

Information to Help You Make Fully Informed Year-End Decisions

Each year the Department of Employee Trust Funds (ETF) receives inquiries from Wisconsin Retirement System (WRS) members who ask whether it would be in their best interest to take certain actions before or after the end of the calendar year. What's right for you depends on many factors. Here are some basic facts that can help guide your decisions:

Additional Contributions

By law, contributions to the WRS do not begin to accrue interest until the year after ETF receives the contributions. No interest is credited for the year in which ETF actually receives the contributions. Consequently, you may wish to make any additional contributions during the month of December, so you will have earned interest (elsewhere) on those monies. Note: ETF must actually receive the additional contributions by the last working day of the year (December 30 in 2013). Example: ETF receives your additional contribution in December 2013. Your account will begin earning interest on January 1, 2014. However, the interest credited for 2014 will first be noted on your January 1, 2015 annual Statement of Benefits.

Purchasing Service

The cost to purchase service is affected by changes in your earnings as well as changes in the Employee Required Contribution rate.

Your three highest years of earnings are part of the formula for determining the cost of purchasing service. If your WRS earnings are based on **calendar year** earnings, and your current earnings will be one of your highest, your cost to purchase service may increase if ETF receives your service purchase application after January 2, 2014 (the first working day in 2014). However, if your WRS earnings are based on **fiscal year** earnings (teachers, educational support personnel and judges only), the potential increase in cost occurs if your purchase is made after the new fiscal year starts on July 1.

Changes in contribution rates also affect the cost to purchase service. Contribution rates change January 1 of each year (regardless of your earnings period). For example, a general category employee earning \$50,000 per year would pay \$3,325 for 1 year of service in 2013 and \$3,500 for 1 year of service in 2014. Please be aware that contribution rates do fluctuate and may, with increased investment returns, decrease over time.

Note: ETF must receive your service application no later than your WRS termination date. Once you have terminated employment, you are no longer eligible to purchase service.

Variable Fund Participation Elections and Cancellations

If you wish to either elect to participate in the Variable Fund or cancel your Variable Fund participation, ETF must receive your election no later than January 2, 2014 (the first working day in 2014). Elections received by that date will become effective January 1, 2014.

Beginning Your Annuity Before the End of the Year vs. After the First of the Year

Whether a December or January annuity effective date provides the higher annuity depends on your individual account history. Carefully review our [online document](#) so that you can make a fully-informed decision.

For More Information

ETF brochures

[Additional Contributions \(ET-2123\)](#)

[Buying Creditable Service \(ET-4121\)](#)

[How Participation in the Variable Trust Fund Affects Your WRS Benefits \(ET-4930\)](#)

[Calculating Your Retirement Benefits \(ET-4107\)](#)

ETF videos

[When Should I Retire?](#)

[Additional Contributions \(Supplementing Your WRS Benefit\)](#)

[Buying WRS Creditable Service](#)

[WRS – Interest vs. Annuity Adjustments](#)

[Variable Participation: Is it Right For you?](#)