



Webinar

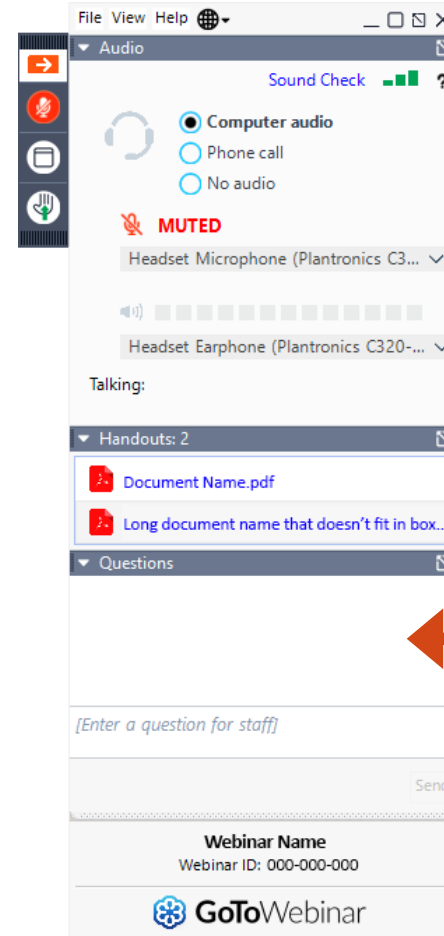
# Variable Fund

A Saving and Investing topic

# How to Participate:

Click orange arrow to make the dashboard bigger.

You will be muted for the entire webinar.



Type questions any time during the presentation.



**Host**





# 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



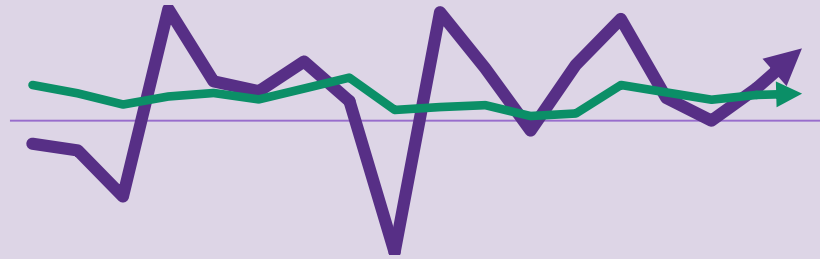
# Definitions

# Core and Variable Funds



## Core Fund

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



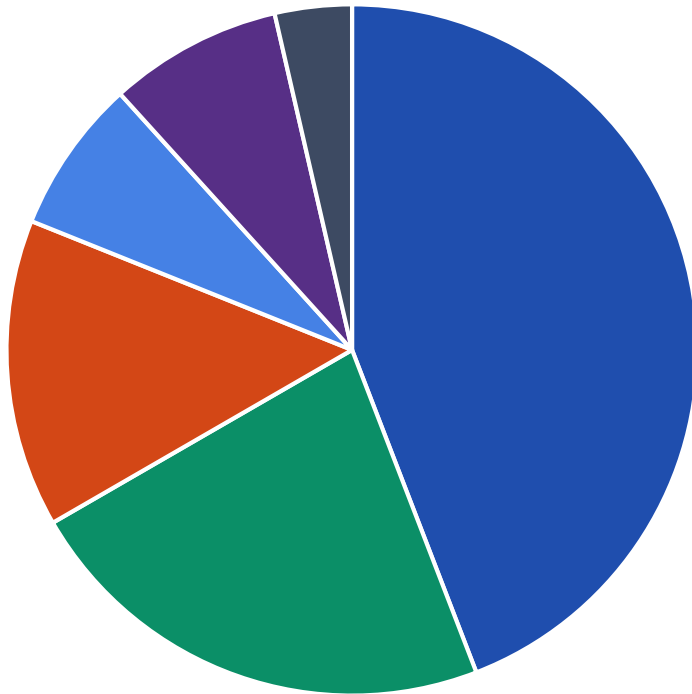
## Core + Variable Fund

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

# WRS Trust Funds

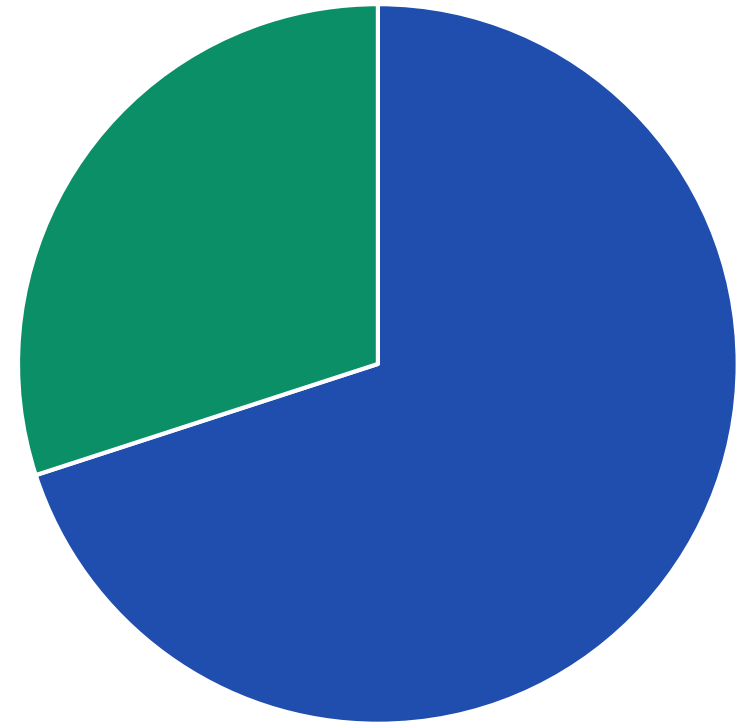
## Core Fund

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



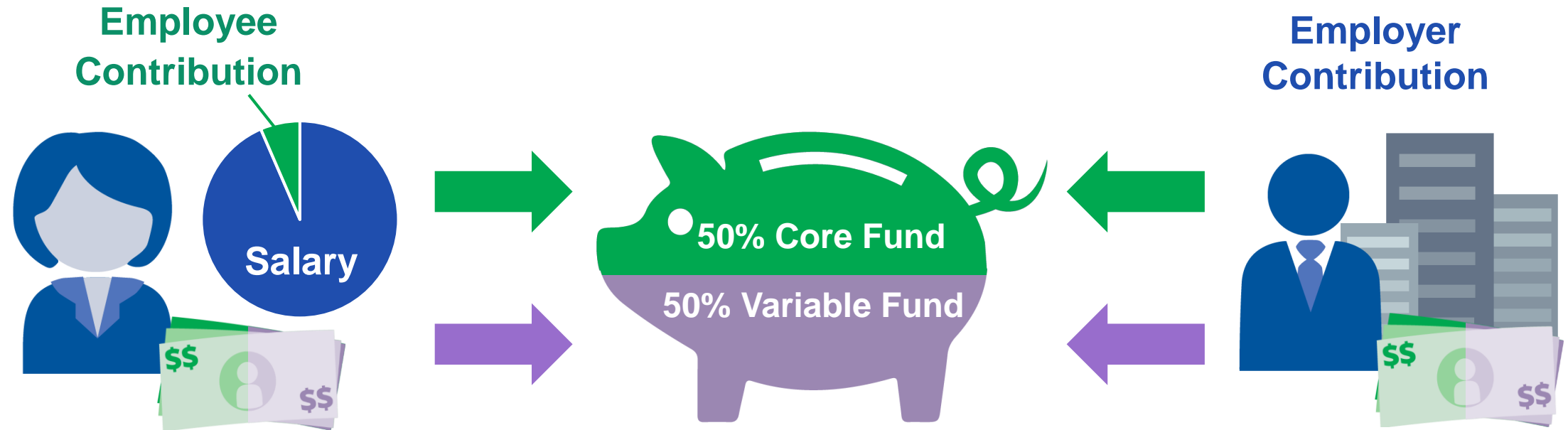
## Variable Fund

- Domestic Equities
- International Equities





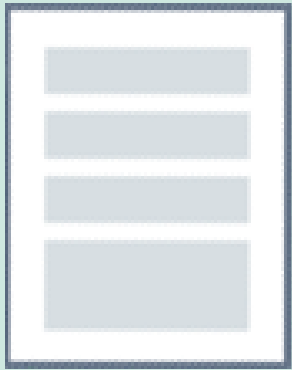
# Contributions



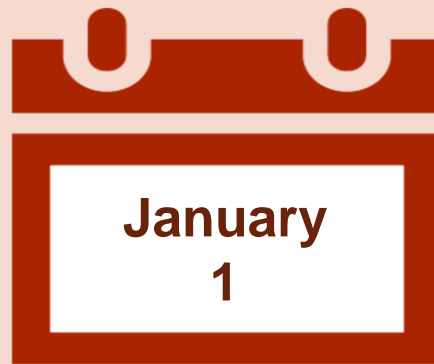


# Join the Variable Fund

# 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



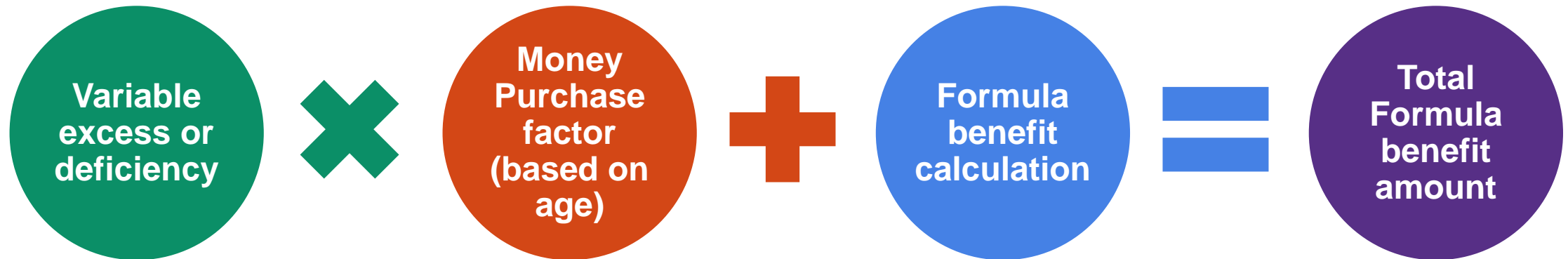
# Variable Excess or Deficiency Example

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
<b>Variable adjustment</b>	<b>\$118</b>

# Variable Excess/Deficiency Impact on Formula Calculation





# Variable Fund in Retirement



# Core Fund Annuity

## Core Floor



**Guaranteed  
minimum  
payment amount**

## Annuity Payment



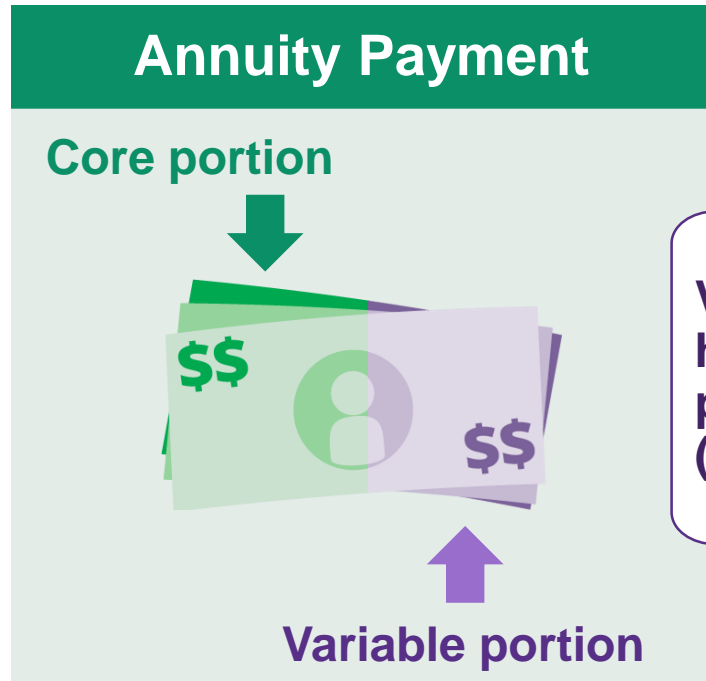
**Core Floor**



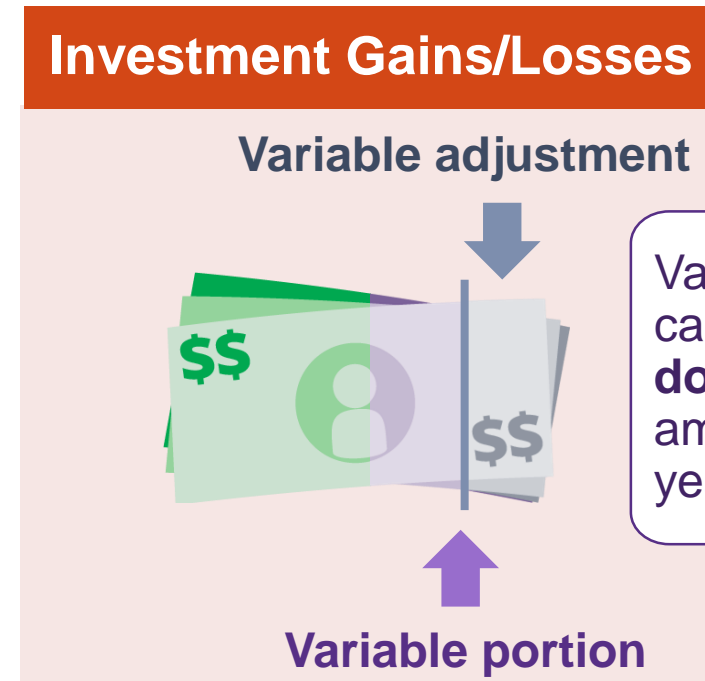
**Annuity  
Adjustment**

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

# Variable Fund Annuity



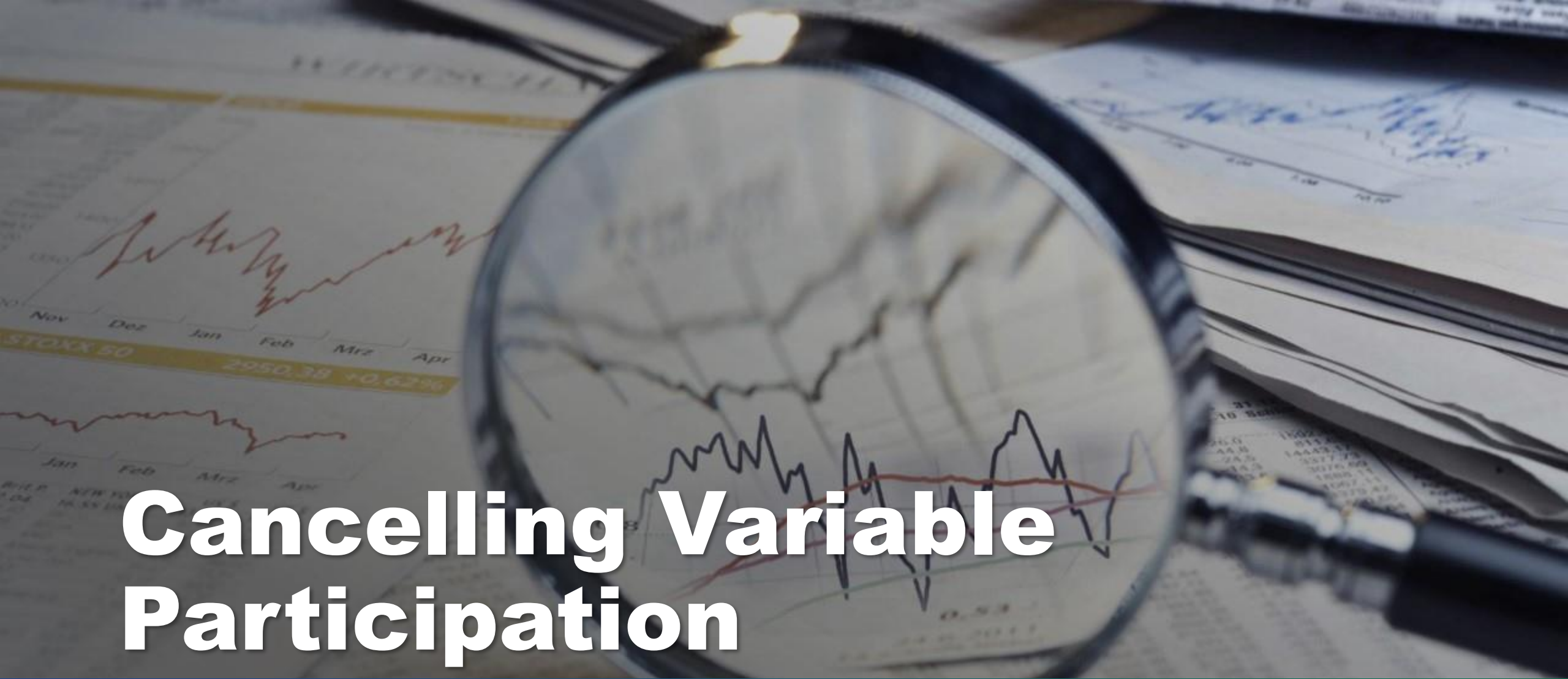
Variable portion has no minimum payment amount (no floor)



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

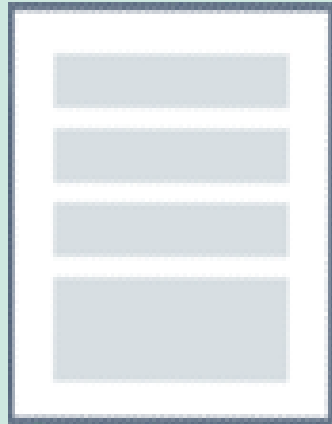
# WRS Effective Rates and Annuity Adjustments

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**

# 1st Option: Future Contributions Only

- Starting January 1 after the election is filed, contributions all go into the Core Fund
- Over time, Variable portion of retirement becomes smaller
- Applies to active employees only

# 2nd Option: Conditional Cancellation

- Starting January 1 after the election is filed, contributions all go into the Core Fund, applies to active employees only
- 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

# 3rd Option: Unconditional Cancellation

- Starting January 1 after the election is filed, contributions all go into the Core Fund, applies to active employees only
- 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 a web page for the Variable Fund. 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 a large, bold font. Below the heading is a 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 ETF website. The 'WRS Performance' link is highlighted with an orange circle. Below the navigation bar, the page title 'Annual Returns, Rates and Adjustments' is displayed in large white text on a dark blue background. Underneath, a subtitle reads 'WRS investment performance directly affects WRS benefits'. The breadcrumb trail shows 'WRS Performance / Annual Returns, Rates and Adjustments'. On the right side of the navigation bar, there are links for 'About ETF', 'Contact Us', and 'My Info', along with a search bar.

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

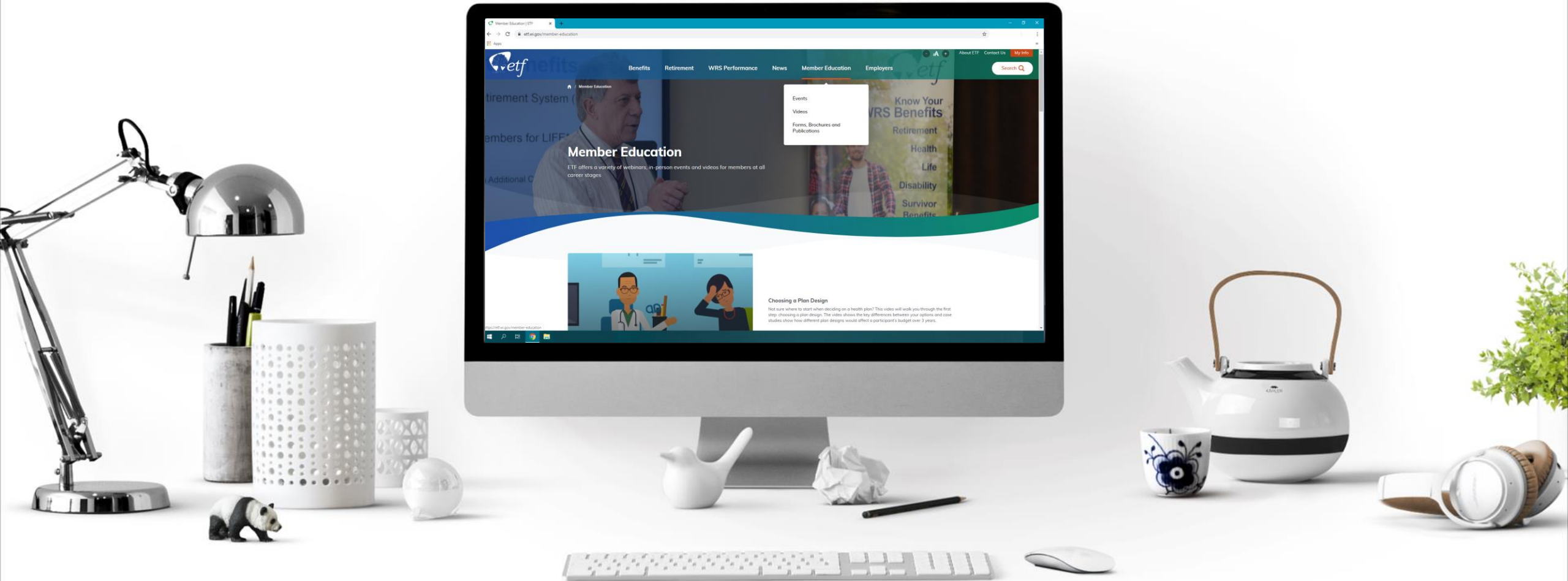
[Search for rates by year.](#)

#### WRS Performance

Latest Investment Performance

Learn at your leisure from the comfort of your home:

# Member Education



# Stay Connected



ETF E-mail Updates



1-877-533-5020



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.

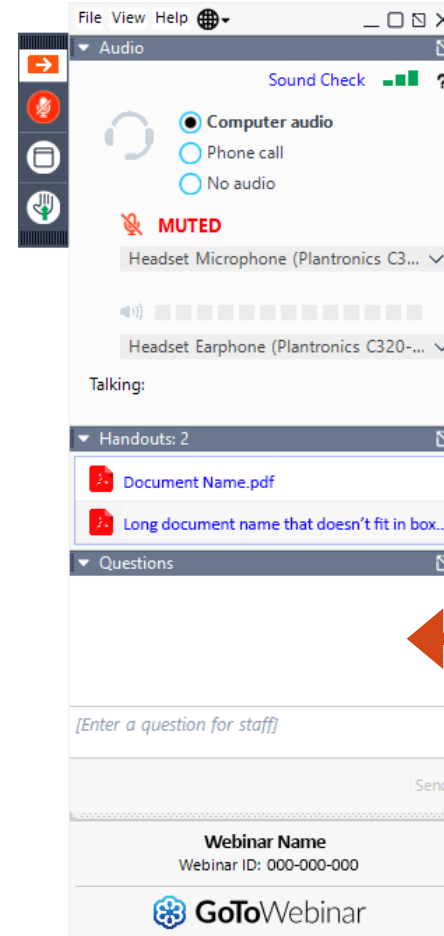
**Host**



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# Questions?



# Thank You

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ETF E-mail Updates



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