This paper provides comparative information on rates of early retirement from the Wisconsin Retirement System (WRS). Historical and recent early retirement rates are provided for specific categories of employees (General, Public School, University, Executive & Elected Officials, and Protectives (note that these are actuarial, not statutory employment categories).

General, Public School, University, and Executive & Elected Official employees can start retirement benefits as early as age 55. Protective category employees (for example, police and fire fighters) can retire as early as age 50. Retirement prior to normal retirement date significantly decreases the WRS pension benefit. However, there are exceptions. General, Public School, and University employees with at least 30 years of creditable service can retire at age 57 or above without a reduced pension. Protectives with at least 25 years of creditable service can retire as early as age 53 without a reduced pension. However, please note that the charts in this paper include as early retirements, any retirement prior to normal retirement date, even if the benefit is not reduced due to creditable service.

Chart 1  Overall Rates of Early Retirements by Category¹, 1987-2014

1 As of December 31, 2013, WRS membership consisted of 256,788 active employees in the following categories. See the 2013 Comprehensive Annual Financial Report. (Note that this paper uses actuarial categories, and therefore includes the University employee category. In the numbers below, University employees are part of General):

- General 134,320 (52.3%);
- Teachers 99,060 (38.6%),
- Protectives with Social Security 19,254 (7.5%);
- Protectives without Social Security 2,745 (1.1%);
- Elected, Executive & Judges 1,409 (0.6%).
Wisconsin Retirement System Early Retirements  
June 9, 2015

Observations (Chart 1 – Overall Rates of Early Retirement):

- At a historical rate of 16.5%, Public School employees choose early retirement (usually at age 62; see Chart 5) at almost double the rate of the other employment categories in this paper. However, this rate has slowed significantly in the last year to 11.6% (Chart 5).
- University employees tend to select early retirement at half the rate of Public School employees, and, when choosing early retirement, University employees retire later (usually age 63; see Chart 6).
- Executives & Elected Officials have the lowest rate of early retirement. Age at early retirement is most commonly 61 years (see Chart 7).

Chart 2  
WRS Early Retirements, 2000-2014 (Non-Protective)

Observations (Chart 2 - Non-Protective):

- This chart illustrates early retirement trends over the last 15 years for more than 90% of WRS members. (The Protective category is in Chart 3 below).
The 2011 spike in early retirement rates was much higher than previous years, possibly due to perceptions about 2011 Wisconsin Act 10 and Act 32. There may also have been members who had planned to retire in 2008, but who had held off retiring in the 2008-2010 period, due to uncertainty about the economy.

For most categories, early retirement rates have recently returned to levels close to the trending values in the years preceding 2011. However, for the Executive & Elected Officials category, in 2014 there was an extremely low rate of early retirement (only 2 people of 226 eligible).

**Observations (Chart 3 – Protectives):**

- Protectives with Social Security had a sizable increase in the rate of early retirements in 2011, but rates in the last two years have returned to usual levels of approximately 10%.
- Protectives without Social Security had lower rates of early retirement than Protective with Social Security in the last dozen years.
Observations (Chart 4 – Generals 2014 vs. Historical Trends):

- In 2014, 2,170 General category employees retired early out of 29,484 eligible (7.4%).
- Overall, fewer General category employees are opting for early retirement. Over the last 27 years, 8.9% of Generals eligible to retire early, did so. In 2013, 8% retired early, and in 2014, 7.4% retired early.
- Historically, of the General employees who choose to retire early, about 61% retire by age 62, 63, or 64. 2014 is similar in this regard.
Chart 5  Public School Age at Early Retirement (2014 vs. Historical Averages)

Observations (Chart 5 – Public School 2014 vs. Historical Trends):

- In 2014, 1,166 Public School category employees retired early out of 10,029 eligible (11.6%).
- At 11.6%, the Public School employee 2014 rate of early retirement is the lowest since at least 1987. The historical average rate of early retirement for Public School category employees is 16.5%.
- Historically, when Public School employees choose to retire early most choose to retire at age 62. The next most popular ages for early retirement are 63 or 64. The least common early retirement age for teachers is age 55. 2014 is similar to historical trends in these regards.
Observations (Chart 6 – University 2014 vs. Historical Trends):

- In 2014, 224 university employees retired early out of 3,867 eligible (5.8%).
- The 2014 rate of early retirement of 5.8% continues a trend of lower early retirement amongst university employees over the past few years. The historical average rate of early retirement for university employees is 8.0%.
- Historically, when university employees choose to retire early, most choose to retire at age 63. Ages 63 and 64 are almost equally popular. The least common early retirement age for university employees is age 56. 2014 is quite similar to historical trends in these regards.
Observations (Chart 7 – Executive & Elected Officials 2014 vs. Historical):

- In 2014, only two employees in the Executive & Elected Officials (E&EO) category retired early out of 226 eligible (0.9%).
- The 2014 rate of early retirement of 0.9% is an unprecedented low. The historical average rate of early retirement for E&EO employees is 5.8%.
- Historically, when E&EO employees choose to retire early, most choose to retire at age 61 (note that currently, the normal retirement age for E&EO employees is age 62 years). Ages 60 and 58 are the next most common. The least common early retirement age is age 55.
- 2014 is a departure from historical trends in all regards. However, because there are only about 1,400 people in the E&EO employment category, volatility is more pronounced and it is difficult to determine whether this low number is indicative of a trend.
Observations (Chart 8 – Protective with Social Security 2014 vs. Historical):

- In 2014, 130 Protectives with Social Security (SS) retired early, out of 1,307 eligible (9.95%).
- The 2014 rate of early retirement of 9.95% is fairly representative of historical rates of early retirement for this group. The historical average rate of early retirement for Protectives with SS is 9.4%.
- Historically, when Protectives with SS choose to retire early, most choose to retire at age 53 (a protective with less than 25 years of creditable service would have a reduced benefit if retiring at age 53).
Chart 9  Protective without Social Security Age at Early Retirement (2014 vs. Historical Avg.)

Observations (Chart 9 – Protective without Social Security 2014 vs. Historical):

- In 2014, 21 employees in the Protectives without Social Security (SS) category retired early, out of 295 eligible (7.1%).
- The 2014 rate of early retirement of 7.1% is fairly representative of historical rates of early retirement for this group. The historical average rate of early retirement for protectives without SS is 7.8%.
- Historically, when protectives without SS choose to retire early, most choose to retire at age 53 (a protective with less than 25 years of creditable service would have a reduced benefit if retiring at age 53).

If you have questions, please contact Steve Hurley, Director, Wisconsin Department of Employee Trust Funds, Office of Policy, Privacy & Compliance, 608-267-2847.