



# Employer *Bulletin*

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

## Bulletin Provides 2009 Financial Disclosure Footnote to Assist Employers in Completing Annual Financial Statements and Reports

The Department of Employee Trust Funds (ETF) annually provides Wisconsin Retirement System (WRS) employers with model language for use in required WRS footnotes in annual financial statements and reports.

The footnote shows where to insert information specific to each employer.

**Note:** A data page containing specific information for each employer to insert into the footnote is available on the ETF Web site at <http://etfonline.wi.gov/ETFGASBPublicWeb/gasb.do>.

Select your employer name from the alphabetically ordered drop-down list and print as desired. The only information you will need to develop using your own records is total employer payroll, including non-participating employees.

The unfunded actuarial accrued liability (prior service) balance appearing on the data sheet is as of December 31, 2009. We also included 2010 prior service contribution rates for your convenience, should you wish to calculate your prior service contributions made during 2010 to update your liability balance.

The footnote is intended to serve as a model for use by all WRS employers. You and/or your auditors may wish to modify the language for your own purposes.

Employers with questions should contact Nancy Kittleson, ETF Office of Trust Finance & Data Analysis, at (608) 267-9034.

*See reverse for model language*

### **INSIDE**

\* 2009 Financial Disclosure Footnote

\* Model Footnote - Defined Benefit Pension Plan

## Model Footnote - Defined Benefit Pension Plan

All eligible (insert employer name) employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year (440 hours for teachers and 440 hours for Educational Support Staff effective July 1, 2009) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for (insert employer name) employees covered by the WRS for the year ended December 31, 2009 was (insert employer covered earnings); the employer's total payroll was (insert total employer payroll). The total required contribution for the year ended December 31, 2009 was (insert total contribution), which consisted of (insert employer required contribution), or (insert employer percent of covered payroll) of payroll from the employer and (insert employee required contribution), or (insert employee percent of payroll) of payroll from employees. Total contributions for the years ending December 31, 2008 and 2007 were (insert 2008 total contributions) and (insert 2007 total contributions), respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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 Jean Gilding, 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>.