



WRS Retirement Benefit Calculations

A Wisconsin Retirement System topic



Objectives

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

- Explain the individual components of the two retirement benefit calculation methods
- Describe what affects your WRS retirement benefit for each type of calculation (money purchase and formula)



Definitions

Calculating Your Benefit

Money Purchase

- Account balance
- Age

vs.

Formula

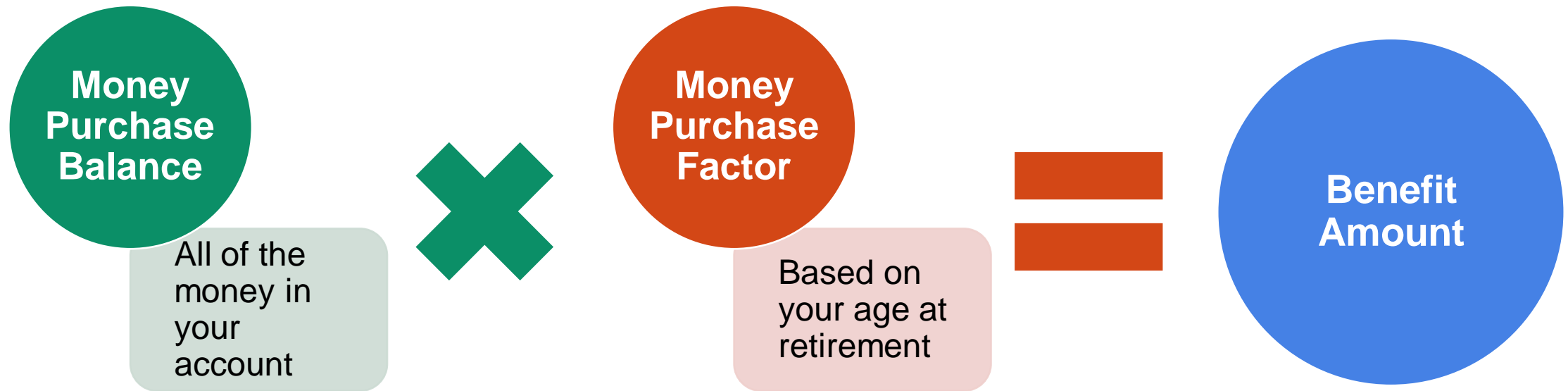
- Years of service
- 3 highest years of earnings
- Category
- Age

**You get paid
the higher of
the 2**



Money Purchase Calculation

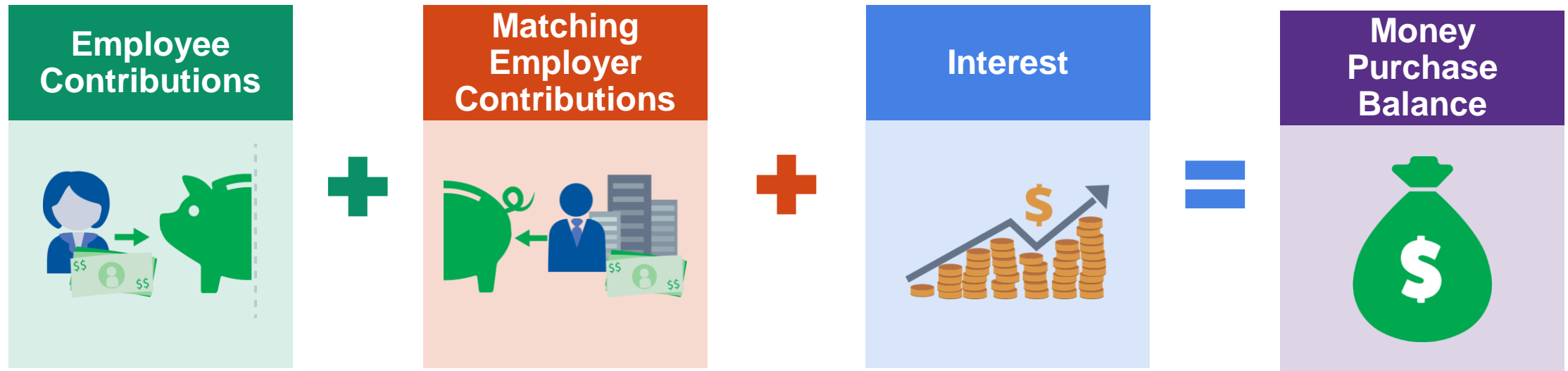
Money Purchase Calculation Math



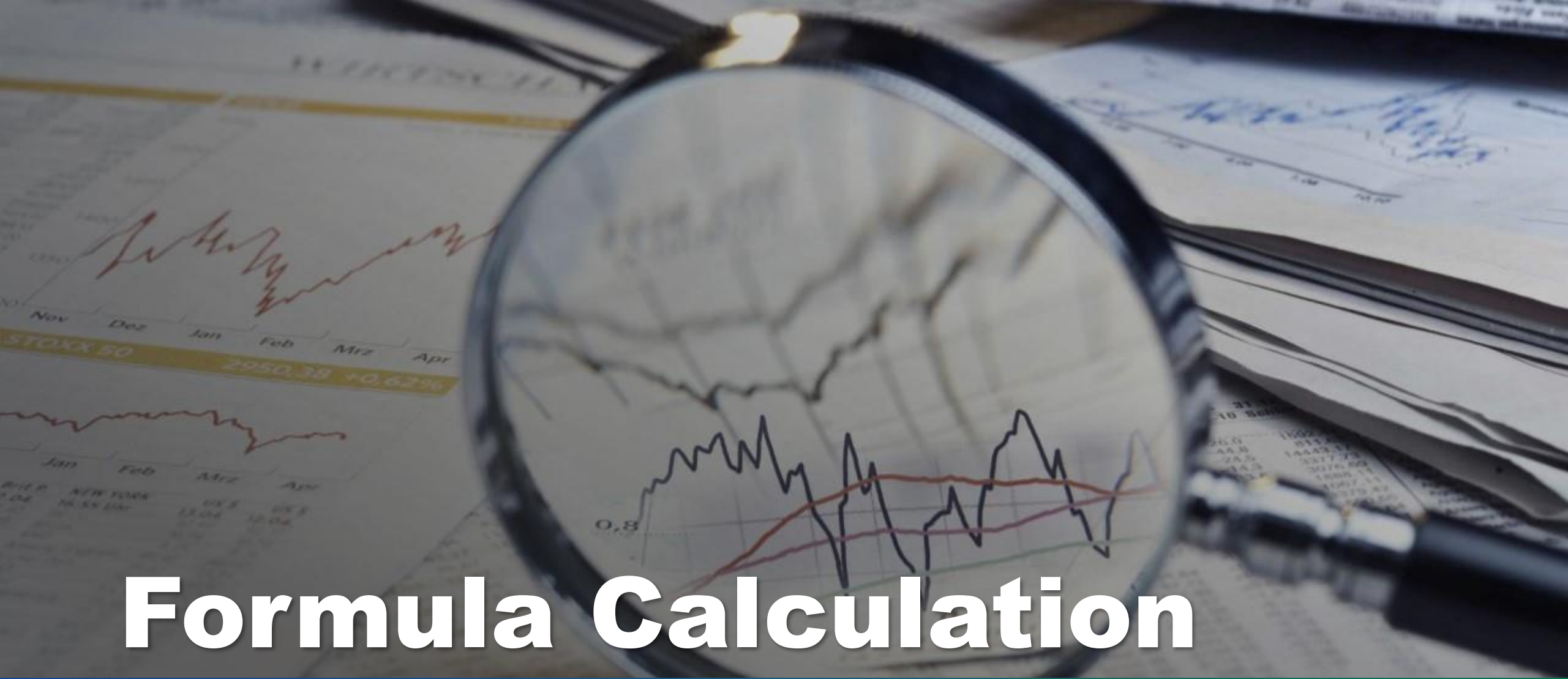
Money Purchase Example

Description	Total
Money Purchase Balance at retirement	\$215,000.00
Money Purchase Factor (age 56 years, 4 months)	X 0.00563
“For Annuitant’s Life Only” annuity option	\$1,210

Money Purchase Balance Calculation

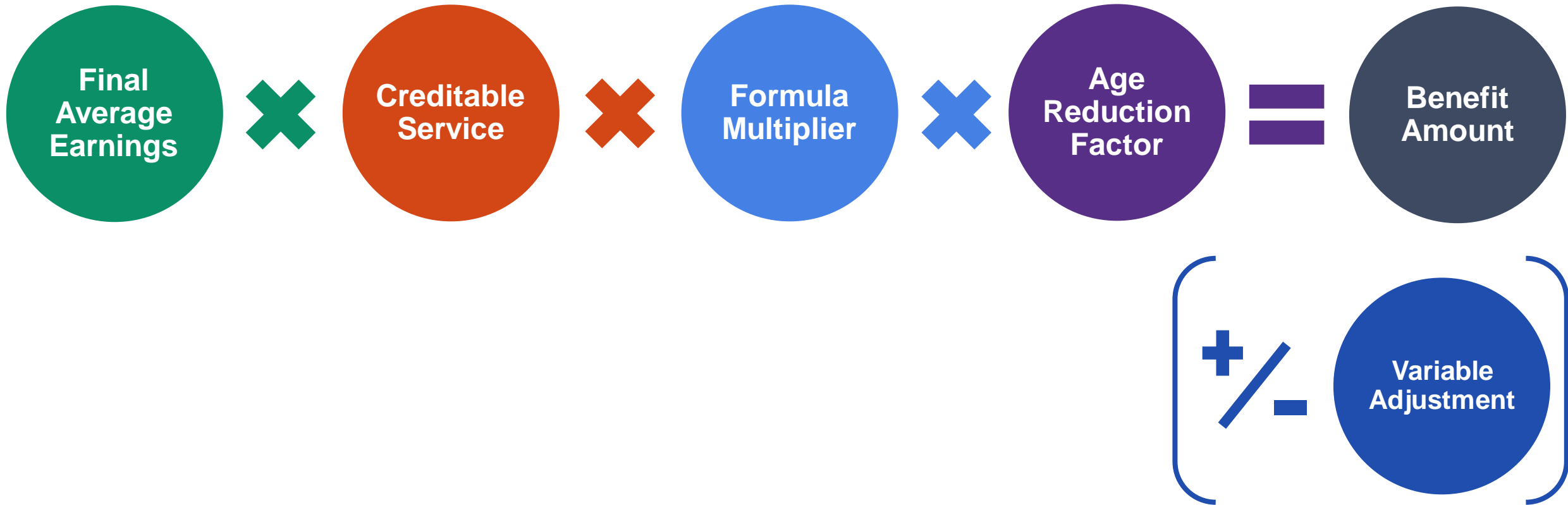


Balances as of the benefit effective date can be all Core contributions or a combination of Core and Variable contributions

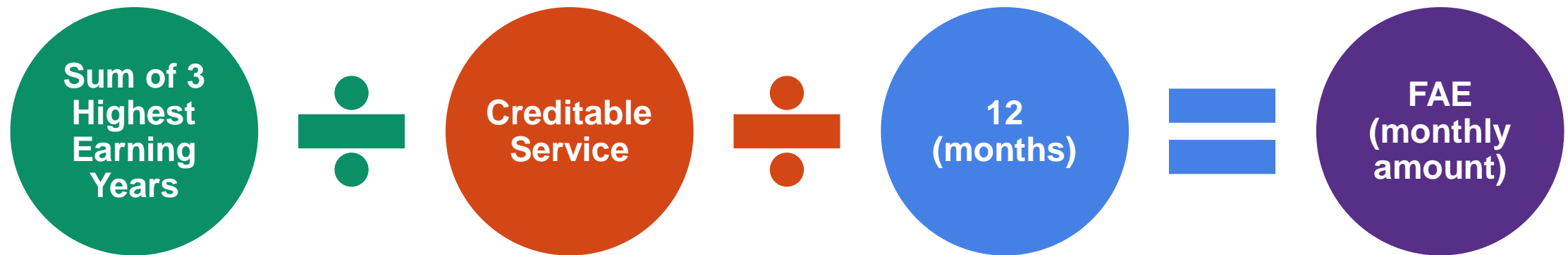


Formula Calculation

Formula Calculation Math



Final Average Earnings (FAE)



For example:
1981, 2002,
and 2021

Years of WRS Creditable Service

1.00 max in a
year

Calendar/Fiscal

1,320 hrs

= 1.00
creditable
service for
teachers

1,904 hrs

= 1.00
creditable
service for
everyone else

Additional WRS Creditable Service

Active-Duty Military Service



Purchased Creditable Service



Forfeited or
Other Governmental Service

Formula Multiplier

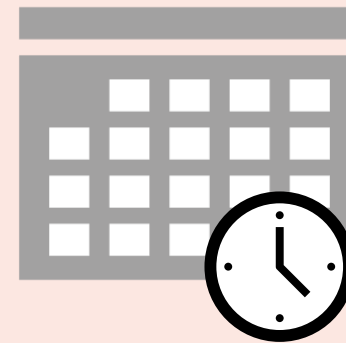
Employment Category	Before 2000	After 1999	After Act 10 (effective in 2011)
General, Teachers, and Education Support	.01765	.016	n/a
Protective with Social Security (police, prison guards, sheriffs, deputies)	.02165	.020	n/a
Protective without Social Security (most firefighters)	.02665	.025	n/a
Elected Officials, State Executive Retirement Plan Employees, and Judges	.02165	.020	.016

Age Reduction Factors

Retire before
Normal Retirement Age



Reported years of
service and service
hours



Retirement Ages

Minimum Retirement Age



↑ Age reduction

Earliest age
you can begin
receiving a
benefit


Normal Retirement Age



Age you can
begin receiving
a benefit with
NO age
reduction factor


Employment Categories

General Employees and Teachers



Minimum Retirement Age (MRA)	55
Normal Retirement Age (NRA)	65

Executive/Elected Official/Judges



MRA 55

Before	NRA	After
←	Jan. 1, 2017	→
	62	65

Protective Occupation Employees



Minimum Retirement Age (MRA)	50
Normal Retirement Age (NRA)	54

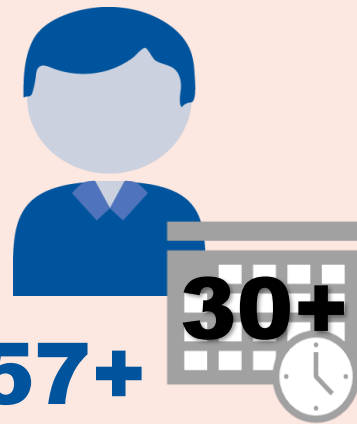
No Age Reduction Factors

Normal Retirement Age



65+

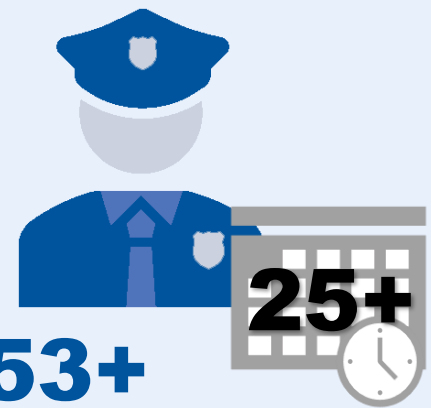
Age & WRS Service



57+

30+

Protective Service Category



53+

25+

Variable Adjustment Factor



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	\$4,263
Money Purchase Factor (based on your age)	x .00563
Variable Adjustment	\$24

Formula Calculation Example

Formula Calculation	Example	
Final Average Earnings (Monthly)	\$3,625	
	Pre-2000	Post-1999
Formula Factors	x 0.01765	x .016
WRS Creditable Service	x 13.35	x 14.12
Subtotal	\$1,673	
Age Reduction Factor	x 0.885	
Subtotal	\$1,481	
Variable Excess or Deficiency	+ \$24	
Benefit Amount ("For Annuitant's Life Only" Option)	= \$1,505	

Summary

Money Purchase Calculation

Total account balance

Age at retirement

Variable fund dollars are included in your account balance

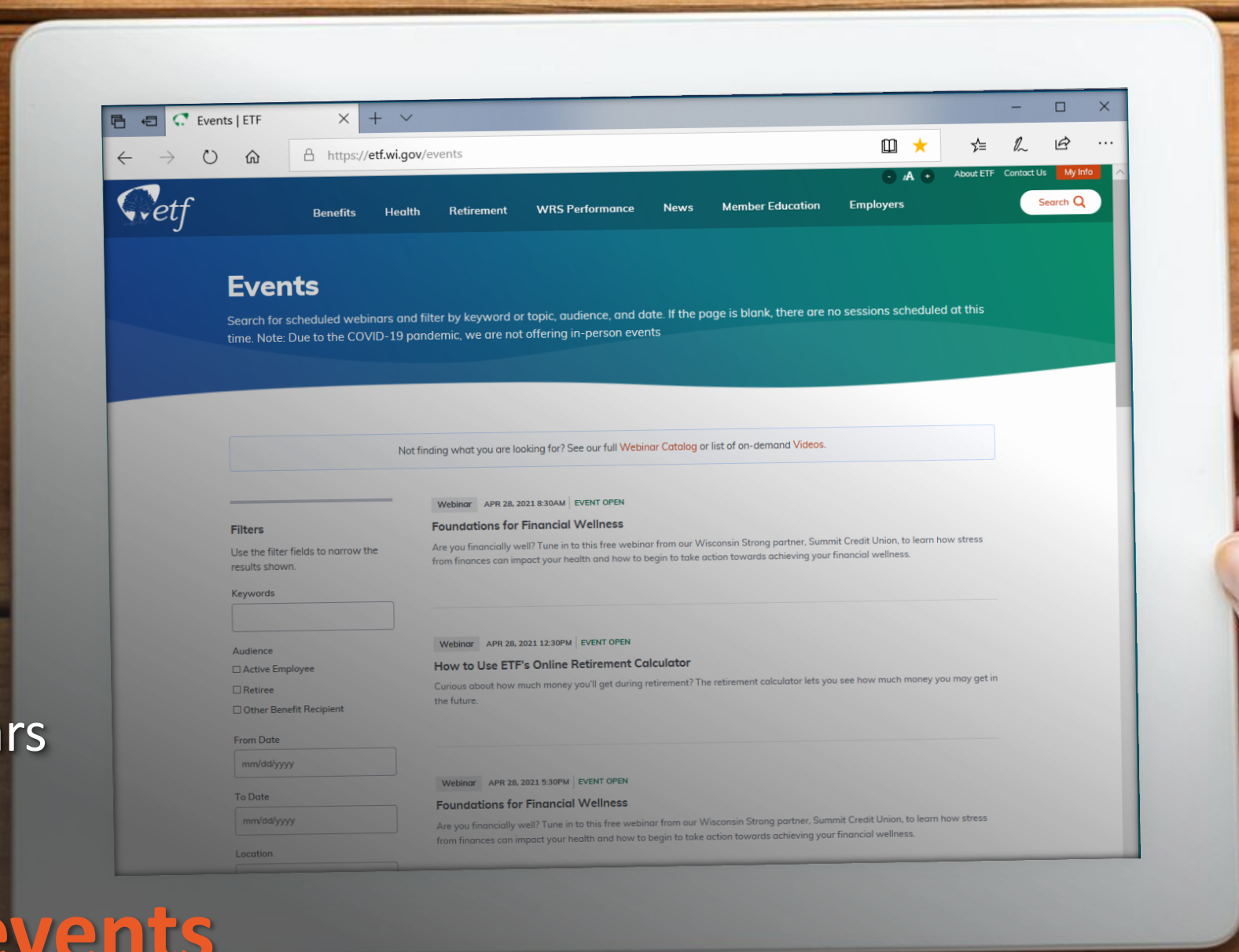
Formula Calculation

Three highest years of earnings

Total amount of service

Age at retirement

Variable fund adjustment calculated based on excess or deficiency



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