



# Preparing for Your Retirement

Information for WRS Members 5 or Less Years from Retirement

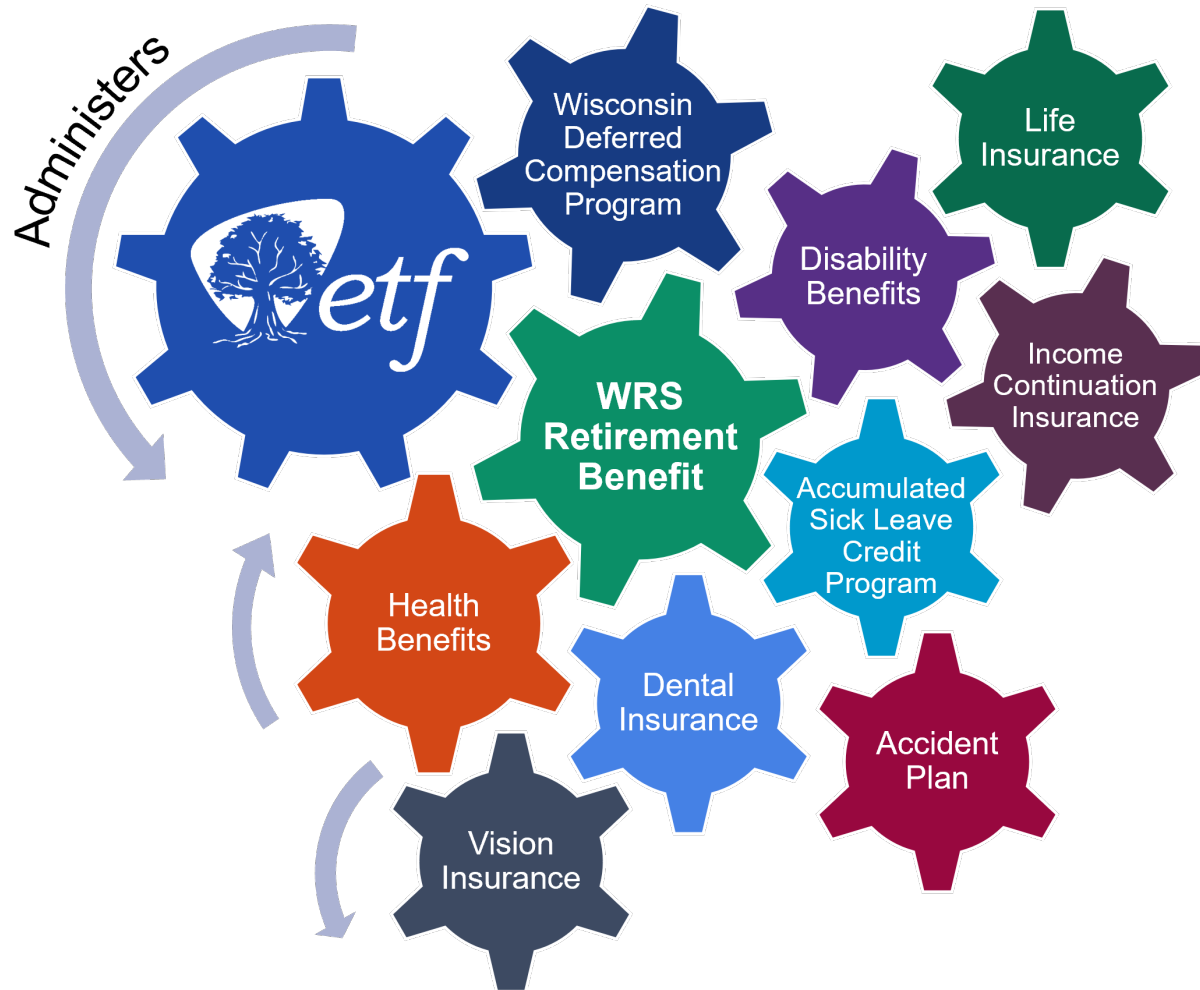


# Objectives

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

- Explain how the WRS retirement benefit works
- Recognize eligibility and prepare to apply for benefits
- Identify the different types of annuity options
- Prepare for health and life insurance changes in retirement
- Find additional resources

# Who are We?



# Meet Sally

We will explore key questions with Sally as she nears retirement







# How the WRS Retirement Benefit works

| Pre-Retirement | Applying | Retired |

# Saving Money for Retirement

Pre-tax contribution



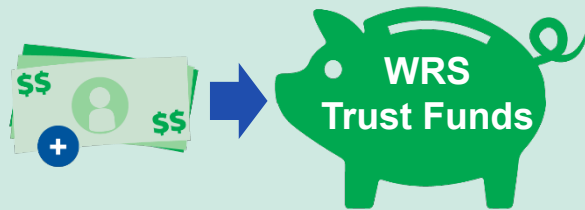
**Employer  
Contribution  
Amount**

**Determined by  
your employment  
category**  
(General, Executive  
and Elected  
Officials, Protective  
Occupation)

# Additional Contributions



## Post-Tax Dollars



50% will go in the Variable Fund, if you participate

## Interest Earned



Based on investment performance

## Leave until Required Minimum Distribution



Earns interest

# Buying Service

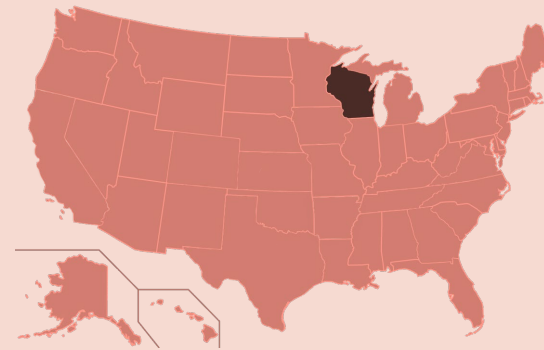


## Forfeited Service



Separation Benefit

## Other Governmental Service



Work done for another  
public employer outside  
State of Wisconsin



# How Your Contributions are Invested



## Core Fund

- Automatic enrollment for all employees
- Diversified portfolio
  - Guaranteed base payment when retired
  - 5-year smoothing

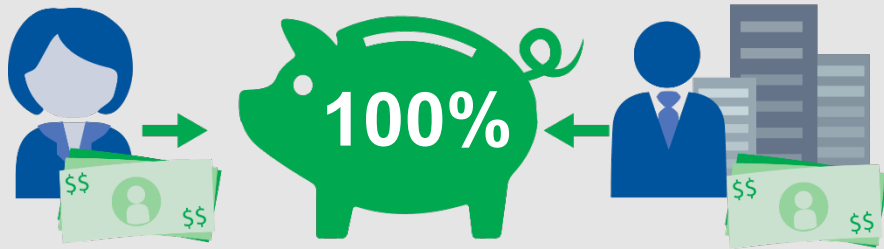


## Core + Variable Fund

- Optional 50% of contribution
- All stock portfolio
  - No guaranteed base payment. Annuity could drop below what you started with
  - No smoothing
- You can cancel and be in Core only

# Survivor Benefits

## Active Employees

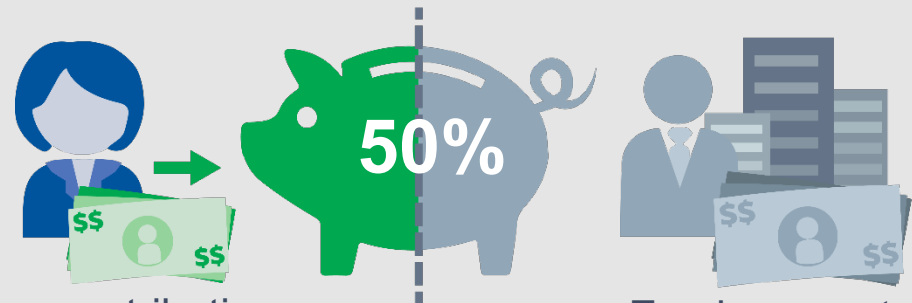


Your contributions

Employer match

**+ interest**

## Inactive Employees



Your contributions

Employer match

**+ interest**

on your contributions only

# Who ETF Pays...



- **Not** paid according to your will
- Paid according to most recent **beneficiary designation**
- Send designation forms **to ETF** (not your employer)
  - No form on file: ETF follows Standard Sequence

Wisconsin Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931  
etf.wi.gov  
1-877-533-5020 (toll free)

**Do not submit to your employer**

**Beneficiary Designation**  
Wis. Stat. § 40.02 (8) (a) and 40.74

**Complete if applicable**

Beneficiary of:

Alternate Payee of:

**Refer to instructions on reverse**

Type or print in ink

Your name First Middle I. Last			Former/maiden		Your Social Security number	
Your address (Street number and street name)					Your birth date (MM/DD/YYYY)	
City State ZIP Code					Your weekday telephone number (Include area code)	

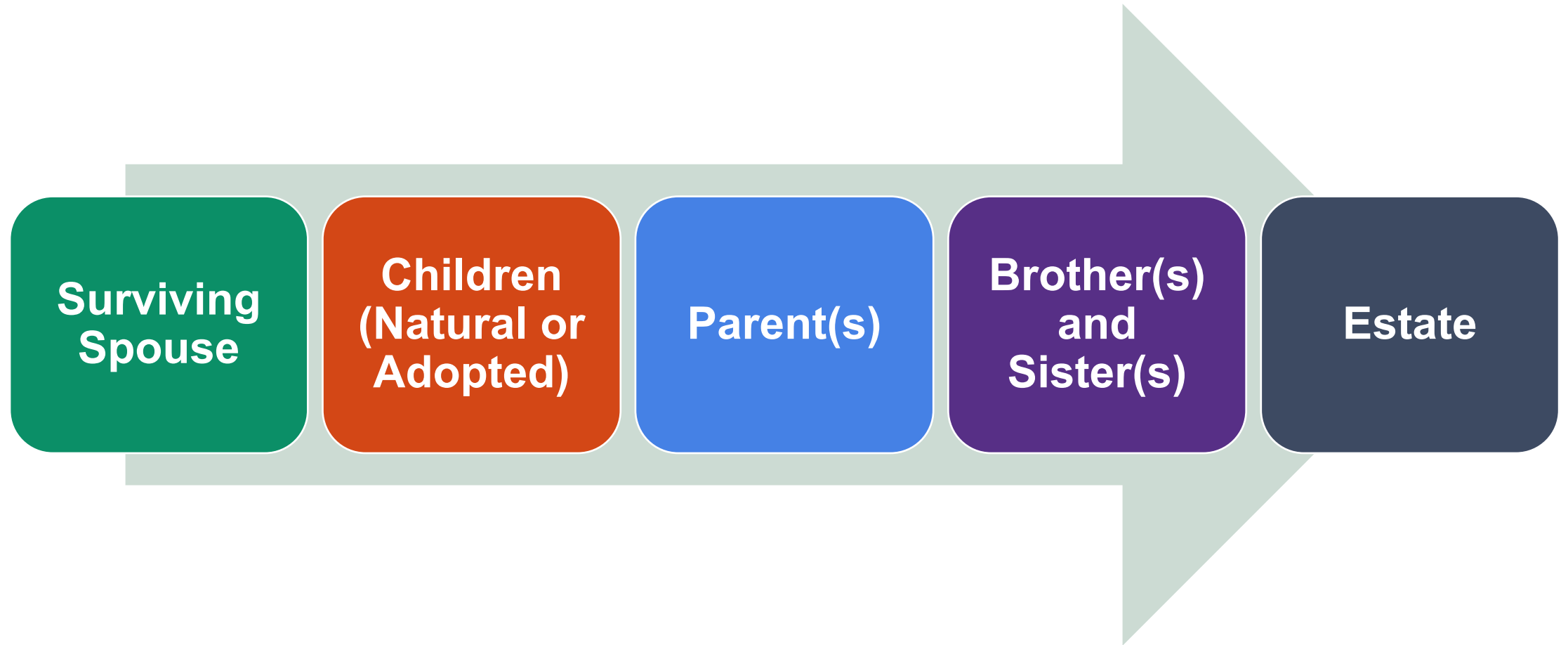
Any benefits payable by the Wisconsin Retirement System and Life Insurance program at my death shall be paid in EQUAL SHARES, unless otherwise specified, to the following primary beneficiary(ies) who survive me.

PRIMARY	Name (First, Middle I., Last)	Relationship	Birth date (MM/DD/YYYY)	SSN	Address (street, city, state, ZIP code)

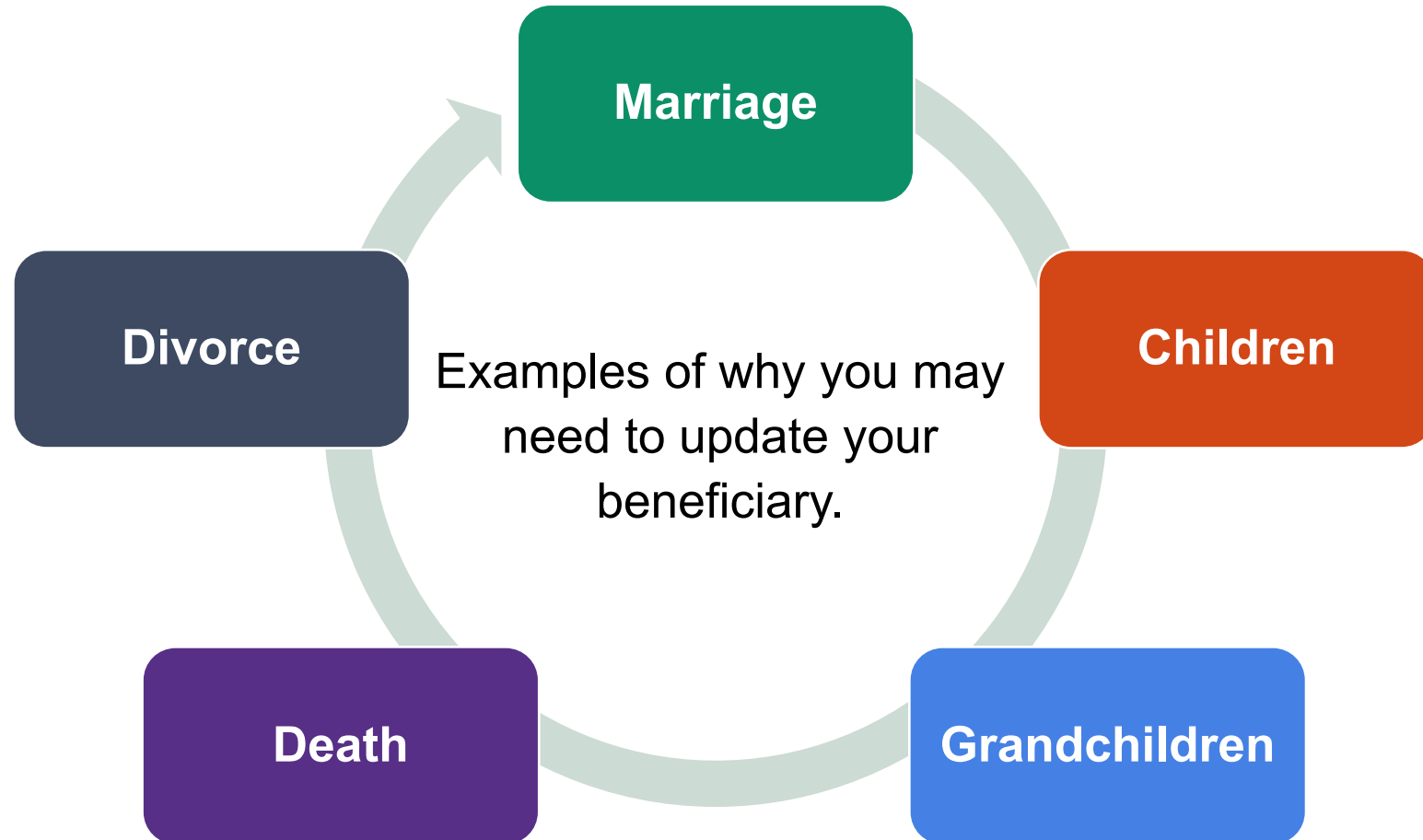
**1-877-533-5020**

Print from our website:  
**[etf.wi.gov/publications](http://etf.wi.gov/publications)**

# Standard Sequence



# Update Your Beneficiaries!







# Eligibility, Benefits, and Application Process

| Pre-Retirement | **Applying** | Retired |

# Eligibility – Must Have All 3



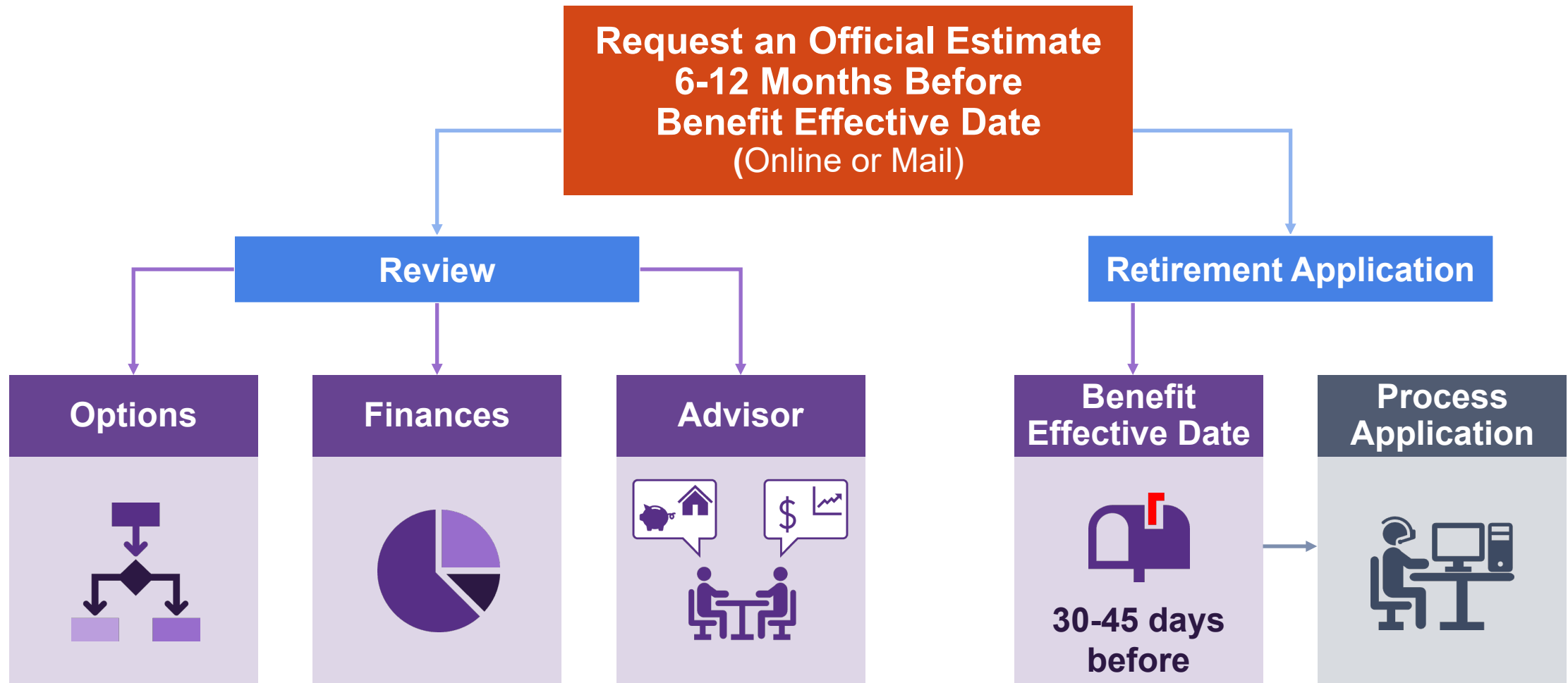
**Met minimum  
retirement age  
(50/55)**



**Vested in  
WRS**

**Terminated ALL  
WRS employment**

# Request an Official Estimate

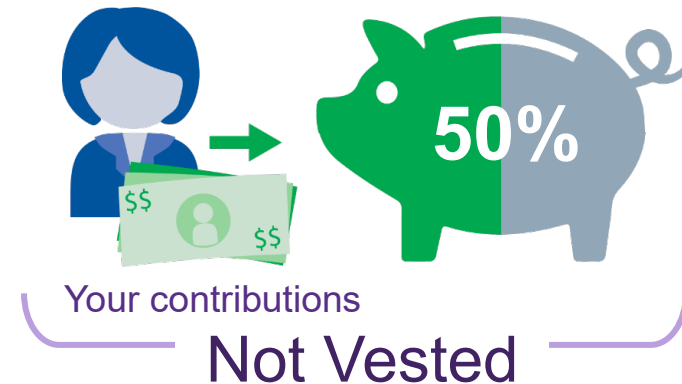
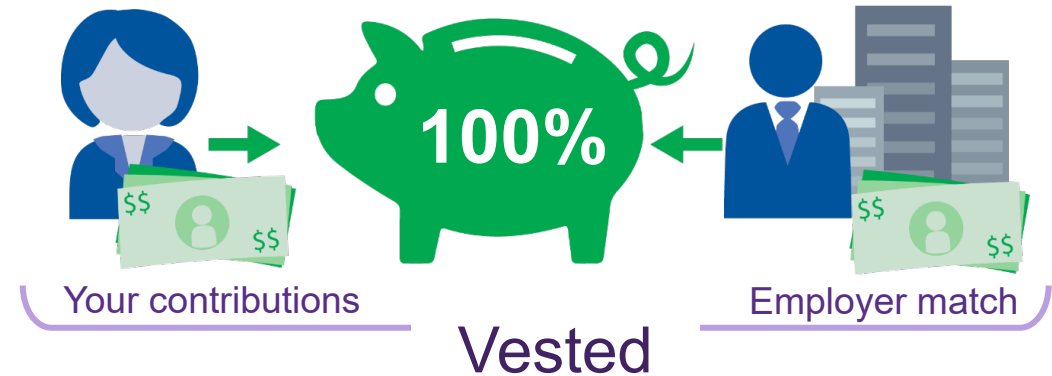


# Vested in the WRS

You receive your employer's matching contributions at retirement

You are vested if:

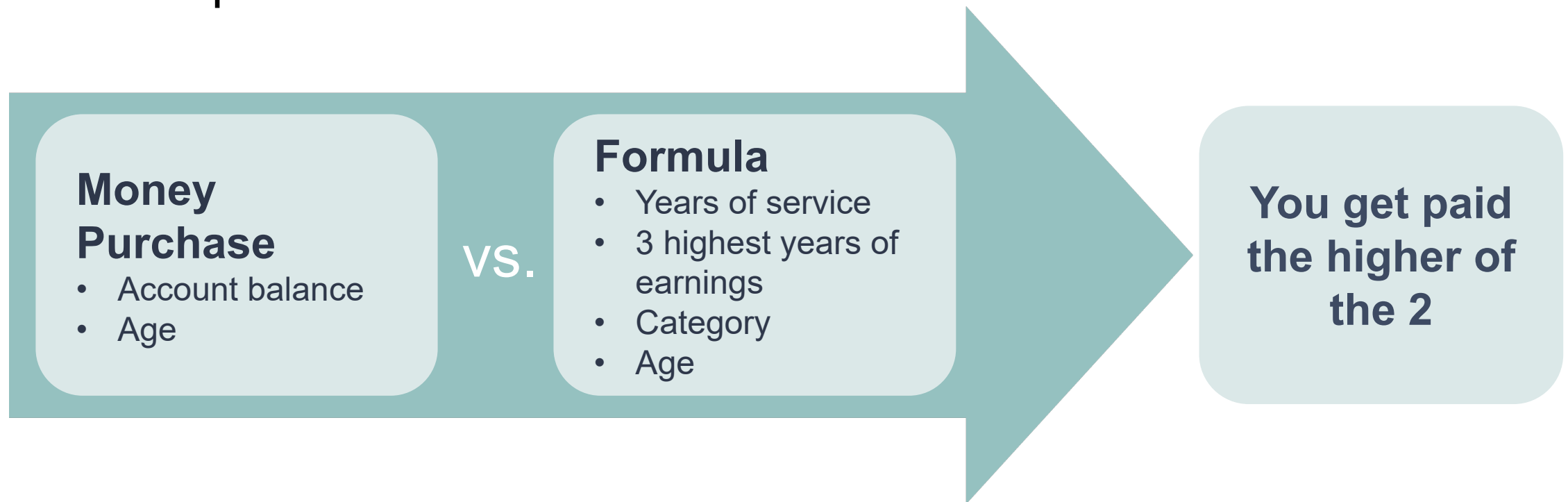
- You enrolled in the WRS before July 1, 2011 **or**
- You accrued 5 years of creditable service



# Calculating Your Benefit



We compare two calculations:



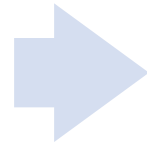


# Applying for Retirement



**1** Call or go online for estimate/application packet.

6-12 months prior to termination



**2** Review and contact ETF with questions or to schedule an appointment.

Individual, Group, Online



**3** Submit application.

No earlier than 90 days prior to the effective date



Annuity Options

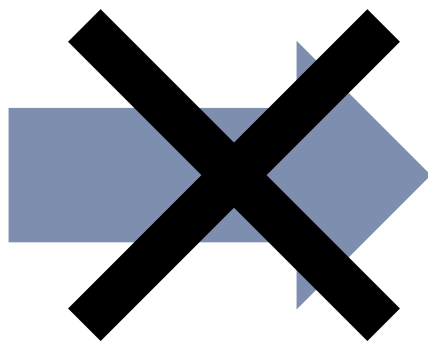
# Life Annuity Options

Receive a WRS Annuity Payment for Life

# Annuitant's Life Only



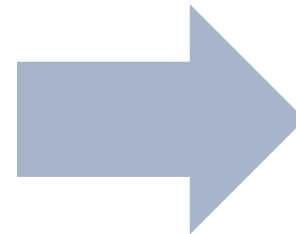
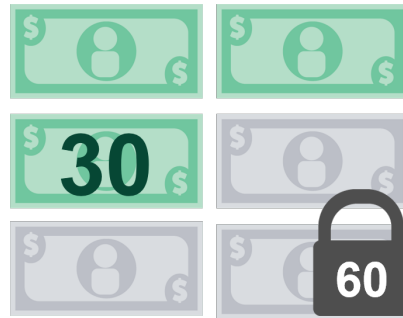
\$1,505/month



# Life with 60 Payments Guaranteed



\$1,500/month



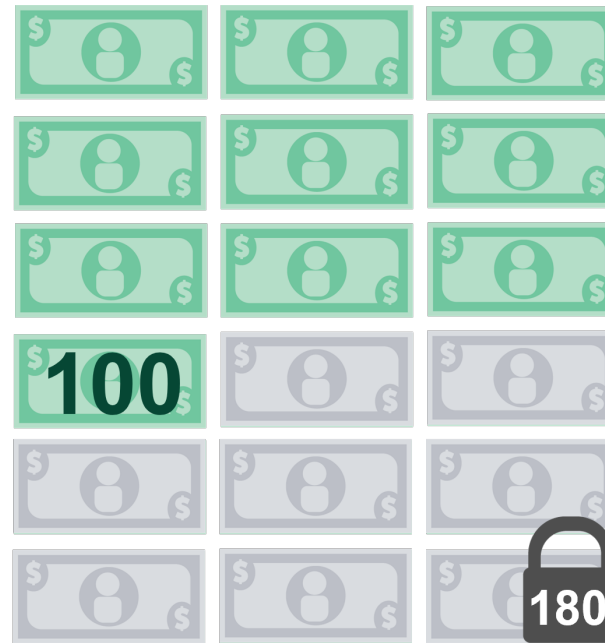
Payments ALWAYS last  
for your lifetime



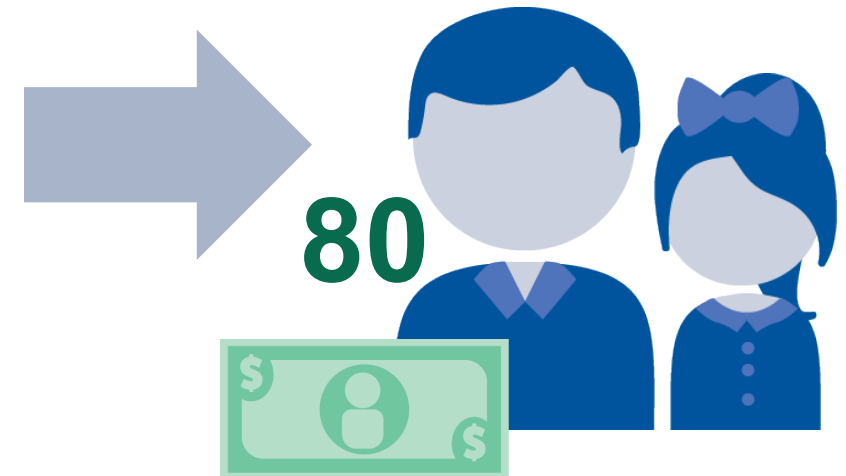
# Life with 180 Payments Guaranteed



\$1,465/month



Payments ALWAYS last  
for your lifetime







Annuity Options

# Joint and Survivor Annuity Options

# 75% Continued to Named Survivor

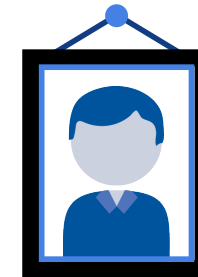


75%



Survivor receives  
75% of payment  
upon your death

**\$1,392/month**



Survivor dies in  
first 5 years,  
you receive “For  
Annuitant’s Life  
Only” amount

**\$1,505/month**



Survivor dies  
before you,  
payments stop  
upon your death

**~~\$1,392/month~~**



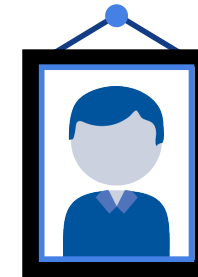
Non-spouse  
survivor may not  
be 19+ years  
younger than you

# 100% Continued to Named Survivor



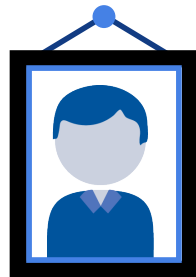
Survivor receives  
same payment  
upon your death

**\$1,357**/month



Survivor dies in  
first 5 years,  
you receive “For  
Annuitant’s Life  
Only” amount

**\$1,505**/month



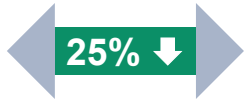
Survivor dies  
before you,  
payments stop  
upon your death

**\$1,357**/month



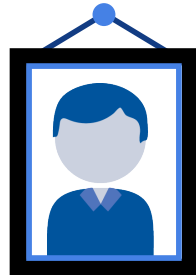
Non-spouse  
survivor may not  
be 10+ years  
younger than you

# Reduced 25% on Death of Annuitant or Named Survivor



When you or your named survivor dies, the benefit will reduce by 25%

**\$1,431**/month



Survivor dies before you, payments stop upon your death

**\$1,431**/month

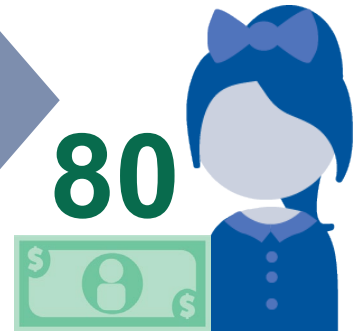
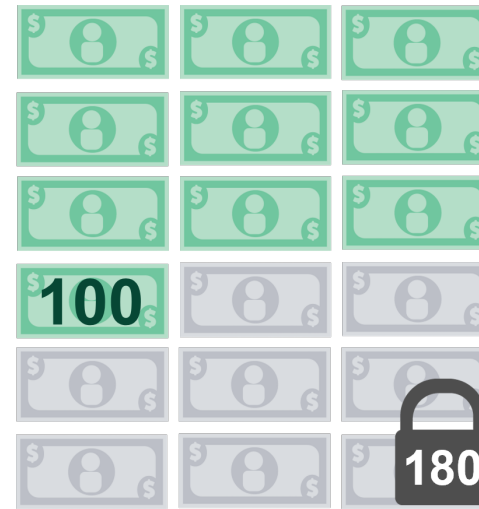
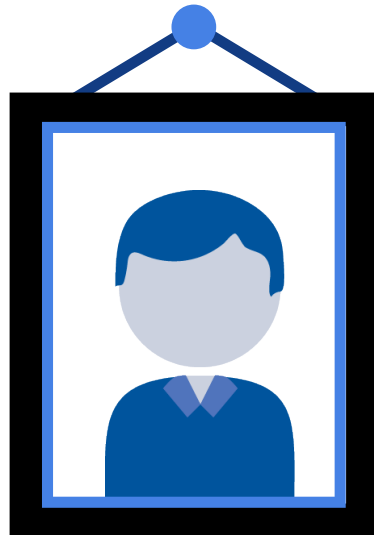
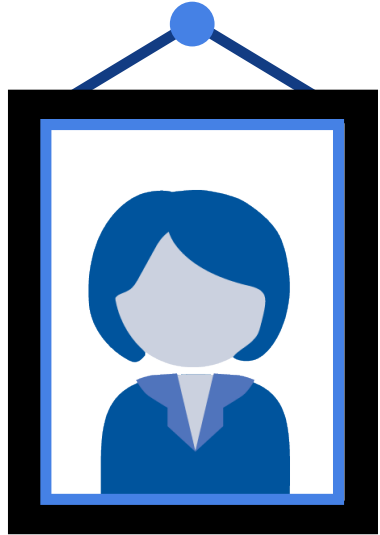


Non-spouse survivor may not be 19+ years younger than you

# 100% Continued to Named Survivor with 180 Payments Guaranteed

\$1,356/month

Non-spouse survivor cannot be 10+ years younger than you





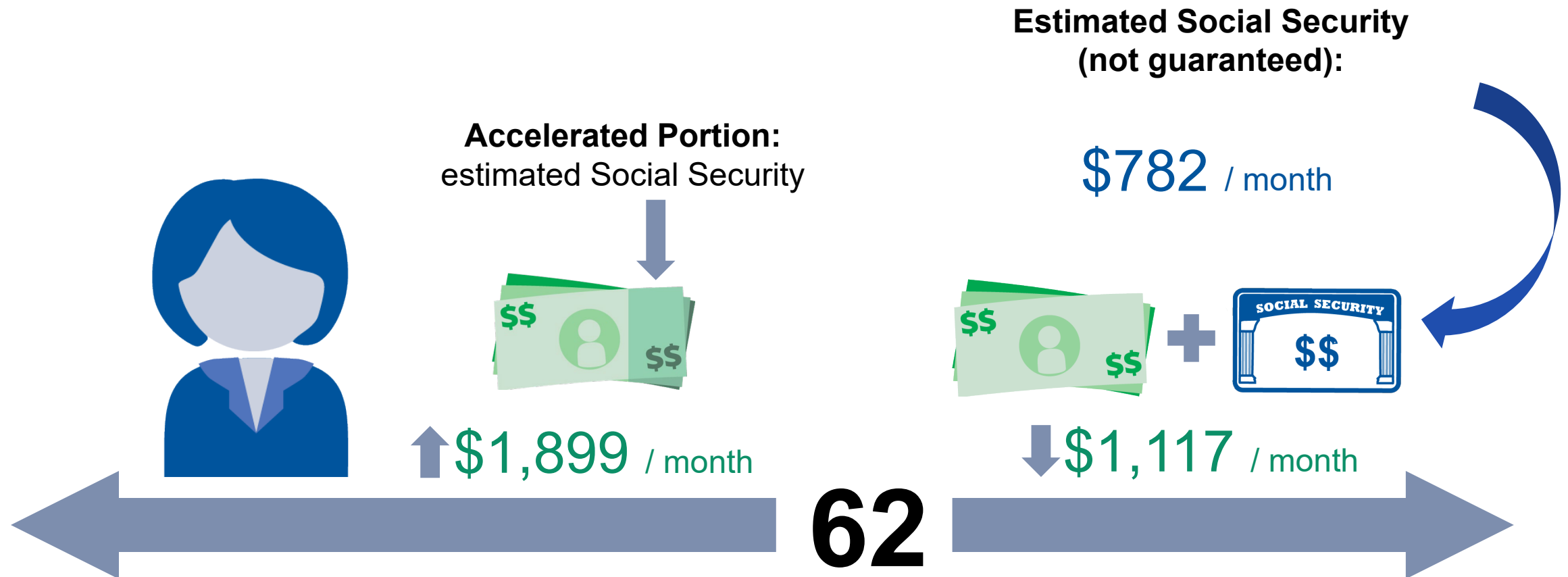


Annuity Options

# Accelerated Payment Options

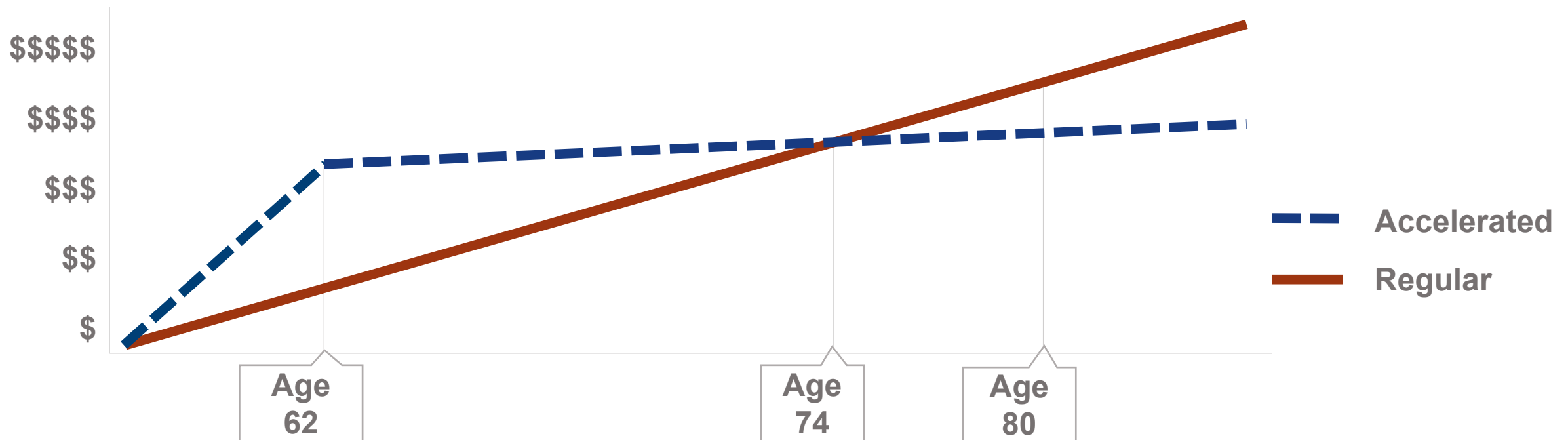
## Retiring Before 62?

# How Accelerated Payments Work



# Accelerated Payments

**Total Dollars Paid Over the Life of a WRS Member**



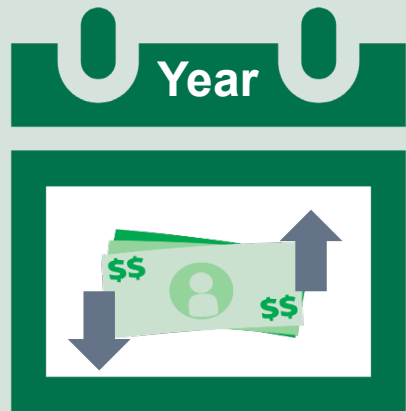
A photograph of a man and a woman kayaking on a body of water. The woman in the foreground is smiling and wearing a pink jacket and glasses. The man in the background is also smiling and wearing a dark jacket. The sun is setting in the background, creating a warm, orange glow.

# Living in Retirement

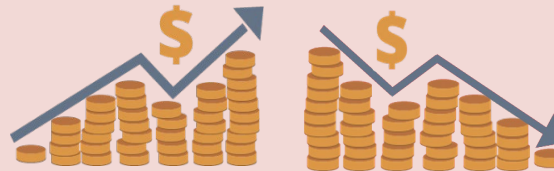
| Pre-Retirement | Applying | Retired |



# Annuity Adjustment



**Yearly changes to a retiree's monthly pension payment**



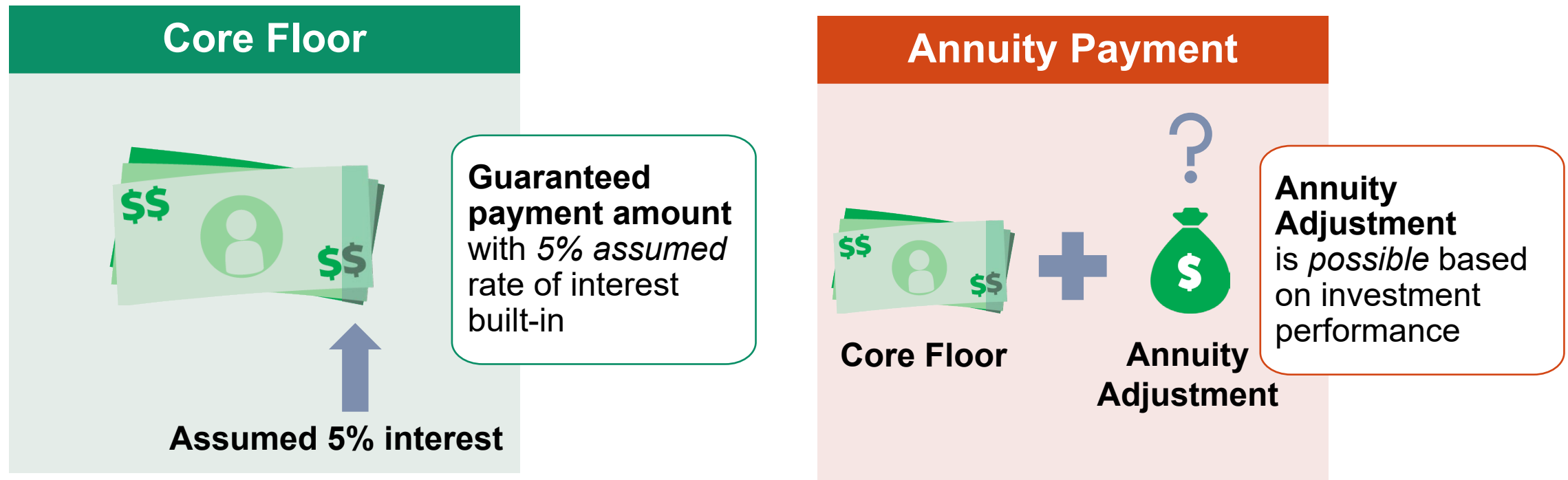
**Payments may increase or decrease based on investment returns**



**Annuity Adjustments affect monthly payments starting May 1**

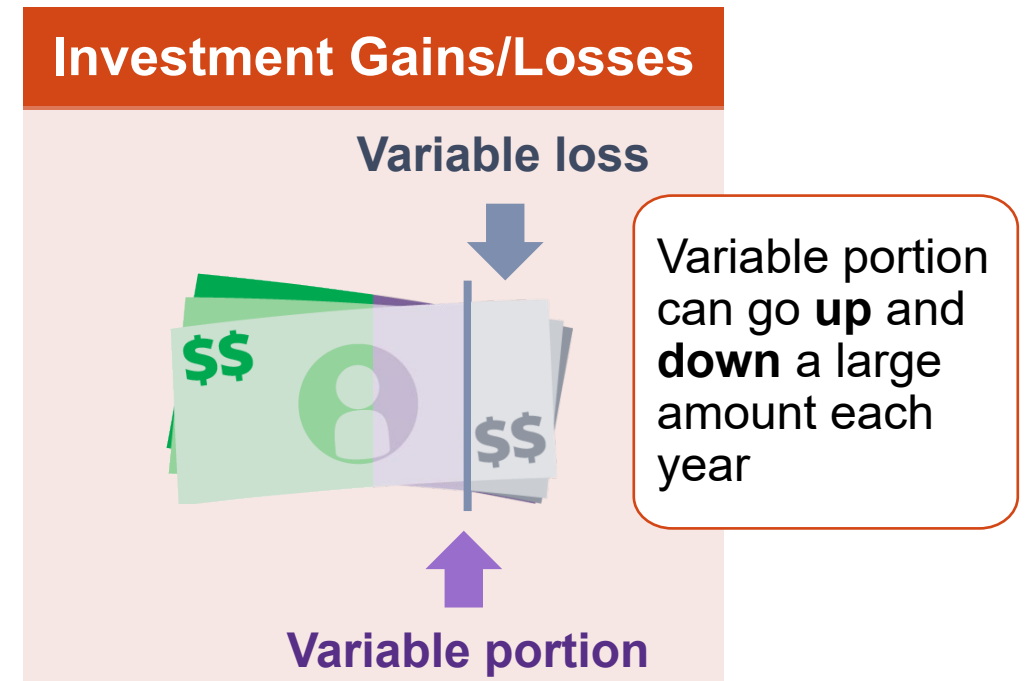
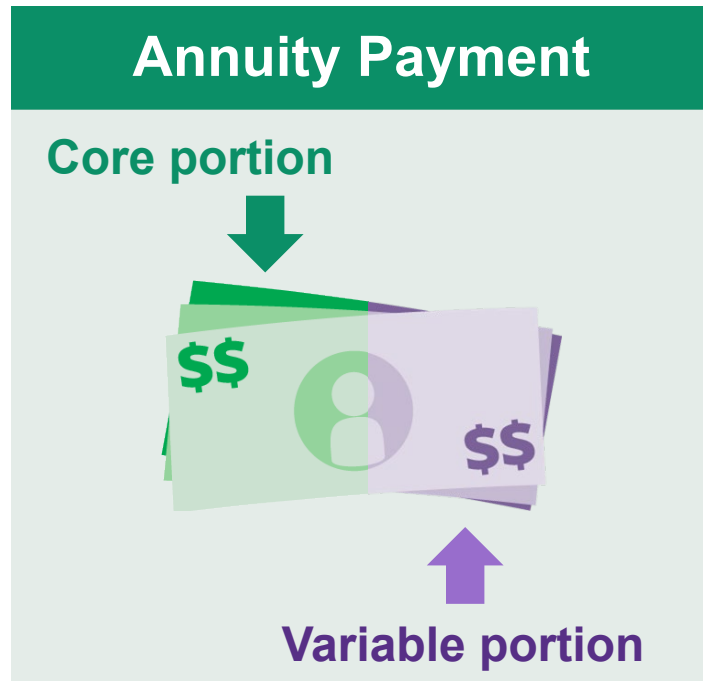
# Core Fund Annuity

Guaranteed payment amount (Core floor), same as what began at retirement



# Variable Fund Annuity

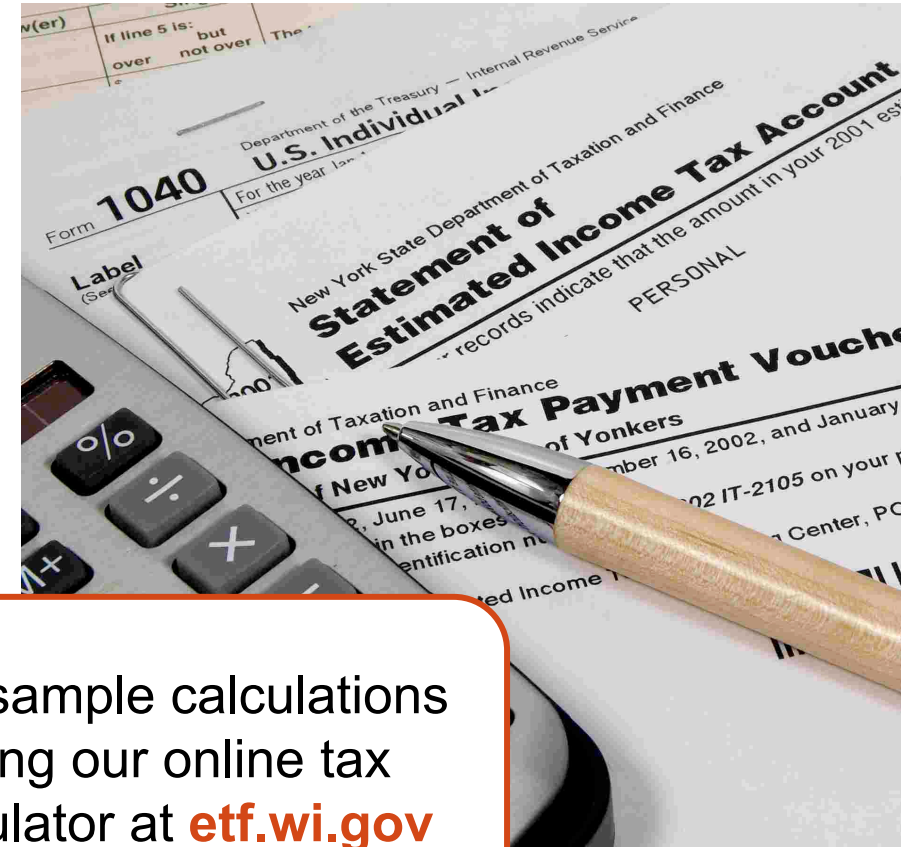
No guaranteed payment amount (no floor), may go below what began at retirement





# Annuity & Taxes

- No Medicare or Social Security
- State & Federal – Taxed, ETF can only withhold for Wisconsin
- Change tax withholding status at anytime
- 1099-R sent in January



Run sample calculations  
using our online tax  
calculator at [etf.wi.gov](http://etf.wi.gov)

# Returning to Work

## Private Entity



No restrictions

## Good Faith Termination



75-day break in service and  
no agreements to return

## Hours and Time Restriction



Work more than  $\frac{2}{3}$  of full  
time, annuity is suspended

- 880 hours for teachers and school district employees
- 1,200 hours for other employment categories



# Health and Life Insurance

| Pre-Retirement | Applying | Retired |

# Wisconsin Public Employers Group Life Insurance



**Automatic  
continuation**



**Premiums  
deducted  
from annuity**

until age 65

**One Year's  
Salary**

**75%** age 65

**50%** age 66

**25%** age 67

Depending upon employer

# Health Insurance

1

## Find out if your employer participates

Ask your employer if they participate in the **State Group Health Insurance Program** or **Wisconsin Public Employers Group**.

2

## Get to know your health insurance costs

What you pay for health insurance will likely go up. You may become responsible for the entire premium.










3

## Learn about qualifying life events

If you want to change your plan, you will receive a Decision Guide in the mail during open enrollment. Retirement is not a qualifying life event.

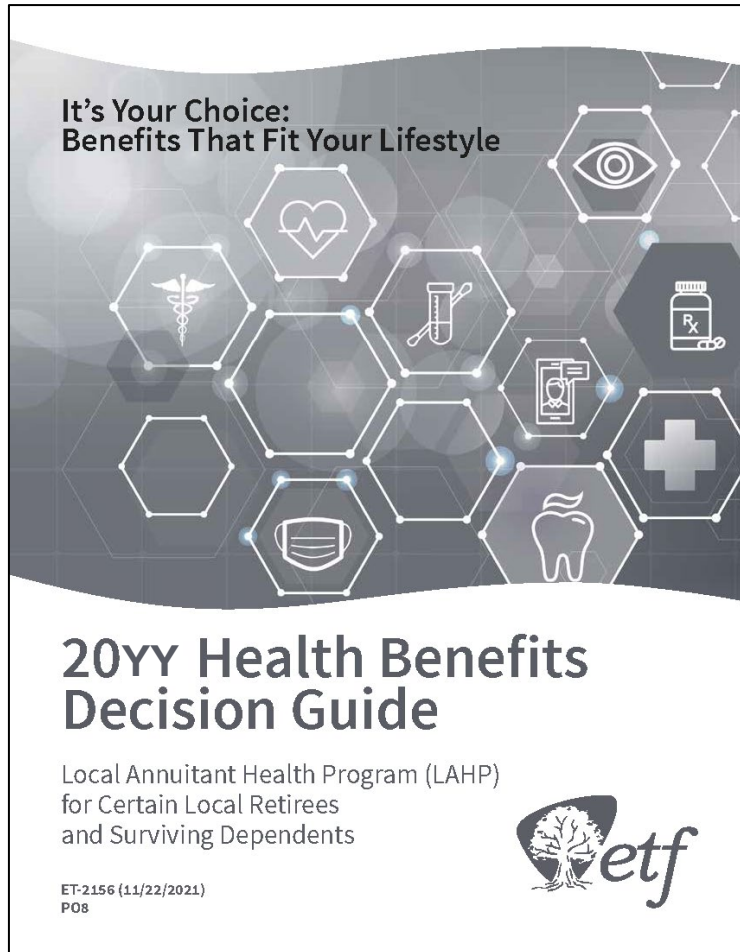
# Health Insurance through WRS



		automatic continuation	allowed to re-enroll
	<b>State &amp; UW</b>		
	<b>Local with</b> coverage through Group Health Insurance		
	<b>Local without</b> coverage through Group Health Insurance	 may be eligible for LAHP	

# Local Annuitant Health Plan

## Local without State Group Health Insurance Program



1

### Open Enrollment

Apply within 60 days of retirement

2

### Second Enrollment

When you become eligible for Medicare

- ✓ Local Retirees
- ✓ Spouses
- ✓ Dependents



# Medicare



# Sick Leave Credits

## State & UW



\* may be eligible for additional sick leave credits based on service

# Supplemental Health Insurance Credit Conversion (SHICC)

More than 15 years of service

**First 24 years**



**52** hours per year for each year of service

**After 24 years**



**104** hours per year for each year of service

# Escrowing Sick Leave

to escrow your sick leave credits for use at a later date



sick leave  
credits



escrowed

## Requirements to Escrow



Have comparable coverage



Be enrolled in the State Group  
Health Insurance Program  
at retirement



Take an immediate annuity



Submit a *Sick Leave Credit  
Escrow Application* (ET-4305)

# Group Health Insurance

## State & UW

### Family Plan

or escrowed



### Single Plan





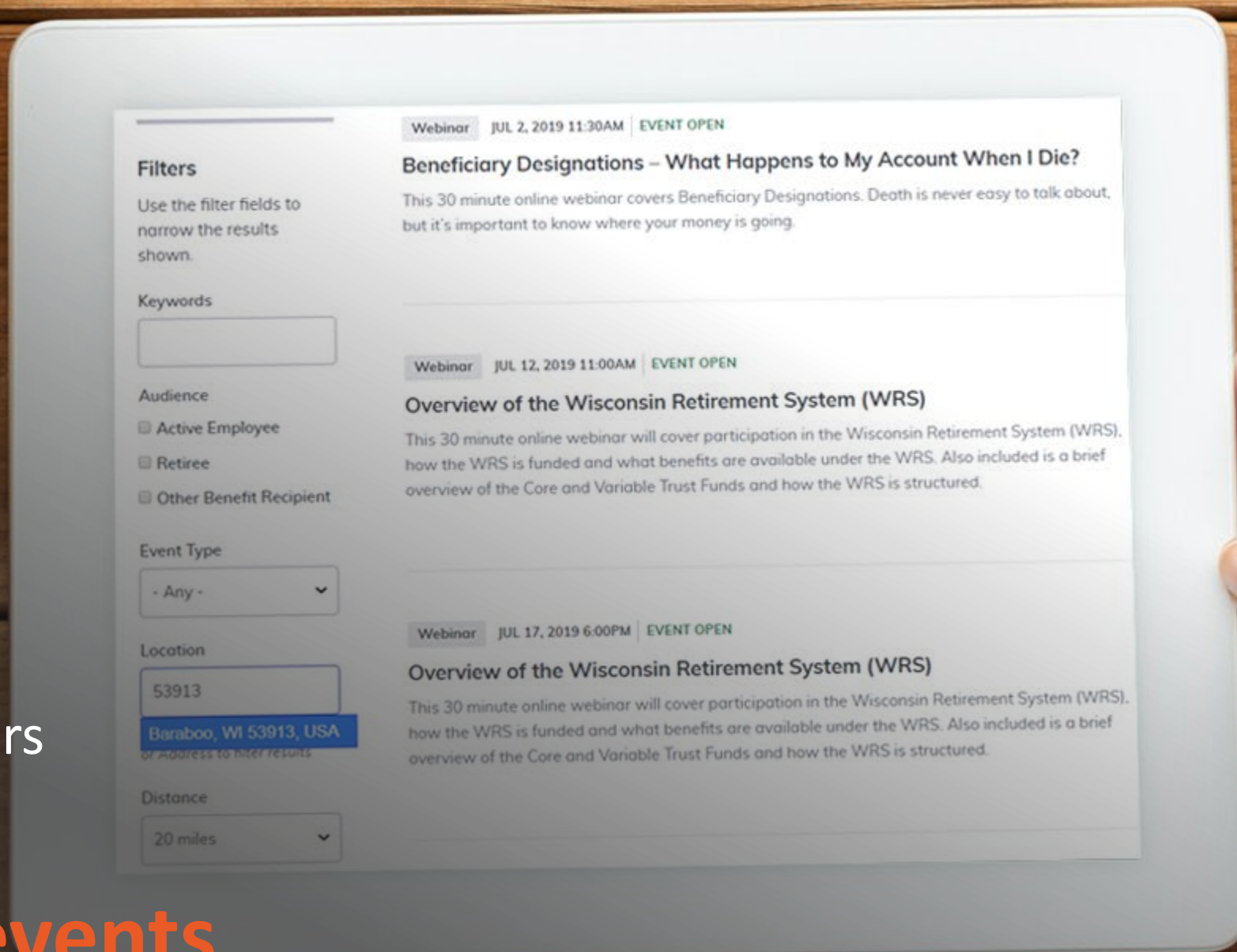
## To Do:

- ☒ Minimum retirement age? Call or go online for an estimate and application.
- ☒ Keep your beneficiary designation up to date.
- ☒ Consider additional contributions and other savings to supplement your retirement. Learn more on our website at [etf.wi.gov](http://etf.wi.gov).



Find more webinars  
and events

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





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