

# CALCULATING YOUR RETIREMENT BENEFITS



ET-4107 (REV 9/13/2016)



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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. The most current version of this document can be found at [etf.wi.gov](http://etf.wi.gov). Please contact ETF if you have any questions about a particular topic in this brochure.

ETF 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 1-877-533-5020 (toll free) or 608-266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

## Eligibility

To be eligible to receive a Wisconsin Retirement System Retirement benefit, you must meet all of the following conditions:

1. You must be vested\* and at least age 55 (age 50 for participants with some protective employment category service and certain participants who began covered Wisconsin teaching positions before May 11, 1973).

2. You must terminate all employment covered by the WRS.

*Note:* Part-time elected officials age 55 (age 50 for protective occupation participants) or older who have other WRS service may irrevocably waive that coverage if terminating all other covered WRS employment. If this applies to you, a [Waiver of Part-Time Elected Service \(ET-4303\)](#) form is available from ETF or at [etf.wi.gov](http://etf.wi.gov).

3. You must remain terminated from all employment with a WRS employer that meets participation standards until the 31<sup>st</sup>\* or 76<sup>th</sup>\*\* day after termination. The length of the required break in service depends on when you terminated employment:

\*You must wait until the 31<sup>st</sup> day if you terminated WRS employment before July 2, 2013.

\*\* You must wait until the 76<sup>th</sup> day if you terminated WRS employment on or after July 2, 2013.

If you return to work for the same WRS employer from which you retired, the required break in service (either 30 days or 75 days) applies to all WRS employment regardless of whether it meets WRS-participation standards.

4. You must not be on a leave of absence or in temporary layoff status. You are considered an active employee if you are on an official leave of absence (limited to three years).
5. You must submit a completed application to ETF. Failure to complete certain vital 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 the receipt date. This could result in the loss of one or more months of benefits.
6. ETF must receive your completed application prior to your death. Retirement benefit applications received after your 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.

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\* You may have to meet one of two vesting laws depending on when you first began WRS employment:

- If you first began WRS employment after 1989 and terminated employment before April 24, 1998, then you must have some WRS creditable service in five calendar years.
- If you first began WRS employment on or after July 1, 2011, then you must have five years of WRS creditable service.

If neither vesting law applies, you were vested when you first began WRS employment. If you are vested, you may receive a retirement benefit at age 55 (age 50 for protective category participants) once you terminate all WRS employment. If you are not vested, you may only receive a separation benefit.

## Retirement Benefit Calculation Methods

WRS benefits are calculated using two separate methods:

- The formula method, and
- The money purchase method.

ETF calculates your benefit using both methods and automatically pays the higher amount. Under both methods, any gain or loss from Variable Trust Fund participation and any additional contributions you have are reflected in the benefit computation.

A **formula** monthly retirement benefit is calculated using:

- Your final average monthly earnings,
- Your total years of creditable service (including military service credits, if applicable),
- The formula multiplier(s) for your service and employment categories, and
- Any age reduction factor(s) based on your age at retirement.

*For additional information regarding formula method calculations, see pages 5-9 of this brochure.*

A **money purchase** monthly retirement benefit is calculated by multiplying your current total contributions (employee and employer required contributions, plus accrued interest) by an actuarial factor based on your age when the annuity begins. Your money purchase balance is reported on your annual *Statement of Benefits*.

*For additional information regarding money purchase calculations, see pages 17-18 of this brochure.*

## Annuity Payment Options

When you apply for a monthly lifetime retirement or WRS disability benefit, you may choose one of the following payment options:

- For Annuitant's Life Only (**no** death benefit payable after you die unless your accelerated retirement option begins after June 30, 2008, and you die before age 62).
- Life Annuity with 60 Payments Guaranteed.
- Life Annuity with 180 Payments Guaranteed.
- Joint and Survivor Annuity, 75% Continued to Named Survivor.
- Joint and Survivor Annuity, 100% Continued to Named Survivor.
- Joint and Survivor Annuity, Reduced 25% on Your Death or the Death of your Named Survivor.
- Joint and Survivor Annuity, 100% Continued to Named Survivor with 180 Payments Guaranteed.

If your **For Annuitant's Life Only** option amount is less than \$190 per month, you are restricted to a lump sum payment. If your monthly amount for this option is at least \$190 but less than \$388, you can choose between a lump sum and monthly payments. If your monthly amount for this option is \$388 or more, you are restricted to a monthly lifetime annuity. These amounts apply to annuities beginning in 2016 and are indexed annually.

Under state law, same-sex and opposite-sex domestic partners are treated similar to spouses for the benefit programs authorized in Chapter 40 of the state statutes. Chapter 40 benefit programs are administered by ETF and include the WRS, group health insurance, deferred compensation, life insurance and other programs. An *Affidavit of Domestic Partnership* (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 Internet site at [etf.wi.gov](http://etf.wi.gov) or call ETF to request the packet.

### Accelerated Payment Options

Accelerated payments are intended to provide you with about the same income from your WRS annuity (prior to age 62) that you may receive from the WRS and Social Security combined after age 62.

Accelerated payment options are normally available if your retirement annuity begins before age 62 and your "For Annuitant's Life Only" after age 62 payment meets the annual monthly minimum requirement. The same annuity options are available but they include an accelerated payment provision. With an accelerated option, you would receive a temporary increase to your monthly WRS annuity payment until age 62. At age 62, your WRS annuity payment would decrease because the temporary accelerated portion would end.

ETF has no connection with the Social Security Administration (SSA). However, when calculating the temporary accelerated portion of an annuity, ETF estimates Social Security payments based on tables that assume an entire career of employment (30 or more years) covered under Social Security. **This amount may be very different from your actual Social Security amount at age 62.** To help limit a decrease in your total income at age 62, you can get an online Social Security estimate at [ssa.gov](http://ssa.gov) and then submit this information to ETF when requesting your retirement estimate. ETF will use this information to calculate your accelerated payment options.

Even if ETF uses your estimate from the SSA to calculate your temporary accelerated payment, there may still be a significant difference between the amount of your temporary payment and your actual Social Security payment beginning at age 62. The temporary portion of your annuity is subject to the same annual adjustments as the lifetime portion of your annuity. These adjustments (either positive or negative) are based on investment returns of the WRS Trust Funds and may exceed the increases in Social Security benefits. Therefore, if your temporary accelerated payment ending at age 62 is greater than your beginning Social Security payment, your income will be less.

## Annuity Payment Options (continued)

If you die while receiving an accelerated payment option that began after June 30, 2008, the temporary accelerated portion is paid as a death benefit until you would have reached age 62. For accelerated annuities that began before July 1, 2008, the accelerated portion ends at death. Any death benefit is based **only** on the after-age-62 amount payable to your beneficiary(ies) or named survivor. Under the Reduced 25% on Death of Annuitant or Named Survivor option, the after-age-62 amount (permanent portion) of your annuity reduces if your named survivor dies first. Your temporary portion does not change.

Access ETF's Internet site at [etf.wi.gov](http://etf.wi.gov) to use the Accelerated Payment Cost Calculator. It can help you understand the options better and help you decide if an accelerated payment option is right for you.

For further explanation of the retirement payment options, see the *Choosing an Annuity Option (ET-4117)* brochure. For WRS disability options, see the disability brochures at [etf.wi.gov](http://etf.wi.gov).

## Formula Benefit Calculation

The formula calculation is as follows:

$$\begin{array}{l} \text{Final Average Monthly Earnings} \\ \times \text{Creditable Service} \\ \times \text{Formula Multiplier} \\ \times \text{Age Reduction Factor (if any)} \\ \hline = \text{For Annuitant's Life Only monthly amount} \end{array}$$

## Final Average Earnings

Your final average earnings is expressed as a monthly amount. The average is calculated by adding the highest earnings for three calendar years (fiscal years for teachers, judges and educational support personnel) and dividing this total by the creditable service earned during these years, then dividing by 12. The three years used are those in which reported earnings were the highest; they do not need to be consecutive, nor the last years reported.

## Creditable Service

Your creditable service includes all service for which retirement contributions were made. For local employees other than teachers, it may include a service credit granted by your employer for employment before the date that your employer began participating in the WRS. It also includes any service you purchased (e.g., forfeited, qualifying, other governmental service, etc.).

Please see the [Buying Creditable Service \(ET-4121\)](#) brochure, available at [etf.wi.gov](http://etf.wi.gov) or by contacting ETF, for more information. Creditable service is expressed in decimal equivalents of a year. For example, one year of creditable service is equal to 1.00 year.

If you are a part-time employee and have questions about your part-time service, contact your payroll office or ETF to obtain the number of hours reported for you each year.

### **Creditable Military Service**

If you have at least five years of creditable service under the WRS, you may be eligible for additional WRS service credit for your years of active military service before 1974. One year of military service credit can be granted for each five years of actual WRS creditable service, up to a maximum total of four years military service credit. To be eligible, you must meet the following conditions:

1. Previous credit has not been granted;
2. The military service was performed prior to 1974;
3. With certain exceptions, you are not using such military service time for federal retirement benefit purposes; and
4. Your discharge was under conditions other than dishonorable.

The 5-, 10-, 15- and 20-year requirements apply only to service actually credited to your WRS account and do not include any unpaid leave time or qualifying period.

Please send ETF a copy of your active military discharge papers (Form DD-214 or equivalent). Military service before your WRS employment is generally not granted until you apply for your annuity, so it normally is not reflected in the total service on your annual *Statement of Benefits*.

If you left employment with a WRS-participating employer for active military service, and returned to work for your pre-service employer, you may also be eligible for additional military service credit under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) or under state law.

Please see the [USERRA Certification \(ET-4560\)](#) form and accompanying instructions for more information, as well as the [Military Service Credit \(ET-4122\)](#) brochure for details on credit for military service before and after your WRS employment began.

## Formula Multiplier

A formula multiplier is a percentage factor that ETF uses to calculate your formula retirement benefit. The multiplier(s) used to calculate your benefit depend on your employment category and on when you worked in a WRS position.

Formula Multipliers			
Employment Category	Before 2000	After 1999	After Act 10
General, Teacher and Educational Support	.01765	.016	n/a
Protective with Social Security (police, prison guards, sheriffs, deputies)	.02165	.020	n/a
Protective without Social Security (firefighters)	.02665	.025	n/a
Elected Officials and State Executive Retirement Plan employees	.02165	.020	.016

## Normal Retirement Age

Your normal retirement age is the age when no age reduction factor applies to your formula benefit.

The normal retirement age for each employment category is:

- Age 53: Protective occupation participants with at least 25 years of creditable service, including creditable military service.
- Age 54: Protective occupation participants with less than 25 years of creditable service, including creditable military service.
- Age 62: Elected officials and state executive retirement plan employees with a WRS begin date *prior* to January 1, 2017.
- Age 65: General employees, teachers and educational support staff. Additionally, elected officials and state executive retirement plan employees with a WRS begin date *after* December 31, 2016.

retirement age is reduced because it is expected to be paid longer. The annuities of protective category employees are reduced .4% per month for each month of age below normal retirement age. The annuities of non-protective employees are reduced .4% per month between ages 55 and 57. Between age 57 and normal retirement age, the .4% is reduced by .001111% for each month of creditable service including creditable active military service. These are permanent reductions to annuities and continue to apply after your normal retirement age.

If you have service in more than one employment category and those categories have different normal retirement ages, the age reduction for early retirement is calculated separately for each employment category.

An annuity that begins before you reach normal



## Maximum Monthly Benefit

The maximum monthly **formula** benefit payable depends on whether you were actively employed with a WRS employer after 1999:

- If you were actively employed after 1999, your maximum monthly formula benefit is 70% of your final average earnings. The maximum formula benefit is 65% of your final average earnings if you are a protective category employee covered under Social Security (police) or 85% if you are a protective employee not covered under Social Security (firefighter).

- If you were not actively employed after 1999, your maximum monthly formula benefit is 65% of your final average earnings. If you were a protective employee not covered by Social Security (firefighter), your benefit maximum is 85% of your final average earnings.

The maximum monthly benefit limitation for your employment category applies to the For Annuitant's Life Only option. This limit is applied **before** any Variable adjustment to your annuity if you participate in the Variable program

## Variable Fund Participation

If you have participated in the Variable Trust Fund, your account has either a Variable "excess" or "deficiency" amount based on the investment experience of the Variable Fund. Your Variable excess/deficiency is included on your annual *Statement of Benefits*. An excess is the amount you are **ahead**, and a deficiency is the amount you are **behind** based on Variable participation. The excess or deficiency amount is multiplied by the money purchase factor for your age and increases or

decreases your formula retirement or WRS disability benefit.

More information about Variable participation is available at [etf.wi.gov](http://etf.wi.gov) and in the *How Participation in the Variable Trust Fund Affects Your WRS Benefits (ET-4930)* brochure.

## Online Calculator for Retirement Estimates

Access ETF's Internet site at [etf.wi.gov](http://etf.wi.gov) to use the WRS Retirement Benefits Calculator to project what your future retirement benefit may be. You can enter the data elements for a formula and money purchase calculation. The higher of the two calculations will be displayed when you enter data for both methods. For a money purchase calculation, enter a projected total balance as of each future effective date. Some calculations cannot be done, which are explained online.

You can also calculate your estimates manually. (See sections *Calculate Your Formula Benefit* and *Calculate Your Money Purchase Benefit*.)

## Calculate Your Formula Benefit

The sample on the next page shows a formula calculation for a general category employee age 59 who does not participate in the Variable fund with a spouse or domestic partner age 53. The employee has a final average monthly earnings of \$2,000, 25 years of creditable service (16 Pre-2000 and 9 Post-1999), a projected Social Security benefit at age 62 of \$714 and selects a Joint Survivor 100% continued option. Only participants in the Elected/Executive category will have Post-Act 10 service.

**REGULAR PAYMENT CALCULATION SAMPLE**

	Pre-2000	Post-1999	Post Act 10	Pre-2000	Post-1999	Post Act 10
A. Enter your final average monthly earnings (See <i>Final Average Earnings</i> section.)	\$ _____	\$ _____	\$ _____	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>0</u>
B. Enter the appropriate formula multiplier(s) for your Pre-2000, Post-1999 and post-Act 10 employment category (See <i>Formula Multipliers</i> section.)	X _____	X _____	X _____	X <u>.01765</u>	X <u>.016</u>	X <u>0</u>
C. Enter your years of Pre-2000, Post-1999 and post-Act 10 creditable service at retirement (include creditable military service) in the appropriate column:	X _____	X _____	X _____	X <u>16</u>	X <u>9</u>	X <u>0</u>
D. If applicable, find and enter your <b>age reduction factor</b> from one of the two following Age Reduction Factors charts. <b>Note:</b> If you were divorced and your account was divided due to a Qualified Domestic Relations Order (QDRO), use the total of your current years of service plus the service deducted from your account by the QDRO division to find your age reduction factor from the chart.	X _____	X _____	X _____	X <u>.952</u>	X <u>.952</u>	X <u>0</u>
E. Multiply A x B x C x D	\$ _____	\$ _____	\$ _____	\$ <u>537.69</u>	X <u>274.18</u>	X <u>0</u>
F. 1) Add the amounts for E in columns Pre-2000, Post-1999 and Post-Act 10 together. This is the monthly amount of your <b>For Annuitant's Life Only option</b> .  2) Test for maximum monthly benefit [See Maximum Monthly Benefit section.] Use maximum monthly benefit if lower than F.		\$ _____ + _____ _____			\$ <u>274.18</u> <u>+537.69</u> <u>\$811.87</u>	

**Skip to H, if you have not participated in the Variable Fund**

G. If in Variable:

1. Enter the total Variable excess/deficiency (both employee and employer) as shown on your latest <i>Statement of Benefits</i> .	\$ _____	
2. Enter money purchase factor for your age from Table 2 on page 18.	X _____	
3. Multiply G 1 by G 2 and enter the amount	\$ _____	
4. If excess, add to F. If a deficiency, subtract from F. This is the amount of your <b>For Annuitant's Life Only</b> option with your <b>current year</b> Variable adjustment.	+/- _____	
H. Enter the <b>option conversion factor</b> from the Option Conversion Factor charts on pages 11-15 for the option which best meets your needs.	X _____	X <u>.859</u>
I. Multiply F (G 4 if Variable participant) x H. This is the monthly amount for the option you selected. Repeat H and I to compare the amounts for different options.	\$ _____	\$ <u>697.40</u>

**Stop here if you will be at least 62 on your annuity effective date**

**ACCELERATED PAYMENT CALCULATION**

J. Enter your projected age-62 Social Security (SS) monthly pension amount (request from the SS Administration).	\$ _____	\$ <u>714.00</u>
K. Enter your accelerated payment calculation factor from the Accelerated Payment Calculation Factors chart on page 8.	X _____	X <u>.2022</u>
L. Multiply J x K. This is the monthly actuarial cost of the Accelerated Payment option	\$ _____	\$ <u>144.37</u>
M. Enter the For Annuitant's Life Only amount from F or G	\$ _____	\$ <u>811.87</u>
N. Enter the Accelerated Payment option actuarial cost from L	- _____	- <u>144.37</u>
O. Subtract N from M. This is your <b>after-age-62 WRS monthly amount of your For Annuitant's Life Only</b> option.	\$ _____	\$ <u>667.50</u>
P. Enter the option conversion factor for the option you selected (same factor used in H).	X _____	X <u>.859</u>
Q. Multiply O x P. This is your <b>after-age-62 WRS monthly amount for the option you selected</b> . Repeat P and Q to compare the amounts for different options	\$ _____	\$ <u>573.38</u>
R. Enter your projected monthly SS pension amount from J	+ _____	+ <u>714.00</u>
S. Add Q + R. This is your total before-age 62 WRS monthly amount for the option you selected.	\$ _____	\$ <u>1,287.38</u>

## Age Reduction Factors Chart

General/Teachers or Elected Officials/Executives with a WRS begin date <i>after</i> 12/31/2016													
Years of Service	Age												
	55	56	57	58	-	59	-	60	61	62	63	64	65
<b>5</b>	.584	.632	.680	.720	.704	.760	.752	.800	.840	.880	.920	.960	1.000
<b>6</b>	.597	.645	.693	.731	.712	.770	.760	.808	.846	.885	.923	.962	1.000
<b>7</b>	.610	.658	.706	.742	.720	.779	.768	.816	.853	.890	.926	.963	1.000
<b>8</b>	.622	.670	.718	.754	.728	.789	.776	.824	.859	.894	.930	.965	1.000
<b>9</b>	.635	.683	.731	.765	.736	.798	.784	.832	.866	.899	.933	.966	1.000
<b>10</b>	.648	.696	.744	.776	.744	.808	.792	.840	.872	.904	.936	.968	1.000
<b>11</b>	.661	.709	.757	.787	.752	.818	.800	.848	.878	.909	.939	.970	1.000
<b>12</b>	.674	.722	.770	.798	.760	.827	.808	.856	.885	.914	.942	.971	1.000
<b>13</b>	.686	.734	.782	.810	.768	.837	.816	.864	.891	.918	.946	.973	1.000
<b>14</b>	.699	.747	.795	.821	.776	.846	.824	.872	.898	.923	.949	.974	1.000
<b>15</b>	.712	.760	.808	.832	.784	.856	.832	.880	.904	.928	.952	.976	1.000
<b>16</b>	.725	.773	.821	.843	.792	.866	.840	.888	.910	.933	.955	.978	1.000
<b>17</b>	.738	.786	.834	.854	.800	.875	.848	.896	.917	.938	.958	.979	1.000
<b>18</b>	.750	.798	.846	.866	.808	.885	.856	.904	.923	.942	.962	.981	1.000
<b>19</b>	.763	.811	.859	.877	.816	.894	.864	.912	.930	.947	.965	.982	1.000
<b>20</b>	.776	.824	.872	.888	.824	.904	.872	.920	.936	.952	.968	.984	1.000
<b>21</b>	.789	.837	.885	.899	.832	.914	.880	.928	.942	.957	.971	.986	1.000
<b>22</b>	.802	.850	.898	.910	.840	.923	.888	.936	.949	.962	.974	.987	1.000
<b>23</b>	.814	.862	.910	.922	.848	.933	.896	.944	.955	.966	.978	.989	1.000
<b>24</b>	.827	.875	.923	.933	.856	.942	.904	.952	.962	.971	.981	.990	1.000
<b>25</b>	.840	.888	.936	.944	.864	.952	.912	.960	.968	.976	.984	.992	1.000
<b>26</b>	.853	.901	.949	.955	.872	.962	.920	.968	.974	.981	.987	.994	1.000
<b>27</b>	.866	.914	.962	.966	.880	.971	.928	.976	.981	.986	.990	.995	1.000
<b>28</b>	.878	.926	.974	.978	.888	.981	.936	.984	.987	.990	.994	.997	1.000
<b>29</b>	.891	.939	.987	.989	.896	.990	.944	.992	.994	.995	.997	.998	1.000
<b>30+</b>	.904	.952	1.000	1.000	.904	1.000	.952	1.000	1.000	1.000	1.000	1.000	1.000
<b>Age</b>				-	<b>55</b>	-	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>61</b>	<b>62</b>

**Elected Officials / Executives** with a WRS begin date *prior* to 1/1/2017

The age reduction may be less if you have partial years of creditable service in at least 5 of the last 10 annual earnings periods immediately **before** the earnings period of your WRS termination.

This **only** applies to partial years with non-teaching service to calculate your age reduction factor. ETF will calculate your final formula retirement or WRS disability benefit with the lower age reduction if you are eligible.

## Age Reduction Factors Chart - Protective Category (Based on age and years of service)

Protectives					
Years of Service	Age 50	Age 51	Age 52	Age 53	Age 54
Under 25	.808	.856	.904	.952	1.000
25 & Over	.856	.904	.952	1.000	1.000

## Accelerated Payment Calculation Factors

Age	Factor
50	.5734
51	.5445
52	.5128
53	.4790
54	.4419
55	.4013
56	.3576
57	.3104
58	.2586
59	.2022
60	.1406
61	.0735

## Option Conversion Factors Charts

Use the following conversion tables to provide factors to calculate the amount you would receive under options **other than the For Annuitant's Life Only** option.

For **formula** calculations, non-protective category employees use the option conversion factors for your actual age or age 62, whichever is lower. Protective category employees use the factors for your actual age or normal retirement age, whichever is lower.

For **money purchase** calculations, always use the option conversion factors based on your actual age. Do not use the factors for your normal retirement age.

### Life Annuities - 60 and 180 Monthly Payments Guaranteed

Non-Protective Normal Retirement Age 65/62			Protectives - Normal Retirement Age				
Age of Participant	60 months	180 months	Age of Participant	53-at least 25 years creditable service		54-less than 25 years creditable service	
				60 months	180 months	60 months	180 months
55	.998	.979	50	.999	.988	.999	.988
56	.997	.978	51	.999	.986	.999	.986
57	.997	.975	52	.998	.985	.998	.985
58	.997	.973	53	.998	.983	.998	.983
59	.997	.970	54	.998	.981	.998	.981
60	.996	.967	55	.998	.979	.998	.979
61	.996	.963	56	.997	.978	.997	.978
62	.995	.959	57	.997	.975	.997	.975
63	.995	.954	58	.997	.973	.997	.973
64	.994	.948	59	.997	.970	.997	.970
65	.993	.941	60	.996	.967	.996	.967
66	.992	.934					
67	.991	.925					
68	.990	.916					
69	.989	.905					
70	.987	.893					

## Option Conversion Factors Charts (continued)

### Life Annuity Joint and Survivor 75% Continued to Named Survivor

Age of Named Survivor	Age of Participant									
	50	51	52	53	54	55	56	57	58	59
45	.927	.921	.914	.907	.899	.891	.882	.873	.864	.854
47	.933	.927	.921	.914	.906	.898	.890	.882	.872	.862
49	.940	.934	.927	.921	.914	.906	.898	.890	.881	.872
51	.945	.940	.934	.928	.921	.914	.907	.899	.890	.881
53	.951	.946	.941	.935	.929	.922	.915	.908	.899	.891
55	.957	.952	.947	.942	.936	.930	.923	.916	.909	.900
57	.962	.958	.953	.948	.943	.937	.931	.925	.918	.910
59	.966	.963	.959	.954	.950	.945	.939	.933	.927	.919
61	.971	.967	.964	.960	.956	.951	.946	.941	.935	.929
63	.975	.972	.969	.965	.962	.958	.953	.949	.943	.938
65*	.978	.976	.973	.970	.967	.963	.960	.956	.951	.946

Age of Named Survivor	Age of Participant										
	60	61	62	63	64	65	66	67	68	69	70*
45	.843	.832	.820	.807	.794	.780	.766	.751	.735	.718	.701
47	.852	.841	.829	.817	.803	.790	.775	.760	.744	.728	.711
49	.861	.850	.839	.826	.813	.800	.785	.770	.755	.738	.721
51	.871	.860	.849	.837	.824	.811	.796	.782	.766	.750	.732
53	.881	.871	.860	.848	.835	.822	.808	.793	.778	.762	.745
55	.891	.881	.871	.859	.847	.834	.821	.806	.791	.775	.758
57	.901	.892	.882	.871	.859	.847	.833	.819	.804	.788	.772
59	.911	.903	.893	.883	.872	.860	.847	.833	.819	.803	.787
61	.921	.913	.905	.895	.884	.873	.861	.848	.834	.818	.802
63	.931	.924	.916	.907	.897	.886	.875	.862	.849	.835	.819
65*	.940	.934	.926	.918	.909	.900	.889	.877	.865	.851	.836

\*If you and/or your named survivor are past this age and money purchase applies, call ETF for the factors or use our online calculator at [etf.wi.gov](http://etf.wi.gov) for benefit estimates.

This option is not available if your named survivor is more than 19 years younger than you **and is not** your spouse.

## Option Conversion Factors Charts (continued)

### Life Annuity Joint and Survivor 100% Continued to Named Survivor

Age of Named Survivor	Age of Participant									
	50	51	52	53	54	55	56	57	58	59
45	.905	.897	.888	.879	.870	.859	.849	.838	.826	.814
47	.913	.905	.897	.888	.879	.869	.859	.848	.837	.825
49	.921	.914	.906	.897	.888	.879	.869	.859	.848	.836
51	.929	.922	.914	.906	.898	.889	.879	.869	.859	.847
53	.936	.930	.923	.915	.907	.899	.890	.880	.870	.859
55	.943	.937	.931	.924	.916	.909	.900	.891	.882	.871
57	.949	.944	.938	.932	.925	.918	.911	.902	.893	.883
59	.956	.951	.946	.940	.934	.927	.920	.913	.904	.895
61	.961	.957	.952	.947	.942	.936	.930	.923	.915	.907
63	.966	.963	.959	.954	.949	.944	.939	.933	.926	.911
65*	.971	.968	.964	.960	.956	.952	.947	.942	.936	.929

Age of Named Survivor	Age of Participant										
	60	61	62	63	64	65	66	67	68	69	70*
45	.801	.788	.774	.759	.743	.727	.710	.693	.675	.657	.638
47	.812	.799	.784	.770	.754	.738	.721	.704	.686	.667	.648
49	.823	.810	.796	.781	.766	.750	.733	.716	.698	.679	.660
51	.835	.822	.808	.794	.779	.763	.746	.729	.710	.692	.673
53	.847	.835	.821	.807	.792	.776	.760	.742	.724	.706	.686
55	.860	.848	.835	.821	.806	.791	.774	.757	.739	.721	.701
57	.873	.861	.849	.835	.821	.806	.790	.773	.755	.736	.717
59	.885	.874	.863	.850	.836	.821	.806	.789	.772	.754	.734
61	.898	.888	.877	.865	.852	.838	.823	.807	.790	.772	.753
63	.910	.901	.891	.879	.867	.854	.840	.825	.808	.791	.773
65*	.922	.913	.904	.894	.883	.870	.857	.843	.827	.811	.793

\* If you and/or your named survivor are past this age and money purchase applies, call ETF for the factors or use our online calculator at [etf.wi.gov](http://etf.wi.gov) for benefit estimates.

This option is not available if your named survivor is more than 10 years younger than you **and is not** your spouse.

## Option Conversion Factors Charts (continued)

### Life Annuity Joint and Survivor Reduced 25% on Death of Either Annuitant or Named Survivor

Age of Named Survivor	Age of Participant									
	50	51	52	53	54	55	56	57	58	59
45	.939	.931	.924	.916	.908	.899	.890	.880	.870	.860
47	.947	.940	.933	.925	.917	.908	.900	.890	.880	.870
49	.956	.950	.942	.935	.927	.919	.910	.901	.891	.881
51	.966	.959	.952	.945	.937	.929	.921	.912	.902	.892
53	.976	.969	.963	.956	.948	.941	.932	.924	.914	.905
55	.986	.980	.973	.967	.960	.952	.944	.936	.927	.917
57	.996	.990	.984	.978	.971	.964	.957	.949	.940	.931
59	1.007	1.001	.996	.990	.983	.977	.969	.962	.954	.945
61	1.018	1.013	1.008	1.002	.996	.990	.983	.976	.968	.959
63	1.030	1.025	1.020	1.015	1.009	1.003	.997	.990	.983	.975
65*	1.042	1.038	1.033	1.028	1.023	1.017	1.011	1.005	.998	.991

Age of Named Survivor	Age of Participant										
	60	61	62	63	64	65	66	67	68	69	70*
45	.849	.837	.825	.812	.798	.784	.769	.754	.738	.721	.704
47	.859	.847	.835	.822	.808	.794	.779	.764	.748	.731	.714
49	.870	.858	.846	.833	.820	.805	.791	.775	.759	.742	.725
51	.882	.870	.858	.845	.832	.818	.803	.787	.771	.754	.737
53	.894	.883	.871	.858	.845	.831	.816	.801	.785	.768	.750
55	.907	.896	.885	.872	.859	.845	.830	.815	.799	.782	.764
57	.921	.910	.899	.887	.874	.860	.846	.830	.814	.798	.780
59	.935	.925	.914	.902	.889	.876	.862	.847	.831	.814	.797
61	.950	.941	.930	.918	.906	.893	.879	.865	.849	.833	.815
63	.966	.957	.947	.936	.924	.912	.898	.884	.869	.852	.835
65*	.983	.974	.964	.954	.943	.931	.918	.904	.889	.874	.857

\* If you and/or your named survivor are past this age and money purchases applies, call ETF for the factors or use our online calculator at [etf.wi.gov](http://etf.wi.gov) for benefit estimates.

This option is not available if your named survivor is more than 19 years younger than you **and is not** your spouse.



## Option Conversion Factors Charts (continued)

### Life Annuity Joint and Survivor 100% Continued to Named Survivor Combined with 180 Monthly Payments Guaranteed

Age of Named Survivor	Age of Participant									
	50	51	52	53	54	55	56	57	58	59
45	.905	.897	.888	.879	.869	.859	.849	.838	.826	.814
47	.913	.905	.897	.888	.879	.869	.858	.848	.836	.824
49	.921	.913	.905	.897	.888	.878	.869	.858	.847	.835
51	.928	.921	.914	.906	.897	.888	.879	.869	.858	.847
53	.936	.929	.922	.915	.907	.898	.889	.880	.869	.858
55	.943	.937	.930	.923	.916	.908	.900	.891	.881	.870
57	.949	.944	.938	.931	.925	.917	.910	.901	.892	.882
59	.955	.950	.945	.939	.933	.926	.919	.911	.903	.894
61	.960	.956	.951	.946	.941	.935	.928	.921	.914	.905
63	.965	.961	.957	.953	.948	.943	.937	.931	.924	.916
65*	.970	.966	.963	.959	.954	.950	.945	.939	.933	.926

Age of Named Survivor	Age of Participant										
	60	61	62	63	64	65	66	67	68	69	70*
45	.801	.787	.773	.758	.743	.726	.710	.692	.674	.656	.637
47	.812	.798	.784	.769	.753	.737	.720	.703	.685	.666	.647
49	.823	.809	.795	.780	.765	.749	.732	.715	.696	.678	.658
51	.834	.821	.808	.793	.777	.761	.745	.727	.709	.690	.671
53	.847	.834	.820	.806	.791	.775	.758	.741	.722	.704	.684
55	.859	.847	.833	.819	.804	.789	.772	.755	.737	.718	.698
57	.871	.860	.847	.833	.819	.803	.787	.770	.752	.733	.714
59	.884	.873	.861	.847	.833	.819	.803	.786	.768	.750	.730
61	.896	.885	.874	.862	.848	.834	.819	.802	.785	.767	.747
63	.907	.898	.887	.876	.863	.850	.835	.819	.802	.784	.765
65*	.918	.910	.900	.889	.877	.865	.851	.836	.820	.802	.784

\* If you and/or your named survivor are past this age and money purchase applies, call ETF for the factors or use our online calculator at [etf.wi.gov](http://etf.wi.gov) for benefit estimates.

This option is not available if your named survivor is more than 10 years younger than you **and** is **not** your spouse.

## Money Purchase Value

Your employee required contributions (whether paid by you or by your employer on your behalf), plus the employer matching required contributions (shown on your *Statement of Benefits*) equal your money purchase benefit. This total amount is used to “purchase” your retirement benefit.

The *Money Purchase Retirement Calculation* on page 18 shows the procedure for estimating your money purchase retirement benefit.

If you participate in the Variable Fund, your total money purchase balance includes your Variable net gain or loss. There is **no** Variable excess/deficiency as is used in a formula benefit.

## Interest Crediting

Core and Variable interest is applied annually effective December 31 to that year’s beginning balances. Legislation enacted in 2006 changed the name of the Fixed Retirement Investment Trust, or Fixed Fund, to the Core Trust Fund.

Interest earned has a major impact on the amount of your benefit if you have participated in the Variable Fund, have additional contributions or your benefit is higher by the money purchase calculation. ETF cannot predict what investment results or interest rates will be in the future.

For participants first employed after 1981 and who continued to be employed between 1984 and 1998, the fixed interest in 1985 and future years is set by statute at 5%. The 5% fixed interest provision was eliminated for all participants who were active WRS employees on or after December 30, 1999. Beginning on December 31, 1999, all active employees have the annual Core effective rate interest credited to their accounts. Additional contributions and all contributions of participants employed prior to 1982 continue to receive effective interest rate crediting based on the investment experience of the Trust Fund.

If you currently participate in the Variable Fund, the interest credited to your Variable account(s) reflects the actual Variable investment experience. Effective rate interest is credited to your account every year. Therefore, the Variable portion of your account may be subject to significant annual gains or losses.

Interest crediting could affect your decision about when to apply for a benefit. Core and Variable effective rates of interest are normally announced by March. Assumed 5% interest is paid for the year your annuity begins, prorated for the number of months from January 1 through the full month prior to the effective date of your benefits.

If you are applying for a lump sum benefit, prorated 5% interest applies to your account balance from January 1 through the end of the month **before** your benefit is approved to be paid. 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.

## Calculate Your Money Purchase Benefit

Estimate your money purchase retirement benefit using the calculation process on the next page and the tables on page 19.

The sample calculations that follow are for someone 34 years old with a current money purchase retirement balance of \$10,600 with plans to begin an annuity at age 55.

Insert your age, money purchase retirement balance and planned retirement age under the “Calculation” column and complete the steps to project your estimated benefit.

To calculate an accelerated payment option with your money purchase, see the *Calculate Your Formula Benefit* section and follow steps J to S.

## Money Purchase Benefit Calculation

The Money Purchase Calculation factors in Table 2 on page 19 do *not* apply if you terminated your WRS employment before March 9, 1984. Contact ETF for more details.

	Sample	Calculation
1. Enter the age you plan to begin your WRS retirement benefit, (must be at least age 55, or age 50 for protective occupation employees)	55	_____
2. Enter your current age.	-34	- _____
3. Subtract 2 from 1; this is the number of years until your WRS retirement benefit begins.	21	_____
4. Your total money purchase balance (from your last annual <i>Statement of Benefits</i> ).	\$10,600	\$ _____
5. Enter the compound interest factor from Table 1 on page 19 for the years until your retirement benefit begins (#3 above) and the interest rate you assume to be earned over that period. Enter your money purchase balance from #4 above and multiply it by the interest factor to get your estimated money purchase balance on your retirement benefit effective date.		

SAMPLE	SAMPLE	SAMPLE	SAMPLE	YOUR ESTIMATE
@ 5%	@ 7%	@ 9%	@ 10%	@ _____%
\$10,600	\$10,600	\$10,600	\$10,600	\$ _____
<u>x 2.785</u>	<u>x 4.140</u>	<u>x 6.108</u>	<u>x 7.400</u>	x _____
<u>\$29,521</u>	<u>\$43,884</u>	<u>\$64,744</u>	<u>\$78,440</u>	\$ _____

6. Enter the money purchase factor from Table 2 on page 19 for your age when you plan to retire. Enter your estimated money purchase balance from #5 above and multiply it by the money purchase factor. (Age 55 sample continued.)

SAMPLE	SAMPLE	SAMPLE	SAMPLE	YOUR ESTIMATE
\$29,521	\$43,884	\$64,744	\$78,440	\$ _____
<u>x .00552</u>	<u>x .00552</u>	<u>x .00552</u>	<u>x .00552</u>	x _____
<u>\$162.96</u>	<u>\$242.24</u>	<u>\$357.39</u>	<u>\$432.99</u>	\$ _____ per month.

This shows the **basic** method to calculate a money purchase benefit to get the For Annuitant's Life Only option monthly amount. If you are an active employee, estimate what your future contributions and earnings on those contributions may be as of your retirement effective date (#1 above) and add to the money purchase balance in #5. To compute an accelerated payment option, see the *Calculate Your Formula Benefit* section and follow steps J to S. If you use the online calculator, it will use the money purchase factor and option conversion factors for your exact age on the benefit begin date.

## Money Purchase Interest and Calculation Factors

**TABLE 1**  
**COMPOUNDED INTEREST**  
**FACTORS**

\$1 Compounded at 5%, 7%, 9% or 10% Per Year

Years Until Retirement	5%	7%	9%	10%
1	1.050	1.070	1.090	1.100
2	1.102	1.144	1.188	1.210
3	1.157	1.225	1.295	1.331
4	1.215	1.310	1.411	1.464
5	1.276	1.402	1.538	1.610
6	1.340	1.500	1.677	1.771
7	1.407	1.605	1.828	1.948
8	1.477	1.718	1.992	2.143
9	1.551	1.838	2.171	2.357
10	1.628	1.967	2.367	2.593
11	1.710	2.104	2.580	2.853
12	1.795	2.252	2.812	3.138
13	1.885	2.409	3.065	3.452
14	1.979	2.578	3.341	3.797
15	2.078	2.759	3.642	4.177
16	2.182	2.952	3.970	4.594
17	2.292	3.158	4.327	5.054
18	2.406	3.379	4.717	5.559
19	2.526	3.616	5.144	6.115
20	2.653	3.869	5.604	6.727
21	2.785	4.140	6.108	7.400
22	2.925	4.430	6.658	8.140
23	3.071	4.740	7.257	8.954
24	3.225	5.072	7.911	9.849
25	3.386	5.427	8.623	10.834
26	3.555	5.807	9.399	11.918
27	3.733	6.213	10.245	13.109
28	3.920	6.648	11.167	14.420
29	4.116	7.114	12.172	15.863
30	4.321	7.612	13.267	17.449

**TABLE 2**  
**MONEY PURCHASE**  
**CALCULATION FACTORS**

Age	Monthly Benefit Per \$1	Age	Monthly Benefit Per \$1
50	.00517	66	.00680
51	.00523	67	.00698
52	.00530	68	.00718
53	.00537	69	.00739
54	.00544	70	.00761
55	.00552	71	.00786
56	.00560	72	.00813
57	.00568	73	.00842
58	.00577	74	.00874
59	.00587	75	.00909
60	.00598	76	.00948
61	.00609	77	.00990
62	.00621	78	.01037
63	.00634	79	.01088
64	.00649	80	.01144
65	.00664		

## Additional Contributions

Once all WRS-covered employment ends, you may take your employee additional contributions as one of the following options:

- *A single lump sum payment.*
- *One of the life annuities.* Your **For Annuitant's Life Only option** amount **must** meet the monthly minimum which is \$190 per month for 2016 (the monthly minimum is indexed annually). This minimum can be met by either of the following:
  - Add the regular annuity amount to the additional annuity amount to total \$190 per month.
  - Or, if you delay applying for your additional funds, the additional annuity amount must meet the minimum monthly amount on its own.
- *An annuity certain payable for the number of months specified (24-180 months).* To be eligible for an Annuity Certain, you must be receiving a regular annuity (or be eligible to receive a regular annuity by meeting the minimum amount *on its own*). An annuity certain amount **must** also meet the minimum monthly amount *on its own* (\$190 in 2016).

You can estimate your additional benefits by using the Money Purchase Benefit Calculation process shown on page 17 or use the online calculator at [etf.wi.gov](http://etf.wi.gov) to estimate your required and additional benefits.

Each \$1,000 of additional contributions will provide the following monthly amounts, depending on the number of months selected as an annuity certain.

<b>Annuity Certain</b>	
<b>Number of Months</b>	<b>Amount Per \$1000</b>
24	\$43.82
36	\$29.92
48	\$22.98
60	\$18.82
72	\$16.05
84	\$14.08
96	\$12.61
108	\$11.46
120	\$10.55
132	\$ 9.81
144	\$ 9.19
156	\$ 8.67
168	\$ 8.23
180	\$ 7.85



*Cover photo courtesy of the Wisconsin Department of Tourism.*

# Contact ETF

**Visit us online at [etf.wi.gov](http://etf.wi.gov)**

Find Wisconsin Retirement System benefits information, forms and publications, benefit calculators, educational offerings, email and other online resources.

**Call us toll free at 1-877-533-5020 or 608-266-3285 (local Madison)**

Benefit specialists are available by phone 7:00 a.m. to 5:00 p.m. (CST) Monday-Friday

Wisconsin Relay Service for hearing and speech impaired: 7-1-1  
1-800-947-3529 (English), 1-800-833-7813 (Spanish)

## Write or Return Forms

P.O. Box 7931  
Madison, WI 53707-7931

## Visit by Appointment

801 West Badger Road  
Madison, WI 53713  
7:45 a.m. to 4:30 p.m.

