

**MINUTES OF MEETING**  
**STATE OF WISCONSIN**  
**WISCONSIN RETIREMENT BOARD**

**Thursday, March 15, 2007**

**Sheraton Madison Hotel  
706 John Nolen Drive  
Madison, Wisconsin**

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| <b>DRAFT</b> |
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**BOARD PRESENT:**

John David  
Sean Dilweg  
Rick Gale, Secretary  
Wayne Koessler, Vice-Chair  
Dennis McBride  
Herb Stinski  
Mary VonRuden

**BOARD NOT PRESENT:**

Nan Kottke  
Marilyn Wigdahl

**PARTICIPATING ETF STAFF:**

Eric Stanchfield, Secretary  
Dave Stella, Deputy Secretary  
Sari King, Administrator, Division of Retirement Services  
Linda Esser, Board Liaison

**OTHERS PRESENT:**

Bob Conlin, Director, Legislation, Communications and Planning  
Rhonda Dunn, Executive Assistant  
Nancy Ketterhagen, Legislation, Communications and Planning  
Peg Narloch, Division of Insurance Services  
Linda Owen, Division of Retirement Services  
Diane Poole, Division of Insurance Services  
Deb Roemer, Division of Insurance Services  
Sharon Walk, Board Liaison  
Robert Weber, Legal Counsel

Wayne Koessler, Vice-Chair, called the meeting of the Wisconsin Retirement Board (Board) to order at 1:11 p.m.

**CONSIDERATION OF MINUTES**

***Motion: Mr. Gale moved approval of the open and closed session minutes of the December 14, 2006, meeting as submitted by the Board Liaison. Ms. VonRuden seconded the motion, which passed without objection on a voice vote.***

| Board | Mtg Date | Item # |
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## **INTRODUCTION OF NEW BOARD MEMBER**

Mr. Stella announced that Sean Dilweg, the new Commissioner of Insurance, would be a member of the Board. The Commissioner of Insurance serves in an *ex officio* capacity on the Board.

## **ELECTION OF OFFICERS**

Ms. King requested the action of the Board regarding the election of officers. A memorandum was provided to the Board, which included a list of current officers as well as a current Board member roster.

- CHAIR, VICE-CHAIR AND SECRETARY

***Nomination: Ms. VonRuden nominated the current slate of officers, Marilyn Wigdahl as Chair, Wayne Koessl as Vice-Chair, and Rick Gale as Secretary, for another one-year term as officers of the Wisconsin Retirement Board. Mr. McBride seconded the nomination.***

***Motion: Hearing no further nominations, Mr. Koessl moved to close nominations and cast a unanimous ballot to elect the current slate of officers to another one-year term (Wigdahl - Chair; Koessl - Vice-Chair; Gale - Secretary) of the Wisconsin Retirement Board. Mr. McBride seconded the motion, which passed without objection on a voice vote.***

## **SERVICE PURCHASE ADMINISTRATIVE RULE**

Rob Weber, Chief Counsel, explained that the Department is in the process of preparing a proposed rule concerning the purchase of creditable service under the Wisconsin Retirement System (WRS). He stated that the rule is highly technical and lengthy. Mr. Weber referred to the detailed analysis that was distributed.

Mr. Weber mentioned that purchasing service for credit has two different effects under the WRS. Such service credit purchases both increase the creditable service used to calculate a formula annuity and increase the account balance in the employee's required contribution account. Except for amounts received to purchase other governmental service, these additional funds increase the value of the participating employee's money purchase pension benefit.

Mr. Weber advised that no Board action is required at this time. The proposed rule must still undergo a public hearing, then a final draft version will be prepared for submission to the Legislature. Before that happens, the final version of the rule will be brought before the Boards for their approval to proceed with promulgation of the rule.

## **DISABILITY STATISTICS SUMMARY REPORT**

**Wisconsin Retirement System (WRS) Disability Benefit Annuity Statistical Report (December 2006 through February 2007)**

Diane Poole reviewed the report that was provided

to the Board. She pointed out that there is little change in trends for this quarter. The number of new disability annuities varies little. The most commonly selected annuity option remains "100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed." Females continue to be the predominant user of the Section 40.63 Disability Retirement Annuity benefit. The majority of applications are approved and only a very small number are denied. The predominant age group is 51-55 years. The prevalent disability types are: orthopedic, mental illness, cancer and multiple medical issues.

**Disability Programs Bureau Workload** The Bureau is staffed by 4.25 specialists and 2.5 analysts. A new analyst has been hired and will begin on March 26, 2007. Two new specialists were hired at the beginning of 2006 to fill vacant positions. This means 47% of the specialists are in training. It takes approximately 1 ½ years for a specialist to be fully trained in the complex disability programs. Two of three experienced specialists are part-time staff.

The main priority for the Disability Programs Bureau is to approve disability benefits as quickly as possible so individuals are not without income. Approving a disability benefit requires extensive follow-up with the applicant, employer and health care providers. The second priority is to maintain existing disability accounts. The disability-related activity with a backlog continues to be the review of tax returns for the Section 40.65 disability program.

Ms. Poole will continue to report this information at future Board meetings.

## **DISABILITY STATISTICS ANNUAL SUMMARY REPORT**

Ms. Poole briefed the Board on the annual report. In 2006, the Department completed disability benefit estimates for 869 participants and 311 disability benefit annuities were started. The most popular benefit options were "100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed" and "Life with 180 Payments Guaranteed."

The Department approved 83.7% of the 178 disability applications submitted. The Department denied 6.7% and 9.6% were cancelled, void, withdrawn or invalid.

Thirty-four percent of disability applications were for participants aged 51-55 years, 23% were for those aged 56-60, and 22% were for those aged 46-50. The most frequent disability type was multiple medical problems at 20%. Seventeen percent of disabilities were orthopedic, and 13% had cancer.

## **MISCELLANEOUS**

**Departmental Backlogs** In follow-up to a discussion that took place at the December 2006 Board meeting, Jean Gilding and Audrey Koehn, Division of Retirement Services, provided information on customer service backlogs within the Department. Ms. King directed the Board's attention to the memo dated March 14, 2007. The memo provides current backlog and wait-times for some of the Department's critical, direct service functions. The memo also includes information on the Department's Web-based video library established in March of 2006 for members and employers to access at their convenience.

**ADJOURNMENT**

***Motion: Mr. David moved adjournment. Mr. Gale seconded the motion, which passed without objection on a voice vote.***

The meeting of the Wisconsin Retirement Board adjourned at 1:42 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Rick Gale, Secretary  
Wisconsin Retirement Board