Understanding Your Annual WRS Statement of Benefits

A Wisconsin Retirement System topic
Objectives

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

• Explain the purpose of the Statement of Benefits (ET-7365)
• Analyze the sections of your Statement of Benefits
• Interpret your retirement benefit calculations
• Find resources for more information
Your Annual Statement of Benefits

An important document to know and keep
Understanding Your Annual WRS Statement of Benefits

A summary of your WRS retirement account sent each year in mid-April

One of the most important documents you receive from ETF each year

Stay up to date on your WRS earnings and service, and track the growth of your retirement account

Call us at: 1-877-533-5020
Check Your Statement for Errors

- If you believe an error has been made, contact your employer’s payroll office.
- Your employer will report any needed corrections to ETF.
January 1, 20xx Annual Statement of Benefits

Please review this document carefully. The amounts shown reflect ETF records as of January 1, 20xx and may be subject to corrections and appeals concerning WRS accounts, service history, earnings, contributions and other records.

Keep this document with your important personal records. Go to etf.wi.gov for more information.

Alternate Payee

If you plan to retire within the next 12 months, you must contact ETF for a retirement packet that includes an official estimate/application.

Member ID: # # # # # # # #
### Section 1: Previous Year Earnings and Service

**Years of service based on hours reported by employer**

#### Calendar Year

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Earnings</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>20xx</td>
<td>$55,999.50</td>
<td>1.80</td>
</tr>
</tbody>
</table>

#### Fiscal Years (hyphenated)

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Earnings</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher</td>
<td>20xx-xx</td>
<td>$56,084.64</td>
<td>3.62</td>
</tr>
<tr>
<td>Teacher</td>
<td>7/1 TO 12/31/xx</td>
<td>$33,883.50</td>
<td>0.59</td>
</tr>
</tbody>
</table>

This will indicate the previous year’s reporting
# Section 2: Years of Creditable Service

### Section 2 - Years of Creditable Service as of January 1, 20xx

Years of service for teachers, judges and educational support personnel are based on fiscal years. This statement shows both fiscal and calendar year service.

<table>
<thead>
<tr>
<th>Category</th>
<th>Before 2000</th>
<th>After 1999</th>
<th>After Act 10</th>
<th>Total Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>.00</td>
<td>10.71</td>
<td>.00</td>
<td>10.71</td>
</tr>
<tr>
<td>Protective w/ Social Sec</td>
<td>.00</td>
<td>6.40</td>
<td>.00</td>
<td>6.40</td>
</tr>
</tbody>
</table>

**Total Years of Creditable Service**

<table>
<thead>
<tr>
<th></th>
<th>Before 2000</th>
<th>After 1999</th>
<th>After Act 10</th>
<th>Total Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.00</td>
<td>17.11</td>
<td>.00</td>
<td>17.11</td>
</tr>
</tbody>
</table>

Amount of service transferred from your account as the result of a Qualified Domestic Relations Order (QDRO): 2.31
### Section 3 - 20xx Employee-Required Contributions

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Variable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 20xx Balance</td>
<td>$47,579.91</td>
<td>$45,310.37</td>
<td>$92,890.28</td>
</tr>
<tr>
<td>Interest (Core: 5.0%, Variable: -7.0%)</td>
<td>$.00</td>
<td>$.00</td>
<td>$.00</td>
</tr>
<tr>
<td>Employer-Paid Contributions</td>
<td>$2,207.88</td>
<td>$2,207.88</td>
<td>$4,415.76</td>
</tr>
<tr>
<td>Employer-Paid Employee Contributions</td>
<td>$.01 *</td>
<td>$.00</td>
<td>$.01 *</td>
</tr>
<tr>
<td>Adjustment</td>
<td>$.00</td>
<td>$.00</td>
<td>$.00</td>
</tr>
<tr>
<td><strong>January 1, 20xx Balance</strong></td>
<td><strong>$49,787.80</strong></td>
<td><strong>$47,518.25</strong></td>
<td><strong>$97,306.05</strong></td>
</tr>
</tbody>
</table>

* Small amounts shown in Employer Paid Employee Contributions occur due to rounding in calculations used to produce this statement or from your employer’s payroll system.

**Your total contributions to date**

**Your balances in each fund**

Non-taxable portion of employer contributions: $0.00

Continued on Back
Back of Statement
If you decided to make additional contributions

### Section 4 - Additional Contributions

<table>
<thead>
<tr>
<th></th>
<th>Employee Additional</th>
<th>Tax-Deferred</th>
<th>Employer Additional/LTDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>Variable</td>
<td>Core</td>
<td>Variable</td>
</tr>
<tr>
<td>January 1, 20xx Balance</td>
<td>$809.30 $1,030.82</td>
<td>$0.00 $0.00</td>
<td></td>
</tr>
<tr>
<td>Interest (Core: 5.0%, Variable: -7.0%)</td>
<td>$0.00 $0.00</td>
<td>$0.00 $0.00</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1, 20xx Balance</td>
<td>$809.30 $1,030.82</td>
<td>$0.00 $0.00</td>
<td></td>
</tr>
</tbody>
</table>

Non-taxable portion of employee contributions (investment in contract): $1,000.00
Section 5: Primary Beneficiary Designations

Primary noted if filed since 1988

Filed BEFORE 1988 or NONE on file

ON FILE but can’t be displayed

Section 5 - Primary Beneficiary Designation(s) for WRS-Required Account
RECEIVED 09/19/14
FIRST NAME, MIDDLE INITIAL, LAST NAME

Automated recording of beneficiary designations began in 1988. If you submitted a designation prior to that time, it is not displayed. However, a record of that designation is in your file.

If you never filed a designation, standard sequence applies.

Section 5 - Primary Beneficiary Designation(s) for WRS-Required Account
RECEIVED 04/24/09
Because of the format of your designation, it is not displayed here. The format was acceptable and has been placed in your file.
Section 6: Separation Benefit

Under Minimum Retirement Age

Section 6 - Separation Benefit
Benefit payable prior to age 55.

Over Minimum Retirement Age, Not Vested

Section 6 - Separation Benefit
Since you do not meet vesting requirements, you are currently only eligible for a separation benefit.

Over Minimum Retirement Age, Is Vested

Section 6 - Separation Benefit
Since you are vested and over minimum retirement age, you are not eligible for a separation benefit.
An active employee’s death benefit is paid to beneficiaries regardless of vesting status.
Section 8: Formula Benefit Data

Both the Final Average Monthly Earnings and Variable Excess/Deficiency are used in your Formula Retirement Calculation.

### Three Highest Years of Earnings as of January 1, 20xx

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>20xx</td>
<td>$55,999.50</td>
<td>1.00</td>
</tr>
<tr>
<td>20xx</td>
<td>$53,878.54</td>
<td>1.00</td>
</tr>
<tr>
<td>20xx</td>
<td>$52,359.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

$4,506 Final Average Monthly Earnings

### Variable Excess/Deficiency

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$4,097.53</td>
</tr>
<tr>
<td>Employer</td>
<td>$4,097.53</td>
</tr>
<tr>
<td>Total</td>
<td>$8,195.06</td>
</tr>
</tbody>
</table>

Total used in calculation

FAE amount used in calculation
# Section 9: Money Purchase Balance

Section 9 - Money Purchase Balance
Total required employee and matching employer contributions, including interest.

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Variable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee-Required Contributions</td>
<td>$49,787.80</td>
<td>$47,518.25</td>
<td>$97,306.05</td>
</tr>
<tr>
<td>Matching Employer Contributions</td>
<td>$49,787.85</td>
<td>$47,518.30</td>
<td>$97,306.15</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$99,575.65</strong></td>
<td><strong>$95,036.55</strong></td>
<td><strong>$194,612.20</strong></td>
</tr>
</tbody>
</table>
Section 10 - Retirement Benefit Projections

When you retire, you are entitled to the higher of a Money Purchase or a Formula retirement benefit. These calculation methods are based on various factors.

<table>
<thead>
<tr>
<th>Money Purchase Benefit</th>
<th>Formula Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Age at retirement</td>
<td>● Age at retirement</td>
</tr>
<tr>
<td>● Account balance at retirement</td>
<td>● Final average monthly earnings</td>
</tr>
<tr>
<td>- Employee Contributions</td>
<td>● Employment category(ies)</td>
</tr>
<tr>
<td>- Employer Matching Contributions</td>
<td>● Years of service</td>
</tr>
<tr>
<td>- Accumulated Interest</td>
<td>● Reduction if retiring prior to normal retirement age</td>
</tr>
<tr>
<td></td>
<td>● Adjustments due to participation in the Variable Trust Fund</td>
</tr>
</tbody>
</table>

The projections below reflect your earliest possible retirement age and the age when you can receive an unreduced benefit (no reduction because of age).

<table>
<thead>
<tr>
<th>If you are currently age:</th>
<th>55</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Money Purchase Benefit</td>
<td>$1,064 *</td>
<td>$1,272 *</td>
</tr>
<tr>
<td>Monthly Formula Benefit</td>
<td>$1,374 *</td>
<td>$1,766 *</td>
</tr>
</tbody>
</table>

* These unofficial amounts do not reflect future benefits. They are based on your account balances as of January 1, 2020. To project future retirement benefits using this statement, visit the Retirement Calculator at etf.wi.gov/calculator.htm.

* Amounts reflect the highest payment option available that does not protect a beneficiary. At retirement, you will be given other annuity options that do provide death benefits.

* These projections do not include any applicable voluntary additional contributions in Section 4.

* If your earnings or monthly benefit exceeds federal limits under IRC 401(a)(17) or 415(b), your final retirement benefit may be restricted. This determination can only be made upon retirement.
Understanding Your Annual WRS Statement of Benefits

My Statement of Benefits Page

Information about receipt & corrections

How to request a duplicate

How to read links

Links to resources

The Statement of Benefits is a summary of your WRS retirement account sent each year in mid-April. This is one of the most important documents you receive from ETF each year. It helps you keep information up to date and track the growth of your retirement fund. We recommend filing your statement for future reference.

Members who now a WRS account receive their annual statement in a variety of ways, including:
- Current employees will receive their statements from their WRS employer.
- ETF employees will receive their statements electronically through the ETF System.
- The following will receive their statements in the mail:
  - Former employees who no longer work for a WRS employer.
  - Alternate payees (beneficiaries who received payments from a deceased retirement annuitant).
  - Retirees who have not taken a benefit from the additional contribution still on their account.
  - Current Payroll employees and about 300 individuals who work for the ETF System.

Spend some time looking over the statement and make sure that your information is correct. Contact Information: 908-576-6700.

If you find incorrect information on your statement, contact your employer or ETF right away. There is a limited time to make corrections.

- Current employees should contact their employer.
- Alternate payees (beneficiaries) should contact the retirement annuitant.

Related Resources:
- How to Read My Statement of Benefits - Current Employee
- How to Read My Statement of Benefits - Alternate Payee
- Explanation of Annual Statement of Benefits (ET 7503)
- Explanation of Alternate Payee Annual Statement of Benefits (ET 4821)

Retirement
- WRS Retirement Benefits
- Saving for Retirement
- Planning for Retirement
Variable Fund Page

Detailed info about fund

How to join or cancel

Links to related resources

Variable Fund

You can choose to deposit 50% of your contributions, including additional contributions, into the Variable Trust Fund. The Variable Fund is an all-stocks fund. Participants in this fund are exposed to a higher degree of risk (because of possible losses from unfavorable stock market performance), in exchange for the possibility of greater returns over the life of the investment in the fund. The Variable Fund is not smoothed like the Core Fund; therefore, the full rate of return is applied each year.

Before you join, take the time to understand how participation affects your benefits, both before and during retirement. See the How Participation in the Variable Trust Fund Affects Your WRS Benefits (ET-4932) brochure for a detailed explanation of how the Variable Fund works and is calculated in your money purchase and formula calculations. Also, understand how Variable excess or deficiency (below) affect your account before you decide.

Variable Excess or Deficiency
Additional Contributions Page

As a WRS employee, you can put extra money into your WRS account so you have more income for retirement. These additional contributions earn the same rate of interest as your employee-required contributions. The amount of money that you can contribute each year (for both required and additional contributions) is set by federal tax law. Completing a Maximum Additional Contribution Worksheet (ET-2566) will help you calculate your maximum additional contribution amount.

Please Note: You may not make additional contributions once you have terminated all WRS-covered employment.

Contribute More

Related Resources
- Maximum Additional Contribution Worksheet (ET-2566)
- Additional Contributions (ET-2123)
WRS Retirement Benefit Calculations Page

- Detailed info about the calculations
- Example calculations
- Links to related resources
- Link to the calculator

WRS Retirement Benefit Calculations
See how ETF calculates your retirement benefit

ETF always calculates your benefit using two methods and you are paid the highest amount:

1. Formula
2. Money Purchase

If you have made employee additional contributions, those funds are automatically calculated using the money purchase calculation and shown as a separate benefit amount on your retirement estimate.

The charts below show how basic benefits are calculated. They include the data used in the calculations, explain what that data is, and gives an example of each calculation.

Formula Calculation
Find more webinars and events

etf.wi.gov/events
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.