



Employer *Bulletin*

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

This *Employer Bulletin* provides an update from the Department of Employee Trust Funds (ETF) regarding changes to our normal service delivery schedule. The content consists of:

- Information about 2013 Wisconsin Retirement System (WRS) contribution rates and 2011 *Statement of Benefits* – applicable to all WRS employers.
- 2011 financial footnote disclosure to be delayed.
- Update on the Annual Reconciliation Process – applicable to all employers.
- Progress on *WRS Administration Manual* revisions – applicable to all employers.
- Employer reporting instructions and forms for an employee on a military leave of absence – applicable to all employers.
- Information about 2012 life insurance premiums and reporting – applicable to state and local employers who participate in ETF's state and local Group Life Insurance programs.

2013 WRS Contribution Rates and 2011 WRS *Statement of Benefits* will be Delayed

2011 Wisconsin Acts 10 and 32 made changes to WRS contribution rates and the allocation of these contributions to WRS member accounts. The changes took effect mid-year, requiring the development of a reporting mechanism to distinguish between pre- and post-rate change earnings for 2011. As you are aware, the new employment category numbers are the mechanism ETF and employers are using to make this distinction. The development of this reporting mechanism and the verification of the reported data has proved to be more time consuming than expected. ***As a result, the timeline for ETF service delivery will be different than in past years.***

- 2013 WRS contribution rates will not be available in June 2012. Our goal is to have the rates available later in the summer. However, this goal is subject to change, depending on our receipt and verification of 2011 employment category changes from employers. Employers are currently submitting this information and we are working diligently to verify it. We will continue to communicate with employers about the 2013 WRS contribution rates and when they will be available, so employers can plan accordingly.
- The annual General Accounting Standards Board (GASB) footnote statement, usually available in late March or early April, will not be available at that time. Our goal is to have these reports available on-line later in the summer.
- The 2011 WRS *Statement of Benefits*, which shows WRS member account balances and interest crediting through December 31, 2011, will not be available in April 2012. At this time, it is difficult to determine when the Statements will be available. Statements are typically sent to employers in April of each year, and employers distribute the Statements to active employees. The Statements cannot be prepared until we receive and verify the 2011 employment category information and reconcile annual reports from employers. We will continue to communicate with employers and members about the 2011 WRS *Statement of Benefits*.

Annual Reconciliation Process Update

During the reconciliation process, ETF compares the total earnings (by employment category) reported on your 12 *WRS Monthly Remittance Reports* (for 2011) to the total earnings detail (by employment category) reported for each employee throughout the calendar year (e.g., terminations, leaves of absence, and the 2011 category change and annual reports).

ETF will process annual reports from employers once we have received and verified the 2011 employment category changes as described above. We will tell employers when their annual reports may be submitted.

WRS Administration Manual Revisions

ETF is in the process of updating the *WRS Administration Manual* (ET-1127) to reflect changes to federal and state law, and regulatory changes. Chapters 1, 2 and 3 have been updated on ETF's Internet site. Those updated chapters are available here:

http://etf.wi.gov/employers/manual_wrs.htm

Further updates have been placed on hold, pending the completion of the employee category change process.

Employer Reporting Instructions and Forms for an Employee on a Military Leave of Absence/USERRA

Acts 10 and 32 altered how ETF and employers process employee and employer required WRS contributions related to a military leave of absence. ETF developed detailed instructions that explain the new reporting options for employers with employees currently on a military leave of absence or with employees who left on a military leave of absence since the effective date of the WRS employee required contribution payroll deductions in August 2011. In addition, ETF developed a USERRA Certification Form for when an employee returns to the employer from military service. Lastly, ETF developed guidelines and instructions for differential pay.

All of these materials are available on ETF's Internet site at:

<http://www.etf.wi.gov/employers/USERRA-reporting.pdf>

Employer training on USERRA protocols, including online videos and related material, can be found here:

<http://etf.wi.gov/employers/employers-training.htm>

Life Insurance Information

The delay in annual earnings reporting has affected the annual life insurance premium update process. For state employees, premiums will be updated as scheduled for the May coverage month based on the employee's age category and the rate changes approved by the Group Insurance Board. Premiums for local government employers will be updated based on age category changes as scheduled for the July coverage month. The earnings update will be postponed until 2013, when earnings from both 2011 and 2012 will be loaded on Minnesota Life's system; the premiums will be updated based on the highest earnings year. There will be no retroactive adjustments. Note that death benefits will still be paid based on the highest earnings year. Minnesota Life will contact employers to verify earnings when processing a death benefit.

Contact Information

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

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This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the *Bulletin*. 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>.