WRS Annuity Options

A Getting Ready for Retirement topic
Objectives

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

- Define and explain annuity, annuitant, beneficiary and named survivor
- Compare the different annuity options
- Find resources with more information
- Identify the next steps for you to choose an annuity option
Definitions
Annuity and Annuitant

Annuity

WRS Retirement Benefit → Calendar → $\$\$\$\$

WRS Retirement Benefit paid monthly for LIFE

Annuitant

$\$\$\$\$\$\$\$\$

The person receiving the annuity
**Beneficiary vs. Named Survivor**

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

- **An individual** (or multiple individuals)
- **An entity** (such as a charity, business, religious organization, etc.)
- A trust
- Your estate

A named **Survivor** is one person who will receive a lifetime benefit upon your death if he/she survives you.

- Must be an individual
- **Federal law restrictions on age of non-spouse named survivor**
Annuity Payment Options
# Estimates and Application

## Benefit Payment Options Example

**BENEFIT PAYMENT OPTIONS (based on above data)**

Check only one box for your Monthly Retirement Benefit. Check only one box under Employee Additional Contributions Benefit if you want to apply for your employee additional contributions at this time.

<table>
<thead>
<tr>
<th>Life Annuity Options:</th>
<th>MONTHLY RETIREMENT BENEFIT</th>
<th>EMPLOYEE ADDITIONAL CONTRIBUTIONS BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For Annuitant’s Life Only</td>
<td>□ $1,505 OR □ $1,500 OR □ $1,465</td>
<td>□ $241</td>
</tr>
<tr>
<td>• Life with 60 payments Guaranteed</td>
<td>□ $2,021 OR □ $2,018 OR □ $1,989</td>
<td>□ $240</td>
</tr>
<tr>
<td>• Life with 180 payments Guaranteed</td>
<td>□ $1,239 OR □ $1,236 OR □ $1,207</td>
<td>□ $231</td>
</tr>
</tbody>
</table>

| Joint and Survivor Annuity Options: | | |
|--------------------------------------| | |
| • 75% Continued to Named Survivor* | □ $1,392* OR □ $1,357 OR □ $1,431* | □ $220 |
| • 100% Continued to Named Survivor | □ $1,928 OR □ $1,900 OR □ $1,961 | □ $213 |
| • Reduced 25% on Death of Annuitant or Named Survivor* | □ $1,146* OR □ $1,118 OR □ $1,179* | □ $227 |
| • 100% Continued to Named Survivor with 180 Payment Guaranteed | □ $1,899 OR □ $1,117 | □ $213 |

*The amount shown is prior to 25% reduction upon death.

Lump Sum, Payment Option:

| | | |
|----------------------| | |
| Required Contributions | | |
| □ NOT ELIG | | |

Annuity Certain – Additional Contributions Only

- Payable for 24 Months | □ $1,719 |
- Payable for 60 Months | □ $738 |
- Payable for 120 Months | □ $413 |
- Payable for Months (write in 25-180) | □ |

Additional Contributions |

| | |
|----------------------| |
| □ $39,228 | |

8/29/1946

SPOUSE

*07

*11

*09

*12

29

30

31

21
Life Annuity Options
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
Joint and Survivor Annuity Options
75% Continued to Named Survivor

Survivor receives 75% of payment upon your death
$1,392/month

Survivor dies in first 5 years, you receive “Annuitant’s Life Only” amount
$1,505/month

Survivor dies before you, payments stop upon your death
$1,392/month

Survivor may not be 19 years younger than you and must be your spouse

Survivor may not be 19 years younger than you and must be your spouse
**100% Continued to Named Survivor**

- **Survivor receives same payment upon your death**
  - $1,357/month
  - 100%

- **Survivor dies before you, payments stop upon your death**
  - $1,357/month

- **Survivor dies in first 5 years, you receive “Annuitant’s Life Only” amount**
  - $1,505/month

- **Survivor may not be 10 years younger than you and must be your spouse**

WRS Annuity Options
Reduced 25% on Death of Annuitant or Named Survivor

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

$1,431/month

Survivor dies before you, payments stop upon your death

$1,143/month

Survivor may not be 19 years younger than you and must be your spouse.
100% Continued to Named Survivor with 180 Payments Guaranteed

$1,356/month

Survivor cannot be 10 years younger and must be your spouse
How Accelerated Payments Work

Accelerated Portion: estimated Social Security

$1,899 / month

62

Estimated Social Security (not guaranteed):

$782 / month

$1,117 / month
Post-Retirement Death Benefits

All Members

Your contributions + Employer contributions = 100% interest

Paid according to Annuity Payment Option

- Life Only
- Life with Payments Guaranteed
- % Continued to Your Named Survivor
Beneficiaries

Designate a Beneficiary

- WRS Retirement Benefit
- Designation Form

No Form
Statutory Standard Sequence

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

Change Annuity Payment Option

60 days

Request to change must be made in writing (ET-4319)

Annuity Payment Option Locked In

60 days

Cannot be changed after 60 days
Annuity Payment Options Page

- Information about types of annuities
- Information about Additional Contributions annuities
- Links to resources (video, brochures, and tax info)
WRS Annuity Payment Options Video

6-minute animated video

Detailed information about different payment options

How accelerated payments work

WRS Annuity Payment Options – Receiving Your Retirement Benefit
Choosing an Annuity Option (ET-4117) Brochure

- Information about an annuity
- Annuity option selection
- Consent of spouse or domestic partner
- Changing options
- Canceling your application
Accelerated Payment Calculator

Disclaimer, directions and link to the calculator

Accelerated Payment Options provide you with two (2) monthly payments (annuities):

1. A lifetime annuity, and
2. A temporary (accelerated) annuity that ends at age 62.

The purpose of an accelerated payment is to offer a higher benefit amount until age 62. That is when you can take your Social Security Retirement benefit. Your WRS annuity payment goes down permanently at age 62 even if you choose not to take your social security benefits.

The more money you get before age 62, the less you get after 62. The longer you live after 62 the more you lose (the more it costs you).
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