



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: March 15, 2006
TO: Employee Trust Funds Board
FROM: Audrey Koehn, Policy Advisor
Division of Retirement Services
SUBJECT: 2005 Annual Retirement Annuity Statistics

Please find attached the 2005 Annual Wisconsin Retirement System (WRS) Annuity Statistics, which reflect a portion of the retirement benefit activities completed by the Department of Employee Trust Funds. The annuity statistics consist of the 2005 WRS Retirement Annuity Data tables and the WRS Retirement Benefit Annuity Statistical Report graphs.

The 2005 WRS Retirement Annuity Data tables contain the total number of retirement estimates requested and completed, and new retirement annuities started in 2005 categorized by option type and calculation factor. The tables further show retirement annuities finalized by fund type, employer type and annuitant gender. Finally, the tables show annuity terminations by type, gross payments and beneficiary data.

The Annuity Statistical Report graphs compare the volume of retirement annuity activity for each month from January 2003 through December 2005. The following trends in retirement annuity activity are evident from these graphs:

- Retirement estimate requests peak during the months of February, March and April.
- The peak months for completing retirement estimates are March, December and July.
- June and July are the peak months for starting retirement annuities based on estimates.
- The months of September, October and November consistently see the most retirement annuities finalized.

2005 WRS Retirement Annuity Highlights

- Although there were only 49 more retirement estimates requested in 2005 (16,878) than in 2004 (16,829); there were 2300 fewer retirement estimates completed in 2005 (16,367) than in 2004 (18,667). This 12.3 percent decrease is attributed to the loss of two highly experienced staff to retirement and four other fully-trained staff to turnover in the Member Services Bureau. Because new staff require significant training, it is difficult to quickly replace departing employees. Further, Member Services Bureau staff had to be diverted to cover Call Center Bureau staff vacancies to keep the call volume and waiting periods at a reasonable level and to answer the increasing volume of e-mail coming in through the Department's website. While the Appraisal Section in the Benefit Services Bureau assisted in completing less complicated retirement estimate requests, the average turnaround time

Board	Mtg Date	Item #
ETF	03/31/06	4

rose to 12 weeks during 2005 (the backlog in December 2005 was 1,705 retirement estimate requests).

- The most popular benefit option continues to be 100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.
- The money purchase calculation produced a higher benefit for 58 percent of the applications while the formula calculation produced the higher benefit for 42 percent of the applications.
- Of the retirement annuities finalized in 2005, 58 percent were for women and 42 percent were for men (compared with 54 percent for women and 46 percent for men in 2004). The WRS population eligible to retire is comprised of 61.6 percent women and 38.4 percent men based on the information in the 24th Annual Actuarial Valuation dated December 31, 2004.
- Gross annuity payments exceeded \$3.0 billion for 2005, an increase of 8.6 percent over 2004 (\$2.79 billion). The increase in annuity payments is due in part to the dividend increases for 2005 (fixed, 2.6 percent; variable, 7 percent) and to the initial wave of retirements of the “baby boom” generation.

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
WRS RETIREMENT BENEFIT ANNUITY STATISTICAL REPORT
Dec 2005 - Feb 2006**

This report provides summary information on recent retirement benefit annuity applications approved and terminated. If you have any questions, or would like additional information regarding retirement benefits, please contact Sari King at sari.king@etf.state.wi.us or sari.king@etf.state.wi.us.

WRS RETIREMENT ANNUITIES

RETIREMENT BENEFIT APPLICATIONS			
	Dec-05	Jan-06	Feb-06
Retirement Estimates Requested	1,234	1,669	1,486
Retirement Estimates Completed	1,682	976	1,111
	Dec-05	Jan-06	Feb-06
Retirement Annuities Started			
As Estimated Annuities	235	918	570
As Final Annuities	800	507	658
Total Annuities Started	1,035	1,425	1,228
	Dec-05	Jan-06	Feb-06
Retirement Annuities Started by Option Selected*			
01 For Annuitant's Life Only	95	62	90
02 Life Annuity with 60 Payments Guaranteed	151	53	77
04 Life Annuity with 180 Payments Guaranteed	139	115	161
07 75% Continued to Named Survivor (Jt. Survivor)	159	59	63
09 Reduced 25% on Death of Annuitant or Named Surv. (Jt.S.)	38	34	35
11 100% Continued to Named Survivor (Jt. Survivor)	43	50	56
12 100% Cont'd to Named Surv.(Jt. S.)w/180 Paym'tsGuarant.	175	134	173
21 Annuity Certain (Specified 24-180 Months)	0	0	1
29 Annuity Certain -- 24 Months**	0	0	1
30 Annuity Certain -- 60 Months**	0	2	1
31 Annuity Certain -- 120 Months**	0	0	0
40 Life with 180 Payments Guaranteed (Mandatory)	0	0	0
41 Life with Optional Length Guaranteed (Mandatory)	0	0	0
42 Life with Optional Length Guaranteed	0	0	0
50 Retirement Lump Sum	112	55	17
	Dec-05	Jan-06	Feb-06
Calculation Type that Yielded Higher Annuity			
Formula	377	226	309
Money Purchase	434	281	340
	Dec-05	Jan-06	Feb-06
Number at Maximum Formula Benefit	2	1	3

*Note: Because participants with additional contributions may select different additional annuity options for their regular retirement benefits, the total by option selected will not match the total number of retirement annuities started on a monthly basis.

** Annuities based on Additional Contributions

RETIREMENT ANNUITIES FINALIZED BY FUND TYPE			
	Dec-05	Jan-06	Feb-06
Fixed Fund	544	347	483
Variable Fund	260	165	185

RETIREMENT ANNUITIES FINALIZED BY EMPLOYER TYPE			
	Dec-05	Jan-06	Feb-06
Local Employers	628	311	464
State Government	173	198	197

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Dec 2005 - Feb 2006

RETIREMENT ANNUITIES FINALIZED BY GENDER			
	Dec-05	Jan-06	Feb-06
Females	508	292	375
Males	292	215	283

RETIREMENT BENEFIT ANNUITY TERMINATIONS			
Termination Type	Dec-05	Jan-06	Feb-06
Returned to Work	3	0	0
Did not Meet 30-day Break in Service	0	3	0
Canc after Manual Act 11 Adjustment	0	0	0
Cancelled Application	0	0	0
Recover Overpayment	0	0	0
Put on Reg. Add'l in Error	0	0	0
Total Benefit Terminations	3	3	0

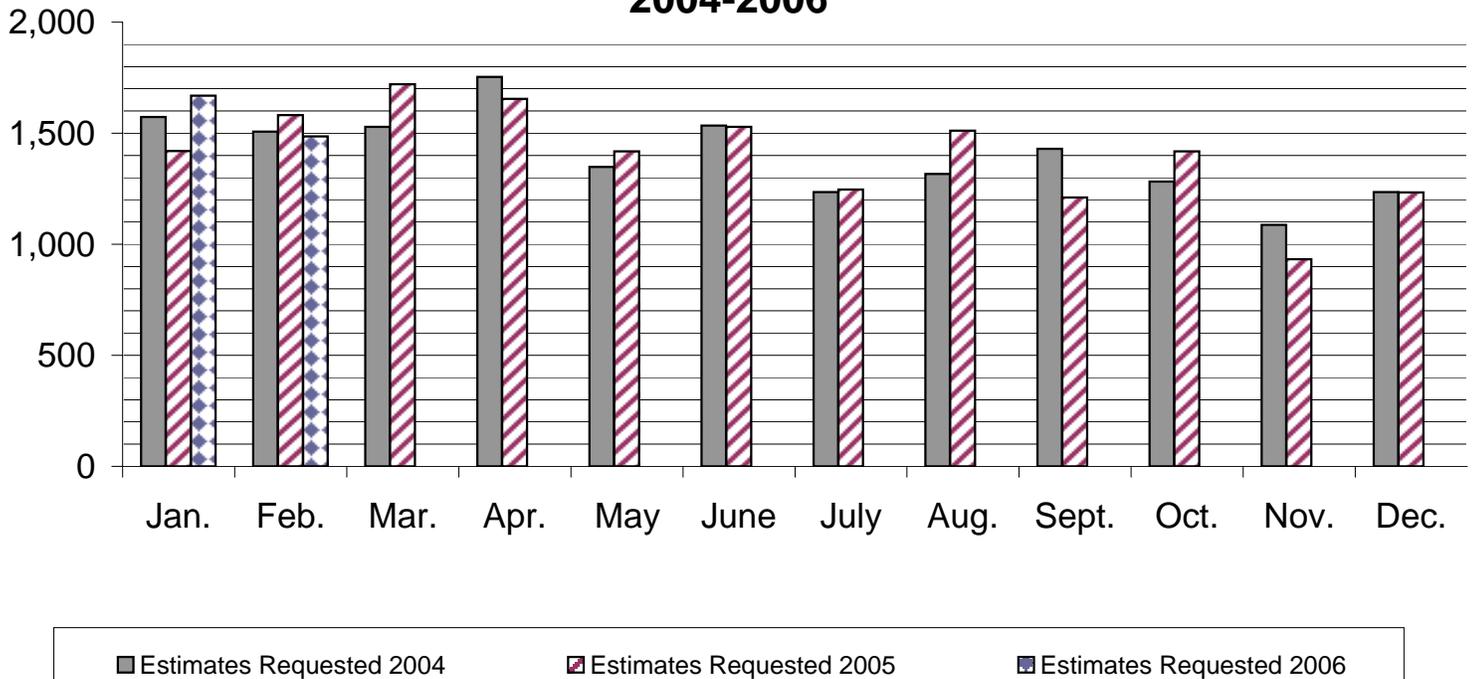
GROSS ANNUITY PAYMENTS IN DOLLARS (\$)				
PAYROLL MO	Fixed	Variable	Subtotal	General (GPR)
Dec-05	226,933,223.84	31,404,281.21	258,337,505.05	164,379.90
Jan-06	228,316,856.86	31,527,209.03	259,844,065.89	160,614.16
Feb-06	228,885,759.15	31,585,452.12	260,471,211.27	159,676.10

WRS BENEFICIARY ANNUITIES

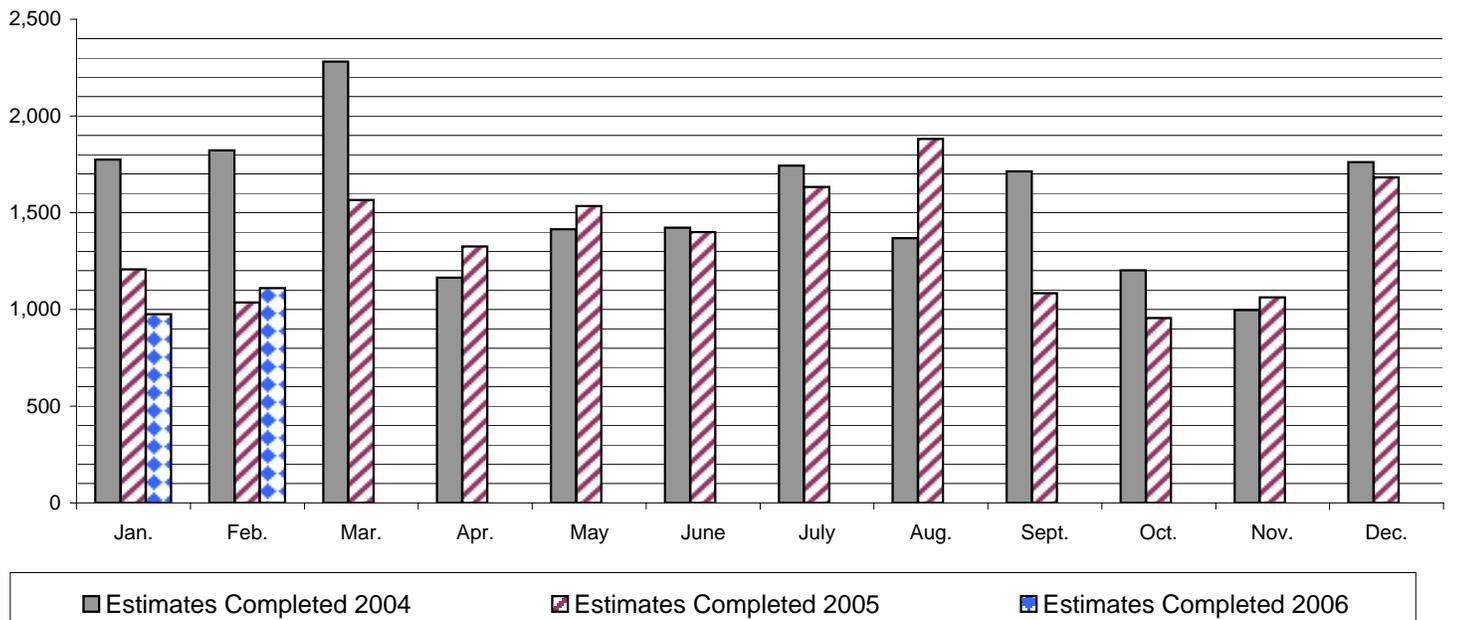
	Dec-05	Jan-06	Feb-06
Beneficiary Annuities Started	4	2	7
Beneficiary Annuities Terminated	Dec-05	Jan-06	Feb-06
Converted Contin. to Lump Sum	1	1	1
File set up in error (spouse living)	0	0	0
Total	1	1	1

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Retirement Estimates Requested 2004-2006



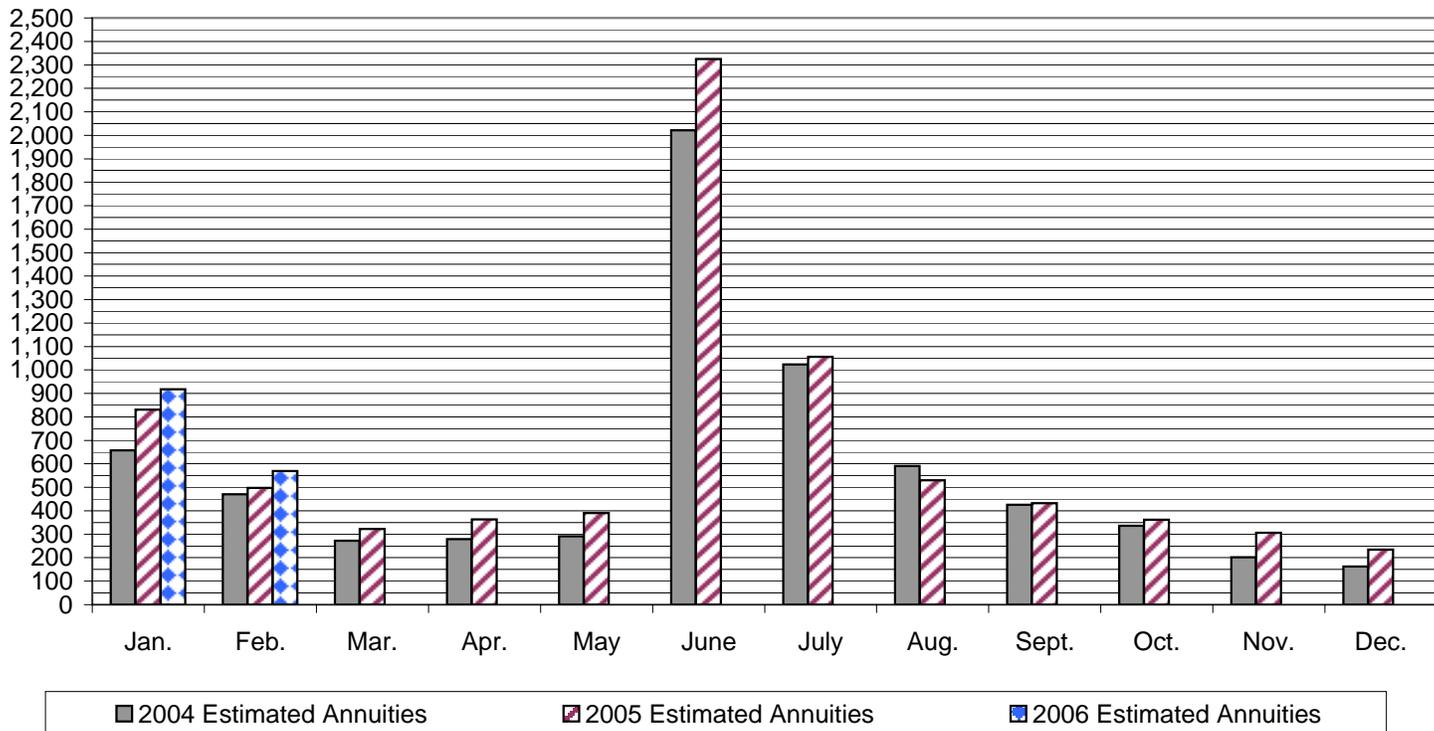
Retirement Estimates Completed 2004-2006



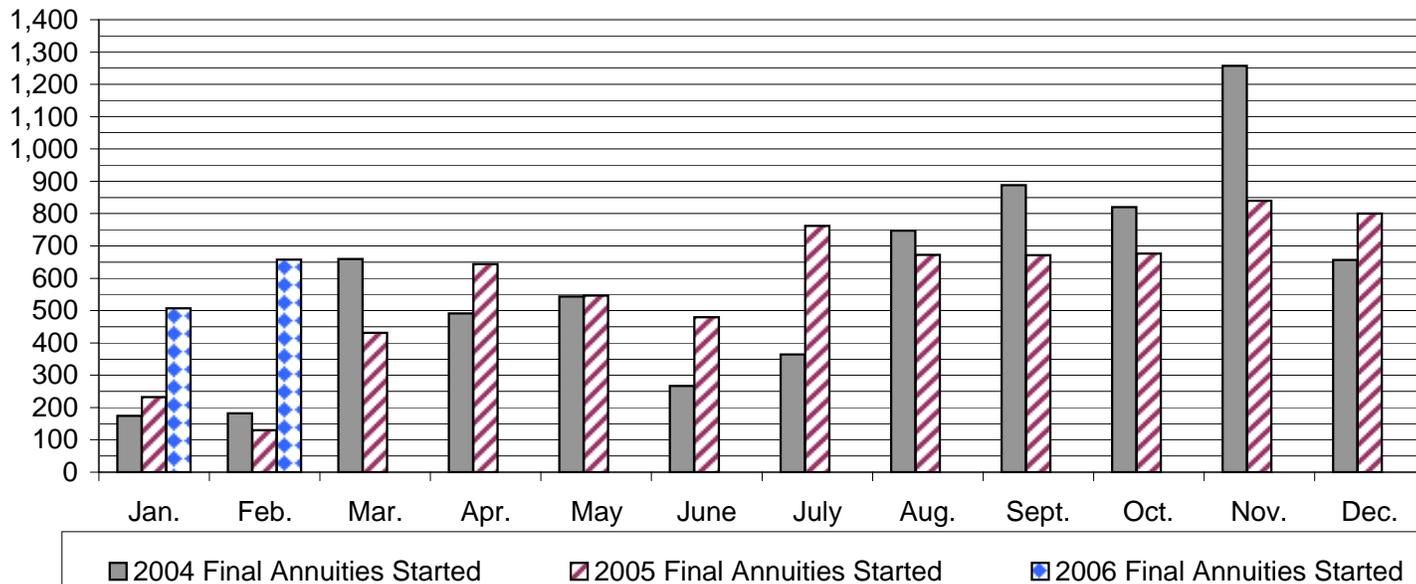
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Retirement Annuities Started as Estimated



Retirement Annuities Finalized



l by the Boards. If
at (608) 266-0222

Total
4,389
3,769

Total
1,723
1,965
3,688

Total
247
281
415
281
107
149
482
1
1
3
0
0
0
0
184

Total
912
1,055

Total
6

lar and additional
month-to-month

Total
1,374
610

Total
1,403
568

Total
1,175
790

Total
3
3
0
0
0
0
6

Total
258,501,884.95
260,004,680.05
260,630,887.37

Total
13
Total
3
0
3

