

Trust Fund News



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*Developing and delivering
quality benefits and services
to members while safe-
guarding the integrity of the
Trust Funds.*

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A Message from the Secretary: Market Conditions Focus Attention on WRS

— by David Stella, Secretary, Department of Employee Trust Funds

The rapid and significant investment market declines have attracted vast coverage in the media about how this will affect the Wisconsin Retirement System (WRS) and its members. Many focused on possible year-end investment returns for the WRS and the subsequent range of downward annuity adjustments for WRS retirees.

However, the WRS is a unique and complex retirement system. For a variety of reasons, it can be challenging for many mass media outlets to proficiently cover all of the issues important to our system. WRS members and employers should rely on the Department of Employee Trust Funds (ETF) for the most accurate

and up-to-date information.

To that end, this edition of *Trust Fund News* contains valuable information about how the market conditions affect the WRS and its members. In addition, I encourage you to visit our Internet site at <http://etf.wi.gov> for accurate and relevant information about the WRS and all of the programs we administer.

Shared risks and rewards

There is no doubt that this has been a difficult year for WRS investments — and investments in general — but now is not the time to try to fix a system that isn't broken. One of the major strengths of the WRS is its design. The WRS is

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2008 Preliminary Investment Returns Announced

Annuity Reductions Expected

The State of Wisconsin Investment Board (SWIB) has announced **preliminary** 2008 investment returns of **-26.2%** for the Core Trust Fund and **-39%** for the Variable Trust Fund.

It's understandable that many Wisconsin Retirement System (WRS) participants would immediately want to know how these preliminary figures affect their retirement accounts or, if retired, their monthly annuity payments. **Keep in mind that the Department of Employee Trust Funds (ETF) will not have a definitive answer until early March**, after consulting actuaries incorporate SWIB's final investment returns into the rate calculation process.

However, given the preliminary investment returns noted here, ETF estimates this year's annuity adjustments and effective rates will be **approximately** as follows:

Annuity Adjustments

Core: approximately -2.5% to -3.0%
Variable: approximately -43% to -46%

Effective Rates

Core: approximately 3.0% to 3.5%
Variable: approximately -40% to -42%

Core and Variable annuity adjustments, applied to retirees' monthly pension payments, become effective May 1. The Core and Variable effective rates, applied to the

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a **pre-funded** retirement system, meaning that the contributions coming into the system will be used to pay for an individual's retirement benefit once he/she retires. The system does not rely on current contributions to pay current retiree benefits.

The WRS also has a **risk/reward** feature: All retirees, active employees and employers benefit from positive investment returns but also share the risk of negative investment returns. Therefore, no individual group bears all of the risk. For example, retirees have seen an average positive annuity adjustment (dividend) of 4.8% per year in the Core Fund since 1998.

This year the Core Fund annuity adjustment will likely be in the range of -2.5% to -3.0%, **despite an estimated 26.2% drop** in that fund. Contribution rates, which have dropped a full percentage point since the mid-1990s, will likely see a modest increase in 2010.

While we would prefer not to reduce annuities (by reducing dividends from prior years) or increase contribution rates, this nevertheless illustrates that the system is working as designed.

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retirement account balances of actively employed and eligible inactive members, will be noted on the annual *Statement of Benefits* (distributed in April).

Until this year, there has never been a negative Core annuity adjustment in WRS history. Previously, the lowest adjustment was 2002's Core annuity adjustment of 0.0% (no adjustment). Important note: **Core annuities can never be reduced below the finalized annuity amount received at retirement.** Only Core annuity **dividends** granted in previous years can be reduced, depending on Core Fund investment performance. However, for retirees participating in the Variable Fund, there is no limit to how much their Variable annuities can be reduced.

Impact on Wisconsin's economy

During these complicated and challenging times, it is also important to remember the critical role the WRS plays in Wisconsin's overall economy. The WRS paid approximately \$3.7 billion to more than 143,000 WRS annuitants in 2008 alone. Most of that \$3.7 billion stays in Wisconsin's economy. In recent years, approximately 80% of these annuity payments paid to WRS retirees were funded by investment returns. In addition, the State of Wisconsin Investment Board (SWIB) uses some of the WRS assets to invest in Wisconsin companies. In short, the importance of the WRS to Wisconsin's economy cannot be overstated.

Workload challenges

On another subject, in the September 2008 edition of *Trust Fund News* I wrote about our Department's current resource limitations and the enormous workload challenges that lie ahead. I committed to providing you more information about our plan to meet these challenges. I will cover these issues in depth at a later time. Our focus now is to provide WRS members and employers with the information they need during this difficult time.

When will retirees find out how much their own annuities may change? Again, Core and Variable annuity adjustments will first be reflected on the May 1 payment. Several weeks prior, ETF will notify annuitants about how much their monthly payments will change. In the meantime, monitor our Internet site at <http://etf.wi.gov> for announcements regarding final SWIB investment returns and subsequent effective rates and annuity adjustments.

Always remember that your WRS annuity is guaranteed for your lifetime — you cannot outlive your annuity. And, if you chose one of the joint survivor options at retirement, your joint survivor cannot outlive your annuity, either.

SWIB: Financial Markets Can and Do Recover Over Short Periods of Time

Trust Fund News Guest Article

— by Keith Bozarth, Executive Director, State of Wisconsin Investment Board (SWIB)

We are still in the process of finalizing the effects of one of the most challenging years in the history of the financial markets on the investments of the Wisconsin Retirement System (WRS). Participants in the WRS are justifiably concerned about the impact of these markets. While participants, especially retirees, are anticipating the impact of last year's unprecedented market, many are already wondering what 2009 will bring. While we cannot predict the future, I can offer some thoughts about the way we prepare for the future.

Our objective is to help ensure the WRS can meet its financial obligations to thousands of public employees now and in the future. We conduct extensive analyses to select a mix of assets that is likely to produce the best combination of long-term

return and risk for the Core Trust Fund under a wide variety of potential economic conditions.

Stocks represent the largest type of investment held by the WRS. That remains a part of our strategy even after last year's market performance. Over time, stocks have been a major contributor to the gains WRS members have experienced in their retirement accounts. The investment strategy determined for the trust funds takes into account that in some years there will be investment gains while in other years there will be losses.

Financial markets do recover after major downturns, and much of the recovery tends to occur over short periods of time. An average of one-third of the total price recovery in the last 11 bear markets was earned in just the best week of

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FOR NON-RETIRED MEMBERS

Stock Market Volatility: Effect on Accuracy of Retirement Annuity Estimates

Wisconsin Retirement System (WRS) participants who received retirement benefit estimates in 2008 have been asking about the effect of the recent stock market turbulence on the accuracy of their estimate. They are particularly concerned that the estimated annuity amounts may be too high if the estimate was calculated before the severe market downturn late in the year.

If you received an estimate in 2008, the key factor in determining whether the 2008 market volatility had any effect on the amount of your retirement benefits, and the extent of that impact, is whether you participated in the Variable Fund in 2008.

If you did not participate in the Variable Fund in 2008 — either because you never participated in the Variable or you cancelled participation prior to 2008 — your retirement benefit estimate should still be accurate. Here's why:

- If you have never participated in the Variable

KEY POINTS:

- If you were not in the Variable Fund in 2008, then your retirement benefit estimate should still be accurate.
- If part of your account was invested in the Variable Fund during 2008, the effects of stock market turbulence on the accuracy of your WRS benefit estimate will depend on how much of your account is in the Variable, whether your estimate was based on a 2008 or a 2009 effective date, and when in 2008 ETF calculated your estimate.

Fund, or you were previously in the Variable Fund but transferred to the Core Fund **before** 2008, your retirement estimate should be accurate, based on the information you provided (e.g., estimated termination date, projected earnings, etc.). In fact, if your benefit is higher

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recovery (five consecutive trading days). Other evidence also indicates that investors who miss the market's best performing individual days can miss a significant portion of the market's long-term gains. For example, investors who were out of the market for the best ten days missed 38% of the total gain in the S&P 500 for the 20-year period from 1988 through 2007.

Our long-term focus means we are not forced to change basic investment strategy when there is market volatility because the evidence is strong that staying in the market allows investors to fully participate in the market's eventual upward trend.

Part of SWIB's strategic discipline is our rebalancing process. SWIB sets a percentage target range for each asset class. When stocks go below the asset target, SWIB sells other assets that have gone above asset targets (at higher

prices) and buys stocks at lower prices. Asset targets are designed to reinforce a "buy low, sell high" approach. In addition, we carefully monitor individual investments and events that may affect the markets. Down markets can present opportunities for investors to buy undervalued investments at attractive prices.

We are pursuing ways to reduce the effect of wide swings in the stock market on WRS investments. Market volatility has increased in recent years and the level of market fluctuation in 2008 was greater than at any time since the 1930s. We have already taken steps to further diversify Core Trust Fund assets and reduce risk. SWIB has taken a conservative, long-term approach to investing. SWIB will remain disciplined and continue to follow its investment strategy during these extraordinary times and be prepared for the eventual recovery.

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under the **formula calculation** (which is based on service, earnings and a formula factor) and you have **never** participated in the Variable Fund, WRS investment returns have absolutely no effect on the initial amount of your annuity.

- If your benefit is higher under the **money purchase calculation** (which is based on the actual account balance) your estimates should still be accurate because the Department uses a 0% assumed annual Core Fund effective interest rate. Since we do not anticipate a negative Core effective rate for 2008, the WRS account balance on which your money purchase estimate was based should not be overstated.

If part of Your WRS account was invested in the Variable Fund during 2008, the effects of stock market turbulence on the accuracy of your WRS benefit estimate will depend on the following factors:

1) **How much of your account is in the Variable Fund.** The smaller the portion of your account that is invested in the Variable Fund, the less effect the 2008 Variable Fund losses will have on your benefits. If only a small portion of your account

was in the Variable Fund, the effects will be less significant.

2) **Whether your estimate was based on a 2008 or a 2009 effective date.** [If your annuity effective date was in 2008:](#) The estimated initial amount of your annuity should be accurate. However, the Variable portion of your annuity will be subject to the full Variable annuity adjustment effective May 1, 2009. The Variable Fund annuity adjustment is not prorated in the first year after retirement (as is the Core annuity adjustment). So, if your annuity began **before** January 1, 2009, the Variable effective rate loss will not be applied to your Variable account balance, but the full Variable annuity adjustment (decrease) will be applied to the Variable portion of your annuity on May 1, 2009.*

[If your annuity effective date is in 2009:](#) You will have the full Variable effective rate loss applied to your Variable account balance at the end of 2008.

** Even if you filed a Variable cancellation form in 2008, the 2008 Variable gain/loss will be applied either to your Variable account (if you do not take a benefit in 2008) or to your Variable annuity if you began a retirement annuity in 2008.*

ETF Board Recommends Closing Variable Fund

After more than a year of analysis and deliberation, the Employee Trust Funds (ETF) Board at its December meeting approved recommending to the Legislature that the Variable Trust Fund should be phased out.

Because such a step requires a law change, the Board, in approving the proposal, directed the Department to forward the recommendation to the Legislature so it could make its way through the legislative process.

Under the Board's recommendation, the Variable would be closed to new employees who begin Wisconsin Retirement System (WRS) participation on or after the effective date of the change and also close it to existing WRS covered employees not currently participating in the Variable Fund. Participants whose elections to participate in the Variable were effective prior

to the date the Fund is closed would continue to make contributions until they choose to cancel participation.

When will closing the Variable take affect? The Department cannot predict whether the Board's proposal will be acted on in the upcoming legislative session, which begins in January and runs through the spring of 2010. Keep monitoring our Internet site and future editions of *Trust Fund News* for the latest developments.

In the meantime Variable participants should review their personal circumstances to evaluate whether the level of risk associated with the Variable suits their financial situation. See page 7 for a number of resources to help you understand the Variable Fund.



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3) **When in 2008 the Department calculated your estimate.** If the annuity effective date used in your estimate is in 2009, your estimated amounts may be too high, depending on when ETF calculated your estimate. Until October 21, 2008, we used a projected 0% Variable Fund effective interest rate for 2008. From October 21 to November 14, we used a projected -20%; from November 15 to December 4, -30%; and beginning December 5, -40%. If your estimate was calculated before October 21, 2008, your estimated amounts may be too high.

How can I get an accurate estimate for an annuity that begins in 2009? While the Department is committed to providing the information you need to make an informed retirement decision, we will not be able to provide truly accurate estimates until the Core and Variable interest rates for 2008 have been determined. The rates normally become available in late February or early March. **You have several options:**

1. **If possible, wait until late February to request an updated estimate** from the Department. Once the 2008 Core and Variable effective rates are available we can incorporate those rates into your new estimate.
2. **If your original estimate was calculated before October 21, 2008, you can request an updated estimate now.** The dollar amounts could change after the actual 2008 effective rates are applied to your WRS account — but the new estimate will still be more accurate than those calculated before October 21.
3. **Use the Retirement Benefit Calculator** on our website at <http://etf.wi.gov>, to calculate your updated retirement benefit amounts. Please note that you will need to project your money purchase and variable excess/deficiency balances up to your annuity effective date and enter those updated balances into the calculator.

How the WRS Works: A Primer on Core and Variable Effective Rates and Annuity Adjustments

Core and Variable effective rates are the interest rates credited to the three reserves of the Wisconsin Retirement System: the Employee Reserve, where participants' employee contributions are deposited; the Employer Reserve, where employer contributions are deposited; and the Annuity Reserve, the fund from which all monthly annuities are paid.

The assets are pooled and managed by the State of Wisconsin Investment Board (SWIB) in either the Core Trust Fund or the Variable Trust Fund. **There are two key differences between the Core and Variable Funds:**

1. How the assets are invested

- The Core Fund is a balanced fund that is invested in a mixture of stocks, bonds, loans, real estate and other kinds of investments.
- The Variable Fund is 100% invested in stocks.

2. How investment returns (gains and losses) are distributed:

- Core Fund returns (gains and losses) are distributed (smoothed) over a five-year period. Because of smoothing, in years with very good Core Fund investment returns, the annual Core effective rate is lower than the Fund's actual investment performance. Conversely, in years with poor investment results, the Core effective rate will be higher than actual investment performance.

Example: SWIB recently announced a preliminary 2008 Core Fund investment return of -26.2% (a loss). However, because only a portion of the loss will be recognized in 2008, we expect the Core effective rate for 2008 to be in the range of 3.0% to 3.5% (despite the loss). Because of smoothing, a portion of the 2008 losses will continue to be recognized in 2009, 2010, 2011 and 2012. **This means that the 2008 loss will result in lower Core effective rates for an additional four years.**

- Variable Fund returns are fully distributed each year (no five-year smoothing). Therefore, participants in this fund experience Variable effective rates that are much closer to actual Variable

Fund investment returns. Effective rate interest is credited to non-retired participant accounts each year as of December 31; the rates are shown on the *Annual Statement of Benefits* distributed to employees each spring. Effective rate interest is also credited to the Employer Reserve and the Annuity Reserve. Interest is distributed from the Annuity Reserve in the form of annuity adjustments.

Core and Variable Annuity Adjustments

Once the Core and Variable effective rates have been determined, interest is credited to the Annuity Reserve. To calculate the interest rates, a comparison is made between what the Annuity Reserve will need in order to pay current and future benefits (also known as liabilities) and the amount of assets (including the gains or losses just credited) in the reserve. If the assets are greater than the liabilities, an increase can be granted. However, if the assets are less than the liabilities, Core and/or Variable annuity decreases are necessary.

Why are the annuity adjustment rates always approximately 5% lower than the effective rates credited to active employee accounts? When determining the assets in the Annuity Reserve, there is an assumption (defined by state law) that the Core and Variable Funds will earn 5% interest each year. This means that they must earn 5% interest each year just to "break even," and only investment returns that exceed the assumed 5% earnings are available to provide annuity increases. If the funds earn less than that 5%, the deficit must be "made up" through annuity decreases.

There are two differences between how Core and Variable annuity adjustment rates are applied:

1. Prorated Core Adjustment

When the annuity adjustments are applied to the May 1 annuity payment in the first year after the year in which the annuity began, **the Core adjustment is prorated** based on the number of complete months during which the annuity was

Primer, continued on page 7

Three New Menu Pages

1. Market Volatility and Your WRS Benefits:

ETF and SWIB video: *Message on the Condition of the WRS*

ETF and SWIB document: *Message on Market Volatility*

SWIB Informational Papers: *Frequently Asked Questions about Market Conditions and the WRS*; and *Strategy Helps Retirement Funds in Down Markets*

2. Core Fund Projected Effective Rates and Annuity Adjustments:

ETF document: *Core Fund Projected Effective Rates and Annuity Adjustments*

ETF document: *What is My Minimum Core Annuity Amount?*

ETF video: *WRS — Interest vs. Annuity Adjustments*

3. Variable Fund Information

ETF document: *Things to Consider Before Canceling (for Annuitants and Non-Annuitants)*

ETF document: *How do Variable Fund Investments Affect Me?*

ETF document: *Frequently Asked Questions About the Variable Fund*

ETF video: *WRS Trust Funds — Core and Variable*

ETF brochure: *How Participation in the Variable Trust Affects Your WRS Benefits (ET-4930)*

ETF forms: *Canceling Variable Participation (ET-2313)*; and *Election to Participate in the Variable Trust Fund (ET-2356)*

4. Eleven New or Revised ETF Videos:

Message on the Condition of the WRS

WRS — Interest vs. Annuity Adjustments

Canceling Variable Participation

Your WRS Benefits — 2008

Employee Additional Contributions

Planning for the Inevitable (Death Benefits and Beneficiaries)

Separation Benefits — Early Distribution

Employee Additional Contributions

Commuter Benefits Program

The WDC: Helping You Capture Your Dreams

The WDC: Retirement Planning Made Easy

(Reality Investing Services)

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in force in the year in which it began. **Example:** An annuity that began on August 1, 2008 would receive five-twelfths of the Core annuity adjustment on the May 1, 2009 payment. But if that annuity began on August 2, 2008, it would receive four-twelfths of the Core adjustment because it was only in force for four complete months in 2008.

The Variable annuity adjustment is never prorated. If an annuity became effective in 2008, the full Variable adjustment will be applied to the May 1, 2009, annuity payment, regardless of whether the annuity began on January 1, 2008, December 31, 2008, or anywhere in between.

2. Minimum Core Annuity Amount

If there are negative Core annuity adjustments, as there will likely be this year, a retiree's Core

annuity can never be decreased below the initial finalized annuity amount he/she received at retirement. **A retiree can receive Core annuity increases, and those increases can later be repealed (through a negative Core annuity adjustment).** But negative Core adjustments can never decrease the annuity below the original amount. However, there is no limit to how much a Variable annuity can be reduced if there are continued Variable Fund losses.

If you cancel participation in the Variable Fund and your Variable annuity transfers to the Core Fund, the minimum amount to which your annuity can be decreased is the combined total of the finalized amount of your Core annuity when it began, plus the amount of your Variable annuity at the time it transfers to the Core Fund.



Determine Your Variable Fund Excess or Deficiency Using ETF's Online Calculator

Given the steep preliminary Variable Trust Fund loss for 2008, many participants naturally want to know how this will affect their Variable excess or deficiency balances and,

ultimately, their projected monthly formula retirement annuity calculations.

This information is always shown on the annual *Statement of Benefits*. Updated *Statements* will be distributed later this spring through Wisconsin Retirement System (WRS) employers. However, to find out sooner, try using the Department of Employee Trust Funds (ETF) online **Variable Excess/Deficiency Calculator** to get an unofficial update of your Variable account data. Find it at <http://etf.wi.gov/calculator.htm>.

Note: The Variable excess/deficiency balance is only applicable to formula annuity calculations. If your annuity is higher under the money purchase calculation, the Variable excess or deficiency balance is not applicable because Variable investment performance is already included in the account balances on which a money purchase annuity is based.

For general information about the effects of Variable participation on your WRS benefits and about canceling Variable participation, see the list of resources listed on page 7, including:

- **ETF document:** *Things to Consider Before Canceling Variable*
- **ETF brochure:** *How Participation in the Variable Trust Affects Your WRS Benefits* (ET-4930)
- **ETF forms:** *Canceling Variable Participation* (ET-2313); and *Election to Participate in the Variable Trust Fund* (ET-2356)
- **ETF videos:** *WRS Trust Funds — Core and Variable* and *Canceling Variable Fund Participation*

To calculate your projected WRS retirement benefits under both the formula and money purchase methods, use ETF's **WRS Retirement Benefits Calculator**. Enter your own data — the calculator does not access your account. The information on your most recent *Statement of Benefits* may be helpful in determining the data to enter for your benefit projection. If you are considering retiring within one year, contact ETF for an official estimate.

Avoid Surprises: Keep Your Beneficiary Designation Updated

Have your personal circumstances changed since you first filed a Wisconsin Retirement System beneficiary form? Keeping the designation current is very important — it is NOT automatically updated in the event of divorce, marriage, birth or death of children, or any other changes in your personal situation.

What's the easiest way to ensure your designation is current? File a new *Beneficiary Designation* form (ET-2320) with the Department of Employee Trust Funds. You must use this form in order for your designation to be valid. It's available on our Internet site, <http://etf.wi.gov>, or call our toll-free Self Service Line at 1-877-383-1888 to request a paper copy.

Paper Annuity Checks No Longer an Option

The Department of Employee Trust Funds (ETF) has started phasing out paper Wisconsin Retirement System (WRS) annuity checks. Beginning January 1, new retirees may only receive their monthly annuity payments via electronic deposit. Annuitants currently receiving paper annuity checks will be converted to electronic deposit by September 2009. The Social Security Administration mandated this move several years ago.

Why is this change being made? For annuitants, direct deposit brings many advantages:

- Payments are delivered to financial institutions quickly.
- Payments are confidentially and securely transferred with no risk of theft, nondelivery or lost payments.

- Payments are available for use on the first banking day of the month.

The trust funds will benefit as well by, among other things, saving on printing and mailing costs. Most WRS benefit recipients already receive their payments electronically. Therefore, the change to direct deposit will affect relatively few members.

How do I switch to electronic deposit or find out more information?

- *Complete and mail* a Direct Deposit Authorization form (ET-7282) to ETF. Obtain the form from our Internet site or call to request a paper copy.
- For questions, contact ETF at 1-877-533-5020 or send us an e-mail through the “Contact ETF” link on our Internet site, <http://etf.wi.gov>.

“How-To” Information for Retirees

[Change your mailing address on file with the Department of Employee Trust Funds](#)

- Complete and mail to ETF a *Name/Address Change* form (ET-2815)

[Change financial institution for electronic deposit of monthly payments](#)

- Complete and mail to ETF a new *Direct Deposit Authorization* form (ET-7282)

[Change your state or federal income tax withholding](#)

- Complete and mail to ETF a new *Income Tax Withholding Election* form (ET-4310)

[Obtain the forms you need](#)

- Find them on our Internet site, <http://etf.wi.gov>
- Call or e-mail ETF to request paper copies. Use our Toll-Free Self-Service Line, 1-877-383-1888 or (608) 266-2323. It is available 24 hours a day and there is no waiting “on hold.” Send an e-mail through the “Contact ETF” button on our Internet site.

Retirees: Receive *Trust Fund News* Electronically

Registration is ongoing for retired members who want to receive *Trust Fund News* electronically, via E-Routing. A service of the Department of Administration, E-Routing offers e-mail notification of the availability of the latest issue of *Trust Fund News*. Members no longer receive a paper copy of the newsletter

and instead read it online. Simply register on the E-Routing database with a current e-mail address and select *Trust Fund News* for E-Routing delivery. To learn more and obtain the direct link to the E-Routing Registration Center, go to:

http://etf.wi.gov/news/ht_20050803.htm.

ETF Issues Second Call for Nomination Papers

The Department of Employee Trust Funds (ETF) has issued a second call for nominations in a Teachers Retirement Board (TR Board) election. The terms of current TR Board members Wayne McCaffery and Dennis Panicucci expire in May. They are not eligible to seek reelection for their current seats on the Board. Any active public school teacher participant of the Wisconsin Retirement System (outside of the Milwaukee Public School District) may request nomination

papers by contacting Cindy Gilles, board election coordinator, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Or send an e-mail to Cindy.Gilles@etf.state.wi.us.

Completed nomination papers must be returned to ETF by 4:30 p.m. on Friday, February 27, 2009. Voting will take place in April. The winners will serve five-year terms.

RECENT LEGISLATION

Retired Public Safety Officers May Benefit from Federal Pension Protection Act

If you are a retired public safety officer you may be eligible to reduce your gross income for income tax purposes. The Federal Pension Protection Act of 2006 provides eligible, retired public safety officers a tax exclusion from gross income up to \$3,000 annually for health and long-term care insurance premiums. The premiums must be deducted directly from your retirement benefit and remitted to your insurance provider by your retirement plan.

2007 Wisconsin Act 226 allows eligible retired public safety officers to elect to have these pre-

miums deducted from their Wisconsin Retirement System annuities. Eligibility requirements are defined in federal law. More information on eligibility can be found on the Internal Revenue Service website at <http://irs.gov>.

Find more information about this new deduction program on the Department's Internet site, <http://etf.wi.gov>. Go to *Information for Retired Public Safety Officers* under the Retirees menu. You may also request program information by calling us toll free at 1-877-533-5020 or (608) 266-3285 in the Madison area.

Higher Death Benefits May Be Possible for Certain Beneficiaries

On June 17, 2008, the federal "Heroes Earnings Assistance and Relief Tax Act" (HEART Act) became effective. This legislation may increase the Wisconsin Retirement System (WRS) death benefits payable to the survivors of participants who die while on active military duty.

The HEART Act does not change the death benefits for participants who are on a leave of absence (not terminated) from WRS employment at the time of death, because their beneficiaries already receive the death benefits payable to participants who die in "active" WRS status. However, when participants terminate WRS employment to enter military service and then die in active military service on or after

January 1, 2007, the beneficiaries may be eligible for higher death benefits.

If you received a death benefit from the account of a deceased participant who may meet this criteria, contact the Department of Employee Trust Funds (ETF) to will determine whether the HEART Act would increase the death benefits you received.

Please note: Wisconsin law must be amended before ETF can pay the supplemental benefit; the soonest this could occur would be early-mid 2009. However, contacting ETF now will help us determine whether you qualify for the higher death benefit and, if you are eligible, to pay the increased benefits as quickly as possible after state law is revised.

ETF Sets Spring 2009 Public WRS Presentation Schedule

The Department of Employee Trust Funds (ETF) has scheduled free, public presentations for Wisconsin Retirement System (WRS) participants, especially those considering or planning retirement in the near future. ETF specialists will discuss WRS retirement, death, and separation benefits, as well as health and life insurance benefits. No reservations are needed. All locations are handicap accessible.

If weather should become severe, please listen to local radio stations for possible cancellations.

Presentations

- Appleton** Wed., April 15 7:00-9:00 p.m. Fox Valley Technical College-Cafeteria/Commons, 1825 N. Blue-mound Dr., Appleton.
- Cleveland** Tues., April 7 7:00-9:00 p.m. Lakeshore Technical College-Lake Michigan Conference Room (Lakeshore Bldg.), 1290 N. Ave., Cleveland.
- Eau Claire** Tues., April 21 7:00-9:00 p.m. Chippewa Valley Technical College-Auditorium Rm. 103, 620 W. Clairemont Ave., Eau Claire.
- La Crosse** Tues., March 10 7:00-9:00 p.m. UW La Crosse-Cartwright Center, Valhalla (Student Union), 1741 State St., La Crosse. *Note: Social Security Administration will present from 5:30 p.m. to 7:00 pm.*
- Middleton** Tues., March 24 7:00-9:00 p.m. Middleton High School-Performing Arts Center, 2100 Bristol St., Middleton.
- Pewaukee** Tues., April 14 6:30-8:30 p.m. Waukesha County Technical College-Richard T. Anderson College Ctr., 800 Main St., Pewaukee (free parking in Lots 7, 8, 9).
- Superior** Tues., March 31 7:00-9:00 p.m. UW-Superior, Rothwell Student Center-Ballroom, 1605 Catlin Ave., Superior (free parking in Lot 2).
- Wausau** Thurs., March 19 6:30-8:30 p.m. Northcentral Technical College, Center for Health Sciences-Auditorium, 1000 W. Campus Dr., Wausau. *Note: Social Security Administration will present from 5:30 p.m. to 6:30 p.m.*

TENTATIVE FALL 2009:

- Live, interactive webcast by the Department of Employee Trust Funds
- Presentations scheduled in Green Bay, Kenosha, Madison, Monroe, Rhinelander, River Falls, West Bend

Small Group Appointments Help Prepare for Retirement

The Department of Employee Trust Funds (ETF) offers small group retirement appointments for Wisconsin Retirement System (WRS) members approaching retirement. The two-hour sessions are held at ETF's Madison office, located at 801 W. Badger Road, and at ETF's Waukesha office, located at 141 N.W. Barstow Street, Room 151 (West entrance).

In small group retirement appointments, participants receive an overview of WRS benefits and annuity calculations, along with a step-by-step explanation of the retirement estimate, annuity options, and application process. Participants may ask questions throughout the

session and benefit from the questions, comments, and information shared by other participants.

While a reservation for a group session is required, it usually can be scheduled much sooner than an individual appointment. To schedule a group appointment, call ETF's Madison appointment line at (608) 266-5717 or toll-free 1-877-533-5020, ext. 65717.

Group retirement appointment attendees must:

- Be within one year of their retirement date;
- Have a valid retirement estimate from ETF (less than one year old); and
- Bring the retirement estimate/packets to the session.

Department of Employee Trust Funds
PO Box 7931
Madison, WI 53707-7931

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Call Toll-Free: 1-877-533-5020
or (608) 266-3285 (local Madison)

**Wisconsin Relay Service (for
speech and hearing impaired):**

7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Español)

**Send an e-mail via our Internet
site:** <http://etf.wi.gov>

Fax Number: (608) 267-4549

Appointments: (608) 266-5717
Madison: appointments recom-
mended; 801 W. Badger Road

Waukesha: appointments required;
141 N.W. Barstow St., Rm. 151

Toll-Free Self-Service Line:
1-877-383-1888 or (608) 266-2323
*Request ETF forms and brochures, report
home address changes, or make tax with-
holding changes (annuitants only).*

Write Us:
ETF, P.O. Box 7931, Madison, WI
53707-7931. *Please include your Social
Security Number with all correspondence.
Retirees wanting to change mailing ad-
dresses should contact Payment Services
at the address listed above. Include SSN,
signature, and old and new addresses.*

Telephone Message Center:
1-800-991-5540 or (608) 264-6633
*Listen to pre-recorded messages on a
variety of WRS topics.*

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 the Wisconsin Relay Service at the numbers listed above. We will try to find another way to provide you with usable information.