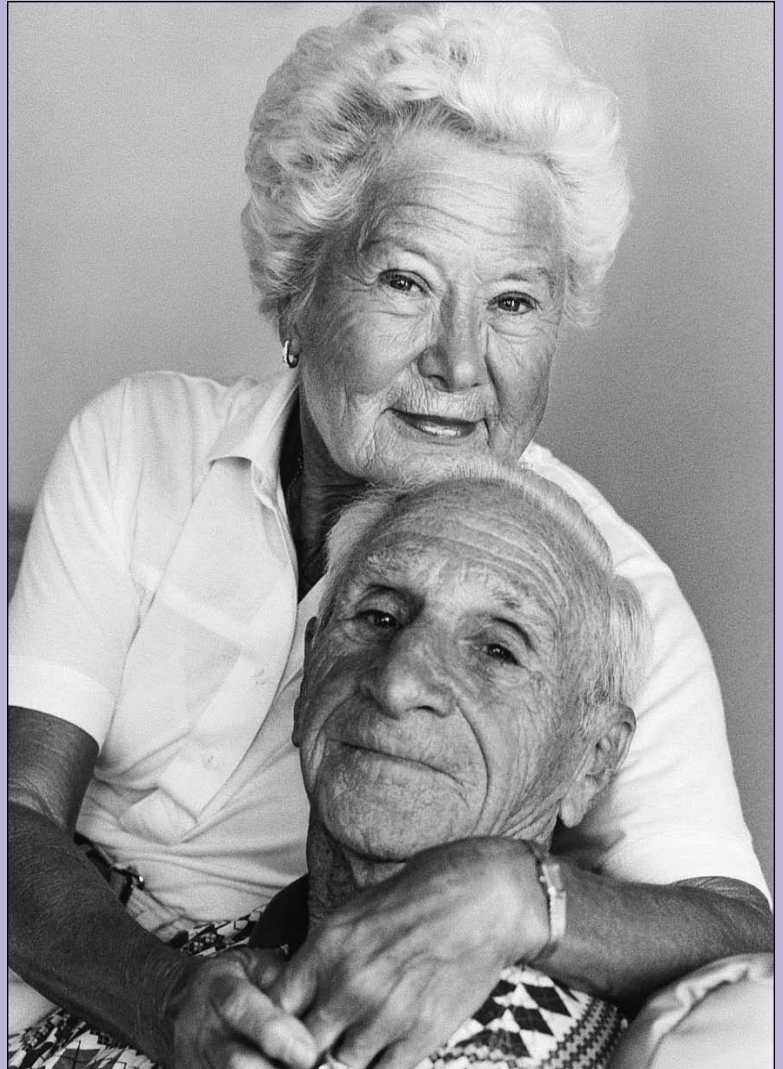


Applying for Your Retirement Benefit

Applying for Your Retirement Benefit



ET-4106 (REV 1/2010)

Checklist for Completing Your Retirement Benefit Application

Have you:

- Selected **only one** payment option? If amounts are shown in the Employee Additional column, check **only one** box in that column to apply for your additional benefit.
- Completed the named survivor information **if** you selected a joint and survivor option?
- Completed the Direct Deposit Authorization information (including a voided check if for a checking account)?
- Completed the termination date and benefit effective date sections?
- Completed all tax withholding information?
- Signed and dated the application, and (if required) has your spouse or domestic partner (see below) also done this?
- Made a copy for your records?

Beneficiary Designation

Have you:

- Signed and dated the form?
- Made a copy for your records?

Under state law, same-sex and opposite-sex domestic partners are treated similarly to spouses for the benefit programs authorized in Chapter 40 of the state statutes. Chapter 40 benefit programs are administered by the Department of Employee Trust Funds (ETF), and include the Wisconsin Retirement System (WRS), group health insurance, deferred compensation, life insurance and other programs.

An Affidavit of Domestic Partnership form (ET-2371) **must be received and approved** by ETF to establish a Chapter 40 domestic partnership. Please see the domestic partnership information on ETF's web site at etf.wi.gov or call ETF to request the packet. When *domestic partner* is used in this brochure, it means a Chapter 40 domestic partner is in effect at ETF.



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Eligibility

To be eligible to receive a Wisconsin Retirement System (WRS) retirement benefit, the following **six** conditions must be met:

1. You must be at least age 55 (age 50 for participants with some protective employment category service* and certain participants who began covered Wisconsin teaching before May 11, 1973).
2. You must terminate all employment covered by the WRS. **Note:** Part-time elected officials age 55 or older may irrevocably waive that coverage if terminating all other covered WRS employment. Request a *Waiver of Part-time Elected Service* form (ET-4303) if this applies to you and you wish to file this waiver.
3. You must remain terminated from all WRS-covered employment for at least 30 days **after** your termination date **or** the date the Department of Employee Trust Funds (ETF) receives your application **or** at least one day after your benefit effective date, **whichever is latest**. If you return to the same WRS employer from which you retired, the 30-day requirement applies to all employment (even if it does not meet participation standards).
4. You must not be on a leave of absence or in layoff status.
5. You must submit a completed application to ETF. Failure to complete certain critical portions of the form may result in your application being rejected as invalid and your subsequent application being treated as a new application for purposes of receipt date. This could result in a loss of benefits. See the checklist on the inside cover.
6. ETF must receive your completed application prior to your death. Applications received after death are invalid.

If you terminate WRS employment due to a disability, you should contact ETF about eligibility for disability benefits **before** you apply for a retirement benefit. Taking a retirement benefit may affect eligibility for disability benefits.

When to Apply

If you are currently working in a WRS-covered position, you may apply up to 90 days before your termination date. When to apply is based on your age if you are not currently working in a WRS-covered position.

- You may apply up to 30 days before your 55th birthday (50th birthday for participants with some protective employment category service* and certain participants who began covered Wisconsin teaching before May 11, 1973).
- If you are already age 55 (50), you may apply immediately for the earliest possible backdated effective date **or** up to 60 days before your *future specified* benefit effective date.

EXAMPLE:

Termination Date	November 2
Earliest date ETF can accept your application	August 4
Earliest annuity effective date	November 3
First payment date	December 1

If you are inactive and delay applying for a monthly annuity, you forfeit payments that you may never recover. If you die before applying, your survivors may receive only half of your account balance.

If you apply more than 90 days after you terminate your WRS employment, you will not be eligible for an immediate annuity and you will lose one or more months of benefits.

If you have group health and/or life insurance administered by ETF, you may lose those benefits if you do not have an immediate annuity. An immediate annuity begins within 30 days of your termination date. If you want to apply for insurance in the Local Annuitant Health Program, you should apply for your retirement benefit within 60 days after you terminate. These time limits are determined by the date ETF **receives** your application, not the date it is mailed.

*You cannot receive a retirement benefit until age 55 if your only protective category service is purchased service (e.g. forfeited protective category service that you have purchased).

If your retirement annuity is based on a money purchase calculation (indicated on your estimate) or if you are considering applying for your additional contributions, interest crediting could affect your decision about when to apply. The annual effective rate of interest varies based on the Core Fund (previously referred to as the Fixed Fund) and Variable Fund gains or losses. Interest is applied effective each December 31 to that year's beginning balances. If you apply for a monthly benefit, you receive 5% annual interest prorated on your January 1 balance until the end of the month prior to the month in which your annuity is effective. If you are applying for a lump sum payment, prorated interest will be paid from January 1 through the end of the month **before** your benefit is approved for payment. Apply by September 1 to have your lump sum benefit approved **and** paid by the end of the year. Then, ETF applies prorated 5% interest instead of the effective rate of interest when paid the next year.

Benefit Effective Date

Annuities are usually effective the day after you terminate covered employment. Annuities that are not effective on the day after you terminate must always be effective on the first of a month. The effective date cannot be more than 90 calendar days before the date we receive your completed application form.

Benefit Payment Options

Life Annuity

All annuities are paid for the lifetime of the annuitant. You can select:

- The For Annuitant's Life Only option (**no** benefits payable on death of annuitant unless your accelerated option begins after June 30, 2008, and you die before age 62) **or**;
- An option to protect a beneficiary(ies) with 60 or 180 payments guaranteed from the date the annuity begins. The guaranteed payments cannot exceed your life expectancy based on federal mortality tables. This applies if you are age 85 or older, **or**;

- A joint and survivor option to provide your named survivor with benefit payments for his or her lifetime, following your death.

Note for Domestic Partnerships: Joint and survivor options may be limited or not available for domestic partners based on federal tax laws. Refer to the Domestic Partner information on ETF's web site or contact ETF.

Lump Sum Payment

If your For Annuitant's Life Only option amount is less than or equal to \$171 per month, you are eligible only for a lump sum payment. If your monthly amount for this option is more than \$171 but less than \$348, you may choose either a lump sum or a monthly payment option. You are restricted to a monthly life annuity if your monthly amount for this option is \$348 or more. The \$171 and \$348 amounts for 2010 increase annually. If you select a lump sum payment, any additional contributions (regular and tax deferred) will be included in your payment.

Accelerated Payment Options

These options are normally available if your annuity begins before age 62. Your For Annuitant's Life Only after-age 62 option amount must meet the annual monthly minimum amount. You will receive a higher monthly WRS annuity until you reach age 62. An accelerated payment option consists of two parts: a life annuity in the option form you select, plus a temporary annuity that ends when you reach age 62. If you die before age 62, 100% of your temporary annuity will be paid to your named survivor or beneficiary(ies) through the month in which you would have reached age 62, even if there are no death benefits payable from the lifetime portion of your annuity.

The payment options are described in more detail in our brochure *Choosing an Annuity Option* (ET-4117) included in your annuity packet.

Who May Sign the Application

A guardian or conservator of the estate may sign a benefit application on behalf of an individual. However, an application signed by a guardian or conservator of the estate is valid only if a photocopy or facsimile of an order of guardianship or conservatorship is also submitted. Copies of

these documents should be either signed by a judge, have a judge's signature stamp, or have the stamp of a clerk of courts.

A person who has been granted Power of Attorney may be eligible to sign an application on behalf of the member.

If a participant is unable to sign his/her name on the application, but can mark an "X" in the signature box, the application is valid if the mark is witnessed by two people who have no beneficial interest in the member's benefits. Witnesses must sign **and** date the application next to the mark.

Consent of Spouse or Domestic Partner

Required Contributions: If you have been married for at least one full year immediately preceding your annuity effective date, your spouse's signature is required on the application by law unless you select a joint and survivor annuity with your spouse as the named survivor. Spousal consent is not necessary if you are only eligible for a lump sum payment from your required contributions.

If you have a Chapter 40 domestic partnership in effect at ETF for one year prior to your benefit effective date, your domestic partner's signature may be required on your application. Please see the Domestic Partner Benefits information on ETF's web site at eff.wi.gov or call ETF to request it.

Note: A spouse should not sign the spousal consent if he/she wants to preserve his/her spousal rights to being the named survivor for a joint and survivor annuity option. This is also true for a domestic partner when any joint and survivor options are available and the domestic partnership has been in effect on ETF records for at least one year.

Additional Contributions: A spouse's or domestic partner's signature is **not** required for benefits from additional contributions.

Changing Options

ETF **must receive** your request to change your annuity option within 60 days after the date of your first payment **or** the date your lump sum payment was issued (if applicable). Based on WRS regulations, you may be eligible for only a monthly option, only a lump sum option, or to choose either a monthly or lump sum option.

- If you are eligible for only a monthly option, you can change from one monthly option to another monthly option.
- As long as you are eligible to choose either a monthly or lump sum option, you can request to change to **or** from a lump sum option.
 - ◇ From monthly to lump sum option—unless you return the monthly payment(s) issued, the amount paid will be deducted from your lump sum payment.
 - ◇ From lump sum to monthly option—you must return the net lump sum payment (or the gross payment if your lump sum benefit was paid in the prior tax year). ETF cannot begin your monthly benefit until ETF receives your payment that refunds your entire lump sum benefit.

Your spouse's or domestic partner's signature may be required for an option change. You can use the *Retirement Annuity Option Change Application* form (ET-4319). The option you select on your original retirement application cannot be changed if your request is not received by the deadline.

Canceling Your Application

To cancel your application for a monthly annuity, ETF **must receive** your written request to cancel no later than the last working day before the 21st day of the month in which your first monthly payment is dated. To cancel your application for a lump sum payment, ETF **must receive** your written request no later than the last working day before the date of your check. If ETF approves your request to cancel your application, it becomes void and you must repay any payment issued. You must request and complete a new application when you wish to apply for a benefit.

Monthly Payments

Direct deposit is the only payment method available for all ETF monthly benefits. Exception: ETF **cannot** transfer payments to another country. Complete the Direct Deposit Authorization section on Page 2 of your application. Monthly payments will be electronically transferred to your financial institution by the first business day of the month.

Your first payment will normally be based on the amount shown on your *Retirement Benefit Estimate/Application*. Your first monthly payment should be deposited within six weeks after your benefit effective date and will include payments retroactive to that date. Your payment is prorated if you work part of the first month.

If you receive more than one monthly benefit from ETF, each will be a separate direct deposit. The mailing address, direct deposit authorization and tax withholding election on your latest application or change request will apply to all of your monthly benefits from ETF.

Final Calculation of Your Annuity

After your employer reports your final earnings and service, ETF will calculate the final amount of your annuity. Your payment amount will be adjusted retroactively to reflect the final amount. The final calculation is usually done six to nine months after your first payment. You will receive a *Notice of Final Retirement Annuity Calculation* when your final annuity is calculated.

Future Benefit Changes

There is **no** cost of living increase for WRS annuities. However, if there is an adjustment for a given year, it is applied on May 1 of the following year. An annual adjustment is applied to your gross Core annuity (and Variable annuity, if any) based on the prior calendar year investment results of the Core and Variable Trust Funds.

The adjustment is a percentage increase or decrease of your gross Variable and/or Core annuity. No annual adjustments are applied to any annuities if the percentage is less than .5%

for Core or less than 2.0% for Variable. Then, the gains or losses are held over until the following year and included in that year's adjustment.

For your first annual adjustment, your gross Core annuity will receive a *prorated* adjustment based on the number of *full* months that your benefit was in effect during the previous calendar year. A *full* month begins on the first day of the month. The prorated percentage must be at least .1% to be applied. After the first year, you will receive the full Core adjustment every year. The Variable annuity adjustment is **not** prorated the first year. If you participate in the Variable Trust, you will receive the full Variable increase or decrease every May 1 after the year that your annuity is in effect.

A Core annuity is guaranteed by law to never be less than the original *final* amount. Only past Core annuity increases can be reduced. There is *no* limit to how much a Variable annuity can be reduced.

Disability or Long-Term Disability Insurance Benefits

If you have become totally and permanently disabled and are unable to engage in gainful employment, you may qualify for a WRS disability **or** a Long-Term Disability Insurance (LTDI) benefit. Strict time limits apply to eligibility for these disability benefits. If you believe that you may qualify, contact ETF immediately for information about disability benefits **before** filing a retirement application.

An employee in a protective employment category may qualify for a special disability **or** LTDI benefit if disabled to the extent that he or she can no longer safely and efficiently perform the duties of that protective category position. The protective employee must become disabled between ages 50 and 55 and have at least 15 years of WRS creditable service to qualify for this special disability **or** LTDI benefit.

Commonly Asked Questions

When should I contact ETF about my retirement?

- Contact us for retirement estimates six to 12 months before your anticipated retirement date. We provide estimates up to one year in advance.

Will I lose benefits if I don't apply for retirement immediately?

- If we receive your application within 90 days after your termination date, we will include retroactive payments. However, if we receive your retirement benefit application more than 90 days after you terminate WRS employment, you will lose some benefits since your annuity cannot be backdated to your termination date. Delaying your application may also affect WRS life and health insurance benefits (if you have this insurance coverage).

How does an accelerated payment option affect any payments when I retire and what happens when I reach age 62?

- The accelerated payment options may be available if your WRS annuity begins before you reach age 62. They provide a higher annuity than the regular options before you reach age 62, when you can begin your federal Social Security pension. When you reach age 62, your WRS annuity will decrease by the amount of your current accelerated portion. The intent is that your before-age-62 annuity from the WRS alone is about the same as your combined income from the WRS and Social Security after you reach age 62. There is **no** adjustment in the WRS benefit or Social Security for the difference after you are age 62. See the *Choosing an Annuity Option* (ET-4117) brochure for more information.

When I approach age 62, does ETF contact Social Security about starting my benefit under their program?

- No. It is your responsibility to contact the Social Security Administration (SSA) about starting your benefit, normally about three months before you reach age 62. You can call SSA at 1-800-772-1213 for information.

What if I want to change banks for my direct deposit?

- Complete ETF's *Direct Deposit Authorization* form (ET-7282) available upon request or on our web site at etf.wi.gov.

When will I receive my first payment?

- If you apply 45 to 90 days before your annuity effective date (normally the day after your termination date), you should receive your first payment within six weeks after your termination date. Your payment will include payments retroactive to your annuity effective date. The payment you receive on the first of each month is for the preceding month.

Will I be paid for the entire month if I retire during the month instead of on the first of the month?

- No. You are paid retirement benefits only for the days you are actually retired. Your first payment could be for a partial month or for a full month plus a partial month. For example, if your last day of work is May 20, your annuity effective date is May 21. This means that we would add payment for May 21 through May 31 to the payment for the month of June, which you would receive on the first of July.

For how long after I begin my annuity will my payments be based on the estimated amounts?

- It usually takes from six to nine months after your retirement benefit begins for us to do the final calculation of your annuity. When the final calculation is done, we will send you a final calculation notice that provides the total service, earnings and account balance information on which your final calculation was based. Any retroactive adjustments due for under- or over-payments will be made to your subsequent payment(s).

Do I receive an Annuity Payment Statement every month?

- No. An *Annuity Payment Statement* is sent only when there is a change in your annuity net payment (including tax withholding and insurance deduction changes).

Do my retirement checks increase after I retire?

- Your check amount may change when the final calculation is done, for insurance premium deductions, tax withholding, and annual adjustments based on the investment results of the Trust Funds, etc. Any annual adjustment could be an increase or a decrease. For the first time in WRS history, the Core annuity adjustment applied in 2009 was a decrease based on the 2008 Core Fund loss.

[Please see the *Future Benefit Changes* section for more information on the annual adjustments.]

I am in the Variable Trust Fund. Can I transfer to the Core Fund after my benefit begins?

- Participants who elect to join the Variable Trust Fund remain in that program unless they elect to cancel their participation.
- You may transfer to the Core Fund by submitting a completed *Election to Cancel Variable Participation* form (ET-2313) to ETF. It becomes effective on the January 1 after ETF receives it, (or if conditional, on January 1 of the year that the condition is met). Please carefully review the Variable cancellation information.
- Once a participant cancels participation in the Variable Trust Fund and the cancellation goes into effect, there is no opportunity to rejoin.

Can I change my mailing address over the telephone?

- Yes. Upon proper identification, we can accept your home address change over the telephone. You must request the change yourself. Another person acting on your behalf cannot make an address change for you by telephone. An address change form is available upon request, or you may provide this information in a letter to ETF. Be sure to sign and date your letter.

Can I change my withholding for taxes after my benefit begins?

- Yes. You can change your federal and Wisconsin state income tax withholding election at any time. You can change your withholding by calling ETF or completing an *Income Tax Withholding Election* (ET-4310) form available upon request or on our web site at etf.wi.gov. Please allow up to 45 days for the change to be reflected in your payments.

Will I receive a statement for income tax purposes after my benefit begins?

- Yes. Every year prior to January 31 we will send a 1099-R tax statement to you for the previous year. This form provides important tax information necessary to file your income tax return.
- If you have multiple WRS annuity records, such as you receive an annuity from both your own WRS account and as a beneficiary of another

account, you will receive a separate annual 1099-R tax statement for each annuity. It is important that you account for all your 1099-R forms when you complete your annual tax returns.

What is printed on the 1099-R tax statement?

- The year's gross and taxable annuity payments, federal and Wisconsin state tax withholding, health and life insurance premiums and your investment in contract (amount of contributions actually paid by you) are printed on the 1099-R form.

When can I return to work for a WRS employer after I retire?

- You must remain terminated from all employment that meets participation standards with a WRS employer until the *latest* of: the day after your annuity effective date; the 31st day after your WRS employment termination date; or the 31st day after the date ETF receives your retirement benefit application. If you return to the same WRS employer from which you retired, the 30-day break requirement applies to all employment whether it meets participation standards or not.

What happens if I return to work?

- Work not covered under the WRS has no impact on your retirement benefit (except for some WRS employer within 30 days of termination). If you return to work for any WRS employer in a qualifying position *after* the required 30-day break, you have two choices:
 1. **Remain an annuitant.** If you decide to remain an annuitant, you must file the *Rehired Annuitant Election* form (ET-2319) with your employer electing not to participate in the WRS as an active employee. You may elect active WRS coverage in the future, depending on eligibility.
 2. **Elect coverage under the WRS.** You can elect to become covered under the WRS at any time. If you choose to be covered by the WRS again, you must file the *Rehired Annuitant Election* form (ET-2319) with your employer. Your employer will forward this form to ETF. Your annuity will be terminated and your WRS coverage will begin effective on the first of the month after ETF **receives** your completed election form.

- Special rules apply on disability benefits. If you are receiving a disability benefit, please contact ETF for information about how any earnings can affect your disability benefit.

If I have coverage in the Wisconsin Public Employers Group Life Insurance Program through ETF, do I have to contact the insurance company for information on continuing my coverage?

- No. Our office will review your file for life insurance coverage and include continuation information in your retirement packet. In most cases, we will automatically deduct premiums from your annuity until age 65 with no further action on your part.

I am *not* a state employee, but I have coverage in the Wisconsin Public Employers Group Health Insurance Program through ETF. How do I continue this health insurance when I retire?

- We will include information about continuing your coverage in your retirement packet. It will include the *Employer Verification of Health Insurance Coverage* (ET-4814) form, which you must submit to ETF. If your former employer does not pay the premiums, they are automatically deducted from your annuity if it is large enough. If your annuity is not large enough to cover the premiums, you will be billed directly by the insurance company. You will receive the *It's Your Choice* booklet each year. You can continue your coverage as long as your employer participates in this program. You have **no** re-enrollment rights if your coverage lapses.

I am a state employee with coverage under the State Group Health Insurance Program and have sick leave credits. How does this affect my health insurance premiums when I retire?

- Your sick leave credits will automatically be used to pay the premiums for your health

insurance. When your sick leave credits are exhausted, your premiums will automatically be deducted from your annuity. If your annuity is not large enough to cover your premiums, you will be billed directly by your insurance company. You may be eligible to escrow your sick leave credits for an indefinite period of time. If your spouse or domestic partner is a state employee with family coverage that includes you, your sick leave credits are automatically *preserved* for you. More details are in our brochure *Sick Leave Conversion Credit Program* (ET-4132).

I am a state employee with no sick leave. What happens to my health insurance?

- Your premiums will automatically be deducted from your annuity. If your annuity is not large enough to cover your premiums, you will be billed directly by your insurance company.

What happens to my health insurance when I or my spouse or domestic partner reach age 65? Are we required to enroll in Medicare? Will I be notified?

- When each of you reach age 65, each must enroll in Medicare (both parts A & B) to continue state or local health insurance. We will automatically mail you a reminder before your 65th birthday and your spouse's or domestic partner's birthday. Your premiums decrease when either of you are enrolled in Medicare (both parts A & B). You will need to submit the form ETF sends you and provide a copy of your Medicare card(s) to ETF. You **must** notify ETF when you or **any** insured person covered on your family plan is eligible for Medicare before age 65 (i.e. 24 months of Social Security disability benefits).

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call toll free at 1-877-533-5020 or (608) 266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

The Department of Employee Trust Funds (ETF) has made every effort to ensure that this brochure is current and accurate. However, changes in the law or processes since the last revision to this brochure may mean that some details are not current. Please contact ETF if you have any questions about a particular topic in this brochure.

For Additional Information

Contact the Department of Employee Trust Funds (ETF)

Self-Service Toll Free Telephone Services

Available 24 hours a day, seven days a week. You must have a touch-tone telephone to use these systems.

SELF-SERVICE LINE: Call 1-877-383-1888 or (608) 266-2323 (local Madison) to request forms or brochures. Wisconsin Retirement System annuitants may also change their home mailing address or tax withholding election through this self-service line.

TELEPHONE MESSAGE CENTER: Call 1-800-991-5540 or (608) 264-6633 (local Madison) to hear detailed recorded messages covering a variety of Wisconsin Retirement System topics.

Note: *You will not be able to talk to a "live" person using these systems. To speak to a benefits specialist, call the telephone numbers listed below.*

Visit our Internet Site

Access the Internet site at: etf.wi.gov. A tremendous amount of information is online regarding the Wisconsin Retirement System and other benefit programs. You may e-mail ETF through this site.

Call During Office Hours

Office Hours: 7:45 am to 4:30 pm, Monday through Friday (except holidays)

Telephone: 1-877-533-5020 (toll free)
(608) 266-3285 (local Madison)
Wisconsin Relay Service (for hearing & speech impaired)
7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Write Us

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

Visit Us

Appointments: 1-877-533-5020 ext. 65717 (toll free)
(608) 266-5717 (local Madison)

Madison: **An appointment is recommended**
801 West Badger Road

Waukesha: **An appointment is required**
141 N.W. Barstow Street, Rm. 411

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