



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: August 1, 2011
TO: Group Insurance Board
FROM: Jon Kranz, Director
Office of Budget and Trust Finance
SUBJECT: Extension of Actuarial Services Contracts

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

This memo is to provide you with an update on the status of the actuarial services contracts in place to advise the Board and staff. The current contracts expire on September 30, 2012 unless the Employee Trust Funds Board (ETF Board) exercises the option to extend these contracts for an additional two-year period (through September 30, 2014).

The Department currently has three active contracts for the provision of actuarial services that were awarded by the ETF Board at its June 2007 meeting. All three firms have contracts that began October 1, 2007 and end on September 30, 2012, absent any extension. The current firms, program areas, and annual retainer fees for services are as follows:

Gabriel Roeder Smith and Company	Wisconsin Retirement System	\$192,700
Deloitte Consulting LLP	Health Insurance Programs	\$433,200
Deloitte Consulting LLP	Other Insurance Programs	\$108,800

Department staff has been generally satisfied with the services provided by these firms and believe that it is desirable to extend these three contracts for an additional two years. Staff intends to recommend that the ETF Board authorize Department staff to extend these contracts through September 30, 2014, subject to successful negotiations with the vendors. We anticipate the ETF Board will take action on this matter at its September 15, 2011 meeting.

All three contracts include provisions that address cost increases for any contract extension that limits price increases to the lesser of the Consumer Price Index or 3%. All firms have verbally indicated their desire to continue their relationships with the Board. No significant changes in the current contracts are anticipated.

Staff familiar with these contracts will be present at the meeting should you have any questions or concerns.

Reviewed and approved by Robert J. Conlin, Deputy Secretary.


Signature _____ Date 8/4/11

Board	Mtg Date	Item #
GIB	8.23.11	10B