



Additional Contributions



Wisconsin Retirement System

<http://etf.wi.gov>

The 6 Pillars Supporting Your Path To Financial Readiness

- 1) WRS retirement benefit
- 2) Social Security
- 3) WRS employer tax-deferred accounts
- 4) IRAs, other tax-deferred savings
- 5) Post-retirement employment
- 6) And...



Additional Contributions

- Voluntary, after-tax additional contributions to supplement retirement benefits
- Payroll deduction* or direct contribution
- Core only or Core & Variable
- Can leave on deposit until age 70 ½
 - Taxes paid only on interest

*Participation varies by employer



Core Fund Additional Contributions Example 1

- ❖ \$10 every two weeks
- ❖ \$260 total contribution for each CY
- ❖ Assume 5% interest each year since 01/1982
- ❖ = \$8,320 in contributions (non-taxable)
- ❖ = \$11,317 in interest (taxable)
- ❖ = \$19,637

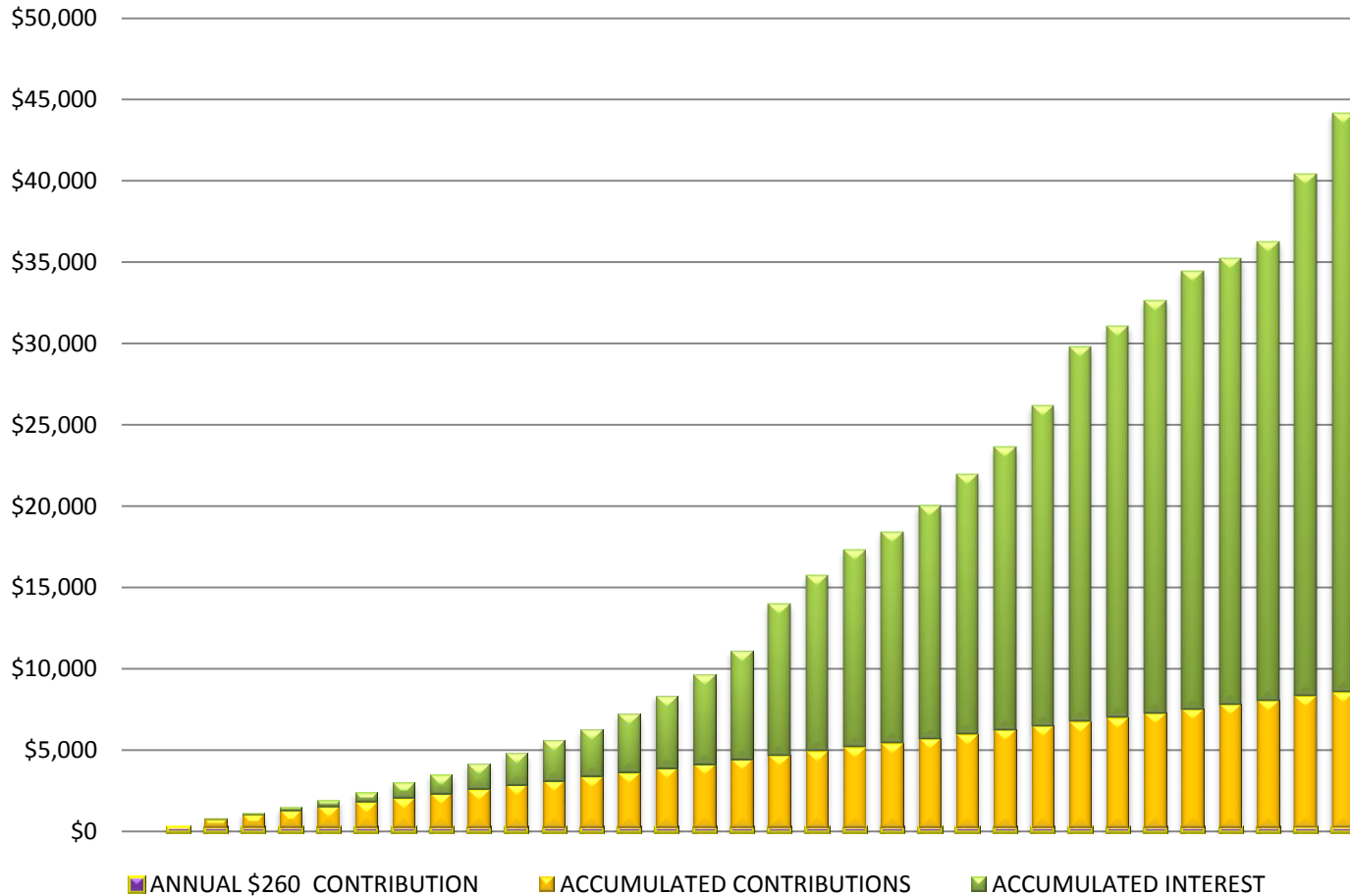


Now let's look at those same contributions using the actual effective rates of return from January 1, 1982 through December 31, 2014



Additional Contributions

***Actual Core Fund Returns January 1, 1982 – December 31, 2014**
Balance \$43,908 Taxable \$35,588 Non-Taxable \$8,320



■ ANNUAL \$260 CONTRIBUTION ■ ACCUMULATED CONTRIBUTIONS ■ ACCUMULATED INTEREST

The Department of Employee Trust Funds has made every effort to ensure that this webinar is current and accurate. However, changes in the law or processes since the last revision to this webinar may mean that some details are not current. Please contact ETF if you have any questions about a particular topic in this webinar.

Using the contribution amount of \$10 every two weeks, let's compare that assumed 5% return to the effective rates of return since 1982.

The effective rates of return outperformed the assumed 5% returns by \$24,271.

Core Fund Additional Contributions Example 2

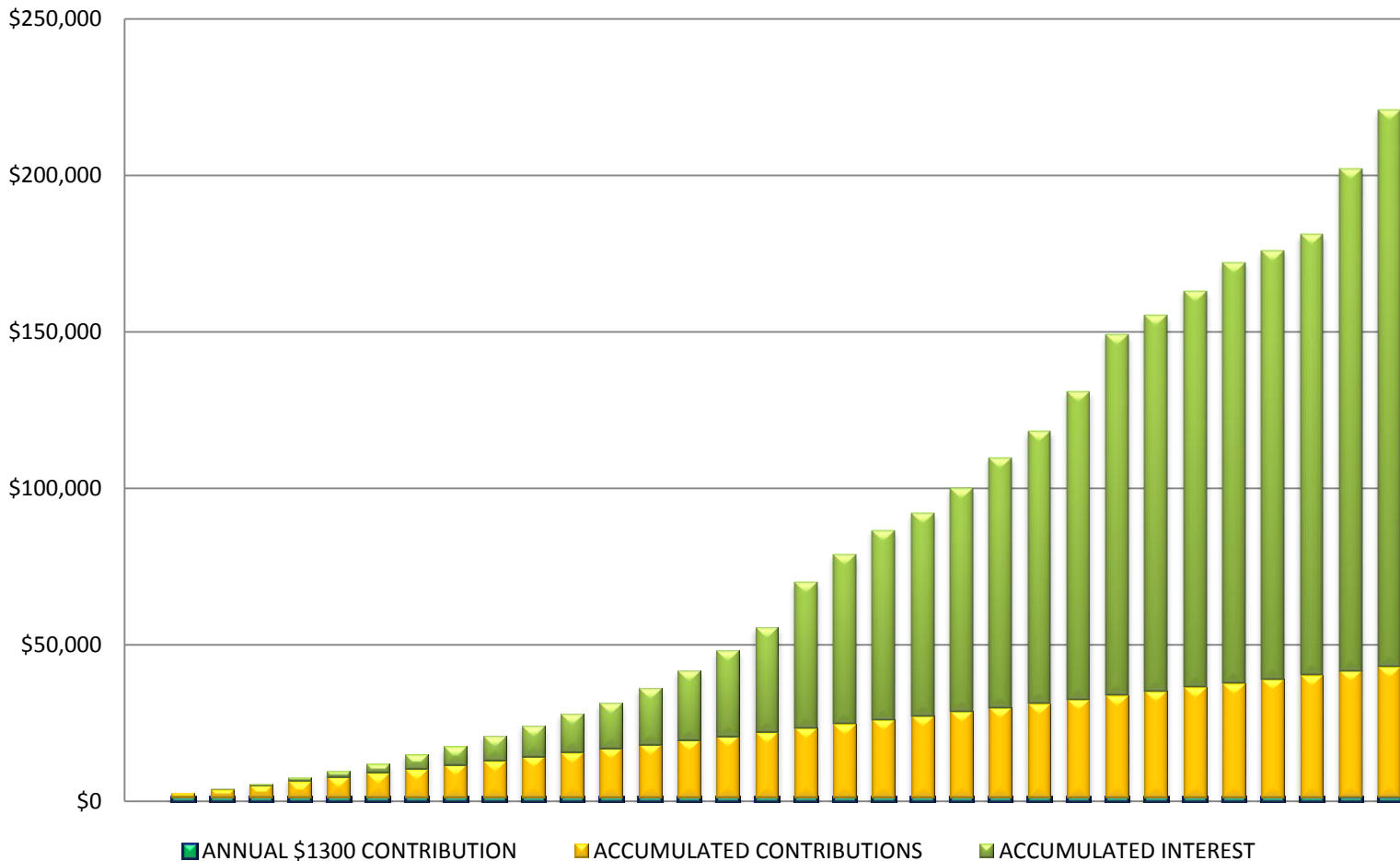
- ❖ \$50 every two weeks
- ❖ \$1,300 total contribution for each CY
- ❖ Assume 5% interest each year since 01/1982
- ❖ = \$41,600 in contributions (non-taxable)
- ❖ = \$56,583 in interest (taxable)
- ❖ = \$98,183



Now let's look at those same contributions using the actual effective rates of return from January 1, 1982 through December 31, 2014

Additional Contributions

***Actual Core Fund Returns January 1, 1982 – December 31, 2014**
Balance \$219,541 Taxable \$177,941 Non-Taxable \$41,000



Using the contribution amount of \$50 every two weeks, let's compare that assumed 5% return to the effective rates of return since 1982.

The effective rates of return outperformed the assumed 5% returns by \$121,358.

ETF's "Outreach" staff are now making regular visits statewide:

❖ Daytime group appointments:


- Retirement packet required
- Appointment required

❖ Evening general info public presentations

❖ New and current employee presentations



Online Resources Available at: etf.wi.gov

- ❖ News, press releases, reference materials, brochures, forms, benefit calculators, ETF E-mail Updates 
- ❖ Questions can be emailed to ETF
- ❖ Video Library





The End