



STATE OF WISCONSIN
Department of Employee Trust Funds
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Correspondence Memorandum

DATE: April 21, 2016
TO: Group Insurance Board
FROM: Deb Roemer, Director
Benefit Services Bureau
Division of Retirement Services
SUBJECT: Long-Term Disability Insurance (LTDI) Actuarial Valuation

Staff requests that the Group Insurance Board (Board) approve the Long-Term Disability Insurance Actuarial Review as of December 31, 2015.

At the May 19, 2015 Board meeting, the Board approved an increase in the contribution rate from 0.32% to 0.52% effective January 2016, and then a decrease in the contribution rate to 0.35% effective January 2017 and beyond.

ETF staff recommends that the Board's 2015 contribution rate decision remain in effect. This will result in the LTDI contribution rate declining to 0.35% in 2017. This approach is projected to eliminate the funding deficit of the LTDI program by December 31, 2019. Milliman has also prepared an alternative funding approach that would eliminate the deficit sooner and result in a lower long-term contribution rate for the Board's consideration. It is identified on page seven of the report.

A brief summary is found on page six of the report.

Staff from ETF and Milliman will be at the Board meeting to answer any questions.

Attachment A: Annual Actuarial Valuation for the Long-Term Disability Insurance Plan

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Electronically Signed 5/9/16

Board	Mtg Date	Item #
GIB	5.18.16	4B