

STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: August 26, 2010

TO: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board

FROM: Anne Boudreau, Deputy Administrator
Division of Retirement Services

SUBJECT: Wisconsin Retirement System (WRS) Benefit Information

This memo is for informational purposes only. No Board action is required.

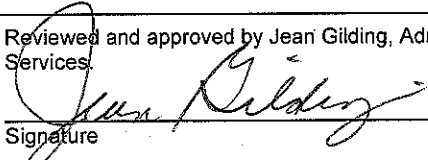
Please find attached the *WRS Benefit Information* report for the period April – June 2010. This document contains information reflecting the retirement benefit activities administered by the Department of Employee Trust Funds. The data presented covers participant retirement estimates requested, new annuities started, and WRS annuity payment information. It also contains data applicable to customer service functions.

Of interest are both the retirement estimates requested and the new annuities started in the second quarter of 2010, which continue to trend upward. Comparing the second quarter of 2010 with the second quarter of 2009, the number of retirement estimates requested increased by 7.6% and the number of retirement applications increased by 11.5%.

Staff will be available at the meeting to answer questions. Contact Jean Gilding at (608) 266-1210 (e-mail jean.gilding@etf.state.wi.us) or Anne Boudreau at (608) 266-0758 (e-mail anne.boudreau@etf.state.wi.us) with any further comments or questions.

Attachment: WRS Benefit Information

Reviewed and approved by Jean Gilding, Administrator, Division of Retirement Services


Signature

8-30-10
Date

Board	Mtg Date	Item #
Jl	9.16.10	5B



STATE OF WISCONSIN
Department of Employee Trust Funds

Wisconsin Retirement System (WRS)

Benefit Information

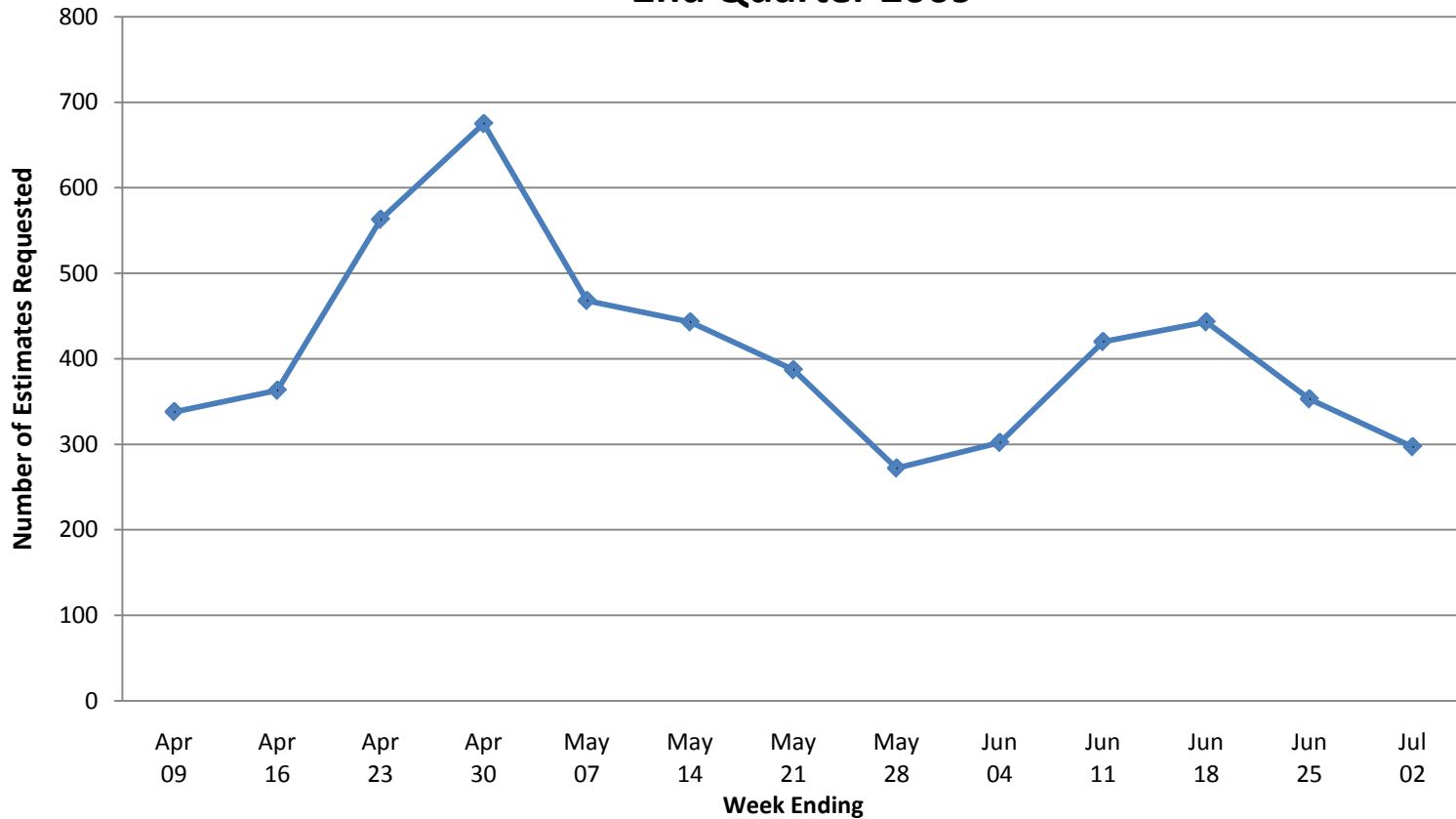
April – June 2010

Retirement Activity – Estimates and New Annuities

WRS RETIREMENT ESTIMATES

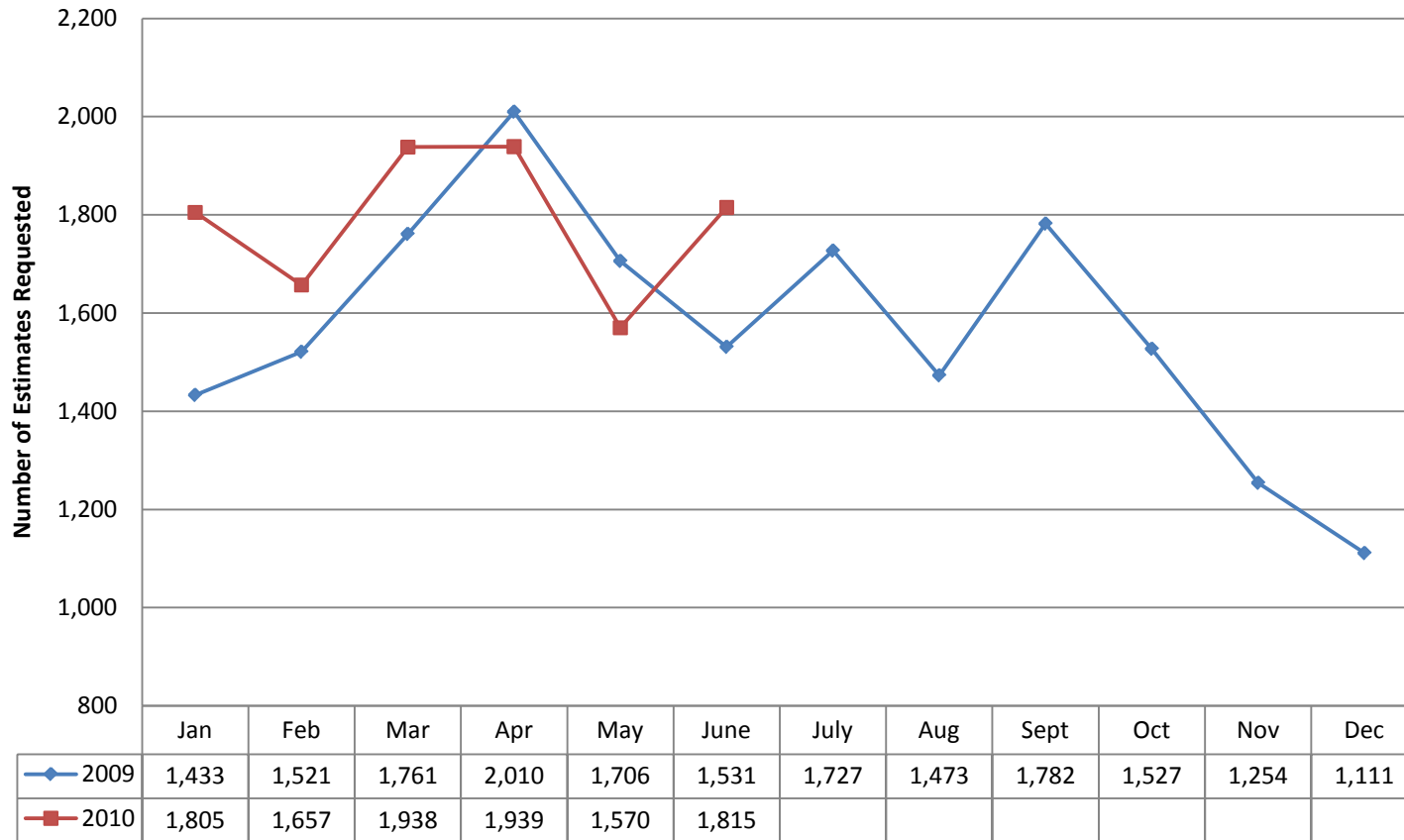
- 5,324 Retirement Estimates requested during the period April - June 2010
- Retirement Estimate requests are up 1.5% from the previous year's 2nd quarter (5,247 in 2009)

Retirement Estimates Requested by Week 2nd Quarter 2009



WRS RETIREMENT ESTIMATES

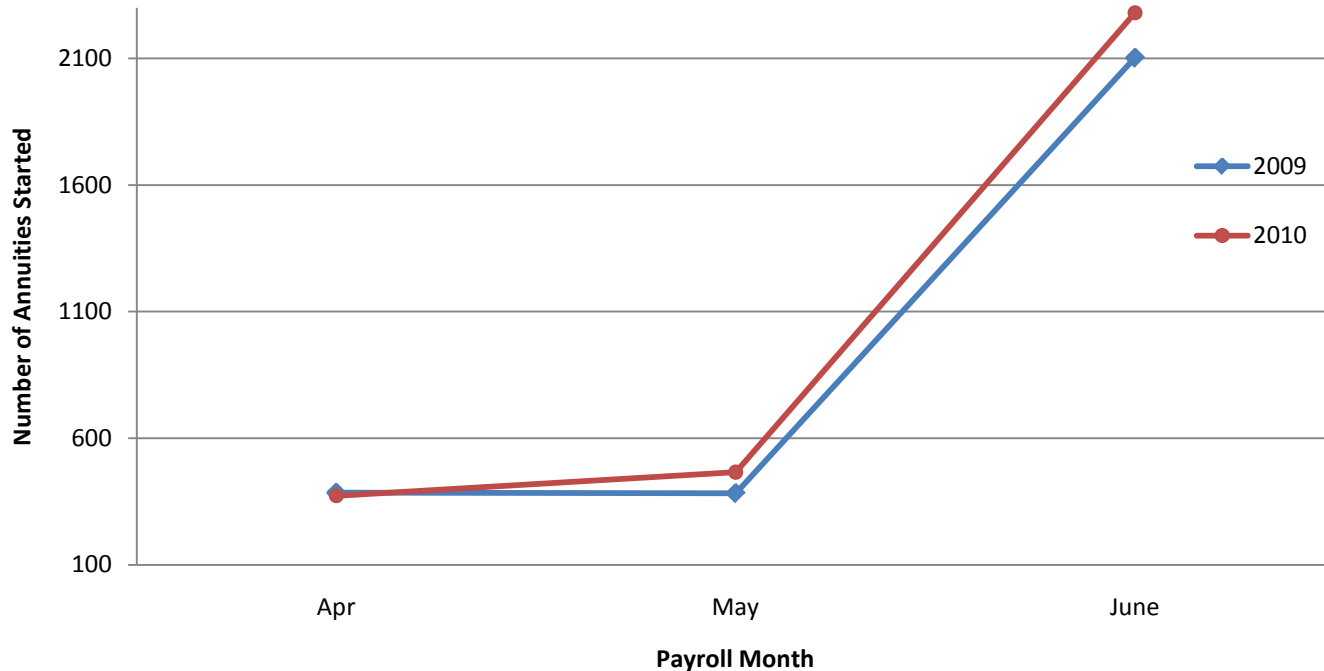
Retirement Estimates Requested by Month First 6 Months – 2010 Compared to 2009



WRS RETIREMENT ANNUITIES

- 3,111 New Annuities started on estimated payroll during the period April to June 2010
- 8 Annuities started as a Finalized Payment
(Annuities can be started as finalized and not estimated if the Department has the final service earnings and contribution data from the employer)
- New Annuities started increased 8.4% from the previous year's 2nd quarter (2,869 in 2009)

**New Annuities Started by Month
2nd Quarter - 2009 Compared to 2010**



WRS RETIREMENT ANNUITIES

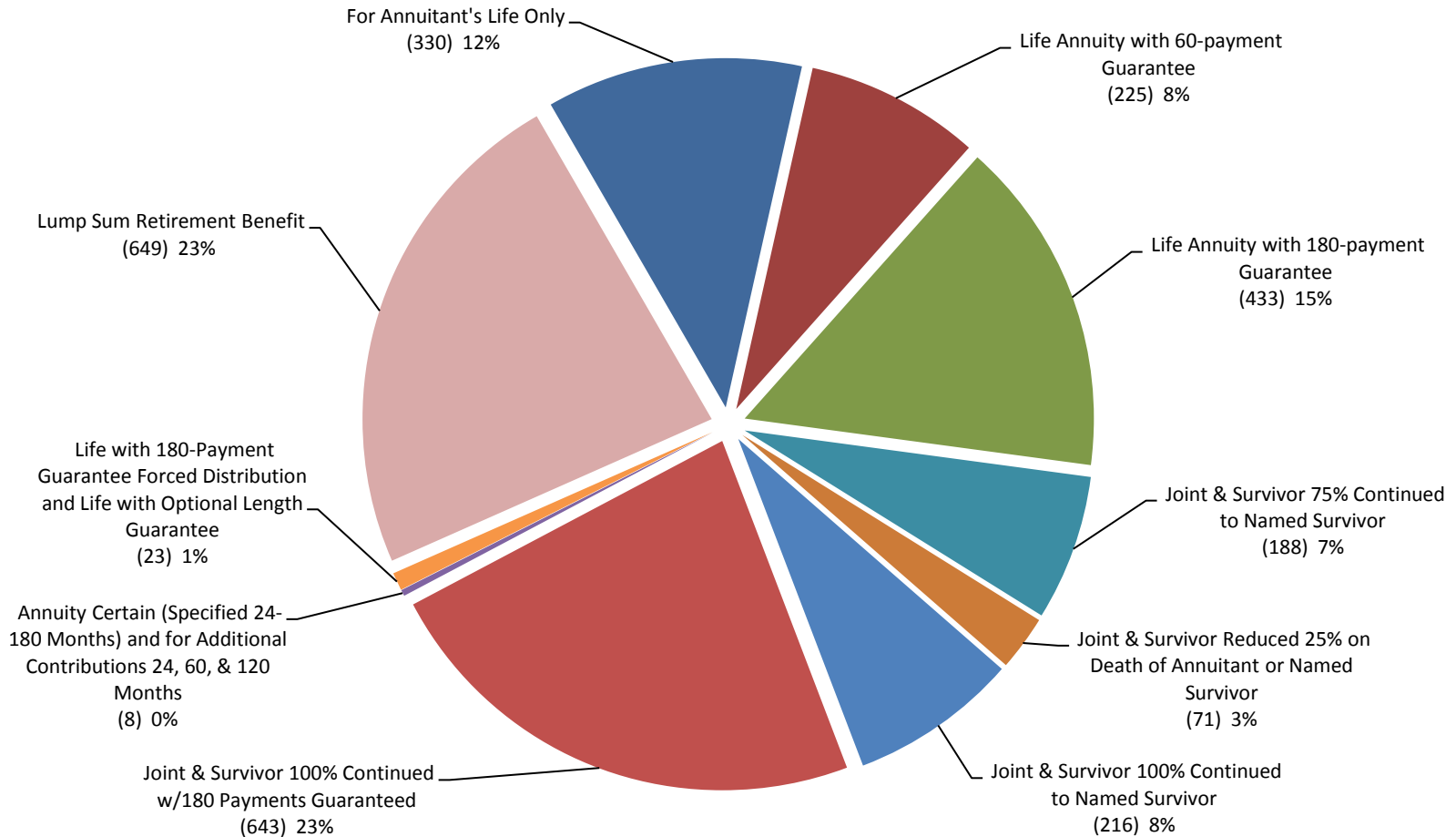
New Annuities Started by Month First 6 Months - 2010 Compared to 2009



Retirement Activity – Option Selections and Demographics

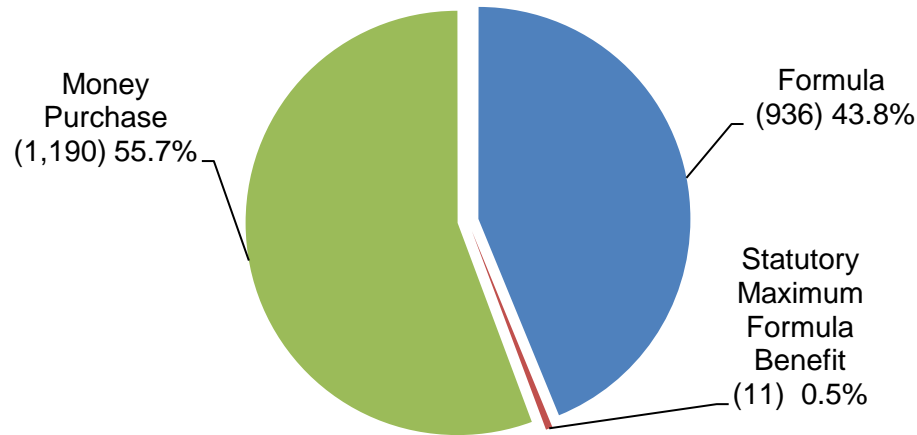
WRS RETIREMENT ANNUITIES

Benefit Options Taken Finalized Annuities and Lump Sum Retirement Benefits 2nd Quarter 2010



WRS RETIREMENT ANNUITIES

Finalized Annuities By Calculation Type 2nd Quarter 2010

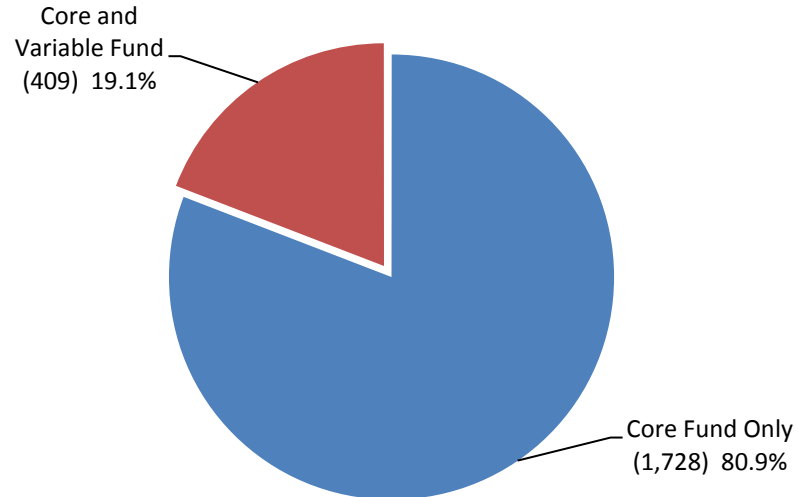


- Money Purchase Calculated benefits still exceed Formula benefits as a percentage of finalized annuities. So far in calendar year 2010, Money Purchase Calculated benefits represented 52.8% of finalized annuities.

	Formula	Money Purchase
2007	45.9%	54.1%
2008	46.0%	54.0%
2009	44.3%	55.3%
2010 (2Q)	43.8%	55.7%

WRS RETIREMENT ANNUITIES

Finalized Annuities By Benefit Fund Type 2nd Quarter 2010

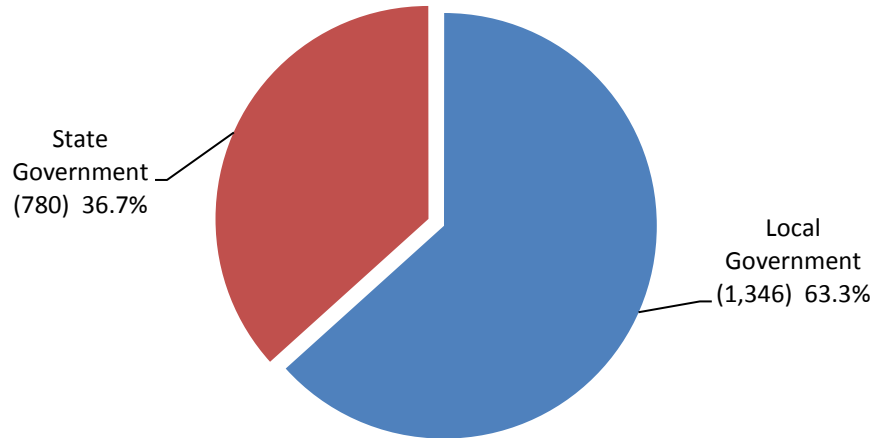


- Core Fund Only benefits for 1st quarter 2010 made up 71.5% of all finalized annuities. This was a slight decrease compared to the previous quarter (4th quarter 2009), when Core Fund Only benefits made up 75.3% of all finalized annuities. But compared to all of 2009, the percentage is virtually unchanged.

	Core Only	Core and Variable
2008	68.6%	31.4%
2009	71.2%	28.8%
2010 (2Q)	80.9%	19.1%

WRS RETIREMENT ANNUITIES

Finalized Annuities By Employer Type 2nd Quarter 2010

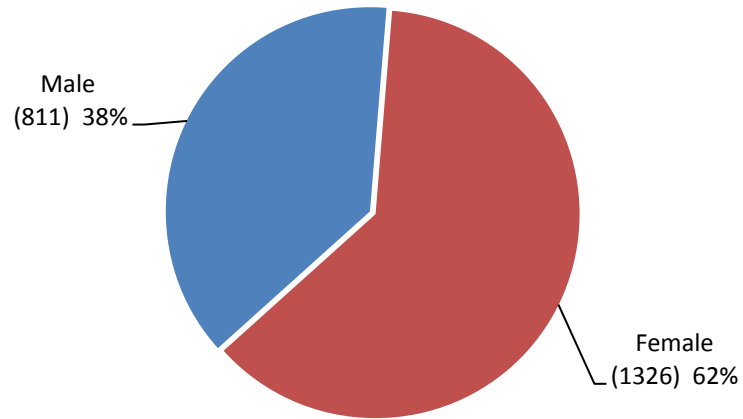


- Local Government retirees made up 63.3% of Finalized Annuities, which is a decrease compared to 77.4% the previous quarter (1st quarter 2010).

	Local Government	State Government
2008	75.5%	24.5%
2009	71.0%	29.0%
2010 (2Q)	63.3%	36.7%

WRS RETIREMENT ANNUITIES

Finalized Annuities By Gender 2nd Quarter 2010



At 62.0%, the percentage of Female retirees decreased slightly compared to the previous quarter. They made up 63% of retirees in the first quarter of 2010 and 55.1% of retirees during the 2009 calendar year.

	Male	Female
2008	39.7%	60.3%
2009	44.9%	55.1%
2010 (2Q)	38.0%	62.0%

WRS RETIREMENT & BENEFICIARY ANNUITIES

Retirement Terminations and Beneficiary Information 2nd Quarter 2010

- 20 Retirement Annuity Terminations occurred during the period April – June 2010
 - 13 annuitants returned to work and elected to participate in the WRS.
 - 1 annuity was cancelled due to lack of a reported employment termination date.
 - 6 annuitants withdrew their applications: 1 remained terminated but deferred the benefit, 4 decided to continue working in their current positions, and 1 elected a disability benefit instead.
- 89 Beneficiary Annuities started during the period April – June 2010
- 3 Beneficiary Annuity Terminations occurred during the period April – June 2010
 - Each of the 3 beneficiaries converted the annuity to a lump sum payment

Annuities – Payroll Data and Annuitant Location

WRS RETIREMENT and BENEFICIARY ANNUITIES

WRS Payment Information 2nd Quarter 2010

Payroll Month	Core	Variable	Subtotal	General Purpose Revenue	Total
Apr -10	290,268,070.21	23,871,917.69	314,139,987.90	64,333.17	314,204,321.07
May-10	290,467,194.32	23,833,770.94	314,300,965.26	61,878.43	314,362,843.69
Jun-10	294,000,619.24	24,024,011.84	318,024,631.08	62,288.07	318,086,919.15

Payroll Month	Direct Deposit	Paper Check	Deductions	Accounts Receivable	Total
Apr -10	259,869,429.26	3,401,361.81	51,561,328.29	(627,798.29)	314,204,321.07
May-10	260,040,497.42	3,306,984.06	51,743,903.43	(728,541.22)	314,362,843.69
Jun-10	263,129,683.76	3,296,780.88	52,361,014.25	(700,559.74)	318,086,919.15

Payroll Month	Paid by Direct Deposit		Paid by Paper Check		Total
Apr -10	154,037	98.45%	2,418	1.55%	156,455
May-10	154,232	98.48%	2,388	1.52%	156,620
Jun-10	156,213	98.49%	2,397	1.51%	158,610

WRS RETIREMENT and BENEFICIARY ANNUITIES

WRS Payment Information 2nd Quarter 2010

Annuitant Location

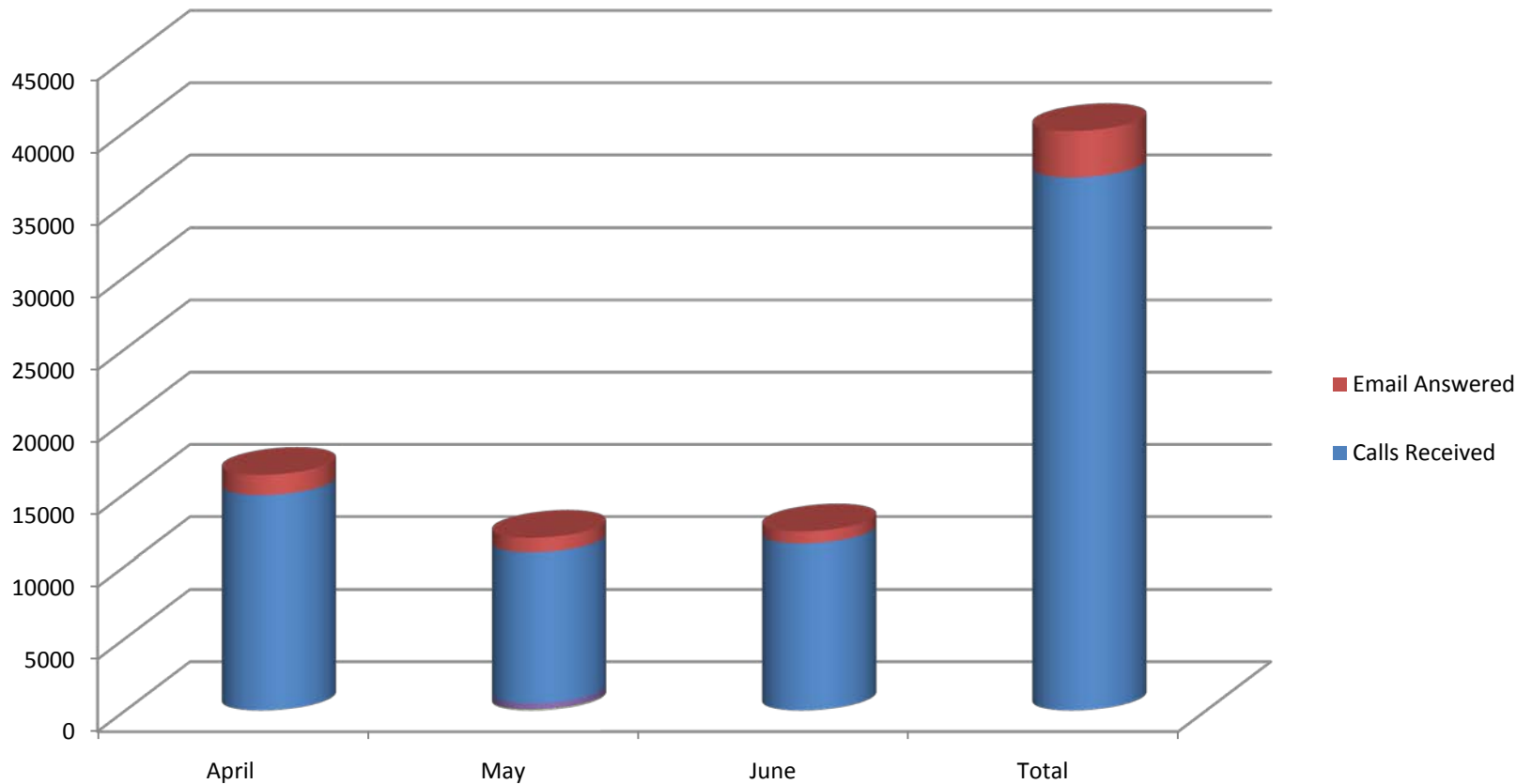
Number of Annuitants by Location					
Wisconsin	133,245	86.33%	Texas	1,018	0.66%
Florida	3,769	2.44%	Michigan	1,002	0.65%
Arizona	2,078	1.35%	Colorado	634	0.41%
Minnesota	2,072	1.34%	North Carolina	493	0.32%
Illinois	1,296	0.84%	Other States and Territories	7,572	4.91%
California	1,164	0.75%	Foreign Countries	261	0.17%

Customer Service

WRS Member Contacts

Telephone Calls to Main Line

- During the period April – June 2010, there were 36,814 calls received on the main member line
- Email is an increasingly popular way for members to contact the Department



WRS Member Contacts

Attendance at Retirement Sessions 2nd Quarter 2010

- In the 2nd Quarter of 2010, there were 2,400 members who attended either an individual or group retirement session.
- Another 1,800 people (members and guests) attended a field presentation.

Small Group Retirement Sessions

Number of Sessions	60
Number of Members Served	440

Field Presentations

Number of Sessions	16
Number of Attendees	1,777

Individual Retirement Sessions

Number of Members Served	1,960
- <i>with appointment</i>	991
- <i>without appointment</i>	969

WRS File Updates at Request of Member

2nd Quarter 2010

- Members submitted nearly 6,500 account update requests in the 2nd Quarter of 2010:

	April	May	June
Beneficiary Designations	2,046	2,037	1,748
Military Service Affidavits	64	60	76
Rehired Annuitant Elections	86	69	51
Domestic Partner Affidavits	60	61	97
Total	2,256	2,227	1,972

WRS File Updates at Request of Retiree

2nd Quarter 2010

- In the 2nd Quarter of 2010, more than 200,000 changes were made to annuitant addresses, tax withholding, and health insurance.

Address Changes

Directly Requested by Retiree	2,863
Automatically Updated (by NCOA Service)	4,413
Total	7,276

Tax Withholding Changes

Directly Requested by Retiree	1,501
Automatically Updated (due to tax table changes)	197,578
Total	199,079

Health Insurance Transactions

Sick Leave Transactions	208
Health Coverage Changes	703
Total	911

WRS Special Project Update Variable at Core

2nd Quarter 2010

- There are approximately 32,000 annuitants who participate in the Variable Fund.
- Unless an annuitant completes and submits a Variable cancellation form, the Department does not keep track of whether an annuitant's participation in the Variable Fund has resulted in an annuity that is higher or lower than if the annuitant had not participated in the Variable Fund.
- In 2010, the Department began a project to provide annuitants participating in the Variable Fund this information.
- This project began January 11, 2010, with 32,553 files in need of review.
- Through the 2nd Quarter of 2010, the project team has reviewed 15,921 files, which represents 49% of the total number of files requiring review.

WRS Employer Transactions and Communications

2nd Quarter 2010

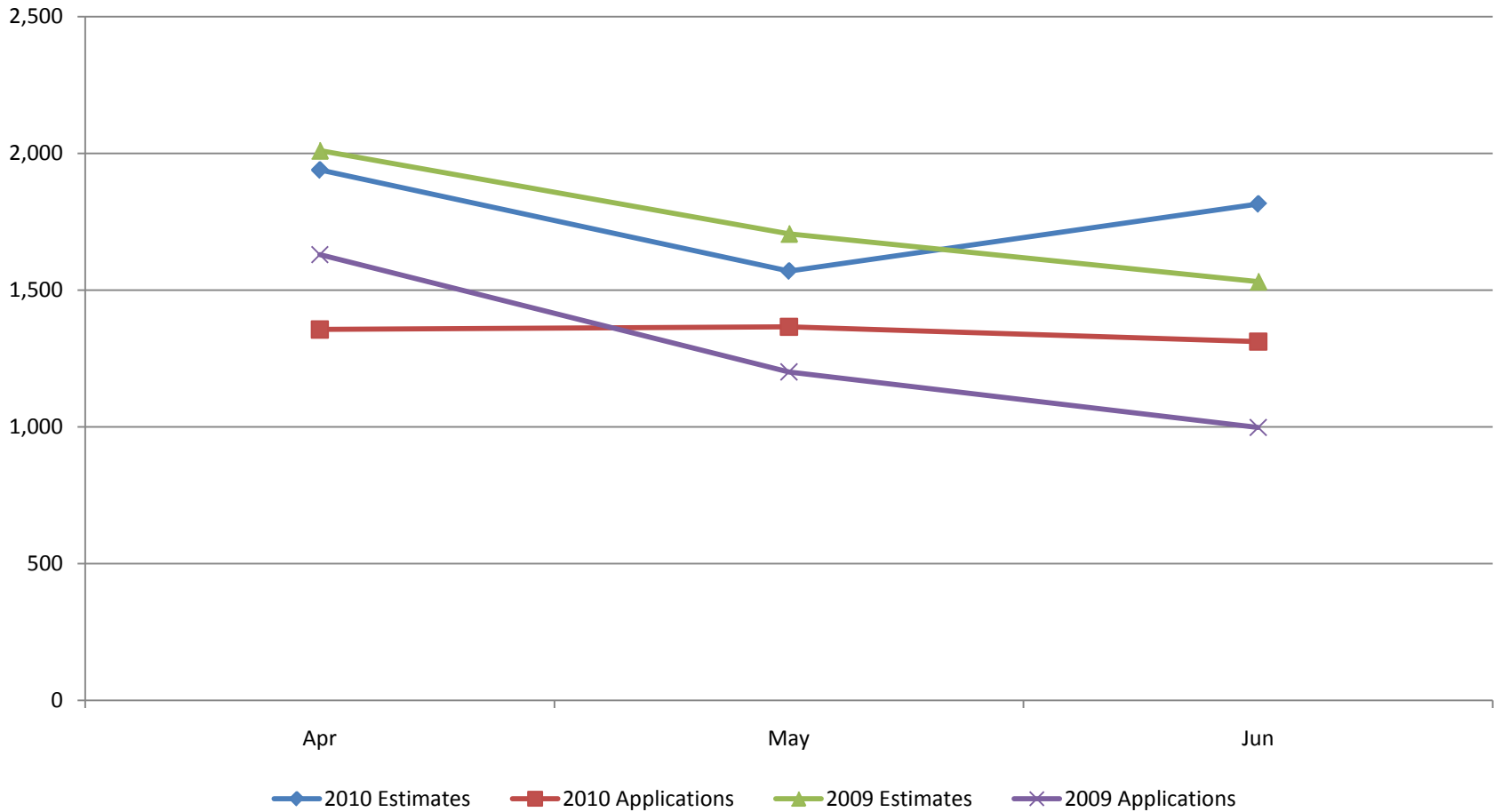
- Contact with employers also resulted in a number of updates to ensure WRS member accounts remain complete and accurate.

	April	May	June
Employer Transactions Resolved	1,282	2,923	2,731
Employer Calls and Email – Direct to Staff			
- About WRS Program	730	606	678
- About Insurance Programs	325	298	350
Employer Calls – To the Employer Communication Center	650	596	700
Total	2,987	4,423	4,459

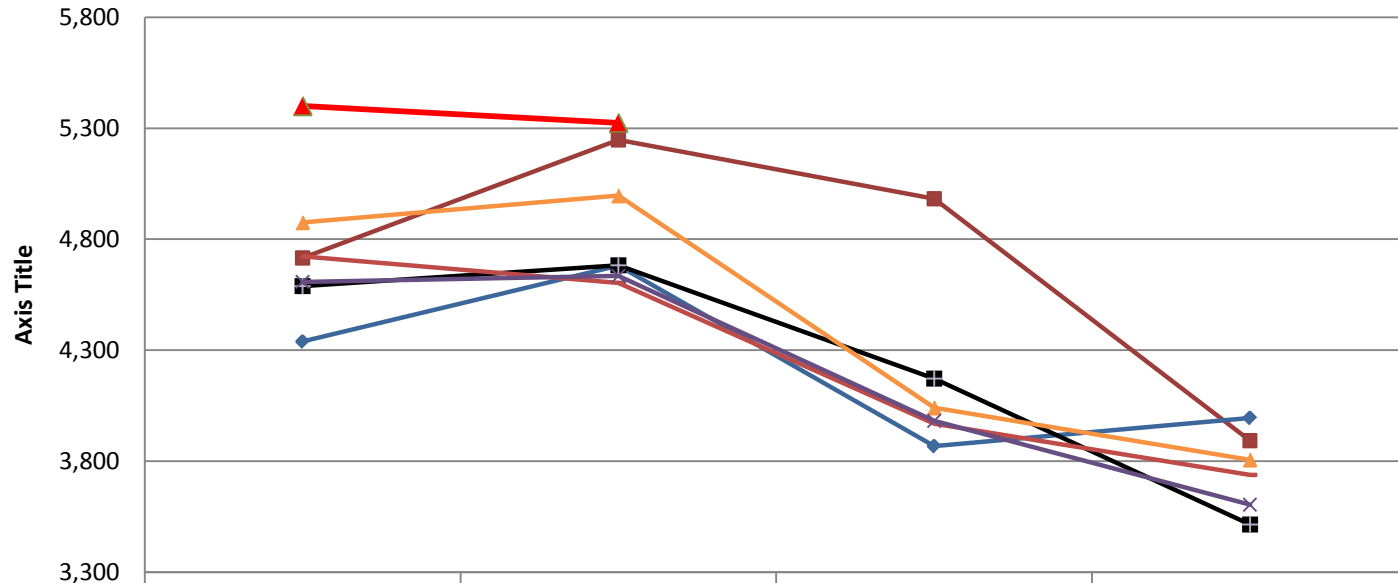
Trends

Trends – Retirement Estimates and Applications

2nd Quarter 2010 Compared to 2nd Quarter 2009

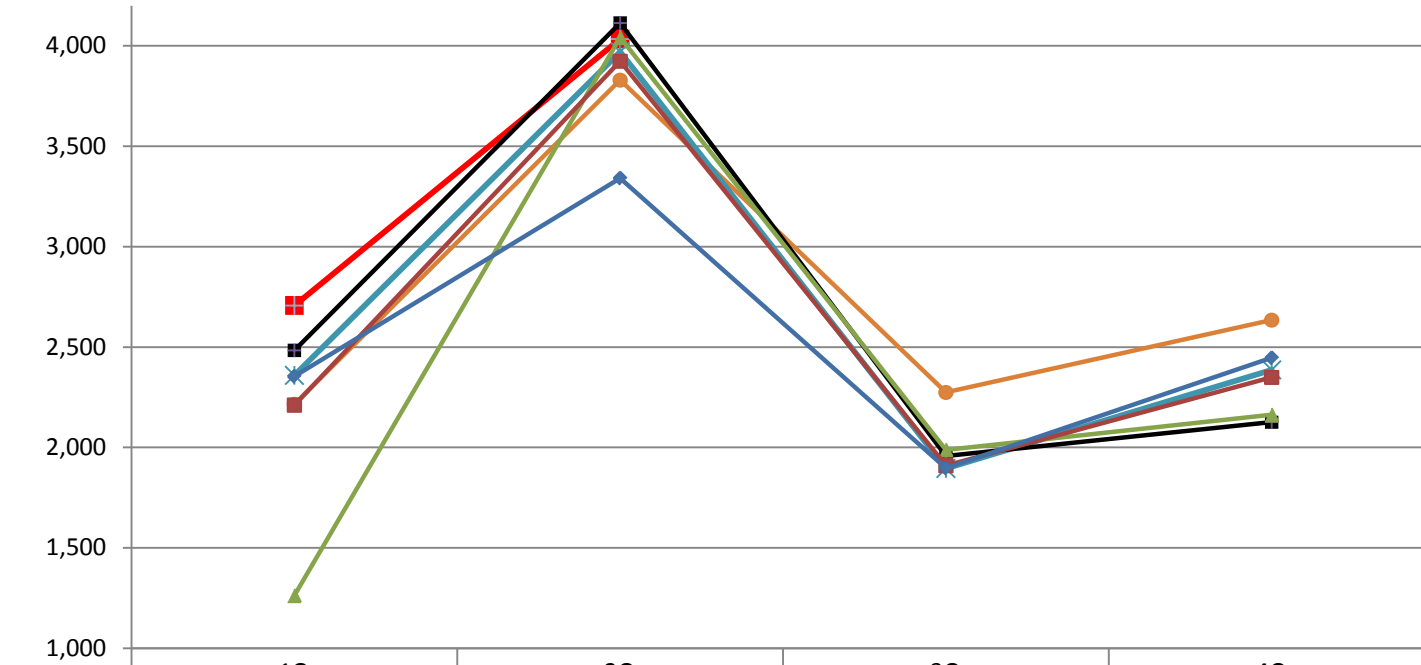


Retirement Estimate Requests Last Six Years



	1Q	2Q	3Q	4Q	YEAR
▲ 2010	5,400	5,324			10,724
■ 2009	4,715	5,247	4,982	3,892	18,836
◆ 2008	4,339	4,681	3,868	3,995	16,883
■ 2007	4,589	4,682	4,172	3,514	16,957
▲ 2006	4,875	4,996	4,040	3,805	17,716
— 2005	4,722	4,603	3,969	3,738	17,032
× 2004	4,608	4,635	3,982	3,604	16,829

Retirement Applications Last Six Full Years



	1Q	2Q	3Q	4Q	YEAR
2010	2,707	4,034	1,958	2,126	6,741
2009	2,215	3,829	2,274	2,634	10,952
2008	2,359	3,970	1,896	2,386	10,611
2007	2,483	4,113	1,958	2,126	10,680
2006	1,263	4,042	1,988	2,163	9,456
2005	2,211	3,923	1,910	2,349	10,393
2004	2,354	3,340	1,897	2,446	10,037