



Variable Fund

A Saving and Investing topic

Objectives

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

- Define Variable Trust Fund and explain how it works
- Analyze how the Variable Fund can affect your retirement benefit
- Elect to join or cancel the Variable Fund



Definitions

Core and Variable Funds



Core Fund

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



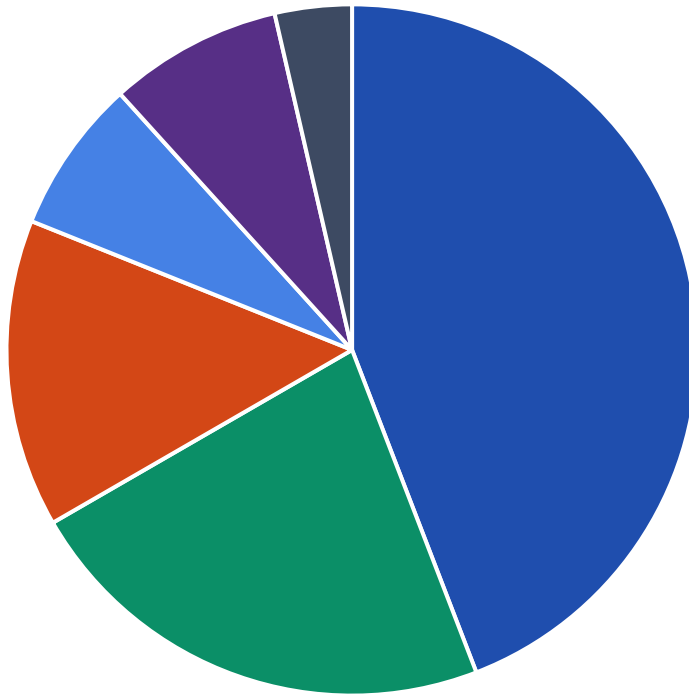
Core + Variable Fund

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

WRS Trust Funds

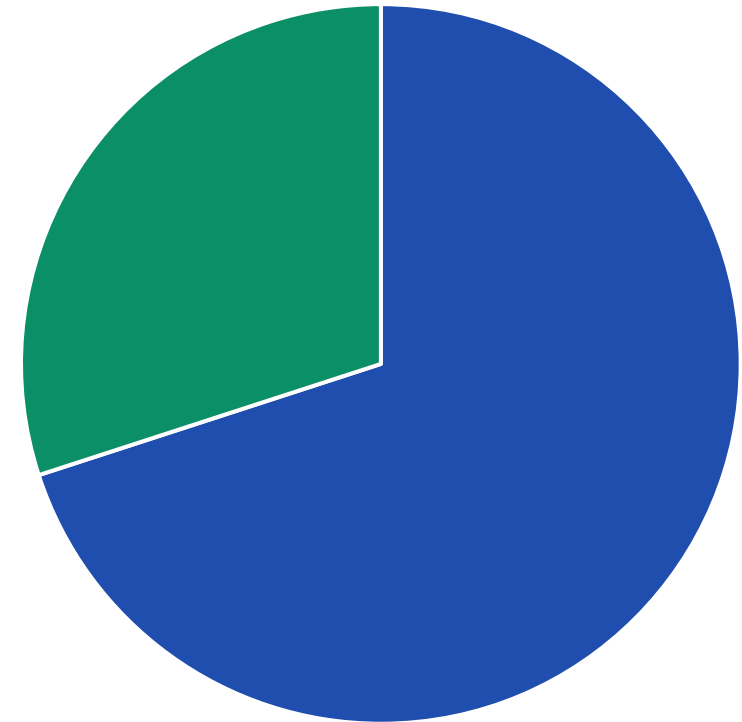
Core Fund

- Stocks
- Fixed Income
- Securities
- Real Estate
- Private Equity
- Multi-Asset

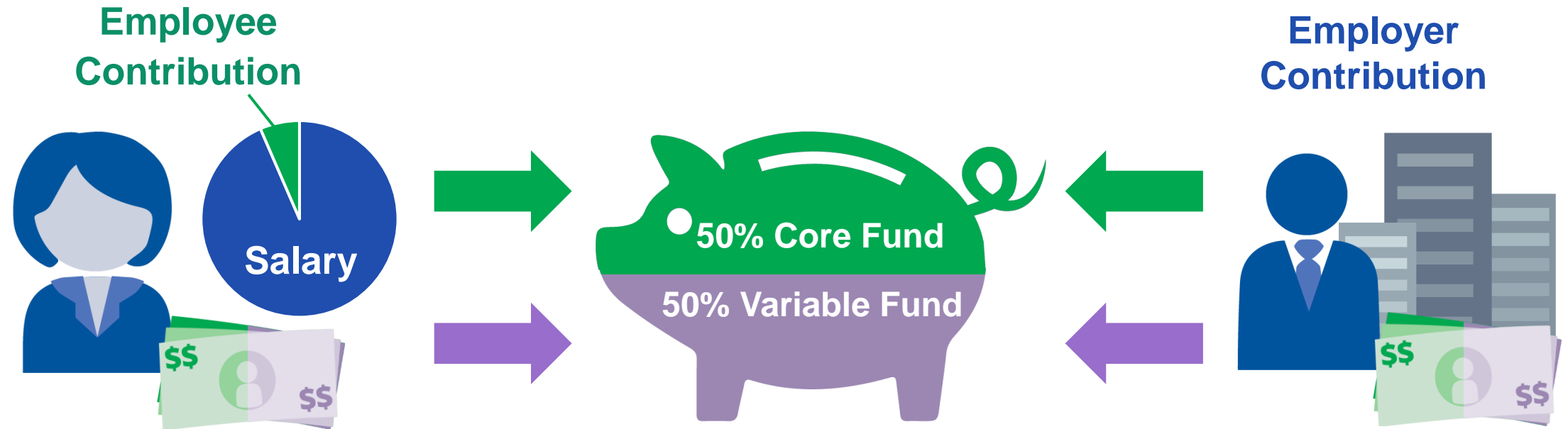


Variable Fund

- Domestic Equities
- International Equities



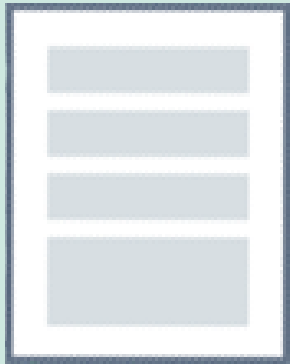
Contributions



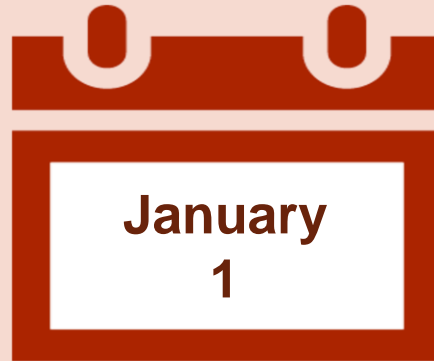


Join the Variable Fund

How do I get into the Variable?



**Election to
Participate in the
Variable Trust Fund
(ET-2356)**



**Starts the January 1
after the election is
filed**



**Includes additional
contributions**



Variable Retirement Calculations

How Variable participation affects benefit calculation

Money Purchase Calculation



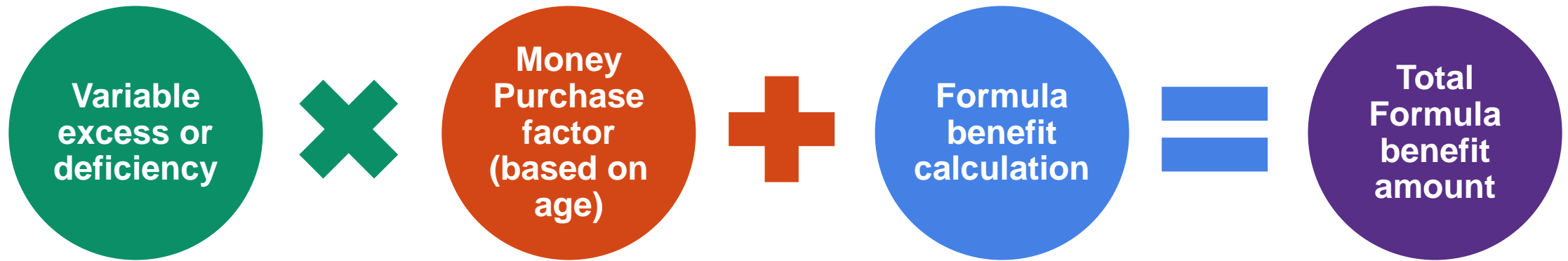
Variable Excess or Deficiency

The total Variable excess or deficiency amount is based on a comparison of the actual balance of your account vs. what your account balance would be if your contributions had been invested only in the Core Fund

Variable Adjustment Calculation

Total Variable excess or deficiency	\$20,648
Money purchase factor (based on your age)	x .00572
Variable adjustment	\$118

Variable Trust Fund Impact on Formula Calculation





Variable Fund in Retirement

Core Fund Annuity

Core Floor

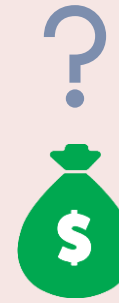


**Guaranteed
minimum
payment amount**

Annuity Payment



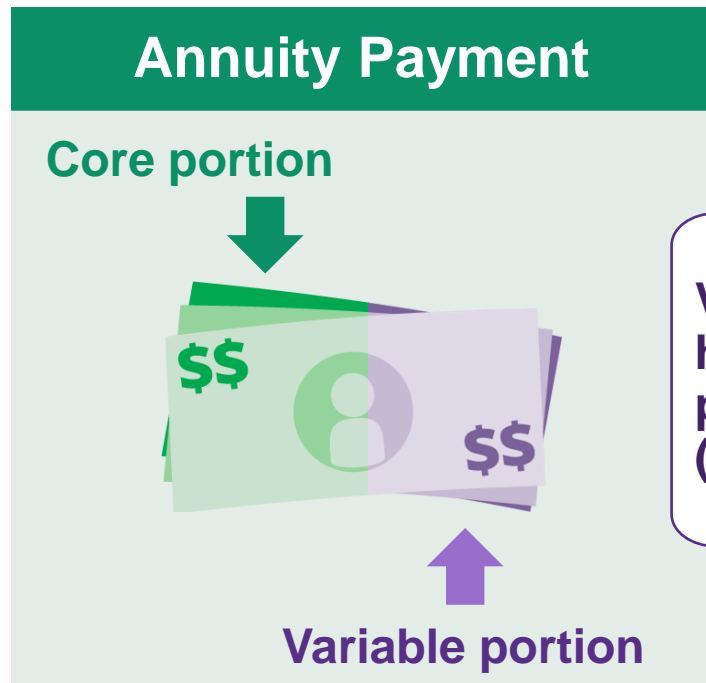
Core Floor



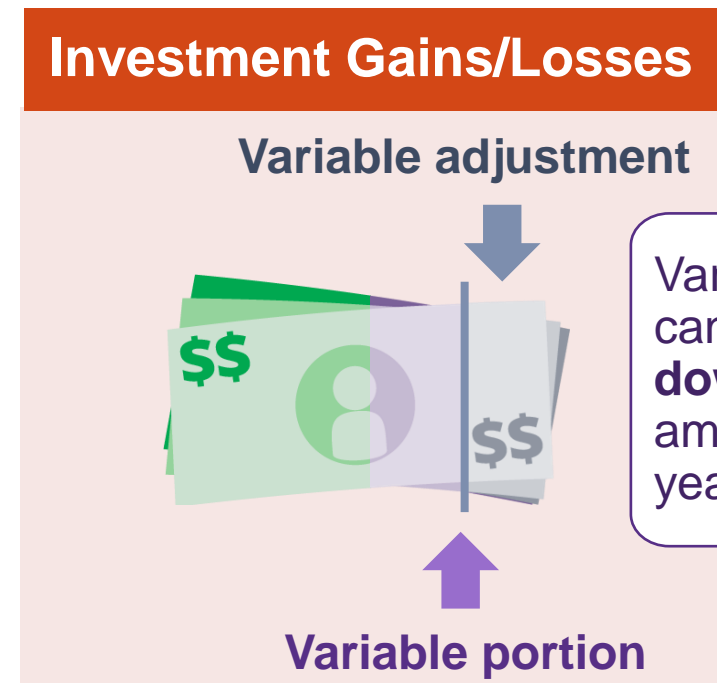
**Annuity
Adjustment**

**Annuity
Adjustment**
is *possible* based
on investment
performance

Variable Fund Annuity



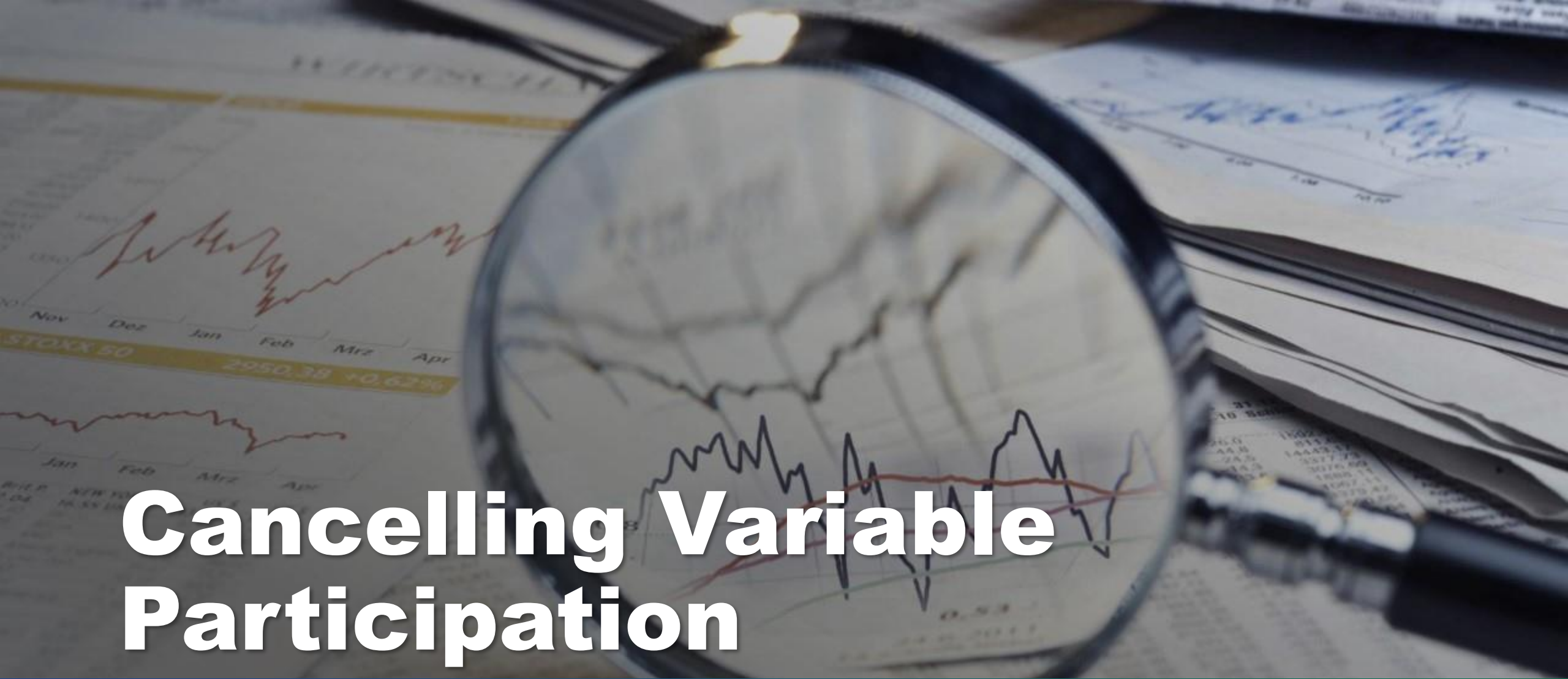
Variable portion has no minimum payment amount (no floor)



Variable portion can go **up** and **down** a large amount each year

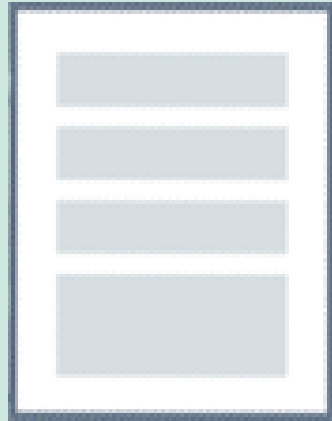
WRS Effective Rates and Annuity Adjustments

Core Trust Fund				Variable Trust Fund			
Year	Investment Return	Effective Rate	Adjustment	Year	Investment Return	Effective Rate	Adjustment
2015	-0.4% (loss)	6.4%	0.5%	2015	-1.2% (loss)	0%	-5.0% (loss)
2014	5.7%	8.7%	2.9%	2014	7.3%	7.0%	2.0%
2013	13.6%	10.9%	4.7%	2013	29.0%	31.0%	25.0%
2012	13.7%	2.2%	-9.6% (loss)	2012	16.9%	17.0%	9.0%
2011	1.4%	1.5%	-7.0% (loss)	2011	-3.0% (loss)	-3.0% (loss)	-7.0% (loss)
2010	12.3%	4.8%	-1.2% (loss)	2010	15.6%	16.0%	11.0%
2009	22.4%	4.2%	-1.3% (loss)	2009	33.7%	33.0%	22.0%
2008	-26.2% (loss)	3.3%	-2.1% (loss)	2008	-39.0% (loss)	-40.0% (loss)	-42.0% (loss)



Cancelling Variable Participation

How do I get out of the Variable?



**Cancelling Variable
Participation (ET-2313)**



**Out of
Variable Trust Fund**

Option 1: Future Contributions Only

- Starting January 1 after the election is filed, all contributions go into the Core Fund
- The Variable Fund will continue to receive investment returns on the balance remaining in the fund but will not receive any more funding from new contributions (Over time, the Variable portion of your retirement benefit becomes smaller)

Option 2: Conditional Cancellation

- Starting January 1 after the election is filed, all contributions go into the Core Fund
- Also, once Variable portion of WRS account/ retirement equals or exceeds the value of what it would have been if in the Core Fund, past Variable contributions also transferred into the Core Fund

Option 3: Unconditional Cancellation

- Starting January 1 after the election is filed, all contributions go into the Core Fund
- Past Variable contributions also transferred into the Core Fund, whether the value equals or exceeds the value of what it would have been if in the Core Fund
- If retired, Variable adjustment is applied one last time, then only Core annuity adjustments



Resources

Variable Fund page

Detailed information

Join & cancel forms

Variable Excess or
Deficiency Update
Calculator

Links to resources

The screenshot shows the top portion of the Variable Fund page. At the top left is the 'etf' logo. To its right is a navigation menu with links for 'Benefits', 'Retirement', 'WRS Performance', 'News', 'Member Education', and 'Employers'. Further right are links for 'About ETF', 'Contact Us', and 'My Info'. A search bar is located on the far right. Below the navigation is a breadcrumb trail: 'Home / WRS Performance / Core Trust Fund and Variable Trust Fund / Variable Fund'. The main heading is 'Variable Fund' in large white text, followed by the sub-heading 'Taking part in the Variable Fund may be the right choice for you'.

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 [Variable Trust Fund \(ET-4930\)](#) 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.

Key Actions

[Join or cancel the variable fund.](#)

Related Resources

[WRS Retirement Benefits Calculator](#)

Annual Returns, Rates and Adjustments Page

Rate of return

Effective rate of interest

Annuity adjustment

Searchable yearly list of each

The screenshot shows the top navigation bar of the website. The 'WRS Performance' link is circled in orange. Below the navigation bar, the breadcrumb trail reads 'WRS Performance / Annual Returns, Rates and Adjustments'. The main heading is 'Annual Returns, Rates and Adjustments' with the subtext 'WRS investment performance directly affects WRS benefits'.

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

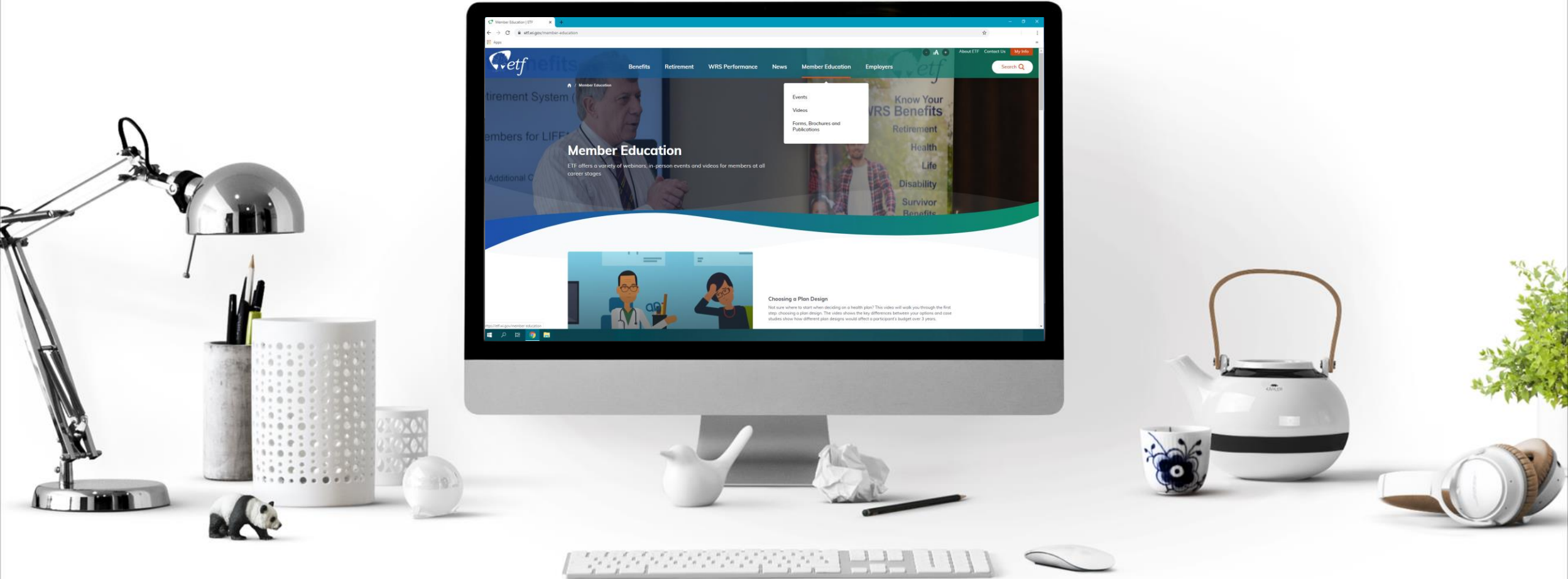
[Search for rates by year.](#)

WRS Performance

[Latest Investment Performance](#)

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