



Employer *Bulletin*

Employer Communication Center (608) 264-7900 Toll free: 1-888-681-3952 <http://etf.wi.gov>

Employee Trust Funds Board Announces 2012 WRS Contribution Rates

2011 Wisconsin Acts 10 and 32 contain a number of provisions that affect the retirement and health insurance programs administered by the Department of Employee Trust Funds (ETF). In order to more efficiently convey information regarding these Acts, updated information will be conveyed through ETF's Internet site rather than *Employer Bulletins*. Therefore, for a complete description of these changes and the most up-to-date information, please visit:

http://etf.wi.gov/news/Act_10_Employer_Communications.pdf

At its June 23, 2011 meeting, the Employee Trust Funds Board (Board) approved Wisconsin Retirement System (WRS) contribution rates for 2012, 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.

WRS Employment Category

Contribution Rate Change

General, Teachers and Educational Support Personnel	Increase 0.2%
Executive, Elected and Judges	Increase 0.8%
Protective with Social Security	Increase 0.2%
Protective without Social Security	Increase 0.2%

Employers who have either elected to increase prior service coverage or pay off their 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, 2012 are available on ETF's Internet site at:

<http://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp>

The contribution rate increases in 2012 are primarily due to the unprecedented investment declines during the 2008 stock market collapse. WRS Core Fund investment earnings are smoothed over five years to reduce volatility in rates and, as a result, the effects of 2008 will continue to put upward pressure on contribution rates for several more years. The rate increases are necessary to maintain a sound funding status.

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.

2011 Wisconsin Acts 10 and 32 changed the sharing of required contributions between employees and employers. These Acts also changed when employers are allowed to pay (pick-up) WRS

contributions for their employees as well as the taxability of employee paid contributions. A complete description of these changes and how they will affect you is available on our Internet site at:

http://etf.wi.gov/news/Act_10_Employer_Communications.pdf.

For more information regarding the 2012 contribution rates or the Internet contribution rate calculator, please contact Nancy Kittleson, ETF Office of Trust Finance & Data Analysis, at (608) 267-9034.

For general questions regarding this *Employer Bulletin*, please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing or visually impaired and need assistance, call the Wisconsin Relay Service at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). We will try to find another way to get the information to you in a usable form.

This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the Bulletin, or to the Division of Retirement Services (DRS). Call Matt Stohr, DRS administrator, at (608) 266-1210. Employer agents may copy this *Bulletin* for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent Employer Bulletins are available on our Internet site at the following URL: <http://etf.wi.gov/employers.htm>

Wisconsin Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931; <http://etf.wi.gov>.

Employee Required Contribution (must be paid by employee, unless there is a conflicting collective bargaining agreement in force):

- 5.90% General, Teachers and Educational Support Personnel increased .1%)
- 7.05% Judges, Elected Officials and State Executive Positions Designated in Wis. Stat. § 20.923 (4), (8), or (9) – (increased .4%)
- 5.90% Protective with Social Security – (increased .1%)
- 5.90% Protective without Social Security – (increased .1%)

NOTE: Employee Benefit Adjustment Contribution (BAC) was eliminated by Act 10.

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

- 5.90% General, Teachers and Educational Support Personnel – (increased .1%)
- 7.05% Judges, Elected Officials and State Executive Positions Designated in Wis. Stat. § 20.923 (4), (8), or (9) – (increased .4%)
- 9.00% Protective with Social Security – (increased .1%)
- 11.30% Protective without Social Security – (increased .1%)

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

Same rate as 2011, 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, 2012, the experience-rated duty-disability contribution rate schedule will remain the same as 2011 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 (2007).

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

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