



STATE OF WISCONSIN  
Department of Employee Trust Funds  
Robert J. Conlin  
SECRETARY

801 W Badger Road  
PO Box 7931  
Madison WI 53707-7931  
1-877-533-5020 (toll free)  
Fax (608) 267-4549  
<http://etf.wi.gov>

**CORRESPONDENCE MEMORANDUM**

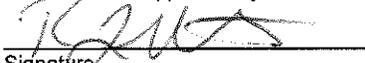
**DATE:** August 27, 2012  
**TO:** Employee Trust Funds Board  
Teachers Retirement Board  
Wisconsin Retirement Board  
**FROM:** Matt Stohr, Administrator  
Division of Retirement Services  
**SUBJECT:** Update on Implementation of 2011 Wisconsin Acts 10 and 32

**This memo is for informational purposes only. No Board action is necessary.**

Department of Employee Trust Funds (Department) staff has provided periodic updates to the Retirement Boards about 2011 Wisconsin Acts 10 and 32. The purpose of this memo is to provide a brief update on the progress the Department has made on implementation of the Acts.

Acts 10 and 32 contained major changes to the Wisconsin Retirement System (WRS). Among other things, the Acts: 1) in most cases prohibited WRS employers from paying the WRS employee required contribution; 2) eliminated the Benefit Adjustment Contribution; 3) reduced the WRS formula benefit multiplier for the elected/executive WRS employment category; 4) increased the WRS eligibility criteria; and 5) included a five-year vesting requirement. In addition, the allocation of the WRS contribution rate between the employee and employer changed in the middle of the year. Therefore, WRS employers were required to separately track WRS contributions before and after the effective date of Act 10.

As you are aware, the Department is engaged in a project to update our Information Technology (IT) and operational systems to reflect the law changes. The implementation of the law changes will require two separate projects: one project to implement the Act 10 provisions (items 1-3 listed above) and one project to implement the Act 32 provisions (items 4 and 5 listed above). Due to resource limitations, we are currently working on the Act 10 requirements and will begin work on the Act 32 requirements after Act 10 requirements are implemented.

Reviewed and approved by Robert Marchant, Deputy Secretary  
  
Signature \_\_\_\_\_ Date 8-27-12

Board	Mtg Date	Item #
Jl	09.20.12	4C

The Department has made substantial progress on the implementation of Act 10. We have also put temporary mechanisms in place to enforce Act 32 provisions until we have the resources to put permanent mechanisms in place. As of this writing, the Department has, for the most part, completed the large parts of the Act 10 project. For example, we recently reconciled the 2011 annual hours and earnings for each WRS active employee with the employee required and employer required WRS contributions, which are remitted on a monthly basis. As we discussed at the June meeting, the 2011 reconciliation process required an additional reporting step, due to the Act 10 provisions.

The remaining phases of the Act 10 project include IT changes to late reporting and mass enrollments. Late reporting is the method WRS employers use when they discover that an employee's earnings were misreported or when there is a compensation settlement between the employer and employee. The mass enrollment process is used by WRS employers to enroll many employees at one time through our online employer system, rather than submitting new employees one by one. Our target completion date for the entire Act 10 project has been moved from the end of July to the end of October. We will set a firm target completion date for the Act 32 project once we complete the next steps of the Act 10 project.

I will be available at the September meeting to answer any questions you may have. Please contact me at 608-266-1210 or [matthew.stohr@etf.wi.us](mailto:matthew.stohr@etf.wi.us) if you have questions prior to the meeting.