



# Employer *Bulletin*

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## Employee Trust Funds Board Announces 2011 WRS Contribution Rates

At its June 24, 2010 meeting, the Employee Trust Funds Board (Board) approved Wisconsin Retirement System (WRS) contribution rates for 2011, including rates for Wis. Stat. § 40.65 protective occupation duty-disability and the State's Accumulated Sick Leave Conversion Credit programs. These rates are based on current benefit levels and recommendations from the Board's independent consulting actuary.

The contribution rate increases in 2011 are largely due to the unprecedented investment declines brought about by 2008 stock market experience. WRS Core Fund investment earnings are smoothed over five years to reduce volatility in rates and, as a result, the effects of 2008 will be felt for years to come. The increases are necessary to maintain a solid funding status and to effectively manage liabilities now and in the future.

The annual actuarial valuation incorporates current economic and demographic data into the existing financial condition of the WRS in setting new contribution rates for the system. It is normal for contribution rates to fluctuate somewhat from year to year, based on investment earnings, wage inflation and demographic trends. In addition, the change in contribution rates may vary between employment categories, depending on varying demographic trends within those groups. Benefits being paid to current annuitants are not affected by these rate changes.

WRS contribution rate changes are divided evenly between employer and employee, per Wis. Stat. § 40.05. Employers may pay some or all of the employee contribution rate based on compensation agreements between employers and employees. Employers who have either elected to increase prior service coverage or pay off unfunded liability balances may also experience a change in their prior service rates.

Your contribution rates effective for salaries and wages paid beginning January 1, 2011 are enclosed. They can also be accessed on ETF's Internet site at the following location:  
<http://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp>.

**Note:** Duty-disability contribution rates for Protective Occupation employment categories are experience-rated by employer, and calculated separately from the WRS rates listed below. Total Protective earnings and claims are used in the calculation. Please refer to the enclosed page for the effect on your total rate.

- General, Teachers and Educational Support Personnel – Increase .6%
- Executive, Elected and Judges – Increase 1.4%
- Protective with Social Security – Increase .6%
- Protective without Social Security – Increase 1.8%

For more information regarding the 2011 contribution rates or the Internet contribution rate calculator, please contact Nancy Kittleson, ETF Office of Trust Finance & Data Analysis, at (608) 267-9034.

**Employee Required Contribution (may be paid by employer):**

- 5.0% General, Teachers and Educational Support Personnel – (no change)
- 3.9% Judges, Elected Officials and State Executive Positions Designated in Wis. Stat. § 20.923 (4) (8), or (9) – (increased .7%)
- 5.8% Protective with Social Security – (increased .3%)
- 4.8% Protective without Social Security – (increased .9%)

**Employee Benefit Adjustment Contribution (may be paid by employer):**

- 1.5% General, Teachers and Educational Support Personnel – (increased .3%)
- 0.0% Judges, Elected Officials and State Executive Positions Designated in § 20.923 (4), (8), or (9) – (no change)
- 0.0% Protective with Social Security – (no change)
- 0.0% Protective without Social Security – (no change)

**Employer Required Contributions – Current Service (must be paid by employer):**

- 5.1% General, Teachers and Educational Support Personnel – (increased .3%)
- 9.4% Judges, Elected Officials and State Executive Positions Designated in § 20.923 (4), (8), or (9) – (increased .7%)
- 8.9% Protective with Social Security – (increased .3%)
- 12.2% Protective without Social Security – (increased .9%)

**Employer Required Contributions – Unfunded Actuarial Liability (must be paid by employer):**

Same rate as 2010 unless employer elected to provide increased prior service coverage or paid off liability at an accelerated rate.

**Employer Duty-Disability Contribution (must be paid by employer):**

Effective January 1, 2011, the experience-rated duty-disability contribution rate schedule will remain the same as 2010 and will be determined as listed below:

- 1.9% - Groups with claims payout of less than or equal to 0.5% of payroll.
- 2.4% - Groups with one claim in which the pay out is more than 0.5%, and groups with two or more claims in which the pay out is more than 0.5%, but less than 1.0% of payroll.
- 3.6% - Groups with two or more claims in which the pay out is more than 1.0%, but less than 2.0% of payroll.
- 5.4% - Groups with two or more claims in which the pay out is more than 2.0%, but less than 3.0% of payroll.
- 6.6% - Groups with two or more claims in which the pay out exceeds 3.0% of payroll.
- Over 6.6% - Groups with two or more claims in which the payout exceeded 6.6% during the prior year. Rate will be 6.6% plus 50% of new claims over 6.6%. The 50% experience factor is based on claims incurred in the last 4-1/2 years (2006).

**Employer Accumulated Sick Leave Conversion Credit Contributions (paid by employer):**

This rate applies to State agencies only. Please see your individual rate page for the sick leave rate.