Overview of the Wisconsin Retirement System

A Wisconsin Retirement System topic
Objectives

• By the end of this presentation, you will be able to:
  • Identify and explain the elements of the Wisconsin Retirement System
  • Explain how the WRS pension works
  • Identify benefits available through the WRS
  • Find resources for more information
Introduction to WRS

The Wisconsin Retirement System
Wisconsin Retirement System

• Established 1982
• Merger of several smaller plans
Wisconsin Retirement System

Manages and Invests WRS Assets
Mission: to be a trusted and skilled global investment organization contributing to strong financial futures for the beneficiaries of the funds entrusted to us

Administers Benefits for WRS Members
Mission: to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the trust
What is SWIB?

- Core Trust Fund
- Variable Trust Fund

Investment management decisions for the benefit of WRS members

Investment Return

Dec. 31 $
SWIB Asset Targets

Core Fund
- Stocks
- Fixed Income
- Inflation Protection
- Real Estate
- Private Equity
- Multi-Asset

Variable Fund
- Domestic Equities
- International Equities
Core and Variable Funds

Core Fund

- Automatic enrollment for all employees
- Diversified portfolio
  - Guaranteed minimum annuity payment
  - 5-year smoothing

Core + Variable Fund

- Optional 50% of contribution
- All-stock portfolio
  - No guaranteed minimum annuity payment
  - No smoothing
Effective Rate of Interest

Interest received based on investment performance

Credited to your WRS account balance each year
WRS Trust Funds & Benefits

- Employee Contributions + Additional Contributions
- Employer Contributions
- Earned Interest
- Retirement
- Separation
- Disability
- Death
ETF Administers

- WRS Retirement Benefits
- Disability Benefits
- Health Insurance
- Dental Insurance
- Life Insurance
- Income Continuation Insurance
- Employee Reimbursement Accounts Program
- Supplemental Benefits
- Accumulated Sick Leave Credit Program
- Wisconsin Deferred Compensation Program
The WRS Retirement Benefit

How the WRS Pension Works
The WRS is a hybrid defined benefit plan:

- Defined contribution plan
  - Employee contribution
  - Employer contribution

- Defined benefit plan
  - Formula or Money Purchase calculation
Benefit Calculations

We compare two calculations:

Money Purchase
- Account balance
- Age

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

Members get paid the higher of the 2
## WRS Participation Requirements

### Required hours to earn 1.0 year of service credit.

- **Teachers** – 1320
- **All others** – 1904

<table>
<thead>
<tr>
<th>WRS Participation Requirements</th>
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<tbody>
<tr>
<td>Initially employed on or after 7/1/2011</td>
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<tr>
<td>Must be expected to work</td>
</tr>
<tr>
<td>• At least 2/3 of full time</td>
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<tr>
<td>• For at least one year</td>
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<tr>
<td>880 hours</td>
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<tr>
<td>Teachers and non-teaching employees of school districts</td>
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<tr>
<td>1200 hours</td>
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<tr>
<td>All others</td>
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Contributions

Salary

Contribution

Employee Contribution

+ interest

WRS Retirement Benefit

Employer Contribution
Retirement Eligibility – Must Have All 3

- Met minimum retirement age (50/55)
- Terminated ALL WRS employment
- Vested in WRS
Vested in the WRS

- **Vested**: 100% Employer match of your contributions.
- **Not Vested**: 50% Employer match of your contributions.

**+55**
Begin Retirement Benefit

**Protective Service Members begin**

Enrolled before July 1, 2011 or 5 years of creditable service

**+50**
Separation benefit
How Your Benefit is Paid

• Paid in annuity (monthly payment) or lump sum:

  - An annuity is paid for your lifetime, no matter what
    - You decide if it extends beyond your lifetime
WRS Statement of Benefits

- WRS retirement account summary
- Sent each year in mid-April
- Keep for your records
WRS Benefits
Separation Benefit

- Terminate Early
- Separation Benefit
- Benefits Lost
- Taxed
Death Benefits

Active Member

- Your contributions
- Employer Match
- + interest

- 100%

Other Members

- Your contributions
- Employer Match
- + interest

- 50%
Beneficiaries

No Form
Statutory Standard Sequence

- Surviving spouse or domestic partner
- Children (biological or legally adopted)
- Grandchildren
- Parent(s)
- Brother(s) and sister(s)

Designate a Beneficiary

WRS Retirement Benefit

Designation Form
Disability Benefits

- WRS Disability Retirement
- Duty Disability

**Please Contact ETF:**
- 7:00 a.m. to 5:00 p.m. (CST), Monday-Friday
- Call [1-877-533-5020](tel:1-877-533-5020)
- Wisconsin Relay: [711](tel:711)
Resources
WRS Performance Page

Latest Investment Performance

Annual Returns, Rates and Adjustments

Trust Funds information

Links to pages
Designate a Beneficiary Page

Detailed information

Beneficiary designation forms

Instructions for the forms

Links to resources

Designate a Beneficiary

A beneficiary is a person(s) or entity you name to receive benefits upon your death.

You may name:
- An individual (or multiple individuals)
- An entity (such as a charity, business, religious organization, funeral home, etc.)
- A Trust
- Your Estate

Make sure ETF knows who you want to receive your WRS assets upon your death by keeping your beneficiary designation up-to-date. Benefits are always paid based on the most recent and valid beneficiary designation received at ETF before your death. Benefits will not be paid according to your Last Will and Testament.

If you do not have a designation on file, benefits will be paid in the order of "Statutory Standard Sequence" (a Wisconsin State law)
Learn at your leisure from the comfort of your home:

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