CUSTODIAL CREDIT RISK

The Core and Variable Funds do not have a deposit or investment policy specifically related to custodial credit risk.

Deposits: Custodial credit risk related to deposits is the risk that, in the event of the failure of a depository financial institution, SWIB will not be able to recover deposits that are in possession of an outside party. Bank deposits as of December 31, 2008 were \$681.4 million. A portion of the deposits, totaling \$148.9 million are covered by federal depository insurance. The remaining uninsured and uncollateralized deposits, totaling \$532.5 million, were held in foreign currencies or margin accounts in SWIB's custodian's nominee name.

Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. As of December 31, 2008, the Core and Variable Funds held 10 tri-party repurchase agreements totaling \$2.3 billion. SWIB's securities lending collateral account and cash management account participate in repurchase agreement pools, purchasing only a portion of a repurchase agreement in which the manager of these accounts is the buyer-lender. Since the manager that purchased the repurchase agreement is the counterparty, the securities are not held in SWIB's name. They are held in the counterparty's name and held by the counterparty's agent.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios that generally restrict issuer concentrations in any one company or Rule 144A securities to less than 5% of assets.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SWIB uses a number of different methods to analyze interest rate risk. Generally, long or intermediate term portfolios' interest rate risk is determined using various duration calculations. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present values for all cash flows. Some pooled investments are analyzed using an option adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in the securities.

Short term portfolios use the weighted average maturity to analyze interest rate risk. Weighted average maturity is the maturity of each position in a portfolio weighted



by the dollar value of the position to compute an average maturity for the portfolio as a whole. This measure indicates a portfolio's sensitivity to interest rate changes: a longer weighted average maturity implies greater volatility in response to interest rate changes.

SWIB's investment guidelines related to interest rate risk vary by portfolio. Some fixed income portfolios are required to be managed within a range of a targeted duration, while others are required to maintain a weighted average maturity at or below a specified number of days or years.

The following presents the interest rate exposure for the Core and Variable Fund assets. Weighted average maturity, where reset dates are assumed to be the effective maturity date for the security, is presented for the securities lending collateral reinvestment pool. Longer term instruments held by the Retirement Funds are presented using modified duration, as this measure more accurately states the interest rate sensitivity of these investments.

Interest Rate Sensitivity by Investment Type		
Investment Type	Fair Value	Modified Duration (years)
Asset Backed Securities	\$ 102,521,422	2.137
Commercial Paper	96,339,785	0.147
Commercial Paper	12,358,963	N/A
Corporate Bonds	3,366,784,397	4.770
Corporate Bonds	822,826	N/A
Government Agency	594,642,409	3.908
Commercial Mortgages	100,349,405	3.232
Municipal Bonds	4,055,339	7.992
Private Placements	401,639,914	4.895
Private Placements	912,577	N/A
Repurchase Agreements	24,110,613	0.005
Sovereign Debt	3,295,697,326	6.673
Sovereign Debt	623,055	N/A
United States Treasury Securities	<u>3,220,379,606</u>	7.999
	\$ 11,221,237,637	
Intermediate and Long Term Pooled Investments		
Emerging Market Fixed Income	\$346,883,485	4.831
Global Fixed Income	395,506,704	4.730
Domestic Fixed Income	<u>8,785,052,554</u>	5.357
Total Intermediate and Long Term Pooled Investments	\$ 9,527,442,743	
Securities Lending Collateral Pool		Weighted Average Maturity (days)
Asset Backed Securities	\$459,145,565	19
Corporate Bonds	2,224,114,853	29
Repurchase Agreements	2,232,653,314	2
Pooled Investments	<u>672,893,983</u>	26
Total Securities Lending Pool Investments	\$ 5,588,807,715	
Short Term Pooled Investments	<u>\$ 1,600,987,380</u>	74
Total Fair Value	<u>\$ 27,938,475,475</u>	

N/A = Data Not Available

Interest rate risk for the Retiree Life Insurance Funds is minimized by the Company maintaining a diversified portfolio of investments and monitoring cash flow patterns in order to approximately match the expected maturity of liabilities. The pool's investment objective is to maintain levels in its general account sufficient to guarantee principal amounts of reserves. The interest rate exposure of this pool expressed in terms of duration and average remaining life is 4.2 and 5.4 years, respectively.



SECURITIES LENDING TRANSACTIONS

State statutes and Board policies permit SWIB to use investments of the Core and Variable Funds to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities in exchange for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for the same securities in the future. SWIB's securities custodian is an agent in lending the Core and Variable Funds' directly held domestic and international securities. When the Core and Variable Funds' domestic securities are delivered to a borrower as part of a securities lending agreement, the borrower is required to place collateral equal to 102% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent. In the event that foreign securities are loaned, the borrower is required to place collateral totaling 105% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent except when the collateral is denominated in the same currency as the loaned security. In this case, collateral is required to total 102% of the loaned securities' fair value, including accrued interest, as of the delivery date. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

Cash collateral is reinvested by the lending agent or its affiliate in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also allow for a portion of the collateral investments to be invested with short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers and fees paid to agents, results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

In accordance with money market mutual fund industry standards, the cash collateral reinvestment pools are valued at amortized cost. The amortized or book

value of a fund's assets and underlying fair market value of the assets may differ based on market conditions. The pool's market value relative to its amortized cost is expressed as net asset value (NAV) and is derived by dividing total market value by amortized cost. In calendar year 2008, the securities lending reinvestment pools' NAV fell to below the typical money market fund market floor value of 99.50%. As of December 31, 2008, the U.S. dollar cash collateral reinvestment pool's net asset value was 97.67% while the foreign reinvestment pool had an NAV of 97.37%.

At year end, the Core and Variable Funds had no credit risk exposure to borrowers because the amounts the Core and Variable Funds owed the borrowers exceeded the amounts the borrowers owed the Core and Variable Funds. The contract with the lending agent requires it to indemnify the Core and Variable Funds if the borrowers fail to return the loaned securities and the collateral margin is inadequate to replace the securities lent. The Core and Variable Funds are also indemnified against losses resulting from violations of investment guidelines.

The majority of securities loans can be terminated on demand by the Core and Variable Funds or the borrower. The average term of the loans is approximately four days, which is shorter than the weighted average maturity/days to reset of 16 days for investments made with the U.S. dollar cash collateral, and the weighted average maturity/days to reset of 26 days for investments made with foreign cash collateral at December 31, 2008.

Pledging or selling collateral securities cannot be done without a borrower default. The quantity or dollar value of securities lending contracts that the Core and Variable Funds may enter into is not restricted by statute.

The Core and Variable Funds also earn securities lending income as part of total net earnings from the investment in several commingled funds. These earnings are automatically reinvested in the commingled fund, and as a result the earnings are combined with all other



earnings and gains and losses for these funds, and reported in the *Statement of Changes in Fiduciary Net Assets as Net Appreciation (Depreciation) in Fair Value of Investments*.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives may be used as part of a portfolio's or fund's investment strategy. All investments used are subjected to risk analysis and monitoring processes at the portfolio, asset class and fund levels. Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives which have been established by the Board. Where derivatives are permitted, guidelines stipulate allowable instruments and the manner in which they are to be used. In general, derivative issuers or counterparties used must be a recognized exchange or a bank or broker dealer with an actual credit rating of at least: (1) "A1/P1" on short term debt from S&P or Moody's; and/or (2) "A" on long term debt from S&P or Moody's. These counterparty credit rating requirements may be modified on a case-by-case basis, with the approval of the Investment Committee.

The types of derivatives that SWIB uses in its dedicated account portfolios are described below. SWIB also invests in derivative instruments indirectly through several commingled funds. These derivatives have not been included in the following totals.

FOREIGN CURRENCY SPOT AND FORWARDS CONTRACTS

Currency exposure management is permitted through the use of exchange-traded currency instruments, and through the use of over-the-counter spot and forward contracts in foreign currencies. Losses may arise from future changes in the value of the underlying currency, or if the counterparties do not perform under the terms of the contract. SWIB may employ discretionary currency overlay strategies at the total fund level when currency market conditions suggest

such strategies are warranted. Direct hedging of currency exposure back to the U. S. dollar is permitted when consistent with the strategy of the portfolio. Cross-currency exposure management to transfer out of an exposed currency and into a benchmark currency is permitted in some portfolios. Currencies of non-benchmark countries may be held through the use of forward contracts, provided that the notional value of any single non-benchmark currency does not exceed 5% of the market value of the portfolio.

During 2008, SWIB's currency exposure management involved foreign currency spot and forward contracts only. Generally, SWIB enters into these contracts to hedge foreign exchange risk. The following table presents the fair value of foreign currency forward contracts assets and liabilities held by the Core and Variable Funds as of December 31, 2008.

Foreign Currency Forward Contracts

	Core Fund	Variable Fund
Pending Receivable	\$ 3,880,648,851	\$ 114,815,274
Pending Payable	<u>(3,860,891,496)</u>	<u>(116,451,064)</u>
Foreign Currency Forward Contract Asset (Liability)	<u>\$ 19,757,355</u>	<u>\$ (1,635,790)</u>

FUTURES CONTRACTS

A financial futures contract is an exchange-traded agreement to buy or sell a financial instrument at an agreed-upon price and time in the future. Upon entering into a futures contract, collateral is deposited with the broker, in SWIB's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. In most cases, the resulting gain/loss is received/paid the following day until the contract expires. In other instances, the frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the manager and third-party broker.

Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin included in the



Investment Payables account on the *Statement of Fiduciary Net Assets*. Losses may arise from future changes in the value of the underlying instrument.

Financial futures contracts and financial options contracts may be entered into for the following objectives: to protect the portfolio against the risk of changing asset values or interest rates, enhance liquidity, aid in cash flow management, manage interest rate exposure, adjust duration, equitize cash and receivable positions or as a substitute for cash market transactions. The Retirement Funds were invested in exchange-traded interest rate futures contracts and equity futures contracts with a net nominal value of \$2,134.4 million as of December 31, 2008.

ASSET-BACKED SECURITIES

The Core Fund holds asset-backed securities, which are reported at fair market value in the *Statement of Fiduciary Net Assets*.

Asset-backed securities are debt securities whose value is derived from payments and prepayments of principal and interest generated from whole loan mortgages, mortgage pass-through securities, credit card receivables, car loan and leases receivables, insurance proceeds receivable, as well as, airline and railroad car loans receivable. In some cases, cash flows are distributed to different investment classes or tranches in accordance with the security's established payment order. Some tranches have more stable cash flows relative to changes in interest rates while others are significantly more sensitive to interest rate fluctuations. In a declining interest rate environment, some asset-backed securities may be subject to a reduction in interest payments as a result of prepayments of underlying mortgages, leases, or loans which make up the collateral pool. A reduction in interest payments causes a decline in cash flows and thus a decline in the fair value of the security. Rising interest rates may cause an increase in anticipated interest payments, thus an increase in fair value of the security. The Core Fund holds only primarily high quality, senior tranches, resulting in low to moderate risk of default and prepayment. However, given the current credit

market environment, some potential price volatility should be expected in these securities. The degree of prepayment risk also varies with the type of underlying assets.

Mortgage-backed securities tend to have a higher degree of prepayment risk due to the long term nature of the security. At December 31, 2008, SWIB held mortgage-backed securities with a fair value totaling \$88.8 million.

OPTIONS

Option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security or index underlying the contract at an agreed-upon price on or before the expiration of the option contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid to enter into the contract. SWIB investment guidelines allow internal U.S. equity portfolios to purchase put options and sell call options in connection with existing portfolio positions. Call options may be purchased or put options sold on investments that could be held in the portfolio if the options were exercised. Domestic fixed income portfolios are permitted to enter into option contracts for the purposes of adjusting duration, taking or modifying credit positions, or investing anticipated cash flows. The Core and Variable Funds held no options during calendar year 2008.

CREDIT DEFAULT SWAPS

Certain fixed income portfolios are permitted to manage credit exposures through the use of credit default swaps. A credit default swap (CDS) is an over-the-counter contract whereby the credit risk associated with an investment is transferred by entering into an agreement with another party who, in exchange for periodic fees, agrees to make payments in the event of a default or other predetermined credit event. This agreement effectively introduces credit exposure to the seller's portfolio without actually holding the bond, basket of investments or bond index. One of the main advantages of CDS is that it allows for exposure to credit risk while limiting exposure to other risks such



as interest rate, currency, and call risk, which often come with a typical bond. Losses may arise in the event of the bond issuer's bankruptcy or failure to make a coupon payment, or if the counterparties do not perform under the terms of the contract. Liquidity in the cash bond market may also affect performance of these instruments, if the contract is structured to have a physical, rather than a cash settlement.

During calendar year 2008, one externally managed portfolio in the Core Fund participated in the CDS market, however, as of December 31, 2008 the Core Fund held no open CDS contracts.

SUMMARY OF INVESTMENTS

The following schedules provide summary information by investment classification for the Core and Variable Funds at December 31, 2008.

Core Retirement Investment Trust Fund

Classification	Coupon Rate (%)	Maturity Dates	Cost	Fair Value
Fixed Income	Variable & 0.00 - 20.00	1/2009 - 10/2049	\$ 19,083,144,988	\$ 20,339,817,445
Preferred Securities	N/A	N/A	98,320,106	69,136,136
Convertible Securities	0.88 - 8.00	9/2009 - 12/2049	33,979,327	24,697,999
Stocks	N/A	N/A	34,073,512,379	27,071,311,349
Limited Partnerships	N/A	N/A	6,824,097,260	6,418,961,646
Commercial Mortgages	6.77 - 7.36	7/2009 - 12/2014	77,496,276	77,640,635
Real Estate	N/A	N/A	284,091,970	468,139,358
Multi Asset	N/A	N/A	499,465,634	561,317,337
			<u>\$ 60,974,107,940</u>	<u>\$ 55,031,021,905</u>

Variable Retirement Investment Trust Fund

Classification	Coupon Rate (%)	Maturity Dates	Cost	Fair Value
Fixed Income*	4.98	3/2009	\$ 692,877	\$ 13,714
Preferred Securities	N/A	N/A	8,917,460	7,411,498
Stocks	N/A	N/A	4,998,022,241	3,910,356,115
			<u>\$ 5,007,632,578</u>	<u>\$ 3,910,781,327</u>

*The Variable Fund held one fixed income investment as of 12/31/08

UNFUNDED CAPITAL COMMITMENTS

The Core Fund has committed to fund various limited partnerships and side-by-side agreements related to its private equity and real estate holdings. Commitments that have not been funded as of December 31, 2008 totaled \$5.3 billion. Unfunded commitments are not included in the financial statements since the amount and timing of the funding are not certain.

Loss Contingency

On September 5, 2008, the Internal Revenue Service (IRS) provided SWIB a *Notice of Transferee Liability*. This claim seeks taxes, penalties and interest relating to the sale of Shockley Communications Corporation (SCC) stock in 2001.

SWIB, as a governmental entity, is income tax exempt. However, the IRS asserts that the shareholders' sale of SCC stock in 2001 should have been characterized as a sale of assets by SCC, on which SCC should have paid income taxes. Based on the theory of transferee liability, the IRS asserts that the former SCC shareholders, including SWIB, would be liable for those taxes, plus penalties and interest. Transferee liability is limited to the amount actually received by the putative transferee, plus interest. As a result, SWIB's liability, as a putative transferee of SCC assets, would be limited to \$28.3 million of SCC's tax deficiency, plus interest.



SWIB is aggressively contesting the IRS assertions of SWIB's tax liability. Furthermore, SWIB believes that the loss, if any, resulting from the claim will not have a material impact on net investment assets or net income in future years. As such, a loss relating to this matter has not been recognized in the current year, nor does it appear as a contingent liability.

4 DESCRIPTION OF WISCONSIN RETIREMENT SYSTEM

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer public employee retirement system established and administered by the State of Wisconsin to provide pension benefits for state and local government public employees. The system is administered in accordance with Chapter 40 of the Wisconsin Statutes.

WRS EMPLOYERS

The WRS is open to all public employers in Wisconsin. Participation is optional, except that participation is mandatory for school districts with respect to teachers, some municipalities with respect to police and firefighters, and all counties except Milwaukee County. As of December 31, 2008, the number of participating employers was:

State Agencies, UW & Public Authorities	62
Cities	152
Counties	71
4th Class Cities	36
Villages	254
Towns	227
School Districts	426
Cooperative Educational Service Agencies	12
Wisconsin Technical College System Districts	16
Special Districts	<u>206</u>
Total Employers	<u>1,462</u>

WRS MEMBERSHIP

Any employee of a participating employer who is expected to work at least 600 hours per year (440 hours per year for teachers) must be covered by the WRS.

As of December 31, 2008, the WRS membership consisted of:

Current Employees:	
General	139,193
Teachers	102,232
Elected / Executive / Judges	1,453
Protective with Social Security	20,116
Protective without Social Security	<u>2,727</u>
Total Current Employees	<u>265,721</u>
Inactive Participants:	
Terminated Participants	143,471
Alternate Payees	<u>3,837</u>
Total Inactive Participants	<u>147,308</u>
Retirees and Beneficiaries	
Currently Receiving Benefits:	
Retirement Annuities	136,502
Disability Annuities	6,397
Death Beneficiary Annuities	<u>1,134</u>
Total Annuitants	<u>144,033</u>
Total Participants	<u>557,062</u>

WRS BENEFITS

The WRS provides retirement benefits as well as death and disability benefits. Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements. For participants entering the system between December 31, 1989, and April 23, 1998, creditable service in each of five years was required for vesting. 1997 Wisconsin Act 69 provided for all active participants in the system on or after April 24, 1998, to be fully vested.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. Formula factors are shown in the table below.

Employment Category	Service Before Service After	
	1/1/2000	12/31/1999
General and Teachers	1.765%	1.6%
Executive and Elected	2.165	2.0
Protective with Social Security	2.165	2.0
Protective without Social Security	2.665	2.5



Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will instead be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

POST-RETIREMENT ADJUSTMENTS

The Employee Trust Funds Board may periodically increase annuity payments from the retirement system when investment income credited to the reserves, together with other actuarial experience factors, creates surplus reserves as determined by the actuary. Annuity increases are not based on cost of living or other similar factors.

The Core dividends and Variable adjustments granted during recent years are as follows:

Year	Core Dividend	Variable Adjustment
1999	7.2 %	12 %
2000	17.1	21
2001	5.7	(11)
2002	3.3	(14)
2003	0.0	(27)
2004	1.4	25
2005	2.6	7
2006	0.8	3
2007	3.0	10
2008	6.6	0

ACTUARIAL LIABILITIES

The WRS unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll

over a 40-year period beginning January 1, 1990. As of December 31, 2008, 21 years remain on the amortization schedule. Liabilities for new employers joining the WRS after 2008 are amortized over 30 years. Interest is assessed on the outstanding liability at year-end at the assumed earnings rate. The level-percentage-of-payroll amortization method results in a relatively lower dollar contribution in earlier years than in later years, when payrolls have increased. During the early years of the amortization period, payments made are less than annual interest assessments, resulting in an increase in the liability. As payrolls increase annually, prior service payments increase proportionally until they exceed annual interest and finally fully liquidate the liability at the end of 40 years. State law requires the accrued retirement cost be funded.

As of December 31, 2008, the UAAL was \$253 million. The Prior Service Contributions Receivable presented on the *Statement of Fiduciary Net Assets* includes the UAAL plus payments received in January 2009, which reduce the UAAL for actuarial purposes but not for GAAP reporting.

VARIABLE RETIREMENT OPTION

Prior to 1980, WRS participants had an option to have one-half of their required contributions and matching employer contributions invested in the Variable Fund. Retirement benefits were adjusted for the difference between the investment experience of the Core Fund and the Variable Fund. The Variable Fund was closed to new membership after April 30, 1980. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants, effective January 1, 2001. As of December 31, 2008, 76,445 active and inactive participants and 34,927 annuitants participated in the Variable Fund.

MUNICIPAL POLICE AND FIREFIGHTERS PENSION GROUP

As of March 31, 1978, administration of certain local funds for police officers and firefighters was assumed by the Wisconsin Retirement Fund. This included approximately 2,000 members. As of December 31, 2008, approximately 326 annuitants or their



beneficiaries remained in the system. This group was closed to new members after January 1, 1948.

The liability for retirement benefits for these annuitants is funded by the employers as benefit payments are made. Annuity reserves for these police and firefighter annuities are established by a transfer from the employer accumulation reserve at the time the annuity is approved. Earnings on these reserves are used to fund dividends on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 2008, was \$11.6 million.

ANNUITY SUPPLEMENT - GENERAL FUND

As authorized under 1985 Wis. Stats. § 40.27 (1), the General Fund provides certain supplemental annuity benefits to annuitants receiving a continuing annuity on or before September 1974. The benefit is subject to continuation of the appropriation by the Legislature. The Department serves as a clearing agent for its payment. Total supplemental annuity benefits paid were \$1.2 million in 2008.

5 CONTRIBUTIONS MADE AND REQUIRED

REQUIRED CONTRIBUTIONS

Employer contribution rates are determined by the “entry age normal with a frozen initial liability” actuarial method. This is a “level contribution” actuarial method intended to keep employer and employee contribution rates at a level percentage of payroll over the years. This method determines the amount of contributions necessary to fund: 1) the current service cost, which represents the estimated amount necessary to pay for

benefits earned by the employees during the current service year plus actuarial gains or losses arising from the difference between actual and assumed experience; and 2) the prior service cost, which represents the estimated amount necessary to pay for unfunded benefits earned prior to the employer becoming a participating employer in WRS and the past service cost of benefit improvements.

The 2008 contribution requirements were determined by the December 31, 2006, actuarial valuation. Significant actuarial assumptions used in the valuation include:

- A rate of return on the investment of present and future assets of 7.8% per year, compounded annually;
- Projected salary increases of 4.1% per year compounded annually, attributable to inflation;
- Additional projected salary increases ranging from 0.3% to 5.5% per year, depending on age and type of employment, attributable to seniority/merit; and
- 2.67% annual post-retirement benefit increases.

Employee contributions are deducted from the employee’s salary and remitted to the Department by the participating employer. Part or all of the employee contributions may be paid by the employer on behalf of the employee.

Employees also make an actuarially-determined benefit adjustment contribution. The benefit adjustment contribution is treated as an employer contribution for benefit purposes and is not included in separation benefits, death benefits, or money purchase annuities. Part or all of the benefit adjustment contribution may be paid by the employer on behalf of the employee. Effective January 1, 1990, any changes in the contribution rate must be split equally between the employee and the employer.

Contribution rates in effect during 2008 by employment category were:

	Employer Current	Employer Prior *	Employee	Benefit Adjustment Contribution
Elected Officials, State Executive Retirement Plan	8.5%	0.1%	3.0%	0.0%
Protective Occupation with Social Security	8.2	0.1	5.1	0.0
Protective Occupation without Social Security	10.8	0.4	3.4	0.0
General and Teachers	4.6	0.2	5.0	1.0

* The employer prior service contribution rate is a weighted average of individual employer rates.



Contributions required and made during 2008 were:

	Contributions Required		Contributions Made	
	Contributions (\$ in millions)	Percentage of Payroll	Contributions (\$ in millions)	Percentage of Payroll
Employer Current Service	\$623.1	5.07%	\$623.1	5.07%
Employer Prior Service*	20.7	0.17	54.4	0.44
Employee Required	613.2	4.99	613.2	4.99
Benefit Adjustment Contribution	109.4	0.89	109.4	0.89

* Employer Prior Service contributions are recorded on the Statement of Fiduciary Net Assets as a reduction in the Prior Service Contribution Receivable. Contributions Made includes both mandatory and voluntary payments received from participating employers. Some Prior Service contributions received after year end are included in Contributions Made, but are not in the determination of Prior Service Contributions Receivable. This is due to a difference in how these payments are treated for actuarial and financial reporting purposes.

Employers also contributed \$2.4 million in reimbursement for benefits paid under the 62.13 Police and Firefighters Pension Program.

EMPLOYEE AND EMPLOYER ADDITIONAL CONTRIBUTIONS

Contributions may be made to the retirement system in addition to the required contributions by employees and/or employers. These contributions are held in separate reserve accounts and are subject to certain restrictions as to amount, form of benefit payments, tax status, etc.

6 FUNDED STATUS AND FUNDING PROGRESS – WRS

The funded status of the plan as of December 31, 2008 is as follows (\$ in millions):

(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (b) – (a)	Funded Ratio (a) / (b)	Covered Payroll	UAAL as Percentage of Covered Payroll (c) / (e)
\$ 77,159.4	\$ 77,412.0	\$ 252.6	99.7%	\$12,289.6	2.1%

The schedules of funding progress, presented as required supplementary information following the Notes to the Financial Statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuations follows:

Valuation Date:	December 31, 2008
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent – Closed Amortization Period
Remaining Amortization Period:	21 Years (ending 12/31/2029)
Asset Valuation Method:	Five Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	7.8%
Projected Salary Increases:*	4.1% to 9.9%
* Includes Inflation at 4.1%	
Post-Retirement Adjustment:	2.67%



7 RESERVES

The following reserves have been established to reflect legal restrictions on the use of pension trust funds.

EMPLOYEE ACCUMULATION RESERVE

As authorized by Wis. Stats. § 40.04 (4), this reserve includes all required and voluntary employee contributions, including contributions made by the employer on behalf of the employee. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employee Accumulation Reserve is fully funded.

Employee Accumulation Reserve balances (\$ in millions) as of December 31, 2008, were:

	Core	Variable	Total
Employee Required	\$15,171.4	\$ 725.9	\$15,897.3
Employee Additional	<u>134.8</u>	<u>13.2</u>	<u>148.0</u>
Total	<u>\$15,306.2</u>	<u>\$ 739.1</u>	<u>\$16,045.3</u>

EMPLOYER ACCUMULATION RESERVE

As authorized by Wis. Stats. § 40.04 (5), this reserve includes all required employer contributions, including contributions for amortization of the unfunded accrued actuarial liability. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employer Accumulation Reserve is 99.9% funded.

Employer Accumulation Reserve balances (\$ in millions) as of December 31, 2008, were:

	Core	Variable	Police & Firefighters	Total
Employer Accumulation	\$22,125.5	\$ 725.9	\$0.0	\$22,851.4
Less: Unfunded Actuarial Accrued Liability	<u>0.0</u>	<u>0.0</u>	<u>(11.6)</u>	<u>(11.6)</u>
Net Employer Accumulation	<u>\$22,125.5</u>	<u>\$ 725.9</u>	<u>(\$11.6)</u>	<u>\$22,839.8</u>

ANNUITY RESERVE

As authorized by Wis. Stats. § 40.04 (6), this reserve includes the present value of all annuities. The present value of new annuities is transferred from the Employee Accumulation Reserve and the Employer Accumulation Reserve to the Annuity Reserve. This reserve may only be used for the payment of annuities and death benefits to annuitants. All legal restrictions on use of this reserve were met during the year. The Annuity Reserve is fully funded.

Annuity Reserve balances (\$ in millions) as of December 31, 2008, were:

	Core	Variable	Police & Firefighters	Total
Annuity Reserve	<u>\$35,758.2</u>	<u>\$2,574.3</u>	<u>\$37.6</u>	<u>\$38,370.1</u>



MARKET RECOGNITION ACCOUNT

As authorized by Wis. Stats. § 40.04 (3), this reserve is used to smooth the flow of investment income into the Employee, Employer, and Annuity Reserves and other benefit plans invested in the Core Fund. Under the Market Recognition Account (MRA), all investment income, including realized and unrealized market gains and losses, is deposited into the MRA. At year-end, income equal to the assumed earnings rate is recognized. Any surplus or shortfall in earnings is recognized equally over five years.

Year-end balances in the MRA (\$ in millions) for the last five years after annual distributions were as follows:

	MRA
December 31, 2004	1,501
December 31, 2005	2,818
December 31, 2006	6,895
December 31, 2007	4,731
December 31, 2008	(18,625)

8 PUBLIC ENTITY RISK POOLS

The Department operates four public entity risk pools: Health Insurance, Income Continuation Insurance (ICI), Long-Term Disability Insurance (LTDI), and Life Insurance. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, these funds are accounted for as enterprise funds.

HEALTH INSURANCE FUND

The Health Insurance Fund offers group health insurance for current employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. The state and 365 local employers participated during the year. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily Health Maintenance Organizations (HMOs).

The Health Insurance Fund includes three separate risk pools. The first pool includes those members who have chosen health insurance coverage from an HMO. All liabilities for medical claims for these participants are the responsibility of the HMO and are not included in the unpaid claims analysis or in the Required Supplementary Information.

The second pool includes medical coverage for those members selecting the self-insured indemnity plan offered by the Department. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

The last pool includes self-insured pharmacy benefits for all members regardless of whether they receive medical coverage from an HMO or through the indemnity plan. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

INCOME CONTINUATION INSURANCE FUND

The Income Continuation Insurance (ICI) Fund offers both long-term and short-term disability benefits (up to 75% of gross salary) for current employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. The state and 187 local employers currently participate. The plan is self-insured.

LONG-TERM DISABILITY INSURANCE FUND

Effective October 15, 1992, the Group Insurance Board (GIB) established the Long-Term Disability Insurance (LTDI) program as an alternative to the long-term disability coverage provided through the WRS. The ETF Board purchases disability insurance coverage from the GIB for WRS participants.

Participants who were covered by the WRS prior to October 15, 1992, have the option to select disability benefits from LTDI or WRS at the time of disability.



New WRS participants on or after October 15, 1992, are eligible only for LTDI disability benefits.

An LTDI benefit replaces 40% of the disabled participant's final average earnings until normal retirement age or for a minimum of five years. It also provides for additional annual contributions to the participant's WRS account equal to 7% of the participant's final average earnings. At normal retirement age or after a minimum of five years of LTDI benefits, the LTDI benefit terminates and the participant is eligible for a WRS retirement benefit.

The WRS pays actuarially-determined premiums to the GIB for LTDI coverage. Since January 1, 1999, premiums have been suspended in recognition of the high funding level in the program.

LIFE INSURANCE PLAN

The Life Insurance Fund offers group life insurance coverage for current state government employees and employees of participating local public employers. All public employers in the state are eligible to participate. The state and 695 local employers currently participate in the program. Employers and active employees make premium contributions, which ETF passes on to the insurance carrier (the Company). Participants have the option to select multiple coverage levels, each of which requires different premium contributions. Assets and liabilities are recorded in this program for contributions not yet received and payments not yet remitted to the Company, respectively.

PUBLIC ENTITY RISK POOL ACCOUNTING POLICIES

Basis of Accounting: All public entity risk pools are accounted for in enterprise funds using the full accrual basis of accounting and the flow of economic resources measurement focus.

Valuation of Investments: Assets of the Health Insurance, ICI and LTDI funds are invested in the Core Retirement Investment Trust and are valued at fair value.

Unpaid Claims Liabilities: The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. The estimate includes the effects of inflation and other societal and economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Unpaid claims liability is presented at face value and is not discounted for Health Insurance. These liabilities are discounted using an interest rate of 7.8% for the ICI and LTDI programs. The liabilities of the ICI, Health Insurance, and LTDI programs were determined by actuarial methods. Face value of the liability for these programs is not available.

Administrative Expenses: All maintenance expenses are expensed in the period they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses. Claim adjustment expenses are also immaterial.

Reinsurance: Health insurance plans provided by Health Maintenance Organizations (HMOs) are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.

Risk Transfer: Participating employers are not subject to supplemental assessments in the event of deficiencies. If the assets of a fund were exhausted, participating employers would not be responsible for the fund's liabilities.

Premium Setting: Premiums are established by the GIB (Health Insurance, ICI, and LTDI) in consultation with actuaries.

Statutory Authority: All programs are operated under the authority of Chapter 40, Wisconsin Statutes.



UNPAID CLAIMS LIABILITIES

Each fund establishes a liability for both reported and unreported insured events, which is an estimate of future payments of losses. The following represents changes in those aggregate liabilities (\$ in millions) for each fund during the past year. The amounts for Health Insurance Programs include only the portion of the program that is self-insured.

	Income Continuation Insurance		Long-Term Disability Insurance		Health Insurance		Pharmacy Benefits	
	2008	2007	2008	2007	2008	2007	2008	2007
Unpaid claims at beginning of the calendar year	\$68.7	\$71.3	\$135.8	\$108.3	3.5	\$8.4	(1.1)	(\$6.7)
Incurred claims:								
Provision for insured events of the current calendar year	22.4	27.4	31.1	48.3	30.5	23.7	124.0	116.9
Changes in provision for insured events of prior calendar years	<u>0.5</u>	<u>(14.7)</u>	<u>(7.9)</u>	<u>(3.2)</u>	<u>(0.3)</u>	<u>(1.7)</u>	<u>2.5</u>	<u>0.9</u>
Total incurred claims	<u>22.9</u>	<u>12.7</u>	<u>23.2</u>	<u>45.1</u>	<u>30.2</u>	<u>22.0</u>	<u>126.5</u>	<u>117.8</u>
Payments:								
Claims attributable to insured events of the current calendar year	5.1	2.5	1.1	1.4	25.7	20.3	126.3	118.0
Claims attributable to insured events of prior calendar years	<u>9.8</u>	<u>12.8</u>	<u>19.3</u>	<u>16.2</u>	<u>3.1</u>	<u>6.6</u>	<u>1.4</u>	<u>(5.8)</u>
Total payments	<u>14.9</u>	<u>15.3</u>	<u>20.4</u>	<u>17.6</u>	<u>28.8</u>	<u>26.9</u>	<u>127.7</u>	<u>112.2</u>
Total unpaid claims at end of the calendar year	<u>\$76.7</u>	<u>\$68.7</u>	<u>\$138.6</u>	<u>\$135.8</u>	<u>\$4.9</u>	<u>\$ 3.5</u>	<u>(\$2.3)*</u>	<u>(1.1)*</u>

* Total unpaid claims at the end of 2008 is the net of \$5.5 million in unpaid claims and \$7.8 million in rebates due from pharmaceutical companies; unpaid claims at end of 2007 is the net of \$6.7 million in unpaid claims and \$7.8 million in rebates due from pharmaceutical companies.

9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS ADMINISTERED BY THE DEPARTMENT OF EMPLOYEE TRUST FUNDS

The Department administers five postemployment benefit plans other than pension plans: the Duty Disability Fund, the State Retiree Life Insurance Fund, the Local Government Retiree Life Insurance Fund, the State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund. The Retiree Health Insurance Funds contain certain non-OPEB

components relating to post-Medicare pharmacy and health insurance benefits.

PLAN DESCRIPTIONS

Duty Disability Fund

The Duty Disability Fund is a cost-sharing multiple-employer defined benefit OPEB plan. The plan offers special disability insurance for state and local WRS participants in protective occupations. The plan is self-insured, and risk is shared between the state and local government employers in the plan. The plan is



administered under Wis. Stat. § 40.65. The plan is reported as an other employee benefit trust fund.

Membership

Participation in the program is mandatory for all WRS employers with protective occupation employees. The state and 499 local government employers participate. Membership as of December 31, 2008 consisted of:

Disabled members and beneficiaries receiving benefits	925
Active plan members	<u>22,843</u>
Total plan members	<u>23,768</u>

Contributions

Contributions are actuarially determined in accordance with Wis. Stats. § 40.05 (2)(ar). All contributions are employer paid based on a graduated, experience-rated formula. During 2008 contribution rates ranged from 1.9% to 7.0% of covered payroll based on employer experience.

Description of Benefits

Eligibility: Duty-related injury or disease that is likely to be permanent, which causes a protective occupation participant to retire, accept reduced pay or light duty assignment, or in some cases, that impairs promotional opportunities.

Amount: 80% of salary (75% if partially disabled and not a state employee), less the following offsets:

- Social Security
- Unemployment Compensation
- Worker's Compensation
- Any other WRS benefit
- All earnings from the employer under which the disability occurred
- A percent of other earnings as follows:
 - 1/3 of earnings less than 40% of monthly salary
 - 1/2 of earnings between 40% and 80% of monthly salary
 - 2/3 of earnings over 80% of monthly salary

Survivor Benefit: All survivor benefits are offset by any Worker's Compensation death benefits. For participants

first employed **prior to** May 3, 1988 and certain state employees, benefits are based on the following:

- 1/3 of the participant's monthly salary at time of death to surviving spouse, plus
- \$15/month to each unmarried child under the age of 18
- Not to exceed 65% of participant's monthly salary at time of death
- State employees are included
- For participants first employed after May 3, 1988 and certain state employees, benefits are based on the following:

- 1/2 of the participant's monthly salary at time of death to surviving spouse, less other income sources that are based on the participant's earnings record
- 1/10 of the participant's monthly salary at time of death to each unmarried child under the age of 18
- Not to exceed 70% of participant's monthly salary at time of death
- State employees are not included (with the exception of cancer presumptive)

Survivor benefits granted under the Cancer Presumptive Law are based on the following:

- 70% of the participant's monthly salary at time of death to surviving spouse, less other income sources that are based on the participant's earnings record
- 1/10 of the participant's monthly salary at time of death to the guardian of any minor child, as long as there is no surviving spouse
- There is no maximum

Annual Increases:

- To age 60: In accordance with WRS salary index.
- After age 60: In accordance with WRS dividend increases (so long as the claimant is not also receiving a disability retirement benefit).

RETIREE LIFE INSURANCE FUNDS

The State Retiree Life Insurance Fund and the Local Government Retiree Life Insurance Fund are cost-sharing multiple-employer defined benefit OPEB plans. The State and 695 local employers currently participate. The plans provide post-employment life



insurance coverage to all eligible employees of participating employers. The plans are administered under Wis. Stats. § 40.70. The plans are reported as other employee benefit trust funds.

Membership

Eligibility: Generally, members may enroll during a 30-day enrollment period once they satisfy a six-month waiting period. They may enroll after the initial 30-day enrollment period with evidence of insurability. Members under evidence of insurability enrollment must enroll in group life insurance coverage before age 55 to be eligible for Basic or Supplemental coverage.

Membership as of December 31, 2008 included:

	State	Local	Total
Active	52,257	77,985	130,242
Pre-65 Annuitants*	6,411	9,165	15,576
Post-65 Annuitants	<u>15,431</u>	<u>20,912</u>	<u>36,343</u>
Totals	74,099	108,062	182,161

*Active members include disabled. Pre-65 Annuitants are included in the active member plan in 2007.

Contributions

Employers are required to pay the following contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions for pre-65 annuitant coverage. All contributions are actuarially determined.

	State	Local
50% Post Retirement Coverage	28% of the Employee Premium	40% of Employee Premium
25% Post Retirement Coverage	n/a	20% of Employee Premium

Reserves

Active member and retiree plan reserves are commingled for investment and administrative purposes. Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.

Description of Benefits

Eligibility: At retirement, the member must have active group life insurance coverage and satisfy one of the following:

- WRS coverage prior to January 1, 1989, or
- At least one month of group life insurance coverage in each of five calendar years after 1989 and one of the following:
 - Eligible for an immediate WRS benefit, or
 - At least 20 years from their WRS creditable service as of January 1, 1990, plus their years of group life insurance coverage after 1989, or
 - At least 20 years on the payroll of their last employer.

In addition, terminating members and retirees must continue to pay the employee premiums until age 65 (age 70 if active).

Basic Coverage Benefits: After retirement, basic coverage is continued for life in these amounts of the insurance in force before retirement:

Age	% of Basic Coverage Continuing	
	State	Local
Before age 65	100%	100%
While age 65	75%	75%
While age 66	50%	50%
After age 66	50%	50% / 25% employer election

Supplemental Coverage Benefits: After retirement, Supplemental coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Additional Coverage Benefits: After retirement, Additional coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Spouse and Dependent Coverage Benefits: After retirement, the coverage is terminated.

METHOD USED TO VALUE INVESTMENTS

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company). Each



Retiree Life Insurance Fund's investment is a share in the Company's investment pool.

Fixed maturity securities, which may be sold prior to maturity, including fixed maturities on loan, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted over the estimated lives of the securities based on the interest yield method.

The Company uses book value as cost for applying the retrospective adjustment method to loan-backed fixed maturity securities purchased. Prepayment assumptions for single-class and multi-class mortgage-backed securities were obtained from broker/dealer survey values or internal estimates.

Marketable equity securities are classified as available-for-sale and are carried at fair value. Mutual funds and exchange traded fund investments in select asset classes that are sub-advised are carried at the fair value of the underlying net assets of the funds.

Available-for-sale securities are stated at fair value.

Mortgage loans are carried at amortized cost less any valuation allowances. Premiums and discounts are amortized or accreted over the terms of the mortgage loans based on the effective interest yield method. Impairments are determined by specific identification. A mortgage loan is considered impaired if it is probable that amounts due for principal and interest will not be collected in accordance with the contractual terms. Impaired mortgage loans are valued at the present value of expected future cash flows discounted at the loan's effective interest rate, or the fair value of the underlying collateral, if the loan is collateral dependent.

Private equity investments in limited partnerships are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after the date of the acquisition, adjusted for any distributions received (equity method accounting).

Investments in partnerships, which represent minority interests owned in certain general agencies, are carried

at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after acquisition adjusted for any distributions received (equity method accounting).

Fair values of fixed maturity securities are based on quoted market prices where available. Fair values of marketable equity securities are based on quoted market prices. Fair values of private equity investments are obtained from the financial statement valuations of the underlying fund or independent broker bids. For fixed maturity securities not based on quoted market prices, generally private placement securities, securities that do not trade regularly, and embedded derivatives, an internally developed pricing model using a commercial software application is most often used. The internally developed pricing model is developed by obtaining spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings.

Real estate is carried at cost, less accumulated depreciation and an allowance for estimated losses.

The Company's derivative instrument holdings are carried at fair value. All derivatives are recorded as non-hedge transactions. Derivative instrument fair values are based on quoted market prices or dealer quotes. If a quoted market price is not available, fair value is estimated using current market assumptions and modeling techniques, which are then compared with quotes from counterparties.

For mortgage-backed securities of high credit quality, excluding interest-only securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from an outside service provider or upon analyst review of the underlying collateral and the estimated economic life of the securities.

For interest-only securities and mortgage-backed securities not of high credit quality, the Company recognizes the excess of all cash flows, including estimated prepayments, attributable to the security estimated at the acquisition date over the initial



investment using the effective yield method with adjustments made as a result of subsequent cash flow information recorded prospectively. If the fair value of the security has declined below its carrying amount, the Company will write the security down to fair value if the decline is deemed other-than-temporary.

Policy loans are carried at the unpaid principal balance.

Cash and cash equivalents are carried at cost, which approximates fair value. The Company considers all money market funds and commercial paper with original maturity dates of less than three months to be cash equivalents.

Finance receivables that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding unpaid principal balances reduced by any charge-offs.

The Company holds "To-Be-Announced" (TBA) Government National Mortgage Association forward contracts that require the Company to take delivery of a mortgage-backed security at a settlement date in the future. Most of the TBAs are settled at the first available period allowed under the contract. However, the deliveries of some of the Company's TBA securities happen at a later date, thus extending the forward contract date. These securities are reported at fair value as derivative instruments with the changes in fair value reported in net realized investment gains and losses on the consolidated statements of operations.

RETIREE HEALTH INSURANCE FUNDS

The State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund are agent multiple-employer defined benefit OPEB plans offering group health insurance to retired state and local government employees. The Department and the GIB have statutory authority for program adminis-

tration and oversight [Wis. Stat. §§ 15.165 (2) and 40.03 (6)]. The State and 365 local employers currently participate in the plans. The plans are reported as agency funds.

Beginning in 2007, some employers must make additional disclosures related to their Retiree Health Insurance Plans, including the funding policy, the employer's annual OPEB cost and contributions made, the funded status and funding progress of the plan, and actuarial methods and assumptions used. This information is available from the employer.

Membership: State and local government employees participating in the State Health Insurance Plan or the Wisconsin Public Employers Insurance Plan (local government plans) are eligible to continue their health insurance coverage after leaving covered employment. Membership as of December 31, 2008, included 20,258 former state employees or their beneficiaries and 1,873 former local government employees and beneficiaries.

Description of Benefits: Employees may choose between self-insured health plans and alternate health plans (i.e., HMOs) with specific provider networks. HMOs follow GIB guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rates bid process. The Standard Plan and State Maintenance Plan (SMP) are self-insured by the GIB and administered by WPS Health Insurance. The Standard Plan is a preferred provider plan. The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions. The Medicare Part D benefit for local government employees program is insured and administered by Dean Health Insurance, Inc.

Contributions: Health Insurance premiums are actuarially determined or set by contract with the insurer.



FUNDED STATUS AND FUNDING PROGRESS – OPEB PLANS

The funded status of each plan as of the most recent actuarial valuation date is as follows (dollar amounts in thousands):

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL)	(c) Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	(d) Funded Ratio (a) / (b)	(e) Covered Payroll	(f) UAAL as Percentage of Covered Payroll (c) / (e)
Duty Disability - January 1, 2008	\$311,778	\$471,668	\$159,890	66.1%	\$1,257,666	12.7%
State Life Insurance - January 1, 2008	329,822	382,392	52,570	86.3%	2,699,508	1.9%
Local Life Insurance - January 1, 2008	211,950	233,444	21,494	90.8%	3,556,913	0.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuations follows:

	Duty Disability	State Life Insurance	Local Life Insurance
Valuation Date	1/1/2008	1/1/2008	1/1/2008
Actuarial Cost Method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Amortization Method	Closed level percentage of pay	Closed level percentage of pay	Closed level percentage of pay
Remaining Amortization Period	UAAL – 8 years	UAAL – 30 years	UAAL – 30 years
	Future gains & losses – 15 years	Future gains & losses – 15 years	Future gains & losses – 15 years
Asset valuation method	5 year smoothed market	Market value	Market value
Actuarial Assumptions:			
Investment Return	7.8%	6.0%	6.0%
Payroll Growth	4.1%	4.1%	4.1%



10 MILWAUKEE RETIREMENT SYSTEM

The Milwaukee Retirement System (MRS), consisting of two funds within the Milwaukee Public Schools Retirement System, is reported as an Investment Trust Fund. MRS provides assets to the Department for investing in the Core and Variable Funds, described in the Investments section of Note 1. The Core and Variable Funds are managed by SWIB with oversight by a Board of Trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company. Participation of the MRS in the Core and Variable Funds is described in the Wisconsin Administrative Code, § ETF 10.12. Monthly, the Department distributes pro-rata shares of total Core Fund and total Variable Fund earnings less administrative expenses to the MRS accounts. The MRS accounts are adjusted to fair value and gains/losses are recorded directly in the accounts per Wisconsin Administrative Code, § ETF 10.12 (2).

No state statute, legal provision, or legally binding guarantee exists to support the value of shares. At December 31, 2008, the Core and Variable Funds held \$61.8 billion of investments, of which \$2.6 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$5.7 billion of securities lending collateral.



Summary information by investment classification in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments* and for External Investment Pools, for the Core and Variable Funds at December 31, 2008, is presented in Note 3. Significant financial data for the Core and Variable Funds for the year ended December 31, 2008, is presented below (\$ in thousands):

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF NET ASSETS**

December 31, 2008

Assets:	Core	Variable	Combined
Cash & Cash Equivalents	\$ 2,510,660	\$ 81,168	\$ 2,591,828
Securities Lending Collateral	5,515,371	192,609	5,707,980
Prepaid Items	4,038	720	4,758
Investment Receivables	363,899	8,963	372,862
Investments, at fair value	<u>55,031,022</u>	<u>3,910,781</u>	<u>58,941,803</u>
Total Assets	<u>63,424,990</u>	<u>4,194,241</u>	<u>67,619,231</u>
Liabilities:			
Securities Lending Collateral Liability	5,515,371	192,609	5,707,980
Investment Payables	<u>101,576</u>	<u>6,939</u>	<u>108,515</u>
Total Liabilities	<u>5,616,947</u>	<u>199,548</u>	<u>5,816,495</u>
Net Assets Held in Trust for:			
Internal Investment Pool Participants	57,719,056	3,984,551	61,703,607
Milwaukee Retirement Systems	<u>88,987</u>	<u>10,142</u>	<u>99,129</u>
Total	<u>\$ 57,808,043</u>	<u>\$ 3,994,693</u>	<u>\$61,802,736</u>

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF CHANGES IN NET ASSETS**

For the Year Ended December 31, 2008

	Core	Variable	Combined
Additions:			
Net Appreciation (Depreciation) in Fair Value of Investments	\$ (22,157,228)	\$ (2,685,667)	\$ (24,842,895)
Interest	654,586	1,558	656,144
Dividends	568,638	68,113	636,751
Securities Lending Income	204,690	7,803	212,493
Other	<u>72,677</u>	<u> </u>	<u>72,677</u>
Total Additions	<u>(20,656,637)</u>	<u>(2,608,193)</u>	<u>(23,264,830)</u>
Deductions:			
Investment Expense	219,824	6,539	226,363
Securities Lending Rebates and Fees	144,259	4,766	149,025
Net Withdrawals by Pool Participants	<u>1,906,952</u>	<u>453,484</u>	<u>2,360,446</u>
Total Deductions	<u>2,271,035</u>	<u>464,799</u>	<u>2,735,834</u>
Net Increase (Decrease)	(22,927,672)	(3,072,992)	(26,000,664)
Net Assets Held in Trust for Pool Participants Beginning of Year	<u>80,735,715</u>	<u>7,067,685</u>	<u>87,803,400</u>
End of Year	<u>\$ 57,808,043</u>	<u>\$ 3,994,693</u>	<u>\$ 61,802,736</u>



REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC ENTITY RISK POOLS

Claims Development Information

The tables on the following pages illustrate how the funds' earned revenues and investment income compare to related costs of loss and other expenses assumed by the funds as of the end of each of the last ten years. The rows of the tables are defined as follows:

1. Net Earned Required Contribution and Investment Revenues. Shows the total of each calendar year's earned contribution revenues and investment revenues.
2. Unallocated Expenses. Shows each calendar year's other operating costs of the fund, including overhead and claims expense not allocable to individual claims.
3. Estimated Incurred Claims as of the End of the Policy Year. Shows the fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. Paid Cumulative as of Year-End. Shows the cumulative amounts paid as of the end of successive years for each policy year.
5. Re-estimated Incurred Claims. Shows how each policy years incurred claims increased or decreased as of the end of successive policy years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. Increase (Decrease) in Estimated Incurred Claims from End of Policy Year. Compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the tables show data for successive policy years.



**Public Entity Risk Pools
Required Supplementary Information
Pharmacy Benefit Claims Development Information
(\$ Millions)**

	1999	2000	2001	2002	2003	2004**	2005	2006	2007	2008
1. Net earned required contribution and investment revenues	0.0	0.0	0.0	0.0	0.0	205.7	191.6	164.7	170.0	138.8
2. Unallocated expenses	0.0	0.0	0.0	0.0	0.0	7.6	9.5	7.4	8.4	8.8
3. Estimated incurred claims as of the end of the policy year	0.0	0.0	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0
4. Paid (cumulative) as of: *										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	162.4	168.8	116.8	118.0	126.3
One Year Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4	
Two Years Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6	111.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6			
Four Years Later	0.0	0.0	0.0	0.0	0.0	159.8				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims:										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0
One Year Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4	
Two Years Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6	111.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	159.8	159.6			
Four Years Later	0.0	0.0	0.0	0.0	0.0	159.8				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
6. Increase (decrease) in estimated incurred claims from end of policy year	0.0	0.0	0.0	0.0	0.0	1.7	(1.0)	0.9	2.5	0.0

* Paid claims include payments expected to be reimbursed as rebate payments from participating pharmaceutical companies. Incurred claims are presented net of anticipated rebates.

** The pharmacy benefit plan began operation in 2004. No data is available for prior years.

*** Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools
Required Supplementary Information
Health Insurance Claims Development Information
(\$ Millions)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Net earned required contribution and investment revenues	59.4	64.5	77.6	83.8	85.1	90.4	90.9	82.9	42.1	22.5
2. Unallocated expenses	3.6	3.7	4.8	3.9	5.7	6.8	7.7	4.9	3.4	5.3
3. Estimated incurred claims as of the end of the policy year	64.8	69.9	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5
4. Paid (cumulative) as of:										
End of Policy Year	51.6	55.9	61.1	62.5	65.1	65.2	65.8	51.8	20.3	25.7
One Year Later	62.6	64.4	68.2	69.3	73.4	72.2	73.6	58.3	23.5	
Two Years Later	62.7	64.6	68.3	69.4	73.7	72.3	73.7	58.2		
Three Years Later	62.7	64.6	68.3	69.4	73.7	72.3	73.7			
Four Years Later	62.7	64.6	68.3	69.4	73.7	72.3				
Five Years Later	62.7	64.6	68.3	69.4	73.7					
Six Years Later	62.7	64.6	68.3	69.4						
Seven Years Later	62.7	64.6	68.3							
Eight Years Later	62.7	64.6								
Nine Years Later	62.7									
5. Reestimated incurred claims:										
End of Policy Year	64.8	69.9	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5
One Year Later	62.8	64.7	68.3	69.5	73.5	72.2	73.7	58.4	23.6	
Two Years Later	62.7	64.6	68.3	69.4	73.7	72.3	73.7	58.2		
Three Years Later	62.7	64.6	68.3	69.4	73.7	72.3	73.7			
Four Years Later	62.7	64.6	68.3	69.4	73.7	72.3				
Five Years Later	62.7	64.6	68.3	69.4	73.7					
Six Years Later	62.7	64.6	68.3	69.4						
Seven Years Later	62.7	64.6	68.3							
Eight Years Later	62.7	64.6								
Nine Years Later	62.7									
6. Increase (decrease) in estimated incurred claims from end of policy year	(2.1)	(5.3)	(5.4)	(1.1)	0.5	(2.3)	0.1	(1.9)	(0.1)	0.0

* Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools
Required Supplementary Information
Income Continuation Insurance Claims Development Information
(\$ Millions)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Net earned required contribution and investment revenues	19.5	8.2	7.9	3.7	25.5	20.5	17.9	24.4	20.5	(9.1)
2. Unallocated expenses	1.5	0.8	1.9	1.7	1.9	2.1	2.1	2.4	2.4	2.4
3. Estimated incurred claims as of the end of the policy year	17.3	21.4	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4
4. Paid (cumulative) as of:										
End of Policy Year	2.4	3.2	5.5	3.5	4.5	4.5	5.1	4.4	2.5	5.1
One Year Later	4.6	6.4	10.0	7.7	8.8	9.7	12.9	9.3	6.8	
Two Years Later	5.3	8.0	12.1	9.0	10.5	11.9	17.0	10.4		
Three Years Later	6.0	9.0	13.0	9.9	11.7	13.1	18.1			
Four Years Later	6.6	9.6	13.6	10.6	12.3	13.6				
Five Years Later	7.0	10.0	14.1	11.0	12.6					
Six Years Later	7.3	10.4	14.3	11.4						
Seven Years Later	7.6	10.6	14.5							
Eight Years Later	7.7	10.8								
Nine Years Later	7.9									
5. Reestimated incurred claims:										
End of Policy Year	17.3	21.4	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4
One Year Later	9.8	18.0	20.4	15.8	17.0	20.5	25.1	16.7	22.5	
Two Years Later	10.2	16.3	18.9	14.4	16.6	21.1	25.9	17.8		
Three Years Later	11.5	14.3	16.7	14.3	17.1	19.7	27.0			
Four Years Later	10.1	13.1	16.6	14.1	15.8	20.2				
Five Years Later	9.4	12.7	16.5	13.7	16.0					
Six Years Later	9.4	12.4	16.1	14.1						
Seven Years Later	9.5	12.6	16.3							
Eight Years Later	9.5	12.8								
Nine Years Later	9.7									
6. Increase (decrease) in estimated incurred claims from end of policy year	(7.6)	(8.6)	(12.6)	(3.0)	(7.4)	(9.0)	(4.6)	(11.3)	(4.9)	0.0



**Public Entity Risk Pools
Required Supplementary Information
Long-Term Disability Insurance Claims Development Information
(\$ Millions)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Net earned required contribution and investment revenues	36.1	(3.0)	(6.9)	(22.9)	52.5	33.4	24.1	47.3	27.8	(88.3)
2. Unallocated expenses	0.6	0.3	1.0	0.8	0.7	1.1	1.0	1.1	1.4	1.3
3. Estimated incurred claims and expense, as of the end of the policy year	9.1	9.4	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1
4. Paid (cumulative) as of:										
End of Policy Year	0.1	0.2	0.5	0.0	0.3	0.1	0.7	1.1	1.4	1.1
One Year Later	0.6	0.8	1.0	1.1	1.6	1.9	2.8	3.5	5.8	
Two Years Later	1.3	1.5	2.0	2.5	3.9	3.9	5.4	6.8		
Three Years Later	2.3	2.6	3.0	3.9	6.0	6.4	8.0			
Four Years Later	3.2	3.4	3.9	5.1	8.5	8.0				
Five Years Later	4.1	4.2	4.7	6.6	10.6					
Six Years Later	4.8	4.9	5.7	8.0						
Seven Years Later	5.4	5.7	6.5							
Eight Years Later	6.3	6.5								
Nine Years Later	7.1									
5. Reestimated incurred claims and expense:										
End of Policy Year	9.1	9.4	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1
One Year Later	6.1	4.9	8.7	8.4	12.0	14.1	22.2	26.2	25.6	
Two Years Later	8.2	7.2	8.3	12.7	18.3	14.9	22.1	29.5		
Three Years Later	7.8	8.5	10.2	12.9	19.2	16.1	24.7			
Four Years Later	9.9	9.3	10.0	13.7	20.3	17.7				
Five Years Later	10.6	8.5	10.1	14.3	22.4					
Six Years Later	9.6	9.0	10.8	15.7						
Seven Years Later	9.9	9.4	11.5							
Eight Years Later	10.4	10.1								
Nine Years Later	11.2									
6. Increase (decrease) in estimated incurred claims from end of policy year	2.1	0.7	1.5	4.0	6.5	(1.7)	(5.9)	(5.1)	(22.7)	0.0



OTHER POST EMPLOYMENT BENEFITS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Other Post Employment Benefits Schedule of Funding Progress (Thousands \$)						
Duty Disability						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	222,692	427,089	204,397	52.1%	1,144,529	17.9%
January 1, 2008	311,778	471,668	159,890	66.1%	1,257,666	12.7%
State Retiree Life Insurance						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	314,116	337,341	23,225	93.1%	2,506,437	0.9%
January 1, 2008	329,822	382,392	52,570	86.3%	2,699,508	1.9%
Local Retiree Life Insurance						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	195,632	206,097	10,465	94.9%	3,310,064	0.3%
January 1, 2008	211,950	233,444	21,494	90.8%	3,556,913	0.6%

Financial reporting for Other Post Employment Benefits began effective January 1, 2006. Comparable data for prior years is not available.

Schedule of Employer Contributions (thousands \$)			
Duty Disability			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	44,397	44,566	100.4%
December 31, 2007	46,176	47,765	103.4%
December 31, 2008	47,684	50,574	106.1%
State Retiree Life Insurance			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	12,222	1,235	10.1%
December 31, 2007	13,382	1,348	10.1%
December 31, 2008	14,786	1,405	9.5%
Local Retiree Life Insurance			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed (b/a)
December 31, 2006	10,020	2,096	20.9%
December 31, 2007	10,908	2,444	22.4%
December 31, 2008	11,396	1,806	15.8%

Financial reporting for Other Post Employment Benefits began effective January 1, 2006. Comparable data for prior years is not available.



Wisconsin Retirement System Schedule of Funding Progress (Millions \$)

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 1999	49,403.7	51,549.5	2,145.8	95.8%	8,826.0	24.3%
December 31, 2000	51,824.6	53,993.6	2,169.0	96.0%	9,322.5	23.3%
December 31, 2001	58,024.3	60,134.7	2,110.4	96.5%	9,917.7	21.3%
December 31, 2002	57,861.9	59,618.8	1,756.9	97.1%	10,126.6	17.3%
December 31, 2003	62,685.3	63,211.7	526.4	99.2%	10,502.4	5.0%
December 31, 2004	66,209.4	66,622.3	412.9	99.4%	10,897.6	3.8%
December 31, 2005	68,615.1	68,978.6	363.5	99.5%	10,973.4	3.3%
December 31, 2006	73,415.3	73,735.8	320.5	99.6%	11,308.2	2.8%
December 31, 2007	79,791.9	80,079.7	287.8	99.6%	11,720.2	2.5%
December 31, 2008	77,159.4	77,412.0	252.6	99.7%	12,289.6	2.1%

(1) The Unfunded AAL in this schedule is the actuarially determined balance and may not agree with the Prior Service Contributions Receivable reported on the Statement of Net Assets because of differences in when payments received after year end are recognized.

Wisconsin Retirement System Schedule of Employer Contributions (Millions \$)

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
1999	435.2	100.0%
2000	422.1	96.3% *
2001	412.2	99.6% *
2002	426.9	99.8% *
2003	462.7	100.0%
2004	497.6	100.0%
2005	531.8	100.0%
2006	561.0	100.0%
2007	592.9	100.0%
2008	623.1	100.0%

* 1999 Wis. Act 11 provided \$200 million in "credits" to employers to be used in lieu of required contributions. These credits resulted in employers making contributions less than the Annual Required Contribution



WISCONSIN RETIREMENT SYSTEM NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	December 31, 2008
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent - Closed Amortization Period
Remaining Amortization Period:	21 Years (ending 12/31/2029)
Asset Valuation Method:	Five Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	7.8%
Projected Salary Increases:*	4.1% to 9.9%
* Includes Inflation at 4.1%	
Post-Retirement Adjustment:	2.67%



STATISTICS

**State of Wisconsin
Department of
Employee Trust Funds**



Wisconsin Retirement System (WRS) Statistics Active Participants by Employment Category

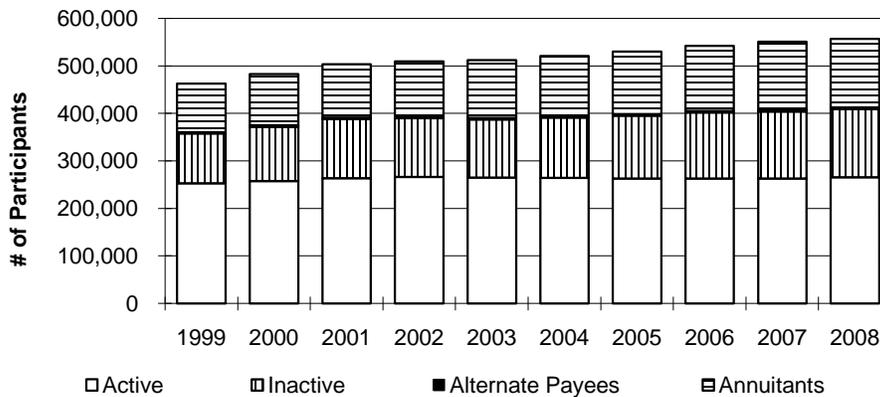
Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Totals
State Participants						
1999	41,778	17,343	719	6,876	0	66,716
2000	42,501	17,931	717	7,181	0	68,330
2001	43,494	18,500	708	7,810	0	70,512
2002	43,661	18,794	696	8,071	0	71,222
2003	43,257	18,909	689	8,176	0	71,031
2004	42,717	19,127	697	8,392	0	70,933
2005	41,911	19,044	695	8,356	0	70,006
2006	42,069	19,110	694	8,493	0	70,366
2007	42,379	19,331	694	8,758	0	71,162
2008	42,920	19,712	709	8,824	0	72,165
Local Participants						
1999	91,790	81,618	769	9,703	2,702	186,582
2000	93,535	82,819	774	9,891	2,691	189,710
2001	95,571	84,033	780	10,256	2,731	193,371
2002	96,364	84,821	788	10,444	2,711	195,128
2003	96,049	83,974	796	10,586	2,714	194,119
2004	96,104	83,411	782	10,660	2,710	193,667
2005	96,048	82,801	772	10,799	2,696	193,116
2006	95,716	82,392	760	10,922	2,700	192,490
2007	95,504	82,168	755	11,089	2,703	192,219
2008	96,273	82,520	744	11,292	2,727	193,556
Total Participants						
1999	133,568	98,961	1,488	16,579	2,702	253,298
2000	136,036	100,750	1,491	17,072	2,691	258,040
2001	139,065	102,533	1,488	18,066	2,731	263,883
2002	140,025	103,615	1,484	18,515	2,711	266,350
2003	139,306	102,883	1,485	18,762	2,714	265,150
2004	138,821	102,538	1,479	19,052	2,710	264,600
2005	137,959	101,845	1,467	19,155	2,696	263,122
2006	137,785	101,502	1,454	19,415	2,700	262,856
2007	137,883	101,499	1,449	19,847	2,703	263,381
2008	139,193	102,232	1,453	20,116	2,727	265,721



Total WRS Participants

Year	Active	Inactive	Alternate Payees	Annuitants	Total Participants
1999	253,298	104,354	2,678	102,817	463,147
2000	258,040	114,205	2,972	107,425	482,642
2001	263,883	124,194	3,322	112,142	503,541
2002	266,350	123,419	3,426	116,289	509,484
2003	265,150	121,902	3,391	121,582	512,025
2004	264,600	126,461	3,494	126,211	520,766
2005	263,122	132,145	3,599	131,674	530,540
2006	262,856	138,879	3,706	137,117	542,558
2007	263,381	141,002	3,769	142,906	551,058
2008	265,721	143,471	3,837	144,033	557,062

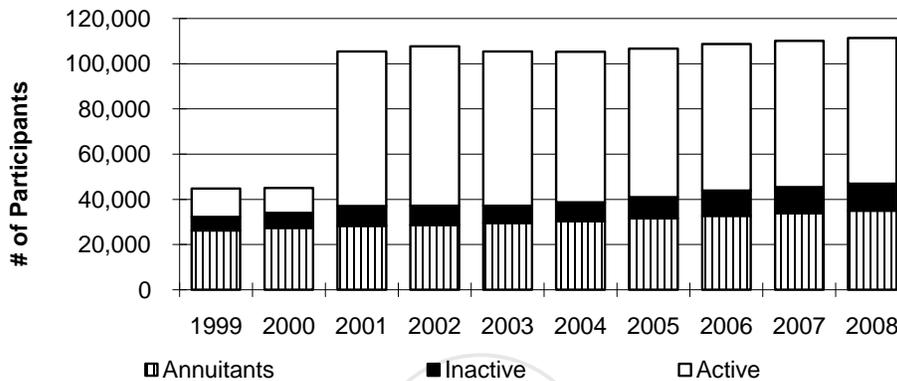
Total WRS Participants



WRS Participants with Variable Elections

Year	Active	Inactive	Annuitants	Totals
1999	12,483	5,978	26,257	44,718
2000	10,955	6,686	27,321	44,962
2001	68,423	8,693	28,314	105,430
2002	70,487	8,452	28,662	107,601
2003	68,246	7,611	29,496	105,353
2004	66,501	8,426	30,270	105,197
2005	65,644	9,468	31,499	106,611
2006	64,927	11,115	32,683	108,725
2007	64,674	11,563	33,880	110,117
2008	64,420	12,025	34,927	111,372

WRS Participants with Variable Elections

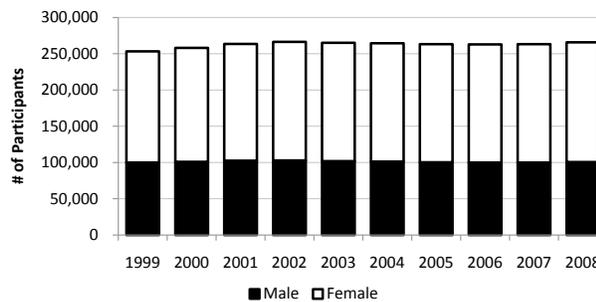




Active WRS Participants by Gender

Year	Teachers		Protective Occupations		All Other Participants		Totals	
	Male	Female	Male	Female	Male	Female	Male	Female
1999	34,685	64,319	16,204	3,077	49,141	85,872	100,030	153,268
2000	34,685	66,103	16,512	3,251	49,813	87,676	101,010	157,030
2001	34,780	67,723	17,220	3,573	50,619	89,817	102,619	161,113
2002	34,688	68,968	17,488	3,738	50,582	90,886	102,758	163,592
2003	34,085	68,838	17,654	3,822	50,214	90,537	101,953	163,197
2004	33,699	68,877	17,873	3,889	49,835	90,427	101,407	163,193
2005	33,085	68,793	17,936	3,915	49,301	90,092	100,322	162,800
2006	32,650	68,887	18,146	3,969	49,157	90,047	99,953	162,903
2007	32,348	69,183	18,497	4,053	49,199	90,101	100,044	163,337
2008	32,256	69,976	18,715	4,128	49,535	91,111	100,506	165,215

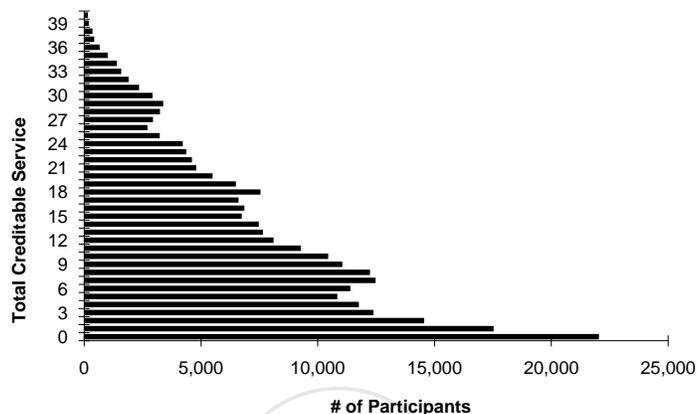
Active WRS Participants by Gender



Active Participants by Age



Active Participants by Creditable Service





**Total WRS Covered Payroll by Employer Type
(\$ in millions)**

Year	Local Employers							Totals
	School Districts	Counties	Cities	VTAE Districts	Villages	Towns	Special Districts	
1999	3,760	1,092	873	370	117	38	83	6,332
2000	3,908	1,149	912	397	125	42	84	6,617
2001	4,046	1,220	957	416	135	46	89	6,911
2002	4,139	1,268	992	438	145	53	95	7,130
2003	4,237	1,325	1,027	450	160	50	99	7,349
2004	4,328	1,375	1,054	469	167	53	107	7,554
2005	4,405	1,398	1,078	483	182	51	112	7,709
2006	4,517	1,424	1,106	498	190	53	116	7,904
2007	4,625	1,462	1,148	520	202	56	119	8,131
2008	4,802	1,511	1,194	547	215	58	134	8,461

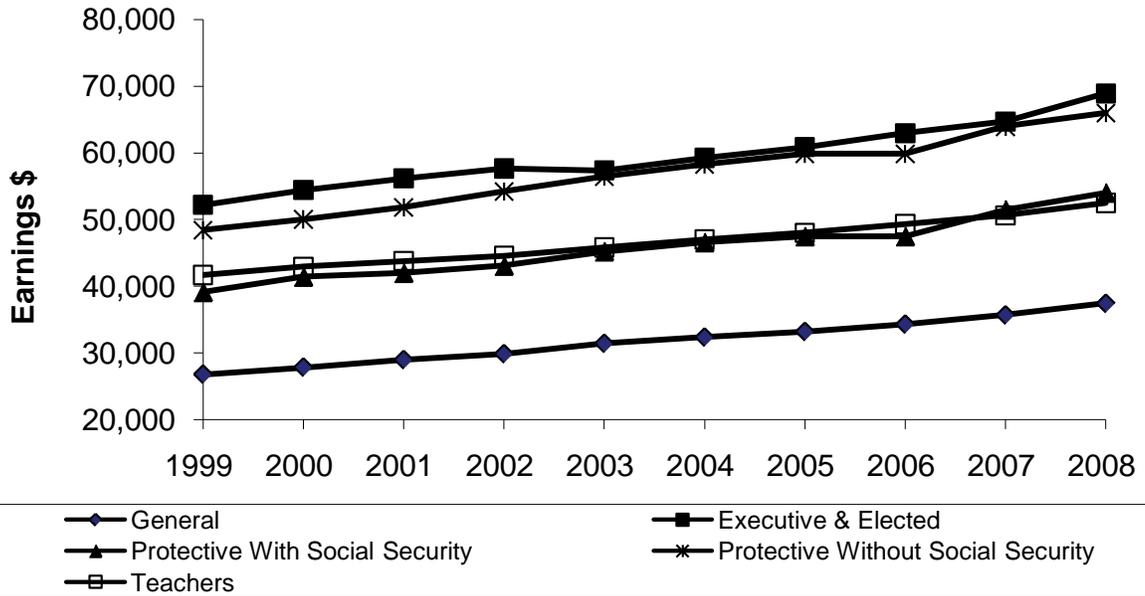
Year	State Government			Totals All Employers
	State	University	Totals	
1999	1,393	1,101	2,494	8,826
2000	1,511	1,202	2,714	9,331
2001	1,611	1,289	2,900	9,811
2002	1,652	1,344	2,996	10,127
2003	1,748	1,405	3,153	10,502
2004	1,777	1,429	3,206	10,760
2005	1,807	1,457	3,264	10,973
2006	1,903	1,501	3,404	11,308
2007	2,019	1,570	3,589	11,720
2008	2,178	1,651	3,829	12,290

**WRS Covered Payroll by Employment Category
(\$ in millions)**

Year	General Employees	Teachers	Executives & Elected Officials	Protective Occupations with Social Security	Protective Occupations without Social Security	Totals
2000	3,914	4,475	83	722	137	9,331
2001	4,152	4,655	86	775	143	9,811
2002	4,307	4,769	88	814	149	10,127
2003	4,507	4,888	88	864	155	10,502
2004	4,625	4,981	90	903	160	10,760
2005	4,728	5,061	92	928	164	10,973
2006	4,879	5,181	94	985	169	11,308
2007	5,080	5,326	97	1,042	176	11,720
2008	5,367	5,534	102	1,105	182	12,290



Average Annual Earnings

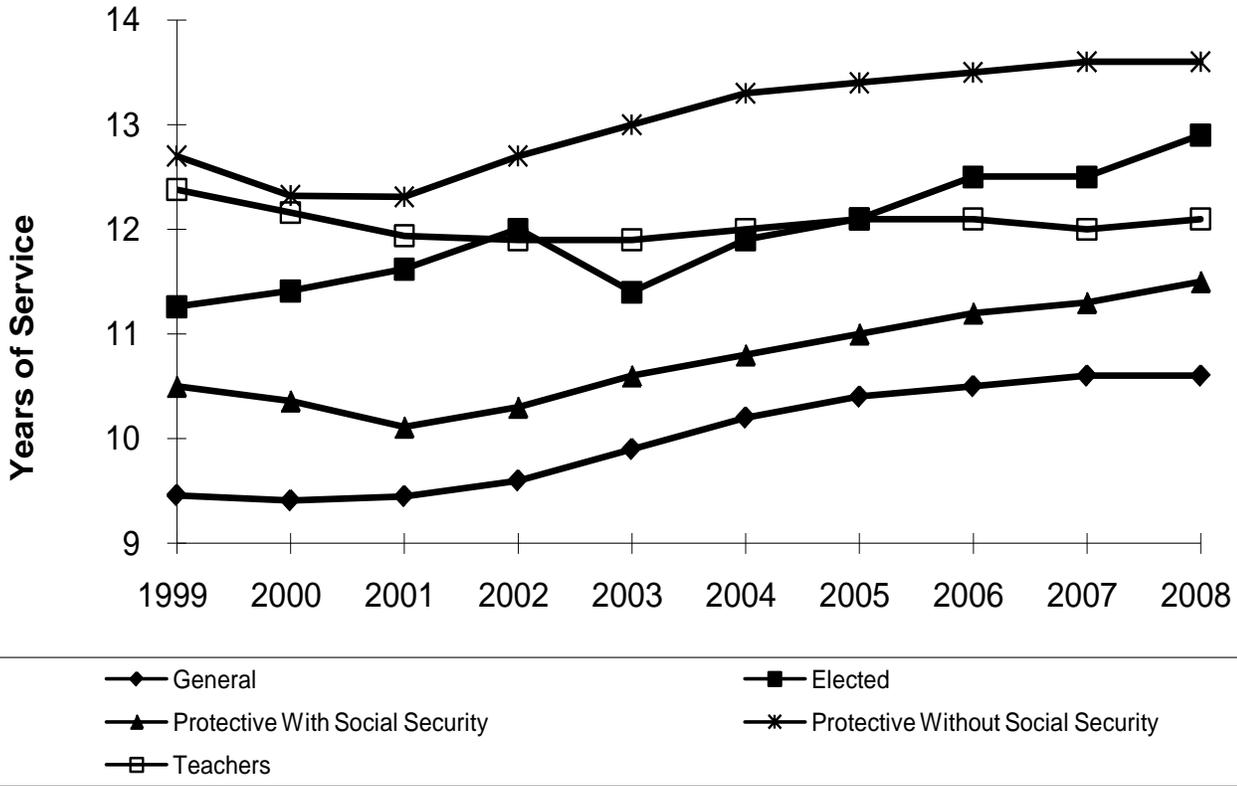


Average Annual Earnings

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Average
1999	\$ 26,801	\$ 41,677	\$ 52,209	\$ 39,157	\$ 48,448	\$ 33,802
2000	27,860	42,911	54,442	41,452	50,059	35,021
2001	28,991	43,782	56,194	42,030	51,839	36,021
2002	29,885	44,559	57,656	43,100	54,248	36,915
2003	31,442	45,825	57,365	45,246	56,463	38,401
2004	32,381	47,006	59,242	46,619	58,280	39,489
2005	33,222	48,009	60,874	47,518	59,865	40,413
2006	34,335	49,312	62,945	47,519	59,866	41,513
2007	35,721	50,631	64,686	51,520	63,975	43,107
2008	37,465	52,498	68,917	54,051	65,987	44,969

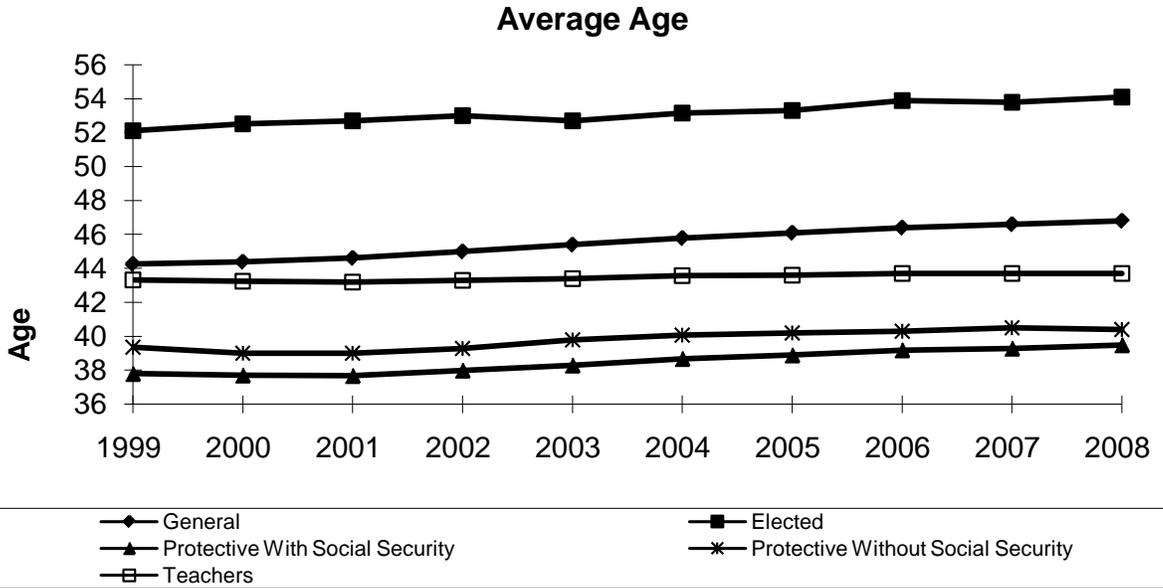


Average Creditable Service



Average Creditable Service

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Average
1999	9.5	12.4	11.3	10.5	12.7	10.7
2000	9.4	12.2	11.4	10.4	12.3	10.6
2001	9.5	11.9	11.6	10.1	12.3	10.5
2002	9.6	11.9	12.0	10.3	12.7	10.6
2003	9.9	11.9	11.4	10.6	13.0	10.8
2004	10.2	12.0	11.9	10.8	13.3	11.0
2005	10.4	12.1	12.1	11.0	13.4	11.1
2006	10.5	12.1	12.5	11.2	13.5	11.2
2007	10.6	12.0	12.5	11.3	13.6	11.3
2008	10.6	12.1	12.9	11.5	13.6	11.3



Average Age

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Average
1999	44.3	43.3	52.1	37.8	39.4	43.5
2000	44.4	43.2	52.5	37.7	39.0	43.5
2001	44.6	43.2	52.7	37.7	39.0	43.6
2002	45.0	43.3	53.0	38.0	39.3	43.8
2003	45.4	43.4	52.7	38.3	39.8	44.1
2004	45.8	43.6	53.2	38.7	40.1	44.4
2005	46.1	43.6	53.3	38.9	40.2	44.6
2006	46.4	43.7	53.9	39.2	40.3	44.8
2007	46.6	43.7	53.8	39.3	40.5	44.9
2008	46.8	43.7	54.1	39.5	40.4	45.0



Active Participants by Employer Type

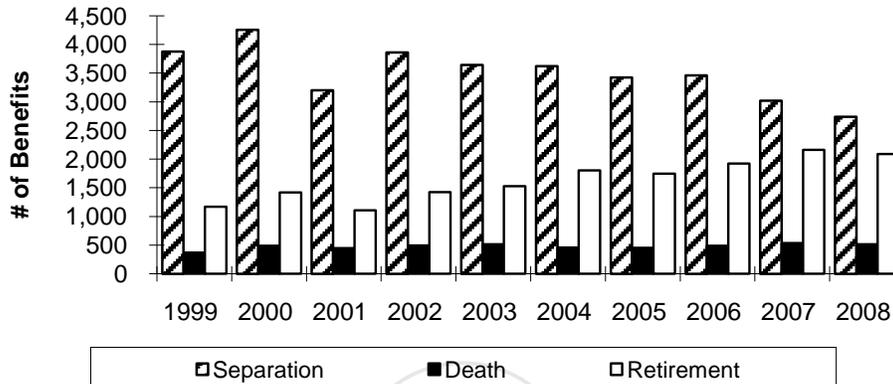
Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
1999	109,832	36,754	23,542	9,082	3,599	1,277	2,496	186,582
2000	112,029	37,157	23,793	9,152	3,708	1,324	2,547	189,710
2001	113,995	37,960	24,094	9,390	3,860	1,408	2,664	193,371
2002	115,387	37,878	23,974	9,616	4,069	1,519	2,685	195,128
2003	114,535	37,609	23,909	9,599	4,270	1,487	2,710	194,119
2004	114,229	37,408	23,720	9,606	4,318	1,511	2,875	193,667
2005	113,915	37,015	23,621	9,626	4,618	1,437	2,884	193,116
2006	113,679	36,470	23,528	9,676	4,740	1,487	2,910	192,490
2007	113,584	36,043	23,646	9,750	4,831	1,482	2,883	192,219
2008	114,264	35,798	23,812	10,035	4,910	1,491	3,246	193,556

Year	State Government			Totals All Employers
	State	University	Totals	
1999	38,728	27,988	66,716	253,298
2000	39,656	28,674	68,330	258,040
2001	41,067	29,445	70,512	263,883
2002	41,393	29,829	71,222	266,350
2003	41,191	29,840	71,031	265,150
2004	40,875	30,058	70,933	264,600
2005	40,213	29,793	70,006	263,122
2006	40,562	29,804	70,366	262,856
2007	41,136	30,026	71,162	263,381
2008	41,611	30,554	72,165	265,721

Number of Lump Sum Benefits Paid

Year	Separation	Death	Retirement
1999	3,880	368	1,167
2000	4,257	490	1,417
2001	3,203	449	1,108
2002	3,863	493	1,422
2003	3,644	515	1,527
2004	3,625	456	1,802
2005	3,427	453	1,745
2006	3,462	491	1,922
2007	3,020	536	2,160
2008	2,738	512	2,089

Number of Lump Sum Benefits Paid

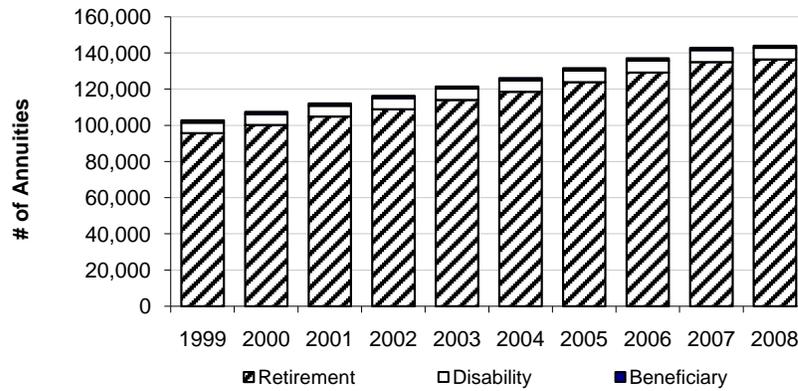




Number of Annuities in Force

Year	Retirement	Disability	Beneficiary	Totals
1999	95,747	5,811	1,259	102,817
2000	100,304	5,898	1,223	107,425
2001	104,910	6,009	1,223	112,142
2002	108,901	6,158	1,230	116,289
2003	114,038	6,272	1,272	121,582
2004	118,572	6,346	1,293	126,211
2005	123,945	6,415	1,314	131,674
2006	129,289	6,505	1,323	137,117
2007	135,026	6,558	1,322	142,906
2008	136,502	6,397	1,134	144,033

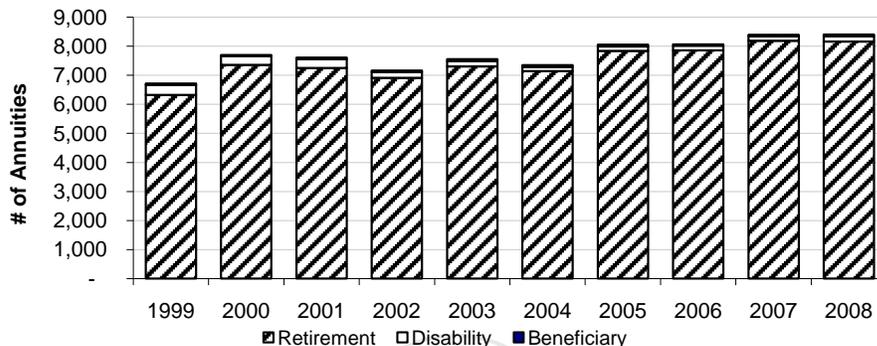
Annuities in Force



Number of New Annuities Approved

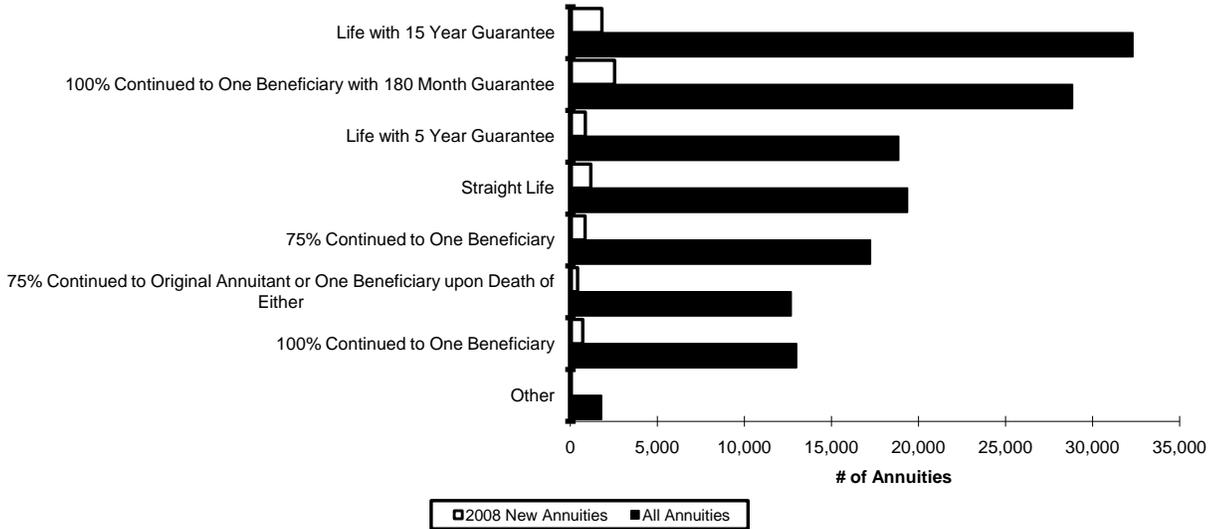
Year	Retirement	Disability	Beneficiary	Totals
1999	6,324	343	46	6,713
2000	7,358	302	40	7,700
2001	7,254	302	53	7,609
2002	6,915	191	53	7,159
2003	7,308	177	68	7,553
2004	7,142	147	56	7,345
2005	7,844	150	58	8,052
2006	7,859	163	43	8,065
2007	8,186	157	47	8,390
2008	8,165	174	61	8,400

New Annuities Approved





Annuities by Payment Option



Average Monthly Annuities by Years of Service

	Years of Service									
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	Over 45
Average Monthly Annuity	\$ 575	\$ 546	\$ 823	\$ 1,248	\$ 1,814	\$ 2,628	\$ 3,410	\$ 4,051	\$ 4,750	\$ 5,886
Average Final Average Salary	\$23,210	\$26,502	\$31,092	\$37,448	\$42,719	\$48,750	\$53,257	\$52,798	\$51,816	\$48,646
Number of Annuitants	5,338	12,859	15,056	16,152	17,060	20,691	29,821	11,285	1,906	179

Annuities by Type of Benefit

Monthly Annuity		Type of Annuity			Annuity Payment Option			
		Retirement	Disability	Beneficiary	Life Annuity	Life with Guarantee	Joint Survivor	Time Certain
\$ 0 - 500	20,666	19,670	577	419	3,501	9,923	7,210	32
\$ 500 - 1,000	21,786	20,291	997	498	3,812	9,390	8,551	33
\$ 1,000 - 1,500	18,662	17,258	1,148	256	2,800	7,451	8,380	31
\$ 1,500 - 2,000	16,442	15,245	1,030	167	2,078	6,081	8,269	14
\$ 2,000 - 2,500	15,888	14,857	924	107	1,789	5,162	8,929	8
\$ 2,500 - 3,000	14,944	14,248	611	85	1,634	4,631	8,669	10
\$ 3,000 - 3,500	12,448	11,925	454	69	1,337	3,490	7,619	2
\$ 3,500 - 4,000	9,873	9,499	339	35	1,072	2,732	6,064	5
\$ 4,000 - 4,500	6,808	6,599	179	30	750	1,883	4,174	1
\$ 4,500 - 5,000	4,375	4,246	117	12	462	1,152	2,761	0
Over \$ 5,000	6,558	6,466	58	34	662	1,574	4,308	14
Total	148,450	140,304	6,434	1,712	19,897	53,469	74,934	150



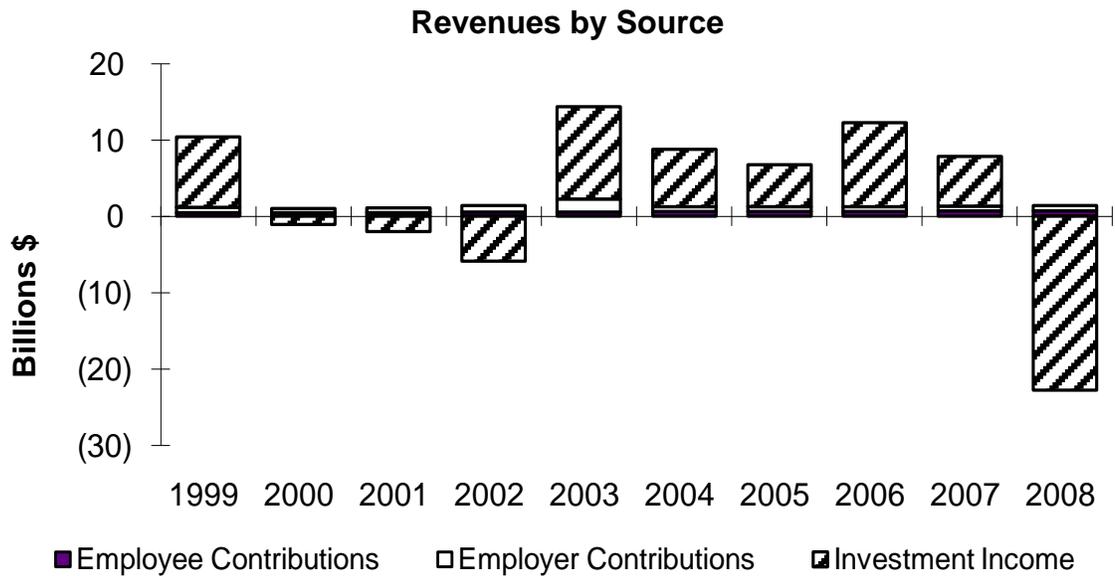
Revenues by Source ⁽¹⁾ (\$ in thousands)

Year	Employee Contributions ⁽²⁾		Employer Contributions ⁽³⁾		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
1999	512,270	5.8%	661,421	7.5%	9,235,371	205	10,409,268
2000	511,661	5.4%	547,515	5.8%	(1,033,753)	184	25,607
2001	506,712	5.1%	631,052	6.4%	(1,985,961)	211	(847,987)
2002	526,149	5.2%	914,575	9.0%	(5,880,598)	4,082	(4,435,793)
2003	564,754	5.4%	1,737,816	16.5%	12,043,429	3,563	14,349,563
2004	605,184	5.6%	644,649	6.0%	7,512,872	3,082	8,765,787
2005	640,229	5.8%	605,163	5.5%	5,492,548	2,338	6,740,278
2006	670,254	5.9%	617,263	5.5%	10,962,280	1,905	12,251,702
2007	705,804	6.0%	655,128	5.6%	6,495,914	1,823	7,858,669
2008	736,149	6.0%	683,520	5.6%	(22,744,110)	1,618	(21,322,822)

¹ Employee required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially-determined contribution requirements.

² Employee contributions include all employee required, employee additional and benefit adjustment contributions, including those amounts paid by the employer on behalf of the employee.

³ Employer contributions include all employer required contributions, including contributions for unfunded actuarial accrued liability.





**Expenses by Type
(\$ in millions)**

Year	Age and Service Benefits		Disability Benefits	Death Benefits	Separation Benefits	Administrative Expense	Total Expenses
	Retirants	Beneficiaries					
1999	1,737.3	8.7	98.4	13.9	35.6	12.3	1,906.3
2000	2,115.2	9.7	107.1	25.7	15.4	14.5	2,287.6
2001	2,328.4	11.4	127.8	22.0	40.9	16.4	2,546.9
2002	2,479.9	11.3	128.2	27.6	38.5	18.7	2,704.1
2003	2,517.3	12.3	128.3	32.7	28.8	16.4	2,735.8
2004	2,687.2	12.7	129.9	28.0	25.0	14.8	2,897.7
2005	2,892.6	13.9	134.5	26.6	25.2	17.9	3,110.7
2006	3,075.4	14.4	136.9	37.5	25.1	17.1	3,306.4
2007	3,323.6	15.6	142.3	36.9	24.2	17.7	3,560.3
2008	3,627.5	17.2	149.1	28.8	27.4	19.1	3,869.0

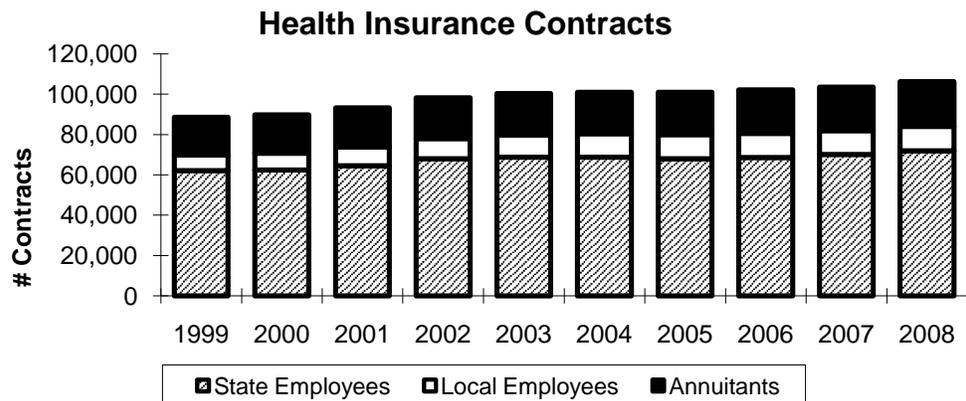
**Wisconsin Retirement System
Principal Participating Employers
Current Year and Nine Years Ago**

Participating Government	2008			1999		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	72,165	1	27.2%	66,716	1	26.3%
Milwaukee Teachers Retirement System	6,931	2	2.6%	7,972	2	3.1%
Madison Metro School District	4,187	3	1.6%	4,279	3	1.7%
City of Madison	2,981	4	1.1%	2,700	5	1.1%
Kenosha Unified School District	2,970	5	1.1%	2,449	7	1.0%
Green Bay Area School District	2,894	6	1.1%	2,600	6	1.0%
Racine Unified School District	2,717	7	1.0%	2,713	4	1.1%
Dane County	2,338	8	0.9%	2,190	8	0.9%
Milwaukee Area Technical College	1,911	9	0.7%	1,945	9	0.8%
Appleton Area School District	1,723	10	0.6%	1,571	11	0.6%
All Other	164,904		62.1%	158,163		62.4%
Total (1,364 employers)	265,721		100.0%	253,298		100.0%



**Group Health Insurance Program Statistics
Health Insurance Contracts**

Year	Active	Annuitants			Totals
		Annuity	Sick Leave	Total Retired	
State					
1999	62,110	9,517	8,146	17,663	79,773
2000	62,476	9,525	8,125	17,650	80,126
2001	64,619	9,588	8,503	18,091	82,710
2002	68,090	9,751	8,904	18,655	86,745
2003	68,755	9,664	9,061	18,725	87,480
2004	68,758	9,519	9,258	18,777	87,535
2005	68,093	9,531	9,646	19,177	87,270
2006	68,688	9,468	10,105	19,573	88,261
2007	70,119	9,427	10,417	19,844	89,963
2008	71,925	9,433	10,825	20,258	92,183
Local					
1999	7,765	1,098	0	1,098	8,863
2000	8,261	1,440	0	1,440	9,701
2001	9,101	1,525	0	1,525	10,626
2002	9,929	1,629	0	1,629	11,558
2003	11,124	1,794	0	1,794	12,918
2004	11,669	1,787	0	1,787	13,456
2005	11,902	1,812	0	1,812	13,714
2006	11,973	1,927	0	1,927	13,900
2007	11,777	1,871	0	1,871	13,648
2008	12,159	1,873	0	1,873	14,032





**Group Health Insurance Program Premiums by Source
(\$ in thousands)**

Year	Employer	Employee	Annuitant	Sick Leave	Medicare	Stabilization	Life	Totals
<u>State</u>								
1999	311,992	12,337	37,991	35,550	0	(5,832)	0	392,039
2000	354,443	12,525	41,594	41,112	0	0	17	449,691
2001	426,824	10,188	48,977	50,472	0	3,103	2	539,566
2002	502,499	11,647	53,967	58,270	0	6,325	5	632,713
2003	575,407	13,920	59,469	65,687	0	3,188	3	717,673
2004	628,532	25,129	61,257	70,633	0	10,622	4	796,176
2005	665,498	31,635	60,997	74,639	0	0	177	832,947
2006	711,946	40,064	58,091	79,763	10,442	28	6	900,339
2007	763,681	49,268	58,003	85,958	10,464	28	2	967,404
2008	834,363	51,160	60,171	92,434	10,713	26	0	1,048,867
<u>Local</u>								
1999	36,758	1,733	4,489	0	0	(515)	0	42,465
2000	46,153	2,307	5,368	0	0	(1,170)	0	52,658
2001	59,176	2,618	6,503	0	0	(78)	0	68,219
2002	73,996	3,424	7,380	0	0	0	0	84,800
2003	90,482	5,661	8,580	0	0	150	0	104,873
2004	108,469	5,267	9,418	0	0	938	0	124,092
2005	116,667	5,903	9,757	0	0	1,632	0	133,959
2006	124,771	7,484	10,403	0	380	0	0	143,038
2007	124,802	7,775	11,534	0	407	1	0	144,519
2008	137,141	7,398	12,021	0	467	1	0	157,028
<u>Local Annuitants</u>								
1999	0	0	533	0	0	1	0	534
2000	0	0	609	0	0	0	1	610
2001	0	0	640	0	0	0	1	641
2002	0	0	701	0	0	0	0	701
2003	0	0	767	1	0	0	0	768
2004	0	0	795	5	0	0	0	800
2005	0	0	879	0	0	0	6	885
2006	0	0	847	0	0	0	3	850
2007	0	0	823	0	0	0	3	826
2008	0	0	856	0	0	0	3	859



**Group Life Insurance Program Statistics
Life Insurance Premiums Collected
(\$ in thousands)**

Year	Employee					Employer			Totals
	Basic	Suppl	Additional	Spouse & Dependent	Total	Basic	Suppl	Total	
<u>State</u>									
1999	4,270	3,281	2,688	948	11,187	2,189	971	3,160	14,347
2000	4,501	3,453	2,991	961	11,906	2,274	986	3,260	15,165
2001	4,882	3,714	3,462	1,187	13,244	2,448	1,055	3,503	16,748
2002	5,344	4,036	3,998	1,274	14,652	2,673	1,142	3,814	18,466
2003	5,368	4,035	4,163	1,304	14,868	2,682	1,139	3,821	18,690
2004	5,254	3,936	4,245	1,073	14,509	2,609	1,104	3,713	18,223
2005	5,470	4,079	4,546	1,033	15,127	2,676	1,127	3,803	18,930
2006	5,765	4,275	4,934	1,019	15,994	2,779	1,163	3,943	19,936
2007	6,157	4,552	5,448	1,027	17,184	2,956	1,232	4,188	21,372
2008	6,600	4,861	6,585	1,039	19,085	3,161	1,312	4,473	23,558
<u>Local</u>									
1999	5,936	730	2,789	2,000	11,455	1,666	169	1,835	13,290
2000	6,378	781	2,958	1,684	11,800	1,728	188	1,916	13,717
2001	6,822	1,098	3,401	1,387	12,708	1,834	12	1,846	14,554
2002	7,324	1,256	3,932	1,438	13,950	2,103	12	2,116	16,066
2003	8,066	1,429	4,405	1,451	15,350	2,253	13	2,267	17,616
2004	8,308	1,566	4,785	1,462	16,121	2,307	15	2,322	18,443
2005	8,752	1,776	5,248	1,483	17,260	2,387	17	2,404	19,664
2006	9,256	1,966	5,733	1,492	18,447	2,534	27	2,561	21,008
2007	9,969	2,189	6,356	1,428	19,943	2,764	73	2,837	22,780
2008	10,352	2,337	6,747	1,337	20,773	2,868	71	2,939	23,712

**Group Life Insurance in Force
(\$ in thousands)**

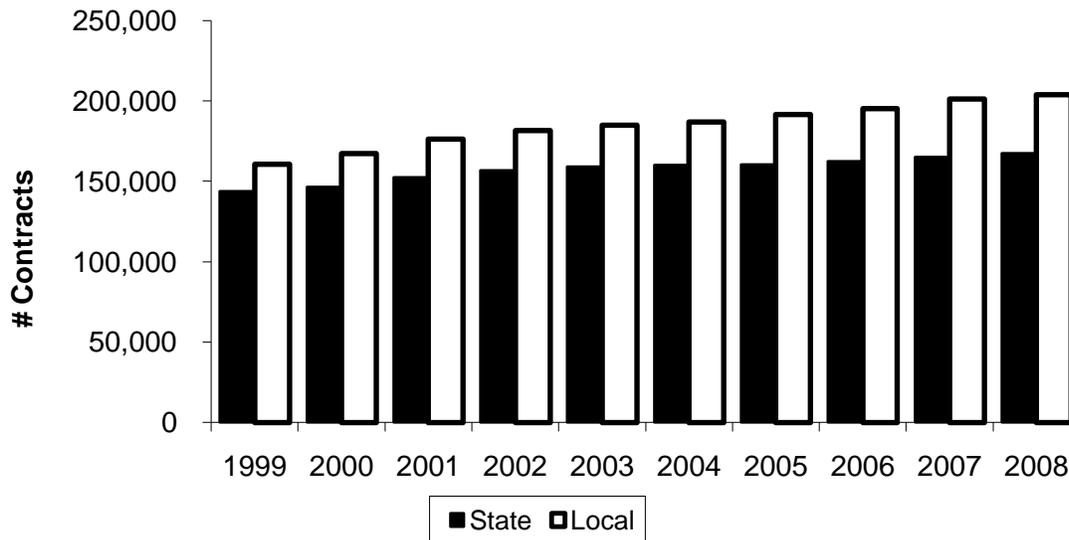
Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
<u>State</u>						
1999	1,944,008	1,468,193	1,181,027	195,619	547,785	5,336,632
2000	2,058,557	1,550,124	1,356,399	207,849	555,905	5,728,834
2001	2,277,758	1,709,216	1,614,778	219,828	572,335	6,393,915
2002	2,441,489	1,823,029	1,835,845	234,259	585,955	6,920,577
2003	2,525,292	1,876,086	1,976,044	248,541	590,340	7,216,303
2004	2,649,332	1,958,599	2,153,059	261,620	592,275	7,614,885
2005	2,719,404	2,003,210	2,276,487	277,560	582,575	7,859,236
2006	2,812,389	2,065,965	2,450,801	295,682	584,735	8,209,572
2007	2,953,085	2,163,847	2,686,412	320,233	592,020	8,715,597
2008	3,101,958	2,267,825	2,897,834	348,802	594,715	9,211,134
<u>Local</u>						
1999	2,662,094	451,206	1,446,069	115,356	771,135	5,445,860
2000	2,817,790	511,401	1,635,022	125,537	794,480	5,884,230
2001	3,012,639	589,955	1,903,271	134,879	829,425	6,470,169
2002	3,174,758	657,863	2,133,086	141,321	845,205	6,952,233
2003	3,281,854	736,895	2,325,771	152,083	844,175	7,340,778
2004	3,391,695	797,296	2,515,802	161,094	855,995	7,721,882
2005	3,540,667	910,482	2,746,798	173,746	868,055	8,239,748
2006	3,665,026	985,403	2,954,710	190,202	877,340	8,672,681
2007	3,849,827	1,085,500	3,171,093	209,310	893,160	9,208,890
2008	3,998,963	1,157,300	3,369,883	230,296	895,485	9,651,927



Life Insurance Program Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
<u>State</u>							
1999	50,799	37,856	19,506	11,961	23,738	143,860	62,760
2000	51,604	38,287	20,441	12,246	23,973	146,551	63,850
2001	53,735	39,752	21,949	12,489	24,513	152,438	66,224
2002	55,359	40,663	23,096	12,809	24,994	156,921	68,168
2003	56,087	41,003	23,721	13,112	25,064	158,987	69,199
2004	56,437	41,095	24,202	13,392	25,077	160,203	69,829
2005	56,594	41,049	24,474	13,720	24,583	160,420	70,314
2006	57,137	41,358	25,120	14,148	24,575	162,338	71,285
2007	57,907	41,813	25,851	14,729	24,762	165,062	72,636
2008	58,668	42,246	26,444	15,431	24,796	167,585	74,099
<u>Local</u>							
1999	76,432	12,374	23,384	15,560	32,808	160,558	91,992
2000	78,674	13,754	25,126	16,097	33,468	167,119	94,771
2001	81,733	15,478	27,380	16,560	34,885	176,036	98,293
2002	83,438	16,604	29,106	16,841	35,453	181,442	100,279
2003	83,716	18,128	30,192	17,305	35,366	184,707	101,021
2004	83,598	18,901	30,926	17,750	35,710	186,885	101,348
2005	84,180	20,882	31,986	18,421	36,075	191,544	102,601
2006	84,928	21,753	32,904	19,187	36,395	195,167	104,115
2007	86,623	23,712	33,994	19,926	36,861	201,116	106,549
2008	87,150	24,444	34,430	20,912	36,905	203,841	108,062

Life Insurance Contracts



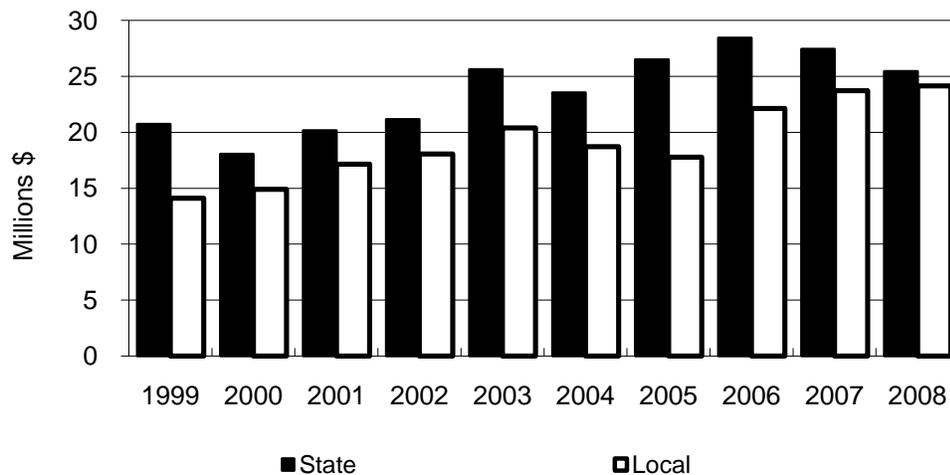


**Group Life Insurance Program Paid Claims
(\$ in thousands)**

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Living Benefits ⁽¹⁾	Totals
	Life	AD&D	Disability				
<u>State</u>							
1999	11,593	1,122	502	6,125	1,170	210	20,722
2000	9,304	739	714	6,183	960	166	18,066
2001	10,842	469	1,312	6,157	1,017	362	20,159
2002	11,458	1,042	691	6,811	922	243	21,167
2003	14,696	781	1,436	6,868	1,363	489	25,632
2004	13,873	941	(602)	7,555	1,191	602	23,559
2005	13,479	1,788	2,284	7,521	1,076	341	26,489
2006	14,953	1,120	2,315	8,480	1,003	576	28,447
2007	15,424	578	1,048	8,774	1,095	512	27,431
2008	12,438	948	1,834	8,688	1,182	365	25,454
<u>Local</u>							
1999	7,544	687	153	3,787	1,551	395	14,117
2000	7,972	769	1,086	3,348	1,709	24	14,908
2001	9,365	629	1,870	3,563	1,586	143	17,155
2002	9,735	1,236	1,332	3,852	1,444	459	18,058
2003	12,350	1,670	549	3,986	1,345	487	20,387
2004	12,628	1,015	(606)	4,284	1,186	200	18,707
2005	10,389	880	805	4,146	1,426	125	17,770
2006	12,343	1,580	1,430	4,521	1,311	936	22,121
2007	13,662	1,192	1,327	5,305	1,690	531	23,708
2008	15,929	1,286	578	4,439	1,617	296	24,146

¹ Living Benefits may originate as Pre-Retirement, Post-Retirement or Spouse & Dependent benefits.

Paid Claims



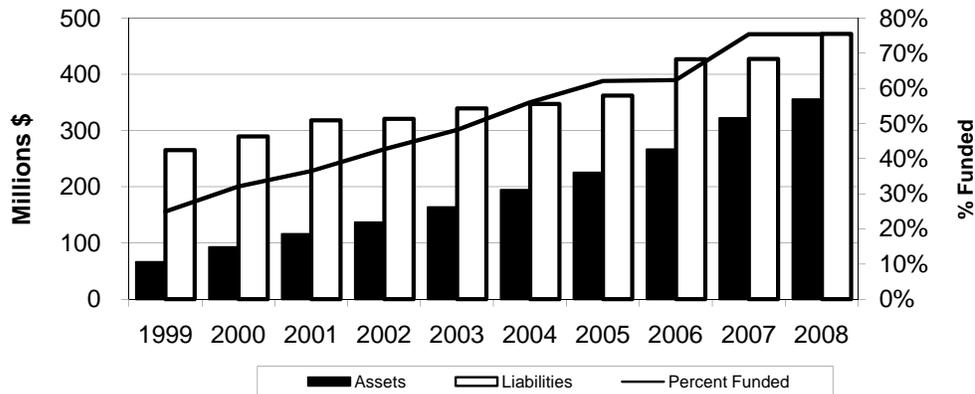


**Duty Disability Insurance Statistics
(\$ in Millions)**

Year	Employers	Participants	Benefit		Average
			Payments	Contributions	Contribution Rate
1999	445	19,281	17	27	3.35%
2000	453	19,763	18	32	3.66%
2001	461	20,797	20	35	3.74%
2002	476	21,226	22	37	3.81%
2003	476	21,476	23	39	3.86%
2004	483	21,762	23	41	3.83%
2005	486	21,851	24	42	3.85%
2006	494	22,115	26	45	3.86%
2007	499	22,550	26	48	3.92%
2008	500	22,843	27	51	3.93%

Year	Assets	Liabilities	Unfunded (Overfunded)		Covered Payroll	UAAL as %
			Liability	Percent Funded		of Covered Payroll
1999	66.1	264.9	198.8	25.0%	793.4	25.1%
2000	92.7	289.2	196.6	32.0%	878.9	22.4%
2001	116.0	318.3	202.3	36.4%	939.3	21.5%
2002	136.8	320.8	184.0	42.6%	962.4	19.1%
2003	163.4	339.2	175.8	48.2%	1,018.8	17.3%
2004	194.6	347.6	153.0	56.0%	1,063.7	14.4%
2005	224.9	362.3	137.4	62.1%	1,092.5	12.6%
2006	266.3	427.1	160.8	62.3%	1,154.0	13.9%
2007	321.9	427.1	105.2	75.4%	1,217.3	8.6%
2008	355.5	471.7	116.1	75.4%	1,286.7	9.0%

Duty Disability Funding





Duty Disability Insurance Principal Participating Employers Current Year and Nine Years Ago

Participating Government	2008			1999		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	8,824	1	38.6%	6,876	1	35.7%
City of Madison	760	2	3.3%	655	2	3.4%
Dane County	452	3	2.0%	371	4	1.9%
City of Green Bay	354	4	1.5%	388	3	2.0%
City of Kenosha	343	5	1.5%	309	6	1.6%
City of Racine	333	6	1.5%	358	5	1.9%
Brown County	285	7	1.2%	133	20	0.7%
City of West Allis	243	8	1.1%	253	7	1.3%
City of Waukesha	211	9	0.9%	198	9	1.0%
City of Appleton	205	10	0.9%	193	12	1.0%
All Other	10,833		47.4%	9,547		49.5%
Total (499 employers)	22,843		100.0%	19,281		100.0%

Duty Disability Insurance Annuities by Type of Benefit

Monthly Benefit Amount	Number of Annuitants	Type of Annuity	
		Disability	Beneficiary
\$ 0 - 500	50	49	1
\$ 500 - 1,000	81	61	20
\$ 1,000 - 1,500	82	77	5
\$ 1,500 - 2,000	72	68	4
\$ 2,000 - 2,500	105	95	10
\$ 2,500 - 3,000	100	95	5
\$ 3,000 - 3,500	96	96	0
\$ 3,500 - 4,000	120	119	1
\$ 4,000 - 4,500	77	76	1
\$ 4,500 - 5,000	47	47	0
Over \$5,000	22	21	1
Total	852	804	48

* This table excludes annuitants whose benefit is totally offset by other income sources.

Duty Disability Insurance Average Monthly Benefit by Years of Service

	Years of Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35
Average Monthly Annuity	\$ 2,837	\$ 3,374	\$ 3,075	\$ 2,784	\$ 1,845	\$ 1,485	\$ 770
Average Final Average Salary	\$ 2,393	\$ 3,120	\$ 3,199	\$ 3,315	\$ 3,364	\$ 3,480	\$ 2,356
Number of Annuitants	50	142	189	217	184	61	9

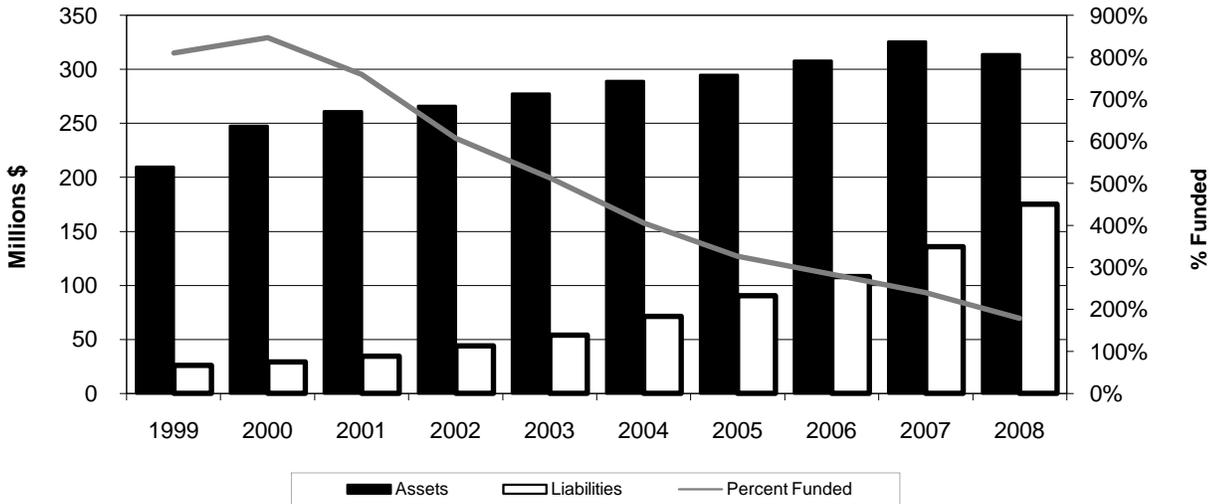
* This table excludes annuitants for whom years of service data is not available



Long-Term Disability Insurance Statistics
(\$ in millions)

Year	Assets	Liabilities	Unfunded (Overfunded) Liability	Percent Funded	Covered Payroll (\$ in millions)	UAAL as % of Covered Payroll
1999	209.82	25.88	(183.9)	810.8%	8,826	-2.1%
2000	247.67	29.24	(218.4)	847.1%	9,442	-2.3%
2001	260.97	34.35	(226.6)	759.8%	9,918	-2.3%
2002	266.17	43.81	(222.4)	607.6%	10,127	-2.2%
2003	277.27	53.95	(223.3)	513.9%	10,502	-2.1%
2004	289.21	71.25	(218.0)	405.9%	10,760	-2.0%
2005	294.67	90.30	(204.4)	326.3%	10,973	-1.9%
2006	307.69	108.29	(199.4)	284.1%	11,308	-1.8%
2007	325.44	135.76	(189.7)	239.7%	11,720	-1.6%
2008	313.73	175.21	(138.5)	179.1%	12,290	-1.1%

Long-Term Disability Insurance Funding

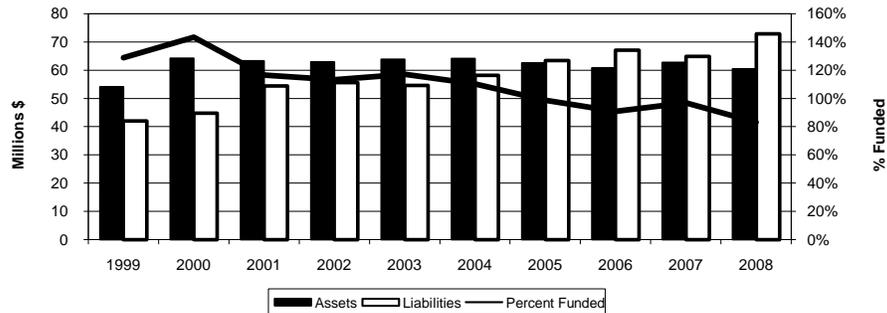




**Income Continuation Insurance Statistics
(\$ in millions)**

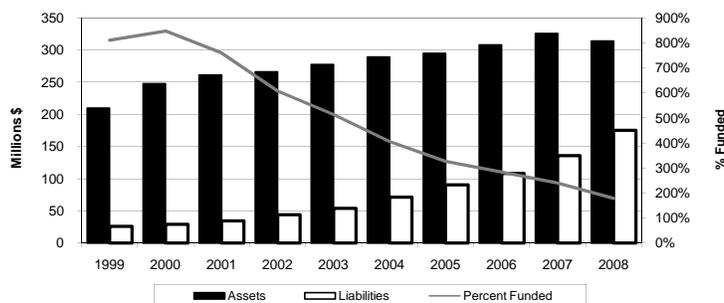
Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
State						
1999	51,483	2,080	54.1	42.0	(12.1)	128.8%
2000	53,064	2,055	64.2	44.8	(19.4)	143.3%
2001	54,533	1,746	63.3	54.4	(8.9)	116.4%
2002	54,876	1,981	62.9	55.6	(7.3)	113.1%
2003	55,357	2,024	63.8	54.6	(9.3)	117.0%
2004	55,622	2,177	64.1	58.1	(5.9)	110.2%
2005	54,844	1,865	62.6	63.4	0.8	98.7%
2006	54,646	2,054	60.8	67.0	6.2	90.7%
2007	55,048	1,388	62.7	64.8	2.1	96.8%
2008	55,908	1,419	60.5	72.8	12.3	83.1%

State Income Continuation Insurance Funding



Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
Local						
1999	4,694	64	8.2	0.9	(7.3)	889.8%
2000	4,859	84	10.5	1.6	(8.9)	654.0%
2001	5,391	47	12.0	2.6	(9.4)	467.3%
2002	5,610	80	13.1	2.6	(10.5)	502.2%
2003	6,353	75	14.7	2.3	(12.4)	639.8%
2004	6,763	42	16.7	2.6	(14.1)	646.3%
2005	6,985	115	18.5	3.7	(14.8)	503.6%
2006	7,053	137	20.9	4.3	(16.6)	485.8%
2007	7,270	70	24.1	3.8	(20.3)	631.1%
2008	7,837	67	25.9	3.9	(22.1)	667.4%

Local Income Continuation Insurance Funding

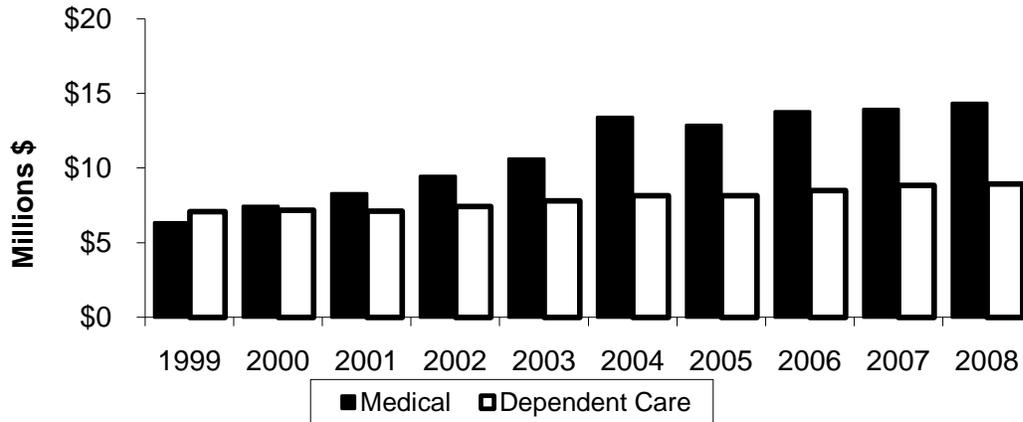




Employee Reimbursement Accounts Program Statistics Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Accounts	Salary Reductions	Claims	Forfeitures
1999	\$ 7,091	\$ 6,373,150	\$ 6,191,231	\$ 181,919	\$ 2,046	\$ 7,094,319	\$ 7,066,162	\$ 28,157
2000	7,850	7,453,827	7,321,342	132,485	2,063	7,164,721	7,144,844	19,877
2001	8,219	8,296,557	8,181,145	115,412	2,068	7,108,464	7,057,475	50,989
2002	8,863	9,454,330	9,318,411	135,919	1,986	7,417,430	7,372,745	44,685
2003	9,374	10,617,227	10,436,989	180,238	2,005	7,806,467	7,740,380	66,087
2004	10,872	13,414,090	13,181,896	232,194	2,071	8,153,460	8,098,390	55,070
2005	11,246	12,869,605	12,680,770	188,835	2,285	8,152,493	8,099,308	53,185
2006	11,617	13,795,854	13,723,055	72,799	2,325	8,499,544	8,349,343	150,201
2007	11,587	13,953,387	13,749,822	203,565	2,389	8,832,561	8,774,586	57,975
2008	10,922	14,372,252	14,171,396	200,856	2,186	8,934,444	8,886,965	47,479

Salary Reductions



Employee Reimbursement Accounts Program Statistics Administrative Funding (\$ in thousands)

Year	Receipts				Expenses			Surplus / (Deficit)
	Fees	Interest	Forfeitures	Totals	Administrator	State	Total	
1999	\$ 416,628	\$ 138,401	\$ 210,076	\$ 765,105	\$ 514,431	\$ 66,206	\$ 580,637	\$ 184,468
2000	426,269	185,220	152,362	763,851	508,876	28,969	537,845	226,006
2001	356,188	134,670	166,401	657,259	613,745	104,315	718,060	(60,801)
2002	0	67,086	180,604	247,690	657,934	84,880	742,814	(495,124)
2003	386,252	43,680	246,325	676,257	599,348	81,249	680,597	(4,340)
2004	461,492	72,390	287,264	821,146	424,684	83,187	507,871	313,276
2005	456,715	161,038	242,020	859,773	599,868	101,780	701,648	158,125
2006	452,759	276,600	223,000	952,359	710,633	90,519	801,152	151,207
2007	457,303	284,850	261,540	1,003,693	699,699	118,552	818,251	185,442
2008	396,608	144,012	248,335	788,955	601,120	118,127	719,247	69,708



Administrative Expense Statistics Administrative Expenses (\$ in thousands)

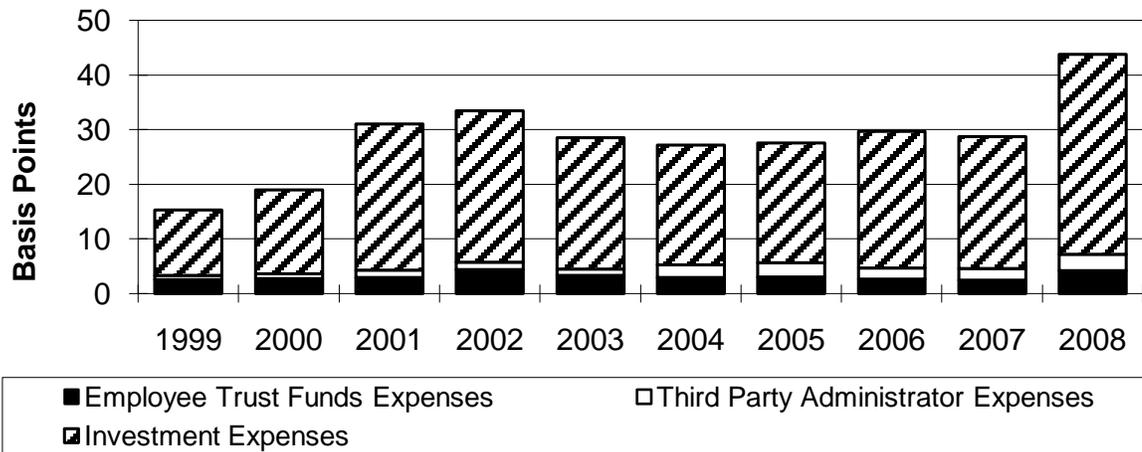
Year	ETF Expenses	Investment Expenses	Third Party Administrator Contracts							Commuter Benefits	Total Administration
			ERA	Health	Pharmacy	ICI	LTDI	Badger Rx	Deferred Comp		
1999	17,011	80,098	522	1,574	0	722	216	0	1,907	0	102,049
2000	17,836	98,282	509	1,639	0	863	230	0	2,067	0	121,426
2001	18,018	161,853	614	2,462	0	1,718	835	0	2,120	0	187,620
2002	22,672	144,153	659	2,452	0	1,289	656	0	2,258	91	174,230
2003	21,138	152,948	599	2,447	0	1,417	699	0	2,251	107	181,606
2004	20,368	152,629	425	3,314	7,597	1,622	807	0	2,320	124	189,205
2005	23,059	165,940	600	4,294	9,461	1,701	838	1	2,448	121	208,463
2006	22,367	210,660	710	2,807	8,820	1,859	894	0	1,771	87	249,975
2007	21,958	212,143	700	2,140	10,081	1,910	908	0	2,317	96	252,253
2008	25,779	226,364	601	2,183	10,427	1,859	912	0	2,440	94	270,659

Administrative Expenses in Basis Points¹ (\$ in thousands)

Year	Net Assets at Year End	Employee Trust Funds		Investment Expenses		Third Party Administrators		Total Administration	
		Amount	Basis	Amount	Basis	Amount	Basis	Amount	Basis
1999	66,669,692	17,011	2.6	80,098	12.0	4,940	0.7	102,049	15.3
2000	64,025,759	17,836	2.8	98,282	15.4	5,308	0.8	121,426	19.0
2001	60,463,957	18,018	3.0	161,853	26.8	7,749	1.3	187,620	31.0
2002	52,107,041	22,672	4.4	144,153	27.7	7,405	1.4	174,230	33.4
2003	63,563,468	21,138	3.3	152,948	24.1	7,520	1.2	181,606	28.6
2004	69,712,511	20,368	2.9	152,629	21.9	16,208	2.3	189,205	27.1
2005	75,743,486	23,059	3.0	165,940	21.9	19,464	2.6	208,463	27.5
2006	84,095,413	22,367	2.7	210,660	25.1	16,948	2.0	249,975	29.7
2007	87,957,547	21,958	2.5	212,143	24.1	18,152	2.1	252,253	28.7
2008	61,818,013	25,779	4.2	226,364	36.6	18,516	3.0	270,659	43.8

¹Each basis point represents 1/100 of one percent of net assets.

Administrative Expenses in Basis Points





ACTUARIAL

**State of Wisconsin
Department of
Employee Trust Funds**



February 15, 2010

Employee Trust Funds Board
801 West Badger Road
Madison, Wisconsin 53713-2526

Re: Wisconsin Retirement System (WRS)

Ladies and Gentlemen:

The basic financial objective of the WRS is to establish and receive contributions which:

- when expressed in terms of percents of active member payroll, will remain approximately level from generation-to-generation, and
- when combined with present assets and future investment return, will be sufficient to meet the financial obligations of WRS to present and future retirees and beneficiaries.

The financial objective is addressed within the annual actuarial valuation. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of December 31, 2008.

The plan's administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer-term trends.

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

- Percent Increase in Salaries Next Year
- Single Life Retirement Values
- Rates of Retirement for Those Eligible to Retire
- Early Retirement Pattern
- Percentage of Active Members Withdrawing (Select and Ultimate)
- Percentage of Active Members becoming Disabled
- Solvency Test
- Summary of Accrued and Unfunded Accrued Liabilities

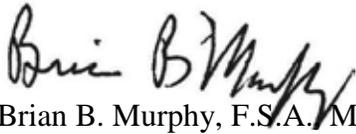
Assets are valued on a market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 25 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2008 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2003-2005 period.

Based upon the results of the December 31, 2008 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing. Investment performance at least in line with assumptions continues to be important for the WRS as it is for virtually every other retirement system. WRS is fortunate to have mechanisms in place that will help it deal with the investment losses that occurred in 2008.

The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Brian B. Murphy, F.S.A., M.A.A.A.



Mark Buis, F.S.A., M.A.A.A.



Norman L. Jones, F.S.A., M.A.A.A.

BBM/MB/NLJ:lr



**Wisconsin Retirement System
Actuarial Statement of Assets and Liabilities
(\$ in Millions)**

	December 31, 2008	December 31, 2007	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Core Division	73,119.7	72,754.8	364.9
Variable Division	4,039.7	7,037.1	(2,997.4)
Totals	77,159.4	79,791.9	(2,632.5)
Obligations of Employers			
Unfunded Accrued Liability	252.6	287.8	(35.2)
Total Assets	77,412.0	80,079.7	(2,667.7)
 Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	15,897.3	16,627.9	(730.6)
Member Additional Contributions	148.0	167.5	(19.5)
Employer Contributions	22,994.1	23,609.2	(615.1)
Total Contributions	39,039.4	40,404.6	(1,365.2)
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Core Annuities	36,551.5	32,877.5	3,674.0
Variable Annuities	4,491.0	4,563.7	(72.7)
Total Annuities	41,042.5	37,441.2	3,601.3
Total Reserves	80,081.9	77,845.8	2,236.1
Surplus			
Core Annuity Reserve Surplus	(753.4)	2,172.6	(2,926.0)
Variable Annuity Reserve Surplus	(1,916.5)	61.3	(1,977.8)
Total Surplus	(2,669.9)	2,233.9	(4,903.8)
Total Reserves and Surplus	77,412.0	80,079.7	(2,667.7)



SUMMARY OF BENEFIT PROVISIONS

NORMAL RETIREMENT ELIGIBILITY

The age a participant becomes eligible for an unreduced age and service annuity is:

General		Protective		Executive & Elected	
Age	Service	Age	Service	Age	Service
65	Any*	54	Any*	62	Any*
57	30	53	25	57	30

* Participants first employed after 1989 and terminated before April 24, 1998, must have creditable service in 5 calendar years.

NORMAL RETIREMENT ANNUITY

The age and service annuity payable at Normal Retirement Age is based on Final Average Earnings (FAE) and creditable service as follows:

Multiplier for Service Rendered		Group
After 1999	Before 2000	
2.0%	2.165%	Executive group, elected officials and protective occupation participants covered by Social Security
2.5%	2.665%	Protective occupation participants not covered by Social Security
1.6%	1.765%	All other participants

FAE is generally the average of the three highest years of earnings preceding retirement (July 1 - June 30 for teachers, educational support staff, and judges; calendar year for others). These years do not have to be consecutive. For legislators and state constitutional officers who are ineligible to receive pay increases during their term, FAE is the statutory rate of earnings at termination.

Maximum formula annuity is 85% of FAE for protective occupation participants not covered by Social Security, 65% of FAE for protectives covered by Social Security,

and 70% for all other participants. If greater than the formula amount, an annuity equal to the actuarial equivalent of two times the required accumulated contributions is paid in lieu of the formula amount.

Early Retirement: Any participant who has attained age 55 and any protective occupation participant who has attained age 50 may apply for an early retirement annuity. The benefit is reduced 0.4% for each month that the annuity effective date precedes the Normal Retirement Age. For non-protective participants terminating after June 30, 1990, the 0.4% is reduced for months after the attainment of age 57 and before the annuity effective date by .001111% for each month of creditable service.

Voluntary Termination Before Immediate Benefit Eligibility:

A participant who terminates service before being eligible for a retirement annuity may either (1) receive a refund of accumulated contributions, or (2) leave contributions on deposit and apply for a retirement annuity on or after the minimum retirement age based upon age and accrued service at time of termination.

Post-Retirement Adjustments: Annuities are increased annually if the investment income credited to retired life funds is in excess of the assumed rate (presently 5%), other plan experiences are within projected ranges, and the resulting adjustment would be at least 0.5%. Previously granted adjustments can be revoked if the investment income is insufficient to support these previously granted increases. However, a Core Fund annuity cannot be reduced below the amount granted upon inception. Slightly different provisions apply to variable annuities.

Disability Annuity: Eligibility for disability under the Wisconsin Retirement System means, generally, total and permanent incapacity to engage in gainful employment. The participant must have completed at least six months of creditable service in each of at least five out of the last seven calendar years preceding application for disability. The service requirement is waived if the disability is from service-related causes.



Disability Amounts: Amounts payable in case of disability depend upon the plan from which payment is made. Plans are described below.

	Pre-10/16/92 WRS Plan	Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan
Participants Covered	Participants hired before 10/16/92 who do not elect LTDI coverage by January 2, 1997.	Participants entering after 10/15/92 and participants on 10/15/92 who elect LTDI coverage.
Benefit to age 65*	WRS formula benefit based on service projected to normal retirement age.	40% of FAE for participants covered by Social Security; 50% of FAE for non-covered participants who cannot qualify for Social Security disability benefits.
Benefit at age 65*	Continuation of pre-65 amount.	WRS benefit accrued to date of disability plus 7% of FAE money purchase benefit during disability period, both of which are adjusted in accordance with the dividend rate.

*Conversion age is later for participants becoming disabled after age 61.

Death In Service: Prior to age 50 for protective participants and age 55 for others, the benefit is the equivalent of twice the accumulated employee required and all additional contributions and employer amounts contributed prior to 1974 for teachers or 1966 for others. After age 50 for protective participants, and age 55 for others, the benefit is the amount that would have been paid if participant had retired and elected the 100% survivor option. The benefit is payable to a spouse, child, or other dependent.

Interest credits: For years after 1999, and for people with some active service after 1999, participant accounts are credited with interest at the Core effective rate. For others, accounts are credited with interest as follows:

Date of Participation	Rate Credited For Purpose of	
	Money Purchase Minimum	Refunds
Prior to 1982	Actual	Actual
January 1, 1982 and later	5%	3%

Contribution Rates: The financial objective of the WRS is to establish and receive contributions that will remain level from year to year and decade to decade. Statutory required participant contributions are as follows:

General	5.0%
Executives & Elected Officials	5.5
Protectives	
- With Social Security	6.0
- Without Social Security	8.0

Non-refundable benefit adjustment contributions are also required by statute and may be paid by the employer or by the employee, depending upon the employer's compensation plan. The employers contribute the remaining amounts necessary to fund the retirement system on an actuarially-sound basis.

As differences between actual and assumed experience emerge, adjustments are made to contributions to maintain financial balance as follows:

- One-half of the increase or decrease is reflected in the employer normal cost rate.
- One-half of the increase or decrease is reflected in the participant-paid portion of the benefit adjustment contribution. If a decrease would reduce a benefit adjustment contribution to less than zero, participant normal contributions are reduced.



ACTUARIAL METHOD AND ASSUMPTIONS USED IN VALUATIONS

The principal areas of risk assumption are:

1. Long-term rates of investment income likely to be generated by the assets of the retirement fund. This includes both realized and unrealized appreciation and depreciation.
2. Rates of mortality among participants, retirees and beneficiaries.
3. Rates of withdrawal of active participants.
4. Rates of disability among participants.
5. Patterns of salary increases to be experienced by participants.
6. The age and service distribution of actual retirements.

In making a valuation, the actuary must project the monetary value of each risk assumption for each distinct experience group for the next year and for each year over the next half-century or longer.

Once actual risk experience has occurred and been observed, it will not coincide exactly with assumed risk experience regardless of the skill of the actuary, the completeness of the data, and the precision of the calculations. Each valuation provides a completed recalculation of assumed future risk experience and takes into account all past differences between assumed and actual risk experience. The result is a continual series of small adjustments to the computed contribution rate. From time to time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends but not random year-to-year fluctuations.

The actuarial valuation method used in the valuation was the Frozen Initial Liability Actuarial Valuation Method. Under this method, the amount of remaining unfunded accrued actuarial liabilities at any valuation date are affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any added liabilities caused by changes in benefit provisions.

ECONOMIC ASSUMPTIONS

The long-term rates of investment return used in making the valuation were 7.8% a year, compounded yearly for active members, and 5% a year, compounded yearly for retired lives. This latter assumption determines the extent to which future benefit payments are assumed to be made from future investment income.

Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown on the next page for sample ages. This assumption is used to project a participant's current earnings to the earnings upon which benefits will be based.



% Increases in Salaries Next Year (Merit and Longevity)

Service	General	University Teachers	Public School Teachers	Protective		Executive/Elected
				With SS	Without SS	
1	3.5%	3.5%	5.5%	5.0%	4.8%	1.2%
2	3.5%	3.5%	5.5%	5.0%	4.8%	1.2%
3	3.2%	3.4%	5.1%	4.4%	4.1%	1.2%
4	2.9%	3.3%	4.7%	3.7%	3.5%	1.2%
5	2.6%	3.2%	4.4%	3.1%	2.8%	1.1%
10	1.6%	2.9%	2.8%	1.6%	1.4%	1.0%
15	1.3%	2.4%	1.6%	1.0%	0.7%	0.9%
20	1.1%	1.9%	0.9%	0.9%	0.6%	0.8%
25	0.9%	1.3%	0.5%	0.7%	0.5%	0.6%
30	0.7%	1.2%	0.3%	0.7%	0.4%	0.4%

In addition to the merit and longevity increase, each person is assumed to get an economic increase of 4.1% each year.

The active population is assumed to remain constant. The active payroll is assumed to grow 4.1% per year. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

DECREMENT PROBABILITIES

The mortality table used to measure mortality for participants was the Wisconsin Projected Experience Table for men and women. Sample retirement values from this table are shown at right. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

Single Life Retirement Values (Retired Participants)

Wisconsin Projected Experience Table With 5% Interest table is used:

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$205.69	\$213.54	40.9	45.3
45	196.14	205.53	36.2	40.5
50	184.61	195.62	31.5	35.7
55	171.16	183.60	27.0	30.9
60	155.69	169.88	22.7	26.4
65	137.31	153.66	18.5	22.0
70	116.87	134.71	14.5	17.8
75	95.20	113.77	11.0	13.9
80	74.62	91.62	8.1	10.4
85	55.95	69.69	5.7	7.4

The values shown above are for non-disabled participants. For disabled participants, the following table is used:



Single Life Retirement Values (Disabled Participants)

Wisconsin Projected Experience Table With 5% Interest

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$188.17	\$200.45	33.0	38.1
45	175.49	189.75	28.5	33.4
50	160.60	176.73	24.1	28.7
55	144.08	161.35	20.0	24.2
60	126.15	144.83	16.2	20.1
65	105.47	126.05	12.5	16.1
70	83.80	104.95	9.3	12.4
75	62.40	83.07	6.5	9.1
80	44.25	61.62	4.3	6.3
85	29.47	42.01	2.8	4.1

The active participant mortality assumption is used to measure the probability of participants dying while in service.

Active Participant Mortality Rates

Sample Attained Age	Mortality Rates	
	Male	Female
20	0.000259	0.000077
25	0.000337	0.000085
30	0.000409	0.000115
35	0.000434	0.000203
40	0.000547	0.000285
45	0.000805	0.000446
50	0.001316	0.000614
55	0.002317	0.001281
60	0.003375	0.002174
65	0.005178	0.003325
70	0.009079	0.005327
75	0.016700	0.009751
80	0.030153	0.016934



Rates of Retirement for Those Eligible to Retire—Normal Retirement Pattern

Normal Retirement Pattern

% Retiring Next Year									
Age	General		Public School		University		Protective		Exec & Elected
	Male	Female	Male	Female	Male	Female	With S.S.	W/OS.S.	
50	%	%	%	%	%	%	8%	3%	%
51							8	3	
52							8	7	
53							30	25	
54							20	30	
55							20	30	
56							18	30	
57	25	20	40	30	20	15	18	35	15
58	25	20	35	30	15	15	18	30	15
59	25	20	30	30	15	15	18	20	15
60	25	20	30	30	15	15	18	20	15
61	20	20	30	35	17	25	18	20	15
62	35	30	40	40	17	25	20	20	10
63	35	30	40	35	17	20	30	20	10
64	25	25	25	25	17	20	20	20	10
65	25	25	25	30	20	20	30	40	10
66	25	25	25	25	20	20	25	40	20
67	10	15	15	25	20	20	25	40	20
68	10	10	15	20	20	20	25	40	20
69	10	10	20	20	20	20	25	40	20
70	10	10	20	20	20	20	100	100	10
71	10	10	20	20	20	20	100	100	10
72	10	10	20	20	20	20	100	100	10
73	10	10	20	20	20	20	100	100	10
74	10	10	20	20	20	20	100	100	10
75	100	100	100	100	100	100	100	100	100



Rates of Retirement for Those Eligible to Retire—Early Retirement Pattern

% Retiring Next Year							
Age	General		Public School		University		Exec & Elected
	Male	Female	Male	Female	Male	Female	
55	7.5%	5.25%	15%	11%	5%	6%	6%
56	7.5	5.25	15	11	5	6	6
57	4	4	15	11	3	5	4
58	5	5	15	12	3.5	6	4
59	5	5	10	12	3.5	8	4
60	7.5	7.5	15	15	5.5	10	6
61	7	7.5	15	15	7.5	7.5	6
62	18	15	25	25	10	15	
63	18	15	25	20	9	15	
64	15	15	15	15	8	15	

The assumed rates of separation from employment prior to service retirement due to disability and other causes are shown below for sample ages. For other terminations it was assumed that a percentage depending on age of participants terminating after age 35 with five or more years service will leave their contributions on deposit and be paid a benefit at normal retirement age and that the remaining participants would take a separation benefit. The percentage taking a separation benefit is 50% at age 35, grading downward to 0% at retirement eligibility. All participants terminating prior to normal retirement age with less than five years of service were assumed to take a separation benefit.



**Assumed Termination Rates
% of Active Participants Terminating**

Age & Service	Protective		Public School		University		Exec. & Elected	Other		
	With S.S.	W/O S.S.	Male	Female	Male	Female		Male	Female	
0	12.0%	5.0%	14.0%	11.0%	20.0%	20.0%	16.0%	21.0%	20.0%	
1	6.5	3.0	11.0	9.0	16.0	17.0	14.0	13.0	14.0	
2	4.5	2.0	7.0	7.0	13.0	14.0	12.0	9.5	10.0	
3	4.1	1.5	5.2	6.0	11.0	12.0	10.0	7.5	8.0	
4	3.2	1.4	4.0	5.0	9.0	10.0	9.5	5.5	7.0	
5	3.0	1.3	3.2	4.3	7.5	9.0	9.0	4.5	6.0	
6	2.7	1.2	2.7	3.8	6.0	8.0	8.5	4.0	5.0	
7	2.5	1.1	2.5	3.2	5.0	7.0	8.0	3.8	4.5	
8	2.3	1.0	2.3	2.7	4.0	6.3	7.5	3.5	4.3	
9	2.0	0.9	2.0	2.5	3.5	5.5	7.0	3.2	4.0	
25	10 & Over	2.0	0.9	2.0	2.5	3.5	5.5	7.0	3.0	4.0
30		2.0	0.8	1.8	2.2	3.5	5.5	7.0	3.0	3.7
35		1.8	0.8	1.4	1.8	3.5	5.5	7.0	2.6	3.2
40		1.4	0.8	1.2	1.4	3.4	4.7	5.8	2.0	2.7
45		1.2	0.7	1.1	1.2	2.8	3.4	4.7	1.6	2.2
50		1.0	0.7	0.9	1.0	1.9	2.1	4.2	1.3	1.9
55		1.0	0.7	0.9	1.0	1.5	1.6	4.0	1.3	1.8
60		1.0	0.7	0.9	1.0	1.5	1.6	4.0	1.3	1.8

**Disability Rates
% of Active Participants Becoming Disabled**

Age	Protective		Public School		University		Exec. & Elected		General	
	With S.S.	W/O S.S.	Male	Female	Male	Female	Male	Female	Male	Female
20	0.02	0.05	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
25	0.02	0.05	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
30	0.02	0.05	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.04
35	0.03	0.06	0.01	0.01	0.01	0.04	0.01	0.01	0.02	0.05
40	0.05	0.08	0.02	0.02	0.01	0.06	0.01	0.01	0.05	0.07
45	0.07	0.16	0.05	0.08	0.03	0.05	0.02	0.02	0.10	0.10
50	0.11	0.92	0.14	0.16	0.05	0.10	0.04	0.04	0.23	0.15
55	1.73	0.68	0.26	0.23	0.15	0.15	0.15	0.15	0.43	0.28
60	2.92	0.20	0.43	0.34	0.20	0.23	0.19	0.19	0.77	0.39



Summary of Member Valuation Data

General Participants & Teachers

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/99	1,239	229,657	7,704.2	34,445.00	4.9%
12/31/00	1,260	234,076	8,335.4	35,609.80	3.4%
12/31/01	1,287	238,944	8,746.0	36,602.72	2.8%
12/31/02	1,324	240,990	9,007.0	37,377.00	2.1%
12/31/03	1,344	239,696	9,272.8	38,686.00	3.5%
12/31/04	1,361	238,943	9,501.0	39,764.00	2.8%
12/31/05	1,376	237,501	9,661.1	40,678.00	2.3%
12/31/06	1,392	236,877	9,933.5	41,935.00	3.1%
12/31/07	1,404	237,124	10,277.9	43,344.00	3.4%
12/31/08	1,431	238,994	10,806.3	45,216.00	4.3%

Executive & Elected Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/99	264	1,468	77.2	53,263	5.1%
12/31/00	267	1,486	82.6	55,582	4.4%
12/31/01	270	1,486	84.8	57,060	2.7%
12/31/02	279	1,476	86.9	58,865	3.2%
12/31/03	284	1,468	85.6	58,336	-0.9%
12/31/04	274	1,469	89.0	60,379	3.5%
12/31/05	275	1,452	89.7	61,788	2.3%
12/31/06	272	1,436	92.6	64,480	4.4%
12/31/07	270	1,427	94.6	66,320	2.9%
12/31/08	259	1,430	100.6	70,316	6.0%

Protective Participants Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/99	444	16,483	648.6	39,864	3.5%
12/31/00	452	16,970	717.2	42,263	6.0%
12/31/01	460	17,981	771.6	42,914	1.5%
12/31/02	475	18,325	803.9	43,871	2.2%
12/31/03	485	18,660	856.3	45,891	4.6%
12/31/04	491	18,964	896.0	47,266	3.0%
12/31/05	495	19,036	920.0	48,330	2.3%
12/31/06	502	19,297	976.9	50,622	4.7%
12/31/07	508	19,757	1,035.6	52,419	3.5%
12/31/08	509	20,038	1,099.3	54,859	4.7%



Summary of Member Valuation Data

Protective Participants Not Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/99	54	2,691	130.6	48,947	2.5%
12/31/00	55	2,685	135.4	50,423	3.0%
12/31/01	55	2,715	142.1	52,339	3.8%
12/31/02	55	2,709	147.9	54,603	4.3%
12/31/03	54	2,714	153.8	56,673	3.8%
12/31/04	54	2,709	159.0	58,546	3.3%
12/31/05	55	2,689	162.0	60,241	2.9%
12/31/06	55	2,692	167.3	62,153	3.2%
12/31/07	55	2,695	173.7	64,449	3.7%
12/31/08	55	2,724	181.2	66,502	3.2%

All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/99	1,266	250,299	8,560.6	34,201	2.2%
12/31/00	1,289	255,217	9,270.6	36,324	6.2%
12/31/01	1,321	261,126	9,744.5	37,317	2.7%
12/31/02	1,359	263,500	10,045.7	38,124	2.2%
12/31/03	1,380	262,538	10,368.5	39,493	3.6%
12/31/04	1,397	262,085	10,645.0	40,617	2.8%
12/31/05	1,412	260,678	10,832.8	41,556	2.3%
12/31/06	1,432	260,302	11,170.3	42,913	3.3%
12/31/07	1,438	261,003	11,581.8	44,374	3.4%
12/31/08	1,462	263,186	12,187.4	46,307	4.4%



Summary of Accrued and Unfunded Accrued Liabilities (\$ in Millions)						
Valuation Year	Aggregate Accrued Liabilities	Valuation Assets	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Annual Active Member Payroll
1999	51,549.5	49,403.7	95.8%	2,145.8	8,826.0	24.3%
2000	53,993.6	51,824.6	96.0%	2,169.0	9,322.5	23.3%
2001	60,134.7	58,024.3	96.5%	2,110.4	9,917.7	21.3%
2002	59,618.8	57,861.9	97.1%	1,756.9	10,126.6	17.4%
2003	63,211.7	62,685.3	99.2%	526.4	10,502.4	5.0%
2004	66,622.3	66,209.4	99.4%	412.9	10,897.6	3.8%
2005	68,987.5	68,615.1	99.5%	372.4	10,973.4	3.4%
2006	73,735.8	73,415.3	99.6%	320.5	11,308.2	2.8%
2007	80,079.7	79,791.9	99.6%	287.8	11,720.2	2.5%
2008	77,412.0	77,159.4	99.7%	252.6	12,289.6	2.1%

Solvency Test (\$ in Millions)									
Valuation Year	Valuation Assets	Accrued Liability				Percent Funded			
		Annuitants and Beneficiaries	Active Member Contrib.	Employer's Contrib.	Total	Annuitants and Beneficiaries	Active Member Contrib.	Employer's Contrib.	Total
1999	49,403.7	21,290.7	12,769.6	17,489.2	51,549.5	100.0%	100.0%	87.7%	95.8%
2000	51,824.6	22,918.0	12,869.7	18,205.9	53,993.6	100.0%	100.0%	88.1%	96.0%
2001	58,024.3	25,881.5	14,275.3	19,977.9	60,134.7	100.0%	100.0%	89.4%	96.5%
2002	57,861.9	26,041.7	14,022.9	19,554.2	59,618.8	100.0%	100.0%	91.0%	97.1%
2003	62,685.3	28,707.8	14,503.1	20,000.8	63,211.7	100.0%	100.0%	97.4%	99.2%
2004	66,209.4	30,829.9	15,050.3	20,742.1	66,622.3	100.0%	100.0%	98.0%	99.4%
2005	68,615.1	32,668.0	15,155.3	21,164.2	68,987.5	100.0%	100.0%	98.2%	99.5%
2006	73,415.3	35,774.7	15,902.4	22,058.7	73,735.8	100.0%	100.0%	98.5%	99.6%
2007	79,791.9	39,675.1	16,795.4	23,609.2	80,079.7	100.0%	100.0%	98.8%	99.6%
2008	77,159.4	38,372.6	16,045.3	22,994.1	77,412.0	100.0%	100.0%	98.9%	99.7%



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

NOTES TO CONTRIBUTION RATE SCHEDULE

1. The employee rate is set by Wis. Stat. §40.05 (1). Part or all of the required employee contributions may be paid by the employer on behalf of the employee.
2. The unfunded liability was recalculated in 1990 to reflect benefit improvements and is being amortized on a level percentage of salary basis over a period of 40 years beginning January 1, 1990, or on the effective date of the employer's participation, whichever is later. Prior service rates vary by employers. The percentage reported represents a weighted average.

General (Includes Teachers)

	Current Cost	Prior Cost	Employer	Employee	BAC	Total
1999	4.4%	1.4%	5.8%	5.0%	0.8%	11.6%
2000	4.1%	1.4%	5.5%	5.0%	0.5%	11.0%
2001	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2002	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2003	4.0%	1.2%	5.2%	5.0%	0.4%	10.6%
2004	4.2%	1.0%	5.2%	5.0%	0.6%	10.8%
2005	4.4%	0.3%	4.7%	5.0%	0.8%	10.5%
2006	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
2007	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2008	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%

Executive & Elected

	Current Cost	Prior Cost	Employer	Employee	BAC	Total
1999	9.8%	1.0%	10.8%	4.3%	0.0%	15.1%
2000	9.6%	1.0%	10.6%	4.1%	0.0%	14.7%
2001	9.4%	1.0%	10.4%	3.9%	0.0%	14.3%
2002	8.6%	1.0%	9.6%	3.1%	0.0%	12.7%
2003	8.1%	1.0%	9.1%	2.6%	0.0%	11.7%
2004	8.1%	0.8%	8.9%	2.6%	0.0%	11.5%
2005	8.3%	0.1%	8.4%	2.8%	0.0%	11.2%
2006	8.4%	0.1%	8.5%	2.9%	0.0%	11.4%
2007	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2008	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

Protective with Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
1999	8.0%	0.9%	3.9%	12.8%	4.9%	0.0%	17.7%
2000	7.2%	0.8%	3.9%	11.9%	4.1%	0.0%	16.0%
2001	6.9%	0.7%	3.9%	11.5%	3.8%	0.0%	15.3%
2002	7.1%	0.7%	3.8%	11.6%	4.0%	0.0%	15.6%
2003	7.1%	0.6%	3.9%	11.6%	4.0%	0.0%	15.6%
2004	7.6%	0.4%	3.8%	11.8%	4.5%	0.0%	16.3%
2005	8.0%	0.1%	3.8%	11.9%	4.9%	0.0%	16.8%
2006	8.1%	0.1%	3.8%	12.0%	5.0%	0.0%	17.0%
2007	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2008	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%

Protective without Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
1999	12.8%	1.5%	3.9%	18.2%	5.4%	0.0%	23.6%
2000	11.8%	1.5%	3.9%	17.2%	4.4%	0.0%	21.6%
2001	10.7%	1.5%	3.9%	16.1%	3.3%	0.0%	19.4%
2002	10.4%	1.5%	3.8%	15.7%	3.0%	0.0%	18.7%
2003	9.8%	1.5%	3.9%	15.2%	2.4%	0.0%	17.6%
2004	10.6%	1.2%	3.8%	15.6%	3.2%	0.0%	18.8%
2005	10.7%	0.6%	3.8%	15.1%	3.3%	0.0%	18.4%
2006	10.7%	0.4%	3.8%	14.9%	3.3%	0.0%	18.2%
2007	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2008	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%



ANALYSIS OF ACTUARIAL EXPERIENCE

Gains and Losses in Accrued Liabilities during 2008 Resulting from Differences
Between Assumed Experience & Actual Experience

(\$ in millions)

Type of Activity	General	Executive & Elected	Protective With Social Security	Protective Without Social Security	Total
Normal Retirement	\$ (4.3)	\$ 1.9	\$ 3.6	\$ 1.0	\$ 2.2
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pay, there is a loss.					
Early Retirement	(3.1)	0.3	0.6	0.2	(2.0)
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.					
Death with Benefit	(1.0)	(0.9)	(0.1)	0.0	(2.0)
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.					
Disability Retirement	20.3	0.1	2.2	0.8	23.4
If disability claims are less than assumed, there is a gain. If more claims, a loss.					
Other Separations	(27.5)	(0.6)	(6.7)	0.3	(34.5)
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.					
Salary Increases	66.3	(1.3)	4.6	1.6	71.2
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.					
Investment Return	(832.7)	(2.8)	(144.7)	(46.9)	(1,027.1)
If there is greater investment income than assumed, there is a gain. If less income, a loss.					
Other	(144.0)	(4.1)	(7.4)	(3.0)	(158.5)
Total Gain (Loss)	\$ (926.0)	\$ (7.4)	\$ (147.9)	\$ (46.0)	\$ (1,127.3)
% of accrued liability	(2.9)%	(2.5)%	(4.5)%	(5.9)%	(3.1)%



Wisconsin Retirement System Changes in Number of Annuities

Year	Annuity Type	Beginning	Additions	Deletions	Ending
2008	Retirement	135,026	8,165	6,689	136,502
	Disability	6,558	174	335	6,397
	Beneficiary	1,322	61	249	1,134
	Total	142,906	8,400	7,273	144,033
2007	Retirement	129,289	8,186	2,449	135,026
	Disability	6,505	157	104	6,558
	Beneficiary	1,323	47	48	1,322
	Total	137,117	8,390	2,601	142,906
2006	Retirement	123,945	7,859	2,515	129,289
	Disability	6,415	163	73	6,505
	Beneficiary	1,314	43	34	1,323
	Total	131,674	8,065	2,622	137,117
2005	Retirement	118,572	7,844	2,471	123,945
	Disability	6,346	150	81	6,415
	Beneficiary	1,293	58	37	1,314
	Total	126,211	8,052	2,589	131,674
2004	Retirement	114,038	7,142	2,608	118,572
	Disability	6,272	147	73	6,346
	Beneficiary	1,272	56	35	1,293
	Total	121,582	7,345	2,716	126,211
2003	Retirement	108,901	7,308	2,171	114,038
	Disability	6,158	177	63	6,272
	Beneficiary	1,230	68	26	1,272
	Total	116,289	7,553	2,260	121,582
2002	Retirement	104,910	6,915	2,924	108,901
	Disability	6,009	191	42	6,158
	Beneficiary	1,223	53	46	1,230
	Total	112,142	7,159	3,012	116,289
2001	Retirement	100,304	7,254	2,648	104,910
	Disability	5,898	302	191	6,009
	Beneficiary	1,223	53	53	1,223
	Total	107,425	7,609	2,892	112,142
2000	Retirement	95,747	7,358	2,801	100,304
	Disability	5,811	302	215	5,898
	Beneficiary	1,259	40	76	1,223
	Total	102,817	7,700	3,092	107,425
1999	Retirement	92,157	6,324	2,734	95,747
	Disability	5,673	343	205	5,811
	Beneficiary	1,282	46	69	1,259
	Total	99,112	6,713	3,008	102,817



INVESTMENTS

**State of Wisconsin
Department of
Employee Trust Funds**



STATE OF WISCONSIN INVESTMENT BOARD

The State of Wisconsin Investment Board (SWIB) is the state agency that invests the assets of the Wisconsin Retirement System (WRS) and other trust funds established by the State of Wisconsin. The WRS Trust Funds make up about 93% of the assets managed by SWIB. The effect of investment returns on WRS participants, determined by the Department of Employee Trust Funds, is based on the rate of return as of December 31, 2008.

SWIB publishes an annual report and a schedule of investments that includes all investment holdings as of the end of the fiscal year. To view these publications online, go to <http://www.swib.state.wi.us> or call (608) 266-3281 to request paper copies.

BOARD OF TRUSTEES

SWIB is directed by an independent Board of Trustees and staffed with professional money managers and support personnel. The SWIB Board of Trustees consists of nine members meeting specific membership requirements, as directed by Wis. Stat. §15.76. The Board of Trustees appoints the SWIB executive director. The executive director oversees the staff, develops and recommends agency and investment policies for board adoption, and ensures adherence to state and federal law and policies. Trustee responsibilities include establishing asset allocation, investment guidelines, and performance benchmarks.

Membership on the SWIB Board of Trustees as of December 31, 2008 is as follows:

1. Six public members appointed by the governor, four of whom must have at least 10 years investment experience and one of whom must have at least 10 years of financial experience and be employed by a local government active in the Local Government Investment Pool, a fund managed by SWIB.

James A. Senty (Public Member)
President, Midwest Bottle Gas Company, La Crosse

Tom Boldt (Public Member)
President, The Boldt Group, Inc. /CEO, The Boldt Co., Appleton

Chair: David Kruger (Public Member)
CEO/Owner, Fiore Companies, Madison

Vice Chair: David Geertsens (Local Government Member) Kenosha County Finance Director, Kenosha

William Levit, Jr. (Public Member)
Attorney, Godfrey & Kahn S.C., Milwaukee

Delores Sims (Public Member)
President & CEO, Legacy Bank Inc., Milwaukee

2. Two participants in the WRS, one must be a teacher member appointed by the Teachers Retirement Board; the other must be a nonteacher participant appointed by the Wisconsin Retirement Board.

Wayne McCaffery (WRS participant, Teachers Retirement Board appointee)
Teacher, Stevens Point Area Senior High School

David Stella (WRS participant, Wisconsin Retirement Board appointee)
Secretary, Department of Employee Trust Funds

3. The Secretary of the Wisconsin Department of Administration (DOA) or designee.

Michael Morgan
Secretary, DOA



EMPLOYER UNFUNDED LIABILITY BALANCES

**State of Wisconsin
Department of
Employee Trust Funds**



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
State Agencies			
Administration, Dept Of	\$66,163,025	\$7,846,520	0
Agric Trade Cons Prot, Dept Of	30,584,547	3,556,809	0
Arts Board	550,043	64,521	0
Bd For People With Develop Dis	255,477	29,635	0
Board Aging & Long Term Care	1,363,523	158,169	0
Brd Of Commsrs Of Public Lands	638,506	74,067	0
Commerce, Dept Of	20,404,069	2,374,126	0
Corrections, Dept. Of	512,491,399	74,706,080	0
Courts - State	68,759,401	8,289,061	0
Dept Of Children & Families	14,530,440	1,689,374	0
District Attorneys	31,894,454	3,762,784	0
Educational Communications Bd	3,311,212	388,008	0
Elections Board	164,744	19,110	0
Employee Trust Funds, Dept Of	10,942,770	1,273,010	0
Employment Relations Comm	2,042,510	239,422	0
Employment Relations, Office Of	2,951,438	346,025	0
Ethics Board	38,184	4,518	0
Executive Office	2,123,081	248,713	0
Financial Institutions, Dept	8,032,122	938,072	0
Government Accountability Bd	1,900,539	223,166	0
Health & Family Serv, Dept Of	288,703,538	35,375,501	0
Higher Educational Aids Board	465,269	54,634	0
Historical Society - State	8,653,072	1,011,360	0
Insurance Commission'S Office	8,078,103	939,225	0
Investment Board	14,190,283	1,674,671	0
Judicial Commission	129,808	15,814	0
Judicial Council	34,667	4,021	0
Justice, Dept Of	35,008,201	4,442,414	0
Legis Assembly - Chief Clerk	13,159,254	1,568,382	0
Legis Assembly-Sgt At Arms	422,772	49,583	0
Legislative Audit Bureau	4,349,775	505,703	0
Legislative Council Staff	2,337,313	272,235	0
Legislative Fiscal Bureau	2,080,105	242,526	0
Legislative Reference Bureau	3,412,976	396,997	0
Legislative Tech Serv Bureau	2,169,085	252,562	0
Legislature - Senate	8,940,804	1,052,443	0
Lieutenant Governor'S Office	250,129	30,365	0
Lower Wis. State Riverway Bd.	101,988	11,831	0
Military Affairs, Dept Of	18,237,070	2,416,276	0
Natural Resources, Dept Of	155,205,959	20,397,180	0
Public Defender'S Office	35,189,220	4,085,751	0
Public Instruction, Dept Of	35,097,695	4,079,433	0
Public Service Commission	10,203,405	1,193,176	0
Regulation & Licensing, Dept	6,178,741	721,803	0
Revenue, Dept Of	55,789,399	6,505,262	0
Revisor Of Statutes Bureau	76,330	9,008	0
Secretary Of State'S Office	327,599	38,986	0
State Fair Park Board	2,438,169	289,656	0
Tourism, Department Of	1,996,050	233,411	0
Transportation, Dept Of	190,263,469	25,026,321	0
Treasurer'S Office - State	723,005	85,216	0
Uw Hospital Board	102,237,940	11,859,601	0
Veterans Affairs, Dept Of	48,677,354	5,670,605	0
Wis Tech College Sys Board	4,725,632	552,692	0
Workforce Development, Dept Of	87,377,212	10,147,053	0
Total State Agencies	<u>1,926,372,878</u>	<u>247,442,885</u>	0
University Of Wisconsin System	<u>1,650,580,998</u>	<u>192,535,023</u>	0
Public Authorities			
Fox River Navigation Sys Auth	61,028	7,079	0
UW Hospital Authority	239,236,763	32,296,963	18,864,091
Wiscraft Inc - Ent For Blind	942,469	139,485	445,861
Health & Educ Facilities Auth	306,047	40,092	0
Hlth Ins Risk-Sharnng Plan Auth	277,294	32,166	0
Housing & Econ Develop Auth	10,588,101	1,228,220	0
Total Public Authorities	<u>251,411,702</u>	<u>33,744,006</u>	<u>19,309,952</u>
Total State of Wisconsin	<u>3,828,365,578</u>	<u>473,721,913</u>	<u>19,309,952</u>



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Cities			
Abbotsford, City Of	462,435	49,018	0
Adams, City Of	688,420	90,529	85,880
Algoma, City Of	3,425,086	430,478	1,105,199
Altoona, City Of	1,572,291	216,636	254,845
Amery, City Of	1,145,597	143,088	11,267
Antigo, City Of	3,930,964	604,033	0
Appleton, City Of	36,784,327	4,803,638	0
Ashland, City Of	5,123,601	730,027	0
Baraboo, City Of	4,776,432	588,122	0
Barron, City Of	1,401,801	163,350	0
Bayfield, City Of	567,733	70,688	0
Beaver Dam, City Of	5,839,165	837,927	1,902,474
Beloit, City Of	21,171,559	3,132,338	0
Berlin, City Of	1,974,274	261,125	450,355
Black River Falls, City Of	2,190,707	287,725	580,519
Blair, City Of	299,628	35,685	0
Boscobel, City Of	1,220,767	143,239	0
Brillion, City Of	819,754	105,042	0
Brodhead, City Of	1,319,472	181,748	296,915
Brookfield, City Of	19,952,986	2,984,702	0
Buffalo City, City Of	84,666	8,975	0
Burlington, City Of	3,946,787	491,136	0
Cedarburg, City Of	5,445,990	704,267	0
Chilton, City Of	1,108,802	131,943	0
Chippewa Falls, City Of	6,876,171	928,109	0
Clintonville, City Of	2,354,262	357,188	973,716
Columbus, City Of	2,320,410	274,939	0
Crandon, City Of	555,919	65,822	0
Cuba City, City Of	686,828	80,988	0
Cudahy, City Of	7,713,307	1,252,958	2,333,990
Cumberland, City Of	805,534	95,448	0
Darlington, City Of	834,743	99,249	0
De Pere, City Of	8,237,048	1,145,478	0
Delafield, City Of	2,925,614	407,626	71,081
Delavan, City Of	3,119,856	417,647	347,189
Durand, City Of	529,776	62,246	0
Eagle River, City Of	1,400,744	164,374	0
Eau Claire, City Of	29,280,446	4,593,693	0
Edgerton, City Of	1,616,934	198,921	0
Elkhorn, City Of	3,376,981	439,350	325,344
Elroy, City Of	666,909	81,362	0
Evansville, City Of	1,854,185	217,860	0
Fitchburg, City Of	7,447,299	955,337	0
Fond Du Lac, City Of	19,485,793	2,936,839	0
Fort Atkinson, City Of	4,325,001	584,316	1,162,838
Fox Lake, City Of	475,121	61,407	84,549
Galesville, City Of	402,678	49,957	0
Glendale, City Of	4,910,702	812,316	0
Green Bay, City Of	51,759,204	7,170,052	0
Green Lake, City Of	510,954	62,326	0
Greenfield, City Of	13,456,867	2,146,239	0
Hartford, City Of	6,823,618	804,613	0
Horicon, City Of	1,192,115	145,461	0
Hudson, City Of	4,258,897	512,312	0
Hurley, City Of	780,739	98,232	0
Janesville, City Of	27,984,805	4,186,330	0
Jefferson, City Of	3,394,322	397,223	0
Juneau, City Of	966,879	112,610	0
Kaukauna, City Of	9,365,020	1,122,110	0
Kenosha, City Of	49,180,514	7,502,071	0
Kewaunee, City Of	952,122	131,384	388,377
Kiel, City Of	1,568,533	186,608	0
La Crosse, City Of	29,384,144	4,175,040	0
Ladysmith, City Of	1,707,288	203,733	0
Lake Geneva, City Of	4,030,328	495,043	0
Lake Mills, City Of	2,815,228	382,754	363,884
Lancaster, City Of	1,166,431	156,465	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Lodi, City Of	1,157,822	133,842	0
Madison, City Of	159,373,185	21,896,641	0
Manawa, City Of	400,820	53,197	93,123
Manitowoc, City Of	23,750,845	3,036,902	0
Marinette, City Of	5,318,007	764,411	0
Markesan, City Of	344,440	42,814	44,456
Marshfield, City Of	9,511,045	1,408,093	0
Mayville, City Of	1,759,337	211,160	0
Medford, City Of	1,694,204	199,624	0
Menasha, City Of	8,313,328	1,242,988	0
Menomonie, City Of	6,798,409	1,067,744	0
Mequon, City Of	7,365,975	1,098,233	1,361,511
Merrill, City Of	5,643,571	825,389	0
Middleton, City Of	7,142,588	882,965	0
Milton, City Of	1,422,857	171,333	0
Mondovi, City Of	721,945	93,971	240,685
Monona, City Of	3,229,311	424,047	0
Monroe, City Of	4,679,108	628,451	0
Montello, City Of	343,755	42,841	45,610
Mosinee, City Of	1,063,701	143,249	161,522
Muskego, City Of	6,940,391	971,682	0
Neenah, City Of	12,515,252	1,831,060	0
Neillsville, City Of	865,029	104,166	0
Nekoosa, City Of	1,000,193	131,069	306,460
New Berlin, City Of	14,491,887	2,155,381	0
New Holstein, City Of	1,656,858	192,579	0
New London, City Of	3,789,318	450,998	0
New Richmond, City Of	3,926,933	492,266	274,089
Oak Creek, City Of	16,221,363	2,436,217	0
Oconomowoc, City Of	6,545,549	767,503	0
Oconto Falls, City Of	1,184,942	139,184	0
Oconto, City Of	1,926,453	246,872	0
Omro, City Of	1,019,885	122,203	0
Onalaska, City Of	4,200,580	547,891	0
Oshkosh, City Of	30,368,071	4,351,363	9,265,144
Owen, City Of	337,309	40,832	0
Park Falls, City Of	1,078,249	146,349	289,412
Phillips, City Of	888,202	121,105	91,479
Platteville, City Of	3,991,777	468,883	0
Plymouth, City Of	3,832,681	451,411	0
Port Washington, City Of	4,512,556	602,694	0
Portage, City Of	3,665,091	461,620	0
Prairie Du Chien, City Of	1,760,358	216,565	0
Princeton, City Of	490,490	68,060	227,259
Racine, City Of	50,805,330	7,678,647	0
Reedsburg, City Of	4,171,785	485,818	0
Rhineland, City Of	4,895,442	669,934	1,114,153
Rice Lake, City Of	4,897,988	698,224	0
Richland Center, City Of	2,112,425	248,504	0
Ripon, City Of	2,740,436	327,758	0
River Falls, City Of	4,123,093	497,302	0
Seymour, City Of	1,133,561	150,207	0
Shawano, City Of	2,758,975	342,775	0
Sheboygan Falls, City Of	2,236,789	276,101	0
Sheboygan, City Of	27,270,092	3,396,802	0
Shell Lake, City Of	429,234	51,282	0
South Milwaukee, City Of	8,779,530	1,321,471	0
Sparta, City Of	2,770,905	336,931	0
Spooner, City Of	1,160,443	136,030	0
St Francis, City Of	4,476,822	726,627	0
Stanley, City Of	564,529	68,036	0
Stevens Point, City Of	11,169,199	1,673,585	0
Stoughton, City Of	5,174,148	669,640	807,872
Sturgeon Bay, City Of	4,871,714	614,326	0
Superior, City Of	12,840,655	1,878,706	0
Thorp, City Of	458,724	53,796	0
Tomah, City Of	3,583,925	429,818	0
Tomahawk, City Of	1,218,889	146,352	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Two Rivers, City Of	7,283,804	1,184,512	3,415,607
Verona, City Of	3,016,907	368,414	0
Washburn, City Of	780,973	103,292	0
Watertown, City Of	9,342,369	1,178,911	0
Waukesha, City Of	32,483,052	4,664,472	0
Waupaca, City Of	2,720,375	365,651	289,886
Waupun, City Of	3,791,750	461,993	0
Wausau, City Of	16,394,947	2,240,274	0
Wautoma, City Of	708,900	87,878	0
Wauwatosa, City Of	28,114,092	4,220,964	0
West Allis, City Of	33,718,958	5,016,266	0
West Bend, City Of	14,341,371	2,122,002	0
Westby, City Of	693,207	80,271	0
Whitehall, City Of	715,404	83,104	0
Whitewater, City Of	4,573,682	621,579	0
Wisconsin Dells, City Of	2,745,389	326,660	0
Wisconsin Rapids, City Of	12,504,484	1,709,005	0
Total Cities	<u>1,164,571,479</u>	<u>163,069,260</u>	<u>28,766,691</u>

Fourth Class Cities

Alma, City Of	261,469	29,772	26,548
Arcadia, City Of	240,018	38,403	8,304
Augusta, City Of	469,186	57,349	0
Bloomer, City Of	362,411	55,087	0
Chetek, City Of	257,183	40,378	0
Colby, City Of	319,068	33,821	0
Cornell, City Of	512,164	59,826	0
Dodgeville, City Of	1,462,460	174,489	0
Fennimore, City Of	1,053,669	122,137	0
Fountain City, City Of	28,648	4,354	0
Franklin, City Of	7,058,507	1,404,643	0
Gillett, City Of	148,256	24,018	14,951
Glenwood, City Of	124,521	19,674	-570
Greenwood, City Of	398,969	46,831	0
Hayward, City Of	810,460	101,232	0
Hillsboro, City Of	506,264	57,842	0
Independence, City Of	300,322	36,839	18,209
Loyal, City Of	146,793	22,900	10,846
Marion, City Of	134,464	20,976	8,710
Mauston, City Of	1,284,341	157,342	39,049
Mellen, City Of	307,564	36,772	0
Mineral Point, City Of	643,833	80,401	8,995
Montreal, City Of	137,510	30,802	457,014
New Lisbon, City Of	760,448	88,843	4,007
Niagara, City Of	804,409	95,192	0
Osseo, City Of	560,891	68,989	1,658
Peshtigo, City Of	282,433	42,930	0
Pittsville, City Of	68,731	10,447	0
Prescott, City Of	1,240,845	151,172	0
Schofield, City Of	344,859	36,555	0
Shullsburg, City Of	377,068	44,686	0
St Croix Falls, City Of	836,842	102,266	0
Sun Prairie, City Of	2,824,723	443,481	0
Viroqua, City Of	1,520,675	258,244	1,497,757
Waterloo, City Of	1,343,278	163,787	0
Weyauwega, City Of	541,754	67,873	0
Total Fourth Class Cities	<u>28,475,038</u>	<u>4,230,354</u>	<u>2,095,481</u>

Villages

Adell, Village Of	110,268	11,688	0
Albany, Village Of	303,323	37,304	0
Allouez, Village Of	2,960,684	364,608	0
Amherst, Village Of	207,968	22,045	0
Argyle, Village Of	241,579	27,835	0
Arlington, Village Of	111,900	14,099	28,384
Ashwaubenon, Village Of	6,917,104	1,093,741	511,562
Athens, Village Of	197,306	24,448	33,789
Avoca, Village Of	112,211	13,073	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Baldwin, Village Of	1,025,731	131,241	49,097
Balsam Lake, Village Of	299,920	35,780	19,187
Bay City, Village Of	90,661	9,610	0
Bayside, Village Of	2,039,562	262,124	0
Belgium, Village Of	319,846	33,942	0
Belleville, Village Of	688,696	83,644	0
Bellevue, Village Of (Brown)	1,238,548	137,952	0
Belmont, Village Of	245,625	27,796	0
Benton, Village Of	189,281	20,064	0
Big Bend, Village Of	378,265	49,103	0
Birchwood, Village Of	238,183	30,280	0
Birnamwood, Village Of	70,663	7,490	0
Biron, Village Of	283,150	30,014	0
Black Earth, Village Of	273,781	29,021	0
Blanchardville, Village Of	167,130	17,716	0
Blue Mounds, Village Of	167,821	19,806	0
Blue River, Village Of	102,550	10,870	0
Boyceville, Village Of	318,380	43,064	47,025
Boyd, Village Of	200,163	23,101	0
Brandon, Village Of	191,040	20,250	0
Brooklyn, Village Of	221,784	23,509	0
Brown Deer, Village Of	4,425,598	570,777	0
Brownsville, Village Of	149,604	15,858	0
Browntown, Village Of	66,299	7,028	0
Bruce, Village Of	107,322	11,376	0
Butler, Village Of	901,428	121,885	0
Cadott, Village Of	499,268	59,195	0
Caledonia, Village Of (Racine)	8,155,596	1,319,786	0
Cambria, Village Of	212,539	24,585	0
Cambridge, Village Of	368,916	39,105	0
Cameron, Village Of	352,457	43,394	0
Camp Douglas, Village Of	164,872	19,420	0
Campbellsport, Village Of	421,384	48,906	0
Cascade, Village Of	106,693	11,309	0
Casco, Village Of	50,368	5,339	0
Cashton, Village Of	443,025	50,621	0
Cedar Grove, Village Of	301,798	38,630	0
Centuria, Village Of	319,223	43,573	99,639
Chaseburg, Village Of	52,622	5,578	0
Chenequa, Village Of	787,953	116,699	0
Clayton, Village Of	188,464	22,728	0
Clear Lake, Village Of	407,429	47,695	0
Cleveland, Village Of	362,422	42,534	0
Clinton, Village Of	645,699	81,190	0
Clyman, Village Of	92,677	10,009	2,460
Cobb, Village Of	93,800	10,881	27,401
Cochrane, Village Of	78,136	8,282	0
Coleman, Village Of	170,049	19,738	0
Colfax, Village Of	303,507	34,470	0
Coloma, Village Of	166,100	20,002	0
Combined Locks, Village Of	658,630	87,495	156,308
Coon Valley, Village Of	190,712	21,974	0
Cottage Grove, Village Of	1,224,410	156,955	0
Crivitz, Village Of	271,543	32,393	0
Cross Plains, Village Of	837,302	114,977	144,538
Dallas, Village Of	35,198	3,731	0
Dane, Village Of	156,353	17,615	0
Darien, Village Of	616,444	85,081	28,587
De Soto, Village Of	58,697	6,343	0
Deerfield, Village Of	392,863	41,644	0
Deforest, Village Of	2,213,732	318,240	0
Denmark, Village Of	433,830	49,823	0
Dickeyville, Village Of	202,347	24,172	0
Dousman, Village Of	377,769	46,331	0
Dresser, Village Of	249,317	28,537	0
Eagle, Village Of	442,701	55,956	0
East Troy, Village Of	1,216,546	148,781	0
Eastman, Village Of	53,536	5,675	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Edgar, Village Of	209,456	24,235	0
Egg Harbor, Village Of	352,840	37,420	0
Eleva, Village Of	146,619	17,245	0
Elk Mound, Village Of	230,957	26,599	0
Elkhart Lake, Village Of	456,764	56,040	0
Ellsworth, Village Of	780,272	97,404	0
Elm Grove, Village Of	2,738,857	402,671	0
Elmwood, Village Of	182,178	19,651	0
Ephraim, Village Of	385,180	40,829	0
Ettrick, Village Of	143,259	16,884	0
Fairwater, Village Of	52,941	5,612	0
Fall Creek, Village Of	318,606	39,220	0
Fall River, Village Of	251,483	31,116	0
Ferryville, Village Of	91,050	11,869	0
Fontana On Gna Lk, Village Of	1,275,259	168,170	195,458
Fox Point, Village Of	3,125,110	497,297	2,037,706
Frederic, Village Of	482,771	56,293	0
Fremont, Village Of	165,332	20,114	0
Friendship, Village Of	168,962	22,472	41,182
Gays Mills, Village Of	148,069	21,644	34,337
Genoa City, Village Of	629,750	81,118	21,206
Germantown, Village Of	6,665,595	830,289	0
Gilman, Village Of	169,989	20,081	0
Grafton, Village Of	4,167,448	512,132	0
Granton, Village Of	124,990	13,249	0
Grantsburg, Village Of	523,536	61,547	0
Greendale, Village Of	5,515,406	889,149	0
Gresham, Village Of	372,601	39,496	0
Hales Corners, Village Of	2,540,929	333,381	0
Hammond, Village Of	543,415	66,256	0
Hartland, Village Of	2,861,687	365,015	0
Haugen, Village Of	31,200	3,307	0
Hawkins, Village Of	70,873	9,284	17,965
Hazel Green, Village Of	310,856	36,571	0
Highland, Village Of	159,159	18,117	0
Hilbert, Village Of	212,789	22,556	0
Hixton, Village Of	61,215	7,101	9,809
Hobart, Village Of	718,170	86,724	0
Hollandale, Village Of	46,270	4,905	0
Holmen, Village Of	1,199,671	145,845	0
Hortonville, Village Of	721,112	86,773	0
Howard, Village Of	2,321,423	251,024	0
Howards Grove, Village Of	311,327	33,001	0
Hustisford, Village Of	527,245	63,597	84,380
Iola, Village Of	367,204	45,437	0
Iron Ridge, Village Of	176,375	20,963	0
Jackson, Village Of	1,984,418	251,518	0
Johnson Creek, Village Of	796,037	95,384	0
Junction City, Village Of	68,417	10,194	64,479
Kendall, Village Of	83,264	11,574	4,547
Kewaskum, Village Of	1,140,838	140,987	0
Kimberly, Village Of	1,656,075	175,544	0
Kohler, Village Of	1,063,576	133,273	0
Kronenwetter, Village Of	1,008,387	123,904	0
La Farge, Village Of	317,007	44,066	62,902
La Valle, Village Of	84,656	8,974	0
Lake Delton, Village Of	1,842,330	246,303	0
Lake Hallie, Village Of	520,862	70,992	0
Lake Nebagamom, Village Of	121,357	13,723	0
Lannon, Village Of	80,399	10,215	0
Lena, Village Of	169,537	19,776	0
Little Chute, Village Of	3,187,293	406,449	0
Loganville, Village Of	65,418	6,934	0
Lomira, Village Of	480,197	57,049	0
Luck, Village Of	455,023	55,970	39,945
Luxemburg, Village Of	249,135	30,416	0
Maple Bluff, Village Of	866,395	115,403	0
Marathon City, Village Of	403,695	47,340	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Marshall, Village Of	1,011,241	126,243	0
Mattoon, Village Of	56,150	5,952	0
Mazomanie, Village Of	251,354	26,643	0
Mcfarland, Village Of	2,462,150	312,784	0
Menomonee Falls, Village Of	12,904,236	1,792,114	0
Milltown, Village Of	330,252	39,082	0
Minong, Village Of	220,498	27,305	0
Mishicot, Village Of	275,404	35,107	47,206
Montfort, Village Of	98,352	10,425	0
Mount Horeb, Village Of	2,303,277	272,205	0
Mt Pleasant, Village Of (Racine	8,628,564	1,287,959	0
Mukwonago, Village Of	2,702,194	338,132	0
Muscoda, Village Of	507,312	59,598	0
Necedah, Village Of	276,423	31,394	0
Neshkoro, Village Of	89,388	16,269	103,944
New Glarus, Village Of	816,730	95,230	0
Newburg, Village Of	96,012	10,557	0
Nichols, Village Of	35,682	3,782	0
North Fond Du Lac, Village Of	2,009,721	275,989	50,696
North Freedom, Village Of	81,904	8,682	0
North Hudson, Village Of	535,274	68,145	0
Oconomowoc Lake, Village Of	507,951	73,213	0
Oostburg, Village Of	367,465	43,361	32,334
Oregon, Village Of	2,551,529	307,999	0
Orfordville, Village Of	358,502	42,658	0
Osceola, Village Of	845,912	104,047	0
Oxford, Village Of (Marquette)	114,644	12,655	0
Paddock Lake, Village Of	504,291	54,463	23,134
Pardeeville, Village Of	460,678	52,517	35,991
Pepin, Village Of	186,622	21,581	0
Pewaukee, Village Of	2,698,649	339,581	0
Plain, Village Of	212,347	24,359	0
Plainfield, Village Of	197,079	24,112	0
Pleasant Prairie, Village Of	9,673,597	1,184,931	0
Plover, Village Of	2,928,249	362,147	0
Port Edwards, Village Of	652,122	76,818	0
Pound, Village Of	36,741	5,989	65,039
Poynette, Village Of	629,364	82,857	31,428
Prairie Du Sac, Village Of	794,786	84,247	0
Prairie Farm, Village Of	1,151,030	122,009	0
Pulaski, Village Of	788,399	98,472	0
Randolph, Village Of	439,325	65,125	139,187
Random Lake, Village Of	355,460	37,679	0
Rib Lake, Village Of	198,957	22,123	0
Rio, Village Of	250,358	31,025	0
River Hills, Village Of	1,457,258	200,345	0
Roberts, Village Of	492,601	58,576	0
Rochester, Village Of	27,287	2,892	0
Rock Springs, Village Of	34,503	3,657	0
Rockland, Village Of	80,990	8,585	0
Rosendale Village Of	160,349	19,582	0
Rosholt, Village Of	52,268	5,540	0
Rothschild, Village Of	1,262,337	161,573	0
Sauk City, Village Of	718,018	76,110	0
Saukville, Village Of	1,749,080	218,353	0
Sharon, Village Of	535,747	66,857	0
Sherwood, Village Of	270,038	28,624	0
Shiocton, Village Of	219,728	25,282	0
Shorewood Hills, Village Of	1,094,276	135,189	0
Shorewood, Village Of	4,292,610	615,782	0
Silver Lake, Village Of	498,764	62,629	0
Siren, Village Of	364,919	43,634	0
Sister Bay, Village Of	392,457	41,600	0
Slinger, Village Of	1,449,392	176,943	0
Soldiers Grove, Village Of	140,630	22,641	130,745
Solon Springs, Village Of	93,075	9,866	0
Somerset, Village Of	875,328	116,782	44,444
South Wayne, Village Of	86,799	9,857	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Spencer, Village Of	381,781	45,854	0
Spring Green, Village Of	474,140	57,165	0
Spring Valley, Village Of	282,731	33,514	0
St Nazianz, Village Of	147,943	15,682	0
Stockbridge, Village Of	28,799	3,053	0
Stratford, Village Of	348,476	41,637	0
Strum, Village Of	283,048	38,056	37,123
Suamico, Village Of	1,267,362	135,592	0
Sullivan, Village Of	110,190	11,680	0
Suring, Village Of	183,772	22,162	33,851
Sussex, Village Of	2,028,906	223,395	0
Thiensville, Village Of	955,121	122,163	0
Trempealeau, Village Of	425,818	48,819	0
Turtle Lake, Village Of	495,437	62,277	0
Twin Lakes, Village Of	1,683,035	227,890	73,689
Union Center, Village Of	54,210	6,603	8,108
Union Grove, Village Of	976,587	103,518	0
Valders, Village Of	328,138	36,948	0
Walworth, Village Of	819,481	110,171	39,426
Warrens, Village Of	176,983	18,760	0
Waunakee, Village Of	2,933,737	353,389	0
Wausaukee, Village Of	108,688	11,521	0
Wauzeka, Village Of	66,762	7,077	0
West Baraboo, Village Of	186,463	19,765	0
West Milwaukee, Village Of	2,275,442	344,666	3,836,355
Westfield, Village Of	312,922	40,458	28,320
Weston, Village (Marathon)	2,271,595	261,107	0
White Lake, Village Of	95,086	10,079	0
Whitefish Bay, Village Of	3,673,941	466,652	0
Whitelaw, Village Of	72,855	7,723	0
Whiting, Village Of	214,108	24,408	21,543
Wild Rose, Village Of	225,036	27,293	0
Williams Bay, Village Of	866,028	116,560	100,767
Wilson, Village Of	36,331	3,996	3,517
Wind Point, Village Of	221,612	24,442	0
Winneconne, Village Of	776,998	99,324	83,166
Withee, Village Of	135,279	14,340	0
Wonewoc, Village Of	240,483	30,260	0
Woodville, Village Of	408,449	49,540	0
Wrightstown, Village Of	496,083	53,958	0
Wyocena, Village Of	151,840	16,095	0
Total Villages	215,807,137	28,063,281	8,731,910
Special Districts			
Algoma City Housing Auth	48,849	5,178	0
Algoma Sanitary Dist	275,853	29,240	0
Allenton Sanitary Dist	109,630	11,621	0
Altoona City Housing Authority	46,125	5,812	6,303
Antigo City Housing Auth	347,242	36,808	0
Appleton City Housing Auth	562,173	59,590	0
Ashland City Housing Auth	190,863	21,758	20,664
Ashland County Housing Auth	345,449	49,745	71,161
Baraboo District Ambulance	1,063,249	156,958	0
Barron Co Housing Authority	87,925	9,320	0
Bay Area Rural Transit Commiss	179,135	18,988	0
Bayfield County Housing Auth	107,400	11,384	0
Bay-Lake Regional Plan Comm	600,765	69,088	70,237
Big Bend Vernon Fire Bd	126,967	18,786	0
Big Cedar Lake Prot/Rehab Dist	38,876	4,631	0
Brockway Sanitary District #1	79,438	8,420	0
Brookfield, Town San Dist #4	246,863	26,168	0
Bruce Village Housing Auth	57,049	6,047	0
Burlington City Housing Auth	32,989	3,497	0
Capital Area Reg Plan Comm	383,496	40,651	0
Chilton City Housing Auth	54,374	5,764	0
Chippewa Co Housing Auth	276,004	29,256	0
Chippewa Fire District	527,867	79,947	0
City-County Data Center Comm	1,354,271	143,553	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Clintonville City Hous Auth	89,608	10,215	12,612
Colby/Abbotsford Jt Police Com	342,357	50,596	0
Community Care Of Cent Wiscon	778,719	82,544	0
Consol Koshkonong Sanitary Dis	246,135	26,090	0
Country Estates San Dist	27,505	2,916	0
Cumberland Municipal Utility	620,566	65,780	0
Dane County Dist #1 Ems	44,472	6,760	0
Dane County Housing Authority	571,204	67,402	262,353
Dane-Iowa Wastewater Comm	142,897	15,147	0
Deer-Grove Ems Dist	214,415	31,679	0
Deforest Area Fire Board Dist	222,305	33,790	0
Delafield-Hartl Water Pol Cntl	408,953	43,349	0
Delavan Lake Sanitary District	521,406	55,269	0
Dells-Delton Ems Comm	664,821	70,471	0
Delton Fire & Ambulance Comm	53,350	7,626	0
Dodge County Housing Authority	116,006	12,297	0
Dousman Fire District	122,463	18,038	0
Eagle River Union Airport	108,846	11,538	0
East Central Wis Reg Plan Comm	960,621	109,511	123,122
Eastern Columbia Cty Jm Court	46,073	5,008	0
Eastern Shores Lib Sys	430,992	45,685	0
Eau Claire City Housing Auth	503,438	53,364	0
Eau Claire City-Co Health Dpt	2,466,473	283,644	0
Edgerton City Housing Auth	117,548	12,460	0
Edgerton Fire Prot Dist	18,579	1,969	0
Ellsworth Area Ambulance Serv	110,298	16,765	0
Everest Metro Police Comm	1,572,226	234,459	0
Fish Creek Sanitary Dist #1	164,059	17,390	0
Fitch-Rona Ems District	887,786	133,109	0
Fond Du Lac City Housing Auth	591,892	62,741	0
Fontana/Walworth Wtr Pol Cn Cm	282,808	29,978	0
Fox Lake Wastewater Contr Comm	97,436	10,328	0
Freedom Sanitary District #1	126,272	13,385	0
Gb/Brown Co Pro Ftbl Stad Dis	78,470	8,318	0
Goodman Sanitary District No 1	26,467	2,805	0
Grand Chute-Menasha Ws Sew Com	463,811	49,164	0
Green Bay Metro Sewerage Dist	6,903,882	731,812	0
Green Lake Sanitary District	151,878	16,099	0
Hallie Sanitary Dist #1	19,651	2,083	0
Harmony Grove-Okee Jt Sew Comm	118,488	12,560	0
Heart Of The Valley Met Sew Ds	586,633	62,183	0
Holmen Area Fire Dept	198,458	30,166	0
Hudson City Housing Authority	71,868	7,618	0
Hum Srv Ctr Onida Vilas Forst	2,292,008	242,953	0
Hurley Housing Authority	49,831	5,531	2,182
Indianhead Fed Library System	653,500	69,271	0
Jefferson City Housing Auth	108,458	12,364	13,168
Kaukauna City Housing Auth	128,262	13,596	0
Kegonsa Sanitary District	77,020	8,164	0
Kelly Lake Sanitary Dist #1	18,657	1,978	0
Kenosha City-Co Jt Serv Board	3,360,889	356,254	0
La Crosse City Housing Auth	872,532	92,488	0
Ladysmith Housing Auth	73,674	7,809	0
Lake Como Sanitary Dist #1	187,994	20,867	18,988
Lake Mills City Housing Auth	88,005	9,329	0
Lake Ripley Mgt District	53,235	5,803	4,867
Lakeland Sanitary District #1	282,453	29,940	0
Lakeshores Library System	306,906	32,532	0
League Of Wisc Municipalities	603,776	64,000	0
Lincoln County Housing Auth	87,830	9,310	0
Lodi Community Ambulance Serv	100,221	10,623	0
Lyons Sanitary District #2	94,359	10,002	0
Madeline Sanitary District	64,649	6,853	0
Madison Metro Sewerage Dist	5,402,282	572,642	0
Manawa Rural Fire Dept	40,000	6,080	0
Manitowoc City Housing Auth	113,537	12,943	17,308
Marinette City Housing Auth	145,411	17,449	63,081
Marshall Area Ems Dist #14	76,538	11,259	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Marshfield Cda	374,274	39,673	0
Marshfield Electric & Water	2,285,121	242,223	0
Menasha Electric & Water	4,267,652	452,371	0
Menomonie City Housing Auth	197,506	24,491	481
Mequon - Thiensville Library	486,576	57,416	11,557
Mercer Sanitary District #1	107,095	11,352	0
Merrill City Housing Authority	234,533	24,861	0
Middleton Fire District	271,742	35,870	2,526
Mid-Moraine Municipal Court	289,181	31,176	0
Mid-Wis Federated Lib Sys	252,839	26,801	0
Milw Area Dom Animal Cont Comm	1,109,293	117,585	0
Milwaukee Co Fed Lib Sys	466,663	49,466	0
Mississippi River Reg Plan Com	225,934	25,756	0
Mosinee Fire Dist	126,173	19,178	0
Mt Horeb Area Fire Dept	110,111	11,672	0
Muni Court W Waukesha County	157,634	17,033	0
New Glarus Ems	39,324	5,977	0
New London City Housing Auth	121,458	13,968	5,630
New Richmond Ems	180,087	19,089	0
Nicolet Federated Library Sys	331,937	35,185	0
North Central Health Care Fac	28,389,654	3,009,303	0
North Central Wis Reg Plan Com	355,094	37,640	0
North Shore Fire Dept	7,756,367	1,593,937	0
North Shore Pub Saf Comm	627,010	66,463	0
North Shore Water Commission	389,598	41,297	0
Northern Bridges	88,408	9,371	0
Northern Moraine Utility Comm	107,596	11,405	0
Northern Waters Library Serv	375,022	39,752	0
Northwest Regional Plan Comm	1,175,355	133,991	59,694
Norway Sanitary District #1	229,549	24,332	0
Oconto City Housing Authority	101,446	10,753	0
Onalaska Comm Dev Auth	132,169	14,010	0
Oregon Area Fire - Ems Dist	335,161	50,944	0
Orfordville Vol Fire Prot Dist	34,024	5,172	0
Oshkosh City Housing Authority	1,159,095	122,864	0
Outagamie County Housing Auth	895,156	94,887	0
Outagamie Waupc Co Fed Libr Sy	524,076	60,269	32,854
Palmyra Fire District	29,987	4,558	0
Pell Lake Sanitary Dist #1	276,202	29,277	0
Phelps Sanitary District #1	50,064	5,307	0
Pleasant Springs San Dis #1	80,114	8,492	0
Plymouth City Housing Auth	82,213	8,715	0
Prairie Du Sac Jt Sewer Comm	49,028	5,197	0
Racine County Housing Auth	455,717	48,306	0
Reedsville Vil Housing Auth	23,336	2,474	0
Rhineland City Housing Auth	116,484	13,279	22,731
Rib Mountain Metro Sew Dist	312,421	33,117	0
Rice Lake City Housing Auth	243,604	33,617	103,618
Richland Center City Hous Auth	71,749	7,605	0
Richland Fire Department	25,864	3,478	0
Ripon Area Fire District	60,007	9,121	0
River Falls City Housing Auth	262,667	29,944	22,263
River Falls Municipal Utility	2,102,448	222,860	0
Rochester Public Library	71,967	7,628	0
Sauk City Housing Authority	15,210	1,612	0
Sauk County Housing Authority	191,553	20,305	0
Sauk Prairie Ambulance Assoc	99,601	15,139	0
Sauk Prairie Police Commission	715,162	109,270	0
Sauk Prairie Recreation Comm	36,511	3,870	0
Sawyer County Housing Auth	120,271	12,749	0
Se Wis Reg Planning Comm	3,456,771	366,418	0
Shawano City Housing Authority	218,886	24,953	41,895
Shawano County Housing Auth	190,873	20,233	0
Shawano Lake Sanitary Dist #1	595,250	63,097	0
Shawano Municipal Utilities	1,300,923	137,898	0
Sheboygan City Housing Auth	230,512	26,278	34,158
Sheboygan Sanitary District #2	9,291	985	0
Sheboygan Sanitary District #3	29,562	3,134	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Silver Lake San. Dist.	233,160	24,715	0
Slinger Village Housing Auth	56,055	5,942	0
South Central Library System	2,319,312	245,847	0
South Milwaukee Cda	180,604	20,589	1,797
Southwest Wis Library System	282,637	29,960	0
Southwestern Wis Reg Plan Comm	350,809	37,186	0
Spooner City Housing Auth	71,182	7,759	0
Spooner Fire District	52,809	8,027	0
St Joseph Sanitary District #1	24,258	2,571	0
Stevens Point City Hous Auth	467,844	49,591	0
Superior City Housing Auth	1,020,753	108,200	0
Taylor County Housing Auth	45,808	4,856	0
Three Lakes Sanitary Dist #1	39,521	4,189	0
Trempealeau County Hous Auth	302,623	34,499	29,044
Unified Community Services	1,637,325	173,557	0
Valley Ridge Clean Water Comm	38,136	4,042	0
Vanguard Electric Util Comm	246,192	26,096	0
Verona Joint Fire Dist	160,893	26,065	140
Viroqua City Housing Authority	175,002	18,550	0
Wabeno Sanitary District #1	55,690	5,903	0
Wales/Genesee Joint Fire Bd	104,368	15,864	0
Walter E Olson Memorial Lib	89,621	9,500	0
Walworth County Metro Sew Dist	973,175	110,942	106,920
Washburn City Housing Auth	119,355	12,652	0
Watertown City Housing Auth	92,334	10,526	10,897
Waukesha City Housing Auth	655,167	69,448	0
Waunakee Area Ems	39,942	4,234	0
Waunakee Area Fire Dist	41,262	4,374	0
Waunakee Water & Light	934,585	99,066	0
Wausaukee Village Hous Auth	104,208	16,361	5,149
Waverly Sanitary District	249,515	26,449	0
West Bend City Housing Auth	202,964	21,514	0
West Central Wi Bisolids Comm	136,151	14,432	0
West Central Wis Reg Plan Comm	542,506	57,506	0
Western Racine Co Sewerage Dis	83,382	8,838	0
Western Wisconsin Cares	1,364,405	144,627	0
Winding Rivers Library Sys	374,475	39,694	0
Windsor Sanitary District #1	86,863	9,207	0
Winnefox Library System	705,767	74,811	0
Wis Alliance Of Cities	176,693	18,729	0
Wis Dells-Lake Delton Sew Comm	161,483	17,117	0
Wisconsin Counties Association	1,298,499	137,641	0
Wisconsin Munic Mutal Ins Co	530,881	56,273	0
Wisconsin Rapids City Hs Auth	422,052	48,114	28,043
Wisconsin Towns Association	364,230	41,522	-2,947
Wisconsin Valley Library Srv	408,800	47,421	17,389
Total Special Districts	128,574,466	14,867,817	1,219,886
Towns			
Addison, Town Of (Washington)	92,976	9,855	0
Alban, Town Of (Portage)	58,669	6,219	0
Albion, Town Of (Dane)	122,915	13,029	0
Albion, Town Of (Jackson)	24,024	2,547	0
Algoma, Town Of	92,173	9,770	0
Anson, Town Of (Chippewa)	87,909	10,901	39,303
Arbor Vitae, Town Of (Vilas)	154,965	18,906	27,001
Ashippun, Town Of (Dodge Co)	104,081	11,205	0
Ashland, Town Of (Ashland)	56,907	6,032	0
Athelstane, Town Of (Marinette)	70,022	7,422	0
Aztalan, Town Of (Jefferson)	63,552	8,518	83,935
Balsam Lake, Town Of (Polk)	45,684	4,843	0
Baraboo, Town Of (Sauk)	39,884	4,228	0
Barksdale, Town Of (Bayfield)	58,006	6,149	0
Barron, Town Of (Barron)	43,087	4,567	0
Bear Creek, Town Of (Sauk)	58,235	6,288	0
Beloit, Town Of (Rock)	2,071,359	355,989	0
Bennett, Town Of (Douglas)	72,274	7,661	0
Bergen, Town Of (Vernon)	65,282	6,920	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Berry, Town Of (Dane)	78,314	8,301	0
Bloomfield, Town Of (Walworth)	590,751	79,537	0
Blooming Grove, Town Of (Dane)	292,995	38,343	0
Blue Mounds, Town Of (Dane)	55,346	6,002	0
Boulder Junction, Town Of (Vilas)	210,330	29,369	36,851
Brigham, Town Of (Iowa)	108,335	11,484	0
Bristol, Town Of (Kenosha)	694,386	93,494	280,502
Brockway, Town Of (Jackson)	178,602	23,507	0
Brookfield, Town Of (Waukesha)	2,157,182	294,810	0
Brooklyn, Town Of (Green)	43,825	4,645	0
Brothertown, Town Of (Calumet)	59,614	10,790	81,156
Buchanan, Town Of (Outagamie)	158,221	16,771	0
Burke, Town Of (Dane)	223,671	23,709	0
Burlington, Town Of (Racine)	743,141	98,576	0
Campbell, Town Of (La Crosse)	525,304	70,632	57,765
Carey, Town Of (Iron)	36,354	3,853	0
Cassian, Town Of (Oneida)	61,166	6,484	0
Cedarburg, Town Of (Ozaukee)	557,199	59,063	0
Chetek, Town Of (Barron)	40,661	4,310	0
Clear Lake, Town Of (Polk)	38,335	4,984	22,605
Clifton, Town Of (Monroe)	38,511	4,082	0
Clinton, Town Of (Barron)	46,798	4,961	0
Clover, Town Of (Bayfield)	68,395	7,322	0
Colby, Town Of (Clark)	35,559	3,769	0
Coming, Town Of (Lincoln)	25,701	2,724	0
Crescent, Town Of (Oneida)	71,064	7,533	0
Cross Plains, Town Of (Dane)	42,923	4,550	0
Dairyland, Town Of (Douglas)	67,050	7,107	0
Darien, Town Of (Walworth)	73,332	8,587	4,764
Delavan, Town Of (Walworth)	1,216,880	169,488	0
Delta, Town Of (Bayfield)	65,129	7,039	0
Delton, Town Of (Sauk)	151,500	16,274	0
Dover, Town Of (Racine)	191,853	20,336	0
Draper, Town Of (Sawyer)	60,938	6,459	0
Drummond, Town Of (Bayfield)	163,934	17,377	0
Dunkirk, Town Of (Dane)	87,357	9,260	0
Dunn, Town Of (Dane)	380,509	40,742	0
Eagle Point, Town Of (Chippewa)	106,468	11,484	0
East Troy, Town Of (Walworth)	634,660	84,718	0
Easton, Town Of (Marathon)	86,393	9,158	0
Eau Galle, Town Of (Dunn)	45,252	5,928	42,004
Elk Mound, Town Of	32,027	3,395	0
Erin, Town Of (Washington)	147,527	15,723	0
Exeter, Town Of (Green County)	69,548	7,372	0
Farmington, Town Of (Lacrosse)	64,480	6,835	0
Farmington, Town Of (Waupaca)	40,065	4,607	0
Flambeau, Town Of (Rusk)	23,038	3,080	15,649
Florence, Town Of (Florence)	681,537	72,540	0
Franklin, Town Of (Manitowoc)	62,125	6,744	0
Freedom, Town Of (Outagamie)	277,965	33,753	0
Freedom, Town Of (Sauk)	34,659	3,674	0
Fulton, Town Of (Rock)	40,185	4,260	0
Geneva, Town Of (Walworth)	734,086	103,996	2,283
Georgetown, Town Of (Polk)	37,648	6,701	107,657
Germantown, Town Of	70,206	7,442	0
Gibraltar, Town Of (Door)	149,784	15,877	0
Gilman, Town Of (Pierce)	48,303	5,120	0
Goodman, Town Of (Marinette)	66,748	7,075	0
Grand Chute, Town Of (Outagamie)	4,604,912	630,072	0
Grand Rapids, Town Of (Wood)	591,424	75,187	0
Grant, Town Of (Portage)	40,721	4,316	0
Gratiot, Town Of (Lafayette)	71,883	7,620	0
Green Lake, Town Of (Grn Lake)	44,698	4,738	0
Greenfield, Town Of (Lacrosse)	74,390	7,885	0
Greenville, Town Of (Outagamie)	900,984	97,920	0
Greenwood, Town Of (Vernon)	51,698	5,480	0
Hamburg, Town Of (Vernon)	50,908	5,396	0
Hayward, Town Of (Sawyer)	98,254	10,415	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Hazelhurst, Town Of (Oneida)	96,760	10,370	0
Hull, Town Of (Portage)	212,010	22,764	0
Iron River, Town Of (Bayfield)	335,594	41,151	0
Ixonia, Town Of (Jefferson)	241,322	25,580	0
Jackson, Town Of (Washington)	199,009	21,095	0
Jefferson, Town Of (Jefferson)	25,927	2,748	0
Kimball, Town Of (Iron)	81,727	10,706	49,080
Komensky, Town Of (Jackson)	42,955	4,553	0
La Pointe, Town Of (Ashland)	628,162	73,283	0
La Valle, Town Of (Sauk)	136,775	16,880	-552
Lac Du Flambeau, Town (Vilas)	258,538	31,394	127,554
Lafayette, Town Of (Chippewa)	180,566	19,398	0
Lafayette, Town Of (Walworth)	85,375	9,320	0
Lake Holcombe, Town (Chippewa)	47,224	5,006	0
Lake, Town Of (Marinette)	46,480	5,062	0
Laketown, Town Of (Polk)	43,035	4,562	0
Land O Lakes, Town Of (Vilas)	275,240	31,520	10,529
Laona, Town Of (Forest)	168,060	19,686	0
Lebanon, Town Of (Dodge)	92,315	9,785	0
Ledgeview, Town Of (Brown)	358,501	38,001	0
Lincoln, Town Of (Vilas)	34,000	3,910	0
Linn, Town Of (Walworth)	559,472	84,567	0
Lisbon, Town Of (Waukesha)	867,089	100,701	0
Lodi, Town Of (Columbia)	35,832	3,798	0
Lyons, Town Of (Walworth)	127,732	13,712	0
Madison, Town Of (Dane)	2,437,938	417,513	0
Maple, Town Of (Douglas)	52,970	6,250	458
Marengo, Town Of (Ashland)	36,083	3,825	0
Marion, Town Of (Waushara)	71,338	10,013	0
Martell, Town Of (Pierce)	44,940	4,764	0
Mazomanie, Town Of (Dane)	60,571	6,578	0
Medford, Town Of (Taylor)	48,122	5,101	0
Menasha, Town Of (Winnebago)	4,590,643	582,415	0
Mercer, Town Of (Iron)	273,751	29,315	0
Merton, Town Of (Waukesha)	572,947	60,732	0
Middleton, Town Of (Dane)	346,157	36,693	0
Milltown, Town Of (Polk)	82,206	11,920	51,257
Minocqua, Town Of (Oneida)	1,427,513	194,154	300,724
Minong, Town Of (Washburn)	131,568	13,946	0
Mishicot, Town Of (Manitowoc)	56,068	5,943	0
Montrose, Town Of (Dane)	46,385	4,917	0
Mukwonago, Town Of	670,193	90,467	0
New Glarus, Town Of (Green)	77,326	8,197	0
New Haven, Town Of (Dunn)	62,846	7,164	4,209
Newbold, Town Of (Oneida)	208,158	22,355	0
Norway, Town Of (Racine)	454,591	52,741	0
Oakdale, Town Of (Monroe)	45,681	4,842	0
Oakland, Town Of (Jefferson)	149,840	15,883	0
Oconomowoc, Town Of (Waukesha)	1,324,081	177,250	0
Oma, Town Of (Iron)	67,158	7,119	0
Onalaska, Town Of (La Crosse)	244,626	25,930	0
Oregon, Town Of (Dane)	152,927	16,210	0
Orienta, Town Of (Bayfield)	30,347	3,217	0
Ottawa, Town Of (Waukesha)	57,522	6,097	0
Parkland, Town Of (Douglas)	82,444	8,821	1,398
Pelican, Town Of (Oneida)	77,535	8,219	0
Phelps, Town Of (Vilas)	147,768	15,663	0
Pine Lake, Town Of (Oneida)	126,902	13,452	0
Pleasant Springs, Town (Dane)	145,223	15,394	0
Pleasant Valley, Town (Eauclr)	74,590	9,100	6,411
Plover, Town Of (Portage)	87,636	9,384	0
Port Wing, Town Of (Bayfield)	79,903	8,470	0
Prairie Lake, Town Of (Barron)	41,655	4,415	0
Presque Isle, Town Of (Vilas)	214,612	23,032	0
Preston, Town Of (Adams)	68,608	7,390	0
Primrose, Town Of (Dane)	48,305	5,120	0
Quincy, Town Of (Adams)	103,513	11,237	0
Raymond, Town Of (Racine)	228,820	24,255	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Rib Mountain, Town (Marathon)	696,362	79,917	0
Richfield, Village Of (Washing)	549,030	58,197	0
Richmond, Town Of (Walworth)	62,706	7,268	8,269
Ripon, Town Of (Fond Du Lac)	94,611	12,093	0
River Falls, Town Of (Pierce)	97,011	10,463	0
Rochester, Town Of	77,290	8,888	1,965
Rome, Town Of (Adams)	1,094,252	138,002	0
Rutland, Town Of (Dane)	101,716	11,003	0
Sanborn, Town Of (Ashland)	86,538	9,344	0
Scott, Town Of (Sheboygan)	69,195	7,335	0
Sharon, Town Of (Walworth)	43,817	4,645	0
Sheboygan, Town Of (Sheboygan)	320,350	33,957	0
Shelby, Town Of (La Crosse)	525,028	60,654	0
Somers, Town Of (Kenosha)	1,273,112	162,419	0
Somerset, Town Of (St Croix)	146,038	15,480	0
South Lancaster, Town (Grant)	36,009	3,817	0
Sparta, Town Of (Monroe)	45,787	4,932	0
Spirit, Town Of (Price)	36,583	4,244	2,482
Spring Lake, Town Of (Pierce)	36,221	3,839	0
Springdale, Town Of (Dane)	56,529	6,087	0
Springfield, Town Of (Dane)	130,553	13,839	0
Springfield, Town Of (Jackson)	31,710	4,059	35,756
St Germain, Town Of (Vilas)	320,451	34,237	0
Stanton, Town Of (Dunn)	55,220	5,980	0
Stettin, Town Of (Marathon)	137,834	15,191	0
Stockton, Town Of (Portage)	134,232	14,469	0
Strongs Prairie, Town Of (Adms)	56,969	6,039	0
Sullivan, Town Of (Jefferson)	82,208	8,714	0
Summit, Town Of (Douglas)	69,541	7,371	0
Summit, Town Of (Juneau)	53,556	5,677	0
Summit, Town Of (Waukesha)	847,797	124,788	95,090
Sumner, Town Of (Barron)	31,277	3,315	0
Superior, Town Of (Douglas)	48,324	6,524	89,447
Tainter, Town Of (Dunn)	101,727	10,783	0
Theresa, Town Of (Dodge)	64,133	6,915	0
Three Lakes, Town Of (Oneida)	520,086	63,030	0
Tiffany, Town Of (Dunn)	36,069	3,823	0
Trade Lake, Town Of (Burnett)	55,905	5,926	0
Trempealeau, Town (Trempealeau)	96,284	10,206	0
Trenton, Town Of (Washington)	238,214	26,050	0
Troy, Town Of (Walworth)	91,572	10,657	7,119
Turtle Lake, Town Of (Barron)	40,123	4,253	0
Vermont, Town Of (Dane)	70,548	7,611	0
Vernon, Town Of (Waukesha)	504,114	53,868	0
Verona, Town Of (Dane)	198,294	21,019	0
Vienna, Town Of (Dane)	131,615	14,340	0
Viroqua, Town Of (Vernon)	101,535	11,067	2,419
Wabeno, Town Of (Forest)	106,328	13,646	22,850
Walworth, Town Of (Walworth)	55,458	6,322	9,416
Warren, Town Of (Waushara)	30,300	3,212	0
Wascott, Town Of (Douglas)	168,464	18,156	0
Washington, Town Of (Door)	434,692	49,837	0
Washington, Town Of (Lacrosse)	44,264	4,692	0
Washington, Town Of (Vilas)	131,398	14,041	0
Washington, Town Of (Eau Claire)	283,548	30,399	0
Waterford, Town Of (Racine)	719,202	104,824	14,905
Waukesha, Town Of (Waukesha)	388,229	50,756	0
Wayne, Town Of (Lafayette)	39,618	4,200	0
Wescott, Town Of (Shawano)	209,441	22,201	0
West Bend, Town Of (Washington)	164,578	17,445	0
West Sweden, Town Of (Polk)	41,941	4,446	0
Westfield, Town Of (Sauk Co)	8,828	936	0
Weston, Town Of (Marathon)	10,800	1,242	0
Westport, Town Of (Dane)	431,916	45,783	0
Wheaton, Town Of (Chippewa)	102,009	10,942	0
Wilson, Town Of (Sheboygan)	118,238	12,968	0
Wilton, Town Of (Monroe)	37,589	3,984	0
Windsor, Town Of (Dane)	546,094	69,354	27,810



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Winter, Town Of (Sawyer)	155,540	16,730	0
Wiotia, Town Of (Lafayette)	60,737	6,438	0
Woodruff, Town Of (Oneida)	487,817	73,039	81,525
Yorkville, Town Of (Racine)	78,290	8,299	0
Total Towns	58,090,855	7,337,125	1,751,595
Counties			
Adams County	9,653,235	1,087,276	0
Ashland County	6,076,283	715,664	0
Barron County	12,706,284	1,463,506	0
Bayfield County	7,022,111	885,723	0
Brown County	67,521,381	8,183,146	0
Buffalo County	4,728,402	547,263	0
Burnett County	6,393,520	717,001	0
Calumet County	11,197,456	1,251,545	0
Chippewa County	17,128,124	2,006,344	0
Clark County	19,173,042	2,159,209	0
Columbia County	21,097,024	2,349,589	0
Crawford County	5,852,166	782,513	1,260,245
Dane County	119,607,299	15,542,147	0
Dodge County	36,919,822	4,073,323	0
Door County	15,549,668	1,875,972	0
Douglas County	12,971,280	1,899,872	6,283,541
Dunn County	20,515,627	2,435,015	0
Eau Claire County	22,640,571	2,659,652	0
Florence County	2,811,683	357,938	0
Fond Du Lac County	40,996,674	4,679,730	0
Forest County	3,986,867	462,919	0
Grant County	14,317,601	1,577,234	0
Green County	14,449,018	1,651,993	0
Green Lake County	8,097,386	953,108	0
Iowa County	9,003,831	1,032,549	0
Iron County	3,490,227	418,105	0
Jackson County	7,523,456	842,776	0
Jefferson County	29,972,652	3,666,224	0
Juneau County	9,516,924	1,130,015	0
Kenosha County	51,029,890	6,028,159	0
Kewaunee County	7,866,064	921,676	0
La Crosse County	47,863,687	5,257,999	0
Lafayette County	11,622,970	1,300,700	0
Langlade County	7,700,835	862,875	0
Lincoln County	15,531,489	1,735,090	0
Manitowoc County	22,592,635	2,576,180	0
Marathon County	36,318,259	4,180,642	0
Marinette County	15,108,935	1,675,977	0
Marquette County	6,706,536	803,346	0
Menominee County	2,995,045	339,017	0
Monroe County	14,838,288	1,664,874	0
Oconto County	11,964,463	1,345,454	0
Oneida County	12,458,685	1,424,648	0
Outagamie County	49,248,833	5,689,046	0
Ozaukee County	26,985,471	3,094,940	0
Pepin County	4,093,441	471,423	0
Pierce County	12,660,834	1,500,698	0
Polk County	19,400,646	2,210,735	0
Portage County	26,756,005	3,085,899	0
Price County	6,512,225	749,599	0
Racine County	41,116,041	5,258,953	0
Richland County	11,640,597	1,441,948	2,539,278
Rock County	52,210,041	6,280,085	0
Rusk County	14,076,905	1,566,519	0
Sauk County	25,921,210	3,017,812	0
Sawyer County	8,206,488	941,035	0
Shawano County	17,649,545	2,084,413	0
Sheboygan County	39,699,379	4,437,432	0
St Croix County	26,391,725	3,004,648	0
Taylor County	7,350,347	862,366	0
Trempealeau County	17,371,867	1,900,991	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Vernon County	10,429,892	1,175,123	0
Vilas County	8,093,831	1,013,834	0
Walworth County	39,877,798	4,674,006	0
Washburn County	7,325,947	845,513	0
Washington County	34,764,790	3,971,864	0
Waukesha County	76,424,326	8,727,063	0
Waupaca County	20,546,175	2,277,236	0
Waushara County	11,486,848	1,369,489	0
Winnebago County	47,250,799	5,639,634	0
Wood County	28,306,571	3,244,276	0
Total Counties	1,517,315,969	178,060,573	10,083,063
School Districts			
Abbotsford School District	2,915,576	309,051	0
Adams-Friendship Area Sch Dist	11,237,246	1,191,148	0
Albany School District	2,515,154	266,606	0
Algoma School District	3,378,696	358,142	0
Alma Center-Humbrd-Meril Sch D	3,201,370	377,762	480,861
Alma School District	1,870,983	198,324	0
Almond-Bancroft School Dist	2,237,416	237,166	0
Altoona School District	7,836,542	830,673	0
Amery School District	9,923,670	1,051,909	0
Antigo Unified School District	14,598,771	1,547,470	0
Appleton Area School District	79,559,444	8,433,301	0
Arbor Vitae-Woodruff Jsd #1	2,915,056	308,996	0
Arcadia School District	5,481,255	581,013	0
Argyle School District	1,648,100	174,699	0
Arrowhead Union High Sch Dist	13,469,767	1,427,795	0
Ashland School District	12,067,861	1,279,193	0
Ashwaubenon School District	15,977,890	1,693,656	0
Athens School District	2,374,349	251,681	0
Auburndale School District	3,646,411	386,520	0
Augusta School District	3,632,942	385,092	0
Baldwin-Woodville Area Sch Dis	8,024,070	850,551	0
Bangor School District	3,156,055	359,790	188,382
Baraboo School District	16,287,134	1,726,436	0
Barneveld School District	2,096,222	253,643	10,707
Barron Area School District	7,615,552	807,249	0
Bayfield School District	3,611,783	382,849	0
Beaver Dam Unified School Dist	19,694,689	2,087,637	0
Beecher Dunbar Pembine Sch Dis	1,653,808	175,304	0
Belleville School District	5,173,128	605,256	556,870
Belmont Community School Dist	1,786,743	189,395	0
Beloit School District	42,313,624	5,035,321	6,650,436
Beloit Turner School District	7,037,002	830,366	1,622,165
Benton School District	1,237,144	145,983	532,659
Berlin Area School District	8,505,377	1,020,645	105,368
Big Foot Uhs Sch Dist	2,660,268	281,988	0
Birchwood School District	1,703,868	180,610	0
Black Hawk School District	2,859,188	303,074	0
Black River Falls Sch Dist	10,109,318	1,071,588	0
Blair-Taylor School District	3,292,588	349,014	0
Bloomer School District	5,090,862	539,631	0
Bonduel School District	4,579,803	485,459	0
Boscobel School District	4,978,797	577,540	1,071,172
Bowler School District	2,481,600	263,050	0
Boyceville Community Sch Dist	3,953,165	466,474	591,407
Brighton Sch Dist #1	759,367	80,493	0
Brillion Public School Dist	4,364,008	462,585	0
Bristol, Town, Sch Dist #1	2,739,420	290,379	0
Brodhead School District	5,913,467	709,616	1,158,687
Brown Deer School District	9,877,636	1,047,029	0
Bruce School District	3,193,733	338,536	0
Burlington Area School Dist	19,933,398	2,112,940	0
Butternut School District	1,051,653	111,475	0
Cadott Comm School District	4,014,155	425,500	0
Cambria-Friesland School Dist	2,498,276	294,797	396,328
Cambridge School District	5,034,184	599,068	606,679



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Cameron School District	4,382,537	464,549	0
Campbellsport School District	7,733,944	819,798	0
Cashton School District	2,927,608	310,327	0
Cassville School District	1,471,074	155,934	0
Cedar Grove-Belgium Sch Dist	5,195,778	550,752	0
Cedarburg School District	15,797,196	1,674,503	0
Chetek School District	5,000,340	530,036	0
Chilton School District	5,388,161	571,145	0
Chippewa Falls Area Unif Sch	23,978,671	2,877,440	1,476,010
Clayton School District	2,388,323	253,162	0
Clear Lake School District	3,361,312	356,299	0
Clinton Community School Dist	6,287,226	666,446	0
Clintonville Public Sch Dist	8,663,573	1,039,629	1,738,837
Cochrane-Fountain City Sch Dis	3,216,534	382,768	0
Colby School District	3,768,316	448,430	0
Coleman School District	3,016,215	319,719	0
Colfax School District	4,366,162	515,207	568,745
Columbus School District	6,192,974	743,157	1,564,656
Cornell School District	2,360,808	250,246	0
Crandon School District	5,789,504	613,687	0
Crivitz School District	3,432,772	363,874	0
Cuba City School District	3,848,683	407,960	0
Cudahy School District	17,057,245	1,808,068	0
Cumberland School District	5,824,230	617,368	0
D C Everest Area School Dist	32,977,972	3,495,665	0
Darlington Comm School Dist	4,379,068	525,488	1,125,009
Deerfield Comm School District	4,329,155	458,890	0
Deforest Area School District	18,652,148	1,977,128	0
Delavan-Darien School District	12,141,062	1,469,068	3,919,163
Denmark School District	7,604,780	889,759	88,592
Depere Unified School District	19,362,509	2,052,426	0
Desoto Area School District	2,955,353	313,267	0
Dodgeand School District	4,693,060	497,464	0
Dodgeville School District	6,013,690	715,629	938,673
Drummond School District	2,465,876	261,383	0
Durand School District	5,653,742	599,297	0
East Troy Community Sch Dist	9,071,552	1,088,586	1,177,603
Eau Claire Area School Dist	60,368,912	6,399,105	0
Edgar School District	2,795,729	296,347	0
Edgerton School District	9,944,949	1,183,449	2,769,661
Elcho School District	2,310,515	244,915	0
Eleva-Strum School District	3,251,374	344,646	0
Elk Mound Area School District	4,655,554	493,489	0
Elkhart Lake-Glenbeulah Sch Ds	2,871,109	304,338	0
Elkhorn Area School District	14,886,129	1,786,336	943,436
Ellsworth Comm Sch Dist	8,922,180	945,751	0
Elmbrook School District	49,280,938	5,223,779	0
Elmwood School District	2,169,341	229,950	0
Erin Sch Dist #2	1,544,118	163,677	0
Evansville Comm Sch Dist	10,398,057	1,102,194	0
Fall Creek School District	4,072,118	431,644	0
Fall River School District	2,036,884	215,910	0
Fennimore Community Sch Dist	4,528,152	479,984	0
Flambeau School District	3,426,929	363,254	0
Florence County Sch Dist	2,811,777	298,048	0
Fond Du Lac School District	39,975,445	4,237,397	0
Fontana Jt Sch Dist #8 Etal	1,565,109	194,074	492,436
Fort Atkinson School District	14,900,435	1,773,152	3,229,937
Fox Point Jt Sch Dist # 2 Etal	5,841,144	695,096	0
Franklin Public School Dist	25,582,740	3,069,929	1,388,873
Frederic School District	2,780,158	294,697	0
Freedom Area School District	6,027,820	638,949	0
Friess Lake School District	1,529,739	180,509	46,827
Galesville School District Etal	8,022,188	962,663	1,815,821
Geneva Jt Sch Dist #4 Etal	778,239	90,276	157,870
Genoa City Jt Sch Dist #2 Etal	2,860,517	346,123	104,721
Germantown School District	20,011,005	2,381,310	4,469,897
Gibraltar Area School District	4,593,948	486,958	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Gillett School District	2,958,107	313,559	0
Gilman School District	2,086,167	221,134	0
Gilmanton School District	863,537	103,624	278,454
Glendale-River Hills Sch Dist	5,494,761	653,877	0
Glenwood City School District	3,886,208	454,686	642,939
Glidden School District	1,359,412	157,692	323,347
Goodman-Armstrong School Dist	1,032,197	109,413	0
Grafton School District	11,731,685	1,396,071	4,239,115
Granton Area School District	1,411,161	149,583	0
Grantsburg School District	4,308,632	456,715	0
Green Bay Area Public Schools	122,628,482	12,998,619	0
Green Lake School District	2,184,778	231,587	0
Greendale School District	15,279,149	1,619,590	0
Greenfield School District	17,579,110	1,863,386	0
Greenwood School District	2,235,655	236,979	0
Gresham School Dist	1,197,746	126,961	0
Hamilton School District	23,362,977	2,476,476	0
Hartford Jt Sch Dist #1 Etal	9,422,372	998,771	0
Hartford Union High Sch Dist	10,120,367	1,072,759	0
Hartland Jt Sch Dist #3 Etal	7,145,471	757,420	0
Hayward Community School Dist	10,321,582	1,094,088	0
Herman Sch Dist #22	349,613	40,555	140,028
Highland School District	1,136,384	136,366	475,855
Hilbert School District	2,469,519	261,769	0
Hillsboro School District	2,866,302	303,828	0
Holmen School District	22,176,119	2,483,725	802,317
Horicon School District	5,126,114	543,368	0
Hortonville Are School Dist	16,305,001	1,728,330	0
Howards Grove School District	5,332,108	565,203	0
Howard-Suamico School District	24,469,023	2,593,716	0
Hudson School District	26,710,079	2,831,268	0
Hurley School District	3,347,509	354,836	0
Hustisford School District	2,189,032	232,037	0
Independence School District	1,833,136	214,477	0
Iola-Scandinavia School Dist	3,903,436	413,764	0
Iowa-Grant School District	4,292,088	454,961	0
Ithaca School District	2,049,816	237,779	54,183
Janesville School District	61,329,174	7,298,172	16,921,127
Jefferson School District	10,274,055	1,089,050	0
Johnson Creek School District	3,442,906	402,820	323,042
Juda School District	1,161,734	123,144	0
Kansasville Dover Dist #1	440,820	50,694	52,874
Kaukauna Area School District	21,108,818	2,237,535	0
Kenosha Unified Sch Dist #1	134,111,280	14,215,796	0
Kettle Moraine School District	22,878,482	2,425,119	0
Kewaskum School District	10,256,759	1,220,554	1,982,924
Kewaunee School District	5,523,072	585,446	0
Kickapoo Area School District	2,579,894	299,268	332,849
Kiel Area School District	7,612,917	928,776	2,133,095
Kimberly Area School District	19,666,312	2,084,629	0
Kohler School District	3,588,209	380,350	0
La Crosse School District	48,165,232	5,731,663	8,410,666
Lac Du Flambeau Sch Dist #1	4,409,577	467,415	0
Ladysmith-Hawkins Sch Dist	5,638,383	597,669	0
Lafarge School District	1,799,191	190,714	0
Lake Country Sch Dist	2,829,995	336,769	-8,781
Lake Geneva Jt Sch Dis #1 Etal	9,427,403	1,131,288	768,591
Lake Geneva School District	8,278,175	993,381	1,492,524
Lake Holcombe School District	2,186,615	231,781	0
Lake Mills Area School Dist	6,851,107	815,282	1,680,921
Lakeland Union High Sch Dist	5,561,906	589,562	0
Lancaster Comm Sch Dist	4,561,286	483,496	0
Laona School District	1,282,620	151,349	0
Lena Public School District	2,159,042	228,858	0
Linn Jt Sch Dist #4 Etal	900,315	107,138	133,202
Linn Jt Sch Dist #6 Etal	814,180	86,303	0
Little Chute Area School Dist	8,190,787	868,223	0
Lodi School District	8,436,409	894,259	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Lomira School District	6,155,312	720,172	258,146
Loyal School District	3,034,388	321,645	0
Luck School District	3,204,580	378,140	429,179
Luxemburg-Casco School Dist	7,682,402	814,335	0
Madison Metro School District	178,034,197	21,364,104	31,977,417
Manawa School District	4,706,654	498,905	0
Manitowoc Public School Dist	31,211,178	3,308,385	0
Maple Dale-Indian Hill Sch Dis	2,612,394	313,487	1,022,776
Maple School District	7,575,234	802,975	0
Marathon City School District	2,619,917	277,711	0
Marinette School District	9,276,559	983,315	0
Marion School District	2,069,957	246,325	1,209,717
Markesan School District	3,923,272	415,867	0
Marshall Jt Sch Dist #2 Etal	6,431,217	681,709	0
Marshfield Unified School Dist	21,657,464	2,295,691	0
Mauston School District	8,074,715	855,920	0
Mayville School District	6,804,769	721,306	0
Mcfarland School District	12,292,209	1,302,974	0
Medford Area Public Schl Dist	10,761,867	1,280,662	1,550,345
Mellen School District	1,322,835	140,221	0
Melrose-Mindoro School Dist	3,892,621	451,544	88,797
Menasha Joint School District	21,367,119	2,264,915	0
Menominee Indian School Dist	6,807,479	803,283	0
Menominee Falls School Distrct	27,472,452	2,912,080	0
Menomonie Area School District	18,467,829	1,957,590	0
Mequon-Thiensville School Dist	23,098,863	2,448,480	0
Mercer School District	1,018,576	120,192	0
Merrill Area Common Pub Sch	16,086,503	1,705,169	0
Merton Community School Dist	5,000,494	530,052	0
Middleton-Cross Plns Sch Dist	37,557,901	3,981,137	0
Milton School District	15,752,922	1,669,810	0
Milwaukee Teachers Retirem Sys	413,417,545	43,822,260	0
Mineral Point Unif Sch Dist	3,367,361	356,940	0
Minocqua Jt Sch Dist #1 M-H-Lt	3,260,149	345,576	0
Mishicot School District	5,345,545	566,628	0
Mondovi School District	5,348,271	631,096	622,474
Monona Grove School District	17,917,658	1,899,272	0
Monroe School District	15,537,179	1,646,941	0
Montello School District	3,903,438	413,764	0
Monticello School District	2,106,650	223,305	0
Mosinee School District	11,936,904	1,265,312	0
Mount Horeb Area School Dist	12,030,017	1,275,182	0
Mukwonago School District	24,698,299	2,618,020	0
Muskego-Norway School District	27,733,826	2,939,786	0
Necedah Area School District	4,160,101	440,971	0
Neenah Joint School District	35,050,652	3,715,369	0
Neillsville School District	5,508,229	583,872	0
Nekoosa School District	7,032,126	745,405	0
Neosho Jt Sch Dist #3 Etal	952,216	113,314	213,678
New Auburn School District	1,638,442	173,675	0
New Berlin School District	23,801,637	2,832,395	12,009,439
New Glarus School District	4,411,288	467,597	0
New Holstein School District	5,431,361	657,195	2,355,843
New Lisbon School District	3,380,941	358,380	0
New London School District	12,186,866	1,450,237	2,736,946
New Richmond School District	13,285,400	1,408,252	0
Niagara School District	2,744,134	290,878	0
Nicolet High School District	10,154,450	1,076,372	0
Norris School District	945,350	114,387	81,549
North Cape Consolidated S D	933,930	98,997	0
North Crawford School District	2,697,034	285,886	0
North Fond Du Lac Sch Dist	5,806,383	696,766	337,811
North Lake School District	1,329,843	159,581	103,913
North Lakeland School District	1,422,024	150,735	644,546
Northern Ozaukee School Dist	5,908,467	709,016	1,203,339
Northland Pines School Dist	8,653,139	917,233	0
Northwood School District	2,594,148	274,980	0
Norwalk-Ontario School Dist	3,673,830	389,426	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Norway-Raymond Jt#7 Sd	484,029	57,599	76,896
Oak Creek-Franklin Jt Sch Dist	31,045,623	3,290,836	0
Oakfield School District	3,072,739	325,710	0
Oconomowoc Area School Dist	20,412,817	2,163,759	0
Oconto Falls Public Sch Dist	10,119,091	1,072,624	0
Oconto Unified School District	6,692,040	709,356	0
Omro School District	6,300,234	667,825	0
Onalaska School District	15,187,309	1,609,855	0
Oostburg School District	4,860,062	515,167	0
Oregon School District	22,148,094	2,347,698	0
Osceola School District	9,012,792	1,081,535	651,792
Oshkosh Area School District	55,433,124	5,875,911	0
Osseo-Fairchild School Dist	4,810,556	509,919	0
Owen-Withee School District	3,201,301	339,338	0
Palmyra-Eagle Area School Dist	5,894,294	624,795	0
Pardeeville Area School Dist	4,693,756	553,863	682,018
Paris Jt Sch Dist #1 Etal	1,019,374	122,325	219,820
Park Falls School District	3,525,588	419,545	1,650,877
Parkview School District	5,926,668	699,347	1,611,453
Pecatonica Area School Dist	2,552,951	316,566	1,027,848
Pepin Area School District	1,712,635	181,539	0
Peshigo School District	5,820,937	617,019	0
Pewaukee School District	12,907,694	1,368,216	0
Phelps School District	1,160,227	122,984	0
Phillips School District	4,819,092	568,653	1,230,017
Pittsville School District	3,251,682	386,950	196,612
Platteville School District	8,489,562	899,894	0
Plum City School District	1,635,546	173,368	0
Plymouth Joint School District	13,753,876	1,457,911	0
Port Edwards School Distict	2,667,103	282,713	0
Port Washington-Saukville Sch	15,574,765	1,650,925	0
Portage Community School Dist	14,762,139	1,564,787	0
Potosi School District	2,256,716	239,212	0
Poynette School District	5,733,927	682,337	946,189
Prairie Du Chien Area Sch Dist	6,020,362	638,158	0
Prairie Farm Public Sch Dist	1,867,314	197,935	0
Prentice School District	2,744,293	290,895	0
Prescott School District	6,822,167	723,150	0
Princeton School District	2,298,209	261,996	340,229
Pulaski Community School Dist	21,102,757	2,236,892	0
Racine Unified School District	120,159,067	12,736,861	0
Randall Jt Sch Dist #1 Etal	3,493,895	419,267	116,606
Randolph School District	3,137,242	332,548	0
Random Lake School District	5,294,189	630,008	0
Raymond Sch Dist #14	2,211,205	234,388	0
Reedsburg School District	14,901,465	1,579,555	0
Reedsville School District	3,722,080	394,541	0
Rhineland School District	14,651,648	1,553,075	0
Rib Lake School District	2,228,186	236,188	0
Rice Lake Area School District	13,403,371	1,420,757	0
Richfield Jsd #1	1,399,248	165,111	327,694
Richland School District	7,550,150	898,468	2,158,688
Richmond School District	1,811,304	191,998	0
Rio Community School District	2,731,892	289,581	0
Ripon Area School District	9,787,554	1,037,481	0
River Falls School District	16,574,199	1,756,865	0
River Ridge School District	3,012,013	319,273	0
River Valley School District	8,209,963	960,566	1,607,981
Riverdale School District	3,464,459	412,271	949,128
Rosendale-Brandon School Dist	5,313,848	563,268	0
Rosholt School District	3,035,033	321,714	0
Royall School District	2,924,200	309,965	0
Rubicon Jt Sch Dist #6 Etal	633,201	67,119	0
Salem School District	5,618,412	668,591	737,592
Sauk Prairie School District	15,224,938	1,811,768	1,721,128
Seneca School District	1,378,041	146,072	0
Sevastopol School District	3,508,465	371,897	0
Seymour Community School Dist	12,640,972	1,491,635	1,198,631



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Sharon Jt Sch Dist # 11 Etal	1,238,629	147,397	322,053
Shawano School Dist	13,733,843	1,455,787	0
Sheboygan Area School District	70,661,230	7,490,090	0
Sheboygan Falls School Dist	9,235,775	978,992	0
Shell Lake School District	3,251,279	344,636	0
Shiocton School District	3,954,359	419,162	0
Shorewood School District	12,372,170	1,311,450	0
Shullsburg School District	1,863,136	221,713	409,610
Silver Lake Jt Sch Dis #1 Etal	2,421,989	290,639	119,806
Siren School District	2,828,939	336,644	653,259
Slinger School District	14,423,471	1,716,393	863,673
Solon Springs School District	2,041,047	240,843	264,899
Somerset School District	7,919,499	926,581	0
South Milwaukee School Dist	19,846,143	2,103,691	0
South Shore School District	1,239,561	131,394	0
Southern Door County Sch Dist	6,872,917	728,529	0
Southwestern Wisc Comm Sch Dis	2,355,701	249,704	0
Sparta Area School District	13,893,860	1,472,749	0
Spencer School District	3,069,693	325,387	0
Spooner Area School District	7,595,704	805,145	0
Spring Valley School District	3,890,572	451,306	732,010
St Croix Central Sch Dist	6,268,749	714,637	647,608
St Croix Falls School District	6,282,562	747,625	916,498
St Francis School District #6	7,012,443	743,319	0
Stanley-Boyd Area School Dist	4,634,910	491,301	0
Stevens Point Area Pub Sch Dis	43,823,183	4,645,257	0
Stockbridge Sch Dist	1,238,508	131,282	0
Stone Bank School District	1,742,764	184,733	0
Stoughton Area School District	18,746,060	1,987,082	0
Stratford School District	3,705,684	392,803	0
Sturgeon Bay School District	7,639,311	809,767	0
Sun Prairie Area Sch Dis	36,647,864	3,884,674	0
Superior School District	27,150,666	3,230,929	0
Suring Public School District	2,521,875	267,319	0
Swallow School District	2,170,900	230,115	0
Thorp School District	3,074,427	325,889	0
Three Lakes School District	3,937,057	417,328	0
Tigerton School District	1,528,037	161,972	0
Tomah Area School District	16,866,596	1,787,859	0
Tomahawk School District	6,325,648	670,519	0
Tomorrow River School District	4,741,064	502,553	0
Trevor-Wilmot Cons Gr S.D.	3,042,291	322,483	0
Tri-County Area Sch Dist-Plnfd	4,063,258	430,705	0
Turtle Lake School District	2,953,060	313,024	0
Twin Lakes Sch Dist #4	2,229,497	236,327	0
Two Rivers Public School Dist	10,877,997	1,153,068	0
Union Grove Jt Sch Dis #1 Etal	3,470,709	367,895	0
Union Grove Union High Sch Dis	3,952,106	418,923	0
Unity School District	6,198,822	657,075	0
Valders Area School District	6,000,473	696,055	327,269
Verona Area School District	30,599,512	3,243,548	0
Viroqua Area School District	6,187,379	655,862	0
Wabeno Area School District	2,677,007	283,763	0
Walworth Jt Sch Dist # 1 Etal	2,255,929	270,711	333,364
Washburn School District	3,173,291	336,369	0
Washington School District	739,463	86,517	88,541
Washington-Caldwell Sch Dist	1,097,173	130,564	31,421
Waterford Union High Sch Dist	5,842,441	701,093	867,272
Waterford VII Jt Sch Dist #1	6,991,176	741,065	0
Waterloo School District	4,461,760	522,026	558,604
Watertown Unifed School Dist	21,002,465	2,499,293	4,236,719
Waukesha School District	74,350,287	7,881,130	0
Waunakee Community School Dist	19,545,693	2,306,392	855,149
Waupaca School District	14,539,515	1,541,189	0
Waupun Area School District	11,765,327	1,247,125	0
Wausau School District	54,909,287	5,820,384	0
Wausaukee School District	2,848,886	301,982	0
Wautoma Area School District	8,449,448	895,641	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Wauwatosa School District	39,492,915	4,186,249	0
Wauzeka Jt Sch Dist Etal	1,807,378	191,582	0
Webster School District	4,014,481	485,752	716,588
West Allis-West Milw Sch Dist	44,527,574	4,719,923	0
West Bend Jt Sch Dist #1	37,936,603	4,021,280	0
West Depere School District	13,043,402	1,552,165	2,163,543
West Salem School District	8,451,009	895,807	0
Westby Area School District	6,017,511	637,856	0
Westfield School District	5,798,291	689,997	162,905
Weston School District	1,869,669	216,882	339,041
Westosha Central High Sch Dist	6,203,253	719,577	531,949
Weyauwega-Fremont School Dist	5,259,332	557,489	0
Weyerhaeuser Area School Dist	1,215,614	145,874	398,134
Wheatland Jt Sch Dist #1 Etal	2,281,586	276,072	247,868
White Lake School District	1,119,304	118,646	0
Whitefish Bay School District	16,499,978	1,748,998	0
Whitehall School District	3,934,816	417,090	0
Whitewater Unified School Dist	10,211,907	1,082,462	0
Whitnall School District	13,227,215	1,402,085	0
Wild Rose School District	3,379,884	358,268	0
Williams Bay School District	3,112,085	329,881	0
Wilmot Union High School Dist	7,152,311	758,145	0
Winneconne Comm School Dist	8,367,531	886,958	0
Winter School District	2,314,054	245,290	15
Wisconsin Dells School Dist	8,976,898	951,551	0
Wisconsin Heights School Dist	5,136,570	544,476	0
Wisconsin Rapids School Dist	35,335,661	3,745,580	0
Wittenberg-Biramwood Sch Dist	7,054,575	747,785	0
Wonewoc & Union Center Sch Dis	1,837,034	227,792	473,149
Wrightstown Community Sch Dist	5,973,072	692,876	441,709
Yorkville Jt Sch Dist #2 Etal	1,746,333	185,111	0
Total School Districts	4,737,275,804	515,957,387	175,167,530
Technical Colleges			
Blackhawk Technical College	14,425,561	1,529,110	0
Chippewa Valley Tech College	26,557,606	2,815,106	0
Fox Valley Technical College	50,032,007	5,303,393	0
Gateway Tech College	41,343,102	4,382,369	0
Lakeshore Technical College	16,066,461	1,703,045	0
Madison Area Tech College	73,264,510	7,766,038	0
Mid-State Technical College	15,029,273	1,593,103	0
Milwaukee Area Tech College	115,695,771	12,263,752	0
Moraine Park Technical College	22,274,734	2,361,122	0
Nicolet Area Technical College	12,374,867	1,311,736	0
North Central Tech College	22,681,285	2,404,216	0
Northeast Wisc Tech College	41,759,984	4,426,558	0
Southwest Wisc Tech College	11,655,461	1,235,479	0
Waukesha Co Technical College	36,647,117	3,884,594	0
Western Tech College	25,849,503	2,740,047	0
Wisconsin Indianhead Tech Coll	22,992,903	2,437,248	0
Total Technical Colleges	548,650,146	58,156,915	0
CESAs			
CESA #1	5,522,673	657,198	598,392
CESA #2	6,867,130	865,258	1,462,878
CESA #3, Fennimore	1,524,012	182,881	509,033
CESA #4, Lacrosse	1,768,320	208,662	192,457
CESA #5, Portage	7,156,991	851,682	775,895
CESA #6, Oshkosh	6,748,973	803,128	1,930,374
CESA #7, Green Bay	8,353,957	885,519	0
CESA #8, Gillett	5,345,688	641,483	-729
CESA #9, Tomahawk	2,013,562	213,438	0
CESA #10, Chippewa Falls	7,081,956	750,687	0
CESA #11	8,061,568	854,526	0
CESA #12, Ashland	2,260,820	264,516	3,977
Total CESAs	62,705,650	7,178,979	5,472,277
Total WRS	\$12,289,832,122	\$1,450,643,605	\$252,598,387

