



# Welcome to the Employee Trust Funds Board

September 17, 2020



# Announcements

Item 1 – No Memo



# Consideration of Open and Closed Minutes of June 18, 2020



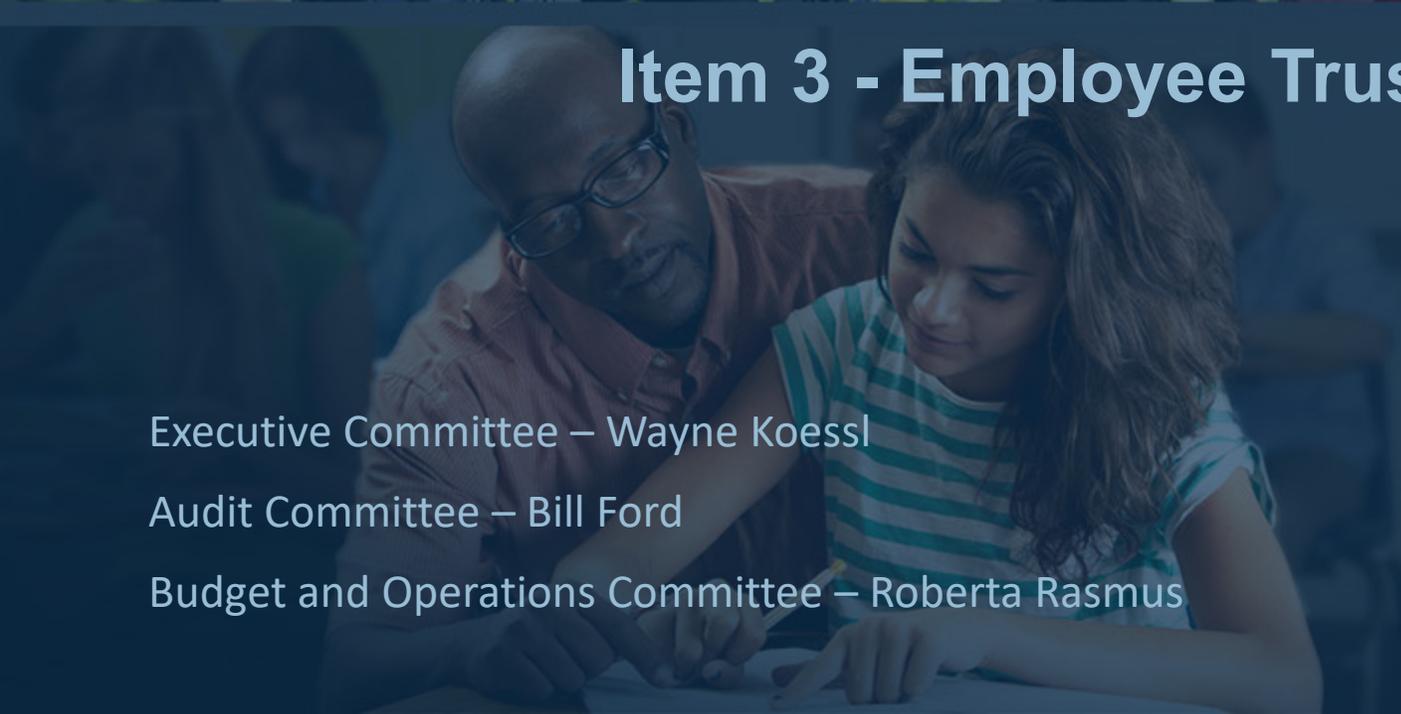
Item 2 - Memo Only





# Committee Reports

## Item 3 - Employee Trust Funds Board



Executive Committee – Wayne Koessl

Audit Committee – Bill Ford

Budget and Operations Committee – Roberta Rasmus



# Designing a WRS Governing Board



## Item 4A - Employee Trust Funds Board

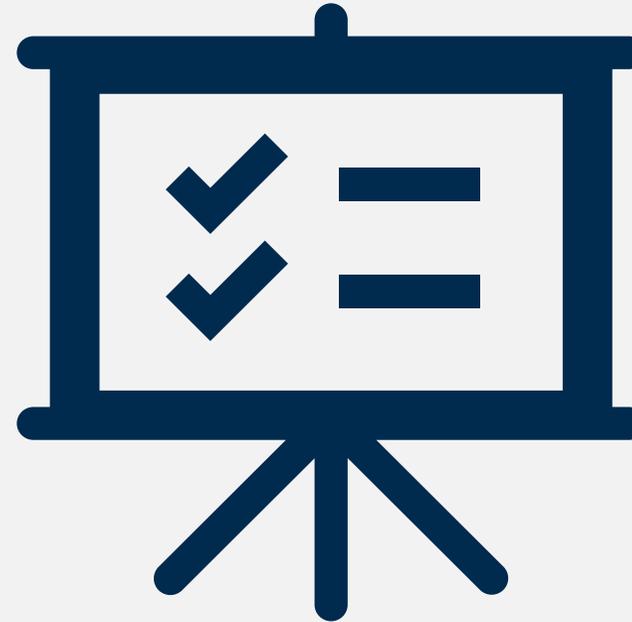
Laura Patterson

Office of Policy, Privacy & Compliance



# Agenda

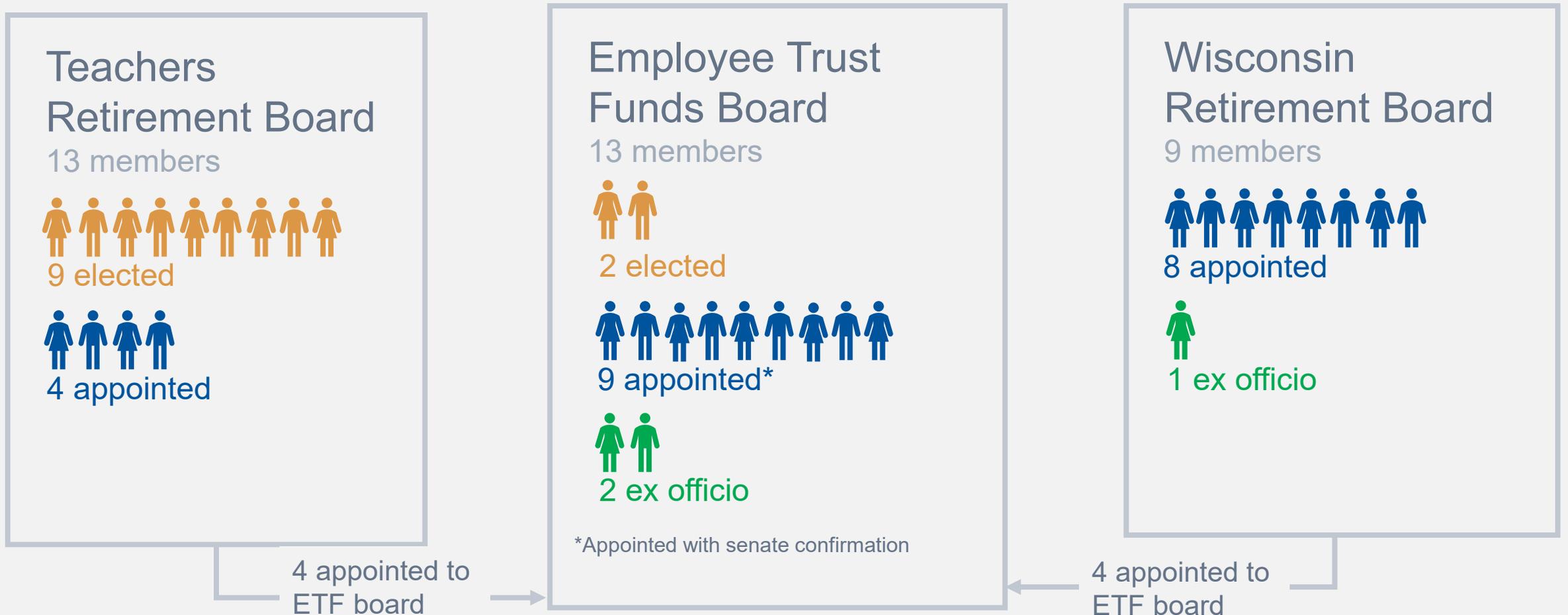
- ETF, WR & TR Board Composition Review
- Proposed Board Composition
- Implementation Considerations
- Transitioning to a Single Board



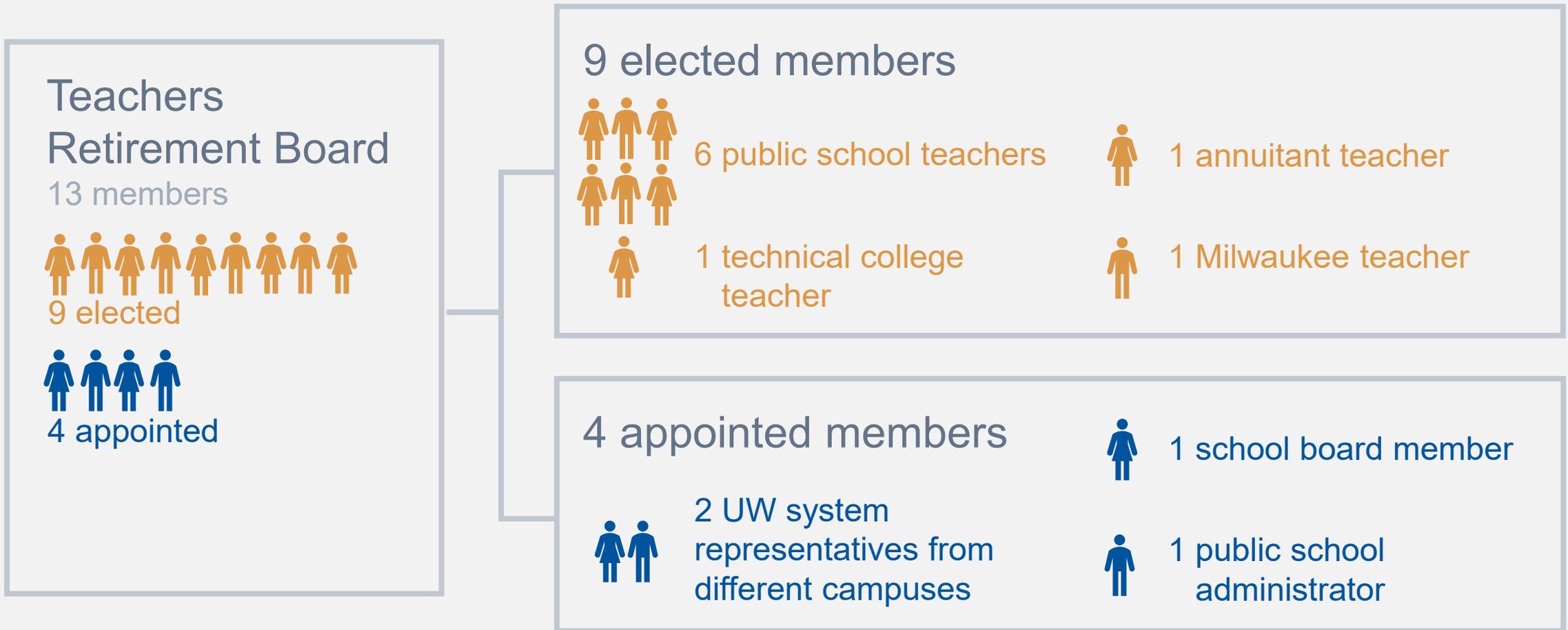
A photograph of a family of three walking on a dirt path through a forest. The mother is on the left, wearing a red and black plaid shirt and blue jeans. The father is on the right, wearing a blue and red plaid shirt over a white t-shirt and blue jeans. A young girl is in the center, wearing a white dress with a polka-dot pattern and a white headband. They are all smiling and holding hands. The background is filled with green trees and foliage.

# Board Composition Review

# Current WRS Boards Composition



# Current Teachers Retirement Board



# Current Wisconsin Retirement Board

## Wisconsin Retirement Board

9 members



8 appointed\*



1 ex officio

\* Appointed from a list of 5 names provided by The League of Wisconsin Municipalities

\*\* Appointed from a list of 5 names provided by The Executive Committee of the Wisconsin Counties Association

## 8 appointed members

-  1 governing body member of a WRS city or village\*
-  1 WRS principal financial officer of a WRS city or village
-  1 WRS employee of a WRS city or village
-  1 WRS state employee
-  1 non-WRS member of the public to represent taxpayers
-  1 chairperson of a WRS county or town\*\*
-  1 deputy or county clerk of a WRS county
-  1 WRS employee of a local employer (not a city or village)

From different counties

From different counties

1 ex officio



Commissioner of insurance or an experienced actuary designee

# The WR & TR Board Appoint Four of their Members to the ETF Board

## The WR Board must appoint:

- The WRS state employee member or the non-member taxpayer member
- Either the WRS city or village employee member, the local employer member or the participating state employee member
- 2 WR Board Members - with certain restrictions

## The TR Board must appoint:

- One of the two UW Teacher members
  - Both members are appointed to the TR Board by the Governor
- Either the public-school administrator member or the school board member
  - Both members are appointed to the TR Board by the Governor
- Any of the six public-school teacher members or the public-school teacher from a technical college member
  - All members are elected to the TR Board by WRS participants
- The Milwaukee teacher member
  - Elected to the TR Board by WRS participants

# Current Employee Trust Funds Board

## Employee Trust Funds Board

13 members



2 elected



9 appointed\*



2 ex officio

\* Appointed with Senate confirmation

\*\* Appointed by either the TR or WR Board

2 elected members



1 WRS annuitant



1 public school teacher or technical college support personnel employee

2 ex officio members



1 Governor or Governor's designee on GIB



1 DPM-DOA administrator or designee

9 appointed members



1 public member with 5 years related experience\*



1 WRS state employee or non-member taxpayer\*\*



1 WRS city, village or local employee\*\*



2 WR board members\*\*



1 UW teacher participant\*\*



1 public school administrator or school board member\*\*



1 public school teacher or technical college teacher participant\*\*



1 Milwaukee teacher participant\*\*

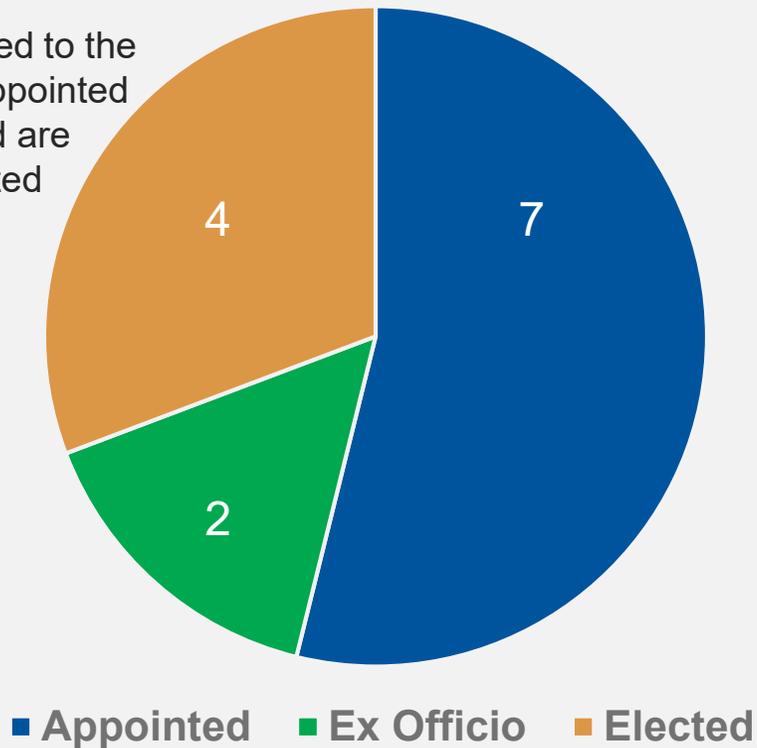


# Proposed Board Composition

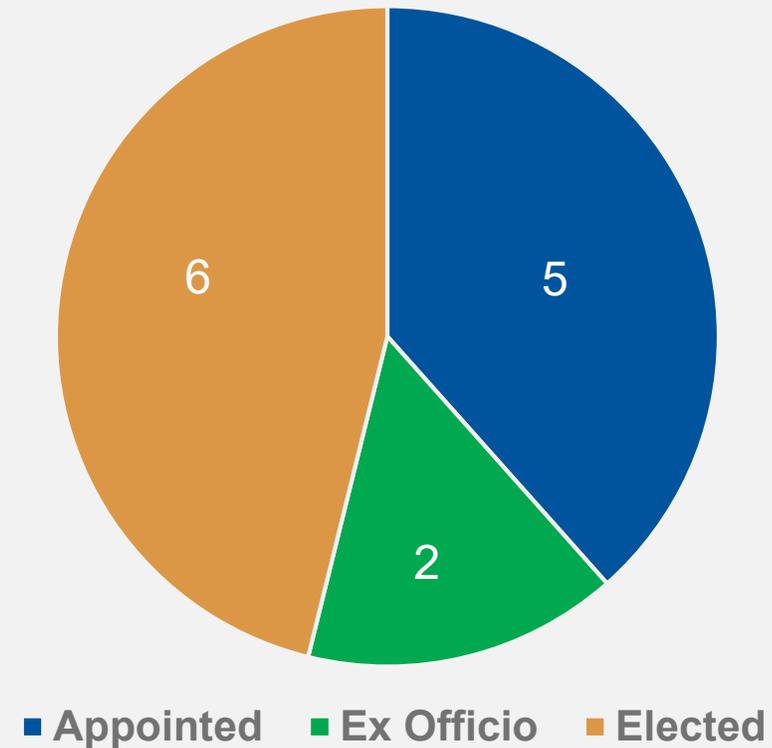
# Member Comparison

## ETF Board\*

\* Members elected to the TR Board and appointed to the ETF Board are included as elected members



## Proposed Board



# Proposed Board

## Model ETF Board 13 members



6 elected



5 appointed\*



2 ex officio

\* Appointed with Senate confirmation

## 6 elected members



1 annuitant



1 annuitant who retired as a public school teacher



1 educational support staff participant



2 public school teachers



1 protective occupation participant

## 2 ex officio members



1 Governor or Governor's designee on the GIB



1 DPM-DOA Administrator or designee

## 5 appointed members



1 WRS participant who is an UW or a state employee



1 WRS participant who is an administrator in Wisconsin's public schools who is not a classroom teacher



1 WRS participant who is an administrator for a local unit of government that is not a school district



1 WRS participant who is an elected member of a participating, local employer's governing body



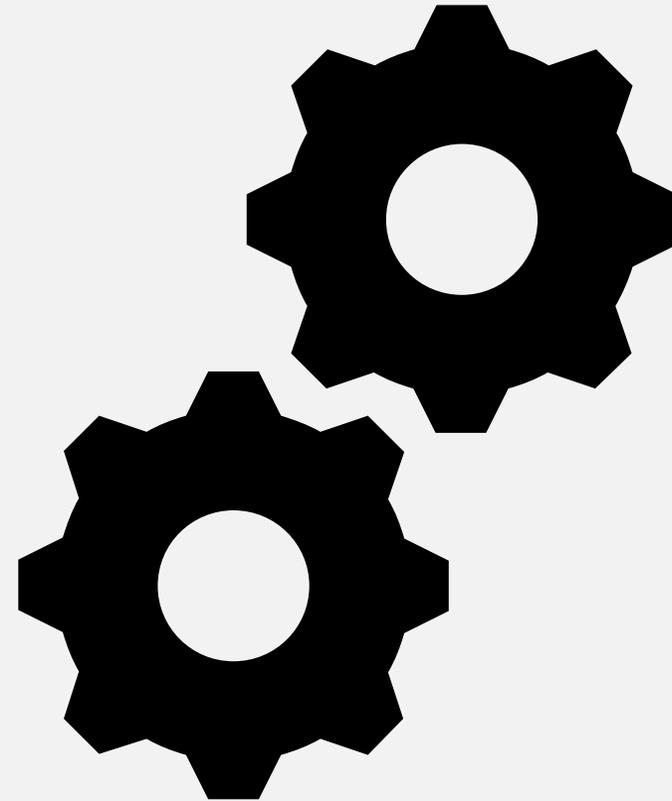
1 non-participant with 5 years audit, actuarial, financial or other relevant experience relating to employee benefit plans or insurance administration\*



# Transitioning into a Single Board

# Transitioning to a Single Board

- The Board Chairs co-author a joint letter to the Governor
- ETF submits merger legislation as part of the 2021-2023 Budget Bill process
- The ETF Board will transition to the Proposed Board over multiple years.
  - Board seat transitions will be staggered and only 2-3 seats will be transitioned each year
- The TR & WR Board members will be retired when legislation is passed



# Implementation Considerations

## Statutory Language and Administrative Rule Changes

- Wisconsin Statutes and Administrative Rules will be altered to remove the TR and WR Boards and transfer their powers to the Proposed Board or 'New ETF Board', including:
  - All contractual obligations and liabilities associated to the TR and WR Boards
  - Authorization and termination of Disability Annuity Benefits
  - The power to hear Disability Determination Appeals
  - The power to appoint members to SWIB's Board

## Transferring Disability Annuity Appeals

- The WR Board currently has several open appeals and the TR Board does not have any open appeals
- If the Boards merge, any existing appeals will be transferred to the 'New ETF Board'

## Transferring SWIB Appointments

- The TR and WR Boards each appoint one participant to SWIB's Board
- If the Boards merge, the 'New ETF Board' will appoint one WRS participant to SWIB and the ETF Secretary will serve as an Ex Officio on SWIB



**Questions?**

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# Thank you

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ETF E-mail Updates



608-266-3285  
1-877-533-5020

# ETF's 2021-2023 Biennial Budget Request



## Item 4B- Employee Trust Funds Board

Tarna Hunter, Director of  
Strategic Engagement and Government Relations





# Secretary's Report

## Item 5A - Employee Trust Funds Board



Bob Conlin, Secretary





# ETF Board Metrics

## Item 5B - Employee Trust Funds Board



John Voelker, Deputy Secretary



# Operational Updates

Items 5C – 5G - Memo Only



# Future Items for Discussion

Item 6A – Employee Trust Funds Board



# Closed Session

Item 7A – Personnel Matters – Secretary Recruitment



# Announcement of Action Taken on Personnel Matters Deliberated During Closed Session

Item 8 – Employee Trust Funds Board



# Adjournment

Item 9 – No Memo



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# Thank you

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