



Employer *Bulletin*

Employer Communication Center 608-266-3285 Toll free: 1-877-533-5020 etf.wi.gov

Employee Trust Funds Board Announces 2019 WRS Contribution Rates

At its June 21, 2018 meeting, the Employee Trust Funds Board (Board) approved Wisconsin Retirement System contribution rates for 2019, including rates for Wis. Stat. § 40.65 protective occupation duty disability and the State Accumulated Sick Leave Conversion Credit Program (state employers only). These rates are based on current benefit levels and recommendations from the Board’s independent consulting actuary.

Your specific contribution rates effective for salaries and wages paid beginning January 1, 2019 are available at etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp

WRS Employment Category:

Contribution Rate Change:

General, Teachers and Educational Support Personnel; Executive, Elected and Judges	Decrease 0.3%
Protective with Social Security	Decrease 0.3%
Protective without Social Security	Decrease 0.1%

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.

Factors Impacting WRS Rates

There are many complex factors that affect WRS contribution rates, such as investment performance, legislative adjustments to benefit levels, demographics, etc. It is important to remember, WRS investment experience is smoothed over a course of five years to prevent large swings in WRS contribution rates.

For more information about the 2019 rate change reasons, the actuary’s full presentation is available at etf.wi.gov/boards/agenda-items-2018/etf0621/joint/item3b.pdf.

Generally, WRS rates are decreasing in 2019 primarily due to positive investment returns.

Under Section 40.05 of the Wisconsin statutes updated for Acts 10 and 32 of 2011, contribution rates are split evenly between the employer normal cost and the participant normal cost for both General Participants, and Executive and Elected Officials. For protective occupations, the participant normal cost is set equal to the participant normal cost for General Participants.

The annual actuarial valuation incorporates current economic and demographic data into the existing financial condition of the WRS in order to set 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.

Duty Disability Rates Changing for Most Employers

Duty Disability contribution rates are based on an experience rated tier schedule. Annually, an actuarial adjustment rate is applied to every tier in the schedule. The duty disability rates are decreasing due to claims experience, a change in valuation methods and the funding status of the program.

Contact

For more information regarding the 2019 contribution rates or the Internet contribution rate calculator, please contact ETF via the Employer Communication Center toll free at 1-877-533-5020 or 608-266-3285 (local Madison).

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Employee-Required Contribution – (Must be Paid by Employee Unless There is a Collective Bargaining Agreement in Force):

- 6.55% General, Teachers and Educational Support Personnel; Judges, Elected Officials and State Executive Positions Designated in Wis. Stat. § 20.923 (4), (8), or (9) – (decreased .15%)
- 6.55% Protective with Social Security – (decreased .15%)
- 6.55% Protective without Social Security – (decreased .15%)

Employer-Required Contributions – (Must be Paid by Employer):

- 6.55% General, Teachers and Educational Support Personnel; Judges, Elected Officials and State Executive Positions Designated in Wis. Stat. § 20.923 (4), (8), or (9) – (decreased .15%)
- 10.55% Protective with Social Security – (decreased .15%)
- 14.95% Protective without Social Security – (increased .05%)

Employer-Required Contributions – Unfunded Actuarial Liability (Must be Paid by Employer):

Same rate as 2018, 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, 2019, the experience-rated duty-disability contribution rate schedule will change from 2018 and will be determined as listed below:

- .17% - The lesser of either groups in which the claims payout is less than or equal to 1.5% of total payroll, or employers with one or less in the number of total claims.
- .34% - The lesser of either groups in which the claims payout is greater than 1.5% but less than or equal to 3.0% of total payroll, or employers with 2 total claims.
- .67% - The lesser of either groups in which the claims payout is greater than 3.0% but less than or equal to 4.5% of total payroll, or employers with 3 total claims.
- 1.17% - The lesser of either groups in which the claims payout is greater than 4.5% but less than or equal to 6.0% of total payroll, or employers with a total of 4 claims.
- 1.84% - The lesser of either groups in which the claims payout is greater than 6.0% but less than or equal to 7.5% of total payroll, or employers with a total of 5 claims.
- 2.68% - The lesser of either groups in which the claims payout is greater than 7.5% but less than or equal to 9.0% of total payroll, or employers with a total of 6 claims.
- 3.69% - The lesser of either groups in which the claims payout is greater than 9.0% but less than or equal to 10.5% of total payroll, or employers with a total of 7 claims.
- 4.42% - The lesser of either groups in which the claims payout is greater than 10.5% of total payroll, or employers with 8 or more total number of claims.

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.