



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: September 22, 2025
To: Employee Trust Funds Board
From: Tim Steiner, Budget, Contract Administration, and Procurement Director
Office of Budget and Management
Subject: Procurement, Contract, and Program Appropriation Charging Updates

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

Current Status of Active Employee Trust Funds Board (Board) Contracts

Benefitfocus – Insurance Administration System

Amendment 4 was signed by the Department of Employee Trust Funds (ETF) secretary on June 23, 2025, which split the deployments into Deployment 1 for University of Wisconsin System employees on July 1, 2025, and Deployment 2 for all other employers on a date mutually agreed upon in 2026. This contract and all amendments can be found on ETF's website: <https://etf.wi.gov/node/15551>

Linea Solutions - Strategic Partner for Pension Administration Services

Amendment 1 was signed by the ETF secretary on September 5, 2025, to add a scope of work within the originally budgeted contract amount. This contract and amendment can be found on ETF's website: <https://etf.wi.gov/node/31476>

Milliman - Consulting Actuary for Wisconsin Group Insurance and Disability Programs

Contract amendment #25 was signed by the ETF secretary on September 5, 2025. This amendment was for the 2025 experience studies for the Income Continuation Insurance and Duty Disability plans for \$100,000. This contract and amendments can be found on ETF's website: <https://etf.wi.gov/node/36441>

Pension Administration System

The notice of intent to award was published on March 23, 2025. ETF staff work toward signing contracts with Heywood Ltd. and TELUS Health and conducting a proof of concept this Fall 2025. The proof of concept will allow ETF to evaluate and select the final vendor for implementation. This Request for Proposals and associated documents can be found on ETF's website: <https://etf.wi.gov/node/37111>

Reviewed and approved by Tarna Hunter, Director, Office of Budget and Management
Electronically Signed 09/10/2025

Board	Mtg Date	Item #
ETF	10.02.25	5J

ETF Operational Financial Reporting

Administrative Appropriation Charges

Information on ETF administrative expenses through the second quarter (Q2) of calendar year (CY) 2025 are reported in Attachment A. ETF spent \$19.27 million on administrative expenses in the Q2 of CY 2025, a 9.67% increase from Q2 of CY 2024, where ETF spent \$17.57 million. Overall year-to-year costs increased in several areas, including personnel-related and contractual service expenses. The increase in personnel-related expenses is partly attributable to the addition of 12.0 FTE positions and General Wage Adjustments authorized in the 23-25 Biennial Budget. Contractual service cost increases were primarily attributable to ETF's ongoing Information Technology (IT) modernization efforts.

Program Appropriation Charges

Information on non-benefit disbursements charged to ETF's benefit program appropriations for the one-year period ending on June 30, 2025, are reported in Attachment B. Reported costs include third-party administration expenses, as well as data warehouse and analytical service expenses. Costs reported do not include:

- Indirect expenses that are charged to ETF's operational appropriations, such as: staff salaries and fringe benefits, travel/training, rent, contract staff, and other contractual services; or
- Benefit disbursements made to participants.

Staff will be at the Board meeting to answer any questions.

Attachment A: Quarterly ETF Administrative Expenses (Q2 CY 2025)

Attachment B: Quarterly Non-Benefit Disbursements Charged to Benefit Program Appropriations

Attachment A: Quarterly ETF Administrative Expenses (Q2 CY 2025)

Expense Summary	Q3 CY 2024	Q4 CY 2024	Q1 CY 2025	Q2 CY 2025	Year Ending 6/30/24	Year Ending 6/30/25
Salary and Fringe (FTE)	\$6,545,240	\$8,712,507	\$7,920,793	\$10,369,767	\$32,637,775	\$33,548,307
Limited Term Employees (LTEs)	\$64,939	\$63,577	\$45,245	\$82,052	\$268,290	\$255,813
Supplies and Services						
Contractual Services	\$4,565,783	\$4,368,729	\$5,413,475	\$6,242,553	\$17,945,436	\$20,590,541
IT	\$1,269,925	\$1,650,235	\$1,364,923	\$1,700,091	\$5,374,904	\$5,985,174
Rent	\$341,121	\$341,851	\$341,971	\$342,739	\$1,402,960	\$1,367,682
Mail	\$248,900	\$32,323	\$360,608	\$483,009	\$1,036,102	\$1,124,840
Travel/Training	\$58,384	\$80,821	\$49,496	\$47,342	\$194,933	\$236,044
Other/Misc.	\$100,653	\$633,938	\$527,596	\$5,607	\$1,293,021	\$1,267,795
Subtotal	\$6,584,766	\$7,107,897	\$8,058,070	\$8,821,341	\$27,247,354	\$30,572,076
Total	\$13,194,945	\$15,883,981	\$16,024,108	\$19,273,160	\$60,153,418	\$64,376,196

Attachment B: Quarterly Non-Benefit Disbursements Charged to Benefit Program Appropriations¹

Expense Summary	Q3 CY 2024	Q4 CY 2024	Q1 CY 2025	Q2 CY 2025	Year Ending 6/30/25
Third-Party Administration					
Health Insurance	\$4,316,603	\$5,269,063	\$4,784,255	\$5,915,312	\$20,285,233
Life Insurance	\$1,223,238	\$1,214,321	\$1,200,644	\$1,397,949	\$5,036,152
Income Continuation Insurance	\$664,500	\$664,500	\$784,110	\$784,110	\$2,897,220
ERA and Commuter Benefits	\$167,443	\$111,724	\$92,640	\$117,227	\$489,033
Wisconsin Deferred Compensation	\$655,990	\$655,990	\$655,990	\$655,990	\$2,623,960
Other Administrative					
Health Data Warehouse	\$171,422	\$148,923	\$155,910	\$275,973	\$752,228
Total	\$7,199,197	\$8,064,520	\$7,673,549	\$9,146,561	\$32,083,826

¹ Information is presented on a cash rather than accrual basis, resulting in the potential for material disbursement differences between quarters based on cash transaction timing.