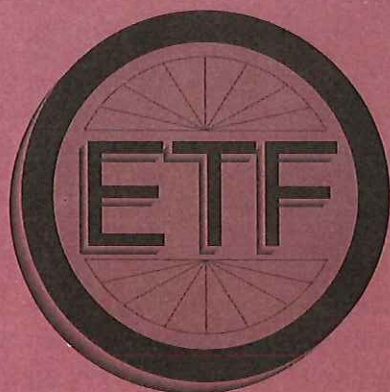


Wisconsin  
Department of



Employee  
Trust  
Funds





## Wisconsin Department of Employee Trust Funds

**801 West Badger Road, Madison, WI 53713-2526**

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing, or visually impaired and need assistance, call (608) 266-3285 or TTY (608) 267-0676. We will try to find another way to get the information to you in a usable form.

Stephen R. Tatarsky, ETF Editor  
WISCOMP, Design and Layout  
ET-8501 (REV. 11/96)



STATE OF WISCONSIN

## Department of Employee Trust Funds

Eric Stanchfield

Secretary

201 East Washington Avenue

P. O. Box 7931

Madison, Wisconsin 53707

October, 1996

Governor Tommy Thompson,  
Members of the State Legislature,  
Public Employers and other Interested Parties:

I am pleased to present you with the 1995 Comprehensive Annual Financial Report of the Wisconsin Department of Employee Trust Funds (ETF). We continue to accelerate the completion of our complicated financial audit following each year's receipt of the final opinion of the Legislative Audit Bureau. Improving the timeliness of these reports has been a main objective over the past few years.

ETF manages the public employe retirement program and a number of other fringe benefit programs for all state agencies and many local governments in Wisconsin. As the 1995 report shows, we manage retirement and benefit accounts for 88,998 retired persons living throughout the world, 236,274 active employes at all levels of public employment and another 88,437 former employes who have kept their accounts active and who will take future benefits.

The narrative summary of ETF's programs is found in the Introduction of this report. This year's report features the Wisconsin Deferred Compensation program, a fast growing benefit program available to state employes and to local government employers who choose to participate. Participation in Deferred Compensation has grown 160% in the past nine years.

The 1995 report contains audited financial data and statistical material, the all-important actuarial report and other related data. To meet the state's requirement for publication of a biennial or annual report we also include material on our objectives, accomplishments, legislation affecting our programs and other information.

Your comments are welcomed and can be directed to me at (608) 266-1071 or to Sandy Drew, our Director of Legislation and Planning, at (608) 267-2929.

Sincerely,

Eric O. Stanchfield  
ETF Secretary



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Wisconsin  
Department of



Employee  
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Funds

# 1995 Overview

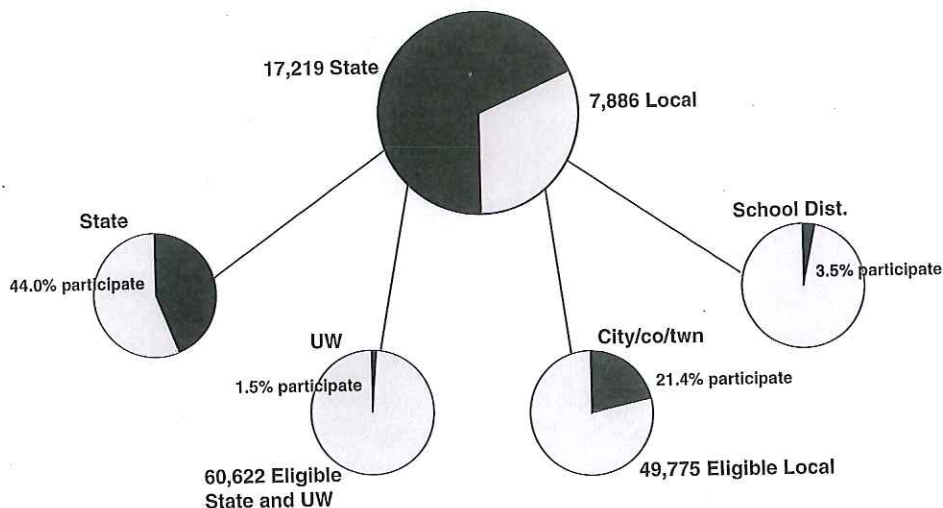
In 1995, the number of covered Wisconsin Retirement System (WRS) participants increased by nearly 12,000 persons, 3% over the previous year. To put this in perspective, the total number of participants has risen by 81,477 since 1988, a 24.5% increase. Other examples of growth in the public employe pension and benefit system operated by the Wisconsin Department of Employee Trust Funds (ETF) were: (1) Payments to all retirees and others receiving annuity payments increased by \$86 million during 1995 and (2) The number of retired individuals served came closer to another milestone with 88,998 persons benefiting. Employee Trust Funds expects 100,000 retirees served within the next few years.

## Deferred compensation grows 160% in nine years.

Nineteen-ninety five was thus another year of growth for Employee Trust Funds, and one of the fastest growing benefit programs proved to be the Wisconsin Deferred Compensation Program (WDC). Deferred Compensation provides participating employes and retirees with yet another important opportunity to plan for their financial future.

The WDC is a deferred compensation program under Section 457 of the Internal Revenue Code. This program provides eligible employes with the opportunity to set aside a portion of their annual earnings on a tax-deferred basis

Chart A **WDC ACTIVE PARTICIPANT POPULATION**  
Total Participants as of 12/31/95: 25,105





to supplement retirement income. Federal tax law sets forth certain limitations and restrictions that must be followed including the amount of employee compensation that can be deferred as well as when and how account balances can be distributed.

ETF and the Deferred Compensation Board are responsible for oversight of the WDC and contract with a third party administrator to provide full customer service to participants. The current administrator is National Deferred Compensation, Inc. The program offers participants a broad selection of investment choices and is designed to provide participants with as much flexibility as allowed by federal tax laws.

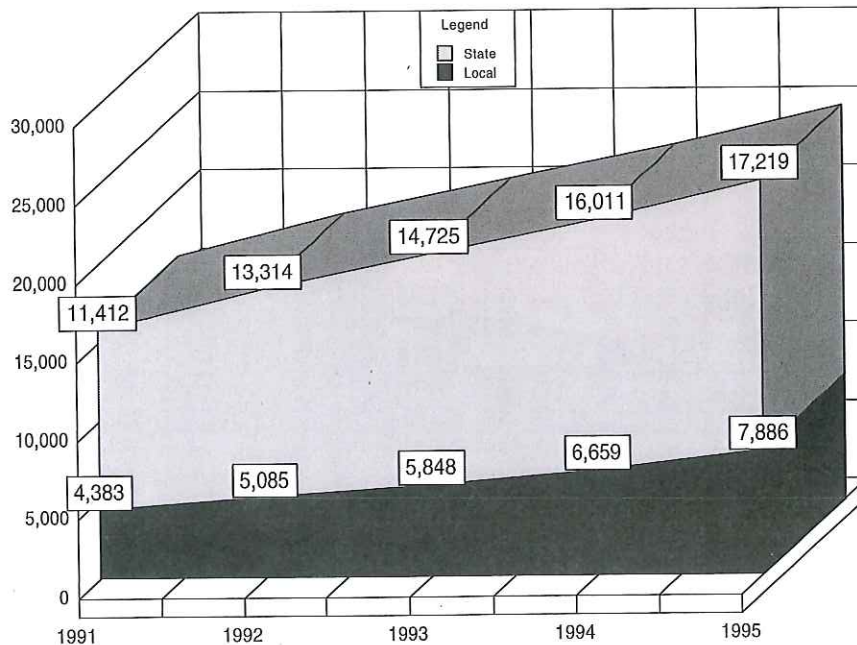
As of December 31, 1995 there were 25,105 employees participating in the program. This represents a 160% increase in participation over the past nine years as the number of participants totaled only 9,500 at the end of 1986. This growth is partially attributed to

program enhancements such as improving investment choices and participant services while reducing the administrative costs that are passed on to participants. Also, more employees are recognizing that retirement pensions and Social Security benefits alone will not meet retirement needs and the WDC provides both an affordable and attractive way to establish a retirement savings plan.

In 1983, the WDC was made available only to state and university employees. In 1985 statutes were amended to allow local governments and school districts the opportunity to elect participation in this benefit program. As of December 31, 1995, 424 local governments and school districts are offering the WDC to their employees. Chart A (on page 2) illustrates the active participation in the WDC at the end of 1995. The 49,775 eligible local government employees represent only the employees of the 424 local employers that elected to participate in the WDC.

Chart B

## WDC Participation



State employees represent the largest number of participants with approximately 44% of eligible employees participating. Although participation by local government employees is increasing, a substantial number of local governments offer one or more Section 457 program in addition to the WDC. Participation by employees of the university and school districts is minimal because of other opportunities made available to them through Section 403(b) tax sheltered annuity programs.

The WDC continues to experience significant growth in participation each year. Chart B (on page 3) illustrates participation levels over the past five years. Total plan assets have also continued to grow at an astounding rate with a 32% increase in 1995 alone (see Chart below).

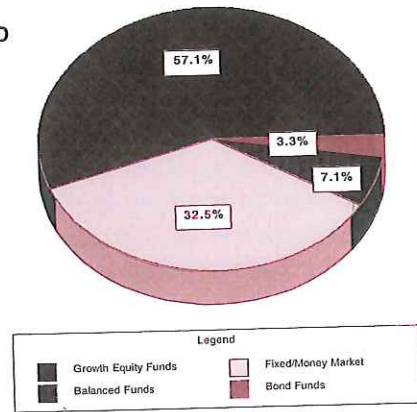
Participants can choose to invest as little as \$10 per payroll deferral into the WDC. Investments can be made in any of the available options which include guaranteed principal options, bond mutual funds and domestic and international equity funds. During 1995, the WDC activated an automated telephone system that allows participants 24 hour-a-day access to obtain account informa-

tion or request changes to their accounts via a touch-tone telephone system.

The majority of WDC participants invest more aggressively, by choosing growth and aggressive growth mutual

### % of Assets by Investment Type

Chart D

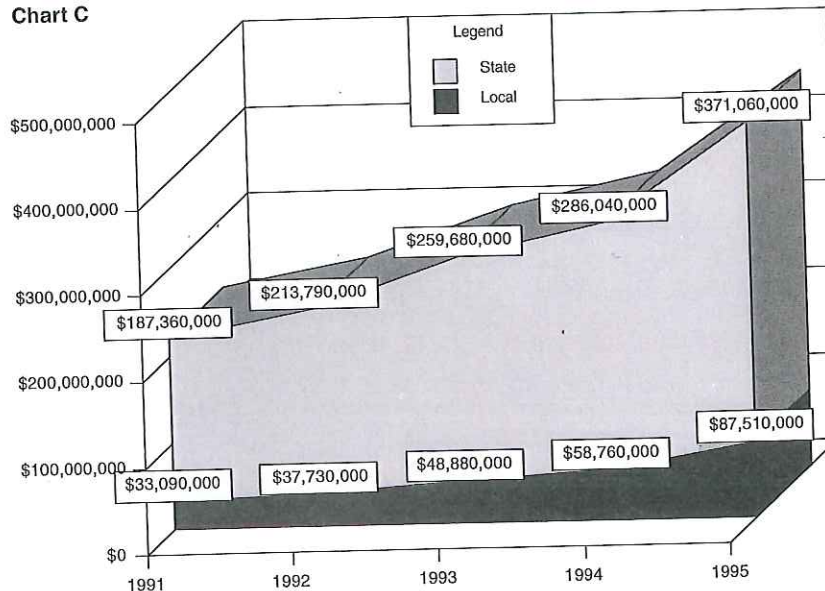


fund options for their savings portfolio (see chart D below.)

As more employees realize that retirement pensions and Social Security alone cannot meet all needs for a secure financial retirement, supplemental savings programs such as the WDC will gain even more popularity. Although the WDC has reached a high level of participation, ETF anticipates that some growth will continue.

### WDC Total Assets

Chart C





# 1995 Program Highlights

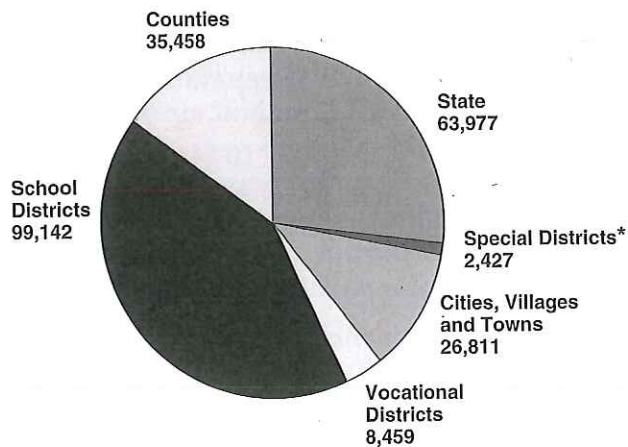
## RETIREMENT:

Public employers and employees contributed \$980 million in 1995 to the WRS to support future benefits, an increase of about \$44 million from the previous year. The system's 1,202 public employers contributed \$585 million as the employer's required share of future benefits. The amount contributed directly by employees, or by employers on behalf of their workers, totaled \$395 million in 1995, an increase of 5.3% from 1994.

- The number of WRS participants totaled 413,709 at the end of 1995, up 3.0% over the previous year. Participants include 236,274 active government employees, an increase of 1.1% over the previous year; 88,998 retirees and others receiving annuities, and 88,437 "inactives," or former public employees who had not yet taken a benefit from their retirement

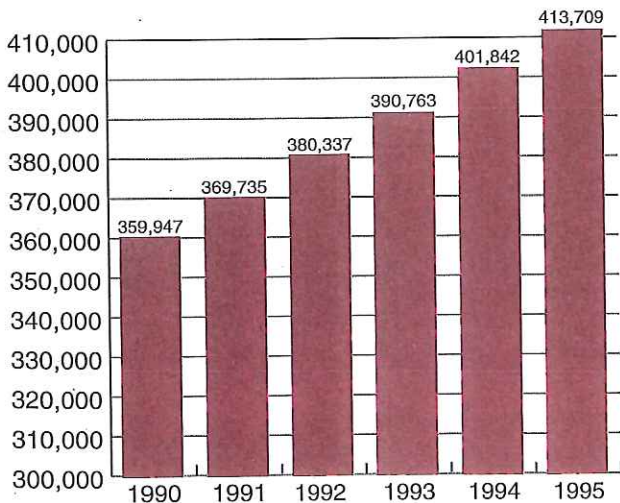
accounts. To put the WRS growth in perspective, the total participation has risen by 81,477 persons since 1988, a 24.5% increase.

Active Participants by Employee Type, 12/31/95



\* Housing Authorities, Sewerage Districts, Regional Planning Commissions, etc.

1990-1995 WRS Participation



The number of active public employees covered by the WRS continues to increase. There were 236,274 active employees at the end of 1995, up 1.1% from the previous year. About 27% of active participants are state employees including the university system and 73% are local employees. School districts employ the largest single group of WRS participants, 99,142 persons, or 41.9% of the total. Participation by type of employment was:

- One of the most important functions of the Department of Employee Trust Funds is to provide retirees with their monthly annuity checks at the same time every month. Given that

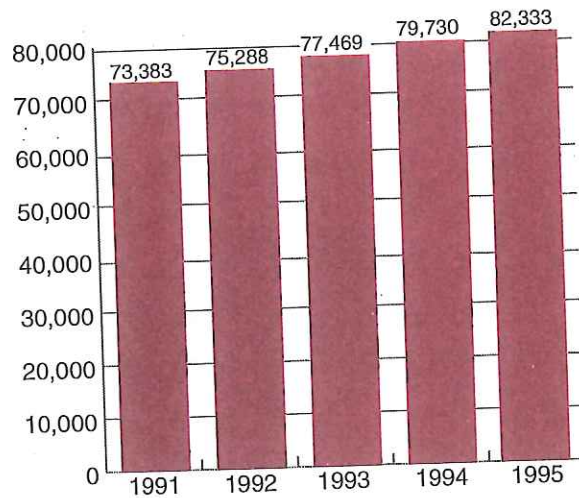
so many people depend on these checks for their livelihood, this is a major ETF priority. The vast majority of WRS retirees still live in Wisconsin, so these payments are a major part of the state's economy.

In 1995, ETF paid out one billion, 95 million dollars in annual benefits to retired or disabled WRS participants or their survivors. The total of annuity payments for 1995 was \$86 million (8.5%) more than 1994's audited total of one billion, nine million dollars. In 1994 the Wisconsin Retirement System reached a major milestone by paying out \$1 billion for the first time. ETF also provides separation payments to employees leaving public service prior to retirement. The 1995 **separation benefits** totaled \$30.2 million, up \$6.2 million from the previous year. Separation benefits are paid participants who leave public employment and decide to withdraw their portion of their retirement account prior to retirement age.

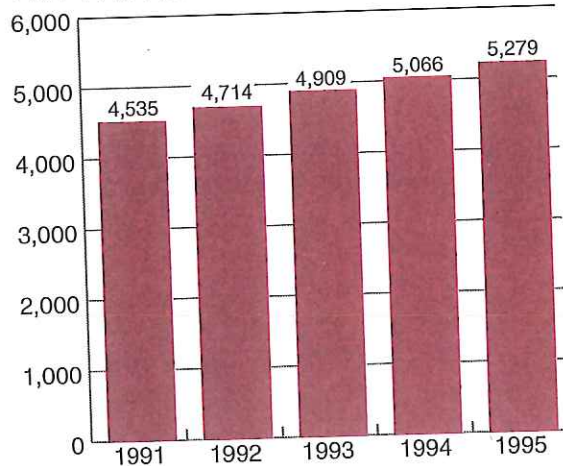
- The number of persons receiving retirement, disability and beneficiary annuities at the end of 1995 was 88,998, an increase of 2,784 (3.2%) over 1994. The three-part chart on this page shows how the number of annuitants has increased over the past five years, from 79,465 at the end of 1991 to the three-part total of 88,998 at the end of 1995. It also shows the type of annuitant. "Disability" means persons who had to retire because of injury or illness and were eligible for a monthly annuity. "Beneficiary" means a person receiving a survivor benefit from a deceased WRS participant account.

The **average** annual annuity received by **all** WRS retirees in 1995 (fixed and variable combined) was \$12,426 up \$516 (4.3%) from the previous year. The average annual benefit has been increasing through the years. Some individuals

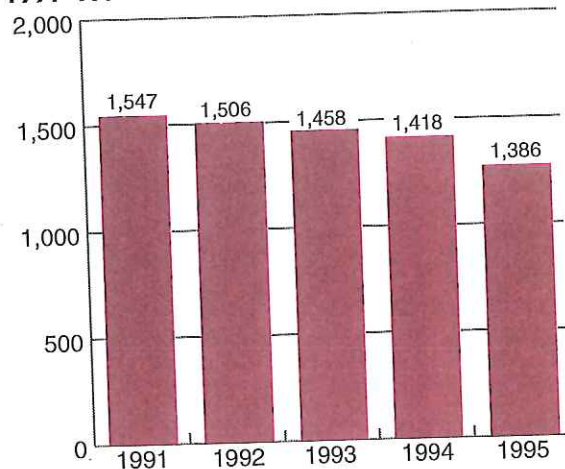
**1991-1995 Annuities Paid-Retirement**



**1991-1995 Annuities Paid-Disability**



**1991-1995 Annuities Paid-Beneficiary**

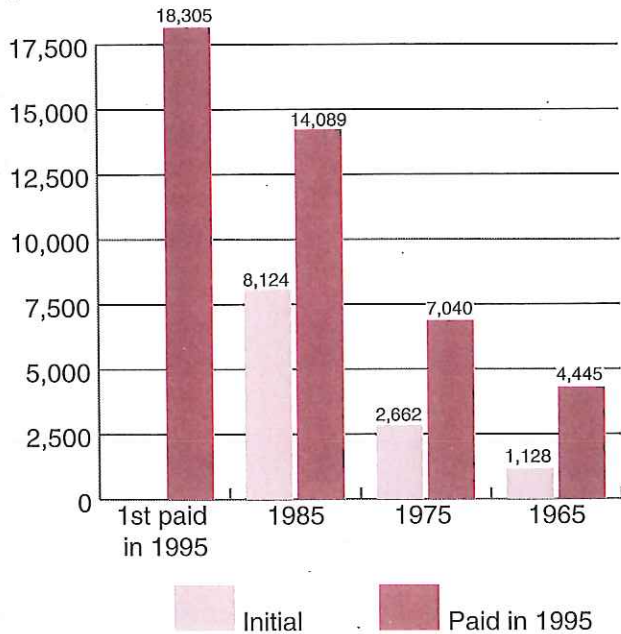




have more than one annuity, so the total number of annuities is higher than the number of **people** provided annuities by ETF each year.

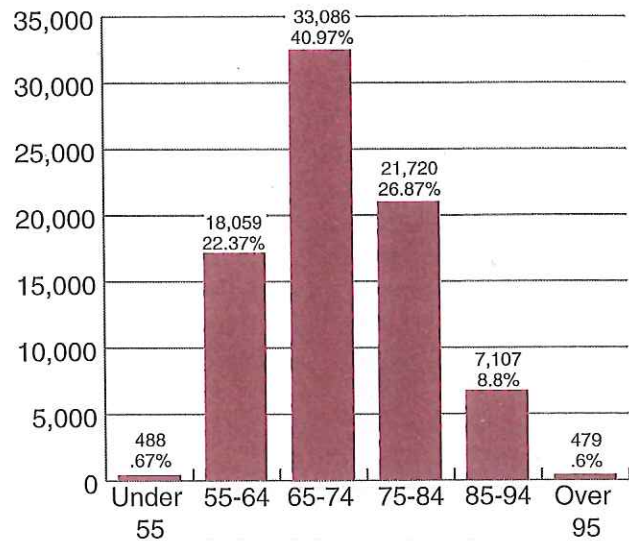
- For those who retired in 1995, the average annuity was \$18,305, about \$798 more than the previous year's average. The chart below shows the average annuity **received in 1995** by persons who retired 10, 20 and 30 years ago.

**Growth in Average Annual Retirement Benefit (Initial Amount and \$ Value by 1995)**



- Another important characteristic is the age of those who are retired. The chart below shows the distribution of ages for all those receiving retirement benefits from the system at the end of 1995. Only 488 individuals under the age of 55 are receiving benefits. At the other end of the age scale, Wisconsin retirees have great longevity with 7,586 individuals over the age of 85 still drawing their monthly benefits.

**Age Distribution—All Retirees (through 12/31/95)**



## BENEFITS:

- **GROUP HEALTH INSURANCE** covered 60,083 active and 15,165 retired state of Wisconsin employees at the end of 1995, about 185,000 persons when all their covered dependents are counted. The total amount of annual health insurance premiums paid by the state for these participants was \$317 million. In the local employer group health insurance program were another 5,989 active and 853 retired participants. With their dependents, the total number of people covered was about 17,000. Annual premium was \$29 million. At the end of 1995, there were 140 local employers participating. An additional program provided group health coverage to 315 retirees from local governments in the Local Annuitant Health Plan.

The health insurance plans offered by ETF provide employe health insurance coverage in all Wisconsin counties, with over one-fourth of participants residing in Dane County. Participants are offered a choice of at least two or more competing plans. All plans are required

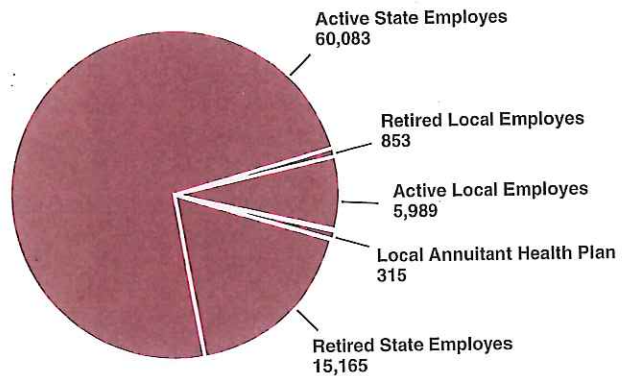
to be "substantially equivalent" to the Standard Plan - which is the traditional fee-for-service plan. The Standard Plan has a high benefit level which was ranked first among the 50 state employee plans in a recent evaluation.

Prior to the 1983 initiative to create managed care, approximately 82% of employees were enrolled in a standard fee-for-service plan offered statewide with the remainder enrolled in eight available HMOs. When the new system started, 16 HMOs became available and over 60% of active employees chose HMO coverage compared to 18% previously. The number of plans offered has increased, and currently more than 85% of all state employees are enrolled in the alternative plans. The remaining 15% participate in the two fee-for-service standard plans offered.

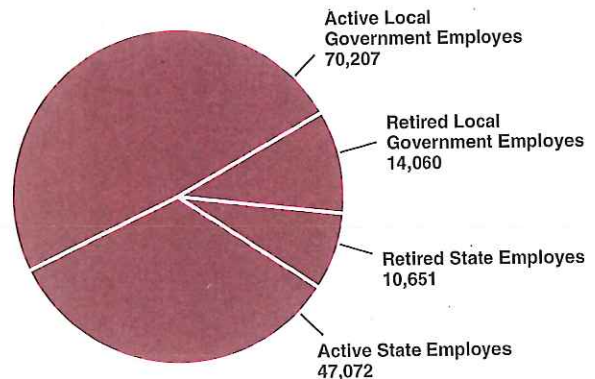
- THE BASIC GROUP LIFE INSURANCE** plan covered 141,990 individuals at the end of 1995, a 3.0% increase in coverage over the previous year. Basic life insurance covered 47,072 active state employees and 70,207 active local employees working for 536 local employers who chose to participate. Growth in the local government plan has been steady and significant over the past few years. In addition, 10,651 retired state and 14,060 retired local employees participate in the basic life plan. Many of these employees also have life insurance under supplemental, additional and spouse and dependent plans. At the end of the year, there was \$7.6 billion worth of life insurance in force for all participants in all plans, up from the \$7.1 billion the previous year.

- THE WISCONSIN DEFERRED COMPENSATION (WDC) PROGRAM** had a substantial participation increase of 10.8% during 1995. There were 17,219 state employees

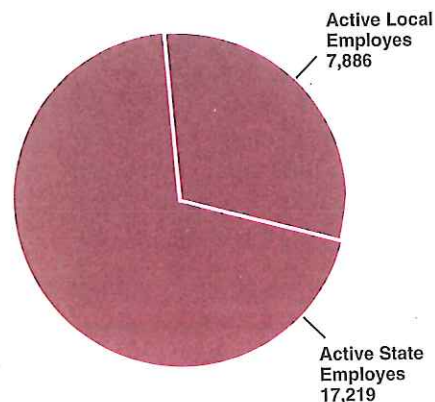
**Group Health Insurance, Employees Covered  
All Plans 12/31/95**



**Group Life Insurance, Employees Covered  
All Plans 12/31/95**



**Deferred Compensation  
Total Participation 12/31/95**



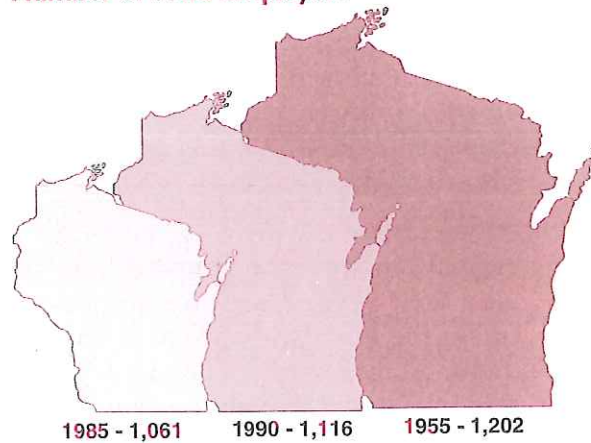


and 7,886 local employees who set aside a portion of their earnings on a tax-deferred basis at the end of the year. Forty-three additional local employers came into the program in 1995, bringing the total to 424 local participating employers. A total of 89 additional local employers were added in the past two years. Participants deferred \$58.2 million of their 1995 earnings, up \$11.4 million from the previous year. WDC assets totaled \$470.2 million at the end of 1995, a 31.5% increase over last year's assets. The program allows employees to defer part of their compensation and have the amounts invested in choices which include two fixed income options and eight mutual funds with varying degree of investment risk. Participants may defer earnings to as many investment options as they choose.

- **THE EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM** At the end of 1995 ERA had 7,141 participants, an increase of 17.6% over 1994 participation. Employees created 1,655 dependent care accounts and 5,486 medical expense accounts. ERA allows state employees to establish pre-tax reimbursement accounts for medical care expenses not covered by insurance and for dependent child or adult care expenses. Total salary reductions were \$10.5 million (\$6.3 million for dependent care and \$4.2 million for medical), an increase of 7.1% over 1994 reductions of \$9.8 million. Reductions in FICA tax from this program saved the state an estimated \$1.79 million in 1995, with combined FICA and income tax savings of \$6.7 million realized by participants.

- **INCOME CONTINUATION INSURANCE** was provided to 50,286 state employees and 3,203 local government employees as a supplemental benefit to cover income in case of short- or long-term disability. State government and 70 local governments participate in the ETF program, a self-insured plan with claims administration through a third party administrator.

**Number of WRS Employers**



## **EMPLOYERS**

At the end of 1995 there were 1,202 employers in the Wisconsin Retirement System. This includes state agencies and the university system (60 employers) and 1,142 local government employers. (See list of employers in the last section of this report.) Nineteen new local employers were added to the WRS in 1995. Six school districts also agreed to cover their other employees besides teachers during the year. All changes added 592 new employees to the WRS.

State law **mandates** WRS coverage for all eligible employees of the state of Wisconsin including the university system, all counties except Milwaukee, all public and vocational school teachers, city police officers and municipal firefighters except Milwaukee, and non-teaching employees of a new school dis-

trict under special circumstances involving merger or consolidation of school districts. Also having mandated coverage, if required by law prior to March 31, 1978, are police officers in villages with more than 5,000 residents and firefighters in villages with more than 5,500 residents.

Most Wisconsin cities, most school districts and many villages have elected, however, to cover all their workers, not just mandated police, fire and teacher employes.

Sources for the number of governments listed below are the Wisconsin Blue Book, published by the Legislative Reference Bureau, and the League of Wisconsin Municipalities.

- At the end of the year, 152 cities covered all their employes and 35 covered their police and fire employes under the WRS. Milwaukee is not included because it has had a separate retirement/benefit system for many years. (The list of employers includes the old Town of Lake which was annexed into the city of Milwaukee many years ago.)
- All 71 counties, outside of Milwaukee County, participate.
- Of 395 villages in Wisconsin, 164 now cover either all their municipal employes or their police and fire employes. Added in 1995 were the villages of Crivitz, Denmark, Eleva, Lake Nebagamon, Loganville, Neshkoro and Wausaukee.
- Of the 1,265 town governments in the state, only 126 cover their employes through the WRS, but most of the larger, more urbanized townships in Wisconsin do provide coverage. Small townships may not have any full-time employes. Added in 1995 were the towns of Delton,

Iron River, Ironton, Laketown, Presque Isle, Preston and Stockton.

A total of 428 school districts and 12 Cooperative Educational Service Agencies (regional units that provide some joint services) cover their teachers/administrators, and a large number also cover their office, cafeteria, maintenance and other employes under WRS. Six districts expanded coverage of other employes in 1995: Arrowhead, Bonduel, Fennimore, Geneva, Holmen and West Salem.

- All 16 local Vocational, Technical and Adult Education districts cover their teachers and most cover their other employes as well.
- There now are 138 special districts and units of government in Wisconsin which are counted as separate employers and cover their employes. Included, among others, are city and county housing authorities, sewerage and sanitary districts, library and health districts and regional planning commissions. The exact number of all such districts in Wisconsin is not available. Five such employers were added in 1995: Chilton Housing Authority, Ladysmith Housing Authority, Middleton Fire District, North Shore (Milwaukee suburbs) Fire Department and River Falls Housing Authority.

Although the exact total of all public employes in Wisconsin is difficult to determine because of differences between "full-time equivalent" positions and part-time employment, it is estimated that approximately 90% of all state and local public employes are participants in the Wisconsin Retirement System.



# ETF Boards and Agency Organization

## DETAILED BOARD FUNCTIONS AND MEMBERS:

There were 38 Wisconsin citizens who served on one or more of the five Boards served by the Department of Employee Trust Funds at the end of 1995. One position was vacant. This section explains how members are appointed or elected, shows how membership overlaps, and provides information on individual Board members. Members of the Boards of Trustees represent a variety of geographic areas and are chosen, under state statutes, in a variety of ways. Some members are direct appointees of the incumbent Governor, others are appointed to fixed terms from lists submitted to the Governor by specified organizations, and still others are directly elected by active participants or retirees.

The members and officers of each Board are listed, along with a short explanation of each Board's responsibility:

### EMPLOYEE TRUST FUNDS BOARD (12 members)

This Board sets policy for the Department of Employee Trust Funds (ETF); appoints the ETF Secretary; approves tables used for computing benefits, contribution rates and actuarial assumptions; authorizes all annuities except for disability; approves or rejects ETF administrative rules; and generally oversees the benefit programs, except group insurance and deferred compensation. Membership criteria is set by state law, with some members ap-

pointed by the Teachers Retirement Board (TRB) and the Wisconsin Retirement Board (WRB). In 1993 a new seat on the Board was created under state law, allowing retirees to elect a trustee for the first time.

Members, how they are chosen for the ETF Board, and their original source of appointment or election are:

### BOARD MEMBERS (as of 12/31/95)

**Chair: Marilyn J. Wigdahl**, Retired from the UW-LaCrosse, appointed by Wisconsin Retirement Board; WRB member appointed by the Governor as a participating state employee.

**Vice-Chair: Mark H. Stone**, Retired Superintendent of Schools, Little Chute Area District, DePere, appointed by Teachers Retirement Board; TRB member appointed by the Governor as a public school administrator who is not a classroom teacher.

**Secretary: Kenneth F. Stelzig**, Retired Vocational school teacher, Eau Claire; appointed by Teachers Retirement Board; elected to TRB by vocational school teachers.

### Others:

**Paul C. Adamski**, Finance Director, City of Stevens Point, appointed by Wisconsin Retirement Board; WRB member appointed by Governor as a chief executive or finance officer from a participating city or village. (now a bank President.)

**Constance P. Beck**, President, C.P. Beck Consulting, Milwaukee, Governor's appointee as a public member who is NOT a participant in or beneficiary of the WRS. The appointee must have substantial actuarial, employe benefit or insurance experience.

**John L. Brown**, County Clerk, Washburn County, Spooner, appointed by the Wisconsin Retirement Board; WRB member appointed by the Governor from a participating county or town from a list submitted by the Wisconsin Counties Association.

**C.F. Saylor**, County Board Chair, Juneau County, Necedah, appointed by Wisconsin Retirement Board; WRB member appointed by Governor as an employe of a participating local government.

**Stephen H. Frankel**, ex-officio, Managing Actuary, Northwestern Mutual Life Insurance, Milwaukee. Governor's designee on the Group Insurance Board.

**Jon Litscher**, ex-officio, Secretary of Wisconsin Department of Employment Relations, Madison,

**Robert M. Niendorf**, Professor of Finance, College of Business Administration, University of Wisconsin-Oshkosh; appointed by Teachers Retirement Board; TRB member appointed by Governor as a UW faculty participant in the WRS.

**Otto H. Schultz**, retired Superintendent of the Mishicot (Manitowoc County) school district; elected by retirees.

**Richard J. Wesley**, Milwaukee public school teacher, appointed by Teachers Retirement Board; elected to TRB by Milwaukee teachers.

## WISCONSIN RETIREMENT BOARD (9 Members)

The Wisconsin Retirement Board advises the ETF Board on matters relating to retirement; approves or rejects administrative rules; authorizes or terminates disability benefits for non-teachers; and hears appeals of disability rulings. It appoints four members to the ETF Board and one to the separate State of Wisconsin Investment Board.

### BOARD MEMBERS (as of 12/31/95)

**Chair: Marilyn J. Wigdahl**, LaCrosse, state employe appointed by Governor. (See ETF Board)

**Vice-Chair: John L. Brown**, County Clerk, Washburn County, Spooner; Must be from a county different from other county appointees. (See ETF Board)

**Secretary: C. F. Saylor**, Juneau County Board Chairman; appointed by the Governor as an employe of a participating local employer, other than a city or village, and from a different county than other appointees. (See ETF Board)

### Others:

**Virginia O. Smith**, Mayor of Chippewa Falls; Governor's appointee from a list of city or village chief executives supplied by the League of Wisconsin Municipalities.

**Theodore H. Bauer**, Finance Director, City of Neenah; appointed by Governor as a local financial officer.

**David L. Heineck**, Life and Health Actuary, Wisconsin Commissioner of Insurance's Office, Madison, designated by the Commissioner as an experienced actuary.

**Donna Jarvis**, Executive Vice President/CEO, U.S. Counseling Services, Inc. Brookfield; appointed by the Governor as a public member who is not a participant or beneficiary of the WRS.



**Wayne E. Koessl**, Government Affairs Representative, Wisconsin Electric Power Co., Kenosha, and member Kenosha County Board of Supervisors; appointed by Governor from a list submitted by the Wisconsin Counties Association.

**Donald S. Marx**, Real Estate Manager, City of Madison, appointed by Governor from a city or village. Must be from a different municipality and county than other appointees to this board.

### TEACHERS RETIREMENT BOARD (13 members)

Advises ETF Board on retirement and other benefit matters involving public school, vocational, state and university teachers; acts on administrative rules and authorizes or terminates teacher disability benefits and hears disability benefit appeals. Nine of the 13 members are directly elected.

### BOARD MEMBERS (as of 12/31/95)

**Chair: Kenneth J. Stelzig**, Eau Claire; elected by vocational school teachers. (See ETF Board)

**Vice-Chair: John F. Walsh, Jr.**, biology teacher, Cumberland Public Schools; elected by public school teachers.

**Secretary: Melvin Pinsker**, social sciences teacher, Greenfield High School, elected by public school teachers.

#### Others:

**Lauri R. Bickel**, teacher in the Eau Claire School District, elected by public school teachers.

**Theodore Bratanow**, Engineering Mechanics Faculty, University of Wisconsin-Milwaukee; appointed by the Governor as a UW faculty participant. Must be from a different campus than the other UW representative.

**Donald T. Ganther**, teacher in the Chippewa Falls School District; elected by public school teachers.

**George H. Hahner**, retired teacher from the Racine School District, elected by retired school teachers.

**Marvin L. Hopland**, District Administrator, Oostburg public schools, appointed by the Governor as a public school administrator who is not a classroom teacher.

**Wayne D. McCaffery**, economics teacher, Stevens Point High School District; elected by public school teachers.

**Nancy Mistele**, member of the Madison School District Board, appointed by the Governor as a school board participant.

**Robert M. Niendorf**, Professor of Finance, College of Business Administration, University of Wisconsin-Oshkosh; appointed by the Governor as a UW faculty participant. (See ETF Board)

**Gerald E. Pahl**, Oostburg, science teacher, Sheboygan North High School, elected by public school teachers.

**Richard J. Wesley**, Milwaukee public school teacher; elected by Milwaukee school teachers. (See ETF Board)

### GROUP INSURANCE BOARD (10 members)

This Board sets policy and oversees administration of the group health, life insurance, and Income Continuation Insurance plans for state employees and the group health and life insurance plans for local employers who choose to offer them. The Board also can provide other insurance plans, if employees pay the entire premium.

## BOARD MEMBERS (as of 12/31/95)

**Chair: Stephen H. Frankel**, Milwaukee; appointed as the Governor's Designee. (See ETF Board)

**Vice-Chair: Randy A. Blumer**, Deputy Commissioner of Insurance, Office of the State Commissioner of Insurance; designee of the commissioner.

**Secretary: Wayne K. Potter**, guidance counselor, New Lisbon School District; appointed by the Governor as an insured teacher participant in the WRS.

### Others:

**Robert A. Alesch**, former senior personnel officer, University of Wisconsin System; appointed by the Governor as a retired, insured employee.

**Martin Beil**, Executive Director, American Federation of State, County and Municipal Employees Union, Council 24; appointed by the Governor as an insured member of the retirement system who is not a teacher.

**Burneatta Bridge**, Deputy Wisconsin Attorney General, Madison; appointed as the Attorney General's designee.

**George F. Lightbourn**, Deputy Secretary, Wisconsin Department of Administration (DOA); designee of the DOA Secretary.

**Jon Litscher**, Secretary of Wisconsin Department of Employment Relations, appointed by the Governor. (See ETF Board)

**Vacant**, person appointed by the Governor with no membership requirements.

**C. F. Saylor**, Necedah, Governor's appointee as an employe of a local unit of government. (See Wisconsin Retirement Board)

## DEFERRED COMPENSATION BOARD (5 members)

The Board sets policy, contracts with investment and administrative service providers, and oversees administration of the program. The Board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the program. All Board members are appointed by the Governor; there are no statutory requirements for appointments.

## BOARD MEMBERS (as of 12/31/95)

**Chair: Edward D. Main**, Legal Counsel, Wisconsin Department of Administration, (DOA) Madison.

**Vice Chair: Peter F. Ullrich**, Investment Broker, Agritech Investments Inc. Wauwatosa.

**Secretary: James R. Severance**, Investment Director/Common Stocks, State of Wisconsin Investment Board, Madison.

### Others:

**Martin Beil**, Executive Director, American Federation of State, County and Municipal Employees Union, Council 24, Madison.

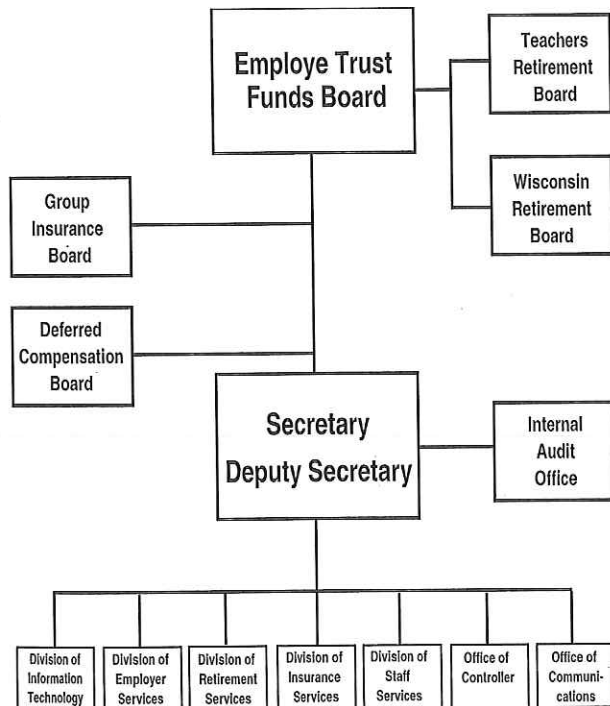
**J. Jean Rogers**, Administrator of the Division of Economic Support, Wisconsin Department of Health and Social Services, Madison.

(In addition, the State of Wisconsin Investment Board (SWIB) is an independent state agency, not part of the ETF Board system. SWIB issues a separate annual report, discussing its investment activities. A brief review is contained in the Investments and Administrative Expenses Section.)



## DEPARTMENT ORGANIZATION

The Department of Employee Trust Funds had 169.85 permanent, full-time positions and three project positions at the end of 1995, with employees in offices in Madison and Milwaukee. ETF reorganized its divisions in 1995 into the Division of Information Technology, Division of Retirement Services, Division of Insurance Services and the Division of Staff Services. A plan for reorganization at the subdivision level in divisions not now having bureaus also was submitted for approval.



### ETF Management Staff (12/31/95)

**Secretary:** ..... Eric Stanchfield  
**Deputy Secretary:** ..... David Mills  
**Executive Assistant:** ..... David Hinrichs  
**Legal Counsel:** ..... Robert Weber  
**Internal Audit Director:**  
 ..... Robert Schaefer  
**Director, Office of the Controller:**  
 ..... Robert Willett  
**Communications Director:**  
 ..... Julie Reneau

### Administrator, Division of

**Information Technology:** ..... Vacant  
 Applications Development Bureau:

..... Jon Forde

Technical and Network Services Bureau:

..... Vacant

Computer Science Bureau: ..... David Wong

### Administrator, Division of

**Retirement Services:** ..... David Stella

Assistant Director ..... Mary Anglim

Assistant Director ..... Mary Willett

Benefit Information Section: ... Linda Owen

Benefit Processing Section: ..... David Short

Benefit Payments Section: ... James Lodholz

### Administrator, Division of

**Insurance Services:** ..... Tom Korpady

Assistant Director ..... William Kox

### Administrator, Division of

**Employer Services:** ..... Jean Gilding

### Administrator, Division of

**Staff Services:** ..... Rhonda Dunn

## PRINCIPAL CONSULTANTS AND ADMINISTRATORS

### Consulting Actuaries:

Gabriel, Roeder, Smith & Co.

Detroit, MI (retirement)

Milliman & Robertson, Inc.

Milwaukee, WI (insurance plans)

### Auditors:

Legislative Audit Bureau, Madison, WI

### Third Party Administrators:

#### Health Insurance:

Blue Cross-Blue Shield United of

Wisconsin, Madison, WI

#### Income Continuation Insurance:

United Wisconsin Insurance Corp.

Milwaukee, WI

#### Deferred Compensation:

National Deferred Compensation Inc.

Columbus, OH

#### Employee Reimbursement Accounts:

Fringe Benefits Management Co.

Tallahassee, FL

#### Life Insurance:

Minnesota Mutual Life Insurance Co.

Minneapolis, MN

# Legislation and Annual Accomplishments

Legislators introduced several bills during the first year of the 1995-97 biennium that dealt with employee benefits. Those enacted that affect ETF and its programs include:

**1995 WI Act 27** was the Governor's biennial budget which included the Department's operating budget. The appropriation included several items that will allow ETF to enhance its customer services to WRS participants. Most significantly, it authorized \$3.9 million and three positions for ETF to begin electronically imaging 8.2 million paper documents and automating its work flow procedures.

In addition, the act included some policy provisions that affect ETF. It required the Group Insurance Board, the Deferred Compensation Board, the Teachers Retirement Board and the Wisconsin Retirement Board, with 140 other boards and commissions, to submit reports to the Lieutenant Governor. The reports explained the Boards' purpose and justification to continue. The Lieutenant Governor must make a recommendation to the Legislature which Boards to retain and which to eliminate. The act also separated the University of Wisconsin Hospitals and Clinics from the University and established it as a separate public authority. Employees, however, remain participating employees under the WRS and thus eligible for retirement and other benefits. Finally, the Act changed the status of charter schools in the City of Milwaukee, and teachers in those schools are not automatically covered under the WRS.

**1995 WI Act 81 Assembly Bill 617** exempts current participants in the WRS from the federal \$150,000 cap on compensation that a retirement plan can consider when accepting contributions or calculating retirement benefits. Under the federal law, public sector employees who are members of the retirement system as of December 31, 1995 are exempt from the federal cap if the public sector plan exempts itself from the federal law before that date. Because of the contractual rights that WRS participants have to benefits on their entire earnings, the Department requested that the Legislature enact the bill.

**1995 WI Act 88** requires ETF to administer a program that provides additional health insurance premium credits to certain employees for purchasing health insurance after retirement. The law only applies to non-represented state and university employees and elected state officials. In order for employees to be eligible for the program, the Secretary of the Department of Employment Relations was required to recommend the health insurance premium credits program to the Joint Committee on Employment Relations (JCOER) and obtain approval. JCOER approved the program, and the benefit went into effect in early 1996.

**1995 WI Act 89** ratifies the contract for employees covered under the Wisconsin State Employees Union and requires ETF to administer a program that provides additional health insurance premium credits (same program as in-



cluded in Act 88) for employees covered under a collective bargaining agreement. The benefit went into effect in late 1995 for those employees.

### **Accomplishments for January 1, 1995 through December 30, 1995**

#### **Service To Participants**

1. A toll-free phone number was implemented for ETF's telephone message system used by participants, making it more accessible.
2. The first "Report Cards" for individual health care providers were published in 1995 in the Dual-Choice enrollment booklets. The information about each health care provider was offered to health insurance participants to help them make informed choices when selecting a health care plan.
3. Benefit Information public sessions were held in 1995 in Boscobel, Cleveland, Cottage Grove, Crandon, Cudahy, DeForest, Drummond, Ellsworth, Fond du Lac, Menomonie, Neillsville, New London, Oconto, Onalaska, Pewaukee, Phillips, Spooner, Spencer, Three Lakes, Washburn and Whitewater to educate WRS participants about their benefits. A new, special presentation using fiber-optics allowed participants in the Tigerton, Bonduel, Clintonville and Wittenberg-Birnamwood area to ask questions via monitor and hear the responses.

#### **Service To WRS Employers**

1. Information of importance to WRS employers was added to the telephone message system during 1995.

#### **Benefit Programs**

1. Implementation of the new Long-Term Care Insurance program began with selection of Time Insurance Company of Milwaukee and HealthChoice to offer the insurance. A special program brochure was planned for distribution with paychecks to state and university employees. The Time/HealthChoice plan was chosen because it offered a high level of coverage for home-based care as well as nursing home care.
2. Audits were completed in 1995 for ETF's third party administrators for life insurance, income continuation insurance, deferred compensation and employe reimbursement accounts plans — all part of the effort to improve management and use of administrative contracts.
3. A new program to allow participants to use post-retirement life insurance assets for payment of health insurance premiums went into effect in 1995.

#### **Administrative**

1. The Department completed most of its internal structural organization with appointment of division administrators for the Division of Retirement Services, Division of Insurance, Division of Staff Services and Division of Employer Services.
2. ETF formed a steering committee of business and information technology managers to establish criteria, develop a workplan, establish benchmarks and other related assignments necessary to accomplish optical imaging of participant records and future documents. Employe teams were formed to develop and refine various aspects of the

plan including communications, training and specific equipment.

3. Office Automation moved forward in 1995. It included redesign of the Local Area Network (LAN) computer-linked system to meet state-wide standards, identifying and buying hardware for disaster recovery and creation of a data dictionary to encompass all ETF data. ETF's Strategic Information Technology Plan was completed, documenting how ETF will use technology to help reach its goals.
4. Staff presented the new financial reports which emphasize long-term trends rather than short-term ones to the Boards. Significant progress was made in speeding the completion of the Comprehensive Annual Financial Report.
5. Planning began for the move of ETF to the Badger Road State Office Building scheduled in late 1996. A number of employee work groups were started to develop the moving strategy.

### **ETF Objectives for the period July 1, 1995 through June 30, 1997**

The 1995-97 objectives submitted to, and approved by, the Trust Funds Board were as follows. The list of accomplishments above relate to these objectives, as well as to some from the previous two-year period because they are on a fiscal year basis. The 1993-95 objectives were in the 1994 Annual Report.

1. **Provide immediate access to complete and accurate information necessary to deliver timely service.** This includes devoting resources to updating the data systems which

will make information more accessible and accurate to staff and participants. As part of its 1995-97 biennial budget request, ETF received funding for development and implementation of optical imaging and workflow systems.

2. **Provide fair, accessible, cost-efficient and timely administration of benefit plans.**
  - a) Implement the toll-free message center number and expand it to include messages for employers.
  - b) Complete training for managers on internal controls.
  - c) Reorganize ETF's operational divisions.
  - d) Submit reports to the Lieutenant Governor justifying continuation of the Group Insurance, Teachers, Retirement and Deferred Compensation Boards.
  - e) Sample retirees and employees and some employers on the potential of preretirement counseling programs.
3. **Provide programs sufficiently funded and assets used exclusively for the purpose of the Trusts in order to fulfill benefit commitments made to WRS participants.**
4. **Provide a well-trained and knowledgeable staff.**
6. **Assure quality and timely communication with all stakeholders.**
7. **Maintain and promote a comprehensive range of affordable, quality benefit plans that meet the dynamic needs of participants.**
8. **Create and maintain a professional and customer-friendly environment.**



Wisconsin  
Department of



Employee  
Trust  
Funds





State of Wisconsin

LEGISLATIVE AUDIT BUREAU

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STATE AUDITOR  
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(608) 266-2818  
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**INDEPENDENT AUDITOR'S REPORT  
ON THE COMBINED FINANCIAL STATEMENTS OF THE  
STATE OF WISCONSIN  
DEPARTMENT OF EMPLOYE TRUST FUNDS**

Senator Kimberly M. Plache and  
Representative Mary A. Lazich, Co-chairpersons  
Joint Legislative Audit Committee

Mr. Eric Stanchfield, Secretary  
Department of Employee Trust Funds

We have audited the accompanying combined balance sheet of the State of Wisconsin Department of Employee Trust Funds as of December 31, 1995, and the related combined statements of revenues, expenditures, and changes in fund balance of governmental fund types and expendable trust funds; revenues, expenses, and changes in equity of pension trust funds and enterprise funds; and cash flows of enterprise funds for the year then ended. These financial statements are the responsibility of the State of Wisconsin Department of Employee Trust Funds management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Deferred Compensation Plan, which represents 55.2 percent of the assets of the Agency Funds and 0.8 percent of the combined assets. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the combined financial statements, insofar as it relates to the amounts included for the Deferred Compensation Plan, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

As discussed in Note 1, the combined financial statements of the Wisconsin Department of Employee Trust Funds are intended to present the financial position and results of operations and the cash flows of enterprise fund types of only that portion of the financial reporting entity of the State of Wisconsin that is attributable to the transactions of and programs administered by the Department.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Wisconsin Department of Employee Trust Funds as of December 31, 1995, and the results of its operations and cash flows of its enterprise funds for the year then ended in conformity with generally accepted accounting principles.



Our audit was made for the purpose of forming an opinion on the combined financial statements of the State of Wisconsin Department of Employee Trust Funds taken as whole. The combining statements are presented for purposes of additional analysis and are not a required part of the combined financial statements of the State of Wisconsin Department of Employee Trust Funds. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

The required supplementary information on the Wisconsin Retirement System's revenues and expenses and analysis of funding progress, and the required supplementary information on claims development information for public entity risk pools, are not required parts of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board Statements 5 and 10. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we also are issuing a report on our consideration of the Department's internal control structure and a report on its compliance with laws and regulations.

LEGISLATIVE AUDIT BUREAU

September 30, 1996

by



Dale Cattanaach  
State Auditor

Statement 1

Wisconsin Department of Employee Trust Funds  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1995  
 (In Thousands)

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types			Account Groups		Memorandum Only Totals	
	General	Administrative	Enterprise	Pension Trust	Expendable Trust	Agency	Fixed Assets	12-31-95	All Funds	12-31-94	
<b>Assets</b>											
Equity in Pooled Cash & Cash Equivalents	\$ 32	\$ 3,405	\$ 40,308	\$ 1,170,241	\$ 1,450	\$ 47	\$ 0	\$ 1,215,484	\$ 1,444,890		
Equity in Pooled Investments	0	0	0	35,626,010	0	470,854	0	36,096,863	28,894,775		
Investment in Fixed Fund	0	0	193,854	114,199	269,143	382,132	0	959,328	736,818		
Contributions Receivable	0	0	2,217	121,289	3,825	370	0	127,701	126,198		
Fixed Investment in Variable Fund	0	0	0	18,403,955	0	0	0	18,403,955	15,475,729		
Benefit Overpayments Receivable	0	0	884	586	0	0	0	1,469	1,739		
Interfund Loan Receivable	0	0	247	0	0	0	0	247	373		
Due From Other Trust Funds	0	919	4,878	9,231	237	4	0	15,270	18,535		
Due From Other State Agencies	0	0	0	121	0	0	0	121	477		
Prepaid Expenses	0	59	18,060	3,312	0	0	0	21,431	20,356		
Miscellaneous Receivables	0	0	18	2	129	0	0	150	579		
Equipment	0	0	0	0	0	0	2,076	2,076	1,896		
<b>Total Assets</b>	<b>\$ 32</b>	<b>\$ 4,384</b>	<b>\$ 260,466</b>	<b>\$ 55,445,635</b>	<b>\$ 278,097</b>	<b>\$ 853,406</b>	<b>\$ 2,076</b>	<b>\$ 56,844,096</b>	<b>\$ 46,722,364</b>		
<b>Liabilities, Equity, and Other Credits</b>											
<b>Liabilities</b>											
Annuities Payable	\$ 32	\$ 0	\$ 1,088	\$ 80,776	\$ 0	\$ 0	\$ 0	\$ 81,896	\$ 76,643		
Deferred Compensation Payable	0	0	0	0	0	471,245	0	471,245	357,524		
Administrative Reimbursement Advance	0	0	0	0	0	25	0	25	763		
Estimated Future Claims	0	0	207,440	0	236,831	0	0	444,272	381,539		
Insurance Claims Payable	0	0	0	0	1,233	0	0	1,233	1,236		
Compensated Absences Payable	0	235	0	0	0	0	0	235	215		
Advance Contributions	0	925	29,642	485	1,144	0	0	31,272	30,188		
Miscellaneous Payables	0	0	1,245	18,062	46	0	0	20,279	17,512		
Variable Investment Due Fixed Fund	0	0	0	18,403,955	0	0	0	18,403,955	15,475,729		
Fixed Investment Due Other Funds	0	0	0	959,328	0	0	0	959,328	736,818		
Interfund Loan Payable	0	0	64	12,309	247	8	0	247	373		
Due to Other Trust Funds	0	89	0	0	1,999	0	0	15,270	18,535		
Due to Other State Agencies	0	0	0	0	0	0	0	89	65		
Due to Other Governments	0	0	0	0	0	382,129	0	382,129	310,463		
<b>Total Liabilities</b>	<b>32</b>	<b>2,139</b>	<b>239,480</b>	<b>19,474,915</b>	<b>241,501</b>	<b>853,406</b>	<b>0</b>	<b>20,811,474</b>	<b>17,407,603</b>		
<b>Equity and Other Credits</b>											
Fund Balance - Reserved	0	920	0	35,970,720	36,125	0	0	36,007,765	29,331,480		
Fund Balance - Unreserved	0	1,324	0	0	471	0	0	1,795	177		
Retained Earnings - Reserved	0	0	28,651	0	0	0	0	28,651	8,265		
Retained Earnings - Unreserved	0	0	(7,665)	0	0	0	0	(7,665)	(27,057)		
Investment in Fixed Assets	0	0	0	0	0	0	2,076	2,076	1,896		
<b>Total Equity and Other Credits</b>	<b>0</b>	<b>2,245</b>	<b>20,986</b>	<b>35,970,720</b>	<b>36,595</b>	<b>0</b>	<b>2,076</b>	<b>36,032,622</b>	<b>29,314,762</b>		
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 32</b>	<b>\$ 4,384</b>	<b>\$ 260,466</b>	<b>\$ 55,445,635</b>	<b>\$ 278,097</b>	<b>\$ 853,406</b>	<b>\$ 2,076</b>	<b>\$ 56,844,096</b>	<b>\$ 46,722,364</b>		

The accompanying notes are an integral part of the financial statements.



Wisconsin Department of Employee Trust Funds  
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Funds  
 for Year Ended December 31, 1995  
 (In Thousands)

	General Fund Supplement	Administrative Fund	Expendable Trust Funds	Memorandum Only Totals All Funds	12-31-95	12-31-94
<b>Revenues:</b>						
Annuity Supplements	\$ 407	\$ 0	\$ 0	\$ 407	\$ 407	\$ 437
Investment Income	0	528	51,973	52,501	52,501	(1,450)
Contributions	0	0	70,151	70,151	70,151	67,261
Administrative Expense Reimbursement	0	12,679	353	13,032	13,032	11,303
Miscellaneous Receipts	0	19	1	20	20	1
<b>Total Revenues</b>	<u>407</u>	<u>13,225</u>	<u>122,479</u>	<u>136,111</u>	<u>136,111</u>	<u>77,551</u>
<b>Expenditures:</b>						
Retirement Annuities	407	0	0	407	407	437
Insurance Claims	0	0	10,383	10,383	10,383	9,760
Insurance Premiums	0	0	81,413	81,413	81,413	69,250
Carrier Administrative Expenses	0	0	432	432	432	442
Administrative Expenses	0	12,243	592	12,835	12,835	11,850
<b>Total Expenditures</b>	<u>407</u>	<u>12,243</u>	<u>92,820</u>	<u>105,470</u>	<u>105,470</u>	<u>91,739</u>
Increase (Decrease) in Net Assets	0	982	29,659	30,641	30,641	(14,189)
Fund Balance - January 1	0	1,262	6,936	8,198	8,198	22,387
Fund Balance - December 31	<u>0</u>	<u>2,245</u>	<u>36,595</u>	<u>38,840</u>	<u>38,840</u>	<u>8,198</u>

The accompanying notes are an integral part of the financial statements.

Statement 3

Wisconsin Department of Employee Trust Funds  
 Combined Statement of Revenues, Expenses, and Changes in Equity  
 Pension Trust Funds and Enterprise Funds  
 for Year Ended December 31, 1995  
 (In Thousands)

	Pension Trust Funds	Enterprise Funds	Memorandum Only Totals	
			12-31-95	12-31-94
<b>Operating Revenues:</b>				
Investment Income	\$ 6,846,570	\$ 37,992	\$ 6,884,563	\$ (201,480)
Contributions	980,438	393,898	1,374,336	1,325,153
Total Operating Revenues	<u>7,827,008</u>	<u>431,891</u>	<u>8,258,899</u>	<u>1,123,673</u>
<b>Operating Expenses:</b>				
Annuities	1,095,279	22,838	1,118,117	1,028,644
Lump Sum Benefits	49,354	0	49,354	41,790
Insurance Claims	0	79,742	79,742	76,677
Insurance Premiums	25,593	285,989	311,582	302,844
Administrative Expense	9,634	3,560	13,194	12,739
Total Operating Expenses	<u>1,179,861</u>	<u>392,130</u>	<u>1,571,990</u>	<u>1,462,694</u>
Operating Income (Loss)	6,647,147	39,761	6,686,908	(339,020)
<b>Nonoperating Revenues (Expenses):</b>				
Miscellaneous Income	113	19	133	158
Interest Expense	0	(2)	(2)	0
Net Income (Loss) Before Operating Transfers	<u>6,647,261</u>	<u>39,778</u>	<u>6,687,039</u>	<u>(338,862)</u>
<b>Operating Transfers:</b>				
Operating Transfers In	9,963	0	9,963	16,298
Operating Transfers Out	(9,963)	0	(9,963)	(16,293)
Total Operating Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Net Income (Loss)	6,647,261	39,778	6,687,039	(338,858)
Fund Balance - January 1	29,323,459	(18,792)	29,304,667	29,643,525
Fund Balance - December 31	<u>\$ 35,970,720</u>	<u>\$ 20,986</u>	<u>\$ 35,991,706</u>	<u>\$ 29,304,667</u>

The accompanying notes are an integral part of the financial statements.



Wisconsin Department of Employee Trust Funds  
 Combined Statement of Cash Flows  
 Enterprise Funds  
 for the Year Ended December 31, 1995  
 (In Thousands)

Statement 4

	Totals	
	12-31-95	12-31-94
<b>Cash Flows from Operating Activities</b>		
Cash Received for Insurance Premiums	\$ 394,255	\$ 413,992
Cash Paid for Employee Benefits	(371,973)	(353,122)
Cash Paid for Administrative Services	(3,808)	(3,845)
	<u>18,475</u>	<u>57,025</u>
Net Cash Provided (Used) by Operating Activities		
<b>Cash Flows from Non-Capital Financing Activities</b>		
Interest Paid on Cash Advances	(2)	0
Cash Advances	(247)	(373)
Cash Repayments	373	1,199
Interest on Delinquent Premiums	2	3
	<u>126</u>	<u>829</u>
Net Cash Provided by Non-Capital Financing Activities		
<b>Cash Flows from Investing Activities</b>		
Investment Income	37,583	1,173
Purchase of Investment Securities	(59,805)	(27,072)
	<u>(22,222)</u>	<u>(25,899)</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(3,622)	31,955
Cash and Cash Equivalents at Beginning of Year	<u>43,930</u>	<u>11,975</u>
Cash and Cash Equivalents at End of Year	<u>\$ 40,308</u>	<u>\$ 43,930</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ 39,761	\$ 12,266
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Investment Income Classified as Operating Revenue	(37,992)	(1,173)
Changes in Assets and Liabilities:		
Decrease (Increase) in Contributions Receivable	(711)	29,908
Decrease (Increase) in Benefit Overpayment Receivable	(109)	(276)
Decrease (Increase) in Prepaid Expenses	(887)	(1,659)
Decrease (Increase) in Due From Other Trust Funds	(74)	0
Increase in Estimated Future Claims	17,027	15,877
Increase in Advance Contributions	1,068	1,430
Increase in Annuities Payable	73	68
Increase in Miscellaneous Payables	494	610
Increase (Decrease) in Due To Other Trust Funds	(173)	(27)
	<u>(21,286)</u>	<u>44,760</u>
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	<u>\$ 18,475</u>	<u>\$ 57,025</u>

The accompanying notes are an integral part of the financial statements.

# Notes on Combined Financial Statements

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Presentation Basis

The financial statements of the Wisconsin Department of Employee Trust Funds (Department) have been prepared in conformity with generally accepted accounting principles (GAAP) for government units as prescribed by the Governmental Accounting Standards Board. The Department is part of the State of Wisconsin financial reporting entity.

The following funds and account groups have been used to account for the assets and operations of the Department.

#### Governmental Funds:

General Fund - Annuity Supplements  
Special Revenue Fund - Administration

#### Fiduciary Funds:

##### Pension Trust Funds:

- Fixed Retirement Investment Fund
- Variable Retirement Investment Fund
- Milwaukee Special Death Benefit
- Police and Firefighters (Ch. 182, Laws of 1977)

##### Expendable Trust Funds:

- Accumulated Sick Leave (Post Retirement Health Insurance)
- Group Life Insurance
- Employee Reimbursement Accounts

##### Agency Funds:

- Social Security

- Deferred Compensation
- Milwaukee Retirement Systems

#### Proprietary Funds:

##### Enterprise Funds:

- Group Health Insurance
- Group Income Continuation Insurance
- Duty Disability
- Long Term Disability Insurance

#### Account Group:

General Fixed Assets Account Group

Amounts in the "Memorandum Only Totals" columns in the combined financial statements are a summation of line items and are presented for comparative purposes only. The amounts in these columns are not comparable to a consolidated presentation and do not present the consolidated financial position, results of operations, or changes in financial position.

### Accounting Basis

The financial statements of the Department have been prepared in accordance with generally accepted accounting principles. All Governmental, Expendable Trust, and Agency Funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available, and expenditures when the related fund liability is incurred. Pension Trust Funds and Enterprise



Funds are accounted for using the flow of economic resources measurement focus and a full accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. FASB statements effective after November 30, 1989 are not applied in accounting and reporting for proprietary operations.

### Investment Valuation

Benefit plan assets (except Deferred Compensation) are invested in one of three investment pools managed by the State of Wisconsin Investment Board (SWIB): 1) the Fixed Retirement Investment Trust (FRIT), a broadly diversified mix of investments that includes equities, fixed income, real estate and cash; 2) the Variable Retirement Investment Trust (VRIT), which is invested primarily in equities; and 3) the State Investment Fund (SIF), a liquid fund invested primarily in obligations of the U.S. Government and its agencies and high-quality commercial bank and corporate debt obligations. All investments are carried at market value, and are revalued monthly to current market value. The investment policies and authorized investments of the three investment pools are governed by s. 25.17, Wis. Stats.

The retirement fund assets consist of shares in the FRIT and VRIT, which also own shares in the SIF. Shares of the SIF owned by the pension funds are classified as "Cash and Cash Equivalents" on the balance sheet. All remaining assets in the FRIT and VRIT are classified as "Investments."

All stocks for the FRIT and VRIT are held in the VRIT. The FRIT owns shares in the VRIT rather than owning individual stocks. The VRIT is appraised to current market value monthly and appraisal gains and losses, along with interest, dividends, and realized gains

and losses, are distributed to the FRIT based on its proportional ownership share. The FRIT's investment in the VRIT is classified as "Fixed Investment in Variable" on the balance sheet.

Wisconsin statutes require that a Transaction Amortization Account (TAA) be maintained to smooth the impact of market price volatility on the benefit plans invested in the FRIT. All realized and unrealized gains and losses in market value of investments in the FRIT are recorded in the TAA as they are incurred. To recognize the legal restrictions on the use of the TAA for current operations, the fund balances of the participating programs are reserved for the amount in the TAA and shown as a Reserve for Market Value Adjustments. Twenty percent of the TAA balance as of December 31 of each year is transferred from the Reserve for Market Value Adjustments to program reserves.

Year-end balances in the Transaction Amortization Account (in millions \$) for the last five years after annual distributions were as follows:

December 31, 1991	\$ 2,806
December 31, 1992	2,978
December 31, 1993	4,313
December 31, 1994	2,444
December 31, 1995	5,892

The assets of the Income Continuation Insurance, Duty Disability, Long Term Disability Insurance, and Accumulated Sick Leave programs are invested in the FRIT. Earnings are allocated between the Retirement System and other programs based on the average balance invested for each program. These programs investment in the FRIT is classified as "Investment in Fixed Fund" on the balance sheet. All other benefit plan assets are invested in the SIF. Investments in the SIF are classified as "Cash and Cash Equivalents" on the balance sheet.



For the Deferred Compensation plan, investments in fixed earnings accounts are valued at current book values, while variable earnings investments are presented at market values based on published quotations at December 31. Annuity payout reserves are actuarially valued.

## Derivative Financial Instruments

### A. Foreign Currency Forwards and Options

SWIB's derivative activities primarily involve forward contracts and foreign currency options. Generally foreign currency forwards and options are held to hedge foreign exchange risk. Market risk is generally controlled by holding substantially offsetting purchase and sell positions.

Forward commitments represent obligations to purchase or sell foreign currencies, with the seller agreeing to make delivery at a specified future date and a specified price. Options on foreign currencies provide the holder the right, but not the obligation, to purchase or sell foreign currencies on a certain date at a specified price. The seller (writer) of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid.

As of December 31, 1995, SWIB held four foreign currency call options to enhance earnings in the event of certain

foreign currency fluctuations. There is no market risk associated with owning these instruments beyond the initial cost of their purchase.

### B. Interest Rate Swaps

As of December 31, 1995, the retirement funds held a variety of interest rate swaps for trading purposes. Each swap transaction involves the exchange of interest rate or indexed payment obligations without the exchange of underlying principal amounts. The notional amounts used to express the volume of these transactions do not represent the amounts subject to risk, but represent the amount on which both parties calculate payment obligations. Entering into interest rate swap agreements subjects the investor to the possibility of financial loss in the event of adverse market changes or nonperformance by the counterparty to the swap agreement. SWIB manages the market risk of its swap investments, which stems from interest rate movements and to varying degrees currency movements and volatility, by seeking to balance risks within its portfolios and by adding positions to or selling positions from its portfolio as needed to minimize such sensitivity. Credit risks arising from derivative transactions are mitigated by selecting creditworthy counterparties.

The retirement funds held eight swap agreements with notional amounts aggregating \$319 million and an estimated fair value of negative \$2 million at December 31, 1995. Two of these swap agreements contain leverage, whereby a multiplier effect is embedded in the rate structure of the agreement which effectively results in an increase in the notional amount of the instrument. A leverage factor of 3 effectively increased the notional amount to \$399 million.

The table "Derivative Cash Flows" summarizes the cash flows related to

#### Foreign Currency Commitments - December 31, 1995

##### Hedge Related

Forward Contracts	Contract Amount	Fair Value
Assets	\$1,875,104,105	\$1,873,765,730
Liabilities	\$1,875,104,105	\$1,868,298,694

##### Yield Enhancing

Options	Premiums Paid	Fair Value
Calls	\$13,213,216	\$17,898,137



swap agreements held during years ending 1995 and 1994.

### C. Other Options

SWIB holds equity and basket option contracts for trading purposes. Equity and basket option contracts were held by the retirement funds at December 31, 1995. These option contracts give the purchaser of the contract the right to buy (call) or sell (put) the equity security or index underlying the contract at an agreed upon price (strike price) during or at the conclusion of a specified period of time. The seller (writer) of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid.

As of December 31, 1995, the retirement funds held two equity options and two basket options which are summarized below:

#### Other Options - As of December 31, 1995

	Premiums Paid	Fair Value
Purchased Calls - Equity	\$24,350,000	\$2,500
Purchased Calls - Basket	\$3,450,000	\$2,635,500

### D. Derivative Cash Flows

The following schedule summarizes the cash flows for internally managed derivative financial instruments for years 1995 and 1994.

Category	1995 Cash Flows	1995 Termination Costs	1994 Cash Flows	1994 Termination Costs
Basket Options	\$ (3,450,000)	0	0	0
Equity Options	(3,681,248)	0	(22,738,747)	0
Foreign Currency Options	(17,797,144)	0	2,595,783	0
Interest Rate Swaps	(773,760)	(12,909,746)	(27,294,259)	(308,750)
Bonds with Swaps Attached	<u>23,743,924</u>	<u>0</u>	<u>10,950,399</u>	<u>6,596,727</u>
Total Activity	<u>(1,958,228)</u>	<u>(12,909,746)</u>	<u>(36,486,824)</u>	<u>6,287,977</u>

### Administrative Expenses

The Department incurs two types of administrative expenses: administrative costs incurred by the Department to administer its programs, and administrative costs incurred by SWIB and reimbursed by the Department for investing the trust funds.

The administrative costs of all department programs are financed by a separate appropriation and are allocated to the benefit plans in accordance with s. 40.04, Wis. Stats. The sources of funds for this appropriation are investment earnings and third-party reimbursement received from the various programs administered by the Department. Estimated administrative expenses are allocated to programs at the beginning of each fiscal year and adjusted to actual after the end of the year. The expense recognized for calendar year 1995 includes actual adjusted expenses for January 1, 1995, through June 30, 1995, and estimated expenses for July 1, 1995, through December 31, 1995.

SWIB administrative expense is comprised of salaries, supplies, services, and equipment necessary for the investing activities of state funds. The administrative expenses are billed to the agencies for which investments are made. In 1995, SWIB administrative expense for the FRIT and VRIT was \$6,213,787 and \$719,700, respectively.

In compliance with s. 40.04(2)(d), Wis. Stats., these costs were charged directly to the appropriate investment income account.

As of December 31, 1995 and 1994 respectively, \$861,572 and \$1,548,033 were reserved for encumbrances.

### Fixed Assets

All fixed assets are purchased through the Special Revenue Administrative fund, and are reported at original cost in the General Fixed Asset Account Group. During 1995 the fixed asset balance changed as follows:

1/1/95		
Equipment Balance	\$ 1,896,029	
Equipment Acquired	359,481	
Equipment Disposed Of	179,449	
12/31/95		
Equipment Balance	\$ 2,076,061	

### Interfund Assets / Liabilities

Interfund assets and liabilities at December 31, 1995 consist of the following (in thousands):

Due From/To Other Trust Funds represents short-term interfund accounts receivable and payable between funds administered by the Department.

Fund	Due From Other Trust Funds	Due To Other Trust Funds
Special Revenue (Administration)	\$ 919.0	\$ 889.9
Fixed Retirement	1,939.9	10,496.1
Variable Retirement	7,283.9	1,802.8
Milwaukee Special Death Benefit	0.0	6.9
Police and Firefighters	7.5	3.0
Accumulated Sick Leave	11.3	1,999.1
Employee Reimbursement Accounts	35.9	0.0
Life Insurance	190.1	0.0
City of Milwaukee Retirement System	3.9	7.4
Deferred Compensation	0.0	0.3
Health Insurance	4,804.0	1.0
Income Continuation Insurance	55.5	31.2
Duty Disability	18.7	16.9
Long Term Disability Insurance	0.0	15.1
<b>Totals</b>	<u>\$ 15,269.7</u>	<u>\$ 15,269.7</u>

Due From/To Other State Agencies represents short-term interfund accounts receivable and payable between the Department's funds and other state funds.

Fund	Due From Other State Agencies	Due To Other State Agencies
Fixed Retirement	\$ 121.5	\$ 0.0
Special Revenue (Administration)	0.0	88.7
<b>Totals</b>	<u>\$ 121.5</u>	<u>\$ 88.7</u>

Interfund Loans Receivable / Payable represent loans from one fund to another to cover temporary cash overdrafts as of December 31, 1995.

Interfund Fund	Interfund Loans Receivable	Loans Payable
Health Insurance	\$ 247.4	\$ 0.0
Life Insurance	0.0	247.4
<b>Totals</b>	<u>\$ 247.4</u>	<u>\$ 247.4</u>

### Reclassifications

Certain amounts in the 1994 financial statements have been reclassified to conform to 1995 financial statement presentation.

## 2. DEPOSITS AND INVESTMENTS

### Deposits

The Governmental Accounting Standards Board (GASB) Statement 3 requires deposits with financial institutions to be categorized to indicate the level of risk assumed. Cash and Cash Equivalents includes \$1,305 in uninvested cash deposited in State Treasury bank accounts.

### Investments

GASB Statement 3 also requires investments to be categorized to indicate the level of risk assumed by SWIB at year end. The categories are:



1. Insured or registered, or securities which are held by SWIB in SWIB's name or its agent in SWIB's name;
2. Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in SWIB's name;
3. Uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent, but not in SWIB's name.

The following table, based on SWIB's accounting records, provides the risk categorization for investments held by SWIB as of December 31, 1995. Market value information represents actual bid prices or the quoted yield equivalent at the end of the fiscal year for securities of comparable maturity, quality and type as obtained from one or more major investment brokers. If quoted market prices are not available, a variety of third party pricing methods are used, including appraisal, certifications, pricing models and other methods deemed acceptable by industry standards

	Category (in millions)			Market Value
	"1"	"2"	"3"	
Bonds	\$ 7,852.9	\$ 0	\$ 0	\$ 7,852.9
Investment in Combined Stock Fund	21,997.9	0	0	21,997.9
Stocks	329.8	0	0	329.8
Other Investments	<u>76.9</u>	<u>0</u>	<u>5.9</u>	<u>82.8</u>
Totals	<u>\$ 30,257.5</u>	<u>0</u>	<u>5.9</u>	<u>\$ 30,263.4</u>
Private Placements				2,973.5
Limited Partnerships				1,355.9
Investment in State's Investment Fund				847.7
International Cash and Cash Equivalents				367.7
Swaps				(6.0)
Mortgages				174.1
Real Estate				380.3
Commingled Real Estate				242.4
Options				<u>17.9</u>
Totals				<u>\$ 36,616.9</u>

Investments of the Deferred Compensation program have not been included in the above schedule. As of December 31, 1995, the investments included:

Variable Earnings (Mutual Fund) Investments	\$ 315.4
Insured Fixed Earnings Investments	26.8
Fixed Earnings Investment	117.4
Allocated Insurance Contracts	<u>11.3</u>
Total	<u>\$ 470.9</u>

### 3. DESCRIPTION OF PENSION TRUST FUNDS

The Wisconsin Retirement System (WRS) is a cost-sharing multiple employer public employee retirement system established and administered by the State of Wisconsin to provide pension benefits for state and local government public employees. The system is administered in accordance with Chapter 40 of the Wisconsin Statutes.

#### WRS Employers

WRS is open to all public employers in Wisconsin. Participation is optional, except that participation is mandatory for school districts with respect to teachers, some municipalities with respect to police and firefighters, and all counties except Milwaukee County. As of December 31, 1995, the number of participating employers was:

State Agencies	60
Cities	152
Counties	71
4th Class Cities	35
Villages	164
Towns	126
School Districts	440
VTAE Districts	16
Other	<u>138</u>
Total Employers	<u>1,202</u>

## WRS Membership

Any employe of a participating employer who is expected to work at least 600 hours per year must be covered by WRS.

As of December 31, 1995, the WRS membership consisted of:

Current Employees:	
General / Teachers	218,579
Elected / Executive / Judges	1,488
Protective with Social Security	13,563
Protective without Social Security	<u>2,644</u>
Total Current Employees	<u>236,274</u>
Terminated Vested Participants	<u>88,437</u>
Retirees and Beneficiaries currently receiving benefits:	
Retirement Annuities	82,333
Disability Annuities	5,279
Death Beneficiary Annuities	<u>1,386</u>
Total Annuitants	<u>88,998</u>
Total Participants	<u>413,709</u>

## WRS Benefits

WRS provides retirement benefits as well as death and disability benefits. Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements. For participants entering the system after December 31, 1989, creditable service in each of five years is required for vesting.

Employees who retire at or after age 65, (54 for protective occupations and 62 for elected officials and executive service retirement plan participants), are entitled to an annual formula retirement benefit in an amount equal to 1.6 percent, (2 percent for elected officials, and protective occupations covered by social security, and 2.5 percent for protective occupations not covered by social security), of their final average earnings and

creditable service. Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will instead be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions with interest if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55, (50 for protective occupations), and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employe-required contributions plus interest as a separation benefit, or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

## Post-Retirement Adjustments

The Employe Trust Funds Board may periodically increase annuity payments from the retirement system when investment income credited to the reserves, together with other actuarial experience factors, creates surplus reserves as determined by the actuary. Annuity increases are not based on cost of living or other similar factors.

The fixed dividends and variable adjustments granted during recent years are as follows:



<u>Year</u>	<u>Fixed Dividend</u>	<u>Variable Adjustment</u>
1986	7.2	26.0
1987	7.6	8.0
1988	6.7	(6.0)
1989	4.1	14.0
1990	11.3	16.0
1991	3.6	(14.0)
1992	6.3	18.0
1993	4.4	5.0
1994	4.9	11.0
1995	2.8	(4.0)

### Actuarial Liabilities

WRS's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990. As of December 31, 1995, 34 years remain on the amortization schedule. Interest is assessed on the outstanding liability at year-end at the assumed earnings rate. The level-percentage-of-payroll amortization method results in a relatively lower dollar contribution in earlier years than in later years when payrolls have increased. During the early years of the amortization period, payments made are less than annual interest assessments, resulting in an increase in the liability. As payrolls increase annually, prior service payments increase proportionally until they exceed annual interest, and finally fully liquidate the liability at the end of 40 years. State law requires the accrued retirement cost be funded.

As of December 31, 1995 and 1994, the unfunded actuarial accrued liability was \$2.06 billion and \$2.01 billion respectively.

### Variable Retirement Fund

Prior to 1980, WRS participants had an option to have one-half of their required contributions and matching employer contributions invested in the

VRIT. Retirement benefits were adjusted for the difference between the investment experience of the FRIT and VRIT. The VRIT was closed to new membership after April 30, 1980. Provisions for allowing members to withdraw from the VRIT were added with the passage of Ch. 221, Laws of 1979. As of December 31, 1995, 24,846 active and inactive participants and 22,978 annuitants remained in the VRIT.

### Municipal Police and Firefighters Pension Fund

As of March 31, 1978, administration of certain local funds for police officers and firefighters was assumed by the Wisconsin Retirement Fund. This included approximately 2,000 members. As of December 31, 1995, less than 1,200 participants remained in the system. These funds were previously closed to new members after January 1, 1948.

The liability for retirement benefits for these annuitants is funded by the employers as benefit payments are made. Annuity reserves for these police and firefighter annuities are established by a transfer from the employer accumulation reserve at the time the annuity is approved. Earnings on these reserves are used to fund dividends on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 1995, and December 31, 1994, was \$47.0 million and \$50.9 million respectively.

### Special Milwaukee Death Benefit Fund

Members of the former Milwaukee Teachers Retirement Fund as of December 31, 1981, could elect to participate in a special death benefit fund. Since September 1986, participation in the program has been continued for eligible participants without premiums. The

benefit amount and length of post retirement coverage is actuarially reviewed annually and adjusted as appropriate. The benefit amount has been set at \$3,500 since August 1988. During 1995, coverage was available to eligible participants for eight years after retirement. It is the intent of the Employee Trust Funds Board to extend post retirement coverage annually by one year, as long as sufficient reserves are available to support the benefit.

### **Annuity Supplement - General Fund**

As authorized under s. 40.27 (1), Wis. Stats., the General Fund provides certain supplemental annuity benefits to annuitants receiving a continuing annuity on or before September 1974. The benefit is subject to continuation of the appropriation by the Legislature. The Department serves as a clearing agent for its payment.

## **4. CONTRIBUTIONS REQUIRED AND MADE**

### **Required Contributions**

Employer contribution rates are determined by the "entry age normal with a frozen initial liability" actuarial method. This is a "level contribution" actuarial method intended to keep employer and employee contribution rates at a level percentage of payroll over the years. This method determines the amount of contributions necessary to fund: 1) the current service cost, which represents the estimated amount necessary to pay for benefits earned by the employees during the current service year plus actuarial gains or losses arising from the difference between actual and assumed experience; and 2) the prior service cost, which represents the estimated amount necessary to pay for unfunded benefits earned prior to the

employer becoming a participating employer in WRS and the past service cost of benefit improvements.

1995 contribution requirements were determined by the December 31, 1993 actuarial valuation. Significant actuarial assumptions used in the valuation include:

- a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually;
- projected salary increases of 5.6 percent per year compounded annually, attributable to inflation;
- additional projected salary increases ranging from 0.0 percent to 8.0 percent per year, depending on age and type of employment, attributable to seniority/merit; and
- 2.9 percent annual post-retirement benefit increases.

Employee contributions are deducted from the employee's salary and remitted to the Department by the participating employer. Part or all of the employee contributions may be paid by the employer on behalf of the employee.

Employees also make an actuarially determined benefit adjustment contribution. The benefit adjustment contribution is treated as an employer contribution for benefit purposes and is not included in separations, death benefits, or money purchase annuities. Part or all of the benefit adjustment contribution may be paid by the employer on behalf of the employee.

Effective January 1, 1990, any changes in the contribution rate must be split equally between the employee and the employer.



Contribution rates in effect during 1995 by employment category were:

	Employer Current	Employer Prior*	Employee	Benefit Adjustment Contribution
Elected official, state executive retirement plan	11.1%	0.9%	5.5%	0.1%
Protective occupation with social security	9.6	1.0	6.0	0.5
Protective occupation without social security	14.6	1.4	7.2	0.0
General and Teachers	4.8	1.3	5.0	1.2

\* The prior service contribution rate is a weighted average of individual employer rates.

Contributions required and made during 1995 were:

	Contributions	Percentage of Payroll
Employer Current Service	\$ 396,976,044	5.3%
Employer Prior Service	103,734,398	1.4
Employee Required	380,993,431	5.1
Benefit Adjustment Contribution	84,131,969	1.1

### Employe and Employer Additional Contributions

Contributions may be made to the retirement system in addition to the required contributions by employees and/or employers. These contributions are held in separate reserve accounts and are subject to certain restrictions as to amount, form of benefit payments, tax status, etc.

## 5. FUNDING STATUS AND PROGRESS

The amount shown below as "pension benefit obligation" is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employe service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess WRS's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due,

and provide a standard measure for making comparisons among Public Employe Retirement Systems. The measure is independent of the actuarial funding method used to determine contributions to any specific plan.

WRS's funding is based on an actuarial cost method that allocates the cost of benefits evenly over the participant's working life. The pension benefit obligation instead recognizes a relatively lower accumulated benefit at any time in a participant's working life and, therefore, gives the appearance of a better-funded system by deferring higher contributions until future years. It would, therefore, require higher future contribution rates. WRS's actual funding method is designed to avoid increasing contribution rates as the system matures.

The pension benefit obligation was determined as part of an actuarial valuation at December 31, 1995. Significant actuarial assumptions used include:

- a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually;
- projected salary increases of 5.3 percent per year compounded annually, attributable to inflation;
- additional projected salary increases ranging from 0.0 percent to 8.0 percent per year, depending on age and type of employment, attributable to seniority/merit; and
- 2.9 percent annual post-retirement benefit increases.

As of December 31, 1995 the assets in excess of pension benefit obligation were \$7,501.9 million, determined as follows:

Pension Benefit Obligation (in millions):	
Retirees and beneficiaries	
currently receiving benefits	\$11,327.5
Terminated employees not yet	
receiving benefits	1,309.3
Current employees:	
Accumulated employe contributions	8,187.8
Employer Financed	<u>7,643.3</u>
Total Pension Benefit Obligation	28,467.9
Net Assets Available for Benefits	<u>\$35,969.8</u>
Assets in Excess of	
Pension Benefit Obligation	<u>\$ 7,501.9</u>

During the year ended December 31, 1995, the plan experienced a net increase of \$ 1,884.5 million in the pension benefit obligation.

Ten-year historical trend information designed to provide information about WRS's progress in accumulating sufficient assets to pay benefits when due is presented at the conclusion of these notes.

## 6. CONTINGENCIES

Wisconsin Act 27, Laws of 1987, authorized the transfer of \$230 million from the Transaction Amortization Accounts to the reserves of the FRIT. This amount was distributed to the various reserves based on the ratio of each reserve to the total assets of the FRIT. The transfer to the Fixed Employe Accumulation Reserve was credited to participant accounts in accordance with normal interest crediting procedures. The transfer to the Fixed Annuity Reserve was used for a "Special Performance Dividend" to those participants then receiving a supplemental benefit under s. 40.27 (1) and (1m), Wis. Stats. If an annuitant's special performance dividend was equal to or greater than

the previous supplemental benefit, the supplemental benefit was eliminated. If the special performance dividend was less than the supplemental benefit, the supplemental benefit was reduced by the amount of the special performance dividend. In a lawsuit brought by certain employe and annuitant groups, a circuit court ruled July 29, 1991, that the distribution of the special performance dividend was unconstitutional. This decision was affirmed by the Court of Appeals on July 20, 1995. The remedy ordered by the Court of Appeals would require the state to repay to the trust fund the amount of special performance dividend that replaced supplemental benefits with interest. The appeals court decision has been appealed to the State Supreme Court.

## 7. PUBLIC ENTITY RISK POOLS

The Department operates four public entity risk pools: group health insurance, group income continuation insurance, protective occupation duty disability insurance (Duty Disability), and long term disability insurance (LTDI). In accordance with GASB Statement 10, these funds are accounted for as enterprise funds.

### Group Health Insurance

The Health Insurance fund offers group health insurance for current and retired employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. The State, plus 140 local employers, currently participate. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily health maintenance organizations.

Following is a summary of the activity and changes in retained earnings for



these individual risk pools within the Health Insurance Fund during 1995 (in thousands):

	State	Local	Local Annuitants	Total
Investment Income	\$ 2195.1	\$ 244.2	\$ 0.0	\$ 2,439.3
Insurance Premiums	<u>318,357.8</u>	<u>29,009.2</u>	<u>502.3</u>	<u>347,869.3</u>
Total Revenues	<u>320,552.9</u>	<u>29,253.4</u>	<u>502.3</u>	<u>350,308.6</u>
Claims Expense	63,820.8	2,346.8	0.0	66,167.6
Insurance Premiums	259,589.6	25,900.4	498.8	285,988.8
Carrier Administration	1,415.4	67.5	0.0	1,482.9
ETF Administration	<u>837.5</u>	<u>72.6</u>	<u>5.5</u>	<u>915.6</u>
Total Expenses	<u>325,663.3</u>	<u>28,387.3</u>	<u>504.3</u>	<u>354,554.9</u>
Net Income	(5,110.4)	866.1	(2.0)	(4,246.3)
January 1, 1995				
Retained Earnings	<u>21,961.4</u>	<u>3,189.1</u>	<u>5.6</u>	<u>25,156.1</u>
December 31, 1995				
Retained Earnings	<u>\$ 16,851.0</u>	<u>\$ 4,055.2</u>	<u>\$ 3.6</u>	<u>\$ 20,909.8</u>

### Group Income Continuation Insurance

The Income Continuation Insurance fund offers both long-term and short-term disability benefits (up to 75 percent of gross salary) for current employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. Seventy employers plus the State currently participate. The plan is self-insured.

	State	Local	Total
Investment Income	\$ 10,416.0	\$ 690.2	\$ 11,106.2
Contributions	<u>0.0</u>	<u>696.9</u>	<u>696.9</u>
Total Revenues	<u>10,416.0</u>	<u>1,387.1</u>	<u>11,803.1</u>
Benefit Expense	7,814.5	822.5	8,637.0
Carrier Administration	450.6	12.2	462.8
ETF Administration	<u>300.9</u>	<u>18.2</u>	<u>319.1</u>
Total Expenses	<u>8,566.0</u>	<u>852.9</u>	<u>9,418.9</u>
Net Income	1,850.0	534.2	2,384.2
January 1, 1995			
Retained Earnings	<u>17,229.7</u>	<u>1,021.8</u>	<u>18,251.5</u>
December 31, 1995			
Retained Earnings	<u>\$ 19,079.7</u>	<u>1,556.0</u>	<u>20,635.7</u>

The table above is a summary of the activity and changes in retained earnings for these individual risk pools within the Income Continuation Insurance fund during 1995 (in thousands).

As a result of favorable investment experience and actuarial gains, the Income Continuation Insurance program accumulated sufficient assets to allow the Group Insurance Board in April 1988 to suspend collection of premiums. The premium holiday has been extended through July, 1996.

### Duty Disability

The Duty Disability fund offers special disability insurance for state and local Wisconsin Retirement System (WRS) participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State and four hundred eleven local employers currently participate. The plan is self-insured, and risk is shared between the State and local portions of the plan.

The Duty Disability program is intended to compensate WRS protective category employees for duty-related disabilities. Benefits are payable for duty-related injuries or diseases that are likely to be permanent and that cause the employee to retire, accept reduced pay or a light-duty assignment, or that impair the employee's promotional opportunities.

All contributions are employer-paid. Contributions are based on a graduated, experience-rated formula. During 1995, contribution rates ranged from 1.6 percent to 6.8 percent of salaries based on employer experience.

During the program's initial years, contributions did not keep pace with benefits, resulting in both an accounting and a cash deficit. The Employee Trust Funds Board has increased contribution rates annually since 1985, and has



implemented an experience-rated system to encourage employers to oppose frivolous claims against the program. After 1987 legislation (Wis. Act 363, Laws of 1987) broadened the Department's authority for experience-rated contribution collection and modified the benefit structure, a new rate structure was enacted which retired the cash deficit in 1993. The accounting deficit of \$132.4 million is being amortized over twenty seven year period beginning in 1997.

### Long Term Disability Insurance

Effective October 15, 1992, the Group Insurance Board established the long term disability insurance program as an alternative to the long term disability coverage provided through the WRS. The Employe Trust Funds Board purchases disability insurance coverage from the Group Insurance Board for WRS participants.

Participants who were covered by the WRS prior to October 15, 1992 have the option to select disability benefits from LTDI or WRS at the time of disability. New WRS participants on or after October 15, 1992 are eligible only for LTDI disability benefits.

A LTDI benefit replaces 40% of the disabled participant's final average earnings until normal retirement age, or a minimum of five years. It also provides for additional annual contributions to the participant's WRS account equal to 5% of the participant's final average earnings. At normal retirement age, or after a minimum of five years of LTDI benefits, the LTDI benefit terminates and the participant is eligible for a WRS retirement benefit.

The WRS pays actuarially determined premiums to the group insurance board for LTDI coverage. The premiums rates, as a percent of WRS covered payroll, in effect for 1995 were as follows:

General	0.35%
Executive & Elected	0.73%
Protective with Social Security	0.43%
Protective without Social Security	0.38%

### Public Entity Risk Pool Accounting Policies

1. **Basis of Accounting:** All public entity risk pools are accounted for in enterprise funds using the full accrual basis of accounting and the flow of economic resources measurement focus.
2. **Valuation of Investments:** Assets of the Health Insurance fund are invested in the State Investment Fund. Investments are valued at cost, which approximates market value. Assets of the Income Continuation Insurance, Duty Disability and Long Term Disability Insurance funds are invested in the Fixed Retirement Investment Trust. Investments are valued at current market, which approximates amortized cost.
3. **Unpaid Claims Liabilities:** The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The estimate includes the effects of inflation and other societal and economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Unpaid claims liability is presented at face value and is not discounted for Health Insurance. These liabilities are discounted using an interest rate of 8 percent for the Income Continuation Insurance and Long Term Disability Insurance and 5 percent for the Duty Disability program. The unpaid claims liability for the Health Insurance program was calculated by the Department. The liabilities



for the Income Continuation Insurance, Duty Disability and Long Term Disability Insurance programs were determined by actuarial methods.

In developing the Duty Disability unpaid claims liabilities and the corresponding contribution rates necessary to fund the liabilities, the Department assumes mortality assumptions similar to that used for disability benefits provided as part of the Wisconsin Retirement System, which is healthy life twelve years older. As additional experience is gained and analyzed in the Duty Disability program, the mortality assumptions may change to more closely correspond to the population participating in the program, which is likely to have different characteristics because only protective occupation employees are allowed to participate, and the program has less restrictive disability requirements than for disability benefits provided under the Wisconsin Retirement System.

4. **Administrative Expenses:** All maintenance expenses are expensed in the period in which they are in-

curred. Acquisition costs are immaterial and are treated as maintenance expenses. Claim adjustment expenses are also immaterial.

5. **Reinsurance:** Health insurance plans provided by health maintenance organizations and health insurance for local government annuitants are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.
6. **Risk Transfer:** Participating employers are not subject to supplemental assessments in the event of deficiencies. If the assets of a fund were exhausted, participating employers would not be responsible for the fund's liabilities.
7. **Premium Setting:** Premiums are established by the Group Insurance Board (Health Insurance, Income Continuation Insurance and Long Term Disability Insurance) and the Employee Trust Funds Board (Duty Disability) in consultation with actuaries.
8. **Statutory Authority:** All programs are operated under the authority of Chapter 40, Wisconsin Statutes.

## Unpaid Claims Liabilities

Each fund establishes a liability for both reported and unreported insured events, which is an estimate of future payments of losses. The following represents changes in those aggregate li-

abilities (in millions) for each fund during the past year. The amounts for Health Insurance include only the portion of the program which is self-insured.

	Health Insurance		Income Continuation Insurance		Duty Disability		Long Term Disability Insurance	
	1994	1995	1994	1995	1994	1995	1994	1995
Unpaid claims at beginning of the calendar year	\$ 10.0	\$ 11.1	\$ 34.9	\$ 39.5	\$127.7	\$ 135.5	\$ 1.9	\$ 4.3
Incurred claims:								
Provision for insured events of the current calendar year	61.6	65.8	17.2	19.4	5.1	4.8	3.3	5.4
Changes in provision for insured events of prior calendar years	<u>0.6</u>	<u>0.6</u>	<u>(6.4)</u>	<u>(10.9)</u>	<u>14.4</u>	<u>18.1</u>	<u>(0.6)</u>	<u>(0.6)</u>
Total incurred claims	<u>62.2</u>	<u>66.4</u>	<u>10.8</u>	<u>8.5</u>	<u>19.5</u>	<u>22.9</u>	<u>2.7</u>	<u>4.8</u>
Payments:								
Claims attributable to insured events of the current calendar year	50.3	53.6	1.9	2.7	0.0	0.0	0.0	0.1
Claims attributable to insured events of prior calendar years	<u>10.8</u>	<u>11.6</u>	<u>4.3</u>	<u>4.3</u>	<u>11.7</u>	<u>12.8</u>	<u>0.3</u>	<u>0.6</u>
Total payments	<u>61.1</u>	<u>65.2</u>	<u>6.2</u>	<u>7.0</u>	<u>11.7</u>	<u>12.8</u>	<u>0.3</u>	<u>0.7</u>
Total unpaid claims at end of the calendar year	<u>\$ 11.1</u>	<u>\$ 12.3</u>	<u>\$ 39.5</u>	<u>\$ 41.0</u>	<u>\$ 135.5</u>	<u>\$ 145.6</u>	<u>\$ 4.3</u>	<u>\$ 8.4</u>

## 8. DESCRIPTION OF EXPENDABLE TRUST AND AGENCY FUNDS

The Department also administers the State's Accumulated Sick Leave Conversion Credit program, the Employee Reimbursement Accounts program, Group Life Insurance program, Public Employee Social Security, Deferred Compensation, and the Milwaukee Retirement System Investment in the Fixed Retirement Investment Trust. These programs are

administered in accordance with Chapter 40 of the Wisconsin Statutes.

### Accumulated Sick Leave Conversion Credit Program

In accordance with Chapter 40, Wis. Stats., the State provides that employees retiring and beginning an immediate annuity are eligible for conversion of unused sick leave to post retirement health insurance. At the time of an employee's death or eligibility for an



immediate annuity, that employee's accumulated unused sick leave balance may be converted at the employee's current rate of pay to credits for the payment of health insurance premiums for the employee and/or the employee's surviving dependents. Health insurance premiums are paid on the behalf of the employee, until the sick leave conversion credits are exhausted. During 1995, this benefit was enhanced to provide partial matching of the sick leave accumulation depending on years of service and employment category. Accumulated sick leave conversion is pre-funded based on an actuarially determined percentage of payroll.

The actuarial valuation is based on the entry age actuarial cost method. Significant actuarial assumptions include an 8% assumed interest rate, 5.3% assumed annual salary growth, and an average sick leave accumulation of 5.7 days per year for state employees and 7.4 days per year for university employees. The accrued liability for the post retirement health insurance benefits at December 31, 1995, determined through an actuarial valuation performed on that date, was \$875 million. The program's net assets on that date, at actuarial value, were \$237 million, leaving an unfunded liability of \$638 million. The accrued liability increased by \$269 million in 1995 as a result of the benefit changes identified above. The unfunded liability is considered an obligation of the State and is included in the general long-term debt account group in the State's comprehensive annual financial report.

Required and actual contributions totaled \$45.7 million during 1995.

### **Employee Reimbursement Accounts Program**

The "Employee Reimbursement Accounts" program, authorized by Inter-

nal Revenue Code Section 125, allows participants to contribute pre-tax earnings to an account to be used to pay eligible dependent care and medical expenses.

The Department contracts with a third-party administrator to provide administrative services, including participant accounting and claims processing, for the program. Contributions are withheld from participant payrolls and remitted by the employer to the Department. The funds are invested by SWIB in the State's short-term investment pool. Funds are transferred to the third-party administrator as needed for reimbursement of expenses to plan participants.

Administrative costs of the program are funded from the employers' social security savings on amounts contributed to the accounts by employees, along with interest earned on the fund balance and forfeitures from unclaimed contributions.

### **Group Life Insurance**

The Life Insurance Fund offers group life insurance for current and retired employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. The State and 536 local employers currently participate. The plan is fully insured by an independent insurer.

Basic coverage is based on employee annual earnings for the prior calendar year (as reported to WRS) rounded to the next highest thousand dollars. Supplemental and additional life insurance are also offered. State employees pay contributions to cover the entire cost of the additional plan during active employment and a portion of the basic and supplemental plans. The State's share finances the cost of insurance after retirement plus a portion of the basic



and supplemental plans. Local employees submit their contributions directly to the insurance carrier.

As of December 31, 1995, the following reserves (in millions \$) had been accumulated to fund the liabilities of the program. All reserves are held by the insurer.

	State of Wisconsin Plan	Wisconsin Municipal Plan
Reserves:		
Premium Deposit Fund	\$ 139.7	\$ 55.9
Contingent Liability Reserve	56.3	58.1
Disability Claim Reserve	<u>9.7</u>	<u>7.2</u>
Total Reserves	<u>\$ 205.7</u>	<u>121.2</u>
Liabilities:		
Retired Lives	78.4	38.8
Active Lives	118.5	89.6
Disability Claims	<u>9.7</u>	<u>7.2</u>
Total Liabilities	<u>206.6</u>	<u>135.6</u>
Unfunded Accrued Liability	<u>\$ 0.9</u>	<u>\$ 14.4</u>

The Life Insurance Fund also includes a Group Spouse and Dependent Life Insurance program for state and local government employees. Unless the employer provides otherwise, the entire cost of this program is financed by the employee who pays a premium of \$2 monthly. Basic coverage provides a benefit of \$10,000 (\$7,500 in Wisconsin Municipal Plan) for the death of a spouse and \$5,000 (\$3,750 in Wisconsin Municipal Plan) for the death of a dependent. An optional second coverage level in the State Plan doubles the coverage.

Contribution rates are set at a level sufficient to pay anticipated claims incurred during the year. No actuarial liability has been calculated for the plan as of the balance sheet date. The reserves for the Spouse and Dependent plan as of 1995 year end are as follows:

State of Wisconsin Plan	\$ 734,459
Wisconsin Municipal Plan	248,342

In the event of termination of the current group life insurance contract, the insurer would retain liability for

benefits for all retired employees and those disabled employees under a waiver of premium. The insurer would retain assets equal to the Retired Lives Reserve and the Disability Claim Reserve. All remaining assets would revert to the Group Insurance Board in a series of installments.

In accordance with Chapter 40, Wis. Stats., the State provides post retirement life insurance to employees retiring before age 65 if they (1) have 20 years of creditable service, and (2) are eligible for a retirement annuity. This coverage is at the employee's expense (employee must pay the full premium) until age 65 when reduced coverage is provided at no cost. Employees retiring at or after age 65 are immediately eligible for reduced coverage at no cost. Beginning in the month in which an insured annuitant reaches age 65, premiums are no longer collected and coverage is continued for life. Approximately 10,651 state and 14,060 local annuitants currently qualify for coverage without premium. Post retirement life insurance is fully insured by the State's life insurance carrier; premiums are pre-funded with employer paid premiums during the employee's active career. The amount of premiums is determined by the insurer. The accrued liability and assets specifically related to post employment benefits could not be determined.

The required and actual contributions totaled \$3.1 million state and \$0.5 million local during 1995.

### Deferred Compensation

A Deferred Compensation plan, created in accordance with Internal Revenue Code Section 457, is available to all state employees and employees of local employers who have chosen to participate. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until ter-



mination, death, or unforeseeable emergency.

The Department contracts with an independent agent to administer the plan. Employers remit employee contributions directly to the administrative agent. The administrative agent transmits the contributions to one or more investment vehicles selected by the employee. All records detailing the contributions, earnings, and balance on deposit for individual participants are maintained by the administrative agent.

The Deferred Compensation plan is operated under Section 457 of the Internal Revenue Code. The deferred amounts legally are the property of the employer, although the funds have been earned by the employee and represent a portion of the employee's gross salary. Legal rights to the plan assets do not vest with the employee until certain eligibility criteria (termination, retirement, death, or unforeseeable emergency) have been met. Prior to vesting, the deferred amounts remain the sole property of the State and are subject to the claims of the State's general creditors. While the State does not have liability for losses under the plan, the State does have the duty of due care that would be required of an ordinary prudent investor and to administer the plan in good faith.

Of the \$471.3 million in the plan as of December 31, 1995, \$382.6 million is applicable to the State, and \$87.6 million represents the assets of the local governments participating in the plan. The remaining \$1.1 million is reserved for the operation of the plan.

### **Social Security**

In accordance with Section 218 of the Federal Social Security Laws, the State entered into an agreement with the federal Department of Health and Human Services whereby the State underwrites and guarantees the payment of all pub-

lic employer and employee Social Security contributions of personnel whose services are covered by the agreement. This agreement was amended effective January 1, 1987, to eliminate the Department's role in collecting contributions, at which time public employers began remitting contributions directly to the Social Security Administration. The Department remains the guarantor for local government payment of social security contributions. During 1994 the fund was closed by transferring all remaining assets to the Fixed Pension Trust Fund.

### **Milwaukee Retirement Systems**

As authorized by s. 40.03 (1)(n), Wis. Stats., the City of Milwaukee Public Employee Retirement System and the Milwaukee Public Schools have elected to have funds invested by SWIB as part of the FRIT. These moneys are accounted for separately from WRS as an agency fund. These retirement systems are charged a fee by the Department for investing and administering their retirement moneys.

WISCONSIN RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 (in millions of dollars)

Calendar Year	(1) Net Assets Available For Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5)
1986	11,648.5	11,759.4	99%	110.9	4,401.2	2.5%
1987	13,025.9	13,071.2	100%	45.3	4,636.6	1.0%
1988	16,645.8 (B)	14,894.2 (A)	112%	(1,751.6)	4,779.7	-36.6%
1989	20,040.5	17,549.0	114%	(2,491.5)	5,175.4	-48.1%
1990	19,756.2	18,726.0	106%	(1,030.2)	5,425.7	-19.0%
1991	23,633.5	20,874.0	113%	(2,759.5)	5,865.5	-47.0%
1992	25,845.9	22,818.0	113%	(3,027.9)	6,472.3	-46.8%
1993	29,673.7	25,175.3	118%	(4,498.4)	6,864.1	-65.5%
1994	29,322.6	26,583.4	110%	(2,739.2)	7,135.6	-38.4%
1995	35,969.8	28,467.9	126%	(7,501.9)	7,454.3	-100.6%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plans progress made accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS. See page 11 of the notes, Funding Status and Progress, for further explanation of the Pension Benefit Obligation.

(A) The 12/31/88 Pension Benefit Obligation includes the net liabilities created by the early retirement and other benefit provisions from 1989 Wisconsin Act 13 effective May 16, 1989. The net assets available for benefits does not include a \$500 million recognition of deferred market gains which was authorized by Act 13 to offset the increased benefit costs, but did not take place until June, 1989.

(B) Beginning in 1988, the net assets available for benefits reflects an accounting change in the valuation of investments to current market value.



**WISCONSIN RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
REVENUES BY SOURCE AND EXPENSES BY TYPE  
(IN THOUSANDS OF DOLLARS)**

**REVENUES BY SOURCE**

Fiscal Year	Employee (1) Contributions	% Of Payroll	Employer (2) Contributions	% Of Payroll	Investment Income	Other Income	Total Revenues
1986	231,342	5.3%	364,236	8.3%	1,239,925	73	1,835,576
1987	244,052	5.3%	365,714	7.9%	1,225,175	226	1,835,167
1988	259,173	5.4%	378,985	7.9%	2,632,059	569	3,270,786
1989	272,796	5.3%	395,223	7.6%	3,320,496	161	3,988,675
1990	294,584	5.4%	426,411	7.9%	(538,367)	172	182,800
1991	313,981	5.4%	465,113	7.9%	4,161,015	94	4,940,203
1992	337,668	5.2%	503,231	7.8%	2,232,661	113	3,073,673
1993	358,902	5.2%	536,513	7.8%	3,900,349	189	4,795,953
1994	375,128	5.3%	561,499	7.9%	(201,599)	155	735,183
1995	389,840	5.2%	584,972	7.8%	6,821,185	113	7,796,110

**EXPENSES BY TYPE**

Fiscal Year	Retirement, Disability & Death Benefits	Separation Benefits (Refunds)	Administrative Expense	Other Expenses	Total Expenses
1986	356,727	31,763	5,901	69	394,460
1987	419,294	29,900	6,670	237	456,101
1988	492,271	33,983	4,187	570	531,010
1989	555,145	28,038	10,349	147	593,678
1990	691,576	32,501	6,366	136	730,579
1991	764,599	27,536	7,553	-	799,688
1992	829,701	25,725	7,651	-	863,077
1993	942,953	24,225	8,775	-	975,953
1994	1,042,936	23,966	8,867	-	1,075,769
1995	1,124,973	30,180	9,583	-	1,164,736

- (1) Employee Contributions include all employee required and employee additional contributions, including those amounts paid by the employer on behalf of the employee.
- (2) Employer Contributions include all Benefit Adjustment Contributions, including those amounts paid by the employee.
- (3) Employee Required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially determined contribution requirements.
- (4) Beginning in 1988, Investment Income and Total Revenues reflect an accounting change in the valuation of investments to current market value.

## Public Entity Risk Pools Required Supplementary Information Claims Development Information

The table below illustrates how the Funds's earned revenues and investment income compare to related costs of loss and other expenses assumed by the fund as of the end of each of the last ten years. The rows of the table are defined as follows:

1. Net Earned Required Contribution and Investment Revenues. Shows the total of each calendar year's earned contribution revenues and investment revenues.
2. Unallocated Expenses. Shows each calendar year's other operating costs of the Fund including overhead and claims expense not allocable to individual claims.
3. Estimated Incurred Claims as of the End of the Policy Year. Shows the funds's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. Paid Cumulative as of Year End. Shows the cumulative amounts paid as of the end of successive years for each policy year.
5. Reestimated Incurred Claims. Shows how each policy year's incurred claims increased or decreased as of the end of successive policy years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. Increase / Decrease in Estimated Incurred Claims from End of Policy Year. Compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

Data for calendar and policy years prior to 1990 is not available.

### Health Insurance Claims Development Information (\$ Millions)

	1990	1991	1992	1993	1994	1995
1. Net earned required contribution and investment revenues	70.8	78.0	83.7	69.1	66.2	64.9
2. Unallocated expenses	3.3	2.4	2.8	2.8	2.7	2.7
3. Estimated incurred claims as of the end of the policy year	58.5	66.8	65.3	60.1	61.6	65.8
4. Paid (cumulative) as of:						
End of Policy Year	47.4	54.4	53.3	50.2	50.3	53.6
One Year Later	59.2	66.8	65.6	61.0	62.2	
Two Years Later	59.2	66.9	65.5	60.7		
Three Years Later	59.2	66.9	65.5			
Four Years Later	59.2	66.9				
Five Years Later	59.2					
5. Reestimated incurred claims:						
End of Policy Year	58.5	66.8	65.3	60.1	61.6	65.9
One Year Later	59.2	66.8	65.7	60.8	62.2	
Two Years Later	59.2	66.9	65.5	60.7		
Three Years Later	59.2	66.9	65.5			
Four Years Later	59.2	66.9				
Five Years Later	59.2					
6. Increase (decrease) in estimated incurred claims from end of policy year	0.7	0.1	0.2	0.6	0.6	0.0



Income Continuation Insurance Claims Development Information  
(\$ Millions)

	1990	1991	1992	1993	1994	1995
1. Net earned required contribution and investment revenues	0.7	10.5	5.8	9.3	0.1	0.1
2. Unallocated expenses	0.3	0.5	0.5	0.6	0.7	0.7
3. Estimated incurred claims as of the end of the policy year	16.4	13.5	13.5	16.3	17.2	19.4
4. Paid (cumulative) as of:						
End of Policy Year	1.6	1.8	2.0	2.2	1.9	2.7
One Year Later	3.4	3.7	4.0	4.2	3.8	
Two Years Later	4.1	4.2	4.6	4.6		
Three Years Later	4.5	4.6	5.0			
Four Years Later	4.8	4.9				
Five Years Later	5.1					
5. Reestimated incurred claims:						
End of Policy Year	16.4	13.5	13.5	16.3	17.2	19.4
One Year Later	8.8	9.6	9.6	11.5	10.9	
Two Years Later	8.0	8.1	9.1	8.1		
Three Years Later	7.6	7.6	8.2			
Four Years Later	7.4	7.3				
Five Years Later	7.4					
6. Increase (decrease) in estimated incurred claims from end of policy year.	(9.0)	(6.2)	(5.3)	(8.2)	(6.3)	0.0

Duty Disability Claims Development Information  
(\$ Millions)

	1990	1991	1992	1993	1994	1995
1. Net earned required contribution and investment revenues	9.1	10.7	12.0	14.3	16.2	22.0
2. Unallocated expenses	1.3	0.1	0.5	0.3	0.2	0.2
3. Estimated incurred claims as of the end of the policy year	21.2	6.1	8.4	7.0	5.1	4.8
4. Paid (cumulative) as of:						
End of Policy Year	0.3	0.3	0.4	0.1	0.0	0.0
One Year Later	1.1	1.1	1.3	0.6	0.4	
Two Years Later	1.8	2.0	2.6	1.5		
Three Years Later	2.6	3.0	3.9			
Four Years Later	3.5	4.1				
Five Years Later	4.4					
5. Reestimated incurred claims:						
End of Policy Year	21.2	6.1	8.4	7.0	5.1	4.8
One Year Later	9.8	11.0	16.5	10.2	6.1	
Two Years Later	11.1	14.0	18.4	12.6		
Three Years Later	13.4	15.4	20.6			
Four Years Later	14.3	16.8				
Five Years Later	15.6					
6. Increase (decrease) in estimated incurred claims from end of policy	-5.6	10.7	12.2	5.6	1.0	0.0

Long Term Disability Insurance Claims Development Information  
(\$ Millions)

	1992	1993	1994	1995
1. Net earned required contributon and investment revenues	\$6.3	\$36.1	\$30.8	\$47.8
2. Unallocated expenses	0.0	0.1	0.2	0.2
3. Estimated incurred claims and expens as of the end of the policy year	0.0	1.8	3.3	5.4
4. Paid (cumulative) as of:				
End of Policy Year	0.0	0.1	0.0	0.1
One Year Later	0.0	0.3	0.4	
Two Years Later	0.1	0.4		
Three Years Later	0.1			
5. Reestimated incurred claims and expense:				
End of Policy Year	0.0	1.8	3.3	5.4
One Year Later	0.2	1.2	2.5	
Two Years Later	0.2	1.5		
Three Years Later	0.2			
6. Increase (decrease) in estimated incurred claims and expense from end of policy year	0.2	(0.3)	(0.8)	0.0



Wisconsin Department of Employee Trust Funds  
 Combining Balance Sheet  
 Pension Trust Funds  
 December 31, 1995  
 (In Thousands)

	Fixed Trust	Variable Trust	Special Death Benefit	Police and Fire s. 62.13	12-31-95	Totals	12-31-94
<b>Assets:</b>							
Equity in Pooled Cash & Cash Equivalents	\$ 309,683	\$ 860,558	0	\$ 0	\$ 1,170,241	\$	\$ 1,397,560
Equity in Pooled Investments	13,626,591	21,999,419	0	0	35,626,010		28,537,529
Investment in Fixed Fund	0	0	953	113,246	114,199		98,382
Contributions Receivable	117,946	3,343	0	0	121,289		120,419
Benefits Overpayment Receivable	586	0	0	0	586		964
Miscellaneous Receivables	2	0	0	0	2		0
Fixed Investment in Variable Fund	18,403,955	0	0	0	18,403,955		15,475,729
Due From Other Trust Funds	1,940	7,284	0	8	9,231		13,348
Due From Other State Agencies	121	0	0	0	121		249
<b>Total Assets</b>	<b>\$ 32,460,824</b>	<b>\$ 22,870,604</b>	<b>\$ 953</b>	<b>\$ 113,253</b>	<b>\$ 55,445,635</b>	<b>\$</b>	<b>\$ 45,644,180</b>
<b>Liabilities:</b>							
Annuities Payable	\$ 66,952	\$ 12,592	0	\$ 1,231	\$ 80,776	\$	\$ 75,593
Advance Contributions	3	0	0	482	485		493
Miscellaneous Payables	18,060	2	0	0	18,062		15,802
Variable Investment Due Fixed Fund	0	18,403,955	0	0	18,403,955		15,475,729
Fixed Investment Due Other Programs	959,328	0	0	0	959,328		736,818
Due To Other Trust Funds	10,496	1,803	7	3	12,309		16,286
<b>Total Liabilities</b>	<b>1,054,839</b>	<b>18,418,352</b>	<b>7</b>	<b>1,716</b>	<b>19,474,915</b>	<b></b>	<b>16,320,721</b>
<b>Fund Balance:</b>							
Reserve for Employer Contributions	9,715,736	1,258,084	0	(574)	10,973,246		10,006,237
Unfunded Accrued Liability	(2,055,718)	0	0	(47,031)	(2,102,749)		(2,057,861)
Reserve for Employer Contributions (Net)	7,660,018	1,258,084	0	(47,605)	8,870,497		7,948,376
Reserve for Employee Contributions	7,608,961	1,258,084	781	0	8,867,776		8,037,411
Reserve for Additional Contributions	96,182	57,227	0	0	153,409		141,605
Reserve for Annuities	10,220,463	1,859,302	0	130,493	12,210,258		10,718,014
Reserve for Undistributed Earnings	21,951	19,555	0	0	41,506		48,377
Reserve for Market Value Adjustments	5,798,411	0	215	28,649	5,827,275		2,429,676
<b>Total Fund Balance</b>	<b>31,405,985</b>	<b>4,452,252</b>	<b>946</b>	<b>111,537</b>	<b>35,970,720</b>	<b></b>	<b>29,323,459</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 32,460,824</b>	<b>\$ 22,870,604</b>	<b>\$ 953</b>	<b>\$ 113,253</b>	<b>\$ 55,445,635</b>	<b>\$</b>	<b>\$ 45,644,180</b>

Wisconsin Department of Employee Trust Funds  
 Combining Statement of Revenues, Expenses, and Changes in Fund Balances  
 Pension Trust Funds  
 December 31, 1995  
 (In Thousands)

	Fixed Trust	Variable Trust	Special Death Benefit	Police and Fire s. 62.13	12-31-95	Totals 12-31-94
<b>Operating Revenues:</b>						
Investment Income	\$ 5,903,712	\$ 917,473	\$ 173	\$ 25,212	\$ 6,846,570	\$ (202,653)
Employer Required Contributions	563,985	20,857	0	5,626	590,468	567,138
Employer Early Retirement Contributions	360,136	20,857	0	0	380,993	384,864
Employer Additional Contributions	130	0	0	0	130	233
Employer Additional Contributions	3,453	772	0	0	4,225	5,310
Employer Additional Contributions	1,091	107	0	0	1,199	750
Employee Qualifying Service Contributions	699	120	0	0	819	686
Employee Forfeited Service Contributions	2,461	143	0	0	2,604	3,519
<b>Total Operating Revenues</b>	<b>6,835,667</b>	<b>960,330</b>	<b>173</b>	<b>30,838</b>	<b>7,827,008</b>	<b>739,848</b>
<b>Operating Expenses:</b>						
Retirement Annuities	864,078	145,250	0	13,887	1,023,215	942,766
Disability Annuities	60,176	4,487	0	1,111	65,774	60,142
Beneficiary Annuities	5,077	1,158	0	55	6,290	6,153
Separation Benefits	25,672	4,508	0	0	30,180	23,966
Retirement Single Cash Sums	8,104	236	0	0	8,341	6,464
Death Benefits	9,530	1,283	21	0	10,833	11,360
Disability Insurance Premiums	25,593	0	0	0	25,593	31,362
Administrative Expense	8,451	1,132	23	28	9,634	8,920
<b>Total Operating Expenses</b>	<b>1,006,681</b>	<b>158,055</b>	<b>44</b>	<b>15,081</b>	<b>1,179,861</b>	<b>1,091,133</b>
Operating Income (Loss)	5,828,985	802,276	129	15,757	6,647,147	(351,286)
<b>Nonoperating Revenues (Expenses):</b>						
Miscellaneous Income	113	0	0	0	113	155
Net Income (Loss) Before Operating Transfers	5,829,099	802,276	129	15,757	6,647,261	(351,131)
Operating Transfers:						
Operating Transfers In	4,802	5,160	0	0	9,963	16,298
Operating Transfers Out	(5,160)	(4,802)	0	0	(9,963)	(16,293)
Total Operating Transfers	(358)	358	0	0	0	5
Net Income (Loss)	5,828,741	802,634	129	15,757	6,647,261	(351,126)
Fund Balance - January 1	25,577,244	3,649,618	817	95,780	29,323,459	29,674,585
Fund Balance - December 31	\$ 31,405,985	\$ 4,452,252	\$ 946	\$ 111,537	\$ 35,970,720	\$ 29,323,459



Wisconsin Department of Employee Trust Funds  
 Combining Statement of Changes in Reserve Balances  
 Pension Trust Funds - Fixed Trust Fund  
 For Year Ended December 31, 1995  
 (In Thousands)

	Employee Accumulation Reserve	Additional Accumulation Reserve	Employer Accumulation Reserve	Annuity Reserve	Undistributed Earnings	Market Value Adjustments	12-31-95	12-31-94
Beginning Balance - January 1	\$ 6,962,260	\$ 91,160	\$ 6,924,271	\$ 9,171,260	\$ 12,891	\$ 2,415,401	\$ 25,577,244	\$ 25,828,137
<b>Revenues:</b>								
Investment Income	0	0	0	0	2,520,702	3,383,010	5,903,712	(230,737)
Employer Contributions	363,296	3,453	0	0	0	0	366,749	351,421
Employer Contributions	0	1,091	564,115	0	0	0	565,206	540,739
Miscellaneous Revenues	0	0	0	0	113	0	113	155
Total Revenues	363,296	4,544	564,115	0	2,520,816	3,383,010	6,835,780	661,578
<b>Expenditures:</b>								
Separations	21,147	4,525	0	0	0	0	25,672	20,567
Retirement Single Sum Benefits	3,504	13	4,588	0	0	0	8,104	6,195
Death Benefits	8,132	197	1,201	0	0	0	9,530	9,105
LTDI Premiums	0	0	25,593	0	0	0	25,593	31,362
Annuities	0	0	0	929,331	0	0	929,331	852,881
Administrative Expenses	0	0	0	0	8,451	0	8,451	7,785
Total Expenditures	32,783	4,734	31,382	929,331	8,451	0	1,006,681	927,844
<b>Transfers:</b>								
Earnings Allocation	680,465	9,450	829,610	983,780	(2,503,305)	0	0	0
Annuities Awarded	(365,964)	(4,215)	(622,487)	992,665	0	0	0	0
Intra-Fund Transfers	341	(44)	(295)	(2)	0	0	(358)	15,373
Inter-fund Transfers	1,345	22	(3,815)	2,090	0	0	(358)	15,373
Total Transfers	316,187	5,212	203,014	1,978,534	(2,503,305)	0	(358)	15,373
Ending Balance - December 31	\$ 7,608,961	\$ 96,182	\$ 7,660,018	\$ 10,220,463	\$ 21,951	\$ 5,798,411	\$ 31,405,985	\$ 25,577,244

Statement 8

Wisconsin Department of Employee Trust Funds  
 Combining Statement of Changes in Reserve Balances  
 Pension Trust Funds - Variable Trust Fund  
 For Year Ended December 31, 1995  
 (In Thousands)

	Employe Accumulation Reserve	Additional Accumulation Reserve	Employer Accumulation Reserve	Annuity Reserve	Undistributed Earnings	12-31-95	Totals	12-31-94
Beginning Balance - January 1	\$ 1,074,450	\$ 50,445	\$ 1,074,450	\$ 1,414,788	\$ 35,486	\$ 3,649,618	\$	3,739,306
<b>Revenues:</b>								
Investment Income	0	0	0	0	917,473	917,473		29,138
Employe Contributions	21,120	772	0	0	0	21,892		22,958
Employer Contributions	0	107	20,857	0	0	20,965		21,510
Total Revenues	21,120	880	20,857	0	917,473	960,330		73,605
<b>Expenditures:</b>								
Separations	861	3,648	0	0	0	4,508		3,399
Retirement Single Sum Benefits	118	0	118	0	0	236		269
Death Benefits	1,046	69	167	0	0	1,283		2,234
Annuities	0	0	0	150,896	0	150,896		140,940
Administrative Expenses	0	0	0	0	1,132	1,132		1,092
Total Expenditures	2,025	3,717	285	150,896	1,132	158,055		147,925
<b>Transfers:</b>								
Earnings Allocation	263,234	12,074	257,769	399,195	(932,272)	0		0
Annuities Awarded	(97,409)	(2,434)	(98,462)	198,305	0	0		0
Intra-Fund Transfers	60	0	(60)	0	0	0		0
Inter-fund Transfers	(1,345)	(22)	3,815	(2,090)	0	358		(15,368)
Total Transfers	164,540	9,619	163,062	595,409	(932,272)	358		(15,368)
Ending Balance - December 31	\$ 1,258,084	\$ 57,227	\$ 1,258,084	\$ 1,859,302	\$ 19,555	\$ 4,452,252	\$	3,649,618



Wisconsin Department of Employee Trust Funds  
 Combining Statement of Changes in Reserve Balances  
 Pension Trust Funds - s. 62.13 Police and Fire Plans  
 For Year Ended December 31, 1995  
 (In Thousands)

	Employer Accumulation Reserve	Annuity Reserve	Market Value Adjustments	12-31-95	Totals	12-31-94
Beginning Balance - January 1	\$ (50,345)	\$ 131,965	\$ 14,159	\$ 95,780	\$	106,277
<b>Revenues:</b>						
Investment Income	(2,489)	13,211	14,490	25,212		(1,046)
Employer Contributions	5,626	0	0	5,626		5,873
Total Revenues	3,137	13,211	14,490	30,838		4,827
<b>Expenditures:</b>						
Annuities	0	15,052	0	15,052		15,290
Administrative Expenses	28	0	0	28		34
Total Expenditures	28	15,052	0	15,081		15,324
<b>Transfers:</b>						
Annuities Awarded	(369)	369	0	0		0
Ending Balance - December 31	\$ (47,605)	\$ 130,493	\$ 28,649	\$ 111,537	\$	95,780

Statement 10

Wisconsin Department of Employee Trust Funds  
 Combining Balance Sheet  
 Enterprise Funds  
 December 31, 1995  
 (In Thousands)

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	Totals	12-31-95	12-31-94
<b>Assets:</b>							
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 40,308	\$ 0	\$ 0	\$	\$ 40,308	\$ 43,930
Investment in Fixed Fund	13,394	0	61,231	119,230		193,854	134,049
Contributions Receivable	2,038	177	1	0		2,217	1,853
Miscellaneous Receivables	0	18	0	0		18	0
Benefit Overpayments Receivable	0	0	884	0		884	774
Prepaid Insurance/Premiums	0	18,060	0	0		18,060	17,172
Due From Other Trust Funds	19	4,804	56	0		4,878	3,974
Due From Other State Agencies	0	0	0	0		0	72
Interfund Loans Receivable	0	247	0	0		247	373
<b>Total Assets</b>	<b>\$ 15,451</b>	<b>\$ 63,614</b>	<b>\$ 62,171</b>	<b>\$ 119,230</b>	<b>\$</b>	<b>\$ 260,466</b>	<b>\$ 202,200</b>
<b>Liabilities:</b>							
Annuities Payable	\$ 1,088	\$ 0	\$ 0	\$ 0	\$	\$ 1,088	\$ 1,015
Estimated Future Claims	145,636	12,339	41,046	8,419		207,440	190,414
Advance Contributions	0	29,583	59	0		29,642	28,575
Miscellaneous Payables	0	781	399	65		1,245	751
Due To Other Trust Funds	17	1	31	15		64	237
<b>Total Liabilities</b>	<b>146,741</b>	<b>42,704</b>	<b>41,535</b>	<b>8,499</b>	<b>\$</b>	<b>239,480</b>	<b>220,991</b>
<b>Equity:</b>							
Retained Earnings - Unreserved	(132,352)	20,910	3,556	100,221		(7,665)	(27,057)
Reserved for Market Value Adjustments	1,062	0	17,080	10,510		28,651	8,265
<b>Total Equity</b>	<b>(131,290)</b>	<b>20,910</b>	<b>20,636</b>	<b>110,731</b>	<b>\$</b>	<b>20,986</b>	<b>(18,792)</b>
<b>Total Liabilities and Equity</b>	<b>\$ 15,451</b>	<b>\$ 63,614</b>	<b>\$ 62,171</b>	<b>\$ 119,230</b>	<b>\$</b>	<b>\$ 260,466</b>	<b>\$ 202,200</b>



Wisconsin Department of Employee Trust Funds  
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings  
 Pension Trust Funds - Fixed Trust Fund  
 For Year Ended December 31, 1995  
 (In Thousands)

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	Totals
	12-31-95	12-31-95	12-31-95	12-31-95	12-31-94
<b>Operating Revenues:</b>					
Investment Income	\$ 2,273	\$ 2,420	\$ 11,106	\$ 22,193	\$ 1,173
Contributions	19,739	347,869	697	25,593	382,653
Total Operating Revenues	22,012	350,289	11,803	47,786	383,826
<b>Operating Expenses:</b>					
Insurance Claims	0	66,168	8,637	4,938	76,677
Insurance Premiums	0	285,989	0	0	271,482
Carrier Administrative Expenses	0	1,483	463	24	2,045
Disability Annuities	22,838	0	0	0	19,582
Administrative Expense	184	913	319	174	1,773
Total Operating Expenses	23,022	354,553	9,419	5,136	371,560
Operating Income (Loss)	(1,010)	(4,263)	2,384	42,650	12,266
<b>Nonoperating Revenues (Expenses):</b>					
Miscellaneous Income (Expense)	0	19	0	0	3
Interest Expense	0	(2)	0	0	0
Net Income	(1,010)	(4,246)	2,384	42,650	12,268
Retained Earnings - January 1	(130,280)	25,156	18,252	68,081	(31,060)
Retained Earnings - December 31	\$ (131,290)	\$ 20,910	\$ 20,636	\$ 110,731	\$ (18,792)

Wisconsin Department of Employee Trust Funds  
 Combining Statement of Cash Flows  
 Enterprise Funds  
 for the Year Ended December 31, 1995  
 (In Thousands)

	Health Insurance	Income Continuation Insurance	Duty Disability	Long term Disability Insurance	12-31-95	Totals 12-31-94
<b>Cash Flows from Operating Activities</b>						
Cash Received for Insurance Premiums	\$ 348,408	\$ 708	\$ 19,546	\$ 25,593	\$ 394,255	\$ 413,992
Cash Paid for Employee Benefits	(351,770)	(6,797)	(12,675)	(731)	(371,973)	(353,122)
Cash Paid for Administrative Services	(2,396)	(872)	(234)	(305)	(3,808)	(3,845)
Net Cash Provided (Used) by Operating Activities	(5,758)	(6,961)	6,637	24,557	18,475	57,025
<b>Cash Flows from Non-Capital Financing Activities</b>						
Interest Paid on Cash Advances	(2)	0	0	0	(2)	0
Cash Advances	(247)	0	0	0	(247)	(373)
Cash Repayments	373	0	0	0	373	1,199
Interest on Delinquent Premiums	2	0	0	0	2	3
Net Cash Provided by Non-Capital Financing Activities	125	0	0	0	126	829
<b>Cash Flows from Investing Activities</b>						
Investment Income	2,011	11,106	2,273	22,193	37,583	1,173
Purchase of Investment Securities	0	(4,145)	(8,910)	(46,750)	(59,805)	(27,072)
Net Cash Provided (Used) by Investing Activities	2,011	6,961	(6,637)	(24,557)	(22,222)	(25,899)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,622)	0	0	0	(3,622)	31,955
Cash and Cash Equivalents at Beginning of Year	43,930	0	0	0	43,930	11,975
Cash and Cash Equivalents at End of Year	\$ 40,308	\$ 0	\$ 0	\$ 0	\$ 40,308	\$ 43,930
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>						
Operating Income (Loss)	\$ (4,263)	\$ 2,384	\$ (1,010)	\$ 42,650	\$ 39,761	\$ 12,266
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Investment Income Classified as Operating Revenue	(2,420)	(11,106)	(2,273)	(22,193)	(37,992)	(1,173)
Changes in Assets and Liabilities:						
Decrease (Increase) in Contributions Receivable	(522)	4	(193)	0	(711)	29,908
Decrease (Increase) in Benefit Overpayment Receivable	0	(109)	0	0	(109)	(276)
Decrease (Increase) in Prepaid Expenses	(938)	50	0	0	(887)	(1,659)
Decrease (Increase) in Due From Other Trust Funds	0	(56)	(19)	0	(74)	0
Increase in Estimated Future Claims	1,285	1,504	10,090	4,148	17,027	15,877
Increase in Advance Contributions	1,060	7	0	0	1,068	1,430
Increase in Annuities Payable	0	0	73	0	73	68
Increase in Miscellaneous Payables	38	395	0	59	494	610
Increase (Decrease) in Due To Other Trust Funds	0	(35)	(31)	(107)	(173)	(27)
Total Adjustments	(1,495)	(9,345)	7,648	(18,093)	(21,286)	44,760
Net Cash Provided (Used) by Operating Activities	\$ (5,758)	\$ (6,961)	\$ 6,637	\$ 24,557	\$ 18,475	\$ 57,025



Wisconsin Department of Employee Trust Funds  
 Combining Balance Sheet  
 Expendable Trust Funds  
 December 31, 1995  
 (In Thousands)

Statement 13

	Accumulated Sick Leave Conversion	Employe Reimbursement Accounts	Life Insurance	12-31-95	Totals	12-31-94
<b>Assets:</b>						
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 1,450	\$ 0	\$ 1,450	\$	\$ 1,414
Investment in Fixed Fund	269,143	0	0	269,143		193,923
Contributions Receivable	3,813	13	0	3,825		3,665
Miscellaneous Receivables	0	0	1	1		0
Administrative Fees Receivable	0	0	129	129		225
Prepaid Expenses	1,988	195	1,129	3,312		3,128
Due From Other Trust Funds	11	36	190	237		172
Due From Other State Agencies	0	0	0	0		155
<b>Total Assets</b>	<b>\$ 274,955</b>	<b>\$ 1,693</b>	<b>\$ 1,449</b>	<b>\$ 278,097</b>	<b>\$</b>	<b>\$ 202,682</b>
<b>Liabilities:</b>						
Insurance Claims Payable	\$ 0	\$ 1,233	\$ 0	\$ 1,233	\$	\$ 1,236
Estimated Future Premiums	236,831	0	0	236,831		191,125
Advance Contributions	0	14	1,130	1,144		1,121
Miscellaneous Payables	0	46	0	46		32
Due To Other Trust Funds	1,999	0	0	1,999		1,859
Interfund Loans Payable	0	0	247	247		373
<b>Total Liabilities</b>	<b>238,830</b>	<b>1,294</b>	<b>1,377</b>	<b>241,501</b>	<b>\$</b>	<b>195,746</b>
<b>Fund Balance:</b>						
Fund Balance - Unreserved	0	399	71	471		519
Reserved for Market Value Adjustments	36,125	0	0	36,125		6,417
<b>Total Fund Balance</b>	<b>36,125</b>	<b>399</b>	<b>71</b>	<b>36,595</b>	<b>\$</b>	<b>6,936</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 274,955</b>	<b>\$ 1,693</b>	<b>\$ 1,449</b>	<b>\$ 278,097</b>	<b>\$</b>	<b>\$ 202,682</b>

Wisconsin Department of Employee Trust Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Expendable Trust Funds  
 for Year Ended December 31, 1995  
 (In Thousands)

	Accumulated Sick Leave Conversion	Employe Reimbursement Accounts	Life Insurance	12-31-95	Totals 12-31-94
<b>Revenues:</b>					
Investment Income	\$ 51,843	\$ 123	\$ 7	\$ 51,973	\$ (1,652)
Contributions	45,693	10,748	13,710	70,151	67,261
Administrative Expense Reimbursement	0	0	353	353	382
Miscellaneous Receipts	0	0	1	1	1
<b>Total Revenues</b>	<b>97,536</b>	<b>10,872</b>	<b>14,072</b>	<b>122,479</b>	<b>65,992</b>
<b>Expenditures:</b>					
Insurance Claims	0	10,383	0	10,383	9,760
Insurance Premiums	67,703	0	13,710	81,413	69,250
Carrier Administrative Expenses	0	432	0	432	442
Administrative Expenses	125	141	325	592	664
<b>Total Expenditures</b>	<b>67,828</b>	<b>10,956</b>	<b>14,036</b>	<b>92,820</b>	<b>80,117</b>
<b>Increase (Decrease) in Net Assets</b>	<b>29,707</b>	<b>(84)</b>	<b>36</b>	<b>29,659</b>	<b>(14,125)</b>
<b>Fund Balance - January 1</b>	<b>6,417</b>	<b>483</b>	<b>36</b>	<b>6,936</b>	<b>21,062</b>
<b>Fund Balance - December 31</b>	<b>\$ 36,125</b>	<b>\$ 399</b>	<b>\$ 71</b>	<b>\$ 36,595</b>	<b>\$ 6,936</b>



Wisconsin Department of Employee Trust Funds  
 Combining Balance Sheet  
 All Agency Funds  
 December 31, 1995  
 (In Thousands)

	Deferred Compensation	Milwaukee Retirement	12-31-95	Totals	12-31-94
<b>Assets:</b>					
Equity in Pooled Cash & Cash Equivalents	\$ 47	\$ 0	\$ 47	\$ 285	
Investments	470,854	0	470,854	357,246	
Investment In Fixed Fund	0	382,132	382,132	310,464	
Contributions Receivable	370	0	370	261	
Administrative Reimbursement Receivable	0	0	0	43	
Due From Other Trust Funds	0	4	4	0	
<b>Total Assets</b>	<b>\$ 471,270</b>	<b>\$ 382,136</b>	<b>\$ 853,406</b>	<b>\$ 668,298</b>	
<b>Liabilities:</b>					
Deferred Compensation Payable	\$ 471,245	\$ 0	\$ 471,245	\$ 357,524	
Due Milwaukee Retirement	0	382,129	382,129	310,463	
Administrative Reimbursement Advance	25	0	25	0	
Miscellaneous Payables	0	0	0	310	
Due to Other Trust Funds	0	7	8	1	
<b>Total Liabilities</b>	<b>\$ 471,270</b>	<b>\$ 382,136</b>	<b>\$ 853,406</b>	<b>\$ 668,298</b>	

Wisconsin Department of Employee Trust Funds  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
for the Year Ended December 31, 1995  
(In Thousands)

Statement 16

	Balance 1-1-95	Additions	Deductions	Balance 12-31-95
<b>DEFERRED COMPENSATION PROGRAM</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 285	\$ 172	\$ 410	\$ 47
Investments	357,246	126,957	13,350	470,854
Contributions Receivable	261	370	261	370
Administrative Reimbursement Receivable	43	0	43	0
<b>Total Assets</b>	<b>\$ 357,834</b>	<b>\$ 127,499</b>	<b>\$ 14,063</b>	<b>\$ 471,270</b>
<b>Liabilities</b>				
Deferred Compensation Payable	\$ 357,524	\$ 127,385	\$ 13,665	\$ 471,245
Administrative Reimbursement Advance	0	25	0	25
Miscellaneous Payables	310	0	310	0
Due to Other Trust Funds	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 357,834</b>	<b>\$ 127,411</b>	<b>\$ 13,975</b>	<b>\$ 471,270</b>
<b>MILWAUKEE RETIREMENT</b>				
<b>Assets</b>				
Investment in Fixed Fund	\$ 310,464	\$ 71,744	\$ 76	\$ 382,132
Due From Other Trust Funds	0	4	0	4
<b>Total Assets</b>	<b>\$ 310,464</b>	<b>\$ 71,748</b>	<b>\$ 76</b>	<b>\$ 382,136</b>
<b>Liabilities</b>				
Due Milwaukee Retirement	\$ 310,463	\$ 71,748	\$ 82	\$ 382,129
Due to Other Trust Funds	1	7	1	7
<b>Total Liabilities</b>	<b>\$ 310,464</b>	<b>\$ 71,755</b>	<b>\$ 83</b>	<b>\$ 382,136</b>
<b>TOTALS - ALL FUNDS</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 285	\$ 172	\$ 410	\$ 47
Investments	357,246	126,957	13,350	470,854
Investment in Fixed Fund	310,464	71,744	76	382,132
Contributions Receivable	261	370	261	370
Administrative Reimbursement Receivable	43	0	43	0
Due From Other Trust Funds	0	4	0	4
<b>Total Assets</b>	<b>\$ 668,298</b>	<b>\$ 199,247</b>	<b>\$ 14,139</b>	<b>\$ 853,406</b>
<b>Liabilities</b>				
Miscellaneous Payables	\$ 310	\$ 0	\$ 310	\$ 0
Due to Other Trust Funds	1	8	1	8
Deferred Compensation Payable	357,524	127,385	13,665	471,245
Administrative Reimbursement Advance	0	25	0	25
Due Milwaukee Retirement	310,463	71,748	82	382,129
<b>Total Liabilities</b>	<b>\$ 668,298</b>	<b>\$ 199,166</b>	<b>\$ 14,058</b>	<b>\$ 853,406</b>



Wisconsin  
Department of



Employee  
Trust  
Funds

# Retirement System Statistics

## Total Participants by Status

Year	Active	Inactive	Annuitants	Total
1988	199,413	62,802	70,017	332,232
1989	204,336	65,779	73,232	343,347
1990	213,272	69,009	77,666	359,947
1991	219,624	70,646	79,465	369,735
1992	225,762	73,068	81,508	380,338
1993	229,360	77,567	83,836	390,763
1994	233,666	81,962	86,214	401,842
1995	236,274	88,437	88,998	413,709

## Total Participants with Variable Election

Year	Active	Inactive	Annuitant	Total
1988	27,160	8,167	17,779	53,106
1989	25,506	8,170	18,502	52,178
1990	23,577	8,282	19,922	51,781
1991	22,396	7,611	19,174	49,181
1992	21,367	7,061	20,968	49,396
1993	20,179	6,976	21,623	48,778
1994	18,993	6,928	22,248	48,169
1995	17,729	7,117	22,978	47,824

## Active Participants by Sex

Year	Male	Female	Total
1988	90,520	108,893	199,413
1989	90,987	113,349	204,336
1990	92,636	120,636	213,272
1991	94,178	125,446	219,624
1992	95,603	130,158	225,761
1993	96,278	133,082	229,360
1994	97,090	136,576	233,666
1995	97,352	138,922	236,274

## Active Participants by Employer Type

Year	State		School	Counties	Cities
	Agencies	University	Districts		
1988	30,360	26,359	80,528	31,759	20,549
1989	30,256	27,462	83,232	32,387	20,781
1990	32,138	28,802	87,048	33,346	21,276
1991	32,906	29,029	90,130	34,381	21,841
1992	32,497	29,925	92,569	34,750	21,903
1993	32,947	30,171	94,586	35,088	22,059
1994	33,722	30,447	96,537	35,656	22,333
1995	33,686	30,291	99,142	35,458	22,375

Year	VTAE			4th Class		Totals (1)
	Districts	Villages	Towns	Cities	Misc.	
1988	7,310	2,161	821	225	1,863	199,413
1989	7,709	2,226	866	244	1,894	204,336
1990	8,104	2,379	952	258	1,973	213,272
1991	8,310	2,492	1,019	349	2,106	219,624
1992	8,140	2,649	923	317	2,089	225,762
1993	8,279	2,761	940	338	2,191	229,360
1994	8,415	2,915	1,005	364	2,272	233,666
1995	8,459	2,962	1,060	414	2,427	236,274

(1) Some participants may be counted in more than one employer type. The total column eliminates the duplication and is an unduplicated count of participants.



**Active Membership (State Participants)**  
**(10-Year Figures)**

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total
1986	50,065	479	2,398	-	52,942
1987	51,429	362	3,008	-	54,799
1988	52,260	371	3,032	-	55,663
1989	53,345	371	3,091	-	56,807
1990	56,044	366	3,417	-	59,827
1991	56,900	371	3,692	-	60,963
1992	57,805	650	3,967	-	62,422
1993	58,416	685	4,017	-	63,118
1994	59,211	705	4,262	-	64,178
1995	58,585	702	4,690	-	63,977

**Active Membership (Local Participants)**

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total
1986	128,967	877	7,037	2,535	139,416
1987	130,723	930	7,246	2,584	141,483
1988	132,901	918	7,366	2,606	143,791
1989	136,655	920	7,498	2,590	147,663
1990	142,278	855	7,778	2,604	153,515
1991	147,288	847	8,002	2,586	158,723
1992	151,714	803	8,194	2,628	163,339
1993	154,423	774	8,418	2,627	166,242
1994	157,443	769	8,637	2,639	169,488
1995	159,994	786	8,873	2,644	172,297

**Active Membership (Total Participants)**

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total (1)
1986	179,032	1,356	9,435	2,535	192,358
1987	182,152	1,292	10,254	2,584	196,361
1988	185,161	1,289	10,398	2,606	199,413
1989	190,000	1,291	10,589	2,590	204,336
1990	198,322	1,221	11,195	2,604	213,272
1991	204,188	1,218	11,694	2,586	219,624
1992	209,519	1,453	12,161	2,628	225,761
1993	212,839	1,459	12,435	2,627	229,360
1994	216,654	1,474	12,899	2,639	233,666
1995	218,579	1,488	13,563	2,644	236,274

(1) Some participants may be counted in more than one employment category. The total column eliminates the duplication and is an unduplicated count of participants.

*Active Member Earnings (Amounts in Thousands \$)*

Year	State	Local	Total
1986	1,348,206	3,052,327	4,400,533
1987	1,373,498	3,136,228	4,509,726
1988	1,428,991	3,350,731	4,779,722
1989	1,483,612	3,535,249	5,018,861
1990	1,644,365	3,781,371	5,425,736
1991	1,746,228	4,119,269	5,865,497
1992	1,887,740	4,584,546	6,472,286
1993	1,988,110	4,876,034	6,864,144
1994	2,077,851	5,057,773	7,135,624
1995	2,168,868	5,285,387	7,454,255

*Active Member Statistics—Plan Averages*

Year	General			Elected		
	Earnings	Age	Service	Earnings	Age	Service
1986	21,309	42.3	9.8	28,371	50.3	8.8
1987	22,836	42.1	10.7	25,874	50.4	6.0
1988	23,784	42.3	10.8	26,171	50.1	6.0
1989	24,387	42.3	10.7	27,339	50.3	5.8
1990	25,245	42.1	10.3	28,137	51.2	6.2
1991	26,543	42.3	10.5	29,959	51.3	6.3
1992	27,508	42.5	10.7	39,185	50.5	10.3
1993	28,633	42.8	10.9	41,214	50.4	10.4
1994	29,306	43.0	11.0	43,361	50.6	10.7
1995	30,199	43.2	11.1	44,902	50.8	10.9

Year	Protective with Social Security			Protective without Social Security		
	Earnings	Age	Service	Earnings	Age	Service
1986	25,875	38.1	10.6	29,072	40.7	13.8
1987	26,509	37.8	10.8	30,460	40.5	14.6
1988	27,278	37.9	10.9	31,600	40.6	14.7
1989	28,191	38.0	11.0	32,184	40.1	14.2
1990	29,390	37.5	10.5	33,733	39.7	13.7
1991	30,408	37.6	10.5	35,563	39.8	13.7
1992	32,003	37.7	11.3	37,933	40.0	14.2
1993	32,858	37.9	11.5	39,348	40.1	14.4
1994	33,917	37.9	11.4	40,629	40.2	14.4
1995	34,550	37.8	11.3	42,462	40.1	14.2



Number of Benefits

Year	<u>All Annuities in Force</u>			<u>New Annuities</u>			<u>Lump Sum Benefits</u>		
	Ret.	Disab.	Benef.	Ret.	Disab.	Benef.	Separation	Death	Ret.
1986	59,954	3,695	1,776	4,154	362	26	6,035	467	761
1987	62,094	3,861	1,733	4,125	342	36	5,765	445	787
1988	64,283	4,046	1,688	4,163	379	31	5,962	433	1,213
1989	67,383	4,201	1,648	5,097	320	24	4,990	321	680
1990	71,726	4,353	1,587	6,389	333	27	4,939	360	889
1991	73,383	4,535	1,547	3,862	362	33	4,935	408	693
1992	75,288	4,714	1,506	3,993	343	35	4,665	316	607
1993	77,469	4,909	1,458	4,478	361	38	4,254	361	544
1994	79,730	5,066	1,418	4,575	344	37	3,940	416	723
1995	82,333	5,279	1,386	5,033	371	33	4,508	431	913

Number and Percent of Annuities by Option — 1995

Option	<u>All Annuities in Force</u>		<u>New Annuities</u>	
	Number	%	Number	%
Life with 15 Year Guarantee	24,240	27.2%	1,130	20.8%
Life with 5 Year Guarantee	17,918	20.1	731	13.4
Straight Life	12,584	14.1	718	13.2
75% Continued Upon First Death	7,824	8.8	530	9.7
75% Continued to one Beneficiary	8,197	9.2	805	14.8
100% Continued to one Beneficiary	5,997	6.7	479	8.8
100% Continued to one Beneficiary with 180 Month Guarantee	5,766	6.5	961	17.7
Life with 10 Year Guarantee	1,447	1.6	0	0
Life with 5 Year Guarantee and Social Security Integrated	1,275	1.4	0	0
Other	3,750	4.2	83	1.5
Total	88,998	100.00%	5,437	100.00%

Retiree Age Distribution — 1995

Age Range	Members	% of Total
Under 55	488	0.6%
55-59	5,559	6.9
60-64	12,500	15.4
65-69	17,013	20.9
70-74	16,073	19.9
75-79	12,678	15.7
80-84	9,042	11.2
85-89	5,117	6.3
90-94	1,990	2.5
95 And Above	479	0.6
Totals	80,939	100.0%

## Retirement Annuity As A Percent of Final Average (Monthly) Earnings (FAE) At Normal Retirement Age

General Employees and Teachers Age 65							Elected Officials and State Executive Pay Plan (1) Age 62						
Years of Service (Monthly) FAE	15		20		30		(Monthly) FAE	15		20		30	
	\$	%	\$	%	\$	%		\$	%	\$	%	\$	%
1,200	914	76.2	999	83.3	1,168	97.3	1,800	1,132	62.9	1,287	71.5	1,596	88.7
1,400	1,026	73.3	1,125	80.4	1,323	94.5	2,000	1,234	61.7	1,406	70.3	1,750	87.5
1,600	1,139	71.2	1,252	78.3	1,478	92.4	2,200	1,331	60.5	1,520	69.1	1,899	86.3
1,800	1,251	69.5	1,378	76.6	1,632	90.7	2,400	1,426	59.4	1,632	68.0	2,045	85.2
2,000	1,361	68.1	1,503	75.2	1,785	89.3	2,600	1,514	58.2	1,738	66.8	2,185	84.0
2,200	1,472	66.9	1,627	74.0	1,938	88.1	2,800	1,598	57.1	1,839	65.7	2,320	82.9
2,400	1,558	64.9	1,728	72.0	2,067	86.1	3,000	1,666	55.5	1,924	64.1	2,440	81.3
2,600	1,622	62.4	1,806	69.5	2,173	83.6	3,200	1,729	54.0	2,004	62.6	2,555	79.8
2,800	1,685	60.2	1,883	67.3	2,278	81.4	3,400	1,793	52.7	2,085	61.3	2,670	78.5
3,000	1,747	58.2	1,959	65.3	2,383	79.4	3,600	1,857	51.6	2,167	60.2	2,786	77.4

Protective Without Social Security (2) Age 55							Protective With Social Security (3) Age 55						
Years of Service (Monthly) FAE	15		20		30		(Monthly) FAE	15		20		30	
	\$	%	\$	%	\$	%		\$	%	\$	%	\$	%
1,800	608	34	810	45	1,227	68	1,800	833	46	995	55	1,327	74
2,000	675	34	900	45	1,363	68	2,000	913	46	1,093	55	1,461	73
2,200	743	34	991	45	1,499	68	2,200	991	45	1,189	54	1,594	73
2,400	810	34	1,081	45	1,636	68	2,400	1,068	45	1,285	54	1,726	72
2,600	878	34	1,171	45	1,772	68	2,600	1,143	44	1,378	53	1,856	71
2,800	946	34	1,261	45	1,908	68	2,800	1,219	44	1,471	53	1,987	71
3,000	1,013	34	1,351	45	2,045	68	3,000	1,294	43	1,564	52	2,117	71
3,200	1,081	34	1,441	45	2,181	68	3,200	1,364	43	1,653	52	2,242	70
3,400	1,148	34	1,531	45	2,317	68	3,400	1,434	42	1,741	51	2,367	70
3,600	1,216	34	1,621	45	2,454	68	3,600	1,505	42	1,829	51	2,492	69

- (1) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary, plus Social Security benefits based on estimated amounts from 1995 tables. The Social Security tables assume continuous coverage since age 22.
- (2) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary. No Social Security benefits are included.
- (3) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary, integrated with Social Security benefits based on estimated amounts from 1995 tables. The Social Security tables assume continuous coverage since age 22.



## Health Insurance Contracts

Year	Active Employees	Retired Employees		Total Retired	Totals
		Annuity Deduction	Sick Leave Conversion		
<b>State</b>					
1986	51,248	8,008	5,708	13,716	64,964
1987	53,199	8,381	5,939	14,320	67,519
1988	53,438	8,734	6,144	14,878	68,316
1989	54,731	6,446	6,443	12,889	67,620
1990	55,498	6,769	6,827	13,596	69,094
1991	56,674	7,135	6,646	13,781	70,455
1992	58,761	7,466	6,473	13,939	72,700
1993	59,516	8,912	6,436	15,348	74,864
1994	60,390	8,265	6,452	14,717	75,107
1995	60,083	8,579	6,586	15,165	75,248
<b>Local</b>					
1994	5,934	1,083	0	1,083	7,017
1995	5,989	1,168	0	1,168	7,157

## Health Insurance Premiums by Source (in thousand \$)

Year	Employer	Employee	Annuitant	Stabilization	Sick Leave	Life Ins	Totals
					Conversion	Conversion	
<b>State</b>							
1986	85,722	6,275	7,468	0	9,129	0	108,594
1987	92,477	5,875	8,655	0	13,481	0	120,488
1988	103,837	6,900	10,714	0	9,462	0	130,913
1989	135,042	7,692	13,889	6,097	11,963	0	174,683
1990	160,169	7,161	17,981	7,768	17,541	0	210,620
1991	184,634	7,781	20,229	8,003	19,472	0	240,119
1992	213,596	10,054	22,836	8,220	20,994	0	275,700
1993	238,767	9,732	24,236	848	20,652	0	294,235
1994	252,408	8,537	25,988	-2,794	21,203	0	305,342
1995	260,452	9,344	28,097	-2,828	22,244	1	317,310
<b>Local</b>							
1989	5,904	395	771	126	0	0	7,196
1990	9,013	691	1,048	322	0	0	11,074
1991	16,200	954	2,147	689	0	0	19,990
1992	19,843	1,248	2,651	908	0	0	24,650
1993	20,292	1,011	2,432	714	0	0	24,449
1994	23,186	1,148	2,823	311	0	0	27,468
1995	24,359	1,503	3,052	0	0	0	28,914
<b>Local Annuitants</b>							
1990	0	0	167	0	0	0	167
1991	0	0	351	0	0	0	351
1992	0	0	413	0	0	0	413
1993	0	0	479	0	0	0	479
1994	0	0	499	0	0	0	499
1995	0	0	502	0	0	0	502

(1) For years prior to 1989, data is for the July 1 - June 30 fiscal year. Beginning in 1989, data is for the calendar year.

## Life Insurance Statistics

### Life Insurance Premiums Collected (AMOUNTS IN THOUSANDS \$)

Year	Employee					Employer			Total
	Basic	Supp	Addl	Spouse & Dependent	Total	Basic	Supp	Total	
<b>State</b>									
1987	3,817	2,117	976	444	7,354	1,755	974	2,729	10,083
1988	3,926	2,170	959	657	7,712	1,798	994	2,792	10,504
1989	4,113	2,254	1,016	776	8,159	1,861	1,020	2,881	11,040
1990	4,336	2,324	1,025	791	8,476	1,900	1,019	2,919	11,395
1991	4,719	2,501	1,079	823	9,122	2,036	1,088	3,124	12,246
1992	4,545	2,432	1,181	846	9,004	1,943	1,052	2,995	11,999
1993	4,456	2,364	1,321	869	9,010	1,920	1,029	2,949	11,959
1994	4,581	2,469	1,412	893	9,355	1,965	1,074	3,039	12,394
1995	4,233	2,918	1,535	913	9,599	2,494	615	3,109	12,708
<b>Local</b>									
1987	3,198	83	559	498	4,338	1,090	20	1,110	5,448
1988	3,359	86	605	836	4,886	1,107	22	1,129	6,015
1989	3,643	96	690	1,022	5,451	1,174	28	1,202	6,653
1990	3,946	106	756	1,061	5,869	1,255	31	1,286	7,155
1991	4,318	123	808	1,099	6,348	1,348	34	1,382	7,730
1992	4,281	128	899	1,138	6,446	1,311	35	1,346	7,792
1993	4,398	137	983	1,185	6,703	1,855	37	1,892	8,595
1994	4,619	147	1,102	1,223	7,091	1,354	40	1,394	8,485
1995	5,046	159	1,150	1,261	7,616	851	54	905	8,521

### Group Life Insurance in Force (AMOUNTS IN THOUSANDS \$)

Year	Pre-Retirement			Post Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
<b>State</b>						
1986	1,002,407	867,395	243,998	62,237	178,913	2,354,950
1987	1,124,900	954,832	290,049	69,461	178,609	2,617,851
1988	1,149,936	973,811	299,574	76,455	330,128	2,829,904
1989	1,220,171	1,023,714	328,073	83,265	334,819	2,990,042
1990	1,236,343	1,019,605	341,634	94,775	345,188	3,037,545
1991	1,335,068	1,086,446	392,044	104,599	428,868	3,347,025
1992	1,419,159	1,136,635	430,942	114,713	444,447	3,545,896
1993	1,482,740	1,161,586	465,020	124,314	502,475	3,736,135
1994	1,557,536	1,224,469	506,871	141,705	518,765	3,949,346
1995	1,630,464	1,270,007	546,954	150,885	526,045	4,124,355
<b>Local</b>						
1986	1,104,837	31,763	158,204	44,888	191,030	1,530,722
1987	1,149,858	36,703	180,340	47,738	202,549	1,617,188
1988	1,231,123	41,072	213,375	51,087	423,030	1,959,687
1989	1,334,752	45,328	242,921	54,720	442,185	2,119,906
1990	1,431,760	49,396	278,634	58,442	454,834	2,273,066
1991	1,567,753	58,101	319,352	63,750	477,889	2,486,845
1992	1,691,283	65,852	359,978	70,577	495,236	2,682,926
1993	1,860,278	74,857	427,528	75,210	515,346	2,953,219
1994	1,984,318	87,792	478,110	80,734	531,233	3,162,187
1995	2,137,960	166,556	548,174	85,953	554,096	3,492,739



*Life Insurance Contracts*

Year	Basic	Pre-Retirement		Post Retirement	Spouse & Dependent	Total Contracts	Total Participants
		Supplemental	Additional				
<b>State</b>							
1986	40,545	34,946	9,870	7,576	18,588	111,525	48,121
1987	41,263	34,773	10,711	7,813	18,557	113,117	49,076
1988	41,237	34,721	10,801	8,101	20,056	114,916	49,338
1989	42,352	35,546	11,571	8,312	20,778	118,559	50,664
1990	41,850	34,389	11,708	8,859	21,422	118,228	50,709
1991	42,665	34,563	12,672	9,238	21,745	120,883	51,903
1992	44,390	35,422	13,678	9,579	22,534	125,603	53,969
1993	45,405	35,339	14,462	9,841	22,929	127,976	55,246
1994	46,150	36,067	15,273	10,433	23,226	131,149	56,583
1995	47,072	36,410	16,068	10,651	23,388	133,589	57,723
<b>Local</b>							
1986	52,695	1,461	7,044	11,178	19,847	92,225	63,873
1987	52,093	1,601	7,616	11,423	21,044	93,777	63,516
1988	53,674	1,732	8,761	11,717	25,699	101,583	65,391
1989	55,578	1,820	9,522	12,008	26,463	105,391	67,586
1990	57,845	1,929	10,631	12,242	26,867	109,514	70,087
1991	60,859	2,175	11,719	12,602	27,972	115,327	73,461
1992	62,723	2,338	12,537	12,975	28,759	119,332	75,698
1993	65,626	2,512	14,181	13,355	30,271	125,945	78,981
1994	67,515	2,875	15,320	13,690	30,416	129,816	81,205
1995	70,207	5,339	16,909	14,060	31,533	138,048	84,267

*Life Insurance Claims Paid (AMOUNTS IN THOUSANDS \$)*

Year	Life	Pre-Retirement		Post Retirement	Spouse & Dependent	Living Benefits*	Totals
		AD&D	Disability				
<b>State</b>							
1986	6,380	585	-104	1,751	323	0	8,935
1987	7,027	701	868	1,654	398	0	10,648
1988	6,896	170	-169	2,165	758	0	9,820
1989	7,090	668	-487	2,382	564	0	10,217
1990	7,176	267	-122	2,433	550	0	10,304
1991	6,982	236	712	2,733	642	0	11,305
1992	8,055	699	222	3,144	1,012	0	13,132
1993	7,358	966	1,054	3,971	647	285	14,281
1994	8,761	659	563	3,880	853	98	14,814
1995	8,457	28	1,566	4,574	1,117	76	15,818
<b>Local</b>							
1986	3,569	194	201	1,652	372	0	5,988
1987	4,008	634	440	1,480	426	0	6,988
1988	3,186	286	633	1,546	927	0	6,578
1989	4,081	309	-183	1,486	930	0	6,623
1990	3,443	259	47	1,831	1,066	0	6,646
1991	4,124	463	381	1,738	882	0	7,588
1992	3,895	264	245	2,177	1,107	0	7,688
1993	4,491	329	560	2,247	1,010	12	8,648
1994	4,842	283	861	2,297	1,190	177	9,633
1995	5,345	359	731	2,721	1,123	48	10,327

\* Living Benefits may originate as Pre-Retirement, Past Retirement, or Spouse & Dependent benefits.

## Income Continuation Insurance Statistics

### *Income Continuation Insurance—*

Year	# Claims Paid Due to			Total	Benefits Paid (thousand \$)		
	Contracts	Illness	Accident		Short-Term	Long-Term	Total
<b>State</b>							
1986	33,426	613	120	733	2,243	940	3,183
1987	34,429	605	142	747	2,615	965	3,580
1988	35,000	614	172	786	2,647	1,240	3,887
1989	35,569	686	184	870	3,037	1,523	4,560
1990	39,657	627	193	820	3,380	1,995	5,375
1991	41,885	736	229	965	3,342	2,618	5,960
1992	44,442	806	230	1,036	3,414	2,646	6,060
1993	46,813	838	300	1,138	3,602	2,469	6,071
1994	48,383	767	273	1,040	3,868	2,617	6,485
1995	50,286	865	266	1,131	3,746	2,911	6,657
<b>Local</b>							
Year							
1989	N/A	10	2	12	27	0	27
1990	N/A	15	6	21	35	5	40
1991	N/A	10	4	14	34	6	40
1992	2,255	18	4	22	34	10	44
1993	2,654	15	6	21	47	17	64
1994	2,872	19	10	29	62	27	89
1995	3,203	21	9	30	41	25	66

### *Premiums Collected (Thousand \$)*

Year	Employer	State		Employer	Local	
		Employee	Total		Employee	Total
1986	4,403	n/a	4,403	n/a	n/a	n/a
1987	3,363	n/a	3,363	n/a	n/a	n/a
1988 (1)	1,322	n/a	1,322	n/a	n/a	n/a
1989	0	0	0	n/a	n/a	n/a
1990	0	0	0	190	92	282
1991	0	0	0	243	114	357
1992	0	0	0	319	136	455
1993	0	0	0	371	151	522
1994	0	0	0	428	182	610
1995	0	0	0	489	208	697

(1) A premium holiday went into effect in April, 1988



# Employee Reimbursement Accounts Statistics

## Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary		Forfeitures	Accounts	Salary		Forfeitures
		Reductions	Claims			Reductions	Claims	
1990	3,111	\$ 1,909,556	1,870,359	39,197	971	\$ 2,798,565	2,786,212	12,353
1991	3,665	\$ 2,564,233	2,518,965	45,268	1,173	\$ 3,773,840	3,757,606	16,234
1992	4,270	\$ 3,028,007	2,969,889	58,118	1,350	\$ 4,404,836	4,388,155	16,681
1993	4,740	\$ 3,630,087	3,553,872	76,215	1,482	\$ 5,154,116	5,133,353	20,763
1994	5,128	\$ 4,101,236	4,026,520	74,716	1,550	\$ 5,760,957	5,733,875	27,082
1995	5,486	\$ 4,283,896	4,208,049	75,847	1,655	\$ 6,260,419	6,236,436	23,983

## Administrative Funding

Year	Receipts				Expenses			Surplus (Deficit)
	Fees	Interest	Forfeitures	Total	ASO	State	Total	
1989 (1)				0	\$ 138,556	42,015	180,571	(180,571)
1990	\$ 515,225	73,253	51,550	640,028	\$ 461,664	126,440	588,104	51,924
1991	\$ 706,185	79,045	61,502	846,732	\$ 386,958	116,322	503,280	343,452
1992	\$ 398,886	59,513	74,799	533,198	\$ 365,637	84,868	450,505	82,693
1993	\$ 505,485	64,889	96,978	667,352	\$ 421,893	172,309	594,202	73,150
1994	\$ 511,993	86,616	101,798	700,407	\$ 442,200	145,046	587,246	113,161
1995	\$ 203,860	123,391	99,830	427,081	\$ 432,459	140,782	573,241	(146,160)

(1) The Employee Reimbursement Accounts program was implemented effective January 1, 1990. The administrative expenses incurred during 1989 were for program development and start-up costs.

## Deferred Compensation Program Statistics

### Active Accounts and Assets by Investment Option

Year	Fixed(1)		Variable(2)		Annuitants(3)		Totals	
	Accounts(5)	Assets	Accounts	Assets	Accounts	Assets	Accounts	Assets(4)
1986	6,564	19,581,393	11,769	32,330,087	31	1,433,454	18,364	54,528,469
1987	7,749	27,855,791	15,819	45,849,044	72	3,386,608	23,640	77,309,294
1988	9,349	43,666,248	14,161	53,942,398	161	6,416,807	23,671	104,194,139
1989	10,166	59,303,613	14,880	76,366,885	385	11,991,751	25,431	147,940,718
1990	10,446	74,361,610	16,472	83,081,366	734	17,514,610	27,652	175,239,356
1991	10,728	87,773,868	18,141	132,671,545	1,031	18,723,904	29,900	239,272,383
1992	10,503	94,724,522	25,735	156,789,100	868	16,674,505	37,106	268,395,697
1993	10,534	107,596,133	32,547	200,962,005	691	13,808,110	43,772	322,688,569
1994	10,974	122,262,358	41,528	222,538,732	595	12,445,360	53,097	357,507,034
1995	11,690	144,263,937	52,204	315,326,817	513	11,262,887	64,407	470,211,070

- (1) Fixed Investment Options include fixed income funds; i.e. insured bank accounts and insurance options (GIC).
- (2) Variable Investment Options include mutual funds with varying degrees of investment risk; i.e. money market, bond, balanced and growth funds.
- (3) Assets held for annuity payout are invested in a fixed insurance option (GIC).
- (4) Total Assets include amounts being held for investment which are not reflected as Fixed, Variable or Annuitant investments
- (5) A participant choosing multiple investment options may be counted in both fixed and variable.

### Participants and Assets by State and Local

Year	Employers	Local		State		Totals	
		Participants	Assets	Participants	Assets	Participants	Assets
1986	116	1,825	NA	7,717	NA	9,542	NA
1987	164	2,505	\$ 6,810,894	9,188	\$ 70,498,400	11,693	\$ 77,309,294
1988	209	2,981	11,386,069	9,861	92,808,070	12,842	104,194,139
1989	233	3,603	18,925,498	10,889	129,015,220	14,492	147,940,718
1990	262	4,217	23,008,741	11,204	152,230,615	15,421	175,239,356
1991	280	4,383	33,190,382	11,412	206,082,001	15,795	239,272,383
1992	304	5,085	37,933,972	13,314	230,461,725	18,399	268,395,697
1993	335	5,848	49,202,410	14,725	273,486,159	20,573	322,688,569
1994	381	6,659	59,021,157	16,001	298,485,877	22,660	357,507,034
1995	424	7,886	87,582,601	17,219	382,628,469	25,105	470,211,070

### Annual Changes in Assets

Year	1/1 Assets	Deferrals	Earnings	Withdrawals	Fees	12/31 Assets
1986	\$ 33,862,308	\$ 16,896,700	\$ 5,279,742	\$ 980,606	\$ 529,675	\$ 54,528,469
1987	54,528,489	22,438,587	2,777,196	1,642,560	792,398	77,309,294
1988	77,309,294	24,681,673	5,900,452	2,715,715	981,565	104,194,139
1989	104,194,139	26,547,017	22,563,886	4,061,708	1,302,616	147,940,718
1990	147,940,718	28,549,086	5,860,920	5,722,164	1,389,204	175,239,356
1991	175,239,356	30,298,143	42,912,507	7,460,685	1,716,938	239,272,383
1992	239,272,383	35,192,658	6,542,267	11,239,190	1,372,421	268,395,697
1993	268,395,697	42,099,071	24,689,856	10,912,323	1,583,732	322,688,569
1994	322,688,569	46,744,691	(1,264,742)	9,080,835	1,580,649	357,507,034
1995	357,507,034	58,170,865	68,098,233	12,010,700	1,554,362	470,211,070



Wisconsin  
Department of



Employee  
Trust  
Funds



**GABRIEL, ROEDER, SMITH & COMPANY**  
Consultants & Actuaries

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 810-799-9000 • FAX 810-799-9020

August 7, 1996

Employee Trust Funds Board  
Wisconsin Retirement System  
201 East Washington Avenue  
Madison, Wisconsin 53702

Ladies and Gentlemen:

The basic financial objective of the Wisconsin Retirement System is to establish and receive contributions which

- when expressed in terms of percents of active member payroll will remain approximately level from generation to generation, and
- when combined with present assets and future investment return will be sufficient to meet the financial obligations of the WRS to present and future retirees and beneficiaries.


In order to measure the extent to which this objective is being met, actuarial valuations of the liabilities of WRS are conducted each year. The most recent valuations were completed based upon population and asset data as of December 31, 1995. The data is reviewed in the aggregate by the actuary for internal and year to year consistency and reasonableness prior to use in the actuarial valuation process. Assets are valued on a market related basis that recognizes capital value changes over an open five year period.


Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. These assumptions are adopted by the Board after considering the advice of the actuary and other professionals. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates of participating employers as needed. Every three years an experience study is performed that compares actual experience with assumed experience in major risk areas. The December 31, 1995 valuations were based upon assumptions that were recommended in connection with a study of experience during the period from January 1, 1991 to December 31, 1993. The next experience study will cover the period from January 1, 1994 to December 31, 1996.

**Based upon the results of the December 31, 1995 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues in sound condition in accordance with actuarial principles of level percent of payroll financing.**

Respectfully submitted,

**GABRIEL, ROEDER, SMITH & COMPANY**

  
Norman L. Jones, F.S.A.

  
Brian B. Murphy, F.S.A.



Wisconsin Retirement System  
 Actuarial Statement of Assets and Liabilities  
 (millions \$)

	12/31/95	12/31/94	Increase (Decrease)
<b>Assets and Employer Obligations</b>			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Fixed Division	\$25,820.7	\$ 23,266.9	2,553.8
Variable Division	4,426.2	3,617.7	808.5
Totals	<u>30,246.9</u>	<u>26,884.6</u>	<u>3,362.3</u>
Obligations of Employers			
Unfunded Accrued Liability	<u>2,055.7</u>	<u>2,006.9</u>	<u>48.8</u>
Total Assets	<u>32,302.6</u>	<u>28,891.5</u>	<u>3,411.1</u>
<b>Reserves and Surplus</b>			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	8,867.0	8054.8	812.2
Member Additional Contributions	155.5	142.8	12.7
Employer Contributions	<u>11,073.5</u>	<u>9,989.0</u>	<u>1,084.5</u>
Total Contributions	<u>20,096.0</u>	<u>18,186.6</u>	<u>1,909.4</u>
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Fixed Annuities	9,804.1	9,029.6	774.5
Variable Annuities	<u>1,556.0</u>	<u>1,487.0</u>	<u>69.0</u>
Total Annuities	<u>11,360.1</u>	<u>10,516.6</u>	<u>843.5</u>
Special Death Benefit Reserve	<u>0.7</u>	<u>0.7</u>	<u>0.0</u>
Total Reserves	<u>31,456.8</u>	<u>28,703.9</u>	<u>2,752.9</u>
Surplus			
Fixed Annuity Reserve Surplus	547.6	256.6	291.0
Variable Annuity Reserve Surplus	298.2	(69.0)	367.2
Total Surplus	<u>845.8</u>	<u>187.6</u>	<u>658.2</u>
Total Reserves and Surplus	<u>\$32,302.6</u>	<u>28,891.5</u>	<u>3,411.1</u>

## Actuarial Method and Assumptions Used in Valuations

The principal areas of risk assumption are:

1. Long-term **rates of investment** income likely to be generated by the assets of the retirement fund - this includes both realized and unrealized appreciation and depreciation.
2. **Rates of mortality** among participants, retirees and beneficiaries.
3. **Rates of withdrawal** of active participants.
4. **Rates of disability** among participants.
5. **Patterns of salary increases** to be experienced by participants.
6. The age and service **distribution of actual retirements**.

In making a valuation the actuary must project the monetary value of each risk assumption for each distinct experience group, for the next years and for each year over the next half-century or longer.

Once actual risk experience has occurred and been observed, it will not coincide exactly with assumed risk experience, regardless of the skill of the actuary, the completeness of the data, and the precision of the calculations. Each valuation provides a complete recalculation of assumed future risk experience and takes into account all past differences between assumed and actual risk experience. The result is a continual series of small adjustments to the computed contribution rate. From time to time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends - but not random year-to-year fluctuations.

**The actuarial valuation method** used in the valuation was the Frozen Initial Liability Actuarial Valuation Method. Under this method, the amount of remaining unfunded accrued actuarial liabilities at any valuation date are affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any added liabilities caused by changes in benefit provisions.

### Economic Assumptions

**The long-term rates of investment return** used in making the valuation were 8.0% a year, compounded yearly for active members, and 5% a year, compounded yearly for retired lives. This assumption determines the extent to which future benefit payments are assumed to be made from future investment income.

**Salary adjustment factors** used to project earnings for each participant between the valuation date and the participant's retirement age are shown below for sample ages. This assumption is used to project a participant's current earnings to the earnings upon which benefits will be based.



## % Increases in Salaries Next Year

Age	Merit				Base (Economy)	Total				Age
	Protective	Teachers	Gen	Exec & Elec		Protective	Teachers	Gen	Exec & Elec	
20	6.0%	8.0%	7.3%	7.3	5.3%	11.3%	13.6%	12.6%	12.6	20
25	5.0	4.3	4.2	4.2	5.3	10.3	9.6	9.5	9.5	25
30	2.4	3.1	2.0	2.0	5.3	7.7	8.4	7.3	7.3	30
35	1.3	2.7	1.4	1.4	5.3	6.6	8.0	6.7	6.7	35
40	0.8	2.1	1.0	1.0	5.3	6.1	7.4	6.3	6.3	40
45	0.7	1.6	0.4	0.4	5.3	6.0	6.9	5.7	5.7	45
50	0.4	1.0	0.3	0.3	5.3	5.7	6.3	5.6	5.6	50
55	0.2	0.7	0.3	0.3	5.3	5.5	6.0	5.6	5.6	55
60	-	0.4	0.3	0.3	5.3	5.3	5.7	5.6	5.6	60
65	-	-	-	-	5.3	5.3	5.3	5.3	5.3	65

If the number of active participants remains constant, then the total active participant payroll will increase 5.3% a year, the base portion of the individual salary increase assumptions. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

### Decrement Probabilities

The mortality table used to measure mortality for active and retired participants was the Wisconsin Projected Experience Table for men and women. Sample retirement values from this table are shown below. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

### Single Life Retirement Values

#### Wisconsin Projected Experience Table—With 5% Interest

Sample Attained  Ages	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Males	Females	Males	Females
40	\$200.98	\$213.51	38.7	45.1
45	190.15	205.50	34.0	40.3
50	177.63	195.63	29.4	35.4
55	163.38	183.57	25.0	30.7
60	146.87	168.96	20.9	26.1
65	128.43	151.77	16.9	21.6
70	108.99	131.92	13.4	17.3
75	90.06	110.50	10.4	13.4
80	71.81	89.29	7.8	10.1
85	56.51	69.03	5.8	7.3

Rates of Retirement for Those Eligible to Retire  
Normal Retirement Pattern

% Retiring Next Year									
Age	General		Public School		University		*Protective		Exec. & Elected
	Male	Female	Male	Female	Male	Female	With S.S.	W/OS.S.	
50	%	%	%	%	%	%	6%	5.5%	%
51							6	5.5	
52							6	5.5	
53							31	33	
54							30	32	
55							30	30	
56							30	30	
57	9	12	14	19	16	12	30	30	8
58	14	12	15	19	16	12	30	30	8
59	16	12	17	23	13	12	30	30	10
60	16	12	19	23	15	12	30	30	11
61	19	12	15	16	10	12	30	30	13
62	34	25	41	30	25	30	50	50	20
63	34	25	41	20	25	20	30	30	20
64	34	25	41	20	13	20	30	30	20
65	58	53	60	52	40	39	50	50	37
66	52	47	50	45	40	39	50	50	37
67	40	37	42	37	35	37	50	50	32
68	40	37	43	37	35	37	50	50	32
69	46	45	51	40	35	37	50	50	38
70	48	46	59	40	50	50	100	100	46
71	48	46	59	40	50	50	100	100	46
72	100	100	100	100	100	100	100	100	100

\*Includes early retirement

Early Retirement Pattern

% Retiring Next Year							
Age	General		Public School		University		Exec. & Elected
	Male	Female	Male	Female	Male	Female	
55	5%	6%	6%	6%	5%	10%	6%
56	5	6	6	5	5	8	6
57	6	7	9	5	4	8	7
58	6	7	9	6	3	9	8
59	6	8	9	7	3	9	8
60	8	10	9	9	3	9	11
61	9	10	9	10	3	9	13
62	30	25	25	30	14	19	
63	30	25	24	20	12	19	
64	28	25	23	20	12	19	



The assumed rates of separation from employment prior to service retirement due to disability and other causes are shown below for sample ages. For other terminations it was assumed that a percentage depending on age of participants terminating after age 35 with 5 or more years service will leave their contributions on deposit and be paid a benefit at normal retirement age and that the remaining participants would take a separation benefit. These assumptions are used to measure the probabilities of participants remaining in employment and the probabilities of being paid a disability or other termination benefits.

**Select and Ultimate Withdrawal**  
**% of Active Participants Withdrawing**

Age & Service	Protective		Public Schools		University		Exec. & Elected	Other	
	With Soc. Sec.	Without Soc. Sec.	Males	Females	Males	Females		Males	Females
	0	7.0%	5.0%	14.0%	14.0%	18.0%		20.0%	N/A%
1	5.5	2.0	11.0	12.0	17.5	20.0	N/A	10.0	12.0
2	4.0	2.0	9.0	9.0	15.0	18.0	N/A	7.0	9.0
3	4.0	1.7	8.0	8.0	15.0	15.5	N/A	6.0	7.5
4	3.5	1.7	6.0	7.0	12.5	13.0	N/A	5.0	7.0
25 5 & Over	3.2	1.6	5.4	6.9	12.3	12.9	10.6	4.8	6.9
30	2.5	1.4	3.8	5.3	11.3	11.7	9.7	3.9	5.8
35	1.8	1.1	2.2	3.1	8.1	8.1	7.9	2.9	4.1
40	1.5	1.0	1.5	1.9	5.0	5.6	6.1	2.1	3.2
45	1.4	0.9	1.2	1.5	3.1	4.4	4.8	1.6	2.7
50	-	-	1.1	1.5	1.8	3.2	3.5	1.3	2.5
55	-	-	1.1	1.3	1.6	2.8	3.0	1.1	1.5
60	-	-	1.1	1.0	1.3	2.8	3.0	1.1	0.5

**Disability Rates**  
**% of Active Participants Becoming Disabled**

Age	Protective		Public Schools		University		Other	
	With S.S.	Without S.S.	Males	Females	Males	Females	Males	Females
20	.04%	.07%	.02%	.02%	.02%	.03%	.04%	.03%
25	.05	.07	.02	.02	.02	.03	.04	.03
30	.06	.08	.03	.02	.02	.03	.05	.04
35	.08	.09	.03	.03	.03	.07	.06	.05
40	.11	.12	.04	.04	.04	.11	.10	.09
45	.17	.18	.07	.07	.06	.14	.17	.14
50	.56	.53	.17	.13	.11	.20	.33	.24
55	.84	.82	.33	.26	.22	.39	.67	.43
60	.93	.94	.52	.46	.40	.55	1.11	.71

**Contribution Rates—General and Elected Employees  
(Percent of Payroll)**

Year	General					Elected				
	Current Cost %	Prior Cost %	Employer Total %	Employee %	Benefit Adjustment %	Current Cost %	Prior Cost %	Employer Total %	Employee %	Benefit Adjustment %
1986	5.4	1.1	6.5	5.0	1.0	10.8	0.8	11.6	5.5	0.0
1987	5.0	1.1	6.1	5.0	1.0	10.6	0.7	11.3	5.5	0.0
1988	4.9	1.1	6.0	5.0	1.0	11.2	0.7	11.9	5.5	0.0
1989	4.9	1.1	6.0	5.0	1.0	11.2	0.7	11.9	5.5	0.0
1990	4.6	1.4	6.0	5.0	1.0	11.0	0.9	11.9	5.5	0.0
1991	4.7	1.4	6.1	5.0	1.1	11.1	0.9	12.0	5.5	0.1
1992	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1
1993	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1
1994	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1
1995	4.8	1.3	6.1	5.0	1.2	11.1	0.9	12.0	5.5	0.1

**Contribution Rates—Protective Employees  
(Percent of Payroll)**

Calendar Year	Protective with Social Security						Protective without Social Security				
	Current Cost %	Prior Cost %	Duty Disab %	Employer Total %	Employee %	Benefit Adj %	Current Cost %	Prior Cost %	Duty Disab %	Employer Total %	Employee %
1986	11.0	1.3	0.4	12.7	6.0	1.0	17.6	1.5	0.4	19.5	8.0
1987	11.2	1.2	0.5	12.9	6.0	1.0	17.0	1.5	0.5	19.0	8.0
1988	10.8	1.2	1.1	13.1	6.0	1.0	16.5	1.5	1.1	19.1	8.0
1989	10.1	1.2	1.4	12.7	6.0	1.0	15.4	1.5	1.4	18.3	8.0
1990	10.0	1.2	2.1	13.3	6.0	0.9	15.4	1.5	2.1	19.0	8.0
1991	9.8	1.1	2.3	13.2	6.0	0.7	14.9	1.5	2.3	18.7	7.5
1992	9.8	1.1	2.5	13.4	6.0	0.7	14.9	1.5	2.5	18.9	7.5
1993	9.7	1.0	2.8	13.5	6.0	0.6	14.9	1.5	2.8	19.2	7.5
1994	9.7	1.0	3.0	13.7	6.0	0.6	14.9	1.5	3.0	19.4	7.5
1995	9.6	1.0	3.2	13.8	6.0	0.5	14.6	1.4	3.2	19.2	7.2

1. The employe rate is set by statute. Part or all of the required employe contribution may be paid by the employer on behalf of the employe.
2. The unfunded liability was recalculated in 1990 to reflect benefit improvements and is being amortized on a level percentage of salary basis over a period of 40 years beginning January 1, 1990 or on the effective date of the employer's participation, whichever is later. Prior service rates vary by employers and the percentage reported represents a weighted average.
3. The duty disability rate became effective in April, 1984. As of January 1, 1985, an experience rated schedule went into effect. The percentage reported represents a weighted average.
4. Beginning 1/1/86, participants were required to make an actuarially determined nonrefundable Benefit Adjustment Contribution. Part or all of the Benefit Adjustment Contribution may be paid by the employer on behalf of the employe.



Summary of Accrued and Unfunded Accrued Liabilities  
(Millions \$)

Valuation Date	Aggregate Accrued Liabilities	Valuation Assets	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL As a % of Annual Active Member Payroll
12/31/95	\$ 32,301.9	30,246.2	93.64%	2,055.7	7,454.3	27.6%
12/31/94	28,890.8	26,883.9	93.05%	2,006.9	7,135.6	28.1%
12/31/93	27,479.4	25,436.5	92.57%	2,042.9	6,864.1	29.8%
12/31/92	24,928.1	22,943.2	92.04%	1,984.9	6,293.8	31.5%
12/31/91	22,874.9	20,892.7	91.30%	1,982.2	5,865.5	33.8%
12/31/90	20,398.9	18,480.8	90.60%	1,918.1	5,421.5	35.4%
12/31/89	19,349.4	17,491.8	90.40%	1,857.6	5,011.8	37.1%
12/31/88	16,926.2	15,039.9	88.86%	1,886.3	4,779.0	39.5%
12/31/87	14,472.7	13,143.0	90.81%	1,329.7	4,508.0	29.5%
12/31/86	13,074.7	11,789.6	90.17%	1,285.1	4,184.0	30.7%

Solvency Test

(Millions \$)

Accrued Liability for:

Valuation Year	Valuation Assets	Retirants And Beneficiaries	% Funded	Active Member Contributions	% Funded	Active Members (Employers Share)	% Funded	Total	% Funded
1995	\$ 30,246.2	12,205.9	100.00%	9,022.5	100.00%	11,073.5	81.44%	32,301.9	93.64%
1994	26,883.9	10,704.2	100.00%	8,197.6	100.00%	9,989.0	79.91%	28,890.8	93.05%
1993	25,436.5	10,016.1	100.00%	7,800.2	100.00%	9,663.1	78.86%	27,479.4	92.57%
1992	22,943.2	8,991.0	100.00%	7,026.3	100.00%	8,910.8	77.72%	24,928.1	92.04%
1991	20,892.7	8,239.1	100.00%	6,426.9	100.00%	8,208.9	75.85%	22,874.9	91.30%
1990	18,480.8	7,312.4	100.00%	5,694.5	100.00%	7,392.0	74.05%	20,398.9	90.60%
1989	17,491.8	6,365.5	100.00%	5,592.1	100.00%	7,391.8	74.87%	19,349.4	90.40%
1988	15,039.9	5,002.2	100.00%	4,974.0	100.00%	6,950.0	72.86%	16,926.2	88.86%
1987	13,143.0	4,382.5	100.00%	4,343.2	100.00%	5,747.0	76.86%	14,472.7	90.81%
1986	11,789.6	3,795.6	100.00%	3,909.0	100.00%	5,370.1	76.07%	13,074.7	90.17%

Changes in Number of Annuitants

<u>Year</u>	<u>Annuity Type</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
1995	Retirement	79,730	5,033	2,430	82,333
	Disability	5,066	371	158	5,279
	Beneficiary	1,418	33	65	1,386
	Totals	<u>86,214</u>	<u>5,437</u>	<u>2,653</u>	<u>88,998</u>
1994	Retirement	77,469	4,575	2,314	79,730
	Disability	4,909	344	187	5,066
	Beneficiary	1,458	37	77	1,418
	Totals	<u>83,836</u>	<u>4,956</u>	<u>2,578</u>	<u>86,214</u>
1993	Retirement	75,288	4,478	2,297	77,469
	Disability	4,714	361	166	4,909
	Beneficiary	1,506	38	86	1,458
	Totals	<u>81,508</u>	<u>4,877</u>	<u>2,549</u>	<u>83,836</u>
1992	Retirement	73,383	3,993	2,088	75,288
	Disability	4,535	343	164	4,714
	Beneficiary	1,547	35	76	1,506
	Totals	<u>79,465</u>	<u>4,371</u>	<u>2,328</u>	<u>81,508</u>
1991	Retirement	71,726	3,826	2,169	73,383
	Disability	4,353	362	180	4,535
	Beneficiary	1,587	33	73	1,547
	Totals	<u>77,666</u>	<u>4,221</u>	<u>2,422</u>	<u>79,465</u>
1990	Retirement	67,383	6,389	2,046	71,726
	Disability	4,201	333	181	4,353
	Beneficiary	1,648	27	88	1,587
	Totals	<u>73,232</u>	<u>6,749</u>	<u>2,315</u>	<u>77,666</u>
1989	Retirement	64,283	5,097	1,997	67,383
	Disability	4,046	320	165	4,201
	Beneficiary	1,688	24	64	1,648
	Totals	<u>70,017</u>	<u>5,441</u>	<u>2,226</u>	<u>73,232</u>
1988	Retirement	62,094	4,377	2,188	64,283
	Disability	3,861	368	183	4,046
	Beneficiary	1,733	34	79	1,688
	Totals	<u>67,688</u>	<u>4,779</u>	<u>2,450</u>	<u>70,017</u>
1987	Retirement	59,954	4,125	1,985	62,094
	Disability	3,695	342	176	3,861
	Beneficiary	1,776	36	79	1,733
	Totals	<u>65,425</u>	<u>4,503</u>	<u>2,240</u>	<u>67,688</u>
1986	Retirement	57,662	4,154	1,862	59,954
	Disability	3,471	362	138	3,695
	Beneficiary	1,820	26	70	1,776
	Totals	<u>62,953</u>	<u>4,542</u>	<u>2,070</u>	<u>65,425</u>



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# State of Wisconsin Investment Board



The State of Wisconsin Investment Board (SWIB) manages and invests the assets of the Wisconsin Retirement System and other benefit plans. Although a separate agency from the Department of Employee Trust Funds, its functions are directly related because it invests contributions by both employers and employees in the WRS.

Over the long term, investment earnings play a major role in the viability of the retirement system. The funding of the retirement system assumes that some of the costs of benefits will be paid from investment earnings. Without these earnings, employer and employee contributions would have to increase to maintain retirement benefit levels for the future.

The relationship between ETF and SWIB, in a nutshell, is this: ETF's Actuary determines how much of the funds will be needed to cover the annual pensions and benefits to be paid out. SWIB needs to create investment earnings to at least meet that need, when added to contributions already received or anticipated, so that contribution rates from employers and employees will not have to be increased. If SWIB exceeds the earnings assumption, the result may be post-retirement benefit increases (dividends) for retired persons, increased interest credited to the accounts of active employees and reduced employer and employee contributions. Other actuarial factors, such as life expectancy changes, may also affect these results.

SWIB pools all assets and manages them as either part of the Fixed Retirement Investment Trust or the Variable Retirement Investment Trust. As of December 31, 1995, the assets of the fixed trust were \$32.1 billion, up \$5.8 billion from the previous year. The assets in the variable trust were \$4.5 billion, up \$0.8 billion from the previous year. Besides the assets of the retirement trusts, SWIB is responsible for management and investment of other smaller, special purpose accounts such as the State Life Insurance Fund, the Local Government Property Insurance Fund and the State Historical Society Trust Fund. The two retirement trusts make up about 85% of the total assets managed by SWIB.

SWIB issues its own annual report, and readers who want more information about the investment program may call (608) 266-2381 to receive a copy.

The Trustees of the Investment Board as of December 31, 1995, their affiliations and appointment process, were as follows:

1. Five public members appointed by the Governor, four of whom must, by statute, have 10 years of professional investment experience:

**Philip M. Gelatt, chair**, President, Northern Engraving Corp., Sparta

**Maureen J. Oster, vice-chair**, Past President, Johnson Asset Management, Milwaukee.

**John Petersen III**, President, Inland Investment Co., Madison.



**Joseph E. Gorman**, President, National Investment Services of America, Milwaukee.

**Mark J. McMullen**, Executive Vice President-Investments, Associated Kellogg Bank, Green Bay.

2. Two Retirement System members, appointed by the Wisconsin Retirement Board (WRB) and the Teachers Retirement Board (TRB):

**Eric O. Stanchfield**, Secretary, Department of Employee Trust Funds, Madison, appointed by the WRB.

**George H. Hahner**, retired teacher, Racine, appointed by the TRB.

3. Secretary of the Wisconsin Department of Administration, ex-officio:

**James R. Klauser**, Madison.

The staff of the Investment Board is headed by Patricia Lipton, the Executive Director, who is appointed by the Board of Trustees. The agency is divided into eight areas of responsibility. There are six investment divisions: Public Bonds, Private Placements, Real Estate and Mortgages, Common Stocks, Special Equities, and Liquid Assets. There are two support units: Legal Services and Accounting Operations/Administration.

#### Fixed Retirement Investment Trust (Balanced Trust)

All employe and employer contributions from the retirement system for active and retired participants are allocated to this trust — except for amounts employe participants elect to allocate to the Variable Retirement Investment Trust. About 90% of the \$32.1 billion holdings in the fixed or balanced trust at the end of 1995 were in public bonds and private securities and common and preferred stocks, as shown in the table below. Holdings in the trust as of December 31, 1995 as compared with December 31, 1994 are shown in Table 2.

**Table 2**  
**Fixed (Balanced) Trust**

(in millions of \$)	12/31/95	12/31/94
At market value		
Short Term Reserves	\$ 309.7	\$ 1,035.2
Bonds	7,852.9	5,618.7
Private Placements	2,973.5	2,704.3
Real Estate	622.7	380.8
Stocks	18,746.0	14,800.8
Limited Partnerships	1,355.9	1,266.2
Miscellaneous	82.8	258.3
Mortgages	174.1	190.6
<b>Totals</b>	<b>32,117.6</b>	<b>26,254.9</b>

#### Variable Retirement Investment Trust

The Variable trust was established in 1958 with nearly all the assets invested in common stocks. Those who elected to participate can have up to one-half of their retirement contributions, and a matching amount of employer contributions, credited to this trust. The rest is credited to the Fixed trust. The Variable was designed to allow participants to share in the overall expansion of the economy through the stock market, and thus it is more volatile depending on annual market performance through the years. The variable trust was closed, however, to new participants effective April 30, 1980 by passage of Chapter 221, Laws of 1979. It was closed because of participant complaints about losses during years of low stock market returns and because the Fixed Trust also was increasingly being invested in common stocks. Holdings in the trust as of December 31, 1995 and 1994, valued at market, were as follows.

**Table 3**  
**Variable Trust**

(in millions of \$)	12/31/95	12/31/94
At market value		
Short Term Reserves	860.6	193.4
Stocks	3,593.6	3,471.0
<b>Totals</b>	<b>\$ 4,454.2</b>	<b>\$ 3,664.4</b>

The investment earnings rates which affect active WRS participants over recent years are shown in table 4.

**Table 4**  
**Effective Earnings Rates**  
**Active Members**

Year	Fixed	Variable
1986	12.7	13.0
1987	14.0	(Loss) (1.0)
1988	10.2	22.0
1989	18.1	24.0
1990	8.6	(Loss) (11.0)
1991	12.1	28.0
1992	10.2	11.0
1993	11.0	17.0
1994	7.7	0.0
1995	11.3	27.0

The post-retirement benefit adjustments for both trusts for recent years are in table 5.

**Table 5**  
**Annuitant Experience**  
**Variable Adjustments and Fixed Dividends**

Year*	Fixed	Variable
1986	7.2	26.0
1987	7.6	8.0
1988	6.7	(Loss) (6.0)
1989	4.1	14.0
1990	11.3	16.0
1991	3.6	(Loss)(14.0)
1992	6.3	18.0
1993	4.4	5.0
1994	4.9	11.0
1995	2.8	(Loss) (4.0)

\*Figures reflect year in which benefit increase (decrease) was initially paid. The month of the change varies by fund and year. Fixed dividends and variable adjustments represent the net result of investment experience after taking into consideration the assumed investment return.

**Administrative Expenses**  
**Department of Employee Trust Funds**

The following two tables illustrate the administrative expenses to operate the Department of Employee Trust Funds. The agency's expenditures for the past two fiscal years are shown in table 6. Expenditures for the department's staff and all its operations are shown in table 7 as a proportion of the total net assets managed by the Investment Board. For 1995-96, the \$19.3 million ETF expenditures were five-100ths of one percent of the net assets.

**Table 6**  
**Department of Employee Trust Funds**  
**Administrative Expenditures**

	FY 1996	FY 1995
<b>Personnel Costs:</b>		
Salaries & Wages	\$5,924,165	\$5,766,056
Fringe Benefits	2,098,896	1,797,890
Travel & Training	168,681	164,293
<b>Office Expenses:</b>		
Postage	533,078	532,612
Office Space	515,970	509,201
Printing	407,271	399,105
Miscellaneous	138,500	34,313
Supplies	150,902	137,394
Repairs & Maintenance	29,774	116,137
Telephone	116,794	83,840
<b>Professional Services:</b>		
Investment Services (SWIB)	7,370,200	6,572,500
Data Processing	649,061	870,255
Actuarial	200,778	182,410
Auditing	56,200	54,000
Legal	102,784	62,927
Other	378,937	575,206
Permanent Property	<u>415,020</u>	<u>313,796</u>
<b>Total Expenditures</b>	<b>\$19,257,011</b>	<b>\$18,172,435</b>



**Table 7**

**Administrative Expense Ratios**

(Amounts in Thousands)

<b>Fiscal Year</b>	<b>Admin Expense (1)</b>	<b>Net Assets Year End</b>	<b>Ratio to Net Assets</b>	<b>Total Revenues (2)</b>	<b>Ratio to Revenues</b>	<b>Total Expenses</b>	<b>Ratio to Expenses</b>
1986-87	10,284	13,188,929	0.08%	3,062,747	0.34%	1,288,661	0.80%
1987-88	11,844	14,742,166	0.08%	2,365,947 (3)	0.50%	703,788 (3)	1.68%
1988-89	12,250	19,170,850 (4)	0.06%	2,432,821 (5)	0.50%	829,685	1.48%
1989-90	14,140	20,140,993	0.07%	4,235,438	0.33%	810,213	1.75%
1990-91	13,673	19,750,903	0.07%	719,105	1.90%	1,003,675	1.36%
1991-92	15,008	23,634,667	0.06%	5,023,361	0.30%	1,091,205	1.38%
1992-93	16,896	26,731,056	0.06%	3,477,816	0.49%	1,252,557	1.35%
1993-94	17,171	30,866,289	0.06%	5,299,110	0.32%	1,403,366	1.22%
1994-95	18,172	29,823,442	0.06%	1,244,163	1.46%	1,519,562	1.20%
1995-96	19,257	36,035,672	0.05%	8,395,010	0.23%	1,677,460	1.15%

- (1) Administrative expense includes ETF administrative expenses, including SWIB charges for investment services. It does not include the cost of Third Party Administrator contracts for Income Continuation Insurance, Health Insurance, Deferred Compensation and Employee Reimbursement Accounts.
- (2) Revenues include only those premiums, contributions and deferrals received by ETF. Local government life insurance premiums and deferred compensation deferrals paid directly from the employer to the Third Party Administrator are not included in Revenues.
- (3) Effective January 1, 1988 ETF no longer served as a depository for social security contributions from local governments.
- (4) Net asset value was increased by \$2,757,272,985 as of June 30, 1989 to reflect a change in investment valuation to current market value.
- (5) Effective January 1, 1989 revenues include gains and losses on the valuation of investments to current market value.

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**Wisconsin Retirement System Employers**  
*and Their Unfunded Liability (Prior Service Balance) (1) Dec. 31, 1995*

**State Government (60)**

Name	Covered Payroll	Required Contributions	Unfunded Liability
Administration .....	\$36,438,588	\$5,468,535	
Agriculture Trade Consumer Protection .....	22,407,675	3,259,264	
Arts Board .....	360,642	54,991	
Banking Commissioner's Office .....	2,758,864	404,176	
Board Aging & Long Term Care .....	510,411	73,499	
Conservation Corps Board .....	382,478	57,717	
Corrections .....	164,976,273	28,356,965	
Courts - State .....	42,249,474	7,274,316	
Credit Union Commissioner's Office .....	868,180	131,343	
Development .....	5,592,446	834,606	
District Attorneys .....	19,434,540	3,024,831	
Educational Communications Bd .....	3,509,742	519,071	
Elections Board .....	437,080	66,107	
Employee Trust Funds .....	5,716,279	836,106	
Employment Relations Comm .....	1,785,328	268,479	
Employment Relations .....	3,557,585	534,473	
Ethics Board .....	226,893	36,221	
Executive Office .....	1,448,325	217,548	
Gaming Commission .....	4,836,775	717,258	
Health & Educ Facilities Auth .....	150,219	21,631	
Health & Social Serv .....	237,140,762	35,306,553	
Higher Educational Aids Board .....	486,306	75,653	
Historical Society .....	6,868,177	1,017,164	
Housing & Econ Develop Auth .....	6,270,176	902,905	
Industry, Labor Human Relations .....	67,403,686	9,755,039	
Insurance Commissioner's Office .....	4,790,257	701,454	
Investment Board .....	4,135,426	673,339	
Jt Survey Comm On Retirement Systems .....	93,930	15,232	
Judicial Commission .....	89,097	15,893	
Judicial Council .....	48,837	9,245	
Justice .....	23,010,687	3,599,832	
Legislature Assembly - Chief Clerk .....	11,194,868	1,810,127	
Legislature Assembly-Sgt At Arms .....	498,332	74,095	
Legislative Audit Bureau .....	3,319,162	486,683	
Legislative Council .....	1,649,592	242,221	
Legislative Fiscal Bureau .....	1,557,873	229,262	
Legislative Reference Bureau .....	2,229,565	321,057	
Legislature - Senate .....	7,705,258	1,181,760	
Lieutenant Governor's Office .....	308,803	50,504	
Lower Wis. State Riverway Bd. ....	58,242	10,411	
Military Affairs .....	9,154,593	1,420,038	
Minnesota-Wisc Boundary Comm .....	169,267	24,374	
Natural Resources .....	111,615,114	17,866,851	
Personnel Commission .....	502,292	82,032	
Public Defender's Office .....	23,760,430	3,435,067	
Public Instruction .....	23,869,644	3,470,969	
Public Service Commission .....	7,730,113	1,144,775	
Regulation & Licensing, Dept .....	4,373,160	647,169	
Revenue .....	37,823,133	5,500,061	
Revisor Of Statutes Bureau .....	399,803	61,826	
Savings & Loan Commissioner's Office .....	603,789	91,579	
Secretary Of State's Office .....	1,333,770	197,311	
Securities Commissioner's Office .....	1,143,161	170,839	
State Fair Park Board .....	1,722,093	265,875	
Transportation .....	145,247,695	22,685,995	
Treasurer's Office - State .....	579,700	88,434	
Veterans Affairs .....	21,751,918	3,151,515	
Wis Tech College Sys Board .....	3,956,754	586,750	
Wiscraft Inc - Ent For Blind .....	583,120	83,969	
<b>Total State Agencies .....</b>	<b>\$1,092,826,382</b>	<b>\$169,611,002</b>	
University Of Wisconsin System .....	1,077,544,239	155,938,558	
<b>Total State Government .....</b>	<b>\$2,170,370,621</b>	<b>\$325,549,560</b>	<b>\$607,046,525</b>

(1) Some employers, when they came under the Wisconsin Retirement System, chose to cover the past service of their employees working before the entry date. In addition new unfunded costs for past service sometimes are created by legislated benefit improvements. Unfunded liability, or prior service balance, means the additional amount of money eventually needed for retirement benefits for those prior years. "Covered payroll" is the total paid to employees covered by the Wisconsin Retirement System. "Required Contributions" is the amount for the year each employer contributes to the WRS for future benefits.

## First Class Cities (152)

[Protective and other municipal employees]

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	\$223,088	\$24,540	\$0
Adams	370,737	51,969	80,373
Algoma	2,087,498	274,306	772,164
Altoona	893,947	129,476	228,369
Amery	498,199	67,115	13,417
Antigo	2,603,205	427,143	830,463
Appleton	21,976,381	3,541,559	7,126,823
Ashland	3,388,438	565,763	1,081,911
Baraboo	2,638,650	394,013	765,855
Barron	887,273	126,108	366,282
Bayfield	254,965	33,590	32,173
Beaver Dam	3,823,073	603,136	1,302,176
Beloit	15,244,177	2,623,294	3,155,259
Berlin	1,492,111	208,563	303,594
Black River Falls	1,222,703	174,127	411,668
Blair	205,107	29,172	46,853
Boscobel	765,092	104,557	282,299
Brillion	370,184	51,009	12,839
Brodhead	689,577	101,726	271,391
Brookfield	11,488,669	2,007,198	2,040,249
Buffalo City	33,222	3,688	847
Burlington	2,391,398	355,866	618,405
Cedarburg	3,106,356	460,289	725,148
Chilton	612,175	87,637	155,078
Chippewa Falls	5,083,223	848,502	1,666,844
Clintonville	1,484,598	235,142	677,451
Columbus	1,221,196	172,910	421,638
Crandon	319,170	46,419	67,181
Cuba City	382,540	54,591	134,977
Cudahy	5,411,975	1,033,613	2,387,672
Cumberland	794,874	110,629	320,271
Darlington	439,969	62,812	126,519
De Pere	5,706,875	904,711	1,197,088
Delafield	949,243	144,337	135,807
Delavan	1,754,768	248,921	338,581
Durand	382,069	55,625	142,267
Eagle River	981,874	140,918	251,999
Eau Claire	19,513,316	3,313,244	5,954,659
Edgerton	1,051,842	151,051	259,409
Elkhorn	1,473,575	209,549	297,213
Elroy	396,151	51,606	64,586
Evansville	1,016,605	143,623	259,449
Fitchburg	2,466,134	356,374	217,977
Fond Du Lac	13,587,290	2,382,445	4,604,118
Fort Atkinson	2,680,427	398,887	809,416
Fox Lake	231,833	31,936	69,948
Galesville	206,305	29,782	68,557
Glendale	3,827,759	736,413	2,098,343
Green Bay	37,315,170	6,239,324	12,398,049
Green Lake	237,988	34,479	81,926
Greenfield	8,923,661	1,540,370	1,234,805
Hartford	3,336,193	455,636	969,000
Horicon	912,485	133,307	284,570
Hudson	2,352,307	332,033	435,739
Hurley	470,798	71,769	188,991
Janesville	17,125,779	3,040,298	4,757,408
Jefferson	1,688,368	239,312	488,421
Juneau	549,122	74,995	151,780
Kaukauna	5,330,034	800,968	1,601,065
Kenosha	27,329,548	4,895,643	9,752,432
Kewaunee	626,242	92,977	256,106
Kiel	1,013,555	138,918	326,368
La Crosse	18,581,554	3,111,092	5,760,294
Ladysmith	908,072	126,533	260,418
Lake Geneva	2,012,107	291,717	485,715
Lake Mills	1,375,753	196,234	484,151
Lancaster	3,301,882	426,309	1,013,786
Lodi	580,417	78,682	114,142
Madison	90,607,635	14,790,914	27,855,970
Manawa	196,831	27,948	65,703
Manitowoc	14,171,462	2,201,977	5,725,159
Marinette	4,500,834	731,089	1,208,499
Markesan	239,036	34,631	39,999
Marshfield	7,912,056	1,313,603	2,684,333
Mayville	1,057,777	148,467	241,688
Medford	1,133,685	161,187	350,012
Menasha	7,360,970	1,222,300	2,384,132
Menomonie	3,989,614	742,190	933,584
Mequon	4,751,690	682,892	1,019,172
Merrill	3,900,547	733,068	1,339,357
Middleton	2,620,468	372,899	362,209
Milton	845,094	116,961	142,003
Milwaukee City Empl Retiremt (2)	0.0	0.0	369,062
Mondovi	465,952	65,232	148,221
Monona	2,058,235	308,812	375,456
Monroe	2,860,110	404,010	643,804
Montello	199,604	29,401	39,638
Mosinee	686,296	100,246	147,789
Neenah	8,142,562	1,356,933	0.0
Neillsville	616,172	88,699	315,947
Nekoosa	651,841	91,623	294,507
New Berlin	6,900,745	1,108,695	1,155,222
New Holstein	991,532	119,122	-0.779
New London	2,267,838	321,647	639,171
New Richmond	1,584,710	211,969	281,124
Oak Creek	8,160,800	1,380,470	2,243,897
Oconomowoc	3,855,118	560,923	1,483,741
Oconto Falls	748,885	100,834	129,453
Oconto	1,260,564	212,226	406,055
Omro	611,085	98,725	518,237
Onalaska	1,923,449	287,410	295,826
Oshkosh	18,294,877	2,973,866	6,313,362
Owen	218,315	30,311	50,954
Park Falls	682,401	99,749	282,495
Phillips	475,239	69,914	128,205
Platteville	2,396,301	343,656	880,197
Plymouth	2,357,278	325,184	788,296
Port Washington	2,781,137	395,760	687,652
Portage	2,214,436	317,763	68,036
Prairie Du Chien	1,277,111	215,605	957,334
Princeton	308,876	47,466	142,846
Racine	38,750,217	7,107,935	13,789,052
Reedsburg	1,789,830	252,524	565,168
Rhineland	3,297,754	524,279	856,371
Rice Lake	3,201,818	506,674	812,638
Richland Center	1,367,681	191,245	552,014
Ripon	1,563,419	222,671	409,221
River Falls	3,066,913	419,501	688,647
Seymour	689,230	98,198	200,112
Shawano	2,516,683	352,143	642,241
Sheboygan Falls	1,249,714	172,723	315,910
Sheboygan	18,097,210	2,897,448	7,948,634

(2) Based on former employees of Town of Lake before Township was annexed many years ago by Milwaukee. Includes one employee; no new ones will be added.



Shell Lake	235,070	32,124	43,945
South Milwaukee	6,024,693	1,143,247	2,297,371
Sparta	1,701,028	243,009	380,946
Spooner	622,350	93,190	300,302
St Francis	2,645,207	526,891	581,988
Stanley	392,910	55,742	116,312
Stevens Point	7,207,957	1,299,125	1,767,456
Stoughton	2,948,862	404,565	698,433
Sturgeon Bay	2,875,219	454,318	1,335,975
Superior	9,581,167	1,753,395	3,859,430
Thorp	293,066	40,439	75,282
Tomah	2,048,406	285,905	433,195
Tomahawk	930,686	132,512	413,050
Two Rivers	4,755,638	827,204	2,339,050
Verona	942,944	152,127	291,126
Washburn	490,885	70,557	209,305
Watertown	5,574,110	861,693	1,223,392
Waukesha	19,966,793	3,332,073	4,541,443
Waupaca	1,502,946	218,074	394,237
Waupun	2,342,438	325,610	763,435
Wausau	10,765,251	1,815,592	4,002,170
Wautoma	289,676	42,634	92,612
Wauwatosa	18,211,377	3,371,539	7,659,441
West Allis	24,608,943	4,450,077	10,726,979
West Bend	7,648,784	1,313,587	1,785,482
Westby	447,508	58,899	100,203
Whitehall	383,917	53,587	136,881
Whitewater	2,761,524	433,731	662,896
Wisconsin Dells	1,394,555	194,110	444,305
Wisconsin Rapids	9,313,488	1,500,816	2,936,496
<b>Total First Class Cities</b>	<b>\$725,377,904</b>	<b>\$119,808,566</b>	<b>\$225,831,481</b>

### Fourth Class Cities (35)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Alma	\$204,831	\$25,905	\$14,620
Arcadia	124,072	22,953	16,016
Augusta	286,135	39,175	7,635
Bloomer	183,328	35,199	76,448
Chetek	149,189	26,406	0.0
Cornell	449,535	56,861	0.0
Dodgeville	273,138	49,984	17,845
Fennimore	161,958	29,638	22,334
Fountain City	29,642	5,395	2,887
Franklin	2,951,978	534,308	141,589
Gillett	95,857	17,925	17,151
Glenwood City	45,184	8,269	3,707
Greenwood	83,212	15,311	4,038
Hayward	185,283	33,536	6,752
Hillsboro	46,081	8,341	5,051
Independence	183,971	24,908	13,466
Loyal	70,831	12,820	7,551
Marion	69,307	12,545	5,938
Mauston	676,854	88,679	25,170
Mellen	38,970	6,898	7
Mineral Point	158,335	28,659	10,229
Montreal	115,197	21,542	222,226
Muskego	1,309,185	243,508	83,632
New Lisbon	71,953	13,095	6,010
Niagara	509,868	72,630	158,760
Osseo	259,996	33,950	10,001
Peshigo	205,492	38,838	52,884
Pittsville	66,557	12,113	4,722
Prescott	241,397	43,693	15,397
Shullsburg	249,331	31,981	7,185
St Croix Falls	367,620	48,184	8,847
Sun Prairie	1,186,925	217,207	101,067
Viroqua	930,579	167,676	1,106,603
Waterloo	738,207	99,146	112,301
Weyauwega	106,666	19,947	8,978
<b>Total Forth Class Cities</b>	<b>\$12,826,665</b>	<b>\$2,147,228</b>	<b>\$2,297,049</b>

### Villages (164)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Albany	\$129,265	\$17,384	\$24,167
Allouez	1,800,132	257,241	482,303
Amherst	88,682	10,553	19,700
Argyle	114,319	14,090	0.0
Arlington	50,850	6,584	22,965
Ashwaubenon	3,575,826	552,658	445,754
Athens	111,211	15,206	23,939
Baldwin	319,517	41,959	60,136
Balsam Lake	132,346	17,569	19,953
Bayside	1,236,502	190,710	258,871
Belgium	121,256	15,036	20,640
Belleville	279,398	37,003	0.0
Belmont	117,634	14,479	1,668
Benton	93,495	11,973	20,084
Biron	154,029	16,943	0.0
Black Earth	222,464	27,526	0.0
Blanchardville	139,700	17,720	0.0
Blue Mounds	66,732	7,848	0.0
Blue River	56,899	6,259	0.0
Boyceville	147,406	20,750	51,940
Boyd	93,958	15,096	-1,693
Brooklyn	142,987	23,046	114,134
Brown Deer	3,027,382	451,630	732,632
Brownstown	34,014	4,422	-0.154
Butler	563,627	90,077	154,218
Campbellsport	168,270	20,824	0.0
Cedar Grove	170,286	22,478	79,249
Centuria	164,474	23,394	70,123
Chenequa	500,876	85,849	108,990
Clear Lake	235,099	28,134	0.0
Cleveland	47,638	7,255	17,630
Clinton	345,762	46,894	0.0
Clyman	47,570	5,328	1,975
Cobb	62,146	7,458	18,736
Cochrane	41,462	4,561	0.0
Combined Locks	420,028	59,538	101,600
Cottage Grove	244,852	34,920	18,915
Crivitz	145,769	18,841	0.0
Cross Plains	409,777	59,329	151,067
Dallas	24,700	2,964	5,868
Dane	73,702	12,271	61,561
Darien	268,538	41,784	56,505
De Soto	43,567	5,551	1,412
DeForest	1,001,315	138,360	74,009
Denmark	289,586	36,152	0.0
Dousman	176,412	21,764	0.0
Dresser	113,263	14,532	0.0
East Troy	635,173	97,253	268,289
Edgar	177,721	21,301	0.0
Egg Harbor	68,980	7,588	0.0
Eleva	62,820	6,910	0.0
Elkhart Lake	179,723	29,062	48,823
Ellsworth	378,574	52,301	34,718
Elm Grove	1,656,066	251,764	328,274
Ephraim	125,385	14,126	10,656
Fall River	83,634	11,471	10,283
Fontana On Geneva Lake	677,968	97,551	175,302
Fox Point	2,100,305	344,713	1,157,318
Friendship	69,553	9,529	43,833
Gays Mills	69,011	10,750	46,868
Genoa City	215,864	32,284	42,184
Germantown	3,114,430	458,114	501,961
Gilman	59,204	7,791	0.0
Grafton	2,109,094	305,883	497,820
Grantsburg	235,282	28,168	0.0
Greendale	3,843,789	728,258	949,182
Gresham	161,169	17,729	0.0
Hales Corners	1,741,586	272,353	321,777
Hartland	1,387,660	204,995	190,341
Hawkins	22,360	3,019	20,564
Hilbert	119,718	13,169	0.0
Holmen	460,911	62,804	0.0
Hortonville	254,367	39,052	79,693
Howard	1,132,144	127,517	39,019
Hustisford	283,984	37,195	75,622
Iola	208,033	28,283	0.0

Jackson	651,501	90,212	35,588
Johnson Creek	185,507	21,287	0.0
Kendall	54,424	7,962	16,461
Kewaskum	509,332	72,902	126,263
Kimberly	1,026,087	127,345	218,515
Kohler	553,296	83,105	222,160
La Farge	171,707	25,320	80,904
Lake Delton	665,375	109,801	114,140
Lake Nebagamon	77,129	8,484	0.0
Little Chute	1,805,645	266,724	268,400
Loganville	20,402	2,244	0.0
Lomira	183,237	22,000	0.0
Luck	239,965	31,504	38,893
Luxemburg	105,139	13,773	51,011
Maple Bluff	449,951	74,873	153,229
Marathon City	232,554	32,045	48,340
Marshall	391,467	55,681	33,079
McFarland	914,138	131,798	89,667
Menomonee Falls	7,684,346	1,149,701	1,702,773
Milltown	166,871	21,984	25,920
Minong	101,901	14,362	21,196
Mishicot	139,974	18,250	38,055
Mount Horeb	957,735	120,268	0.0
Neshkoro	46,538	8,656	81,004
New Glarus	466,841	77,863	185,659
Newburg	38,176	5,097	0.0
Nichols	25,000	2,950	6,280
North Fond Du Lac	781,027	110,357	138,141
North Freedom	41,940	4,613	0.0
North Hudson	178,857	26,349	10,031
Oconomowoc Lake	263,774	46,758	42,044
Oosiburg	156,472	19,090	39,817
Oregon	851,304	137,343	491,041
Orfordville	259,041	33,253	0.0
Osceola	357,952	51,901	94,837
Paddock Lake	167,973	20,060	14,683
Pardeeville	377,868	49,949	44,917
Plain	129,371	16,988	0.0
Pleasant Prairie	2,557,165	434,460	213,884
Plover	1,238,940	175,891	82,902
Port Edwards	428,532	58,989	143,765
Pound	30,735	5,196	39,632
Poynette	218,346	30,189	49,348
Prairie Du Sac	331,524	42,435	123,614
Pulaski	500,101	70,947	0.0
Randolph	229,622	36,689	155,617
Random Lake	194,109	24,652	33,192
Rib Lake	123,510	15,395	0.0
Rio	116,946	16,302	13,939
River Hills	1,138,295	190,244	454,463
Roberts	125,973	14,722	0.0
Rock Springs	19,680	2,438	3,226
Rosendale	73,658	10,112	0.0
Rosholt	22,523	2,725	6,701
Rothschild	650,486	97,257	141,832
Sauk City	717,336	107,233	181,741
Saukville	517,917	78,784	91,827
Sharon	266,959	40,146	41,706
Sherwood	93,109	12,756	73,133
Shorewood Hills	541,973	83,268	160,794
Shorewood	3,085,784	525,514	1,697,662
Sister Bay	167,463	19,928	15,260
Slinger	571,187	75,401	37,803
Spencer	223,236	32,367	66,239
St Nazianz	84,203	10,104	18,231
Stratford	183,777	23,223	0.0
Strum	106,040	15,282	33,141
Suring	101,504	12,885	20,581
Sussex	804,482	99,756	153,342
Thiensville	494,697	77,280	170,466
Trempealeau	188,020	23,870	0.0
Twin Lakes	636,108	97,998	124,746
Union Center	28,389	3,350	6,189
Union Grove	457,015	50,272	0.0
Valders	154,267	18,358	7,766
Walworth	365,929	55,145	41,730
Waunakee	1,299,782	178,881	169,957
Wausaukee	60,094	6,610	0.0
West Baraboo	96,538	12,260	1,735
West Milwaukee	1,491,796	250,244	1,716,053
Westfield	160,164	22,055	26,393

Whitefish Bay	2,570,714	400,244	1,754,989
Whiting	124,628	14,706	19,461
Williams Bay	530,478	76,249	104,056
Wind Point	88,840	10,483	12,497
Winneconne	409,633	56,546	85,738
Wilhee	68,283	7,511	0.0
Wonewoc	105,100	14,106	31,251
<b>Total Villages</b>	<b>\$85,674,441</b>	<b>\$12,757,184</b>	<b>\$20,821,073</b>

## Towns (126)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Addison (Washington)	\$33,862	\$3,725	\$0
Albion (Dane)	57,779	8,031	46,960
Arbor Vitae (Vilas)	95,498	13,254	26,297
Ashippun (Dodge)	95,637	12,761	2,575
Ashland (Ashland)	37,000	4,107	378
Athelstane (Marinette)	40,049	4,405	0.0
Aztalan (Jefferson)	63,654	8,975	48,364
Baraboo (Sauk)	22,597	2,486	0.0
Barksdale (Bayfield)	35,473	4,470	18,807
Beloit (Rock)	1,067,240	206,579	241,952
Bennett (Douglas)	30,101	4,184	18,135
Bloomfield (Walworth)	312,509	51,265	40,680
Blooming Grove (Dane)	155,437	29,773	121,357
Boulder Junction, Town (Vilas)	119,436	18,711	43,930
Brockway (Jackson)	28,929	3,182	0.0
Brookfield (Waukesha)	630,067	97,563	9,429
Caledonia (Racine)	3,708,172	672,169	464,557
Campbell (La Crosse)	337,691	50,521	42,141
Cedarburg (Ozaukee)	340,457	40,855	87,888
Clear Lake (Polk)	26,095	3,497	15,389
Crescent (Oneida)	58,013	7,368	16,366
Dairyland (Douglas)	17,594	1,935	0.0
Darien (Walworth)	28,225	3,331	5,776
Delavan (Walworth)	521,603	83,519	63,655
Delton (Sauk)	69,126	8,082	0.0
Drummond (Bayfield)	48,202	8,001	60,020
Dunkirk (Dane)	54,694	6,016	0.0
Dunn (Dane)	158,728	18,600	0.0
Eagle Point (Chippewa)	69,593	10,500	41,408
Easton (Marathon)	53,424	5,877	0.0
Eau Galle (Dunn)	33,760	4,558	24,032
Ellington Town Of (Outagamie)	28,071	3,284	5,333
Farmington (LaCrosse)	37,440	4,118	0.0
Flambeau (Rusk)	12,074	1,817	10,082
Florence (Florence)	351,339	48,614	134,711
Freedom (Sauk)	19,806	2,179	0.0
Geneva (Walworth)	173,152	27,971	44,292
Georgetown (Polk)	21,840	3,975	57,320
Grand Chute (Outagamie)	1,559,440	244,452	38,841
Grand Rapids (Wood)	287,984	37,744	0.0
Green Lake (Green Lake)	29,831	3,281	0.0
Greenfield (LaCrosse)	36,519	4,017	0.0
Greenville (Outagamie)	179,035	22,137	0.0
Hallie (Chippewa)	259,441	38,509	0.0
Hazelhurst (Oneida)	54,010	6,103	6,422
Hull (Portage)	142,479	17,614	0.0
Iron River (Bayfield)	107,442	16,164	0.0
Ironton (Sauk)	19,528	2,500	9,379
Jackson (Washington)	46,558	6,704	46,451
Kimball (Iron)	46,785	6,316	31,009
La Pointe (Ashland)	279,358	36,699	0.0
La Valle (Sauk)	69,035	10,397	6,431
Lac Du Flambeau (Vilas)	145,816	19,441	72,682
Laketown (Polk)	25,665	2,823	0.0
Land O Lakes (Vilas)	93,298	11,527	14,473
Laona (Forest)	67,672	10,352	10,549
Linn (Walworth)	217,124	37,140	41,515
Lisbon (Waukesha)	359,276	48,961	111,990
Lyons (Walworth)	48,783	6,834	11,717
Madison (Dane)	1,464,008	239,396	222,780
Maple (Douglas)	22,785	2,780	35,906
Marengo (Ashland)	18,906	2,080	0.0
Medford (Taylor)	25,379	3,045	6,953
Menasha (Winnebago)	1,607,531	252,907	243,968



Menominee (Menominee)	38,782	10,252	10,694
Mercer (Iron)	159,113	18,918	1,546
Merton (Waukesha)	261,817	35,085	90,678
Middleton (Dane)	87,355	13,343	48,089
Milltown (Polk)	54,018	8,049	42,098
Minocqua(Oneida)	977,384	147,513	219,697
Mishicot(Manitowoc)	31,888	3,763	6,313
Mount Pleasant(Racine)	3,706,322	673,643	404,619
New Haven (Dunn)	20,317	2,397	4,030
Newbold (Oneida)	104,159	13,608	29,517
Norway (Racine)	213,837	27,504	3,444
Oconomowoc (Waukesha)	637,690	103,731	92,558
Oma (Iron)	43,819	4,820	0.0
Parkland (Douglas)	48,246	5,355	1,057
Pelican (Oneida)	53,904	7,115	31,556
Phelps (Vilas)	77,658	8,542	0.0
Pine Lake (Oneida)	68,009	12,106	139,896
Pleasant Springs (Dane)	78,117	9,903	0.0
Pleasant Valley (Eau Claire)	45,852	5,777	11,689
Port Wing (Bayfield)	41,600	4,576	0.0
Presque Isle(Vilas)	105,790	12,480	0.0
Preston (Adams)	40,732	4,949	0.0
Primrose (Dane)	30,968	3,406	0.0
Quincy (Adams)	44,402	6,099	6,224
Richmond (Walworth)	25,239	2,978	5,839
Rome (Adams)	239,614	37,153	0.0
Rutland (Dane)	57,406	7,123	4,028
Sarborn (Ashland)	42,659	5,172	0.0
Sharon (Walworth)	33,560	4,182	-0.363
Shelby (La Crosse)	260,646	34,836	116,969
South Lancaster (Grant)	23,968	3,020	1,810
Springdale (Dane)	26,992	2,969	0.0
Springfield (Jackson)	18,675	2,465	17,854
St Germain (Vilas)	127,785	15,206	2,092
Stockton (Portage)	49,621	6,895	12,693
Strong's Prairie(Adams)	17,360	1,910	0.0
Summit (Juneau)	44,691	4,916	0.0
Summit (Waukesha)	438,887	73,843	101,999
Superior (Douglas)	42,866	5,958	45,969
Three Lakes (Oneida)	298,141	40,280	0.0
Tiffany (Dunn)	22,354	2,459	0.0
Troy (Walworth)	27,090	3,224	6,556
Vermont (Dane)	27,337	3,007	0.0
Vernon (Waukesha)	310,474	43,548	199,869
Verona (Dane)	63,089	7,880	0.0
Viroqua (Vernon)	23,654	2,673	2,411
Wabeno (Forest)	78,762	10,753	16,815
Walworth (Walworth)	23,475	2,770	5,826
Washington (Vilas)	116,121	16,056	43,030
Washington(Eau Claire)	138,746	17,800	42,008
Waterford (Racine)	287,537	47,309	50,913
Wescott (Shawano)	126,576	15,949	10,882
West Bend (Washington)	64,108	7,565	6,084
Westfield (Sauk)	19,880	2,187	0.0
Westford (Richland)	20,350	2,727	14,553
Weston (Marathon)	754,026	91,062	181,889
Westport (Dane)	105,478	13,229	0.0
Wilson (Sheboygan)	54,305	7,235	4,071
Windsor (Dane)	141,939	18,594	62,470
Winter (Sawyer)	86,589	10,264	0.0
Woodruff (Oneida)	214,664	37,079	78,246
Yorkville (Racine)	44,248	7,132	479
<b>Total Towns</b>	<b>\$27,678,746</b>	<b>\$4,342,524</b>	<b>\$4,781,593</b>

### Counties (71)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Adams	\$4,665,568	\$632,265	\$1,202,990
Ashland	3,137,075	472,855	1,210,452
Barron	7,127,484	959,672	1,983,515
Bayfield	3,998,823	584,586	1,454,074
Brown	40,553,239	5,501,885	10,621,429

Buffalo	3,152,013	439,641	1,351,966
Burnett	3,297,223	450,460	1,299,395
Calumet	7,044,467	904,151	1,716,489
Chippewa	9,612,795	1,289,261	2,740,892
Clark	11,839,988	1,544,119	3,846,303
Columbia	11,816,227	1,602,645	3,674,274
Crawford	3,019,977	422,001	1,001,115
Dane	66,973,074	9,702,761	17,613,334
Dodge	22,074,566	2,843,294	6,290,085
Door	8,072,754	1,132,349	2,191,653
Douglas	8,203,349	1,184,421	4,156,946
Dunn	12,420,348	1,595,196	3,726,057
Eau Claire	17,481,310	2,281,588	3,239,874
Florence	1,745,580	258,956	481,224
Fond Du Lac	22,473,251	2,866,016	5,613,406
Forest	2,124,947	299,628	749,137
Grant	8,963,257	1,167,806	2,793,162
Green	9,092,611	1,177,473	2,276,505
Green Lake	3,745,482	530,401	1,033,895
Iowa	4,976,310	664,533	1,515,644
Iron	1,748,600	259,174	787,921
Jackson	7,972,458	1,019,153	1,592,985
Jefferson	18,520,747	2,565,599	5,679,995
Juneau	6,182,565	844,713	2,186,282
Kenosha	25,667,562	3,481,132	7,689,804
Kewaunee	4,421,853	619,528	1,511,002
La Crosse	24,619,918	3,078,415	5,561,763
Lafayette	6,974,134	887,359	1,809,241
Langlade	4,517,784	606,658	1,196,093
Lincoln	8,881,285	1,156,121	2,464,865
Manitowoc	18,703,379	2,458,796	5,907,470
Marathon	22,129,249	3,036,315	6,254,463
Marinette	8,725,601	1,137,316	3,183,157
Marquette	3,283,228	481,002	1,055,167
Menominee	2,060,760	264,863	397,943
Monroe	10,079,788	1,327,273	3,069,386
Oconto	6,602,281	898,549	2,125,181
Oneida	5,976,792	818,224	1,376,952
Outagamie	26,539,657	3,543,302	7,607,685
Ozaukee	14,533,737	1,977,339	3,385,386
Peplin	2,780,774	367,003	693,287
Pierce	7,281,971	1,014,119	2,667,020
Polk	8,933,509	1,220,505	2,934,472
Portage	14,563,694	2,012,816	2,939,137
Price	4,023,970	554,505	1,123,974
Racine	35,392,511	5,109,432	9,818,618
Richland	6,082,474	794,403	1,933,025
Rock	38,185,840	5,055,137	7,742,332
Rusk	7,953,894	1,006,736	1,899,445
Sauk	14,389,498	1,929,202	4,728,315
Sawyer	4,209,575	586,808	1,195,010
Shawano	9,500,955	1,356,079	3,069,467
Sheboygan	32,479,499	4,152,361	9,647,288
St Croix	14,542,240	1,909,248	3,689,193
Taylor	3,956,633	530,173	1,150,298
Trempealeau	8,993,496	1,163,680	2,398,992
Vernon	5,569,733	785,184	2,675,044
Vilas	3,713,416	560,218	1,118,857
Walworth	36,453,902	4,742,373	8,189,692
Washburn	3,500,644	476,403	1,322,562
Washington	19,441,233	2,526,327	4,394,381
Waukesha	43,296,472	5,599,587	5,001,974
Waupaca	11,748,499	1,570,164	3,187,128
Waushara	5,160,182	703,610	1,310,366
Winnebago	29,277,376	3,857,031	6,730,877
Wood	18,577,717	2,442,276	4,737,743
<b>Total Counties</b>	<b>\$915,762,803</b>	<b>\$122,994,176</b>	<b>\$244,325,054</b>

### School Districts/CESAs (440)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	\$1,955,898	\$236,664	\$506,220
Adams-Friendship Area	7,275,719	894,913	1,772,144
Albany	1,632,459	199,160	387,921
Algoma	2,687,767	330,595	1,027,652
Alma Center-Humbrd-Meril	2,172,240	265,013	496,716
Alma	1,445,117	176,304	367,859
Almond-Bancroft	1,338,840	164,677	291,360



Altoona	4,218,249	518,845	945,034
Amery	6,506,250	806,775	1,563,674
Antigo Unified	11,596,282	1,426,343	3,338,314
Appleton Area	50,112,253	6,163,807	10,671,355
Arbor Vitae-Woodruff #1	1,920,961	238,199	352,169
Arcadia	3,055,062	384,938	605,993
Argyle	1,061,566	129,511	259,898
Arrowhead Union High	7,475,163	897,020	1,650,642
Ashland	8,061,223	991,530	2,263,391
Ashwaubenon	11,552,247	1,420,926	3,586,790
Athens	1,700,250	209,131	508,309
Auburndale	2,509,004	311,116	769,310
Augusta	2,487,538	305,967	684,034
Baldwin-Woodville Area	4,746,703	588,591	1,129,572
Bangor	1,861,375	230,811	414,409
Baraboo	9,924,461	1,230,633	2,106,459
Barneveld	1,267,521	158,440	245,400
Barron Area	5,446,804	675,404	1,692,446
Bayfield	2,097,429	262,179	497,619
Beaver Dam Unified	12,435,239	1,529,534	2,775,738
Beecher Dunbar Pembine	1,491,882	184,993	312,682
Belleville	2,765,865	334,670	574,081
Belmont Community	1,420,879	173,347	381,768
Beloit	29,907,891	3,678,671	6,419,009
Beloit Turner	4,087,561	498,682	1,147,376
Benton	1,084,881	132,355	326,507
Berlin Area	4,865,530	603,326	1,240,445
Big Foot UHS	1,894,869	234,964	588,725
Birchwood	1,118,946	139,868	387,260
Black Hawk	2,494,475	304,326	449,875
Black River Falls	6,555,881	812,929	1,798,412
Blair-Taylor	2,559,572	312,268	604,235
Bloomer	4,075,042	509,380	1,186,614
Bloomington	692,942	83,846	0.0
Bonduel	3,057,810	366,937	726,739
Boscobel	3,106,681	382,122	801,665
Boulder Junction Jt #1	942,724	115,012	217,343
Bowler	1,918,850	234,100	447,227
Boyceville Community	3,585,804	437,468	645,892
Brighton #1	418,336	51,455	79,376
Brillion Public	2,759,064	333,847	589,175
Bristol, Town, #1	1,370,477	174,051	427,873
Brodhead	4,185,407	518,990	1,116,748
Brown Deer	7,841,725	972,374	2,669,616
Bruce	2,682,940	335,368	872,285
Burlington Area	10,787,198	1,326,825	3,188,710
Butternut	1,001,208	121,146	254,138
Cadott Comm	3,182,110	407,310	1,318,874
Cambria-Friesland	1,826,233	222,800	374,488
Cambridge	3,507,224	431,389	726,764
Cameron	2,414,255	299,368	576,378
Campbellsport	4,210,491	517,890	981,056
Cashton	1,876,856	230,853	498,538
Cassville	1,282,044	158,973	356,782
Cedar Grove-Belgium	2,647,523	320,350	598,401
Cedarburg	10,516,541	1,293,534	3,144,604
CESA #1, West Allis	3,141,558	386,412	762,721
CESA #2, Janesville	4,474,225	581,649	1,435,512
CESA #3, Fennimore	2,188,298	271,349	533,673
CESA #4, Lacrosse	1,257,646	153,433	505,394
CESA #5, Portage	4,656,658	572,769	1,007,919
CESA #6, Oshkosh	8,758,421	1,077,286	1,787,901
CESA #7, Green Bay	3,824,942	462,818	710,258
CESA #8, Gillett	2,822,456	349,985	586,717
CESA #9, Tomahawk	1,642,580	200,395	421,982
CESA #10, Chippewa Falls	3,833,108	471,472	870,580
CESA #11, Cumberland	4,804,363	590,937	815,538
CESA #12, Ashland	1,742,182	210,804	253,744
Chetek	3,793,262	474,158	1,066,856
Chilton	3,550,518	436,714	1,158,787
Chippewa Falls Area Unif	15,487,324	1,920,428	3,958,919
Clayton	1,264,286	156,772	352,627
Clear Lake	2,394,373	296,902	611,206
Clinton Community	4,318,029	531,118	1,156,726
Clintonville Public	6,114,398	758,185	1,660,851
Cochrane-Fountain City	2,946,691	362,443	770,000
Colby	3,615,427	444,697	1,026,925
Coleman	2,779,966	344,716	710,844
Colfax	2,524,871	308,034	620,250
Columbus	3,987,168	494,409	1,217,984
Cornell	2,081,331	258,085	645,285

Crandon	3,438,326	426,352	885,697
Crivitz	3,140,740	389,452	951,246
Cuba City	2,771,309	360,270	1,044,406
Cudahy	13,425,926	1,651,989	3,979,361
Cumberland	3,709,870	456,314	1,010,531
D C Everest Area	17,319,725	2,113,006	4,689,893
Darlington Comm	3,313,856	410,918	895,444
Deerfield Comm	2,628,402	315,408	552,410
DeForest Area	11,138,119	1,358,851	1,764,134
Delavan-Darien	7,649,375	956,172	2,720,463
Denmark	4,696,047	568,222	886,554
DePere Unified	7,149,291	879,363	1,984,098
Desoto Area	2,385,003	288,585	522,063
Dodgeand	2,549,169	316,097	822,807
Dodgeville	4,290,679	527,754	987,516
Dover #1	279,987	33,318	53,164
Drummond	2,186,929	282,114	936,235
Durand	5,271,605	627,321	1,011,304
East Troy Community	5,512,556	683,557	1,367,931
Eau Claire Area	45,012,865	5,536,582	10,347,742
Edgar	1,770,469	217,768	529,495
Edgerton	6,702,036	824,350	1,974,898
Elcho	1,678,626	208,150	454,789
Elleva-Strum	2,080,193	255,864	646,633
Elk Mound Area	2,827,947	345,009	639,787
Elkhart Lake-Glenbeulah	2,774,852	338,532	687,956
Elkhorn Area	6,514,293	807,772	1,688,223
Ellsworth Comm	6,830,114	826,444	1,513,963
Elmbrook	33,631,001	4,136,613	8,958,535
Elmwood	1,939,020	234,621	432,094
Elroy-Kendall-Wilton	2,730,180	335,812	909,065
Erin #2	998,988	122,876	127,786
Evansville Comm	4,939,590	612,509	1,389,547
Fall Creek	3,078,156	384,770	929,029
Fall River	1,221,427	151,457	355,257
Fennimore Community	3,250,527	383,582	637,603
Flambeau	2,805,868	350,733	999,267
Florencia County	3,081,712	385,214	932,957
Fond Du Lac	27,343,677	3,363,272	7,330,910
Fontana Jt #8 Etal	1,016,256	130,081	382,335
Fort Atkinson	9,316,381	1,145,915	2,615,334
Fox Point Jt #2 Etal	4,090,873	503,177	1,244,606
Franklin #5	14,325,915	1,776,413	2,840,872
Frederic	2,178,928	272,366	755,218
Freedom Area	4,082,935	502,201	966,052
Galesville Etal	4,817,239	597,338	1,440,338
Geneva Jt #4 Etal	426,593	51,191	109,214
Genoa City Jt #2 Etal	1,320,497	165,062	280,341
Germantown	13,202,203	1,623,871	3,509,206
Gibraltar Area	3,333,772	423,389	844,902
Gillett	2,250,288	283,536	728,342
Gilman	2,071,884	261,057	754,871
Gilmanton	720,978	89,401	211,798
Glendale-River Hills	6,011,548	739,420	1,683,487
Glenwood City	3,297,230	398,965	665,307
Glidden	1,120,260	134,431	254,772
Goodman-Armstrong	1,066,907	130,163	232,362
Grafton	8,701,730	1,070,313	2,727,155
Granton Area	1,342,056	163,731	369,662
Grantsburg	3,041,069	380,134	903,262
Green Bay Area	76,732,356	9,514,812	20,310,650
Green Lake	1,514,229	186,250	483,030
Greendale	10,986,700	1,362,351	4,281,880
Greenfield	12,870,754	1,595,973	3,964,469
Greenwood	2,230,731	276,611	751,701
Hamilton	12,477,872	1,534,778	3,714,409
Hartford Jt #1 Etal	6,193,819	761,840	1,564,950
Hartford Union High	6,527,264	796,326	1,656,103
Hartland Jt #3 Etal	4,820,356	578,443	760,562
Hayward Community	6,940,563	825,927	1,401,850
Herman #22	408,718	50,681	97,364
Highland	1,105,133	137,037	323,716
Hilbert	1,838,718	222,485	381,626
Hillsboro	1,803,418	218,214	505,934
Holmen	9,231,409	1,070,844	1,212,230
Horicon	3,644,099	451,868	890,447
Hortonville	5,095,978	626,805	985,040
Howard-Suamico	11,126,462	1,379,681	2,530,908
Howards Grove	3,527,658	433,902	823,077
Hudson	12,003,369	1,464,411	2,250,592
Hurley	2,771,188	346,399	909,499



Hustisford	1,505,488	180,659	344,082	Neillsville	4,552,216	559,923	1,114,827
Independence	1,443,401	174,652	365,639	Nekoosa	5,229,943	643,283	1,428,289
Iola-Scandinavia	2,350,352	296,144	793,825	Neosho Jt #3 Etal	908,716	111,772	185,619
Iowa-Grant	2,884,715	354,820	762,796	New Auburn	1,249,611	156,201	353,106
Ithaca	1,461,702	175,404	312,718	New Berlin	22,965,225	2,824,723	7,241,976
Janesville	39,408,313	4,847,222	11,966,134	New Glarus	2,263,709	287,491	545,772
Jefferson	7,022,475	856,742	1,965,202	New Holstein	4,717,680	589,710	1,649,399
Johnson Creek	2,405,432	291,057	621,266	New Lisbon	2,502,643	312,830	728,288
Juda	1,001,318	126,166	250,966	New London	8,566,276	1,053,652	2,201,334
Kaukauna Area	12,904,660	1,587,273	3,065,832	New Richmond	8,286,584	1,010,963	1,606,563
Kenosha Unified #1	66,703,980	8,204,590	17,551,966	Niagara	2,643,827	327,835	727,226
Kettle Moraine	15,826,943	1,946,714	3,311,659	Nicolet High	6,592,907	817,521	2,576,052
Kewaskum	6,159,479	757,616	1,758,154	Norris	479,119	59,890	121,454
Kewaunee	3,771,353	463,876	1,323,829	North Cape Consolidated	295,146	36,303	71,343
Kickapoo Area	2,029,074	243,489	341,325	North Crawford	2,219,556	279,664	753,449
Kiel Area	4,784,339	602,827	1,630,277	North Fond Du Lac	3,199,929	396,791	889,069
Kimberly Area	7,458,043	932,255	1,947,786	North Lake	940,579	116,632	192,612
Kohler	2,049,337	256,167	699,449	Northern Ozaukee	3,736,411	463,315	984,538
La Crosse	34,847,875	4,286,289	7,786,518	Northland Pines	5,202,545	655,521	1,518,356
Lac Du Flambeau #1	2,476,374	304,594	290,069	Northwood	1,621,609	204,323	612,036
Ladysmith-Hawkins	5,250,993	651,123	1,332,297	Norwalk-Ontario	1,788,745	218,227	501,345
Lafarge	1,292,864	155,144	203,675	Norway-Raymond Jt#7	372,258	45,788	79,915
Lake Country	1,319,187	162,260	238,976	Oak Creek-Franklin Jt	16,245,351	1,998,178	4,120,562
Lake Geneva Jt #1 Etal	4,052,880	502,557	1,010,335	Oakfield	2,074,435	259,904	777,048
Lake Geneva	3,864,779	479,233	1,233,250	Oconomowoc Area	14,525,142	1,786,593	4,334,854
Lake Holcombe	1,917,714	239,714	671,899	Oconto Falls Public	6,311,714	776,341	1,501,698
Lake Mills Area	4,722,526	580,871	1,286,317	Oconto Unified	4,209,420	517,759	1,035,382
Lakeland Union High	3,856,769	474,383	1,120,710	Omro	4,194,684	515,946	1,136,788
Lancaster Comm	4,067,890	500,350	1,020,957	Onalaska	9,138,498	1,114,897	1,806,470
Laona	1,260,376	153,766	371,595	Oosiburg	3,107,321	385,308	796,395
Lena Public	1,361,127	168,780	411,254	Oregon	9,592,645	1,179,895	1,985,960
Linn Jt #4 Etal	374,227	46,030	113,262	Osceola	4,859,744	602,608	1,151,044
Linn Jt #6 Etal	541,369	69,837	167,993	Oshkosh Area	35,562,997	4,409,812	9,805,859
Little Chute Area	3,840,224	472,348	955,092	Osseo-Fairchild	3,227,885	397,030	1,038,650
Lodi	4,478,749	555,365	1,325,885	Owen-Withee	2,259,352	289,197	1,024,967
Lomira	2,785,101	342,567	523,593	Palmyra-Eagle Area	4,751,803	584,472	1,220,094
Loyal	1,932,760	239,662	619,679	Pardeeville Area	2,703,696	329,851	675,059
Luck	2,177,357	265,638	493,858	Paris Jt #1 Etal	558,875	69,301	174,025
Luxemburg-Casco	4,041,065	497,051	1,175,457	Park Falls	3,260,485	401,040	1,028,262
Madison Metro	122,731,465	15,218,702	30,529,419	Parkview	4,645,584	566,761	1,155,232
Manawa	3,096,732	377,801	730,778	Pecatonia Area	1,615,008	198,646	388,462
Manitowoc Public	18,193,747	2,256,025	5,188,235	Pepin Area	1,434,893	173,622	371,277
Maple Dale-Indian Hill	2,733,660	338,974	778,742	Peshigo	3,673,948	462,917	1,047,100
Maple	4,850,570	596,620	1,622,856	Pewaukee	7,287,302	918,200	1,227,006
Marathon City	2,107,166	257,074	498,073	Phelps	833,356	102,503	191,568
Marinette	9,254,676	1,138,325	2,862,709	Phillips	4,279,459	522,094	1,095,715
Marion	1,889,942	232,463	712,050	Pittsville	2,532,911	311,548	684,739
Markesan	3,683,651	456,773	1,032,779	Platteville	7,214,770	887,417	1,995,285
Marshall Jt #2 Etal	3,463,260	422,518	726,505	Plum City	1,208,080	148,594	317,469
Marshfield Unified	15,507,396	1,907,410	3,348,917	Plymouth Joint	8,660,557	1,065,249	1,881,035
Mauston	5,423,522	672,517	1,198,601	Port Edwards	1,997,403	245,681	712,515
Mayville	4,161,921	516,078	1,131,503	Port Washington-Saukville	11,777,879	1,448,679	2,874,322
McFarland	7,154,353	872,831	1,247,146	Portage Community	8,299,569	1,020,847	2,025,386
Medford Area	7,336,855	902,433	1,708,408	Potosi	1,813,236	223,028	524,533
Mellen	1,387,944	172,105	372,193	Poynette	3,905,576	480,386	951,165
Melrose-Mindoro	2,569,603	308,352	478,042	Prairie Du Chien Area	3,869,549	475,955	946,785
Menasha Joint	12,381,966	1,522,982	3,238,164	Prairie Farm Public	1,576,408	193,898	365,097
Menominee Indian	5,033,120	614,041	1,043,458	Prentice	2,196,886	263,626	485,653
Menomonee Falls	17,800,483	2,225,060	5,572,726	Prescott	4,190,777	498,702	650,527
Menomonie Area	12,309,274	1,514,041	2,560,830	Princeton	1,301,903	160,134	292,527
Mequon-Thiensville	16,481,615	2,027,239	3,806,970	Pulaski Community	10,165,054	1,240,137	2,330,944
Mercer	847,532	103,399	210,315	Racine Unified	89,809,596	11,046,580	27,029,598
Merrill Area Common	11,872,135	1,460,273	3,323,647	Randall Jt #1 Etal	1,842,706	228,496	390,366
Merton Jt #9 Etal	2,023,770	236,781	289,609	Randolph	1,760,552	214,787	422,087
Middleton-Cross Plns	17,642,820	2,152,424	3,661,330	Random Lake	4,226,545	519,865	949,707
Milton	7,933,328	975,799	1,823,579	Raymond #14	882,426	109,421	252,893
Milwaukee	310,175,618	40,322,830	140,244,596	Reedsburg	7,817,152	969,327	1,987,795
Mineral Point Unif	2,669,781	328,383	573,902	Reedsville	2,272,180	277,206	561,353
Minocqua Jt #1 Etal	1,988,670	244,606	455,566	Rhineland	12,034,940	1,480,298	3,322,751
Mishicot	2,892,185	355,739	949,839	Rib Lake	1,881,822	231,464	450,237
Mondovi	3,582,053	437,011	768,685	Rice Lake Area	9,413,258	1,157,831	2,304,976
Monona Grove	9,194,218	1,140,083	2,647,522	Richfield #1	1,467,551	179,041	391,387
Monroe	8,501,793	1,045,721	2,135,481	Richfield Jt #11 Etal	701,459	85,578	125,293
Montello	2,123,838	261,232	536,463	Richland	6,838,916	841,187	1,636,955
Monticello	1,519,505	183,860	374,832	Richmond	746,933	92,620	263,025
Mosinee	7,182,369	890,614	1,685,295	Rio Community	1,905,766	232,503	452,640
Mount Horeb Area	5,740,991	706,142	1,488,868	Ripon	5,765,231	714,889	1,741,053
Mukwonago	17,360,931	2,118,034	4,158,550	River Falls	10,799,859	1,317,583	2,076,576
Muskego-Norway	15,480,911	1,919,633	4,269,923	River Ridge	872,178	104,661	631,607
Necedah Area	2,319,366	280,643	447,188	River Valley	4,461,092	548,714	1,227,116
Neenah Joint	23,561,852	2,898,108	6,720,003	Riverdale	2,876,451	353,804	814,981



Rosendale-Brandon	3,865,539	483,192	1,046,152
Rosholt	2,238,257	270,829	397,328
Rubicon Jt #6 Etal	285,004	35,056	140,579
Salem Jt #2 Etal	2,409,473	296,365	579,532
Salem #7	643,839	76,617	101,818
Sauk Prairie	9,157,927	1,126,425	2,082,282
Seneca	1,297,537	159,597	351,226
Sevastopol	2,844,712	347,055	681,849
Seymour Community	7,815,844	953,533	2,083,241
Sharon Jt # 11 Etal	916,532	112,733	239,439
Shawano-Gresham	7,438,573	914,944	2,159,539
Sheboygan Area	40,370,030	4,965,514	10,948,612
Sheboygan Falls	6,807,203	837,286	1,220,477
Shell Lake	2,319,225	289,903	678,274
Shiocton	2,242,890	275,875	652,605
Shorewood	9,963,421	1,235,464	2,779,202
Shullsburg	1,603,452	197,225	382,910
Silver Lake Jt #1 Etal	1,305,225	161,848	271,325
Siren	1,832,222	225,363	547,808
Slinger	7,690,206	945,895	1,662,820
Solon Springs	1,548,248	188,886	322,088
Somerset	3,137,875	379,683	551,776
South Milwaukee	12,869,257	1,582,919	4,259,144
South Shore	1,145,002	139,690	332,883
Southern Door County	5,341,972	651,721	1,323,144
Southwestern Wisc Comm	2,252,880	277,104	720,165
Sparta Area	9,120,602	1,121,834	2,047,255
Spencer	2,636,467	326,922	764,392
Spooner	5,839,473	724,095	1,561,046
Spring Valley	2,819,446	338,333	611,405
St Croix Central	3,474,476	409,988	611,216
St Croix Falls	4,045,140	497,552	964,191
St Francis #6	4,608,722	571,482	1,489,606
Stanley-Boyd Area	3,719,707	457,524	1,045,163
Stevens Point Area Pub	32,979,684	4,056,501	6,766,442
Stockbridge	889,582	106,750	196,634
Stone Bank	1,034,149	129,269	221,255
Stoughton Area	11,978,886	1,473,403	2,991,407
Stratford	2,228,523	274,108	569,804
Sturgeon Bay	5,556,543	683,455	1,416,239
Sun Prairie Area	17,003,066	2,091,377	4,726,155
Superior	20,846,675	2,584,141	6,589,726
Suring Public	2,072,549	256,996	631,404
Swallow	864,032	108,004	188,931
Thorp	2,295,251	282,316	672,523
Three Lakes	2,740,946	339,877	680,643
Tigerton	1,361,699	167,489	386,397
Tomah Area	10,156,749	1,249,280	2,358,695
Tomahawk	4,654,306	572,480	1,197,197
Tomorrow River	2,625,781	322,971	503,060
Tri-County Area-Plnfd	2,855,105	342,613	513,057
Turtle Lake	2,022,848	250,833	628,226
Twin Lakes #4	1,235,637	151,983	216,496
Two Rivers Public	8,186,082	1,015,074	2,342,693
Union Grove Jt #1 Etal	1,670,188	205,433	429,807
Union Grove Union High	1,920,786	236,257	625,745
Unity	4,249,939	526,992	1,179,044
Valders	3,779,881	453,586	803,334
Verona Area	12,560,267	1,544,913	1,262,609
Viroqua Area	5,347,112	663,042	1,471,335
Wabeno Area	1,807,568	234,631	560,880
Walworth Jt # 1 Etal	869,190	107,780	301,016
Washburn	2,748,159	338,024	729,550
Washington	538,783	65,193	95,207
Washington-Caldwell	434,300	53,419	104,907
Waterford Union High	2,395,498	297,042	754,042
Waterford VII Jt #1	2,427,032	298,525	502,109
Waterloo	3,111,969	376,548	641,258
Watertown Unified	14,012,114	1,723,490	3,524,503
Waukesha	51,137,310	6,289,889	11,657,536
Waunakee Community	8,232,522	1,004,368	1,788,079
Waupaca	6,735,163	828,425	1,300,055
Waupun	8,760,256	1,077,512	2,168,372
Wausau	37,648,394	4,630,752	8,206,227
Wausaukee	2,843,456	346,902	738,125
Wautoma Area	4,884,154	595,867	1,121,049
Wauwatosa	29,969,257	3,716,188	9,475,317
Wauzeka Jt Etal	1,456,670	174,800	265,024
Webster	2,550,994	318,874	792,647
West Allis-West Milw	37,703,435	4,675,226	12,726,364
West Bend Jt #1	24,896,471	3,062,266	7,006,609

West DePere	6,105,683	750,999	1,844,727
West Grant	814,905	100,233	0.0
West Salem	4,826,609	569,540	938,671
Westby Area	4,398,398	541,003	1,205,776
Westfield	3,599,644	442,758	705,424
Weston	1,454,037	174,484	263,365
Westosha Central High	2,816,044	346,373	780,493
Weyauwega-Fremont	3,270,649	402,290	721,166
Weyerhaeuser Area	954,708	114,565	182,979
Wheatland Jt #1 Etal	1,539,496	192,437	358,757
White Lake	996,085	125,507	409,257
Whitefish Bay	11,467,147	1,421,926	3,534,909
Whitehall	2,832,615	345,579	778,189
Whitewater Unified	6,752,822	837,350	2,032,651
Whitnall	9,915,371	1,229,506	2,426,392
Wild Rose	2,258,117	275,490	563,806
Williams Bay	1,879,500	233,058	472,937
Wilmot Grade	336,916	40,767	95,144
Wilmot Union High	3,008,082	369,994	636,425
Winneconne Comm	4,655,425	581,928	1,404,828
Winter	1,679,723	206,606	475,444
Wisconsin Dells	5,929,123	729,282	1,211,739
Wisconsin Heights	4,136,954	500,571	914,687
Wisconsin Rapids	22,953,222	2,823,246	5,838,723
Wittenberg-Biramwood	5,165,225	640,488	1,363,459
Wonewoc & Union Center	1,467,853	187,885	498,331
Wrightstown Community	2,076,050	255,354	502,889
Yorkville Jt #2 Etal	978,271	122,284	335,379

Total School Districts \$3,140,169,421 \$388,849,045 \$871,356,264

## VTAE Districts (16)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Blackhawk	\$8,359,086	\$1,019,808	\$2,008,388
Chippewa Valley	16,886,605	2,060,166	4,420,670
Fox Valley	25,103,726	3,062,655	5,094,387
Gateway	21,494,951	2,622,384	4,769,877
Lakeshore	10,038,024	1,224,639	2,781,861
Madison Area	36,284,790	4,426,744	8,097,955
Mid-State	9,195,396	1,121,838	2,214,823
Milwaukee Area	69,962,287	8,535,399	17,227,009
Moraine Park	14,258,767	1,725,311	3,425,643
Nicolet	6,503,000	793,366	1,516,050
North Central	13,373,855	1,631,610	4,087,525
Northeast Wisc	19,401,178	2,366,944	4,557,949
Southwest Wisc	5,901,400	719,971	1,939,198
Waukesha Co Area	20,943,825	2,534,203	2,646,604
Western Wisc	15,810,607	1,928,894	4,194,995
Wisconsin Indianhead	13,350,630	1,628,777	3,323,876

Total VTAE Districts \$306,868,126 \$37,402,709 \$72,306,810

## Miscellaneous Employers (138)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Algoma City Housing Authority	\$21,628	\$2,379	\$0
Allenton Sanitary District	79,284	8,721	0.0
Altoona City Housing Authority	25,947	3,373	8,444
Antigo City Housing Auth	191,293	22,573	16,693
Appleton City Housing Auth	237,382	26,112	0.0
Ashland City Housing Auth	158,939	18,755	21,923
Ashland County Housing Auth	101,688	15,050	102,331
Baraboo District Ambulance	104,193	11,461	0.0
Bay Area Rural Transit Commis	76,893	8,458	0.0
Bay-Lake Regional Plan Comm	326,918	38,903	72,302
Bayfield County Housing Auth	68,188	8,319	3,367
Big Cedar Lake Prot/Rehab Dist	36,781	4,561	11,305
Brockway Sanitary District #1	18,224	2,005	0.0
Brookfield, Town San Dist #4	112,187	13,350	761
Burlington City Housing Auth	27,452	3,377	9,859
Caddy Vista Sanitary District	25,012	3,427	12,462
Chilton City Housing Auth	26,446	2,909	0.0
Chippewa Co Housing Auth	137,587	15,135	0.0
City-County Data Center Comm	819,571	96,709	65,955
Clintonville City Housing Auth	42,578	5,024	8,854
Colby/Abbotsford Jt Police Com	183,214	31,456	0.0



Consol Koshkonong Sanitary Dis	98,190	10,801	0.0
Dane Co Regional Plan Comm	757,659	89,404	172,710
Dane County Housing Auth	466,574	56,922	145,990
Deer-Grove Ems Dist	39,868	7,057	0.0
Delafield-Hartl Water Pol Cntl	218,662	26,458	65,134
Delavan Lake Sanitary District	204,673	23,128	13,924
Dodge County Housing Auth	56,366	6,877	7,393
Drummond San Dist #1	19,240	2,116	0.0
Eagle River Jt Library Sv Etal	53,677	5,904	0.0
East Central Wis Reg Plan Comm	553,259	65,285	100,944
Eastern Shores Lib Sys	210,064	23,107	0.0
Eau Claire City Housing Auth	220,426	24,247	0.0
Eau Claire City-Co Health Dpt	1,547,233	184,121	286,770
Edgerton City Housing Auth	53,331	5,866	0.0
Edgerton Fire Prot Dist	39,923	4,392	0.0
Everest Metro Police Comm	760,508	133,690	92,597
Fitch-Rona EMS District	129,882	14,287	0.0
Fond Du Lac City Housing Auth	398,664	47,441	52,390
Fontana/Walworth Wir Pol Cn Cm	142,588	15,685	0.0
Grand Chute Sanitary Dist #2	256,132	32,229	41,329
Grand Chute-Menasha Sew Com	356,565	39,222	0.0
Green Bay Metro Sewerage Dist	4,679,876	556,905	1,068,198
Green Lake Sanitary District	57,010	6,271	0.0
Hallie Sanitary Dist #1	15,991	1,759	0.0
Heart Of The Valley Met Sew Dist.	482,365	57,401	120,490
Hudson City Housing Auth	36,507	4,016	0.0
Hum Srv Ctr Oneida Vilas Forest	1,035,285	122,164	124,695
Indianhead Fed Library System	331,091	39,400	52,426
Jefferson City Housing Auth	60,017	7,082	10,501
Kaukauna City Housing Auth	96,105	11,436	5,759
Kenosha City-Co Jt Serv Board	1,844,746	217,680	403,536
La Crosse City Housing Auth	585,304	69,066	105,494
Ladysmith Housing Auth	32,062	3,527	0.0
Lake Area Communication System	176,417	19,406	0.0
Lake Mills City Housing Auth	43,732	4,854	744
Lake Ripley Mgt District	0.0	0.0	2,594
Lakeland Sanitary District #1	141,618	16,853	38,165
League Of Wisc Municipalities	366,652	46,931	158,738
Lincoln County Housing Auth	56,712	6,692	11,232
Madison Metro Sewerage Dist	3,792,341	417,158	0.0
Manitowoc City Housing Auth	56,544	6,672	12,125
Marinette City Housing Auth	106,547	13,212	39,399
Menasha San Dist #4(Winnebago)	420,446	50,454	100,904
Menomonie City Housing Auth	122,688	15,704	26,068
Mequon - Thiensville Library	281,804	34,380	44,964
Mercer Sanitary District #1	51,234	5,636	-0.261
Merrill City Housing Auth	106,414	12,557	21,535
Mid-Wis Federated Lib Sys	190,373	21,893	18,688
Middleton Fire District	61,002	8,296	29,203
Milwaukee Co Fed Lib Sys	384,600	43,460	0.0
Mississippi River Reg Plan Com	180,173	21,260	26,753
Myrtle Werth Medical Center	0.0	0.0	181,584
Neenah - Menasha Sewer Comm	180,045	21,966	97,684
New London City Housing Auth	70,077	8,339	9,516
Nicolet Federated Library Sys	283,083	33,687	57,177
North Central Health Care Fac	19,233,708	2,269,578	0.0
North Central Wis Reg Plan Com	206,647	24,591	60,461
North Park Sanitary District	144,323	17,896	53,008
North Shore Fire Dept	4,640,985	1,267,076	0.0
North Shore Pub Saf Comm	290,777	31,986	0.0
North Shore Water Commission	310,345	36,621	63,696

Northern Moraine Utility Comm	60,200	7,104	13,054
Northern Pines Unif Serv Cntr	2,481,744	295,327	277,002
Northern Waters Library Serv	270,554	34,090	113,617
Northwest Regional Plan Comm	740,628	87,394	92,536
Norway Sanitary District #1	83,382	9,172	0.0
Oconto City Housing Auth	40,500	4,455	0.0
Onalaska Comm Dev Auth	53,541	5,890	0.0
Oregon Area Fire - EMS Dist	4,371	931	-0.170
Orfordville Vol Fire Prot Dist	27,120	6,455	41,896
Oshkosh City Housing Auth	188,546	22,060	15,595
Outagamie County Housing Auth	294,152	34,710	22,147
Outagamie Waupc Co Fed Libr Sy	265,441	31,587	44,785
Phelps Sanitary District #1	30,825	3,391	0.0
Plymouth City Housing Auth	51,289	5,693	917
Prairie Du Sac Jt Sewer Comm	27,449	3,294	4,927
Rhineland City Housing Auth	67,820	8,003	14,364
Rib Mountain Metro Sew Dist	203,107	22,342	0.0
Rice Lake City Housing Auth	114,012	16,190	88,066
River Falls City Housing Auth	110,991	13,097	20,672
Sauk County Housing Authority	123,439	13,578	0.0
SE Wis Reg Planning Comm	2,713,869	320,237	632,484
Shawano City Housing Auth	129,606	15,294	26,682
Shawano County Housing Auth	92,416	10,905	16,516
Shawano Lake Sanitary Dist #1	286,984	34,151	76,048
Sheboygan City Housing Auth	127,573	15,054	25,116
Silver Lake San. Dist.	134,270	14,770	0.0
Slinger Village Housing Auth	28,450	3,471	271
South Central Library System	703,288	82,988	76,251
South Milwaukee City Hous Auth	77,192	9,109	8,059
Southwest Wis Library System	290,928	35,202	64,909
SW Wis Reg Plan Comm	212,663	25,094	36,128
St Joseph Sanitary District #1	12,285	1,351	0.0
Stevens Point City Hous Auth	301,216	35,845	23,169
Three Lakes Sanitary Dist #1	33,202	3,652	-0.294
Trempealeau County Hous Auth	121,920	14,386	28,137
Unif Board Of Grant & Iowa Co	1,202,148	143,056	328,035
Viroqua City Housing Auth	99,416	11,234	8,028
Walworth County Metro Sew Dist	455,828	53,788	87,720
Washburn City Housing Auth	67,505	7,966	6,057
Watertown City Housing Auth	43,318	5,111	9,128
Waukesha City Housing Auth	411,828	48,596	29,404
Waunakee Area Fire Dist	12,712	1,398	0.0
Wausaukee Village Hous Auth	82,159	13,228	38,663
Waverly Sanitary District	117,190	12,891	0.0
West Bend City Housing Auth	89,796	10,147	370
West Central Wis Reg Plan Comm	351,777	41,510	73,067
Winding Rivers Library Sys	268,006	29,481	0.0
Windsor Sanitary District #1	39,438	6,428	40,432
WinneFox Library System	291,734	34,133	48,889
Wis Alliance Of Cities	108,108	11,892	0.0
Wis Dells-Lake Delton Sew Comm	96,331	10,596	0.0
Wisconsin Counties Association	738,187	91,535	128,029
Wisconsin Munic Mutual Ins Co	139,888	15,528	122
Wisconsin Rapids City Hs Auth	170,197	20,083	29,740
Wisconsin Towns Association	176,084	20,778	15,649
Wisconsin Valley Library Srv	369,013	44,282	87,647
<b>Total Miscellaneous</b>	<b>\$66,396,172</b>	<b>\$8,594,087</b>	<b>\$6,952,373</b>
<b>Totals (1,202) Employers</b>	<b>\$7,451,124,898</b>	<b>\$1,022,445,078</b>	<b>\$2,055,718,222</b>