



# Choosing When to Retire

A Getting Ready for Retirement topic

# Objectives

## **By the end of this presentation, you will be able to:**

- Define Wisconsin Retirement System termination date and WRS benefit effective date
- Research and prepare to choose a benefit effective date
- Choose a benefit effective date to receive your best benefit
- Find resources to help you choose a benefit effective date



# Definitions

# Defining the Types of Dates

## Termination Date



The last day a member can say that they are an employee of the WRS employer

## Benefit Effective Date



The date your benefit is effective for calculation purposes, generally the day after the Termination Date

A man in a dark suit and light blue striped shirt is shown in profile, looking down and to the left. He has a thoughtful expression. The background is a bright, out-of-focus indoor setting with a window and some greenery.

# Important Factors to Consider

Before Choosing a Termination Date

# Health Insurance

## Local Employee



Contact your employer

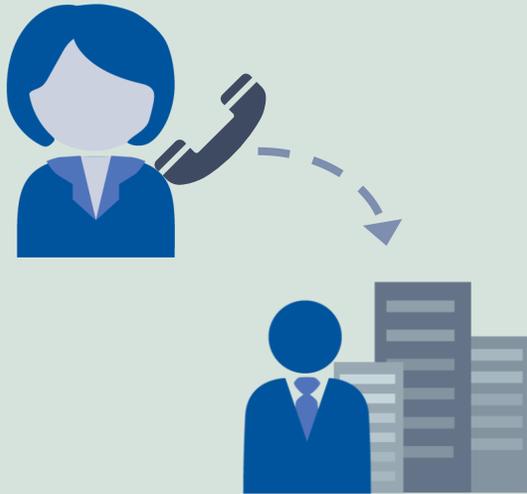
## State Employee



Ends the month you terminate employment

# Life Insurance

## Local Employer Life Insurance



Contact your employer

## Group Life Insurance Program



Continues

Automatically continues and is deducted from your annuity



Deducted

# Accumulated Leave

Lump sum  
payment



Vacation



Payroll



State employees/retirees please see our website resources regarding Accumulated Sick Leave

# Retirement Ages

## Minimum Retirement Age (MRA)



↑ Age reduction

Earliest age you can begin receiving a benefit

## Normal Retirement Age (NRA)



Age you can begin receiving a benefit with NO age reduction factor

# Employment Categories

**General Employees and Teachers**



<b>Minimum Retirement Age (MRA)</b>	<b>55</b>
<b>Normal Retirement Age (NRA)</b>	<b>65</b>

**Executive/Elected Official/Judge**



**MRA 55**

← **Jan. 1, 2017** →

	<b>Before</b>	<b>After</b>
<b>NRA</b>	<b>62</b>	<b>65</b>

**Protective Occupation Employees**



**MRA 50**

<b>Normal Retirement Age (NRA)</b>	<b>54</b>
<b>25 Years of Creditable Service</b>	<b>53</b>



# WRS Retirement Benefit Calculations

Which Calculation Will Determine My WRS Retirement Benefit?

# Calculating Your Benefit

What calculation is being used for you?

## Formula

- Years of service
- 3 highest years of earnings
- Category
- Age

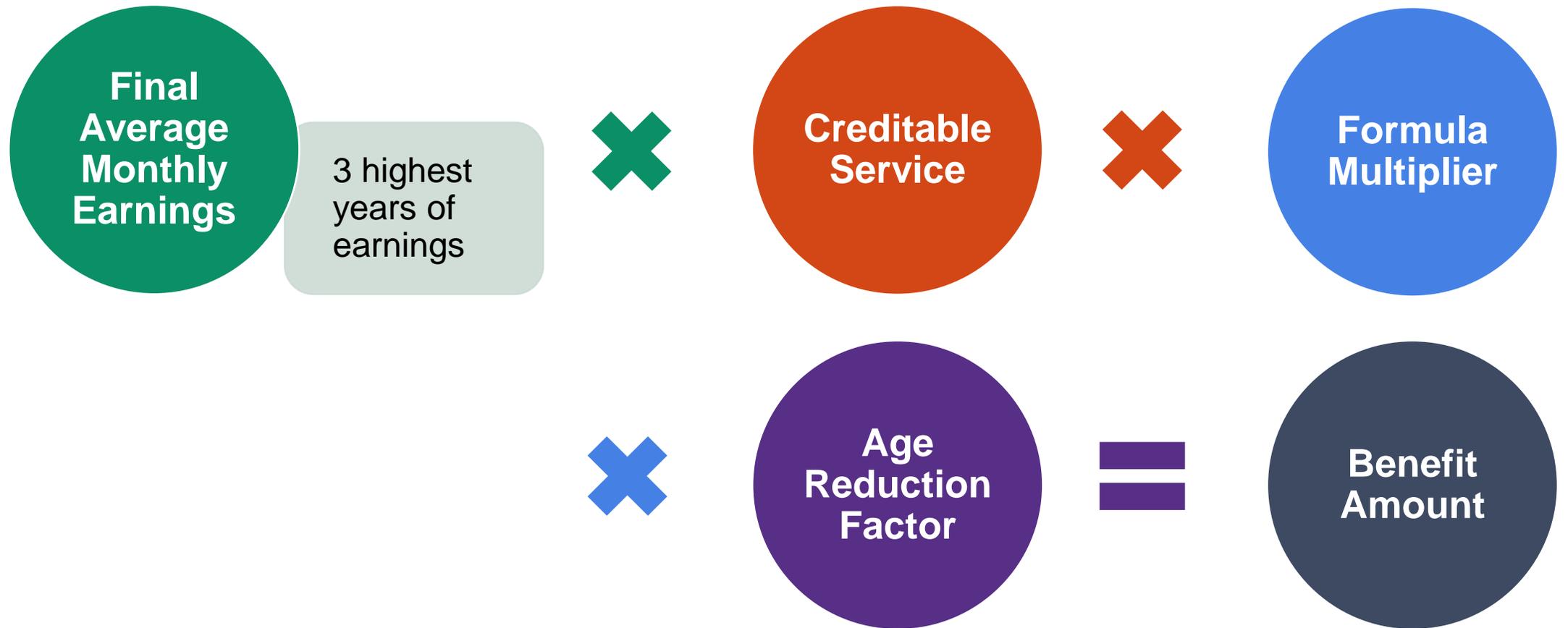
vs.

## Money Purchase

- Account balance
- Age

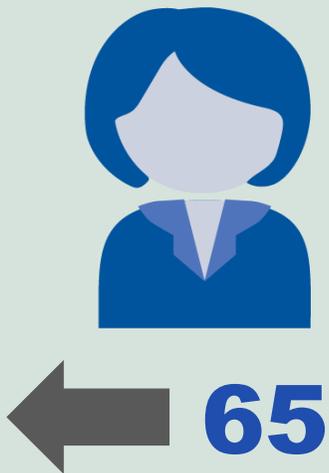
You get paid  
the higher of  
the 2

# Formula Calculation

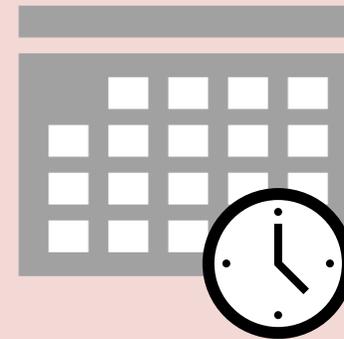


# Age Reduction Factors

Retire Before  
Normal Retirement Age



Reported Years of Service  
and Service Hours



# No Age Reduction

## Normal Retirement Age



**65+**

## Age & WRS Service



**57+**

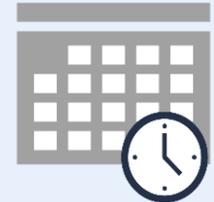


**30+**

## Protective Service Category



**53+**



**25+**

# Money Purchase Calculation





# December vs January

For Money Purchase calculations ONLY

# December vs. January

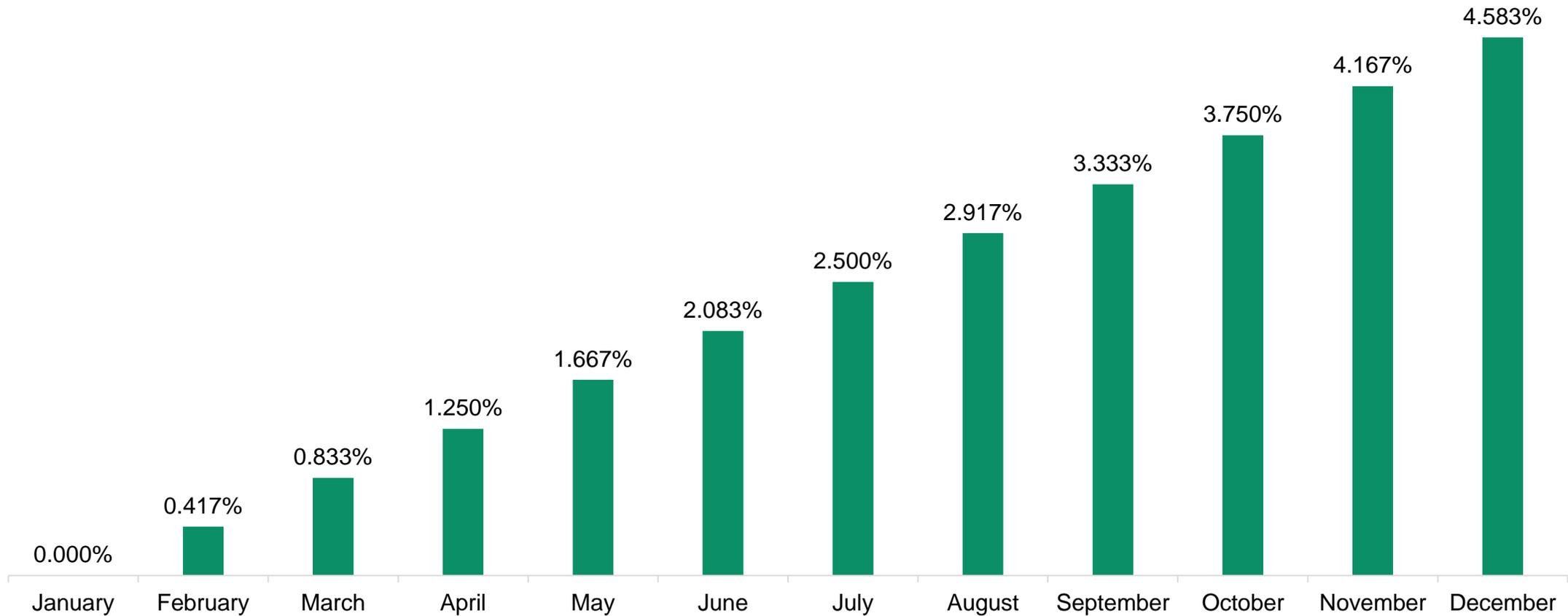
**Prorated Interest**



**Effective Rate of Interest**



# Prorated Interest Credited



# Effective Rate Interest Applied

## Jan. 1

### Effective Rate of Interest applied



### WRS Performance

Information about the Core and Variable Fund, performance, rates, returns and adjustments

#### Latest Investment Performance

Monitor the latest investment performance and value of the Core Trust Fund and Variable Trust Fund.

#### Annual Returns, Rates and Adjustments

Tables showing investment performance of the WRS trust funds and the impact on WRS members since 1986.

# December 31 Strategy

## Benefit Effective Date



## Prorated interest applied



# January 1 Strategy

## Benefit Effective Date



## Effective Rate of Interest applied



## Change Benefit Effective Date

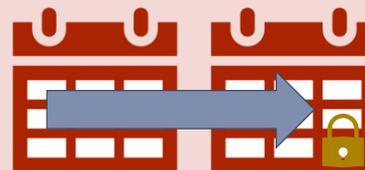


**60 days**

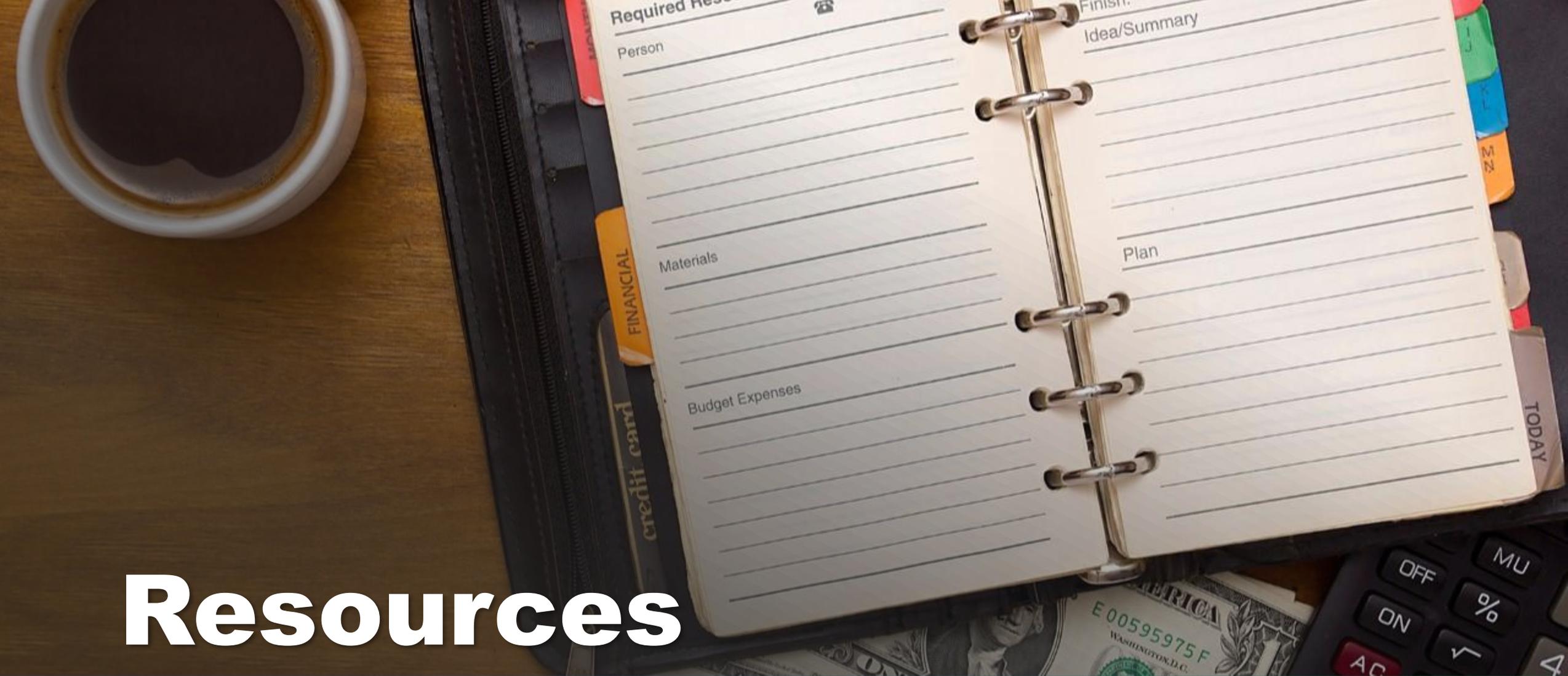


Request must be made in writing

## Benefit Effective Date locked in



**After 60 days**



# Resources

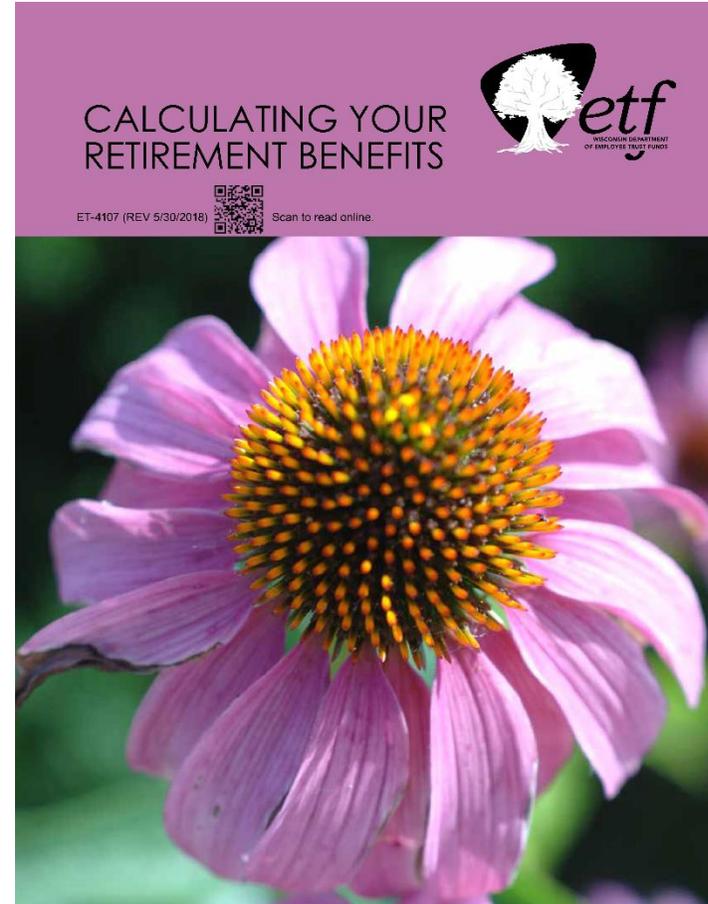
# Calculating Your Retirement Benefits (ET-4107) Brochure

Detailed information about the retirement calculation methods

Calculate your formula or money purchase benefit

Tables to find calculation factors

Annuity payment options info



# Annual Returns, Rates and Adjustments Page

Rate of return

Effective rate of interest

Annuity adjustment

Yearly list of each since 1986

The table below shows investment performance of the WRS trust funds and the impact on WRS members since 1986.

- Preliminary, year-to-date returns are communicated monthly and yearly via our web site, social media and member newsletters.
- Effective rates are applied to your WRS account balances and appear on your annual WRS Statement of Benefits. ETF distributes these statements in April.
- Investment returns also affect annual adjustments to WRS retirees' monthly pensions. ETF notifies retirees about benefit payment changes in April.

**Key Actions**  
[Search for rates by year.](#)

**WRS Performance** >  
Latest Investment Performance

# Applying for Retirement Page

Request an official estimate of benefits

Choose an annuity payment option

Use the retirement checklist

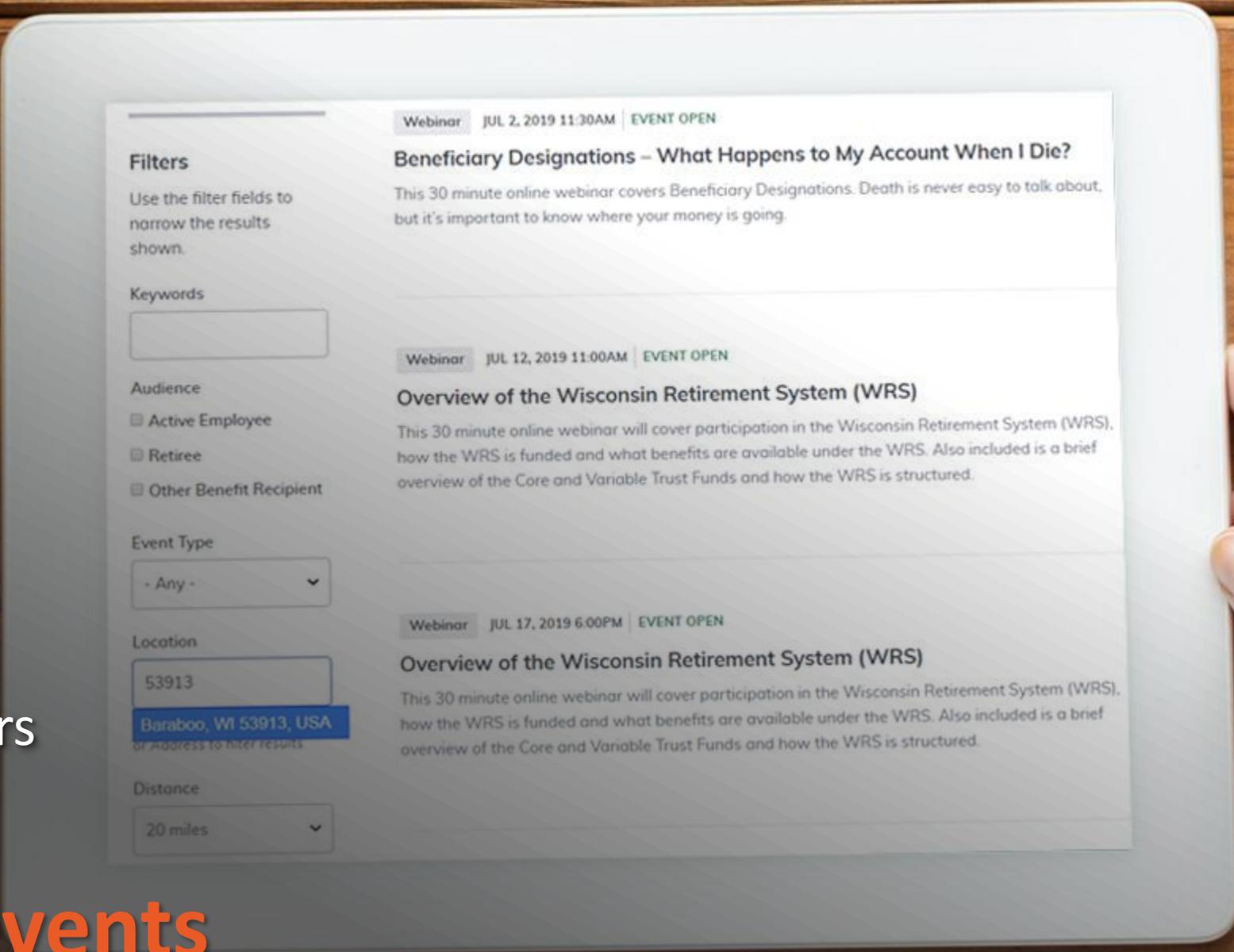
Info on annuity payments and adjustments



Deciding to retire may be the hardest part of the entire process. ETF can help you master the next steps so that you make decisions that are right for you.

Find more webinars  
and events

[etf.wi.gov/events](https://etf.wi.gov/events)



# Stay Connected



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