

## CHAPTER 10 — ANNUAL REPORTING AND RECONCILIATION

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### **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>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	Action 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# 989-89-9989 Adams, Amy	00	00	12/31/2004					2086.00	15175 00		182 10	
888-88-8888 Brown, Betty (Address)	00	01	12/10/2004					2080.00	22335 00		268 02	
SS# 771-77-7777 Carlson, Cecil	03	00	12/31/2004					1040.00	10400 00			
666-66-6666 Davis, Darla	03	00	12/31/2004					2080.00	30500 00			
SS# 555-55-5555 Eugene, Edwin	03	40		11/23/2003				1020.00	14000 00			
444-44-4444 Farnsworth, Frank	03	51		9/13/2004								
SS# 333-33-3333 Goode, George	10	00	12/31/2004				896.00	1647.00	42900 00	2145 00		X
222-22-2222 Hartman, Helmina	10	00	12/31/2004				895.00	1648.00	40200 00	2010 00		
SS# 111-11-1111 Ikson, Ivy	10	53		5/29/2004			832.00	832.00	16425 00	821 25		
001-01-0001 Jansen, Jacob	10	00	12/31/2004				440.00	890.00	14500 00	725 00		
SS# 002-02-0002 Karsten, Kara	12	00	12/31/2004				895.00	1648.00	35200 00	1760 00		
<b>PAGE TOTALS</b>							3958.00	14991.00	241635 00	7461 25	450 12	

If the employee has additional contributions, X this box and attach the Additional Contributions Report, form ET-2535 showing the contribution amounts.

Prepared by \_\_\_\_\_ Date (MMDD/CCYY) \_\_\_\_\_ Telephone No. \_\_\_\_\_



**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  
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 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  
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 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					