



STATE OF WISCONSIN
Department of Employee Trust Funds

David A. Stella
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

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For more information, contact:
Employer Communication Center
1-888-681-3952 or (608) 264-7900

2010 Wisconsin Retirement System Contribution Rates Announced

MADISON, (Wis.) – Department of Employee Trust Funds (ETF) Secretary David Stella announced today that required Wisconsin Retirement System (WRS) employer and employee contribution rates that fund future WRS benefits will increase slightly next year, as expected.

The ETF Board approved the new rates yesterday, following the recommendation of the retirement system's consulting actuary. The rate increases, expressed as a percentage of salary, go into effect for salaries and wages paid beginning January 1, 2010 and are as follows:

Employee Category	2009	2010	Percent of Payroll Increase
General/Teacher	10.4%	11.0%	0.6%
Elected Official/Executive/Judge	11.5%	11.9%	0.4%
Protective covered by Social Security	13.1%	14.1%	1.0%
Protective not covered by Social Security	13.8%	15.2%	1.4%

The modest increases in contribution rates for 2010 are a direct result of investment declines in 2008, brought about by the global economic crisis, said Stella. Contribution rate changes, whether increases or decreases, are considered normal for retirement systems that pre-fund retirement benefits. Despite these modest increases, WRS contribution rates continue to be relatively stable and below historic highs. For example, the total contribution rate for general category employees reached 11.6% in 1996. For the history of WRS contribution rates, visit: http://www.etf.wi.gov/employers/wrs_contribution_rates.htm

More

Additional information:

- More than two-thirds of the funding of WRS benefits comes from investment returns.
- The WRS prefunds retiree benefits. Contributions and investment income collected during an employees' working career fund their future benefits. Benefits paid to current retirees are not affected by employer and employee contribution rate changes.
- The WRS has approximately 263,000 active employees, including teachers, University of Wisconsin System employees, state workers and most local government workers, with a total annual payroll of approximately \$12.1 billion. Notable exceptions are the City of Milwaukee and Milwaukee County, which have separate retirement systems.
- Roughly 75% of the active WRS employees work for a local unit of government, such as a school district, county, city, etc.
- General category employees comprise approximately 91% of the total WRS employee population.
- The market value of the trust funds as of December 31, 2008 was approximately \$61.8 billion.
- The WRS is the 9th largest US public pension fund and the 24th largest pension fund in the world.
- The rates shown in the table do not include other mandatory employer contributions for duty disability, the state's Accumulated Sick Leave Conversion Credit Program, or unfunded liabilities, all of which vary by employer.

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