



TRUST FUND NEWS

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Active/Retirees
Edition

Injunction delaying implementation still in place

Wisconsin Supreme Court Continues Review of Wisconsin Act 11

The Wisconsin Supreme Court continues to review the merits of 1999 Wisconsin Act 11, and no decision was reached by *Trust Fund News* printing deadline. As a result, the Court's order enjoining implementation of the law is still in effect. The injunction has been in place since the law became effective nearly 18 months ago. Act 11 makes significant changes to Wisconsin Retirement System (WRS) benefits and funding mechanisms.

The Court ruled last year that the Employee Trust Funds (ETF) Board and ETF Secretary Eric Stanchfield lacked the standing to seek a declaratory judgment on

the legality of Act 11. That ruling excluded the fiduciaries of the WRS from any formal role in the proceedings of the case.

The Department cannot predict when the Supreme Court will issue a final decision, nor what the final ruling will be. For the latest news in the case, including a detailed summary of the law's provisions and the legal documents filed in the case, visit our Internet site at badger.state.wi.us/agencies/etf.

You may want to monitor the "Opinions Scheduled for Release" section on the Supreme Court's Internet site, www.courts.state.wi.us. This section con-

tains a memorandum listing the case number, an abbreviated caption of each case in which an opinion is tentatively scheduled for release, and the date on which the opinion will be released. The memorandum is normally available a day or two before the release of the opinion. The Act 11 lawsuit is officially known as *No. 99-3297-OA Wisconsin Professional Police Association, Inc., et. al. V. Lightbourn, et. al.*

In addition, the Court's site has a "Table of Pending Cases," in which you'll find a concise statement of the issues surrounding the Act 11 lawsuit.

ETF Establishes Fixed and Variable Interest Rates, Dividends for Post-Retirement Adjustments

Although the Wisconsin Supreme Court did not issue an Act 11 decision by *Trust Fund News* printing deadline, the Department of Employee Trust Funds (ETF) established the fixed and variable interest rates, and the dividends for post-retirement adjustments, for 2000. Please be aware that the Department will not actually credit interest to active and inactive member accounts and issue individual employee *Statement of Benefits* until the Court rules. Read on for specific detail, but for a quick glance at how these rates affect you, please see the chart on page two.

Interest Credits to Active/Inactive Member Accounts

Investment returns in the **Fixed Fund** to be credited to all active and eligible inactive member accounts under the provisions of 1999 Wisconsin Act 11 will be **10.9%**. If the Supreme Court strikes down the entire law, the Fixed Fund investment returns will be **10.4%** and will only apply to accounts of all members – including inactive members – who were first covered under the Wisconsin Retirement System (WRS) prior to 1982.

The investment return in the **Variable Fund** has been set at **minus 7%**. This means that those active and inactive

employees who participate in the Variable Fund will have the variable portion of their account values reduced by 7%. **Act 11 does not affect the investment returns in the Variable Fund.**

The interest rate we will credit to Fixed Fund balances is the result of the accounting mechanisms in the Fixed Retirement Investment Trust that "smooth" investment gains and losses over a number of years. The actual Fixed Fund investment return, based on the market value of assets, as reported by the State of Wisconsin Investment Board (SWIB), was **minus 0.8%** in calendar year 2000.

Interest Rates continued on page 2

Annual Insert from SWIB

In this issue of *Trust Fund News* you'll find a special eight-page pull out section from the State of Wisconsin Investment Board (SWIB). Review it carefully and contact SWIB if you have questions or comments. SWIB, a state agency separate from the Department of Employee Trust Funds, invests the assets of the WRS.

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Post-Retirement Dividend for May 2001 – Fixed Fund

The post-retirement dividend for those who retired in calendar year 2000 and earlier was recommended by the Wisconsin Retirement System's actuary and approved by the ETF Board in March. The dividend for retirees participating in the Fixed Fund was set at 5.7% if the Supreme Court approves all provisions of Wisconsin Act 11 prior to April 13, 2001. If the Court does not act by that date a dividend of 5.1% will be paid on the May 1, 2001 payment. The lower dividend amount reflects the accounting provisions in current law without including the new accounting provisions in Wisconsin Act 11. **If the Supreme Court ultimately approves Wisconsin Act 11, but it occurs after April 13, a supplemental dividend will be paid at a later time this year.** Members who retired in calendar year 2000 will receive a prorated dividend based on the number of full months they were retired in 2000. Under the Wisconsin Administrative Code, the prorated dividend cannot be paid if it is less than 1 percent.

Variable Fund Adjustment

The Variable Fund adjustment for retirees participating in the Variable fund that retired in calendar year 2000 or earlier will be **minus 11%**. This negative

Fixed Fund Effective Rate Percentages and Annuity Adjustments Applied to Eligible Member Accounts				
	Effective Rates Without Act 11		Effective Rates With Act 11**	
	2000	1999	2000	1999
Actives				
With pre-1982 WRS start date	10.4%	13.5%	10.9%	24.1%
With post-1981 WRS start date	5%	5%	10.9%	24.1%
	Dividend Without Act 11		Dividend With Act 11	
	2000	1999	2000	1999
Annuitants	5.1%	7.5%	5.7%	17.1%
	Effective Rates Without Act 11		Effective Rates With Act 11**	
	2000	1999	2000	1999
Inactives				
With pre-1982 WRS start date	10.4%	13.5%	10.9%	24.1%
With post-1981 WRS start date	5%	5%	5%	5%

**If all provisions of Act 11 are ruled legal, these rates will displace, not supplement, the "Without Act 11" rates.
Note: Annuitants who retired in 2000 will receive a prorated dividend based on the number of full months they were retired.

adjustment reflects the investment loss in the Variable Fund, along with an assumption that the Variable Fund will earn at least 5%. This 5% assumption is part of the actuarial design of the reserve created to pay annuity benefits to retirees. When a member retires, the lump sum present value of the benefit, assuming a 5% interest return, is transferred to the annuity reserve. This assumption is factored into the annual adjustment, whether negative or positive, when the actuary calculates

the Variable Fund adjustment. The Variable Fund adjustment will be applied to the May 1, 2001 payment.

The Department is doing all it can to clearly and effectively communicate the impact of Wisconsin Act 11 on WRS participants. Please monitor our Internet site, badger.state.wi.us/agencies/etf, for the latest news and information, including a complete summary of the provisions of the law. Watch for a special edition of *Trust Fund News* after the Court issues a final decision.

ETF Continues Preparations for Wisconsin Act 11 Implementation

The Department of Employee Trust Funds (ETF) started working on implementation of 1999 Wisconsin Act 11 even before the bill was signed into law almost 18 months ago. The provisions of the law bring the most significant changes in Wisconsin Retirement System (WRS) benefits and funding mechanisms since 1983. Because the law is so complex and the Wisconsin Supreme Court's decision has been delayed thus far, the Department has had to design and implement substantial contingency plans.

If Act 11 is legal, we will need to complete almost 20,000 adjustments involving retirement, death and separation benefits that we have held for almost a year pending a court decision. In addition, all of the computer programs that calculate retirement benefits and record your creditable service, interest earnings, benefit rights and other critical data must be rewritten and tested. The Department has been working on these program

changes for over a year, yet much work remains in order to fully implement the provisions of Act 11.

How does this affect you? We have placed priority on first adjusting all retirement benefits currently being paid. For those who retired in calendar year 2000 and 2001 and have been receiving an estimated payment while waiting for a final benefit calculation – there are more than 9,000 of you in this group – ETF will commence finalizing benefits immediately upon receiving the Court's decision. It will take nearly a year to complete this process for those who retired in 2000.

If you retired in 2000, we will add the fixed dividend paid on May 1, 2001 to your estimated benefit even if we have not finalized your benefit by that date. The full variable adjustment of minus 11% is also applied starting May 1.

If you retired before 2000 and the Court approves all provisions of Act 11, we will pay you a supplemental dividend

retroactive to May 1, 2000. More than 100,000 retirees would receive this supplemental dividend, most within 60 days following the Court's decision. However, there are about 5,000 retirees or beneficiaries whose monthly benefit changed sometime during 2000. We must manually recalculate these annuities and it may take a year to complete this process. These include instances where the annuitant died and a reduced benefit was paid to the beneficiary.

If you plan to retire after the Supreme Court decision and have already received a retirement estimate calculated without the Act 11 provisions, you can still use that estimate when applying for your benefit. ETF will produce a new estimate using the Act 11 provisions at the time your application is processed.

We must delay the active and inactive annual *Statement of Benefits* mailing because we are not able to finalize interest

rate calculations – because the Court has not yet rendered a decision. We will finalize and send these *Statements* as soon as we can, but you may experience a delay of up to 90 days after the Court ruling.

If you are a local school district employee or teacher, or a member of a University faculty or academic staff, we will mail your *Statement* to your home address if we cannot deliver *Statements* to employers by mid-May.

We realize that this has been a time of great uncertainty. Many of you have waited patiently to have your benefits finalized. We greatly appreciate your understanding patience and ask for your continued support as we catch up with these large workload demands. We want to assure you that we are doing everything we can in order to implement the provisions of Act 11 as quickly as possible.

State Employee Uniform Benefits Package Includes Smoking Cessation Assistance

Do you need help to quit smoking? Beginning January 1, 2001, insured employees and dependents in the State Employee Group Health Insurance and Public Employers Group Health Insurance programs are able to take advantage of coverage for certain smoking cessation products. With the exception of the State Employee Standard Plan, all other plans are required to cover prescription smoking cessation products (e.g., Zyban and nicotine inhalers, etc.) as part of the regular benefit package. Non-prescription and over-the-counter products are not covered. If you are interested in quitting smoking, and you need some help, please see your doctor to determine whether these therapies are right for you. The benefit provides for one course of treatment for up to three months in any calendar year.

Understanding Your Annual Statement of Benefits

The *Statements* are produced for participants who have Wisconsin Retirement System (WRS) account balances. We distribute *Statements* to active employees through their employers. **You will not receive a *Statement* if you have closed your WRS account by taking a lump sum benefit or are receiving a monthly WRS annuity – unless you have an additional contribution account balance remaining on your account.**

If you have been employed in a WRS-covered position before and after January 1, 2000, you will also receive a January 1, 2000 *Statement of Benefits Supplement* showing the revisions to your account balances due to the implementation of 1999 Wisconsin Act 11.

Each year it takes several months to prepare and distribute the annual *Statement*. Each January, employers submit detailed annual reports of their employees' WRS-covered earnings and service to Employee Trust Funds. We must then edit and reconcile this reported information for over 245,000 participant accounts to ensure all information is accurate and complete. This process is very time consuming. After individual WRS account balances are updated and reconciled, interest is calculated and added to each account. Once the annual interest has been loaded, each member's *Statement of Benefits* is produced and distributed.

Your annual *Statement* shows your WRS account balances as of January 1, 2001 plus other information including:

- Your 2000 earnings and service as reported by your employer
- Your years of creditable service by employment category and by "Before 2000", "After 1999" and "Total Service"
- Your 2000 employee-required contributions (and additional contributions, if any)
- Your 2000 fixed interest and variable gains/losses on your employee-required contributions (and additional contributions, if any)

If you have any questions regarding your 2000 reported service, earnings or contributions, you should contact your employer for an explanation. Your employer is responsible for reporting any corrections of this information to the Department.

The *Statement* also provides account information for benefit purposes. This includes amounts as of January 1, 2001 for

Important note: Because the Wisconsin Supreme Court is still reviewing the constitutional merits of 1999 Wisconsin Act 11, the Department of Employee Trust Funds has been forced to delay the annual distribution of your *Statement of Benefits*. The Department plans to commence *Statement* production and distribution as soon as the Court rules. Please keep this article as a reference for when you receive your *Statement*. **Please do not contact the Department to request your January 1, 2001 *Statement*.** We will create and distribute the annual statements as soon as possible. We greatly appreciate your patience during this period.

separation benefits (if you are eligible), minimum death benefits payable to your beneficiaries, formula benefits data and money purchase benefit balances.

For most WRS members, the *Statement* will also include a projection of their formula and money purchase monthly retirement benefit amounts at their earliest retirement age and their normal retirement age. However, due to the complex nature of some accounts, we are unable to provide a benefit projection on all statements. In those exceptional situations, a written explanation will appear in the 'Retirement Benefit Projections' area.

Carefully review the information on your statement and thoroughly read the materials enclosed with it. Compare your statement to last year's (or other years) to see how your WRS account balances and benefits have changed. **Keep your annual statements with your important personal papers.** Your statement is a record of the information and balances in your WRS account as of January 1, 2001. It is also helpful when estimating your retirement benefits using the retirement benefits calculator on our Internet site, badger.state.wi.us/agencies/etf.

How Can I do my own Retirement Benefit Projections?

Use our on-line retirement benefit calculator. Go to our Internet site, badger.state.wi.us/agencies/etf. You can also review the Department's brochure, *Calculating Your Retirement Benefits* (ET-4107). Review it on the Internet site or call us at 1-877-533-5020 to request a paper copy.

Life Annuity With Accelerated Payments Option Available to Members Retiring Prior to Age 62

When you decide to retire, one of the most important decisions you face is which type of annuity to select. How will you want your retirement benefit funds paid out? As a Wisconsin Retirement System (WRS) member, you have a choice of seven different life annuity options. All of these options are payable for your lifetime (except for annuities from additional contributions). But if you retire before age 62, you have yet another option: **Life Annuity with Accelerated Payments.**

This option pays the combination of two WRS annuities: a **life annuity and a temporary annuity.** You receive the temporary annuity until you reach age 62 or die, whichever comes first. The intent is to provide a higher WRS annuity until age 62, at which time you can apply for Social Security benefits. When you reach age 62, the following occurs:

- Your temporary annuity ceases.
- Your WRS annuity will decrease to the after age 62 (lifetime) annuity. This annuity will continue collecting annual fixed dividends and variable adjustments (if applicable).
- You can apply for Social Security benefits.

Because Social Security benefits commence when your temporary annuity stops, your before age 62 WRS income (the temporary annuity plus the lifetime annuity) will be **approximately** equal to your after age 62 income (WRS life annuity plus Social Security benefits). But it is possible that the amount of your temporary annuity will be significantly different than your actual Social Security benefit at age 62, primarily for two reasons:

1) The manner in which the temporary annuity is calculated.

The temporary annuity is an estimate of what your Social Security benefits may be at age 62. The Department of Employee Trust Funds (ETF) does not obtain this projection from your Social Security records. You should get it from the Social Security Administration and supply it to ETF. If we do not have your projection of Social Security benefits we calculate your temporary annuity based on a table that assumes full career employment covered under Social Security.

2) Both of your before-age-62 annuities earn applicable annual fixed dividends and variable adjustments.

But after age 62, the temporary annuity (and accumulated dividends) is gone and only the lifetime portion receives any increases. For this reason, you should keep in mind the differences between Social Security benefit increases versus WRS dividends and adjustments over time. We recommend that you request your projection for the age at which you plan to stop working. This will ensure a more accurately projected age 62 Social Security benefit, which we use to calculate your temporary annuity.

I selected an accelerated payment option and often receive two annuity information mailers. Why do I often receive two mailers for my annuity? Why are taxes normally listed on only one 1099-R form or annuity information mailer?

You often receive two mailers because our computer treats your monthly benefit as two separate annuities; a temporary annuity paid until you reach age 62 (or die, whichever comes first) and an annuity paid for your lifetime in the option you selected.

We combine the taxable amount from both portions of your annuity before determining the amount of taxes to be withheld. Since one portion of your annuity ends when you reach age 62 or upon your death, whichever comes first, we deduct the taxes from the other (permanent) annuity record only. Taxes withheld from accelerated payment options are normally shown on only one of the 1099-R tax forms, but do cover both portions of the annuity.

When I approach age 62, does your Department 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 or visit their Internet site at www.ssa.gov.

Review options carefully

You select an annuity option at the time you apply for retirement by completing a retirement benefit application. If you are within one year of your anticipated retirement date, you can request that ETF provide you with estimates that can be used to compare the monthly amounts available under the different options.

After you receive your retirement annuity packet from us, review your annuity options and the estimated amounts for each. If you have any questions or are unclear about any of the annuity options for which you are eligible, it is very important that you contact us for further clarification. You may contact us by phone, in writing, or request an appointment with one of our benefit specialists.

Your option selection is irrevocable 60 days after the date of your first retirement annuity payment, and your decision will have a significant and permanent impact on your financial situation and that of your beneficiaries. It is critical that you thoroughly understand the annuity options before you make your selection.

Where They Live: States With the Most WRS Annuitants

Number of WRS Annuitants	State	Annual Annuity Payments*
93,869	Wisconsin	\$ 2.2 billion
2,695	Florida	59.0 million
1,536	Arizona	32.0 million
1,164	Minnesota	19.0 million
941	California	16.0 million
714	Illinois	11.0 million
566	Michigan	9.8 million
411	Arkansas	8.8 million
350	Colorado	7.0 million
285	Nevada	6.4 million
288	Washington	5.3 million
247	North Carolina	5.2 million
211	New Mexico	4.3 million

*2002 projected annuity payments

Last Chance to File a Claim For Funds Recovered Through the Special Investment Performance Dividend (SIPD) Lawsuit

The deadline for filing a claim for a benefit from the funds recovered through the Special Investment Performance Dividend (SIPD) lawsuit is June 30, 2001. The Department is still seeking the beneficiaries, heirs and estate representatives of former WRS annuitants who may be eligible for a distribution from the recovered funds. **To qualify, the original annuity had to begin before November 2, 1987 and must have continued to be paid to either the original annuitant or a beneficiary after April of 1988.** *The annuity increases and retroactive supplements payable to eligible individuals who are still receiving their annuities were already paid.*

There are nearly 30,000 total potential claims for former annuitants, but we have

only received claim inquiries for less than 20,000 of these. As of mid-March, we paid over \$23.2 million in lump sum payments to more than 18,600 claimants. The average amount of the payments currently being issued is over \$1,100, with amounts ranging from under fifty dollars to several thousand dollars. We are still sending claim forms and issuing payments to the individuals who have already contacted us.

If you are the beneficiary or heir of a deceased WRS participant whose annuity may qualify for a share of the SIPD funds, and you have not already contacted the Department about this potential benefit, please write to the Department for further information about eligibility and claim procedures or call us at **(608) 261-4444**. Be prepared to provide as much of the fol-

lowing information as possible: The deceased annuitant's name, date of birth, date of death, Social Security number and approximate date of retirement, plus your name, address, phone number and relationship to the deceased.

The Employee Trust Funds (ETF) Board's objective is to distribute as much of the recovered funds as possible to the beneficiaries, heirs and estates who are entitled to these funds. However, an initial claim inquiry must be received no later July 2, 2001* to qualify for a benefit.

* *Since the June 30, 2001 deadline established by the ETF Board falls on a weekend, claim inquiries received on July 2, 2001 will be honored.*

Buying Creditable Service in the WRS

There are several types of service that can be purchased in the Wisconsin Retirement System (WRS). The three most common types are forfeited service, qualifying service, and other governmental service (*for brief definitions, see sidebar*). Active employees can purchase service at any time while they are actively employed and covered by a participating employer in the WRS. At the time the service is purchased, it is considered a **regular contribution** (vs. an additional contribution) to the WRS. Service cannot be purchased after termination of employment.

Purchasing creditable service is usually less costly in the early years of participation in the WRS. This is because the cost of qualifying and forfeited service are based on a formula that uses the highest annual earnings and an average of the three highest years of earnings, respectively. The cost of purchasing other governmental service is based on a much more complex actuarial calculation. In general, the higher the annual earnings, the higher the cost of purchasing service.

Some participants decide to wait to purchase service until just before they retire. That way they know exactly how much the additional service will increase their retirement benefit and what the payback period is for the cost they paid. Other participants have elected to make **additional** contributions to the WRS and use these specific contributions and accumulated interest to purchase creditable service later in their

employment. Under current law, the interest that accrues to additional contributions is the full interest earned by the Trust Fund even though the participant's regular contributions may be limited to 5% annually. Over the years the accrued interest helps to cover the cost of the service purchase. In addition, the interest credits usually exceed the percentage increases in their annual earnings so the actual cost to the participant is reduced.

Act 11 Impact on Purchasing Creditable Service

1999 Wisconsin Act 11 (if approved by the Supreme Court) will simplify the question about when a participant should buy creditable service. Under Act 11 all future contributions, whether regular or additional, made by active employees and employers will be credited with the full interest earned in the Trust Fund. Consequently, an active employee who buys creditable service early in his covered employment will have full interest credited to the amount paid to purchase service. The purchase amount is considered a regular contribution and the interest it earns over the years will be used in calculating the money purchase benefit. In addition, the service that was purchased will be used in calculating the formula benefit. Consequently, no matter which calculation results in the higher monthly retirement benefit, the participant will be advantaged by purchasing the service at any time they are covered as an active employee in the WRS.

For more information you can read our brochure, *Buying Creditable Service* (ET-4121), on the ETF Internet site, badger.state.wi.us/agencies/etf. Or call our toll free Self-Service line at 1-877-383-1888 to request a paper copy.

Types of Creditable Service

Forfeited Service – If you have taken a separation benefit (lump sum withdrawal of your employee contributions), you forfeited the creditable service you earned before your separation benefit. If you meet certain conditions you may be eligible to “buy back” your forfeited service.

Qualifying Service – This applies only to non-teaching employees. Until January 1, 1973, participants in the Wisconsin Retirement Fund were required to serve a qualifying period (normally the first six months of employment), during which they did not earn any creditable service, and no retirement contributions were made.

Other Government Service – If you worked for a non-WRS public employer other than the military at the federal, state, or local level, you may be eligible to purchase WRS creditable service for that employment. There are several conditions that apply.

Education Support Personnel Elect Sherry Brown to Employee Trust Funds Board

Educational support personnel in Wisconsin Retirement System (WRS) school districts and technical college districts have elected Sherry Brown to serve as their representative on the Employee Trust Funds Board. This election was the first under 1999



Wisconsin Act 181, which added a WRS educational support personnel representative to the ETF Board.

Ms. Brown, of Pewaukee, is a custodian at Hartland Elementary South in the Hartland/Lakeside School District. She has been a district custodian for more than 20 years. She will begin her term on the ETF Board immediately.

The Department mailed approximately 39,000 ballots to educational support per-

sonnel in school districts and technical college districts last January, and balloting was completed a month later. Voters cast 8,599 ballots, representing 22% of the total. Sherry Brown received 60% of the votes.

The other candidate in the election, Kathleen Kreul, is an admissions/registration specialist at Southwest Wisconsin Technical College.

Tripp and Doemel Named to Teachers Retirement Board

James Tripp, a social studies and economics teacher at Glenwood City Junior/Senior High School, and Suzanne Doemel, a reading specialist in the Oshkosh Area School District, have been appointed to the Teachers Retirement Board (TR Board) effective May 1, 2001. Tripp and Doemel will take the places of George Conom and Melvin Pinsker, whose TR Board seats expired.

Because Tripp and Doemel were the only public school teachers who returned their board nomination packets by the March filing deadline, they were automatically seated and there will be no election. Both Tripp and Doemel will serve on the Board until May 2006.

A teacher for the past 23 years, Tripp has also served as the district's director of professional development and on various community boards and committees.

Doemel has taught at the elementary school level for the past 30 years, and has also been involved in the district's Partnership for School Improvement Team and as a union representative.

The next TR Board election involving elementary and secondary education teachers is set for February 2002.

Income Tax Withholding Changes Made Easily and Quickly With ETF Self Service Line

Changing your income tax withholding election on your monthly annuity is easy and quick: Just call the Department's **Self-Service Line** toll-free at 1-877-383-1888 or 266-2323 (local Madison) and follow the voice prompts. You may also request, complete, and mail a new *Income Tax Withholding Election* form (ET-4310). The form can be printed from our Internet site, badger.state.wi.us/agencies/etf. You'll find it under *Publications* then *WRS Forms and Brochures*.

Each January the Department of Employee Trust Funds mails to your home address your *1099-R* form for the prior year. The *1099-R* includes information such as the total and taxable amounts of your annuity for the past year, your original Investment in Contract (the portion of your account that was actually paid by you from after-tax dollars), the amounts of

federal and state tax withheld, and the total health and life insurance premiums deducted from your annuity.

When you apply for your Wisconsin Retirement System (WRS) monthly benefit, you will be asked about withholding state and federal income taxes from your payment. Your entire benefit is subject to federal and state income tax, except for the portion of your benefit based on the contributions in your account that were actually paid by you from after-tax dollars. Make sure you complete the withholding information on your retirement application.

Federal Income Taxes

The Department of Employee Trust Funds (ETF) must withhold federal income tax from your taxable benefit payments, unless you elect not to have withholding. If you want federal taxes withheld,

the amount calculated can be based on tax tables or you can ask that a specific amount be withheld each month. **If you do not specify** how you want federal taxes withheld on your retirement application, regulations require us to withhold assuming you are married with three exemptions.

Wisconsin Income Taxes

Wisconsin law does not require state income tax withheld from your monthly annuity, but you may request that we do so. You can specify on your application the amount you want withheld or use the state tax tables. Remember: If you elect taxes to be withheld based on the tax tables, State income tax withholding is not automatically adjusted when the amount of your monthly annuity changes. You must file a new income tax withholding election form to change the amount of state taxes withheld.

Save Time with Direct Deposit

We all need more time these days to do the things we want to do. One way to save time is to have your annuity automatically deposited to your checking or savings account via Automated Clearing House (ACH). This nationwide electronic wire transfer system covers over 90% of financial institutions in the United States. With ACH, your monthly payment is credited to your account on the first business day of the month. ACH is safe – there is no risk of lost or stolen checks. And, it's free: Your financial institution will not charge you for using ACH.

To sign up for ACH, complete an *ACH Direct Deposit Authorization* form (ET-7282) and mail it to ETF. You can obtain the form by calling our toll-free Self-Service Line, 1-877-383-1888 or 266-2323 (local Madison). You can also print the form from our Internet site, badger.state.wi.us/agencies/etf. Go to "Retirees," then "Direct Deposit."

Your annuity payments will be deposited via ACH within 60 days of our receipt of your valid *ACH Direct Deposit Authorization* form. Please note: The first annuity payment after the ACH information has been entered on

your annuity record is a **paper check** that is mailed to your financial institution. ETF sends a test transmission, called a prenote, through the ACH system to validate the information you submitted on the authorization. If your record passes the prenote process, your next monthly annuity payment is transmitted as a "live" ACH direct deposit. Your financial institution will notify you of the deposit, either via printed statement mailed to you or by providing you with a phone number to confirm the deposit.

ETF Seeks Persons With Abandoned WRS Accounts

The Department of Employee Trust Funds (ETF) has updated its list of individuals age 70 and older with abandoned Wisconsin Retirement System (WRS) accounts. Each year the Department publishes their names in the state newspaper and the *Trust Fund News* in an attempt to find these individuals or their heirs and let them know this money is available.

Last year, ETF located 118 of the 207 persons on the final account list. If you know the whereabouts of anyone on this year's list, please ask them or their heirs to write to ETF at PO Box 7931, Madison, WI 53707-7931. Inquiries must include the participant's complete name (published name, current and prior name), date of birth, Social Security number and the year that the name was published. Application forms are available for rightful claimants.

Most accounts are small, but over the years a few have been substantial. ETF began publishing the names of abandoned accounts in 1976. Under current law, WRS participants or heirs have up to ten years after publication to make a claim. Current WRS participants are advised to take precautions against forgetting their accounts in the future. If you terminate WRS-covered employment and do not take a benefit, provide ETF with address changes as you move so that you can receive account information and avoid possible forfeiture of your account.

To see the complete ten-year list of abandoned accounts visit our Internet site, badger.state.wi.us/agencies/etf, and see the "Money Awaits Missing Persons" section under "What's New."

The latest abandoned account list follows:

Achtner, Mary A
Adams, Robert L
Alexander, Bette L
Andersen, Lina L
Anderson, Daniel L
Armstrong, Alvera M
Ashley, James
Atwood, Joan M
Baker, Betty
Barry, Barbara R
Bartosh, Ray E
Baumann, James W
Bennett, J Wesley
Bingham, Mary E
Burke, Richard E
Buroket, Rita N
Chernoff, Carol J
Connors, Irene K
Cooper, Hilda E
Cox, Walter H
Coyne, Roberta I
Cummings, Russell E
Davis, Jean L
Dewitt, Gertrude S
Dieter, Rita J
Dunn, John C
Endres, William M
Fanshier, Dean W
Ferrara, Gerald M

Flood, Ellen M
Fredricksmeier, Gloria M
Gigliotti, Shely H
Gill, Bernard E
Gilman, Winthrop W
Gilson, Stephen
Golson, Charles L
Goodenough, Jean A
Green, Margaret P
Gregory, Thomas P
Griffith, Theresa J
Haag, Robert E
Hansen, Irene F
Hanson, Norma J
Harer, Doris E
Harris, Theodore E
Henry, Barbara J
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