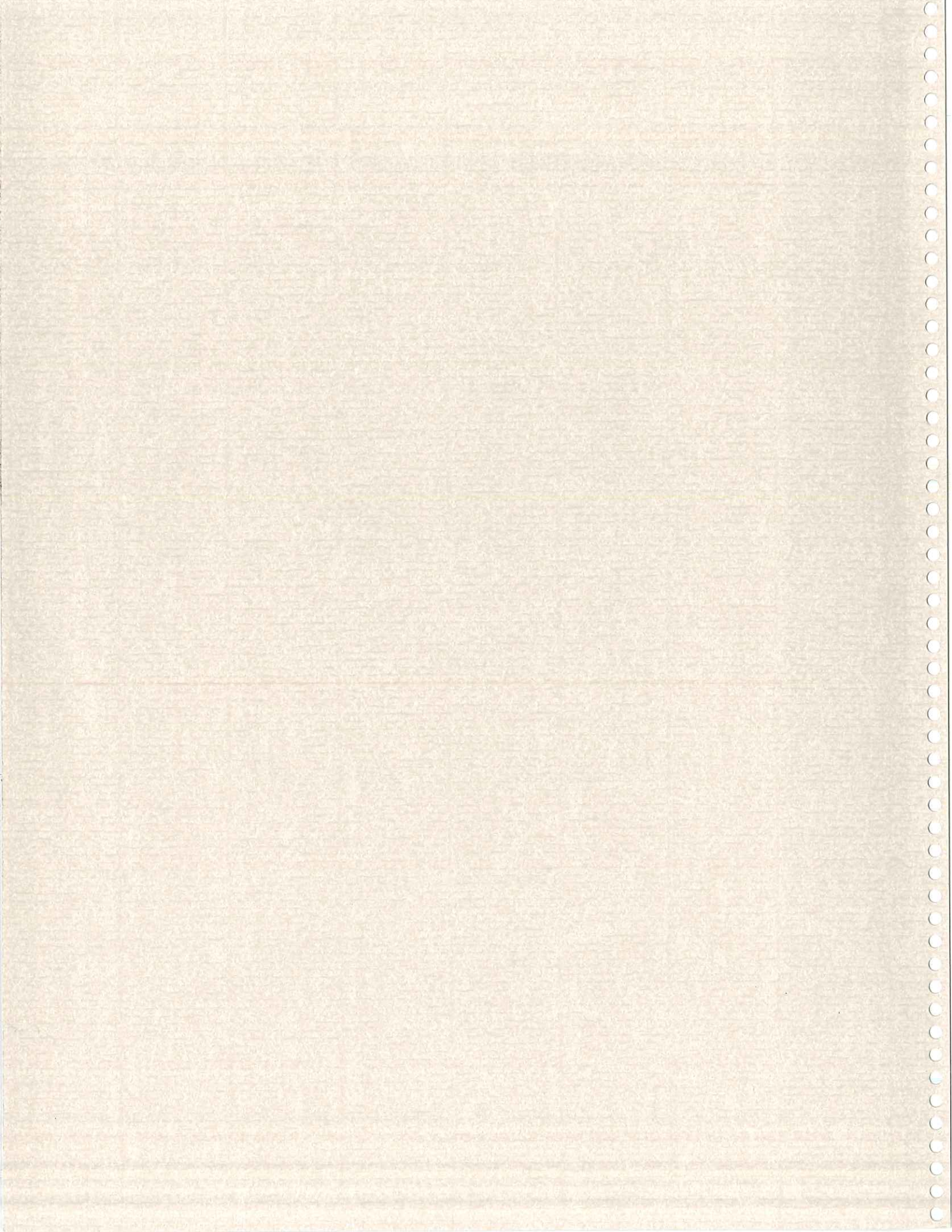


**Wisconsin
Department of Employee Trust Funds**



**Comprehensive
Annual
Financial
Report**

1999



**Wisconsin
Department of Employee Trust Funds**

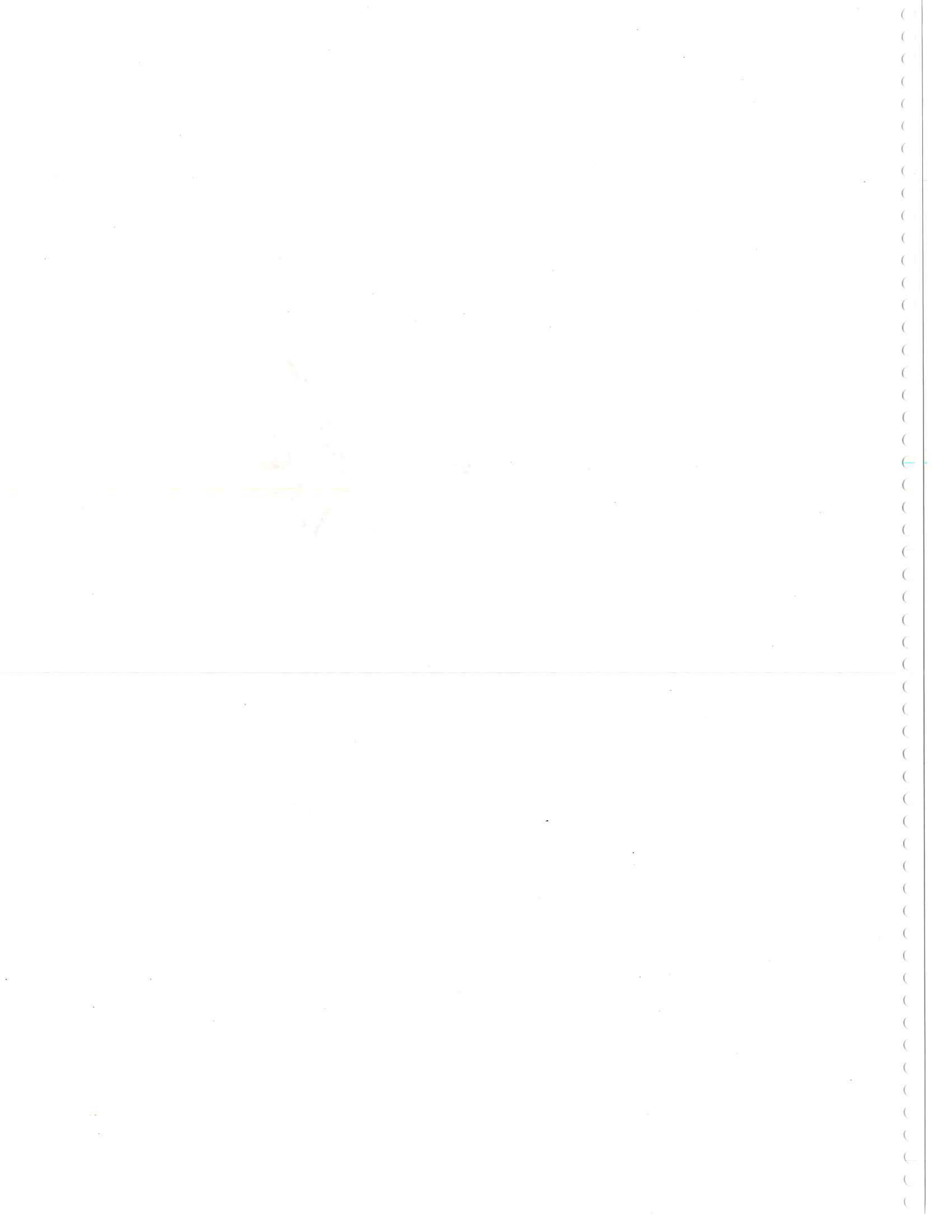
**Eric O. Stanchfield
Secretary**



**Comprehensive
Annual
Financial
Report**

1999

**801 West Badger Road
P. O. Box 7931
Madison, WI 53707-7931**



**Wisconsin
Department of Employee Trust Funds**

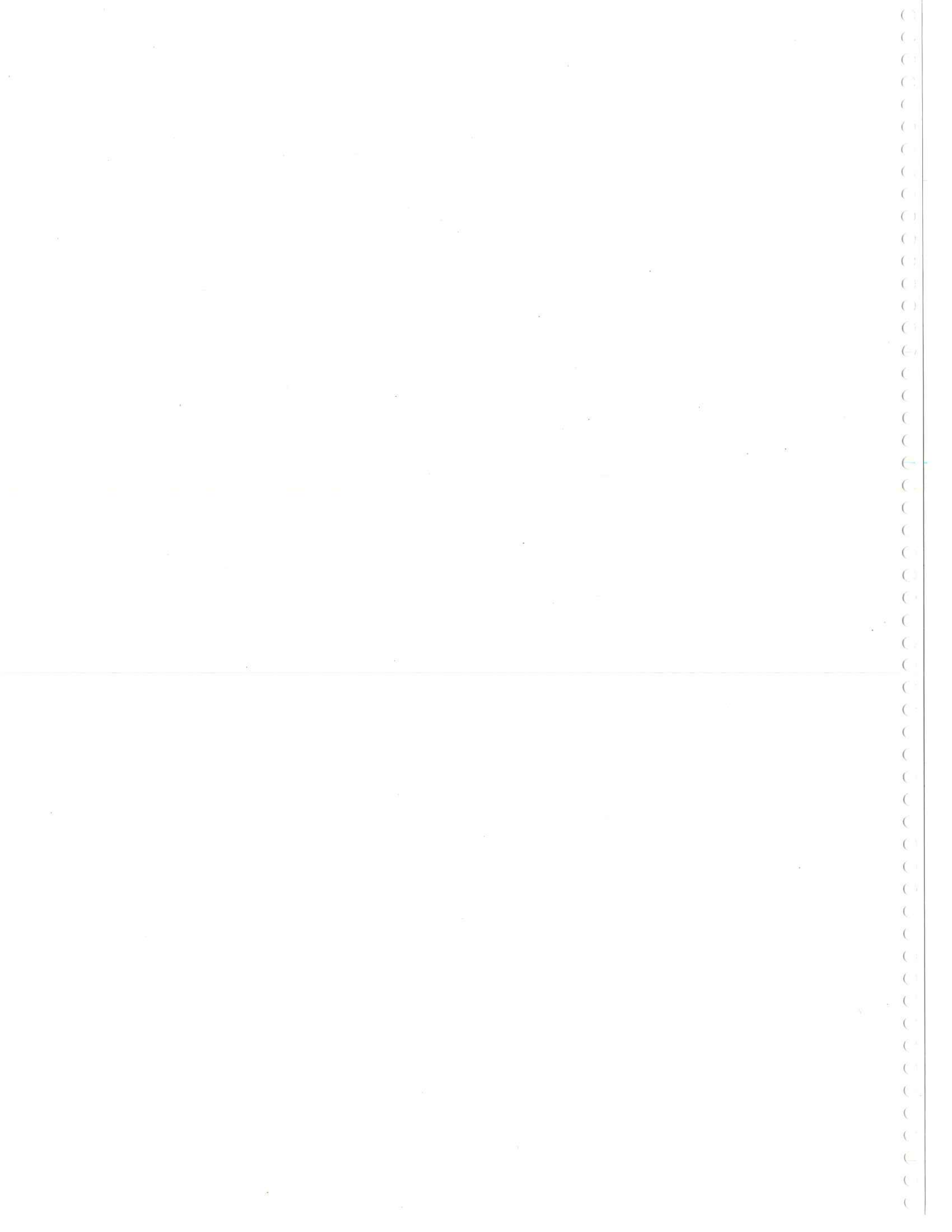
**Robert Willett
Controller**



The Department of Employee Trust Funds does not discriminate on the basis of disability in the provisions of programs, services, or employment. If you are speech, hearing or visually impaired and need assistance, call toll free 1-877-533-5020 or TTY (608) 267-0767. We will try to find another way to get the information to you in a usable form.

**Nancy Ketterhagen
Editor**

**Sue Lins
Format**





STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield

Secretary

801 West Badger Road

P.O. Box 7931

Madison, WI 53707-7931

July 13, 2000

GOVERNOR TOMMY G. THOMPSON,
MEMBERS OF THE STATE LEGISLATURE,
PUBLIC EMPLOYEES, EMPLOYERS AND OTHER INTERESTED PARTIES:

I am pleased to present you with the comprehensive annual financial report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 1999. The management of the Department is responsible for both the accuracy of the data and the completeness and fairness of the presentation.

This CAFR contains information on the following benefit plans administered by ETF:

Wisconsin Retirement System	Employee Reimbursement Accounts
Group Health Insurance	Deferred Compensation
Group Life Insurance	Milwaukee Special Death Benefit
Income Continuation Insurance	Accumulated Sick Leave Conversion Credit (Post- Retirement Health Insurance)
Duty Disability	
Long-Term Disability Insurance	

The CAFR is divided into six sections: **Introduction** - contains information on the boards and ETF, highlights for each of the benefit plans, summaries of recent legislation, accomplishments and future objectives; **Finances** - contains the independent auditor's opinion, financial statements, notes to the financial statements, and all required supplementary information; **Statistics** - contains significant statistical information relating to the benefit plans; **Actuarial** - contains the actuary's certification letter, the results of the actuarial valuation, and information on the actuarial assumptions and methods employed; **Investments** - contains information from the State of Wisconsin Investment Board on trust fund investments; **Employers** - contains a complete listing of all employers participating in the Wisconsin Retirement System, along with their unfunded actuarial accrued liability, covered payroll and required contributions for 1999.

Major Initiatives

ETF has undertaken or continued, to develop a number of major initiatives during the last year.

Year 2000 Readiness – The Department, along with its business partners, successfully completed year 2000 (Y2K) testing on all information technology systems. There were no interruptions in service to participants as a result of Y2K system failures.

1999 Wisconsin Act 11 – Act 11, which made significant changes in the funding and benefits of the Wisconsin Retirement System, was effective on December 30, 1999. On December 29, 1999, the Wisconsin Supreme Court issued a temporary injunction preventing the provisions of the bill from being implemented. A legal challenge to determine the constitutionality of certain provisions of the bill is pending before the Supreme Court.

Special Investment Performance Dividend Lawsuit - In 1997, the Wisconsin Supreme Court found unconstitutional the Special Investment Performance Dividend distributed in 1987. The State deposited

\$206.6 million into the annuity reserve for distribution by the ETF Board. As of year end, over \$81 million had been distributed to annuitants through annuity increases, and almost \$116 million through lump sum payments. Ongoing efforts to locate and make payments to eligible estates is scheduled to continue into 2001.

Optical Imaging System - ETF completed its project to convert all participant records to optical images.

Benchmarking Study – The Department participated in a pension administration benchmarking study with 15 domestic and 10 international retirement systems. The study compares service levels, complexity and cost effectiveness between systems. The results of this study will be instrumental in establishing customer service goals for the department.

Benefit Program Improvements and Customer Service - In 1999, the Department continued its efforts to provide quality benefit programs and customer service.

- A new self-service telephone system was installed to allow participants to request forms and brochures and annuitants to change withholding or home addresses toll-free, 24 hours a day, seven days a week.
- For the first time, an edition of *Trust Fund News* was produced for inactive WRS members.
- Enhancements were made to the Internet site, including an improved benefit calculator, converting on-line forms to Portable Document Format, and adding more benefit plan information.
- The Department created an Internet application to assist employers in enrolling new participants.
- The Wisconsin Deferred Compensation program enhanced its Internet site to provide full transaction processing capability.

Financial Information

ETF's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of ETF are protected from loss or misuse. Management must also ensure that an adequate system of accounts exists in order to compile accurate and reliable data for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met.

Independent Audit

The Wisconsin Legislative Audit Bureau conducts an annual audit. The Bureau's report is included in the financial section of this report.

Addition to WRS Plan Net Assets

The collection of employer and employee contributions, as well as income from investments, provide the reserves needed to finance retirement benefits. The following schedule presents a summary of additions to net assets (in millions \$) for the WRS for year the ended December 31, 1999.

	1999	1998	Increase (Decrease) Amount	Increase (Decrease) Percentage
Member Contributions	\$ 512	\$ 529	\$ (17)	(3.2) %
Employer Contributions	435	453	(18)	(3.9)
Interest on Prior Service	146	162	(16)	(9.9)
Net Investment Income	9,235	7,037	2,198	31.2
Total Additions	\$ 10,328	\$ 8,181	\$ 2,147	26.2%

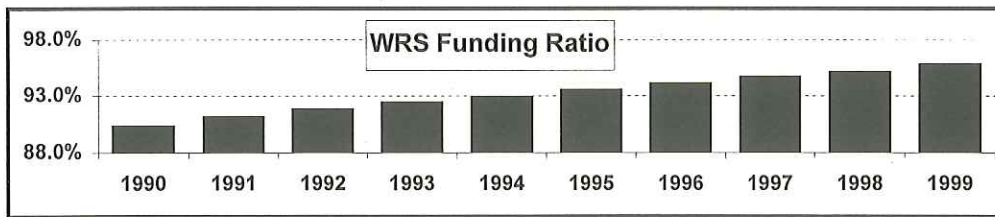
Deductions to WRS Plan Net Assets

Expenses of the system consist primarily of payments of monthly annuities to retirees and their beneficiaries and the refund of member contributions upon termination. The following schedule presents a summary of deductions to net WRS assets (in millions \$) for the year ended December 31, 1999.

	1999	1998	Increase (Decrease) Amount	Increase (Decrease) Percentage
Retirement, Disability and Beneficiary Benefits	\$ 1,858	\$ 1,630	\$ 228	14.0%
Refunds	36	42	(6)	(14.3)
Disability Insurance Premiums	0	9	(9)	(100)
Administration	12	11	1	9.1
Total Deductions	\$ 1,906	\$ 1,692	\$ 214	12.6%

WRS Funding Status

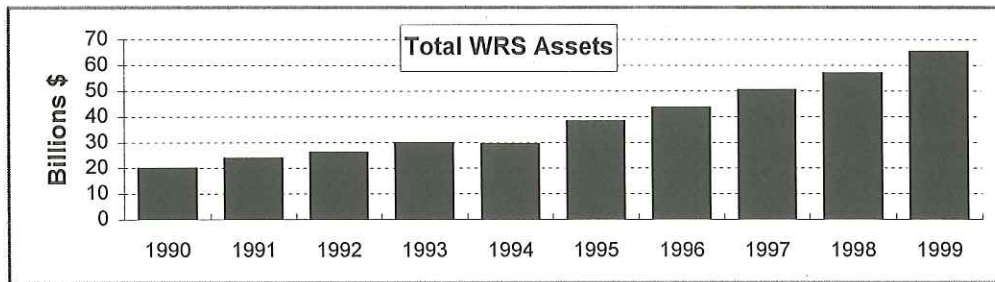
The overall objective in funding any retirement system is to accumulate sufficient funds to pay benefits when due. The level of funding of the WRS continues to improve. As of December 31, 1999 the WRS was funded at 95.8% of liabilities, as determined by the actuary.



See the Actuarial Section for more information on the funding status of the system.


Investments

The State of Wisconsin Investment Board (SWIB) has statutory responsibility for investing the trust funds administered by ETF. The Investment Section contains summary information on the investment program and investment results. For more detailed information, contact SWIB to obtain a copy of the organization's annual report.



Acknowledgments

This report is intended to provide comprehensive and reliable information about the Department of Employee Trust Funds, the Wisconsin Retirement System, and the other benefit plans and trust funds administered by ETF. I would like to express my appreciation to the Governor, members of the Legislature, members of the boards, staff, employers, participants and all the people whose efforts and interest combine to assure the successful operation of the trust funds.

Sincerely,

 Eric O. Stanchfield
 ETF Secretary

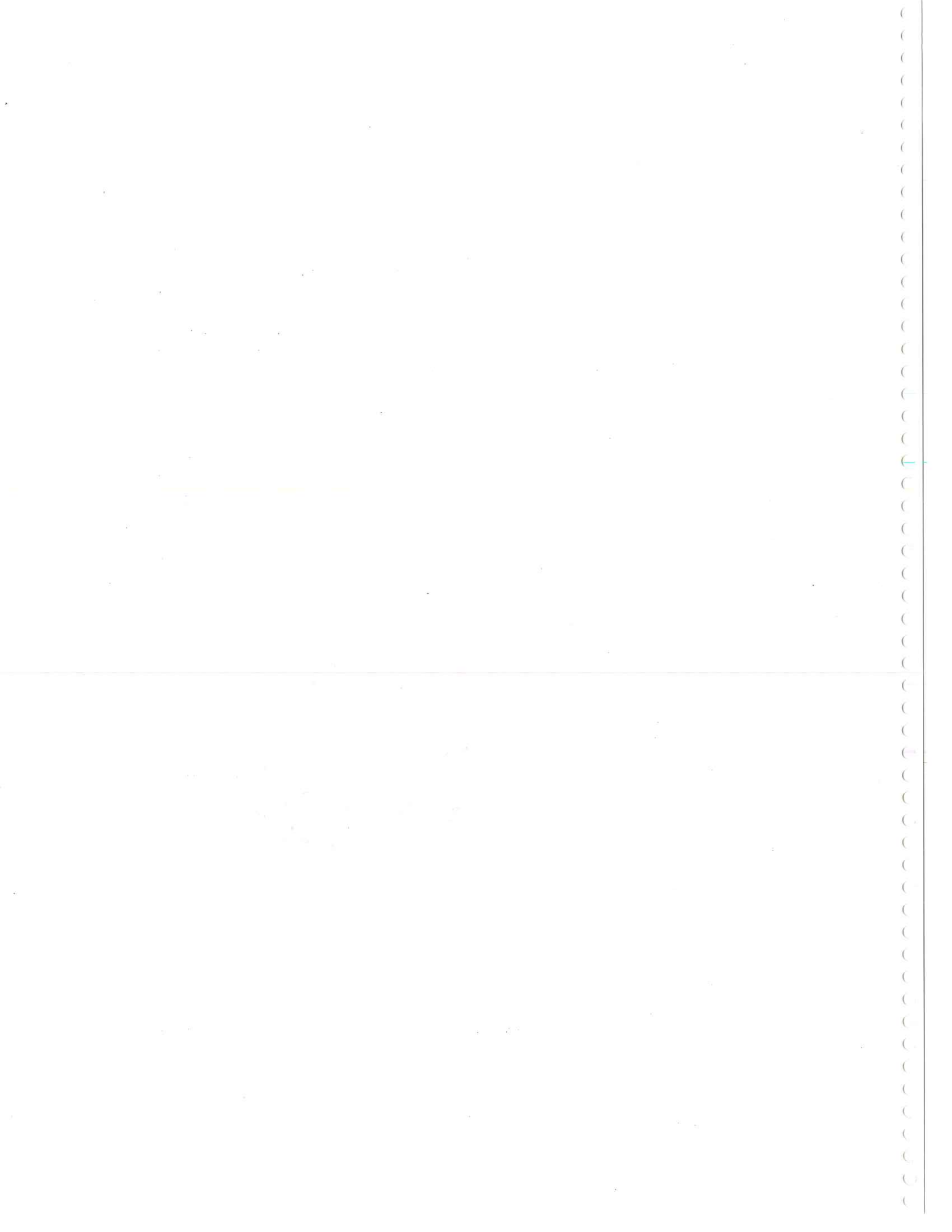
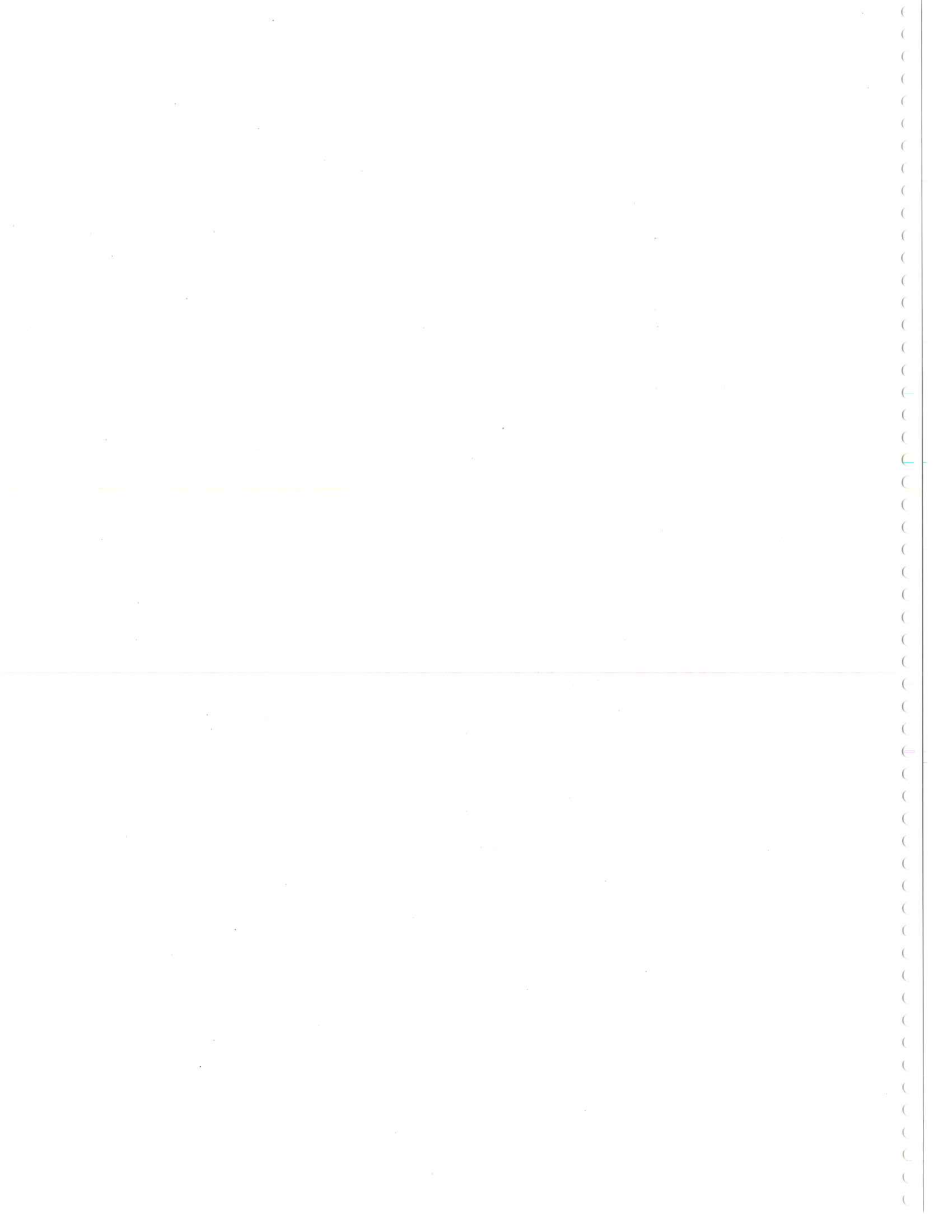


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INTRODUCTION



1999 OVERVIEW

ETF TECHNOLOGY PROJECTS AND IMPROVEMENTS

Editor's note: This section of the *Comprehensive Annual Financial Report* annually reports on a specific Wisconsin Retirement System (WRS) benefit program, or examines issues and projects important to the System and its participants.

The Department of Employee Trust Funds (ETF) launched many innovative **technology projects and information systems improvements** in 1999. Although these complex initiatives were implemented in 1999, they required several years to plan, design, test and implement. Some efforts changed the way ETF conducts business with WRS employers, insurance providers, and other third party administrators. Some gave the public new and improved avenues for accessing WRS benefit program information. Still others have enhanced internal work processes and will ultimately improve customer service and satisfaction.

The technology projects and system improvements launched by the Department of Employee Trust Funds in 1999 included:

- Year 2000 (Y2K) Preparations
- Health Plan Insurance and Complaint System
- Electronic Imaging Project and Basic Workflow System
- WRS Employer Interactive Voice Response (IVR) System and Extranet Site
- Self-Service Telephone System for WRS Members
- Internet site enhancements

Y2K Planning and Preparations

The rollover into 2000 came without interruption or delay in services for WRS members and employers. ETF staff spent the previous 18 months planning, analyzing, and testing procedures and systems to pave the

way for a smooth transition. These efforts also spawned important long-term benefits for the agency, including:

- A contingency plan outlining instructions for handling specific disasters. The plan is also being used to develop an overall business resumption plan for the Department.
- Updated computer hardware and software and the elimination of extraneous programs that crowded network resources.
- Improved software for detecting and eliminating sophisticated computer virus threats.

Health Insurance and Complaint System

ETF launched the Health Insurance and Complaint System (HICS) in late December, replacing an older system maintained by a private contractor. The in-house database is a custom-designed repository of information on state of Wisconsin and local employees participating in the group health insurance program. The system is used by ETF staff to assist them in the areas of health plan contract administration, complaint monitoring and trends, planning and policy development, cost monitoring, enrollment trends, and problem resolution.

Placing the system in-house has greatly improved ETF's ability to serve individual participants, employers, and contracted health insurance plans in a cost-efficient way. ETF system users have instant access to data pertinent to any health insurance participant, including contract status, health plan, coverage dates, covered individuals, and employer. Users are also able to view whether the participant has filed a complaint with ETF. The Department is currently analyzing how employers and contracted health plans could benefit from having direct access to the system in the future.

Electronic Imaging Project and Basic Workflow System

The Department completed two complex projects that significantly impacted the format, scope, and flow of internal work processes, and simultaneously augmented the security and integrity of WRS member records.

The “imaging project” was a massive effort to convert paper documents in member folders to electronic images. The project began in November 1997, when individual member file folders were first opened and the records within fed into high-speed scanners. Some of the records were nearly 80 years old.

At project’s end, ETF paper folders were safely protected in electronic format – all 10,481,583 pages of them. Paper files were always subject to possible destruction from natural disaster such as water, wind or fire damage. Now, duplicate copies of the electronic images are stored offsite, offering more security and disaster recovery capabilities than under the old system. In addition, the agency regained the physical space that the files had for years occupied.

While the imaging project was in development, ETF simultaneously developed a new software system, Basic Workflow, which enabled Department staff to utilize the new electronic images. Launched in November, the software significantly changed the way daily work gets processed within the agency. It is now electronically routed between work units and individual employee workstations. In addition to improvements in data security and integrity, using electronic records instead of written documents provides the following benefits:

- Rapid access to information in individual member folders.
- Improved information sharing. Files are available for viewing from any computer in the Department.
- More efficient, consistent work flow.
- Better monitoring and tracking of work processes and procedures.

While paper documents will probably never become obsolete, ETF’s new electronic systems and processes will improve work

capacity and efficiencies, helping ETF carry on its commitment to improved customer service and satisfaction.

WRS Employer IVR System and Extranet Site

In 1999 WRS local government employers were given the use of an Employer Interactive Voice Response (IVR) telephone system to perform a variety of important administrative functions, including submitting WRS contributions, verifying contribution rate calculations, reporting earnings and pay contributions, and processing remittance reports. Employers access the secured IVR system using a toll-free telephone number.

ETF also launched an “Extranet” site for WRS employers. The secured site gives authorized staff at WRS employers instant access to pertinent participant data, effectively reducing the need to telephone, mail, or fax requests for information. Providing access to participant data allows employers to perform a variety of functions, including:

- Determining insurance program eligibility dates for new employees.
- Determining WRS eligibility status for rehired annuitants.
- Calculating supplemental sick leave credits for retiring state employees.

Employers can also view specific data for individual WRS participants, including enrollment dates, termination dates, employment categories, previous service amounts under the WRS, separation or retirement benefit information, annuity effective dates, and more. Authorized staff at the Federal Social Security Administration can also access the Extranet for benefit inquiries.

Self-Service Telephone System

The Department launched a new Self-Service telephone system for members that made access to important WRS forms, brochures, and information easier and more convenient than ever. The Self-Service Line allows callers to request important forms and brochures toll-free, 24 hours a day. In addition, annuitants can use the system to change home mailing addresses and federal

and Wisconsin income tax withholding amounts.

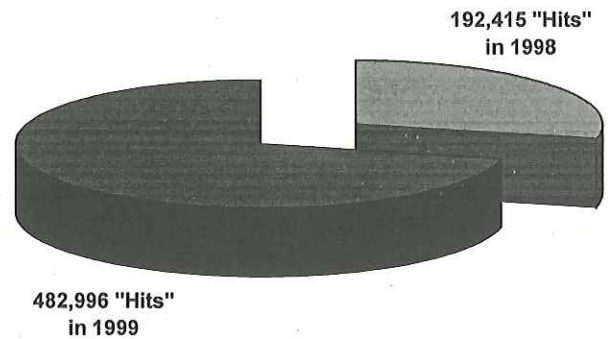
Internet Site Usage Soars

Since 1997 the Department has maintained an Internet site providing detailed information regarding the WRS and other benefit programs. 1999 can be characterized as a banner year in terms of user statistics. For instance:

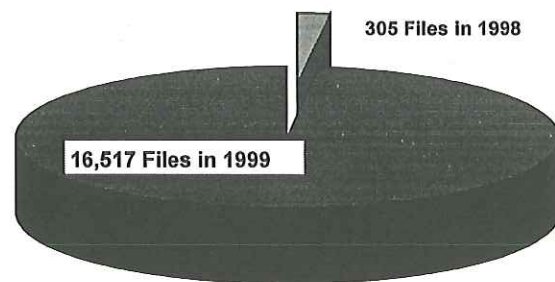
- Successful “hits” – the number of times the site was accessed - numbered almost one half million at 482,996. This represents a 150% increase over 1998 statistics.
- The site averaged 1,301 hits a day versus 528 a day in 1998, a 146% increase.
- The most frequently accessed page was the Formula Benefits Calculator, which registered 43,791 hits (a 144% increase over 1998). The “What’s New” page followed closely, with 43,107 hits, representing a 300% jump from 1998.
- The number of files “downloaded” mushroomed in 1999 to 16,517 compared to 305 in 1998.
- The most frequently downloaded files in 1999 were the Dual Choice State Employee health insurance premium rates (4,856 hits), and the *Beneficiary Designation* form (2,302)

Other new features added to the Internet site in 1999 were: a variable excess/deficiency field to the formula benefits calculator; federal tax withholding tables; current editions of *Trust Fund News*; the *1998 Comprehensive Annual Financial Report*; and the *WRS Administration Manual*.

Internet Site Usage Successful "Hits"



Number of Files "Downloaded" from ETF Internet Site



PROGRAM HIGHLIGHTS

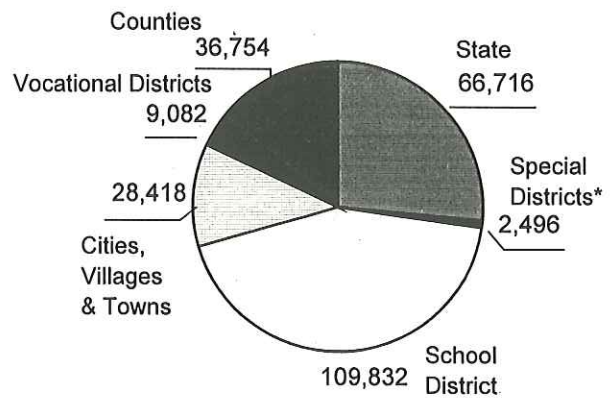
Retirement:

Public employers and employees contributed \$1.171 billion in 1999 to the Wisconsin Retirement System (WRS) to support future benefits. This was an increase of about \$79 million from the previous year. The system's 1,270 public employers contributed \$656 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 \$515 million in 1999, an increase of 2.8% from 1998.

- ▶ There were 463,147 WRS individual participants as of December 31, 1999, an increase of 2.5% over the previous year. Participants include 253,298 active government employees, an increase of 1.8% over the previous year; 102,817 retirees and others receiving annuities, and 107,032 "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 level has risen by 103,200 persons since 1990, a 28.7% increase.

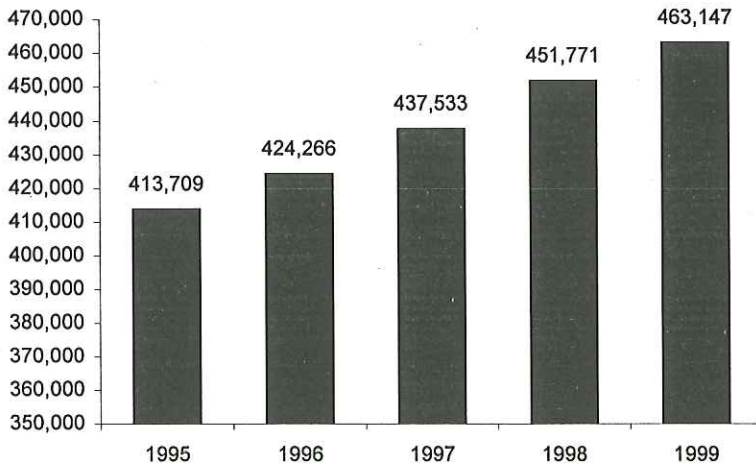
The number of active public employees covered continues to increase, with a large share of them working in local public school districts. About 26% of active participants are state employees including the university system and 74% are local employees. School districts employ the largest single group of participants, 109,832 teachers and non-teaching personnel, or 43% of the total. Participation by type of employment was:

Active Participants by Employe Type



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

1995-1999 WRS Participation

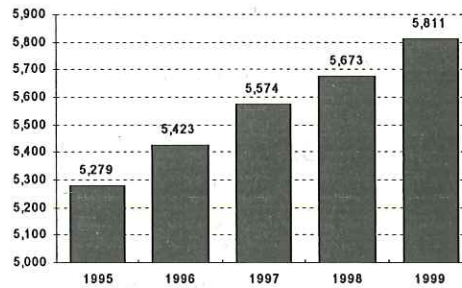


▶ One of the most important functions of the Department of Employee Trust Funds is to provide retirees with their monthly annuity checks at the same time every month. Given that so many people depend on these checks for their livelihood, this is a major ETF priority. The vast majority of retirees still live in Wisconsin, so these payments are a major part of the state's economy.

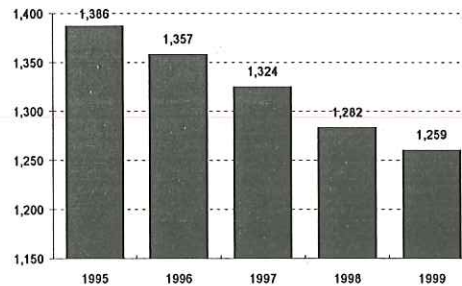
In 1999 ETF paid out a total of \$ 1.86 billion dollars in annual benefits to retired persons, disabled retirees, beneficiaries of retirees and death benefits. The total annuity payments were \$229 million more than in 1998, 14.0% more than the 1998 final audited total of \$1.63 billion dollars. Separation payments paid to employees leaving public service prior to retirement totaled \$35.6 million, down \$6.3 million from the 1998 separation benefits total.

▶ More than 6,700 additional persons retired or received other annuities during 1999. The number of persons receiving retirement, disability and beneficiary annuities at the end of the year was 102,817, an increase of 3.7% over 1998. The three-part chart in the next column shows how the number of annuitants has increased over the past five years, from 88,998 at the end of 1995 to the three-part total of 102,817 at the end of 1999. The charts also show the type of annuitant. "Disability" means persons who retired because of injury or illness and were eligible for a monthly annuity. "Beneficiary" means a person selected by a participant to receive future payments from the deceased member's account.

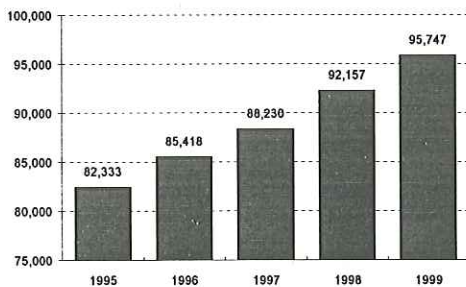
1995-1999 Annuities Paid-Disability



1995-1999 Annuities Paid-Beneficiary



1995-1999 Annuities Paid-Retirement

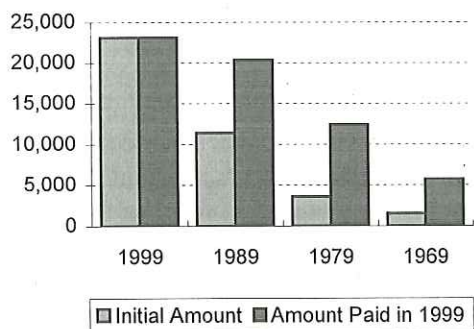


The **average** annual annuity received by **all** retirees in 1999 (fixed and variable combined) reached \$18,086 up 9.4% from the previous year.

The average annual benefit has been increasing through the years. Some individuals have more than one annuity, so the total number of annuities is higher than the number of **people** provided annuities by ETF each year.

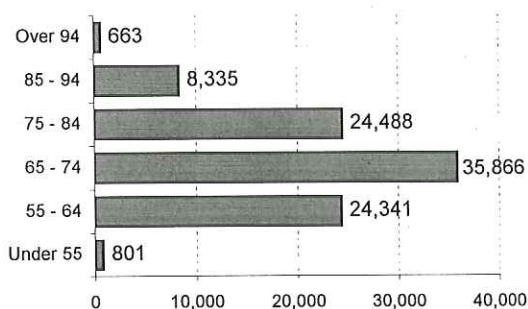
Growth in Average Annual Retirement Benefit

(Initial Amount and \$ Value by 1999)



- ▶ For those who retired in 1999, the average annuity was \$23,115, about \$1,564 more than the previous year's average. The chart above shows the average annuity **received in 1999** by persons who retired 10, 20 and 30 years ago.
- ▶ Another important characteristic is the age of those who are retired. The next chart shows the age distribution for all those receiving retirement benefits from the system at the end of 1999. Only 801 individuals under the age of 55 are receiving benefits, although this number has been growing the past few years. At the other end of the age scale, Wisconsin retirees have great longevity with 8,998 individuals over the age of 85 still drawing monthly benefits.

Age Distribution-All Retirees (through 12/31/99)



Benefits:

- ▶ **GROUP HEALTH INSURANCE** covered 62,110 active and 17,663 retired state of Wisconsin employees at the end of 1999, about 185,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$393 million. Participants and annuitants contributed \$50 million towards their health insurance premiums.

In the local employer group health insurance program there were another 7,765 active and 1,098 retired participants. With their dependents, the total number of people covered was about 17,000. Annual premium paid was \$42.6 million. At the end of 1999, there were 195 local employers participating, eleven more than at the end of 1998.

The health insurance plans offered by ETF provide employee 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.

Prior to a 1983 initiative to create managed care, approximately 82% of employees were enrolled in a standard indemnity plan offered statewide with the remainder enrolled in eight available Health Maintenance Organizations (HMOs). The number of plans now offered has increased, and currently more than 85% of all state employees are enrolled in alternative (HMO) plans. The remaining 15% participate in the two fee-for service standard plans offered.

**Group Health Insurance
Covered All Plans 12/31/99**



▶ **THE BASIC GROUP LIFE INSURANCE** program covered 154,563 individuals at the end of 1999, a 2.4% increase in coverage over the previous year. Basic life insurance covered 50,820 active state employees and 76,426 active local employees working for 584 local employers who chose to participate. Growth in the local government plan has been steady and significant over the past few years. In addition, 11,965 retired state and 15,352 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 \$10.8 billion worth of life insurance in force for participants in all plans, up from the \$9.7 billion the previous year.

**Group Life Insurance,
Employees Covered-All Plans**



▶ **THE WISCONSIN DEFERRED COMPENSATION (WDC) PROGRAM**

had another substantial participation increase of 5.7% during 1999. There were 22,474 state employees and 10,921 local employees who set aside a portion of their earnings on a tax-deferred basis at the end of the year. Twenty additional local employers came into the program in 1999, bringing the total to 534 local participating employers. Participants deferred \$78.9 million of their 1999 earnings during the year. WDC assets totaled \$1.20 billion at the end of 1999, a 26.9% 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 twelve mutual funds with varying degrees of investment risk. Participants may defer earnings to as many investment options as they choose.

**Deferred Compensation
Total Program Participation**



▶ **THE EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM**

At the end of 1999 ERA had 9,137 participants, an increase of 1.8% over 1998 participation. Employees created 2,046 dependent care accounts and 7,091 medical expense accounts. The ERA program 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 \$13.5 million (\$7.1 million for

were \$13.5 million (\$7.1 million for dependent care and \$6.4 million for medical), an increase of 5.0% over 1998. Reductions in FICA tax from this program saved the state an estimated \$1.0 million in 1999, with combined FICA and income tax savings of \$4.7 million realized by participants.

▶ **INCOME CONTINUATION**

INSURANCE was provided to 51,483 state employees and 4,694 local government employees as a supplemental benefit to cover income in case of short- or long-term disability. State government and 102 local governments participate in the ETF program, a self-insured plan with claims administration through a third party administrator.

ETF BOARDS AND DEPARTMENT ORGANIZATION

Board Functions and Responsibilities:

The Wisconsin citizens who serve on the five boards that provide oversight for the Department of Employee Trust Funds play an important trustee role. Board decisions affect hundreds of thousands of individuals who participate in the retirement programs funded by the trust funds as well as other fringe benefit programs Employee Trust Funds operates throughout Wisconsin.

This section explains how members are appointed or elected, shows how membership overlaps, and provides information on individual board members. Members of the boards 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. Thirty-six individuals were involved as board members in 1999, with one position vacant.

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; 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 appointed by the Teachers Retirement Board (TRB) and the Wisconsin Retirement Board (WRB).

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

Board Members

Chair: Marilyn J. Wigdahl, retired Financial Specialist, University of Wisconsin-LaCrosse; appointed by Wisconsin Retirement Board; WRB member appointed by the Governor as a participating state employee.

Vice-Chair: Wayne E. Koessl, Government Affairs Representative, Wisconsin Electric Power Co., Kenosha, and member Kenosha County Board of Supervisors; appointed by Wisconsin Retirement Board as a member of a governing body of a participating city, village town or county.

Secretary: Robert M. Niendorf, retired Professor, University of Wisconsin-Oshkosh, College of Business Administration; appointed by Teachers Retirement Board (TRB member appointed by the Governor as a University teacher participant in WRS).

Karen A. Becker, teacher, Milwaukee Public School District; appointed by Teachers Retirement Board (TRB member elected by Milwaukee Public School teachers).

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).

Peter Fox, ex-officio, Secretary of Wisconsin Department of Employment Relations, Madison.

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

James A. Gruentzel, retired Director, Wisconsin Department of Development, Madison; elected by retirees.

Wayne D. McCaffery, teacher, Stevens Point Area High School; appointed by the Teachers Retirement Board (TRB member who is a public school or vocational school teacher).

C.F. Saylor, County Board member, Juneau County, Necedah; appointed by Wisconsin Retirement Board (WRB member

appointed by Governor as an employe of a participating local government).

Nancy L. Thompson, Member, Waterloo School Board; appointed by the Teachers Retirement Board (TRB member appointed by the Governor who is a public school administrator or school board member).

Cynthia A. Van Bogaert, Attorney, Boardman, Suhr, Curry & Field, Madison; appointed by the Governor 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.

Wisconsin Retirement Board (9 Members)

The Wisconsin Retirement Board (WRB) 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 non-teaching participant to the separate State of Wisconsin Investment Board.

Board Members

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, Necedah; 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.)

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

Jefferson E. Davis, Estate Planner, Conover Agency, Milwaukee; appointed by the Governor as a public member who is not a participant or beneficiary of the WRS.

David L. Heineck, Life and Health Actuary, Wisconsin Office of the Commissioner of Insurance, Madison;

designated by the Commissioner as an experienced actuary.

Wayne E. Koessl, Kenosha; appointed by Governor from a list submitted by the Wisconsin Counties Association. (See ETF Board.)

Barbara J. Ermeling, Clerk/Treasurer, Village of Weston; appointed by Governor as a participating employe from a city or village. Must be from a different municipality and county than other appointees to this board.

Vacant: Governor's appointee from a list of city or village chief executives supplied by the League of Wisconsin Municipalities.

Teachers Retirement Board (13 Members)

The Teachers Retirement Board (TRB) advises the 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. It appoints four members to the ETF Board and one teacher participant to the separate State of Wisconsin Investment Board.

Board Members

Chair: Wayne D. McCaffery, teacher, Stevens Point School District; elected by public school teachers. (See ETF Board.)

Vice Chair: Melvin V. Pinsker, teacher, Greenfield School District; elected by public school teachers.

Secretary: Lauri R. Bickel, teacher, Eau Claire School District; elected by public school teachers.

Karen A. Becker, teacher, Milwaukee Public School District; elected by Milwaukee public school teachers. (See ETF Board.)

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.

George G. Conom, teacher, Sun Prairie School District; elected by public school teachers.

Donald T. Ganther, retired teacher, Chippewa Falls School District; elected by retired school teachers.

Lon L. Mishler, Finance Instructor, Northeast Wisconsin Technical College; elected by participating Wisconsin Technical College teachers.

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

Gerald E. Pahl, teacher, Sheboygan School District; elected by public school teachers.

Dennis W. Pratt, Superintendent of Schools, Darlington Community Schools; appointed by the Governor as a public school administrator who is not a classroom teacher.

Nancy L. Thompson, member of the Waterloo School Board; appointed by the Governor as a school board member. (See ETF Board.)

Dorothy F. Vogel, teacher, Janesville School District; elected by public school teachers.

Group Insurance Board (10 Members)

This board sets policy and oversees administration of the group health, life, and income continuation insurance plans for state employees and the group health, life, and income continuation 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

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, appointed by the Governor as an insured teacher participant in the WRS.

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.

Gale F. Dushack, Comptroller, City of Madison; appointed by the Governor; no membership requirements.

Peter Fox, Secretary of Wisconsin Department of Employment Relations, ex-officio appointee of the Governor. (See ETF Board.)

Charles E. McDowell, Administrator, Wisconsin Department of Administration (DOA); designee of the DOA Secretary.

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

Deferred Compensation Board (5 Members)

The board sets policy, contracts with investment and administrative service providers, and oversees administration of the Deferred Compensation 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

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

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

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

John F. Nelson, Investment Director/Small Company Stocks, State of Wisconsin Investment Board, Madison.

J. Jean Rogers, Administrator, Division of Economic Support, Wisconsin Department of Workforce Development, Madison.

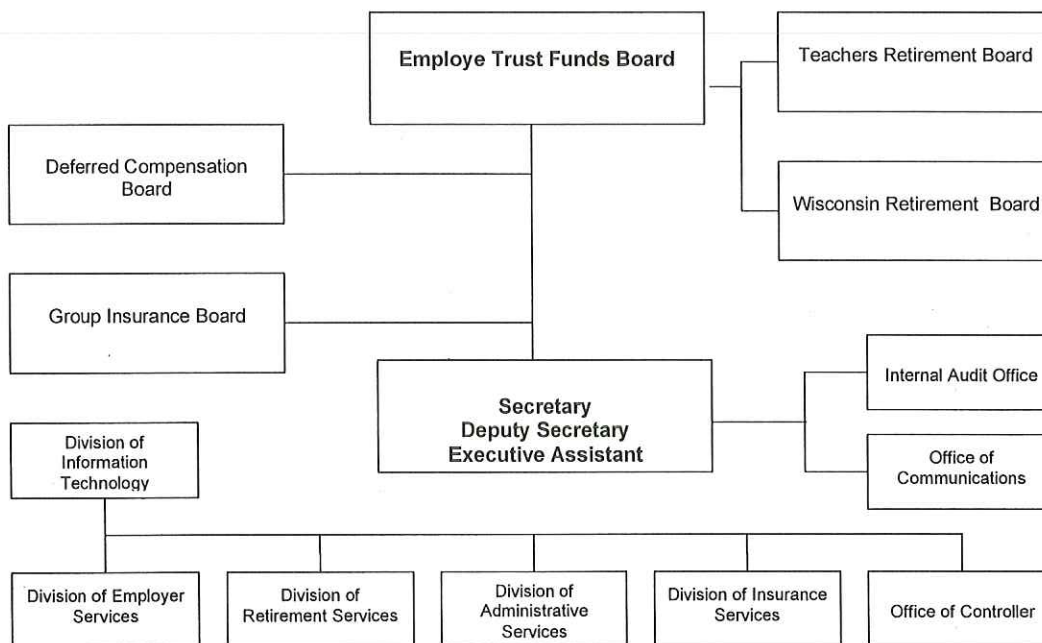
State of Wisconsin Investment Board

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 Section of this annual report.

Department Organization

The Department of Employee Trust Funds had 174.35 permanent, full-time positions and 10.5 project positions at the end of 1999, with employees in offices in Madison and Milwaukee.

1. The Department’s organizational chart is shown below.



ETF Management Staff

Secretary: Eric Stanchfield
Deputy Secretary: David Mills
Executive Assistant: David Hinrichs
Legal Counsel: Robert Weber
Legislative Liaison: Pamela Henning

Office of Internal Audit
Director: Robert Schaefer

Office of the Controller
Director: Robert Willett

Office of Communications
Director: Julie Reneau

Division of Information Technology
Administrator: David Hinrichs

Division of Retirement Services
Administrator: David Stella

Division of Insurance Services
Administrator: Tom Korpady

Division of Employer Services
Administrator: Jean Gilding

Division of Administrative Services
Administrator: Rhonda Dunn

Principal Consultants And Administrators

Consulting Actuaries:
Gabriel, Roeder, Smith & Co.
Detroit, MI (retirement)

Deloitte & Touche, Inc.
Minneapolis, MN (insurance plans)

Auditors:
Legislative Audit Bureau
Madison, WI

Third Party Administrators:

Health Insurance:
Blue Cross Blue Shield United of Wisconsin, Milwaukee, WI
Income Continuation Insurance:
United Wisconsin Insurance Co. Milwaukee, WI
Deferred Compensation:
National Deferred Compensation, Inc. Columbus, OH
Employe Reimbursement Accounts:
Fringe Benefits Management Co. Tallahassee, FL
Life Insurance:
Minnesota Life Insurance Co., St. Paul, MN

LEGISLATION AND ANNUAL ACCOMPLISHMENTS

A number of bills became law in 1999 that affect the Wisconsin Retirement System (WRS) and other employee benefit programs. Administered by the Department of Employee Trust Funds (ETF). They include:

1999 Wisconsin Act 9, the Governor's biennial budget, included the following items affecting the WRS and other employee programs:

Customer Service Call Center Provides funding and staff to implement an integrated customer service call center to provide customer service for WRS participants and employers. The Center includes an enhanced interactive voice response system, hardware and software capable of routing calls, help desk and knowledge-based software for call tracking and on-line information to aid call center staff.

Convert Annuity File Provides funding to redesign and develop the existing annuity file into a single database maintaining all WRS participant account information. The redesigned system will generate monthly retirement payments and year-end tax reports, handle larger deductions and eventually permit annuitants to enter address changes and adjust withholdings on-line. Actual implementation will occur in the 2001-2003 biennium.

Creditable Service Project Continues implementation of the *Benson* case to review certain active participant and annuitant accounts who may be entitled to additional years of creditable service (involves members covered by the former State Teachers Retirement System prior to 1965).

Duty Disability Workload Continues the Department's review of s. 40.65 duty disability benefit determinations and meet expected workload increases in the duty

disability program with the addition of permanent and project staff. A Wisconsin Supreme Court decision (*Coutts*) required recalculation and new treatment of worker's compensation offsets for duty disability benefits.

Private Employer Health Care Coverage Program Requires ETF to design a small business employer health insurance program known as the "Private Employer Health Care Purchasing Alliance." The program must begin by January 1, 2001 and sunsets on January 1, 2010. The program includes:

- A thirteen member private employer health care coverage board with the ETF Secretary as non-voting member;
- \$200,000 GPR and 3.5 positions for ETF to design program, solicit bids from private sector to administer and market the program, and provide administrative and support services to the board;
- \$200,000 GPR as a grant for a third party administrator to administer and market the program; and
- A toll-free telephone number for private employers to contact for program information.

UW System Faculty and Academic Staff Health Insurance Allows for immediate coverage of employer health insurance premiums for new University of Wisconsin System faculty and academic staff.

Information Technology The Department received significant resources to continue to develop its use of technology. The monies received will complete optical imaging of WRS participant, employer and annuitant records and convert and maintain currently imaged files from optical disk to direct disk technology.

Act 11 Administrative Costs Creates funding (\$2.2 million) and project position authority (19.0 FTE) to implement the provisions of 1999 Wisconsin Act 11 and 1999 Wisconsin Act 12.

1999 Wisconsin Act 11 makes numerous changes to retirement benefits under the Wisconsin retirement system (WRS) and the financial structure of the WRS, including:

- Distributes \$4 billion from the Transaction Amortization Account (TAA) to the reserves of the fixed retirement investment fund, including the employee, employer and annuity reserves.
- Increases the maximum formula benefit limit from 65% to 70% of final average earnings for all employment categories except the protective occupation categories.
- Increases the formula factor for all service performed before January 1, 2000 by .165%. The formula factor remains at the current levels for WRS creditable service performed after 1999.
- Permits all participating active employees under the WRS on or after January 1, 2001 to elect to have 50% of their future required and additional contributions deposited in the variable trust fund. Former variable participants who have cancelled their original variable participation may also re-enroll.
- Eliminates the 5% interest crediting cap to the fixed required contribution balances of actively employed participants first employed under the WRS after January 1, 1982. Beginning December 31, 1999, all participants receive the annual fixed effective rate interest credited to their account balances. In addition, the law eliminates the 3% cap on fixed investment earnings for separation benefits.
- Increases the death benefit of participants who die as active WRS employees before reaching minimum retirement age to include the employee required and matching employer contributions plus any voluntary additional contributions in the

employee's account. In addition, for the participants who die as active employees after reaching minimum retirement age, the law eliminates the requirement that the beneficiary be a spouse, dependent child(ren) or a trust by instead requiring the beneficiary to be a natural living person (or trust in which a living person has a beneficial interest).

- Eliminates the TAA over five years and creates a Market Recognition Account (MRA) to smooth the fixed investment trust earnings over a five-year period.
- Specifies an assumed investment earnings rate to be used by the consulting actuary in determining annual contribution rates.
- Allows legislators and legislative service agency employees to purchase uncredited service.
- Allows the Employee Trust Funds Board to adjust the Unfunded Accrued Actuarial Liabilities (UAAL) when there are changes to the actuarial assumptions.

Note: 1999 Wisconsin Act 11 was effective December 30, 1999 but the Wisconsin Supreme Court granted a temporary injunction from implementing the provisions of the law until further order of the Court.

1999 Wisconsin Act 12 corrects an error in 1999 Wisconsin Act 11 relating to death benefits under the WRS by permitting an estate (or other non natural person) to be the beneficiary of a participating employee who at the time of death was the age of 55 or older, or was the age of 50 or older if he or she was a protective occupation participant.

1999 Wisconsin Act 13 requires the state to continue to pay the employer contributions for health insurance for any state employee who is activated to serve on military duty in the U.S. armed forces, other than for training purposes.

ETF Objectives for 1999

The 1999 objectives prepared by the Department and on which it regularly reports to the ETF Board were as follows. The list of accomplishments below relates to these objectives.

1. Provide immediate access to complete and accurate information necessary to deliver timely service.
2. Provide fair, accessible, cost-efficient and timely administration of benefit plans.
3. Provide program sufficiently funded and assets used exclusively for the purpose of the trust in order to fulfill benefit commitments made to WRS participants.
4. Provide a well-trained and knowledgeable staff.
5. Provide quality and timely communication with all stakeholders.
6. Maintain and promote a comprehensive range of affordable, quality benefit plans that meet the dynamic needs of participants.
7. Create and maintain a professional and customer friendly environment.

Accomplishments for January 1, 1999 through December 30, 1999

1. The Department continues work involving the Special Investment Performance Dividend (SIPD) lawsuit. As of December 31, 1999, ETF distributed lump sum payments of \$115.2 million (\$99.9 million to annuitants and \$15.3 million to deceased annuitant estates) to over 51,000 annuitants, beneficiaries and estates.
2. Public benefit presentations were held in the spring and fall in Alma Center, Ashland, Baraboo, Big Bend, Bloomer, Brookfield, Cleveland, Eau Claire, Gordon, Green Bay, King, Marshfield, Mineral Point, Pembine, Port Edwards, Prescott, Rhinelander, Rib Lake, Verona, Waunakee, Westby and Whitewater. Interactive television presentations were

also held for participants in Baldwin/Woodville, Bonduel, Cameron, Clintonville, Cuba City, Darlington, Fennimore, Keshena, Livingston, Siren, Somerset, Spooner, St. Croix and Wittenberg. These meetings are offered to educate members about their retirement and other benefits. Over 3,000 members attended these meetings in 1999. Topics included calculating formula retirement benefits, annuity options, disability/separation benefits, taxes, and survivor benefits plus health and life insurance benefits.

3. The Department made several enhancements to the Internet site, including: adding a variable excess/deficiency field to the formula benefits calculator to allow members in the variable program to determine how participation in the variable fund will increase (or decrease) their formula retirement benefits; converting on-line forms into a portable document format (PDF) for easier downloading and printing; adding fact sheets on the WRS retirement, health and disability programs available to participants; and adding the Beneficiary Designation form.
4. Produced our first annual Trust Fund News edition for inactive WRS members.
5. Developed and implemented a new self-service telephone system to allow participants to request forms and brochures toll-free, 24 hours a day, seven days a week. The system also allows annuitants to change their tax withholding amounts and home addresses.

Service To Employers

1. Implemented an Internet application for employers to access member data for determining initial enrollment in insurance programs such as income continuation, health and life insurance.
2. The Employer Services Division conducted regional training for local government entities on WRS reporting and eligibility criteria in 10 locations throughout the state including: Ashland,

Eau Claire, Fond du Lac, Green Bay, La Crosse, Madison, Milwaukee, Plover, Waukesha, and Wausau. Twenty-five employer training sessions were held with 541 employers represented in 1999.

Benefit Programs

1. An administrative rule became effective clarifying how the Department will apply a qualified domestic relations order (QDRO) to a participant's account or annuity. To the extent possible, the participant's and alternate payee's benefits will be calculated to ensure the total combined actuarial value of their benefits is equal to the actuarial value of the participant's benefits had the account or annuity not been divided per a QDRO.
2. The Group Insurance Board contracted with Opinion Dynamics Corporation to conduct a CAHPS (Consumer Assessment of Health Plans Study) survey with State of Wisconsin employees and retirees regarding satisfaction with the care and services received from their current health insurance plan. The survey results produced individual health plan report cards in the annual Dual-Choice enrollment booklets.
3. The Group Insurance Board approved contracts with three insurers offering Long Term Care Insurance (LTCI): American International Group Life Insurance Company (Jack Schroeder & Associates); Senior Care Insurance Services; and HealthChoice. The optional insurance coverage pays for expenses not covered by group health insurance, such as long-term home health care, assisted living, community-based care (adult day care) and nursing home care. LTCI is an optional benefit with no employer contribution. LTCI is available to all state and university employees, the University of Wisconsin Hospital and Clinics Authority employees and state annuitants including their spouses, parents and spouse's parents.
4. The Wisconsin Deferred Compensation (WDC) Program won national recognition

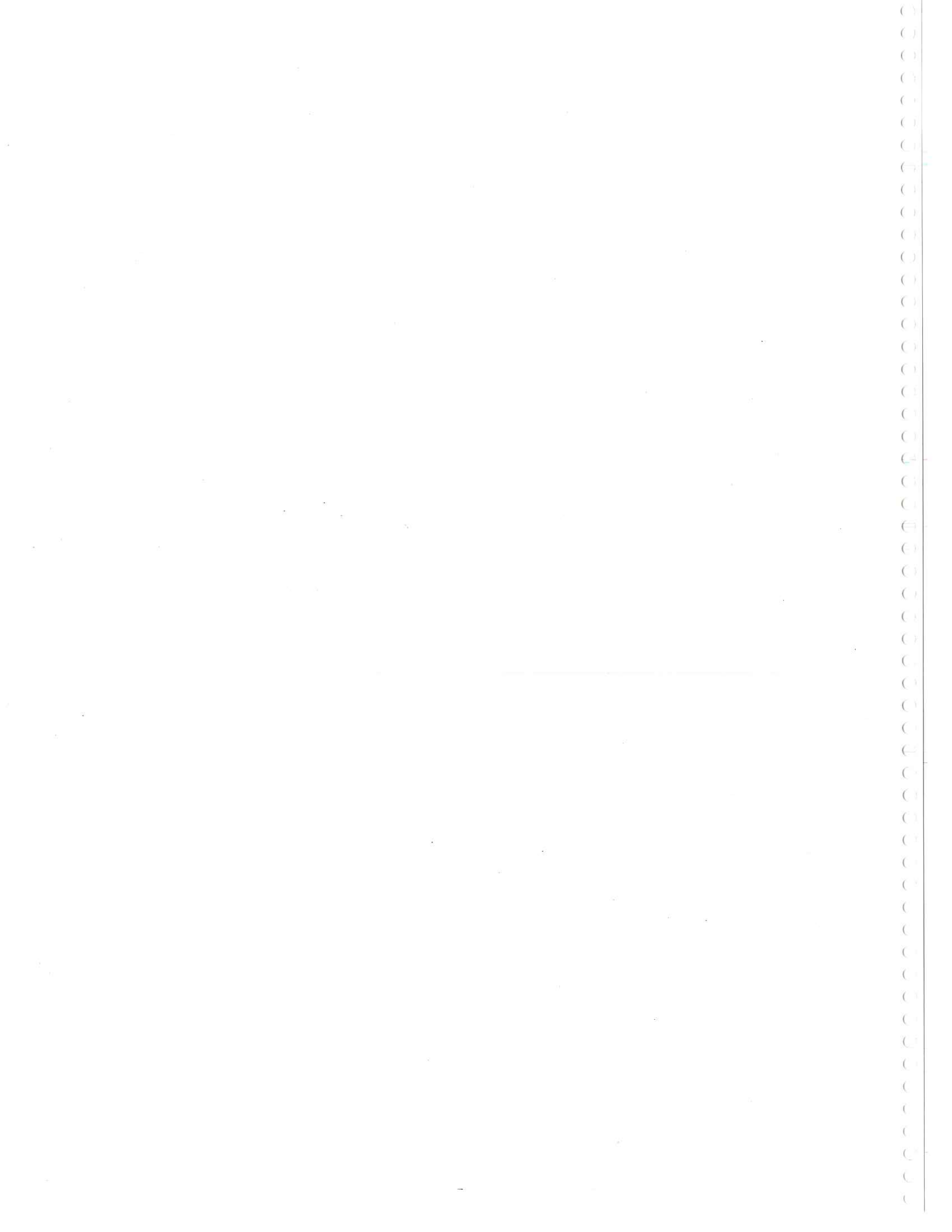
from the National Association of Government Deferred Compensation Administrators for effective communication in plan design, plan administration and investment education.

5. National Deferred Compensation, Inc., the third party contractor for the WDC Program, enhanced its website to provide full transaction capabilities on-line, daily account balance information and comprehensive information about the WDC.

Administration

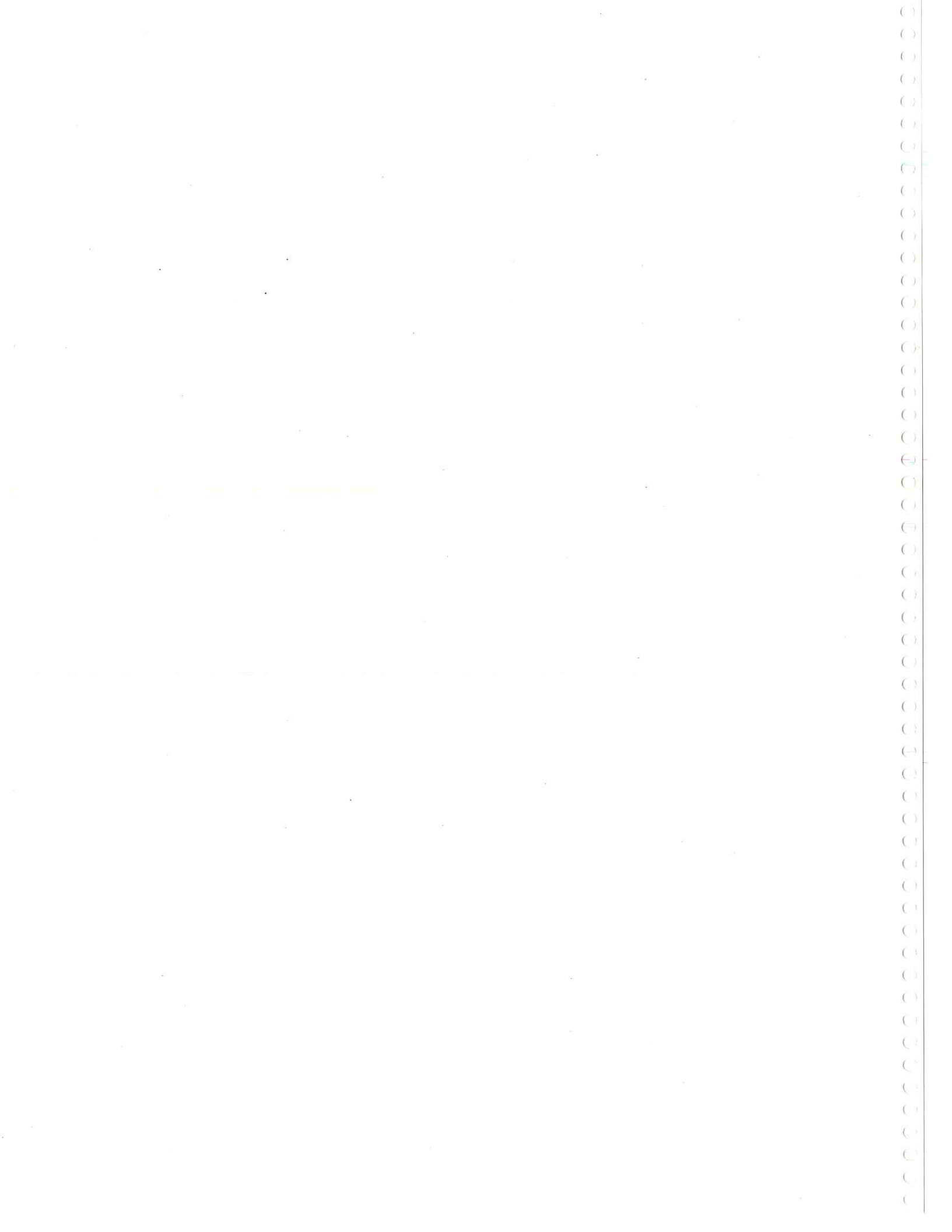
1. The Department completed work on the optical imaging and workflow systems project. These systems allow ETF to work more efficiently and provide better customer service by using electronic images of paper files and written documents. Advanced Technologies International was hired to convert the document from paper files to images. Approximately 453,478 folders containing 10,481,583 million pages of participant documents were imaged through 1999. This process resulted in a disaster recovery capability, as duplicate images are now stored at the Department of Transportation.
2. The Department completed Year 2000 testing on all information technology systems (including WEBS, the annuity system, internal operation systems, etc.), equipment and devices. The Department developed and tested a Year 2000 contingency plan. The Department continued to monitor compliance with third party administrators and health maintenance organizations and made preparations for the rollover into the Year 2000.
3. Completed the retirement annuity reengineering project that automated and improved the process of calculating retirement annuity benefits. In addition, the project enables data to be retained from retirement calculation estimates electronically, allows applications to be entered on-line and automates the final

- calculation of a benefit.
4. The Department continued to review cases to conform all s. 40.65 duty disability benefits to the Supreme Court decision in *Coutts v. Wisconsin Retirement Board* case. The case involves the method by which offsets for worker's compensation are calculated. 113 cases were reviewed totaling refunds of \$225,300 and overpayments of \$137,000.
 5. The Department continued adjusting creditable service of retirees and active participant accounts due to the *Benson* case and subsequent case of *Olson, Rinehart and Wuebben* (involves members covered by the former State Teachers Retirement System from 1957 to 1965). Staff reviewed approximately 24,230 account files.
 6. Developed a new health insurance and complaint database to replace an older system maintained by a private vendor. The new database provides a repository of information on State of Wisconsin health insurance participants including participant demographics, health insurance eligibility and complaint data.
 7. The Employe Trust Funds Board, the Department and Secretary requested an injunction from the Wisconsin Supreme Court barring implementation of 1999 Wisconsin Acts 11 and 12 by filing a petition for original jurisdiction. The Court granted a temporary injunction in its order dated December 29, 1999.
 8. Collected data for a benefit administration benchmarking project conducted by the Cost Effectiveness Measurement, Inc. that involves comparing the WRS in terms of quality, service levels, complexity and cost to 15 other public retirement systems.
 9. Created an Intranet site for management of internal resource documents.



FINANCES







INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying combined balance sheet of the State of Wisconsin Department of Employee Trust Funds, the statement of plan net assets of the Wisconsin Retirement System, and the statement of net assets of the Milwaukee Retirement Systems Investment Trust Fund as of December 31, 1999, as well as the related combined statement of revenues, expenditures, and changes in fund balance of governmental fund types and expendable trust funds; the related combined statement of revenues, expenses, and changes in retained earnings of enterprise funds; the related combined statement of cash flows of enterprise funds; and the related statements of changes in plan net assets of the Wisconsin Retirement System and changes in net assets of the Milwaukee Retirement Systems Investment Trust Fund 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 64.8 percent of the assets of the expendable trust funds and 1.7 percent of the combined assets. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, 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 the standards applicable to financial audits contained in *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. The financial statements of the Deferred Compensation Plan were audited by other auditors in accordance with generally accepted auditing standards, but not in accordance with *Government Auditing Standards*. 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 financial statements of the Department of Employee Trust Funds are intended to present the financial position, results of operations, and the cash flows of enterprise funds 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, the Wisconsin Retirement System, and the Milwaukee Retirement Systems Investment Trust Fund as of December 31, 1999, and the results of operations, the cash flows of enterprise fund types, the changes in plan net assets of the Wisconsin Retirement System, and the changes in net assets for the Milwaukee Retirement Systems Investment Trust Fund 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 a 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 the 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 schedules of funding progress and employer contributions, 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 10 and 25. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

The Introduction and the sections entitled Statistics, Actuarial, Investments, and Employers and Prior Service Balance, as listed in the table on contents, were not audited by us and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we will also issue a report dated June 9, 2000, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. This report will be included in a management letter to the Department.

LEGISLATIVE AUDIT BUREAU

June 9, 2000

by 
Janice Mueller
State Auditor

Wisconsin Department of Employee Trust Funds
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1999
 (In Thousands)

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types			Account Groups		Memorandum Only Totals	
	General	Administrative	Enterprise	Pension Trust	Expendable Trust	Investment Trust	Fixed Assets	12-31-99		12-31-98	
Assets:											
Equity in Pooled Cash & Cash Equivalents	\$ 503	\$ 1,152	\$ 42,916	\$ 948,491	\$ 2,333	\$ 0	\$ 0	\$ 995,395	\$ 2,327,445		
Equity in Pooled Investments	0	0	0	63,064,411	1,198,495	0	0	64,262,906	54,004,787		
Investment in Fixed Fund	0	0	421,171	0	635,127	112,407	0	1,168,705	1,005,959		
Contributions Receivable	0	0	4,516	122,564	7,531	0	0	134,611	124,085		
Prior Service Contributions Receivable	0	0	0	2,112,431	0	0	0	2,112,431	2,190,168		
Benefit Overpayments Receivable	0	0	819	1,252	0	0	0	2,071	2,065		
Due From Other Trust Funds	0	2,778	233	1,016	680	0	0	4,707	384		
Due From Federal Government	0	0	0	2	0	0	0	2	0		
Prepaid Expenses	0	3	22,963	0	4,792	0	0	27,758	25,245		
Miscellaneous Receivables	0	6	19	11	10	0	0	46	233		
Interest and Dividends Receivable	0	0	0	244,783	0	0	0	244,783	247,592		
Investment Sales Receivable	0	0	0	39,056	0	0	0	39,056	195,799		
Securities Lending Collateral	0	0	0	2,847,852	0	0	0	2,847,852	3,837,849		
Equipment	0	0	0	0	0	0	0	3,825	3,919		
Total Assets	\$ 503	\$ 3,939	\$ 492,637	\$ 69,381,869	\$ 1,848,968	\$ 112,407	\$ 3,825	\$ 71,844,148	\$ 63,965,520		
Liabilities, Equity, and Other Credits:											
Liabilities:											
Securities Lending Collateral Liability	\$ 0	\$ 0	\$ 0	\$ 2,847,852	\$ 0	\$ 0	\$ 0	\$ 2,847,852	\$ 3,837,849		
Annuities Payable	503	0	1,388	132,965	0	0	0	134,856	120,722		
Estimated Future Claims	0	0	347,240	0	526,434	0	0	873,674	730,005		
Insurance Claims Payable	0	0	0	0	1,887	0	0	1,887	2,060		
Compensated Absences Payable	0	447	0	0	0	0	0	447	374		
Advance Contributions	0	0	41,283	391	1,313	0	0	42,987	37,340		
Miscellaneous Payables	0	1,059	2,814	58,315	259	0	0	62,447	65,807		
Fixed Investment Due Other Funds	0	0	0	1,168,703	0	0	0	1,168,703	1,005,959		
Due to Other Trust Funds	0	1,869	1,499	1,129	209	0	0	4,706	384		
Investment Payables	0	0	0	36,896	0	0	0	36,896	181,886		
Total Liabilities	503	3,375	394,224	4,246,251	530,102	0	0	5,174,455	5,982,386		
Equity and Other Credits:											
Fund Balance - Reserved	0	1,343	0	65,135,618	118,397	112,407	0	65,367,765	56,940,328		
Fund Balance - Unreserved	0	(779)	0	0	1,200,469	0	0	1,199,690	944,844		
Retained Earnings - Reserved	0	0	84,862	0	0	0	0	84,862	66,598		
Retained Earnings - Unreserved	0	0	13,551	0	0	0	0	13,551	27,444		
Investment in Fixed Assets	0	0	0	0	0	0	3,825	3,825	3,919		
Total Equity and Other Credits	0	564	98,413	65,135,618	1,318,866	112,407	3,825	66,669,693	57,983,133		
Total Liabilities, Equity and Other Credits	\$ 503	\$ 3,939	\$ 492,637	\$ 69,381,869	\$ 1,848,968	\$ 112,407	\$ 3,825	\$ 71,844,148	\$ 63,965,519		

**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, 1999
 (In Thousands)**

	General Fund Supplement	Administrative Fund	Expendable Trust Funds	Memorandum Only Totals All Funds	12-31-99	12-31-98
Revenues:						
General Fund Supplements	\$ 6,281	\$ 0	\$ 0	\$ 6,281	\$ 7,315	
Investment Income	0	104	291,561	291,665	218,838	
Contributions	0	0	188,158	188,158	182,766	
Administrative Expense Reimbursement	0	16,575	148	16,723	14,442	
Miscellaneous Receipts	0	8	872	880	661	
Total Revenues	6,281	16,687	480,739	503,707	424,022	
Expenditures:						
Retirement Annuities	6,272	0	0	6,272	7,303	
Deferred Compensation Distributions	0	0	27,824	27,824	21,991	
Insurance Claims	0	0	13,235	13,235	13,137	
Insurance Premiums	9	0	154,330	154,339	142,780	
Carrier Administrative Expenses	0	0	2,429	2,429	2,278	
Administrative Expenses	0	17,011	435	17,446	15,766	
Total Expenditures	6,281	17,011	198,253	221,545	203,255	
Increase (Decrease) in Net Assets	0	(324)	282,486	282,162	220,767	
Fund Balance - January 1	0	888	1,036,380	1,037,268	816,501	
Fund Balance - December 31	0	564	\$ 1,318,866	\$ 1,319,430	\$ 1,037,268	

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

**Wisconsin Department of Employee Trust Funds
Wisconsin Retirement System
Statement of Plan Net Assets
December 31, 1999
(In Thousands)**

Statement 3

	Totals	
	12-31-99	12-31-98
Assets:		
Equity in Pooled Cash & Cash Equivalents	\$ 948,491	\$ 2,274,750
Securities Lending Collateral	2,847,852	3,837,849
Prepaid Expenses	<u>0</u>	<u>78</u>
Receivables:		
Contributions Receivable	122,564	112,303
Prior Service Contributions Receivable	2,112,431	2,190,168
Benefits Overpayment Receivable	1,252	1,050
Due From Other Trust Funds	1,016	0
Due From Federal Government	2	0
Miscellaneous Receivables	11	25
Interest and Dividends Receivable	244,783	247,582
Investment Sales Receivable	<u>39,056</u>	<u>195,799</u>
Total Receivables	<u>2,521,115</u>	<u>2,746,927</u>
Investments, at fair value:		
Bonds	13,999,422	14,832,431
Private Placements	3,126,427	3,086,103
Stocks	42,534,947	32,341,965
Options	48,358	81,852
Limited Partnerships	2,520,061	2,121,582
Mortgages	386,511	99,420
Real Estate	448,268	496,127
Other Investments	<u>418</u>	<u>923</u>
Total Investments	<u>63,064,411</u>	<u>53,060,403</u>
Total Assets	<u>69,381,869</u>	<u>61,920,007</u>
Liabilities:		
Fixed Investment Due Other Programs	1,168,703	1,005,959
Securities Lending Collateral Liability	2,847,852	3,837,849
Annuities Payable	132,965	118,848
Advance Contributions	391	416
Due To Other Trust Funds	1,129	0
Miscellaneous Payables	58,315	61,686
Investment Payables	<u>36,896</u>	<u>181,886</u>
Total Liabilities	<u>4,246,251</u>	<u>5,206,645</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 65,135,618</u>	<u>\$ 56,713,362</u>

(A schedule of funding progress is presented on page 60.)

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

**Wisconsin Department of Employee Trust Funds
Wisconsin Retirement System
Statement of Changes in Plan Net Assets
For Year Ended December 31, 1999
(In Thousands)**

Statement 4

	Totals	
	12-31-99	12-31-98
Additions:		
Contributions:		
Employer Contributions	\$ 435,212	\$ 452,595
Employee Contributions	<u>512,271</u>	<u>528,711</u>
Total Contributions	<u>947,483</u>	<u>981,306</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	7,635,579	5,517,652
Interest	1,193,556	1,126,549
Dividends	495,780	453,320
Real Estate Income	51,863	51,395
Securities Lending Income	196,888	215,184
Other	79,520	68,905
Less:		
Investment Expense	80,098	65,115
Securities Lending Rebates and Fees	177,106	201,009
Investment Income Distributed To Other Funds	<u>160,611</u>	<u>129,392</u>
Net Investment Income	9,235,371	7,037,489
Interest on Prior Service Receivable	145,471	162,231
Miscellaneous Income	<u>205</u>	<u>231</u>
Total Additions	<u>10,328,530</u>	<u>8,181,257</u>
Deductions:		
Benefits and Refunds:		
Retirement, Disability, and Beneficiary	1,858,337	1,629,514
Separation Benefits	<u>35,609</u>	<u>41,931</u>
Total Benefits and Refunds	<u>1,893,946</u>	<u>1,671,444</u>
Disability Insurance Premiums	0	8,718
Administrative Expense	<u>12,328</u>	<u>10,978</u>
Total Deductions	<u>1,906,274</u>	<u>1,691,140</u>
Net Increase (Decrease)	8,422,256	6,490,117
Net Assets Held in Trust for Pension Benefits		
Beginning of Year	<u>56,713,362</u>	<u>50,223,246</u>
End of Year	<u>\$ 65,135,618</u>	<u>\$ 56,713,362</u>

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

**Wisconsin Department of Employee Trust Funds
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings
 Enterprise Funds
 For Year Ended December 31, 1999
 (In Thousands)**

Statement 5

	Totals	
	12-31-99	12-31-98
Operating Revenues:		
Investment Income	\$ 59,585	\$ 46,709
Contributions	473,896	440,830
Total Operating Revenues	<u>533,481</u>	<u>487,539</u>
Operating Expenses:		
Annuities	66,457	33,793
Insurance Claims	76,823	74,460
Insurance Premiums	379,638	345,243
Administrative Expense	6,320	4,717
Total Operating Expenses	<u>529,238</u>	<u>458,213</u>
Operating Income (Loss)	4,243	29,326
Nonoperating Revenues (Expenses):		
Miscellaneous Income (Expense)	129	91
Net Income (Loss)	4,372	29,417
Retained Earnings - January 1	94,041	64,624
Retained Earnings - December 31	<u>\$ 98,413</u>	<u>\$ 94,041</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 Year Ended December 31, 1999
 (In Thousands)**

Statement 6

	Totals	
	12-31-99	12-31-98
Cash Flows from Operating Activities		
Cash Received for Insurance Premiums	\$ 478,790	\$ 443,800
Cash Paid for Employee Benefits	(473,130)	(422,100)
Cash Paid for Administrative Services	(5,374)	(4,717)
Interest Income	<u>124</u>	<u>49</u>
Net Cash Provided (Used) by Operating Activities	<u>410</u>	<u>17,032</u>
Cash Flows from Non-Capital Financing Activities		
Cash Repayments	<u>0</u>	<u>0</u>
Net Cash Provided by Non-Capital Financing Activities	<u>0</u>	<u>0</u>
Cash Flows from Investing Activities		
Investment Income	59,560	46,724
Purchase of Investment Securities	<u>(64,872)</u>	<u>(59,527)</u>
Net Cash Provided (Used) by Investing Activities	<u>(5,312)</u>	<u>(12,803)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,902)	4,229
Cash and Cash Equivalents at Beginning of Year	<u>47,818</u>	<u>43,589</u>
Cash and Cash Equivalents at End of Year	<u>\$ 42,916</u>	<u>\$ 47,818</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	<u>\$ 4,244</u>	<u>\$ 29,326</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Investment Income Classified as Operating Revenue	(59,582)	(46,710)
Nonoperating Income (Expense)	128	91
Changes in Assets and Liabilities:		
Decrease (Increase) in Contributions Receivable	(716)	(414)
Decrease (Increase) in Miscellaneous Receivables	(19)	3
Decrease (Increase) in Benefit Overpayment Receivable	195	346
Decrease (Increase) in Prepaid Expenses	(2,130)	(1,057)
Decrease (Increase) in Due From Other Trust Funds	30	(35)
Increase (Decrease) in Estimated Future Claims	51,329	31,211
Increase (Decrease) in Advance Contributions	5,665	3,348
Increase (Decrease) in Annuities Payable	94	53
Increase (Decrease) in Miscellaneous Payables	(255)	798
Increase (Decrease) in Due To Other Trust Funds	<u>1,427</u>	<u>72</u>
Total Adjustments	<u>(3,834)</u>	<u>(12,294)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 410</u>	<u>\$ 17,032</u>

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

Wisconsin Department of Employee Trust Funds
Statement of Net Assets
Milwaukee Retirement Systems Investment Trust Fund
December 31, 1999
(In Thousands)

Statement 7

	Totals	
	12-31-99	12-31-98
Assets:		
Investment in Fixed Fund	<u>\$ 112,407</u>	<u>\$ 134,545</u>
Total Assets	<u>112,407</u>	<u>134,545</u>
Liabilities:		
Total Liabilities	<u>0</u>	<u>0</u>
Net Assets Held in Trust for Pool Participants	<u><u>\$ 112,407</u></u>	<u><u>\$ 134,545</u></u>

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

**Wisconsin Department of Employee Trust Funds
Statement of Changes in Net Assets
Milwaukee Retirement Systems Investment Trust Fund
For Year Ended December 31, 1999
(In Thousands)**

Statement 8

	Totals	
	12-31-99	12-31-98
Additions:		
Deposits	\$ 3,900	\$ 6,091
Investment Income	16,410	20,674
Less: Investment Expense	<u>23</u>	<u>37</u>
Net Investment Income	<u>16,387</u>	<u>20,367</u>
Total Additions	<u>20,287</u>	<u>26,728</u>
Deductions:		
Distributions	42,423	71,010
Administrative Expense	<u>2</u>	<u>4</u>
Total Deductions	<u>42,425</u>	<u>71,014</u>
Net Increase (Decrease)	(22,138)	(44,286)
Net Assets Held in Trust for Pool Participants		
Beginning of Year	<u>134,545</u>	<u>178,830</u>
End of Year	<u>\$ 112,407</u>	<u>\$ 134,545</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

1. 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

Special Revenue Fund-Administration

Fiduciary Funds:

Pension Trust Fund

Expendable Trust Funds:

- Accumulated Sick Leave (Post Retirement Health Insurance)
- Group Life Insurance
- Employee Reimbursement Accounts
- Milwaukee Special Death Benefit
- Deferred Compensation

Investment Trust Fund:

- 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.

Basis of Accounting

The financial statements of the Department have been prepared in accordance with generally accepted accounting principles. All Governmental and Expendable Trust 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, Investment 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. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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, private placements and limited partnerships, 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. These investment pools are managed by SWIB with oversight by a Board of Trustees as authorized in Wisconsin Statutes 25.14 and 25.17. It is not registered with the Securities and Exchange Commission as an investment company.

The investments of the FRIT and VRIT are valued at fair value, per s. 25.17(14), Wis. Stats., except for State Investment Fund shares, which are valued at amortized cost which approximates fair value.

Generally fair value is determined monthly and is based on quoted market prices but a number of other pricing methods are used for various types of investments.

Private placements and mortgages are priced via a matrix pricing system based on public fixed income trades quoted by investment securities firms. The traditional discounted cash flow methodology is employed, where discounted rates, based on current yields in the base Treasury, consider factors such as coupon rates, term to maturity, Moody's and S&P ratings, and sector/industry information.

Limited partnerships' fair value is estimated based on periodic reports from the limited partnerships' management. Annually, these reports are audited by independent auditors.

Index options are priced on the Black-Scholes model which is based on strike prices, implied volatility, time to maturity, style, type of option and interest rates. Currency options are priced by an independent pricing source specializing in the valuation of options based on the Garman Khol-Hargen model. Relative performance options are priced by the brokers from whom the option was purchased.

The basis for valuing real estate is appraisals which are prepared once every three years. In years when appraisals are not performed the asset managers are responsible for providing market valuations.

A limited number of securities are carried at cost. Certain non-public or closely held stock are not reported at fair value, but are carried at cost since no independent quotation is available to price these securities.

The retirement fund investments consist of shares in the FRIT and VRIT, which also own shares in the SIF. Shares of the SIF owned by the pension funds, certificates of deposit, and international cash balances are classified as "Cash and Cash Equivalents" on the balance sheet.

Wisconsin statutes require that a Transaction Amortization Account (TAA) be maintained to smooth the impact of fair price volatility on the benefit plans invested in the FRIT. All realized and unrealized gains and losses in fair 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, 1995	\$ 5,892
December 31, 1996	7,405
December 31, 1997	9,801
December 31, 1998	11,495
December 31, 1999	13,910

The assets of the Income Continuation Insurance, Duty Disability, Long-Term Disability Insurance, Milwaukee Special Death Benefit, Milwaukee Retirement Systems, 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. Earnings allocated to other programs are classified as "Investment Income Distributed" on the Statement of Changes in Net Assets. 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, which approximates fair value, while variable earnings investments are presented at fair values based on published quotations at December 31. Annuity payout reserves are actuarially valued.

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 Wis. Stats. § 40.04. 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 1999 includes actual adjusted expenses for January 1, 1999, through June 30, 1999, and estimated expenses for July 1, 1999, through December 31, 1999.

The Department's administrative budget is established by the state legislature for fiscal years ending June 30. Following is a comparison of the authorized budget to actual expenditures and outstanding encumbrances for the fiscal year ended June 30, 1999.

	Authorized Budget	Expenditures	Encumbrances	Unexpended Balanced
Automated Operating Systems	\$ 2,481,886	\$ 1,823,714	\$ 140,188	\$ 517,984
Benefit Administration	10,000	0	0	10,000
Health Care Data Collection	282,544	262,963	0	19,581
General Administration	12,601,341	12,068,518	113,611	419,212
IT Administration	1,710,352	1,643,767	66,459	126
Totals	\$ 17,086,123	\$ 15,798,962	\$ 320,258	\$ 966,903

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 1999, SWIB administrative expense for the FRIT and VRIT was \$10,112,287 and \$1,208,022 respectively.

In compliance with Wis. Stats. § 25.187(2), these costs were charged directly to the current income of each fund.

As of December 31, 1999 and 1998 respectively, \$1,340,234 and \$1,825,911 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 1999 the fixed asset balance changed as follows:

1/1/99 Equipment Balance	\$ 3,918,574
Equipment Acquired	61,143
Equipment Disposed Of	(155,155)
12/31/99 Equipment Balance	\$ 3,824,562

Interfund Assets / Liabilities

Interfund assets and liabilities at December 31, 1999 consist of the following (in thousands):

Fund	Due From Other Trust Funds	Due to Other Trust Funds
Special Revenue (Administration)	\$ 2,777.8	\$ 1,869.5
Wisconsin Retirement System	1,015.9	1,129.1
Milwaukee Death Benefit	20.8	1.2
Duty Disability	0.0	394.9
Long Term Disability Insurance	0.0	234.1

Fund	Due From Other Trust Funds	Due to Other Trust Funds
Deferred Compensation	0.0	63.0
Employee Reimbursement Accounts	84.8	0.0
Sick Leave Conversion	140.3	144.5
Life Insurance	434.4	0.0
City of Milwaukee Retirement Systems	0.0	0.3
Income Continuation Insurance	0.0	321.4
Health Insurance	<u>232.5</u>	<u>548.6</u>
Totals	<u>\$ 4,706.6</u>	<u>\$ 4,706.6</u>

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

2. Accounting Changes

A. Reclassifications

Certain amounts in the 1998 financial statements have been reclassified to conform to 1999 financial statement presentation.

3. Deposits and Investments

Deposits

GASB Statement 3 requires deposits with financial institutions to be categorized to indicate the level of risk assumed. Deposits as of December 31, 1999 included \$1,358,460 deposited in two financial institutions. Federal depository insurance covers \$1,451 of the deposits, while the remainder is uninsured. In addition, SWIB held a number of nonnegotiable short-term certificates of deposit. The fair value of these certificates of deposit was approximately \$35 million, all of which was uncollateralized.

Investments

GASB Statement 3 also requires investments to be categorized to indicate the level of risk

assumed by the State of Wisconsin Investment Board (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, 1999. Fair value information represents actual bid prices or the quoted yield equivalent at the end of the calendar year for securities of comparable maturity, quality and type as obtained from one or more major investment brokers.

	Category (in millions)			Fair Value
	"1"	"2"	"3"	
Bonds	\$ 9,710.7	\$ 0	\$ 0	\$ 9,710.7
Stocks	23,163.7	7.3	0	23,171.0
Repurchase Agreements	14.1	0	0	14.1
Bankers Acceptances	<u>543.0</u>	<u>0</u>	<u>0</u>	<u>543.0</u>
Totals	<u>\$ 33,431.5</u>	<u>\$ 7.3</u>	<u>\$ 0</u>	<u>\$ 33,438.8</u>

Investments Not Subject to Categorization:

Pooled Equities	18,701.5
Private Placements	3,126.4
Pooled Bonds	4,059.9
Limited Partnerships	2,520.1
Investment in State's Investment Fund	618.1
Pooled Cash and Cash Equivalents	271.9
Mortgages	386.5
Real Estate	448.3
Financial Futures Contracts	0.4
Options	48.4
Investments Held By Broker Dealers Under Securities Loans:	
Bonds	2,094.5
Equities	662.6
Securities Lending Cash Collateral Pooled Investments	<u>425.0</u>
Totals	<u>\$ 66,802.4</u>

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.

All investments of the Deferred Compensation program are in externally managed investment pools and have not been included in the schedule. As of December 31, 1999, the investments included (in millions):

Variable Earnings (Mutual Fund) Investments	\$ 1,006.8
Insured Fixed Earnings Investments	30.7
Fixed Earnings Investment	152.8
Allocated Insurance Contracts	<u>8.2</u>
Total	<u>\$ 1,198.5</u>

Securities Lending Transactions

State statutes and board policies permit SWIB to use investments to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities for collateral, in the form of cash or other securities, with the simultaneous agreement to return the collateral for the same securities in the future. SWIB's securities custodian is an agent in lending the plans' domestic and international securities for collateral of 102 percent and 105 percent, respectively, of the loaned securities' fair value. The cash collateral is reinvested by the lending agent in accordance with contractual investment guidelines which are designed to insure the safety of principal and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also allow for a portion of the collateral investments to be invested with short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers, results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

Securities on loan at December 31, 1999 are presented as unclassified in the preceding schedule of custodial risk. At year end, SWIB had no credit risk exposure to borrowers because the amounts SWIB owed the borrowers exceeded the amounts the borrowers owed SWIB. The contract with the lending agent requires them to indemnify SWIB if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent.

The majority of securities loans can be terminated on demand by SWIB or the borrower, although the average term of the loans is approximately one week. The term to maturity of the securities loans is matched with the term to maturity of the investments of the cash collateral by investing in a variety of short term investments with a weighted average maturity of 23 days.

The ability to pledge or sell collateral securities cannot be made without a borrow default. In addition, no restrictions on the amount of loans exist or can be made.

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 controlled by holding substantially offsetting purchase and sell positions. At December 31, 1999 the fair value of foreign currency forward contract assets totaled \$1.70 billion, while the liabilities totaled \$1.72 billion .

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, 1999, SWIB held one foreign currency call option to enhance earnings in the event of certain foreign currency fluctuations. There is no market risk associated with owning this instrument beyond the initial cost of its purchase.

B. Other Options

SWIB held equity option contracts for trading purposes during the periods presented in the financial statements. 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.

All of the written calls are covered calls and as such any volatility in the price of the option is offset by the corresponding inverse relationship in the value of the underlying security.

C. Futures Contracts

One of the outside investment managers uses futures contracts to manage its exposure to the stock market. Upon entering into a futures contract, the outside manager is required to deposit with the broker, in SWIB's name, an amount of U.S. government obligations in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily with gains and losses being recognized. The variation margin is settled daily until the contracts expire or are closed. Futures contracts involve, to varying degrees, risk of loss in excess of the variation. Losses may arise from the changes in the value of the underlying instrument, illiquidity in the secondary market for the contracts, or if the counterparties do not perform under the terms of the contract. Futures contracts are valued each day at the settlement price established by the board of trade or exchange on which they are traded.

D. Collateralized Mortgage Obligations

Collateralized mortgage obligations (CMOs) are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with each CMO established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are significantly more sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. A reduction in interest payments causes a decline in cash flows and thus a decline in the fair value of the security. Rising interest rates may cause an increase in interest payments, thus an increase in fair value of the security. CMOs are held to maximize yields and in part to hedge against a rise in interest rates.

D. Principal Only Strips

Principal Only Strips are securities that derive cash flow from the payment of principal on underlying debt securities. SWIB holds several principal only strips for yield enhancing purposes. The underlying securities are United States Treasury obligations, therefore the credit risk is low. On the other hand, principal only strips are more volatile in terms of pricing, and thus the market risk is higher than traditional United States Treasury obligations.

Unfunded Capital Commitments

Partnership agreements generally set a limit on the total dollar amount that limited partners must commit to funding when entering the partnership. Over the life of the partnership, the general partner will request capital contributions totaling the agreed upon limit. As of December 31, 1999, unfunded capital commitments totaled \$1.2 billion.

4. Description of Pension Trust Fund

The Wisconsin Retirement System (WRS) is a cost-sharing multiple employer public employe retirement system established and administered by the State of Wisconsin to provide pension benefits for state and local government public employes. 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, 1999, the number of participating employers was:

State Agencies	60
Cities	153
Counties	71
4th Class Cities	34
Villages	189
Towns	155
School Districts	426
CESA's	12
WTCS Districts	16
Special Districts	<u>154</u>
Total Employers	<u>1,270</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, 1999, the WRS membership consisted of:

Current Employes:	
General / Teachers	232,529
Elected / Executive / Judges	1,488
Protective with Social Security	16,579
Protective without Social Security	<u>2,702</u>
Total Current Employes	<u>253,298</u>
Terminated Participants	<u>107,032</u>
Retirees and Beneficiaries	
Currently receiving benefits:	
Retirement Annuities	95,747
Disability Annuities	5,811
Death Beneficiary Annuities	<u>1,259</u>
Total Annuitants	<u>102,817</u>
Total Participants	<u>463,147</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 between December 31, 1989 and April 23, 1998, creditable service in each of five years was required for vesting. 1997 Wis. Act 69 provided for all active participants in the system on or after April 24, 1998 to be fully vested.

Employees who retire at or after age 65, (55 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 employee-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 Employee 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:

Year	Fixed Dividend		Variable Adjustment	
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)	
1996	5.6		19.0	
1997	6.6		14.0	
1998	7.7		18.0	
1999	7.2		12.0	

Actuarial Liabilities

WRS's unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990. As of December 31, 1999, 30 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.

The Employee Trust Funds Board (ETFB) periodically reviews, and if appropriate, adjusts the assumptions used in calculating the actuarial liability. Their past practice has been to restate the UAAL for those employers who have an UAAL at the time of the assumption change. Employer UAAL balances have been reduced by approximately \$235 million as a result of this procedure. A legal opinion from the Attorney General's Office has concluded that the ETFB does not have the authority to adjust employer UAAL balances. The ETFB has requested legislative action to affirm their authority to adjust UAAL balances as appropriate.

As of December 31, 1999 and 1998, the unfunded actuarial accrued liability was \$2.11 billion and \$2.19 billion respectively. These amounts are presented as Prior Service Contributions Receivable on the Statement of Plan Net Assets.

Variable Retirement Option

Prior to 1980, WRS participants had an option to have one-half of their required contributions and matching employer contributions invested in the Variable Retirement Investment Trust (VRIT). Retirement benefits were adjusted for the difference between the investment experience of the Fixed Retirement Investment Trust (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, 1999, 18,456 active and inactive participants and 26,257 annuitants remained in the VRIT.

Municipal Police and Firefighters Pension Group

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, 1999, 744 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, 1999, and December 31, 1998, was \$33.3 million and \$36.4 million respectively.

Annuity Supplement - General Fund

As authorized under 1985 Wis. Stats. § 40.27 (1), 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.

5. 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.

1999 contribution requirements were determined by the December 31, 1997

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 4.8 percent per year compounded annually, attributable to inflation;
- ▶ additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and type of employment, attributable to seniority/merit; and
- ▶ 2.9 percent annual post-retirement benefit increases.

Employe contributions are deducted from the employe's salary and remitted to the Department by the participating employer. Part or all of the employe contributions may

be paid by the employer on behalf of the employe.

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

Contribution rates in effect during 1999 by employment category were:

	Employer Current	Employer Prior*	Employe	Benefit Adjustment Contribution
Elected Officials, State Executive Retirement Plan	9.8%	1.0%	4.3%	0.0%
Protective Occupation with Social Security	8.0%	0.9%	4.9%	0.0%
Protective Occupation without Social Security	12.8%	1.5%	5.4%	0.0%
General and Teachers	4.4%	1.4%	5.0%	0.8%

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

Contributions required and made during 1999 were:

	Contributions (millions \$)	Percentage of Payroll
Employer Current Service	\$ 433.2	4.9%
Employer Prior Service	223.3	2.5
Employee Required	441.6	5.0
Benefit Adjustment Contribution	63.8	0.7

Employer prior service contributions are recorded as a reduction in the Prior Service Contribution Receivable.

Employee 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.

6. Reserves

The following reserves have been established to reflect the legal restrictions on the use of pension trust funds.

A. Employee Accumulation Reserve

As authorized by Wis. Stats. § 40.04 (4), this reserve includes all required and voluntary employee contributions, including contributions made by the employer on behalf of the employee. This reserve may only be used to pay lump sum benefits, or transfers to the Annuity Reserve to fund annuities. The Employee Accumulation Reserve is fully funded.

Following is a summary of changes in the Employee Accumulation Reserve during 1999 (in millions).

	Fixed	Variable	Total
Beginning Balance	\$ 9,889	\$ 1,660	\$ 11,549
Plus:			
Contributions	428	16	444
Investment Income	1,084	409	1,493
Less:			
Separations	25	1	26
Retirement Lump Sum Benefits	6	0	6
Death Benefits	10	2	12
Annuity Reserve Transfers	648	202	850
Transfers	11	(6)	5
Ending Balance	\$ 10,723	\$ 1,874	\$ 12,597

B. Employer Accumulation Reserve

As authorized by Wis. Stats. § 40.04 (5), this reserve includes all required employer contributions, including contributions for amortization of the unfunded accrued actuarial liability. This reserve may only be used to pay lump sum benefits, or be transferred to the Annuity Reserve to fund annuities.

Following is a summary of changes in the Employer Accumulation Reserve during 1999 (in millions).

Employer Accumulation Reserve					
	Fixed	Variable	Police & Fire	UAAL	Total
Beginning Balance	\$ 13,690	\$1,660	(2)	(37)	\$ 15,310
Plus:					
Contributions	477	16		5	498
Investment Income	1,962	408		(2)	2,368
Prior Service Receivable Interest	145	0			145
Less:					
Retirement Lump Sum Benefits	7	0			7
Death Benefits	2	0			2
New Annuities Approved	839	204			1,043
Transfers	5	(6)	(1)	1	(1)
Ending Balance	\$ 15,431	\$ 1,874	\$ (3)	\$ (33)	\$ 17,269
Percent Funded					99.8%

C. Annuity Reserve

As authorized by Wis. Stats. § 40.04 (6), this reserve includes the present value of all annuities. The present value of new annuities are transferred from the Employer Accumulation Reserve and the Employer Accumulation Reserve to the Annuity

Reserve. This reserve may only be used for the payment of annuities and death benefits to annuitants. The Annuity Reserve is fully funded. Following is a summary of changes in the Annuity Reserve during 1999 (in millions).

	Fixed	Variable	Police & Fire	Total
Beginning Balance	\$ 14,814	\$3,400	\$ 128	\$ 18,342
Plus: New Annuities Approved	1,492	407	0	1,899
Investment Income	1,930	964	15	2,909
Less: Annuities	1,484	334	14	1,832
Transfers	7	(10)	0	(3)
Ending Balance	\$ 16,759	\$ 4,427	\$ 129	\$ 21,315

D. Undistributed Earnings

Wisconsin statutes require earnings be distributed to reserves based on a fixed effective rate truncated to a tenth of a percent, and a variable effective rate truncated to a percent. Because of the truncated earnings rates, small investment earnings balances remain undistributed at year end. These undistributed balances are distributed with the subsequent year's investment earnings.

E. Fair Value Adjustments

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 Fixed Retirement Investment Trust (FRIT). All realized and unrealized gains and losses in fair value of investments in the FRIT are recorded in the TAA as they are incurred. Twenty percent of the TAA balance is transferred to and recognized as current investment income in the various program reserves of the FRIT at the end of each year. 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 (in millions \$).

Beginning Balance	\$ 11,495
Recognized Appraisal Gain (Loss):	
Domestic Equities	4,675
International Equities	2,101
International Bonds	(150)
Emerging Market Equities	246
Emerging Market Bonds	19
Nontraditional	19
Public Bonds	(1,022)
Private Placements	(8)
Real Estate	25
Special Account Adjustment	(12)
Transfer to Current Income	(3,478)
Ending Balance	\$ 13,910

7. Contingencies And Subsequent Events

Special Investment Performance Dividend

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 Employee 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 1985 Wis. Stats. § 40.27 (1) and (1m). 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 employee and annuitant groups, a circuit court ruled on 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 and the Wisconsin Supreme Court on January 17, 1997. As the result of a negotiated settlement approved by the circuit court on September 3, 1997, the state repaid \$215 million, less \$8.4 million in attorney's fees, to the Trust Funds on November 1, 1997.

The Employee Trust Funds Board determined that the settlement should be distributed so as to closely approximate the increases to WRS fixed annuities that would have taken place in 1988 if the SIPD had not taken place. The Board's distribution included a prospective increase to annuities with an effective date before November 2, 1987, and a lump-sum payment based on the Board's approximation of what would have been paid in the absence of the SIPD legislation if the

funds had been applied to increase the post-retirement annuity adjustment effective on April 1, 1988. The Board also authorized interest to be paid on the lump-sum payments.

As of year-end, approximately \$82 million of the settlement had been applied to increases to annuities in effect on November 2, 1987. An additional \$115 million had been paid out in lump sum benefits to those annuitants having annuities in force as of November 2, 1987. Approximately \$14 million remains to be distributed to the estates of deceased annuitants. The deadline for estates to file claims for lump-sum payments is June 30, 2001, but may be extended if substantial numbers of claims remain unpaid as of that date.

1999 Benefit Improvement Legislation

Wisconsin Act 11 (Act 11) was signed by the Governor on December 16, 1999, and became effective on December 30, 1999. On December 29, 1999 the Court granted a complete injunction preventing implementation of the provisions of Act 11 until further order from the Court.

The Employe Trust Funds (ETF) Board, and Eric Stanchfield, Department Secretary, filed a petition seeking a declaratory ruling on the legal issues surrounding Act 11. On February 10, 2000, the Wisconsin Supreme Court (Court) dismissed the petition filed by the Board, the Department and Secretary Stanchfield. The Court ruled that as agencies of the State, the Board and the Department have no standing to sue another agency of the State regarding the constitutionality of a law. The decision also ruled that Eric Stanchfield's petition as an individual member of the WRS was not sufficient to meet the standard for an exception to the normal rule on standing. On March 1, 2000, the original ETF petitioners formally requested the Court to reconsider its decision, and on March 8 the Court denied the petitioners' request for reconsideration.

The Wisconsin Education Association Council (WEAC), the State Engineers Association (SEA) and the Wisconsin Professional Police Association (WPPA)

petitioned the Wisconsin Supreme Court to be allowed to intervene in the Wisconsin Act 11 lawsuit, asserting that they represent interests of participants in the WRS who will be directly affected by the outcome. The Supreme Court allowed WEAC, SEA and WPPA to intervene in the Wisconsin Act 11 lawsuit, and has made WPPA the petitioner. WPPA's complaint was similar to the ETF Board's complaint in many respects. SEA has been permitted to intervene as a petitioner and WEAC as a respondent.

The Court has also appointed a reserve judge to determine any factual issues and present his findings to the Court. After reviewing the judge's report the Court will decide whether to accept original jurisdiction of the case.

Act 11 would make a number of changes to the funding of and benefits provided by the Wisconsin Retirement System (WRS). Significant changes included in Act 11 are:

- Increase in the Formula Multiplier by 0.165% for service earned prior to 1/1/2000
- Increase in maximum formula benefit for non-protective participants
- Elimination of five percent cap on interest crediting
- Improved death benefits
- Reopening the variable trust for new participants
- Immediate recognition of \$4 billion from the Transaction Amortization Account
- Creation of a Market Recognition Account to replace the Transaction Amortization Account
- Reduction of the wage inflation assumption from 4.8% to 4.6%

8. 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 195 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 1999 (in thousands):

	State	Local	Local Annuitants	Total
Investment Income	\$ 2,228	\$ 353	\$ 1	\$ 2,581
Insurance Premiums	393,350	42,607	534	436,491
Total Revenues	395,578	42,960	535	439,073
Claims Expense	57,717	3,757	0	61,474
Insurance Premiums	339,826	39,284	529	379,638
Carrier Administration	1,486	87	0	1,574
ETF Administration	1,806	179	1	1,986
Total Expenses	400,835	43,307	530	444,672
Net Income	(5,257)	(347)	5	(5,600)
January 1, 1999 Retained Earnings	10,316	4,302	4	14,622
December 31, 1999 Retained Earnings	\$ 5,059	\$ 3,955	\$ 9	\$ 9,023

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 employes of the state government and of participating local public employers. All public employers in the state are eligible to participate. One hundred and two employers

plus the State currently participate. The plan is self-insured.

Following is a summary of the activity and changes in retained earnings for these individual risk pools within the Income Continuation Insurance fund during 1999 (in thousands):

	State	Local	Total
Investment Income	\$ 9,354	\$ 1,348	\$ 10,702
Contributions	<u>7,932</u>	<u>889</u>	<u>8,821</u>
Total Revenues	<u>17,286</u>	<u>2,237</u>	<u>19,523</u>
Benefit Expense	6,357	(114)	6,243
Carrier Administration	675	47	722
ETF Administration	<u>757</u>	<u>64</u>	<u>821</u>
Total Expenses	<u>7,789</u>	<u>(3)</u>	<u>7,786</u>
Net Income	9,497	2,240	11,737
January 1, 1999 Retained Earnings	29,575	<u>6,715</u>	<u>36,290</u>
December 31, 1999 Retained Earnings	<u>\$ 39,072</u>	<u>\$ 8,955</u>	<u>\$ 48,027</u>

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 employes. The State and four hundred thirty-five 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 employes for duty-related disabilities. Benefits are payable for duty-related injuries or diseases that are likely to be permanent and that cause the employe to retire, accept reduced pay or a light-duty assignment, or that impair the employe's promotional opportunities.

All contributions are employer-paid. Contributions are based on a graduated,

experience-rated formula. During 1999, contribution rates ranged from 1.8 percent to 7.9 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 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 is being amortized over a twenty-three year period beginning in 2000.

In May 1997, the Wisconsin Supreme Court issued its decision in the *Coutts vs. Wisconsin Retirement Board* case. The Court

affirmed the Court of Appeals decision that Wis. Stats. §40.65, does not authorize the reduction of duty disability benefits by worker's compensation awards paid prior to the duty disability benefits effective date, and that duty disability benefits are not retroactive.

As a result, the Department is in the process of reviewing all duty disability cases in effect prior to the Court's decision date to identify the correct effective date and proper adjustment of Wis. Stats. §40.65 benefits paid to the recipients for periods of time after that date.

Benefit corrections made pursuant to the Coutts decision are not expected to have any material impact on the funded status of the plan.

Long-Term Disability Insurance

Effective October 15, 1992, the Group Insurance Board established the long-term disability insurance (LTDI) program as an alternative to the long-term disability coverage provided through the WRS. The Employee 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 7% 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. Beginning January 1, 1999 premiums have been suspended in recognition of the high funding level in the program.

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 amortized cost, which approximates fair 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 fair value, except for State Investment Fund shares, which are valued at 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 eight percent for the Income Continuation Insurance and Long-Term Disability Insurance and five 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. Face value of the liability for these programs is not available.
4. **Administrative Expenses:** All maintenance expenses are expensed in the period in which they are incurred. 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 liabilities (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	
	1999	1998	1999	1998	1999	1998	1999	1998
Unpaid claims at beginning of the calendar year	\$16.6	\$8.9	\$44.2	\$44.2	\$215.3	\$197.0	\$19.9	\$14.6
Incurred claims:								
Provision for insured events of the current calendar year	64.8	58.5	17.3	19.2	21.7	16.9	9.1	7.7
Changes in provision for insured events of prior calendar years	(7.2)	(0.2)	(11.8)	(11.5)	44.9	16.9	(0.3)	0.6
Total incurred claims	57.6	58.3	5.5	7.7	66.6	33.8	8.8	8.3
Payments:								
Claims attributable to insured events of the current calendar year	51.6	42.4	2.4	2.4	0.1	0.1	0.1	0.1
Claims attributable to insured events of prior calendar years	9.2	8.2	4.4	5.3	16.9	15.4	2.7	2.9
Total payments	60.8	50.6	6.8	7.7	17.0	15.5	2.8	3.0
Total unpaid claims at end of the calendar year	\$ 13.4	\$ 16.6	\$ 42.9	\$ 44.2	\$264.9	\$ 215.3	\$ 25.9	\$ 19.9

9. Description of Other Trust Funds

The Department also administers the Milwaukee Special Death Benefit, the Accumulated Sick Leave Conversion Credit program, the Employee Reimbursement Accounts program, Group Life Insurance program, Deferred Compensation, Public Employee Social Security, 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.

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 1999, coverage was available to eligible participants for twelve years after retirement.

Effective January 1, 1998, the Group Insurance Board has contracted with the Minnesota Mutual Life Insurance Company to provide term life insurance coverage for participants in this plan. The benefit amount and coverage after retirement will continue to be set annually by the Group Insurance Board.

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, 4.8% assumed annual salary growth, and an average sick leave accumulation of 6.1 days per year for state employees and 7.2 days per year for university employees. The accrued liability for the post retirement health insurance benefits at December 31, 1999, determined through an actuarial valuation performed on that date, was \$929.5 million. The program's net assets on that date, at actuarial value, were \$526.4 million, leaving an unfunded liability of \$403.1 million. 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 \$67.4 million during 1999.

Employee Reimbursement Accounts Program

The Employee Reimbursement Accounts program, authorized by Internal 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 584 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 employers submit their contributions directly to the insurance carrier.

In accordance with Wis. Stats., Chapter 40, 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. When an insured annuitant reaches age 65, premiums are no longer collected and coverage is continued for life. Approximately 11,965 state and 15,352 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.

As of December 31, 1999, 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	\$ 189.7	\$ 78.8
Contingent Liability Reserve	53.3	66.3
Disability Claim Reserve	<u>11.6</u>	<u>9.2</u>
Total Reserves	\$ 254.6	\$ 154.3
Liabilities:		
Retired Lives	104.5	50.9
Active Lives	133.2	78.9
Disability Claims	<u>11.6</u>	<u>9.2</u>
Total Liabilities	\$ 249.3	\$ 139.0
Unfunded Accrued Liability	<u>\$ (5.3)</u>	<u>\$ (15.3)</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. State employees pay a premium of \$2 monthly; local employees pay \$3 monthly. Basic coverage provides a benefit of \$10,000 for the death of a spouse and \$5,000 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 1999 year end are as follows:

State of Wisconsin Plan	\$437,715
Wisconsin Municipal Plan	2,418,144

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.

The required and actual employer contributions totaled \$3.2 million state and \$1.8 million local during 1999.

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 termination, 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.

Effective January 1, 1997 the Deferred Compensation Board amended the plan document to provide that all assets and income of the plan are to be held in trust for the exclusive benefit of the participants and their beneficiaries in compliance with the provisions of IRC Section 457(g).

Of the \$1,198 million Deferred Compensation fund balance, \$8.2 million relates to fixed, insured annuities while the remaining funds are subject to market fluctuations.

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 public 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

The Milwaukee Retirement Systems (MRS), consisting of the City of Milwaukee Retirement System and the Milwaukee Public Schools Retirement System, is reported as an Investment Trust Fund. MRS provides assets to the Department for investing in the Fixed Retirement Investment Trust (FRIT), described in Note 1 "Investment Valuation". The FRIT is managed by SWIB with oversight by a Board of Trustees as authorized in Wisconsin Statute 25.17. It is not registered with the Securities and Exchange Commission as an investment company. Participation of the MRS in the FRIT is described in the DETF administrative code, chapter 10.12.

Monthly, the Department distributes a pro-rata share of the total FRIT earnings less administrative expenses to the MRS accounts. The MRS accounts are adjusted to fair value and gains/losses are recorded directly in the accounts per DETF Administrative Code Chapter 10.12(2).

Neither State statute, a legal provision, nor a legally binding guarantee exists to support the value of shares.

At December 31, 1999, the FRIT held a number of nonnegotiable short-term

certificates of deposit. The fair value of these certificates of deposit was \$28.4 million, all of which was uncollateralized.

At December 31, 1999, the FRIT held \$55,625.2 million of investments of which \$700.8 million are classified as cash equivalents. In addition, the FRIT held

\$2,757.5 million of securities lending collateral. The following table presents investments of the FRIT at December 31, 1999, categorized in accordance with the level of risk requirements of GASB Statement No. 3 (in millions):

	Category (in millions)			Fair Value
	"1"	"2"	"3"	
Bonds	\$ 9,646.4	\$ 0	\$ 0	\$ 9,646.4
Stocks	18,749.7	7.3	0	18,757.0
Repurchase Agreements	13.7	0	0	13.7
Bankers Acceptances	<u>525.8</u>	<u>0</u>	<u>0</u>	<u>525.8</u>
Totals	<u>\$ 28,935.6</u>	<u>\$ 7.3</u>	<u>\$ 0</u>	<u>\$ 28,942.9</u>
<u>Investments Not Subject to Categorization:</u>				
Pooled Equities				15,059.1
Private Placements				3,126.4
Pooled Bonds				4,059.9
Limited Partnerships				2,520.1
Investment in State's Investment Fund				476.1
Pooled Cash and Cash Equivalents				224.8
Mortgages				386.5
Real Estate				448.3
Financial Futures Contracts				0.3
Options				48.3
<u>Investments Held By Broker Dealers Under Securities Loans:</u>				
Bonds				2,094.5
Equities				584.1
Securities Lending Cash Collateral Pooled Investments				<u>411.5</u>
Totals				<u>\$ 58,382.8</u>

The following schedule provides summary information by investment classification for the FRIT at December 31, 1999 (in millions):

Classification	Interest / Coupon Rate	Maturity Dates	Cost	Fair Value
Bonds	Variable and .08 to 14.50	1/00 to 1/36	\$14,282	\$13,994
Common and Preferred Stock	N/A	N/A	28,801	34,400
Options	N/A	N/A	23	49
Limited Partnerships Real Estate	N/A	N/A	2,305	2,520
Mortgages	6.77 to 12.25	2/00 to 6/22	379	387
Real Estate	N/A	N/A	404	448
Financial Futures Contracts	N/A	N/A	0	0
Private Placements	Variable and 5.3 to 14.75	1/00 to 12/31	3,067	3,126
Total Investments			49,261	54,924

Significant financial data for the FRIT for the year ended December 31, 1999 is presented below (in thousands):

Fixed Retirement Investment Trust Condensed Statement of Net Assets As of December 31, 1999 (in thousands)		Fixed Retirement Investment Trust Condensed Statement of Changes in Net Assets For the Year Ended December 31, 1999 (in thousands)	
Assets:		Additions:	
Cash & Cash Equivalents	\$ 749,180	Net Appreciation (Depreciation) in Fair Value of Investments	\$ 5,905,390
Securities Lending Collateral	2,757,489	Interest	1,186,425
Prepaid Expenses		Dividends	404,795
Due From Other Trust Funds	4	Real Estate Income	51,863
Investment Receivables	275,762	Securities Lending Income	185,883
Investments, at Fair Value	<u>54,924,441</u>	Other	<u>79,520</u>
Total Assets	<u>58,706,876</u>	Total Additions	<u>7,813,876</u>
Liabilities:		Deductions:	
Securities Lending Collateral Liability	2,757,489	Investment Expense	74,503
Investment Payables	<u>48,993</u>	Securities Lending Rebates and Fees	168,513
Total Liabilities	<u>2,806,482</u>	Net Withdrawals by Pool Participants	<u>431,273</u>
Net Assets Held in Trust For:		Total Deductions	<u>674,289</u>
Internal Investment Pool Participants	55,787,987	Net Increase (Decrease)	7,139,587
Milwaukee Retirement Systems	<u>112,407</u>	Net Assets Held in Trust for Pool Participants	
Total	<u>\$ 55,900,394</u>	Beginning of Year	<u>48,760,807</u>
		End of Year	<u>\$ 55,900,394</u>

Required Supplementary Information

Public Entity Risk Pools

Claims Development Information

The tables below illustrate how the Funds' 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 tables 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' 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 tables show data for successive policy years.

REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC ENTITY RISK POOLS
HEALTH INSURANCE CLAIMS DEVELOPMENT INFORMATION
(IN MILLIONS \$)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Net earned required contribution and investment revenues	\$70.8	\$ 78.0	\$ 83.7	\$ 69.1	\$ 66.2	\$ 64.9	\$ 59.9	\$ 54.4	\$ 54.8	\$ 59.4
2. Unallocated expenses	3.3	2.4	2.8	2.8	2.7	2.4	2.7	2.7	2.9	3.6
3. Estimated incurred claims as of the end of the policy year	58.5	66.8	65.3	60.1	61.6	65.8	54.9	55.5	58.5	64.8
4. Paid (cumulative) as of:										
End of Policy Year	47.4	54.4	53.3	50.2	50.3	53.6	46.1	45.8	42.4	51.6
One Year Later	59.2	66.8	65.6	61.0	62.2	64.3	55.1	53.8	55.0	
Two Years Later	59.2	66.9	65.5	60.7	62.5	64.6	55.4	54.0		
Three Years Later	59.2	66.9	65.5	60.7	62.5	64.6	55.4			
Four Years Later	59.2	66.9	65.5	60.7	62.5	64.6				
Five Years Later	59.2	66.9	65.5	60.7	62.5					
Six Years Later	59.2	66.9	65.5	60.7						
Seven Years Later	59.2	66.9	65.5							
Eight Years Later	59.2	66.9								
Nine Years Later	59.2									
5. Reestimated incurred claims:										
End of Policy Year	58.5	66.8	65.3	60.1	61.6	65.8	54.9	55.5	58.5	64.8
One Year Later	59.2	66.8	65.7	60.8	62.2	64.5	54.3	54.1	55.3	
Two Years Later	59.2	66.9	65.5	60.7	62.5	64.6	55.4	54.0		
Three Years Later	59.2	66.9	65.5	60.7	62.5	64.6	55.4			
Four Years Later	59.2	66.9	65.5	60.7	62.5	64.6				
Five Years Later	59.2	66.9	65.5	60.7	62.5					
Six Years Later	59.2	66.9	65.5	60.7						
Seven Years Later	59.2	66.9	65.5							
Eight Years Later	59.2	66.9								
Nine Years Later	59.2									
6. Increase (decrease) in estimated incurred claims from end of policy year	0.7	0.1	0.2	0.6	0.9	(1.2)	0.5	(1.5)	(3.2)	0.0

REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC ENTITY RISK POOLS
INCOME CONTINUATION INSURANCE CLAIMS DEVELOPMENT INFORMATION
(IN MILLIONS \$)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Net earned required contribution and investment revenues	\$ 0.7	\$ 10.5	\$ 5.8	\$ 9.3	\$ 0.1	\$ 11.8	\$ 11.4	\$ 17.0	\$ 17.0	\$ 19.5
2. Unallocated expenses	0.30	0.50	0.50	0.60	0.70	0.80	0.90	1.07	1.19	1.54
3. Estimated incurred claims as of the end of the policy year	16.40	13.50	13.50	16.30	17.20	19.40	18.74	19.06	19.26	17.33
4. Paid (cumulative) as of:										
End of Policy Year	1.60	1.80	1.96	2.18	1.95	2.66	2.44	2.53	2.49	2.42
One Year Later	3.40	3.74	4.00	4.18	3.90	5.06	4.62	5.40	4.47	
Two Years Later	4.05	4.28	4.63	4.62	4.54	5.81	5.16	5.72		
Three Years Later	4.43	4.67	5.02	4.92	4.85	6.18	5.46			
Four Years Later	4.69	5.02	5.34	5.13	5.10	6.39				
Five Years Later	4.99	5.33	5.63	5.25	5.34					
Six Years Later	5.24	5.59	5.87	5.37						
Seven Years Later	5.51	5.80	6.13							
Eight Years Later	5.75	5.99								
Nine Years Later	5.97									
5. Reestimated incurred claims:										
End of Policy Year	16.40	13.50	13.50	16.30	17.20	19.40	18.74	19.06	19.26	17.33
One Year Later	8.80	9.60	9.60	11.50	10.90	12.82	12.11	12.12	9.77	
Two Years Later	8.00	8.10	9.10	8.10	8.75	10.95	9.33	9.28		
Three Years Later	7.60	7.60	8.20	7.16	7.91	10.04	9.86			
Four Years Later	7.40	7.30	7.91	6.87	7.33	9.51				
Five Years Later	7.40	7.38	7.78	6.67	8.02					
Six Years Later	7.37	7.34	7.69	6.54						
Seven Years Later	7.21	7.57	7.62							
Eight Years Later	7.21	7.59								
Nine Years Later	7.18									
6. Increase (decrease) in estimated incurred claims from end of policy year	(9.22)	(5.91)	(5.88)	(9.76)	(9.18)	(9.89)	(8.89)	(9.77)	(9.50)	0.00

REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC ENTITY RISK POOLS
DUTY DISABILITY CLAIMS DEVELOPMENT INFORMATION
(IN MILLIONS \$)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Net earned required contribution and investment revenues	\$ 9.1	\$ 10.7	\$ 12.0	\$ 14.3	\$ 16.2	\$ 22.0	\$ 23.7	\$ 27.0	\$ 32.8	\$ 38.9
2. Unallocated expenses	1.3	0.1	0.5	0.3	0.2	0.2	0.4	0.1	0.2	0.6
3. Estimated incurred claims as of the end of the policy year	21.2	6.1	8.4	7.0	5.1	4.8	15.5	14.1	16.9	21.7
4. Paid (cumulative) as of:										
End of Policy Year	0.3	0.3	0.4	0.1	0.0	0.0	0.1	0.1	0.1	0.1
One Year Later	1.1	1.1	1.3	0.6	0.4	1.1	0.4	0.5	0.6	
Two Years Later	1.8	2.0	2.6	1.5	1.4	2.5	0.8	1.1		
Three Years Later	2.6	3.0	3.9	2.1	2.5	4.0	1.4			
Four Years Later	3.5	4.1	4.9	2.9	3.7	5.6				
Five Years Later	4.4	5.0	5.8	3.7	5.0					
Six Years Later	5.2	5.8	6.8	4.5						
Seven Years Later	6.0	6.7	7.8							
Eight Years Later	6.8	7.6								
Nine Years Later	7.7									
5. Reestimated incurred claims:										
End of Policy Year	21.2	6.1	8.4	7.0	5.1	4.8	15.5	14.1	16.9	21.7
One Year Later	9.8	11.0	16.5	10.2	6.1	8.8	5.8	8.2	9.5	
Two Years Later	11.1	14.0	18.4	12.6	10.2	10.5	8.3	12.6		
Three Years Later	13.4	15.4	20.6	16.2	12.9	13.6	9.8			
Four Years Later	14.3	16.8	22.9	18.0	14.5	17.7				
Five Years Later	15.6	18.7	24.8	20.0	17.9					
Six Years Later	18.0	19.5	25.8	24.3						
Seven Years Later	19.1	20.9	29.2							
Eight Years Later	20.3	24.0								
Nine Years Later	23.2									
6. Increase (decrease) in estimated incurred claims from end of policy year	2.0	17.9	20.8	17.3	12.8	12.9	(5.7)	(1.5)	(7.4)	(0.0)

REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC ENTITY RISK POOLS
LONG TERM DISABILITY INSURANCE CLAIMS DEVELOPMENT INFORMATION
(IN MILLIONS \$)

	1992	1993	1994	1995	1996	1997	1998	1999
1. Net earned required contribution and investment revenues	\$6.3	\$36.1	\$30.8	\$47.8	\$36.1	\$38.9	\$37.7	\$36.1
2. Unallocated expenses	0.0	0.1	0.2	0.2	0.2	0.2	0.4	0.6
3. Estimated incurred claims and expense, as of the end of the policy year	0.0	1.8	3.3	5.4	4.5	4.5	7.7	9.1
4. Paid (cumulative) as of:								
End of Policy Year	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1
One Year Later	0.0	0.3	0.4	0.5	0.7	0.4	0.8	
Two Years Later	0.1	0.4	0.8	0.9	1.4	0.9		
Three Years Later	0.1	0.6	1.2	1.3	2.0			
Four Years Later	0.1	0.8	1.6	1.6				
Five Years Later	0.2	0.9	2.0					
Six Years Later	0.2	1.1						
Seven Years Later	0.2							
5. Reestimated incurred claims and expense:								
End of Policy Year	0.0	1.8	3.3	5.4	4.5	4.5	7.7	9.1
One Year Later	0.2	1.2	2.5	3.4	4.3	2.5	5.1	
Two Years Later	0.2	1.5	3.2	3.9	5.4	3.6		
Three Years Later	0.2	1.7	3.7	4.1	6.1			
Four Years Later	0.2	2.0	4.1	4.1				
Five Years Later	0.2	1.8	4.3					
Six Years Later	0.2	1.9						
Seven Years Later	0.2							
6. Increase (decrease) in estimated incurred claims and expense from end of policy year	0.2	0.1	1.0	(1.3)	1.6	(0.9)	(2.6)	0.0

**Wisconsin Retirement System
Notes to Required Supplementary
Information**

determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

The information presented in the required supplementary schedules was

Valuation Date:	December 31, 1999
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent – Closed Amortization Period
Remaining Amortization Period:	30 Years
Asset Valuation Method:	5 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	8.0%
Projected Salary Increases*	4.8% to 10.8%
* Includes Inflation at	4.8%
Cost of Living Adjustments	2.86%

**WISCONSIN RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(IN MILLIONS \$)**

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 1990	18,480.4	20,461.0	1,980.6	90.3%	5,425.7	36.5%
December 31, 1991	20,892.7	22,934.4	2,041.7	91.1%	5,865.5	34.8%
December 31, 1992	22,943.2	24,984.7	2,041.5	91.8%	6,448.6	31.7%
December 31, 1993	25,436.5	27,533.0	2,096.5	92.4%	6,834.9	30.7%
December 31, 1994	26,954.3	29,012.1	2,057.8	92.9%	7,135.6	28.8%
December 31, 1995	30,246.2	32,348.9	2,102.7	93.5%	7,454.3	28.2%
December 31, 1996	33,962.6	36,097.0	2,134.4	94.1%	7,721.6	27.6%
December 31, 1997	38,584.6	40,762.9	2,178.3	94.7%	8,084.6	26.9%
December 31, 1998	43,390.5	45,617.1	2,226.6	95.1%	8,481.1	26.3%
December 31, 1999	49,403.7	51,549.5	2,145.8	95.8%	8,826.0	24.3%

**WISCONSIN RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(IN MILLIONS \$)**

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
1990	296.9	100.0%
1991	322.0	100.0%
1992	350.0	100.0%
1993	370.1	100.0%
1994	385.9	100.0%
1995	402.6	100.0%
1996	435.3	100.0%
1997	445.9	100.0%
1998	449.6	100.0%
1999	435.2	100.0%

Wisconsin Department of Employee Trust Funds
Combining Balance Sheet
Enterprise Funds
For Year Ended December 31, 1999
(In Thousands)

Statement 9

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	Totals
					12-31-99 12-31-98
Assets:					
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 42,916	\$ 0	\$ 0	\$ 42,916
Investment In Fixed Fund	73,697	0	90,177	257,297	421,171
Contributions Receivable	3,140	711	665	0	4,516
Miscellaneous Receivables	0	19	0	0	19
Benefit Overpayments Receivable	120	0	694	5	819
Prepaid Insurance/Premiums	0	22,963	0	0	22,963
Due From Other Trust Funds	0	233	0	0	233
Total Assets	\$ 76,957	\$ 66,842	\$ 91,536	\$ 257,302	\$ 492,637
Liabilities:					
Annuities Payable	\$ 1,388	\$ 0	\$ 0	\$ 0	\$ 1,388
Estimated Future Claims	264,929	13,440	42,991	25,880	347,240
Advance Contributions	0	41,202	81	0	41,283
Miscellaneous Payables	0	2,628	116	70	2,814
Due To Other Trust Funds	395	549	321	234	1,499
Total Liabilities	266,712	57,819	43,509	26,184	394,224
Equity:					
Retained Earnings - Unreserved	(198,827)	9,023	19,417	183,938	13,551
Reserved for Market Value Adjustments	9,072	0	28,610	47,180	84,862
Total Equity	(189,755)	9,023	48,027	231,118	98,413
Total Liabilities and Equity	\$ 76,957	\$ 66,842	\$ 91,536	\$ 257,302	\$ 492,637
					\$ 430,005

Statement 10

Wisconsin Department of Employee Trust Funds
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Funds
 For Year Ended December 31, 1999
 (In Thousands)

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	12-31-99	Totals 12-31-98
Operating Revenues:						
Investment Income	\$ 10,323	\$ 2,500	\$ 10,657	\$ 36,105	\$ 59,585	\$ 46,709
Contributions	28,585	436,491	8,820	0	473,896	440,830
Total Operating Revenues	38,908	438,991	19,477	36,105	533,481	487,539
Operating Expenses:						
Insurance Claims	0	61,474	6,244	9,105	76,823	74,460
Insurance Premiums	0	379,638	0	0	379,638	345,243
Carrier Administrative Expenses	0	1,574	722	216	2,512	2,494
Disability Annuities	66,457	0	0	0	66,457	33,793
Administrative Expense	613	1,986	821	388	3,808	2,223
Total Operating Expenses	67,070	444,672	7,787	9,709	529,238	458,213
Operating Income (Loss)	(28,162)	(5,681)	11,690	26,396	4,243	29,326
Nonoperating Revenues (Expenses):						
Miscellaneous Income (Expense)	0	82	47	0	129	91
Net Income	(28,162)	(5,599)	11,737	26,396	4,372	29,417
Retained Earnings - January 1	(161,593)	14,622	\$ 36,290	\$ 204,722	\$ 94,041	64,625
Retained Earnings - December 31	\$ (189,755)	\$ 9,023	\$ 48,027	\$ 231,118	\$ 98,413	\$ 94,041

**Wisconsin Department of Employee Trust Funds
Combining Statement of Cash Flows
Enterprise Funds
For Year Ended December 31, 1999
(In Thousands)**

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	12-31-99	Totals 12-31-98
Cash Flows from Operating Activities						
Cash Received for Insurance Premiums	\$ 28,327	\$ 441,651	\$ 8,812	\$ 0	\$ 478,790	\$ 443,800
Cash Paid for Employee Benefits	(16,819)	(445,546)	(7,496)	(3,269)	(473,130)	(422,100)
Cash Paid for Administrative Services	(218)	(3,564)	(1,222)	(370)	(5,374)	(4,717)
Interest Income	0	81	43	0	124	49
Net Cash Provided (Used) by Operating Activities	11,290	(7,378)	137	(3,639)	410	17,032
Cash Flows from Non-Capital Financing Activities						
Cash Repayments	0	0	0	0	0	0
Net Cash Provided by Non-Capital Financing Activities	0	0	0	0	0	0
Cash Flows from Investing Activities						
Investment Income	10,323	2,476	10,656	36,105	59,560	46,724
Purchase of Investment Securities	(21,613)	0	(10,793)	(32,466)	(64,872)	(59,527)
Net Cash Provided (Used) by Investing Activities	(11,290)	2,476	(137)	3,639	(5,312)	(12,803)
Net Increase (Decrease) in Cash and Cash Equivalents	0	(4,902)	0	0	(4,902)	4,229
Cash and Cash Equivalents at Beginning of Year	0	47,818	0	0	47,818	43,589
Cash and Cash Equivalents at End of Year	\$ 0	\$ 42,916	\$ 0	\$ 0	\$ 42,916	\$ 47,818
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ (28,162)	\$ (5,680)	\$ 11,690	\$ 26,396	\$ 4,244	\$ 29,326
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Investment Income Classified as Operating Revenue	(10,323)	(2,500)	(10,655)	(36,104)	(59,582)	(46,710)
Nonoperating Income (Expense)	0	81	47	0	128	91
Changes in Assets and Liabilities:						
Decrease (Increase) in Contributions Receivable	(258)	(435)	(23)	0	(716)	(414)
Decrease (Increase) in Miscellaneous Receivables	0	(19)	0	0	(19)	3
Decrease (Increase) in Benefit Overpayment Receivable	(112)	0	309	(2)	195	346
Decrease (Increase) in Prepaid Expenses	0	(2,130)	0	0	(2,130)	(1,057)
Decrease (Increase) in Due From Other Trust Funds	0	27	3	0	30	(35)
Increase (Decrease) in Estimated Future Claims	49,656	(3,129)	(1,211)	6,013	51,329	31,211
Increase (Decrease) in Advance Contributions	0	5,651	14	0	5,665	3,348
Increase (Decrease) in Annuities Payable	94	0	0	0	94	53
Increase (Decrease) in Miscellaneous Payables	0	279	(358)	(176)	(255)	798
Increase (Decrease) in Due To Other Trust Funds	395	477	321	234	1,427	72
Total Adjustments	39,452	(1,698)	(11,553)	(30,035)	(3,834)	(12,294)
Net Cash Provided (Used) by Operating Activities	\$ 11,290	\$ (7,378)	\$ 137	\$ (3,639)	\$ 410	\$ 17,032

**Wisconsin Department of Employee Trust Funds
 Combining Balance Sheet
 Expendable Trust Funds
 December 31, 1999
 (In Thousands)**

Statement 12

	Accumulated Sick Leave Conversion	Employee Reimbursement Account	Life Insurance	Special Death Benefit	Deferred Compensation	Totals
					12-31-99	12-31-98
Assets:						
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 2,276	\$ 57	\$ 0	\$ 0	\$ 1,947
Investments	0	0	0	0	1,198,495	944,384
Investment In Fixed Fund	633,874	0	0	1,253	635,127	515,115
Contributions Receivable	7,237	84	0	0	7,531	7,982
Miscellaneous Receivables	0	8	2	0	10	7
Administrative Fees Receivable	0	0	0	0	0	193
Prepaid Expenses	3,325	195	1,272	0	4,792	4,259
Due From Other Trust Funds	140	85	434	21	680	81
Total Assets	\$ 644,576	\$ 2,648	\$ 1,765	\$ 1,274	\$ 1,848,968	\$ 1,473,968
Liabilities:						
Insurance Claims Payable	\$ 0	\$ 1,887	\$ 0	\$ 0	\$ 0	\$ 2,060
Estimated Future Premiums	526,434	0	0	0	526,434	434,093
Advance Contributions	0	32	1,281	0	1,313	1,305
Miscellaneous Payables	0	125	134	0	259	35
Due To Other Trust Funds	145	0	0	1	63	95
Total Liabilities	526,579	2,044	1,415	1	530,102	437,588
Fund Balance:						
Fund Balance - Unreserved	0	604	350	873	1,200,469	945,857
Reserved for Market Value Adjustments	117,997	0	0	400	118,397	90,523
Total Fund Balance	117,997	604	350	1,273	1,318,866	1,036,380
Total Liabilities and Fund Balance	\$ 644,576	\$ 2,648	\$ 1,765	\$ 1,274	\$ 1,848,968	\$ 1,473,968

**Wisconsin Department of Employee Trust Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Expendable Trust Funds
 For Year Ended December 31, 1999
 (In Thousands)**

Statement 13

	Accumulated Sick Leave Conversion	Employe Reimbursement Accounts	Life Insurance	Special Death Benefit	Deferred Compensation	12-31-99	Totals 12-31-98
Revenues:							
Investment Income	\$ 86,965	\$ 138	\$ 46	\$ 152	\$ 204,260	\$ 291,561	\$ 218,645
Contributions	67,366	13,881	27,998	0	78,913	188,158	182,766
Administrative Expense Reimbursement	0	0	148	0	0	148	413
Miscellaneous Receipts	0	0	1	0	871	872	659
Total Revenues	154,331	14,019	28,193	152	284,044	480,739	402,483
Expenditures:							
Deferred Compensation Distributions	0	0	0	0	27,824	27,824	21,991
Insurance Claims	0	13,230	0	5	0	13,235	13,137
Insurance Premiums	126,285	0	27,998	47	0	154,330	142,769
Carrier Administrative Expenses	0	522	0	0	1,907	2,429	2,278
Administrative Expenses	221	66	15	(7)	140	435	826
Total Expenditures	126,506	13,818	28,013	45	29,871	198,253	181,001
Increase (Decrease) in Net Assets	27,825	201	180	107	254,173	282,486	221,482
Fund Balance - January 1	90,172	403	170	1,166	944,469	1,036,380	814,898
Fund Balance - December 31	\$ 117,997	\$ 604	\$ 350	\$ 1,273	\$ 1,198,642	\$ 1,318,866	\$ 1,036,380

STATISTICS



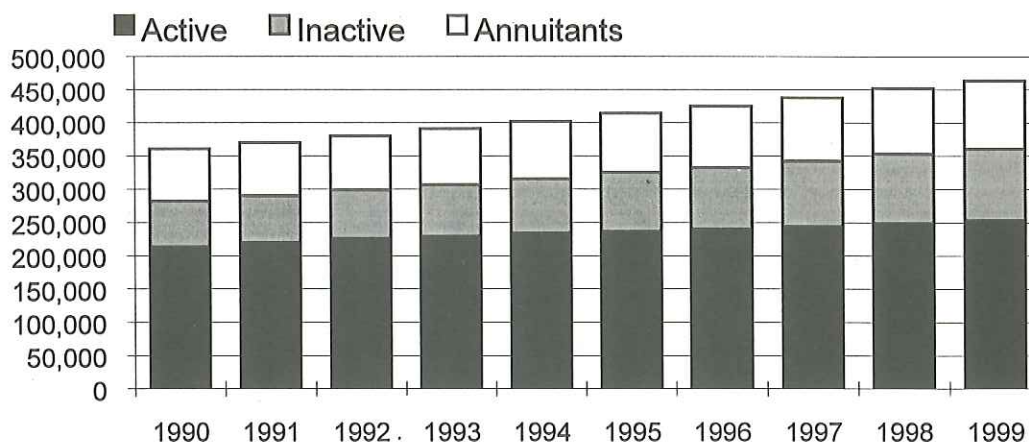
WISCONSIN RETIREMENT SYSTEM STATISTICS

Active Participants by Employment Category

Year	General	Teachers	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Totals
State Participants						
1990	40,475	15,569	366	3,417	0	59,827
1991	41,104	15,796	371	3,692	0	60,963
1992	41,492	16,313	650	3,967	0	62,422
1993	41,957	16,459	685	4,017	0	63,118
1994	42,568	16,643	705	4,262	0	64,178
1995	42,042	16,543	702	4,690	0	63,977
1996	42,225	16,090	692	4,879	0	63,886
1997	42,269	16,327	698	5,087	0	64,381
1998	42,671	16,833	703	5,456	0	65,663
1999	41,778	17,343	719	6,876	0	66,716
Local Participants						
1990	74,679	67,599	855	7,778	2,604	153,515
1991	77,944	69,344	847	8,002	2,586	158,723
1992	79,640	72,074	803	8,194	2,628	163,339
1993	81,376	73,047	774	8,418	2,627	166,242
1994	83,002	74,441	769	8,637	2,639	169,488
1995	84,393	75,601	786	8,873	2,644	172,297
1996	86,116	77,206	777	9,016	2,634	175,749
1997	87,892	78,939	780	9,247	2,673	179,531
1998	89,688	80,463	770	9,481	2,672	183,074
1999	91,790	81,618	769	9,703	2,702	186,582
Total Participants						
1990	115,154	83,168	1,221	11,195	2,604	213,342
1991	119,048	85,140	1,218	11,694	2,586	219,686
1992	121,132	88,387	1,453	12,161	2,628	225,761
1993	123,333	89,506	1,459	12,435	2,627	229,360
1994	125,570	91,084	1,474	12,899	2,639	233,666
1995	126,435	92,144	1,488	13,563	2,644	236,274
1996	128,341	93,296	1,469	13,895	2,634	239,635
1997	130,161	95,266	1,478	14,334	2,673	243,912
1998	132,359	97,296	1,473	14,937	2,672	248,737
1999	133,568	98,961	1,488	16,579	2,702	253,298

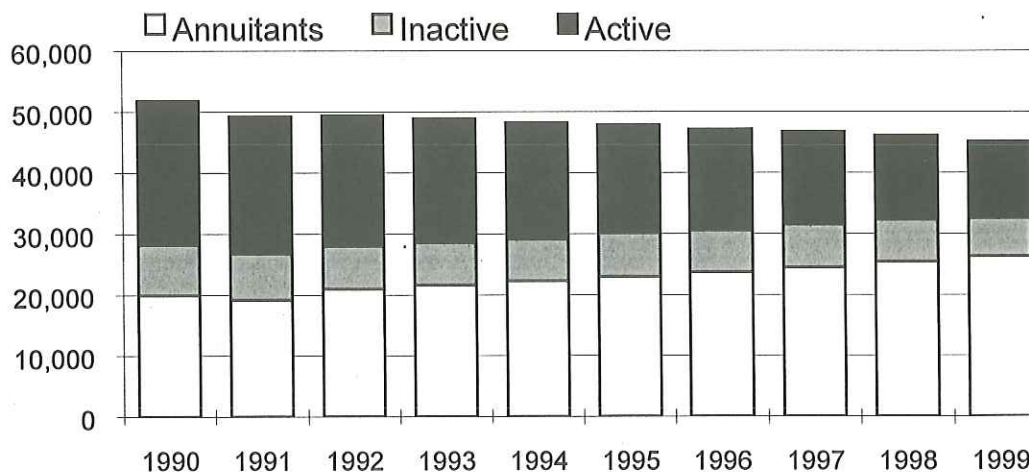
	Active	Inactive	Annuitants	Totals
1990	213,272	69,009	77,666	359,947
1991	219,624	70,646	79,465	369,735
1992	225,762	73,068	81,508	380,338
1993	229,360	77,567	83,836	390,763
1994	233,666	81,962	86,214	401,842
1995	236,274	88,437	88,998	413,709
1996	239,635	92,433	92,198	424,266
1997	243,912	98,493	95,128	437,533
1998	248,737	103,922	99,112	451,771
1999	253,298	107,032	102,817	463,147

Total WRS Participants



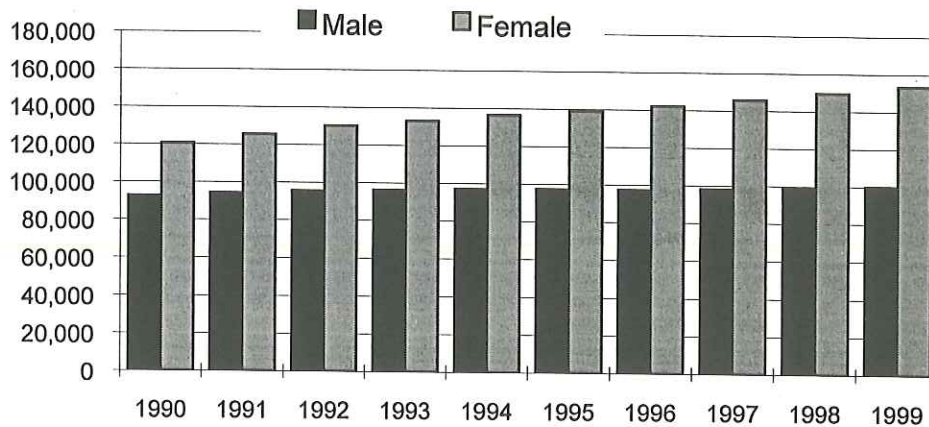
	Active	Inactive	Annuitants	Totals
1990	23,577	8,282	19,922	51,781
1991	22,396	7,611	19,174	49,181
1992	21,367	7,061	20,968	49,396
1993	20,179	6,976	21,623	48,778
1994	18,993	6,928	22,248	48,169
1995	17,729	7,117	22,978	47,824
1996	16,459	6,877	23,725	47,061
1997	15,186	7,012	24,462	46,660
1998	13,836	6,809	25,424	46,069
1999	12,483	6,278	26,257	45,018

WRS Participants with Variable Election



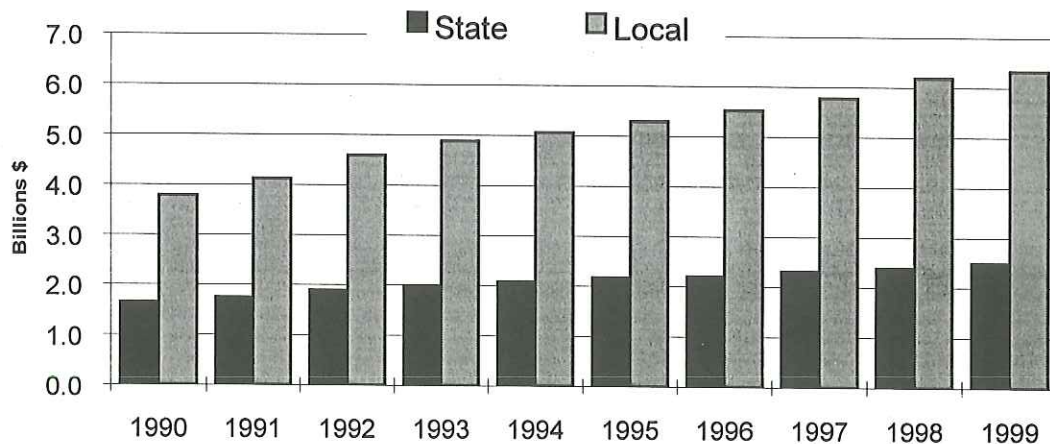
	Male	Female	Total
1990	92,636	120,636	213,272
1991	94,178	125,446	219,624
1992	95,603	130,158	225,761
1993	96,278	133,082	229,360
1994	97,090	136,576	233,666
1995	97,352	138,922	236,274
1996	97,453	142,182	239,635
1997	98,162	145,750	243,912
1998	99,191	149,546	248,737
1999	100,030	153,268	253,298

**Active WRS Participants
by Sex**

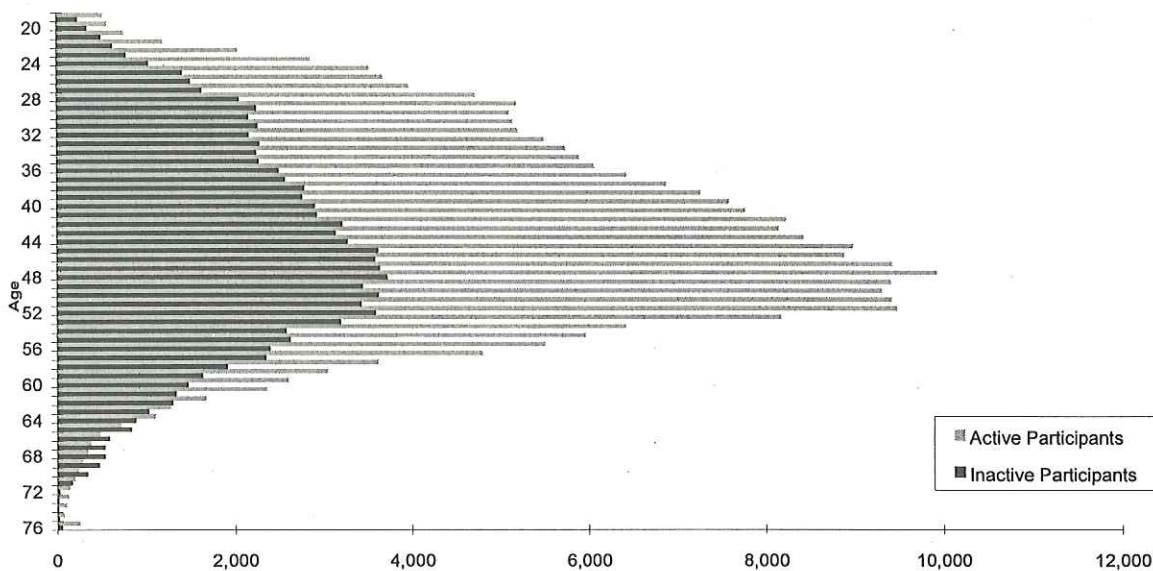


	State	Local	Total
1990	1.644	3.781	5.426
1991	1.746	4.119	5.865
1992	1.888	4.585	6.472
1993	1.988	4.876	6.864
1994	2.078	5.058	7.136
1995	2.169	5.285	7.454
1996	2.197	5.521	7.718
1997	2.312	5.772	8.085
1998	2.385	6.183	8.569
1999	2.494	6.332	8.826

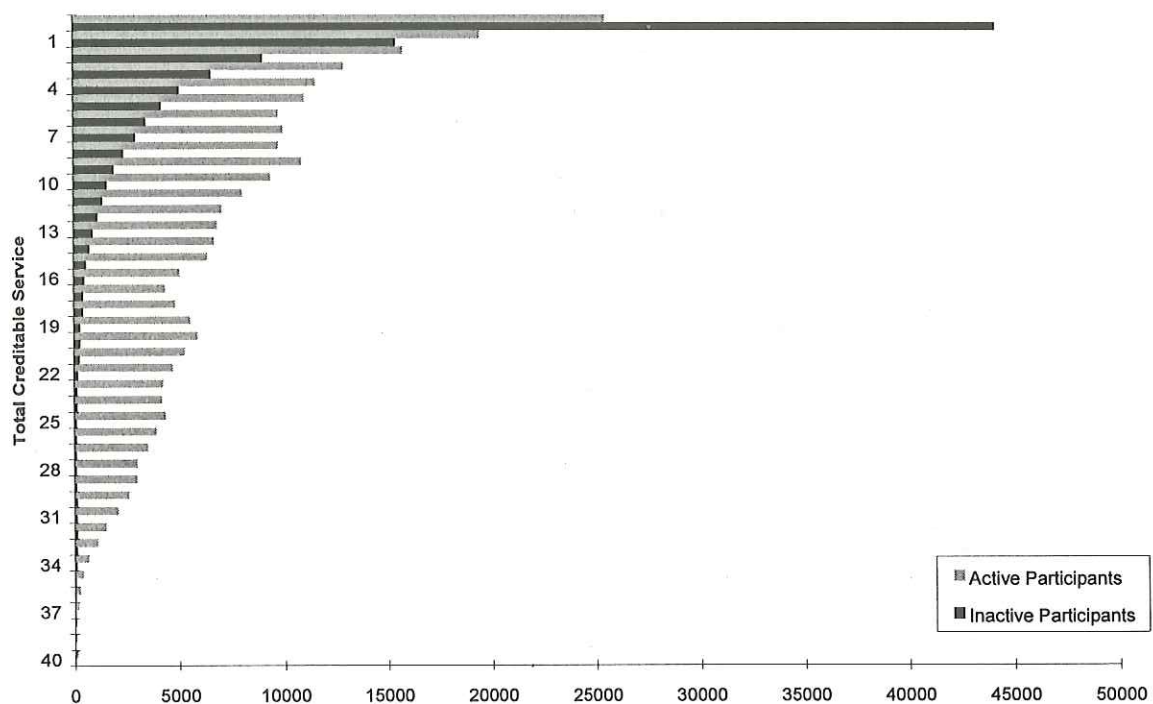
**Total WRS Covered Payroll
(in Billions \$)**



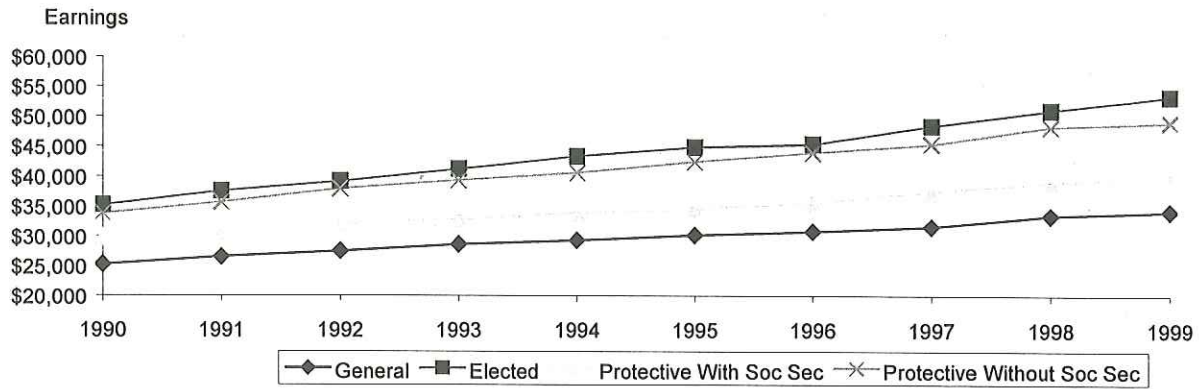
Participants by Age



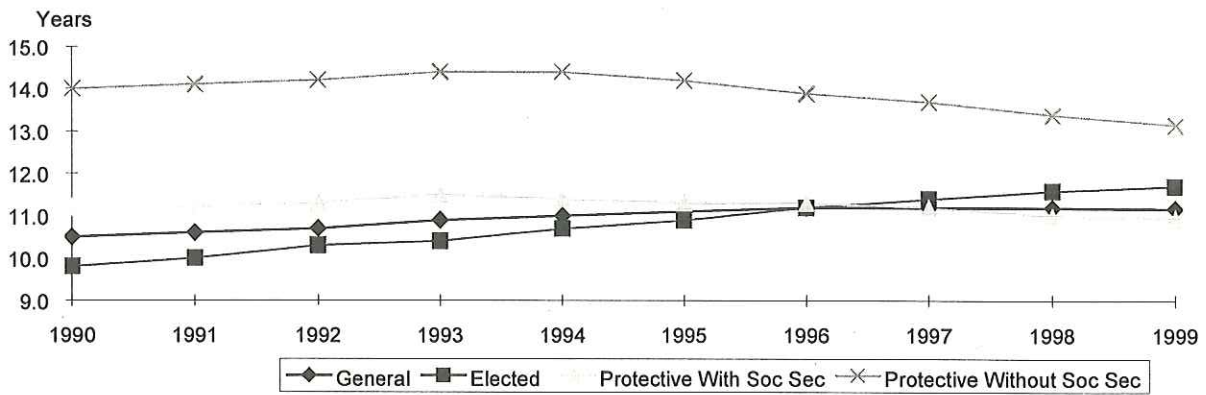
Participants by Creditable Service



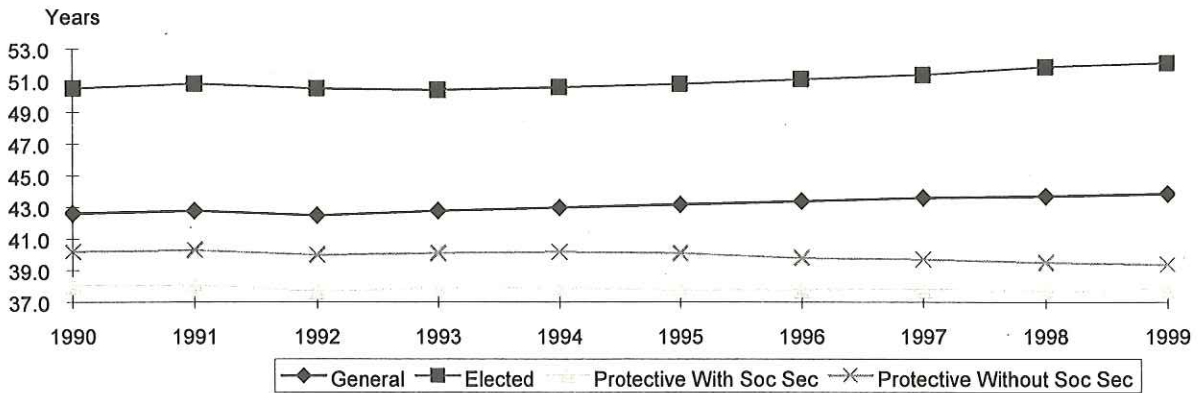
Average Annual Earnings - Active Participants



Average Total Service - Active Participants

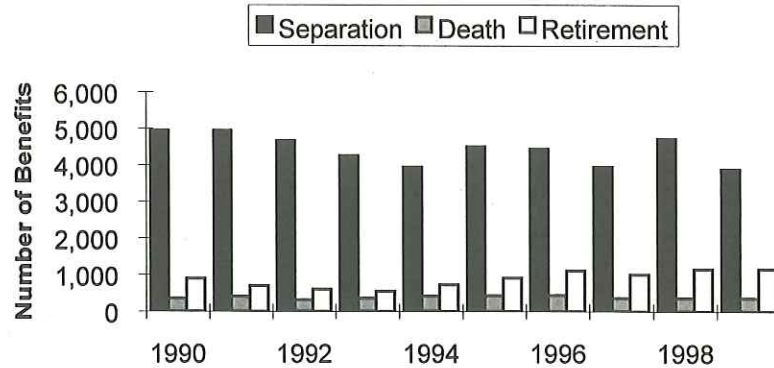


Average Age - Active Participants



Year	Separation	Death	Retirement
1990	4,939	360	889
1991	4,935	408	693
1992	4,665	316	607
1993	4,254	361	544
1994	3,940	416	723
1995	4,508	431	913
1996	4,437	445	1,110
1997	3,941	369	1,003
1998	4,715	369	1,160
1999	3,880	368	1,167

Number of Lump Sum Benefits Paid



Active Participants by Employer Type

Local Employers

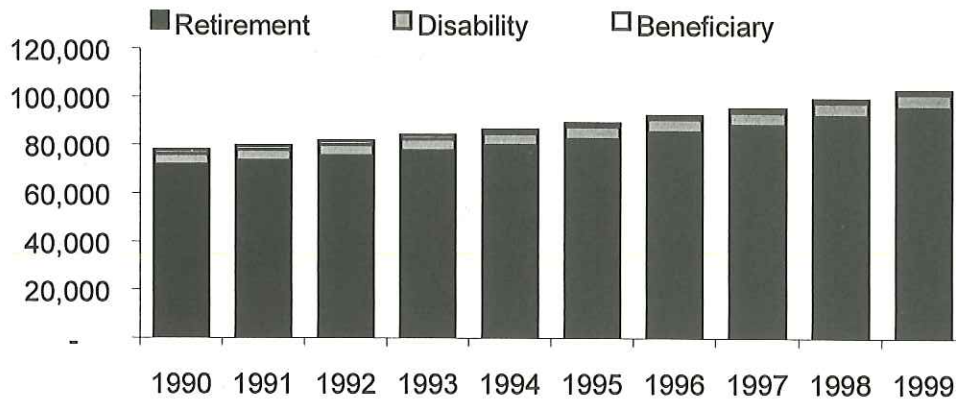
Year	School		Cities	Tech			4th Class		Misc	Totals
	Districts	Counties		Colleges	Villages	Towns	Cities			
1990	87,048	33,346	21,276	8,104	2,379	952	258	1,973	155,336	
1991	90,130	34,381	21,841	8,310	2,492	1,019	349	2,106	160,628	
1992	92,569	34,750	21,903	8,140	2,649	923	317	2,089	163,340	
1993	94,586	35,088	22,059	8,279	2,761	940	338	2,191	166,242	
1994	96,537	35,656	22,333	8,415	2,915	1,005	364	2,272	169,497	
1995	99,142	35,458	22,375	8,459	2,962	1,060	414	2,427	172,297	
1996	101,812	35,757	22,375	8,714	3,144	1,065	396	2,486	175,749	
1997	104,740	35,810	22,757	8,861	3,298	1,133	408	2,524	179,531	
1998	107,384	36,300	22,786	8,922	3,445	1,188	428	2,621	183,074	
1999	109,832	36,754	23,101	9,082	3,599	1,277	441	2,496	186,582	

State Government

Year	State Agencies	University	Totals	Totals
1990	32,138	28,802	60,940	216,276
1991	32,906	29,029	61,935	222,563
1992	32,497	29,925	62,422	225,762
1993	32,947	30,171	63,118	229,360
1994	33,722	30,447	64,169	233,666
1995	33,686	30,291	63,977	236,274
1996	34,636	29,250	63,886	239,635
1997	37,454	26,927	64,381	243,912
1998	38,075	27,588	65,663	248,737
1999	38,728	27,988	66,716	253,298

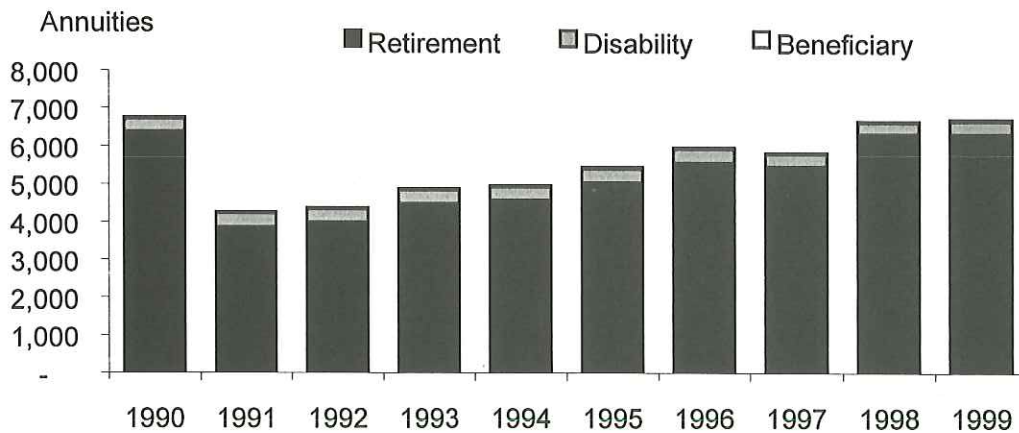
Year	Retirement	Disability	Beneficiary	Totals
1990	71,726	4,353	1,587	77,666
1991	73,383	4,535	1,547	79,465
1992	75,288	4,714	1,506	81,508
1993	77,469	4,909	1,458	83,836
1994	79,730	5,066	1,418	86,214
1995	82,333	5,279	1,386	88,998
1996	85,418	5,423	1,357	92,198
1997	88,230	5,574	1,324	95,128
1998	92,157	5,673	1,282	99,112
1999	95,747	5,811	1,259	102,817

Number of Annuities in Force

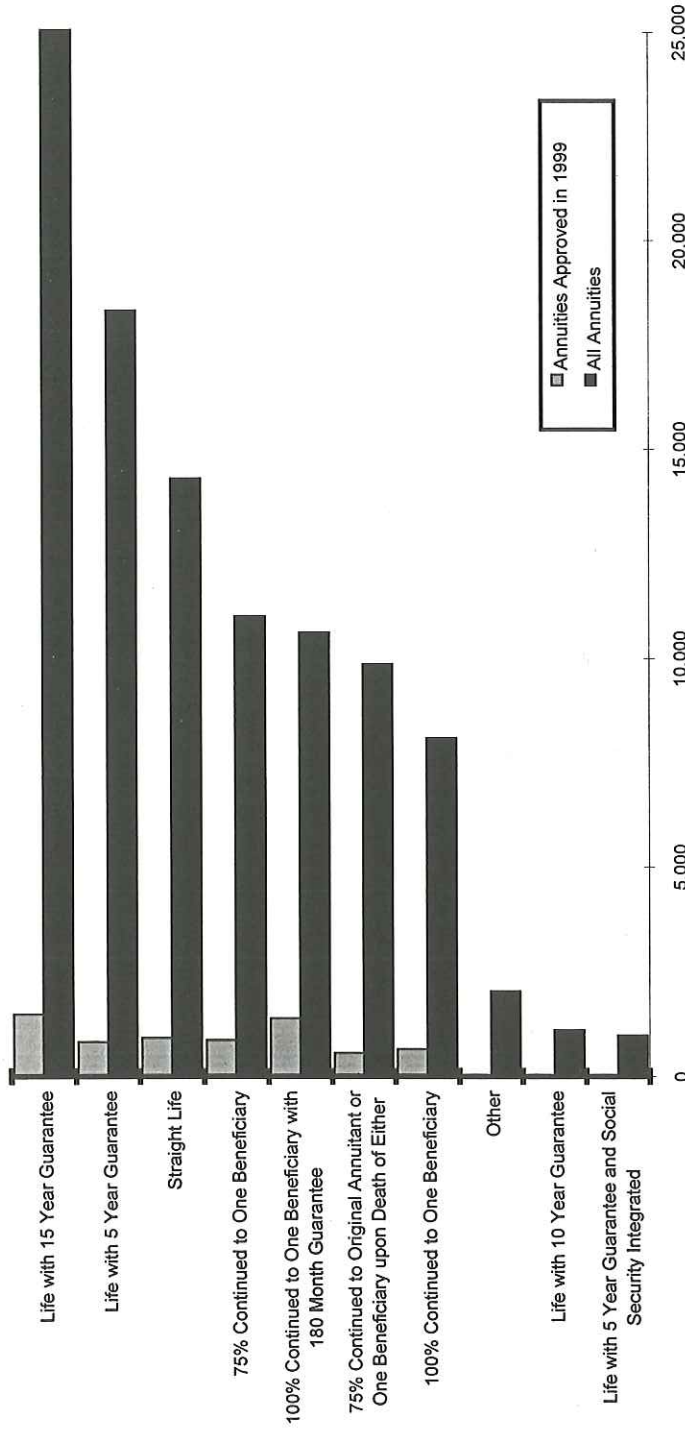


Year	Retirement	Disability	Beneficiary	Totals
1990	6,389	333	27	6,749
1991	3,862	362	33	4,257
1992	3,993	343	35	4,371
1993	4,478	361	38	4,877
1994	4,575	344	37	4,956
1995	5,033	371	33	5,437
1996	5,566	364	29	5,959
1997	5,458	338	27	5,823
1998	6,324	311	26	6,661
1999	6,324	343	46	6,713

Number of New Annuities Approved



Annuities by Payment Option



Year	Age and Service Benefits		Disability Benefits	Death in Service Benefits	Separation Benefits (Refunds)	Administrative Expenses		Total
	Retirees	Beneficiaries				Expense	Expense	
1990	634,730	5,421	41,832	9,816	32,501	6,366	6,366	730,666
1991	703,610	5,555	45,924	9,512	27,536	7,553	7,553	799,688
1992	775,710	5,627	56,600	6,759	25,725	7,691	7,691	878,112
1993	856,890	6,095	86,860	8,292	24,225	8,814	8,814	991,176
1994	949,230	6,153	91,504	11,360	23,966	8,920	8,920	1,091,133
1995	1,031,556	6,290	91,367	10,833	30,180	9,634	9,634	1,179,860
1996	1,159,686	6,675	87,683	15,359	36,883	8,983	8,983	1,315,268
1997	1,408,159	7,941	98,534	12,332	41,039	11,108	11,108	1,579,113
1998	1,518,424	7,628	98,241	13,939	41,931	10,978	10,978	1,691,140
1999	1,737,292	8,737	98,450	13,858	35,609	12,328	12,328	1,906,274

Expenses by Type (in thousands \$)

Revenues by Source ⁽¹⁾

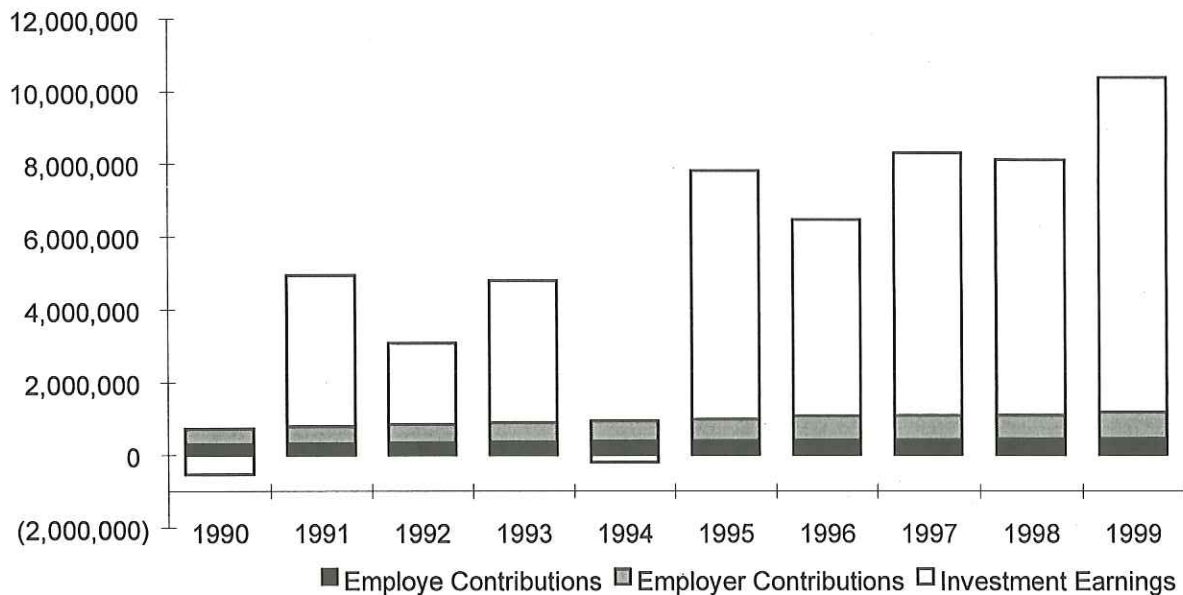
Year	Employee Contributions ⁽²⁾		Employer Contributions ⁽³⁾		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
1990	294,584	5.9%	426,411	8.5%	(538,367)	172	182,800
1991	313,981	5.8%	465,113	8.6%	4,161,015	94	4,940,203
1992	337,668	5.8%	503,231	8.6%	2,232,661	113	3,073,673
1993	358,902	5.5%	536,513	8.3%	3,900,349	189	4,795,953
1994	375,128	5.5%	561,499	8.2%	(201,599)	155	735,183
1995	388,642	5.2%	591,796	7.9%	6,846,397	113	7,826,948
1996	405,857	5.3%	663,265	8.6%	5,414,556	160	6,483,839
1997	416,989	5.2%	660,812	8.2%	7,241,025	179	8,319,004
1998	437,097	5.1%	654,664	7.6%	7,037,489	231	8,129,480
1999	449,065	5.1%	721,626	8.2%	9,235,371	205	10,406,268

¹ Employee required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially determined contribution requirements.

² Employee Contributions include all employer required and employee additional contributions including those amounts paid by the employer on behalf of the employee.

³ Employer contributions include all Benefit Adjustment Contributions, including those amounts paid by the employee and contributions for unfunded actuarial accrued liability.

WRS Revenues by Source

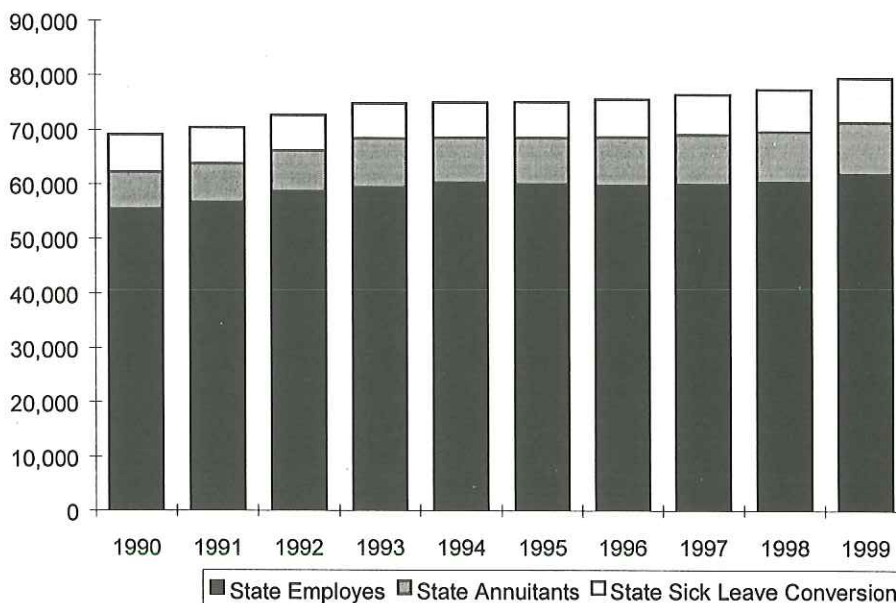


Group Health Insurance Statistics Health Insurance Contracts

Year	Active Employees	Retired Employees			Totals
		Annuity Deduction	Sick Leave Conversion	Total Retired	
State					
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
1996	59,909	8,901	6,927	15,828	75,737
1997	60,115	9,149	7,321	16,470	76,585
1998	60,558	9,292	7,747	17,039	77,597
1999	62,110	9,517	8,146	17,663	79,773
Local					
1994	5,934	1,083	0	1,083	7,017
1995	5,989	1,168	0	1,168	7,157
1996	6,152	1,219	0	1,219	7,371
1997	6,762	1,287	0	1,287	8,049
1998	7,106	1,383	0	1,383	8,489
1999	7,765	1,098	0	1,098	8,863

Data for Local Contracts prior to 1994 is not available.

Number of State Contracts



Health Insurance Premiums by Source
(in thousands \$)

Year	Employer	Employee	Annuitant	Stabilization	Sick Leave Conversion	Life Ins Conversion	Totals
State							
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
1996	264,376	11,664	31,220	-2,825	24,736	1	329,172
1997	269,757	11,192	32,211	-2,865	27,020	1	337,316
1998	286,222	11,345	34,377	-2,835	30,351	1	359,461
1999	311,992	12,337	37,991	-5,832	35,550	0	392,039
Local							
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
1996	25,202	1,725	3,266	0	0	0	30,193
1997	28,090	1,466	3,446	0	0	0	33,002
1998	31,256	1,591	3,840	-483	0	0	36,204
1999	36,758	1,733	4,489	-515	0	0	42,465
Local Annuitants							
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
1996	0	0	471	0	0	0	471
1997	0	0	495	0	0	0	495
1998	0	0	517	1	0	0	518
1999	0	0	533	1	0	0	534

Group Life Insurance Statistics

Life Insurance Premiums Collected (in thousands \$)

Year	Employee					Employer			Totals
	Basic	Supplemental	Additional	Spouse & Dependent	Total	Basic	Suppl	Total	
State									
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
1996	4,316	3,170	1,678	916	10,080	2,691	543	3,234	13,314
1997	4,133	3,151	1,662	919	9,865	2,209	852	3,061	12,926
1998	4,357	3,354	2,392	935	11,038	2,236	970	3,206	14,244
1999	4,270	3,281	2,688	948	11,187	2,189	971	3,160	14,347
Local									
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
1996	5,398	402	1,282	1,644	8,726	1,491	103	1,594	10,320
1997	5,808	488	1,430	1,996	9,722	1,594	124	1,718	11,440
1998	6,127	604	2,204	2,014	10,949	1,674	153	1,827	12,776
1999	5,936	730	2,789	2,000	11,455	1,666	169	1,835	13,290

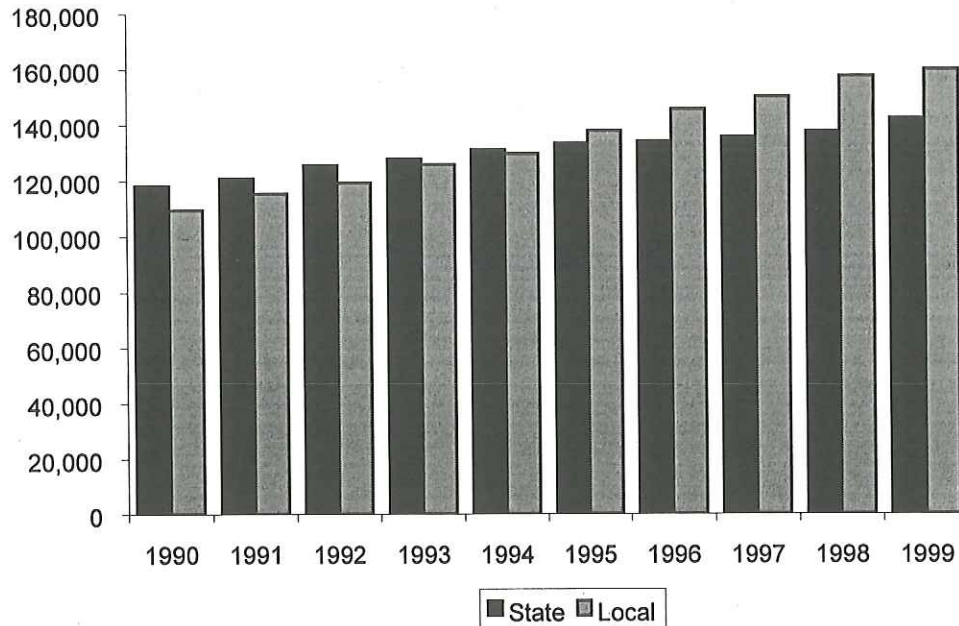
Life Insurance in Force (in thousands \$)

Year	Pre-Retirement			Post Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
State						
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
1996	1,695,807	1,307,610	581,407	164,237	527,605	4,276,666
1997	1,739,440	1,329,689	612,822	176,425	531,800	4,390,176
1998	1,839,501	1,394,086	1,018,682	184,580	535,540	4,972,389
1999	1,947,066	1,469,450	1,173,839	194,540	524,130	5,309,025
Local						
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
1996	2,284,997	262,894	615,662	94,016	759,600	4,017,169
1997	2,418,107	297,612	673,228	101,841	769,810	4,260,598
1998	2,556,498	393,516	779,843	106,349	779,930	4,616,136
1999	2,661,946	451,206	1,446,069	112,677	779,870	5,451,768

Life Insurance Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
State							
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
1996	47,248	36,204	16,472	11,089	23,344	134,357	58,337
1997	47,755	36,207	17,109	11,492	23,351	135,914	59,247
1998	48,461	36,537	17,906	11,669	23,358	137,931	60,130
1999	50,820	37,849	19,191	11,965	22,712	142,537	62,785
Local							
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
1996	72,502	8,058	18,431	14,499	32,430	145,920	87,001
1997	74,367	8,828	19,515	14,895	32,830	150,435	89,262
1998	76,159	11,271	22,100	15,115	33,232	157,877	91,274
1999	76,426	12,374	23,384	15,352	32,808	160,344	91,778

Contracts

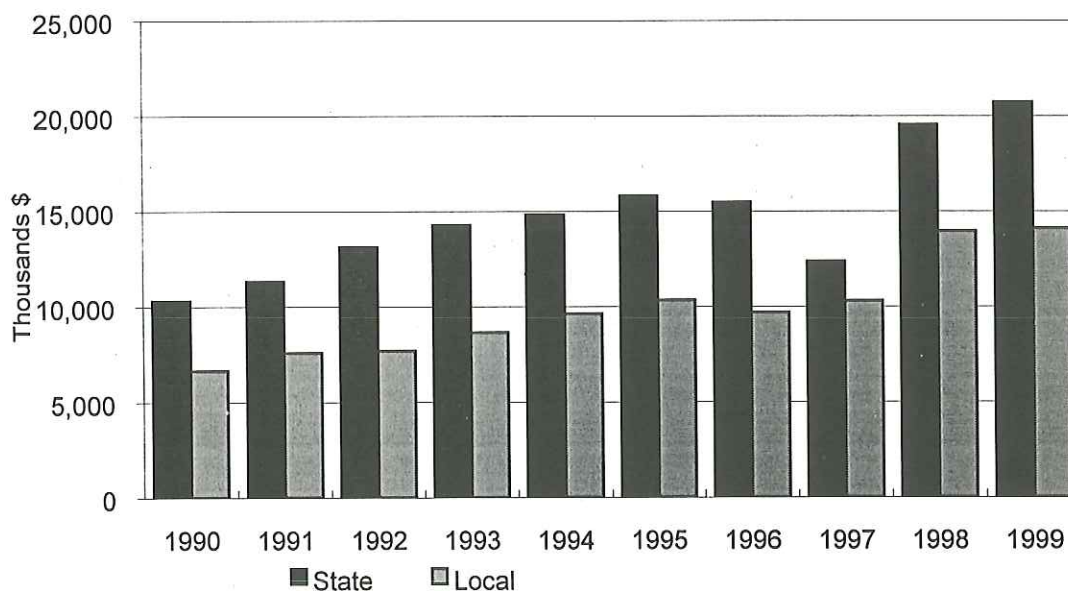


Life Insurance Paid Claims (in thousands \$)

Year	Pre-Retirement			Post	Spouse &	Living	Totals
	Life	AD&D	Disability	Retirement	Dependent	Benefits ¹	
State							
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
1996	8,605	888	808	4,428	730	14	15,473
1997	7,418	317	(908)	4,528	882	117	12,354
1998	10,450	1,216	1,498	5,147	1,098	141	19,550
1999	11,593	1,122	502	6,125	1,170	210	20,722
Local							
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	11	8,648
1994	4,842	283	861	2,297	1,190	160	9,633
1995	5,345	359	731	2,721	1,123	48	10,327
1996	5,024	217	661	2,607	1,184	3	9,696
1997	5,789	224	285	2,796	1,220	(19)	10,295
1998	7,829	588	901	3,261	1,204	177	13,960
1999	7,544	687	153	3,787	1,551	395	14,117

¹ Living Benefits may originate as Pre-Retirement, Post Retirement or Spouse & Dependent benefits.

Paid Claims

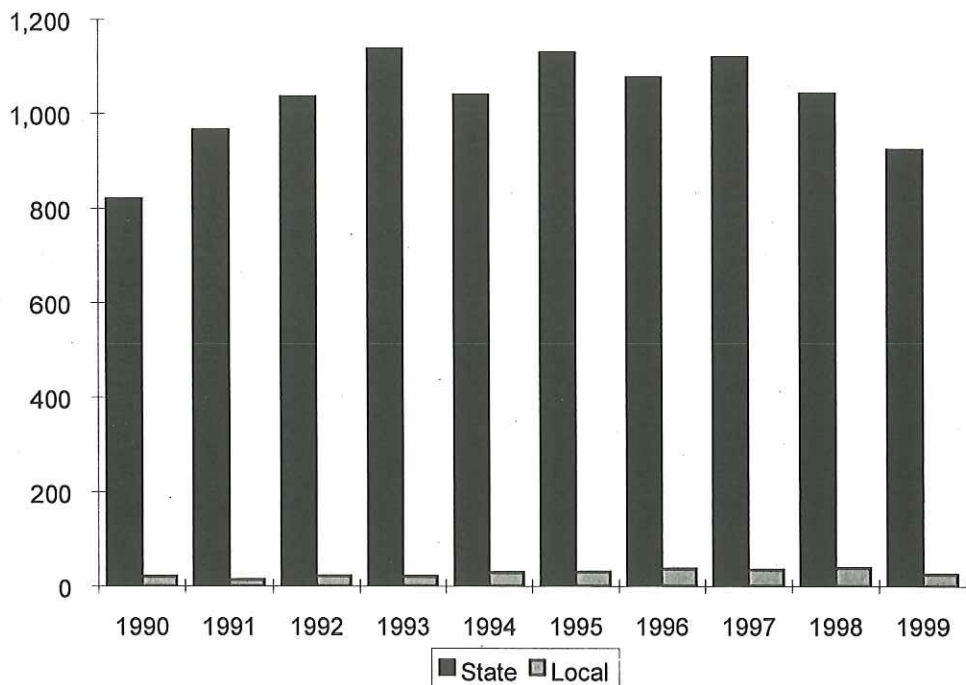


Income Continuation Insurance Statistics

Income Continuation Insurance Contracts / Claims and Benefit Payments

Year	Contracts	# Claims Approved Due to			Benefit Payments (in thousands \$)		
		Illness	Accident	Total	Short-Term	Long-Term	Total
State							
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
1996	50,241	795	283	1,078	4,181	3,134	7,315
1997	50,940	861	261	1,122	4,165	3,216	7,381
1998	50,209	n/a	n/a	1,044	4,098	2,999	7,097
1999	51,483	n/a	n/a	926	3,868	2,807	6,675
Local							
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
1996	3,536	25	12	37	73	53	126
1997	3,647	24	11	35	62	62	124
1998	4,084	n/a	n/a	39	89	40	129
1999	4,694	n/a	n/a	25	81	30	111

Number of New Claims Approved



Employee Reimbursement Accounts Statistics Salary Reductions and Claims

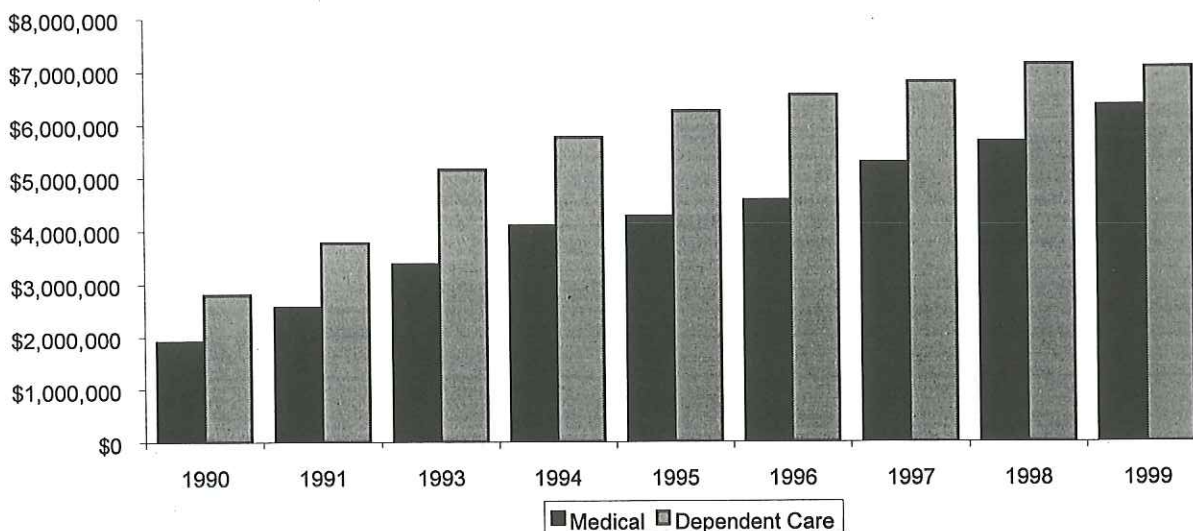
Year	Medical				Dependent Care			
	Accounts	Salary Reduction (\$)	Claims (\$)	Forfeitures (\$)	Accounts	Salary Reduction(\$)	Claims (\$)	Forfeitures (\$)
1990	3,111	1,909,556	1,870,359	39,197	971	2,798,565	2,786,212	12,353
1991	3,665	2,564,233	2,518,965	45,268	1,173	3,773,840	3,757,606	16,234
1993	4,740	3,380,000	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
1996	5,893	4,581,820	4,497,814	84,006	1,874	6,562,728	6,541,902	20,826
1997	6,588	5,282,864	5,197,253	85,611	1,990	6,815,945	6,805,049	10,896
1998	6,916	5,679,896	5,565,287	114,609	2,063	7,141,622	7,118,068	23,554
1999	7,091	6,373,150	6,191,231	181,919	2,046	7,094,319	7,066,162	28,157

Administrative Funding

Year	Receipts				Expenses (\$)			Surplus / (Deficit) \$s
	Fees (\$)	Interest (\$)	Forfeitures (\$)	Totals (\$)	Administrator	State	Total	
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)
1996	403,840	99,256	104,832	607,928	428,524	182,305	610,829	(2,901)
1997	403,492	107,066	96,507	607,065	450,412	71,820	522,232	84,833
1998	409,383	127,661	138,163	675,207	478,045	75,407	553,452	121,755
1999	416,628	138,401	210,076	765,105	514,431	66,206	580,637	184,468

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.

Salary Reductions



Deferred Compensation Statistics Participants and Assets by State and Local

Year	Local			State		Total	
	Employers	Participants	Assets \$	Participants	Assets \$	Participants	Assets \$
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
1996	460	8,752	115,336,476	18,590	466,366,379	27,342	581,702,855
1997	493	9,678	154,129,298	20,084	585,025,867	29,762	739,155,165
1998	514	10,267	205,370,098	21,336	737,502,140	31,603	942,872,238
1999	534	10,921	270,520,543	22,474	926,228,384	33,395	1,196,748,927

Active Accounts and Assets by Investment Option

Year	Fixed ¹		Variable ²		Annuity ³		Totals ⁴	
	Accounts ⁵	Assets \$	Accounts ⁵	Assets \$	Accounts	Assets \$	Accounts	Assets \$
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
1996	11,226	154,856,679	64,307	417,351,800	469	10,591,430	76,002	581,702,855
1997	10,666	157,240,688	77,232	573,465,585	457	9,723,016	88,355	739,155,165
1998	10,872	171,117,075	91,251	764,387,701	414	8,878,950	102,537	942,872,238
1999	14,632	183,462,921	98,577	1,006,804,790	398	8,227,243	113,607	1,196,749,027

¹ Fixed Investment Options include fixed income funds; i.e., insured bank accounts and insurance options (GIC).

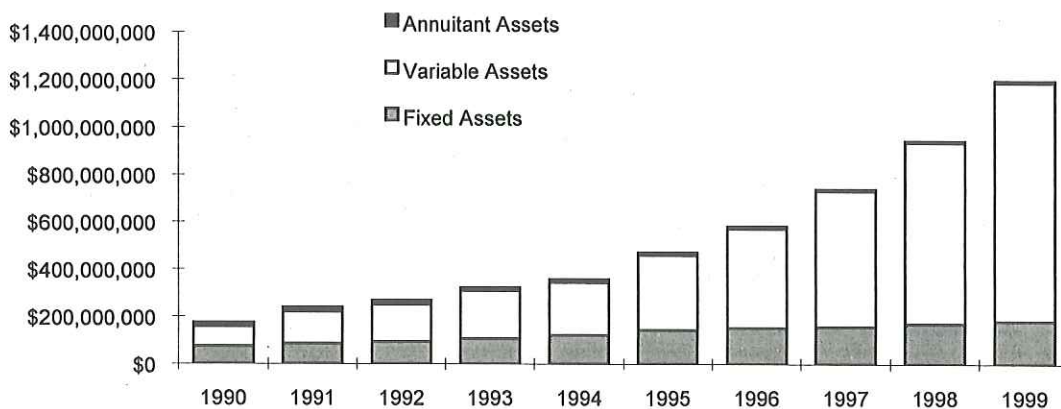
² Variable Investment Options include mutual funds with varying degrees of investment risk; i.e., money market, bond, balanced and growth funds.

³ Assets held for annuity payout are invested in an annuity contract through an insurance provider.

⁴ Total Assets include amounts being held for investment which are not reflected as Fixed, Variable or Annuity investments.

⁵ A participant choosing multiple investment options may be counted in both fixed and variable.

Deferred Compensation Assets



Administrative Expense Statistics

Administrative Expenses (in thousands \$)

Year	ETF Expenses	Investment Expenses ¹	Third Party Administrator Contracts					Total Administration
			ERA	Health	ICI	LTDI	Def Comp	
1990	8,896	16,469	462	1,387	155	-	1,389	28,757
1991	9,203	18,633	387	1,553	272	-	1,717	31,766
1992	9,922	22,759	366	1,552	289	-	1,065	35,953
1993	11,236	22,231	429	1,654	329	25	1,227	37,132
1994	11,186	19,543	442	1,665	367	12	1,400	34,617
1995	12,243	22,267	432	1,483	463	24	1,500	38,412
1996	14,053	37,829	429	1,351	437	26	1,600	55,725
1997	14,234	45,489	450	1,327	479	42	1,700	63,722
1998	14,940	65,115	478	1,572	709	213	1,800	84,827
1999	17,011	80,098	522	1,574	722	216	1,907	102,049

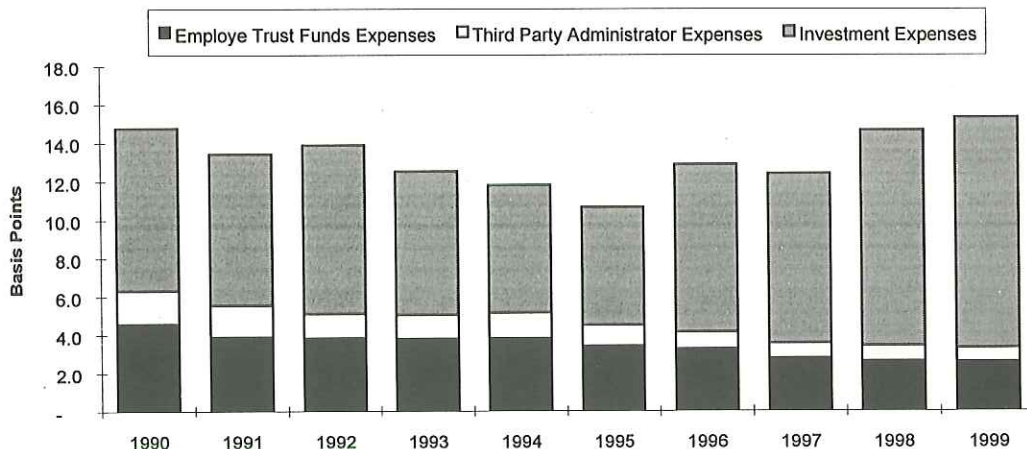
Administrative Expenses in Basis Points (in thousands \$)

Year	Net Assets Year End	Employee Trust Funds		Investment Expenses		Third Party Administrators		Total Administration	
		Amount	Basis Points ²	Amount	Basis Points ²	Amount	Basis Points ²	Amount	Basis Points ²
1990	19,486,316	8,896	4.6	16,469	8.5	3,393	1.7	28,757	14.8
1991	23,683,026	9,203	3.9	18,633	7.9	3,929	1.7	31,766	13.4
1992	25,927,540	9,922	3.8	22,759	8.8	3,271	1.3	35,953	13.9
1993	29,667,188	11,236	3.8	22,231	7.5	3,665	1.2	37,132	12.5
1994	29,314,762	11,186	3.8	19,543	6.7	3,888	1.3	34,617	11.8
1995	36,032,622	12,243	3.4	22,267	6.2	3,902	1.1	38,412	10.7
1996	43,311,405	14,053	3.2	37,829	8.7	3,843	0.9	55,725	12.9
1997	51,286,718	14,053	2.7	45,489	8.9	3,998	0.8	63,540	12.4
1998	57,982,615	14,940	2.6	65,115	11.2	4,772	0.8	84,827	14.6
1999	66,669,692	17,011	2.6	80,098	12.0	4,940	0.7	102,049	15.3

¹ Prior to 1996, Investment Expenses do not include expenses related to the combined stock fund.

² Each basis point represents 1/100 of one percent of net assets.

Administrative Expenses in Basis Points



ACTUARIAL







GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

June 7, 2000

Employe Trust Funds Board
801 West Badger Road
Madison, Wisconsin 53713-2526

Re: Wisconsin Retirement System (WRS)

Ladies and Gentlemen:

The basic financial objective of the WRS 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 WRS to present and future retirees and beneficiaries.

The financial objective is addressed within the annual actuarial valuation. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e. the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The most recent valuations were completed based upon population data, asset data, and plan provisions as of December 31, 1999.

The plan administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year to year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends.

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report.

Percent Increase in Salaries Next Year.

Single Life Retirement Values.

Rates of Retirement for Those Eligible to Retire.

Early Retirement Pattern.

% of Active Members Withdrawing (Select and Ultimate).

% of Active Members becoming Disabled.

Solvency Test.

Summary of Accrued and Unfunded Accrued Liabilities.

June 7, 2000

Assets are valued on a market related basis that includes a five year smoothing process.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the 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. The assumptions and the methods comply with the requirements of Statement 25 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 1999 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 1994-96 period.

Combined experience was favorable during 1999, producing a decrease in contribution rates.

Based upon the results of the December 31, 1999 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., M.A.A.A.



Brian B. Murphy, F.S.A., M.A.A.A.

BBM:maw:md

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

	December 31, 1999	December 31, 1998	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Fixed Division	41,157.5	36,742.8	4,414.7
Variable Division	8,246.2	6,647.7	1,598.5
Totals	49,403.7	43,390.5	6,013.2
Obligations of Employers			
Unfunded Accrued Liability	2,145.8	2,226.6	(80.8)
Total Assets	51,549.5	45,617.1	5,932.4
Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	12,597.6	11,548.4	1,049.2
Member Additional Contributions	172.0	161.9	10.1
Employer Contributions	17,489.2	15,554.5	1,934.7
Total Contributions	30,258.8	27,264.8	2,994.0
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Fixed Annuities	15,687.2	13,943.0	1,744.2
Variable Annuities	3,659.1	3,035.5	623.6
Total Annuities	19,346.3	16,978.5	2,367.8
Total Reserves	49,605.1	44,243.3	5,361.8
Surplus			
Fixed Annuity Reserve Surplus	1,170.6	1,008.8	161.8
Variable Annuity Reserve Surplus	773.8	365.0	408.8
Total Surplus	1,944.4	1,373.8	570.6
Total Reserves and Surplus	51,549.5	45,617.1	5,932.4

SUMMARY OF BENEFIT PROVISIONS

Normal Retirement Eligibility

The age a participant becomes eligible for an unreduced age and service annuity is:

General		Protective		Executive & Elected	
Age	Service	Age	Service	Age	Service
65	Any	54	Any	62	Any
57	30	53	25	57	30

The age and service annuity payable at Normal Retirement Age is based on Final Average Earnings (FAE) and Creditable Service (CS) as follows:

Formula	Group
2.0% x FAE x CS	Executive group, elected officials and protective occupation participants covered by Social Security
2.5% x FAE x CS	Protective occupation participants not covered by Social Security
1.6% x FAE x CS	All other participants

FAE is the average of the three highest years of earnings (July 1 - June 30 for teachers, calendar year for others) preceding retirement. These years do not have to be consecutive.

Maximum formula annuity is 85% of FAE for protective occupation participants not covered by Social Security and 65% of FAE for all other participants. If greater than the formula amount, an annuity equal to the actuarial equivalent of two times their required accumulated contributions is paid in lieu of the formula amount.

Early Retirement. Any participant who has attained age 55 and any protective occupation participant who has attained age 50 may apply for an early retirement annuity. The benefit is reduced 0.4% for each month that the annuity effective date precedes the Normal Retirement Age. For non-protective participants terminating after 6/30/90, the 0.4% is reduced for months after the

attainment of age 57 and before the annuity effective date by .001111% for each month of creditable service.

Voluntary Termination Before Immediate Benefit Eligibility. Participant may either receive a refund of accumulated contributions, or if vested, leave contributions on deposit and apply for a retirement annuity on or after the minimum retirement age base upon age and accrued service at time of termination. Participants active after April 23, 1998 or before January 1, 1990 are fully vested. Participants first employed 1/1/90 or later and terminated before April 24, 1998 are vested for annuity purposes when they have some creditable service in five calendar years.

Post-Retirement Adjustments. Annuities are increased annually if the investment income credited to retired life funds is in excess of the assumed rate (presently 5%), and other plan experiences are within projected ranges.

Disability Annuity. Eligibility: generally total and permanent incapacity to engage in gainful employment. Participant must have completed at least six months of creditable service in each of at least five out of the last seven calendar years preceding application for disability. Service requirement is waived if disability is from service-related causes.

Disability Amounts. Amounts payable in case of disability depend upon the plan from

which payment is made and are described below.

	Pre-10/16/92 WRS Plan	Post-10/15/92 Long Term Disability Insurance Plan
Participants Covered	Participants hired before 10/16/92 who do not elect LTDI coverage by January 2, 1997.	Participants entering after 10/15/92 and participants on 10/15/92 who elect LTDI coverage.
Benefit to age 65*	WRS formula benefit based on service projected to normal retirement age.	40% of FAE for participants covered by Social Security; 50% of FAE for non-covered participants who cannot qualify for Social Security disability benefits.
Benefit at age 65*	Continuation of pre-65 amount.	WRS benefit accrued to date of disability plus 7% of FAE money purchase benefit during disability period, both of which are adjusted in accordance with dividend rate.

* Conversion age is later for participants becoming disabled after age 61.

Death in Service.

- (a) Prior to age 50 for protective participants, age 55 for others, the benefit is the equivalent of accumulated employee required and all additional contributions and employer amounts contributed prior to 1974 for teachers or 1966 for others.
- (b) After age 50 for protective participants, age 55 for others, the benefit is the amount that would have been paid if participant had retired and elected 100% survivor option. Benefit is payable to spouse, child or other dependent.

Statutory required participant contributions are as follows:

General	5.0%
Executives & Elected Officials	5.5
Protectives	
- With Social Security	6.0
- Without Social Security	8.0

Non-refundable benefit adjustment contributions are also required by statute and may be paid by the employer or by the employee depending upon the employer's compensation plan. The employers contribute the remaining amounts necessary to fund the retirement system on an actuarially sound basis.

As differences between actual and assumed experience emerge, adjustments are made to contributions to maintain financial balance as follows:

- ▶ One-half of the increase or decrease is reflected in the employer normal cost rate.
- ▶ One-half of the increase or decrease is reflected in the participant-paid portion of the benefit adjustment contribution. If a decrease would reduce a benefit adjustment contribution to less than zero, participant normal contributions are reduced.

Interest credits. For years after 1989, participant accounts are credited with interest annually as follows:

Date of Participation	Rate Credited For Purpose of	
	Money Purchase Minimum	Refunds
Prior to 1982	Actual	Actual
January 1, 1982 and later	5%	3%

Contribution Rates. The financial objective of WRS is to establish and receive contributions that will remain level from year to year and decade to decade.

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 completed 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 invest income.

Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown on the next page 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			Total			Exec & Elec	
	Protective	Teachers	Gen	Exec & Elec	(Economy)	Protective	Teachers	Gen	Exec & Elec	Age
20	6.0	6.0	5.0	5.0	4.8	10.8	10.8	9.8	9.8	20
25	6.0	5.4	5.0	5.0	4.8	10.8	10.2	9.8	9.8	25
30	3.1	4.4	3.2	3.2	4.8	7.9	9.2	8.0	8.0	30
35	1.6	3.4	2.2	2.2	4.8	6.4	8.2	7.0	7.0	35
40	0.9	2.4	1.3	1.3	4.8	5.7	7.2	6.1	6.1	40
45	0.5	1.5	0.7	0.7	4.8	5.3	6.3	5.5	5.5	45
50	0.3	0.8	0.4	0.4	4.8	5.1	5.6	5.2	5.2	50
55	0.1	0.4	0.3	0.3	4.8	4.9	5.2	5.1	5.1	55
60	0.0	0.3	0.3	0.3	4.8	4.8	5.1	5.1	5.1	60
65	0.0	0.2	0.2	0.2	4.8	4.8	5.0	5.0	5.0	65

If the number of active participants remains constant, then the total active participant payroll will increase 4.8% 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 at right. 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	\$203.49	\$213.51	39.7	45.1
45	193.18	205.50	34.9	40.3
50	180.98	195.63	30.2	35.4
55	166.76	183.57	25.7	30.7
60	150.13	168.96	21.4	26.1
65	131.03	151.77	17.3	21.6
70	110.56	131.92	13.5	17.3
75	90.31	110.50	10.3	13.4
80	70.75	89.29	7.6	10.1
85	54.29	69.03	5.5	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							4%	3%	
51							4	3	
52							4	3	
53							25	25	
54							25	25	
55							25	30	
56							25	35	
57	12	12	20	15	10	20	25	40	6
58	15	15	20	15	12	20	25	40	6
59	20	20	20	15	13	20	25	40	6
60	20	20	20	15	13	20	25	40	8
61	25	30	25	15	15	20	25	40	8
62	40	40	45	30	25	20	40	40	18
63	40	40	45	20	25	20	40	30	18
64	40	40	45	20	25	20	40	30	18
65	55	55	55	40	30	38	40	30	30
66	40	52	50	35	30	38	40	30	30
67	40	40	40	35	25	25	40	30	30
68	35	35	40	30	25	25	40	30	30
69	35	35	40	30	25	25	40	30	35
70	35	35	40	30	25	25	100	100	35
71	35	35	40	30	25	25	100	100	40
72	100	100	100	100	100	100	100	100	100

Early Retirement Pattern

% Retiring Next Year							
Age	General		Public School		University		Exec. & Elected
	Male	Female	Male	Female	Male	Female	
55	5%	5%	8%	7%	5%	7%	6%
56	5	5	8	7	5	7	6
57	5	6	8	8	5	7	6
58	5	6	12	9	5	8	6
59	5	7	12	10	5	10	6
60	6	10	12	12	5	10	6
61	8	10	25	15	5	10	6
62	25	25	25	28	13	15	6
63	25	25	25	25	13	15	6
64	25	25	25	25	13	15	6

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 five 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 S.S.	W/O S.S.	Males	Females	Males	Females		Males	Females
0	7.0%	5.0%	10.0%	10.0%	18.0%	19.0%	6.0%	16.0%	15.0%
1	5.0	2.0	8.0	8.0	15.0	17.0	6.0	10.0	11.0
2	4.0	2.0	6.0	7.0	13.0	15.0	6.0	7.0	8.0
3	3.5	1.7	5.0	6.0	11.0	13.0	3.5	6.0	7.0
4	3.0	1.7	4.0	5.0	10.0	11.0	3.0	5.0	6.0
25 5 & Over	3.0	1.2	4.0	5.0	10.0	11.0	3.0	5.0	6.0
30	2.3	1.0	2.7	4.1	10.0	10.0	3.0	4.6	6.0
35	1.6	0.8	1.6	2.6	9.0	8.0	3.0	3.2	4.5
40	1.3	0.6	1.3	1.7	5.0	6.0	3.0	2.2	3.2
45	1.1	0.5	1.1	1.3	3.3	4.5	2.7	1.8	2.9
50	-	-	1.0	1.2	2.0	3.5	2.2	1.7	2.7
55	-	-	1.0	1.2	1.0	3.0	2.0	1.7	1.8
60	-	-	1.0	1.2	0.7	3.0	2.0	1.7	0.6

Disability Rates
% of Active Participants Becoming Disabled

Age	Protectives		Public Schools		University		Exec. & Elected		Other	
	With S.S.	W/O S.S.	Males	Females	Males	Females	Males	Females	Males	Females
20	.04%	.08%	.02%	.02%	.02%	.02%	.02%	.02%	.04%	.03%
25	.05	.08	.02	.02	.02	.02	.02	.02	.04	.03
30	.06	.10	.03	.02	.02	.02	.03	.03	.05	.04
35	.08	.12	.03	.03	.02	.05	.03	.03	.05	.05
40	.12	.15	.04	.04	.03	.08	.05	.05	.09	.08
45	.18	.22	.07	.07	.05	.10	.08	.08	.15	.13
50	.59	.66	.17	.12	.09	.14	.16	.13	.30	.22
55	.88	1.03	.33	.25	.18	.27	.32	.24	.60	.39
60	.98	1.17	.52	.44	.32	.39	.58	.39	1.00	.64

Schedule of Member Valuation Data

General Participants & Teachers

Valuation Date	Participating Employers	Active Participants	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/1992	NA	209,519	5,894,589,626	28,134	6.0%
12/31/1993	1,135	212,839	6,253,739,611	29,382	4.4%
12/31/1994	1,150	216,654	6,507,110,719	30,035	2.2%
12/31/1995	1,155	218,579	6,795,644,304	31,090	3.5%
12/31/1996	1,189	221,637	7,029,818,838	31,718	2.0%
12/31/1997	1,200	222,888	7,341,388,924	32,938	3.8%
12/31/1998	1,221	229,655	7,763,187,576	33,804	2.6%
12/31/1999	1,239	232,529	7,953,043,549	34,202	1.2%

Executive & Elected Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/1992	NA	1,453	58,428,049	40,212	34.2%
12/31/1993	255	1,459	61,879,743	42,412	5.5%
12/31/1994	257	1,474	65,382,697	44,357	4.6%
12/31/1995	257	1,488	68,625,183	46,119	4.0%
12/31/1996	262	1,469	69,367,823	47,221	2.4%
12/31/1997	264	1,455	73,458,398	50,487	6.9%
12/31/1998	264	1,473	76,797,872	52,137	3.3%
12/31/1999	264	1,488	79,536,481	53,452	2.5%

Protective Participants Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/1992	NA	12,161	394,671,600	32,454	6.7%
12/31/1993	409	12,435	414,657,732	33,346	2.7%
12/31/1994	417	12,899	444,012,488	34,422	3.2%
12/31/1995	415	13,563	476,078,479	35,101	2.0%
12/31/1996	427	13,895	504,424,471	36,303	3.4%
12/31/1997	435	14,232	546,695,816	38,413	5.8%
12/31/1998	441	14,937	596,646,802	39,944	4.0%
12/31/1999	444	16,579	660,667,277	39,850	-0.2%

Protective Participants Not Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/1992	N/A	2,628	100,935,726	38,408	8.0%
12/31/1993	60	2,627	104,583,225	39,811	3.7%
12/31/1994	61	2,639	108,668,734	41,178	3.4%
12/31/1995	59	2,644	113,907,092	43,081	4.6%
12/31/1996	56	2,634	118,019,107	44,806	4.0%
12/31/1997	55	2,654	123,036,843	46,359	3.5%
12/31/1998	55	2,672	132,017,915	49,408	6.6%
12/31/1999	54	2,702	132,751,007	49,131	-0.6%

All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/1992	1,174	225,761	6,448,625,001	28,564	6.3%
12/31/1993	1,171	229,360	6,834,860,311	29,800	4.3%
12/31/1994	1,182	233,666	7,125,174,638	30,493	2.3%
12/31/1995	1,202	236,274	7,454,255,058	31,549	3.5%
12/31/1996	1,218	239,635	7,721,630,239	32,222	2.1%
12/31/1997	1,230	241,229	8,084,579,981	33,514	4.0%
12/31/1998	1,252	248,737	8,568,650,165	34,449	2.8%
12/31/1999	1,266	253,298	8,825,998,314	34,844	1.1%

Summary of Accrued and Unfunded Accrued Liabilities (In Millions \$)						
Valuation Year	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
1990	20,461.0	18,480.4	90.3%	1,980.6	5,425.7	36.5%
1991	22,934.4	20,892.7	91.1%	2,041.7	5,865.5	34.8%
1992	24,984.7	22,943.2	91.8%	2,041.5	6,448.6	31.7%
1993	27,533.0	25,436.5	92.4%	2,096.5	6,834.9	30.7%
1994	29,012.1	26,954.3	92.9%	2,057.8	7,135.6	28.8%
1995	32,348.9	30,246.2	93.5%	2,102.7	7,454.3	28.2%
1996	36,097.0	33,962.6	94.1%	2,134.4	7,721.6	27.6%
1997	40,762.9	38,584.6	94.7%	2,178.3	8,084.6	26.9%
1998	45,617.1	43,390.5	95.1%	2,226.6	8,481.1	26.3%
1999	51,549.5	49,403.7	95.8%	2,145.8	8,826.0	24.3%

Solvency Test (In Millions \$)									
Valuation Year	Valuation Assets	Accrued Liability				Percent Funded			
		Retirants and Beneficiaries	Active Member Contrib.	Employer's Contrib.	Total	Retirants and Beneficiaries	Active Member Contrib.	Employer's Contrib.	Total
1990	18,480.4	7,312.4	5,694.5	7,454.1	20,461.0	100.0%	100.0%	73.4%	90.3%
1991	20,892.7	8,239.1	6,426.9	8,268.4	22,934.4	100.0%	100.0%	75.3%	91.1%
1992	22,943.2	8,991.0	7,026.3	8,967.4	24,984.7	100.0%	100.0%	77.2%	91.8%
1993	25,436.5	10,016.1	7,800.2	9,716.7	27,533.0	100.0%	100.0%	78.4%	92.4%
1994	26,954.3	10,704.2	8,197.6	10,110.3	29,012.1	100.0%	100.0%	79.6%	92.9%
1995	30,246.2	12,205.9	9,022.5	11,120.5	32,348.9	100.0%	100.0%	81.1%	93.5%
1996	33,962.6	13,964.6	9,865.1	12,267.3	36,097.0	100.0%	100.0%	82.6%	94.1%
1997	38,584.6	15,985.1	11,072.5	13,705.3	40,762.9	100.0%	100.0%	84.1%	94.7%
1998	43,390.5	18,352.3	11,710.3	15,554.5	45,617.1	100.0%	100.0%	85.7%	95.1%
1999	49,403.7	21,290.7	12,769.6	17,489.2	51,549.5	100.0%	100.0%	87.7%	95.8%

Wisconsin Retirement System Contribution Rates

	General (Incl. Teachers)					
	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
1990	4.6%	1.4%	6.0%	5.0%	1.0%	12.0%
1991	4.7%	1.4%	6.1%	5.0%	1.1%	12.2%
1992	4.8%	1.4%	6.2%	5.0%	1.2%	12.4%
1993	4.8%	1.4%	6.2%	5.0%	1.2%	12.4%
1994	4.8%	1.3%	6.1%	5.0%	1.2%	12.3%
1995	4.8%	1.3%	6.1%	5.0%	1.2%	12.3%
1996	5.1%	1.3%	6.4%	5.0%	1.5%	12.9%
1997	5.0%	1.3%	6.3%	5.0%	1.4%	12.7%
1998	4.8%	1.3%	6.1%	5.0%	1.2%	12.3%
1999	4.4%	1.4%	5.8%	5.0%	0.8%	11.6%

	Executive & Elected					
	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
1990	11.0%	0.9%	11.9%	5.5%	0.0%	17.4%
1991	11.1%	0.9%	12.0%	5.5%	0.1%	17.6%
1992	11.1%	0.9%	12.0%	5.5%	0.1%	17.6%
1993	11.1%	0.9%	12.0%	5.5%	0.1%	17.6%
1994	11.1%	0.9%	12.0%	5.5%	0.1%	17.6%
1995	11.1%	0.9%	12.0%	5.5%	0.1%	17.6%
1996	10.1%	1.0%	11.1%	4.6%	0.0%	15.7%
1997	10.2%	1.0%	11.2%	4.7%	0.0%	15.9%
1998	10.2%	1.0%	11.2%	4.7%	0.0%	15.9%
1999	9.8%	1.0%	10.8%	4.3%	0.0%	15.1%

	Protective with Social Security						
	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
1990	10.0%	1.2%	2.1%	13.3%	6.0%	0.9%	20.2%
1991	9.8%	1.1%	2.3%	13.2%	6.0%	0.7%	19.9%
1992	9.8%	1.1%	2.5%	13.4%	6.0%	0.7%	20.1%
1993	9.7%	1.0%	2.8%	13.5%	6.0%	0.6%	20.1%
1994	9.7%	1.0%	3.0%	13.7%	6.0%	0.6%	20.3%
1995	9.6%	1.0%	3.2%	13.8%	6.0%	0.5%	20.3%
1996	9.2%	1.0%	3.4%	13.6%	6.0%	0.1%	19.7%
1997	8.9%	0.9%	3.4%	13.2%	5.8%	0.0%	19.0%
1998	8.5%	0.9%	3.7%	13.1%	5.4%	0.0%	18.5%
1999	8.0%	0.9%	3.7%	12.6%	4.9%	0.0%	17.5%

	Protective without Social Security						
	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
1990	15.4%	1.5%	2.1%	19.0%	8.0%	0.0%	27.0%
1991	14.9%	1.5%	2.3%	18.7%	7.5%	0.0%	26.2%
1992	14.9%	1.5%	2.5%	18.9%	7.5%	0.0%	26.4%
1993	14.9%	1.5%	2.8%	19.2%	7.5%	0.0%	26.7%
1994	14.9%	1.4%	3.0%	19.3%	7.5%	0.0%	26.8%
1995	14.6%	1.4%	3.2%	19.2%	7.2%	0.0%	26.4%
1996	14.2%	1.5%	3.4%	19.1%	6.8%	0.0%	25.9%
1997	13.6%	1.5%	3.3%	18.4%	6.2%	0.0%	24.6%
1998	13.2%	1.4%	3.7%	18.3%	5.8%	0.0%	24.1%
1999	12.8%	1.5%	3.7%	18.0%	5.4%	0.0%	23.4%

Notes to Contribution Rate Schedule

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.

Analysis of Financial Experience

Gains & Losses in Accrued Liabilities During 1998
Resulting from Differences Between Assumed Experience & Actual Experience
(in Millions \$)

Type of Activity	General	Executive & Elected	Protective With Social Security	Protective Without Social Security	Total
Normal Retirement	\$ (9.3)	\$ 0.4	\$ (1.4)	\$ (2.0)	\$ (12.3)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pays, a loss.					
Early Retirement	(11.0)	0.1	(1.6)	(0.1)	(12.6)
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, a gain.					
Death with Benefit	0.9	0.0	0.1	0.0	1.0
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.					
Disability Retirement	12.7	0.2	1.8	0.7	15.4
If disability claims are less than assumed, there is a gain. If more claims, a loss.					
Other Separations	41.6	0.7	9.4	4.7	56.4
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.					
Salary Increases	203.6	3.9	9.3	(3.7)	213.1
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.					
Investment Return	542.1	5.2	86.7	29.3	663.3
If there is greater investment income than assumed, there is a gain. If less income, a loss.					
Miscellaneous	(251.7)	(6.9)	(32.9)	(7.2)	(298.7)
Total Gain (Loss)	528.9	3.6	71.4	21.7	625.6
% of accrued liability	2.6%	1.5%	4.5%	4.0%	2.8%

Wisconsin Retirement System Changes in Number of Annuities

Year	Annuity Type	Beginning	Additions	Deletions	Ending
1999	Retirement	92,157	6,324	2,734	95,747
	Disability	5,673	343	205	5,811
	Beneficiary	1,282	46	69	1,259
	Total	<u>99,112</u>	<u>6,713</u>	<u>3,008</u>	<u>102,817</u>
1998	Retirement	88,230	6,324	2,397	92,157
	Disability	5,574	311	212	5,673
	Beneficiary	1,324	26	68	1,282
	Total	<u>95,128</u>	<u>6,661</u>	<u>2,677</u>	<u>99,112</u>
1997	Retirement	85,418	5,458	2,646	88,230
	Disability	5,423	338	187	5,574
	Beneficiary	1,357	27	60	1,324
	Total	<u>92,198</u>	<u>5,823</u>	<u>2,893</u>	<u>95,128</u>
1996	Retirement	82,333	5,566	2,481	85,418
	Disability	5,279	364	220	5,423
	Beneficiary	1,386	29	58	1,357
	Total	<u>88,998</u>	<u>5,959</u>	<u>2,759</u>	<u>92,198</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
	Total	<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
	Total	<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
	Total	<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
	Total	<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
	Total	<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
	Total	<u>73,232</u>	<u>6,749</u>	<u>2,315</u>	<u>77,666</u>

INVESTMENTS



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, SWIB's 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 in order to maintain retirement benefit levels for the future.

The relationship between ETF and SWIB, in a nutshell, is as follows: 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, 1999, the assets for the fixed trust were \$55.9 billion, up \$7.1 billion from the previous year. The assets in the variable trust were \$8.3 billion, up \$1.5 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 trust make up about 93% of the total assets managed by SWIB.

The Trustees of the Investment Board as of June 30, 1999, 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:

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

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

Jon D. Hammes, President, Hammes Company, Brookfield

James R. Nelson, Investment Advisor, Loomis, Sayles & Company, Milwaukee

William R. Sauey, Chairman/President, Nordic Group of Companies, Ltd. Baraboo

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.

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.

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

3. Local Government Representative:

Norma Dehaven, City Administrator, City of Fitchburg

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

George Lightbourn (Acting Secretary), Madison.

The staff of the Investment Board is headed by Patricia Lipton, the Executive Director, who is appointed by the Board of Trustees. There are six investment divisions: Public Fixed Income, Private Placements, Real Estate, Domestic Equities, International Equities and Non-Traditional Investments.

Investment Guidelines

The general policies that apply to all funds invested by the State of Wisconsin Investment Board (SWIB) are embodied in Chapter 25 of the Wisconsin Statutes and the Wisconsin Administrative Code.

In summary, these rules and guidelines require SWIB to determine the purpose of each fund, establish parameters for each fund's investment management, and determine the appropriate risk and return standards. In determining these standards, SWIB uses criteria that are accepted by other large investors with similar responsibilities and objectives.

Investments made for each of the funds must be within the investment criteria established by SWIB for that fund. Investments must also qualify as prudent under SWIB's standard of fiduciary responsibility. Within the constraints of statutory authority for each fund, investments are diversified so that large exposure to unpredictable events is minimized.

The State of Wisconsin Investment Board attempts to invest in organizations that adhere to prevailing local and national laws and to generally accepted standards of conduct in

their affairs. SWIB recognizes that local customs and laws in many countries may vary from the basic human rights and freedoms prevailing in the United States. However, SWIB seeks investments in organizations that respect the basic human rights of their employe and clientele in any country, because such conduct is conducive to the long-term success of such organizations.

The State of Wisconsin Investment Board encourages investment proposals from Wisconsin-based companies, or proposals that will broaden the Wisconsin economy or provide opportunities for employment of Wisconsin citizens. These proposals must conform to SWIB's standard investment policies. Each Wisconsin investment is subject to the same extensive review and analysis as other investments. Under no circumstances are concessions made regarding risk and rate of return objectives, which must be the same as for other proposals.

The State of Wisconsin Investment Board will not approve any investment proposal that would provide a special advantage, gain, or rate of return to a subgroup of its beneficiaries at the expense of a part of the entire beneficiary group. Nor will SWIB approve for investment any individual or group. All SWIB investments must offer a competitive rate of return based on the perceived risk as compared with other similar investments.

The State of Wisconsin Investment Board also has guidelines that require disclosure of commissions and fees paid by SWIB in investment transactions. The guidelines provide for identification of brokers who bring real estate and private placement investments to SWIB, even though such brokers are not paid by SWIB. Parties involved in investment transactions with SWIB are required to certify that there are no conflicts of interest arising from direct or indirect economic interests in the transaction. Any involvement or financial interest in transactions by Trustees or SWIB staff is strictly prohibited.

Fixed Retirement Trust Fund

This trust is a pooled fund consisting of retirement contributions made by and on behalf of participants in the Wisconsin Retirement System. (Participants are state, school and local government employees.) All participant contributions are invested through this trust unless a participant has elected to contribute to the Variable Retirement Trust Fund. (Since 1980, new employees may no longer elect to join the Variable Retirement Trust Fund.)

At retirement, participants in the Fixed Trust Fund receive fixed monthly benefit

payments. This means that they receive benefit amounts that stay constant in nominal terms during the retirement years, unless favorable investment performance is experienced relative to the actuarial assumptions used in calculating benefits. The basic investment objective of this trust fund is to achieve a rate of return over the long-term which averages 3.2% per year in excess of wage-rate growth. This objective is predicated on market rate of return and actuarial assumptions.

Holdings in the Fixed Trust Fund at the end of the fiscal year were as follows:

Fixed Retirement Trust Fund Holdings – December 31, 1999

(In Millions \$)

Equities		
Domestic - Active Portfolios	\$ 8,927	15.97 %
Domestic - Quantitative Portfolios	1,042	1.86
Domestic - Passive Index Fund	13,791	24.67
International - Active Portfolios	8,079	14.45
International - Passive Index Fund	626	1.12
Leveraged Buyouts	1,148	2.05
Venture Capital	186	0.33
Real Estate Mortgages	352	0.63
Emerging Markets	<u>642</u>	<u>1.17</u>
Total Equities	\$ 34,793	62.25
Fixed Income		
Public Bonds - Active Portfolios	\$ 6,591	11.79
Public Bonds - Passive Index Fund	3,838	6.87
International / Global	3,427	6.13
Private Placements	3,172	5.67
Emerging Markets	<u>140</u>	<u>0.25</u>
Total Fixed Income	\$ 17,168	30.71
Real Estate	1,907	3.41
Non Traditional	1,304	2.33
Cash & Cash Equivalents	<u>729</u>	<u>1.30</u>
TOTAL	<u>\$ 55,901</u>	<u>100.00 %</u>

Variable Retirement Trust Fund

This trust fund, like the Fixed Retirement Trust Fund, is a pooled fund consisting of retirement contributions for participants within the Wisconsin Retirement System. Prior to 1980, new employees could choose to place half of their pension fund contributions in the Variable Trust Fund. The balance of the contributions are credited to the Fixed Trust Fund. Chapter 221, Laws of 1979 barred new participants from entering the Variable Trust Fund after April 1980.

After retirement, the benefit paid on the portion of contributions in the Variable Trust Fund is adjusted each year based on the performance of the Variable Trust Fund as a whole. Participating employees may elect to switch their Variable Trust Fund assets to the Fixed Retirement Trust Fund.

The Variable Trust Fund is primarily invested in common stocks. The purpose of the variable annuity program is to permit participants to share in the expanding economy of the nation through the profits of business and industry. Participants who have

elected this option, however, must be prepared for the possibility that unfavorable stock market performance could result in losses.

The investment objective of the Variable Trust Fund is to obtain performance results which exceed those obtained by similar

equity-oriented portfolios over a full market cycle. Unlike the Fixed Trust Fund, there is no guarantee of a basic pension amount.

Holdings in the Variable Trust Fund at the end of the fiscal year were as follows:

Variable Retirement Trust Fund Holdings – December 31, 1999 (In Millions)		
Equities		
Domestic – Active Portfolios	\$ 2,228	26.7 %
Domestic – Quantitative Portfolios	\$ 261	3.1 %
Domestic – Passive Index Fund	\$ 3,420	41.0 %
International – Active Portfolios	2,011	24.1
International – Passive Index Fund	62	0.7
Emerging Markets	160	1.9
Total Equities	\$ 8,143	97.7
Cash & Cash Equivalents	194	2.3
TOTAL	<u>\$ 8,337</u>	<u>100.0 %</u>

Investment Portfolios

To meet the objectives of the retirement trust funds, SWIB manages a broadly diversified mix of investments that includes equities, fixed income, real estate, non traditional investments and cash. Each investment group specializes in a particular area of investment and may manage a number of separate portfolios with different investment objectives.

Equities— Fixed and Variable Funds

Domestic Equities (Active). Actively managed domestic equity investments primarily consist of common stock held in U.S. companies. These investments are managed in five internal portfolios.

- Small cap portfolio: Companies with a market capitalization of up to \$1.5 billion.
- Mid cap portfolio: Companies with market capitalization of \$1 to \$10 billion.
- Target portfolio: Selected companies in the small to mid capitalization range.
- Large cap issue selection portfolio: Large companies with a capitalization greater than \$3 billion.

- Quantitative Portfolios: J.P. Morgan and Grantham, Mayo Van Oterloo each manage large cap assets using quantitative investment strategies.

S&P 500 Index Fund. The Standard & Poor's Index of 500 large company stocks is represented in this portfolio. The investment objectives are to add diversity to equity portfolios, facilitate asset allocation and complement SWIB's predominantly active investment style.

Mid Cap Index Fund. This fund invests in mid-sized companies of approximately \$1 billion to \$5 billion in market capitalization.

Small Cap Index Fund. This portfolio represents companies in the Russell 2000 Index of US stocks.

International Equities. Investments in stocks traded on foreign are divided among an internally managed portfolio, externally managed portfolios and an index fund. SWIB limits investments to countries rated "free" or "partly free" by the Freedom House Index.

Private Equity

- **Leveraged Buy-Out.** This portfolio invests in partnerships that seek superior returns from a combination of closely-held ownership and high leverage. This portfolio is diversified by investment size and strategy, as well as geography.
- **Venture Capital.** Selected venture capital start-up funds, which in turn invest in various stages of a new company's development, are the focus of this portfolio. Investments are diversified across different stages of company development and geographic area.
- **Emerging Markets.** SWIB's emerging markets investment program focuses on developing countries. These investments are managed in two externally managed funds: the Capital International Emerging Markets Growth Fund and the Genesis Emerging Markets Fund.

Fixed Income

Public Bonds. Public Bonds are managed in three portfolios: (1) the core portfolio is invested primarily in U.S. government bonds and corporate bonds purchased in public markets. Bonds are broadly diversified by credit type, maturity and sector; (2) The market evaluation portfolio is weighted toward corporate securities and seeks temporary under-valuations through the use of swaps, sector and maturity shifts; and (3) The intermediate duration portfolio invests in U.S. Treasury and agency securities, primarily in the three- to seven-year maturity range.

International/Global Bonds. SWIB may invest in fixed income securities of sovereign states or territories rated 'free' or 'partly free' in the Freedom House Index. Securities must meet minimum credit quality requirements. Four outside advisors manage approximately two-thirds of SWIB's international/global bonds: Alliance Capital Management, Brinson Partners, Morgan

Grenfell Investment Services and Nomura Capital Management.

Lehman Aggregate Index Fund. This index fund includes a broad representation of the public and corporate markets. The investment objectives are to add diversity to our bond portfolios, facilitate asset allocation, and complement SWIB's predominantly active investment style.

Private Placements. SWIB makes direct, long-term loans to companies located throughout the United States. In many cases, SWIB participates as a co-lender with other public or private investors. Occasionally, these investments include a component of company ownership. Loans are made at fixed rates of interest. Typically, a company must have a demonstrated record of good management, sales growth, profitability and cash flow, along with reasonable levels of existing debt and equity.

Emerging Markets. SWIB's fixed income emerging markets investment program focuses on developing countries. Investments are managed in the Morgan Grenfell Emerging Markets Fund and the Salomon Brothers Emerging Markets Fund.

Real Estate

SWIB invests in commercial real estate as a sole direct owner, or in joint ventures and partnerships. The investment objective is to add diversity, provide long-term stability and act as a hedge against inflation. The portfolio is diversified by region of the United States and by property type.

Non Traditional

This portfolio may invest across asset classes in domestic or international markets. Investments are in public and private equities, fixed income instruments, partnerships and structured investments. The objectives are to improve overall performance of the Fixed Trust Fund through enhanced returns and reduced volatility.

Cash

Temporary cash balances awaiting permanent investment are invested in

short-term and intermediate-term investments. They include obligations of the U.S. government and its agencies, as well as high quality commercial bank and corporate debt obligations. (The investment vehicle is the State Investment Fund.)

Investment Results

Retirement benefits, taxpayer and employe costs, and the extent to which the plan provides a funded guarantee of future benefits are affected by the investment results of Wisconsin's public retirement system. Lower investment income ultimately means that payments by taxpayers and employes are higher. Higher investment income means, in addition to reducing taxpayer and employe costs, that payments to retirees may be

increased to help offset inflation. Wisconsin's system permits such increases if investment results exceed the amount necessary to maintain level payments. In addition, the investment results directly affect the benefits paid to employes who terminate their employment prior to retirement, and the benefits paid to their surviving beneficiaries.

The Results— Income Credits

The charts shown below (see also page 111) are the Fixed and Variable Trust Fund income credits paid to participants' accounts over each of the past ten years. The credit, or income paid at the end of each year, is expressed as a percentage of the year's beginning balance in the participant's account.

Annual Income Credits – Pre-Retirement Accounts		
Year	Fixed	Variable
Ended 12/31	Trust Fund	Trust Fund
1990	8.6%	-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%
1996	12.5%	20.0%
1997	12.8%	23.0%
1998	13.1%	18.0%
1999	13.5%	28.0%

Annual Income Credits Post Retirement Adjustments		
Year Ended 12/31*	Fixed Trust Fund	Variable Trust Fund
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%
1996	5.6%	19.0%
1997	6.6%	14.0%
1998	7.7%	18.0%
1999	7.2%	12.0%

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

The Fixed Trust Fund income credit equals (a) the Fixed Trust Fund's annual dividend and interest income plus (b) 20% of the accumulated capital gains and losses on the Fixed Trust Fund. Capital gains and losses are effectively averaged over a five-year period in order to stabilize the Fixed Trust Fund income credit and provide smoother overall returns to participant accounts.

The Variable Trust Fund income credit consists of income plus capital gains and losses of the Variable Trust Fund, with no averaging or stabilizing provision. Since the Variable Trust Fund is invested almost entirely in common stocks, the inherent volatility of the stock market results in widely varying annual returns. It is reasonable to expect that over long periods of time the Variable Trust Fund results will, on average, have larger income credits than the Fixed Trust Fund income credits. But the results can also be expected to be more volatile.

The Results— Total Rate of Return

While income credits reflect SWIB's performance in a meaningful way to beneficiaries, they differ from measures commonly used to evaluate investment management. Total rate of return (time-weighted) is widely accepted as a useful technique for comparing investment results. It combines current yield plus changes in current market value.

The income credit for the Fixed Trust Fund is similar to the yield (dividends and interest). This is because the income credit primarily reflects cash received by the Fixed Trust Fund. The Fixed Trust Fund income credit is comparatively stable and is less susceptible to fluctuations in payments to retirees.

The income credit for the Variable Trust Fund, on the other hand, is close to the total return of the Variable Trust Fund, fully reflecting changes in market value as well as yield. The deviations between Variable Trust Fund income credit and total rate of return reflect non-investment changes such as changes in reserves, turnover and the timing of payments.

Total rate of return is shown for both funds in the following table. SWIB began measuring results using the time-weighted rate

of return method June 30, 1977. Results for the last ten years are reported.

Time-Weighted Total Rate of Return					
Fiscal Year Ended 6/30	Fixed Trust Fund		Total Fund	Variable Trust Fund	
	Equities	Fixed Income		Equities Only	Total Fund
1990	5.4	9.5	7.1	5.5	5.2
1991	3.5	10.7	6.7	3.4	2.9
1992	13.6	15.1	13.2	13.1	13.0
1993	15.3	15.2	14.2	15.4	15.0
1994	7.0	-1.8	3.8	6.3	6.1
1995	19.4	14.0	16.7	20.2	19.6
1996	20.8	6.2	14.8	20.7	20.1
1997	26.1	9.9	18.9	26.2	25.0
1998	21.3	12.5	17.6	21.5	20.6
1999	14.8	2.7	9.8	15.6	15.1
10 Yr Avg.	14.5 %	9.3 %	12.2 %	14.6 %	14.0 %

Interpretation of Results

In order to know whether these results are successful or not, some comparisons are in order.

There are many incorrect ways of assessing investment results. It is not, for example, appropriate to compare the results of funds with very different objectives or constraints. Funds with different types and mixes of investments are also difficult to compare directly. To properly assess investment results, comparisons must reflect similar objectives, constraints and opportunities.

One must also be careful about the period of time used for measurement. Investment results measured over short periods of time are very unstable. The best results today may be the worst tomorrow. What matters is consistent, long-term results.

With these thoughts in mind, the comparisons presented below are believed to reflect reasonably comparable

conditions. No such comparisons are perfect, but by examining several comparisons a pattern emerges.

Performance vs. Objectives— Fixed Trust Fund

Perhaps the most important measure of results is performance compared with established investment objectives. SWIB's objective for the Fixed Trust Fund is to exceed a benchmark composed of market indices and investment manager returns weighted to reflect adopted asset allocation policies. Another objective is to exceed wage rate growth by 3.2% per year over long periods of time. This objective is consistent with retirement plan actuarial assumptions. National wage rate growth is selected rather than the plan-participant wage growth experience because national measures are believed to be more representative of long-term wage trends.

Fixed Trust Fund - Return vs. Objectives

	For Periods Ending 6/99		
	<u>1 Yr</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Fixed Fund Return	9.8%	15.5%	12.2%
Fixed Fund Benchmark	11.0%	15.7%	11.9%
National Wage Rate Growth	3.1%	3.5%	3.7%
Inflation (GDP Deflator)	0.9%	1.7%	2.4%
GDP (current \$)	4.5%	5.2%	5.1%

The results indicate that Fixed Trust Fund returns have exceeded the benchmark returns over the last 10 years. Returns have also been well in excess of wage-rate growth in these years. This is the thirteenth year that the ten-year results have exceeded the wage-rate growth objective.

**Performance vs. Objectives—
Variable Trust Fund**

For the Variable Trust Fund, SWIB's objective is to equal or exceed the S&P 500

Index (with income added). The S&P 500 Index is a broad market measure of U.S. intermediate and large company stocks. It is widely regarded as a good measure of average results for larger U.S. common stock funds.

Another objective of the Variable Fund is to equal or exceed a broad equity benchmark more closely resembling SWIB's mixture of U.S. and non-U.S. equity assets. This benchmark is composed of market indices and investment manager returns weighted to reflect adopted asset allocation policies within the equity sector.

Variable Trust Fund - Return vs. Average Market Results

	For Periods Ending 6/99		
	<u>1 Yr</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Variable fund Return	15.1 %	20.0 %	14.0 %
S&P 500 Index (with dividends)	22.7	27.9	18.8
Broad Equity Benchmark	13.8	20.7	15.1

Top Holdings As of December 31, 1999**Equity**

<u>Security Name</u>	<u>Industry</u>	<u>Market Value</u>
Microsoft Corp Com	Computer Software	\$918,849,172
General Electric Co Com	Conglomerate	781,963,252
Cisco Sys Inc	Computer Networks	582,819,670
Exxon Corp Com	Oil and Gas	503,041,404
Intel Corp Calif Com	Semiconductors	456,149,199
Walmart Stores Inc	Retail	446,918,287
Lucent Technologies, Inc.	Communications Equipment	355,551,365
Citigroup	Financial Services	287,918,494
American Intl Group	Insurance	283,342,328
Proctor & Gamble	Personal and Household Products	282,991,172



**EMPLOYERS AND
UNFUNDED
ACTUARIAL
ACCRUED BALANCE**





Wisconsin Retirement System Employers and Their Unfunded Liability (Prior Service Balance)¹ Dec.31, 1999

State Government (60)

Name	Covered Payroll	Required Contributions	Unfunded Liability
Administration	45,609,909	6,673,928	
Agric Trade Cons Prot	24,016,055	3,434,795	
Arts Board	392,072	57,765	
Board Aging & Long Term Care	747,088	106,086	
Brd Of Commsrs Of Public Lands	411,411	58,420	
Commerce	17,311,384	2,485,863	
Corrections	271,893,393	45,780,326	
Courts - State	49,108,830	7,897,399	
District Attorneys	24,413,865	3,645,474	
Educational Communications Bd	3,446,090	500,220	
Elections Board	491,128	72,905	
Employe Trust Funds	6,741,513	966,824	
Employment Relations Comm	1,810,664	264,796	
Employment Relations	3,519,683	513,435	
Ethics Board	279,918	42,945	
Executive Office	1,869,215	272,650	
Financial Institutions, Dept	6,730,848	973,410	
Health & Educ Facilities Auth	196,554	27,911	
Health & Family Serv	204,663,301	29,843,490	
Higher Educational Aids Board	748,099	108,101	
Historical Society - State	7,088,314	1,031,229	
Housing & Econ Develop Auth	7,610,723	1,080,723	
Insurance Commission's Office	4,887,535	699,842	
Investment Board	6,229,748	947,226	
Jt Survey Comm On Retirem Sys	142,046	22,741	
Judicial Commission	96,987	16,039	
Justice	24,974,667	3,737,313	
Legis Assembly - Chief Clerk	12,308,585	1,893,970	
Legis Assembly-Sgt At Arms	413,743	60,532	
Legislative Audit Bureau	3,317,457	477,172	
Legislative Council	1,988,164	285,892	
Legislative Fiscal Bureau	1,881,894	270,949	
Legislative Reference Bureau	2,740,945	392,455	
Legislative Tech Serv Bureau	742,060	107,705	
Legislature - Senate	8,521,073	1,264,260	
Lieutenant Governor's Office	296,732	46,246	
Lower Wis. State Riverway Bd.	60,224	8,552	
Military Affairs	10,714,458	1,599,320	
Minnesota-Wisc Boundary Comm	178,048	25,283	
Natural Resources	118,289,820	18,663,475	
Personnel Commission	544,567	84,986	
Public Defender's Office	26,991,602	3,843,351	
Public Instruction	24,135,190	3,451,597	
Public Service Commission	8,423,786	1,225,722	
Regulation & Licensing, Dept	5,210,978	756,427	
Revenue	46,262,768	6,612,610	
Revisor Of Statutes Bureau	456,697	68,137	
Secretary Of State's Office	269,500	42,104	
State Fair Park Board	2,273,200	338,430	
Tech For Ed Achieve In Wis Bd	251,753	35,749	
Tourism, Department Of	2,156,974	311,936	
Transportation	154,237,311	23,312,682	
Treasurer's Office - State	558,332	82,950	
UW Hospital Authority	84,154,031	11,949,872	
UW Hospital Board	45,943,874	6,524,030	
Veterans Affairs	24,981,861	3,561,788	
Wis Tech College Sys Board	3,781,831	546,993	
Wiscraft Inc - Ent For Blind	642,052	91,171	
Workforce Development	85,969,663	12,251,025	
Total State Agencies	<u>1,394,130,210</u>	<u>211,449,226</u>	
University Of Wisconsin System	1,100,517,909	156,937,125	
Total State of Wisconsin	<u>2,494,648,119</u>	<u>368,386,351</u>	<u>679,930,695</u>

¹ Some employers, when they came under the Wisconsin Retirement system (WRS), 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 WRS. "Required Contributions" is the amount for the year each employer contributes to the WRS for future benefits

First Class Cities (153)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	271,238	27,666	0
Adams	453,474	56,892	90,119
Algoma	2,387,172	291,249	886,579
Alloona	1,042,880	135,515	245,167
Amery	642,542	76,575	14,115
Anigo	3,248,301	478,880	944,603
Appleton	26,764,269	3,517,053	(492)
Ashland	3,667,794	534,929	1,253,701
Baraboo	3,409,219	450,199	845,876
Barron	1,040,259	134,964	419,691
Bayfield	339,622	41,411	33,436
Beaver Dam	4,618,232	657,037	1,477,092
Beloit	16,563,487	2,614,231	3,526,899
Berlin	1,742,885	217,479	342,098
Black River Falls	1,617,167	212,728	464,077
Blair	251,733	31,525	55,113
Boscobel	932,710	115,430	336,843
Brillion	573,435	70,055	13,822
Brodhead	854,739	113,534	301,028
Brookfield	13,573,445	2,204,512	2,183,751
Buffalo City	37,940	3,908	973
Burlington	2,670,207	355,409	729,275
Cedarburg	3,842,452	520,031	810,142
Chilton	781,298	99,842	250,965
Chippewa Falls	5,827,650	881,015	1,901,574
Clintonville	1,805,452	263,719	763,735
Columbus	1,597,268	206,293	454,903
Crandon	417,550	54,041	70,104
Cuba City	498,360	64,911	146,934
Cudahy	6,366,771	1,067,426	2,797,172
Cumberland	643,523	84,643	380,382
Darlington	598,511	76,668	136,021
De Pere	6,486,899	912,556	1,375,383
Delafield	1,442,812	193,688	140,178
Delavan	2,355,001	301,681	356,251
Durand	441,208	57,253	163,763
Eagle River	963,261	125,025	250,112
Eau Claire	22,972,164	3,597,376	6,944,139
Edgerton	1,243,671	162,793	297,997
Elkhorn	1,888,024	240,227	326,577
Elroy	496,240	57,913	71,360
Evansville	1,254,329	157,435	278,217
Fitchburg	3,496,696	447,976	192,766
Fond Du Lac	15,630,669	2,525,651	5,315,558
Fort Atkinson	3,241,484	432,947	918,908
Fox Lake	342,178	42,752	76,797
Galesville	294,918	38,130	80,170
Glendale	3,516,560	621,072	2,604,448
Green Bay	41,499,325	6,266,004	14,403,055
Green Lake	321,979	42,323	93,214
Greenfield	10,572,018	1,626,825	783,691
Hartford	4,421,109	550,414	1,111,117
Horicon	1,130,597	148,530	313,702
Hudson	2,668,361	335,488	481,236
Hurley	538,018	74,142	212,417
Janesville	20,006,800	3,260,352	5,432,895
Jefferson	2,161,647	275,588	530,205
Juneau	754,153	93,163	165,598
Kaukauna	6,264,343	845,353	1,822,394
Kenosha	33,332,988	4,972,830	(1,321)
Kewaunee	741,656	99,023	291,002
Kiel	1,282,891	161,182	366,082
La Crosse	21,624,701	3,238,862	6,576,145
Ladysmith	1,173,090	148,508	145,022
Lake Geneva	2,558,862	327,724	537,395
Lake Mills	1,913,157	251,125	494,857
Lancaster	846,553	110,058	1,074,901
Lodi	747,846	93,351	114,604
Madison	111,886,901	16,570,503	31,761,942
Manawa	278,284	36,232	74,802
Manitowoc	16,652,816	2,454,893	6,630,695
Marinette	5,258,437	764,054	1,342,792
Markesan	330,605	42,744	42,286
Marshfield	9,271,512	1,415,925	3,117,688
Mayville	1,255,701	158,108	273,929
Medford	1,313,450	168,616	379,174
Menasha	6,256,469	1,037,633	2,849,655
Menomonie	4,940,004	828,362	1,043,480
Mequon	5,243,061	670,782	1,140,312
Merrill	4,791,749	811,701	1,461,728
Middleton	3,460,201	433,432	392,469
Milton	1,137,440	132,348	0
Milwaukee City Empl Retiremt	0	0	459,197
Mondovi	534,398	67,011	171,416
Monona	2,275,518	307,443	413,466
Monroe	3,482,997	441,057	707,255
Montello	257,532	32,838	44,711
Mosinee	767,045	100,123	158,661
Muskego	4,407,998	541,184	0
Neenah	9,466,438	1,414,449	16
Neillsville	710,457	92,812	374,236
Nekoosa	704,690	89,695	366,396
New Berlin	8,839,485	1,276,344	1,284,580
New Holstein	1,220,915	133,059	(1,077)
New London	2,687,151	342,645	715,604
New Richmond	2,185,414	263,972	302,877
Oak Creek	10,466,281	1,589,937	2,538,215
Oconomowoc	4,608,778	611,458	1,679,160
Oconto Falls	914,454	111,958	146,669
Oconto	1,396,191	209,646	462,945
Omro	770,742	113,671	595,643
Onalaska	2,842,715	392,980	299,074
Oshkosh	22,136,275	3,210,416	7,196,868
Owen	250,375	31,102	59,871
Park Falls	818,603	107,573	324,775
Phillips	637,640	84,262	131,437
Platteville	2,933,973	381,174	983,267
Plymouth	2,656,406	339,088	900,155
Port Washington	3,103,831	396,626	786,473
Portage	2,853,560	359,280	76,869
Prairie Du Chien	1,560,576	238,710	1,044,864
Princeton	361,721	49,174	162,649
Racine	41,823,488	7,054,120	16,004,862
Reedsburg	2,392,341	305,895	600,516
Rhineland	3,952,294	551,007	968,298
Rice Lake	3,860,888	585,079	924,099
Richland Center	1,674,161	212,568	645,066
Ripon	1,878,235	240,623	450,469
River Falls	3,849,533	474,304	757,176
Seymour	896,256	116,263	212,371
Shawano	1,979,837	261,022	741,012
Sheboygan Falls	1,480,887	187,755	369,805
Sheboygan	21,045,214	3,046,515	9,311,857
Shell Lake	270,161	33,194	49,287
South Milwaukee	6,971,594	1,204,745	2,624,252
Sparta	2,144,868	273,623	399,363
Spooner	758,650	102,489	337,791
St Francis	3,040,252	538,784	644,247
Stanley	494,319	63,491	128,854
Stevens Point	8,330,848	1,374,254	2,025,552
Stoughton	3,440,926	427,721	760,122
Sturgeon Bay	3,242,981	461,615	1,609,126
Superior	10,657,907	1,710,074	4,544,320
Thorp	337,826	41,562	85,926
Tomah	2,488,087	313,708	471,160
Tomahawk	1,148,069	148,442	486,579
Two Rivers	5,928,769	953,177	2,692,541
Verona	1,483,156	212,599	245,184
Washburn	636,041	81,800	248,010
Watertown	6,754,812	927,190	1,364,342
Waukesha	23,774,140	3,557,876	5,102,714
Waupaca	1,905,921	247,716	414,809
Waupun	2,852,292	363,439	874,116
Wausau	12,829,512	2,056,167	4,371,316
Wauloma	405,508	52,425	91,809
Wauwatosa	20,509,819	3,373,127	8,922,213
West Allis	27,867,122	4,475,498	12,507,437
West Bend	9,871,644	1,561,182	2,003,486
Westby	525,091	62,368	114,169
Whitehall	461,721	58,810	156,695
Whitewater	3,313,125	471,259	725,436

Wisconsin Dells	1,748,713	220,113	506,248
Wisconsin Rapids	10,535,585	1,565,207	3,425,756
Cities	857,199,170	127,318,918	238,032,152

4th Class Cities (34)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Alma	219,699	24,600	17,885
Arcadia	184,885	28,657	15,766
Augusta	378,393	45,627	2,593
Bloomer	246,986	40,012	87,461
Chetek	232,465	34,172	0
Cornell	493,099	56,199	0
Dodgeville	330,344	50,543	15,516
Fennimore	188,477	27,706	(492)
Fountain City	40,002	6,080	3,084
Franklin	4,265,639	665,440	121,248
Gillett	113,808	17,868	16,665
Glenwood City	52,396	8,017	3,606
Greenwood	95,221	14,664	2,457
Hayward	231,831	35,006	5,116
Hillsboro	81,776	12,348	5,720
Independence	235,845	28,153	14,687
Loyal	92,084	13,905	8,598
Marion	58,027	8,762	6,992
Mauston	819,279	99,140	28,794
Mellen	205,999	23,684	0
Mineral Point	192,614	30,048	10,484
Montreal	121,021	26,625	327,144
New Lisbon	87,894	13,360	6,231
Niagara	649,240	82,857	183,662
Osseo	375,230	44,218	11,028
Peshigo	231,301	34,001	0
Pittsville	81,731	12,423	4,564
Prescott	274,628	41,469	16,240
Shullsburg	279,369	32,042	8,424
St Croix Falls	358,748	42,948	6,648
Sun Prairie	1,592,125	243,595	94,628
Viroqua	1,080,396	177,843	1,277,894
Waterloo	944,285	114,792	123,030
Weyauwega	144,722	22,721	8,883
4th Class Cities	14,979,560	2,159,525	2,434,557

Villages (189)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Albany	194,513	24,837	27,504
Alouez	2,018,775	257,329	565,659
Amherst	131,552	14,602	21,737
Argyle	145,513	16,099	0
Arlington	66,072	8,061	25,172
Ashwaubenon	4,713,998	623,000	482,983
Athens	120,082	13,801	27,463
Avoca	97,877	11,028	0
Baldwin	503,355	60,917	65,710
Balsam Lake	173,762	20,546	21,993
Bayside	1,589,485	212,889	292,420
Belgium	186,766	21,665	16,762
Belleville	391,570	45,500	0
Belmont	157,115	18,084	1,770
Benlon	180,845	21,602	22,111
Big Bend	320,534	40,846	0
Birchwood	134,680	15,760	0
Biramwood	36,466	3,720	0
Biron	219,782	22,418	0
Black Earth	344,469	39,062	0
Blanchardville	155,637	17,998	0
Blue Mounds	147,081	17,022	0
Blue River	70,316	7,172	0
Boyceville	191,126	25,182	56,404
Boyd	129,422	14,667	0
Brooklyn	146,033	21,872	124,633
Brown Deer	3,387,015	440,682	859,521

Browntown	39,742	4,054	0
Bulter	650,915	90,967	180,818
Cadott	358,485	40,689	0
Cambria	173,008	18,943	0
Campbellsport	263,575	28,825	0
Cedar Grove	207,994	25,791	86,666
Centuria	178,309	22,961	80,188
Chenequa	661,654	99,170	116,220
Clear Lake	286,205	31,382	0
Cleveland	232,189	28,957	18,434
Clinton	500,335	59,994	0
Clyman	54,916	5,711	2,169
Cobb	76,037	8,516	22,144
Cochrane	56,736	5,787	0
Colfax	183,687	21,033	0
Combined Locks	478,808	59,953	119,607
Cottage Grove	509,859	65,497	16,507
Crivitz	184,442	21,132	0
Cross Plains	533,261	71,846	162,680
Dallas	25,397	2,844	6,647
Dane	100,928	15,807	61,138
Darien	444,005	59,744	57,848
De Soto	39,130	4,547	1,322
Deerfield	335,192	37,369	0
Deforest	1,476,625	184,894	55,624
Denmark	292,157	31,649	0
Dousman	262,678	30,181	0
Dresser	139,215	15,367	0
Eagle	182,797	22,312	0
East Troy	782,129	104,958	44,622
Edgar	207,036	22,569	0
Egg Harbor	150,495	15,350	0
Eleva	95,657	13,126	51,900
Elk Mound	143,082	16,100	0
Elkhart Lake	247,156	35,568	41,659
Ellsworth	483,979	60,233	33,568
Elm Grove	2,048,430	316,381	365,774
Elmwood	148,051	16,093	0
Ephraim	212,055	21,630	14,359
Etrick	123,377	13,737	0
Fall River	156,998	19,475	10,004
Fontana On Gnva Lk	853,787	111,480	188,746
Fox Point	2,368,688	362,585	1,370,660
Friendship	99,389	12,821	47,687
Gays Mills	114,229	16,468	50,211
Genoa City	326,976	42,966	43,045
Germantown	4,160,512	531,780	530,240
Gilman	74,447	8,567	0
Grafton	2,602,581	332,860	572,911
Granton	93,187	9,505	0
Grantsburg	314,240	34,389	0
Greendale	4,155,384	719,085	1,092,566
Gresham	275,207	28,071	0
Hales Corners	1,997,831	272,101	346,252
Hammond	199,750	23,190	0
Hartland	1,898,476	249,895	183,791
Hawkins	36,348	4,616	24,726
Hilbert	146,184	14,911	0
Holmen	654,710	78,877	0
Hortonville	344,278	48,705	69,229
Howard	1,508,991	157,470	40,118
Hustisford	421,527	51,038	82,814
Iola	266,026	32,008	0
Jackson	1,014,722	127,132	25,331
Johnson Creek	280,371	29,816	0
Kendall	41,159	5,618	14,463
Kewaskum	633,103	80,591	0
Kimberly	1,170,676	129,945	249,053
Kohler	690,035	92,661	253,264
La Farge	231,688	31,270	83,388
Lake Dellon	813,829	117,046	91,010
Lake Nebagamon	97,317	9,926	0
Little Chute	2,326,681	305,979	273,914
Loganville	35,127	3,583	0
Lomira	296,367	34,156	0
Luck	338,770	39,984	41,796
Luxemburg	169,737	21,581	56,582
Maple Bluff	568,912	83,880	181,001
Marathon City	277,744	34,421	52,838

Marshall	501,088	62,100	33,110
Mattoon	58,371	5,954	0
Mcfarland	1,364,768	175,482	78,748
Menomonee Falls	9,894,071	1,278,848	1,874,817
Milltown	209,558	24,850	5
Minong	119,536	14,996	24,888
Mishicot	169,205	19,774	41,428
Mount Horeb	1,398,630	157,645	0
Necedah	168,524	18,667	0
Neshkoro	61,568	10,959	89,437
New Glarus	650,234	99,560	138,858
Newburg	35,627	3,988	0
Nichols	37,748	4,152	(326)
North Fond Du Lac	1,208,616	154,617	142,408
North Freedom	46,021	4,694	0
North Hudson	273,980	35,606	8,546
Oconomowoc Lake	334,528	49,923	47,218
Oostburg	207,095	23,609	43,599
Oregon	1,505,709	219,286	494,460
Orfordville	310,316	35,853	0
Osceola	503,991	66,173	99,119
Paddock Lake	228,471	24,787	17,289
Pardeeville	399,809	46,371	47,701
Plain	141,629	16,558	0
Pleasant Prairie	4,063,977	614,320	117,891
Plover	1,454,222	183,511	73,032
Port Edwards	479,827	59,907	169,226
Pound	35,210	5,545	46,351
Poynette	399,516	50,694	51,702
Prairie Du Sac	458,857	55,063	131,752
Pulaski	671,818	82,533	0
Randolph	377,160	55,056	161,405
Random Lake	248,201	29,536	25,716
Rib Lake	176,146	19,407	0
Rio	126,539	16,957	11,265
River Hills	1,303,622	189,686	522,863
Roberts	191,862	20,931	0
Rock Springs	23,393	2,573	3,601
Rosendale	102,827	11,958	0
Rosholt	31,770	3,590	7,722
Rothschild	936,147	125,210	146,189
Sauk City	856,021	114,006	210,850
Saukville	1,029,203	128,066	91,601
Sharon	375,637	50,674	34,672
Sherwood	201,971	26,054	78,305
Shorewood Hills	684,259	92,954	182,601
Shorewood	3,508,347	506,450	2,030,809
Sister Bay	256,362	28,456	11,238
Slinger	1,015,464	123,992	30,519
Solon Springs	94,029	10,198	0
Somerset	457,002	59,242	77,920
Spencer	286,252	36,513	77,101
St Nazianz	94,732	10,610	20,443
Stratford	240,243	27,352	0
Strum	146,837	19,369	36,776
Suring	133,590	15,709	23,948
Sussex	1,149,103	133,296	140,710
Thiensville	745,614	98,333	204,060
Trempealeau	242,304	27,210	0
Turtle Lake	301,023	36,566	0
Twin Lakes	1,010,039	131,505	137,287
Union Center	0	0	7,758
Union Grove	654,557	66,765	0
Valders	174,475	20,765	5,065
Walworth	475,828	62,740	44,163
Wausaukee	2,048,260	255,880	135,543
Wausaukee	66,707	7,471	16,636
West Baraboo	135,581	16,134	(6,891)
West Milwaukee	1,900,351	278,133	2,187,693
Westfield	207,000	25,769	28,660
Weston, Village(Marathon)	990,423	116,942	207,858
Whitefish Bay	2,869,345	391,365	2,172,683
Whitelaw	49,741	5,074	0
Whiting	162,410	17,865	20,923
Wild Rose	174,867	20,332	0
Williams Bay	720,498	91,722	112,990
Wilson	26,172	2,774	2,600
Wind Point	130,879	13,350	0
Winneconne	561,569	69,952	94,533

Withee	89,739	9,153	0
Wonewoc	148,310	18,214	35,268
Wrightstown	271,726	27,716	0
Wyocena	85,098	8,680	0
Total Villages	117,261,297	15,382,761	23,231,718

Special Districts (154)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Algoma City Housing Auth	11,788	1,202	0
Allenton Sanitary Dist	69,923	7,132	0
Altoona City Housing Authority	30,422	3,711	8,733
Antigo City Housing Auth	267,124	29,384	14,425
Appleton City Housing Auth	261,601	26,683	0
Ashland City Housing Auth	219,632	24,160	22,489
Ashland County Housing Auth	105,719	14,801	120,017
Baraboo District Ambulance	164,071	16,735	0
Bay Area Rural Transit Commiss	105,576	10,769	0
Bayfield County Housing Auth	74,053	8,442	341
Bay-Lake Regional Plan Comm	414,284	45,986	82,671
Big Cedar Lake Prot/Rehab Dist	12,524	1,453	13,827
Brockway Sanitary District #1	41,961	4,280	0
Brookfield, Town San Dist #4	170,159	18,888	(5,202)
Burlington City Housing Auth	28,236	3,247	11,394
Caddy Vista Sanitary District	31,932	4,119	13,138
Chillon City Housing Auth	36,549	3,728	0
Chippewa Co Housing Auth	204,313	20,840	0
City-County Data Center Comm	1,033,774	113,715	55,593
Clintonville City Hous Auth	51,632	5,680	10,282
Colby/Abbotsford Jt Police Com	237,116	34,093	0
Consol Koshkonong Sanitary Dis	126,064	12,859	0
Cumberland Municipal Utility	274,079	27,956	0
Dane Co Regional Plan Comm	742,983	81,728	204,438
Dane County Housing Authority	441,417	50,322	171,752
Deer-Grove Ems Dist	34,136	5,018	0
Deforest Area Fire Board Dist	58,654	8,622	0
Deltafield-Hartl Water Pol Cnll	258,938	29,260	75,439
Delavan Lake Sanitary District	311,086	31,731	(0)
Dodge County Housing Authority	60,804	6,932	6,603
Eagle River Jt Library Sv Etal	70,411	7,182	0
East Central Wis Reg Plan Comm	702,221	77,244	111,906
Eastern Shores Lib Sys	293,594	29,947	0
Eau Claire City Housing Auth	365,223	37,253	0
Eau Claire City-Co Health Dpt	1,769,140	196,375	316,706
Edgerton City Housing Auth	69,522	7,091	0
Edgerton Fire Prot Dist	50,275	5,128	0
Everest Metro Police Comm	1,068,690	158,640	104,812
Fish Creek Sanitary Dist #1	88,184	8,995	0
Filch-Rona Ems District	220,388	22,480	0
Fond Du Lac City Housing Auth	417,649	46,359	53,260
Fontana/Walworth Wtr Pol Cn Cm	196,145	20,007	0
Grand Chute Sanitary Dist #2	307,335	35,875	41,665
Grand Chute-Menasha Ws Sew Com	387,211	39,496	0
Green Bay Metro Sewerage Dist	4,898,867	543,774	1,237,065
Green Lake Sanitary District	85,897	8,762	0
Hallie Sanitary Dist #1	24,834	2,533	0
Heart Of The Valley Met Sew Ds	486,032	53,950	143,726
Hudson City Housing Authority	46,728	4,766	0
Hum Srv Ctr Onida Vilas Forst	1,671,304	183,843	114,434
Hurley Housing Authority	32,915	3,522	2,612
Indianhead Fed Library System	390,514	43,347	55,344
Jefferson City Housing Auth	72,225	7,945	11,695
Kaukauna City Housing Auth	99,065	10,996	3,757
Kegonsa Sanitary District	46,445	4,737	0
Kenosha City-Co Jt Serv Board	2,343,049	257,735	464,052
Kronenwetter San Dist #2	35,358	3,607	(6)
La Crosse City Housing Auth	628,669	69,154	119,955
Ladysmith Housing Auth	44,552	4,544	0
Lake Area Communication System	269,931	27,533	0
Lake Como Sanitary Dist #1	201,711	21,583	16,226
Lake Mills City Housing Auth	56,684	5,838	766
Lake Ripley Mgt District	31,800	3,339	3,315
Lakeland Sanitary District #1	183,642	20,384	44,574
League Of Wisc Municipalities	424,095	50,891	180,872
Lincoln County Housing Auth	61,733	6,791	12,897
Lyons Sanitary District #2	33,441	3,411	0

Madison Metro Sewerage Dist	4,207,328	429,147	(1)
Manitowoc City Housing Auth	72,517	7,977	14,063
Marinette City Housing Auth	135,027	15,663	45,073
Menasha Electric & Water	2,524,932	257,543	0
Menasha San Dist #4(Winnebago)	419,749	47,012	0
Menomonie City Housing Auth	127,933	15,352	23,856
Mequon - Thiensville Library	371,892	42,396	41,603
Mercer Sanitary District #1	76,607	7,814	(356)
Merrill City Housing Authority	139,157	15,307	24,277
Middleton Fire District	83,313	10,664	29,944
Mid-Wis Federated Lib Sys	212,975	22,788	21,202
Milw Area Dom Animal Cont Comm	214,439	21,873	0
Milwaukee Co Fed Lib Sys	370,224	37,763	0
Mississippi River Reg Plan Com	176,801	19,448	29,562
Muni Court W Waukesha County	73,737	7,521	0
Myrtle Werth Medical Center	0	0	148,759
Neenah - Menasha Sewerage Comm	156,219	17,809	122,915
New London City Housing Auth	89,630	9,949	9,310
New Richmond Ems	74,023	7,984	0
Nicolet Federated Library Sys	295,438	32,794	65,641
North Central Health Care Fac	22,242,154	2,268,700	0
North Central Wis Reg Plan Com	236,476	26,249	73,302
North Park Sanitary District	175,741	20,386	61,015
North Shore Fire Dept	6,083,960	1,468,616	0
North Shore Pub Saf Comm	476,147	48,567	0
North Shore Water Commission	364,444	40,089	73,238
Northern Moraine Utility Comm	80,496	8,855	14,797
Northern Pines Community Prog	2,890,221	320,815	245,949
Northern Waters Library Serv	342,098	40,368	130,454
Northwest Regional Plan Comm	1,043,259	114,758	88,995
Norway Sanitary District #1	122,565	12,502	0
Oconto City Housing Authority	75,415	7,692	0
Onalaska Comm Dev Auth	96,004	9,792	0
Oregon Area Fire - Ems Dist	99,492	13,690	(231)
Orfordville Vol Fire Prot Dist	31,808	6,616	11,800
Oshkosh City Housing Authority	263,185	28,687	13,317
Outagamie County Housing Auth	395,484	43,503	0
Outagamie Waupc Co Fed Libr Sy	379,252	42,097	46,582
Phelps Sanitary District #1	32,815	3,347	0
Plymouth City Housing Auth	55,009	5,666	969
Prairie Du Sac Jt Sewer Comm	35,925	4,024	5,084
Rhinelanders City Housing Auth	81,949	9,014	16,555
Rib Mountain Metro Sew Dist	232,155	23,680	0
Rice Lake City Housing Auth	160,910	21,562	96,081
River Falls City Housing Auth	168,952	18,585	22,892
Sauk County Housing Authority	171,526	17,496	0
Se Wis Reg Planning Comm	2,701,659	275,569	0
Shawano City Housing Authority	146,184	16,080	30,916
Shawano County Housing Auth	101,245	11,137	18,633
Shawano Lake Sanitary Dist #1	425,872	47,272	80,247
Shawano Municipal Utilities	953,429	97,250	0
Sheboygan City Housing Auth	180,583	19,864	28,447
Sheboygan Sanitary District #2	40,095	4,090	0
Sheboygan Sanitary District #3	39,750	4,055	0
Silver Lake San. Dist.	135,620	13,833	0
Slinger Village Housing Auth	59,755	6,812	(1,820)
South Central Library System	1,077,894	118,568	48,802
South Milwaukee City Hous Auth	95,488	10,504	7,614
Southwest Wis Library System	351,511	39,721	70,564
Southwestern Wis Reg Plan Comm	214,988	23,649	41,088
St Joseph Sanitary District #1	16,195	1,652	0
Stevens Point City Hous Auth	353,283	39,214	16,960
Three Lakes Sanitary Dist #1	35,504	3,621	(400)
Trempealeau County Hous Auth	165,717	18,229	32,345
Unif Board Of Grant & Iowa Co	1,409,341	156,437	386,559
Valley Ridge Clean Water Comm	42,930	4,379	0
Viroqua City Housing Authority	109,330	11,480	9,443
Walworth County Metro Sew Dist	608,189	66,901	96,761
Washburn City Housing Auth	79,749	8,772	3,876
Watertown City Housing Auth	68,966	7,586	9,921
Waukesha City Housing Auth	382,785	42,106	25,597
Waunakee Area Fire Dist	35,000	3,570	0
Wausaukee Village Hous Auth	65,202	9,976	34,979
Waverly Sanitary District	117,352	11,970	0
West Bend City Housing Auth	96,397	10,122	(946)
West Central Wi Bisolidis Comm	86,427	8,816	0
West Central Wis Reg Plan Comm	433,018	47,632	83,798
Winding Rivers Library Sys	315,383	32,169	0
Windsor Sanitary District #1	52,649	8,161	43,377

Winnefox Library System	408,414	44,517	54,273
Wis Alliance Of Cities	165,059	16,836	0
Wis Dells-Lake Delton Sew Comm	114,843	11,714	0
Wisconsin Counties Association	1,016,533	117,918	111,492
Wisconsin Munic Mutal Ins Co	159,606	16,439	(578)
Wisconsin Rapids City Hs Auth	211,922	23,311	32,292
Wisconsin Towns Association	217,503	23,925	13,601
Wisconsin Valley Library Srv	380,197	42,582	101,199
Total Special Districts	83,886,977	9,819,127	6,701,260

Towns (155)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Addison (Washington)	80,096	8,170	0
Albion (Dane)	86,055	11,273	53,349
Anson (Chippewa)	70,296	8,788	28,834
Arbor Vitae (Vilas)	109,708	12,946	27,745
Ashippun (Dodge Co)	104,125	12,700	2,843
Ashland (Ashland)	48,745	5,021	312
Athelstane (Marinette)	46,351	4,728	0
Aztalan (Jefferson)	75,544	10,047	54,910
Baraboo (Sauk)	25,358	2,587	0
Barksdale (Bayfield)	42,050	4,962	22,401
Beloit (Rock)	1,307,247	224,294	271,746
Bennett (Douglas)	38,837	5,088	19,792
Berry (Dane)	46,526	4,896	0
Bloomfield (Walworth)	408,437	58,474	29,373
Blooming Grove (Dane)	203,349	34,459	127,287
Boulder Junction, Town (Vilas)	140,361	19,774	44,700
Brockway (Jackson)	44,835	4,910	0
Brookfield (Waukesha)	1,129,127	147,320	6,331
Caledonia (Racine)	4,868,416	765,305	12
Campbell (La Crosse)	395,324	52,049	46,618
Cedarburg (Ozaukee)	335,324	37,556	103,583
Clear Lake (Polk)	32,434	4,087	17,333
Clinton (Barron)	50,148	5,115	0
Corning (Lincoln)	46,022	5,108	(18)
Crescent (Oneida)	47,016	5,595	18,065
Cross Plains (Dane)	35,235	3,594	0
Dairyland (Douglas)	25,410	2,592	0
Darien (Walworth)	34,298	3,773	6,621
Delavan (Walworth)	668,704	95,479	62,292
Delta (Bayfield)	58,739	6,331	0
Delton (Sauk)	91,196	9,728	0
Drummond (Bayfield)	101,243	15,996	59,930
Dunkirk (Dane)	64,918	6,622	0
Dunn (Dane)	278,085	29,661	0
Eagle Point (Chippewa)	78,004	10,800	(155)
Easton (Marathon)	64,901	6,620	0
Eau Galle (Dunn)	36,577	4,645	28,301
Ellington Town Of (Outagamie)	0	0	7,156
Exeter (Green County)	39,665	4,295	0
Farmington (Lacrosse)	49,920	5,092	0
Farmington (Waupaca)	13,500	1,904	0
Flambeau (Rusk)	19,870	2,717	11,821
Florence (Florence)	377,915	48,849	138,535
Freedom (Sauk)	24,263	2,475	0
Fulton (Rock)	36,680	3,741	0
Geneva (Walworth)	444,415	61,647	41,447
Georgetown (Polk)	25,035	4,356	69,638
Grand Chute (Outagamie)	2,315,174	298,926	(8,706)
Grand Rapids (Wood)	316,239	37,535	0
Graliot (Lafayette)	63,515	6,745	0
Green Lake (Grn Lake)	34,935	3,563	0
Greenfield (Lacrosse)	42,507	4,336	0
Greenville (Outagamie)	300,243	31,236	0
Hallie (Chippewa)	350,282	44,407	0
Hayward (Sawyer)	97,331	9,928	0
Hazelhurst (Oneida)	58,274	6,119	7,971
Hull (Portage)	183,726	19,881	0
Iron River (Bayfield)	211,967	26,351	0
Jackson (Washington)	107,598	14,633	50,632
Kimball (Iron)	53,317	6,771	36,125
Komensky (Jackson)	25,118	2,562	0
La Pointe (Ashland)	351,361	41,209	0
La Valle (Sauk)	76,212	10,126	5,678

Lac Du Flambeau, Town (Vilas)	203,906	24,831	86,516
Lafayette (Chippewa)	120,251	13,168	0
Laketown (Polk)	26,926	2,746	0
Land O Lakes (Vilas)	135,463	15,489	15,632
Laona (Forest)	106,400	15,144	629
Lincoln (Vilas)	21,000	2,961	0
Linn (Walworth)	318,688	47,461	40,091
Lisbon (Waukesha)	561,980	72,666	114,692
Lyons (Walworth)	82,816	10,613	10,343
Madison (Dane)	1,695,677	245,634	237,414
Maple (Douglas)	30,866	3,519	47,185
Marengo (Ashland)	23,405	2,387	0
Marion (Wausara)	38,815	5,900	(293)
Medford (Taylor)	28,264	3,166	8,153
Menasha (Winnebago)	2,377,524	323,751	322,976
Menominee (Menominee)	15,423	2,785	11,157
Mercer (Iron)	198,657	22,947	29,485
Merton (Waukesha)	323,424	39,109	97,183
Middleton (Dane)	134,700	18,184	46,883
Milltown (Polk)	61,684	8,698	45,626
Minocqua (Oneida)	1,124,997	172,624	242,186
Mishicot (Manitowoc)	35,848	3,943	7,225
Mt Pleasant (Racine)	4,779,478	780,451	0
New Haven (Dunn)	23,643	2,601	4,577
Newbold (Oneida)	106,655	13,036	31,249
Norway (Racine)	299,440	34,077	3,334
Oakland (Jefferson)	88,634	9,041	0
Oconomowoc (Waukesha)	788,705	112,744	96,656
Oma (Iron)	52,008	5,305	0
Oregon (Dane)	112,201	12,388	0
Ottawa (Waukesha)	30,000	4,170	7,251
Parkland (Douglas)	56,525	5,822	1,173
Pelican (Oneida)	64,470	7,994	36,483
Phelps (Vilas)	107,648	10,980	0
Pine Lake (Oneida)	81,728	13,894	164,509
Pleasant Springs, Town(Dane)	112,527	12,845	0
Pleasant Valley, Town(Eauclir)	56,112	6,621	10,282
Plover (Portage)	87,103	10,321	0
Port Wing (Bayfield)	60,060	6,126	0
Presque Isle (Vilas)	153,639	16,689	0
Preston (Adams)	48,946	5,404	0
Primrose (Dane)	35,323	3,603	0
Quincy (Adams)	57,196	7,078	6,288
Richmond (Walworth)	33,451	3,680	6,760
Ripon	56,878	6,649	0
Rome (Adams)	440,735	55,918	0
Rutland (Dane)	62,253	7,028	4,713
Sanborn (Ashland)	48,930	5,453	0
Scott (Sheboygan)	50,039	5,104	0
Sharon (Walworth)	36,963	4,078	(494)
Sheboygan (Sheboygan)	195,918	19,984	0
Shelby (La Crosse)	362,106	45,250	137,873
South Lancaster, Town (Grant)	28,671	3,383	349
Spirit (Price)	14,384	1,611	2,980
Springdale (Dane)	34,792	3,549	0
Springfield (Dane)	58,991	6,017	0
Springfield (Jackson)	22,348	2,771	22,021
St Germain (Vilas)	229,634	25,489	(5,731)
Stettin (Marathon)	81,956	9,335	0
Stockton (Portage)	64,173	8,059	11,741
Strongs Prairie (Adms)	26,904	2,744	0
Summit (Douglas)	61,957	6,320	0
Summit (Juneau)	37,228	3,797	0
Summit (Waukesha)	529,741	77,669	107,471
Superior (Douglas)	66,330	8,689	54,276
Three Lakes (Oneida)	383,959	45,036	0
Tiffany (Dunn)	25,066	2,557	0
Trempealeau, Town (Trempeleau)	49,435	5,042	0
Troy (Walworth)	49,190	5,460	7,142
Vermont (Dane)	32,895	3,355	0
Vernon (Waukesha)	354,518	45,874	239,234
Verona (Dane)	91,473	10,130	0
Vienna (Dane)	61,694	7,429	0
Viroqua (Vernon)	54,164	5,687	2,736
Wabeno (Forest)	95,216	11,968	18,381
Walworth (Walworth)	32,145	3,536	6,774
Washington (Vilas)	138,644	17,636	47,020
Washington (Eauclaire)	177,248	20,626	50,763
Waterford (Racine)	490,323	70,126	52,659

Wescott (Shawano)	165,102	19,482	3,999
West Bend (Washington)	71,265	7,839	2,603
West Sweden (Polk)	33,893	3,457	0
Westfield (Sauk Co)	13,488	1,376	0
Westford (Richland)	8,694	1,095	17,253
Westport (Dane)	250,464	26,255	0
Wilson (Sheboygan)	88,078	10,254	(1,045)
Wilton (Monroe)	28,924	2,950	0
Windsor (Dane)	256,469	31,546	64,428
Winter (Sawyer)	119,752	12,871	0
Wiola (Lafayette)	46,393	4,732	0
Woodruff (Oneida)	326,320	49,305	84,209
Yorkville (Racine)	53,185	5,425	0
Total Towns	37,849,233	5,233,034	4,055,499

Counties (71)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Adams	6,191,260	764,717	1,230,760
Ashland	4,016,546	541,099	1,352,523
Barron	9,055,477	1,136,537	2,017,551
Bayfield	4,575,143	636,397	1,586,453
Brown	49,445,383	6,175,266	11,716,031
Buffalo	3,645,794	465,504	1,545,277
Burnell	4,066,367	508,486	1,472,920
Calumet	9,035,264	1,065,767	1,901,529
Chippewa	12,258,113	1,343,663	0
Clark	13,661,005	1,657,964	4,403,143
Columbia	14,181,742	1,521,617	(26)
Crawford	3,995,930	510,490	1,134,943
Dane	82,459,241	11,063,957	19,285,277
Dodge	27,109,349	3,218,227	7,000,097
Door	10,665,072	1,391,603	2,334,703
Douglas	9,071,048	1,148,101	5,134,750
Dunn	14,508,872	1,742,061	4,278,357
Eau Claire	16,531,751	1,887,138	0
Florence	2,012,591	273,496	525,898
Fond Du Lac	25,617,182	3,033,500	6,197,766
Forest	2,859,380	366,000	823,942
Grant	10,340,104	1,248,165	3,104,998
Green	10,066,719	1,203,235	2,605,218
Green Lake	4,954,060	636,321	621,913
Iowa	6,293,494	773,698	1,675,144
Iron	2,249,768	303,979	863,306
Jackson	9,649,025	1,141,636	1,628,049
Jefferson	22,358,923	2,837,639	6,309,161
Juneau	7,610,099	952,336	2,459,768
Kenosha	33,728,251	4,143,110	8,917,003
Kewaunee	5,037,371	642,825	1,725,058
La Crosse	29,417,473	3,457,426	6,064,079
Lafayette	8,376,106	984,194	2,062,002
Langlade	5,739,593	704,122	0
Lincoln	11,099,329	1,334,780	2,711,153
Manitowoc	21,085,331	2,566,231	6,777,985
Marathon	26,409,770	3,335,816	6,844,162
Marquette	10,653,547	1,277,625	(941)
Marquette	4,294,385	574,573	1,101,622
Menominee	2,052,813	238,673	456,174
Monroe	10,901,841	1,328,785	3,497,794
Oconto	7,761,981	976,083	(201)
Oneida	8,134,226	1,013,211	1,420,192
Oulagamie	32,713,905	4,042,083	7,607,543
Ozaukee	17,573,244	2,176,553	3,683,094
Pepin	3,070,724	372,057	775,735
Pierce	9,211,962	1,188,105	3,038,348
Polk	11,345,833	1,432,501	2,643,044
Portage	17,351,201	2,170,515	2,998,198
Price	4,945,444	634,013	1,141,444
Racine	43,099,698	5,735,865	11,139,010
Richland	6,929,542	838,158	2,177,084
Rock	46,538,711	5,641,532	8,234,632
Rusk	9,928,391	1,160,388	2,161,955
Sauk	16,928,910	2,089,572	5,292,605
Sawyer	5,566,547	708,557	1,264,913
Shawano	12,184,642	1,602,142	2,664,148
Sheboygan	36,882,807	4,377,299	11,048,381

St Croix	17,199,269	2,085,273	4,068,198
Taylor	5,217,817	638,180	1,266,542
Trempealeau	12,204,391	1,460,542	2,541,607
Vernon	6,969,695	906,136	2,996,384
Vilas	4,854,146	667,777	1,193,487
Walworth	33,920,277	4,166,688	2,075,351
Washburn	4,770,364	600,446	1,418,819
Washington	22,643,688	2,681,764	4,860,650
Waukesha	50,659,318	5,703,785	3,528,369
Waupaca	13,867,644	1,715,262	3,304,328
Waushara	6,743,969	835,849	1,406,874
Winnebago	33,848,017	4,246,902	7,494,211
Wood	20,923,443	2,547,153	5,135,047
Total Counties	1,091,270,319	134,551,149	241,945,534

School Districts (426)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	2,215,695	250,374	575,807
Adams-Friendship Area	9,379,789	1,078,676	1,871,256
Albany	1,981,206	225,857	263,685
Algoma	2,996,543	344,602	97,374
Alma Center-Humbrd-Meril	2,639,307	300,881	532,815
Alma	1,653,265	188,472	409,158
Almond-Bancroft	1,801,784	198,196	331,094
Altoona	5,227,655	601,180	982,199
Amery	7,775,822	901,995	1,627,510
Antigo Unified	13,244,017	1,523,062	3,744,234
Appleton Area	59,954,006	6,894,711	10,955,265
Arbor Vitae-Woodruff #1	2,687,489	274,124	0
Arcadia	3,918,362	399,673	(7,632)
Argyle	1,291,138	147,190	285,487
Arrowhead Union High	9,694,268	1,085,758	1,819,779
Ashland	10,112,864	1,162,979	2,493,476
Ashwaubenon	13,858,146	1,593,687	4,047,980
Athens	2,134,580	245,477	569,015
Auburndale	3,045,567	353,286	853,181
Augusta	2,879,730	331,169	759,279
Baldwin-Woodville Area	5,697,755	660,940	1,174,794
Bangor	2,228,975	258,561	422,516
Baraboo	12,201,082	1,415,326	2,095,797
Barneveld	1,730,299	202,445	221,584
Barron Area	6,486,697	752,457	1,890,380
Bayfield	2,683,172	313,931	505,373
Beaver Dam Unified	14,616,814	1,680,934	2,908,727
Beecher Dunbar Pembine	1,637,789	189,984	313,915
Belleville	3,499,839	395,482	609,533
Belmont Community	1,642,575	187,254	428,075
Beloit	34,264,588	3,940,428	6,679,155
Beloit Turner	4,905,730	559,253	1,293,978
Benton	1,233,287	140,595	375,295
Berlin Area	6,088,842	706,306	1,304,456
Big Foot Uhs	2,156,080	250,105	661,001
Birchwood	1,471,905	172,213	427,304
Black Hawk	2,761,160	314,772	454,708
Black River Falls	7,974,859	925,084	1,933,789
Blair-Taylor	2,848,851	324,769	662,225
Bloomer	4,791,844	560,646	1,283,964
Bonduel	3,779,320	423,284	820,391
Boscobel	4,217,227	472,329	876,982
Boulder Junction Jt #1	1,039,028	118,449	238,525
Bowler	2,424,605	276,405	480,963
Boyceville Community	4,155,020	473,672	651,278
Brighton #1	569,752	65,521	76,752
Brillion Public	3,604,305	407,286	625,262
Bristol, Town, #1	1,891,114	225,043	443,401
Brodhead	4,821,706	559,318	1,204,379
Brown Deer	8,601,887	997,819	3,072,133
Bruce	2,913,795	340,914	978,122
Burlington Area	12,592,600	1,448,149	3,584,249
Butternut	1,148,232	129,750	286,214
Cadott Comm	3,345,977	401,517	1,506,619
Cambria-Friesland	2,156,525	245,844	388,916
Cambridge	4,658,226	535,696	728,135
Cameron	3,080,878	357,382	594,574
Campbellsport	5,235,091	602,035	1,028,952

Cashton	2,236,948	257,249	548,034
Cassville	1,653,748	191,835	380,406
Cedar Grove-Belgium	3,369,664	380,772	295,898
Cedarburg	12,540,153	1,442,118	3,538,074
Chelek	4,577,590	535,578	1,144,574
Chilton	4,313,677	496,073	1,321,830
Chippewa Falls Area Unif	18,676,259	2,166,446	4,193,098
Clayton	1,683,383	195,272	378,764
Clear Lake	2,963,923	343,815	647,248
Clinton Community	5,397,230	620,681	1,257,063
Clintonville Public	7,335,360	850,902	1,793,029
Cochrane-Fountain City	3,425,954	393,985	843,381
Colby	3,784,556	435,224	1,155,956
Coleman	3,289,352	381,565	761,087
Colfax	3,323,759	378,908	671,335
Columbus	4,859,625	563,717	1,345,611
Cornell ict	2,410,112	279,573	721,779
Crandon	4,363,760	506,196	934,087
Crivitz	3,466,337	402,095	1,063,662
Cuba City	3,218,959	392,713	1,124,295
Cudahy	14,397,355	1,655,696	4,511,148
Cumberland	4,606,360	529,731	1,108,829
D C Everest Area	21,013,014	2,395,484	5,257,596
Darlington Comm	4,122,974	478,265	962,142
Deerfield Comm	3,476,673	389,387	598,108
Deforest Area	13,906,567	1,585,349	1,647,305
Delavan-Darien	9,431,712	1,103,510	3,067,707
Denmark	5,983,999	676,192	915,008
Depere Unified	9,433,804	1,084,888	2,161,478
Desoto Area	2,569,832	290,391	574,852
Dodgeand	3,698,868	429,699	900,270
Dodgeville	4,847,651	557,460	1,049,344
Drummond	2,360,026	285,563	1,063,065
Durand	5,880,512	652,737	1,127,430
East Troy Community	6,655,872	772,081	1,438,652
Eau Claire Area	52,431,356	6,029,606	10,912,795
Edgar	1,904,890	219,062	602,035
Edgerton	8,150,229	937,276	2,210,009
Elcho	2,067,111	239,785	491,776
Eleva-Strum	2,639,225	303,511	727,447
Elk Mound Area	3,173,145	361,738	694,363
Elkhart Lake-Glenbeulah	2,972,073	338,816	766,555
Elkhorn Area	9,098,716	1,055,451	1,751,415
Ellsworth Comm	8,016,026	905,811	1,659,184
Elmbrook	39,349,452	4,525,187	9,862,480
Elmwood	2,131,717	240,884	478,097
Elroy-Kendall-Wilton	3,713,156	427,013	1,039,258
Erin #2	1,399,872	160,985	97,235
Evansville Comm	6,292,927	729,890	1,499,331
Fall Creek	3,651,115	427,181	1,015,015
Fall River	1,462,064	169,599	388,570
Fennimore Community	3,581,933	394,013	731,631
Flambeau	3,039,323	355,601	1,141,317
Florence County	3,495,104	408,927	1,025,185
Fond Du Lac	30,954,309	3,559,746	8,091,874
Fontana Jt #8 Etal	1,257,314	150,878	417,785
Fort Atkinson	10,853,170	1,248,115	2,915,347
Fox Point Jt # 2 Etal	4,739,097	544,996	1,415,669
Franklin Public	18,077,117	2,096,946	2,724,264
Frederic	2,596,057	303,739	845,853
Freedom Area	5,085,848	584,873	1,014,736
Friess Lake	894,364	101,957	121,241
Galesville rct Etal	6,036,847	700,274	1,577,571
Geneva Jt #4 Etal	559,853	62,704	123,543
Genoa City Jt #2 Etal	1,571,227	183,834	275,835
Germantown	15,807,771	1,817,894	3,849,413
Gibraltarr Area	3,878,904	461,590	846,789
Gillett	2,459,768	290,253	802,941
Gilman	2,294,356	270,734	855,360
Gilmanton	802,650	93,107	236,944
Glendale-River Hills	5,847,382	672,449	1,910,597
Glenwood City	3,930,780	444,178	709,781
Glidden	1,363,196	152,678	284,677
Goodman-Armstrong	1,142,847	130,285	250,881
Grafton	9,447,234	1,086,432	3,131,730
Granton Area	1,567,755	178,724	415,849
Grantsburg	3,626,086	424,252	986,099
Green Bay Area	89,699,560	10,405,149	21,775,552
Green Lake	1,942,951	223,439	550,370

Greendale	11,632,258	1,349,342	5,047,877	Menomonee Area	14,675,304	1,687,660	2,602,038
Greenfield	14,526,823	1,685,112	4,442,814	Mequon-Thiensville	20,319,015	2,336,687	3,988,143
Greenwood	2,378,812	275,942	865,303	Mercer	984,165	112,195	231,873
Hamilton	15,216,840	1,749,937	4,154,283	Merrill Area Common	14,293,269	1,643,726	3,680,199
Hartford Jt #1 Etal	6,818,756	784,157	1,712,060	Merton Community	2,781,061	303,136	310,077
Hartford Union High	8,092,672	922,565	1,818,821	Middleton-Cross Plns	24,268,295	2,766,586	3,716,143
Hartland Jt #3 Etal	6,133,105	686,908	764,574	Milton	9,448,684	1,086,599	1,922,523
Hayward Community	8,229,248	913,447	1,564,820	Millwaukee Teachers Retirem Sys	367,065,543	44,781,996	157,282,777
Herman #22	456,631	52,969	103,265	Mineral Point Unif	2,875,754	330,712	602,757
Highland	1,261,766	146,365	355,940	Minocqua Jt #1 Etal	2,575,998	296,240	473,782
Hilbert	2,188,651	247,318	490,916	Mishicot	3,864,300	444,395	1,074,846
Hillsboro	2,152,706	243,256	583,462	Mondovi	4,293,060	489,409	814,491
Holmen	12,574,046	1,357,997	1,323,590	Monona Grove	12,547,257	1,455,482	2,842,199
Horicon	4,205,123	487,794	938,489	Monroe	10,021,833	1,152,511	2,318,110
Hortonville	7,480,106	860,212	926,290	Montello	2,452,731	282,064	489,043
Howards Grove	4,242,449	487,882	872,429	Monticello	1,862,982	210,517	418,485
Howard-Suamico	14,121,418	1,638,085	2,552,603	Mosinee	8,932,110	1,036,125	1,739,696
Hudson	15,962,309	1,628,156	0	Mount Horeb Area	7,470,259	859,080	1,602,871
Hurley	3,325,948	389,136	1,002,765	Mukwonago	20,189,792	2,301,636	4,543,384
Hustisford	1,650,929	184,904	389,974	Muskego-Norway	19,278,535	2,236,310	4,603,279
Independence	1,652,222	186,701	413,184	Necedah Area	3,039,137	343,423	464,549
Iola-Scandinavia	2,841,576	335,306	47,701	Neenah Joint	27,312,701	2,785,896	(1,871)
Iowa-Grant	4,372,346	498,447	1,086,390	Neillsville	5,256,560	604,504	1,204,939
Ithaca	1,647,637	184,535	350,648	Nekoosa	6,080,429	699,249	1,577,220
Janesville	47,745,169	5,490,694	13,433,992	Neosho Jt #3 Etal	991,851	114,063	194,202
Jefferson	8,375,356	954,791	2,217,672	New Auburn	1,444,191	168,970	383,239
Johnson Creek	3,052,032	344,880	697,772	New Berlin	25,231,602	2,901,634	8,290,272
Juda	1,112,233	131,243	258,967	New Glarus	2,839,030	337,845	528,138
Kansasville Dover Dist #1	345,997	38,406	58,815	New Holstein	5,129,262	600,124	1,882,790
Kaukauna Area	14,775,881	1,699,226	3,265,346	New Lisbon	3,019,529	353,285	782,380
Kenosha Unified #1	83,137,277	9,560,787	19,038,935	New London	10,255,891	1,179,427	2,389,315
Kettle Moraine	19,083,250	1,946,491	0	New Richmond	9,530,737	1,086,504	1,651,506
Kewaskum	7,638,905	878,474	1,944,342	Niagara	2,997,126	347,667	792,606
Kewaunee	4,342,115	499,343	1,539,180	Nicolet High	8,503,425	986,397	2,979,530
Kickapoo Area	2,254,493	252,503	359,380	Norris	672,889	78,728	120,741
Kiel Area	5,649,084	666,592	1,803,534	North Cape Consolidated	397,844	45,752	75,567
Kimberly Area	11,043,534	1,292,093	1,956,808	North Crawford	2,775,494	327,508	823,268
Kohler	2,366,161	276,841	795,316	North Fond Du Lac	3,605,768	418,269	843,714
La Crosse	40,543,408	4,662,492	8,168,099	North Lake	1,296,889	150,439	184,587
Lac Du Flambeau #1	3,687,864	424,104	192,861	Northern Ozaukee	4,179,765	484,853	1,064,962
Ladysmith-Hawkins	6,470,595	750,589	1,412,806	Northland Pines	6,766,647	798,464	1,578,910
Lafarge	1,590,102	178,091	205,670	Northwood	1,814,424	214,102	697,075
Lake Country	1,983,311	228,081	214,497	Norwalk-Ontario	2,137,463	243,671	566,015
Lake Geneva Jt #1 Etal	4,986,984	578,490	1,064,776	Norway-Raymond Jt#7	422,846	48,627	83,403
Lake Geneva	4,765,220	552,765	1,383,615	Oak Creek-Franklin Jt	20,176,520	2,320,300	4,444,810
Lake Holcombe	2,230,819	261,006	762,241	Oakfield	2,488,511	291,156	887,400
Lake Mills Area	5,752,522	661,540	1,414,910	Oconomowoc Area	16,154,538	1,857,772	4,905,859
Lakeland Union High	4,753,859	546,694	1,250,079	Oconto Falls Public	7,831,172	900,585	1,593,399
Lancaster Comm	4,484,855	515,758	1,114,155	Oconto Unified	5,074,379	583,554	1,109,740
Laona	1,615,828	184,204	420,012	Omro	5,258,537	604,732	1,245,447
Lena Public	1,591,469	184,610	460,072	Onalaska	11,480,885	1,308,821	1,844,060
Linn Jt #4 Etal	463,508	53,303	127,393	Oostburg	3,633,400	421,474	847,091
Linn Jt #6 Etal	575,006	69,576	177,137	Oregon	14,912,870	1,640,416	2,051,719
Little Chute Area	4,855,034	558,329	1,015,519	Osceola	6,276,722	728,100	1,172,407
Lodi	6,015,745	697,826	1,444,441	Oshkosh Area	41,490,848	4,812,938	10,557,104
Lomira	3,386,814	389,484	516,523	Osseo-Fairchild	3,865,972	444,587	1,185,385
Loyal	2,349,818	272,579	693,448	Owen-Withee	2,419,645	290,357	1,191,195
Luck	2,767,084	315,448	523,456	Palmyra-Eagle Area	5,648,033	649,524	1,330,051
Luxemburg-Casco	5,021,515	577,474	1,311,314	Pardeeville Area	3,470,438	395,630	737,849
Madison Metro	145,569,705	16,886,086	32,215,951	Paris Jt #1 Etal	612,663	71,069	196,741
Manawa	3,906,263	445,314	782,681	Park Falls	3,779,801	434,677	1,172,972
Manitowoc Public	21,641,384	2,510,401	5,670,876	Parkview	5,144,756	586,502	1,277,149
Maple Dale-Indian Hill	3,174,576	368,251	856,347	Pecatonia Area	2,226,982	267,238	846,437
Maple	5,727,375	658,648	1,869,551	Pepin Area	1,576,412	178,135	423,052
Marathon City	2,417,204	275,561	545,262	Peshigo	4,224,268	498,464	1,002,549
Marinette	11,127,513	1,279,664	3,240,677	Pewaukee	8,796,648	1,038,004	1,034,727
Marion	2,010,666	231,227	842,881	Phelps	1,196,822	132,847	212,811
Markesan	3,969,170	460,424	1,142,659	Phillips	5,310,867	605,439	1,207,845
Marshall Jt #2 Etal	4,690,940	534,767	741,279	Pittsville	2,851,977	327,977	756,704
Marshfield Unified	19,061,108	2,192,027	3,453,639	Platteville	8,145,852	936,773	2,223,671
Mauston	6,595,554	765,084	1,214,022	Plum City	1,407,812	161,898	349,719
Mayville	5,591,968	648,668	1,199,268	Plymouth Joint	10,466,396	1,203,636	1,943,244
Mcfarland	8,697,812	991,551	1,219,226	Port Edwards	2,343,525	269,505	826,150
Medford Area Public	8,590,322	987,887	1,812,189	Port Washington-Sauville	13,687,052	1,574,011	3,092,864
Mellen	1,349,611	156,555	419,578	Portage Community	10,293,046	1,183,700	0
Melrose-Mindoro	2,950,641	330,472	513,119	Potosi	2,111,682	242,843	586,157
Menasha Joint	14,802,587	1,702,297	3,530,856	Poynette	4,549,413	523,182	1,023,390
Menominee Indian	6,332,821	721,942	1,087,849	Prairie Du Chien Area	5,475,366	629,667	1,516,629
Menomonee Falls	20,979,068	2,454,551	6,151,617	Prairie Farm Public	1,967,211	226,229	382,478

Prentice	2,556,655	286,345	546,434
Prescott	5,050,403	560,595	674,471
Princeton	1,727,215	198,630	300,464
Pulaski Community	14,222,656	1,621,383	2,450,621
Racine Unified	97,063,726	9,900,500	(448)
Randall Jt #1 Etal	2,406,453	279,149	381,674
Randolph	2,190,664	249,736	458,677
Random Lake	4,962,959	570,740	998,192
Raymond #14	1,146,526	132,997	250,320
Reedsburg	10,080,407	1,169,327	2,076,216
Reedsville	2,832,790	322,938	608,607
Rhineland	14,013,774	1,611,564	3,680,619
Rib Lake	2,282,139	262,446	482,141
Rice Lake Area	11,474,432	1,319,560	2,457,229
Richfield Jsd #1	1,584,509	180,634	444,701
Richland	7,252,381	834,024	1,765,906
Richmond	1,108,376	128,572	293,162
Rio Community	2,420,525	275,940	489,098
Ripon	6,891,639	799,430	1,931,911
River Falls	13,507,588	1,539,865	2,106,536
River Ridge	2,877,595	322,291	728,292
River Valley	5,406,839	621,787	1,353,576
Riverdale	3,348,242	385,048	908,115
Rosendale-Brandon	4,590,919	537,138	1,112,296
Rosholt	2,776,332	313,726	402,949
Rubicon Jt #6 Etal	494,895	56,913	165,201
Salem Jt #2 Etal	3,284,652	377,735	611,622
Salem #7	1,290,586	143,255	94,297
Sauk Prairie	11,625,518	1,336,935	2,162,730
Seneca	1,472,777	169,369	387,789
Sevastopol	3,119,418	355,614	752,690
Seymour Community	9,276,477	1,057,518	2,334,742
Sharon Jt #11 Etal	926,657	106,566	266,438
Shawano-Gresham	9,238,301	1,062,405	2,401,794
Sheboygan Area	49,615,726	5,705,809	11,991,938
Sheboygan Falls	7,681,006	883,316	1,200,936
Shell Lake	2,600,296	304,235	737,248
Shiocton	2,666,800	306,682	728,935
Shorewood	11,629,896	1,349,068	3,042,160
Shullsburg	1,938,255	222,899	406,276
Silver Lake Jt #1 Etal	1,840,758	213,528	257,718
Siren	2,295,419	263,973	611,455
Slinger	9,824,545	1,129,823	1,697,894
Solon Springs	1,916,623	218,495	337,870
Somers	4,188,011	473,245	554,415
South Milwaukee	15,963,536	1,835,807	4,886,909
South Shore	1,152,509	131,386	385,422
Southern Door County	6,015,063	685,717	1,464,957
Southwestern Wisc Comm	2,464,766	283,448	831,131
Sparta Area	11,253,081	1,294,104	2,128,787
Spencer	2,776,217	322,041	850,555
Spooner	7,249,423	840,933	1,666,224
Spring Valley	3,266,172	365,811	682,880
St Croix Central	4,144,257	455,868	681,582
St Croix Falls	4,879,721	561,168	1,031,033
St Francis #6	5,227,386	606,377	1,688,778
Stanley-Boyd Area	4,589,276	527,767	1,157,645
Stevens Point Area Pub	38,204,994	4,393,574	6,906,649
Stockbridge	1,076,449	120,562	219,305
Stone Bank	1,347,331	157,638	215,163
Stoughton Area	15,022,095	1,727,541	3,206,763
Stratford	2,579,609	296,655	618,581
Sturgeon Bay	6,643,896	764,048	1,531,959
Sun Prairie Area	21,473,465	2,469,449	5,186,643
Superior	24,676,183	2,837,761	7,531,174
Suring Public	2,456,356	284,937	699,581
Swallow	1,080,340	126,400	188,000
Thorp	2,458,298	282,704	760,602
Three Lakes	3,421,053	396,842	713,104
Tigerton	1,455,108	167,337	417,254
Tomah Area	12,491,115	1,436,478	2,459,809
Tomahawk	5,927,846	681,702	1,294,050
Tomorrow River	3,240,394	372,645	495,743
Tri-County Area - Plnfd	3,292,719	368,785	545,842
Turtle Lake	2,527,322	293,169	700,399
Twin Lakes #4	1,445,654	159,022	193,844
Two Rivers Public	9,314,267	1,080,455	2,579,235
Union Grove Jt #1 Etal	1,937,968	222,866	470,444
Union Grove Union High	2,364,281	271,892	717,378

Unity	5,120,191	593,942	1,278,773
Valders	4,784,628	535,878	875,301
Verona Area	18,315,009	2,106,226	710,222
Viroqua Area	6,041,369	700,799	1,608,728
Wabeno Area	2,407,521	276,865	626,629
Walworth Jt #1 Etal	1,272,691	147,632	338,482
Washburn	3,058,568	351,735	806,938
Washington	588,453	66,495	99,616
Washington-Caldwell	703,655	80,920	104,943
Waterford Union High	3,081,331	357,434	841,011
Waterford Vil Jt #1	3,434,565	394,975	494,407
Waterloo	3,739,187	422,528	684,690
Watertown Unified	16,480,483	1,895,256	3,811,096
Waukesha	57,904,477	5,906,257	(13)
Waunakee Community	11,059,399	1,260,771	1,852,060
Waupaca	8,501,439	977,665	412,772
Waupun	10,101,717	1,161,697	2,335,813
Wausau	44,937,667	5,167,832	8,536,226
Wausaukee	3,359,190	382,948	814,837
Wauloma Area	6,233,610	710,632	431,608
Wauwatosa	33,425,617	3,877,372	10,697,454
Wauzeka Jt Etal	1,720,123	192,654	283,252
Webster	3,235,979	378,610	861,523
West Allis-West Milw	40,888,705	4,743,090	14,621,894
West Bend Jt #1	28,112,130	3,232,895	7,830,644
West Deperre	7,562,939	869,799	2,079,372
West Salem	6,387,986	702,678	1,049,131
Westby Area	5,168,107	594,332	1,332,736
Westfield	4,480,265	515,231	698,045
Weston	1,567,812	175,595	287,714
Westosha Central High	3,963,580	443,921	887,759
Weyauwega-Fremont	3,941,369	453,257	748,127
Weyerhaeuser Area	1,174,511	133,894	286,739
Wheatland Jt #1 Etal	2,159,115	252,617	350,368
White Lake	1,110,078	130,989	470,922
Whitefish Bay	13,262,967	1,538,504	2,035,397
Whitehall	3,281,249	374,062	878,163
Whitewater Unified	8,003,737	928,433	2,259,082
Whitnall	11,261,487	1,306,332	2,563,735
Wild Rose	2,652,854	302,425	623,179
Williams Bay	2,332,657	270,588	498,206
Wilmot Grade	491,948	55,590	106,378
Wilmot Union High	3,759,691	432,364	230,717
Winneconne Comm	6,108,981	714,751	1,513,081
Winter	1,691,985	194,578	536,855
Wisconsin Dells	7,113,658	818,071	1,228,638
Wisconsin Heights	5,119,584	578,513	451,879
Wisconsin Rapids	27,475,226	3,159,651	6,300,601
Wittenberg-Birmamwood	6,052,113	702,045	1,469,743
Wonewoc & Union Center	1,689,325	202,719	539,080
Wrightstown Community	3,222,631	360,935	538,082
Yorkville Jt #2 Etal	1,115,449	130,508	380,705
Total School Districts	3,704,125,606	425,970,383	874,298,829

Technical Colleges (16)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Blackhawk	10,153,821	1,157,536	2,186,421
Chippewa Valley	18,572,214	2,117,232	4,975,144
Fox Valley	31,543,030	3,217,389	(966)
Gateway	25,958,435	2,647,760	0
Lakeshore	11,990,834	1,366,955	3,140,476
Madison Area	44,109,656	5,028,501	7,612,988
Mid-State	10,427,754	1,188,764	2,425,855
Milwaukee Area	82,537,606	8,418,836	1,046
Moraine Park	16,748,397	1,708,337	(1,059)
Nicolet Area	8,575,198	977,573	1,610,039
North Central	16,694,763	1,702,866	(658)
Northwest Wisc	24,080,946	2,745,228	0
Southwest Wisc	7,577,670	863,854	1,532,196
Waukesha Co Area	26,307,771	2,683,393	(49)
Western Wisc	19,478,316	2,220,528	4,639,501
Wisconsin Indianhead	15,643,428	1,783,351	3,675,548
Total Technical Colleges	370,399,837	39,828,101	31,796,484

CESA's (12)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
#1, West Allis	4,047,520	465,465	812,987
#2, Janesville	5,132,682	626,187	1,482,545
#3, Fennimore	2,506,312	290,732	572,044
#4, Lacrosse	1,557,664	177,574	608,598
#5, Portage	5,317,054	611,461	1,067,623
#6, Oshkosh	9,877,804	1,135,947	1,840,844
#7, Green Bay	5,908,015	667,606	695,699
#8, Gillett	4,117,391	477,617	558,226
#9, Tomahawk	1,520,416	173,327	476,868
#10, Chippewa Falls	5,542,214	637,355	890,741
#11, Cumberland	6,492,962	746,691	758,100
#12, Ashland	2,358,163	266,472	239,925
Total CESA's	54,378,196	6,276,435	10,004,199

Total Wisconsin Retirement System

8,825,998,314 1,134,925,783 2,112,430,927

Contacting the Department of Employee Trust Funds

Self-Service Toll-Free Telephone Services

Available 24 hours a day, seven days a week. You must have a touch-tone telephone to use these systems.

SELF-SERVICE LINE: Call 1-877-383-1888 or locally in Madison call 266-2323 to request forms and brochures. Wisconsin Retirement System annuitants may also change their home mailing address or tax withholding election through this self-service line.

TELEPHONE MESSAGE CENTER: Call 1-800-991-5540 or locally in Madison call 264-6633 to hear detailed recorded messages covering a variety of Wisconsin Retirement System topics.

Note: *You will not be able to talk to a "live" person using these systems. To speak to a benefits specialist, call the telephone numbers listed below.*

Visit our Internet Site

Access the Internet site at <http://badger.state.wi.us/agencies/etf>. A tremendous amount of information is on-line regarding the Wisconsin Retirement System and other benefit programs. You may even e-mail the Department through this site.

Call During Office Hours

Office Hours: 7:45 am to 4:30 pm, Monday through Friday
(except holidays)

Toll Free: 1-877-533-5020

Madison: (608) 266-3285
To make an appointment: (608) 266-5717
TTY (Teletypewriter for hearing & speech impaired): (608) 267-0676

Milwaukee: To make an appointment: (414) 227-4294

Write Us

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

Visit Us

(An appointment is recommended)

Madison: 801 West Badger Road
Milwaukee: 819 North Sixth Street, Room 550

Editor's Note: By Statute, the word employe(e) is spelled with one "e" at the end. We have correctly used this spelling throughout the 1999 *Comprehensive Annual Financial Report*.

