

Wisconsin Retirement System

# WRS Administration Manual



Wisconsin Department of Employee Trust Funds  
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*Every effort has been made to ensure that the information in this manual is accurate. In the event of conflicting information, state statute and Wisconsin Administration Code shall be followed.*

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**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**PREFACE**

- 001 Programs Administered**
- 002 Internet Address**
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- 004 Ordering ETF Forms**

The *Wisconsin Retirement System (WRS) Administration Manual* is a reference source intended to aid your administration of and participation in the WRS. Its contents are based on state statute and administrative code, and contain guidelines and instructions relevant to administrative and reporting practices of the WRS. Wisconsin statutes, administrative code and case law are reviewed on an ongoing basis. They may be revised after the manual printing, making the contents no longer applicable.

The Department of Employee Trust Funds (ETF) will make every effort to communicate the impact of legislative changes by way of *Employer Bulletins*. This manual contains examples relevant to the administration of the WRS, but may not cover every eventuality. Specific WRS related questions and situations will be considered with regard to current statute, administrative code and/or case law by this agency.

Consult this manual as an initial resource for WRS-related questions or concerns. For more information, contact the Employer Communication Center. The Employer Communication Center can help resolve eligibility and reporting issues for all ETF administered benefit programs. Incoming calls are routed to staff members within the Member and Employer Services Bureau. A central voicemail system handles calls if Employer Communication Center staff lines are busy. The voicemail system is regularly monitored on a regular basis and all calls are returned within 24 hours. The Employer Communication Center phone number is (888) 681-3952 toll free or (608) 264-7900 locally.

Employers should not provide the Employer Communication Center telephone numbers to their employees. WRS participating employees with questions regarding their specific WRS account or WRS benefits should contact the ETF Member Call Center at (877) 533-5020 toll free or (608) 266-3285 locally.

Your efforts to accurately administer WRS provisions are appreciated. If you have comments on this edition or suggestions for the next edition of the manual, please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

## 001 Programs Administered

ETF administers several employee benefit programs including:

### Wisconsin Retirement System

The Wisconsin Retirement System (WRS) is a multi-employer qualified retirement system under Section 401(a) of the Internal Revenue Code. Employees of the State of Wisconsin; University of Wisconsin; local government employers, technical colleges, and school districts are included in this system. Employer participation is based on legislation and may be mandatory or optional.

The WRS is a hybrid pension plan with both defined benefit and defined contribution components. Although structured as a defined benefit plan, separate individual accounts for all participants are maintained. Contributions—employee and employer required, may fluctuate annually as determined by the actuary with the former recorded directly on individual participant accounts. Annual interest adjustments are made to each participant's account balance based either on the earnings of the trust or on a pre-defined interest adjustment mandated in Wisconsin statutes.

Because of this hybrid design, a participant's retirement benefit is based on the higher of two calculations:

**1) Defined benefit formula:** Uses the three highest years' earnings to calculate the final average earnings and the number of years of WRS creditable service to determine the benefit. An actuarial reduction is applied if the benefit begins before the employee attains normal retirement age or a specified age and number of years of service (e.g., for general employees age 57 with 30 years of service).

**OR**

**2) Money purchase (defined contribution) benefit:** Calculated based on the value accumulated in the participant account at the time of retirement and matched equally with an amount from the employer reserve. Although an actuarial reduction based on the employee's age is not directly applied, a minimum retirement age must be attained to be eligible for any WRS annuity benefit (e.g., age 55 for general employees).

### Disability Benefits (§ 40.63)

The 40.63 disability benefit is available to certain eligible employees who are disabled by a mental or physical impairment expected to result in death or be of a long-continued or indefinite duration. An employee must have earned at least one half year (.50) creditable service in at least five (5) calendar years out of the preceding seven (7) calendar years beginning with the year prior to filing a disability application. This minimum service requirement can be waived if the

disability is work related and the disability application is received within two years from the last day worked for a participating employer.

Each disability annuity consists of two components. The first component is a regular retirement benefit based on the employee's actual age, years of creditable service and account balances. This amount will be the higher of either a defined benefit formula or money purchase calculation. The second component is based on the assumed creditable service the disabled employee would have earned had they continued working until normal retirement age. These two amounts added together equal the employee's total disability benefit.

### **Long-Term Disability Insurance Benefit (LTDI)**

The LTDI benefit is available to certain eligible employees disabled by a mental or physical impairment expected to result in death or to be of a long-continued or indefinite duration. An eligible employee must have earned at least .33 year of creditable service in at least five (5) calendar years out of the proceeding seven (7) calendar years beginning with the year prior to filing a disability claim. This minimum service requirement can be waived if the disability is work-related and the disability claim is received within two years from the last day worked for a WRS participating employer.

### **Duty Disability (§ 40.65)**

The duty disability program is an income replacement benefit available only to WRS protective occupation employees (employment categories 03 and 04). Benefits are available to eligible participants who have either sustained an injury in the performance of their duties or contracted a disease due to their occupation, which appears to be permanent. The disability must directly result in one of the following:

- Reduction in pay or position.
- Permanent assignment to light work duty.
- Adverse effect on the employee's promotional opportunities within the service of the employer.
- Retirement from the job.

### **Deferred Compensation**

The Wisconsin Deferred Compensation (WDC) program is a supplemental retirement savings program regulated by Section 457 of the Internal Revenue Code. Eligible employees can invest a portion of pre-tax earnings (up to the maximum allowed by Sec. 457) through payroll deduction in any of the investment options offered by the program.

### **Group Life Insurance Plans**

The Group Life Insurance program is offered to employees of the state and to employees of local units of government that elect to join the Wisconsin Public Employers Group Life Insurance Program. State and local employees must be an

active member of the WRS for at least six months in order to be eligible for group life insurance participation.

Elected state officials are immediately eligible for participation in the life insurance program. For rehired employees who have not applied for and received a separation benefit from the retirement system, eligibility is dependent on the amount of their previous WRS service. Employees who reach age 70 before becoming eligible for coverage are only eligible to apply for the Additional Plan.

If eligible, coverage is provided without evidence of insurability if the application is received during the initial 30-day enrollment period. Late enrollees must give evidence of insurability and may not apply after age 55 (age 70 for spouse and dependent coverage, and additional coverage).

Plans available to eligible employees are:

- **Basic Life Insurance:**  
The Basic Plan features group term life insurance equal to 100% of the employee's previous WRS calendar year earnings rounded up to the next thousand. It also provides for reduced amounts of coverage when the employee retires and for employees older than age 65 (age 70 if still working) without cost. The employer is required to contribute to the cost of this insurance.
- **Supplemental Life Insurance:**  
The Supplemental Plan provides coverage equal to the employee's previous WRS calendar year earnings rounded up to the next thousand. The state contributes to the cost of this coverage for state employees. Local government employers are not required to contribute.
- **Additional Life Insurance:**  
The Additional Plan provides units of coverage equal to the employee's previous WRS calendar year earnings rounded up to the next thousand. Employer contributions are not required. If offered by the employer, the employee may choose one, two, or three units of Additional coverage. When the employee turns age 70, Basic coverage will reduce to the final post-retirement coverage level and continue for life with no premiums due. Supplemental coverage ceases on the employee's 70<sup>th</sup> birthday.
- **Spouse and Dependent Life Insurance:**  
The Spouse and Dependent Plan provides coverage for a spouse or domestic partner and dependent(s). If one unit of coverage is elected, a spouse/domestic partner will have \$10,000 in coverage and each dependent (regardless of the number) will have \$5,000 in coverage. If two units are elected, a spouse/domestic partner will have \$20,000 in coverage and each dependent will have \$10,000.

## Income Continuation Insurance

Income Continuation Insurance (ICI) is offered to employees of the state and local units government units that elect to participate in the ICI program. State and local employees must be covered under the WRS for six months in order to be eligible for ICI coverage.

The ICI plan replaces a substantial portion of the employee's income in the event the employee becomes disabled. Benefits for physical or mental disabilities under this program begin after an elimination period has been satisfied. The program covers approved rehabilitation training expenses.

The ICI plan is intended to cover short and long-term disabilities. The plan is integrated with all benefits available to an employee from other state or federal programs, meaning that ICI benefits are reduced by the amount of these other income replacement benefits. Coverage may be continued for a maximum of 36 months during an authorized leave. However, when an ICI claim is approved for payment the ICI premiums are waived.

## Group Health Insurance

The Group Health Insurance Program is available to:

- Local government employees covered by the WRS whose employer elects to participate in the program. Participating local government employers select coverage from the following program options:
  1. Traditional Health Maintenance Organizations (HMO) Option paired with the Classic Standard Plan
  2. Traditional HMO option paired with the Standard PPP
  3. Deductible HMO option paired with the Deductible Standard Plan
  4. Deductible HMO option paired with the Deductible Standard PPP

The employee may enroll either:

- within 30 days of hire (effective first of the month on or after the employer's receipt of the application); or
- prior to becoming eligible for the employer's contribution toward premium, with coverage effective the first of the month on or after the date the employer contribution begins.

The employer determines the beginning date and the amount of the employer contribution (within guidelines established by the program).

- State of Wisconsin employees covered by the WRS, or in certain other jobs specified by statute, are immediately eligible upon hire. Two months of state service under the WRS may be required before employer contributions begin. The state premium contribution varies depending on which health plan the employee selects.

### **Employee Reimbursement Account (ERA) Program (State Agencies Only)**

The ERA program is an optional tax-free benefit for state employees. It allows participants to earmark a portion of their pre-tax gross salary to pay certain IRS-approved expenses. By earmarking part of their pre-tax salary to pay expenses participants effectively reduce their taxable gross income, which reduces their state and federal tax liability and increases their take-home salary.

### **Social Security**

ETF is the designated state agency to administer the State of Wisconsin's Section 218 Agreement with the Social Security Administration (SSA). The Section 218 Agreements provide for Social Security coverage of public employees. All employers participating in the WRS are covered by a Section 218 Agreement.

## **002 Internet Address**

ETF has designated an Internet site with information on various benefit topics of interest to active/inactive members, retirees, and employers. The address is:

**[etf.wi.gov](http://etf.wi.gov)**

This site contains numerous forms and brochures, news, ETF contact numbers and e-mail for inquiries, past and present *Employer Bulletins*, administration manuals and multiple benefit calculators. The site also provides links to the State of Wisconsin Investment Board, Social Security Administration, and Internal Revenue Service websites.

Additionally, our video library contains informational webcasts for WRS members and employers.

A catalog of all webcasts and minimum technical requirements for viewing presentations are available in the video library information section.

## **003 Online Network for Employers (ONE)**

This secured website provides detailed participant information on administering ETF administered benefit programs. Applications are available for:

- online WRS enrollments,
- descriptive data changes,
- the remittance of WRS contributions,
- electronic transmission (or upload) of annual detail,
- annual reporting of service and earnings detail, and
- post-annual reconciliation reports.

Additionally, a new self-service benefits system called myETF Benefits is available for employers via ONE and to members via the Online Network for Members (ONM). Refer to *Employer Bulletin* Vol. 27, No. 12 dated June 18, 2010, as well as Chapter 23 of this manual for additional information.

## 004 Ordering ETF Forms

Employers can order forms online. Refer to subchapter 002 for directions to the Internet site. In addition, some employer forms on the homepage can be prefilled online, printed and submitted to ETF.

ETF form and brochure ordering is possible through the Supply and Mail Services' voice mail request line at (608) 266-3302. You can call and order forms and brochures by leaving a recorded message. The message will prompt you to provide the following:

- Four-digit form number beginning with the letters ET-, for example, ET-2316.
- Name of the form, for example, *WRS Enrollment*.
- Quantity desired.
- Employer name.
- Employer seven-digit identification number preceded by 69-036-

The message also will state the amount of time you should allow for your order to be filled.

### Checking on the Status of an Order

Response time depends on the number of requests received, staffing levels and other workload demands. Orders not received within three weeks should be followed up with a call to the request line to verify the order's status. Please state the following:

- Date the order was initially placed.
- Employer's name, caller's name and telephone number.

Your call will be returned as soon as possible, informing you of order status.

### Receipt of Partially Filled Orders

It is sometimes necessary to partially fill orders because forms may be temporarily in short supply. When this occurs, you may receive fewer copies than requested. A notice will be included with your partial order. The balance of your order is retained and filled when the forms become available. You do not need to resubmit the request.

**NOTE:** Urgent orders may be placed by calling the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

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**CHAPTER 1 — PUBLIC EMPLOYERS INCLUDED**

- 100 Employers that can Elect to Participate**
- 101 Employers with Mandatory Participation**
- 102 Dissolution of Employer**
- 103 Employer Name Change**

**100 Employers that can Elect to Participate**

Participation in the Wisconsin Retirement System (WRS) is open to any Wisconsin public employer. The city and county of Milwaukee operate independent retirement programs and are excluded. The "governing body" of the employer must file a resolution of participation in the WRS. The resolution must be received at the Department of Employee Trust Funds (ETF) by November 15 for participation to become effective the following January 1.

➤ **Employer is defined in statutes as:**

"The state, including each state agency, any county, city, village, town, school district, other governmental unit or instrumentality of two or more units of government now existing or hereafter created within the state, any federated public library system established under s. 43.19 whose territory lies within a single county with a population of 500,000 or more, a local exposition district created under subch. II of ch. 229 and a family care district created under s. 46.2895, except as provided under ss. 40.51(7) and 40.61(3) and subch. X. "Employer" does not include a local cultural arts district created under subch. V of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes." (Wis. Stat. § 40.02(28)).

➤ **Governing Body:**

The body having final authority in making decisions for the employer as defined. Examples: common council, village board, county board, town board, school board, or commission. For state departments and agencies the "governing body" is the head of the department or agency, or designated representative (Wis. Stat. § 40.02(36)).

Upon receipt of a completed resolution to participate in the WRS, the ETF will determine if the employer meets the above definition of a public employer and if so, will provide the employer with the necessary eligibility, enrollment, and reporting requirements and instructions.

For public employers interested in participating in the WRS, detailed information (including the Resolution) is contained in the handbook *How To Become a Participating Employer* (ET-1129).

## 101 Employers with Mandatory Participation

Participation in the WRS is optional for some public employers. However, the following public employers are statutorily required to participate:

- A. Every county (except Milwaukee).
- B. Villages and cities as follows:
  - Villages with a population of 5,000 or more must continue to cover past, present and future police officers if the village was mandated to include them in the Wisconsin Retirement Fund (WRF) prior to March 31, 1978 (Wis. Stat. § 61.65(6) 1975, repealed by Wis. Stat. § 40.21(4), Chapter 96, Laws of 1981).
  - Villages with a population of 5,500 or more must continue to cover past, present and future police officers and firefighters if the village was mandated to include them in the WRF prior to March 31, 1978 (Wis. Stat. § 61.65(7) 1975, repealed by Wis. Stat. § 40.21(4), Chapter 96, Laws of 1981).
  - Second-, third- and fourth-class cities must continue to cover police officers and firefighters (except volunteer firefighters) if the city was mandated to include them in the WRF prior to March 31, 1978 (Wis. Stat. § 62.13(9)(e), (9a), (10)(f) and (g), 1975, repealed by Wis. Stat. § 40.21(4), Chapter 96, Laws of 1981).
- C. A newly created school district for non-teaching personnel, if its territory includes more than one-half of the last assessed valuation of a school district which was an employer under the WRS at the time of such creation.
- D. All school districts for teaching personnel.

## 102 Dissolution of Employer

No provision exists in Wisconsin Statutes permitting the withdrawal of a resolution of inclusion after the November 15 due date. A governing body's resolution to participate in the WRS is **irrevocable**. Wis. Stat. 40.21 (1) provides that:

"any employer shall be included within and thereafter subject to the provisions of the Wisconsin retirement system by so electing, through adoption of a resolution by the governing body of the employer. If the official notice of election to be included has been received by the Department on or before November 15, the effective date of participation of the employer shall be the ensuing January 1."

Whenever the existence of a participating employer is terminated due to consolidation or any other reason, the employer who thereafter has responsibility for the governmental functions of the previous employer shall be liable for all contributions payable to the WRS. However, if no other employer assumes responsibility, the prior service liability, if any, will be collected from the assets of the (original) employer (Wis. Stat. § 40.05 (2) (f)).

### **103 Employer Name Change**

Notification and documentation of an entity's name change (i.e., a copy of statutes or a board resolution) must be forwarded to:

Department of Employee Trust Funds  
Social Security Liaison  
Division of Retirement Services  
P O Box 7931  
Madison WI 53707-7931

Following receipt of the legal documentation, ETF will provide notification to the Social Security Administration (SSA) as required by Wisconsin's Section 218 Agreement with the SSA.

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**CHAPTER 2 — EMPLOYER RESPONSIBILITIES**

- 200 Naming an Employer Agent**
- 201 Employer Agent Responsibilities**
- 202 *Designation of Agent* (ET-1313)**

**200 Naming an Employer Agent**

The governing body of each WRS participating employer must file with the Department of Employee Trust Funds (ETF) a written designation authorizing an agent or agents to act on its behalf in all matters pertaining to the WRS and all other ETF administered programs (Wis. Stat. § 40.03 (2) (j)). The agent(s) so designated shall be responsible for WRS eligibility determinations, reporting, insurance administration, etc. and serve as the contact through which all WRS transactions shall be channeled. However, ultimate responsibility for the actions of the designated agent(s) lies with the governing body.

Refer to subchapter 202 for the *Designation of Agent* form (ET-1313).

**201 Employer Agent Responsibilities**

Employers are responsible for effective administration of WRS. This role includes, but is not limited to, the following tasks:

Administration	<ol style="list-style-type: none"><li>1. Understand WRS participation and coverage provisions.</li><li>2. Understand proper forms used in administering the WRS.</li><li>3. Determine WRS eligibility for each employee.</li><li>4. Determine proper employment category for each WRS eligible employee.</li><li>5. Determine WRS previous service for each employee.</li><li>6. Certify necessary information on behalf of the employer.</li><li>7. Maintain employee records used in the proper administration of the WRS.</li><li>8. Maintain adequate supplies of forms used in WRS administration.</li><li>9. Maintain historical WRS information.</li></ol>
Reporting	<ol style="list-style-type: none"><li>1. Comply with Chapter 40, Wis. Stat. and Wis. Admin. Code reporting requirements.</li><li>2. Certify necessary information on behalf of the employer.</li><li>3. Sign and transmit forms containing information used by ETF to determine eligibility or benefit amounts.</li></ol>

Transmit Contributions	<ol style="list-style-type: none"> <li>1. Transmit required employee and employer contributions by established due date.</li> <li>2. Transmit contributions using proper reporting methods.</li> </ol>
Advise Employees	<ol style="list-style-type: none"> <li>1. Communicate to employees your determination of eligibility and employment category for participation in the WRS.           <ul style="list-style-type: none"> <li>• The <i>New Employee Benefit Checklist</i> (ET-2572) is a valuable tool to document when and how the employee met WRS eligibility criteria, dates insurance applications were provided, etc.</li> </ul> </li> <li>2. Inform employees that the Secretary of the Department of Employee Trust Funds is authorized under Wis. Stat. § 40.03 (2) (h), to request from any participating employee or employer any information deemed necessary for the proper operation of the WRS, such as Social Security numbers, dates of birth, etc.</li> <li>3. Refer WRS participating employees to the ETF Member Call Center toll free at (877) 533-5020 for any benefit-related questions and/or information regarding their individual accounts.</li> <li>4. Provide a <i>Request for Benefit Information</i> (ET-7301) when an employee terminates WRS employment or plans to retire.</li> <li>5. Provide a <i>Disability Benefits</i> brochure (ET-5102) and/or <i>Long-Term Disability Insurance</i> brochure (ET-5314), a <i>Request for Benefit Information</i> (ET-7301) and ETF contact numbers to employees who become disabled to ensure they are aware of all possible disability benefits available to them.</li> </ol>
Distribute materials	<ol style="list-style-type: none"> <li>1. Ensure staff responsible for the day-to-day administration of the WRS and ETF administered benefit programs receives all ETF communications sent to the designated WRS agent.</li> <li>2. Distribute all materials necessary for the effective administration of the WRS to each WRS participating employee, including but not limited to:           <ul style="list-style-type: none"> <li>• Copy of the WRS enrollment form validating WRS eligibility and employment category determinations.</li> <li>• Variable election form. Eligible employees can designate that 50% of their WRS contributions be invested in the Variable Trust Fund.</li> <li>• <i>Your Benefit Handbook</i> (ET-2119). You can distribute paper copies or provide employees with the link to the electronic copy from ETF's Internet site.</li> <li>• <i>WRS Annual Statement of Benefits</i> (ET-7365).</li> <li>• <i>Disability Benefits</i> brochure (ET-5102) and/or <i>Long-Term Disability Insurance</i> brochure (ET-5314), and a <i>Request for Benefit Information</i> (ET-7301) as well as ETF contact numbers to employees who become disabled to ensure the employee is aware of all possible disability benefits available to them.</li> </ul> </li> </ol>

## 202 *Designation of Agent (ET-1313)*

Each WRS participating employer **must** submit a completed *Designation of Agent* (ET-1313) form to:

- Designate a WRS agent
- Designate a WRS alternate agent
- Change your existing WRS agent
- Change your existing WRS alternate agent

You must include both the title and name of the WRS agent, since ETF communications are mailed directly to each employers' designated agent. You are encouraged to also provide an e-mail address to ETF. The designated agent is then responsible for forwarding all ETF communications to all staff designated to administer the WRS and any ETF administered benefit programs.

This form may also be used to designate and/or change the name of a retirement and/or insurance contact. The retirement and/or insurance contact may also be changed by calling the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900. However, to designate or change the WRS agent or alternative agent, you must complete the *Designation of Agent* form.

The *Designation of Agent* form is available in the Employer section on ETF's Internet site at [etf.wi.gov](http://etf.wi.gov). You may also make a copy of the following page to complete and submit.

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

**DESIGNATION OF AGENT**

Wis. Stat. § 40.03 (2) (j)

The following position is designated as the agent representing the employer in matters pertaining to the programs administered by the Department of Employee Trust Funds. In the event the designated agent is unable to perform the duties of such position, the person indicated below as alternate agent shall be considered the agent until such time as the position designated as the agent is filled. We have also included room for the insurance and retirement contacts:

EMPLOYER IDENTIFYING NUMBER 69-036 \_\_\_\_\_

EMPLOYER LEGAL TITLE \_\_\_\_\_

TITLE OF POSITION OF EMPLOYER AGENT \_\_\_\_\_

NAME OF AGENT \_\_\_\_\_

AGENT'S PHONE NUMBER \_\_\_\_\_ EXT \_\_\_\_\_

AGENT'S E-MAIL ADDRESS \_\_\_\_\_

AGENT'S OFFICE HOURS \_\_\_\_\_

AGENT'S MAILING ADDRESS \_\_\_\_\_

EFFECTIVE DATE \_\_\_\_\_

TITLE OF POSITION OF ALTERNATE AGENT \_\_\_\_\_

NAME OF ALTERNATE AGENT \_\_\_\_\_

RETIREMENT CONTACT \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ EXT \_\_\_\_\_

INSURANCE CONTACT \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ EXT \_\_\_\_\_

Designation Certified By:

Date (MM/DD/CCYY)	Signature and Title of Certifying Official	Phone Number

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**CHAPTER 3 — WRS ELIGIBILITY DETERMINATION**

- 300 Eligibility for Participation in WRS**
- 301 Eligibility Upon Hire**
- 302 Employees Not Eligible for WRS Participation**
- 303 Considerations in Determining WRS Eligibility**
- 304 Employees Not WRS Eligible on Date of Hire and Expectations Change**
- 305 Evaluation on the One-Year Anniversary of Employment**
- 306 Evaluation on a 12-Month Rolling Look-Back**
- 307 WRS Eligibility for Employees of a Joint Instrumentality**
- 308 WRS Eligibility for Emergency Workers**
- 309 Duration of Employment Exceeds 30 Calendar Days**
- 310 Continuation of Participation**
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- 312 Examples of Employment Situations and Eligibility for Participation**
- 313 Employee or Independent Contractor?**
- 314 WRS Eligibility Appeals**
- 315 Statute of Limitations for Corrections to Service, Earnings and Contributions that Impact WRS Disability and Retirement Benefit Payments**
- 316 Maintaining Records Longer than Seven Years**

**300 Eligibility for Participation in WRS**

Employers are responsible for evaluating and determining each employee's eligibility for WRS participation. Anyone who receives earnings for personal services rendered must be evaluated for WRS eligibility, including those hired as seasonal, project, temporary and/or part-time employees, members of boards and commissions, and elected officials. It is the intent of the statutes that all employees participate in WRS, unless your employee is excluded as defined in Wis. Stat. § 40.22.

Employees can appeal their employer's determination regarding WRS eligibility. Upon such an appeal the employer will be required to justify their determination. Refer to subchapter 314 for appeal information.

- Employees who meet the eligibility criteria must be enrolled in the WRS. (The employee has no choice unless the employee is a WRS annuitant upon hire. Refer to Chapter 15.)

- Employees who do not meet the eligibility criteria may **not** be enrolled in the WRS.

Several opportunities exist in statute for an employee to be eligible for participation in the WRS. The various opportunities for the eligibility criteria to be met are as follows:

1. Upon hire.
2. When expectations change.
3. On their one-year anniversary date of employment.
4. During a 12-month rolling look-back.

### 301 Eligibility Upon Hire

All employees who meet **BOTH** of the following criteria upon hire, as listed in Wis. Stat. § 40.22, must be enrolled in the WRS on the date they first render compensable service for the employer:

1. **Employee is expected to work one-third of full-time per year defined as:**

- a) **600** hours for non-teachers and non-school district educational support personnel.
- b) **440** hours for teachers and school district educational support personnel.<sup>1</sup> School district educational support personnel includes all non-teaching employees of school districts (custodial staff, administrative assistants, etc.).

**NOTE:** The “600-hours-per-year” requirement for WRS coverage continues to apply to all other non-teaching and non-school district educational support personnel, including educational support personnel at technical colleges or other educational institutions other than school districts. (e.g. CESA’s)

**AND**

2. **Employee is expected to be employed for at least one year (365 consecutive days, 366 in leap year) from their date of hire.**

**NOTE:** Employees hired to work only nine or ten months per year (e.g., teacher contract) but expected to return year after year are considered to have met the one-year requirement.

**EXAMPLE 1:** An employee is hired as a permanent, nine-month contract cafeteria cook in a school district. Breakfast and lunch preparation will require 4 hours per day or 720 hours per fiscal year. Because the cook is a

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<sup>1</sup> 2009 Wisconsin Act 28 amending Wis. Stat § 40.22(2m) (a) effective July 1, 2009.

permanent school district educational support employee expected to work more than 440 hours (one-third full-time), the employee is WRS eligible upon hire.

**EXAMPLE 2:** A long-term substitute teacher is taking over during another teacher's leave. The assignment is expected to require more than 440 hours (one-third full-time). The substitute teacher is not eligible for WRS participation unless the district has an expectation that the duration of employment will be for at least a year.

### **302 Employees Not Eligible for WRS Participation**

Employees who do not meet the eligibility criteria as enumerated in subchapters 301 are not eligible for participation in the WRS. In addition, the following individuals are not considered "participating employees":

- A. Persons employed under a contract involving the furnishing by the person of more than personal services.
- B. Persons engaged in an independently established trade, business or profession whose services are not compensated for on a payroll of that employer. Refer to subchapter 313 for guidelines to determine employee vs. independent contractor status.
- C. Persons employed for fewer than 30 calendar days. For exceptions, refer to subchapters 309 and 311.
- D. Patients or inmates of a hospital, home or institution performing service therein.
- E. Welfare recipients performing services in return for assistance payments. The primary intent of such work relief programs is to provide assistance to needy individuals and their families. Work is not compensated, but is a condition of receiving assistance.
- F. Students under age 20 regularly enrolled—or expected to be enrolled—as a full-time student in grades 1-12 in a public, private, or parochial elementary or high school and hired on or after April 23, 1992. (Eligibility evaluation begins when the student obtains a high school or equivalency diploma, turns age 20 or supplies the employer with written notification of leaving school. Do not consider any hours worked while a student when making the WRS eligibility determination.)
- G. WRS annuitants who have not elected to return to active participation in the WRS.
- H. Employees appointed by a school or other educational system (in which the individual is regularly enrolled as a student and attends classes) to perform services incidental to their course of study at that school or education system.

- I. Employees appointed by the University under Wis. Stat. § 36.19, or by the University of Wisconsin Hospitals and Clinics Authority, as student assistants or employees in training.

### 303 Considerations in Determining WRS Eligibility

Employers must assess the reasonable number of hours necessary for an employee to perform their assigned duties in an acceptable manner.

**EXAMPLE 1:** A part-time teacher, expected to return year after year, is hired at a community college to teach two one-hour classes per day. The college compensates the teacher on a per/class basis. The employer must determine whether the teacher is expected to work 440 hours for one year to qualify for WRS when hired.

The employer must consider the number of hours the teacher is expected to work, including preparation time, rather than just the actual number of hours the teacher is in the classroom even though classroom hours are the basis upon which the teacher receives compensation. Reasonable preparation time must be considered, as it is a necessary and required component of a successful classroom experience.

**EXAMPLE 2:** A part-time bus driver is hired by a school district to drive a morning and an afternoon route. The employer estimates each route will take one hour to complete for a total of two hours each day and pays the drivers on a per route basis.

The driver is also required to inspect, clean, and fuel the bus each morning and each afternoon. The employer estimates this will take 15 minutes in the morning and 15 minutes in the afternoon for a total of 30 minutes each day. There are 180 days in the school year. [180 days x 2.5 hours/day = 450 hours per school year.] The bus driver is expected to meet the 440 hours and one-year duration of employment expectation. Therefore, the employee qualifies for WRS upon hire because the bus preparation time is necessary and mandatory in the acceptable performance of the driver's duties, even though the driver is paid on a per route basis.

**EXAMPLE 3:** A coach is hired for the high school football team. The coach does not hold any other position with the school district. The coach receives a stipend and the number of hours expected to work is unknown. The employer must determine a reasonable number of hours needed to perform the job. In this example, the duties include:

- attend all practices, games and tournaments;
- meet with coaching assistants on a regularly scheduled basis or as needed;
- evaluate game film;
- attend team meals; and

- serve as a counselor to team members.

In the event the employer is unable to determine a standard number of hours, requirements from other athletic programs can be considered. Once the reasonable number of hours is determined, the standard hours must be applied to all future employees hired to fill the football coaching position. This is true even in cases where the coach works more or less hours than the employer previously determined to be reasonable. The hours of overzealous or under-performing coaches should not be used; reasonable hours to complete the duties must be the standard.

All employment for which an employee receives earnings for personal services rendered at one employer must be included when determining WRS eligibility.

Employment for which an amount is paid to the employee by the employer, regardless of the source of funding (e.g., grants, class reduction grants) and regardless of whether reimbursement for earnings is made by a second employing entity, must be included in the evaluation of WRS eligibility. If an employee is employed at two school districts but only one district reports to WRS while the other reimburses part of the total earnings, eligibility is determined using the hours worked for both districts.

The WRS eligibility criteria must be met independently at each state agency or local government employer.

Employers who have elected WRS participation may not limit participation to a particular department, a classification of employees, special interest groups or union contract groups nor may it be limited to only full-time employees. Employers with mandatory participation need only cover those employees who are statutorily mandated, such as teachers of a school district, until such time that they elect WRS coverage for their other employees. (Refer to subchapter 101.)

### **304 Employees Not WRS Eligible on Date of Hire and Expectations Change**

An employee who does not meet the WRS eligibility requirements on their date of hire may subsequently become eligible and must be enrolled any time the employer's expectation of either hours to be worked or duration of employment change. A previously WRS ineligible employee must be enrolled in WRS as soon as the expectation exists of meeting the eligibility criteria in subchapter 301.

**EXAMPLE 1:** On March 2, an employee was hired as a full-time clerical assistant. At the time of hire only two months of employment (approximately 320 hours) were expected. Effective April 6, employment changes to a half-time (1,040 hours per year) permanent position. The clerical employee should be enrolled in WRS with a begin date of April 6, the date they were expected to work at least one year and for at least 600 hours per year.

**EXAMPLE 2:** A limited term employee (LTE) is hired on March 1, 2010 to work 1,043 hours for an expected duration of six months through Aug. 31, 2010. On August 15, 2010 the LTE is offered and accepts another six-month appointment to begin on September 1, 2010 and end Feb. 28, 2011.

On Aug. 15, 2010, the employer's expectation that the employee would be employed for less than a year changes to an expectation that the employee would be employed for at least one year. The employee becomes eligible to participate in WRS on Aug. 15, 2010, the date expectations changed and not the first day of the second appointment.

**EXAMPLE 3:** An employee is hired to teach full-time for one semester from January 4, 2010 to June 3, 2010. On March 14, 2010, the employee is offered and accepts a contract to teach full-time for the following school year, beginning Sept. 9, 2010, and ending June 2, 2011.

On March 14, 2010, the employer's expectation that the employee would be employed for less than a year changes to an expectation that the employee would be employed for at least one year. The employee becomes eligible to participate in WRS on March 14, 2010.

**EXAMPLE 4:** Funding for park maintenance and staffing is done on a yearly basis. Two months into the fiscal year an employee is hired full time for the remaining 10 months of the funded position. At the time of hire it is unknown whether funding will be renewed for the park employee's position. The employee is not enrolled in WRS at the time of hire since there is only an expectation of 10 months of funding. However, 8 months later the position is funded for another 12 months. The employee is WRS eligible on the date the funding is renewed because at that time the expectation has been met that the employee will work at least one third full-time for at least a year.

### 305 Evaluation on the One-Year Anniversary of Employment

Once an employer has made an initial determination that a person will be employed for less than one year OR will work less than one-third of full-time, the employee is ineligible for WRS coverage at that time. On the one-year anniversary of the initial date of employment (if the expectations did not change during the year) the employer must evaluate whether the employee has actually worked more than 440 hours (teachers and school district educational support personnel) or 600 hours (non-teachers and non-school district educational support personnel) during the preceding 12-month period. Employees who have worked the required one-third of full-time hours must then be enrolled on their one-year anniversary date (not retroactively to the hire date), since both WRS eligibility criteria were met.

**EXAMPLE 1:** A non-teaching and non-school district educational support employee begins work on March 13, 2009. It is determined they will be employed for at least one year, but they are not expected to be employed for at least 600 hours. As a result, they are not enrolled in WRS upon hire. One year later, March 13, 2010, the employer reviews the actual hours

worked from March 13, 2009, to March 12, 2010, and determines the employee actually worked 625 hours. The employer must enroll the employee in WRS effective March 13, 2010, the date both WRS eligibility criteria were met.

**306 Evaluation on a 12-Month Rolling Look-Back**

Employees who work the required hours in any 12 consecutive months must be enrolled. On the employee's one-year anniversary date, continuous monitoring on a rolling 12-month basis must begin if they have not worked the required number of hours for WRS participation. The employee must be enrolled in the WRS on the day after they have worked more than 440 hours (teacher and school district educational support employee) or 600 hours (non-teacher and non-school district educational support employee) in any immediately preceding 12-month period.

**EXAMPLE 1:** A non-teaching and non-school district educational support employee begins work on March 10, 2009. It is determined that they will be employed for at least one year but will not be employed for at least 600 hours. As a result, the employee is not enrolled in WRS upon hire. The employee is still employed one year later. On March 10, 2010, the employer reviews the actual hours worked from March 10, 2009, to March 9, 2010, and determines the employee did not work at least 600 hours. Since both WRS eligibility criteria have not been met, the employee is not enrolled in the WRS on their one-year anniversary date.

However, the employer now must continue to evaluate the employee's eligibility on a "**12-month rolling period.**" The employer has a biweekly payroll. As each future payroll is processed, the employer must add the hours from the most recent payroll period and subtract the hours from the oldest payroll period to determine the total hours worked in the immediately preceding 12 months.

In this case, the employee reached 600 hours for one-year threshold in the April 21 through May 4, 2010, payroll cycle. The employer must, therefore, determine the actual date on which the employee reached 600 hours and enroll the employee in the WRS, effective the next day.

**Table 3.1 - Rolling Look-Back (How to Monitor Employee Hours)**

Pay Period		One Year Review		Hours Worked - One Year Review
From:	Through:	From:	Through:	
3/10/2010	3/23/2010	3/24/2009	3/23/2010	540
3/24/2010	4/06/2010	4/07/2009	4/06/2010	530
4/07/2010	4/20/2010	4/21/2009	4/20/2010	580
4/21/2010	5/04/2010	5/05/2009	5/04/2010	600

**NOTE:** In these situations you may not use the first day of the next pay period as the WRS effective date unless the employee reaches 600 hours on the last day of the pay period.

**EXAMPLE 2:** A non-teaching and non-school district educational support employee is hired part-time seasonal to work 260 hours from June 1, 2009, to Aug. 29, 2009, on the city's street crew. Upon hire the employee is not expected to meet the 600-hour and one-year requirement to qualify for WRS participation.

On Oct. 1, 2009, the employee is rehired by the City to do snow removal for a maximum of 200 hours. This second position with the City also does not meet the 600-hour and one-year requirement to qualify for WRS. However, the employer is required to look back to determine if the employee has worked 600 hours in the immediately preceding 12-month period. In this case the employee has not worked 600 hours in the preceding 12-month period and does not qualify for WRS participation.

On June 1, 2010, (the employee's anniversary date of hire) the employee is again rehired to work on the City's street crew as part-time seasonal for 260 hours, until Aug. 28, 2010. This appointment does not meet the 600 hours for one-year criteria to qualify for WRS participation. Again the employer uses the one-year look-back provision and determines the employee has worked 460 hours in the immediately preceding 12-month period. Therefore, the employee still does not qualify for WRS participation.

For each subsequent pay period, the employer must continue to assess the number of hours worked in the immediately preceding 12-month period (subtract the oldest pay period hours and add the most recent pay period hours). Refer to subchapter 306, Table 3.1

**NOTE:** 2009 Wisconsin Act 28 changed the eligibility requirements for WRS coverage for school district educational support personnel to be the same as teachers. These new eligibility requirements apply only to employment **performed after July 1, 2009**. However, school districts must now determine the number or hours that their support personnel worked from July 1, 2008, through June 30, 2009. School district educational support employees who worked at least 440 hours during that period must be enrolled in the WRS effective retroactively under this "look-back" provision.

**EXAMPLE 3:** A teacher's assistant is hired into a permanent, part-time position on September 1, 2008, with the expectation of working 540 hours during each fiscal year. Prior to Wis. Act 28, this employee did not meet the 600 hours per year expectation of an educational support employee and was not enrolled in the WRS. After the employee's first 12 months, the employee is reevaluated using the 12-month rolling look-back

provision. The employee never exceeded 600 hours per 12-month period.

With the passage of Wis. Act 28, the employer reevaluates the employee using the 12-month rolling look-back from July 1, 2010, through June 30, 2011. It is determined that the employee worked 540 hours during this period and met the eligibility requirement of 440 hours per year for school district educational support personnel. The employee is enrolled in the WRS effective July 1, 2011.

### 307 WRS Eligibility for Employees of a Joint Instrumentality

Some local government units are permitted under state law to create a joint instrumentality. It is possible for two or more employers to create a joint instrumentality that is not recognized as a separate unit of government for purposes of Titles II and XVIII of the Federal Social Security Act and for WRS purposes. One example would be a joint library district.

An employee of a joint instrumentality is a participating employee under the WRS if:

1. any of the units of government forming the joint instrumentality is a participating employer under the WRS; and
2. the employee meets the WRS eligibility criteria.

In determining whether an employee meets the WRS eligibility criteria, the employee's work for the joint instrumentality is to be considered as a whole, without regard to the number of separate units of government which created the joint instrumentality or any agreement among them apportioning responsibility for the retirement contributions.

**EXAMPLE 1:** A librarian in a permanent position works 900 hours per year for a joint library district created by six towns and villages. At least one of the employers of the joint library district is a WRS participating employer.

For purposes of determining eligibility in the WRS, the employee's hours of service for the joint instrumentality is to be considered as a whole, without regard to the number of separate units of government which created the joint instrumentality. Therefore, the librarian is eligible for participation in the WRS due to the total number of hours to be worked.

Although all hours are considered for eligibility purposes, this is not the case for determining the hours and earnings for WRS reporting purposes. The number of hours and amount of earnings to be reported by each WRS participating employer with respect to an employee of the joint instrumentality is determined by prorating the hours and earnings among the employers that created the joint instrumentality. If the proration is not specified by the agreement establishing the joint instrumentality, it must be in accord with the agreed proration of other expenses. If no proration is provided in the agreement, each WRS participating employer must report as hours and earnings, the total amount divided by the number of units of government forming the joint instrumentality.

Refer to subchapters 508-M and 509 for additional information on determining what earnings and associated hours are WRS reportable for a WRS eligible employee working for a joint instrumentality.

### 308 WRS Eligibility for Emergency Workers

Employers are responsible for making WRS eligibility determinations for all types of emergency workers, taking into consideration the number of hours required in the performance of the job's duties and the expected duration of employment. "Emergency worker" is undefined in Chapter 40, Wis. Stat., but for purposes of this discussion includes—but is not limited to—permanently staffed firefighters, volunteer firefighters and emergency medical technicians (EMTs). Due to the varying employment conditions and compensation schemes employers assign to this type of employee, it can be difficult to project the number of work hours required. These guidelines should assist employers in evaluating which hours to consider for WRS eligibility purposes. Ultimate responsibility for determining the reasonable hours necessary to perform the job, along with the expected duration of employment, resides with the employer.

#### Frequently asked questions pertaining to Firefighters/EMTs:

1. *Is the firefighter/EMT who donates time or receives a token payment considered a volunteer and therefore not eligible for WRS?*

Not necessarily. The definition of employee varies, depending on the context in which the term is used. The federal Fair Labor Standards Act (FLSA), US Code Title 29, s. 203 (e) (4) (a) (i), excludes someone who performs "volunteer" services for local governments from its definition of employee as such:

(4) (a) The term "employee" does not include any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if:

(i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and

(ii) such services are not the same type of services which the individual is employed to perform for such public agency.

However, the WRS is administered in accordance with Chapter 40 of the Wisconsin Statutes. Sections 40.22 and 40.02 (26), Wis. Stat., define "employee" as one who is providing compensated services to a participating employer. Emergency workers not receiving compensation other than expense reimbursement are not considered employees for WRS eligibility purposes. On the other hand, once compensated, even with a token payment, the worker is no longer a volunteer and must be considered for WRS eligibility.

Chapter 40 neither permits ETF to set a minimum threshold for earnings, nor provides guidance in setting a minimum threshold for hourly compensation. The statute only requires that there be compensated service. WRS eligibility is based on the expectation of hours and duration of employment; therefore, the compensation scheme employed is irrelevant to the eligibility determination.

*2. Are an employee's on-call/standby hours considered when determining WRS eligibility?*

Not always. Although an employee who is on call/standby might be receiving some form of compensation, the employee isn't actually rendering service to the employer. Instead, they are being compensated for making themselves available to work. Even if the employer has placed restrictions on the employee while serving on call/standby—for example, requiring that they stay within a set radius of the firehouse—that employee is still able to perform personal activities until they actually respond to a call.

The ETF Board has determined that on-call/standby time is not counted in determining WRS eligibility in every instance. Including on-call hours when no actual service rendered would unfairly result in WRS eligibility for an employee who actually renders fewer service hours than required by state statute. The exception would occur if an employer actually directed the employee to perform compensable service while on call/standby.

*3. May an employer apply Wisconsin Administrative Code ETF 10.03 (7) for determining eligibility?*

No. ETF 10.03 (7) codifies a method for determining the number of on-call/standby hours to report AFTER the employee is determined WRS eligible. ETF 10.03 (7) is therefore appropriately discussed in subchapter 513 of the *WRS Employer Administration Manual*, which addresses earnings and service issues, not WRS eligibility. The rule instructs employers to calculate on-call/standby hours for reporting purposes by dividing the compensation by the employee's base hourly rate of pay.

*4. In the event an emergency worker becomes eligible for WRS, should an employer report only those hours associated with the emergency call or may the employer also include on-call/standby hours?*

Report all earnings and associated service hours once WRS eligibility has been determined. Again, hours used to assess WRS eligibility are not necessarily the hours that will be used for reporting once eligibility has been determined. If a WRS-eligible employee receives earnings for on-call/standby or other service incidental to primary employment, all earnings and associated hours [using ETF 10.03 (7)] are reportable and contributions are due.

*5. What time should be included in determining the length of an emergency call?*

This can vary by employer and employment situation. One method is to begin tracking the hours when the emergency worker arrives at the station/fire/emergency and end tracking when the emergency call is over and the worker is dismissed from

or leaves the station, fire or emergency. Depending on the employer requirements, the worker could be dismissed as late as the time equipment cleanup at the station is completed, or as early as arrival at the emergency, due to already-adequate staffing.

Employment Situation	Description	Requirements Expectations	Compensation	WRS Eligibility Determination Guidelines
<p>Firefighter (FT or PT) assigned to staff firehouse shifts.</p>	<p>Provide shift coverage in the firehouse.                      Employer doesn't employ on-call/standby workers.</p>	<p>Serve in the capacity of professional firefighter; attends to firehouse duties when not responding to calls.</p>	<p>Salary or hourly wage.</p>	<p>All shift hours at the station or attending calls are used in determining WRS eligibility.                      Compensation scheme employed is irrelevant.</p>
<p>Rotation between staff firefighter and on-call/standby duty.</p>	<p>Staff firehouse on a rotating basis.                      Provide on-call/standby coverage on a rotating basis.</p>	<p>Weekly rotation of firehouse shift work and on-call/standby when not on the firehouse rotation. Employee is on call for a set number of shifts per month.                      While on-call the employee must:</p> <ul style="list-style-type: none"> <li>• remain within a set radius of the station (may stay at their homes if within the radius);</li> <li>• stay at the station or elsewhere within the radius if they reside outside the radius;</li> <li>• be available by phone or radio;</li> <li>• use their own vehicle to respond to fire/ambulance station; and</li> <li>• refrain from consuming alcoholic beverages.</li> </ul>	<p>Hourly rate when filling a normal shift.                      Paid a set dollar per hour amount while on call and paid a higher rate if responds to call.</p>	<p>Hours worked staffing the firehouse and responding to incoming calls must be included in determining WRS eligibility.                      Only on-call hours actually responding to calls or performing other employer directed activities are considered in determining WRS eligibility.                      On-call hours not spent responding to actual calls are not considered in determining WRS eligibility.                      Employees are making themselves available to work but are not performing actual duties.                      Travel time to the firehouse is not considered in determining WRS eligibility.                      Compensation scheme employed is irrelevant.</p>
<p>On-call/standby</p>	<p>Employed in an on-call/standby capacity only.</p>	<p>Employee is on call for a set number of shifts per month.                      While on-call the employee must:</p> <ul style="list-style-type: none"> <li>• remain within a set radius of the station (may stay at their homes if within the radius);</li> <li>• stay at the station or elsewhere within the radius if they reside outside the radius;</li> <li>• be available by phone or radio;</li> </ul>	<p>Stipend or flat rate while on call; a higher rate if responding to a call.</p>	<p>Only on-call hours actually responding to calls or performing other employer directed activities are considered in determining WRS eligibility.                      On-call hours not spent responding to actual calls are not considered in determining WRS eligibility.                      Employees are making themselves available to work but are not performing actual duties.                      Travel time to the firehouse is not considered in</p>

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Employment Situation	Description	Requirements Expectations	Compensation	WRS Eligibility Determination Guidelines
Volunteer Firefighter	Responds to fire calls conveyed over employing entity's emergency siren system.	<ul style="list-style-type: none"> <li>use their own vehicle to respond to fire/ambulance station; and</li> <li>refrain from consuming alcoholic beverages.</li> </ul> <p>Employer schedules specific group of "volunteers" to be on-call/standby during certain weeks. Volunteer decides to respond to siren or not. They may also elect to respond to calls during weeks they are not specifically scheduled to do so.</p> <p>During the scheduled week, employee:</p> <ul style="list-style-type: none"> <li>Remains close to the community;</li> <li>Is available by phone or radio;</li> <li>Uses their own vehicle to respond to fire/ambulance station <ul style="list-style-type: none"> <li>Refrains from consuming alcoholic beverages.</li> </ul> </li> </ul>	<p>Reimbursement for personal expenses only;</p> <ul style="list-style-type: none"> <li>OR</li> <li>yearly stipend; or a flat rate while on-call/standby with a higher rate, if responding to call.</li> </ul>	<p>determining WRS eligibility.</p> <p>Compensation scheme employed is irrelevant.</p> <p>If working for reimbursement of personal expenses only, employee is a true volunteer and not WRS eligible. Employer must document expense payments.</p> <p>If compensated, only the hours actually responding to calls or performing other employer directed activities must be included in determining WRS eligibility.</p> <p>On-call hours not responding to actual calls are not considered in determining WRS eligibility since the employees are making themselves available to work but are not performing actual duties.</p> <p>Travel time to the firehouse is not considered in determining WRS eligibility. Compensation scheme employed is irrelevant.</p>
Travel time to and from the firehouse or the site of the emergency when responding while on-call/standby.	Travel time to firehouse or emergency from home, job, etc. and return to home or job, etc. at end of call.	When on call/standby, employee is expected to report to the firehouse or the emergency site.	Possible yearly stipend or hourly rate, depending on employer's compensation scheme.	Travel times to and from are not considered in determining WRS eligibility.
On the job training/drills	Weekly training and drills held for all firefighters.	All firefighters, including those enrolled in the firefighter certification training, are required to attend weekly training/drill sessions at the fire station, if they are not	Pay is dependent on status. FT and PT staff firefighters are	Compensation scheme employed is irrelevant. <p>Since the training is mandatory and compensated, it is for the benefit of the employer, and the hours are considered in determining WRS eligibility.</p>

Employment Situation	Description	Requirements Expectations	Compensation	WRS Eligibility Determination Guidelines
		in class or on duty.	<p>paid their hourly rate.</p> <p>On-call/standby staff is paid an hourly rate or it's included in their yearly or monthly stipend.</p>	<p>Travel times to and from a training site are not considered in determining WRS eligibility.</p> <p>Compensation scheme employed is irrelevant.</p>
Certification Training	Attending courses at local technical schools for the purpose of attaining state certification.	State law requires fire fighters/EMTs to be certified when hired as emergency workers. The firefighter/EMT programs are offered at the technical colleges.	Employer pays for the cost of the course and may or may not pay the employee for their time in attendance.	<p>Since the course is state mandated, the hours in attendance are not considered in determining WRS eligibility, unless the employee is being paid to be there.</p> <p>The fact the employer pays the tuition is irrelevant.</p>
Responds to call but remains on scene only for a short period.	Employee provides minimal service when responding to a call due to: <ul style="list-style-type: none"> <li>• adequate staffing so employee dismissed;</li> <li>• false alarm; or</li> <li>• responds to call long after being dispatched.</li> </ul>	Employee performs service for the employer from the time arriving at the station or site of the emergency until the employer determines service is not required.	<p>Set dollar amount or stipend paid regardless of time spent responding to the call.</p>	<p>Hours spent from the time arriving at scene or firehouse until the time of dismissal are considered in determining WRS eligibility. If the employer uses historical information to set a standard, the shortened calls must be built into the standards.</p> <p>Compensation scheme employed is irrelevant.</p>
Fraction of hour worked.	Calls are paid at value of whole hours, i.e., employer rounds up for pay purposes.	Employee responds to 200 calls per year and the average time allocated is 2.5 hours per call, so real hours worked equals 500 hours. However, employer rounds to whole hours, paying employee for 600 hours.	Employee is paid hourly fee for every hour or fraction of hour worked.	Only the hours performing actual duties are considered in determining WRS eligibility. If the employer has set a standard of 2.5 hours per call, that must be used in determining WRS eligibility; not the paid hours.
Multiple	Primary employment	Due to primary employment being WRS	All compensation	If employee terminates primary employment, but

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Employment Situation	Description	Requirements Expectations	Compensation	WRS Eligibility Determination Guidelines
employment positions for a WRS participating employer.	is WRS eligible. Secondary emergency worker position does not meet WRS eligibility criteria on its own.	eligible, both primary employment and emergency worker earnings and service are reported to WRS.	reported to WRS, with on-call hours reported per ETF 10.07(3).	retains the emergency worker position, the employee has not ended the employee-employer relationship and the termination transaction applies to the primary employment only. Emergency worker service and earnings must continue to be reported under protective category.

### 309 Duration of Employment Exceeds 30 Calendar Days

In order for an employee to be WRS eligible, their duration of employment (as opposed to duration of WRS covered employment) must be at least 30 calendar days, regardless of original expectations. Per Wis. Stat. § 40.22 (6), in the event an employee's employment with an employer terminates after a period of service of fewer than 30 calendar days, the employee is not eligible for WRS for that period of service, regardless of whether the period was originally expected to be WRS eligible. On the other hand, an employee may be eligible for WRS coverage of fewer than 30 calendar days if their duration of employment was at least 30 calendar days.

#### **EXAMPLE 1: Duration of Employment is Over 30 Days:**

A limited-term employee is hired, and not expected to meet the minimum 600-hour and/or one-year requirement to qualify for WRS participation. One year later the employer determines the employee actually worked 600 or more hours during the preceding 12-month period. The employee is enrolled in WRS on the one-year anniversary date.

The employee then terminates employment fewer than 30 calendar days after becoming hired and enrolled in the WRS. In this situation, the employee's period of service from the time of WRS enrollment through termination continues to be covered under WRS even though the period of WRS coverage is fewer than 30 calendar days because the duration of employment has been for more than 30 calendar days.

#### **EXAMPLE 2: Duration of Employment is Under 30 Days:**

A school hired an employee to work as a full-time data entry clerk. The employee was expected to meet the WRS eligibility criteria and was enrolled in WRS upon hire.

The employee then terminates employment after fewer than 30 calendar days of becoming hired and enrolled in the WRS. In this situation, the employee's period of service is not WRS eligible because the duration of employment was less than 30 calendar days. The employer must process a termination transaction with an action code "03" (not eligible) to nullify the enrollment.

### 310 Continuation of Participation

A WRS covered employee continues to be WRS eligible even if hours are subsequently reduced to less than 1/3 full-time.

An employee covered under WRS who terminates, does not apply for a WRS benefit and subsequently returns to work for the same employer **within** 12 consecutive

months must be reenrolled in WRS without consideration as to the duration of the new period of employment (Wis. Stat. § 40.22 (3m) and (6)).

**Once an employee becomes eligible for WRS, eligibility continues until:**

- the employee-employer relationship has been terminated for 12 or more consecutive months; or
- the employee terminates and receives a benefit under Wis. Stat. §§ 40.23 [retirement annuity], 40.25(1), (2) [separation benefit or lump sum payment] or 40.63 [disability annuity].

### 311 Employees Returning to Work at the Same Employer

When rehiring an employee, employers must consider the previous employment when determining WRS eligibility for the employee's new employment period. Refer to subchapter 310 regarding continuation of WRS participation.

A. **WRS covered** employee terminates, **does not receive a WRS benefit**, and **returns** to employment:

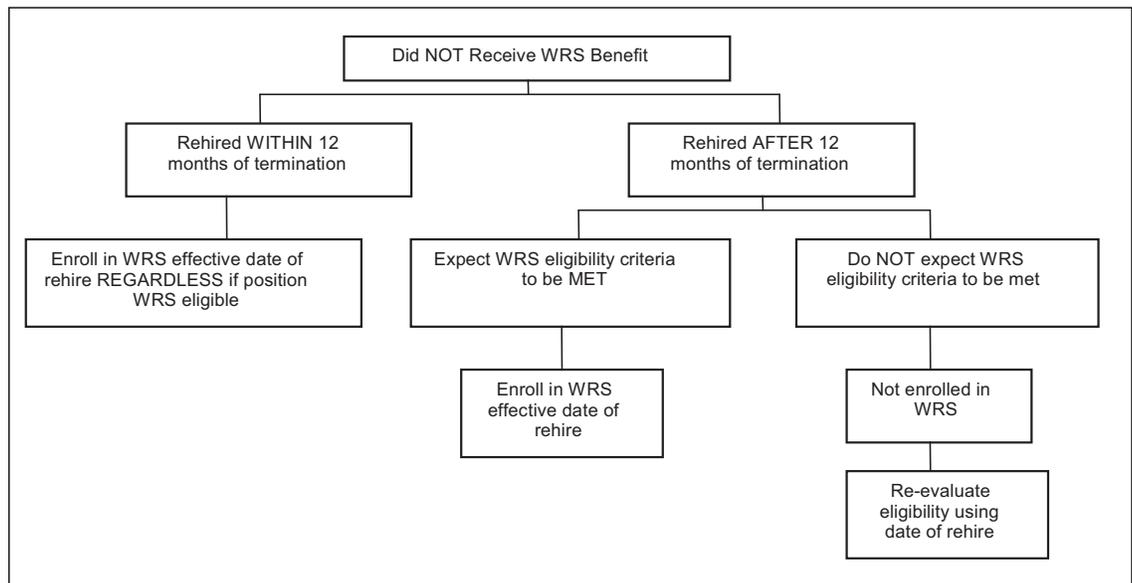
- a. **within 12 months** of termination. Because the employee returned to work within 12 months of their previous termination without having received a WRS benefit, they retain their WRS eligibility. The employee must be re-enrolled in the WRS immediately upon rehire, regardless of whether or not the new employment period is expected to meet the WRS eligibility criteria, and even if their new employment period is expected to last fewer than 30 calendar days.

**EXAMPLE 1:** A previous WRS covered teacher is rehired into a non-teaching position within 12 months of termination and has not received a WRS benefit. The school district covers educational support personnel under the WRS. Due to the employee returning within 12 months and not having received a WRS benefit, they are WRS eligible upon hire regardless of the expected hours or duration of their new employment period. Because the employee's new duties do not meet the definition of a teacher, the employee is enrolled in employment category 12, Educational Support Personnel. (If the school district did not provide WRS coverage for its educational support personnel, the employee would not be eligible to participate in WRS for the new employment period.)

- b. **after 12 months** of termination. Because 12 months have elapsed since the employee's previous termination the employee no longer retains their WRS eligibility. Upon rehire, you must reevaluate the rehired employee's eligibility for WRS participation as you would any newly hired employee. Refer to subchapter 300 for WRS eligibility criteria.

**EXAMPLE 1:** A WRS covered employee is rehired after 12 months from the date of their previous termination. They are expected to work 1,040 hours for a period of six months. Because 12 months have passed since their previous employment they no longer automatically retain their WRS eligibility. Upon rehire you must reevaluate the employee's WRS eligibility. In this example, the employee is not expected to meet the WRS eligibility criteria of at least 12 months of employment and is therefore not WRS eligible upon rehire.

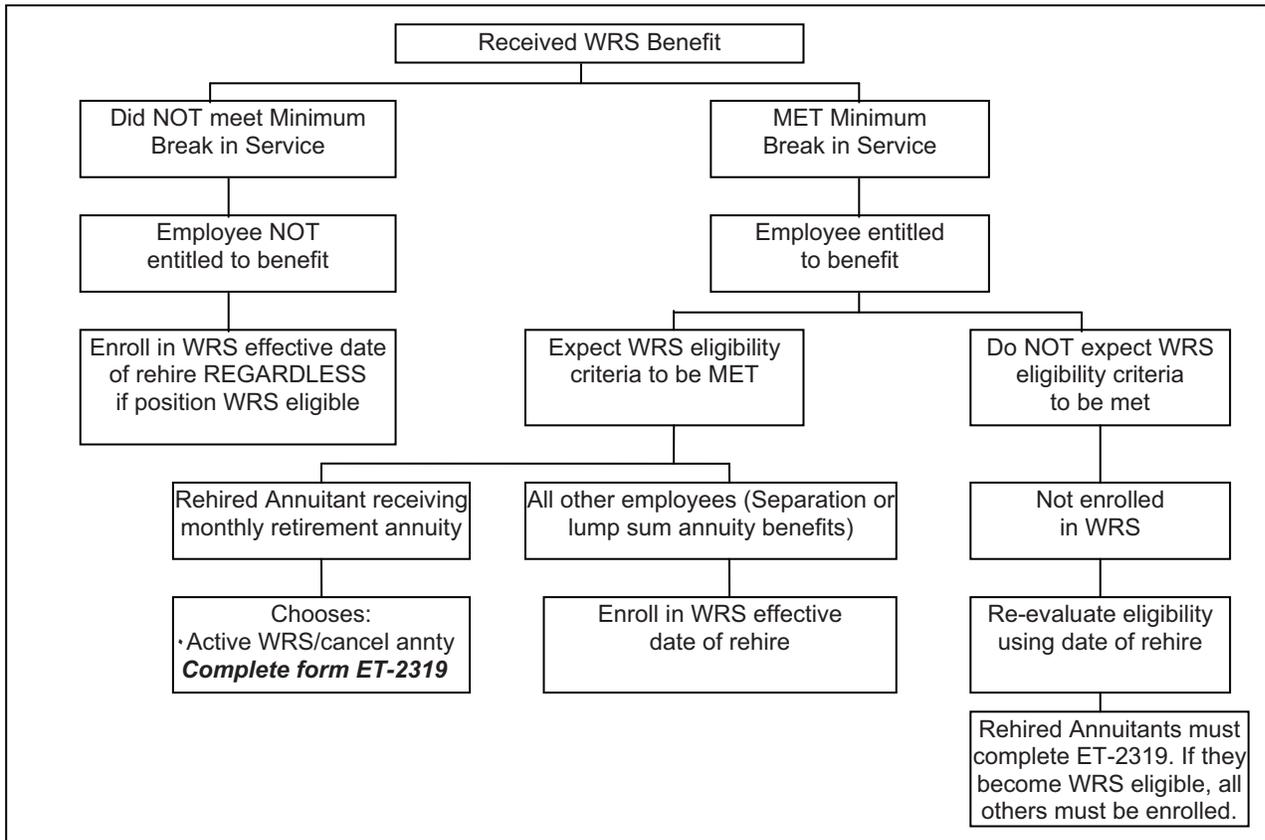
**EXAMPLE 2:** A WRS covered employee is rehired after 12 months from the date of their previous termination. They are hired into a permanent, full-time position. Because 12 months have passed since their previous employment they no longer automatically retain their WRS eligibility. Upon rehire you must reevaluate the employee's WRS eligibility. In this example, the employee is expected to meet the WRS eligibility criteria of at least 600 hours with a duration of at least 12 months of employment and is therefore WRS eligible upon rehire.



- B. **WRS covered** employee terminates, **takes a WRS lump sum benefit** (refer to Chapter 15 for examples where the employee returns to work after receiving a WRS annuity), and **returns** to employment:
- a. **prior to fulfilling the minimum break in service requirement** for lump sum benefit eligibility (refer to subchapter 1401, Eligibility for Benefits – Minimum Break in Service). Because the employee is rehired (possibly at a different WRS employer) prior to fulfilling the minimum break in service requirement, the lump sum benefit is invalid. Since the benefit is not valid, an employee rehired within 12 months of termination is WRS eligible upon rehire; an

employee rehired after 12 months of termination must be reevaluated for WRS participation as you would any newly hired employee. Note: the employee will be required to repay the invalid lump sum benefit.

- b. **after fulfilling the minimum break in service requirement** for lump sum benefit eligibility (refer to subchapter 1401, Minimum Break in Service). Because the employee is rehired after fulfilling the minimum break in service required for lump sum benefit eligibility, the benefit is valid. Upon rehire, you must reevaluate the rehired employee's eligibility for WRS participation as you would any newly hired employee, even if the employee returns within 12 months of the previous termination. Refer to subchapter 301.

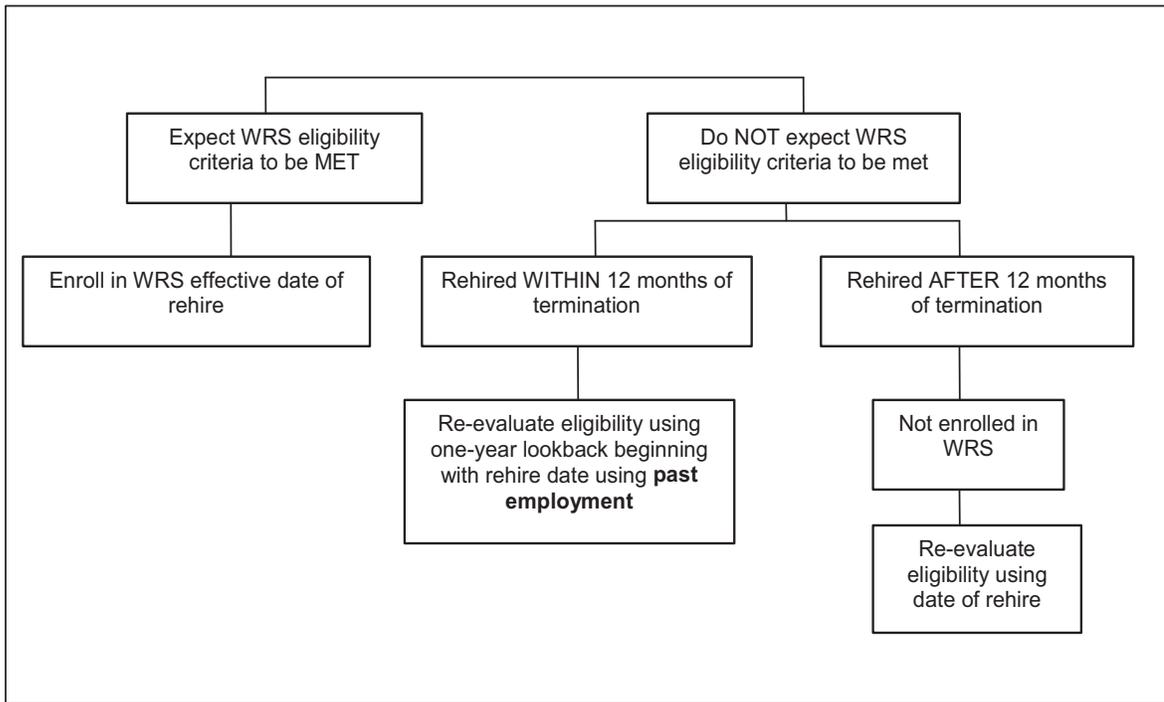


C. **Non-WRS covered** employee terminates and **returns** to employment:

- a. **regardless of the interval between termination and rehire**, if you expect the new period of employment to qualify for WRS, you must enroll the employee under the WRS on the rehire date.
- b. **within 12 months** of termination and you do not expect the new period of employment to meet the WRS eligibility criteria of 1/3 full-time and at least one-year in duration, you must still consider their previous employment.
- If the rehire was your employee 12 months prior to the rehire date and worked 1/3 of full time within the immediately preceding 12-month period, you must enroll them in the WRS on the rehire date because on that date

the employee met both the 1/3 full time and one year duration of employment criteria.

- If the rehire was your employee 12 months prior to the rehire date and did not work 1/3 of full time within the immediately preceding 12-month period, you must begin monitoring the employee’s hours on a 12-month rolling period basis, beginning with the rehire date. Enroll the employee in WRS on the date the 1/3 of full time criterion is met (because the one-year duration criterion has already been met).
  - If the rehire was your employee fewer than 12 months prior to the rehire date, you must reevaluate their WRS eligibility on the 12-month anniversary date of their original hire date.
- c. **after 12 months** of termination and you do not expect the new period of employment to meet the WRS eligibility criteria of 1/3 full-time and at least one-year in duration. Do not enroll the employee in WRS; reevaluate their WRS eligibility on the 12-month anniversary of the rehire date. If they are still not WRS eligible on their 12 month anniversary date, you must begin monitoring the employee’s hours on a 12-month rolling period basis.



## 312 Examples of Employment Situations and Eligibility for Participation

**Table 3.1 – WRS Eligibility Situations**

EX.	Employment Characteristics	Eligible to Participate?	Reason
A	Non-teaching and non-school district educational support employee is hired to work 2,080 hours on a special project to last one year and there is no expectation of reassignment to another.	Yes	Expected duration of employment is one year and employed for at least one-third of full-time (600 hours for non-teachers and non-school district educational support personnel).
B	Non-teaching and non-school district educational support employee is hired permanently to work 1,040 hours per year and to perform several functions for one or more departments at the same employer.	Yes	All work for the same employer is considered in determining whether a person meets requirement of one-third of full-time employment for a 12-month period.
C	Employee newly hired to fill full-time permanent position, but terminates after two months.	Yes	Employee was expected to work at least one-third of full-time and for at least one year upon hire.
D	Employee newly hired to fill full-time position, but terminates before working 30 calendar days.	No	The employee is not eligible for retirement coverage for that period of service and any retirement contributions withheld from the employee's salary should be refunded. (Wis. Stat. § 40.22(6)). For exceptions, refer to subchapters 309 and 311. <sup>2</sup>
E	Employee becomes WRS eligible upon their one-year anniversary. Employee terminates with 30 calendar days of becoming WRS eligible.	Yes	The employee met the WRS eligibility criteria upon their one-year anniversary. Since their period of employment was more than 30 calendar days, the Wis. Stat. § 40.22(6) exception doesn't apply.
F	WRS active participant changes from working 1,500 hours to approximately 300 hours per year.	Yes	Participation continues until employee-employer relationship is terminated for 12 or more consecutive months, or employee terminates and receives a separation, retirement or disability benefit.
G	Employee permanently hired to work unknown hours with a probability to be more than 600 hours per year.	Yes	Expected to work at least one-third of full-time and expected duration of employment is at least one year.
H	Employee hired late in year. Half-time position expected to be about 1,000 hours a year for two years.	Yes	Expected to work at least one-third of full-time and expected duration of employment is at least one year.
I	Upon employment, employee is not expected to work one-third of full-time per year; after employment, expectations change to at least one-third of full-time per year.	Yes, upon change of expectations	Report when the change occurs with the expectation of one-third full-time employment per year. (WRS enrollment is effective on the date expectations changed.)
J	Employee hired on "stand-by," "temporary," "LTE," "on-call," "seasonal," or "substitute teacher" basis. Employment is full-time, but for five months only.	No	Expected to work less than one year. (Refer to subchapter 301.)
K	Participating employee terminates employment, takes a WRS retirement annuity, meets the minimum break in service requirement and is rehired to work less than one-third full-time.	No	A participant to whom a retirement annuity is payable under § 40.23, and who is subsequently employed by any participating employer shall not be a participating employee until the employee qualifies as an eligible employee, and the employee elects to return to active WRS participation by filing the ET-2319 election form. (Refer to Chapter 15.)

<sup>2</sup> This provision does not affect an employee's eligibility for insurance coverage during this period of time.

EX.	Employment Characteristics	Eligible to Participate?	Reason
L	Participating employee terminates employment, takes a WRS retirement annuity, meets the minimum break in service requirement, is rehired to work in excess of one-third full-time for more than one year and elects to participate in WRS on the ET-2319.	Yes	A participant to whom a retirement annuity is payable under Wis. Stat. § 40.23, and who is subsequently employed by a participating employer shall be a participating employee if the employee qualifies as an eligible employee and the employee elects to return to active WRS participation by filing the ET-2319 election form. (Refer to Chapter 15.)
M	Employee is expected to work one year and one-third time at Employer A and also works 150 hours per year at Employer B.	Yes, at Employer A No at Employer B	Employees must meet the eligibility criteria at each employer independently to be reported by the employer.
N	Participating non-teaching and non-school district educational support employee terminates WRS-covered employment, does not take a WRS benefit and is rehired by the same employer within 12 consecutive months in a position not expected to exceed 600 hours in a year.	Yes, immediately upon hire	Regardless of expected hours of employment, a participating employee remains eligible unless terminated from employer 12 consecutive months or receives a benefit under §§ 40.23, 40.25 (1) (2) or (2m), or 40.63.
O	Seasonal employee who is not enrolled in WRS was hired May 1, 2010, works over 600 hours before terminating in September. Employee is rehired on May 1, 2011.	Yes, immediately upon rehire	Employee completed 600 hours in the immediately preceding 12 month period. WRS begin date is May 1, 2011.
P	Seasonal employee is hired to a position that typically requires about 800 hours during summer months. The employer considers the employee-employer relationship to remain intact since the employee is committed to returning year after year.	Yes	Although a seasonal employee, the employee-employer relationship is expected to be continuous in nature. Since the employee is also expected to work more than 600 hours per year, the employer has the expectation that the WRS eligibility criteria will be met and the employee should be enrolled in WRS upon hire.
Q	Non-teaching and non-school district educational support employee hired to work 500 hours for six months. After five months, you notice he has worked 600 hours.	No	Enroll employee if and when expectations change such that he is expected to work both for one year and 600 hours. Or, enroll on one-year anniversary if a look back indicates at least 600 hours had been worked during the previous 12-month period.
R	Substitute teacher is hired on Sept. 10, 2009. Employment is sporadic. On Sept. 20, 2010, she is subbing for the first time in the new school year. Upon evaluation, you discover that from Sept. 21, 2009, to Sept. 20, 2010, she has worked 445 hours.	Yes	As of Sept. 20, 2010, she had worked for both one year and for at least 440 hours. Her WRS begin date is Sept. 21, 2010, the day following working 440 hours.
S	A school bus driver, who previously had not worked 440 hours in any 12-month period, takes on additional extracurricular driving for basketball season. She is now expected to work at least one year and at least 440 hours per year.	Yes	Her WRS begin date is the date that she takes on the additional hours. On this date, you are able to reasonably determine that the driver is expected to work for one year and for 440 hours.
T	Employer only covers teachers in WRS. Teacher participates in WRS while also employed as a substitute bus driver.	Yes, but only for teacher earnings	Earnings paid for driving the bus are not reportable for WRS since the employer does not cover non-teaching positions under WRS.
U	Employee hired September 1 and expectation is that the employee will not be employed for 600 hours. On September 1 of the next year, the employee did work 600 hours and becomes eligible for WRS. The employee terminates on September 17.	Yes	Even though the employee's WRS coverage was for fewer than 30 calendar days, the employee's duration of employment exceeded 30 calendar days, they therefore are eligible.
V	Employee terminates from WRS eligible position and continues working "on-call" for the same employer.	Yes	Regardless of the expected hours or number of expected working days, a participating employee remains eligible unless terminated from all employment with the employer for 12 consecutive months or they receive a benefit under Wis. Stat. §§ 40.23, 40.25 (1) (2) or (2m) or 40.63.

EX.	Employment Characteristics	Eligible to Participate?	Reason
W	Participating teacher's aide reduces hours to fewer than 440 and continues to work for the school district.	Yes	WRS eligibility continues until the employee terminates from all employment with the employer for 12 consecutive months or receives a benefit under Wis. Stat. §§ 40.23, 40.25 (1) (2) or (2m) or 40.63.
X	Permanent WRS covered state employee transfers to a LTE position within the same state agency.	Yes	WRS eligibility continues because an employee that was already under WRS has filled the typically non-WRS eligible LTE position.
Y	Permanent WRS covered state employee transfers to a LTE position with a different state agency.	No	Each state agency is a separate employer for WRS eligibility purposes. The new employing agency must make their WRS eligibility determination based on the expectations of their newly hired LTE.
Z	Long-term substitute teacher is hired in a nine-month academic year appointment. At the end of the appointment the teacher signs a contract to teach the following year. Change in expectation occurs when the employee signs the new contract.	Yes, upon change of expectations	Employee is not eligible when hired. Report when the change occurs with the expectation of 440 hours for a 12-month period; not retroactive to date of hire.

### 313 Employee or Independent Contractor?

An independent contractor is not an employee of the employer and is not eligible for participation in WRS.

Employers must determine whether an individual is an employee or an independent contractor. The following information is taken from IRS Publication 15A, *Employer's Supplemental Tax Guide* (revised January 2010) and can aid in making this determination.

- To determine whether the individual is an employee or an independent contractor under the common law, the relationship of the worker and the business must be examined.
  - Evidence of control and independence must be considered. They fall into three categories: behavioral control, financial control and type of relationship between parties.
- A. Behavioral Control.** Factors indicating whether the business has a right to direct and control how the worker performs the task for which the worker is hired include the type and degree of instructions the business gives the worker. An employee is generally subject to the business's instructions about when, where and how to work. All of the following are examples of instruction types for performing the work:
- When and where to do the work.
  - What tools or equipment to use.
  - What workers to hire or to assist with the work.
  - Where to purchase supplies and services.

- What work a specified individual must perform.
- What order or sequence to follow.
- Training the business provides for the worker. An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods.

**B. Financial Control.** Factors indicating whether the business has a right to control the business aspects of the worker's job include:

- The extent to which the worker has not been reimbursed for business expenses. Independent contractors are more likely to have expenses that have not been reimbursed. Fixed ongoing costs that are incurred regardless of whether work is currently being performed are especially important. Employees may, however, also incur expenses that are not reimbursed in connection with the services they perform for their business.
- The extent of the worker's investment. An independent contractor often has a significant investment in the facilities they use in performing services for someone else. A significant investment is, however, not necessary for independent contractor status.
- The extent to which the worker makes services available to the relevant market. An independent contractor is generally free to seek out business opportunities. Independent contractors often advertise, maintain a visible business location and are available to work in the relevant market.
- How the business pays the worker. An employee is generally paid a regular wage amount for an hourly, weekly or other period. This usually indicates that a worker is an employee, even when commission supplements the wage or salary. An independent contractor is usually paid a flat fee for the job. It is common, however, to pay independent contractors hourly in some professions, such as law.
- The extent to which the worker can realize a profit or incur a loss. An independent contractor can incur a profit or loss.

**C. Type of Relationship.** Factors indicating the type of relationship include:

- Written contracts describing the relationship the parties intended to create.
- Whether the business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation, or sick pay.
- Relationship permanency. If you engage a worker with the expectation that the relationship will continue indefinitely, rather than for a specific project or period, it is generally considered evidence that your intent was to create an employer-employee relationship.
- The extent to which services performed by the worker is a key aspect of the regular business of the company. If a worker provides services that are a key aspect of your regular business activity, it is more likely that you

will have the right to direct and control their activities. For example, when a law firm hires an attorney, it is likely that it will present the attorney's work as its own and would have the right to control or direct that work. This situation indicates an employer-employee relationship.

If you want the IRS to determine whether a worker is an employee, file Form SS-8, *Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding* with the IRS.

### 314 WRS Eligibility Appeals

- A. An employee may appeal the employer's determination of WRS eligibility as outlined below:

An employee may challenge:

1. their employer's determination that they are not eligible to participate in the WRS, or
2. their WRS effective-date, if they are covered by WRS.

The employee must file a written appeal directly to the Employee Trust Funds Board based on the following criteria:

- a. **Employees hired on or after April 27, 1984** are subject to the seven-year statute of limitations in Wis. Stat. § 40.06 (1) (e) that became effective on April 27, 1984. These appeals may not apply to any service rendered more than seven years prior to the date the appeal is received by the Board.
- b. **Employees hired before April 27, 1984** are not subject to the seven-year statute of limitations in Wis. Stat. § 40.06 (1) (e) because the statute was not in effect at the time of their hire.

- B. Appeal Process

An *Appeal Form* (ET-4938) is available on ETF's Internet site or can be requested from ETF by calling the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900. Use of the form, however, is optional. A letter from the employee providing the same information is also acceptable. Employee appeals must be submitted in writing to:

Appeals Coordinator  
Department of Employee Trust Funds  
P. O. Box 7931  
Madison, WI 53707-7931

An employee appealing an employer's determination of WRS eligibility or WRS effective date is required to present sufficient information at a hearing before a hearing examiner. An employee may request or subpoena documents and witnesses from the employer. Depending on the nature of the appeal, relevant

information may include a log of hours worked during the dates in question, a position description with percentage breakdowns of time spent on each task or other information maintained by the employer.

Employers and employees may request applicable ETF records or information. Under normal circumstances the hearing examiner will prepare a proposed decision for the Board to consider before it issues its final decision. Board decisions are appealable to the Dane County Circuit Court.

**315 Statute of Limitations for Corrections to Service, Earnings and Contributions that Impact WRS Disability and Retirement Benefit Payments**

The Wisconsin Court of Appeals has held that the period of limitation under Wis. Stat. § 40.08 (10) within which errors may be corrected begins when ETF calculates a participant's benefits. Based on this ruling, the period within which an employer is accountable for payment to correct any potential errors is greatly expanded.

Correction of such an error can entail substantial cost to the employer, since contributions and interest at the effective rate will be assessed on late reported earnings. Employers should exercise extreme caution to guarantee compliance with WRS requirements and take measures to audit their employees' accounts to ensure that errors do not go undetected for extended periods. Requests for correction must be received prior to the end of seven full calendar years beginning on the date the final annuity computation notice is issued **OR** on the date payment is issued for a lump sum.

Refer to Chapter 9 for corrections of service and earnings reported for the current calendar year and to Chapter 11 for corrections for service and/or earnings reported for a prior year.

**316 Maintaining Records Longer than Seven Years**

Employers are advised to retain employee payroll and benefit records since WRS eligibility and effective date determinations, as well as account adjustments may not be time barred and employers may be liable for past service and earnings reporting regardless of when the error occurred. The employer must, however, submit acceptable evidence for ETF to make a correction beyond seven years. If the employer no longer has records or refuses to submit records, ETF will consider acceptable evidence from the employee in making the determination to correct errors. Clerical errors made in reporting or recording contributions, service or earnings have no time limit.

Employers may also be asked to provide earnings for Qualified Domestic Relations Orders (QDRO) going back to 1982.

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**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 4 — EMPLOYMENT CATEGORY DETERMINATION**

- 400 Employment Category**
- 401 Employment Category Descriptions**
- 402 Employment in Multiple Categories at the Same Employer**
- 403 Employment Category Appeals**
- 404 Statute of Limitations for Corrections to Service, Earnings and Contributions that Impact WRS Disability and Retirement Benefit Payments**
- 405 Maintaining Records Longer than Seven Years**

**400 Employment Category**

Once an employer has determined an employee is WRS eligible, it is necessary to determine the appropriate employment category within which to enroll them. Determination of the proper employment category for each eligible employee is essential because contribution rates and benefit payments vary for participants in different categories.

It is the employer's responsibility to determine the appropriate employment category classification for its WRS eligible employees. Use the criteria in subchapter 401 to assist in making the employment category determination. Employment category classifications must be based on an employee's duties as performed in the service of their employer.

Certifications such as teacher, police or firefighter certifications, for example, do not automatically confer teacher employment category or protective employment category classification upon their holders.

**EXAMPLE 1:** Employee works full time in the town's public works department. In addition, the town requires the employee to be certified as a firefighter and respond to fire calls. Fire response typically requires fewer than the 600 hours required to qualify as an independent employment category. The employee must be enrolled in the WRS under the general (00) employment category. All hours and earnings, including those as a firefighter, must be reported to WRS under the general employment category. Firefighter certifications do not automatically confer protective occupation status on an employee if the employee does not work the minimum number of hours required for the firefighter employment to qualify on its own. (Refer to subchapter 402 for information on employees working in multiple employment categories at the same employer.)

**EXAMPLE 2:** A recent college graduate with a degree in elementary education and teacher certification from the Department of Public Instruction is hired by a school district as a full-time teachers' aide. The employee is expected to work about 1,500 hours per year and the position is permanent. The employee must be enrolled in the WRS under the educational support personnel category (12) based on the duties required. Teacher certification does not automatically confer teacher employment category status on the employee.

An employee may appeal your determination of WRS employment category. Subchapter 403 provides detailed information on employment category appeals.

### 401 Employment Category Descriptions

Employment Code/Title		Description																				
00	General Employee	Includes all reserve judges, court reporters and employees not specifically designated under one of the other employment categories.																				
01	Court Reporter (used only by state agencies)																					
02	State Executive Retirement Plan (used only by state agencies)	This applies only to state officers and employees serving in positions specified in Wis. Stat. § 19.42 (10) (L) or § 20.923 (4), (4m), (8) or (9) or authorized under § 230.08 (2) (e) during the time of employment.																				
03	Protective Occupation Under Social Security	<p>Includes only those employees whose principal duties (51% or more) meet all of the following requirements as defined in Wis. Stat. 40.02 (48) (a):</p> <ol style="list-style-type: none"> <li>1. Involvement in active law enforcement or active fire suppression or prevention,</li> <li>2. Frequent exposure to a high degree of danger or peril,</li> <li>3. A high degree of physical conditioning.</li> </ol> <p>Wis. Stat. § 40.02 (48) (am) enumerates specific occupations typically qualifying for protective occupation participation. <b>Bearing the title of one of the occupations listed does not, however, automatically confer protective occupation participant status upon the employee. The employee's principal duties must also meet the "protective occupation participant" requirements defined in § 40.02 (48) (a), Wis. Stat.</b> The specifically enumerated occupations are:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">◆ Police officer</td> <td style="width: 50%;">◆ Firefighter</td> </tr> <tr> <td>◆ Conservation warden</td> <td>◆ Conservation patrol boat captain</td> </tr> <tr> <td>◆ Conservation patrol boat engineer</td> <td>◆ Conservation pilot</td> </tr> <tr> <td>◆ Conservation patrol officer</td> <td>◆ Forest fire control assistant</td> </tr> <tr> <td>◆ Member of the State Traffic Patrol</td> <td>◆ State motor vehicle inspector</td> </tr> <tr> <td>◆ Sheriff/under sheriff</td> <td>◆ County traffic police officer</td> </tr> <tr> <td>◆ Deputy sheriff</td> <td>◆ State probation/parole officer</td> </tr> <tr> <td>◆ State correctional/psychiatric officer</td> <td>◆ State forest ranger</td> </tr> <tr> <td>◆ Fire watcher employed at Wisconsin veteran facilities</td> <td>◆ Excise tax investigator</td> </tr> <tr> <td></td> <td>◆ Deputy fire marshal</td> </tr> </table>	◆ Police officer	◆ Firefighter	◆ Conservation warden	◆ Conservation patrol boat captain	◆ Conservation patrol boat engineer	◆ Conservation pilot	◆ Conservation patrol officer	◆ Forest fire control assistant	◆ Member of the State Traffic Patrol	◆ State motor vehicle inspector	◆ Sheriff/under sheriff	◆ County traffic police officer	◆ Deputy sheriff	◆ State probation/parole officer	◆ State correctional/psychiatric officer	◆ State forest ranger	◆ Fire watcher employed at Wisconsin veteran facilities	◆ Excise tax investigator		◆ Deputy fire marshal
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◆ Fire watcher employed at Wisconsin veteran facilities	◆ Excise tax investigator																					
	◆ Deputy fire marshal																					

Employment Code/Title		Description
03	<b>Protective Occupation Under Social Security (cont.)</b>	Per Wis. Stat. 40.02 (48) (bm), an employer may determine an Emergency Medical Technician (EMT) is a protective occupation participant, and the employer may do so without determining that the principal duties of the EMT involve active law enforcement or active fire suppression. The effective date of a determination that an EMT is protective category is the date ETF is notified of the classification; service prior to that date must remain under the general employment category. EMTs classified as general employees are not eligible for ETF administered duty-disability benefits.  In cases of multiple employment duties with a single employer—if one duty is that of EMT—only those hours in the performance of EMT duties can be classified as protective; the other employment hours would require separate reporting under their appropriate employment category.
04	<b>Protective Occupation NOT Under Social Security</b> (hired/rehired after March 31, 1986 have Medicare coverage)	Firefighters who meet protective requirements are the only employees who qualify under this category. NOTE: If an employer acted to provide Social Security coverage before the beginning date of the employer's participation in WRS, firefighters have Social Security coverage and come under Code 03.
05	<b>Supreme Court Justice</b>	Note that reserve judges and deputy/assistant district attorneys are treated as General Employees (Code 00).
06	<b>Legislative or State Constitutional Officers including District Attorneys</b>	
07	<b>Appellate Judge</b>	
08	<b>Circuit Court Judge</b>	
09	<b>Local Elected Official or Person Appointed to Fill an Elected Position</b>	This group includes local officials who are elected to office by vote of the people or persons appointed to fill an unexpired elected office term. Elected sheriffs are classified as Protective Occupation Under Social Security (Code 03).
10	<b>Teacher</b>	Includes <b>any</b> employee (certification is not the defining criteria) engaged in the exercise of any educational function for compensation in the public schools or the University in instructing or controlling pupils or students, or in administering, directing, organizing or supervising any educational activity, but does not include any employee determined to be an auxiliary instructional employee (Wis. Stat. § 40.02 (55)).  Teacher includes: librarians, employee of a full-time social center or community house, adult education or recreation director, instructor, or other employee employed by the Board of School directors of the City of Milwaukee who possesses the qualifications required for employment as a teacher. A teacher's aide is not included in this definition of teacher.
11	<b>State Teacher Executive Plan (State Agencies Only)</b>	This category applies only to state employees serving in positions specified in Wis. Stat. § 20.923 (4), (8), or (9) who meet the definition of "teacher". For State Teacher Executive Plan category, one year equals 1,904 hours.
12	<b>Educational Support Personnel</b>	Effective 07/01/1997, this category applies to non-teaching employees of school districts. Effective 07/01/1998, this category also applies to non-teaching employees of Wisconsin, technical colleges or cooperative education service agencies. (This does not include employees of the University.)

## 402 Employment in Multiple Categories at the Same Employer

- A. **All employment categories meet** the WRS eligibility criteria for an employee with multiple positions at the same employer:

Report the service and earnings separately for each employment category (Wis. Admin. Code § ETF 10.03 (4) (a)).

**EXAMPLE 1:** Employee is a half-time (660 hours) teacher, category 10, and also has a half-time (660 hours) administrative position, category 12, with the same school district. This employee should be reported in categories 10 and 12 for the respective earnings and hours.

**EXAMPLE 2:** Employee is a part-time (625 hours) police officer, category 03, and also works as a part-time (625 hours) dispatcher, category 00, with the same employer. This employee should be reported in category 03 and category 00 for the respective earnings and hours.

- B. **Only one employment category meets** the WRS eligibility criteria, **and all other employment with the employer does not**, for an employee with multiple positions at the same employer:

Report all the employee's service and earnings under the one employment category that meets the eligibility criteria (Wis. Admin. Code § ETF 10.03 (4) (b)). Continue to monitor the hours of all other employment that does not originally meet the eligibility criteria on its own. Should the other employment eventually qualify on its own, the employee must be enrolled in the WRS under that employment category, and hours and earnings must be reported to their respective category.

**EXAMPLE 1:** Employee is a half-time (660 hours) teacher, category 10, and is less than one-fourth time (300 hours) as a teacher's aide, category 12, with the same school district. This employee's total earnings and hours for both positions should be reported in the teacher category (10) because the employee does not meet the criteria to qualify separately in the educational support personnel category (12).

**EXAMPLE 2:** Employee works part time (650 hours) as a dispatcher, category 00, and works part time (400 hours) as a police officer, category 03, for the same employer. The employee's total earnings and hours should be reported in the general category (00) because the employee does not meet the criteria to qualify separately in protective category (03).

- C. **More than one, but not all, employment categories** meet the WRS eligibility criteria for an employee with multiple positions at the same employer:

Report the employee's qualifying service and earnings under their respective employment categories, and report the service and earnings for employment in categories that does not meet the eligibility criteria under the:

- the employment category in which the greatest number of hours is worked;  
**OR**
- the priority employment category as listed in Table 4.1, if the greatest number of hours worked is equal in two or more qualifying categories (Wis. Admin. Code § ETF 10.03 (4) (c)).

Continue to monitor the hours of all employment that does not originally meet the eligibility criteria on its own. Should the other employment eventually qualify on its own, the employee must be enrolled in the WRS under that employment category, and hours and earnings must be reported to their respective category.

**Table 4.1 – Employment Category Priority**

Priority	Category	Category Number(s)
1	Protective without Social Security coverage	04
2	Protective with Social Security coverage	03
3	State executive retirement plan, elected official, including judges	02, 05, 06, 07, 08, 09, 11
4	Teacher	10
5	Educational support personnel	12
6	General and court reporters (state only)	00 and 01

**EXAMPLE 1:** Employee is a part-time (350 hours) firefighter, category 04; a half-time (950 hours) city parks director, category 00; and a part-time (650 hours) elected official, category 09, for the same employer. The employee meets the eligibility criteria separately in both the elected official and general categories so the respective hours and earnings are reported separately.

The firefighter category does not, however, separately meet eligibility criteria. The firefighter hours and earnings, therefore, must be added to the qualifying category with the greatest number of hours. In this case, the general category has the greatest number of hours worked. The hours and earnings associated with the firefighter category are combined with the hours and earnings reported in the general category.

This employee would have 1,300 hours (350 firefighter and 950 general) reported in the general (00) category and 650 hours reported in the elected official (09) category.

**EXAMPLE 2:** Employee is a part-time (350 hours) firefighter, category 04; works part time (800 hours) as a custodian, category 00; and is a part-time (800 hours) elected official, category 09, for the same employer. The hours and earnings associated with the firefighter category must be reported in the elected official (09) category because:

- a. the number of hours in the separately qualifying categories (00 and 09) are equal; and
- b. the elected official (09) category has a higher priority than the general (00) category on the category priority listing.

D. **No employment category** on its own meets the WRS eligibility criteria for an employee with multiple positions at the same employer, but the criteria are met when all employment is added together. Report the combined service and earnings under:

- the employment category in which the greatest number of hours is worked;

**OR**

- the priority employment category as listed in Table 4.1, if the greatest number of hours is equal in two or more categories (Wis. Admin. Code § ETF 10.03 (4) (d)).

Continue to monitor the hours of all employment that does not originally meet the eligibility criteria on its own. Should the other employment eventually qualify on its own, the employee must be enrolled in the WRS under that employment category and hours, and earnings must be reported to their respective category.

**EXAMPLE 1:** An employee is a less than one-third time local elected official, category 09; a firefighter, category 04, which requires fewer than 600 hours per year; and a grounds keeper, category 00, which requires fewer than 600 hours per year. The employee actually worked the following: 320 hours as a local elected official, 440 hours as a firefighter and 440 hours as a grounds keeper. Since the firefighter (protective without Social Security, category 04) and the grounds keeping job (general category 00) had the same number of hours, all hours and earnings must be reported under the protective category 04 because:

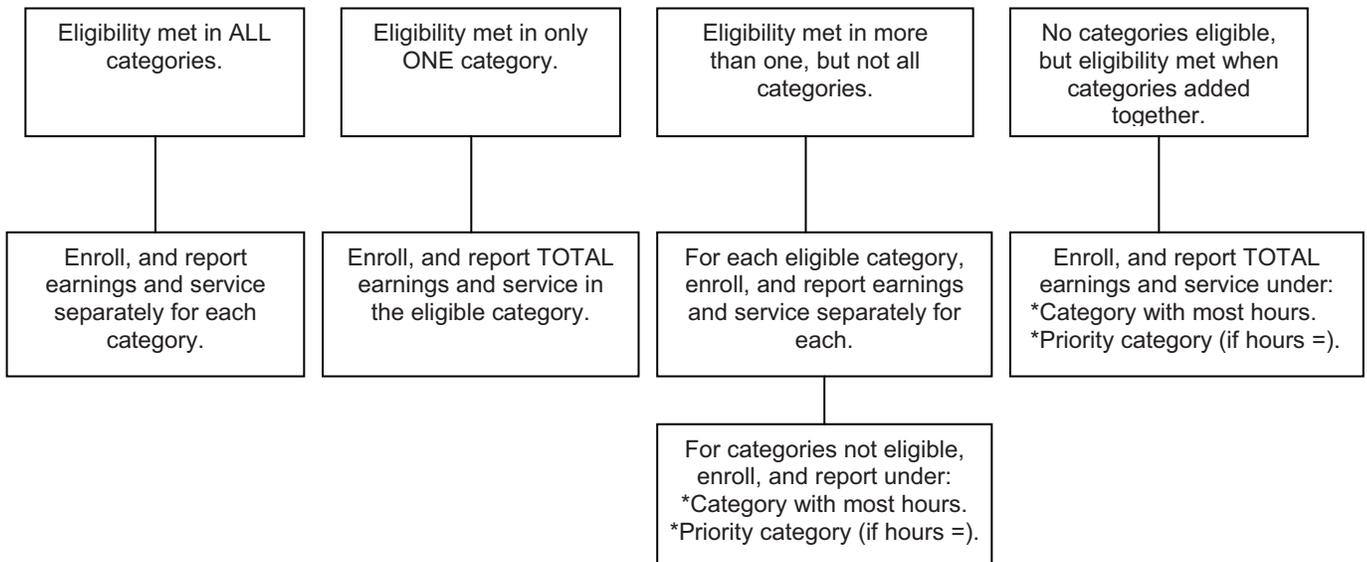
- none of the categories meet eligibility criteria separately, and
- the protective (04) category is the higher priority of the two categories (as shown in the priority listing) with 440 hours.

**EXAMPLE 2:** An employee is hired by a school district as a part-time instructor and part-time secretary. The employee is not eligible for WRS on the date of hire. On the one-year anniversary date, the individual has worked 200 hours as a teacher and 220 hours as non-teaching support staff. Note: The greatest number of hours worked is non-teaching. Even though this school district covers non-teachers under WRS, and WRS eligibility is determined by combining hours for both employment categories, the employee is not eligible for WRS. This is because the total number of hours worked ( $200 + 220 = 420$  hours) is less than the 440 hours necessary to be reported as employment category 12, Educational Support Personnel within a school district.

**EXAMPLE 3:** An employee is hired by a school district as a part-time instructor and part-time secretary. The employee is not eligible for WRS on the date of hire. On the one-year anniversary date, the individual has worked 240 hours as a teacher and 200 hours as non-teaching support staff. NOTE: The greatest number of hours worked is teaching. This school district covers non-teachers under WRS, therefore, WRS eligibility is determined by combining hours for both employment categories. The employee is eligible for WRS using combined hours for both employment categories because the total number of hours worked ( $240 + 200 = 440$  hours) is equal to the 440 hours necessary for both categories. The employee is ultimately reported as employment category 10, Teacher, because the greatest number of hours worked is teaching.

- E. **Employment at a school district that does not cover its non-teachers under WRS.** Employer cannot combine hours of both employment categories (teaching and non-teaching) to determine WRS eligibility in cases where the employer does not provide WRS coverage for one of the categories.

**EXAMPLE 1:** An employee works 420 hours as a teacher and 200 hours in a non-teaching position. The school district does not cover non-teachers under WRS. Only teaching hours are, therefore, used in WRS eligibility determinations. The employee must work one-third of full-time (440 hours) as a teacher to be eligible for WRS, therefore this employee is WRS ineligible. Once eligible, only teaching hours and earnings are WRS reportable.



### 403 Employment Category Appeals

- A. An employee may appeal the employer's determination of employment category as outlined below:

Employment Category Appeals. An employee may appeal an employment category determination made by their employer. The employee must file a written appeal directly to the Employee Trust Funds Board based on the following criteria:

- a. **Determinations made on or after January 1, 1982** are subject to the seven-year statute of limitations in Wis. Stat. § 40.06 (1) (e). Appeals regarding employment category may not apply to any service rendered more than seven years prior to the date the appeal is received by the Board.
- b. **Determinations made prior to January 1, 1982:** are not subject to the seven-year statute of limitations in Wis. Stat. § 40.06 (1) (e)

because the statute was not in effect at the time the category determination was made.

#### B. Appeal Process

An *Appeal Form* (ET-4938) is available on ETF's Internet site or can be requested from ETF by calling the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900. However, use of the form is optional. A letter from the employee providing the same information is also acceptable. Employee appeals must be submitted in writing to:

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An employee appealing an employer's determination of WRS employment category is required to present sufficient information at a hearing before a hearing examiner. An employee may request or subpoena documents and witnesses from the employer. Depending on the nature of the appeal, relevant information may include a log of hours worked during the dates in question, a position description with percentage breakdowns of time spent on each task or other information maintained by the employer.

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Correction of such an error can entail substantial cost to the employer since contributions and interest at the effective rate will be assessed on late reported earnings. Employers should exercise extreme caution to guarantee compliance with WRS requirements and take measures to audit their employees' accounts to ensure that errors do not go undetected for extended periods. Requests for correction must be received prior to the end of seven full calendar years beginning on the date the final annuity computation notice is issued **OR** on the date payment is issued for a lump sum.

Refer to Chapter 9 for corrections of service and earnings that have been reported for the current calendar year and to Chapter 11 for corrections for service and/or earnings reported for a prior year.

#### **405 Maintaining Records Longer than Seven Years**

Employers are advised to retain employee payroll and benefit records, since WRS eligibility and category determinations, as well as account adjustments, may not be time barred and employers may be liable for past service and earnings reporting, regardless of when the error occurred. The employer must, however, submit acceptable evidence for ETF to make a correction beyond seven years. If the employer no longer has records or refuses to submit records, ETF will consider acceptable evidence from the employee in making the determination to correct errors. Clerical errors made in reporting or recording contributions, service or earnings have no time limit.

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**CHAPTER 5 — EARNINGS AND CREDITABLE SERVICE**

- 500 Definition of Reportable Earnings**
- 501 Earnings Reportable for WRS Purposes**
- 502 Vacation Pay and Sick Pay (Accumulated Leave)**
- 503 Compensatory Pay (Accumulated Leave)**
- 504 Accumulated Leave Payments at Termination**
- 505 Retirement Credit for Worker's Compensation**
- 506 Pay During a Leave of Absence or Sabbatical**
- 507 Earnings Not WRS Reportable**
- 508 Reportable and Non-Reportable Earnings Guide**
- 509 Definition of WRS Creditable Service**
- 510 Annual Earnings Period is Basis for Reporting Hours**
- 511 Computing and Reporting Hours**
- 512 Reporting for Eight-Hour Workday**
- 513 Computing and Reporting Hours for Other Than an Eight-Hour Workday**
- 514 Earnings and Hours for On-Call, Standby, Extracurricular and Other Non-Standard Hours**
- 515 Creditable Service for Part-Time Local Elected Officials**
- 516 Creditable Service for County Agents**

**500 Definition of Reportable Earnings**

Wis. Stat. § 40.02 (22) (a), defines earnings for WRS purposes as:

"The gross amount paid to an employee by a participating employer as salary or wages, including amounts provided through deferred compensation or tax shelter agreements, for personal services rendered to or for an employer, or which would have been available for payment to the employee except for the employee's election that part or all of the amount be used for other purposes and also includes the money value, as determined by the employer, of any board, lodging, fuel, laundry and other allowances provided for the employee in lieu of money. For purposes of this paragraph, the gross amount shall be determined prior to deductions for taxes, insurance premiums, retirement contributions or deposits, charitable contributions or similar amounts and shall be considered received as of the date when the earnings would normally be payable by the employer. For reporting and computation purposes, fractions of a dollar shall be disregarded in determining annual earnings."

**The definition of WRS earnings differs from the definition of wages for IRS purposes. Some major differences include:**

- Deferred compensation and tax-sheltered amounts are included in WRS earnings, but are not included in gross wages for IRS purposes.
- Retroactive wage settlements must be reported to the year in which they would have been paid for WRS purposes, but are reported in the year when paid for IRS purposes.

**EXAMPLE 1:** In June of 2010, you settle contracts for 2009 and 2010. The portion of the settlement that is retroactive wages for 2009 must be reported to year 2009 for WRS purposes, with contributions invoiced and paid at the 2009 rate. The 2010 portion of the retroactive wages must be included as current year earnings on that month's WRS *Monthly Remittance Report* (ET-1515).

- Section 125 cafeteria reduction amounts are reportable for WRS purposes, but are not included in wages for IRS purposes.

The provisions of Wis. Stat. Chapter 40 relating to WRS earnings will always take precedence over any conflicting public entity resolution, order, ordinance, bargaining unit agreement, etc., for purposes of administering the WRS. An employer may not redefine payments as WRS earnings if the earnings do not meet the criteria in Chapter 40, Wis. Stat.

## **501 Earnings Reportable for WRS Purposes**

This subchapter discusses which payment types are earnings for WRS purposes. Conditions may be attached by employers to many payment types made to their employees, which may effect whether they are WRS reportable. Please consult the appropriate cross references provided in this chapter when making your determination (e.g. refer to subchapter 502), and, if still in doubt, contact the Employer Communication Center toll-free at (888) 681-3952 or locally at (608) 264-7900.

**Earnings to be reported to WRS include, but are not limited to, the following:**

- A.** Cash payments for personal service.
- B.** Overtime pay.
- C.** Vacation pay, when used or when unused leave balances are paid out at least annually, but not at the employee's option/discretion (refer to subchapter 502 and 504).
- D.** Sick pay when used or when unused leave balances are paid out at least annually, but not at the employee's option/discretion (refer to subchapter 502 and 504).

- E. Compensatory time pay (refer to subchapters 503 and 504).
- F. Clothing allowances provided to employees to purchase clothing that is required for employment, but is also reasonably adaptable for street wear and is considered the “property” of the employee (refer to subchapter 508-E for a description of non-reportable uniform allowances).

**EXAMPLE 1:** Undercover police officers may be required to wear blue jeans, tennis shoes and tee shirts for use in undercover duties. The value of the allowance to purchase these items is reportable for WRS purposes because the clothing is reasonably adaptable for street wear.

**EXAMPLE 2:** Special Education aide at a local school district is provided an annual allowance for the purchase of a swimsuit due to the damaging effects of the pool’s chlorine. Any unused portion of the allowance that the employee is permitted to keep, or the entire allowance, is reportable for WRS purposes if the employee is permitted to make personal use of the swimsuit.

**EXAMPLE 3:** Kitchen staff at a local school district is required to wear white shirts, white pants and white shoes while on duty. The district provides them with an annual clothing allowance to purchase these clothing items. No specific clothing or shoe style is mandated, only the color. The annual clothing allowance is reportable earnings for WRS purposes because the clothing is adaptable for street wear.

- G. Value of free meals, lodging or allowances provided in lieu of money (money value to be determined by employer), with certain exceptions explained in subchapter 508-G.

**EXAMPLE 1:** A city hires a new administrator from another part of the country. Rather than pay the administrator entirely in dollars for personal services rendered, the city agrees to provide free room and board to the new administrator until the administrator is able to secure permanent living arrangements. The value of this free room and board is considered earnings for WRS purposes.

**EXAMPLE 2:** A school district is contractually obligated to provide one free meal per day to its WRS covered support staff. The value of the meals, as determined by the employer, is WRS reportable earnings as it is part of the employment and is provided in lieu of money.

- H. Value of using an employer owned vehicle for employee personal use without being required to reimburse the employer. The employer is responsible for maintaining documentation to support the portion of the value reportable as WRS earnings.

**EXAMPLE 1:** A county provides an unmarked police vehicle to a deputy for work-related activities. The deputy is permitted to use the vehicle

for personal use without reimbursing the county. The value of using the county owned vehicle for the deputy's personal use is reportable for WRS purposes provided documentation is maintained.

- I. Vehicle allowance for using a personal vehicle for non work-related activities when detailed records are kept. The employer must maintain detailed records to support the portion of the car allowance reportable for WRS purposes.

**EXAMPLE 1:** A city provides the fire chief with a monthly car allowance, as it is often necessary for the chief to use his personal vehicle for work-related activities. During some months the car allowance exceeds the actual expense the chief incurs for using his personal vehicle for work-related activities. That portion of the vehicle allowance not used for work-related activities is reportable as WRS earnings, provided the employer maintains proper documentation.

- J. Value of a general expense allowance when used for non work-related expenses and for which reimbursement is not made by the employee. The employer must maintain documentation to support the portion of the general expense that is reportable as WRS earnings.

**EXAMPLE 1:** A city provides the mayor with a general expense allowance to cover work-related expenses incurred in the performance of the job. The mayor receives this allowance as an advance and is permitted to claim the allowance even if work-related expenses are not incurred. The portion of the general expense allowance **not** used for work-related expenses is earnings for WRS purposes, provided proper documentation is maintained.

- K. Retroactive pay for service performed. These earnings must be allocated to the year(s) in which the earnings would normally have been paid (refer to Chapter 11).
- L. Length of service bonuses, performance bonuses, or merit payments (unless these payments are contingent on the employee terminating eligible employment) are WRS reportable to the year when paid.
- M. Section 125 Cafeteria Plan reduction amounts (reimbursement accounts for medical expenses, daycare expenses, etc.).
- N. Payment received from the **employer** while the employee serves jury duty.
- O. Credit for earnings that would have been paid during the period an employee receives temporary disability benefits from worker's compensation (refer to subchapter 505).
- P. Back pay that represents salary paid as a result of a compromise settlement (refer to Chapter 13 for reporting details).

- Q.** Compensation paid during a leave of absence (refer to subchapter 506).
- R.** Compensation for part-time police officer training time that is paid by the city and reimbursed by the state.
- S.** Compensation provided to EMTs and firefighters for attending mandated training and/or drill sessions.
- T.** Compensation that would have been payable to a state elected official prohibited by law from receiving an increase in compensation during the official's term in office.
- U.** Earnings for on-call, standby, extra-curricular or other service which is incidental to the primary employment. In situations where compensation is paid on a flat-fee basis (regardless of hours worked), the following formula should be used to determine hours of service to report: divide the amount paid annually by the participating employee's current basic pay rate and report the resulting quotient for hours of service.  
  
**NOTE:** One year is the maximum amount of service granted annually (Wis. Admin. Code § ETF 10.03(7)(c)).
- V.** Credit, upon return to employment, for earnings that would have been paid during the period an employee left employment to perform in the uniformed services (refer to Chapter 22).

## **502 Vacation Pay and Sick Pay (Accumulated Leave)**

Vacation and sick time payments (*not due to termination*) are reportable earnings for WRS purposes when:

- Used as leave time. Payment and hours will be WRS reportable to the annual earnings period when used even if the leave time is earned within a previous annual earnings period.
- Unused and paid out as cash only if the employer has a broadly applicable policy of routinely converting unused accumulated vacation or sick time to cash. Routinely, for this purpose, is defined as at least annually. These earnings will be WRS reportable to the annual period when paid. When paid out annually as cash, only the earnings are WRS reportable, not the hours.

**NOTE:** If the employee is given the option or discretion to convert vacation or sick leave to cash, the payment is not WRS reportable earnings (Wis. Stat. § 40.02 (22) (11)).

**EXAMPLE 1:** An employer makes lump sum payouts of accumulated, unused vacation and/or sick leave, to **all** eligible employees at the end of each year. The payments are earnings for WRS purposes. Also, when an employee terminates prior to this **routine payment date**

and receives the lump sum payment at the time of termination, the payment is reportable for WRS purposes.

**EXAMPLE 2:** A city limits its administrative staff to 500 hours of accumulated sick leave. Any sick leave accumulation exceeding 500 hours is paid out at the employee's basic hourly rate at year end. The value of the lump sum sick leave payments exceeding 500 hours is WRS reportable earnings because it is being paid routinely to all administrative staff employees who have reached the 500-hour maximum sick leave accumulation.

Lump sum payouts for vacation and sick leave must be made routinely (at least once a year) and must be provided to **all** employees on a regular basis, regardless of whether the employee terminates, in order for the earnings to be reportable for WRS purposes. In these situations, "**all** employees" refers to all employees within a bargaining unit, a specific employment category or classification, all management employees, all employees who have met specific criteria, etc.

Please refer to subchapter 504 regarding accumulated leave payments upon termination from employment.

**NOTE:** Refer to *Employer Bulletin*, Vol. 25, No 11, dated July 25, 2008, for additional information regarding vacation payouts and whether they are earnings for WRS purposes.

### 503 Compensatory Pay (Accumulated Leave)

Compensatory time payments (*not due to termination*) are reportable earnings for WRS purposes when:

- Used as leave time. Payments and hours for used compensatory time will be WRS reportable to the annual earnings period *when used* even if the compensatory leave time is earned in a previous annual earnings period.
- Unused and paid-out as cash. Payment and hours will be WRS reportable to the annual earnings period when the compensatory time was *earned*.

**EXAMPLE 1:** A city employee earns 40 hours of compensatory time during 2010. The city does not have any broadly applicable policy regarding compensatory time and the employee carries it over into the following year. In 2011, the employee requests to have the 40 hours of compensatory time paid out as cash. The earnings and hours are WRS reportable in 2010, the year in which the compensatory time was earned. The employer must report these hours and earnings to ETF by submitting a prior year adjustment transaction. ETF will invoice the employer for the required contributions plus interest at the effective rate.

Compensatory time does not need to be used or paid out within the same annual earnings period to be considered WRS reportable. In cases where the employee takes cash in lieu of the compensatory time that was earned in a prior year, late reported interest may be assessed to the employer per Wis. Stat. § 40.06 (5). When unused compensatory time accrued in a previous year is converted to pay and the employer reports the payment to that previous year, the earnings should be reported at the rate the employee held at the time the compensatory time was paid out, but not less than one and one-half the rate of pay held at the time the service was actually performed.

It is not required that employers institute a broadly applicable policy mandating that employees use any accrued compensatory time or it will be paid out routinely, (such as at year's end), for compensatory pay to be WRS reportable. A policy of this nature, however, will eliminate the potential for employers to be subject to late interest assessments.

Please refer to subchapter 504 regarding accumulated leave payments upon termination from employment.

**NOTE:** Refer to *Employer Bulletin*, Vol. 25, No 11, dated July 25, 2008, for additional scenarios where payment for compensatory time is and is not earnings for WRS purposes.

## 504 Accumulated Leave Payments at Termination

Accumulated leave payments (vacation, sick leave, or compensatory time) paid at termination are reportable earnings for WRS purposes when:

- Used as leave time and termination date is extended by the corresponding amount of leave time. Payments and hours for used accumulated leave will be WRS reportable to the annual earnings period when used.

**EXAMPLE 1:** An employee terminates employment with two weeks of unused vacation time. The last day of work is June 6. For the vacation earnings to be WRS reportable, the termination date must be extended to June 20 (the amount of the unused vacation time).

- Unused and paid-out as cash, (lump sum or installments) if the employer has a broadly applicable policy of routinely converting unused accumulated leave time to cash. This is routinely defined as at least annually. These payments are WRS earnings reportable to the annual period when paid. When unused vacation or sick leave is paid out as cash at termination, only the earnings are WRS reportable, not the hours. When compensatory time is converted to cash at termination, both the earnings and hours are reportable to the WRS to the year earned.

**NOTE:** If the employee is given the option or discretion to convert vacation or sick leave to cash at termination, it is not WRS reportable earnings (Wis. Stat. § 40.02 (22) (11)).

**EXAMPLE 2:** An employee terminates employment with 40 hours of unused vacation time and 40 hours of unused compensatory time. The last day of work is June 6. The employer has a policy mandating that at year end, all employees are paid out in cash for unused vacation and compensatory time from the current year. The employee's termination date will not be extended and his cash payment will be WRS reportable. The hours and earnings from the unused compensatory time will be WRS reportable, while only the earnings from the unused vacation will be WRS reportable.

The last day worked is normally the termination date, unless the employee was on an unpaid leave prior to termination. There should be a signed agreement between the employee and employer stating that the leave is either being used or paid off to eliminate questions concerning the handling of payments for accumulated leave.

**NOTE:** When a payment for accumulated vacation, sick leave or compensatory time is made in a lump sum or installments specifically because of termination and the employer does not have a broadly applicable policy of routinely converting unused accumulated leave time to cash, **the payment is excluded from earnings** for WRS purposes (Wis. Stat. § 40.02 (22) (b) 6.) (refer to subchapter 507-B).

ETF processing of disability annuity applications require the employer certify all earnings have been paid, including pay for vacation and sick leave. Last earnings date should be extended accordingly and corresponding service hours reported.

**EXAMPLE 3:** An employee applying for a disability annuity last works on June 6. At that time they still have two weeks of accumulated vacation leave and one week of accumulated sick leave. Because the employee is applying for a disability benefit the accumulated leave is WRS reportable earnings and the employer is required to report the additional hours and earnings associated with the two weeks of accumulated vacation leave and one week of accumulated sick leave, extending the last earnings date accordingly. In this example, the employer reports a last earnings date of June 27<sup>th</sup>, fifteen working days after the last day worked.

Participating employees whose compensation plan or contract provides for converting unused sick leave to pay group health insurance premiums, and who qualify for a disability benefit, can either use sick leave until exhausted or convert it for credits to pay health insurance premiums. To convert unused sick leave to pay health insurance the employee must terminate WRS covered employment for the sick leave to no longer be considered earnings for WRS purposes. Then the disability benefit will begin earlier.

**NOTE:** Refer to *Employer Bulletin*, Vol. 25, No 11, dated July 25, 2008, for additional scenarios regarding accumulated leave payments upon termination.

## 505 Retirement Credit for Worker's Compensation

Employers must report hours and earnings for any WRS participating employee during any period they receive Worker's Compensation benefits under Wis. Stat. § 102.43. There is no distinction between partial or total disability; "temporary" disability is the criterion.

- Earnings must be reported at the rate that would have been paid had the disability not occurred, including adjustments to the pay rate during that period.
- Creditable service must be reported on the same basis as was reported immediately prior to the temporary disability.
- If the initial injury was caused through work at another employer, but a recurrence results in a Worker's Compensation award, the present employer must comply with the requirements of this section.
- Once a permanent disability is determined or the employee terminates employment, the employer discontinues service and earnings reporting under § 40.29, Wis. Stat.
- The employer must pay all employee and employer contributions required on the earnings reported for the employee. Once the employee has returned to work, the employer may recover from the employee's future earnings the contribution amount paid on behalf of the employee, which customarily would have been paid by the employee.
- The amount recoverable may not be deducted from the employee's paycheck at a rate greater than 5% of each payment of earnings (Wis. Stat. § 40.29).

## 506 Pay During a Leave of Absence or Sabbatical

Earnings paid to a WRS participating employee during a leave of absence or sabbatical are reportable for WRS purposes.

### **Hours are determined and reported by the employer as follows:**

- If the compensation paid to the employee during the leave is less than the earnings paid in the immediately preceding period of the same length as the leave:
  - Hours credited are to be prorated based on the ratio of pay during the leave to the earnings that were received in the preceding period.
  - Hours are computed by dividing the compensation paid during the leave by the earnings paid in the **preceding** period and multiplying the result by the hours reported for that preceding period (Wis. Admin. Code § ETF 10.07 (2)(a)).

**EXAMPLE 1:** In 2010 an employee received \$32,000 earnings. In 2011 the employee would have received \$35,000 had he not taken a leave

of absence. During the paid leave of absence, the employee receives 60% of his salary or \$21,000. The corresponding hours are calculated by:

\$21,000 divided by \$32,000 (pay in preceding year) = 66%  
1,904 hours x 66% = 1,257 hours

- If the compensation paid to the employee during the leave is equal to or greater than the earnings paid for the hours immediately preceding (in a period of the same length as the leave), the hours reported shall be the same as the preceding period.

## 507 Earnings Not WRS Reportable

- A. Employer contributions for Social Security, insurance, health savings accounts and retirement.
- B. Lump sum cash payments made specifically **at termination or due to death of an employee** including:
  - Accumulated vacation or sick leave when employer does not have a broadly applicable policy of routinely converting unused accumulated leave time to cash. This is routinely defined as at least annually.
  - Compensatory time when employer does not have a broadly applicable policy of routinely converting unused accumulated leave time to cash. Routinely is defined as at least annually.
  - Any payment contingent on the employee having terminated employment or having died, including a bonus or any form of severance pay which is made solely because the employee terminates or dies. (Refer to subchapter 504 for a further description of payments at termination.)

**EXAMPLE 1:** An employer wants to improve an employee's WRS benefit at the retirement by providing a retroactive salary increase. As a result, the employee's average three high salary years will increase creating a higher monthly WRS annuity. The salary increase is not WRS reportable earnings because it is made during the employee's last five years of employment, is not the result of a significant change in the employee's duties, and is not broadly applicable to the employees of the employer.

- C. Payments received in lieu of sick leave (e.g., Income Continuation Insurance payments to employees).
- D. Payments in lieu of fringe benefits normally paid for or provided by the employer, but which can be paid to the employee at the employee's option. This includes IRAs or Tax Deferrals purchased with monies originally intended to purchase another fringe benefit (e.g., health insurance). This also includes banked

vacation or sick leave time for which a cash payment is made at employer's option/discretion. (Refer to subchapter 502 and 504.)

- E.** Uniforms purchased directly by the employer or uniform allowances (either advances or reimbursements to employees) for the purchase of uniforms required to be worn in the performance of service for the employer that are not of a type normally adaptable to general or continued wear such that they could take the place of ordinary clothing.

**EXAMPLE 1:** A city provides an annual allowance to police officers so that they can purchase blue or brown uniforms, hats and bulletproof vests. This clothing is not adaptable for everyday use, but instead is worn to perform a job for the employer. This uniform allowance is **not** earnings for WRS purposes.

**EXAMPLE 2:** A local fire department supplies its firefighters with blue pants and blue T-shirts with the department's logo emblazoned on the front for required wear while on duty at the firehouse. Though some firefighters may wear this clothing while on personal time, the clothing is provided for use as firehouse attire and is not reasonably adaptable for everyday personal use. The value of the clothing is **not** earnings for WRS purposes.

- F.** Amounts paid as advances or reimbursements for ordinary and necessary expenses (meals, lodging, travel, etc.) incurred while the employee is conducting the business of the employer. The employer must identify these advances or reimbursements either by making a separate payment or by specifically indicating separate amounts where wage and expense allowances are combined in a single payment.

**EXAMPLE 1:** The employer directs an employee to attend an out-of-town training session. The employer reimburses the employee for a lunch expense. The reimbursement is not WRS earnings.

**EXAMPLE 2:** As part of their job, a city employee is required to travel extensively throughout the state. The employee incurs expenses for meals and lodging for which the employer reimburses the employee. For extended travel trips, the employee receives a partial advance of money to be used exclusively for meal and lodging expenses. The payments are not WRS earnings.

**EXAMPLE 3:** A village employee is asked to use their personal vehicle to deliver village reports to a state agency. The employee is reimbursed for use of their personal car. The employee received this reimbursement for a business related expense incurred for the convenience of the employer. The reimbursement it is not WRS earnings.

- G.** The value of meals provided on the employer's premise for the convenience of the employer and the employee does not have the option of taking cash.

**EXAMPLE 1:** A county elected official is asked by the employer to participate in a luncheon seminar with state officials on the county's premise. The value of the lunch is not WRS earnings.

- H.** The value of the use of an employer owned vehicle when used for commuting purposes or in conducting employer business for the convenience of the employer.

**EXAMPLE 1:** A city provides the police chief with a city owned vehicle to ensure that the chief has access to transportation 24 hours a day. The chief also uses the vehicle for personal use, but is required to reimburse the city for the personal use of the vehicle.

- I.** Payments for damages, attorney fees, interest or penalties.
- J.** Amounts paid to students younger than age 20 who began employment on or after April 23, 1992, and who are regularly enrolled or expected to be enrolled as full-time students (grades 1-12) in a public, private or parochial elementary or high school.
- K.** Payments on a fee-for-service basis to an independent contractor (refer to subchapter 313).
- L.** Payments made in the last five years of employment that are the result of a change in the method of computing the base compensation, unless the change is permanent and applicable to all employees or is the result of significant changes in the employee's duties.
- M.** Earnings attributable to the non-WRS participating employers of a joint instrumentality.

**508 Reportable and Non-Reportable Earnings Guide**

Reportable AND Non-Reportable Earnings Guide				
Compensation Type	Payment Type	Example	WRS Reportable	Comments
<b>Advance</b>	Cash payment	Advance for ordinary and necessary expenses incurred in the business of the employer (e.g., meals, lodging, etc.)	No	The advance must be identified separately by the employer when the payment is made.
<b>Allowances (See clothing, expense, lodging and vehicle)</b>				
<b>Attorney Fees</b>	Cash payment	Employee is awarded a payment representing attorney fees resulting from a grievance, compromise settlement, court order, etc.	No	Cash settlements for attorney fees are considered damages and are not reportable for WRS purposes.
<b>Back Pay Awards</b>	Cash payment	Payment resulting from a compromise settlement, court order, etc., which represents back wages.	1. Yes  2. No	1. Back pay awards are reportable for WRS purposes, if the settlement agreement meets the requirements in Wis. Admin. Code ETF 20.12.  2. If all requirements in Wis. Admin. Code ETF 20.12 are not met in the settlement agreement, a back pay award is not reportable for WRS purposes.  Refer to Chapter 13 – Compromise Agreements
<b>Cafeteria Plan (IRC Section 125) Reductions</b>	Reductions from IRS gross wages	Medical expense, dependent care expense and insurance premiums expense reductions.	Yes	WRS earnings include amounts deducted from gross wages for Section 125 plans.
<b>Cash</b>	Cash payments of salary, wages, etc.	Payment for personal services rendered to an employer.	Yes	Amounts paid to an employee for personal services rendered are reportable for WRS purposes.
<b>Clothing Allowance</b>	1. Cash advancement or reimbursement for clothing that is adaptable for street wear  2. Cash advancement or reimbursement for standard uniforms (non-adaptable to regular street wear)	1. Blue jeans, tennis shoes, tee shirts, etc. issued to undercover police officers  2. Official uniforms (e.g. police, fire, bus driver, etc.) including hats, bulletproof vests, etc.	1. Yes  2. No	1. Clothing allowances used for the purchase of normal street wear benefit the employee as well as the employer and are, therefore, reportable for WRS purposes.  2. Standard uniforms are for the benefit of the employer only and are not reportable for WRS purposes.

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Reportable AND Non-Reportable Earnings Guide				
Compensation Type	Payment Type	Example	WRS Reportable	Comments
Compensatory Time	1. Cash payment resulting from the use of compensatory time as leave time.	1. An employee works extra hours and receives compensatory time that is used as leave time.	1. Yes	1. Payment for compensatory time is earnings for WRS purposes when used as leave time. Earnings and hours are WRS reportable to the year when used. Compensatory time does not need to be used in the same annual earnings period it was earned to be WRS reportable. Used compensatory time at termination is WRS reportable if the termination date is extended by the amount of used leave time.
	2. Cash payment for unused accumulated compensatory time (not due to termination).	2. An employee receives a lump sum payment for unused, accumulated compensatory time.	2. Yes	2. Payment for unused compensatory time not due to termination is earnings for WRS purposes. Earnings and hours are WRS reportable to the year when earned. Unused compensatory time is not required to be paid out in the same annual earnings period when earned to be WRS reportable.
	3. Cash payment for unused compensatory time specifically due to termination when the employer <u>does not</u> have a routine payout.	3. An employee receives a lump sum payment at time of termination for unused, accumulated compensatory time and the employer does not have a policy of routinely converting unused compensatory time to cash. This is routinely defined as at least annually.	3. No	3. Payment for unused compensatory time paid specifically due to termination and where the employer <u>does not</u> have a policy of routinely converting unused compensatory time to cash is not WRS reportable. This is routinely defined as at least annually.
	4. Cash payment for unused compensatory time specifically due to termination when the employer <u>does</u> have a routine payout.	4. An employee terminates on July 1; their regular payout of unused compensatory time occurs every year on August 1. An employee receives a lump sum payment at time of termination for unused, accumulated compensatory time.	4. Yes	4. Payment for unused compensatory time paid specifically due to termination and where the employer <u>does</u> have a policy of routinely converting unused compensatory time to cash is WRS reportable. This is routinely defined as at least annually. Earnings and hours are reportable to the year when paid.

<b>Reportable AND Non-Reportable Earnings Guide</b>				
<b>Compensation Type</b>	<b>Payment Type</b>	<b>Example</b>	<b>WRS Reportable</b>	<b>Comments</b>
				Refer to subchapter 503 and 504.
<b>Contributions Paid by Employer</b>	Employer's share of contributions	Employer's share of: insurance premiums, retirement contributions, Social Security taxes, etc.	No	Employer share of contributions and premium are not reportable for WRS purposes.
<b>Contract Buy Outs</b>	Cash payment		No	Wis. Stat. § 40.02 (22) (b) 8.
<b>Damages Payment</b>	Cash settlement	Employer agrees to pay employee an arbitrary amount to compensate for some wrongdoing on the part of the employer.	No	A cash settlement may not be considered earnings for WRS purposes unless it meets the requirements of Wis. Admin. Code ETF 20.12.  Refer to subchapter 1302.
<b>Deferred Compensation</b>	Amounts deferred from gross wages	Employee participates in a tax-sheltered program under section 403(b) of the IRC or a deferred compensation program under section 457 of the IRC, etc.	Yes	Amounts paid for personal services rendered, but deferred for tax purposes are reportable for WRS purposes in the year when earned.
<b>Employee Reimbursement Accounts</b>	Deduction from gross wages for tax purposes	See examples under Cafeteria Plans.	Yes	Amounts paid for personal services rendered, but deducted from gross wages for tax purposes are reportable for WRS purposes.
<b>Expense Allowance</b>	Cash payment	A city mayor receives a monthly expense allowance for use in attending work-related functions and activities.	No	Expense allowance payments used for the ordinary and necessary expenses incurred in the business of the employer are not reportable for WRS purposes. The employer must make separate payments or indicate separate amounts where both wages and expense allowances are combined in a single payment.
<b>Extra Curricular Activity Pay</b>	Cash payment	A teacher also performs as the football team's coach.	Yes	The additional earnings are reportable for WRS purposes. Hours are calculated by dividing the amount paid annually by the employee's current basic pay rate.
<b>Fringe Benefit</b>	Cash payment	An employee requests and receives a direct payment or a payment to an account (e.g. IRA or tax-deferred annuity) on their behalf, or an increase in wages, instead of using the money for life and disability insurance premiums.	No	Payments in lieu of fringe benefits normally paid for or provided by the employer, but which can be paid to the employee <b>at the employee's option</b> are not reportable for WRS purposes.
<b>Health Savings Account (HSA)</b>	<ol style="list-style-type: none"> <li>1. Employee salary reduction</li> <li>2. Employer Contribution</li> </ol>	<ol style="list-style-type: none"> <li>1. Employee instructs employer to take a pre-tax deduction from salary for deposit into a HSA.</li> <li>2. Employer makes a monthly contribution to an employee's HSA in</li> </ol>	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>	Employee salary reductions for deposit to an HSA are earnings for WRS purposes since WRS reportable earnings are gross earnings prior to deductions for insurance premiums, required WRS contributions, etc.

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Reportable AND Non-Reportable Earnings Guide				
Compensation Type	Payment Type	Example	WRS Reportable	Comments
		return for employee's election of a higher deductible health insurance option.  3. Employer makes a monthly contribution to their employees' HSA accounts	3. No	Employer contributions to an employee's HSA in return for the employee's election of a specific health plan, in lieu of other benefits, or to defray higher out-of-pocket expenses is considered a fringe benefit and not WRS earnings.
<b>Independent Contractor Payments</b>  Note: Must meet federal Independent Contractor rules. See IRS publication 1779.	Fee-for-service cash payment	Employer hires a system analyst/programmer working for a consulting firm to complete a special project.	No	An independent contractor is not an employee of the employer, therefore, the earnings are not reportable for WRS purposes.
<b>Insurance Benefit Payments</b>	Cash payment	Income continuation or life insurance payments made to an employee by an insurance carrier.	No	Insurance payments are not payment for services rendered and are not reportable for WRS purposes.
<b>Interest Payments</b>	Cash payment	An employee receives a settlement award from an employer that includes interest on lost back wages.	No	Amounts paid as interest in settlement agreements are considered damages and are not reportable for WRS purposes.
<b>IRA Payment</b>	Payment to an IRA on behalf of an employee	An employer puts money into an IRA for an employee instead of using the money to pay health insurance premiums.	No	Payments in lieu of fringe benefits normally paid for by the employer, but which can be paid to the employee <b>at the employee's option</b> are not reportable for WRS purposes.
<b>Joint Instrumentality Earnings</b>	Salary	An employee works for a joint library district created by six towns and villages. Only one of which is a WRS participating employer. All six entities pay a portion of the salary.	Yes/No	Although all hours worked are used in determining the employee's WRS eligibility, only the hours and earnings attributable to the WRS participating employer are reportable.
<b>Jury Duty Compensation</b>	Cash payment	An employee receives regular wages from the employer while serving jury duty.	Yes	The regular salary amount is reportable for WRS purposes.  NOTE: Any amount of money paid to the employee by the court is not reportable for WRS purposes.
<b>Length of Service Payment</b>	Cash payment	An employer pays an annual bonus to all employees based on a specified number of years of service.	Yes	This payment is reportable for WRS purposes as long as it is not contingent on termination of employment.
<b>Lodging Advancement or Reimbursement</b>	1. Lodging provided in lieu of salary	1. An employer provides a new employee with lodging in lieu of salary.	1. Yes	1. The value of the lodging is reportable for WRS purposes if it is not provided for the convenience of the employer or as a condition of employment.

<b>Reportable AND Non-Reportable Earnings Guide</b>				
<b>Compensation Type</b>	<b>Payment Type</b>	<b>Example</b>	<b>WRS Reportable</b>	<b>Comments</b>
	2. Cash advance or reimbursement	2. An employee receives cash reimbursement for lodging expenses incurred while attending a work-related conference or training seminar.	2. No	2. Advancement or reimbursement for ordinary and necessary expenses incurred in the business of the employer is not reportable for WRS purposes.
<b>Leave of Absence Compensation</b>	Cash payment	A teacher or police officer, for example, receives payment during an administrative leave of absence.	Yes	These earnings are reportable for WRS purposes.  Refer to subchapter 505 for calculating service hours.
<b>Meals Advancement or Reimbursement</b>	1. Cash payment	1. An employee receives cash reimbursement for meal expenses incurred while attending a work-related conference or training seminar.	1. No	1. Advancement or reimbursement for ordinary and necessary expenses incurred in the business of the employer is not reportable for WRS purposes.
	2. Free meal in lieu of salary	2. Free meals provided by the employer in lieu of salary.	2. Yes	2. The value of the meal is reportable for WRS purposes if the employee has the option of taking cash in lieu of the free meal, if the meal is not a condition of employment and if the meal is not provided for the convenience of the employer.
	3. Free meal for the employer's convenience	3. As a condition of employment, a police dispatcher is provided with a meal on the premises of the employer strictly for convenience of the employer. The employee has no option to request cash payment in lieu of this free meal.	3. No	3. The value of a free meal which is provided to an employee for the convenience of the employer (as a condition of employment) and for which the employee may not take cash payment is not reportable for WRS purposes.
<b>Merit Pay</b>	Cash payment	An employee receives a one-time or base building merit pay award for exceptional job performance.	Yes	The merit pay is reportable as earnings for WRS purposes as long as the merit award is not contingent on termination of employment.
<b>Moving Expenses</b>	Cash payment	An employee receives payment to cover moving expenses.	No	Payments made to relocate a new employee are not WRS reportable.
<b>On-call Pay</b>	Cash payment	A village EMT employee is paid a minimal amount per hour for being on-call.	Yes	The on-call earnings are reportable for WRS purposes.  Hours are calculated by dividing the amount paid for

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<b>Reportable AND Non-Reportable Earnings Guide</b>				
<b>Compensation Type</b>	<b>Payment Type</b>	<b>Example</b>	<b>WRS Reportable</b>	<b>Comments</b>
				on-call services in the annual earnings period by the employee's current base pay rate.
<b>Overtime Pay</b>	Cash payment	An employee receives overtime pay for hours worked in excess of 40 per week.	Yes	Overtime pay is reportable for WRS earnings when paid regularly to an employee during an employment relationship.
<b>Penalty Payments</b>	Cash payment	An employee receives a settlement award from an employer that includes a penalty payment to the employee for wrong doing on the part of the employer.	No	Amounts paid as penalties in settlement agreements are considered damages and are not reportable for WRS purposes.
<b>Reimbursement (see clothing, lodging and vehicle)</b>				
<b>Sabbatical (see Leave of Absence Compensation)</b>				
<b>Severance Pay</b>	Lump sum or installments	Employee receives a severance payment resulting from, or to secure, a resignation.	No	Amounts paid which are not compensation paid for services rendered to or for an employer are not WRS reportable.
<b>Sick Leave Pay</b>	Cash payment	<ol style="list-style-type: none"> <li>1. All employees of an employer receive an annual payout for unused sick leave.</li> <li>2. An employee's last day worked is January 29, 2010. The employee receives payment for using 20 days of remaining sick leave and the employer extends the termination date to February 26, 2010.</li> <li>3. An employee's last day worked is January 30, 2010. The employee receives payment for 28 days of unused sick leave, but the employer does not extend the employee's termination.</li> </ol>	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. Yes</li> <li>3. No</li> </ol>	<ol style="list-style-type: none"> <li>1. The sick leave payout is reportable for WRS purposes when paid regularly to an employee during an employment relationship, when made routinely to all employees on a regular basis.</li> <li>2. The sick leave payout is reportable for WRS purposes at termination when the payment results in extending the employee's termination date to account for the payout. The earnings and hours are WRS reportable.</li> <li>3. The sick leave payout is not reportable for WRS purposes at termination if the termination date is not extended to account for the accumulated leave and the employer does not have a broadly applicable policy that routinely pays out sick leave. Routinely is defined as at least annually.</li> </ol>

<b>Reportable AND Non-Reportable Earnings Guide</b>				
<b>Compensation Type</b>	<b>Payment Type</b>	<b>Example</b>	<b>WRS Reportable</b>	<b>Comments</b>
		<p>4. An employee's last day worked is January 30, 2010. The employee receives payment for 28 days of unused sick leave, but the employer does not extend the employee's termination date beyond January 30. The employer does have a policy of routinely converting unused sick leave to cash.</p> <p>5. An employee is allowed, <u>at his or her option</u>, to convert sick time to cash. The employee would like to convert 40 hours of vacation to cash.</p>	<p>4. Yes</p> <p>5. No</p>	<p>4. The sick leave payout is reportable for WRS purposes at termination if the employer does have a broadly applicable policy that routinely pays out sick leave. Routinely is defined as at least annually. Report only the earnings to the WRS, not the hours.</p> <p>5. Payments in lieu of fringe benefits normally paid for or provided by the employer, but which can be paid to the employee at the employee's option are not WRS reportable (Wis. Stat. § 40.02 (22) (11))</p> <p>Refer to subchapters 502 and 504.</p>
<b>Standby (See On Call)</b>				
<b>State Elected Official Salary Increase</b>	Delayed effect	A State senator votes to increase the pay of senators and the law is passed. The senator is prohibited from receiving the pay increase until the next term.	Yes	The value of the increase in compensation the State elected official would have received had it not been prohibited by law is reportable for WRS purposes.
<b>Tax Deferral (See Deferred Compensation)</b>				
<b>Tax Shelter (See Deferred Compensation)</b>				
<b>Training Pay</b>	Cash payment	A part-time police officer is sent to training that is paid by the city and may be reimbursed by the state.	Yes	If the employee is otherwise eligible for WRS, the training pay is reportable by the city for WRS purposes.
<b>Vacation Pay</b>	Cash payment	1. All employees of an employer receive an annual payout for unused vacation.	1. Yes	1. The vacation payout is reportable for WRS purposes when paid regularly to an employee during an employment relationship, when made routinely to all employees on a regular basis. Report only the earnings to the WRS, not the hours.

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Reportable AND Non-Reportable Earnings Guide				
Compensation Type	Payment Type	Example	WRS Reportable	Comments
		2. An employee's last day worked is January 29, 2011. The employee receives payment for using 10 days of remaining vacation and the employer extends the date of termination to February 12, 2011.	2. Yes	2. The vacation leave payout is reportable for WRS purposes at termination when the leave is used resulting in the extension of the employee's termination date. Report the earning and hours to the WRS.
		3. An employer routinely pays employees for unused vacation on an annual basis. If an employee terminates prior to the annual payout, the payout is made at termination.	3. Yes	3. The vacation payout is reportable for WRS purposes as the employer regularly pays out unused vacation annually or upon termination if the employee terminates prior to the annual payout. Report only the earnings to the WRS; not the hours.
		4. An employee's last day of work is January 29, 2011. The employee receives payment for 15 days of unused vacation. The employer does not regularly pay unused vacation and the employer will not allow the employee to extend their termination date to use vacation. The employer reports a termination date of January 29, 2011.	4. No	4. The vacation payout is not reportable for WRS purposes at termination if the termination date is not extended and the employer does not regularly pay out unused vacation.
		5. An employee is allowed, <u>at his or her option</u> , to convert vacation time to cash. The employee would like to convert 40 hours of vacation to cash.	5. No	5. Payments in lieu of fringe benefits normally paid for or provided by the employer, but which can be paid to the employee at the employee's option, are not WRS reportable (Wis. Stat. § 40.02 (22) (11))
				Refer to subchapters 502 and 504.
<b>Vehicle Advancement, Allowance and Reimbursement</b>	1. Cash payment – refer to subchapters 506F.	1. An employee receives an allowance, advancement or reimbursement for use of a personal vehicle for work-related meetings and events.	1. No	1. Advancement or reimbursement for ordinary and necessary expenses incurred in the business of the employer is not reportable for WRS purposes. <b>Unused amounts available to the employee for personal use are</b>

<b>Reportable AND Non-Reportable Earnings Guide</b>				
<b>Compensation Type</b>	<b>Payment Type</b>	<b>Example</b>	<b>WRS Reportable</b>	<b>Comments</b>
	<p>2. Value of personal use of employer-owned vehicle – refer to subchapter 501G.</p> <p>3. Value of work-related use of an employer-owned vehicle – refer to subchapter 506H.</p>	<p>2. An employee receives use of an employer-owned vehicle for work and personal use, and the employee is not required to reimburse the employer for personal use of this vehicle.</p> <p>3. A city fire chief is provided with a city-owned vehicle to commute to work related destinations at any time of the day or night for the convenience of the employer. The fire chief maintains records of personal versus work mileage and reimburses the city for personal usage.</p>	<p>2. Yes</p> <p>3. No</p>	<p><b>WRS reportable. Refer to 501H.</b></p> <p>2. Only the value of the personal use of the employer-owned vehicle is reportable for WRS earnings. The employer must maintain detailed reporting of personal versus work-related use.</p> <p>3. The value of the use of the employer owned vehicle when used for commuting purposes for the convenience of the employer is not reportable for WRS purposes.</p>
<b>Voluntary Employee Benefits Association (VEBA)</b>	Employee Contributions	Employee is required to make the contribution to fund post-employment medical expenses from their earnings and the contributions are made from pre-tax income.	Yes	VEBA is authorized under Section 501(c)(9) of the Internal Revenue Code. It allows for the tax-free pre-funding of post-employment medical expenses. Funds can only be used for post-employment medical expenses. Premium payments-both incoming funds and earnings-and post-employment expenditures are exempt for State, Federal and FICA taxation. Typically a third party administrator is responsible for account activity.
<b>Voluntary Employee Benefits Association (VEBA)</b>	Employer Contributions	Employer contributes money to fund post-employment medical expenses for the employee.	No	VEBA is authorized under Section 501(c)(9) of the Internal Revenue Code. It allows for the tax-free pre-funding of post-employment medical expenses. Funds can only be used for post-employment medical expenses. Premium payments- both incoming

Reportable AND Non-Reportable Earnings Guide				
Compensation Type	Payment Type	Example	WRS Reportable	Comments
				funds and earnings-and post employment expenditures are exempt for state, federal and FICA taxation. Typically a third party administrator is responsible for account activity.
<b>Worker's Compensation Credit</b>	No payment	An employee is injured and receives temporary disability benefits through Worker's Compensation.	Yes	The earnings (and associated hours of service) that would have been paid to the employee during the period the employee was receiving temporary disability benefits from Worker's Compensation are reportable for WRS purposes.  NOTE: The amount paid to the employee from Worker's Compensation is not reportable.

**509 Definition of WRS Creditable Service**

Wis. Stat. § 40.02(14), defines WRS creditable current service as the service granted for performance of duties for which a participating employee receives earnings from a participating employer.

**NOTE:** Employers track and report hours to ETF and the reported hours are subsequently converted to creditable service. Hours must be reported accurately since the resulting service credited to the participant account is a key factor in determining benefits.

**510 Annual Earnings Period is Basis for Reporting Hours**

The annual earnings period for all participants (except teachers, educational support personnel and judges) is the calendar year beginning on January 1 and ending December 31. A "fiscal year" is the annual earnings period for teachers, educational support personnel and judges, and is the period beginning July 1 and ending June 30.

Hours and earnings (such as payroll lag or balance-of-contract payments) of a nine- or 10-month contract teacher that are paid after July 1 for services rendered in the preceding school year are deemed to be received on June 30 and must be reported to the preceding school year (refer to Chapters 9 and 10). Service and earnings for a 12-month contract teacher must be reported when paid.

## 511 Computing and Reporting Hours

Under Wis. Admin. Code § ETF 10.03, each participating employer must determine and report hours worked for each participating employee. The following provisions apply in crediting WRS service for your employees:

- **The full-time equivalent of one year of creditable service for a teacher is 1,320 hours. A teacher will be granted a full year of service if at least 1,320 hours are reported. A full year of service for all types of employment other than teaching is 1,904 hours.**

**NOTE:** 2009 Wisconsin Act 28 does **NOT** change the actual service crediting for educational support personnel (or for any other non-teaching participants). Non-teachers (including educational support personnel) creditable service will continue to be calculated by dividing the hours worked in a year by 1,904.

- WRS will grant no more than one year of creditable service for any annual earnings period, even if an employee exceeds the number of hours needed during an annual earnings period for a full year of credit. It is essential, however, that all hours worked are reported because they are used by ETF when an employee retires to determine whether a normal hours to earnings progression has occurred during their employment history.
- Employees receiving earnings from one or more participating employers in more than one employment category will be granted no more than one year of creditable service for any annual earnings period. Should the total hours from all sources exceed the number required to receive one year of creditable service, that service shall be allocated and credited in the sequence specified in Wis. Admin. Code ETF 10.03 (5), until one year of service is granted.
- Service is based on the number of hours for which earnings are paid. A salaried employee who works additional hours, but is not paid additional earnings, should not have additional hours reported.
- Hours for on-call, standby, extracurricular or other service that is incidental to the primary employment must be reported as the quotient derived from dividing the compensation paid for such service by the employee's current basic pay rate. (Wis. Admin. Code § ETF 10.03 (7))
- Fractions of an hour of service can either be rounded to the nearest full hour or reported as the decimal equivalency, with fractions of one-half hour or more rounded up to the next whole number.
- Overtime hours must be reported based on hours worked, not based on hourly pay rate. If overtime hours are paid at 1.5 times the basic hourly rate, report actual hours worked and not hours worked times 1.5.

## 512 Reporting for Eight-Hour Workday

Under Wis. Admin. Code § ETF 10.03, the full-time equivalent of one day of service is eight hours. Employers with an established full-time workday of eight hours must report the actual hours for which earnings are paid for both their full-time and part-time employees.

### Teachers

For teachers and educational support personnel, a school day is any day in which school is actually taught. This includes legal holidays, if they fall within the scheduled school term. Also included as days of service are:

- State teachers conventions
- Days when school is closed by order of the health officer

A teacher who substitutes for another teacher during a free period in the regular workday and is paid additional earnings must have additional hours reported. Service performed is in addition to the number of hours worked by a regular full-time employee in a normal workday.

## 513 Computing and Reporting Hours for Other Than an Eight-Hour Workday

When an employer has an established, written policy for an employee or group of employees, of a full-time workday other than eight hours, whether full-time or part-time, employee hours must be calculated and reported using the formula in Wis. Admin. Code § ETF 10.03(2). The established policy can be contractual or as determined by personnel policy. The formula is as follows:

1. Divide the number of hours for which earnings are paid in the reporting period by the number of hours that would have been worked in that period by a regular full-time employee in the same kind of employment.
2. Multiply the result by 40.
3. Multiply this result by the number of weeks (and fractions of a week) in the reporting period being determined.

$$\left( \frac{\text{Hours Worked}}{\text{Full Time Hours}} \right) \times 40 \times \text{Number of weeks in the reporting period}$$

**A. The following examples illustrate how the formula is used to report accurate hours for full-time employees:**

**EXAMPLE 1:** A seven-hour workday has been established as full-time employment for a group of employees. Full-time employment for a two-week pay period is 70 hours. An employee works the full 70 hours.

$$\frac{70 \text{ hrs worked}}{70} = 1 \times 40 \times 2 = 80 \text{ hrs to be reported}$$

**EXAMPLE 2:** A 7½-hour workday is full-time and a full-time employee works 75 hours in a two-week pay period.

$$\frac{75 \text{ hrs worked}}{75} = 1 \times 40 \times 2 = 80 \text{ hrs to be reported.}$$

**EXAMPLE 3:** The same employee was paid for ten hours overtime.

$$\frac{85 \text{ hrs worked}}{75} = 1.13 \times 40 \times 2 = 90.4 = 90 \text{ hrs to be reported}$$

**EXAMPLE 4:** The established work week for a full-time firefighter is 56 hours, or 112 hours for a two-week pay period.

$$\frac{112 \text{ hrs worked}}{112} = 1 \times 40 \times 2 = 80 \text{ hrs to be reported}$$

**EXAMPLE 5:** The work schedule for a local police department is six days on followed by 3 days off, eight hours per shift. The schedule results in 88 hours for one two-week pay period and 64 hours for the next two-week pay period, for an average of 76 hours per pay period for a full-time officer.

$$\frac{76 \text{ hrs worked}}{76} = 1 \times 40 \times 2 = 80 \text{ hrs to be reported}$$

**EXAMPLE 6:** A 7½-hour workday is full-time for a teacher (75 hours in a two-week period). A teacher who substitutes for another teacher during a free period in the regular workday and is paid additional earnings must have additional hours reported. During a pay period one teacher was paid for substituting for another for an additional two hours.

$$\frac{77 \text{ hrs worked}}{75} = 1.03 \times 40 \times 2 = 82.13 = 82 \text{ hrs to be reported}$$

**B. The following examples illustrate how the formula is used to report accurate hours for part-time employees:**

**EXAMPLE 1:** A seven-hour workday has been established as full-time employment for a group of employees. Full-time employment for a

two-week pay period is 70 hours. A part-time employee works 3.5 hours per day.

$$\frac{35 \text{ hrs worked}}{70} = .50 \times 40 \times 2 = 40 \text{ hrs to be reported}$$

**EXAMPLE 2:** A 7½-hour workday is full-time employment (75 hours in a two-week period). An employee works 37.5 hours in a two-week period.

$$\frac{37.5 \text{ hrs worked}}{75} = .5 \times 40 \times 2 = 40 \text{ hrs to be reported}$$

**EXAMPLE 3:** A 7½-hour workday is full-time employment (75 hours in a two-week period). An employee ordinarily works 37 hours in a two-week period, but during one period works four hours extra and is paid for the extra service. (37.5 + 4 = 41.5)

$$\frac{41.5 \text{ hrs worked}}{75} = .55 \times 40 \times 2 = 44 \text{ hrs to be reported}$$

**EXAMPLE 4:** A 7½-hour workday is full-time employment for a teacher (75 hours in a two-week period). A half-time teacher who substitutes for another teacher during a free period in the regular workday and is paid additional earnings must have additional hours reported. During one pay period, the half-time teacher was paid for substituting for an additional two hours.

$$\frac{39.5 \text{ hrs worked}}{75} = .53 \times 40 \times 2 = 42 \text{ hrs to be reported}$$

## 514 Earnings and Hours for On-call, Standby, Extracurricular and Other Non-Standard Hours

Participating employee earnings for on-call, standby, extracurricular or other service, which is incidental to the primary employment, **must be reported** and contributions paid on those earnings **on the same basis as for any other earnings**. (Wis. Admin. Code § ETF 10.03 (7) (a)).

The number of hours to report for the "incidental" service is determined by dividing the compensation received for the service by the employee's current basic pay rate. The "current basic pay rate" as defined in Wis. Admin. Code § ETF 10.01 (1m) (a), is the hourly rate or its equivalent, excluding any overtime or supplementary compensation, at which the employee is paid.

**EXAMPLE 1:** A teacher is paid \$1,000 extra to serve as advisor for the school yearbook. The teacher's current basic pay rate is equivalent to \$25 per hour. Report 40 additional hours with the teacher's earnings (1000 ÷ 25 = 40).

**EXAMPLE 2:** An employee is asked to be on call for two days on a holiday weekend. The employee is paid \$80 extra to be on call. His current basic pay rate is \$20 an hour. Divide the \$80 compensation received for the on call duty by the pay rate of \$20 an hour. The resulting 4 hours must be included in the total hours reported with the employee's earnings.

**EXAMPLE 3:** A teacher with a basic pay rate of \$30.00 an hour also coaches girls softball for an additional \$1,500 per season. The district has properly applied the rule for determining and reporting hours for extracurricular work. In this example, the district reported an additional 50 hours of service along with the \$1,500 in coach's salary.

The teacher terminated employment with the district following the school year, took no WRS benefit, and returned the following season to coach. Since the teacher returned within 12 months without having taken a WRS benefit, the coaching is WRS eligible and the earnings and hours must be reported to WRS. Unless a new hourly rate of pay is contracted for the coaching, the earnings and hours must be reported on the same basis as before the termination.

**EXAMPLE 4:** A full-time public works employee also referees games for the city recreation department. As a referee, the employee is paid by the number of games refereed rather the number of hours worked. For this type of employment situation the employer calculates referee hours by dividing total referee compensation by the employee's current basic pay rate as a public works employee. The number of games refereed is irrelevant for the purpose of reporting hours to ETF.

## **515 Creditable Service for Part-Time Local Elected Officials**

Wis. Admin. Code § ETF 10.03(6), provides guidance in determining the number of hours to report for part-time local elected officials eligible for participation in the WRS. The rule is NOT intended for use in determining WRS eligibility. The rule's use is intended for determining hours to report to WRS and should be applied based upon the type of elected position held, as follows:

➤ **Ministerial Positions (officials other than members of the governing body).**

Regular Work Schedule – Report the number of hours actually worked.

No Regular Work Schedule – Report no more than the hours obtained by dividing the official's yearly salary by **twice the non-farm federal minimum wage** for the appropriate year.

The non-farm federal minimum wage is currently \$7.25 an hour. The following example shows how to apply the above rule:

$$\frac{\text{Yearly Salary}}{\text{Twice Minimum Wage}} = \text{Hours of creditable service}$$

$$\frac{\$5,500}{\$14.50} = 379.31 \text{ rounded to } 379 \text{ hours of creditable service}$$

The non-farm federal minimum wage from 1976 to the present is as follows:

1976 - 1977	2.30
1978	2.65
1979	2.90
1980	3.10
1981 - March 1990	3.35
April 1990 - April 1991	3.80
May 1991 - Sept. 1996	4.25
Oct. 1996 - Aug. 1997	4.75
Sept. 1997 - July 2007	5.15
July 2007 - July 2008	5.85
July 2008 - July 2009	6.55
July 2009 - Present	7.25

➤ **Members of a Governing Body or other Policy-Making Group.**

Report the number of hours in actual attendance at board and committee meetings and a reasonable number of hours for time spent in preparation for the meetings. In no case can the number of hours determined to have been spent in preparation time exceed twice the number of hours actually spent at the meeting. It is the responsibility of the employer to maintain the necessary documentation to justify the reasonableness of the basis used in reporting hours for local elected officials.

**516 Creditable Service for County Agents**

Most Wisconsin counties, excluding Menomonee and Milwaukee, have established and maintain an educational program in cooperation with the University of Wisconsin (UW). Employees of this program are considered employees of both the county and the UW. It was determined that the employees are performing teaching service and should be covered for WRS.

Hours reported for county agents must be based on the percentage of total earnings that the county or the UW pays. Neither the county nor the UW should report more hours than those related to their percentage of the total earnings. The amount of hours reported by either party should not exceed 1,320 hours.

Example of reporting county agent:

Agent has 2,080 hours of service with \$50,000 annual income.

University reports 60%: 1,248 hrs.    \$30,000 earnings

County reports 40%:    832 hrs.    20,000 earnings  
    2,080 hrs.    \$50,000 earnings

## CHAPTER 6 — EMPLOYEE'S INDIVIDUAL WRS ACCOUNT

- 600**    **Creating a New Individual WRS Account**
- 601**    **Methods Available for Reporting WRS Enrollments and Correcting or Updating WRS Enrollment Information**
- 602**    **Specifications for File Transfer Protocol (FTP) Reporting**
- 603**    **Specifications for Disk Reporting**
- 604**    **Completing the *Wisconsin Retirement System Enrollment* (ET-2316)**
- 605**    ***Wisconsin Retirement System Enrollment* (ET-2316)**
- 606**    **Correcting or Changing Enrollment Information**
- 607**    **Completing the *Employee Identification Correction/Change* (ET-2810)**
- 608**    ***Employee Identification Correction/Change* (ET-2810)**
- 609**    ***Electronic Reporter Transmittal* (ET-2536)**

### **600    Creating a New Individual WRS Account**

Creation or reactivation of an individual's WRS account requires that an enrollment be completed for each eligible employee. An enrollment must be completed and submitted to ETF by the employer agent within 10 days of an employee becoming eligible. A WRS enrollment:

- creates an employee (participant) account at ETF;
- adds the employee to the employer's Annual Coverage Detail Report or pre-list (not produced for electronic media reporters);
- meets initial eligibility requirements for insurance enrollment; and
- reactivates an employee's existing WRS account when rehired or reinstated.

A late enrollment may cause a benefit from a previous segment of WRS covered employment to be paid in error, as well as delay application processing for ETF administered insurances.

### **601    Methods Available for Reporting WRS Enrollments and Correcting or Updating WRS Enrollment Information**

Several methods are available for reporting a WRS enrollment and making subsequent corrections/changes to employee descriptive data. ETF encourages employers to automate WRS enrollment along with other WRS reporting transactions. Available methods include:

A. Online Network for Employers (ONE):

Once authorized for ONE access, employers can use the Internet to create an eligible employee's individual WRS account, reactivate an inactive WRS participant account and update or correct the account's descriptive data fields, such as name and/or address, employment begin date, gender and/or employment category. Refer to Chapter 23 for further information regarding ONE.

B. File Transfer Protocol (FTP):

FTP provides electronic transmission of WRS enrollments as well as updates or corrections to an account's descriptive data fields such as name and/or address, employment begin date, Statement of Benefits codes, gender and/or employment category. An electronic version of the *Electronic Reporter Transmittal (ET-2536)* must accompany FTP files (refer to subchapter 609). Refer to Appendix A for FTP data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

C. Disk Reporting:

Disk reporting provides electronic transmission of WRS enrollments as well as updates or corrections to an account's descriptive data fields, such as name and/or address, employment begin date, Statement of Benefits codes, gender and/or employment category. An *Electronic Reporter Transmittal (ET-2536)* must accompany diskettes (refer to subchapter 609). Refer to Appendix A for data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

D. Paper Reporting:

Employers can create an eligible employee's individual WRS account or reactivate an inactive WRS participant account by completing and submitting a *Wisconsin Retirement System Enrollment (ET-2316)*. Refer to subchapter 604.

Update or correct an account's descriptive data fields-such as name and/or address, Social Security number, date of birth, employment begin date, employer identification number, Statement of Benefits codes, gender and/or employment category-by completing and submitting an *Employee Identification Correction/Change* form (ET-2810). Refer to subchapter 606.

## **602 Specifications for File Transfer Protocol (FTP) Reporting**

An electronic version of the *Electronic Reporter Transmittal (ET-2536)* must accompany the FTP file for enrollments and descriptive data corrections/changes. In order to use FTP, you must install the necessary software on your computer system. ETF has purchased the hardware and software required for the FTP transmission method and will provide employers with the necessary software and software licenses, **free of charge**.

To ensure you have the capability to perform FTP transmissions, you should discuss the system requirements with your information technology department. ***Please make sure you will be able to send data even if you have a firewall on your system.***

Employers interested in using FTP should contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

### 603 Specifications for Disk Reporting

- DISK FORMATS: We can process disks in the following formats:

- IBM PC-DOS or MS-DOS compatible:**

- 3.5 inches, double-sided, 1.44MB

- CD-ROM

- RECORDING MODE: ASCII standard code
- RECORD LENGTH: 360 bytes per record, fixed length
- FILE NAME: Use **WRS** and the first four digits of your Employer Identification Number (EIN). If your EIN is 4623000, file name would be WRS4623.

A disk may consist of multiple files as long as the following file name conventions are adhered to:

If a disk consists of more than one file, the file name WRS4623 will contain a three-digit numeric extension. This extension will indicate the sequence of the files within the disk. For example, the first file will be named WRS4623.001, the second file will be WRS4623.002, etc.

- DISK LABEL: A label must be properly secured to the disk and show the internal file name, your employer number and reporting period. Sample:

- File Name      WRS4623

- EIN:            4623000

- Report Period: 10/2010

- WRITE-PROTECT: All disks must be write-protected prior to submitting to ETF.
- RETURNS: Once the disk files have been processed, they are retained for three months and then destroyed. The disk will not be returned.

### 604 Completing the *Wisconsin Retirement System Enrollment (ET-2316)*

This section provides instructions on completing a paper *Wisconsin Retirement System Enrollment (ET-2316)*. The numbered descriptions on the chart below correspond to the numbers on the sample form in subchapter 605. Complete the *WRS Enrollment* in a clear and legible manner, using the following instructions:

**NOTE:** The *Wisconsin Retirement System Enrollment (ET-2316)* must be legibly completed and submitted to ETF by the WRS agent – **not the participant.**

#	Item Name	When Completing WRS Enrollment Form
1	<b>Is Employee Receiving an Annuity from the WRS?</b>	Check the appropriate box. If yes, refer to Chapter 15.
2	<b>Report Date (MM/DD/CCYY)</b>	Enter the date this transaction was added to your payroll system. <b>Note: The report date cannot be earlier than the WRS begin date in #11, below.</b>
3	<b>Social Security Number</b>	Obtain Social Security number directly from the employee's Social Security card. Attach a copy of the card to the enrollment (if available). The Social Security number becomes the employee account number for ETF. Accuracy is extremely important. Maintain a copy for your records.
4	<b>Employee Name</b>	Use the complete name as it appears on the Social Security card or birth certificate. Enter the last name, first name and middle initial.
5	<b>Address</b>	Enter the employee's complete permanent home address.
6	<b>Gender</b>	Check the correct box.
7	<b>Birthdate (MM/DD/CCYY)</b>	Enter the date as it appears on the birth certificate. The birthdate is used for benefit entitlement calculations. The member may encounter difficulty when applying for a benefit, if this date is not reported accurately.
8	<b>Employer Name</b>	Enter the name as it appears on the <i>WRS Monthly Remittance Report (ET-1515)</i> . State employers should use their electronic reporting method.
9	<b>Statement of Benefits Distribution Code</b>	Use of this eight-digit code is optional. Choose one of four options to sort the Statement of Benefits by alphabetical order, zip codes or combinations.
10	<b>ETF Employer ID Number</b>	Enter the employer identification number for social security reporting, as it appears on the <i>WRS Monthly Remittance Report (ET-1515)</i> . All numbers are seven digits and follow 69-036-.
11	<b>Date WRS Participating Employment Began with this Employer</b>	Enter the date (MM/DD/CCYY) WRS eligible employment began with this employer. Refer to Chapter 3 of the WRS manual for determining eligibility. For most employees this will be their first day worked.
12	<b>Date of Hire</b>	Enter the date the employee started working with the employer. This date may be different from the beginning WRS participation date (for example, the employee may not have been WRS eligible upon hire).
13	<b>Employment Category</b>	Determine the appropriate Employment Category from the categories listed in subchapter 401. Category determination must be based on duties performed by the employee, not licenses or certifications.
14	<b>Date, Signature, Title of Agent, and Telephone No.</b>	Only the WRS agent (or alternate agent) is authorized to sign this form. The agent, by signing this form, is certifying the information regarding the employee is correct.

**605 Wisconsin Retirement System Enrollment (ET-2316)**

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

**WISCONSIN RETIREMENT SYSTEM ENROLLMENT**

Wis. Stat. § 40.22

Is employee receiving an annuity from the WRS?  NO  YES 1

If yes, do not complete this form. Instead, refer to Chapter 15 of the *WRS Administration Manual* and form ET-2319.

**EMPLOYER: PLEASE TYPE OR PRINT IN INK – All Information Must Be Legible**

Please refer to Chapter 5 of the *WRS Administration Manual* (ET-1127) for instructions on completing this form. *Complete all areas below.*

Employee Name (Last, First, Middle) <span style="border: 1px solid black; padding: 2px;">4</span>		Report Date (MM/DD/CCYY) <span style="border: 1px solid black; padding: 2px;">2</span>	
Address (Street, City, State, Zip) <span style="border: 1px solid black; padding: 2px;">5</span>		Social Security Number <span style="border: 1px solid black; padding: 2px;">3</span>	
Employer Name (if State of Wisconsin, include department) <span style="border: 1px solid black; padding: 2px;">8</span>		Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Birthdate (MM/DD/CCYY) <span style="border: 1px solid black; padding: 2px;">7</span>
ETF Employer ID No. <span style="border: 1px solid black; padding: 2px;">10</span>		Statements of Benefits Distribution Code <span style="border: 1px solid black; padding: 2px;">9</span>	
Date WRS Participating Employment Began With This Employer <span style="border: 1px solid black; padding: 2px;">11</span>		Date of Hire (MM/DD/CCYY) <span style="border: 1px solid black; padding: 2px;">12</span>	

**EMPLOYMENT CATEGORY**

- 13
- 00 General Employee
  - 01 Court Reporter
  - 02 State Executive Retirement Plan [Wis. Stat. § 20.923 (4), (8), or (9)]
  - 03 Protective Occupation Under Social Security
  - 04 Protective Occupation Not Under Social Security
  - 05 Supreme Court Justice
  - 06 Legislator or State Constitutional Officer
  - 07 Court of Appeals Judge
  - 08 Circuit Judge
  - 09 Elected Official or Appointed to Fill an Elected Office
  - 10 Teacher
  - 11 Executive Teacher (State Agencies Only)
  - 12 Educational Support Personnel

<b>AGENT MUST SIGN HERE</b>	I hereby certify the named is an employee of this participating employer normally performing at least 600 hours of work in a year (or 1/3 of full-time if a teacher which is at least 440 hours per ETF 20.015) and is otherwise eligible as an "employee" pursuant to Wis. Stat. § 40.02 (26). I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I certify that I am responsible for reporting coverage information to the Wisconsin Retirement System.		
	Date (MM/DD/CCYY)	Signature & Title of Agent <span style="border: 1px solid black; padding: 2px;">14</span>	Telephone No.

*Make a copy for your records and one for your employee. Submit original to address at top of form.*

**606 Correcting or Changing Enrollment Information**

Should it be necessary to correct or change information reported to ETF through the WRS enrollment process, use the Online Network for Employers (ONE), File Transfer Protocol (FTP), disk reporting or the *Employee Identification Correction/Change (ET-2810)* form. (Refer to Chapter 23 for information on ONE.)

**Table 6.1 – Employee Identification Correction/Change Codes**

Code	Corrects	Description
P030	Social Security Number* (Verification Required)	Social Security numbers are used by ETF as the major identifier for participant records. Ensure it is correct on all forms. You must complete an <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2. Attach a copy of the employee’s Social Security card.
P031	Name/Address	To correct or change a name or address, use either the WRS Account Update application on the ONE system <b>or</b> complete an <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2.
P032	Birthdate** (Certified Copy of Birth Certificate Required for Verification)	Date of birth is crucial in computing benefits and is used by ETF as the second identifier (in addition to the Social Security number) to further identify a participant’s record. You must complete an <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2. Attach a certified copy of their birth certificate, which will be returned to the employee at their request.
P033	Employment Begin Date	It is critical that WRS records reflect the participant’s correct employment begin date. To correct a begin date, use either the WRS Account Update application on the ONE system <b>or</b> complete an <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2. Attach an explanation for the change.
P034	Statement of Benefits Distribution Code	To correct/change or add a Statement of Benefit distribution code, you must complete the <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2.
P035	ETF Employer Identification Number (EIN)	To correct the employee’s ETF Employer Identification Number, you must complete the <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2.
P036	Gender	To correct the employee’s Gender Indicator, use either the WRS Account Update application on the ONE system <b>or</b> complete the <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2.
P063	Employment Category***	To correct the employee’s employment category, use either the WRS Account Update application on the ONE system <b>or</b> complete the <i>Employee Identification Correction/Change</i> form, filling in the required fields as listed in Table 6.2. This correction code can only be used if an incorrect employment category was indicated when enrolling the employee in WRS.

\* P030 (Social Security Number Correction): Under federal regulations individuals requested to furnish their Social Security numbers are to be informed that disclosure of such number is required under policies established pursuant to the authority of Wis. Stat. § 40.03 (2) (h). The number is used to maintain a record of contributions and other data needed for providing retirement benefits as well as for required reports to the Federal Internal Revenue Service.

\*\* P032 (Birthdate Correction): In the event an employer indicates they made an error in reporting the date of birth during the enrollment process, the date of birth can be corrected without birth evidence if:

1. the error is discovered before a second *WRS Annual Statement of Benefits* is issued to the participant after the error was made,

AND

2. the employer submits a signed and dated statement indicating the correct date of birth and that they made an error in the participant's date of birth when they previously reported the WRS enrollment.

\*\*\*P063 (Employment Category Change): The *Employee Identification Correction/Change* form must not be used if earnings and hours have already been reported to an incorrect category. Contact the Employer Communication Center for assistance. [To report current year category changes, submit an *Employee Transaction Report* (ET-2533) using Action Code 10 as instructed in Chapter 9.]

**607 Completing the *Employee Identification Correction/Change* (ET-2810)**

Subchapter 608 provides a sample of the *Employee Identification Correction/Change* form. Please note that the boxed numbers on the sample form correspond to the numbers in the table below. Required fields for each correction type are indicated in **Table 6.2**, with the letter R.

**Table 6.2 – *Employee Identification Correction/Change* (ET-2810) - Field Requirements**

Fields:	Account Correction Codes							
	P030	P031	P032	P033	P034	P035	P036	P063
1. Report Date	R	R	R	R	R	R	R	R
2. Social Security Number Correct	R	R	R	R	R	R	R	R
3. Social Security Number Incorrect	R							
4. Employee Name (Last, First, Middle)	R	R	R	R	R	R	R	R
5. Gender	R	R	R	R	R	R	R	R
6. Former Name		R						
7. Address								
8. Birthdate (Correct)	R	R	R	R	R	R	R	R
9. Employment Begin Date				R				R
10. SOB Code					R			
11. ETF Employer No. (Incorrect)						R		
12. ETF Employer No. (Correct)	R	R	R	R	R	R	R	R
13. Employer Name								
14. Employment Category (Incorrect)								R
15. Employment Category (Correct)	R	R	R	R	R	R	R	R
16. Account Correction (Check Box)	R	R	R	R	R	R	R	R
17. Signature & Title of Agent/Date	R	R	R	R	R	R	R	R

R = Required Field

**608 Employee Identification Correction/Change (ET-2810)**

Department of Employee Trust Funds  
 Wisconsin Retirement System  
 801 W. Badger Road – P.O. Box 7931  
 Madison, WI 53707-7931

**EMPLOYEE IDENTIFICATION CORRECTION/CHANGE**

Wis. Stat. § 40.03 and 40.07

See reverse side for field requirements for each type of account correction.

PLEASE TYPE OR PRINT IN INK

Please refer to Chapter 5 of the WRS Employer Manual (ET-1127) for instructions on completing this form.

		Correct Social Security Number	2
		Incorrect Social Security Number <i>(Submit a Copy of SS Card)</i>	3
Report Date (MM/DD/CCYY)		1	
Employee Name (Last, First, Middle)		4	
Gender		5	
<input type="checkbox"/> Male <input type="checkbox"/> Female			
Former Name (Birth/Married)		6	
Address (Street, City, State, Zip, Foreign Country & Mail Code – if not USA)		7	
Birthdate (MM/DD/CCYY)		8	
Date Participating Employment Began With This Employer (MM/DD/CCYY)	9	Statement of Benefits Distribution Code	10
Incorrect ETF Employer Identification Number		11	
69-036-			
Correct ETF Employer Identification Number	12	Employer Name (if State of Wisconsin, include department)	13
69-036-			
Incorrect Employment Category	14	Correct Employment Category	15
<b>ACCOUNT CORRECTION</b> (See descriptions on other side.)  <input type="checkbox"/> <b>P030</b> Social Security Number (copy of SSN card required) <input type="checkbox"/> <b>P031</b> Name <input type="checkbox"/> <b>P032</b> Birthdate (certified birth certificate required) <span style="float: right;">16</span> <input type="checkbox"/> <b>P033</b> Employment Begin Date <input type="checkbox"/> <b>P034</b> Statement of Benefits Distribution Code <input type="checkbox"/> <b>P035</b> ETF Employer Number <input type="checkbox"/> <b>P036</b> Gender Indicator <input type="checkbox"/> <b>P063</b> Employment Category-This correction code can only be used if an incorrect employment category was indicated when enrolling the employee in WRS (cannot involve hours or earnings).		<b>FOR ETF USE ONLY</b>  <input type="checkbox"/> <b>P039</b> Coverage Begin Date _____  <input type="checkbox"/> <b>P041</b> Verification (Only check this box to change verification code)  <input type="checkbox"/> Yes <input type="checkbox"/> No SS No. Verified <input type="checkbox"/> Yes <input type="checkbox"/> No DOB Verified  <input type="checkbox"/> <b>P065</b> Delete incorrect employment category  Incorrect Birthdate _____ <input type="checkbox"/> Keying Error	
<b>AGENT MUST SIGN HERE</b>  		I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I certify that I am responsible for reporting coverage information to the Wisconsin Retirement System.	
Date Signed (MM/DD/CCYY)		Signature and Title of Agent	
		17	

609 **Electronic Reporter Transmittal (ET-2536)**

**ELECTRONIC REPORTER TRANSMITTAL**  
**Totals of Transactions Included**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P. O. Box 7931 – Madison, WI 53707-7931

Check one:  
 Current Year Transactions  
 Prior Year Transactions  
**NOTE: This is not needed for your annual report**

Employer Identification No. 69-036-		Employer Name		Report Date		
FISCAL YEAR EMPLOYEES ONLY JANUARY THROUGH JUNE		CALENDAR YEAR-TO-DATE		EMPLOYEE PAID CONTRIBUTIONS		
Employment Category	Service Hours	Earnings Dollars	Service Hours	Earnings Dollars	Employee Required Contribution Dollars	Benefit Adjustment Contribution Dollars
00, 01 (Includes 12)						
02 (Includes 05, 06, 07, 08, 09)						
03						
04						
10						

Employment Category	Employee-Paid		Employer-Paid	
	Core* Dollars	Variable Cents	Core* Dollars	Variable Cents
00, 01 (Includes 12)				
02 (Includes 05, 06, 07, 08, 09)				
03				
04				
10				

**ADDITIONAL CONTRIBUTIONS – NOTE: 403(b) tax deferred additional contributions are no longer accepted**

I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. The totals reported here are the same as those on the magnetic media records.

Employer Agent Signature \_\_\_\_\_ Date \_\_\_\_\_ Area Code and Telephone No. \_\_\_\_\_

I.T. Support Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

\*Core (previously referred to as the Fixed Fund)

**CHAPTER 7 — CONTRIBUTION RATES**

<b>700</b>	<b>Introduction</b>
<b>701</b>	<b>Employer-Required Contribution Rates</b>
<b>702</b>	<b>Employee-Required Contribution Rates</b>
<b>703</b>	<b>Benefit Adjustment Contribution</b>
<b>704</b>	<b>Description of Contribution Rates</b>
<b>705</b>	<b>Online Employer Rate Information</b>

**700 Introduction**

The Employee Trust Funds Board approves WRS contribution rates annually in June. The new rates are announced via *Employer Bulletin* approximately six months prior to their effective date and are based on recommendations of the consulting actuary for the benefit levels in effect. Each contribution category is valued separately. Contribution rate changes are considered normal for systems that pre-fund retirement benefits. Annuity benefits are not affected by these rate changes.

Under Wis. Stat. § 40.05, WRS contribution rate changes are distributed evenly between the employer and employee. Employers electing to increase prior service coverage or pay off their unfunded liability balances may also experience a change in their prior service rates.

**701 Employer-Required Contribution Rates**

Each participating employer shall make contributions for current service determined as a percentage of the earnings of each participating employee. Under no circumstances may an employee be required to pay any portion of the employer-required contributions. The employer contribution rates for each of the categories consist of:

**A. Current Service Costs**

Current service costs are set annually based on an actuarial valuation.

**B. Unfunded Actuarial Accrued Liability (UAAL)**

Unfunded Actuarial Accrued Liability (UAAL) (also known as Prior Service Liability) is the cost of providing benefits for service credit earned prior to an employer joining the WRS or for providing benefit improvements based on service credit earned prior to the effective date of certain major benefit legislative changes.

Monthly retirement contribution rates include a small component for prior service liability (1 or 2% for most employers), if applicable. Each month retirement contributions are made, you are also paying toward your prior service liability.

Employers have the option of paying off their liability faster, thereby minimizing future interest charges. Employers can pay off the entire liability in a single payment or make payments larger than the required amounts. ETF will develop a customized payment plan for employers interested in paying off liabilities early.

UAAL prior service contribution rates are set individually for each participating employer, based on the employer's outstanding unfunded liability balance. The liability is amortized over 40 years, beginning January 1, 1986, or the employer's participation effective date, whichever is later.

ETF provides an optional UAAL calculator on its Internet site to assist employers in projecting their UAAL amortization schedule. The UAAL Calculator projects the employer prior service payments and interest using current Actuarial Assumptions of the WRS for the 7.8% interest rate and for the salary increase rate (currently set at 4.0%). Using these assumptions, the calculator produces a schedule that projects employer payments and interest through the year 2029. This calculator is found on ETF's Internet site at <http://etf.wi.gov> in the *Employers* section.

### **C. Duty Disability Costs**

Duty Disability costs are applicable to protective employment category employees as defined in Wis. Stat. § 40.02 (48)(c).

The Duty Disability contribution rates, mandated by Wis. Stat. § 40.05 (2)(ar), are individually experience-rated for each participating employer. Contribution rates paid by an employer are directly related to the number and amount of claims filed by each employer's participants.

The definition of protective occupation participants, for this purpose only, is broader than for other benefit purposes in that any state employee whose duties involve supervision or discipline of inmates at a state penal institution is included in the duty disability provision.

### **D. Sick Leave Conversion Costs (State Agencies Only)**

These contributions pay for conversion of unused sick leave to health insurance premiums for retired state employees. Annual increases cannot exceed 2%. ETF's board sets sick leave conversion costs based on the actuary's recommendation.

## **702 Employee-Required Contribution Rates**

The Employee-Required Contribution rates are established in Wis. Stat. § 40.05 (1). Pursuant to Wis. Stat. § 40.05 (1) (b). The employer may pay all or a portion of the

Employee-Required contribution, and may choose to pay all or a portion of the rate for all their employees, a group of employees, or a single employee.

### 703 Benefit Adjustment Contribution

The Benefit Adjustment Contribution (BAC) was enacted by legislation in 1984 to fund improved retirement benefits for career public employees in the WRS as established in Wis. Stat. § 40.05 (2m). It is paid by employees, unless the employer agrees to pay all or a portion of the contribution. The BAC is not credited to the employee's WRS account, but is used to fund overall system benefit liabilities.

### 704 Description of Contribution Rates

WRS contribution rates are reviewed annually and may change based on actuarial assumptions and recommendations.

#### DESCRIPTION OF CONTRIBUTION RATES FOR YEAR 2011

##### Employee Required Contribution (may be paid by employer)

- 5.0% General, including teachers and educational support personnel
- 3.9% Judges, elected officials and state executive positions designated in §20.923 (4), (8), or (9)
- 5.8% Protective with Social Security
- 4.8% Protective without Social Security

##### Employee Benefit Adjustment Contribution (may be paid by employer)

- 1.5% General, including teachers and educational support personnel
- 0.0% Judges, elected officials and state executive positions designated in §20.923 (4), (8), or (9)
- 0.0% Protective with Social Security
- 0.0% Protective without Social Security

##### Employer Required Contributions - Current Service (must be paid by employer)

- 5.1% General, including teachers and educational support personnel
- 9.4% Judges, elected officials and state executive positions designated in §20.923 (4), (8), or (9)
- 8.9% Protective with Social Security
- 12.2% Protective without Social Security

##### Employer Required Contributions - Unfunded Actuarial Liability (must be paid by employer)

Same rate as 2010, unless employer elected to provide increased prior service coverage or paid off liability at an accelerated rate. Notification of any change for individual employers will be sent at a later date.

**Employer Duty Disability Contribution (must be paid by employer)**

Effective January 1, 2011, the experience-rated duty disability contribution rate schedule will remain the same as 2010 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 payout is more than 0.5%, and groups with two or more claims in which the payout is more than 0.5%, but less than 1.0% of payroll.
- 3.6% Groups with two or more claims in which the payout is more than 1.0%, but less than 2.0% of payroll.
- 5.4% Groups with two or more claims in which the payout is more than 2.0%, but less than 3.0% of payroll.
- 6.6% Groups with two or more claims in which the payout exceeds 3.0% of payroll.
- > 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 exceeding 6.6%. The 50% experience factor is based on claims incurred in the last 4 ½ years (2006).

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

This rate applies to state agencies only and is supplied to the individual state agencies annually.

**705 Online Employer Rate Information**

Employers and other interested parties can access individual 'current year' and 'future year' employer contribution rates on ETF's Internet site at [etf.wi.gov](http://etf.wi.gov). To reach the contribution rate calculator, select the 'employers' button at the top of the Homepage. Scroll down the employer page and select 'WRS Contribution Rates.' A screen, including an alphabetical employer drop down list, will appear. Select the employer you're interested in viewing from the list and click 'Calculate.' Current and future year contribution rates will appear. Please note that future year rates will be updated each year following the Employee Trust Fund Board's announcement.

## CHAPTER 8 — MONTHLY RETIREMENT REMITTANCE REPORT

- 800 Introduction
- 801 Online Network for Employers' (ONE) WRS Contribution Remittance Application
- 802 WRS *Monthly Retirement Remittance Report* (ET-1515)
- 803 Completion of Paper WRS *Monthly Retirement Remittance Reports*
- 804 Mailing of Paper WRS *Monthly Retirement Remittance Reports*
- 805 Late Reporting Interest Due Charge
- 806 Annual Reconciliation

### 800 Introduction

Each month, employers must submit a *WRS Monthly Retirement Remittance Report* (ET-1515) and contribution payment to the Department of Employee Trust Funds (ETF) to report WRS earnings paid and contributions remitted for that month. Important Monthly Remittance items to remember:

- **Report Period Covered** - A 12-month supply of *WRS Monthly Retirement Remittance Reports* is mailed to employers at the beginning of February for the ensuing calendar year.
- **Reporting Frequency** - A *WRS Monthly Retirement Remittance Report* must be submitted for each month of the calendar year, even when there are no earnings to report. All reports and remittances are to be deposited on or before the deadline filing dates as specified by Administrative Rule ETF 10.63. Refer to **Table 8.1** for due dates.

**NOTE:** If you realize you have made a mistake on your December *Monthly Retirement Remittance Report*, call (608) 266-3309 for further instructions on correcting the December report.

- **Report Due Dates** - All monthly remittance reports and remittances are to be transmitted to ETF or its specified agent within the time limit, per ETF. (Wis. Stat. § 40.06 (1) (a)). Wis. Admin. Code § 40.06 (3), requires that an interest charge be assessed on all reports and remittances NOT RECEIVED by the due date for the report period specified.

**TABLE 8.1: WRS MONTHLY RETIREMENT REMITTANCE REPORT – DUE DATES**

REPORT FOR THE MONTH OF:	Deadline Filing Date	
	LOCAL ENTITIES ONLY *	STATE DEPTS. ONLY **
January	February 28 or 29	February 20
February	March 31	March 20
March	April 30	April 20
April	May 31	May 20
May	June 30	June 20
June	July 31	July 20
July	August 31	August 20
August	September 30	September 20
September	October 31	October 20
October	November 30	November 20
November	December 31	December 20
December	January 31	January 20

\* Should this date fall on a Saturday, Sunday or holiday when state offices are closed, the report is due on the last working day of the month. Bank holidays are not recognized.

\*\* Should this date fall on a Saturday, Sunday or holiday when state offices are closed, the report is due the following workday.

**State Only:** State agencies employing teachers may report teacher earnings on the 20<sup>th</sup> with other employees or by the deadline for local entities while continuing to report all other employees' earnings on the 20<sup>th</sup> of each month. ETF will furnish extra report forms for the separate reporting of teacher earnings and contributions to those state agencies upon request.

### 801 Online Network for Employers' (ONE) WRS Contribution Remittance Application

Note: This application is **NOT** available to State agencies that make payments via WiSMART.

The Online Network for Employers (ONE) WRS Contribution Remittance Application allows employers to securely transmit WRS *Monthly Retirement Remittance Reports* (ET-1515) to ETF via the Internet. Employers interested in obtaining access to this online application must complete an *Online Network for Employers Security Agreement* (ET-8928) prior to receiving authorization.

This application also allows employers to:

- Select a payment date or default to the statutory due date.

- Make the contribution payment to ETF via an Automated Clearing House (ACH) Direct Withdrawal.
- Print confirmation reports of the online Monthly Remittance Report.
- Reduce or eliminate reporting and/or calculation errors.
- Increase efficiency through more accurate data transmission and faster processing time.
- Eliminate late payment charges due to mailing delays.

Employers must submit an *Automated Clearing House (ACH) Direct Withdrawal Authorization* (ET-1734) with the *Online Network for Employers Security Agreement* to use the WRS Contribution Remittance application. The ACH form can be downloaded from the Employer Section of ETF's Internet site at <http://etf.wi.gov>. Please attach the ACH authorization directly to the Security Agreement when submitting to ETF for authorization.

**Wisconsin Retirement System  
Chapter 8 — Monthly Retirement Remittance Report  
Page 4**

**802 WRS Monthly Retirement Remittance Report (ET-1515)**

**MONTHLY RETIREMENT REMITTANCE REPORT**

Wisconsin Retirement System  
Department of Employee Trust Funds  
Drawer 901  
Milwaukee, WI 53293-0001

Send Report and Remittance to:

Employer Identification Number  
69-036

Due Date  
Reporting Month

**INSTRUCTIONS**

Refer to Chapter 8 of your *WRS Employer Manual* for detailed instructions in completing this form.

If you have entered an amount on line 3 — Total Invoice Items, you must provide the details at the bottom of this form.

Send the top copy of this report with remittance to the address at the top of this form. Retain the bottom copy for your records.

Direct reporting questions to:  
Voice (608) 266-2737  
FAX (608) 266-5801  
TTY (608) 267-0676

**NOTE: State Agencies Only**  
Write or Type PV Numbers in this Space.  
Use back of form if needed. Send no paper PV's to ETF.

EMPLOYMENT CATEGORY TITLE (CODE)	EMPLOYEE EARNINGS		TOTAL RATE	TOTAL CONTRIBUTIONS	
	DOLLARS	CENTS		DOLLARS	CENTS
<b>TOTAL EARNINGS</b>					
			(Optional) Subtotal of Contributions Lines		
			1. Over- or Underpayment and/or Interest Due for Late Reporting	<input type="checkbox"/> + <input type="checkbox"/> -	
			2. Additional Contributions		
			3. Total Invoice Items	<input type="checkbox"/> + <input type="checkbox"/> -	
			4. Other Payments		
			5. <b>GRAND TOTAL OF ALL LINES ABOVE</b> Total Remittance Payable to WISCONSIN RETIREMENT SYSTEM		

Prepared By

Telephone Area Code / Number

**INVOICE DETAIL**

Invoice Number	Total Amount	Invoice Number	Total Amount
<b>GRAND TOTAL OF INVOICED ITEMS</b> (Enter on Line 3)			

## 803 Completion of Paper WRS *Monthly Retirement Remittance Reports*

The letters in the following headings correspond to the letters on the sample report in subchapter 803.

### A. EMPLOYER NAME

The employer name is preprinted by ETF and is not always the full legal title of the employer. This abbreviated name is used for ETF control and must remain as printed. Refer to subchapter 103 regarding provisions for changes to an employer's legal name.

### B. EMPLOYER IDENTIFICATION NUMBER (EIN)

The Employer Identification Number, preprinted by ETF, is your Social Security Employer Identifying Number assigned by the Social Security Administration. It must be used on all correspondence and forms sent to ETF.

### C. DUE DATE

The due date is preprinted by ETF. The monthly report and remittance are due at the ETF office (by state agencies that pay by intra-governmental payment voucher) or at the state bank (by local governmental entities and state agencies that pay by check) on or before the due date indicated on the report.

### D. REPORTING MONTH

The month to be reported on the form is preprinted by ETF. Be sure that the information on the report corresponds with the preprinted reporting month.

### E. EMPLOYEE EARNINGS

This should be the total reportable earnings **paid** (dollars and cents) during the designated reporting period for each employment category. To determine what constitutes WRS reportable earnings, refer to Chapter 5.

**NOTE:** Recheck the dollar figures for each employment category after you enter them. *Accuracy is essential. If earnings are incorrect, the remainder of your report is likely to be incorrect.*

- Current year earnings reported for each Reporting Month are earnings **paid** during that month, **based upon actual pay date** (on check), regardless of when they were earned. Prior year earnings resulting from contract settlements, reinstatements, etc., must be handled separately (refer to Chapter 11).
- Employers on a biweekly pay plan must include three pay periods during certain months of the year.
- If it is necessary to correct earnings/contributions reported on a previous WRS *Monthly Retirement Remittance Report* within the current calendar

year, add or subtract these earnings/contributions on the next month's remittance report.

- If there are no earnings to report for the Reporting Month, enter "No Earnings" in the "Total Earnings" block and place "0" in block five and submit the report by the designated due date.

#### **F. TOTAL RATE**

This preprinted rate is the total contribution rate, which is applied against the reported earnings. The percentage rate determines the amount of contributions for each employment category due the retirement system. Contribution rates are fully explained in Chapter 7.

#### **G. TOTAL CONTRIBUTIONS**

Calculate this amount (dollars and cents) for each employment category by multiplying the earnings in the category by the preprinted total rate for that employment category.

#### **H. TOTAL EARNINGS**

Determine this amount by adding the earnings for each employment category and enter the total. Total earnings must be entered even when there is only one category. If no earnings are to be reported, insert zero in the total earnings block. This amount is essential for the proper processing of your report and is used as a control mechanism on the report.

#### **I. OPTIONAL SUBTOTAL OF CONTRIBUTION LINES**

Completion of this area is optional. It can be used to indicate the subtotal of the contributions reported by individual category.

#### **J. OVER/UNDERPAYMENT AND/OR INTEREST DUE FOR LATE REPORTING (Line 1)**

- **Over/Underpayment:** Insert an amount on this line only when you receive an Over/Under Notice from ETF. Check the appropriate block, (-) box for overpayment and (+) box for underpayment, and be sure to subtract or add the appropriate amount when determining the amount of the remittance due.

Should you receive an Over/Under Notice as a result of earnings improperly reported on a *WRS Monthly Retirement Remittance Report*, correct the earnings by category on page two of the Over/Under Notice and return the corrections directly to ETF (not the state bank) as soon as possible. This correction of earnings should result in an offset for the over/underpayment.

The over/underpayment notice contains reporting instructions.

- **Interest Due For Late Reporting:** A late reporting interest charge is assessed by ETF if the *WRS Monthly Retirement Remittance Report* and

remittance are received after the designated due date. An interest charge payment should ONLY be included on this report if you have received an Over/Under Notice from our office. Enter the total amount of interest being paid (refer to subchapter 805).

- **Over/Underpayment and Interest Due for Late Reporting:** If an over/underpayment situation exists along with interest due for late reporting, enter the total over/underpayment and interest due on Line 1.

ONLY ONE TOTAL AMOUNT SHOULD BE ENTERED ON THIS LINE.

(Attach a copy of the over/underpayment and interest due notice to the back of form ET-1515.)

#### **K. ADDITIONAL CONTRIBUTIONS (Line 2)**

Enter the total amount (dollars and cents) of any additional contributions made for:

- Employee-Paid Additional Contributions
- Employer-Paid Additional Contributions

Participant detail for the above additional contributions must be reported on the *Additional Contributions Report* (ET-2535) (refer to Chapter 12) when employment is terminated or during the annual report process at years end.

#### **L., M., N. INVOICE DETAIL SECTION**

- Always complete the Invoice Detail Section of ET-1515 when you receive an *Employer Invoice Detail Report(s)* (ET-1526) from ETF. An Employer Invoice contains a number, total charge and due date.
- The complete invoice number, all seven digits (for example, 0001234), must be written on the ET-1515 in the invoice detail block.
- More than one invoice can be reported on form ET-1515. The grand total of all the invoices received must be entered in the *Grand Total of Invoiced Items* (Total Amount) space.

#### **O. TOTAL INVOICE ITEMS (Line 3)**

- The amount entered in the *Grand Total of Invoiced Items* space of ET-1515 must be inserted on Line 3, *Total Invoice Items*. (Both totals must be equal.)

#### **P. OTHER PAYMENTS (Line 4)**

Use this line for items not included on line 3. Please call (608) 266-3309 for approval and instructions before making any of these or other payments. These payments are not invoiced items and could include:

- Unfunded Actuarial Accrued Liability Payments

- Early Retirement Payments
- Separation Benefit Repayments (payroll deduction from employee - not an invoiced item)
- Late Reported Contributions (see Chapter 11, Prior Year Adjustments)

Enter the total amount (dollars and cents) being paid and be sure to attach the appropriate supporting documentation to the remittance report.

**NOTE:** For any other payment types not indicated above, call (608) 266-3309 first and seek approval.

**Q. GRAND TOTAL OF ALL LINES ABOVE (Total Remittance Payable to WISCONSIN RETIREMENT SYSTEM) (Line 5)**

Enter the total amount due for current contributions, plus/minus the amounts on lines one through four as determined by the amounts indicated in the TOTAL CONTRIBUTIONS column.

**NOTE:** If you are deducting an amount on Line one and/or Line three, be sure to check the (-) box and subtract it from the other amounts.

**R. PREPARED BY/TELEPHONE NUMBER**

Insert the name and telephone number, including area code, of the individual who prepared the report, should any questions arise when the report is processed.

**804 Mailing of Paper WRS *Monthly Retirement Remittance Reports***

ETF recommends that you mail your report and remittance at least five days before the due date. An interest charge is assessed on reports and remittances received after the due date. Refer to subchapter 805 for information on late reporting interest charges.

Use mailing labels provided by ETF to submit (except state departments who pay by intra-governmental payment voucher):

- Original WRS *Monthly Retirement & Remittance Report*
- Remittance
- Any documentation for “Other Payments” amounts

Mail report and remittance at the earliest possible date to allow for delays in the postal system.

**STATE DEPARTMENTS WHO PAY  
BY INTRA-GOVERNMENTAL  
PAYMENT VOUCHER:**

Send original report and  
remittance to:

Department of Employee Trust  
Funds  
P.O. Box 7931  
Madison WI 53707-7931

Or hand deliver to:

801 W. Badger Road  
Madison, WI 53702

**ALL OTHER EMPLOYERS:**

Send original of the WRS *Monthly Retirement Remittance Report* (ET-1515) and remittance to the ETF depository address using the mailing labels supplied. Make and keep a copy for your records.  
Send checks to:

Employee Trust Funds  
Drawer 901  
Milwaukee WI 53293-0001

DO NOT send checks to our  
Madison address.

## 805 Late Reporting Interest Due Charge

Wis. Admin. Code § ETF 10.64, specifies that an interest charge will be assessed on all reports and remittances **NOT RECEIVED** by the due date for the specified report period. The date used to determine whether a report is late is the date the report is **received** at ETF or the state bank, not the postmark date. When reports and remittances are received after the due date, a WRS Over/Underpayment and/or an *Interest Due Notice* (ET-1517) is sent to the employer.

- A. Wis. Stat. § 40.06 (3), specifies that late interest is determined by taking the calculated contributions for the month and multiplying it by .04% times the number of days the report is late.
- B. The minimum interest charge is \$3.00.
- C. A late reporting interest charge cannot be waived according to Wis. Stat. § 40.06 (3).

- D. Interest amounts that are not paid may be collected from state shared taxes as provided in Wis. Stat. § 40.06 (4).

## 806 Annual Reconciliation

After the final payroll for the calendar year, each employer should reconcile earnings on the WRS *Monthly Retirement Remittance Reports* (ET-1515) with the *Employee Transactions* detail submitted for the year. The reconciliation must be performed before finalizing December's remittance report. This is done to determine the correct amounts remaining to be reported for the final month of the calendar year. The December remittance report and remittance must be received at ETF by the designated due date to avoid late interest charges.

- If the amount paid to the WRS for an employment category is **GREATER** than the liability for the employees of that category, and all employee transactions are listed, the employer may take an advance credit on the December remittance report. This can be done by deducting the earnings and contributions from the appropriate employment category, thus reducing the total contributions paid on the December remittance report.
- If the amount paid to the WRS for an employment category is **LESS** than the liability for the employees of that category, based on that category's annual earnings report, an additional amount is due on the December remittance report and must be included in that category's December earnings and contributions.

You may file a supplemental report with ETF no later than January 31, if you have already submitted your December remittance report and subsequently find that the earnings reported on your annual report do not equal the earnings submitted on your monthly remittance reports. The supplemental report must include only the amount of the correction needed to balance earnings to contributions for the calendar year. Please contact ETF at (608) 266-3309 for instructions on making these corrections.

At the end of the calendar year, earnings (by employment category) and additional contributions reported on the twelve WRS *Monthly Retirement Remittance Reports*, as well as any supplemental remittance reports, are reconciled by ETF to the participant earnings detail reported by category on:

- Any *Employee Transaction Report* (ET-2533) submitted during the year (refer to Chapter 9).
- The Annual *Employee Transaction Report* (refer to Chapter 10).
- Any *Additional Contributions Reports* (ET-2535) submitted during the year (refer to Chapter 12).

Refer to Chapter 10 for further details on Annual Reporting and Reconciliation.

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 9 — PERIODIC EMPLOYEE TRANSACTION REPORTING**

- 900 When to Use Periodic Reporting**
- 901 Methods Available for Periodic Reporting**
- 902 Reporting Frequency**
- 903 Types of Terminations**
- 904 Specifications for File Transfer Protocol (FTP) Reporting**
- 905 Specifications for Disk Reporting**
- 906 *Electronic Reporter Transmittal (ET-2536)***
- 907 *Employer Statement (ET-5607)***
- 908 *Employee Transaction Report (ET-2533)***
- 909 Completion of the *Employee Transaction Report***
- 910 Termination, Leave of Absence, Employment Category Change, Action Code Descriptions and Reporting Requirements**
- 911 Correction Codes and Reporting Requirements for Previously Submitted Current Year Terminations**
- 912 Mailing and Distribution of the *Employee Transaction Report***

**900 When to Use Periodic Reporting**

In most cases, detailed earnings and service information is reported on the year-end annual report since the majority of employees remain employed in the same position throughout the entire calendar year. However, periodic reporting of detailed earnings and service information is necessary when:

- An employee terminates employment prior to year's end. (Refer to Table 9.1 in subchapter 910 for Termination Action Code Descriptions.)
- An employee terminates employment at the end of a calendar year. (Refer to subchapter 903 A and B.)
- A nine or 10-month contract teacher terminates employment in June and receives earnings paid on or after July 1. (Refer to subchapter 903 C and D.)
- An employee takes a leave of absence due to medical reasons. (Refer to subchapter 903 E and F.)
- An employee applies for a § 40.63 WRS Disability or Long Term Disability Insurance Benefits. (Refer to subchapter 903 G.)
- An employee changes employment categories due to a change in job duties. (Refer to Action Code 10 in Table 9.1 of subchapter 910.)
- A previously submitted employee transaction requires correction. (Refer to subchapter 911.)
- A prior year wage settlement is reached and payment made. (Refer to Chapter 11.)

It is important that employers be prompt and accurate when reporting detailed earnings and hours information. This allows ETF to provide timely benefit payments and maintain accurate and up-to-date information on WRS member accounts.

## **901 Methods Available for Periodic Reporting**

Several methods are available for reporting periodic WRS transactions throughout the year, such as terminations, corrections to current year terminations, leaves of absences, mid-year employment category changes, etc. ETF encourages employers to automate WRS reporting transactions. Available methods include:

### **A. Online Network for Employers (ONE):**

Once authorized for ONE access, employers can use the Internet to submit employee terminations, hours and earnings associated with employment category changes, leaves of absences, and corrections to previously reported current year terminations and leaves. Refer to Chapter 23 for further information regarding ONE.

### **B. File Transfer Protocol (FTP):**

File Transfer Protocol provides electronic transmission of employee terminations, hours and earnings associated with employment category changes, leaves of absences, and corrections to previously reported current year terminations and leaves. An electronic version of the *Electronic Reporter Transmittal* (ET-2536) must accompany FTP files (refer to subchapter 906). Refer to Appendix A for FTP data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

### **C. Disk Reporting:**

Disk reporting provides electronic transmission of employee terminations, hours and earnings associated with employment category changes, leaves of absences, and corrections to previously reported current year terminations and leaves. An *Electronic Reporter Transmittal* (ET-2536) must accompany the diskette (refer to subchapter 906). Refer to Appendix A for data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

### **D. Paper Reporting:**

Employers can report employee terminations, hours and earnings associated with employment category changes, leaves of absences, and corrections to previously reported current year terminations and leaves by completing and submitting an *Employee Transaction Report* (ET-2533). Refer to subchapters 908 and 909.

Employees applying for Section 40.63 or Long-Term Disability Insurance (LTDI) benefits must have their terminations and/or leaves of absences reported on an

*Employer Statement* (ET-5607 for §40.63, ET-5315 for LTDI). Refer to subchapter 907.

## 902 Reporting Frequency

Prompt reporting is essential for the efficient administration of the Wisconsin Retirement System (WRS). Employers reporting periodic transactions should report detailed employee earnings and hours within one week of the event or within one week of the employee's last paycheck (for employees terminating or going on medical leave). Employers should not wait until the annual report is due to report terminations or other actions that occur during the calendar year.

**NOTE:** Once earnings and service information is reported with a termination transaction, it must not be reported again on the annual report. (Refer to Chapter 10 for details on annual reporting.)

## 903 Types of Terminations

Current year earnings are reported and contributions remitted on a when paid basis. When an employee terminates employment at the end of the calendar year, it is important to report the service hours and earnings to the correct year, i.e., the year when paid.

### A. Terminations that Occur at the End of the Calendar Year – No Payroll Lag:

The following example represents proper reporting of service hours and earnings for an employee terminating employment at the end of a calendar year and there is no payroll lag, i.e., all earnings are paid in the current year.

**EXAMPLE 1:** Non-teaching employee terminates employment effective December 13 and receives the last paycheck on December 27. Complete the employee transaction as follows:

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
12/27/10	01	12/13/10			2,080	\$40,800.00

### B. Terminations that Occur at the End of the Calendar Year – Payroll Lag:

The following example represents proper reporting of service hours and earnings for an employee terminating employment at the end of a calendar year and there is a payroll lag resulting in final earnings being paid in the following year.

**EXAMPLE 1:** Employee terminates employment effective December 13 and receives their last paycheck on January 2 of the following year. This situation requires two transactions. The report date on each transaction coincides with the year in which the earnings were paid and WRS contributions remitted. The first transaction will be an annual transaction, in this example with a 2010 report date and a

2010 action date (on the annual report), reporting the hours and earnings paid for the final year of employment (2010). The second report will be a termination transaction, in this example with a 2011 report date and a 2010 action date, reporting the hours and earnings associated with the last paycheck (payroll lag). Complete the employee transactions as follows:

**Transaction 1 (Annual Report):**

Report Date	Action Code	Action Date	Jan – June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
12/31/10	00	12/31/10			2,080	\$40,800.00

**Transaction 2 (Termination Report):**

Report Date	Action Code	Action Date	Jan – June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
01/02/11	01	12/13/10			160	\$3,139.00

**C. Correct Termination Date for Teachers**

When a teacher terminates employment at the end of a school year, it may be confusing as to whether the proper termination date should be the last day worked or the last day of the teacher’s contract. An employee is deemed to have separated from the service of the employer at the end of the day on which the employee last performed services for the employer. Wis. Stat. § 40.02 (26)

The following guidelines may be used in determining a teacher’s correct termination date for WRS reporting purposes:

- When there has NOT been a contract signed for the upcoming school year, the teacher’s proper termination date is the last day that the teacher is required to report to school or perform contracted duties for the district. On that date, the teacher is deemed to have fulfilled their employment contract.
- When there HAS been a contract signed for the upcoming school year and the teacher resigns before the contract commences or prior to the contract’s completion, the resignation date is the teacher’s proper termination date.

**D. Reporting Terminations for Teachers with Earnings Paid on or After July 1**

Earnings paid to a nine or 10-month contract teacher on or after July 1, for service rendered in the preceding school year, are deemed received on June 30 and must be reported accordingly. Whether the payments are routine payroll lag earnings or balance-of-contract payments (i.e., the teacher has elected to reduce their normal payroll checks in order to extend payments over the summer months) the earnings and associated service hours must be included in the January-June portion on the *Employee Transaction Report* so as to be allocated to the correct fiscal year.

Similarly, hours and earnings for summer school that are paid in June, July or August must be included with the January through June fiscal year earnings, if the summer school teaching was part of the contract for the previous school year. Summer school employment that is a separate contract, unassociated with either the previous or subsequent school year contract, must have hours and earnings reported “when paid.” (Wis. Admin. Code ETF 10.03 (1))

Twelve-month contract teachers must have hours and earnings reported when paid. In addition, educational support staff must have hours and earnings reported when they would “normally” be paid, even though they may elect to defer some payments to the summer months.

**EXAMPLE 1:** School districts frequently permit nine or 10 month contract teachers to reduce their regular payroll checks in order to receive payments over the non-working summer months. For example, a teacher with a \$50,000 fiscal year contract typically receives \$2,632 bi-weekly over 19 pay periods (eight pay periods from July-Dec and 11 pay periods from Jan-June). Instead, the teacher elects to receive \$2,000 bi-weekly over 25 pay periods (eight pay periods from July-Dec and 17 pay periods from Jan-Aug). The balance-of-contract payments made throughout the summer must be reported along with their corresponding service hours as though received the preceding fiscal year.

Transactions 1 and 2 illustrate terminations without and with balance-of-contract payments, respectively.

**Transaction 1** (No Balance-of-Contract Payments – 11 pay periods Jan-June):

Report Date	Action Code	Action Date	Jan – June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
06/20/10	01	06/15/10	880	\$28,947.36	880	\$28,947.36

**Transaction 2** (Balance-of-Contract Payments – 17 pay periods from Jan-Aug):

Report Date	Action Code	Action Date	Jan – June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
06/20/10	01	06/15/10	1,034	\$34,000.00	1,034	\$34,000.00

**EXAMPLE 2:** A teacher signs a contract in the summer of 2010 to teach during the 2010-2011 school year as well as the 2011 summer school session. The regular school year ends on June 15 and summer school ends on July 23, at which time the teacher terminates employment with the district. Complete the employee transaction with all service hours and earnings (including summer school), reported as though paid before the end of June so it is credited to the correct fiscal year as follows:

**Transaction** (Termination Report - Summer School Part of School Year Contract):

Report Date	Action Code	Action Date	Last Earnings Date	Jan – June		Calendar Year-to-Date	
				Hours	Earnings	Hours	Earnings
07/23/11	01	07/23/11	06/30/11	930	\$27,400.00	930	\$27,400.00

**NOTE:** Summer school hours and earnings in this case are deemed received the previous June, as they were a part of that fiscal year contract. Since the termination date is significantly later than when the summer school hours and earnings are deemed reported as paid, report the Last Earnings Date at the end of the fiscal year. Refer to Table 9.2 in subchapter 910 regarding when to report the Last Earnings Date.

**EXAMPLE 3:** A teacher signs a contract to teach during the 2010-2011 school year. Each year employees apply separately for summer school teaching so the summer school contract is independent of the regular school contract. The regular school year ends on June 15 and summer school runs from June 22 through July 23, at which time the teacher terminates employment with the district.

All earnings and associated hours for the regular school year, plus any summer school earnings and associated hours paid before July 1 would be included in the January-June and calendar year columns of the Employee Transaction Report. Summer school earnings and associated hours paid after July 1 must only be included in the calendar year column. Because the summer school contract was independent of the regular school contract, the earnings and associated hours must be reported when paid. Complete the employee transaction as follows:

**Transaction** (Termination Report - Summer School as a Separate Contract):

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
07/23/11	01	07/23/11	800	\$23,568.00	930	\$27,400.00

**E. Reporting Leave of Absence Due to Non Work-Related Illness or Injury**

Action code 54 is used to report an employee on a leave of absence due to non-work related illness or injury. For leaves of absence, the action date field of the *Employee Transaction Report* is left blank and the last earnings date entered. In the event of an illness or injury-related leave, once a disability annuity application is approved by ETF, the employer must certify that all earnings, including service and pay for vacation and sick leave, have been paid. The employer, using Action code 04, must report the final termination date, any additional service hours and earnings represented by the vacation or sick leave payouts, and must extend the employee's last earnings date accordingly.

An employee receiving pay from the employer while on a leave of absence is considered a WRS participating employee. Earnings paid during this time are reportable for WRS purposes. Corresponding hours are determined and reported by the employer, according to subchapter 506.

**F. Reporting Leave of Absence Due to Work-Related Illness or Injury**

An employee on temporary disability and receiving Worker's Compensation Benefits under Wis. Stat. §102.43 must have hours and earnings reported on the same basis as those reported immediately prior to the leave. Action code 58 is used to report an employee who is on leave of absence due to work-related illness or injury. The action date is left blank and the last earnings date entered. Once a permanent disability has been determined or the employee terminates employment, the employer's obligation to report hours and earnings ceases.

ETF processing of a disability annuity application requires the employer certify that all earnings, including service and pay for vacation and sick leave, have been paid. The employee's last earnings date must be extended accordingly. (Refer to subchapter 504.) The proper termination action code under this situation is Action code 08, which the employer submits on an *Employee Transaction Report*.

**G. Reporting Terminations for WRS Disability Annuitants (§ 40.63)**

An employee who ceases employment due to disability can apply for a WRS disability benefit using a *Disability Retirement Estimate/Application* (ET-5302). When ETF receives the disability application from the participant, an *Employer Statement* (ET-5607) will be sent to the employer's WRS agent.

Use of the *Employer Statement* expedites the processing of your employee's application for disability benefits. The *Employer Statement* provides employers the capability of reporting the termination date, last day paid, and previously unreported hours and earnings directly on this form, eliminating the past requirement to complete and submit a separate *Employee Transaction Report* (ET-2533). Employers reporting through electronic media are encouraged to use the *Employer Statement*.

A sample *Employer Statement* appears in subchapter 907. Chapter 15 of this manual provides information on determining the termination date.

When completing the *Employer Statement*, the WRS agent must respond to all applicable questions including the following information:

- Last day worked
- Last day paid
- Termination date
- Hours and earnings

**NOTE:** Include hours and earnings for vacation and sick leave for disability annuitants. Sick leave need not be reported if it is being converted to pay health insurance premiums.

The employer indicates whether the employee is expected to resume active service. An employer may also contest the employee's application for disability benefits. The reason(s) for contesting, however, must be indicated on the *Employer Statement*. When an employer contests an employee's disability, the employee's disability will be denied. The employee has a right to appeal the denied application and the employer is responsible for presenting its case contesting the employee's application at an evidentiary hearing.

Upon receipt of the *Employer Statement* from the employer, ETF updates the employee's WRS account with the last day paid, termination date, hours and earnings as indicated by the employer. ETF will update the employee's retirement account based on the dates entered on the *Employer Statement*, if the last day paid and/or termination date has not been reported to ETF.

#### 904 Specifications for File Transfer Protocol (FTP) Reporting

An electronic version of the *Electronic Reporter Transmittal* (ET-2536) must accompany the FTP file for periodic transaction reports. In order to use FTP, you must install the necessary software on your computer system. ETF has purchased the hardware and software required for the FTP transmission method and will provide employers with the necessary software and software licenses **free of charge**.

To ensure you have the capability to perform FTP transmissions, you should discuss the system requirements with your Information Technology Department. **Please make sure you will be able to send data even if you have a firewall on your system.**

Employers interested in using FTP should contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

#### 905 Specifications for Disk Reporting

➤ DISK FORMATS: We can process disks in the following formats:

**IBM PC-DOS or MS-DOS compatible:**  
3.5 inches, double-sided, 1.44MB  
CD-ROM

➤ RECORDING MODE: ASCII standard code

➤ RECORD LENGTH: 360 bytes per record, fixed length

➤ FILE NAME: Use **WRS** and the first four digits of your Employer Identification Number (EIN). If your EIN is 4623000 then file name would be WRS4623.

A disk may consist of multiple files as long as the following file name conventions are adhered to:

If a disk consists of more than one file, the file name WRS4623 will contain a three-digit numeric extension. This extension will indicate the sequence of the files within the disk. For example, the first file will be named WRS4623.001, the second file will be WRS4623.002, etc.

- DISK LABEL: A label must be properly secured to the disk and show the internal file name, your employer number and reporting period. Sample:

File Name      WRS4623  
EIN:            4623000  
Report Period: 10/2007

- WRITE-PROTECT: All disks must be write protected prior to submitting to ETF.
- RETURNS: Once the disk files have been processed, they are retained for three months and then destroyed. The disk will not be returned.

906 *Electronic Reporter Transmittal (ET-2536)*

**ELECTRONIC REPORTER TRANSMITTAL**  
 Totals of Transactions Included

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P. O. Box 7931 – Madison, WI 53707-7931

Check one:  
 Current Year Transactions  
 Prior Year Transactions  
**NOTE: This is not needed for your annual report**

Employment Category	FISCAL YEAR EMPLOYEES ONLY JANUARY THROUGH JUNE		CALENDAR YEAR-TO-DATE		EMPLOYEE PAID CONTRIBUTIONS		Benefit Adjustment Contribution	Report Date
	Service Hours	Earnings Dollars	Service Hours	Earnings Dollars	Employee Required Contribution Dollars	Cents		
00, 01 (Includes 12)								
02 (Includes 05, 06, 07, 08, 09)								
03								
04								
10								

Employer Identification No. \_\_\_\_\_ Employer Name \_\_\_\_\_

69-0036- \_\_\_\_\_

Employment Category	Employee-Paid		Employee-Paid	
	Core* Dollars	Variable Dollars	Core* Dollars	Variable Dollars
00, 01 (Includes 12)				
02 (Includes 05, 06, 07, 08, 09)				
03				
04				
10				

**ADDITIONAL CONTRIBUTIONS – NOTE: 403(b) tax deferred additional contributions are no longer accepted**

I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. The totals reported here are the same as those on the magnetic media records.

Employer Agent Signature \_\_\_\_\_ Date \_\_\_\_\_ Area Code and Telephone No. \_\_\_\_\_

I.T. Support Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

\*Core (previously referred to as the Fixed Fund)

**907 Employer Statement (ET-5607)**

Department of Employee Trust Funds  
 Wisconsin Retirement System  
 P.O. Box 7931  
 Madison, WI 53707-7931

**EMPLOYER STATEMENT**  
 Wis. Stat. § 40.63

(Date Sent: \_\_\_\_\_)

Employee Name	Social Security Number
Employee Address	

Your employee has applied for a disability benefit from the Wisconsin Retirement System (WRS). Employee Trust Funds (ETF) is reviewing the application. **Please complete all the following information as soon as it is available and return this form to avoid delays in processing your employee's application.**

1. Date employee last rendered services \_\_\_\_\_ (see second page for explanation)
2. Are there any earnings payable after the date last rendered services?  Yes  No  
 If yes, please identify the types of payments that extend the last day paid. \_\_\_\_\_
3. Last day paid \_\_\_\_\_ (see second page for explanation)
4. Is the employee expected to resume active service?  
 Yes (date expected to resume service \_\_\_\_\_)  No  Unknown (please explain \_\_\_\_\_)
5. Do you as an employer wish to contest this employee's application for disability benefits? A "Yes" answer will result in a denial of the disability application.  Yes  No If yes, state your reason(s): \_\_\_\_\_
6. If employee is an elected official indicate the date of the end of the official's term of office: \_\_\_\_\_

Employer Name	Employer Identification Number 69-036-	Report Date (MM/DD/YYYY)
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7. Employee Transaction Reporting - Please report employee category, action code\*\*, termination date\* and hours and earnings that have not previously been reported to ETF in the space provided below: (see second page for explanation)

Section A. Current Year			Teachers/Judges/Educ. Support Personnel Only 1-1-XX thru 6-30-XX		Calendar Year-to-Date (All Employees, including Teachers, Judges & Educ. Support Personnel)		Deducted from Employee		Add'l Contr? X if Yes
Emp Cat.	Action Code**	Termination*/ Action Date (MM/DD/YYYY)	Fiscal Hrs. Of Service	Fiscal Earnings	Calendar Hrs. of Service	Calendar Earnings	Employee Required Contribution	Benefit Adjustment Contribution	
<b>Section B. Prior Year (if applicable)</b>									

I understand that Wis. Stat. § 943.395 provide penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. Employer representative signing this form attests to being the WRS Agent's Designee authorized to sign.

Date (MM/DD/YYYY)	Signature of WRS Agent, Agent's Designee or Certifying Officer	Telephone Number
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\* For disability benefit purposes, "termination of employment" means that the participant has ceased to be a participating employee on the termination date that the employer reports to the Department for the purpose of all benefits administered under Chapter 40, Wis. Stat. Such benefits include health insurance and sick leave credit usage, life insurance, income continuation insurance, long-term disability insurance, Employee Reimbursement Account, long-term care, EPIC, Spectera, Wisconsin Retirement System coverage and death benefits, and making deferred compensation contributions. A disability termination does not preclude a participating employer from keeping the participant on an administrative leave for the purpose of benefits not administered under Chapter 40.

\*\* Use 04 termination code (or 08 for termination due to work related injury/illness)

Wisconsin Retirement System  
 Chapter 9 — Periodic Employee Transaction Reporting  
 Page 12

908 Employee Transaction Report (ET-2533)

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7831 - Madison, WI 53707-7831

Refer to your WRS Employer Administration Manual Chapter 9 for current year transaction reporting.  
 and Chapter 11 for reporting services and/or earnings in a year prior to the current year.  
 Please print/type in large, clear letters and numbers to avoid processing delays.

### EMPLOYEE TRANSACTION REPORT

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp Cat	Action Code	Termination/ Action Date (MM/DD/CCYY)	Last Earnings Date (MM/DD/CCYY)	New Empl. Code	1-1-XX THRU 6-30-XX TEACHERS/UNION/STATE/LOCAL SUPPORT PERSONNEL ONLY Hours of Service	EARNINGS Dollars	Cents	Calendar Year to Date Hours of Service	EARNINGS Dollars	Cents	Employee Required Contribution Dollars	Cents	Benefit Adjustment Contribution Dollars	Cents	* Addl. Contr.? X if yes													
<b>E</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>	<b>K</b>	<b>L</b>			<b>M</b>			<b>N</b>		<b>O</b>		<b>P</b>													
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<b>PAGE TOTALS</b>																													

I understand that Wis. Stat. § 643.395 provides criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature **R** Prepared by **S** Telephone No. (incl. ext.) **T** Date (MM/DD/CCYY)

If the employee has made additional contributions, through payroll deduction, X this box and attach the Additional Contributions Report form ET-2535 detailing the contribution amounts. Refer to Chapter 12 of the WRS Administration Manual.

## 909 Completion of the *Employee Transaction Report*

The following information must be entered on the *Employee Transaction Report* (ET-2533), when applicable. Refer to the sample report in subchapter 908 for the corresponding reference letters. Also refer to subchapter 910, Table 9.2, for information on which items must be completed on the report for each action code. For assistance, contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

### A. REPORT DATE

Enter the report date as MM/DD/CCYY. The year of the report date is the calendar year in which WRS contributions will be posted. Current year earnings are reported, and their corresponding contributions remitted, in the calendar year when the earnings are paid. The report date can not be earlier than any Termination/Action date entered.

### B. PAGE NUMBER

Enter page numbers for multiple-page reports.

### C. EMPLOYER IDENTIFICATION NUMBER (EIN)

Enter the EIN (XXXX-XXX) as shown on the *WRS Monthly Retirement Remittance Report* (ET-1515).

### D. EMPLOYER NAME

Enter the employer name as shown on the *WRS Monthly Retirement Remittance Report* (ET-1515).

### E. SOCIAL SECURITY NUMBER

Enter the employee's Social Security number.

### F. NAME/ADDRESS

Enter the employee's last name, first name and middle initial. The address is required only if reporting termination codes 01, 03, 04, 05, 07, and 08. The address entered will be used for future communication with the employee.

**NOTE:** A name change may not be reported on the *Employee Transaction Report*; refer to Chapter 6 for instructions on reporting a name change.

**G. EMPLOYMENT CATEGORY**

Enter a two-digit employment category in the "Emp Cat" column for each employee listed. Refer to subchapter 401 for detailed explanation of employment categories.

**H. ACTION CODE**

Enter the two-digit action code. Refer to subchapters 910 and 911 for valid action codes and required data elements.

**I. TERMINATION/ACTION DATE (MM/DD/CCYY)**

Enter the month, day and four-digit year on which the termination/action occurred. The termination date is the date on which the employee/employer relationship was severed.

**J. LAST EARNINGS DATE (MM/DD/CCYY)**

This date represents the **last day for which** the employee was paid. It does NOT refer to the date of the last payroll check. The last earnings date must be equal to or earlier than the termination date. In most instances of termination the last earnings date is not required. The last earnings date, however, is required when reporting a leave of absence, the employee is applying for a disability benefit, or there is a significant gap between the last day for which the employee was paid and the actual termination date.

**K. NEW EMPLOYMENT (CATEGORY) CODE**

Enter the new employment category code in this field. Refer to subchapter 401 for the list of employment category codes and descriptions.

**NOTE:** A new employment category code requires an Action Code 10 to report an employee changing from one employment category to another mid year.

**L. JANUARY TO JUNE HOURS AND EARNINGS FOR TEACHERS, JUDGES AND EDUCATIONAL SUPPORT PERSONNEL ONLY**

Enter the fiscal year hours (rounded to the nearest hour or as a decimal equivalent to the nearest one-hundredth) and earnings (in dollars and cents) paid from January 1 to June 30 of the calendar year being reported. Refer to Section 903C and D for 9 and 10-month teachers. Complete for teachers, judges and educational support personnel (categories 05, 07, 08, 10, 11 and 12) only.

**NOTE:** Leave fiscal year fields blank for employees of the above categories who begin enrollment between July 1 and December 31.

**M. HOURS AND EARNINGS FOR CALENDAR YEAR-T0-DATE**

Enter the hours (rounded to the nearest hour or as a decimal equivalent to the nearest one-hundredth), and earnings (in dollars and cents) paid from January 1 to the termination/action date. This applies to all employees, including teachers, judges and educational support personnel.

**N. DEDUCTED FROM EMPLOYEE - EMPLOYEE PAID REQUIRED CONTRIBUTION**

Enter the dollar amount **actually deducted** from the employee's paychecks toward the Employee Required Contributions. **This amount can never exceed the maximum Employee Required Contribution percentage for the category reported.** The percentage rate that may be withheld from the employee may change annually, and the value for the coming year is reported each summer in an Employer Bulletin.

**Do not include:**

- The amount of Employee Required Contributions paid by the employer.
- The amount deducted from the employee's paychecks for the Benefit Adjustment Contribution, that amount must be reported separately. (See Section O. below.)

**O. DEDUCTED FROM EMPLOYEE - EMPLOYEE PAID BENEFIT ADJUSTMENT CONTRIBUTION**

Enter the dollar amount **actually deducted** from the employee's paychecks toward the Benefit Adjustment Contributions. **This amount can never exceed the maximum contribution percentage for the category reported.** The percentage rate that might be withheld from the employee may change annually, and the value for the coming year is reported each summer in an Employer Bulletin.

**Do not include:**

- The amount of Benefit Adjustment Contributions paid by the employer.
- The amount deducted from the employee's paycheck for the Employee Required Contribution, that amount must be reported separately. (See N. above.)

**P. ADDITIONAL CONTRIBUTIONS - 'X' IF YES**

Enter an "X" in this field only if additional contributions are being reported for the employee. If there are no additional contributions, leave this column blank. An *Additional Contributions Report* (ET-2535), itemizing employee, employer and/or tax deferred additional contributions, must also be completed and submitted with the *Employee Transaction Report*. (Refer to Chapter 12 for instructions on completing the *Additional Contributions Report*.)

**Q. PAGE TOTALS**

Enter totals for hours, earnings and employee paid contributions for each column on each page. Double-check these totals as they are used by ETF for contribution reconciliation.

**R. EMPLOYER AGENT SIGNATURE**

The WRS designated agent must sign the report to certify its content. The signature is only required on the first page of the report. If reporting electronically, the agent must sign the *Electronic Reporter Transmittal* (ET-2536).

**S. PREPARED BY AND TELEPHONE NUMBER**

Enter the full name and telephone number of the person who will answer questions concerning the information on your report. This information is required on the first page only.

**T. DATE**

Enter the date (MM/DD/CCYY) the report is completed.

## 910 Termination, Leave of Absence, Employment Category Change, Action Code Descriptions and Reporting Requirements

**Table 9.1 – Action Code Descriptions**

Action Code	Description
01	Used for resignation or retirement terminations.
02	Used as a termination code for a state employee terminated due to permanent layoff
03	Used when an employee is enrolled in WRS, but is not eligible (i.e., employee works fewer than 30 calendar days, is an employee or rehired annuitant enrolled in error). Reimburse the employee for any WRS contributions taken as a payroll deduction. Refer to subchapter 311 for an exception when rehiring employees.
04	Used when an employee is terminated due to a non-work-related illness or injury. Must be used to terminate an employee—for Chapter 40 purposes only—when notified by ETF that the employee is approved for a WRS disability annuity.
05	Used when an employee is dismissed or discharged.
06	Used when the termination is due to an employee's death. The date of death on the death certificate must be used for the action date, not the last day worked.
07	Used to report the termination for a local elected official who is waiving part-time elected service for WRS purposes only. Refer to Chapter 15.
08	Used when an employee is terminated due to a work-related illness or injury. Must be used to terminate an employee—for WRS purposes only—when notified by ETF that the employee is approved for a WRS disability annuity.
10	Used when an employee is changing employment category due to a change in job duties. This action code will terminate the old category and create the new category. Hours and earnings associated with the old category are reported with the transaction. The new category must be listed in the new employment category code column. The action date is the effective date of the category change. Hours and earnings associated with the new category should be reported on annual report or as a termination, if employee resigns or retires.  <b>NOTE: Action Code 10 is not to be used to correct an employment category mistake made on the <i>WRS Enrollment (ET-2316)</i>. Use the <i>Online Network for Employers</i> or the <i>Employee Identification Correction Change (ET-2810)</i>. Refer to subchapter 606 for instructions.</b>
54	Used when an employee is on leave of absence due to a non-work-related illness or injury. Action date must be left blank and last earnings date listed. Once this code is reported, nothing more is reported until the employee returns to active employment or is terminated. Refer to subchapter 1800.
58	Used when an employee is on a leave of absence due to a work-related illness or injury. Action date must be left blank and last earnings date listed. Once this code is reported, nothing more is reported until the employee returns to active employment or is terminated. Refer to subchapter 1800.

**Table 9.2: Termination/Leave of Absence/Employment Category Change Reporting Field Requirements**

Report Field	01	02	03	04	05	06	07	08	10	54	58
Report Date (MM/DD/CCYY)	R	R	R	R	R	R	R	R	R	R	R
Social Security Number	R	R	R	R	R	R	R	R	R	R	R
Name (Last, First, Middle Initial)	R	R	R	R	R	R	R	R	R	R	R
Address	R	R		R	R		R	R			
Employment Category	R	R	R	R	R	R	R	R	R	R	R
Action Code	R	R	R	R	R	R	R	R	R	R	R
Action Date (MM/DD/CCYY)	R	R	R	R	R	R	R	R	R		
Last Earnings Date	A	A		R	A	A		A		R	R
New Employment Category									R		
Hours for Teachers/Judges/Educational Support Personnel (Jan-June) ** H	B	B		C	B	B		C	B	B	B
Earnings for Teachers/Judges/Educational Support Personnel (Jan-June) ** H	B	B		C	B	B		C	B	B	B
Calendar Year Hours **	R	R		A	R	R	R	A	R	R	R
Calendar Year Earnings **	R	R		A	R	R	R	A	R	R	R
Employee Paid EERC	A	A		A	A	A	A	A	A	A	A
Employee Paid BAC	A	A		A	A	A	A	A	A	A	A
Additional Contributions	A	A		A	A	A		A	A	A	A

**Key:**

**Blank Fields** = Leave Blank

**R** = Required Fields

**A** = If Applicable—required if employee is applying for a disability benefit or if the termination date is significantly later than the last earnings date.

**B** = Required for fiscal year employees. For those hired on or after July 1, there will be no January-June hours and earnings to report.

**C** = If applicable—employees who have been on leave due to illness or injury may not have service and earnings to report in the year of termination. For fiscal year employees hired on or after July 1, there will be no January-June hours and earnings to report.

**H** = For Employment Categories 05, 07, 08, 10, 11, 12 **ONLY**

**\*\*** = If you previously reported a terminated employee on your annual report, and are reporting the termination date, do not report hours and earnings again.

**911 Correction Codes and Reporting Requirements for Previously Submitted Current Year Terminations**

The following action codes should only be used to correct information previously reported in the **current** calendar year.

**NOTE:** Only the difference (the amount of hours, earnings, or employee paid contributions to be added to or subtracted from what has already been reported) is reported on the transaction report.

**Table 9.3: Correction Code Descriptions**

Action Code	Description
81	Used to correct previously submitted 01 termination.
82	Used to correct previously submitted 02 termination (State only).
83	Used to correct previously submitted 03 termination.
84	Used to correct previously submitted 04 termination.
85	Used to correct previously submitted 05 termination.
86	Used to correct previously submitted 06 termination.
87	Used to correct previously submitted 07 termination.
88	Used to correct previously submitted 08 termination.
89	Used to correct previously submitted 54 and 58 transactions.

**A. Current Year Correction Examples**

**Example 1 – Correcting Hours, Earnings and Termination Date**

Employee terminates employment October 4, 2010. Using action code 01; the employer reported earnings of \$25,100; 1,900 hours; and a termination/action date of 10/04/2010.

**Transaction 1 (Termination Report):**

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
10/05/10	01	10/04/10			1,900	\$25,100.00

The employer later realizes the employee’s termination date should have been October 18, 2010, because the employee decided to use two weeks of vacation. This vacation time is WRS reportable as long as it extends the termination date. The used vacation time included earnings of \$1,057 and 80 hours.

The employer must now report a correction to the original termination by reporting only the correcting information. The employer will use action code 81, an action (termination) date of 10/18/2010, earnings of \$1,057 and 80 hours.

**Transaction 2** (Correction to a Termination Report):

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
10/19/10	81	10/18/10			80	\$1,057.00

When the correction is processed by ETF, the participant account will reflect the original transaction plus the correcting transaction and will correctly show the termination date of October 18, 2010, with total earnings of \$26,157 and 1,980 hours.

**Example 2 – Correcting Earnings Only (Termination Date remains the same)**

Employee terminates employment October 4, 2010. Using action code 01, the employer reported earnings of \$25,100, with 1,900 hours and action (termination) date of 10/04/2010.

**Transaction 1** (Termination Report):

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
10/05/10	01	10/04/10			1,900	\$25,100.00

The employer later realized that the earnings should have been \$26,100. All other information remained the same.

The employer must now report a correction to the original termination by reporting only the \$1,000 difference in earnings. The employer will use action code 81, action (termination) date 10/04/2010, and earnings of \$1,000.

**Transaction 2** (Correction to Termination Report):

Report Date	Action Code	Action Date	Jan - June		Calendar Year-to-Date	
			Hours	Earnings	Hours	Earnings
10/19/10	81	10/04/10				\$1,000.00

When the correction is processed by ETF, the participant account will reflect the original transaction plus the correcting transaction, and will correctly show the termination date of October 4, 2010, with total earnings of \$26,100 and 1,900 hours.

**Table 9.4: Correction Code Reporting Requirements**

Report Field	When Using Action Code...							
	81	83	84	85	86	87	88	89
Report Date (MM/DD/CCYY)	R	R	R	R	R	R	R	R
Social Security Number	R	R	R	R	R	R	R	R
Name (Last, First, Middle Initial)	R	R	R	R	R	R	R	R
Address	A		A	A		A	A	
Employment Category	R	R	R	R	R	R	R	R
Action Code	R	R	R	R	R	R	R	R
Action Date (MM/DD/CCYY) **	R	R	R	R	R	R	R	
Last Earnings Date			B				B	R
New Employment Category								
Hours for Teachers/ Judges/Educational Support Personnel (Jan-June) H	A		A	A	A		A	A
Earnings for Teachers/ Judges/Educational support Personnel (Jan-June) H	A		A	A	A		A	A
Calendar Year Hours	A		A	A	A	A	A	A
Calendar Year Earnings	A		A	A	A	A	A	A
Employee Paid EERC	A		A	A	A	A	A	A
Employee Paid BAC	A		A	A	A	A	A	A
Additional Contributions	A		A	A	A	A	A	A

**Key:**

**Blank Fields** = Do Not Include Anything

**R** = Required Fields

**A** = If Changed from Original Report (report the difference for hours and money fields)

**B** = If Reported on Original Report

**\*\*** = Enter the original Action Date if the date is the same as entered on the original transaction report. If changed, insert the amended date.

**H** = For Employment Categories 05, 07, 08, 10, 11, and 12 **ONLY**

## 912 Mailing and Distribution of the *Employee Transaction Report*

When the report is completed:

- Send the **original** to:

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

- Retain the copy for documentation purposes and for use during annual reconciliation. Refer to Chapter 10.

No payment is required with the *Employee Transaction Report*. Remit the required employee and employer contributions each month via the *WRS Monthly Remittance Report* (ET-1515). Refer to Chapter 8 for remittance reporting instructions.

## CHAPTER 10 — ANNUAL REPORTING AND RECONCILIATION

- 1000 What is Annual Reporting and Reconciliation**
- 1001 Employees to be Reported**
- 1002 Due Dates for Annual Reports**
- 1003 Annual WRS Reconciliation Process**
- 1004 Potential Reconciliation Errors**
- 1005 Methods Available for Annual Reporting**
- 1006 Completing the Annual Transaction Report**
- 1007 Annual Reporting Action Code Descriptions and Field Requirements**
- 1008 Completing Reconciliation**
- 1009 Reporting Year-End Terminations**
- 1010 Reporting Employees Omitted From or Appearing in Error on the Annual Report Prelist**
- 1011 Annual Reconciliation Tips**
- 1012 Sample Exhibits**

### **1000 What is Annual Reporting and Reconciliation**

Annual reporting is the process by which employers provide ETF with calendar year hours and earnings for all their WRS participating employees who are actively employed at year's end. Annual reconciliation is the process by which the employer reconciles (by employment category) those annual earnings, as well as the earnings reported periodically throughout the year, to the total earnings (by employment category) reported on the 12 WRS *Monthly Retirement Remittance Reports* (ET-1515). All WRS employers are required to submit an annual report. **The annual report is due at ETF no later than January 31.**

Reconciliation assures that contributions have been paid for the calendar year for all WRS covered employees. (Refer to subchapter 1008.)

Reconciliation should be completed before the December WRS *Monthly Retirement Remittance Report* is finalized so that all remaining unreported earnings and unpaid contributions may be included on the December report.

**NOTE:** The December WRS *Monthly Retirement Remittance Report* and contribution remittance must be received by the designated due date to avoid late interest charges.

If you have questions regarding annual reporting or the reconciliation process, please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

## 1001 Employees to be Reported

The annual report should include hours and earnings and, if applicable, employee-paid required contributions, employee-paid benefit adjustment contributions and additional contributions (if any) for all participating employees actively employed at year's end. Also include employees on leave of absence at year-end and employees not on formal leave but for whom no earnings were paid during the year.

You must include the following WRS participating employees on the annual report:

- Active employees.
- Terminated employees not previously reported.
- Employees on leave of absence or layoff (with or without earnings) at year-end.

The annual report should **not** include employees who have terminated employment during the year and whose final hours, earnings and employee-paid contributions have previously been reported.

**NOTE:** Terminations should be reported within one week of the event or within one week of the employee's last paycheck. Refer to subchapter 902.

Employees who changed employment categories during the year should have annual detail reported for the new employment category only. The detail associated with the old employment category should have been reported at the time that the employer reported the category change. (Refer to subchapter 909, section K.)

## 1002 Due Dates for Annual Reports

Annual reports can be submitted as soon as the last payroll for the calendar year has been processed and **must be received on or before the January 31 deadline, as specified in Administrative Rule ETF 10.63 (1)(g)**. When this date falls on a Saturday, Sunday or holidays on which state offices are closed, the report is due on the last working day of the month.

**NOTE:** Late reports will be subject to expenses as stipulated in Wis. Stat. § 40.06 (2).

## 1003 Annual WRS Reconciliation Process

Each December, ETF provides WRS employers with three reports to assist with the reconciliation process:

- Employee Transaction Report – Employee transactions for the year (including additional contributions) that have been processed through the end of the first week in December. Earnings totals by employment category will also be shown.

- Employee Suspended Transaction Report – Current year suspended employee transactions received by ETF, but not yet processed. Posting to the employee's account has not occurred due to incomplete or inaccurate information on the submitted transaction report.
- Contributions Total Report – Employment category total earnings and additional contributions reported to ETF through the Online Network for Employers (ONE) WRS Contribution Remittance application or on the WRS *Monthly Retirement Remittance Report* (ET-1515) for January through October.

**NOTE:** November earnings are included for employers who filed the November report early.

Review the information on these summary reports to verify that all the employee transactions are correct. To report an omitted transaction, refer to subchapter 1010. To correct previously omitted information on an *Employee Transaction Report* or *Additional Contributions Report* (ET-2535) [refer to subchapter 1012, Exhibits 1 and 2]. Refer to Chapters 9 and 12 for instructions on preparing the corrections.

After processing your periodic and annual transactions (including additional contributions), ETF reconciles the earnings reported on these transactions with the earnings reported on your 12 monthly remittance reports (by employment category). ETF will contact you if a discrepancy exists.

Once the reconciliation process is complete, employers will have access to the WRS Earnings Reconciliation Reports application, which provides online access to the post-annual reconciliation reports via the ONE. These reports are used by employers to identify and resolve annual reconciliation variances. Refer to Chapter 23.

**Table 10.1** illustrates how to use Employee Transactions (paper or online) and WRS Monthly Remittances (paper or online) to complete annual reconciliation. The total of all transaction earnings should equal the total of all the WRS Monthly Remittance earnings.

**Table 10.1 - Annual Reconciliation Process**

<b>Employee Transactions (A + B)</b>	<b>=</b>	<b>Monthly Retirement Remittance Reports (C + D)</b>
<p><b>Includes Transactions:</b></p> <p><b>A. Reported to the WRS</b></p> <ul style="list-style-type: none"> <li>➤ Earnings (by employment category) via ONE or on <i>Employee Transaction Reports</i></li> <li>➤ Earnings (by employment category) on the Employee Suspended Transaction</li> </ul> <p style="text-align: center;">:</p> <p><b>B. Not Reported to the WRS</b></p> <ul style="list-style-type: none"> <li>➤ Earnings (by employment category) on the Annual Transaction Report</li> <li>➤ Earnings (by employment category) from any terminations not yet reported to the WRS</li> </ul>	=	<p><b>Includes Remittance Reports:</b></p> <p><b>C. Reported to the WRS</b></p> <ul style="list-style-type: none"> <li>➤ Earnings (by employment category) on the Contributions Total Report (January-October)</li> </ul> <p style="text-align: center;">:</p> <p><b>D. Not Reported to the WRS</b></p> <ul style="list-style-type: none"> <li>➤ Earnings (by employment category) on the WRS <i>Monthly Retirement Remittance Reports</i> for November and December</li> </ul>
<ul style="list-style-type: none"> <li>• Employers report employee earnings (transactions) to ETF throughout the year. Add each individual's earnings. This should equal your transaction totals.</li> <li>• Monthly remittance reports show earnings (by category) at each employer. They do not show individual earnings.</li> <li>• At year-end, individual earnings are reconciled to earnings reported on the 12 monthly remittance reports. <b>These totals must be the same.</b></li> </ul>		

## 1004 Potential Reconciliation Errors

When completing annual reconciliation, you may find that transaction report earnings do not equal the earnings reported on the monthly remittance reports. Review the monthly retirement remittance reports and the employee transactions to locate the error. The following list will assist in finding errors commonly occurring on these reports.

### A. Monthly Remittance ( ET-1515) Review:

- Are all 12 months of remittances submitted to ETF? Review for consistency and reasonability.
- Is there a difference in two or more employment categories that offset each other?

- Is there a debit amount for earnings from any monthly remittance and no corresponding credit amount for the same month?
- Were contributions on earnings calculated and paid for all eligible employees, including new employees?
- Were contributions made in error for ineligible employees? For example, employees initially eligible who end up working fewer than 30 calendar days. Did the employer take a credit?
- Were contribution amounts made in the appropriate category, if an employee is eligible in multiple categories?
- Were non-reportable lump sum payments included in the calculations for contributions?
- Were contributions for employees on temporary or total disability (worker's compensation) included in the monthly remittance reports?
- Were there terminated employees in the beginning of the year? Were contributions made on their behalf?

**B. Employee Transactions Review:**

- Has earnings data been verified for accuracy?
- Have all enrollments and transactions for newly eligible employees been submitted to ETF? Were earnings reported?
- Have earnings for employees receiving temporary or total disability (worker's compensation) been reported? Were actual earnings used; not disability payments?
- Were terminated employee earnings reported at the time of termination?
- Have there been terminations and rehires in the same year? If so, were the previously reported termination hours and earnings included in the annual earnings?
- Have there been hours and earnings reported as a result of a leave of absence periodic transaction being previously submitted and you have also included them on the annual report?
- Are terminations reported in the correct year (payroll lag)?
- Have transactions for all employees who terminated during the year been submitted to ETF?
- Have transactions for all employees not terminated during the year been submitted to ETF?
- Were there employees enrolled and contributing in more than one category and you reported all or part of the hours and earnings to both categories?
- Were previous year's retroactive contract settlements reported in the correct year?
- Are there duplicate entries?

## 1005 Methods Available for Annual Reporting

Methods available for annual reporting include the Online Network for Employers (ONE) and the paper *Employee Transaction Report* (ET-2533).

**NOTE:** File Transfer Protocol (FTP) and Disk reporting are no longer options for annual reports.

The following describes the available reporting methods:

### A. Online Network for Employers (ONE):

Once authorized for ONE access, employers can use the Internet to submit their WRS annual report. Annual reporting via ONE is required of employers with 250 or more employees. Authorization requires that an *Online Network for Employers Security Agreement* (ET-8928) be on file with ETF. Refer to Chapter 23 for further information regarding ONE.

#### a. Transaction Upload Application

The 'Transaction Upload' application replaces FTP or diskettes for annual reporting. FTP and disk reporting are no longer options for annual reporting. Transaction Upload allows employers to run validation edits on their annual file to ensure it meets formatting specifications (refer to Appendix A). Any errors identified will be displayed, allowing for quick identification and correction of problems. After all corrections are made, the file can be uploaded directly to ETF with a click of a button.

Transaction Upload is the next generation in the reporting of WRS annual transactions. It makes the annual process more efficient and effective in that it:

- is easy to use;
- is secure (reports are uploaded and submitted directly to ETF through the secure ONE site);
- is faster and more reliable;
- eliminates the need to mail disks back and forth between ETF and employer when corrections are needed;
- provides employers the ability to validate reports to check for format errors before transmitting them to ETF; and
- assures reports are accurately formatted when they are submitted to ETF. This will significantly reduce time spent communicating between ETF and employer.

#### b. WRS Account Update – Annual Processing

Employers who receive annual pre-lists (pre-printed *Employee Transaction Reports*) and have access to the ONE site's 'WRS Account Update' can transmit year-end annual detail online for their WRS covered employees. This application

eliminates the need to complete and submit paper *Employee Transaction Reports*.

To ensure proper security for all online applications, you must have a browser that supports the capabilities of Netscape Navigator (version 7.1 or higher), or Microsoft Internet Explorer (version 5.x or higher). For more information about ONE, refer to Chapter 23 or contact the Employer Communication Center.

**B. Paper Reporting:**

Only employers with fewer than 250 employees can report annual hours and earnings on paper by completing and submitting an *Employee Transaction Report* (ET-2533). Refer to subchapters 1006 and 1007. ETF encourages employers to automate WRS reporting transactions.

a. Preprinted Annual Report on *Employee Transaction Report* (ET-2533)

Employers using this method of reporting will receive preprinted *Employee Transaction Report* forms from ETF in mid-December. The following items will be preprinted on each page:

- Report Date
- Page Number
- Employer Identification Number
- Employer Name
- Employee Social Security Number
- Employee Name (alphabetical order within employment category within distribution code)
- Employment Category Code
- Action Code
- Action Date

Refer to subchapter 1010 to report employees who do not appear or who appear in error on this report.

b. Blank *Employee Transaction Report* (ET-2533) – Employer Completed

Employers using blank *Employee Transaction Reports* to complete their annual reports should request a supply of the blank forms in October. For completion of this report, refer to subchapter 1006.

c. Employer Custom Printed Report

Employers may develop their own annual report as long as they adhere to the format of the *Employee Transaction Report*. A sample report must be submitted to ETF for approval prior to using the report. Should you wish to develop your own report, contact ETF at (608) 266-1132 or submit a sample copy of your reporting format to ETF, P.O. Box 7931, Madison, WI 53707-7931.

## 1006 Completing the Annual Transaction Report

The *Employee Transaction Report* format (refer to subchapter 1012, Exhibit 1) may be used in annual reporting. Refer to subchapter 1007, Table 10.3 for the chart indicating required fields.

The following information must be entered on your report when applicable. Refer to sample in subchapter 908 for the corresponding reference numbers on the *Employee Transaction Report*. Call the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900 for assistance with annual reporting.

### A. Report Date

The date of 12-31-CCYY must be used as the report date for all annual transactions. The report date is the calendar year being reported.

### B. Page Number

Enter page numbers for multiple-page reports.

### C. Employer Identification Number (EIN)

Enter your EIN (XXXX-XXX) as shown on your WRS *Monthly Retirement Remittance Report* (ET-1515).

### D. Employer Name

Enter your employer name as shown on your WRS *Monthly Retirement Remittance Report* (ET-1515).

### E. Social Security Number

Enter the employee's Social Security number.

### F. Name/Address

Enter the employee's last name, first name and middle initial. The address is needed only if you are reporting termination codes 01-05, 07, and 08 on the annual report.

**NOTE:** You may not change a name with the annual report; refer to Chapter 6 for instructions on reporting a name change.

### G. Employment Category

Enter a two-digit employment category in the "Emp Cat" column for each employee listed. Refer to Chapter 4 for detailed explanation of codes.

**H. Action Code**

Refer to subchapter 1007, Table 10.2 for valid annual reporting Action Codes and required data elements.

If you are including employee termination transactions not previously reported on your annual report, refer to subchapter 910 for the appropriate action code.

**NOTE:** Do not include previously reported terminations.

**I. Termination/Action Date (MM/DD/CCYY)**

Enter *action date* 12/31/CCYY for annual action codes 00 and 80. The action date year is the calendar year being reported.

**NOTE:** Annual Report - If you are including employee terminations not previously reported, refer to subchapter 910 for the proper code. Do not include terminations previously reported.

Leave the action date blank for action codes 40, 50, 51 and 53 (see J below).

**J. Last Earnings Date (MM/DD/CCYY)**

Enter last earnings date for action codes 40, 50, 51 and 53 only (refer to subchapter 1007, Table 10.2). Action code 40 requires a last earnings date of 12/31/CCYY; Action codes 50, 51 and 53 must have a last earnings date that represents the last day for which the employee was paid. For other action codes refer to subchapter 910. Leave the action date blank when using a last earnings date, due to leaves of absence.

**K. New Employment (Category) Code**

Enter the new employment category code in this field. Refer to subchapter 401, for the list of employment category codes and descriptions.

**L. January To June Hours And Earnings For Teachers, Judges And Educational Support Personnel Only**

Enter the fiscal year hours (rounded to the nearest hour or as a decimal equivalent to the nearest one-hundredth) and earnings (in dollars and cents) paid from January 1 to June 30 of the calendar year being reported. Complete for teachers, judges and educational support personnel (categories 05, 07, 08, 10, 11 and 12) only.

**NOTE:** Leave the fiscal year fields blank if you have employees in these categories who begin enrollment between July 1 and December 31.

Earnings paid to a nine or 10-month contract teacher on or after July 1 for service rendered in the preceding school year are deemed received on June 30th and must be included in the January-June portion on the annual report. Hours and

earnings for summer school paid in June, July or August must be included with the January through June fiscal year earnings, if the summer school teaching was part of the contract for the previous school year. Twelve-month contract teachers must have hours and earnings reported "when paid."

**M. Hours And Earning For Calendar Tear-To-Date**

Enter the hours and earnings paid from January 1 through December 31 of the year reported. This applies to all employees, including fiscal year employees such as teachers, judges and educational support personnel.

- Hours of Service (calendar year). If possible, round partial hours to the nearest hour. Otherwise, express as a decimal equivalent to the nearest one-hundredth.
- Earnings (calendar year) in dollars and cents.

**N. Deducted From Employee-Employee Paid Required Contribution**

Enter the amount of money **actually deducted** from the employee's paychecks toward the Employee Required Contributions. This amount can never exceed the maximum Employee Required Contribution percentage for the category reported. The percentage rate that can be withheld from the employee may change annually and is reported each summer in an *Employer Bulletin*.

**Do not include:**

- The amount of Employee Required Contributions paid by the employer.
- The amount deducted from the employee's paychecks for the Benefit Adjustment Contribution. (Refer to Section O. below.)

**O. Deducted From Employee - Employee Paid Benefit Adjustment Contribution**

Enter the amount of money **actually deducted** from the employee's paychecks toward the Benefit Adjustment Contributions. This amount can never exceed the maximum Benefit Adjustment Contribution percentage for the category reported. The percentage rate that can be withheld from the employee may change annually and is reported each summer in an *Employer Bulletin*.

**Do not include:**

- The amount of Benefit Adjustment Contributions paid by the employer.
- The amount deducted from the employee's paychecks for the Employee Paid Required Contribution. (Refer to N. above.)

**P. Additional Contributions - 'X' If Yes**

Enter an "X" in this field only if additional contributions are being reported for the employee. An *Additional Contribution Report* (ET-2535) itemizing employee, employer and/or tax deferred additional contributions must also be completed and submitted with the annual report. If there are no additional contributions, leave this column blank. Refer to Chapter 12 for additional contribution reporting information.

**NOTE:** DO NOT include additional contributions on the annual report that were already reported on previous termination reports.

**Q. Page Totals**

Enter totals for hours, earnings and employee paid contributions for each column on each page. Double-check these totals as they are used by ETF for contribution reconciliation.

**R. Employer Agent Signature**

The WRS designated agent must sign the report to certify its content. The signature is only required on the first page of the annual report.

**S. Prepared By And Telephone Number**

Enter the full name and telephone number of the person who can answer questions concerning the information on the annual report. This information is only required on the first page.

**T. Date**

Enter the date (MM/DD/CCYY) the report is completed.

## 1007 Annual Reporting Action Code Descriptions and Field Requirements

**Table 10.2 – Annual Reporting Action Code Descriptions**

Action Code	Action Code Description
00	Used to report annual hours, earnings and/or employee paid contributions (if applicable) for employees not terminated or not on leave of absence. The Action Date must be 12/31 of the year being reported (12/31/CCYY).
40	Used to report employees on an informal leave of absence with no annual earnings. The Action Date must be left blank and Last Earnings Date must be 12/31/CCYY. No hours and earnings are reported with this action code.
50*	Used to report employees on a military leave of absence at year-end. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.
51	Used to report employees on an unpaid leave of absence at year-end. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.
53	Used to report employees on layoff at year-end. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.
80	Used to correct or adjust an incorrect action code 00 transaction on the annual report. Report <b>only</b> the amount of hours, earnings and/or employee-paid contributions to be added or subtracted (only report the <b>difference</b> between what should have been reported and what was previously reported).

\* Use Action Code 50 for employees not asserting their Uniformed Services Employment and Reemployment Rights Act (USERRA), including all hours and earnings through the date they went on military leave. Employees who have asserted their USERRA rights should be included on the annual report using Action Code 00.

**Table 10.3 - Annual Reporting Field Requirements**

Report Field	00	40	50	51	53	80
Report Date (12-31-CCYY)	R	R	R	R	R	R
Social Security Number	R	R	R	R	R	R
Name (Last, First, Middle Initial)	R	R	R	R	R	R
Address						
Employment Category	R	R	R	R	R	R
Action Code	R	R	R	R	R	R
Action Date (12-31-CCYY)	R					R
Last Earnings Date (MM/DD/CCYY)		R	R	R	R	
New Employment Category						
Teachers/Judges/Educational Support (Jan - June Hours) H	B		A	A	A	B
Teachers/Judges/Educational Support (Jan - June Earnings) H	B		A	A	A	B
Calendar Year Hours	R		A	A	A	R
Calendar Year Earnings	R		A	A	A	R
Employee Paid EERC	A		A	A	A	A
Employee Paid BAC	A		A	A	A	A
Additional Contributions	A		A	A	A	A

**Key:**

**Blank Fields** = Leave Empty

**R** = Required Fields

**A** = If Applicable

**B** = Required for fiscal year employees. For those hired on or after July 1 there will be no January-June hours and earnings to report.

**H** = For Employment Categories 05, 07, 08, 10, 11, & 12 **ONLY**.

## 1008 Completing Reconciliation

For each employment category, determine the calendar year earnings and additional contributions for the following:

- All employees reported on the Annual Transaction Report and *Additional Contributions Report*.
- The employees shown on the summary of employee transactions and additional contributions (Jan.-Nov.) provided by ETF.
- Any outstanding *Employee Transaction Reports* and *Additional Contributions Reports* submitted to ETF late in the calendar year not appearing on the summary report.

**NOTE:** Include only those transactions that apply to the calendar year being reported. An employee terminating employment in December with final earnings paid in January, must be treated as an active employee on the annual report. An *Employee Transaction Report* is then submitted in January certifying the employee's termination date and reporting the final earnings paid in January.

Refer to subchapter 1012, Exhibit 3 for a sample of annual reconciliation.

## 1009 Reporting Year-End Terminations

Employees who terminate in December may still have compensation due in the next calendar year (payroll lag). It is very important that an employee's hours and earnings are credited in the appropriate year. The following are important items to remember when an employee terminates employment during the month of December:

- The report year date must correspond to the year in which earnings were actually paid and the required contributions remitted.
- Earnings paid to the employee during a calendar year should be reported on the annual report with an action date of 12/31/CCYY, action code of 00 and report date of 12/31/CCYY (same date as the action date). (Refer to subchapter 1012, Exhibit 1.)
- The employee's final earnings paid by the employer in January following the December termination date (sometimes referred to as a payroll lag or balance of contract) should be reported on a separate transaction report. The report date is the date that the payroll was paid and the required contributions remitted. Though now January, the action date is the December termination date, the action code is 01, and the report date is January of the current year.
- The contributions will be credited to the appropriate year based on the report date.

**EXAMPLE:** Teacher terminates employment on December 15, 2010 and receives a final paycheck on January 12, 2011.

- The employee’s earnings paid in 2010 should be reported on the annual report with an action date of 12/31/2010, action code of 00 and report date of 12/31/2010.
- The employee’s final earnings paid on January 12, 2011 should be reported on a separate employee transaction report with the report date of January 12, 2011, action date of December 15, 2010 and action code of 01.

**Transaction 1: (Annual Report)**

Report Date	Action Code	Action Date	Jan - June		Calendar Year to Date	
			Hours	Earnings	Hours	Earnings
12/31/10	00	12/31/10	880	\$28,947.36	1520	\$58,202.00

**Transaction 2: (Termination Report)**

Report Date	Action Code	Action Date	Jan - June		Calendar Year to Date	
			Hours	Earnings	Hours	Earnings
01/12/11	01	12/15/10	80	\$3,063.20	80	\$3,063.20

**NOTE:** The contribution rates for this 2011 transaction will be based on 2011 rates because the earnings were paid in 2011.

**1010 Reporting Employees Omitted From or Appearing in Error on the Annual Report Prelist**

Employers using ETF’s Prelist for annual reporting may notice omissions or errors on the prelist.

Employee transactions not reported during the year (e.g. new hires, terminations, employment category changes, etc.) may be submitted with the annual report on a separate transaction page. Complete these transactions in accordance with instructions below.

➤ **Adding Omitted Employees**

An employee eligible to participate in WRS, but not included on the preprinted annual report, must be added to the annual report. Report these employees, with the necessary coverage data, on the last page of the appropriate employment category. Complete a *WRS Enrollment (ET-2316)* for the employee (if one has not been previously submitted) and send it to ETF immediately. The enrollment may also be done online, if appropriate access has been granted.

➤ **Terminated Employees Listed on the Preprinted Report**

Terminated employees will appear as active on the preprinted annual report, if no *Employee Transaction Report* reporting the termination has been submitted to ETF. Terminated employees may also appear as active if the transaction report is received after the annual report is preprinted or if the transaction is among the suspended transactions.

In the event a transaction report has already been submitted for the terminated employee, line out the Social Security number and name on the preprinted report and, in the space following, indicate: "Terminated," the employee's termination date and the notation "Submitted Previously."

If an *Employee Transaction Report* has not been submitted for the terminated employee, complete a transaction entry on a blank transaction report (to allow space for reporting the address). Line out the employee's Social Security number and name on the preprinted report, and indicate "Reported on Separate Transaction Report" in the space following. Include the added transaction report when submitting your annual report. Please use separate pages for each employment category when reporting additional employee termination transactions with the annual report.

➤ **Unreported Employment Category Changes**

The employee's name will be preprinted on the report under the former employment category, if an employment category change was not reported when it occurred. Reporting an employment category change on the annual report is a two-step process:

1. For the entry on the pre-printed report, list the hours, earnings and employee-paid contributions for the former category, and also perform the following:
  - Change the 00 Action Code to Action Code 10.
  - Change the Action Date to the last day in former category.
  - Enter the new category code in the "New Empl Code" column.
2. Add a new entry on the preprinted report, listing the hours, earnings and any employee-paid contributions for the current employment category, and enter the following:
  - Employee Social Security number
  - Employee Name (Last, First, Middle Initial)
  - Current Employment Category in "Empl Cat" Column
  - Action Code of 00
  - Action Date of 12/31/CCYY

➤ **Leave of Absence**

If an employee listed on the preprinted annual report is on leave at year-end:

- Change the 00 Action Code to one of the annual leave action codes (**refer to Table 10.2, subchapter 1007**).
- Cross off the 12-31-CCYY action date.
- Enter the last earnings date.
- Report the hours, earnings and any employee paid contributions that correspond to the last earnings date. Do NOT report any hours or earnings that were reported previously.

➤ **Name Changes**

Complete an *Employee Identification/Change* form (ET-2810) according to the instructions in Chapter 6, if the employee's name is different than the name listed on the preprinted report. Name change is also available as an online account correction.

**NOTE:** Crossing off an employee's name and entering a new name on the preprinted *Employee Transaction Report* **will not** change the name on the individual's WRS record.

## 1011 Annual Reconciliation Tips

- A. The WRS annual report is due on January 31.
- B. Employers must annually reconcile the earnings reported by employment category via the Online Network for Employers (ONE) or on *Employee Transaction Reports* (ET-2533) with the earnings reported by category on the *Monthly Retirement Remittance Reports* (ET-1515).
- C. Employee name changes cannot be processed on the annual report. The Account Update application through the ONE or the *Employee Identification Correction/Change* form (ET-2810) are the **only** methods available for changing an employee's name on their WRS record (refer to subchapter 606 and Chapter 23).
- D. The annual report must NOT include employees whose final hours of service, earnings and employee paid contributions were previously reported during the year.
- E. Amounts entered in the Employee Required Contributions (EERC) and Benefit Adjustment Contributions (BAC) columns of the annual report must represent only those actually paid by the employee. The maximum percentage allowed must not be exceeded for either the EERC or BAC and amounts may not be combined into one column.

- F. Employee transactions (such as terminations) that were not reported during the year may be submitted via ONE or with the annual report on a **separate** *Employee Transaction Report*.
- G. Previously omitted employees added to your annual report must **immediately** be reported to ETF through the WRS Account Update application of ONE or with a *WRS Enrollment* (ET-2316).
- H. When completing annual reconciliation:
  - If total earnings for a category reported on your *WRS Monthly Remittance Reports* are greater than the total earnings reported for that category via ONE or on *Employee Transaction Reports*:
    - Ensure all employees for whom you remit WRS contributions have been enrolled and are included on your annual report.
  - If total earnings for a category reported via ONE or on *Employee Transaction Reports* are greater than the category's total earnings reported on the *WRS Monthly Remittance Reports*:
    - Ensure all 12 *WRS Monthly Remittance Reports* have been submitted.
- I. ETF strongly encourages employers to report Annual transactions using ONE to increase accuracy and reduce processing time. Refer to Chapter 23 for further details.
- J. Keep your reporting up-to-date.

1012 Sample Exhibits

EXHIBIT 1: Sample Annual Transaction Report

Department of Employee Trust Funds  
WISCONSIN RETIREMENT SYSTEM  
P.O. Box 7931 - Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MMDD/CCYY)  
12/31/2004

Employer Identification No.  
69-036-036 0000-000

Page No.  
Wisconsin Public Employer

### EMPLOYEE TRANSACTION REPORT

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp Cat Code	Termination/ Action Date (MMDD/CCYY)	Last Earnings Date (MMDD/CCYY)	New Empl. Code	TEACHERS/SUBSTITUTES/SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee		Advt. Contr.? X if yes	
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars	Employee Contribution Dollars	Benefit Adjustment Contribution Dollars		
SS# 999-99-9999 Adams, Amy	00	12/31/2004				2086.00	15175 00				182 10	
888-88-8888 Brown, Betty (Address)	00	12/10/2004				2080.00	22335 00				268 02	
SS# 777-77-7777 Carlson, Cecil	03	12/31/2004				1040.00	10400 00					
666-66-6666 Davis, Darla	03	12/31/2004				2080.00	30500 00					
SS# 555-55-5555 Eugene, Edwin	03		11/23/2003			1020.00	14000 00					
444-44-4444 Farnsworth, Frank	03		9/13/2004									
SS# 333-33-3333 Goode, George	10	12/31/2004				896.00	21445 00		2145 00			X
222-22-2222 Hartman, Helmina	10	12/31/2004				895.00	18800 00		2010 00			
SS# 111-11-1111 Ikson, Ivy	10	5/29/2004				832.00	16425 00		821 25			
001-01-0001 Jansen, Jacob	10	12/31/2004				440.00	7000 00		725 00			
SS# 002-02-0002 Karsten, Kara	12	12/31/2004				895.00	17500 00		1760 00			
<b>PAGE TOTALS</b>						3958.00	81270 00	241635 00	7461 25	450 12		

Understand that Wis. Stat. § 943.965 provides criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature \_\_\_\_\_ Date (MMDD/CCYY) \_\_\_\_\_ Telephone No. \_\_\_\_\_

Prepared by \_\_\_\_\_

ET-2533 (REV 11/2001)



**Exhibit 3 - Sample Annual Reconciliation**

<b>Monthly Contributions (ET-1515)</b>			
<b>Month</b>	<b>Total Earnings (Category 00)</b>	<b>Month</b>	<b>Total Earnings (Category 00)</b>
January	5,480.00	July	4,680.00
February	5,480.00	August	4,680.00
March	4,680.00	September	4,680.00
April	4,680.00	October	4,680.00
May	4,680.00	November	4,680.00
June	4,680.00	December	4,680.00
		<b>TOTAL</b>	<b>57,760.00</b>

<b>Annual Transaction Report (ET-2533)</b>			
<b>Employee</b>	<b>Action Code</b>	<b>Hours of Service</b>	<b>Earnings</b>
Jim Johnson	01	160	1600.00
Jeff Miller	00	2080	24,960.00
Todd Anderson	00	2080	31,200.00
		<b>Total</b>	<b>57,760.00</b>

<b>Employee Transaction Report (ET-2533) **submitted at time of termination</b>			
<b>Employee</b>	<b>Action Code</b>	<b>Hours of Service</b>	<b>Earnings</b>
Jim Johnson	01	160	1600.00

<b>Employee Transaction Reports</b>		<b>=</b>	<b>Monthly Remittance Reports</b>
Total Annual Transactions	57,760.00		
Total ETR's submitted	<u>+1,600.00</u>		
	<b>59,360.00</b>		<b>57,760.00</b>

In this example, total monthly contributions do not match the total earnings transactions submitted throughout the year. The difference between the totals is \$1,600.00, the exact amount of Jim Johnson's earnings.

The WRS is an "add-to" system. Items reported in December are added to items reported earlier in the year. In this case, Jim's earnings were reported twice, thus explaining the discrepancy.

EXHIBIT 4 – Summary of Employee Transaction Reports and Additional Contribution Reports

REPORT ID: EE985  
 PROGRAM ID: TR635P64  
 REQUEST NUMBER: 7063

DEPARTMENT OF EMPLOYEE TRUST FUNDS  
 WISCONSIN EMPLOYEE BENEFIT SYSTEM  
 EMPLOYER ANNUAL RECONCILIATION  
 EMPLOYEE TRANSACTIONS

PAGE NO.: 1  
 RUN DATE: 12/13/03  
 RUN TIME: 12:59:45

EMPLOYER NO: 1234567 EREHWON VILLAGE SCHOOL DISTRICT  
 EMPLOYMENT CATEGORY: 12

SS NO	EMPLOYEE NAME	AC	ACTN DATE	LAST EARN DT	NC	FISCYR HOURS	FISCYR EARNINGS	CAL YEAR HOURS	CAL YEAR EARNINGS	EERC	EMPE PAID	BAC
123-45-6789	APPEL	60	12/01/03	00/00/00		749.00	8018.73	749.00	8,018.73			
987-65-4321	BOSC	01	06/01/03	06/01/03		100.00		100.00				
	-ALL-	81	06/01/03	06/01/03		849.00	8018.73	849.00	8,018.73			
EMPLOYMENT CATEGORY TOTAL												
EMPLOYMENT CATEGORY: 10												
608-66-3285	AXOLOTL	01	06/20/03	06/20/03		1,093.00	26,632.59	1,093.00	26,632.59	1,331.63	319.59	
414-27-4238	CARPE	01	06/01/03	06/01/03		820.00	8,018.73	820.00	8,018.73	400.94	96.22	
555-11-1299	DIEM	60	03/01/03	00/00/03		872.00	8,018.73	872.00	8,018.73	400.94	96.22	
862-47-6151	MAHAYANA	01	06/03/03	06/03/03		2,785.00	42,670.05	2,785.00	42,670.05	2,133.51	512.03	
EMPLOYMENT CATEGORY TOTAL												

REPORT ID: EE985  
 PROGRAM ID: TR635P64  
 REQUEST NUMBER: 7063

DEPARTMENT OF EMPLOYEE TRUST FUNDS  
 WISCONSIN EMPLOYEE BENEFIT SYSTEM  
 EMPLOYER ANNUAL RECONCILIATION  
 ADDITIONAL CONTRIBUTIONS

PAGE NO.: 1  
 RUN DATE: 12/13/03  
 RUN TIME: 12:59:45

EMPLOYER NO: 1234567 EREHWON VILLAGE SCHOOL DISTRICT

SOCIAL SECURITY NUMBER	PARTICIPANT NAME	EMPLOYEE PAID FIXED	EMPLOYEE PAID VARIABLE	EMPLOYER PAID FIXED	EMPLOYER PAID VARIABLE	TAX DEFERRED FIXED	TAX DEFERRED VARIABLE
608-66-3285	AXOLOTL	.00	.00	.00	.00	1,400.00	2,800.00
555-11-1299	DIEM	.00	.00	.00	.00	1,500.00	1,500.00
EMPLOYER ADDITIONAL TOTAL		0.00		0.00		2,900.00	4,300.00
ADDITIONAL GRAND TOTAL		7,200.00					

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 11 — PRIOR YEAR ADJUSTMENTS**

- 1100 General Information**
- 1101 Methods Available for Prior Year Reporting**
- 1102 Specifications for File Transfer Protocol (FTP) Reporting**
- 1103 Specifications for Disk Reporting**
- 1104 *Electronic Reporter Transmittal (ET-2536)***
- 1105 Completion of Prior Year Adjustment on the *Employee Transaction Report (ET-2533)***
- 1106 Prior Year Action Code Description – Table 11.1**
- 1107 Prior Year Reporting Field Requirements – Table 11.2**
- 1108 Examples of Prior Year Adjustments**

**1100 General Information**

Occasionally, employers may need to submit an adjustment to an employee's previously reported WRS service and/or earnings or report previously unreported service and earnings for a prior year. A contract settlement is a common example of late reported earnings. The settlement earnings must be reported back to the year they would have been paid had the contract been settled timely.

Prior year adjustments for correcting errors, making retroactive category changes, reporting retroactive earnings, grievance/reinstatement settlements and requesting refunds **must** be submitted on an *Employee Transaction Report (ET-2533)* or electronic media. Refer to Appendix A for field specifications for electronic media reporting. Letters are not acceptable for reporting prior year adjustments.

WRS contributions plus interest may be due with many prior year adjustments. However, send no contributions with the *Employee Transaction Report*. Interest accrual stops when ETF receives the report. Upon receipt of the *Employee Transaction Report*, ETF will generate an invoice (or statement). These invoices, generated mid-month and mailed to the employer, indicate:

- The amount owed or the amount to be credited, or a zero balance.
- How to remit the appropriate amount or subtract the amount from remittances, and
- The due date in order to avoid additional interest charges.

Wis. Stat. § 40.06 (5), states,

“Whenever it is determined that contributions...were not paid in the year when due, the amount to be paid shall be determined at the employee and employer contribution...rates in effect when the payment should have been made and increased by interest at the effective rate which would have been credited if the amount had been paid and deposited in the

accumulation reserves of the core annuity division...at the time the contributions ...were due.”

Both employer and employee may be liable for back contribution and interest payment. It is the employer’s responsibility to collect from the employee the amount that the employer would have deducted from their paychecks had the amounts been paid when due, plus corresponding interest. The employer may elect to pay any or all of the employee amounts. Under no circumstances may an employer require that an employee pay back employer-required contributions or interest assessed on employer contributions. The employer remits with their *WRS Monthly Remittance* to ETF any amount collected along with the balance of the amount owed.

**NOTE:** Time restrictions may apply to changing employees’ employment category, crediting WRS service when none previously was reported and correcting previously reported service, earnings and/or contributions. (Refer to subchapters 314, 315, 403 and 404 for specific exceptions, time restrictions and additional information.)

## 1101 Methods Available for Prior Year Reporting

Several methods are available for reporting prior year transactions throughout the year such as previously unreported service and earnings, contract settlements, corrections to prior year service and earnings, adjustments to employee-paid required contributions, retroactive category changes, grievance/reinstatement settlements and refund requests. ETF encourages employers to automate WRS reporting transactions. Available methods include:

### A. File Transfer Protocol (FTP):

File Transfer Protocol provides electronic transmission of prior year adjustments to employee service hours, earnings or employee-paid required contributions. An electronic version of the *Electronic Reporter Transmittal* (ET-2536) must accompany FTP files (refer to subchapter 1104). Refer to Appendix A for FTP data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

### B. Disk Reporting:

Disk reporting provides electronic transmission of prior year adjustments to employee service hours, earnings or employee-paid required contributions. An *Electronic Reporter Transmittal* (ET-2536) must accompany the diskette (refer to subchapter 1104). Refer to Appendix A for data description and formatting requirements. Deviations from the prescribed formats will not be accepted.

### C. Paper Reporting:

Employers can report prior year adjustments to employee service hours, earnings or employee-paid required contributions by completing and submitting an *Employee Transaction Report* (ET-2533). Refer to subchapter 1105.

## 1102 Specifications for File Transfer Protocol (FTP) Reporting

An electronic version of the ***Electronic Reporter Transmittal (ET-2536)*** must accompany the FTP file for prior year reporting and adjustments. In order to use FTP, you must install the necessary software on your computer system. ETF has purchased the hardware and software required for the FTP method of transmission and will provide employers with the necessary software and software licenses **free of charge**.

To ensure you have the capability to perform FTP transmissions, you should discuss the system requirements with your information technology department. ***Please make sure you will be able to send data even if you have a firewall on your system.***

Employers interested in using FTP should contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

## 1103 Specifications for Disk Reporting

- DISK FORMATS: We can process disks in the following formats:
  - IBM PC-DOS or MS-DOS compatible:
    - 3.5 inches, double-sided, 1.44MB
    - CD-ROM
- RECORDING MODE: ASCII standard code
- RECORD LENGTH: 360 bytes per record, fixed length
- FILE NAME: Use **WRS** and the first four digits of your Employer Identification Number (EIN). If your EIN is 4623000 then file name would be WRS4623.

A disk may consist of multiple files as long as the following file name conventions are adhered to:

If a disk consists of more than one file, the file name WRS4623 will contain a three-digit numeric extension. This extension will indicate the sequence of the files within the disk. For example, the first file will be named WRS4623.001, the second file will be WRS4623.002, etc.

- DISK LABEL: A label must be properly secured to the disk and show the internal file name, your employer number and reporting period. Sample:

**Wisconsin Retirement System**  
**Chapter 11 — Prior Year Adjustments**  
**Page 4**

File Name     WRS4623  
EIN:           4623000  
Report Period: 10/2007

- WRITE-PROTECT: All disks must be write protected prior to submitting to ETF.
- RETURNS: Once the disk files have been processed, they are retained for three months and then destroyed. The disk will not be returned.

1104 Electronic Reporter Transmittal (ET-2536)

**ELECTRONIC REPORTER TRANSMITTAL**  
 Totals of Transactions Included

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P. O. Box 7931 — Madison, WI 53707-7931

Check one:  
 Current Year Transactions  
 Prior Year Transactions  
**NOTE: This is not needed for your annual report**

Employment Category	FISCAL YEAR EMPLOYEES ONLY JANUARY THROUGH JUNE		CALENDAR YEAR-TO-DATE		EMPLOYEE PAID CONTRIBUTIONS		Report Date
	Service Hours	Earnings Dollars	Service Hours	Earnings Dollars	Employee Required Contribution Dollars	Benefit Adjustment Contribution Dollars	
00, 01 (Includes 12)							
02 (Includes 05, 06, 07, 08, 09)							
03							
04							
10							

**ADDITIONAL CONTRIBUTIONS — NOTE: 403(b) tax deferred additional contributions are no longer accepted**

Employment Category	Employee-Paid		Employee-Paid		Employee-Paid	
	Core* Dollars	Variable Cents	Core* Dollars	Variable Cents	Core* Dollars	Variable Cents
00, 01 (Includes 12)						
02 (Includes 05, 06, 07, 08, 09)						
03						
04						
10						

I understand that Wis. Stat. § 943.295 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. The totals reported here are the same as those on the magnetic media records.

Employer Agent Signature \_\_\_\_\_ Date \_\_\_\_\_ Area Code and Telephone No. \_\_\_\_\_

L.T. Support Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

\*Core (previously referred to as the Fixed Fund)

## 1105 Completion of Prior Year Adjustment on the *Employee Transaction Report (ET-2533)*

All prior year adjustments can be submitted on a paper *Employee Transaction Report (ET-2533)*. Refer to Table 11.1, subchapter 1106 for the appropriate action code to use when submitting late reported earnings. Refer to Table 11.2, subchapter 1107 for field specifications for each action code. Complete the following areas of the *Employee Transaction Report*:

### A. REPORT DATE

Enter the date (MM/DD/CCYY) the report is sent to ETF.

### B. PAGE NUMBER

Enter page numbers for multiple page reports.

### C. EMPLOYER IDENTIFICATION NUMBER (EIN)

Enter the EIN (XXXX-XXX) as shown on the *Monthly Retirement Remittance Report (ET-1515)*.

### D. EMPLOYER NAME

Enter the employer name as shown on the *Monthly Retirement Remittance Report (ET-1515)*.

### E. SOCIAL SECURITY NUMBER

Enter the employee's Social Security number.

### F. NAME/ADDRESS

Enter the employee's last name, first name and middle initial. Include the address only when reporting a prior year termination (refer to subsection 1108, example 12).

### G. EMPLOYMENT CATEGORY

Enter a two-digit employment category in the "Emp Cat" column for each employee listed. Refer to Chapter 4, subchapter 401 for detailed explanation of employment category codes.

### H. ACTION CODE

Enter a two-digit action code. Refer to subchapter 1105 for valid Action Codes and required data elements. (Also refer to examples in subchapter 1108).

**I. TERMINATION/ACTION DATE**

Use 12/31/CCYY of the prior year being adjusted. When reporting a prior year termination, use the actual termination date.

**J. JANUARY TO JUNE HOURS AND EARNINGS FOR TEACHERS/JUDGES/EDUCATIONAL SUPPORT PERSONNEL**

January through June hours and/or earnings should be included on the report only for teachers, judges or educational support personnel (employment categories 05, 07, 08, 10, 11, and 12).

**NOTE:** Only the difference (the amount of hours, earnings or employee paid contributions to be added to or subtracted from what has already been reported) is reported on the transaction report.

**K. HOURS AND EARNINGS FOR CALENDAR YEAR TO DATE**

Enter the hours and/or earnings for January 1 through December 31 of the year being reported. This applies to all employment categories.

**NOTE:** Only the difference (the amount of hours, earnings or employee paid contributions to be added to or subtracted from what has already been reported) is reported on the transaction report.

**L. DEDUCTED FROM EMPLOYEE - EMPLOYEE PAID REQUIRED CONTRIBUTIONS**

Enter the amount of money **actually paid by the employee**. This amount can never exceed the maximum Employee Required Contribution percentage that was in effect in the year being adjusted for the category reported. Do not include the amount of Employee Required Contributions paid by the employer or the amount paid for the Benefit Adjustment Contribution. (**Refer to M. below.**)

**NOTE:** Only the difference (the amount of hours, earnings or employee paid contributions to be added to or subtracted from what has already been reported) is reported on the transaction report.

**M. DEDUCTED FROM EMPLOYEE - EMPLOYEE PAID BENEFIT ADJUSTMENT CONTRIBUTION**

Enter the amount of money **actually paid by the employee**. This amount can never exceed the maximum Benefit Adjustment Contribution percentage that was in effect in the year being adjusted for the category reported. Do not include the amount of Benefit Adjustment Contributions paid by the employer or the amount deducted for the Employee Paid Required Contribution. (**Refer to L. above.**)

**NOTE:** Only the difference (the amount of hours, earnings or employee paid contributions to be added to or subtracted from what has already been reported) is reported on the transaction report.

**N. EMPLOYER AGENT SIGNATURE**

The employer’s designated WRS agent must sign the report to certify its content. The signature is only required on the first page of the report. If reporting electronically, the agent must sign the electronic transmittal report.

**O. PREPARED BY AND TELEPHONE NUMBER**

Enter the full name and telephone number of the person who can answer questions concerning information on the report. This information is only required on the first page.

**P. DATE**

Enter the date (MM/DD/CCYY) the report is completed.

**1106 Prior Year Action Code Description – Table 11.1**

**Table 11.1 Prior Year Action Code Descriptions**

Action Code	Description
22	Used to report hours, earnings and/or employee paid contributions that result from a compromise settlement or an employee being reinstated to a position due to appeal. Include a copy of the compromise settlement with the transaction report. Refer to Chapter 13 for details.
23	Used to report retroactive earnings resulting from a contract settlement. Contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900 to request a pre-printed list of employees.
24	Used to correct previously reported hours <b>only</b> .
27	Used to subtract previously reported earnings and corresponding hours and/or employee paid contributions – if applicable. This code is also used to report subtractions to employee paid contributions. The hours, earnings, and employee paid contributions should be entered as negative numbers.
28	Used in conjunction with a prior year employment category change. The transaction(s) will transfer prior year service and earnings from the incorrect employment category to the correct employment category.
29	Used to report prior year hours and earnings or add to the amount of earnings and corresponding hours, and/or employee paid contributions, if applicable, that were previously reported. This code is also used to report additions to employee paid contributions.

**1107 Prior Year Reporting Field Requirements - Table 11.2**

**Table 11.2 Prior Year Adjustment Reporting Field Requirements**

Report Field	Action Code					
	22	23	24	27	28	29
Report Date	R	R	R	R	R	R
Social Security Number	R	R	R	R	R	R
Name (Last, First, Middle Initial)	R	R	R	R	R	R
Employment Category	R	R	R	R	R	R
Action Code	R	R	R	R	R	R
Action Date	R	R	R	R	R	R
Last Earnings Date						
New Employment Category						
Teachers/Judges/Educational Support (Jan - June Hours) H	A		A	A	A	A
Teachers/Judges/Educational Support (Jan - June Earnings) H	A	A		A	A	A
Calendar Year Hours	R		R	A	R	A
Calendar Year Earnings	R	R		A	R	A
Employee Paid EERC	A	A		A	A	A
Employee Paid BAC	A	A		A	A	A
Additional Contributions						

**Key:**

**Blank Fields** = Leave blank

**R** = Required Fields

**A** = If Applicable

**H** = For Employment Categories 05, 07, 08, 10, 11, and 12 ONLY

## 1108 Examples of Prior Year Adjustments

The following examples of prior year adjustments may assist in the processing of earnings, hours and employee paid contributions adjustments. They include an explanation of each situation and an example showing how to complete the *Employee Transaction Report* (ET-2533).

You may request blank *Employee Transaction Reports* from our Supply and Mail Services office at (608) 266-3302, or download or order the form online in the Employer section of ETF's Internet site at <http://etf.wi.gov>. If you have any questions regarding employee transactions, please call the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

Example Number	Reporting
1	Compromise Settlement Agreement
2	Contract Settlement for Teachers (Current and Prior Years)
3	Contract Settlement for Non-Teachers (Two Prior Years)
4	Hours Incorrectly Reported in a Prior Year
5	Hours, Earnings, and Employee Paid Contributions Over-Reported
6	Earnings Over-Reported
7	Employee Paid Employee Required Contributions Over-Reported
8	Employee Works fewer Than 30 Calendar Days
9	Employee Category Change in Prior Year (Never Reported to ETF)
10	Employee Earnings Under Reported on a Previous Report
11	Employee was Not Enrolled (When they Should Have Been)
12	Reporting an Employee Termination Date for a Prior Year

Example 1 – Compromise Settlement Agreement

Department of Employee Trust Funds  
WISCONSIN RETIREMENT SYSTEM  
P.O. Box 7931 – Madison, WI 53707-7931

**EMPLOYEE  
TRANSACTION REPORT**

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MM/DD/CCYY) 4/15/2010  
Employer Name School District A  
Page No. 1  
Employer Identification No. 69-036 1234

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp. Action Code	Termination/Action Date (MM/DD/CCYY)	Last Earnings Date (MM/DD/CCYY)	New Empl. Code	1-1-XX THRU 6-30-XX EARNINGS		Calendar Year to Date		Deducted from Employee Benefit Adjustment Contribution Dollars	Deduction from Employee Benefit Adjustment Contribution Cents	Adm. Cont.? X if yes
					Hours of Service	Dollars	Hours of Service	EARNINGS Dollars			
123-45-6789 Davis, Dave	10 22	12/31/2009			1,400	18,200 00					
123-45-6789 Davis, Dave	10 22	12/31/2008			320	6,300 00					
SS#											
SS#											
SS#											
SS#											

An employee was discharged from their position on June 30, 2008 and filed an appeal. As a result of the compromise settlement, the employer is ordered to reinstate the employee back to their original position with full back wages. The employer must:

- ◆ Complete an *Employee Transaction Report* with Action Code 22, and 12/31/CCYY as the action date for each year that hours, earnings and any employee paid contributions are being reported. In this example 12/31/2009 and 12/31/2008 are the action dates indicating the prior years for which hours and earnings must be reported.
- ◆ Submit a complete copy of the compromise settlement with the *Employee Transaction Report* completed above. Refer to Chapter 13 for more information on reinstatement awards and other compromise settlements.

I understand that Wis. Stat. § 943.995 provide criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature \_\_\_\_\_ Telephone No. \_\_\_\_\_ Date (MM/DD/CCYY) \_\_\_\_\_  
Prepared by \_\_\_\_\_  
If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

**Example 2 – Contract Settlement for Teachers for Current and Prior Years**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 – Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

**EMPLOYEE TRANSACTION REPORT**

Report Date (MM/DD/YYYY) 10/5/2010  
 Page No. 1  
 Employer Identification No. 69-036 4321  
 Employer Name School District B

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, Zip	Emp Cat. Code	Termination/ Action Date (MM/DD/YYYY)	Last Earnings Date (MM/DD/YYYY)	New Empl. Code	1-1-XX THRU 6-30-XX TEACHERS/EDUCATORS/EMPLOYEES ONLY		Calendar Year to Date		Deducted from Employee Benefit Adjustment Contribution Dollars	Adm. Conr. X if yes
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars		
111-11-1111 Jones, Jack	10 23	12/31/2008					400 00	20 00		
111-11-1111 Jones, Jack	10 23	12/31/2009			500 00	1000 00		50 00		
SS#										
SS#										
SS#										
SS#										

It is October 5, 2010 and a teacher contract has just been settled for school years 2008-09 and 2009-10.

You must:

- ◆ Complete an *Employee Transaction Report* with Action Code 23 using 12/31/2008 and 12/31/2009 as the action dates for the prior years being adjusted. You may call the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900 for a pre-printed list of employee's names and Social Security numbers to report these prior year earnings. Use a separate line for each prior year being reported.
- ◆ Add current year (2010) earnings to your next *WRS Monthly Retirement Remittance Report (ET-1515)* in the teacher employment category 10 and report these amounts as earnings on the annual transaction report due at the end of the current year.
- ◆ Do not include current year earnings on the *Employee Transaction Report*. Report current year earnings on the annual report.

I understand that Wis. Stat. § 49.365 provides criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature

Prepared by

Telephone No.

Date (MM/DD/YYYY)

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2635 showing the contribution amounts.

PAGE TOTALS





**EXAMPLE 4 - Hours Reported Incorrectly In A Prior Year**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

**EMPLOYEE TRANSACTION REPORT**

Report Date (MMDDCCYY) 4/15/2010 Page No. 1 Employer Identification No. 69-036 1234  
 Employer Name Orange County

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP SS#	Emp. Action Cat. Code	Termination Action Date (MMDDCCYY)	Last Earnings Date (MMDDCCYY)	New Empl. Code	1-15XX THRU 16-30-XX TEACHERS/UNIVERSITY/STATE SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employer Required Contributions Dollars	Benefit Adjustment Contributions Dollars	Adm. Conts? X if yes
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
444-44-4444 Danielson, Dan	00 24	12/31/2008				+150					
SS#											
SS#											
SS#											
SS#											
SS#											

**Page TOTALS**

Telephone No. \_\_\_\_\_ Date (MMDDCCYY) \_\_\_\_\_

Prepared by \_\_\_\_\_

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

**Employer Agent Signature**

Understanding that Wis. Stat. § 943.395 provide criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

An employee's earnings were reported correctly, but the hours were incorrectly reported for a prior year. Submit an *Employee Transaction Report* with Action Code 24 and 12/31/CCYY as the action date for each year being corrected. You must:

- ◆ Report only the difference between the incorrectly reported hours and the correct hours. For example, if an employee's hours were reported as 1,350, but should have been 1,500, report 150 hours.
- ◆ Do not report any earnings if the amount of earnings has not changed for that year.

**EXAMPLE 5 - Correcting Over-Reported Hours, Earnings, and Employee Paid Contributions**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 — Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

**EMPLOYEE TRANSACTION REPORT**

Report Date (MMDDCCYY) 4/15/2010 Page No. 1 Employer Identification No. 68-036 1234  
 Employer Name Orange County

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp. Action Cat. Code	Termination/ Action Date (MMDDCCYY)	Last Earnings Date (MMDDCCYY)	New Empl. Code	1-1-XX THRU 12-31-XX TEACHERS/ADJUNCT SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Benefit Adjustment Contribution Dollars	Employee Required Contribution Dollars	Benefit Adjustment Contribution Cents	Addl. Contri. Cents	Advt. Cont. Cents
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars					
555-55-5555 Jenson, Jon	00 27	12/31/2008			-50.00	-400.00	-8.00						
SS#													
SS#													
SS#													
SS#													
SS#													

An employee's hours, earnings and employee-paid required contributions were over-reported for 2008. You must:

- Submit an *Employee Transaction Report* with Action Code 27 and 12/31/2008 as the action date.
- Report only the difference in hours, earnings and employee-paid contributions columns. This will correct the employee's WRS account.

PAGE TOTALS  
 Prepared by \_\_\_\_\_ Telephone No. \_\_\_\_\_ Date (MMDDCCYY) \_\_\_\_\_  
 If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2555 showing the contribution amounts.

**EXAMPLE 6 - Correcting Over-Reported Earnings**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

**EMPLOYEE  
 TRANSACTION REPORT**

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MM/DD/CCYY) 4/15/2010  
 Page No. 1  
 Employer Name Orange County  
 Employer Identification No. 69-036 1234

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, Zip	Emp Cat. Code	Action Code	Termination/ Action Date (MM/DD/CCYY)	Last Earnings Date (MM/DD/CCYY)	New Emp. Code	1-XX THRU 6-30-XX TEACHERS/STATE/LOCAL SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employee Required Contribution Dollars	Benefit Adjustment Contribution Dollars	Adm. Cont.? X if yes
						Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
666-66-6666 Michaels, Mike	00	27	12/31/2008						-400 00			
SS#												
SS#												
SS#												
SS#												
SS#												

An employee's earnings were over-reported for 2008. You must:

- Submit an *Employee Transaction Report* with Action Code 27 and 12/31/2008 as the action date. Report only the difference in earnings that will correct the employee's record.
- In this example, the employee earned \$31,600 in 2004. You inadvertently reported their earnings as \$32,000. Report only the difference (-\$400) to correct the discrepancy.

I understand that Wis. Stat. § 943.395 provide criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

PAGE TOTALS

Employer Agent Signature \_\_\_\_\_ Telephone No. \_\_\_\_\_ Date (MM/DD/CCYY) \_\_\_\_\_

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

**EXAMPLE 7 - Correcting Over-Reported  
 Employee-Paid Contributions**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

**EMPLOYEE TRANSACTION REPORT**

Report Date (MM/DD/CCYY) 4/15/2010 Page No. 1 Employer Identification No. 69-036 1234  
 Employer Name Orange County

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Termination/ Action Date (MM/DD/CCYY)	Emp Action Cat Code	Last Earnings Date (MM/DD/CCYY)	TEACHERS/EDUC. SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee		Addl. Contri. X/Yes
				Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars	Employee Required Contribution Dollars	Benefit Adjustment Contribution Dollars	
SS# 777-77-7777 Larson, Lindsay	12/31/2008	00 27								
SS#										
SS#										
SS#										
SS#										
SS#										
<p>An employee's contract was settled requiring the employer to pay the Employee Required Contribution amount beginning in 2008. You have already reported 2008 hours, earnings and employee paid Employee Required Contributions on the 2008 annual report. You must:</p> <ul style="list-style-type: none"> <li>Submit an <i>Employee Transaction Report</i> with Action Code 27 and 12/31/2008 as the action date. Subtract the Employee Paid Required Contributions equal to the amount reported on your 2008 annual report.</li> </ul>										
<p>I understand that Wis. Stat. § 843.365 provides criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.</p>										
Employer Agent Signature	Prepared by	Telephone No.	Date (MM/DD/CCYY)	PAGE TOTALS		If the employee has additional contributions, X this box and attach the Additional Contributions Report form ET-2535 showing the contribution amounts.				

**EXAMPLE 8 - Employee Who Worked Fewer than  
 30 Calendar Days**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

**EMPLOYEE  
 TRANSACTION REPORT**

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MM/DD/YYYY) 2/05/2010  
 Page No. 1  
 Employer Name Orange County  
 Employer Identification No. 69-036 1234

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp Cat Code	Termination/ Action Date (MM/DD/YYYY)	Last Earnings Date (MM/DD/YYYY)	New Empl. Code	1-1-XX THRU 6-30-XX TEACHERS/ADMINISTRATIVE SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employee Required Contribution Dollars	Benefit Adjustment Contribution Cents	Adm. Code X if yes
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
888-88-8888 Anderson, Alice	00	27 12/31/2009						-120.00	-14 00		
888-88-8888 Anderson, Alice	00	03 10/30/2009									
SS#											
SS#											
SS#											
SS#											

An employee began work on October 12, 2009, and terminated on October 30, 2009, working fewer than 30 calendar days, making them WRS ineligible. It is now February 2010 and all 2009 WRS Monthly Retirement Remittance Reports have already been filed. Take the following action:

- ◆ Due to the employee's WRS ineligibility their WRS account balances must be zeroed out and the account closed. To accomplish this, subtract all hours, earnings, and any employee paid contributions using Action Code 27 and 12/31/2009 as the action date. You will receive an invoice indicating the amount of your credit.
- ◆ Prepare an entry, on the same report, using Action Code 03 to close the account. Use the actual termination date, October 30, 2009, as the action date.

I understand that Wis. Stat. § 943.395 provide criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Prepared by \_\_\_\_\_ Date (MM/DD/YYYY) \_\_\_\_\_ Telephone No. \_\_\_\_\_

PAGE TOTALS

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

**EXAMPLE 9 - Employee Category Change in a Prior Year  
 (Change was Never Reported to ETF)**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

**EMPLOYEE  
 TRANSACTION REPORT**

Report Date (MM/DD/CCYY) 4/15/2010 Page No. 1 Employer Identification No. 69-036 1234  
 Employer Name Orange County

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, Zip	Emp Cat. Code	Termination/ Action Date (MM/DD/CCYY)	Last Earnings Date (MM/DD/CCYY)	New Empl. Code	1-XX THRU 6-30-XX TEACHERS/STATE/LOCAL SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employee Required Contribution Dollars	Benefit Adjustment Contribution Cents	Adm. Cont.? X if yes
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
SS# 987-65-4321 Edwards, Edith	00 28	12/31/2008				-1,140.00	-30,400 00				
SS# 987-65-4321 Edwards, Edith	03 28	12/31/2008				+1,140.00	+30,400 00				
SS# 987-65-4321 Edwards, Edith	00 28	12/31/2009				-1940.00	-35,000 00				
SS# 987-65-4321 Edwards, Edith	03 28	12/31/2009				+1,940.00	+35,000 00				
SS# 987-65-4321 Edwards, Edith	00 01	5/1/2008									

A county hired a police officer on May 1, 2008, and for the first two years incorrectly reported her as a general employee (category 00) rather than a protective employee (category 03). The County must do the following:

- ◆ Complete a *WRS Enrollment* (ET-2316) to enroll the police officer in employment category 03, in this example on May 1, 2008. The *WRS Enrollment* form must be sent with the *Employee Transaction Report* as described below.
- ◆ Complete an *Employee Transaction Report* with Action Code 28 and 12/31/CCYY of each year to be corrected.
  1. On one line enter the old employment category code and subtract previously reported hours, earnings and employee paid contributions (if applicable).
  2. On the second line, enter the new category code to add the hours, earnings and employee paid contributions (if applicable). NOTE: In this example, there are two years being corrected.
- ◆ Complete an entry on the *Employee Transaction Report* terminating the employee from the incorrect employment category. Use Action Code 01 and the effective date of the new employment category as the action date (in this example, May 1, 2008).

**EXAMPLE 10 - Employee's Hours and Earnings were Under-Reported on a Previous Report**

Department of Employee Trust Funds  
 WISCONSIN RETIREMENT SYSTEM  
 P.O. Box 7931 - Madison, WI 53707-7931

**EMPLOYEE TRANSACTION REPORT**

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MM/DD/CCYY) 10/08/2010 Page No. 1 Employer Identification No. 69-036 1234  
 Employer Name Orange County

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Termination/ Action Date (MM/DD/CCYY)	Emp Cat Code	Last Earnings Date (MM/DD/CCYY)	New Empl. Code	1-1-XX THRU 6-30-XX TEACHERS/SUBSEQUENT SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employer Required Contributions Dollars	Benefit Adjustment Contributions Dollars	Addl. Cont'r. X if yes
					Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
858-58-5858 Nelson, Nellie	12/31/2009	00 29			200.00	1800.00				18.00	
858-58-5858 Nelson, Nellie	12/31/2008	00 29			200.00	1550.00				15.50	
SS#											
SS#											
SS#											
SS#											

An employee's hours, earnings and employee paid contributions were under-reported on a previous report. You must do the following:

- ◆ Submit an *Employee Transaction Report* with Action Code 29 and 12/31/CCYY as the action date for each year you are adjusting (in this example, 2008 and 2009).
- ◆ Report only the additional hours, corresponding earnings, and employee paid contributions (if applicable) necessary to correct the employee's record. Do not report new totals.

I understand that Wis. Stat. § 543.365 provides criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature \_\_\_\_\_ Telephone No. \_\_\_\_\_ Date (MM/DD/CCYY) \_\_\_\_\_

PAGE TOTALS

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

**EXAMPLE 11 - Employee was not Enrolled/Reported**

Department of Employee Trust Funds  
WISCONSIN RETIREMENT SYSTEM  
P.O. Box 7931 - Madison, WI 53707-7931

**EMPLOYEE TRANSACTION REPORT**

Refer to your WRS Employer Administration Manual for instructions on employee transaction reporting.

Report Date (MM/DD/YYYY)	Page No.	Employer Identification No.
10/15/2010	1	69-036 1234
Employer Name Orange County		

Social Security No. NAME Last, First, Middle Initial Street Address or P.O. Box City, State, ZIP	Emp Cat.	Action Code	Termination/ Action Date (MM/DD/YYYY)	Last Earnings Date (MM/DD/YYYY)	New Empl. Code	1-1-XX THRU 6-30-XX TEACHERS/UNION/STATE SUPPORT PERSONNEL ONLY		Calendar Year to Date		Deducted from Employee Employee Required Contribution Dollars	Benefit Adjustment Contribution Cents	Adm. Cont. X if yes
						Hours of Service	EARNINGS Dollars	Hours of Service	EARNINGS Dollars			
434-34-3434 Donna Donovan	00	29	12/31/2009					750.00	18000.00		180.00	
434-34-3434 Donna Donovan	00	29	12/31/2008					650.00	15500.00		150.00	
SS#												
SS#												
SS#												
SS#												

On October 8, 2010, you determine that an employee was eligible for WRS coverage on their date of hire. The employee was hired March 6, 2008. You must do the following:

- ◆ Complete and submit a *WRS Enrollment (ET-2316)*, indicating March 6, 2008, as the date WRS participating employment began.
- ◆ Complete an *Employee Transaction Report* with Action Code 29 to report hours and earnings for 2008 and 2009.
- ◆ A separate transaction is needed for each year. Use 12/31/2009 and 12/31/2008 as the action dates for the two previous years you are reporting.
- ◆ Contributions for the current year's earnings can be "caught up" on the next *WRS Monthly Retirement Remittance Report (ET-1515)*.
- ◆ Report the 2010 hours and earnings on the 2010 annual report.

I understand that Wis. Stat. § 49.385 provide criminal penalties for knowingly making false or fraudulent claims on this form, and hereby certify that to the best of my knowledge and belief, the above information is true and correct.

Employer Agent Signature \_\_\_\_\_ Telephone No. \_\_\_\_\_ Date (MM/DD/YYYY) \_\_\_\_\_

Prepared by \_\_\_\_\_

DATE TOTALS \_\_\_\_\_

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2635 showing the contribution amounts.



**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 12 — ADDITIONAL CONTRIBUTIONS**

- 1200 General Participation Requirements**
- 1201 Types of Additional Contributions**
- 1202 Guidelines for Calculating Maximum Additional Contributions**
- 1203 *Maximum Additional Contributions Worksheet* (ET-2566)**
- 1204 Reporting Frequency of Employer Submitted Additional Contributions**
- 1205 Completion of the *Additional Contributions Report* (ET-2535)**
- 1206 *Additional Contributions Report* (ET-2535)**
- 1207 *Employer Options for Providing Increased Retirement Benefits* (ET-1137)**

**1200 General Participation Requirements**

Wisconsin Retirement System (WRS) participants may make additional contributions for the purpose of providing supplemental retirement income. Amounts are subject to the maximum contribution levels established in federal tax law.

Employees may make additional contributions by sending a check or money order directly to ETF or by arranging for a payroll deduction. If contributions are remitted through payroll deduction, the employer is required to submit an *Additional Contributions Report* (ET-2535) with the annual report or when the employee terminates. Refer to subchapter 1205 for reporting instructions.

Employees participating in the Variable Trust before January 1, 2001, may designate deposits for the Variable Trust, the Core Trust or segregate funds between the two trusts. Employees electing to participate in the Variable Trust on or after January 1, 2001, will have additional deposits automatically segregated 50% between Core and Variable funds. (Refer to Chapter 16 for information on Variable participation.)

Employees may request a copy of ETF's *Additional Contributions* (ET-2123) brochure for detailed information on making additional contributions.

## 1201 Types of Additional Contributions

### A. Employee (Regular) Additional Contributions

All participants in the WRS may make voluntary, **post-tax** additional contributions to their retirement account either through their employer by payroll deduction or by direct payment to ETF via personal check or money order.

Section 415 (c) of the Federal Internal Revenue Code (IRC) limits the amount of annual contributions to a qualified pension plan such as the WRS. The limitation amount is updated annually by the Federal Internal Revenue Service.

**NOTE:** A *Maximum Voluntary Additional Contributions Worksheet* (ET-2566) should be completed by the employee and submitted with the additional contribution (refer to subchapter 1202).

**The following contributions, subject to the IRC 415 (c) limit, apply toward the employee's annual limit:**

- Employee required contributions (ERC) (whether paid by the employee or employer).
- Employer required matching contributions.
- Benefit adjustment contributions (BAC) if paid by the employee.
- Employer-paid additional contributions (excluding amounts paid to eliminate actuarial reduction under Wis. Stat. § 40.23 (2m) (g)).
- Employee-paid additional contributions.

ETF tests employee-paid additional contributions based on WRS earnings. This testing occurs after all earnings are reported and reconciled and is normally completed by April for the prior calendar year.

In the event an employee's maximum contribution limit is exceeded, ETF contacts the employer to verify the employee's gross compensation and request a copy of the employee's W-2. The employee-paid additional contributions are re-tested when the gross compensation differs from WRS earnings. Employee-paid additional contributions in excess of the federal limit are removed from the employee's WRS account and refunded to the employee.

### B. Employer-Paid Additional Contributions

A participating employer (other than the state of Wisconsin) may make voluntary, **pre-tax** additional contributions for any participating employee in active employment status, **in addition** to the **required** employer contributions. The employer cannot begin or continue to make additional contributions after the employee terminates employment. Contributions must be made no later than the first monthly remittance of contributions to this department following termination, and should be reported on the *WRS Monthly Retirement Remittance Report* (ET-1515).

Employer-paid additional contributions are subject to the same limits as employee additional contributions. The limitation amount is updated annually by the Federal Internal Revenue Service. A *Maximum Voluntary Additional Contributions Worksheet* (ET-2566) should be completed by the employer and employee and submitted with the *Additional Contributions Report* (ET-2535).

ETF tests employer-paid additional contributions based on WRS earnings. This testing occurs after all earnings are reported and reconciled and is normally completed by April for the prior calendar year.

Employer-paid additional contributions that exceed the contribution limit are removed from the participant's account and a credit invoice is issued to the employer. Should employer-paid additional contributions exceed the limit and the employee retire prior to the contribution test, the excess contributions are removed from the employee's WRS account and credited to the employer. The annuity is retroactively recalculated without the excess additional contributions.

For more detailed information on employer paid additional contributions, refer to subchapter 1207.

### **C. Tax Deferred Additional Contributions**

- **As of January 1, 2009, ETF no longer accepts Internal Revenue Code (IRC) section 403(b) additional contributions to participant's Wisconsin Retirement System (WRS) accounts.**

Historically, ETF has accepted IRC section 403(b) additional contributions (also known as tax-deferred or tax-sheltered additional) from employees of certain school districts and educational institutions that had employees making such contributions prior to May 1982.

On July 26, 2007, the Treasury Department and the Internal Revenue Service published final regulations related to section 403(b) plans. The 2007 regulations are the first comprehensive section 403(b) regulations since 1964 and incorporate numerous changes to the arrangements. ETF has determined that it is unable to comply with many of the federal plan requirements and will therefore no longer accept 403(b) contributions.

**NOTE:** Participants who currently have 403(b) additional contributions credited to their WRS accounts will continue to earn interest on those contributions until they are eligible to withdraw the deposits. Withdrawals are subject to the same terms under which the contributions were made (i.e., withdrawals require termination of all WRS participating employment).

## **1202 Guidelines for Calculating Maximum Additional Contributions**

It is imperative that the employee and employer complete the ETF worksheet *Maximum Voluntary Additional Contributions* (ET-2566) for determining the maximum amount of WRS contributions prior to making employee or employer paid additional contributions. Doing so will decrease the possibility of exceeding the

**Wisconsin Retirement System**  
**Chapter 12 – Additional Contributions**  
**Page 4**

maximum contribution limit. A copy of the worksheet in subchapter 1203 must be mailed to ETF along with the payment. The form is revised annually and available on ETF's Internet site beginning the first month of every calendar year.

**1203 Maximum Additional Contributions Worksheet (ET-2566)**

Department of Employee Trust Funds  
P.O. Box 7931  
Madison WI 53707-7931

**MAXIMUM ADDITIONAL CONTRIBUTION WORKSHEET  
For Calendar Year 2010**

Employee Name (please print)	Social Security Number
------------------------------	------------------------

Contributions to the Wisconsin Retirement System (WRS) are subject to contribution limits under Sec. 415(c) of the Internal Revenue Code (IRC). Contributions subject to this limit cannot exceed 100% of your gross compensation from your WRS employer or \$49,000.00 whichever is less, in the calendar year in which the Department receives the contributions.

**The WRS, which is qualified under Sec. 401(a) of the IRC, does not have a "catch up" provision for additional contributions.**

When you or your employer make voluntary regular (after-tax) additional contributions to your WRS account, you must use this worksheet to calculate the maximum amount of voluntary contributions that you can make to the WRS. We recommend you contact your employer for assistance in correctly completing this worksheet.

**Fill in or calculate the following amounts**

<b>A</b>	Enter the lesser of \$49,000.00 or the amount of your projected gross compensation* from your WRS employer(s) for the current calendar year. The lesser of these two amounts is the maximum amount of contributions that can be made to your WRS account, per IRC Sec. 415(c).		
	<small>* Gross compensation includes all compensation from a WRS participating employer actually paid or made available to the individual for the year in which the contribution is made. This includes any amounts deferred such as to a tax deferred savings plan or IRC Sec. 125 cafeteria plan.</small>		
<b>B</b>	Enter your projected WRS reportable earnings for the current year. This amount will include any tax-deferred amounts. Note: This amount may be different than the gross compensation, as certain allowances and lump sum payments are not reportable as earnings to the WRS. Check with your employer if you have questions about what is reported to the WRS.		
<b>C</b>	Multiply the amount from line B times ____% (see the Employee Required Contribution Rates** below for the contribution rate for your employment category) and multiply this amount times 2. This will equal your employee required plus matching employer required contribution amount.	=	
<b>D</b>	Subtract line C from line A.	=	
<b>E</b>	Check with your employer to see if you pay a Benefit Adjustment Contribution (BAC). If yes, multiply line B times ____% to determine the BAC that will actually be paid by you. Contact your employer for this percentage rate.		
<b>F</b>	Subtract line E from line D to obtain the total maximum amount that you and/or your employer can contribute to the WRS as additional contributions.	=	
<b>G</b>	If your employer has or will be making any additional contributions to your WRS account for the current year, enter the amount here.		
<b>H</b>	Subtract line G from line F. The result is the total maximum amount that <u>you</u> can contribute to your WRS account.	=	

**\*\* 2010 Employee Required Contribution Rates:**

General/Teachers/Educational Support Personnel	5.0%	Protectives with Social Security	5.5%
Judges/Executive/Elected Officials	3.2%	Protectives without Social Security	3.9%

Date (MM/DD/CCYY)	Signature of Preparer (Employee or Employer)	Telephone Number
-------------------	--	------------------

If prepared by Employer, include Employer Identification Number (EIN): 69-036-\_\_\_\_\_

## 1204 Reporting Frequency of Employer Submitted Additional Contributions

An *Additional Contributions Report* (ET-2535) must be completed and submitted to ETF.

- A. Terminated employees: It is critical that ETF receive the report within one week after the employee's final paycheck. The information is necessary to determine the participant's benefit. The form must be attached to the corresponding *Employee Transaction Report* (ET-2533), used to report termination data.
- B. Active employees: Submit with the annual report. Do not transmit the *Additional Contributions Report* for active employees monthly or when contributions are reported on the *Monthly Retirement Remittance Reports*.

## 1205 Completion of the *Additional Contributions Report* (ET-2535)

The letter in the following headings is the key to placement on the sample *Additional Contributions Report*. Complete the report as follows: (Refer to sample in subchapter 1206 for reference.)

### A. EMPLOYER IDENTIFICATION NUMBER (EIN)

Enter your EIN (XXXX-XXX) as shown on your WRS *Monthly Retirement Remittance Report* (ET-1515).

### B. REPORT DATE

Enter the date (MM/DD/CCYY) equal to payroll date for terminations reported or equal to 12/31/CCYY for annual transactions.

### C. PAGE NUMBER

Enter the page numbers, if more than a one-page report.

### D. EMPLOYER NAME

Enter your employer name as shown on your WRS *Monthly Retirement Remittance Report* (ET-1515).

### E. SOCIAL SECURITY NUMBER

Enter the employee's Social Security number.

### F. NAME

Enter the employee's last name, first name and middle initial.

**G. EMPLOYMENT CATEGORY CODE**

Enter the employment category code applicable for the employee.

**H. ADDITIONAL CONTRIBUTIONS**

Indicate the applicable dollar amounts of Core and/or Variable amounts for the two (2) types of additional contributions:

1. Employee-Paid Additional Contributions – Post-tax contributions deducted from employee's salary; and/or
2. Employer-Paid Additional Contributions – Pre-tax contributions paid by employer.

**I. PAGE TOTALS**

Enter totals for each column on each page.

**J. EMPLOYER AGENT SIGNATURE**

The employer's designated WRS agent must sign the report to certify its content.

**K. DATE**

Enter the date (MM/DD/CCYY) you completed the report.

**L. PREPARED BY AND TELEPHONE NUMBER**

Enter the full name and telephone number of the person who can answer questions concerning the information on your report.



**1207 *Employer Options for Providing Increased Retirement Benefits***  
**(ET-1137)**

Department of Employee Trust Funds  
Wisconsin Retirement System  
P.O. Box 7931  
Madison, WI 53707-7931

**Employer Options for Providing Increased  
Retirement Benefits**

Wisconsin statutes provide two methods that an employer can use to increase the retirement benefits normally provided for employees under the Wisconsin Retirement System (WRS):

- 1) Employer Paid Additional Contributions
- 2) Employer Agreement to Pay Cost of Actuarial Reduction

Attached is a comparison of these two methods.

After reviewing this material if you have further questions about benefits provided by these methods, you may call the Department of Employee Trust Funds (ETF) toll free at 1-877-533-5020, or (608) 266-3285 (local Madison).

	<b>Employer Additional Contributions</b>	<b>Employer Agreement to Pay Cost of Actuarial Reduction</b>
<b>Eligible Employers</b>	Any employer	Any employer
<b>Eligible employees (of employers electing to provide the increased benefit)</b>	Any WRS participating employee: <ul style="list-style-type: none"> <li>• Eligibility ceases if employment status terminates for any reason.</li> <li>• Includes employees on leaves of absence.</li> <li>• If leave of absence continues beyond three years, employment is deemed terminated at the end of the third year of leave and eligibility ceases.</li> </ul>	Any WRS participating employee: <ul style="list-style-type: none"> <li>• Includes employees on leaves of absence.</li> </ul>
<b>Amount of Added Contributions</b>	Amount determined by employer, based on amount employer wishes to increase employee's benefits: <ul style="list-style-type: none"> <li>• No employee contributions required.</li> <li>• See attached "Contribution Benefit Table" (Chart A).</li> </ul> <p><i>Note:</i> Cannot exceed contribution limits. Employer additional contributions are subject to the maximum contribution limits set by the Internal Revenue Service. Reviewed annually, there is no catch up provision.</p>	Amount determined by employer: <ul style="list-style-type: none"> <li>• May elect to pay 100% or a lesser percentage of cost to offset any actuarial reduction applied to formula annuities of participants who retire before their normal retirement age.</li> <li>• May elect to pay a certain dollar amount of the cost.</li> <li>• May elect to pay the cost as if the employee were a certain number of years older.</li> </ul>
<b>When Must Contributions Be Made</b>	May be remitted monthly with the WRS <i>Monthly Remittance Report</i> (ET-1515), but no later than the first monthly remittance of contributions to ETF following the employee's termination.	On the first monthly remittance of contributions to this Department following receipt of <i>Notice of Payment Due</i> (ET-4324). <ul style="list-style-type: none"> <li>• Payment must be received in a lump sum.</li> </ul>
<b>Pertinent Statutory References</b>	Wis. Stat. § 40.05 (2) (g), and 40.05 (2r)	Wis. Stat. § 40.23 (2m) (g)
<b>Split Between Core and Variable Accounts</b>	Deposited in Core account unless the employee has already elected to have additional contributions deposited in variable account. Variable participation was closed to new members on April 30, 1980, and re-opened January 1, 2000.	Not applicable.
<b>Interest Credit on Contributions</b>	Receive same interest as other additional contributions.	Not applicable.
<b>Effect on Employee Benefits</b>	Credited to employee account and increase employee's monthly annuity at retirement.	Eliminates up to 100% of the actuarial age reduction applied to formula annuities of participants who retire before reaching normal retirement age. <i>Note:</i> If the final annuity amount is greater using the money purchase calculation, there is no actuarial reduction to purchase.
<b>Benefit Change</b>	Increases total benefit. <ul style="list-style-type: none"> <li>• Used to purchase an annuity in addition to the benefit from required contributions. See Chart A, "Contribution Benefit Table," to estimate the increase in an annuity.</li> </ul>	Increases formula retirement benefit. <ul style="list-style-type: none"> <li>• Benefit is increased as a result of eliminating part or all of the actuarial age reduction.</li> </ul>

	<b>Employer Additional Contributions</b>	<b>Employer Agreement to Pay Cost of Actuarial Reduction</b>
<p><b>Procedure for Initiating Employer Option</b></p>	<p>Must be formal compensation agreement with employee(s).</p> <p>Action that applies to state employees must be pursuant to Wis. Stat. § 230.12 or a collective bargaining agreement under subch. V or Ch. 111.</p> <p>Employer files <i>Additional Contributions Report</i> (ET-2535).</p> <p>See Chapter 12 of the <i>WRS Administration Manual</i> (ET-1127).</p>	<p>Employer should determine if an actuarial reduction would be applied to the individual employee's annuity. See attached Chart B.</p> <p>The employer or employee must contact ETF to request an <i>Election to Pay Cost of Actuarial Reduction</i> form (ET-4311) for each employee for whom employer will provide increased benefits under this program. ETF calculates the employer's estimated cost to pay for 100% of the actuarial reduction and sends the information on the ET-4311. The employer agent must indicate either the dollar amount or the percentage of the actuarial reduction the employer will pay on the ET-4311, and sign and return the form. <b>ETF must receive the signed ET-4311 no later than the employee's termination date.</b></p>
<p><b>Additional Information</b></p>	<p>Payable only as a life annuity; no lump sum or annuity certain is available. Generally paid in the same optional form as the regular annuity when application is made for the regular annuity on required deposits. This annuity amount is taxable when paid.</p> <p>Benefit purchased by additional contributions is not subject to the formula benefit maximum (70% of final average earnings, or 65% for protectives covered by Social Security, or 85% for protectives not covered by Social Security).</p>	<p>No cost to employer or benefit increase to:</p> <ul style="list-style-type: none"> <li>• non-protective category employees who are at least age 57 with 30 or more years of creditable service.</li> <li>• Protective category employees who are at least age 53 with 25 years of creditable service, or age 54 with less than 25 years of service.</li> </ul> <p>The increased amount is included in the taxable portion of the annuitant's benefit.</p>

**Chart A**  
**Contribution Benefit Table**

This chart gives a general estimate of the amount of monthly annuity that can be purchased with \$1,000 in additional contributions at different retirement ages. The chart also shows how much in additional contributions would be needed to purchase a \$50 or \$100 a month additional benefit paid as a "For Annuitant's Life Only" annuity.

These benefit amounts assume the person retires at the age shown on the chart and are based on the assumption the additional contributions are paid just prior to retirement.

If Benefit Begins at Age:	Initial Monthly "For Annuitant's Life Only" Benefit Amount Provided by \$1,000**	Amount Needed to Fund Initial "For Annuitant's Life Only" Benefit of:**	
		\$50	\$100
50*	\$5.27	\$9,487.67	\$18,975.33
51*	5.34	9,363.30	18,726.59
52*	5.41	9,242.14	18,484.29
53*	5.49	9,107.47	18,214.94
54*	5.57	8,976.66	17,953.32
55	5.65	8,849.56	17,699.12
56	5.74	8,710.80	17,421.60
57	5.84	8,561.64	17,123.29
58	5.94	8,417.51	16,835.02
59	6.05	8,264.46	16,528.93
60	6.16	8,116.88	16,233.77
61	6.29	7,949.13	15,898.25
62	6.43	7,776.05	15,552.10
63	6.57	7,610.35	15,220.70
64	6.73	7,429.42	14,858.84
65	6.91	7,235.89	14,471.78
66	7.09	7,052.19	14,104.37
67	7.29	6,858.71	13,717.42
68	7.51	6,657.79	13,315.58
69	7.74	6,459.95	12,919.90
70	8.00	6,250.00	12,500.00

\* Only protective occupation employees are eligible to start receiving retirement benefits prior to age 55.

\*\* WRS benefits are designed to increase the amount after retirement to compensate, at least in part, for inflation. The amount of increase depends on the investment experience of the retirement funds (investment earnings in excess of 5% generate increases in annuities). Annuities purchased from life insurance companies normally begin at a higher rate than WRS annuities because they usually do not provide for any future increases to offset inflation.

To use the table on the previous page, you need to know the employee's age and either the amount of the monthly "Annuitant's Life Only" annuity which you wish to purchase or the amount of money you intend to deposit into the additional account.

For example, if you wish to purchase an annuity of \$135 a month for a 60-year old employee at retirement, your cost would be:

$$\frac{\$135}{\$6.16} \times \$1,000 = \$21,915.58$$

Alternatively, if you have \$25,000 with which you wish to purchase a "For Annuitant's Life Only" annuity for a 60-year old employee, the annuity purchased would be:

$$\frac{\$25,000}{\$1,000} \times \$6.16 = \$154.00$$

If this employee elects an annuity option other than a "For Annuitant's Life Only" annuity, the benefit amount would be reduced to provide for the cost of survivor benefits. The amount of reduction would vary depending on the option elected.

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Chart B  
 Actuarial Age Reduction Factors, Based on Age and Years of Service

Elected/Exec., General, Teachers Categories Years of Service	AGE 55	AGE 56	AGE 57	AGE 58	AGE 59	AGE 60	AGE 61	AGE 62	AGE 63	AGE 64	AGE 65		
	5	.584	.632	.680	.720	.704	.760	.752	.800	.840	.880	.920	.960
6	.597	.645	.693	.731	.712	.770	.760	.808	.846	.885	.923	.962	1.000
7	.610	.658	.706	.742	.720	.779	.768	.816	.853	.890	.926	.963	1.000
8	.622	.670	.718	.754	.728	.789	.776	.824	.859	.894	.930	.965	1.000
9	.635	.683	.731	.765	.736	.798	.784	.832	.866	.899	.933	.966	1.000
10	.648	.696	.744	.776	.744	.808	.792	.840	.872	.904	.936	.968	1.000
11	.661	.709	.757	.787	.752	.818	.800	.848	.878	.909	.939	.970	1.000
12	.674	.722	.770	.798	.760	.827	.808	.856	.885	.914	.942	.971	1.000
13	.686	.734	.782	.810	.768	.837	.816	.864	.891	.918	.946	.973	1.000
14	.699	.747	.795	.821	.776	.846	.824	.872	.898	.923	.949	.974	1.000
15	.712	.760	.808	.832	.784	.856	.832	.880	.904	.928	.952	.976	1.000
16	.725	.773	.821	.843	.792	.866	.840	.888	.910	.933	.955	.978	1.000
17	.738	.786	.834	.854	.800	.875	.848	.896	.917	.938	.958	.979	1.000
18	.750	.798	.846	.866	.808	.885	.856	.904	.923	.942	.962	.981	1.000
19	.763	.811	.859	.877	.816	.894	.864	.912	.930	.947	.965	.982	1.000
20	.776	.824	.872	.888	.824	.904	.872	.920	.936	.952	.968	.984	1.000
21	.789	.837	.885	.899	.832	.914	.880	.928	.942	.957	.971	.986	1.000
22	.802	.850	.898	.910	.840	.923	.888	.936	.949	.962	.974	.987	1.000
23	.814	.862	.910	.922	.848	.933	.896	.944	.955	.966	.978	.989	1.000
24	.827	.875	.923	.933	.856	.942	.904	.952	.962	.971	.981	.990	1.000
25	.840	.888	.936	.944	.864	.952	.912	.960	.968	.976	.984	.992	1.000
26	.853	.901	.949	.955	.872	.962	.920	.968	.974	.981	.987	.994	1.000
27	.866	.914	.962	.966	.880	.971	.928	.976	.981	.986	.990	.995	1.000
28	.878	.926	.974	.978	.888	.981	.936	.984	.987	.990	.994	.997	1.000
29	.891	.939	.987	.989	.896	.990	.944	.992	.994	.995	.997	.998	1.000
30 & Over	.904	.952	1.000	1.000	.904	1.000	.952	1.000	1.000	1.000	1.000	1.000	1.000

Protective Category Employees

Years of Service	AGE 50	AGE 51	AGE 52	AGE 53	AGE 54
Under 25	.808	.856	.904	.952	1.000
25 and Over	.856	.904	.952	1.000	1.000

**CHAPTER 13 — COMPROMISE SETTLEMENTS (COURT ORDERS,  
ARBITRATION AWARDS, GRIEVANCES, ETC.)**

- 1300 Types of Awards**
- 1301 Statutory/Rule Basis**
- 1302 Requirements of an Acceptable Compromise Settlement**
- 1303 Compromise Settlements of Disputed Terminations**
- 1304 Earnings Offset**
- 1305 Payments Not Reportable to WRS**
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- 1307 Compromise Settlement Guidelines**
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- 1310 ETF Procedure Upon Receipt of the Compromise Settlement and Employee Transaction Report**
- 1311 Reporting Compromise Settlements and Remitting Contributions to ETF**
- 1312 Employer Recovery of Benefits Paid**

**1300 Types of Awards**

Improper terminations, disciplinary actions and wage disputes sometimes result in grievance settlements, arbitration awards or court orders. For purposes of this chapter, all of these will be referenced as compromise settlements. Compromise settlements may grant the appellant reinstatement, restore benefits, and/or provide for back wages and/or damages which may or may not be reportable earnings for WRS purposes.

Payments resulting from retroactive contract settlements to all eligible employees in a bargaining unit are not considered in this section. Refer to Chapter 11 for reporting retroactive contract settlements.

**1301 Statutory/Rule Basis**

Wis. Stat. § 40.02 (22) (b) 9 excludes payments made under court order or compromise settlement from consideration as WRS earnings, unless provided for by departmental rule. Wisconsin Administrative Code ETF 20.12 was codified to establish the conditions under which payments made as a remedy for an employment dispute may be considered WRS earnings.

Wis. Stat. § 40.25 (5) requires repayment of any WRS benefit taken following a discharge when the compromise settlement reinstates the discharged employee to their former position. Following repayment, the employee's forfeited WRS rights and

creditable service are reestablished as though the employee had been continuously employed and the benefit never taken.

Reinstatement, for purposes of Wis. Stat. § 40.25 (5), is defined by Wisconsin Administrative Code ETF 10.01 (3t) as restoring an employee to the same or similar position with the same employer at the same level as prior to the discharge. The termination must be expunged and the employee made whole with respect to all wages and benefits the employee would have received if continuously employed by that employer.

### **1302 Requirements of an Acceptable Compromise Settlement**

The effective date of the compromise settlement is the latest date signed by the parties involved. The following conditions apply to compromise settlements with an effective date on or after May 16, 1996. These conditions are summarized from Administrative Code ETF 20.12 and are meant as a reference tool. Upon receipt, ETF will review the compromise settlements for compliance with ETF 20.12.

**NOTE:** Compromise settlements with an effective date prior to May 16, 1996, will be reviewed using statutes in effect at the time they were signed. Please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900, if your compromise settlement has an effective date prior to May 16, 1996.

**IMPORTANT: ETF will not pre-review and/or issue pre-approvals on draft compromise settlements.**

Disputes involving fewer than 80 hours do not require submission of a copy of the compromise settlement. Report the hours and earnings as a current or prior year adjustment as applicable. Current year hours and earnings must be included on a current year termination report, annual report or correcting report. Prior year hours and earnings must be submitted on an appropriately coded transaction report (action code 22).

All of the following conditions must be met in order for compromise settlements effective on or after May 16, 1996, to be considered acceptable:

- A. The payment must be one of the following:
  - Retroactive wages for an involuntary termination. The compromise settlement must also expunge the previous discharge date.
  - Retroactive wages for a period of involuntary suspension or unpaid leave of absence.
  - Additional wages for hours of service performed and previously reported to WRS.
  - Additional wages for hours of service performed, but not previously reported to WRS.
- B. The employee or former employee must be living on the effective date of the settlement agreement.

- C. The compromise settlement is written, signed and dated by the issuing authority (court, personnel commission, etc.) or by the parties to the agreement.
- D. The compromise settlement must specify the wages to be paid to the employee for each annual earnings period (regardless of when it is taxable) and the associated hours of service performed by the employee or hours that would have been performed if the employee had not been suspended or terminated.

**NOTE:** For employment categories five, six, seven, eight, 10, 11 and 12, the annual earnings period is July 1 through June 30. For all other employment categories, the annual earnings period is January 1 through December 31.

- E. You must submit a copy of the compromise settlement along with an *Employee Transaction Report* (ET-2533). Report the wages and hours resulting from the settlement agreement using the instructions in Chapter 11. ETF may request additional payroll detail from you.

### **1303 Compromise Settlements of Disputed Terminations**

In addition to the requirements defined in subchapter 1302 for acceptable awards, if the compromise settlement pertains to a disputed termination, the settlement must do ALL of the following:

- A. Rescind the termination date previously reported or establish a new termination date if the employee is not reinstated. The new termination date cannot be later than the effective date of the compromise settlement.
- B. Award back wages from the rescinded termination date to the return-to-work date or the new termination date. Wages must be paid as if the employee had been continuously employed throughout the disputed period. The compromise settlement may direct that back wages paid be offset by amounts earned from other sources as well as identify a period of unpaid suspension. Refer to subchapter 1304.

### **1304 Earnings Offset**

The following procedures are followed when back-wage payments are offset due to earnings from other sources:

- A. If the compromise settlement directs that the back-wage payment first be reduced by amounts earned from non-WRS sources, ETF shall determine the earnings to be credited in each annual earnings period based on the unreduced amount, subject to the limitations in Section 415 of the Internal Revenue Code (IRC).

**EXAMPLE 1:** An employee who normally earns \$12 per hour in a full-time position (\$480 per week) works half time in another position not covered under WRS for \$10 per hour during the dispute. In each week, the employee earns \$200 for 20 hours of service working half time. If the employee is made whole for wages and receives back wages of \$280 per week (the offset amount) for the disputed period, the employee will receive WRS credit for \$480 and 40 hours of service per week because the unreduced amount is within the IRC limitations. This may not be the case in all instances.

**NOTE:** An acceptable compromise settlement will indicate what the employee would have earned if not terminated, which would include any amounts to be offset and the amounts to be paid as back wages to the employee.

- B. If the compromise settlement directs that the back wage payment first be reduced by amounts earned from other WRS participating employment, ETF shall determine the earnings to be credited in each annual earnings period based on the reduced amount.

**EXAMPLE 1:** An employee who normally earns \$12 per hour in a full-time position (\$480 per week) works half time in another WRS participating position for \$10 per hour during the dispute. In each week, the employee earns \$200 and 20 hours of service working half time. If the employee is made whole for wages and receives back wages of \$480 per week for the disputed period, the employee will receive retirement credit for only an additional \$280 in earnings and an additional 20 hours of service for each week.

If the employee's WRS participating employment during the disputed period was part-time, ETF may credit additional earnings and service if the employee submits satisfactory evidence showing that the total earnings and service credited during the dispute would have been greater than those prevailing before the dispute.

### 1305 Payments Not Reportable to WRS

The following payments will not be considered WRS reportable earnings as provided in ETF 20.12 (5):

- A. Any payments for damages, attorney fees, interest or penalties resulting from the compromise settlement.
- B. A payment that results from an employer's failure to hire a person. This does not exclude wages related to failure to promote an employee, if the employee's basic pay rate is permanently increased.
- C. Earnings that exceed those normally earned in an equivalent earnings period. The intent of the compromise settlement is not to artificially inflate earnings that would have been reported to WRS if there had not been a dispute.

- D. A payment not directed to the applicable earnings period.
- E. A payment for actual or constructive services rendered or deemed to have been rendered after termination of employment.
- F. Any payment that is excluded under Wis. Stat. § 40.02 (22) (b). Refer to subchapter 506 for details.
- G. A payment made to an annuitant unless there is a proper reinstatement.

### 1306 Examples of Compromise Settlements

**Case 1:**

Plaintiff grieved his failure to be hired at a state agency. The state agency succeeded in persuading the personnel commission that it need not hire him, but rather make a cash award settlement.

**Settlement:**

\$19,000 cash award.

**Question:**

Does this payment represent “WRS reportable earnings?”

**Answer:**

No. It is a payment resulting from a failure to hire or promote.

**Case 2:**

Plaintiff filed suit in U.S. District Court as well as a complaint with the personnel commission alleging discrimination during her employment and in the termination of her employment by State Agency A. To avoid litigation, the state and the plaintiff reached a compromise settlement.

**Settlement:**

The state pays \$90,000 “in gross wages” to the plaintiff “less any amounts required to be deducted by law or administrative regulation.” \$50,000 in attorney’s fees was also paid. The settlement specifically states that neither the plaintiff nor the defendant admits any wrongdoing. The plaintiff retains three years’ reinstatement rights, but agrees not to seek work at State Agency A and agrees to submit a letter of resignation.

**Question:**

Does this payment represent “WRS reportable earnings?”

**Answer:**

No. The plaintiff was not offered reemployment and resignation was a part of the settlement. It is not clear how the settlement arrived at the \$90,000 figure or for what years the payment is made. Also, attorney’s fees are not WRS reportable.

**Case 3:**

Five-day suspension is changed to a letter of reprimand. The employee gets five days pay, minus all normal and customary deductions.

**Question:**

Does this payment represent “WRS reportable earnings?”

**Answer:**

Yes. If settled in the current year, the employer must include the earnings and hours on their annual report. If settled for a prior year, the employer must submit an appropriately coded transaction report (action code 22) to ETF. A copy of the compromise settlement need not accompany the report because the award is fewer than 80 hours of pay.

**Case 4:**

Participating employee is discharged and grieves the discharge.

**Settlement:**

The discharge is withdrawn. The employer is ordered to pay back wages from the date of the discharge to the date of the compromise settlement. The employer is also ordered to place the grievant on an unpaid leave of absence beginning with the date the compromise settlement is reached until the grievant is brought back to work into the first available position. The order states the amount of earnings and hours for the annual earnings period.

**Question:**

Does this payment represent “WRS reportable earnings?”

**Answer:**

Yes. The employer is ordered to pay the employee wages from the rescinded termination and those wages may identify a period of suspension for which wages are not paid. The settlement also specifies the hours of service and wages for each annual earnings period.

**Case 5:**

Participating employee is discharged and grieves the discharge.

**Settlement:**

The compromise settlement provides that the employee will not return to work but the employer is to “deem” service and earnings from the date of discharge to some future date.

**Question:**

Can the employer pay contributions to WRS for the period of deemed service and earnings?

**Answer:**

Contributions paid on deemed service and earnings are not permissible in these cases.

## 1307 Compromise Settlement Guidelines

The following conditions must be met for payments made under a compromise settlement to be treated as earnings for WRS purposes. These guidelines are not all inclusive of the rule. You must refer to the rule for details.

Wis. Admin. Code	Requirement	Meets	Does Not Meet	Comment:
ETF 20.12 (4) (a)	<p>The payment is for:</p> <ol style="list-style-type: none"> <li>1. retroactive wages for an expunged termination, OR</li> <li>2. retroactive wages for an involuntary suspension or leave, OR</li> <li>3. additional wages due for hours of service previously reported, OR</li> <li>4. additional wages for hours of service not previously reported.</li> </ol> <p>NOTE: Wages must be considered WRS earnings to be reportable. Refer to Wis. Admin. Code ETF 20.12 (5), (6) and Wis. Stat. § 40.02 (22) (a) and (b).</p>			<p>If the payment made as a result of the compromise settlement is not one of these types, do not proceed any further as the compromise settlement will not be accepted by ETF.</p> <p>If the payment made as a result of the compromise settlement is one of these types, proceed to the next requirement.</p>
ETF 20.12 (4) (b)	The member or former member is living at the time of the effective date of the compromise settlement.			<p>If the member is not living on the effective date of the compromise settlement, it will not be accepted by ETF.</p> <p>If the member is living on the effective date of the compromise settlement, proceed to the next requirement.</p>
ETF 20.12 (4) (c)	The compromise settlement must be written, signed and dated by the issuing authority or by parties to the agreement.			<p>If the compromise settlement does not meet all of these requirements, it will be rejected by ETF.</p> <p>If the compromise settlement is written, signed and dated by the issuing authority or by parties to the agreement, proceed to the next requirement.</p>
ETF 20.12 (4) (d) and ETF 20.12 (8)	The compromise settlement specifies the wages to be paid for each annual earnings period and the associated hours.			<p>If the compromise settlement does not meet this requirement, it will be rejected by ETF.</p> <p>If the compromise settlement specifies the wages to be paid along with the associated hours of service, and the associated hours are indicated for each annual earnings period, proceed to the next requirement.</p>
ETF 20.12 (4) (e)	The employer must report the WRS earnings and hours of service according to WRS reporting requirements (i.e., <i>Employee Transaction Report</i> , ET-2533).			Once the compromise settlement is finalized, the employer must complete and submit to

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Wis. Admin. Code	Requirement	Meets	Does Not Meet	Comment:
				<p>ETF the necessary transaction report forms to report the WRS reportable earnings and service for each calendar year.</p> <p>NOTE: The annual earnings period is fiscal year for teachers, judges, and educational support personnel.</p>
ETF 20.12 (4) (g)	<p>The employer must remit required contributions on wages (or that portion of wages) which ETF treats as earnings including interest computed under Wis. Stat. § 40.06 (5).</p>			<p>If the retroactive wages in the final compromise settlement meet the provisions of ETF 20.12 to be included as WRS earnings, ETF will prepare an invoice based on the employer's report required under 20.12 (4) (e). The invoice will indicate the amount due from the employer for employee contributions, and associated interest, and employer contributions, and associated interest. The employer is required to pay the entire amount due to ETF upon receipt of the invoice. The employer may then collect from the employee the amount the employee would have paid for the employee's share of contributions (if any) had the employee not been terminated and the employee's share of interest.</p> <p>NOTE: The employee may not pay any portion of the employer's contribution or employer's interest. (See Wis. Stat. § 40.05).</p>
ETF 20.12 (4) (h)	<p>If the remedy includes payment of wages for a period following a disputed termination of participating employment, the compromise settlement does all of the following:</p> <p>Directs the employer to rescind the termination date and, if employee is not reinstated, gives the employee a new termination date, which cannot be later than the effective date of the compromise settlement.</p> <p>Directs the employer to pay all wages from the rescinded termination date to the return to work date or new termination date (as though the employee had been continuously</p>			<p>If the compromise settlement does not direct the employer to pay the full back wages (less applicable offsets), the payment is not WRS reportable.</p>

Wis. Admin. Code	Requirement	Meets	Does Not Meet	Comment:
	<p>working). The compromise settlement may reduce wages by amounts earned from other sources and may identify a period of suspension for which wages are not paid.</p> <p>NOTE: If the compromise settlement directs that wages to be paid be offset by other sources during the disputed period, see ETF 20.12 (7) and (10).</p>			

### **1308 Additional Contributions**

Employees can receive additional contributions resulting from the compromise settlement. If the additional contributions, however, exceed the limits on contributions defined in Section 415 of the Internal Revenue Code, ETF will provide refunds to employees or credits to employers of the excess contributions, regardless of the terms of the compromise settlement.

ETF can provide estimated amounts of additional contributions necessary to fund a benefit equivalent to a hypothetical WRS benefit to either employers or employees.

### **1309 Insurance Coverage**

An employee contesting termination should be encouraged to take advantage of insurance continuation options and include any alleged lost insurance benefits as part of the employee's damage claim against the employer.

Retroactive reinstatement of coverage under any of the group insurance plans is not provided. Participants who are not reinstated to participating employment cannot obtain coverage resulting from the compromise settlement.

**There are three insurance coverage scenarios that can occur:**

**1. Employee is reinstated into participating employment and coverage lapsed in the interim.**

- An employee whose group health insurance, income continuation insurance, or group life insurance coverage under Wis. Stat. §§ 40.03 (6) (b), 40.51, 40.61, or 40.70, lapsed in the interim may enroll:
  - Only for the insurance plans and coverage in which the employee participated on the date of the disputed termination, and
  - For any plan or coverage for which the employee is otherwise eligible and that the employer first offered during the disputed termination.
- The effective date of the insurance enrollment is determined as if the employee were rehired on the date of the reinstatement. Insurance coverage

becomes effective the first of the month following the employer's receipt of the application. Applications must be returned to the employer within 30 days of reinstatement (return to work).

**2. Employee is reinstated into participating employment and had continued coverage while grieving the discharge.**

- Coverage can be continued during the appeal process with premium payments submitted through the employer. The employee pays both the employee and employer share of the premium until the employee is reinstated.
- The employer should reimburse the employee for the employer share of the premiums if the employee's account is reestablished.
- No application is required since coverage never lapsed.

**3. Employee is not reinstated and had continued coverage while grieving the discharge.**

- Insurance is terminated the last day of the month in which the compromise settlement becomes final.
- Offer employee health and life insurance continuation coverage, if applicable.

**1310 ETF Procedure Upon Receipt of the Compromise Settlement and Employee Transaction Report**

If the compromise settlement meets the conditions of ETF 20.12 and payments made as a result of the compromise settlement are determined to be reportable for WRS purposes, ETF will do the following:

1. Reactivate the employee's WRS account by removing the disputed termination, if there had been a disputed termination.
2. Compute the total of any benefit payments (separation or WRS annuity) the employee received after the termination date. Refer to subchapter 1312 for details.
3. Compute the total WRS contributions and interest due based on the calendar year back wages paid as a result of the compromise settlement and reported on the *Employee Transaction Report* (ET-2533).
4. Invoice the employer for 2 and 3, above.
5. Credit the employee's WRS account with earnings, contributions and service for the appropriate annual earnings period(s) retroactive to the expunged termination date. The net effect is that the employee is treated as though never terminated.

### **1311 Reporting Compromise Settlements and Remitting Contributions to ETF**

Employers must submit a compromise settlement to ETF within 90 days of the settlement effective date. If this is not done, the employee, collective bargaining unit, or the issuing authority may submit the compromise settlement to ETF. ETF will then contact you to request proper reporting.

If the compromise settlement impacts current year earnings, pay the full amount of WRS current year contributions with the next remittance report due after the effective date of the employee's compromise settlement. For instructions, contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900 for reporting details.

If the compromise settlement impacts prior year earnings, ETF will prepare an invoice based on the earnings reported. The invoice will include amounts due from the employer for employer contributions, employee contributions, employer interest, and employee interest. Refer to Chapter 11 for reporting requirements.

### **1312 Employer Recovery of Benefits Paid**

If the participant being reinstated received a benefit after being discharged, the full amount of the benefit paid is to be repaid to the WRS by the employer. ETF will invoice the employer for the amount due.

The employer may deduct from any payment due the employee resulting from the compromise settlement the benefit amount repaid by the employer. If that amount is insufficient, the balance can be deducted from the employee's future earnings. The amount deducted from each earnings payment may not be less than 10% or more than 25% of the employee's earnings payment. The employer may charge the employee interest at a rate not in excess of the current year's assumed rate on any amount unpaid at the end of the calendar year after the year of reinstatement.

If the employee terminates employment, the employer must notify ETF of the benefit amount not yet recouped from the employee, including any interest due, at the same time it notifies ETF of the termination of employment. ETF will repay the employer the balance not recouped. ETF will then withhold that amount from the participant's future WRS benefit.

Refer to Wis. Stat. § 40.25 (5) (b) for employer recovery of benefits paid.

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**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 14 — TERMINATION RULE AND REPORTING**

- 1400 Introduction**
- 1401 Minimum Break in Service**
- 1402 Required Conditions of a Valid Termination**
- 1403 Determining the Termination Date**
- 1404 Rehired Annuitants and Valid Terminations**
- 1405 Frequently Asked Questions Concerning Valid Terminations**
- 1406 Disability Termination Requirements**

**1400 Introduction**

Federal law requires a “good-faith” termination of employment to qualify for a benefit distribution from a qualified retirement plan such as the WRS. A good faith termination from WRS employment has two requirements:

- **Fulfill a Minimum Break in Service**
- **Meet All Required Conditions to be a Valid Termination**

**NOTE:** Some exceptions to Wis. Admin. Code ETF 10.08 exist when a participating employee is terminating employment due to disability and applying for benefits from either of the disability programs administered by ETF. (Refer to subchapter 1407 and *Employer Bulletin*, Vol. 23, No. 5, dated April 19, 2006.)

**1401 Minimum Break in Service**

In order to be eligible for a WRS benefit, terminating employees must fulfill a **minimum break in service** as required by law and rule.

Wis. Adm. Code ETF 10.08 (2) (a) provides that “. . . no person may receive any retirement annuity, separation benefit or lump sum payment from the Wisconsin retirement system without first terminating from his or her current participating employment with all participating employers.”

**NOTE:** Refer to subchapter 1505 on Waiver of Part-time Local Elected Official for exception.

Wis. Adm. Code ETF 10.08 (2)(c) further provides that in order to be eligible to receive a retirement annuity, separation benefit or lump-sum payment from the WRS, the employee must remain terminated from all WRS participating employment “. . . throughout a period beginning with the date of termination . . . and ending on the **latest of the following dates:**

- The day after the annuity effective date. . .
- The 31st day after the benefit application is received by ETF. . .
- The 31st day after termination of employment. . .”

## 1402 Required Conditions of a Valid Termination

Wis. Admin. Code ETF 10.08 defines the conditions a termination must meet to qualify for a WRS benefit. There are some exceptions for terminations when an employee is applying for WRS administered disability benefits, as described in subchapter 1504.

- **A valid termination meets all of the following six conditions:**
  1. The employee ceases to render compensable services.
  2. The employee and employer comply with the employer’s policies for voluntary termination.
  3. As of the termination date, the employer has no "rights" to any future services to be rendered by the employee that meet the qualifications for WRS coverage for which compensation has or will be paid. This means the rule:
    - Prohibits an enforceable agreement as of the termination date for **any** future WRS compensable employment with the same WRS employer, regardless of whether that employment would meet WRS participation standards.
    - Prohibits an enforceable agreement as of the termination date for future employment with a different WRS employer that would meet WRS participation standards.
  4. The employee is treated consistently with the status of a former employee.
  5. The terminated employee has no authority to act as a representative of the employer or exercise any authority/control over employees of the employer, except as provided above.
  6. The employer has paid the employee any accumulated benefits that are customarily paid to employees at the time of termination.

**NOTE:** These conditions do not prohibit an agreement as of the termination date for future employment with a different WRS employer that does **not** meet WRS

participation standards or prohibit an agreement prior to termination for purely voluntary future services for which no compensation has been or will be paid.

### 1403 Determining the Termination Date

The termination rule provides criteria for determining the termination date. The date reported to ETF should be the earliest of:

- The date an unpaid leave of absence expires when an employee fails to return to work following the leave.
- The date three years after an unpaid leave of absence began, except for military leave or union service leave.
- The date on which the employer discharges the employee.
- The date the employer determines that the employer-employee relationship terminates.

NOTE: The effective date of the termination cannot be earlier than the date the employer notifies the employee of the termination.

- The last date for which the employee receives earnings for personal services rendered to, or on behalf of, the employer, unless the employer has granted an unpaid leave of absence for a period after this date.

NOTE: Teachers employed under a 9-10 month contract may be considered terminated as of the last day they are required to perform district related work rather than the last day of the contract's fiscal year.

- The date the employee's voluntary resignation is effective as accepted by the employer-or if later-the date the employer receives the employee's notice of resignation. **Retroactive resignation is not permissible.**
- The date of the employee's death.

Refer to Chapters 9 and 10 for instructions on reporting terminations.

### 1404 Rehired Annuitants and Valid Terminations

In order for an employee to receive a WRS benefit (including retirement annuities, lump sum retirement benefits, and separation benefits) and return to WRS eligible employment, **the two requirements of a "good faith" termination must be met:**

- Fulfill a minimum break in service as outlined in subchapter 1401.
- Meet all valid termination conditions as outlined in subchapter 1402.

**If the minimum break in service or any termination requirement is not met, the termination is not in “good faith” and the member is potentially ineligible for their benefits.**

Contracts or agreements for WRS employment entered into during the minimum break in service period bring into question whether the termination was done in good-faith. To ensure compliance with federal IRC § 401(a), ETF may investigate situations where a contract or agreement was entered into during the minimum break in service period.

ETF may also investigate the termination of any WRS employee to ensure compliance with federal IRC § 401(a). During an investigation, the burden of demonstrating that a termination was done in good-faith and met all termination requirements will fall on the employer and employee. If ETF determines that the conditions of a good-faith termination were not met, the result is that the employee did not meet the legal minimum break in service requirements. The consequences of this decision have the following effect on the employer and employee:

- Any retirement benefit could be considered paid in error. If an annuitant is receiving a monthly retirement benefit, the monthly payments may be discontinued and ETF may collect any monthly payments paid in error. ETF may also collect any lump sum paid in error.
- Once the determination is made that a benefit has been paid in error, the employer is required to report the hours and earnings that would have been reported had the termination not been reported. ETF will assess interest penalties if the earnings' adjustment is not part of the current processing year.
- Other ETF administered benefits such as health, life, and income continuation insurance may also be affected. In some cases, insurance coverage may be lost, as Wis. Stat. Chapter 40 does not allow enrollment due to employer error.
- When the employee reapplies for a subsequent benefit, termination of the current employment is required and the employee must reapply for the retirement benefit.

NOTE: Refer to *Employer Bulletin* Vol 23, No. 17, dated Dec 5, 2006, for further information regarding good-faith termination criteria.

Refer to Chapter 15 for further information regarding rehired annuitants.

Questions concerning valid terminations, termination conditions, disability termination requirements and/or minimum breaks in service can be directed to the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

## 1405 Frequently Asked Questions Concerning Valid Terminations

**Q.1** One of my employees is an elected county sheriff whose term in office expires December 31, 2010. In October 2010, the sheriff is reelected to another two-year term. On November 15, 2010, the sheriff plans to resign and terminate employment with the county. The sheriff will, however, return to work on January 1, 2011, because she was reelected to another two-year term. Is the sheriff eligible to retire as of November 15, 2010, and return to work January 1, 2011, as a rehired annuitant?

**A.1** No. The employee is not eligible for a retirement benefit if the employee has a right to compensable employment at the end of the day on which the employee terminates. The right to compensable employment includes a contract for future employment or election to a public office. In this case, reelection prior to termination is considered a contract for future employment and the November 15, 2010, termination date would be invalid. The sheriff would, therefore, not be eligible for a retirement benefit.

**Q.2** An elected county sheriff whose term in office expires December 31, is currently up for reelection. The sheriff plans to resign the position prior to the November election and apply for a WRS annuity. If reelected, the sheriff will return to work on January 1, 2011, as a rehired annuitant. Is the sheriff eligible to retire prior to the November election and return to work as sheriff on January 1, if reelected?

**A.2** Yes, if the sheriff is being opposed in the election. In the event there is opposition for the sheriff position, no guarantee of future employment with the county exists because the results of the election are unknown. In addition, the sheriff's termination must meet the conditions of a valid termination as specified in Admin. Code ETF 10.08 (2)(b), the minimum break in service requirements of ETF 10.08 (2)(c), and the sheriff must comply with all statutory mandates to notify the Office of the Governor of the vacancy in the office of sheriff. Provided all these conditions are met, the sheriff is eligible for a WRS retirement benefit.

NOTE: In the event the sheriff is unopposed in the election, the termination would not be valid because victory in the election is assured, consequently, a contract of/for future employment exists.

**Q.3** A nine-month contract teacher submitted a WRS retirement application and planned to retire the day after the current school year. The teacher completed all classwork and grading duties on June 15 and was no longer obligated to report to the district. Technically, the contract ran from July 1 through June 30. Is the June 15 termination date valid?

**A.3** Yes, because the teacher fulfilled all contractual obligations to the district on June 15. That date is a valid termination date and the teacher is eligible for a WRS annuity.

**Q.4** A nine-month contract teacher signed on for the upcoming school year. The current school year was completed on June 15, with the teacher having

completed all classwork and grading duties. The teacher then decided not to return to teaching for the upcoming school year and submitted a letter of resignation effective August 1. The teacher requested that the school district submit a termination date of June 15, the date their obligations under the preceding contract were met. Will a June 15 termination date be valid?

- A.4** No. The teacher entered into a contract for the upcoming school year. As a result, the school district had a “right” to their services until the effective date of the resignation. In this example, the valid termination date for WRS reporting is August 1, the effective date of resignation.
- Q.5** In order to be eligible for a WRS benefit, an employee must meet the minimum 30-day break in service even if the employee returns to "non-eligible" employment with the same employer. Our school district covers only teachers under the WRS. Our non-teaching employees are not eligible to participate in the WRS. In this situation, does a teacher who terminates and takes a WRS benefit have to complete the 30-day break in service before returning to work in a non-teaching position at the school district?
- A.5** The provisions of the termination rule do not apply to an employee who returns to a non-teaching position within a school district that participates in the WRS for their teacher positions only.
- Q.6** As the employer, we have had discussions with an employee who plans to terminate and take a WRS benefit about possibly returning to work. If the employee returns to work (after completing the minimum 30-day break in service), will the fact that these discussions took place invalidate the termination, although a contract was not in force at the time of termination?
- A.6** Probably not, but it will depend on if the discussions constituted an enforceable employment agreement that was agreed to verbally. Although there is no provision in the termination rule that prohibits the employer and employee from simply discussing the possibility of the employee returning to work, you should be cautious to avoid even the appearance of a verbal agreement of re-employment.
- Q.7** One of my employees terminates on July 3, 2010. The employee’s WRS benefit is effective July 4, 2010. Can the employee return to work for us for a couple of days prior to completing the minimum 30-day break in service without jeopardizing their benefit?
- A.7** No, the employee must complete the minimum 30-day break in service when returning to the same employer, even if the employee only returns for a short period. In this situation, the employee’s benefit would cease and the employer is required to re-enroll the employee in WRS, as provided in Wis. Stat. § 40.22 (3m).
- Q.8** One of my employees terminated employment on June 26, 2010. The employee began receiving a WRS benefit on June 29, 2010. On July 2, 2010, we entered a written contract with the former employee for an August 1, 2010, return-to-

work date. Does this contract entered into during the minimum 30-day break in service period invalidate the termination?

**A.8** ETF will not invalidate a termination for this condition alone, but contracts or agreements entered into during the minimum break in service period bring into question whether the termination was done in “good-faith.” To ensure compliance with federal IRC § 401(a), ETF may investigate situations where a contract or agreement was entered into during the minimum break in service period. During an investigation, the burden of demonstrating that a termination was done in good-faith and met all termination conditions will fall on the employer and employee. If ETF determines that a termination was not in “good-faith”, the annuity or benefit may be discontinued and ETF may collect all payments made in error. Please refer to subchapter 1404, Rehired Annuitants and Valid Terminations.

**Q.9** An employee terminates employment, applies for a WRS benefit and returns to work for you as an independent contractor within 30 days of termination. Will this affect the employee’s retirement benefit?

**A.9** Simply calling the employee an independent contractor does not mean that the employee meets the definition of an independent contractor. Refer to subchapter 313 for information about the method used to determine whether a person is an independent contractor or an employee as defined by the IRS.

If the returning employee’s employment arrangement meets the IRS tests for independent contractor status, the retirement benefit will not be impacted. If the returning employee’s employment arrangement does not meet the IRS tests, the employee is ineligible for the retirement benefit. (See Q.6 above regarding entering into contracts within the 30 day minimum break in service period.)

## **1406 Disability Termination Requirements**

Effective April 1, 2006, an employee applying for ETF administered disability benefits does not have to completely sever the employee/employer relationship. An employee may be kept on a leave of absence (LOA) for purposes of maintaining fringe benefits not administered under Chapter 40, such as an employer’s private health insurance or other non-ETF administered benefits.

Prior to implementation of this policy change, ETF required the employer to completely sever the employee/employer relationship in order for the employee to receive §40.63 Disability Retirement or Long-Term Disability Insurance (LTDI) benefits. As a result, employees were required to forfeit non-Chapter 40 benefits such a private health insurance offered through their employers. Legal opinions sought by ETF determined that such a policy was unnecessarily restrictive and led to the creation of Chapter 40 terminations.

Chapter 40 terminations still require that employees terminating employment due to disability who are in the process of applying for ETF administered disability benefits be treated as terminated for all Chapter 40 benefits they participate in while

remaining in a leave of absence status for non-Chapter 40 benefits the employer may offer. Chapter 40 authorized benefits include health insurance, sick leave credit usage, life insurance, income continuation insurance, long-term disability insurance, Employee Reimbursement Account, long-term care, EPIC, Spectra, WRS coverage, death benefits and making deferred compensation contributions.

Sick leave balances with which the employee intends to pay for health insurance premiums are considered unpaid earnings. Should a sick leave balance remain, a Chapter 40 termination is not an option. Both state and local employees must sever the employee/employer relationship if they convert sick leave balances to pay for health insurance premiums. They cannot remain on LOA as permitted with a Chapter 40 termination. In order to remain on LOA for non-Chapter 40 benefits, all sick leave balances must be paid out, with the Chapter 40 termination date extended accordingly.

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 15 — EMPLOYMENT OF ANNUITANTS**

- 1500 Rehired Annuitants**
- 1501 Required Conditions for a Rehired Annuitant**
- 1502 Completing the *Rehired Annuitant Election* (ET-2319)**
- 1503 Life and Health Insurance Coverage for Rehired Annuitants**
- 1504 Disability Annuitants**
- 1505 Waiving WRS Participation for Service as a Part-Time Elected Official**
- 1506 *Waiver of Part-Time Elected Service* (ET-4303)**

**1500 Rehired Annuitants**

Under Wis. Stat. § 40.23 (1) (a) 1., annuitants are required to fulfill a minimum break in service and meet all conditions of a valid termination, set forth in Wis. Admin Code ETF 10.08 (2), before returning to WRS eligible employment.

Rehired annuitants who have fulfilled these requirements **and** meet the eligibility criteria as defined in Chapter 3 for participation under the WRS, may **choose** to return to active WRS participation by completing a *Rehired Annuitant Election* (ET-2319). A *Wisconsin Retirement System Enrollment* (ET-2316) form does not need to be completed along with the *Rehired Annuitant Election*. **This is the only time an employee may choose to participate or not participate in the WRS upon meeting the WRS eligibility requirements.**

In the event a rehired annuitant elects to return to active WRS coverage, the annuity is cancelled until the employee again retires and reapplies for an annuity. The employee earns creditable service and is eligible for ETF administered insurance benefits offered by the employer. Retirement contributions are due on the employee's earnings.

Should the annuitant elect not to return to active WRS coverage, the annuity continues but no creditable service is earned, the employee is ineligible for active ETF administered insurance, and no WRS retirement contributions are due. Though initially declining WRS participation, an election to participate can be made at any time in the future. When hiring a new or former employee, employers are encouraged to perform a WRS previous service check to determine whether the employee is currently receiving an annuity from the WRS. (Refer to Chapter 23 for more information about previous service checks.)

## 1501 Required Conditions for a Rehired Annuitant

In order for an employee to receive a WRS benefit (including retirement annuities, lump sum retirement benefits, and separation benefits) and return to WRS eligible employment, **two requirements must be met**:

### 1. Required Break in Service

Employees who terminate WRS-covered employment are ineligible for any benefit (including retirement annuities, lump sum retirement benefits, and separation benefits) per Wis. Stat. § 40.23 (1) (a) 1., if they return to WRS-eligible employment before the **latest** of the following dates:

- The day after the annuity effective date.
- The 31<sup>st</sup> day after termination of participating employment.
- The 31<sup>st</sup> day after ETF receives the benefit application. The employee's annuity or lump sum benefit will be canceled if the return to WRS-eligible employment occurs before this required break in service is fulfilled.

### 2. All Required Conditions of a Valid Termination

A termination, whether voluntary or involuntary, must be made with the good-faith intent of ending the employee-employer relationship. A valid termination, for purposes of establishing eligibility to receive benefits (including retirement annuities, lump sum retirement benefits, and separation benefits) under Wis. Stat. § 40.23 (1) (a) 1., must meet the conditions set forth in Wis. Admin. Code ETF 10.08 (2). Refer to subchapter 1402 for the six conditions of a valid termination.

**NOTE:** Contracts or agreements for WRS employment entered into during the minimum break in service period bring into question whether the termination was done in “good-faith.” To ensure compliance with federal IRC § 401(a), ETF may investigate situations where a contract or agreement was entered into during the minimum break in service period. Refer to subchapter 1404.

**If the minimum break in service or any required condition of a valid termination is not met, the termination is not in “good faith” and the member is potentially ineligible for their benefits. Refer to subchapter 1404, Rehired Annuitants and Valid Terminations.**

**Table 15.1 - Rehired Annuitant Situations**

<b>Rehired Annuitant Situations</b>			
<b>Employee terminates WRS-covered employment, applies for retirement annuity and returns to work for a WRS-covered employer. One of the following situations may apply:</b>	<b>Is employee entitled to the Annuity? [Wis. Stat. § 40.23 (1) (a) 1. and § 40.26 (5)]</b>	<b>Is the new period of employment considered participating employment? [Wis. Stat. § 40.22 (3m) and § 40.26 (5)]</b>	<b>Does a WRS Enrollment (ET-2316) or Rehired Annuitant Election (ET-2319) apply? [Wis. Stat. § 40.22 and § 40.26 (1)]</b>
1. Employee returns to work for the <u>same</u> employer without fulfilling the minimum break in service and employment is <u>not</u> expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	No	Yes*	ET-2316
2. Employee returns to work for the <u>same</u> employer without fulfilling the minimum break in service and works fewer than 30 calendar days.	No	Yes*	ET-2316 (Or complete an <i>Employee Transaction Report</i> , (ET-2533), with the new term date.)
3. Employee returns to work for the <u>same</u> employer without fulfilling the minimum break in service and employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	No	Yes	ET-2316
4. Employee returns to work for the <u>same</u> employer after fulfilling the minimum required break in service and employment is <u>not</u> expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	No	Neither
5. Employee returns to work for the <u>same</u> employer after fulfilling the minimum required break in service and employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	1. Yes, if employee elects coverage (annuity will be discontinued). 2. No, if employee declines coverage.	1. ET-2319  2. ET-2319
6. Employee returns to work for a <u>different</u> employer without fulfilling the minimum break in service and employment is <u>not</u> expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	No	Neither
7. Employee returns to work for a <u>different</u> employer without fulfilling the minimum break in service and employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	No	Yes	ET-2316

Rehired Annuitant Situations			
Employee terminates WRS-covered employment, applies for retirement annuity and returns to work for a WRS-covered employer. One of the following situations may apply:	Is employee entitled to the Annuity? [Wis. Stat. § 40.23 (1) (a) 1. and § 40.26 (5)]	Is the new period of employment considered participating employment? [Wis. Stat. § 40.22 (3m) and § 40.26 (5)]	Does a WRS Enrollment (ET-2316) or Rehired Annuitant Election (ET-2319) apply? [Wis. Stat. § 40.22 and § 40.26 (1)]
8. Employee returns to work for a <u>different</u> employer after fulfilling the minimum required break in service and employment is <u>not</u> expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	No	Neither
9. Employee returns to work for a <u>different</u> employer after fulfilling the minimum required break in service and employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	1. Yes, if employee elects coverage (annuity is discontinued). 2. No, if employee declines coverage.	1. ET-2319  2. ET-2319
10. Employee returns to work for the <u>same</u> or a <u>different</u> employer within the minimum required break in service after receiving a minimum annuity benefit (lump sum). Employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	No	Yes	ET-2316
11. Employee returns to work for the <u>same</u> or <u>different</u> employer after receiving a minimum annuity benefit (lump sum) and after fulfilling the minimum 30-day break in service. Employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	Yes	Yes	ET-2316
12. Employee returns to work for the <u>same</u> or a <u>different</u> employer after receiving a minimum annuity benefit (lump sum) but without meeting the minimum 30-day break in service. Employment is expected to require at least 600 hours per year (440 hours for teachers and school district educational support staff) and to last at least one year.	No	Yes	ET-2316

- Wis. Stat. § 40.22 (3m) states, "Any employee who becomes a participating employee shall continue to be a participating employee . . . for periods of subsequent employment with that state agency or other participating employer . . . unless the employment . . . is terminated for 12 or more consecutive calendar months or unless the employee receives a benefit . . .". In this situation, the benefit is invalid so the employee continues to be eligible for WRS regardless of working less than 30 days.

**A. Advising the Annuitant of the Election Option**

The employer must advise the employee of the right to elect WRS coverage, if the employee is receiving an annuity from the WRS and the position meets WRS eligibility criteria. Each rehired annuitant should be made aware of the impact on

life and health insurance coverage, if applicable. Refer to subchapter 1502 for additional information.

**B. Reporting Rehired Annuitants Who Elect to Return to WRS Coverage**

Both employer and employee must complete the *Rehired Annuitant Election* (ET-2319) and send it to ETF, if the employee elects to participate in the WRS. The employee's annuity will be canceled and WRS participation will be effective the first of the month following ETF's receipt of the election.

Both the employer and the employee will receive an acknowledgment copy of the *Rehired Annuitant Election* indicating the effective date of WRS participation. It is important that the employer submit the election form to ETF within one week of hire or any future election. Copies of the *Rehired Annuitant Election* can be obtained by calling ETF Supply and Mail Services at (608) 266-3302. The *Rehired Annuitant Election* is also available on ETF's Internet website at <http://etf.wi.gov> under Employer/Employer Forms/WRS.

**C. Reporting Rehired Annuitants Who Choose Not to Return to WRS Coverage**

Even if the employee chooses not to return to WRS coverage, the employer and employee must complete the *Rehired Annuitant Election* and return it to ETF within one week of hire. All other information, including the employee's hire date, must be completed so ETF can verify that the minimum break in service occurred before the employee returned to work. An exception to this is when a WRS annuitant is being hired into a WRS ineligible position and is not a prior employee of the employer.

**E. Annuitant Participation After Minimum Annuity Benefit (Lump Sum)**

In the event the employee received a minimum WRS Annuity Benefit, fulfilled the 30-day break in service and their position meets the criteria for WRS coverage, the employer **must** enroll the employee in the WRS. Due to the lump sum nature of the annuity, this employee is treated as a new participating employee for all purposes.

**1502 Completing the *Rehired Annuitant Election* (ET-2319)**

Reporting Requirements - The following information must be entered on your report, when applicable. Refer to the sample in subchapter 1501 A.

**Table 15.2 - Rehired Annuitant Election Form Fields**

Field	Field Title	Instructions
1	SOCIAL SECURITY NUMBER	Obtain the employee's Social Security number directly from the employee's Social Security card. Attach a copy of the Social Security card, if available.
2	EMPLOYEE NAME	Enter the last name, first name and middle initial.
3	GENDER	Check the appropriate box.
4	BIRTHDATE	Enter the date as it appears on the birth certificate (MM/DD/CCYY).
5	ADDRESS	Enter employee's permanent home address.
6	EMPLOYER NAME	State of Wisconsin agencies - enter the name of the agency. All other employers are to enter the name exactly as printed on their WRS <i>Monthly Retirement Remittance Reports</i> (ET-1515).
7	STATEMENT OF BENEFITS DISTRIBUTION CODE	Use of this code is optional. A six digit numeric code is available to sort <i>Statement of Benefits</i> into desired units, departments, etc. Fewer than six digits may also be indicated.
8	ETF EMPLOYER ID NUMBER	Enter your seven-digit EIN (XXXX-XXX) as shown on your WRS <i>Monthly Retirement Remittance Report</i> (ET-1515).
9	HIRE/REHIRE DATE	Enter the date the employee <u>returned</u> to employment.
10	EMPLOYMENT CATEGORY	Determine the appropriate employment category from the categories listed in subchapter 401.
11	EMPLOYEE ELECTION	The employee must check the appropriate box to elect or not elect WRS participation.
12	EMPLOYEE SIGNATURE AND DATE	The employee must sign and date the form to validate the election to participate or not participate.
13	SIGNATURE AND TITLE OF AGENT AND DATE	Only the WRS agent (or alternate agent) is authorized to sign this form. By signing the form, the agent is certifying that the information regarding this employee is correct. Refer to subchapter 201.

**Sample Rehired Annuitant Election (ET-2319)**

Department of Employee Trust Funds  
Wisconsin Retirement System  
P.O. Box 7931  
Madison, WI 53707-7931

**REHIRED ANNUITANT ELECTION**

Wis. Stat. § 40.26 (1)

**PLEASE TYPE OR PRINT IN BLACK**

Please refer to Chapter 15 of the WRS Employer Manual for instructions on completing this form.

Employee Name (Last, First, Middle) <span style="float: right;">2</span>		Social Security Number <span style="float: right;">1</span>
Address (Street, City, State, Zip) <span style="float: right;">5</span>		Gender <span style="float: right;">3</span> <input type="checkbox"/> Male <input type="checkbox"/> Female
Employer Name (if State of Wisconsin, include department) <span style="float: right;">6</span>		Birthdate (MM/DD/CCYY) <span style="float: right;">4</span>
ETF Employer ID No. <span style="float: right;">8</span> 69-036-	Hire/Rehire Date (MM/DD/CCYY) <span style="float: right;">9</span>	Statement of Benefits Distrib. Code <span style="float: right;">7</span>
		<b>FOR ETF ONLY</b>
		Date WRS Participating Employment Begins (Mo/Day/Yr)
		Report Date (To be completed by ETF)
		WRS Term Date:
		Benefit Efec. Date:
		Benefit App. Rec'd.:

**EMPLOYMENT CATEGORY**

<input type="checkbox"/> 00 General Employee <input type="checkbox"/> 01 Court Reporter <input type="checkbox"/> 02 State Exec. Retirement Plan (Wis. Stat. § 20.923 (4), (8) or (9)) <input type="checkbox"/> 03 Protective Occupation Under Social Security <input type="checkbox"/> 04 Protective Occupation Not Under Social Security <input type="checkbox"/> 05 Supreme Court Justice <input type="checkbox"/> 06 Legislator or State Constitutional Officer	<input type="checkbox"/> 07 Court of Appeals Judge <input type="checkbox"/> 08 Circuit Judge <input type="checkbox"/> 09 Elected Official or Appointed to Fill an Elected Office <input type="checkbox"/> 10 Teacher <input type="checkbox"/> 11 Executive Teacher <input type="checkbox"/> 12 Educational Support Personnel
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**Employee Election**

I elect to participate in WRS as an active employee pursuant to Wis. Stat. § 40.26 (1). I certify I have remained terminated from all WRS participating employment between my date of termination and the latest of the following dates:

- the day after my annuity effective date, or
- the 31<sup>st</sup> day after my termination date, or
- the 31<sup>st</sup> day after ETF received my benefit application.

I understand my WRS annuity will be terminated and WRS coverage will begin effective the first of the month following ETF's receipt of this election. I understand this election can be revoked only if ETF receives my written request to withdraw this election prior to the day WRS coverage would resume. I will be eligible to reapply for a retirement annuity only when I again terminate all WRS covered employment.

I do not elect to actively participate in WRS pursuant to Wis. Stat. § 40.26 (1). I certify I have remained terminated from all WRS participating employment between my date of termination and the latest of the following dates:

- the day after my annuity effective date, or
- the 31<sup>st</sup> day after my termination date, or
- the 31<sup>st</sup> day after ETF received my benefit application.

I understand I may elect to actively participate in the WRS at any time in the future, provided I meet the WRS eligibility criteria for participation, by filing an updated form.

<b>EMPLOYEE MUST SIGN HERE →</b>	Signature of Employee (in ink) <span style="float: right;">12</span>	Date
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<b>AGENT MUST SIGN HERE</b>	I hereby certify the named is an employee of this participating employer who meets the eligibility standards for participation in the Wisconsin Retirement System as defined in Wis. Stat. § 40.22, and is an "employee" as defined in Wis. Stat. § 40.26 at this time. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I certify that I am responsible for reporting coverage information to the Wisconsin Retirement System.	Date
	Signature and Title of Agent <span style="float: right;">13</span>	

Make one copy for your records and one copy for your employee. Submit the original to ETF.

## 1503 Life and Health Insurance Coverage for Rehired Annuitants

Rehired annuitants eligible for WRS participation have the option to participate in the WRS and may have questions regarding insurance coverage. The following information pertains only to those employers who offer life and/or health insurance administered by ETF.

### A. Life Insurance Coverage for Rehired Annuitants

An annuitant insured under the Wisconsin Public Employer's Life Insurance program who elects to participate in the WRS may choose to keep the life insurance coverage they had as a retiree or enroll in the coverage offered by the employer. If annuitant life insurance coverage is maintained, employees younger than age 65 must contact ETF to arrange for continuation of premium payments through direct pay before the annuitant coverage lapses due to non payment of premiums from the WRS annuity (no premiums are due after age 65). Annuitant life insurance coverage will lapse at the end of the month following the month in which the final annuity payment is received. (For example: If the final WRS annuity check is dated June 1, life insurance coverage lapses July 31.)

If the employee chooses to enroll in the life insurance plans provided by the employer, the employee is subject to the same eligibility rules as all other new employees who have previous WRS service. Applications must be completed and submitted to ETF with the election form ET-2319 no later than 30 days after beginning active WRS participation. Active life insurance coverage will begin on the day after annuitant coverage lapses or, if the employee was not covered for life insurance as an annuitant, coverage becomes effective the first of the month following receipt of the application by the employer.

### B. Health Insurance Coverage for Rehired Annuitants

A rehired annuitant electing to return to active WRS participation is **only** eligible for health insurance coverage through the active employer. An annuitant rehired by an employer that participates in WRS but does not offer health insurance to its employees will lose health insurance coverage as an annuitant by electing to participate in WRS.

Medicare is the primary payer for an employee older 65 years who retains annuitant status. If the employee elects to return to active WRS participation and the employer participates in the Group Health Insurance Program, they may cancel any Medicare coverage but must reenroll when WRS participation terminates.

Refer to the *Group Health Insurance Employer Administration Manual*, Chapter 9 (on Rehired Annuitants) for further information.

### C. Income Continuation Insurance (ICI)

A rehired annuitant electing to return to active WRS participation is eligible to participate in the ICI program. The criteria for enrollment of a rehired annuitant are the same as that for any eligible employee. Refer to the *ICI Administration Manual*, Chapter 2.

### 1504 Disability Annuitants

A participant receiving a disability annuity cannot actively participate in the WRS until the individual is no longer eligible for the disability annuity as medically certified. Once the disability annuity is terminated, if the employee meets the WRS eligibility requirements the employee is treated as an active WRS covered employee. The employee is eligible for insurance and WRS contributions must be remitted on their WRS earnings.

### 1505 Waiving WRS Participation for Service as a Part-Time Elected Official

Part-time elected service is defined as 1,044 hours or less per calendar year (Wis. Stat. §40.23 (1) (am)). Elected officials under the WRS who have attained age 55 and are covered for both part-time local elected service and other WRS covered employment may receive an annuity only after terminating the other WRS employment and waiving rights to further WRS participation for their part-time local elected service.

A WRS annuitant who returns to work as a part-time elected official during the required break in service may waive participation in the WRS to avoid cancellation of the annuity.

The waiver becomes effective the day after its receipt by ETF or the date all WRS covered employment-other than service as a part-time elected official-is terminated, whichever is later. The waiver of part-time elected service is available only for part-time elected officials who have reached the age of 55 or older, even if terminating as a protective occupation participant (Wis. Stat. §40.23 (1), (2M)). **This waiver is irrevocable.** ETF will contact you with the termination information you need to report for WRS purposes.

If a WRS annuitant returns to work as a part-time elected official at more than one WRS participating employer, a waiver must be submitted at each employer for which the annuitant wishes to waive WRS participation. The waiver effective date mentioned in the previous paragraph will be based on the first *Waiver of Part-Time Elected Service* (ET-4303) received by ETF. This form is available upon request and appears on the next page. The form is to be completed by the employer and employee. All three copies should be submitted by the employee to the address at the top of the form. The employer and employee will receive acknowledgment copies.

**1506 Waiver of Part-Time Elected Service (ET-4303)**

Department of Employee Trust Funds  
 P.O. Box 7931  
 Madison, WI 53707-7931

**WAIVER OF PART-TIME  
 ELECTED SERVICE**

Wis. Stat. § 40.23 (1) (am)

FOR ETF USE ONLY	
<input type="checkbox"/>	Annuitant
<input type="checkbox"/>	Active Employer

**INSTRUCTIONS FOR COMPLETION AND MAILING:**

1. Employee must complete the Employee Identifying Information section.
2. Employer must complete the Employer Certification section.
3. Employee must certify the form by signing and dating the Employee Waiver section.
4. Employee is responsible for sending the completed copy to the address above. If you are applying for a benefit from the Wisconsin Retirement System (WRS), send this form with your benefit application.
5. A separate waiver must be filed for each employer at which you wish to waive WRS participation as an elected official.

**1. Employee Identifying Information:**

Employee Name:	Employee Social Security Number:
Employee Address:	Employee Telephone Number:

**2. Employer Certification:**

As the designated agent for the named employer, I hereby certify that the above-named employee is an elected official whose position requires less than 1,044 hours per calendar year, and is not employed by the named employer in any other capacity.

SIGN HERE 	Employer Name	Employer Number
	Signature of Employer Agent <i>(in ink)</i>	Date <i>(MM/DD/CCYY)</i>

**3. Employee Waiver:**

I hereby certify that I am at least 55 years old and have terminated, or will terminate within the next 90 days, all WRS-covered employment other than service as a part-time elected official and that my elected official position requires less than 1,044 hours per calendar year. I hereby irrevocably waive further participation in the WRS for my current, and any future, service as an elected official that does not exceed 1,044 hours per year.

I understand that it is my responsibility to mail this waiver to the Department of Employee Trust Funds (ETF), that it will become effective on the day after its receipt by ETF, or, if more than one waiver is being submitted, on the first day after the first waiver is received by ETF, and that date, or the date I have terminated all WRS-covered employment other than service as a part-time elected official, whichever is later, will be my WRS termination date.

SIGN, DATE AND MAIL 	Signature of Part-Time Elected Official <i>(in ink)</i>	Date <i>(MM/DD/CCYY)</i>
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**CHAPTER 16 — VARIABLE ANNUITY PLAN**

- 1600 Participation and the Variable Election Process**
- 1601 *Election to Participate in the Variable Trust Fund (ET-2356)***
- 1602 **Canceling Participation in the Variable Trust Fund****
- 1603 *Canceling Variable Participation (ET-2313)***

**1600 Participation and the Variable Election Process**

The Variable Trust Fund is open to new elections by active participants pursuant to 1999 Wisconsin Act 11. Employees can elect to deposit 50% of all future Wisconsin Retirement System (WRS) employee required contributions (and matching employer required contributions) as well as voluntary additional contributions in the Variable Trust Fund by completing an *Election To Participate in the Variable Trust Fund (ET-2356)*.

Further information about the election and instructions for completing the form are found on the election form. Employees may obtain a copy of the *Election to Participate In the Variable Trust Fund* by visiting ETF's Internet site at: <http://etf.wi.gov> or by contacting ETF's call center toll free at (877) 533-5020.

Participation in the Variable Trust Fund is not valid until the *Election to Participate In the Variable Trust Fund (ET-2356)* is received by ETF. The effective date of the election to participate in the Variable Trust Fund is based on the date ETF receives this election form. The form should be mailed or faxed directly to ETF by the employee making the election and not submitted through the employer.

**NOTE:** If you fax your complete and legible enrollment, the receipt date on the fax is considered ETF's receipt date. You do not need to send the original.

Conditions for enrollment in the Variable Trust Fund vary based on the following individual circumstances:

- A. A current WRS participating employee who has never participated in the Variable Trust Fund is eligible to enroll in the Variable Fund upon ETF's receipt of the election. The election becomes effective on January 1, following the year the election is received by ETF.

**EXAMPLE 1:** A current employee has been a WRS participant since 1993. Election is received on January 3, 2010. Coverage effective date is January 1, 2011.

- B. A new WRS participant is eligible to file an election form with ETF within 30 calendar days of their WRS effective date and participation in the variable fund is immediate. For elections received at ETF more than 30 days after the WRS effective date, participation in the variable fund begins the following January 1.

**EXAMPLE 1:** Employee is initially covered under the WRS on November 5, 2010. The election notice is received by ETF on December 3, 2010. Variable Fund participation date is November 5, 2010 and all employee required contributions after that date will be split between the Variable and Core trust funds. If the election is not received by ETF until December 7, 2010, variable fund participation will be effective January 1, 2011.

- C. An employee who previously opted out of the Variable Trust Fund with an effective date of January 1, 1999, or earlier may re-elect to participate in the Variable Trust Fund.
- D. An employee who previously opted out of the Variable Trust Fund with an effective date of January 1, 2000, or later, cannot re-enroll in the Variable Trust Fund. This includes an employee who ends WRS participation, does not withdraw their WRS contributions and later returns to work for a WRS participating employer.
- E. An employee who ends WRS participation, withdraws all of their WRS contributions (i.e. separation or retirement benefit), and later returns to work and is enrolled in the WRS, may elect to participate in the Variable Fund.

**1601 Election To Participate In the Variable Trust Fund (ET-2356)**

Department of Employee Trust Funds  
P. O. Box 7931  
Madison, WI 53707-7931

**ELECTION TO PARTICIPATE IN THE  
VARIABLE TRUST FUND**

Wis. Stat. § 40.04(7) (a) and Wis. Adm. Code ETF 10.30

					Employer Name	
					Your Social Security Number	
Last Name		First	Middle I.	Birthdate (MM/DD/YYYY)		
Address	Street		City	State	Zip Code	

**Important:** If you want to participate in the Wisconsin Retirement System (WRS) Variable Trust Fund, please carefully read the information on this page and the terms of the election explained on the cover pages. If you submit this form to the Department of Employee Trust Funds (ETF), you acknowledge that you understand the terms of the variable election as explained on this form and the cover pages.

Effective January 1, 2001, any active WRS participant may elect to have 50% of all future WRS employee and employer required contributions and additional contributions deposited in the Variable Fund. The Variable Fund is invested exclusively in common stocks. The WRS credits the variable portion of participating active and inactive accounts with a rate of interest based on investment gains or losses posted to the Variable Fund. Likewise, annuitants participating in the Variable Fund receive adjustments credited to the variable portion of their annuities based on Variable Fund investment returns. **While participation in the Variable Fund offers the possibility of gain, you must also be prepared to accept a loss. A variable annuity can provide a smaller amount of monthly retirement income as well as a greater amount.** For example, Variable Fund annuitants experienced a 14% decrease in their Variable Fund annuities in 2001 and a 27% decrease in 2002. Unlike a core annuity, which is guaranteed never to be less than the initial core monthly amount, **a variable annuity may decrease to less than the initial finalized monthly amount.**

**ELECTION TO PARTICIPATE IN THE VARIABLE TRUST FUND**

I elect to have 50% of all my future WRS employee and employer required contributions and additional contributions deposited in the Variable Fund. I understand that the effective date of my election to participate in the Variable Fund is determined by ETF based on the date this election form is received at ETF.

If I am currently actively employed, I understand that this variable election will take effect the January 1 of the year following receipt of this election form by ETF. If I am a new WRS participant after 2000 and my election form is received by ETF within 30 calendar days after the start of my WRS coverage, I understand that participation in the Variable Fund is effective on the start of my WRS coverage. If I am a new WRS participant after 2000 and my election form is received by ETF 31 or more calendar days after the start of my WRS coverage, I understand that participation in the Variable Fund is effective January 1 of the year following receipt of the election form.

**I acknowledge that unfavorable stock market performances may result in losses to my Variable Fund account just as much as positive stock market performances may result in gains to my Variable Fund account and that this experience will impact my WRS retirement benefits.**

I have read and understand and agree to all of the terms of this election as stated above and on the cover pages of this election. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that to the best of my knowledge and belief, the information is true and correct.

Date (MM/DD/YYYY)	Signature	Daytime Telephone Number
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*Sign. Make a copy for your records. Submit original of this page to:* Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

*The Department will mail you an acknowledgement letter.*

ET-2356 (REV 11/2008)

## 1602 Canceling Participation in the Variable Trust Fund

### A. WRS Benefit Application

Participation automatically terminates for employees participating in the Variable Trust who apply for and receive a WRS single sum benefit. These employees cannot participate in the Variable Trust if subsequently employed by a WRS participating employer.

### B. Filing a Cancellation Election

To cancel participation in the Variable Trust Fund, a participant must file a *Canceling Variable Participation* (ET-2313) form. Once the cancellation form has been received by ETF, it can only be rescinded if ETF receives your written request to rescind your cancellation prior to the cancellation effective date. Once a variable cancellation is effective, it cannot be rescinded.

The variable cancellation becomes effective on the first of the year **after** it is received by ETF. The variable gain or loss for the year in which the form is filed is applied to your account on December 31. All future contributions will be deposited in the Core Trust Fund.

Any excess or deficiency amount is created and stored on the employee's record, based on a comparison of the variable account at the time of the cancellation versus what the account balance would have been, had the employee not participated in the variable program. This "variable excess" or "variable deficiency" amount is credited with core interest each year, and will be used to adjust any future formula annuity benefits.

### C. Cancellation Options for Non-Annuitants

- **Cancel participation in the variable annuity program for future contributions only.** Past contributions remain divided between the variable and core program. Future contributions will be deposited solely within the core fund. Non-annuitants may file a conditional or unconditional election any time in the future.
- **Cancel future participation in the variable program and transfer past contributions conditionally.** A conditional election cancels variable participation for all future contributions beginning the next January 1. Past variable contributions will not be transferred to the core fund until the January 1 after the variable accumulation equals or exceeds the amount that would have accumulated had the contributions been deposited in the core annuity program. Non-annuitants electing a conditional cancellation may change to an unconditional election at any time. If the condition of transfer has not been met prior to retirement, the election will apply to the person as a retiree.

- **Cancel future participation in the variable annuity program and transfer past contributions unconditionally.** With an unconditional election, past variable contributions are transferred to the core annuity program effective the next January 1. This type of election may result in a variable excess or a variable deficiency (refer to subchapter 1602 B.)

**D. Cancellation Options for Retirees (receiving monthly WRS benefits)**

- **Cancel participation in the variable annuity program for future contributions only.** (This option applies only to any new contributions to an annuitant WRS account.) The variable annuity continues to be paid from the variable trust fund and will continue to receive the annual variable annuity adjustments. The annuitant may file a conditional or unconditional election any time in the future.
- **Conditional Transfer.** A conditional cancellation changes the variable portion of the annuity to a core annuity, if and when the variable amount equals or exceeds the amount that would have been paid had the annuitant never participated in the variable trust fund. An annuitant may file an unconditional election at any time, which would become effective on the following January 1. Any annual variable gains or losses earned prior to the January 1 on which the variable cancellation becomes effective will be applied to the variable annuity and will be reflected beginning with each subsequent April 1 payment.
- **Unconditional Transfer.** The annuitant may elect to unconditionally change the variable portion of the annuity to a core annuity effective on the following January 1. Any variable gains or losses in the year in which the form is filed will be applied to the variable annuity and will be reflected beginning with the subsequent April 1 payment. No future variable gains or losses will be applied to this benefit.

**1603 Canceling Variable Participation (ET-2313)**

Department of Employee Trust Funds (ETF)  
 P. O. Box 7931  
 Madison, WI 53707-7931

**CANCELING VARIABLE PARTICIPATION**

Wis. Stat. § 40.04 (7) Wis. Adm. Code ETF 10.30

TYPE OR PRINT IN INK

YOUR NAME <i>Last</i> <i>First</i> <i>Middle I.</i> <i>Maiden</i>				Your Social Security Number
Address    No. and Street				Your Birthdate (MM/DD/CCYY)
City	State	Zip Code	Your Weekday Telephone No. (Include area code)	

**Be sure to read the information about canceling your Variable participation on the previous pages *before* completing this form.**

You may select one of the following options for canceling your participation in the Variable Trust Fund (check one box only):

- 1. I elect to cancel my participation in the Variable Trust Fund for all future contributions only. I understand that all past contributions (and my annuities, if applicable) will remain in the Variable Trust Fund.
- 2. I elect to cancel conditionally my participation in the Variable Trust Fund. I understand this election will cancel all future Variable contributions to my WRS account. Past Variable contributions will be transferred or future Variable annuity payments will become Core payments only when the value of the Variable portion equals or exceeds the amount I would have had if I had never participated in the Variable Trust Fund.
- 3. I elect to cancel unconditionally my participation in the Variable Trust Fund. I understand this election will cancel all future Variable contributions and transfer past Variable contributions from my active/inactive account(s) and/or transfer my future annuity payments to the Core Trust Fund *after* the current year Variable investment result is applied to my account and/or annuity. If I am not an annuitant and my account has a residual deficiency, I understand that this deficiency may grow and the deficiency amount when my annuity begins will decrease my formula benefit.

**MULTIPLE ACCOUNTS**

<p><b>IF YOU HAVE MULTIPLE ACCOUNTS BUT ONLY WANT THIS VARIABLE CANCELLATION TO APPLY TO SPECIFIC ACCOUNT(S)</b>, use this space to specify the WRS account(s) to which you want this cancellation to apply. See "MULTIPLE ACCOUNTS" section on Page 7 before completing this section. If you do not specify the account (and/or annuity) to which this cancellation is to be applied, it will be applied to all of your Variable accounts and/or annuities.</p>  
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I have read, understand and agree to all of the terms of this election as stated above and in Pages 1-8.

I understand that Wis. Stat. § 943.395 provide criminal penalties for making false or fraudulent claims on this form and hereby certify to the best of my knowledge and belief, the above information is true and correct. I have read and understand the information regarding the effects of canceling participation in the Variable Trust Fund.

Date (MM/DD/CCYY)	Signature	Daytime Telephone Number
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Sign. Make a copy for your records.

Submit original form to:

Department of Employee Trust Funds  
 P.O. Box 7931  
 Madison, WI 53707-7931

ETF will mail you an acknowledgement letter.

## **CHAPTER 17 — BENEFITS**

- 1700 Employer Reporting Responsibilities**
- 1701 Advising Employees or Survivors**
- 1702 Benefit Presentations**
- 1703 Internet Site**
- 1704 Telephone Message Center**
- 1705 Automated Telephone Service for Participants**
- 1706 Publications**

Benefits may be available when a participating employee terminates employment, retires, becomes disabled or dies. Prompt and accurate reporting of final service and earnings will help ensure that benefits are paid in a timely and accurate manner. Employees who have questions regarding their benefits should contact ETF's Call Center at (877) 533-5020.

### **1700 Employer Reporting Responsibilities**

Report employees' final WRS hours and earnings, as well as the termination date, through the Online Network for Employers (ONE) or by using the *Employee Transaction Report* (ET-2533) as explained in Chapter 9. Refer to Chapter 2 for a more complete listing of WRS employer agent responsibilities.

If you participate in the Group Life Insurance Plan administered by ETF, submit a *Notice of Death* (ET-6301) for covered employees who die or submit a *Disability Premium Waiver* (ET-5306) for covered employees who become disabled.

State agencies must certify sick leave on the *Accumulated Leave Certification* (ET-4306) for any employee who becomes disabled, dies or retires (i.e., terminates after reaching age 55; age 50 for protective employees), if that employee participates in the State Group Health Insurance Program.

Refer to subchapter 1706 for instructions on ordering forms.

### **1701 Advising Employees or Survivors**

When an employee terminates participating employment, plans to retire or becomes disabled, the employee must be provided a *Request for Benefit Information* (ET-7301) to complete and mail to:

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

When an employee dies, the survivors must be provided a *Request for Benefit Information* (ET-7301) to complete and mail to:

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931

Employees wishing to schedule a counseling appointment at one of our offices or talk to an ETF Benefit Specialist directly, may do so by contacting ETF at one of the phone numbers listed below.

Toll Free: (877) 533-5020  
Madison: (608) 266-3285  
Appointments: (608) 266-5717 or (877) 533-5020 ext. 65717

## **1702 Benefit Presentations**

The schedule of presentations explaining the WRS and other ETF administered benefit programs is announced by *Employer Bulletin* and can be found at <http://etf.wi.gov>. Employees, spouses, employers and any interested individuals are encouraged to attend one of the sessions. No reservations are required and no fees are charged. Employers wishing to host a presentation should call (608) 261-0153 for more information.

## **1703 Internet Site**

For quick access to reporting forms, *Employer Bulletins*, informational brochures, forms, and the latest information on WRS plans and programs, visit our Internet site at <http://etf.wi.gov/>. You can also e-mail ETF by this site.

## **1704 Telephone Message Center**

You can listen to pre-recorded messages on a variety of topics by calling the Telephone Message Center at (800) 991-5540 (toll free) or (608) 264-6633 (local Madison). The message center is available 24 hours a day, seven days a week. A touch-tone phone is necessary to access this system. The informational brochure *Telephone Message Center* (ET-7348) lists all pre-recorded messages and is available on our website at <http://etf.wi.gov/>.

## **1705 Automated Telephone Service for Participants**

ETF has a 24-hour automated telephone service for employees to use to request forms and brochures. WRS annuitants may also change their home mailing address or tax withholding election through this self-service line. A touch-tone phone is necessary to access this system. This toll-free service number is (877) 383-1888 or locally in Madison (608) 266-2323. Callers will not be able to speak to a person when using this system.

## 1706 Publications

ETF has prepared several brochures explaining the various benefits. Samples are available to employers; however, employees and employers should contact ETF for copies as the publications are frequently updated. Several publications are routinely sent to employees by ETF. Please visit the Publications tab on our website at <http://etf.wi.gov/> for a complete listing of publications.

<b>PUBLICATIONS</b>	<b>HOW DISTRIBUTED BY ETF</b>
Your Benefit Handbook (ET-2119)*	Upon Request
Investment Earnings Distribution Report (ET-2124)	Upon Request
Calculating Your Retirement Benefits (ET-4107)	Upon Request
Telephone Message Center (ET-7348)	Upon Request
Choosing An Annuity Option (ET-4117)	Upon Request
Tax Liability on WRS Benefits (ET-4125)	Upon Request
Information for Retirees (ET-4116)	Upon Request
Separation Benefits (ET-3101)	Upon Request by Employee
Disability Benefits (ET-5102)	Upon Request
How Participation in the Variable Trust Affects Your WRS Benefits (ET-4930)	Upon Request
Buying Creditable Service (ET-4121)	Upon Request
Additional Contributions (ET-2123)	Upon Request
Death Benefits (ET-6101)	Upon Request
Military Service Credit (ET-4122)	Upon Request
How Part-Time Employment Affects Your Benefits (ET-2121)	Upon Request
Group Life Insurance After You Terminate Employment (ET-4104)	Upon Request and Annually in October
Group Life Insurance for State and Local Employees of Wisconsin (ET-2101)*	Upon Request and Annually in October
Conversion Information for Group Life Insurance (ET-2306)*	Upon Request
It's Your Choice (ET-2107)* (State of Wisconsin employees only)	Upon Request
It's Your Choice (ET-2128)* (Local employees only)	Upon Request
Health Insurance Coverage After Retirement (ET-4112) (State of Wisconsin employees only)	Upon Request
State Medicare Plus \$100,000 (ET-4113) (State of Wisconsin employees only)	Upon Request
Income Continuation Insurance (ET-2106)* (State of Wisconsin employees only)	Upon Request
Income Continuation Insurance (ET-2129)* (Local employees only)	Upon Request

\*Must be distributed by employers.

To order publications, choose one of the following methods:

- Call Supply and Mail Services at (608) 266-3302.
- Photocopy the list of publications and check (X) the title of the publications you desire and indicate the number of copies needed. Send the photocopy along with your employer name and employer identification number to:

Department of Employee Trust Funds  
Supply and Mail Services  
P.O. Box 7931  
Madison, WI 53707-7931

- Send us an e-mail or fill out the forms order page from ETF's Internet site at <http://etf.wi.gov/>.
- You can also print most of the publications from our Internet site.

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 18 — EMPLOYEE BENEFITS DURING LAYOFF OR LEAVE OF ABSENCE**

**1800 Definitions**

**1801 Benefits Upon Termination Due to Permanent Layoff**

**1802 Benefits During Unpaid Leave of Absence or Temporary Layoff**

**1800 Definitions**

“Leave of Absence,” as defined in Wis. Stat. § 40.02 (40), means any period during which an employee has ceased to render services and receive earnings from a participating employer and there has been no formal termination of the employer-employee relationship.

Wis. Stat. § 40.02 (40), provides that a leave of absence, except a military leave or union service leave, shall terminate for Wisconsin Retirement System (WRS) purposes no later than three years after it begins, or earlier if reported by the employer. If an employee, therefore, continues on leave with the employer after a period of three years, the employer must submit an *Employee Transaction Report* (ET-2533) showing that the employee terminated for WRS purposes three years from the date the leave of absence began. Use “Action Code” 01 for termination. The “Action Date” will be three years from the date the leave of absence began. **The employer can keep the employee on an administrative leave for other non-ETF program fringe benefit purposes, if necessary.**

**NOTE:** Wis. Stat. § 40.02 (40) states that a leave of absence is not deemed ended or interrupted by reason of returning to work until the employee has resumed active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee’s normal work time with that employer. Employee benefits may be continued during approved leaves without pay, according to the guidelines described on the chart on the following page.

A separation or retirement benefit may not be paid to an employee on leave unless the employer/employee relationship is terminated. Contributions left in the WRS accumulate annual interest.

**1801 Benefits Upon Termination Due to Permanent Layoff**

Benefit Type	How Long is Coverage Available	Payment of Premiums	Employee Required Contributions	Employer Required Contributions
<b>WRS</b>	Contributions and service ends on the date the employee is terminated.	Employee and employer contributions will end on the termination date. The employee is eligible to take a separation or retirement benefit depending on their age.		
<b>LIFE</b>	Coverage will continue through the end of the month following the month in which the employee terminates. Employees insured for six or more continuous months at the time coverage ends may continue or convert life insurance coverage. Refer to subchapter 1603 of the <i>Group Life Insurance Administration Manual</i> for details.	Employee and employer contributions will end on the last day of the month following the month in which the employee terminated. For example: If an employee is terminated on May 20, 2010, life insurance coverage will end on June 30, 2010.		
<b>HEALTH</b>	Up to five months with employer contribution. Thereafter, employee may continue: 1) if using sick leave credits to pay premiums, for up to five years if the sick leave credits are sufficient; 2) 36 months under continuation provisions, by paying full premium after the employer contribution ends or after sick leave credits are exhausted; or 3) for life, with premiums paid from sick leave or by the employee, if the employee begins an immediate WRS annuity, or has 20 years of creditable service and is eligible for a WRS annuity.	Paid in advance by deduction from last payroll check or by personal check; then 30 days prior to end of the period for which premiums were previously paid. Any employee share must be paid in advance by deduction from the employee's last check or by personal check if not using sick leave credits.	After 3 additional months of employer premium upon layoff, employee is responsible for all employer and employee contributions. Accumulated unused sick leave may be converted to a dollar amount to pay premiums during layoff. Premiums are deducted until the credits are exhausted, 1 <sup>st</sup> of the month following the employee's acceptance of other employment offering comparable health insurance plan or policy, or five years have elapsed from date of layoff, whichever occurs first.	First 3 months (in addition to any prepaid months at time of termination) after employee is laid off.
<b>ICI</b>	Coverage ends on the termination date. Employees already on ICI continue to receive benefits for as long as they remain disabled under the terms of the ICI contract.	Employee and employer contributions will end on the termination date.		

If an employee is rehired after termination due to permanent layoff, the employee must meet the same eligibility requirements as any other rehire for WRS benefits, including insurance. Please access ETF's Previous Service & Benefit Inquiry Application at the Online Network for Employers site (<http://etfextranet.it.state.wi.us>) or call the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900 to see if the employee has taken a benefit after termination.

**1802 Benefits During Unpaid Leave of Absence or Temporary Layoff \***

<b>Benefit Type</b>	<b>How Long is Coverage Available?</b>	<b>Payment of Premiums</b>	<b>Employee Required Contributions</b>	<b>Employer Required Contributions</b>	<b>How to Obtain Coverage Lapsed During LOA</b>
<b>WRS</b>	36 months (not applicable, if employer pays contributions), not including military or union service leave.	A separation or retirement benefit may not be paid to an employee on leave unless the employee terminates the employer/employee relationship. Contributions left in the WRS are subject to annual interest.			Employer makes retirement deductions upon return to work and reports return to work on annual detail report.
<b>LIFE</b>	36 months (beyond 36 months if union service leave).	3-month increments due 30 days prior to end of 3-month period.	Same as prior to leave unless employee contribution rates increase or decrease, or the employee attains a new premium age category.	Continue up to 36 months.	Employee submits application ET-2304 within 30 days of return to work. Coverage types will remain the same as coverage types prior to leave or temporary layoff in most circumstances.
<b>HEALTH</b>	36 months (beyond 36 months if military or union service leave).  <u>For Layoff Only:</u> Up to five years, if using sick leave credits.  COBRA coverage after the employer contribution ends, sick leave credits are exhausted or employee is still using credits after five years have elapsed.	Paid in advance by deduction from last payroll check or by personal check; then 30 days prior to end of the period for which premiums were previously paid.	After three additional months upon leave or temporary layoff, total of employer and employee premiums. <u>For Layoff Only:</u> Accumulated unused sick leave may be converted by employer to a dollar amount to pay premiums during layoff. Premiums are deducted until the credits are exhausted, first of the month following the employee's acceptance of other employment offering a comparable health insurance plan or policy or five years have elapsed from date of layoff, whichever occurs first.  Local Employer - Employee must pay entire premium, unless employer has made provisions for payment for employee.	First three months of leave or temporary layoff.	Employee submits <i>Group Health Insurance Application</i> (ET-2301) within 30 days of return to work. Coverage type will remain the same unless a qualifying event has taken place. Restriction to the same plan unless the employee moved, or an It's Your Choice enrollment period occurred during the leave or temporary layoff.
<b>ICI</b>	36 months (beyond 36 months if union service leave) Waiting period for benefits is the same for employees on leave as for active employees. Benefits are computed based on last complete payroll period before	Paid in advance by deductions from last payroll check, then due 30 days prior to end	After 3 months, total of employer and employee contributions.  Local Employer - Employee must pay entire premium unless employer has made provisions for payment	First 3 months while on leave or temporary layoff.	Employee submits <i>Income Continuation Insurance Application</i> (ET-2307) within 30 days of return to work. Coverage types will remain the same as

**Wisconsin Retirement System**  
**Chapter 18 — Employee Benefits During Layoff or Leave of Absence**  
**Page 4**

	leave.	of period for which premiums were previously paid.	for employee.		coverage types prior to leave or temporary layoff in most circumstances.
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\* Temporary layoff includes temporary layoff as defined under the applicable contract or administrative code, seasonal layoffs, school-year employee summer layoffs, etc.

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 19 — ACTUARIAL REDUCTION PROGRAM**

- 1900 Explanation of Program**
- 1901 Who is Eligible**
- 1902 Procedure for Completing the *Election to Pay Cost of Actuarial Reduction* (ET-4311)**
- 1903 *Election to Pay Cost of Actuarial Reduction* (ET-4311)**

**1900 Explanation of Program**

Employees retiring after reaching minimum retirement age, but before reaching normal retirement age for their employment category are deemed to have taken an early retirement. Normal retirement age by employment category is:

- **General** – 65 (57 with 30 years of service)
- **Protective** – 54 (53 with 25 years of service)
- **Executive and Elected** – 62 (57 with 30 years of service)

The annuity paid to any person who takes an early retirement is subject to an actuarial reduction. The annuities of protective occupation participants are reduced by 0.4% per month for each month of age below normal retirement age. The annuities of non-protective occupation participants are reduced by 0.4% per month between ages 55 and 57 and by 0.001111% for each month between age 57 and normal retirement age.

Employers (other than the state of Wisconsin) may elect to pay ETF all or part of the cost of actuarial reduction for early retirement for a participating employee who voluntarily terminates employment. Employers may agree to pay all or a portion of the cost of the discount for any one of their employees. This agreement must be made prior to the participant terminating employment.

**1901 Who is Eligible**

Employees terminating employment and eligible for a retirement annuity involving an age reduction factor (formula benefits only) can participate in the program. The election to pay the cost of actuarial reduction for an employee must be received by ETF no later than the employee's termination date. Once the employer certifies an agreement, it is irrevocable, unless ETF receives written notice that the employer is rescinding this election within 30 days after ETF receives the election. Use the *Election to Pay Cost of Actuarial Reduction* (ET-4311) form to certify an agreement to pay all or part of an employee's cost. (Refer to subchapter 1902 for sample.)

Upon receipt of the certified election, ETF will determine the actual cost at the time of final calculation of the retirement benefit and bill the employer. The employer's actual cost to purchase the reduction depends on whether an election to pick up 100% or a lower amount has been made. The amount paid by the employer is credited as employer current service contributions.

Information concerning the cost or the affect on an employee's benefit can be directed to the Member Services Bureau in Madison at (608) 266-3285 or toll free at (877) 533-5020. Written requests can be sent to ETF at:

P.O. Box 7931  
Madison, WI 53707-7931.

### **1902 Procedure for Completing the *Election to Pay Cost of Actuarial Reduction* (ET-4311)**

1. Employee requests an annuity estimate from ETF. When requesting their annuity estimate, the employee should also request the *Election to Pay Cost of Actuarial Reduction* (ET-4311) be computed and included in their retirement estimate packet.
2. Employee gives the ET-4311 (with estimated cost) to the employer.
3. Employer completes the employer section of the agreement and sends it to ETF. By signing the agreement, the employer agrees to pay the portion indicated as the actuarial cost of the increased formula benefit. This is a legal and binding agreement that must be received by ETF no later than the date the participant terminates covered employment.
4. ETF completes the final annuity calculation and the Office of Trust Finance & Data Analysis bills the employer for the cost.

**1903 Election to Pay Cost of Actuarial Reduction (ET-4311)**

Department of Employee Trust Funds  
Wisconsin Retirement System  
P.O. Box 7931 - Madison, WI 53707-7931

**ELECTION TO PAY COST OF ACTUARIAL REDUCTION**

Wis. Stat. § 40.23 (2m) (g)

<b>EMPLOYEE IDENTIFICATION</b>			Social Security Number
Last Name	First Name	Middle Initial	Birthdate (MM/DD/CCYY)

This is a binding contract. By signing it you agree to pay the actuarial cost of the increased formula retirement annuity for the employee named above. This election to pay the cost of actuarial reduction is irrevocable unless the Department receives written notice that you are rescinding this election within 30 days after the Department receives the election. Please read this document carefully before completing and signing it.

**NOTE:** Payment of the cost of actuarial reduction increases an annuity calculated under the formula method only. If the final annuity amount is greater by the money purchase calculation you will not be billed for the cost of actuarial reduction. The other option to increase an employee's benefit, regardless of the final calculation method, is employer-paid additional contributions under Wis. Stat. § 40.05 (2) (g). Contact the Department about employer-paid additional contributions.

**ESTIMATED COST**

The employee named above has inquired about the cost to offset the actuarial reduction in his/her formula retirement annuity. The cost below is an estimate, based on the projected termination date and final earnings provided to the Department. If the termination date and/or final earnings are changed, the cost will increase or decrease to reflect the change.

**The estimated cost to the employer and the increase in the employee's annuity shown below are based on the employer paying the cost to offset 100% of the actuarial reduction. If the employer will pay for a percentage less than 100%, the cost and increase in the employee's annuity will decrease proportionately.**

Projected Termination Date: \_\_\_\_\_

Estimated Employer Cost to Pay 100% of Actuarial Reduction: \$ \_\_\_\_\_ Monthly Annuity Increase in Employee's "For Annuitant's Life Only" Option: \$ \_\_\_\_\_

If checked see the attached letter for additional information.

Date (MM/DD/CCYY)	Prepared By	Telephone Number
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**EMPLOYER INSTRUCTIONS**

If the projected termination date does not match your records, please enter the correct termination date: \_\_\_\_\_. This date must match the date on your regular employee transaction report.

The amount shown above is an estimate of the employer cost to provide this benefit to your employee. **DO NOT SUBMIT PAYMENT WITH THIS ELECTION; YOU WILL BE BILLED FOR THE ENTIRE COST AFTER THE FINAL COMPUTATION OF THE EMPLOYEE'S ANNUITY IS COMPLETED.** Entire payment is due by the date indicated on your employer invoice (approximately 30 days).

Your signed certification must be received by the Department no later than the date the participant terminates covered employment.

**NOTE:** Before signing, review the employer-employee agreements to verify that this employee meets your eligibility criteria for this benefit provision. If the employee is represented by a labor organization, any action taken to provide the increased benefit must be taken pursuant to a collective bargaining agreement.

**EMPLOYER CERTIFICATION:** I hereby certify that the above named employee will voluntarily terminate employment on the termination date entered above. The employer agrees to pay the portion indicated below of the actuarial cost of the increased formula benefit pursuant to Wis. Stat. § 40.23 (2m) (g), as determined by the Department of Employee Trust Funds.

<b>CHECK ONLY ONE BOX, AND IF THE SECOND OR THIRD BOX IS CHECKED, ENTER THE AMOUNT.</b>		
<input type="checkbox"/> The employer agrees to pay 100% of the cost. <input type="checkbox"/> The employer agrees to pay _____% of the cost. <input type="checkbox"/> The employer agrees to pay \$ _____ of the cost (cannot exceed the cost to pay 100% of the actuarial reduction) <input type="checkbox"/> The employer agrees to pay the cost of actuarial reduction as if the employee above were _____ years older. (Cannot exceed cost to pay 100% of the actuarial reduction.)		
Date (MM/DD/CCYY)	Signature of Employer Agent	Title
WRS Employer Identification Number		Legal Title and Address of Employer

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**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**CHAPTER 20 — PARTICIPANT SERVICES**

- 2000 Buying Creditable Service**
- 2001 Military Service Credit**
- 2002 Beneficiary Designations**
- 2003 Ordering Forms**

**2000 Buying Creditable Service**

Currently, most annuities from the Wisconsin Retirement System (WRS) are based on a formula that uses total years of creditable service to determine the benefit amount. In general, the more years of accumulated service the higher the benefit. Eligible participants may be able to purchase forfeited and/or pre-1973 "qualifying" service, thereby increasing the total service credited to their account.

Employees may receive additional information on how creditable service may be purchased by calling the Call Center toll free at (877) 533-5020, or locally in Madison (608) 266-3285. ETF's brochure, *Buying Creditable Service* (ET-4121) is also available to assist employees considering a purchase of creditable service.

**A. Forfeited Service**

Employees who previously forfeited service by taking a separation benefit can "buy back" this service. An employee must have at least three continuous years of service since returning to covered WRS employment in order to be eligible to purchase forfeited service. The employee may purchase a maximum of 10 years of service, not to exceed the number of years of service earned since returning to covered employment. An application and the required payment must be received by ETF on or before the employee's WRS termination date.

**B. Qualifying Service**

Prior to January 1, 1973, participants in the former Wisconsin Retirement Fund did not make contributions or receive service credit for a "qualifying period," usually the first six months of employment. Participants may purchase this service.

Participants who forfeited service by taking a separation benefit must first repurchase that forfeited service in order to be eligible to purchase the qualifying service.

### C. Other Government Service

Active employees under the WRS who meet all of the eligibility criteria may be eligible to increase their WRS benefits by purchasing any of the following types of Other Governmental Service:

- Employment with a United States governmental employer (other than military service) at the federal, state, or local level. Examples include teaching in public schools, colleges or universities outside Wisconsin; service with the federal government; or employment with a state, county or city government outside Wisconsin.
- Employment with a Wisconsin governmental employer that did not participate in the WRS at that time, or employment with a WRS employer that did not cover employees in that employment category at that time. Examples include employment with Milwaukee County, non-teaching employment with the city of Milwaukee or with a Wisconsin school district that did not cover its non-teachers, or non-protective category employment with a Wisconsin city that did not cover its non-protective employees.

## 2001 Military Service Credit

Employees may be eligible to receive WRS creditable service for part or all of their active U.S. military service. To receive military service credit, the employee must provide ETF with a photocopy of their military service discharge papers (usually the DD-214) showing the date of entry and the date of discharge from active duty under the functional control of the U.S. armed forces. The discharge must be honorable to receive the credit. For additional information, employees can request a copy of the brochure entitled *Military Service Credit* (ET-4122) from ETF.

## 2002 Beneficiary Designations

Filing a *Beneficiary Designation* (ET-2320) ensures prompt payment of any benefit due a beneficiary upon the death of a WRS participant. When no *Beneficiary Designation* form is on file, death benefits are paid according to the statutory standard sequence:

- 1<sup>st</sup> Surviving spouse or surviving domestic partner**
- 2<sup>nd</sup> Child(ren)** - If one of your children dies before you, that child's share is divided between the deceased child's children.
- 3<sup>rd</sup> Grandchild(ren)** – If one of your grandchildren dies before you, that grandchild's share is divided between the deceased grandchild's children.
- 4<sup>th</sup> Parent(s)**
- 5<sup>th</sup> Sibling(s)** - If one of your siblings dies before you, that sibling's share is divided between the deceased sibling's children.

If no survivors in 1-5 above, benefits will be paid to your estate.

Employers may distribute the *Beneficiary Designation* (ET-2320) to each employee who requests one. **The employer should not complete the form for the employee or accept a completed form from the employee.** It is the employee's responsibility to complete and sign the form and send it directly to ETF. Each form includes detailed instructions on how to complete it. Employees may address their questions to ETF's Call Center at (877) 533-5020 (toll free) or (608) 266-3285 (Madison). *Beneficiary Designation* (ET-2320) forms can be ordered by calling (608) 266-3302 or downloaded from our website, printed, completed and submitted to ETF.

## 2003 Ordering Forms

Employers may order forms by telephone or online from ETF. Items will be delivered in one to three weeks depending on availability. It is possible to print many forms from ETF's website at <http://etf.wi.gov/>. Forms available for employer printing are listed in alphabetical order and may be downloaded as needed.

### A. Telephone Orders

Employers may use the voice mail request line at ETF's Supply and Mail Services (SAMS). The voice mail program allows employers to call and order forms and brochures by leaving a recorded message.

1. Call ETF's SAMS telephone number at (608) 266-3302.
2. Provide the four-digit form number, beginning with the "ET" prefix (e.g. ET-2316)
3. State the name of the form. (e.g. WRS enrollment)
4. State the quantity desired.
5. State the employer name.
6. Give your seven-digit employer identification number, which starts with 69-036-

### B. Online Orders

Employers may also order forms through the Internet.

1. Go to ETF's website at <http://etf.wi.gov>
2. Click on the Employer's section
3. Click on "On-Line Forms Order"
4. Complete the required fields on the employer information section of the form. You will get an error message if you don't complete the required fields.
5. Complete the forms order section of the form – list the ETF form number, quantity, and ETF form name.
6. Click the send button at the bottom of the page.
7. You will receive an automated response message stating that your order has been received.

**NOTE:** It is sometimes necessary to partially fill orders because forms may be temporarily in short supply. When this occurs, the employer may receive fewer copies than requested. A notice will be included with the partial order. The balance of the order will be filled when forms become available.

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## **CHAPTER 21 — QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)**

- 2100 General Information**
- 2101 Employer Reporting**
- 2102 *Report for QDRO of Current Year Earnings/Contributions (ET-2561)***

### **2100 General Information**

Wisconsin statutes allow for the division of Wisconsin Retirement System (WRS) participant rights and benefits under the WRS as required by a divorce action (Qualified Domestic Relations Order).

A Qualified Domestic Relations Order (QDRO) awards an alternate payee (former spouse) a percentage—up to 50%—of a participant's WRS account (service and contributions) as of the divorce decree date. The portion of the account awarded to the alternate payee in the QDRO is deducted from the participant's account and transferred into a separate account established for the alternate payee. Once the account is divided, both the participant and the alternate payee receive a statement showing the new balances in both accounts.

Employees may contact ETF's Call Center toll free at (877) 533-5020 or locally at (608) 266-3285 (Madison) with questions on QDRO awards. ETF's forms contain all of the language required by statute for dividing a WRS account.

### **2101 Employer Reporting**

After being informed of a WRS participating employee subject to a QDRO, ETF sends a *Report for QDRO of Current Year Earnings/Contributions (ET-2561)* to the employer for certification of any unreported hours, earnings and contributions through the day before the decree date. The employer completes the form, retains the employer copy and submits the original and alternate payee copies to ETF.

Ordinarily, ETF requests hours, earnings and contributions for current year QDROs, however, 1998 Wis. Act 125 permits QDROs retroactive to 1982. Although hours and earnings have already been reported to ETF in these cases, ETF must send a *Report for QDRO of Current Year Earnings/Contributions* to the employer requesting a breakdown of the hours and earnings from January 1 of the year through the day preceding the QDRO date.

**2102 Report for QDRO of Current Year Earnings/Contributions (ET-2561)**

Department of Employee Trust Funds (ETF)  
 Wisconsin Retirement System  
 P.O. Box 7931  
 Madison, Wisconsin 53707-7931  
 www.etf.wi.gov

**REPORT FOR QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)  
 YEAR EARNINGS/CONTRIBUTIONS**

Wis. Stat. § 40.06 (7) and 40.08 (1m)

Employee Name: <i>(Last, First, MI)</i>		Alternate Payee Name: <i>(Last, First, MI)</i>	
Employee Social Security Number		Alternate Payee Social Security Number	
Employment Category		Decree Date (MM/DD/CCYY)	
Date (MM/DD/CCYY)	Prepared By	Telephone Number	

EMPLOYER: Complete the earnings, service and contributions paid to the employee from January 1 through the day before the decree date. Fiscal Year Hours & Earnings must be reported for teachers, judges, and educational support personnel only.

Employer Name	Employer Number 69-036	QDRO Year
Fiscal Year Hours (1/1 – 6/30)	Fiscal Year Earnings (1/1 – 6/30)	
Calendar Year Hours (1/1- _____)	Calendar Year Earnings (1/1- _____)	

The following sections pertain to the employee share of WRS contributions. See explanation on reverse.

**EMPLOYEE REQUIRED CONTRIBUTIONS (ERC) \_\_\_\_\_ %**

Employer Paid	Employee Paid	Total
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**BENEFIT ADJUSTMENT CONTRIBUTIONS (BAC) \_\_\_\_\_ %**

Employer Paid	Employee Paid	Total
---------------	---------------	-------

**ADDITIONAL CONTRIBUTIONS \_\_\_\_\_ %**

Employee Paid Core	Employee Paid Variable	
Employer Paid Core	Employer Paid Variable	
Tax Deferred Core	Tax Deferred Variable	
Date (MM/DD/CCYY)	Prepared By:	Telephone Number:

**CHAPTER 22 — UNIFORMED SERVICES SUBJECT TO RETIREMENT CREDIT**

- 2200 Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)**
- 2201 Uniformed Services**
- 2202 Examples of Military Service**
- 2203 Periods of Uniformed Service when Employees Become Eligible for Retirement Credit**
- 2204 Retirement Credit**
- 2205 What the Employee Must Do to Receive Credit**
- 2206 Current Year Reporting**
- 2207 Retroactive Reporting**
- 2208 Death Benefits for Certain Inactive WRS Participants (HEART Act)**

**2200 Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provides retirement credit to uniformed service employees. USERRA was signed into law in 1994 and applies to retirement rights for uniformed service employees retroactive to 1940. The U.S. Federal Department of Labor considers USERRA a restatement and clarification of the veterans' reemployment rights laws enacted in 1940 that provided reemployment without loss of seniority.

**NOTE:** Refer to subchapter 2001 for other Military Service credit.

**2201 Uniformed Services**

- Armed Forces
- Army and Air National Guard, when engaged in active duty for training, inactive duty training or full-time National Guard duty
- Commissioned corps of the Public Health Service
- Any other category of persons designated by the President in time of war or emergency.

## 2202 Examples of Military Service

- Army
- Army Reserve
- Marine Corps
- Marine Corps Reserve
- Air Force
- Air Force Reserve
- Coast Guard
- Commissioned Officer of U.S. Public Health Service

## 2203 Periods of Uniformed Service when Employees Become Eligible for Retirement Credit

- Active duty.
- Active duty for training.
- Inactive duty for training which includes weekend drills if part of normal work schedule.
- Annual training.
- Training for which orders were given.
- Volunteer or required active duty military service or training.
- Time a person is absent for the purposes of a fitness exam.

## 2204 Retirement Credit

The amount of retirement credit cannot exceed what the employee **would have received** had they remained continuously employed throughout the period of service. Contributions to the Wisconsin Retirement System (WRS) are based on what the employee would have earned from their employer had they not been absent from work to fulfill obligations in the uniformed services. The computation is not based on what the employee earned from the uniformed service.

ETF will assist you in reporting the earnings and hours for USERRA retirement credit. The employer can collect the employee share of the required employee contributions from the employee, but, according to Federal law, the employee cannot be required to pay interest charges for late reported employee contributions. This means the employer is responsible for both the employee and the employer share of any interest assessed on late reported WRS contributions. Call the Employer

Communication Center for assistance toll free at (888) 681-3952 or locally at (608) 264-7900.

## **2205 What the Employee Must Do to Receive Credit**

For employees to receive USERRA credit for their military service, they must meet the following conditions:

1. Notify the employer that they are going on military leave.
2. Leave the military under honorable conditions.
3. Return to the same employer within the following time limits, for leaves which are one of the following:
  - Fewer than 31 days; report to work the next regularly scheduled workday after receiving adequate travel and rest.
  - 31 to 180 days; return to work within 14 days after completion of service.
  - More than 180 days; return to work within 90 days after completion of service.
4. Provide the employer with a copy of their military leave and earnings statement (military papers) showing the date of entry and the date of discharge.

**NOTE:** *Employer Bulletin* Vol. 14, No. 19 dated December 26, 1997, contained a notice titled "Uniformed Services Subject to Retirement Credit." Employers were encouraged to post the notice for employee informational purposes. This notice should help employers avoid additional interest on late reported earnings by informing employees of their rights immediately, thus eliminating the number of retroactive requests that employers receive from employees. A copy of the notice appears on the following page.

### UNIFORMED SERVICES SUBJECT TO RETIREMENT CREDIT

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provides retirement credit to uniformed service employees. These employees became eligible for retirement credit for periods of active duty, active duty for training, inactive duty for training which included weekend drills, annual training, training for which orders were given, and volunteer or required active duty military service or training. Even though USERRA was signed into law in 1994, it applies to retirement rights for uniformed service employees back to 1940. The US Federal Department of Labor considers USERRA a restatement and clarification of the veterans' reemployment rights laws enacted in 1940, which provided reemployment without loss of seniority.

You may be eligible for retirement credit for uniformed services performed since 1940. Uniformed services means the Armed Forces, the Army and Air National Guard when engaged in active duty for training, inactive duty training or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency. Examples of Military Service include: Army, Army Reserve, Marine Corps, Marine Corps Reserve, Air Force, Air Force Reserve, and the Coast Guard.

The amount of retirement credit cannot exceed what you would have received had you remained continuously employed by your employer throughout the period of service. Employee contributions to the Wisconsin Retirement System (WRS) are based on what you would have earned from your employer had you not been absent from work for service in the uniformed services. The computation is not based on what you earned from the uniformed service.

To receive the credit, you must do the following:

1. Notify your employer that you are going on military leave.
2. Leave the military under honorable conditions.
3. Return to the same employer within the following time limits, for leaves which are:
  - Less than 31 days, report to work the next regularly scheduled workday after receiving adequate travel and rest.
  - 31 to 180 days, return to work within 14 days after completion of service.
  - More than 180 days, return to work within 90 days after completion of service.

If you have uniformed services for which you have not been given retirement credit, provide your employer with a copy of your military leave and earnings statement showing the date of entry and the date of discharge. Your employer will work with the Department of Employee Trust Funds to report the earnings and hours for retirement credit. Your employer can collect the employee share of the required employee contributions from you but you cannot be required to pay any interest charges for late reported contributions.

## 2206 Current Year Reporting

In order to satisfy the requirements of USERRA for WRS purposes, an employer must submit a copy of the employee's military leave and earnings statement (military papers) to ETF and do **one** of the following:

1. Keep the employee on a paid leave of absence and continue to remit monthly WRS contributions. Report the employee's entire annual earnings and hours for the current year using the annual transaction code P000.
2. Pay the employee the difference between their usual earnings and what they are receiving as payment for military service. (Wisconsin Act 162 requires this of state agencies.) Remit monthly WRS contributions on the full earnings of which a portion is deemed earnings for the portion of the payment the employee received from the military. The amount reported to WRS at year end equals the earnings and hours the employee would have received if the employee had remained employed. Report the employee's entire annual earnings and hours for the current year using the annual transaction code P000.
3. Place the employee on an unpaid leave of absence for the entire period of military duty. Remit monthly WRS contributions only on the earnings the employee actually received prior to going on military leave. Submit an *Employee Transaction Report* (ET-2533) with Action Code P050 to report the actual earnings received and hours worked. Leave the Action Date column blank and enter the beginning date of the leave in the Last Day Paid column on the *Employee Transaction Report*. Once an employee returns from military duty, report earnings and hours retroactively.

**NOTE:** All corresponding interest will be paid by the employer. Refer to subchapter 2207 for retroactive reporting.

An *Employee Transaction Report* must be completed and submitted to ETF if an employee does not return to work and hours and earnings have been reported. Service reported from the date the employee entered military service to the last reported service and the corresponding earnings must be removed from the employee's WRS account and the contributions refunded to the employer. Refer to Chapter 11 for instructions on completing the *Employee Transaction Report* for a prior year refund. Use action code 27 to complete this correction transaction. Terminate the employee using the original date that they left for military service as the action date.

## 2207 Retroactive Reporting

An employee can receive full retirement credit for uniformed military services performed anytime since 1940 when that military service was performed while on leave from WRS covered employment. The employee must provide the employer with a copy of the employee's military leave and earnings statement (military papers), showing the date of entry and the date of discharge.

When providing USERRA retirement credit retroactively, the employer must submit the military papers to ETF with an *Employee Transaction Report* (ET-2533). Report only the additional earnings and hours for each year being adjusted. Use Action Code P029 to indicate Late Reported Earnings.

ETF invoices the employer for the contributions and any interest due. The amount due includes the employer and employee share of contributions plus the corresponding interest. Employers must remit to ETF the total amount due including the employer and employee interest. Employers may collect the employee-required contribution from the employee, or the employer may elect to pay part or all of the employee amounts.

Employees cannot be required to pay interest on the late employee-required contributions under USERRA (the employer must pay the employer's and employee's share of interest). Employees are given up to three times the duration of their military leave to repay their contribution to the employer. All employee payments to the employer must be made within five years without interest or penalties assessed to the employee.

Complete an *Employee Transaction Report* to terminate an employee who does not return to work. Use the appropriate action code and the date they left for military service as the action date when terminating the employee.

## **2208 Death Benefits for Certain Inactive WRS Participants (HEART Act)**

On June 17, 2008, the federal “Heroes Earnings Assistance and Relief Tax Act” (HEART Act) became effective. This federal legislation is retroactive to January 1, 2007, and affects the death benefits payable to the survivors of participants who die as “inactive” Wisconsin Retirement System (WRS) participants while on active military duty.

“Inactive” WRS death benefits consist of the employee required contribution balance plus any voluntary additional contributions. “Active” WRS death benefits generally include the employee required contribution balance plus a matching amount of employer contributions, and any voluntary additional contributions.

**Under the HEART Act, when a WRS participant terminates employment to enter the military and then dies in active military service, the death benefit must be calculated as though he/she returned to employment on the date of death and treated as an “Active” WRS death.**

This means that the WRS death benefit would also include the matching employer contributions, which, in most situations, will double the death benefit.

**Since the HEART Act is retroactive to January 1, 2007, it applies to deaths that occurred on or after that date.**

**NOTE:** If the participant was on a leave of absence during the period of military service (rather than terminated), and died while on a leave of absence, **the HEART**

**Act has no effect because the death benefits will already be calculated as a death in “Active” WRS employment.**

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

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## **CHAPTER 23 — WRS ONLINE NETWORK FOR EMPLOYERS (ONE)**

- 2300 Introduction**
- 2301 Purpose of Internet Access Applications**
- 2302 Technical Information**
- 2303 Applications Currently Available**
- 2304 *Online Network for Employers Security Agreement*  
(ET-8928)**
- 2305 *WRS Previous Service Checks* (ET-1715)**

### **2300 Introduction**

Employers participating in the Wisconsin Retirement System (WRS) are able to use the Internet to enroll their employees in the WRS, obtain previous service information, remit monthly WRS contributions, and transmit data needed to assist in the administration of the WRS and other benefit programs. In the past, employers had to contact the Department of Employee Trust Funds (ETF) by telephone, fax, written request or other methods in order to obtain or submit this information. The implementation of online update applications provides employers the ability to securely and efficiently transmit information directly to ETF, thereby eliminating potential delays or inaccuracies in the overall management of WRS participant accounts.

Accessing ETF's Online Network for Employers requires that the employer complete the *Online Network for Employers Security Agreement* (ET-8928) found in subchapter 2504 and return it to ETF using the address at the top of the form. Your authorized employee(s) will receive a Logon ID, password and PIN to gain access to the system. Please allow two to three weeks to receive authorization and instructions for access.

For more information about the Online Network for Employers (ONE) site, or if you have questions regarding the instructions for obtaining access to the ONE site, please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

### **2301 Purpose of Internet Access Applications**

Access through the Internet will provide superior customer service and permit faster response to employers requesting benefit information as well as providing quicker and more accurate transmission of WRS-related data.

Security measures are in place to provide necessary dates of WRS participating employment, employment category information, benefit application dates, creditable service, and the ability to process a WRS enrollment and remit WRS *Monthly*

*Retirement Remittance Reports (ET-1515).* No information regarding a participant's WRS earnings, contribution amounts or beneficiary designations are accessible through these applications.

The ONE site is intended for use by employers in the administration of the WRS and other ETF administered benefit programs. Participant information accessible through the ONE portal is of a confidential nature.

Information obtained through the ONE site is not intended for use by participants or to assist participants in making retirement decisions. Please note that the WRS Previous Service and Benefit Inquiry application does not provide complete participant information necessary in making important decisions regarding their WRS benefits.

## **2302 Technical Information**

When using the WRS Previous Service Benefit Inquiry to determine eligibility or the WRS Enrollment Update to submit a WRS enrollment, employers visit a secured ONE site. The visit causes the ETF application to be invoked on the OS/390 host, which prompts the employer to enter a user ID and password initiating a user session. The ETF application then transmits an inquiry Web page over a secure socket layer (SSL) session and presents it in the browser. Behind the inquiry page is a Java servlet that contains the business logic and components needed to access the Wisconsin Employee Benefit System (WEBS) DB2 database and control the session.

## **2303 Applications Currently Available**

### **A. WRS Previous Service and Benefit Inquiry**

When you hire a new employee and determine they are WRS eligible, the employee is also eligible to participate in all ETF administered insurance programs in which the employer participates. These insurance programs may have different eligibility criteria and in most situations require employees serve a six-month qualifying period. The insurance eligibility criterion may also differ depending upon status as a state or local employee. The employer administration manual specific to each program provides details on the required qualifying period or deferred enrollment requirements.

Employer Identification Numbers (EINs), enrollment dates, termination dates, and employment categories for both state and local employers display in the Previous Service portion of the screen. A message indicates the amount of state and/or local WRS service the employee has, providing employers with the information needed to timely enroll their employees in the insurance programs.

This report also shows any retirement annuity or lump sum (separation or retirement) benefit information, if applicable, and the amount of Creditable Service by Employment Category.

**NOTE:** Capturing the history of WRS participation is complex, and in some situations the information provided to employers on the WRS Previous Service Benefit Information screen may not appear accurate. Detailed employment information is accurate if creditable service occurred after 1985. Detailed WRS information before 1985 was not captured in a manner to display details or accurately calculate for this application. The majority of the previous service information employers require is available for display. Staff from the Employer Communication Center can provide assistance when exceptions occur.

## **B. WRS Account Update**

WRS Account Update includes several functions and will be implemented in phases beginning with the Enrollment Update function. WRS Account Update includes:

- WRS Enrollments  
Provides authorized users the ability to enroll eligible employees in the WRS through the Internet. The online Enrollment Update expedites processing through the overnight creation of an individual's WRS account.
- WRS Descriptive Data Changes  
Allows authorized users the ability to complete some of the employee identification correction/change transactions currently reported on the *Employee Identification Correction Change* (ET-2810) form. Descriptive data updates that can be made online, include changing an employee's name, employment begin date, gender, or employment category. The *Employee Identification Correction Change* form is still required to correct an employee's Social Security number with attached Social Security card, date of birth with attached certified copy of birth certificate, or the employer identification number or statement of benefits distributions code.
- WRS Employee Transaction Reporting  
Allows authorized users to submit termination, leave of absence and annual report data.
- Corrections to WRS Employee Transaction Reporting  
Allows authorized users to make current year corrections to previously submitted termination and leave of absence data.

Access to the WRS Online Enrollment Application requires that ETF have an *Online Network for Employers Security Agreement* (ET-8928) on file authorizing Employee Account Updates (Refer to subchapter 2304).

## **C. WRS Contribution Remittance Entries**

**NOTE:** This application is NOT available to state agencies that make payments through WiSMART.

The WRS Contribution Remittance gives employers the ability to securely transmit WRS *Monthly Retirement Remittance Reports* (ET-1515) to ETF through the Internet. In addition, it allows employers to:

- Select a payment date or default to the statutory due date.
- Make the contribution payment to ETF through an automated clearinghouse (ACH) direct withdrawal.
- Print confirmation reports of the online Monthly Remittance Report.

- Reduce or eliminate reporting and/or calculation errors.
- Increase efficiency through more accurate data transmission and faster processing time.
- Eliminate late payment charges due to mailing delays.

Employers must submit an *Automated Clearing House (ACH) Direct Withdrawal Authorization (ET-1734)* with the *Online Network for Employers Security Agreement* to use the WRS Contribution Remittance application. The ACH form can be downloaded from the Employer Section of ETF's website at <http://etf.wi.gov>. Please attach your ACH authorization directly to the security agreement when submitting to ETF for authorization.

Access to the WRS Contribution Remittance Application requires that ETF have an *Online Network for Employers Security Agreement (ET-8928)* on file authorizing its use (Refer to subchapter 2304).

#### **D. WRS Transaction Upload**

The WRS Transaction Upload application allows employers to upload and submit WRS annual reports to ETF.

Transaction upload is the preferred method for electronic reporting of annual transactions. WRS transaction upload allows employers to run validation edits on their electronic annual files to ensure they meet the formatting specifications in Appendix A.

Employers currently authorized to use ONE's WRS Account Update, already have access to the WRS Transaction Upload application. No additional authorization is required. Employers that currently do not have access to ONE's WRS Account Update must complete and submit to ETF an ET-8928.

#### **E. WRS Earnings Reconciliation Reports**

This application provides online access to the post-annual reconciliation reports through ONE. These reports are used by employers to identify and resolve annual reconciliation variances. Six reports are available online.

Employers currently authorized to use ONE's WRS Account Update will have access to the WRS Earnings Reconciliation Reports. No additional authorization is required. Employers that currently do not have access to ONE's WRS Account Update must complete and submit to ETF an *Online Network for Employers Security Agreement (ET-8928)*.

#### **Employee Transaction Detail**

- This report provides a detailed transaction listing by individual employee. It shows the earnings, service and contributions that were loaded by employment category for each employee. By clicking the "Export to Excel" button, the user can download this information to a spreadsheet. Employers with greater than or equal to 250 employees must "Export to Excel" to see their transactions. The report will give employers electronic

access to employee loaded information, which they can use to help identify reconciliation variances. The report is static and only includes transactions prior to the annual report being balanced by ETF.

### **Suspended Employee Transactions**

- This report provides a list of all WRS employer transactions that have not loaded. Transactions shown are as current as of the previous night. This report will allow employers to see the error type that caused their transaction not to load. Please contact the Employer Communication Center at (608) 264-7900 or 1 (888) 681-3952 with any questions regarding suspended transactions.

- **Common Suspended Transaction Error Types**

**“Status in category is not active”** – The participant has already been terminated or is no longer active within this category. To become an active employee after a termination, an enrollment is needed.

**“Social Security number not found”** – The Social Security number, as entered, is not found as enrolled in the WRS.

**“Begin date is later than current date”** – The action date cannot be in the future. Employees may not be enrolled for a future hire date, but may only be enrolled on or after their actual start date.

**“No original transaction exists for this correction”** – In order to correct a previously submitted transaction, there must be an original transaction. For example, in order to submit an action code 81 (correction to a previously submitted 01 termination), there must be a valid 01 termination loaded.

**“SS#/empr/category do not match to table”** – This is common when the wrong category for an employee is submitted. If an employee works in multiple categories, an enrollment is needed for each category.

### **Employer Contribution Summary**

- This static report provides a breakdown by employment category of what an employer reported in earnings, the associated rate components and contributions for the year selected.

### **Remittance Reports by Month**

- This is a static monthly log of the earnings reported by employment category and additional contributions reported to ETF for the year selected. There may be multiple remittance reports per month depending on whether supplemental remittance reports were filed with ETF

throughout the year or in December when ETF may have submitted a remittance report on an employer's behalf to balance their annual report.

#### **WRS Listing of Over/Under Entries**

- This report provides a listing of over/under related transactions that were processed during the past year and up through the previous night. If the balance shown is positive, an employer owes ETF contributions. If the balance shown is negative, an employer has a credit with ETF. If you have an outstanding over/under balance from 2008 or earlier, your balance due may not equal the details shown on this application. Contact ETF at (608) 266-3309 with any questions regarding over/under entries.

#### **Unfunded Actuarial Accrued Liability Statement**

- For employers with an unfunded liability balance, this static report provides a summary of transactions that were processed during the reconciliation year for the year selected.

**2304 Online Network for Employers Security Agreement (ET-8928)**

Department of Employee Trust Funds  
 P. O. Box 7931  
 Madison, WI 53707-7931

**ONLINE NETWORK FOR EMPLOYERS SECURITY AGREEMENT**  
 Wis. Stat. § 40.07 (1)

**REQUEST TYPE** (please check (✓) one):

- Add new employee     
  Add application access for existing employee     
  Name change for existing employee  
 Delete existing employee     
  Delete application access for existing employee

I. **Employee:** Read the provision set forth below and complete your name, work address, work phone number, e-mail, signature and date below.

I understand that Security measures have been established to provide necessary inquiry and update abilities for the Wisconsin Retirement System (WRS). I agree to maintain the confidentiality of all information that I obtain through on-line access to WRS accounts. I understand that information in these accounts is not a public record and disclosure to any person or organization is absolutely prohibited.

I further understand that the Online Network for Employers is intended for use by employers to administer WRS and other Department of Employee Trust Funds (ETF) administered benefit programs and is not intended to provide information to members or to assist members in making retirement decisions. I also understand that the Previous Service and Benefit Inquiry Application is not intended to provide complete information to make important decisions regarding a member's WRS benefits.

I have read the provision set forth above. I understand that Wisconsin Statutes, § 943.70 provide criminal penalties for offenses against computer data and programs. Violation of this provision will result in termination of my on-line access to WRS active member accounts and/or termination of my Employer's on-line access to WRS active member accounts.	
Employee Name/Work Address/Work Phone Number:	<b>ETF Security Administrator Use Only</b>
Employee Signature/Date:	Logon ID      ETF Security Administrator Signature/Date
Employee E-mail Address:	

II. **Employer WRS Agent:** Certify that the above employee is authorized to gain access to the Online Network for Employers by completing the area below and checking those applications for which authorization is being requested. Please notify ETF immediately if your authorized employee terminates or loses authorization.

- WRS Previous Service & Benefit Inquiry     
  Health Insurance Enrollment  
 WRS Contribution Remittance     
  Insurance Premium Reporting  
 WRS Account Update

**(Caution:** Authorization for the WRS Account Update, Health Insurance Enrollment, and Insurance Premium Reporting applications will enable your authorized employee(s) to perform any and all functions, including those implemented in the future. Additional authorization will not be required.)

I understand that Wisconsin Statutes, § 943.395, provide criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I certify that I am responsible for reporting information to the Wisconsin Retirement System.	
Employer Name:	Employer ID Number: 69-036-
WRS Agent Name:	Phone Number:
WRS Agent Signature:	Date:

III. **ETF Security Officer:** Will issue each designated employee a Logon ID, password, and PIN to gain access to the system. Please allow two to three weeks to receive authorization and instructions for access.

**2305 WRS Previous Service Checks (ET-1715)**

Department of Employee Trust Funds  
 Division of Trust Finance & Employer Services  
 PO Box 7931 - Madison WI 53707-7931  
 Fax: (608) 266-5801

**WRS PREVIOUS SERVICE CHECKS**

To verify previous Wisconsin Retirement System (WRS) service, complete the following information: your name/agency, phone number, fax, EIN, re: employee's name, Social Security Number, birthdate and date sent. Do not write in the ETF Review area, additional comments or completion date.

<b>From: Name/Agency</b>	<b>Phone Number:</b>	<b>Fax:</b>	<b>EIN:</b> 69-036-
<b>Employee:</b>	<b>SSN:</b>	<b>Birthdate:</b>	<b>Date Sent:</b>
<b>ETF Review</b>			
<input type="checkbox"/> No previous service. <input type="checkbox"/> Qualifying state service. ____ months. <input type="checkbox"/> Qualifying local service. ____ months. <input type="checkbox"/> Took a separation benefit on _____. <input type="checkbox"/> Is an annuitant: <input type="checkbox"/> WRS Termination date is _____. <input type="checkbox"/> Retirement Annuity application received by ETF on _____. <input type="checkbox"/> Retirement Annuity effective date is _____.			
<b>Additional Comments:</b>			<b>Completion Date:</b>

<b>Employee:</b>	<b>SSN:</b>	<b>Birthdate:</b>	<b>Date Sent:</b>
<b>ETF Review</b>			
<input type="checkbox"/> No previous service. <input type="checkbox"/> Qualifying state service. ____ months. <input type="checkbox"/> Qualifying local service. ____ months. <input type="checkbox"/> Took a separation benefit on _____. <input type="checkbox"/> Is an annuitant: <input type="checkbox"/> WRS Termination date is _____. <input type="checkbox"/> Retirement Annuity application received by ETF on _____. <input type="checkbox"/> Retirement Annuity effective date is _____.			
<b>Additional Comments:</b>			<b>Completion Date:</b>

<b>Employee:</b>	<b>SSN:</b>	<b>Birthdate:</b>	<b>Date Sent:</b>
<b>ETF Review</b>			
<input type="checkbox"/> No previous service. <input type="checkbox"/> Qualifying state service. ____ months. <input type="checkbox"/> Qualifying local service. ____ months. <input type="checkbox"/> Took a separation benefit on _____. <input type="checkbox"/> Is an annuitant: <input type="checkbox"/> WRS Termination date is _____. <input type="checkbox"/> Retirement Annuity application received by ETF on _____. <input type="checkbox"/> Retirement Annuity effective date is _____.			
<b>Additional Comments:</b>			<b>Completion Date:</b>

ET-1715 (REV 06/2005)

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**APPENDIX A – Data Description and Format for Ongoing Transactions**

Refer to the Data Type Legend at the end for further explanation.

#	Name	Positions	Length	Data Type	Description
1	Social Security Number	1-9	9	Numeric	The Social Security number of the participant. It must be numeric; an interim number of all zeroes or alphabetic characters cannot be used.
2	Social Security Number Tie Breaker	10	1	Unspecified	Leave blank. If it is necessary to use this field, please contact Employer Communication Center toll free (888) 681-3952 for instructions/approval.
3	Employer Identification Number (EIN)	11-17	7	Numeric	The seven-digit EIN assigned by the Social Security Administration as shown on your WRS <i>Monthly Retirement Remittance Report</i> . <u>The 69-036 prefix should not be included.</u> For all local government employers (except Milwaukee Public Schools), <u>the last three digits of the seven-digit EIN must be zero filled.</u>  <b>Note:</b> Do not confuse this number with your Federal ID number beginning with 39-
4	Report Date	18-25	8	Numeric	Enter the date of the payroll transaction (CCYYMMDD). Refer to chapters 9 and 10 for complete explanation.
5	Statement of Benefit Distribution Code	26-33	8	Unspecified	Optional. A maximum of an eight-digit code to sort Statement of Benefits into the employers' desired mailing units. This field must be left justified and blank filled if fewer than eight digits.
6	Transaction Identifier	34	1	Alpha	Constant P.
7	Transaction Type	35-37	3	Numeric	000 Annual hours and earnings for employees not terminated or not on leave of absence. Action date should be 12/31 of the year you are reporting (CCYY/12/31). Hours and earnings must be reported. 001 Resignation or retirement terminations. 003 Enrolled in WRS, but is not eligible (i.e., the employee works fewer than 30 calendar days or is an active employee or a rehired annuitant enrolled in error). You should reimburse the employee for any WRS contributions taken as a payroll deduction. Refer to subchapter 311 for an exception for rehiring employees. 004 Terminated due to a non-work related illness or injury. Must be used to terminate an employee <b>for WRS purposes only</b> when ETF notifies you that the employee is approved for a WRS disability annuity. 005 Dismissed or discharged. 006 Termination due to an employee's death. The date of death on the death certificate must be used for the action date.

**Wisconsin Retirement System**  
**Appendix A – Data Description and Format for Ongoing Transactions**  
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#	Name	Positions	Length	Data Type	Description
					007 Termination for a local elected official who is waiving part-time elected service for WRS purposes only. Refer to Chapter 16 for more information.
					008 Terminated due to a work-related illness or injury. Must be used to terminate an employee <b>for WRS purposes only</b> when ETF notifies you that the employee is approved for a WRS disability annuity.
					010 Changing employment category due to a <u>change in job duties</u> . This action code will terminate the old category and create the new category. Hours and earnings associated with the old category are reported with this transaction. The new category must be listed in the new employment category code column (positions 287-288). The action date is the effective date of the category change.
					022 Grievance settlement results in reporting hours, earnings and/or employee-paid contributions. Submit a copy of the settlement to ETF.
					023 Retroactive contract settlement for prior years. Enter retroactive earnings and associated employee-paid contributions with a separate entry for each affected year.
					024 Corrects previously reported hours only for prior years.
					027 Subtracts over-reported hours, earnings and/or employee-paid contributions for prior years.
					028 Employment category change reporting hours, earnings and/or employee-paid contributions for prior years.
					029 Omitted, invalid or incomplete hours, earnings and/or employee-paid contributions for prior years.
					031 Name correction or change.
					033 Begin date change.
					034 Statement of benefits code change.
					035 ETF employer number change.
					036 Gender change.
					040 Informal leave of absence with no annual earnings. Action date must be zero filled and last earnings date listed as CCYY1231. No hours and earnings are reported with this action code.
					050 Military leave of absence at year end. Action date must be left blank (or zero filled) and last earnings date listed (CCYY1231). If the employee had hours and earnings for the year reported, they must be indicated.

**Wisconsin Retirement System**  
**Appendix A – Data Description and Format for Ongoing Transactions**  
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#	Name	Positions	Length	Data Type	Description
					051 Unpaid leave of absence at year end. Action date must be left blank (or zero filled) and last earnings date listed (CCYY1231). If the employee had hours and earnings for the year reported, they must be indicated.
					053 Layoff at year end. Action date must be left blank (or zero filled) and last earnings date listed (CCYY1231). If the employee had hours and earnings for the year reported, they must be indicated.
					054 Leave of absence due to a non-work related illness or injury. Action date must be left blank (or zero filled) and last earnings date listed (CCYY1231). Once this code is reported, nothing more is reported until the employee returns to active employment or is terminated. Refer to subchapter 1900 relating to a leave of absence beyond three years.
					058 Leave of absence due to a work related illness or injury. Action date must be left blank (or zero filled) and last earnings date listed (CCYY1231). Once this code is reported, nothing more is reported until the employee returns to active employment or is terminated. Refer to subchapter 1900 relating to a leave of absence beyond three years.
					060 New employee.
					063 Employment category correction.
NOTE: Transaction types 08Xs should include only the difference between what was originally reported and what should have been reported. Refer to Chapters 9 and 10 for further explanation.					
					080 Correct previously submitted 000 entry on the annual report.
					081 Correct previously submitted 001 termination.
					083 Correct previously submitted 003 termination.
					084 Correct previously submitted 004 termination.
					085 Correct previously submitted 005 termination.
					086 Correct previously submitted 006 termination.
					087 Correct previously submitted 007 termination.
					088 Correct previously submitted 008 termination.
					089 Correct previously submitted 054 and 058 transactions.
8	Action Date	38-45	8	Numeric	Enter the four-digit year, month and day on which the action occurred or affects (CCYMMDD). Refer to Chapters 6, 9, 10 and 11 for complete explanation.
9	Last Earnings Date	46-53	8	Numeric	Must be zero filled if this transaction type does not apply. Refer to Chapters 9 and 10 prior to use of this date (CCYMMDD).

**Wisconsin Retirement System**  
**Appendix A – Data Description and Format for Ongoing Transactions**  
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#	Name	Positions	Length	Data Type	Description
10	Employment Category	54-55	2	Numeric	The employment categories are:
					00 General Employee
					01 Court Reporter
					02 State Executive Retirement Plan
					03 Protective With Social Security
					04 Protective Without Social Security
					05 Supreme Court Justice
					06 Legislator or State Constitutional Officer
					07 Appellate Judge
					08 Circuit Court Judge
					09 Local Elected Official
					10 Teacher
					11 State Executive Retirement Plan Teacher
					12 Educational Support Personnel
11	Employee Name Last	56-72	17	Unspecified	Employee's last name.
12	Employee Name First	73-87	15	Unspecified	Employee's first name.
13	Employee Name Middle Initial	88	1	Unspecified	Employee's middle initial.
14	Sex Indicator	89	1	Alpha	M = Male F = Female
15	Birthdate	90-97	8	Numeric	Enter the four-digit year, month and day of the employee's birthdate (CCYYMMDD).
16	Fiscal Year Hours	98-104	7	Numeric	For anyone other than teachers, judges and educational support personnel, the fiscal year data should be zero filled.  <u>FOR TEACHERS, JUDGES AND EDUCATIONAL SUPPORT PERSONNEL ONLY:</u> The data shown in this field is the portion of fiscal year hours paid from 01-01-CCYY to 06-30-CCYY of the calendar year being reported. Report hours of service to the nearest hour. For example, 880 hours would be reported as 0088000, without decimal point.
17	Fiscal Year Earnings	105-113	9	Numeric	For anyone other than teachers, judges and educational support personnel, the fiscal year data should be zero filled.  <u>FOR TEACHERS, JUDGES AND EDUCATIONAL SUPPORT PERSONNEL ONLY:</u> The data shown in this field are the portion of fiscal year earnings paid from 01-01-CCYY to 06-30-CCYY of the calendar year being reported. Report earnings (dollars and cents). As an example, 13,580.64 would be reported as 001358064 without the decimal point.
18	Calendar Year Hours	114-120	7	Numeric	<u>Calendar Year to Date:</u> Enter the hours for which paid from 01-01-CCYY to date of 12-31-CCYY for annual transactions or the actual termination date. This applies to <u>all</u> employees, including fiscal year employees. Report hours of service to the nearest hour. For example, 2080 hours would be reported as 0208000 without the decimal.

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**Appendix A – Data Description and Format for Ongoing Transactions**  
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#	Name	Positions	Length	Data Type	Description
19	Calendar Year Earnings	121-129	9	Numeric	<u>Calendar Year to Date</u> : Enter the earnings for paid from 01-01-CCYY to date of 12-31-CCYY for annual transactions or the actual termination date. This applies to <b>all</b> employees including fiscal year employees. Report earnings (dollars and cents). For example, 27,161.28 would be reported as 002716128 without the decimal.
20	Employee Required Contributions Employee Paid	130-136	7	Numeric	If you do not deduct anything from the employee's paycheck for this, you must zero fill.  Enter the amount of money <b>actually deducted</b> from the employee's paychecks toward the Employee Required Contributions. This amount can never exceed the maximum contribution for the category reported. Do not include the amount of Employee Required Contributions paid by the employer or the amount deducted for the Benefit Adjustment Contribution. Report contributions (dollar and cents). For example, \$135.80 would be reported as 0013580 without the decimal.
21	Benefit Adjustment Contributions Employee Paid	137-143	7	Numeric	If you do not deduct anything from the employee's paycheck for this, you must zero fill.  Enter the amount of money <b>actually deducted</b> from the employee's paychecks toward the Benefit Adjustment Contribution. This amount can never exceed the maximum contribution for the category reported. Do not include the amount of Benefit Adjustment Contributions paid by the employer or the amount deducted for the Employee Required Contributions. Report contributions (dollar and cents). For example, \$13.58 would be reported as 0001358 without the decimal.
22	Additional Contributions Core	144-150	7	Numeric	Additional core contributions made by employee. For detailed explanation, refer to subchapter 1201. If nothing, must be zero filled.
23	Additional Contributions Variable	151-157	7	Numeric	Additional variable contributions made by employee, if applicable. For detailed explanation, refer to subchapter 1201. If nothing, must be zero filled.
24	Spacing	158-164	7	Numeric	Must be zero filled.
25	Spacing	165-171	7	Numeric	Must be zero filled.
26	Employer Paid Additional Core	172-178	7	Numeric	Additional core contributions paid by the employer for the employee. For detailed explanation, refer to subchapter 1201. If nothing, must be zero filled.
27	Employer Paid Additional Variable	179-185	7	Numeric	Additional variable contributions paid by the employer for the employee, if applicable. For detailed explanation, refer to subchapter 1201. If nothing, must be zero filled.
28	Home Address Street -1	186-210	25	Unspecified	Home address for employee.
29	Home Address Street - 2	211-235	25	Unspecified	Home address for employee.
30	Home Address City	236-250	15	Unspecified	Home address for employee.
31	Home Address State	251-252	2	Alpha/Blank	Home address for employee.
32	Home Address Zip Code	253-257	5	Numeric/ Blank	Home address for employee.
33	Home Address Expanded Zip Code	258-261	4	Numeric/ Blank	This is the additional four-digit code. Include the extended four-digit code if available.

**Wisconsin Retirement System**  
**Appendix A – Data Description and Format for Ongoing Transactions**  
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#	Name	Positions	Length	Data Type	Description
34	Home Address Foreign Country	262-271	10	Unspecified	Home address for an employee living outside the U.S. only. If it is necessary to use this field, please contact the Employer Communication Center toll free (888) 681-3952 for approval.
35	Home Address Foreign Zip Code	272-286	15	Unspecified	Home address for an employee living outside the U.S. only. If it is necessary to use this field, please contact the Employer Communication Center toll free (888) 681-3952 for approval.
36	New Employment Category	287-288	2	Numeric/Blank	The employee's new employment category when reporting a 010 transaction. For all other transactions, leave blank.
37	Filler	289-346	58	Blank	This field must be blank.
38	Date Stamp	347-354	8	Numeric	Enter the file creation date (CCYYMMDD).
39	Time Stamp	355-360	6	Numeric	Enter the file creation time (HHMMSS).

Data Type Legend

Numeric = Field must be numeric, right justified and zero-filled if no data to report or required.

Unspecified = Any combination of characters allowed - alpha/numeric/blank.

Numeric/Blank = Field must be numeric, right justified or blank-filled if no data to report or required.

Alpha/Blank = Field must be alphabetic or blank filled if no data to report.

Blank = Field must be blank.

Alpha = Field must be alphabetic.

**Department of Employee Trust Funds**  
**WISCONSIN RETIREMENT SYSTEM ADMINISTRATION MANUAL**

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**APPENDIX B — WRS TRANSACTION CODE DESCRIPTION AND CHAPTER REFERENCE CHART**

<b>Transaction Codes</b>		
<b>Code</b>	<b>Description</b>	<b>Chapter Reference</b>
00	Annual transactions for employees not terminated or not on leave of absence.	10
01	Resignation or retirement.	9
02	Termination Due to Layoff. For Use by State Agencies and UW Only.	9
03	Termination for ineligible employees. (No hours or earnings reported.)	9
04	Termination due to a non-work related illness or injury.	9
05	Dismissed or discharged.	9
06	Termination due to death.	9
07	Termination for local elected officials who waive part-time elected service.	9, 15
08	Termination due to a work-related illness or injury.	9
10	Employment category change.	9
22	Prior year transaction which results from a grievance settlement or reinstatement/appeal award.	11, 13
23	Prior year transaction for a retroactive contract settlement.	11
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