



Employer *Bulletin*

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

Bulletin Provides 2011 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 Internet site at <http://etfonline.wi.gov/ETFGASBPublicWeb/gasb.do>.

Select your employer name from the 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, 2011. We also included 2012 prior service contribution rates for your convenience, should you wish to calculate your prior service contributions made during 2012 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 Andrew Lacy, ETF Office of Trust Finance & Data Analysis, at (608) 267-2861.

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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2011 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.8%	5.8%
Executives & Elected Officials	6.65%	6.65%
Protective with Social Security	5.8%	8.9%
Protective without Social Security	5.8%	11.2%

The payroll for (insert employer name) employees covered by the WRS for the year ended December 31, 2011 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, 2011 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, 2010 and 2009 were (insert 2010 total contributions) and (insert 2009 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 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be 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:

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 or hearing impaired and need assistance, call the Wisconsin Relay Service toll free at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). If you are visually or cognitively impaired, call 1-877-533-5020 or (608) 266-3285 locally. 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*. 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

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