



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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**CORRESPONDENCE MEMORANDUM**

**DATE:** November 20, 2012  
**TO:** Employee Trust Funds Board  
**FROM:** Robert C. Willett, CPA  
Chief Trust Financial Officer  
**SUBJECT:** Gain Loss Study and Three-Year Experience Study

**Staff recommends that the Employee Trust Funds (ETF) Board accept the Gain/Loss Analysis of Experience Among Active Members During Calendar Year 2011 and the Three-Year Experience Study January 1, 2009 – December 31, 2011.**

At the September meeting, the ETF Board approved the Active Lives actuarial valuation report, including the recommended 1.5% increase in the general category contribution rate. The Gain/Loss study provides an analysis of the 2011 actuarial experience leading to this rate increase.


The Three-Year Experience Study reviews actuarial gains and losses during the three years from 2009 through 2011 and makes recommendations on changes to actuarial assumptions needed to better match current plan experience.

Actuarial assumptions are critical in measuring the value of benefits being earned and the contributions needed to fund those benefits. Some assumptions represent voluntary participant behavior, such as the age at which a member retires. Other assumptions relate to involuntary behavior, notably the age when a member dies. Economic assumptions relate to more general economic conditions, including long-term investment returns and wage inflation. All of these assumptions change over time and need to be reviewed and updated regularly to assure they continue to match plan experience.

Actuaries from Gabriel, Roeder, Smith & Company will be at the Board meeting to present these reports and answer your questions.

Attach: Gain/Loss Analysis of Experience among Active Members during Calendar Year 2011  
Three-Year Experience Study January 1, 2009 – December 31, 2011

Board	Mtg Date	Item #
Jl	12.6.12	3B
ETF	12.6.12	4A & 4B

Reviewed and approved by Robert J. Marchant, Deputy Secretary  
  
Signature \_\_\_\_\_ Date 11/21/12