



**State of Wisconsin
Wisconsin Retirement System
FACT SHEET**

Covered Public Employees and Employers

- The Wisconsin Retirement System covers employees of the state of Wisconsin and employees of local government employers who elect to participate, and Milwaukee Public School District teachers. Employees of the city of Milwaukee and Milwaukee County are covered under different pension systems.
- 1,495 employers
- Employees by employer type: 29% state, 71% local
- Participants in the WRS:

Active employees	257,285
Annuitants (retirees, disabilitants, and beneficiaries)	197,647
Inactive employees with deferred benefit payable	<u>+167,191</u>
Total	622,123

Retirement Benefits

- Minimum retirement age (must be vested): 55 (50 for protectives)
- Benefits are taxed by Wisconsin for the majority of participants
- Formula benefit or money purchase benefit
- **Formula benefit** = years of service x final average monthly earnings x formula factor(s) x actuarial reduction factor for early retirement (if applicable)

➤ Final average monthly earnings = total of highest three years of earnings ÷ total service (decimal equivalent of years) in those years ÷ 12

➤ Formula Factors are based on when creditable service was earned*:

Pre-2000 Service	Post-1999 Service	After June 29, 2011	Category
.01765	.016		General/Teacher/Educational Support
.2165	.02	.016	Elected/Executive
2.165	.02		Protective with Social Security
2.665	.025		Protective without Social Security

➤ Normal retirement age (the age at which you can receive a formula retirement benefit with no reduction for early retirement)

General		Protective		Executive and Elected	
Age	Service	Age	Service	Age	Service
65	Any**	54	Any**	62***	Any**
57	30	53	25	57	30

* The pre-2000 formula factors apply only to participants who terminate WRS employment after 1999. The post-1999 factors apply to all years of service for participants who terminated their WRS employment before 2000. The after June 29, 2011 factor applies to participants in the Elected/Executive category.

** Must satisfy applicable vesting provisions (see page 2).

*** 2015 WI Act 55 changed the normal retirement age for the Elected/Executive category from age 62 to 65 for new employees entering the category after December 31, 2016.

Actuarial age reduction if younger than normal retirement age:

General, and Executive Group and Elected Official employees:

Age 57 and above: 0.4%, decreased by 0.001111% per month of service for each month remaining before normal retirement age.

Age 55 and 56: 0.4% for each month before age 57.

Protectives:

0.4% per month prior to normal retirement age.

- Benefit maximum: 70% of final average earnings (85% for Protectives without Social Security and 65% for Protectives with Social Security).

- **Money Purchase Benefit** = employee and matching employer dollars (including interest) x money purchase factor for current age when retirement benefit begins.

Contributions

- Employee and employer contributions are adjusted annually.

2018 Contributions (percent of payroll)			
	General Elected/ Executive	Protective With Social Security	Protective Without Social Security
Employee Normal Cost	6.7%	6.7%	6.7%
Employer Normal Cost	6.7%	10.7%	14.9%
Total	13.4%	17.4%	21.6%

Vesting

Some participants must meet one of two vesting laws based on when they first began WRS employment:

1. Participants who first began WRS employment after 1989 and terminated employment before April 24, 1998, must have some WRS creditable service in five calendar years; or
2. participants who first began WRS employment on or after July 1, 2011, must have five years of WRS creditable service.

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

Post-Retirement Adjustments

- Core and Variable Trust Fund annuities can be adjusted based on the investment performance of the Core and Variable funds.* Core annuities can be adjusted annually if the increase or decrease would be at least .5%, although Core annuities can never be decreased below the original fixed annuity amount. Variable annuities can be adjusted annually if the increase or decrease would be at least 2%.

** Annuities are funded based on the assumption that the trust fund will earn 5% interest each year. Annuity adjustments are based on investment earnings above and beyond the 5% assumed earnings.*

WRS Funding

- \$99.8 billion WRS assets (market value) on December 31, 2016.
- Actuarial Assumptions:

Salary Increases	3.2%
Investment Earnings (active lives)	7.2%
(retired lives)	5.0%