



FOR YEAR ENDED DECEMBER 31, 2010

2010

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

State of Wisconsin  
Department of  
Employee Trust Funds





2010

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

DAVID A. STELLA  
SECRETARY

State of Wisconsin  
Department of  
Employee Trust Funds





2010

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**ROBERT WILLETT, CHIEF TRUST  
FINANCIAL OFFICER AND CONTROLLER**

**NANCY KETTERHAGEN, EDITOR**

801 W. Badger Road  
PO Box 7931  
Madison, WI 53707-7931  
1-877-533-5020  
<http://etf.wi.gov>

ET-8501

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing, or visually impaired and need assistance, call toll free 1-877-533-5020; (608) 266-3285 (local Madison) or 1-800-947-3529 (Wisconsin Relay Service). We will try to find another way to provide you with usable information.





**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**

**David A. Stella**  
SECRETARY

801 W Badger Road  
PO Box 7931  
Madison WI 53707-7931

1-877-533-5020 (toll free)  
Fax (608) 267-4549  
<http://etf.wi.gov>

August 26, 2011

GOVERNOR SCOTT WALKER  
MEMBERS OF THE STATE LEGISLATURE  
PUBLIC EMPLOYEES, EMPLOYERS AND OTHER INTERESTED PARTIES:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 2010. This report is intended to provide comprehensive and reliable information about ETF, the Wisconsin Retirement System (WRS), and other benefit plans and trust funds administered by ETF. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation. I hope you will find this report useful and informative.

The WRS continues to be one of the best-funded public employee retirement systems in the country. A well-funded system ensures that a lifetime of benefits can be paid to today's workers without burdening the next generation of taxpayers with higher contributions. It is a tribute to the funding discipline exhibited by the legislature and the ETF Board, and the effective investment strategies of the State of Wisconsin Investment Board (SWIB), that the WRS remains so well funded.

### **Historical Overview**

The WRS was created effective January 1, 1982. The system covers state and local public employees, including the University of Wisconsin System, local police and firefighters, and all publicly-employed teachers in the state. Those not included are employees of the City of Milwaukee and Milwaukee County, who are covered under separate retirement systems. While the WRS has existed since 1982, pension coverage for local government employees has been in place since 1891, when the legislature required Milwaukee to create a pension fund for retired and disabled police and firefighters. Since that date, the legislature has extended pension coverage to other public employees, along with creating group life and health insurance programs.

The Group Insurance Board was created in 1959 to monitor the administration of the life and health insurance programs. In 1967, the Department of Employee Trust Funds was created to administer the various retirement and related benefit programs.

Currently, the WRS is composed of 27% state employees and 73% local employees. As of December 31, 2010, the WRS had 266,629 active employees, 155,775 annuitants (retirees, disability, and beneficiaries), and 149,815 inactive employees with deferred benefits payable.

### **ETF Mission and Responsibilities**

ETF's mission is "to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust." ETF administers retirement, health, life, income continuation, long-term disability, and long-term care insurance programs, along with an employee reimbursement accounts program, commuter benefits program, and a deferred compensation plan. ETF also administers retirement disability coverage and serves as the

state's designated coverage agent for Social Security for Wisconsin public employers. There are five different statutory boards with responsibilities for programs operated by the Department. The ETF Board is both the overall governing body for the Department and the general policy-setting and trustee board for the entire WRS.

All insurance programs are administered through contractual arrangements with private sector insurance firms and service corporations. Participation by eligible employees is mandatory for retirement and Social Security but optional for the other programs. ETF collects but does not invest the trust fund monies created for these programs. That responsibility rests with SWIB.

ETF is responsible for:

- Collecting all monies due the trust funds.
- Calculating and ensuring appropriate disbursement of all benefit payments from the trust funds.
- Providing information to, and answering inquiries from, participating employees and employers.
- Establishing the controls, systems, and procedures necessary to ensure the appropriate administration and security of the trust.

### **Plan Design and Administration**

ETF's administration of the WRS continues to make it one of the most cost-efficient systems, in terms of administrative expenses per member. In a recent public pension fund administration benchmarking study conducted by industry leader CEM Benchmarking, Inc., the annual per-member administrative expenses associated with the retirement and disability programs was \$54 for the WRS, compared to the median per-member cost of \$76. ETF employs one full-time equivalent staff person per 2,020 members, compared to the peer system median of one per 1,620 members.

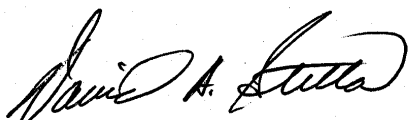
### **Internal Controls**

ETF has a formal internal control plan that is reviewed annually and updated as necessary. This plan provides reasonable assurance that ETF assets are safeguarded, that applicable statutes and rules are followed, and ETF goals and objectives are achieved. The Legislative Audit Bureau considers ETF's controls in order to determine auditing procedures for the purpose of expressing an opinion on ETF's annual financial statements, but it does not provide an opinion on the controls. These financial statements are presented in accordance with Generally Accepted Accounting Principles, and all supporting schedules and statistical tables have been fairly presented.

### **Acknowledgements**

I would like to express my appreciation to the Governor, members of the legislature, members of the boards, staff, employers, participants, and all those whose efforts and interest combine to ensure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,



David A. Stella  
Secretary





Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2010***

Presented to

***Wisconsin Retirement System***

In recognition of meeting professional standards for  
plan funding and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Alan H. Winkle'. The signature is written in a cursive, flowing style.

Alan H. Winkle  
Program Administrator

## TABLE OF CONTENTS

### INTRODUCTION

Program Highlights .....	2
ETF Boards and Department Organization .....	21
Legislation, Vision Statement and Annual Accomplishments .....	27

### FINANCES

Financial Statements.....	32
Notes to Financial Statements .....	41
Required Supplementary Information .....	74

### STATISTICS

Wisconsin Retirement System .....	84
Group Health Insurance .....	96
Group Life Insurance .....	98
Duty Disability Insurance.....	101
Long-Term Disability Insurance.....	103
Income Continuation Insurance.....	104
Employee Reimbursement Accounts Program .....	105
Department of Employee Trust Funds Administrative Expenses .....	106

### ACTUARIAL

Actuarial Statement of Assets and Liabilities.....	110
Summary of Benefit Provisions.....	111
Actuarial Method and Assumptions Used in Valuations.....	113

### INVESTMENTS

State of Wisconsin Investment Board.....	128
--	-----

### EMPLOYER UNFUNDED LIABILITY BALANCES

State Agencies .....	130
Public Authorities .....	130
Cities .....	131
Villages.....	133
Special Districts .....	137
Towns.....	140
Counties.....	144
School Districts .....	145
Technical Colleges .....	151
Cooperative Educational Service Agencies (CESAs).....	151



# INTRODUCTION

**State of Wisconsin  
Department of  
Employee Trust Funds**



## PROGRAM HIGHLIGHTS

The following section presents condensed financial statements, statistical information, and analysis of the programs administered by the Department of Employee Trust Funds (ETF). All values in the Summary Financial Statements, including totals and percentages, have been rounded for presentation. As a result, totals and percentages may not appear to be calculated correctly. A percentage change of “n/a” indicates that prior year actual amounts were negative and the percentage change is not meaningful.

### WISCONSIN RETIREMENT SYSTEM

Summary Financial Statements				
	2010	2009	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
<b>Assets</b>	\$84,852.0	\$77,598.6	\$7,253.4	9%
<b>Liabilities</b>	<u>8,979.9</u>	<u>7,602.3</u>	<u>1,377.6</u>	18%
<b>Reserves:</b>				
Employer Reserve	23,247.5	23,059.3	188.2	1%
Employee Reserve	16,250.0	16,152.5	97.5	1%
Annuity Reserve	41,135.4	39,731.6	1,403.8	4%
Reserve for Changes in the Market Value of Investments	(4,818.2)	(9,040.8)	4,222.6	n/a
Undistributed Earnings	49.3	92.8	(43.5)	(47%)
Blended Administration	<u>8.1</u>	<u>0.9</u>	<u>7.2</u>	800%
<b>Net Assets Held in Trust</b>	<u>\$75,872.1</u>	<u>\$69,996.3</u>	<u>\$5,875.8</u>	8%
<b>Additions</b>				
Contributions	\$1,467.3	\$1,369.4	\$97.9	7%
Investment Income	8,317.4	13,024.9	(4,707.5)	(36%)
Other Additions	<u>10.5</u>	<u>15.1</u>	<u>(4.6)</u>	(30%)
Total Additions	<u>9,795.2</u>	<u>14,409.4</u>	<u>(4,614.2)</u>	(32%)
<b>Deductions</b>				
Benefits and Distributions	3,901.8	3,822.4	79.4	2%
Admin. & Other Expenses	<u>17.6</u>	<u>20.9</u>	<u>(3.3)</u>	(16%)
Total Deductions	<u>3,919.4</u>	<u>3,843.3</u>	<u>76.1</u>	2%
<b>Net Increase (Decrease)</b>	<u>\$5,875.8</u>	<u>\$10,566.1</u>	<u>(\$4,690.4)</u>	(44%)

### PROGRAM DESCRIPTION

The Wisconsin Retirement System (WRS) pays retirement, disability, and death benefits to former employees, and their beneficiaries, of the state and participating local governments in Wisconsin.

### FINANCIAL HIGHLIGHTS

- For presentation purposes, the administrative fund, general fund, and fixed assets have been blended into the WRS financial statements. This blending resulted in an increase of \$8.1 million in 2010 and an increase of \$0.9 million in 2009 in the Net Assets Held in Trust.

- Assets increased by 9% over 2009, primarily due to investment gains in 2010.

- The Annuity Reserve increased by 4% in 2010, from \$39.7 billion to \$41.1 billion. This included a 3.2% increase in the Core Annuity Reserve of \$1.2 billion and an 8.4% increase in the Variable Annuity Reserve of \$0.3 billion.

- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to the WRS. The MRA increased by \$4.4 billion in 2010, the result of \$1.6 billion in investment gains from 2010 being deferred for future



recognition, and \$2.8 billion of previously-deferred investment losses from 2006 through 2009 being recognized in 2010. 95.1% of the deferred gains/losses in the MRA are attributable to the WRS.

- Contributions increased 7% in 2010, from \$1.37 billion to \$1.47 billion. This included a 7% increase in employer contributions, from \$633 million to \$680 million, and a 7% increase in employee contributions, from \$737 million to \$787 million. The increased contributions resulted from a 1% increase in covered payrolls, a \$6.6 million or 40% increase in voluntary employee contributions, and a 6% increase to contribution rates in 2010. Employees paid more than \$23 million in retirement contributions in 2010.

- Net investment income decreased by \$4.7 billion in 2010, from a \$13.0 billion gain to an \$8.3 billion gain. This included a decrease in Core Trust Fund income of \$4.2 billion, from an \$11.8 billion gain to a \$7.6 billion gain, and a decrease in Variable Trust Fund income of \$0.5 billion, from a \$1.3 billion gain to a \$0.8 billion gain.

- The balanced Core Trust Fund realized a 12.3% investment return, while the equity-based Variable Trust Fund experienced a 15.6% return. The Core Trust Fund gain, after being smoothed through the MRA, resulted in a core effective rate of 4.8% being credited to the Core Fund accounts and reserves. The Variable Trust Fund gain was passed through to Variable Fund accounts and reserves with a 16% variable effective rate.

- Benefit payments increased by 2.1%, from \$3.82 billion to \$3.90 billion. Core annuities (including Section 62.13 Police & Firefighters) increased by 2.2%, from \$3.45 billion to \$3.53 billion, while variable annuities decreased by 3.0%, from \$285 million to \$277 million. Lump sum payments (separations, death benefits, and minimum annuities) increased by 13.1%, from \$87.7 million to \$99.1 million. See “Annuity Payments” section on page 4 for details.

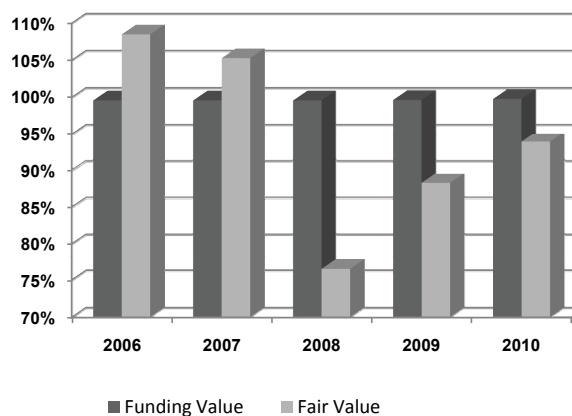
## FUNDED STATUS

The funded status of the WRS is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio was relatively unchanged at 99.8% funded.

The fair value-based funded ratio for the WRS increased from 88.2% funded to 93.8% funded. This increase was the result of the investment gains in 2010.

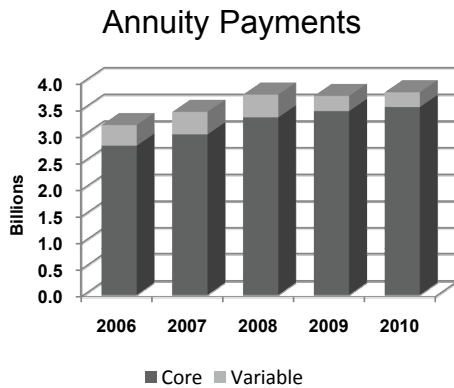
WRS Funded Ratio





## ANNUITY PAYMENTS

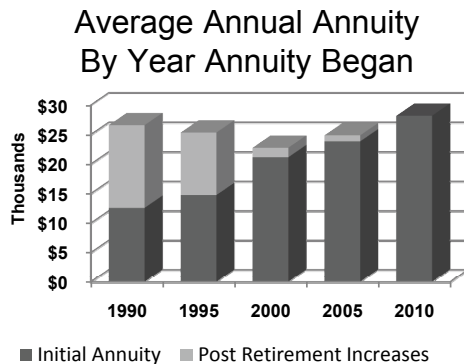
In 2010, ETF paid out a total of \$3.9 billion in benefits to retired persons, disabled retirees, and beneficiaries of retirees. This was an increase of 2.1%, or \$79.2 million, over 2009. Core annuities increased by 2.2%, from \$3.4 billion to \$3.5 billion, while Variable annuities decreased by 3.0%, from \$285 million to \$277 million. Annuities paid to the closed group Section 62.13 Police and Firefighters decreased by 13.8%, from \$9.0 million to \$7.8 million.



Annuitants with Core annuities assumed a 1.3% decrease in their benefits in 2010, while Variable annuities received a 22.0% increase in their benefits, effective April 1, 2010.

Approximately 8,558 additional persons began receiving annuities during 2010, while 3,454 annuities were ended due to death or expiration of a guarantee period. At year-end, 155,775 people were receiving retirement, disability, or beneficiary annuities, an increase of 3.4% over 2009.

The **average** annual annuity received by **all** retirees (Core and Variable combined) increased to \$24,577 in 2010, up 0.4% from the previous year. The average annual amount of new annuities begun during 2010 was \$28,150, up 0.6% from \$27,996 in 2009.



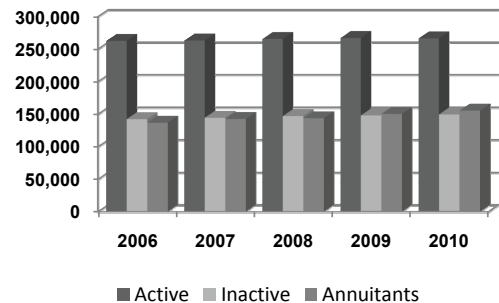
While the initial amount of new annuities has increased over time, post-retirement increases have maintained the purchasing power of existing annuities. The accompanying chart shows how new annuities have increased over time, as well as how post-retirement increases multiplied the value of the annuity over time.

## PARTICIPATION

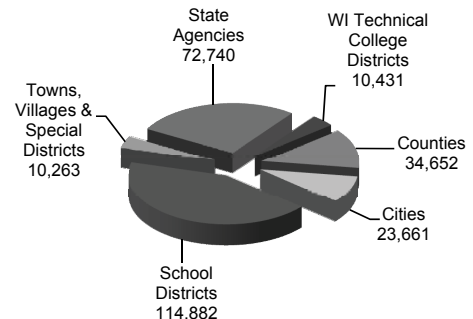
There were 572,219 WRS participants as of December 31, 2010, an increase of 1.0% over the previous year. Participants include 266,629 active government employees, a decrease of 0.3% from the previous year; 155,775 retirees and others receiving annuities; and 149,815 "inactives," or former public employees 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 89,577 persons since 2000, an 18.6% increase.

In 2010, the total number of employers participating in the WRS increased from 1,469 to 1,474. The increase included the addition of two villages, one town, three special districts and the elimination of one school district.

## WRS Participants



## Participants by Employer Type





**ACCUMULATED SICK LEAVE CONVERSION CREDIT (ASLCC) PROGRAM**

<b>Summary Financial Statements</b>				
	<b>2010</b>	<b>2009</b>	<b>Increase</b>	<b>Increase</b>
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
<b>Assets</b>	\$2,045.8	\$1,902.4	\$143.4	8%
<b>Less: Liabilities</b>				
Estimated Future Claims	2,214.7	2,195.7	19.0	1%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	<u>(152.7)</u>	<u>(277.0)</u>	<u>124.3</u>	n/a
<b>Unfunded Liability</b>	<u>(\$16.2)</u>	<u>(\$16.3)</u>	<u>\$0.1</u>	n/a
<b>Additions</b>				
Contributions	\$32.6	\$31.8	\$0.8	2%
Investment Income	<u>223.1</u>	<u>348.0</u>	<u>(124.9)</u>	(36%)
Total Additions	<u>255.7</u>	<u>379.8</u>	<u>(124.1)</u>	(33%)
<b>Deductions</b>				
Benefits and Distributions	131.0	120.2	10.8	9%
Administration	<u>0.3</u>	<u>0.3</u>	<u>0.0</u>	(5%)
Total Deductions	<u>131.3</u>	<u>120.5</u>	<u>10.8</u>	9%
<b>Net Increase (Decrease)</b>	<u>\$124.4</u>	<u>\$259.3</u>	<u>(\$134.9)</u>	(52%)

**PROGRAM DESCRIPTION**

The ASLCC allows retirees of the State of Wisconsin, University of Wisconsin (UW), and University Hospital, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance.

**FINANCIAL HIGHLIGHTS**

• At the end of 2010, the unfunded liability is attributable to the University of Wisconsin Hospital Authority, the Wisconsin Health and Education Facility Authority, and Wiscraft. No liability exists for state agencies or the University of Wisconsin.

- Contributions received in 2010 increased by 2.0% from 2009. This is due to a 1.3% increase in the covered payroll.
- The Benefit and Distributions expense is the actuarially-determined increase in liabilities during the year.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to ASLCC. 3.0% of the deferred investment gains/losses in the MRA are attributable to the ASLCC Program.



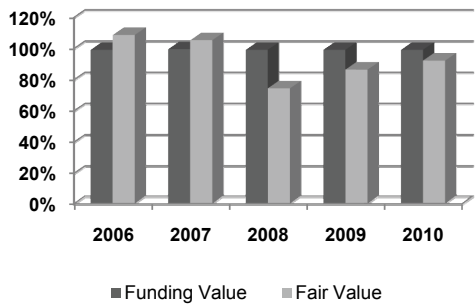
### FUNDED STATUS

The funded status of the ASLCC Program is a measure of the extent to which the program has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio was unchanged at 99.3% funded.

The fair value-based funded ratio increased from 86.6% funded to 92.4% funded. The increase in the fair value funded ratio resulted from the recognition of current year investment income.

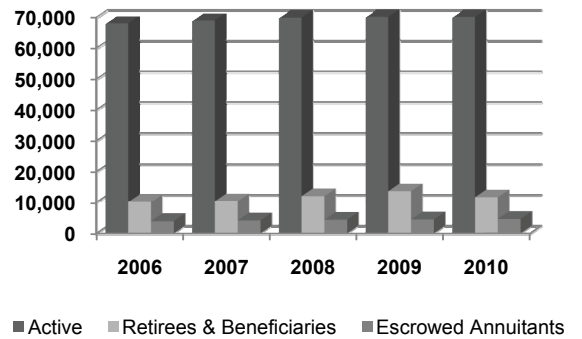
#### Accumulated Sick Leave Conversion Credits Funded Ratio



### PARTICIPATION

There were 86,237 ASLCC participants as of December 31, 2010, a decrease of 2.1% over the previous year. Participants include 69,920 active employees, a decrease of 0.1% from the previous year; 11,735 retirees and others using ASLCC credits; and 4,582 “escrowed annuitants” or former employees who had not yet started using credits from their ASLCC accounts.

#### ASLCC Participants







## STATE RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2010 \$ in millions	2009 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
<b>Net Assets Held in Trust</b>	\$357.0	\$349.9	\$7.1	2%
<b>Additions</b>				
Contributions	\$5.0	\$4.9	\$0.1	4%
Investment Income	<u>17.5</u>	<u>19.0</u>	<u>(1.5)</u>	(8%)
Total Additions	<u>22.5</u>	<u>23.9</u>	<u>(1.4)</u>	(6%)
<b>Deductions</b>				
Benefits and Distributions	14.7	12.6	2.1	16%
Admin. & Other Expenses	<u>0.7</u>	<u>0.6</u>	<u>0.1</u>	27%
Total Deductions	<u>15.4</u>	<u>13.2</u>	<u>2.2</u>	17%
<b>Net Increase (Decrease)</b>	<u>\$7.1</u>	<u>\$10.7</u>	<u>(\$3.6)</u>	(33%)

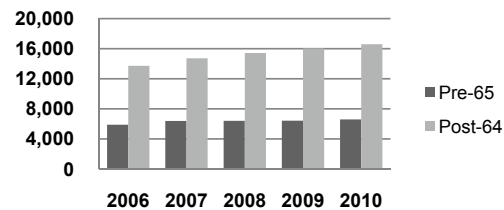
### PROGRAM DESCRIPTION

The State Retiree Life Insurance Plan provides fully paid up life insurance benefits for post-age 64 retired employees of the State of Wisconsin. Pre-age 65 retirees pay premiums equivalent to comparably-aged active participants. Post-age 64 retirees receive a reduced benefit without payment of premium.

### PARTICIPATION

6,603 pre-age 65 retirees and 16,584 post-age 64 retirees participated in the State Retiree Life Insurance Plan in 2010.

State Retiree Participants



### FUNDED STATUS

Actuarial valuations of the State Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2010. As of that date, plan assets represented 85.5% of plan actuarial liabilities.



## LOCAL GOVERNMENT RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2010 \$ in millions	2009 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
<b>Net Assets Held in Trust</b>	\$227.9	\$224.0	\$3.9	2%
<b>Additions</b>				
Contributions	\$6.3	\$6.0	\$0.3	5%
Investment Income	<u>11.3</u>	<u>12.0</u>	<u>(0.7)</u>	(6%)
Total Additions	<u>17.6</u>	<u>18.0</u>	<u>(0.4)</u>	(2%)
<b>Deductions</b>				
Benefits and Distributions	12.6	9.3	3.3	35%
Admin. & Other Expenses	<u>1.1</u>	<u>0.8</u>	<u>0.3</u>	40%
Total Deductions	<u>13.7</u>	<u>10.1</u>	<u>3.6</u>	35%
<b>Net Increase (Decrease)</b>	<u>\$3.9</u>	<u>\$7.9</u>	<u>(\$4.0)</u>	(50%)

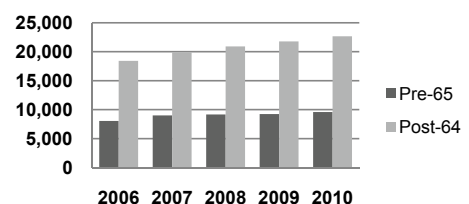
### PROGRAM DESCRIPTION

The Local Government Retiree Life Insurance Plan provides fully paid up life insurance benefits for post-age 64 retired employees of participating local governments in Wisconsin. Pre-age 65 retirees pay premiums equivalent to comparably aged active participants. Post-age 64 retirees receive a reduced benefit without payment of premium.

### PARTICIPATION

9,599 pre-age 65 retirees and 22,671 post-age 64 retirees participated in the Local Retiree Life Insurance Plan in 2010.

Local Retiree Participants



### FUNDED STATUS

Actuarial valuations of the Local Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2010. As of that date, plan assets represented 87.5% of plan liabilities.



## ACTIVE MEMBER LIFE INSURANCE PLAN

Summary Financial Statements				
	2010 \$ in thousands	2009 \$ in thousands	Increase (Decrease) \$ in thousands	Increase (Decrease) %
<b>Net Assets Available for Benefits</b>	\$229.3	\$222.6	\$6.7	3%
<b>Revenues</b>				
Administrative Reimbursement	\$433.0	\$348.6	\$84.4	24%
Investment Income	<u>2.5</u>	<u>5.9</u>	<u>(3.4)</u>	(57%)
Total Revenues	<u>435.5</u>	<u>354.5</u>	<u>81.0</u>	23%
<b>Expenses</b>				
Administrative Expense	<u>428.9</u>	<u>441.8</u>	(12.9)	(3%)
Total Expenses	<u>428.9</u>	<u>441.8</u>	(12.9)	(3%)
<b>Net Increase (Decrease)</b>	<u>\$6.6</u>	<u>(\$87.3)</u>	<u>\$93.9</u>	n/a

### PROGRAM DESCRIPTION

The Active Member Life Insurance Plan provides life insurance coverage for current employees of the State of Wisconsin and participating local governments in Wisconsin.

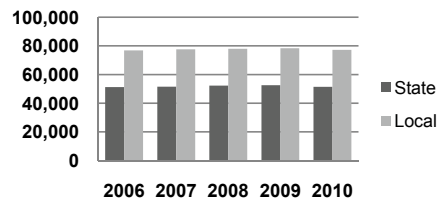
### FINANCIAL HIGHLIGHTS

- Active Member Life Insurance is reported as an "Insurance Purchasing Pool" under GASB Statement 10, which focuses on claims-servicing revenue and administrative costs. Amounts collected or due from pool participants and paid or to be paid to the carrier to settle claims are reported as a net asset or liability.

### PARTICIPATION

51,467 active state employees and 77,229 active local government employees participated in the life insurance plan in 2010. Many of these employees participated in additional and supplemental coverage in addition to basic coverage.

Active Employee Participants





## EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM

Summary Financial Statements				
	2010	2009	Increase (Decrease)	Increase (Decrease)
	\$ in thousands	\$ in thousands	\$ in thousands	%
<b>Assets</b>	\$6,302.6	\$7,289.5	(\$986.9)	(14%)
<b>Liabilities</b>	<u>5,059.9</u>	<u>5,964.7</u>	<u>(904.8)</u>	(15%)
<b>Net Assets Held in Trust</b>	<u>\$1,242.7</u>	<u>\$1,324.8</u>	<u>(\$82.1)</u>	(6%)
<b>Additions</b>				
Contributions	\$23,858.1	\$23,814.2	\$43.9	0%
Investment Income	9.4	28.2	(18.8)	(66%)
Other Additions	<u>2.7</u>	<u>2.0</u>	<u>0.7</u>	33%
Total Additions	<u>23,870.2</u>	<u>23,844.4</u>	<u>25.8</u>	0%
<b>Deductions</b>				
Benefits and Distributions	23,125.3	23,117.6	7.7	0%
Administrative Expenses	<u>827.0</u>	<u>726.2</u>	<u>100.8</u>	14%
Total Deductions	<u>23,952.3</u>	<u>23,843.8</u>	<u>108.5</u>	0%
<b>Net Increase (Decrease)</b>	<u>(\$82.1)</u>	<u>\$0.6</u>	<u>(\$82.7)</u>	(13,649%)

### PROGRAM DESCRIPTION

The ERA Program reimburses qualifying medical and dependent care expenses for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

### FINANCIAL HIGHLIGHTS

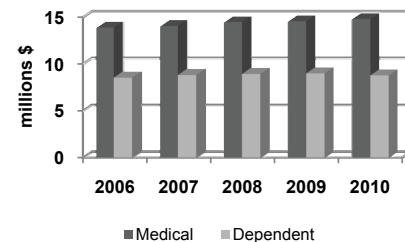
- The net decrease in the ERA Program this year of \$82.1 thousand resulted from an increase in administrative costs due to a new contract with the third party administrator.

### PARTICIPATION

At the end of 2010, the participants in the ERA program had created 13,594 accounts, an increase of 3.1% from 13,186 in 2009. Employees created 2,166 dependent care accounts and 11,428 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 \$23.4 million (\$8.7 million for dependent care and \$14.7 million for medical expenses), an increase of 0.1% from 2009. Reductions in FICA tax from this program saved the state an estimated \$1.8 million in 2010, with combined FICA and income tax savings of an estimated \$6.7 million realized by participants.

### Salary Reductions





## COMMUTER BENEFITS PROGRAM

Summary Financial Statements				
	2010	2009	Increase (Decrease)	Increase (Decrease)
	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>\$ in thousands</i>	%
<b>Assets</b>	\$226.2	\$137.7	\$88.5	64%
<b>Liabilities</b>	<u>245.6</u>	<u>155.3</u>	<u>90.3</u>	58%
<b>Net Assets Held in Trust</b>	<u>(\$19.4)</u>	<u>(\$17.6)</u>	<u>(\$1.8)</u>	n/a
<b>Additions</b>				
Contributions	\$1,446.4	\$1,378.2	\$68.2	5%
Investment Income	<u>(0.2)</u>	<u>(0.9)</u>	<u>0.7</u>	n/a
Total Additions	<u>1,446.2</u>	<u>1,377.3</u>	<u>68.9</u>	5%
<b>Deductions</b>				
Benefits and Distributions	1,323.7	1,277.1	46.6	4%
Admin. & Other Expenses	<u>124.3</u>	<u>139.3</u>	<u>(15.0)</u>	(11%)
Total Deductions	<u>1,448.0</u>	<u>1,416.4</u>	<u>31.6</u>	2%
<b>Net Increase (Decrease)</b>	<u>(\$1.8)</u>	<u>(\$39.1)</u>	<u>\$37.3</u>	n/a

### PROGRAM DESCRIPTION

The Commuter Benefits Program reimburses qualifying transportation expenses for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

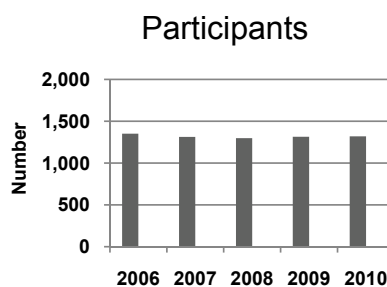
### FINANCIAL HIGHLIGHTS

- The Commuter Benefits Program began operations in August 2002. Startup costs were funded through an advance from the state’s general fund. As of December 31, 2010, \$27,700 remained payable to the general fund.

- The net decrease in the Commuter Benefits Program this year was \$1.8 thousand in benefits and administrative expenses paid out that exceeded this year’s contributions.

### PARTICIPATION

Participation in the Commuter Benefits Program changes from month to month. As of December 31, 2010, the program had 1,319 participants, an increase of 0.3% from 1,315 as of December 31, 2009.





## MILWAUKEE RETIREMENT FUND

<b>Summary Financial Statements</b>				
	<b>2010</b>	<b>2009</b>	<b>Increase</b>	<b>Increase</b>
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
<b>Assets</b>				
Investment in Core Fund	\$129.9	\$109.9	\$20.0	18%
Investment in Variable Fund	<u>19.4</u>	<u>21.1</u>	<u>(1.7)</u>	(8%)
<b>Net Assets Held in Trust</b>	<u>\$149.3</u>	<u>\$131.0</u>	<u>\$18.3</u>	14%
<b>Additions</b>				
Deposits	\$17.4	\$13.9	\$3.5	25%
Investment Income	<u>17.6</u>	<u>25.4</u>	<u>(7.8)</u>	(31%)
<b>Total Additions</b>	<u>35.0</u>	<u>39.3</u>	<u>(4.3)</u>	(11%)
<b>Deductions</b>				
Benefits and Distributions	<u>16.7</u>	<u>7.4</u>	<u>9.3</u>	126%
<b>Total Deductions</b>	<u>16.7</u>	<u>7.4</u>	<u>9.3</u>	126%
<b>Net Increase (Decrease)</b>	<u>\$18.3</u>	<u>\$31.9</u>	<u>(\$13.6)</u>	(43%)

### PROGRAM DESCRIPTION

The Milwaukee Retirement Fund allows other retirement systems to have their funds invested with the WRS to maximize investment returns.

### FINANCIAL HIGHLIGHTS

- During 2010 and 2009, the Milwaukee Retirement Fund included only investments from the Milwaukee Public Schools Supplemental Retirement Program.



## DUTY DISABILITY INSURANCE PROGRAM

Summary Financial Statements				
	2010	2009	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
<b>Assets</b>	\$402.6	\$339.4	\$63.2	19%
<b>Liabilities</b>	2.6	2.5	0.1	2%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	(32.1)	(55.5)	23.4	n/a
<b>Net Assets Held in Trust</b>	<u>\$432.1</u>	<u>\$392.4</u>	<u>\$39.7</u>	10%
<b>Additions</b>				
Contributions	\$51.8	\$51.5	\$0.3	1%
Investment Income	42.0	60.0	(18.0)	(30%)
Total Additions	93.8	111.5	(17.7)	(16%)
<b>Deductions</b>				
Benefits and Distributions	30.3	29.4	0.9	3%
Administration	0.5	0.5	0.0	0%
Total Deductions	30.8	29.9	0.9	3%
<b>Net Increase (Decrease)</b>	<u>\$63.0</u>	<u>\$81.6</u>	<u>(\$18.6)</u>	(23%)

### PROGRAM DESCRIPTION

Duty Disability pays special disability benefits to protective occupation participants in the WRS.

### FINANCIAL HIGHLIGHTS

- Contributions increased by 1.0% over 2009. The contribution tiers were unchanged in 2010. The increase in contributions is attributable to higher protective occupation salaries and movement within the contribution rate tiers by individual employers.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Duty Disability. 0.6% of the deferred investment gains/losses in the MRA are attributable to the Duty Disability Insurance Program.

### FUNDED STATUS

The funded status of the Duty Disability Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement but can be extremely volatile, while the funding value measurement is less representative of current market

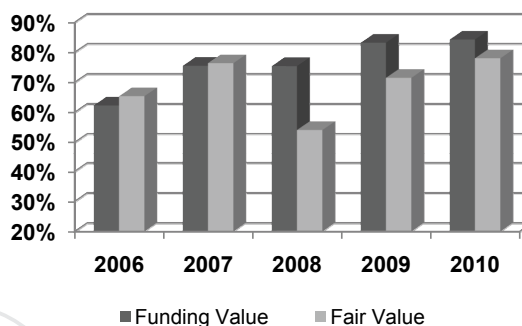
values but better presents the funding trends without the year-to-year volatility.

The funding and fair value based ratios were calculated using the actuarial accrued liability total from the OPEB Actuarial Valuation as of January 1, 2010, as this valuation is only required every two years.

The funding value-based funded ratio increased from 83.2% funded to 84.3% funded. Since 2006 the funded ratio has improved from 62.3% to 84.3% funded. The steady increase in the funding value funded ratio shows the success of the long-term strategy to fully fund the program.

The fair value-based funded ratio increased from 71.5% funded to 78.0% funded. The increase in the fair value funded ratio was the result of investment gains during 2010.

Duty-Disability Funded Ratio





## INCOME CONTINUATION INSURANCE (ICI) PROGRAM

<b>Summary Financial Statements</b>				
	<b>2010</b>	<b>2009</b>	<b>Increase (Decrease)</b>	<b>Increase (Decrease)</b>
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
<b>Assets</b>	\$93.6	\$86.3	\$7.3	8%
<b>Less: Liabilities</b>				
Estimated Future Claims	74.1	72.8	1.3	2%
Other Liabilities	0.4	0.2	0.2	114%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	<u>3.7</u>	<u>(1.3)</u>	<u>5.0</u>	n/a
<b>Net Assets Available for Benefits</b>	<u>\$15.4</u>	<u>\$14.7</u>	<u>\$0.7</u>	5%
<b>Revenues</b>				
Contributions	\$16.0	\$14.9	\$1.1	7%
Investment Income	<u>9.0</u>	<u>13.9</u>	<u>(4.9)</u>	(35%)
Total Revenues	<u>25.0</u>	<u>28.8</u>	<u>(3.8)</u>	(13%)
<b>Expenses</b>				
Benefits and Distributions	17.3	11.6	5.7	49%
Admin & Other Expenses	<u>2.0</u>	<u>1.8</u>	<u>0.2</u>	10%
Total Expenses	<u>19.3</u>	<u>13.4</u>	<u>5.9</u>	44%
<b>Net Income (Loss)</b>	<u>\$5.8</u>	<u>\$15.4</u>	<u>(\$9.6)</u>	(63%)

### PROGRAM DESCRIPTION

ICI pays disability benefits for employees of the State of Wisconsin and participating local governments in Wisconsin, who enroll in the program. Employee premiums are based on sick leave accumulation and the waiting period selected.

### FINANCIAL HIGHLIGHTS

- The Benefit and Distributions expense is the actuarially-determined increase in liabilities during the year. During 2010 liabilities grew more quickly than in the previous year due to unfavorable claims experience.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to ICI. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the ICI program.

### FUNDED STATUS

The funded status of the ICI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.



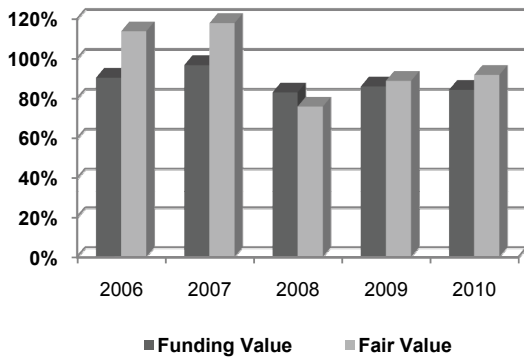


**State Plan**

The funding value-based funded ratio decreased from 86% funded to 84% funded. This decrease is the result of prior year's investment losses recognized in 2010. The target for this program is to maintain a funded ratio of 115% to 125% of liabilities as a hedge against adverse claims performance.

The fair value-based funded ratio increased from 89% funded to 92% funded. This increase is the result of the investment gains in 2010.

**State Income Continuation Insurance  
Funded Ratio**

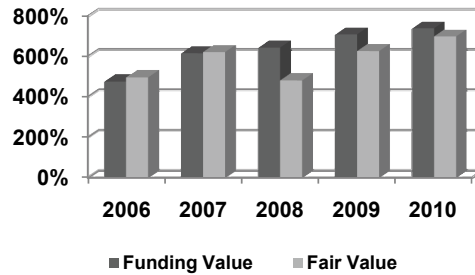


**Local Plan**

The funding value-based funded ratio increased from 706% funded to 736% funded. This increase is the result of lower than anticipated claims experience. The target for this program is to maintain a funded ratio of 100% to 200% of liabilities as a hedge against adverse claims performance. Because of the small size of this plan, significant year-to-year volatility in claims experience is expected.

The fair value-based funded ratio increased from 624% funded to 696% funded. This increase is the result of the investment gains in 2010.

**Local Income Continuation Insurance  
Funded Ratio**





## LONG-TERM DISABILITY INSURANCE (LTDI) PROGRAM

Summary Financial Statements				
	2010	2009	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
<b>Assets</b>	\$243.6	\$241.6	\$2.0	1%
<b>Less: Liabilities</b>				
Estimated Future Claims	175.6	156.2	19.4	12%
Other Liabilities	3.9	3.5	0.4	13%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	(45.6)	(62.2)	16.6	n/a
<b>Net Assets Available for Benefits</b>	<u>\$109.7</u>	<u>\$144.1</u>	<u>(\$34.4)</u>	(24%)
<b>Revenues</b>				
Investment Income	<u>\$29.8</u>	<u>\$49.3</u>	<u>(\$19.5)</u>	(39%)
Total Revenues	<u>29.8</u>	<u>49.3</u>	<u>(19.5)</u>	(39%)
<b>Expenses</b>				
Benefits and Distributions	45.6	41.3	4.3	10%
Admin. & Other Expenses	<u>2.0</u>	<u>2.2</u>	<u>(0.2)</u>	(8%)
Total Expenses	<u>47.6</u>	<u>43.5</u>	<u>4.1</u>	10%
<b>Net Income (Loss)</b>	<u>(\$17.8)</u>	<u>\$5.8</u>	<u>(\$23.6)</u>	(406%)

### PROGRAM DESCRIPTION

LTDI pays disability benefits to participants in the WRS.

### FINANCIAL HIGHLIGHTS

- No contributions were collected for this program during 2010, due to sufficient reserves available in the fund.
- The Benefits and Distributions expense is the actuarially-determined increase in liabilities during the year. During 2010 liabilities grew more slowly than in the previous year, due to favorable claims experience.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to LTDI. 0.9% of the deferred investment gains/losses in the MRA are attributable to the LTDI program.

### FUNDED STATUS

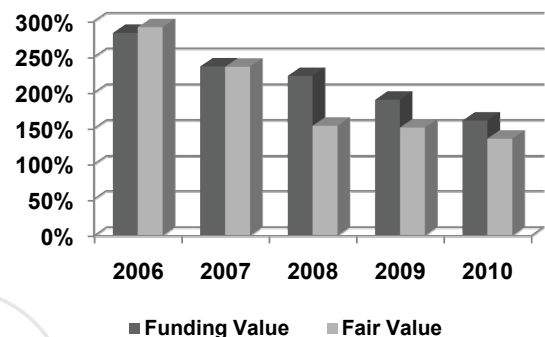
The funded status of the LTDI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed funding value

of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio decreased from 190% funded to 161% funded. The decrease in the actuarial value funded ratio was due to the contribution holiday during 2010. Despite the decline, the funded ratio still exceeds the target funding range, and the contribution holiday will continue for another year.

The fair value-based funded ratio declined from 151% funded to 136% funded. The decrease in the fair value funded ratio was the result of the contribution holiday during 2010.

Long Term Disability Insurance Funded Ratio





## GROUP HEALTH INSURANCE PROGRAM

### Active Member Group Health Insurance

#### Summary Financial Statements

	2010 <i>\$ in millions</i>	2009 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
<b>Assets</b>	\$261.7	\$222.4	\$39.3	18%
<b>Less: Liabilities</b>				
Unearned Revenue	110.6	103.2	7.4	7%
Estimated Future Claims	7.6	8.1	(0.5)	(7%)
Other Liabilities	1.9	1.8	0.1	6%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	<u>(22.4)</u>	<u>(34.3)</u>	<u>11.9</u>	n/a
<b>Net Assets Available for Benefits</b>	<u>\$164.0</u>	<u>\$143.6</u>	<u>\$20.4</u>	14%
<b>Revenues</b>				
Premiums	\$1,246.5	\$1,124.5	\$122.0	11%
Investment Income	<u>16.6</u>	<u>24.2</u>	<u>(7.6)</u>	(31%)
Total Revenues	<u>1,263.1</u>	<u>1,148.7</u>	<u>114.4</u>	10%
<b>Expenses</b>				
Benefits and Distributions	1,216.5	1,110.0	106.5	10%
Administration	<u>14.2</u>	<u>11.4</u>	<u>2.8</u>	25%
Total Expenses	<u>1,230.7</u>	<u>1,121.4</u>	<u>109.3</u>	10%
<b>Net Income (Loss)</b>	<u>\$32.4</u>	<u>\$27.3</u>	<u>\$5.1</u>	19%

### PROGRAM DESCRIPTION

The Group Health Insurance Program pays for the purchase of health insurance coverage and health insurance claims for current employees of the State of Wisconsin and participating local governments in Wisconsin.

### FINANCIAL HIGHLIGHTS

- These statements include activity related to health insurance coverage for the current employees of the state and local government employers. Statements for the state and local government retiree health plans are presented in separate sections on subsequent pages.

- The assets increased by \$39.3 million or 18% from \$222.4 million in 2009 to \$261.7 million in 2010, primarily due to investment income.

- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Active Member Group Health Insurance. 0.4% of the deferred investment gains/losses in the MRA are attributable to the Group Health Insurance Program.



**State Retiree Health Insurance**

<b>Summary Financial Statements</b>				
	<b>2010</b>	<b>2009</b>	<b>Increase</b>	<b>Increase</b>
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
<b>Assets</b>	\$22.2	\$19.3	\$2.9	15%
<b>Less: Liabilities</b>				
Estimated Future Claims	5.4	5.2	0.2	5%
Unearned Revenue	14.8	14.2	0.6	4%
Other Liabilities	0.6	0.6	0.0	0%
Due To Employers	1.0	(0.6)	1.6	n/a
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	<u>0.4</u>	<u>(0.1)</u>	<u>0.5</u>	n/a
<b>Net Assets</b>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

**PROGRAM DESCRIPTION**

State Retiree Health Insurance pays for the purchase of health insurance coverage and health insurance claims for retired employees of the State of Wisconsin.

**FINANCIAL HIGHLIGHTS**

- Beginning in 2006, the state retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to State Retiree Health. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the State Retiree Health Insurance.



## Local Retiree Health Insurance

### Summary Financial Statements

	2010 <i>\$ in millions</i>	2009 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
<b>Assets</b>	\$0.3	\$0.2	\$0.1	50%
<b>Less: Liabilities</b>				
Estimated Future Claims	0.2	0.2	0.0	0%
Unearned Revenue	1.7	1.7	0.0	0%
Due to Employers	(4.1)	(2.8)	(1.3)	n/a
Other Liabilities	2.9	1.2	1.7	142%
<b>Less: Reserves</b>				
Reserve for Changes in the Market Value of Investments	(0.4)	(0.1)	(0.3)	n/a
<b>Net Assets</b>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

### PROGRAM DESCRIPTION

Local Retiree Health Insurance pays for the purchase of health insurance coverage and health insurance claims for retired employees of participating local governments in Wisconsin.

### FINANCIAL HIGHLIGHTS

- Beginning in 2006, the local government retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.
- The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Local Retiree Health Insurance. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the Local Retiree Health Insurance.

### FUNDED STATUS

The funded status of the Group Health Insurance Program includes both active and retiree health insurance and is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants, meet the liquidity needs of the plan, and smooth year-to-year volatility in claims. Funded status is measured as the ratio of reserves to annual expenses (claims plus administration). The assets can be measured using either the current fair

market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

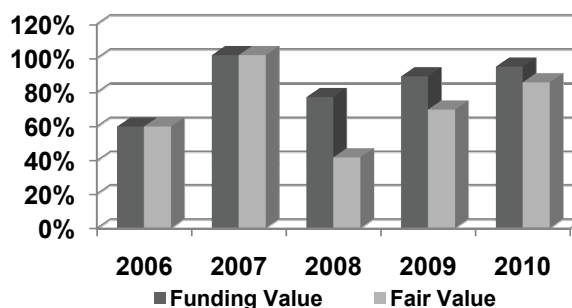
2008 was the first year the health insurance programs were invested in the Core Fund and therefore the first time the Department needed to report both funding value-based and fair value-based funded ratios. In years prior to 2008 the funding value-based and fair value-based funded ratios were the same.

#### State Standard Health Plan

The funding value ratio of reserves to annual expenses increased from 89.4% to 95.1%. This increase is the result of the investment gains in 2010.

The fair value ratio of reserves to annual expenses increased from 69.9% to 85.8%. This increase is the result of the investment gains in 2010.

**State Standard Health Plan  
Funded Ratio**

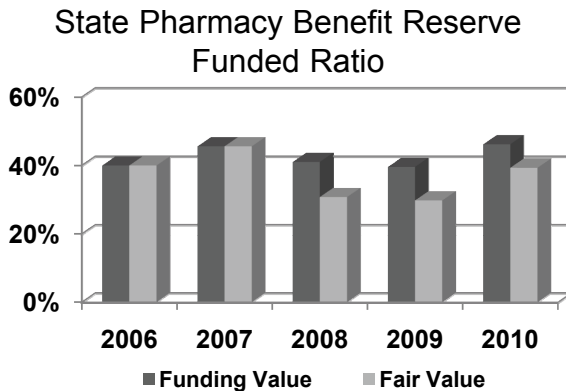




**State Pharmacy Benefit Reserve**

The funding value ratio of reserves to annual expenses increased from 39.6% to 46.2%. This increase is the result of the loss ratio being lower in 2010 than it was in 2009 and the investment income in 2010.

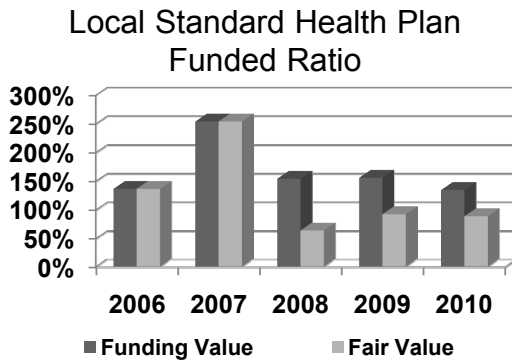
The fair value ratio of reserves to annual expenses increased from 29.8% to 39.3%. This increase is the result of the loss ratio being lower in 2010 than it was in 2009 and the investment income in 2010.



**Local Standard Health Plan**

The funding value ratio of reserves to annual expenses decreased from 156.4% to 135.6%. This decrease is the result of the loss ratio being higher in 2010 than it was in 2009.

The fair value ratio of reserves to annual expenses decreased from 92.9% to 89.4%. This decrease is the result of recognizing prior year's losses in 2010.



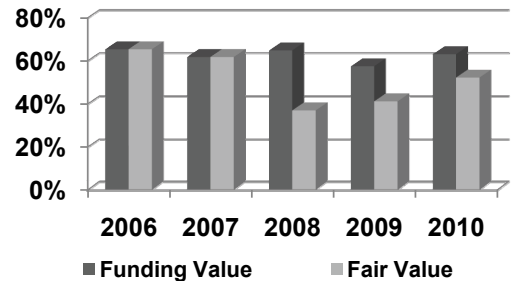
**Local Pharmacy Benefit Reserve**

The funding value ratio of reserves to annual expenses increased from 57.5% to 63.1%. This increase is the result of the loss ratio being lower in 2010 than it was in 2009.

The fair value ratio of reserves to annual expenses increased from 41.2% to 52.2%. This increase is the result of the investment gains in 2010.

This plan experiences significant year-to-year volatility due to a small participant base. Larger reserve balances are required to assure the solvency of the plan.

**Local Pharmacy Benefit Reserve Funded Ratio**

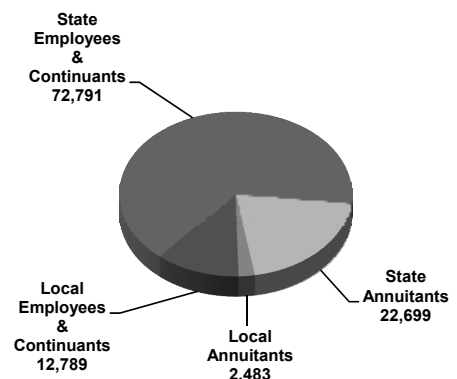


**PARTICIPATION**

The state Group Health Insurance Program covered 72,313 active employees, 478 continuants, and 22,699 retired State of Wisconsin employees at the end of 2010, about 204,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$1,252 million.

The Wisconsin Public Employers Group Health Insurance Program covered 12,700 active, 89 continuants, and 2,483 retired participants. With their dependents, the total number of people covered was approximately 36,000. Annual premiums paid totaled \$205 million.

**Health Insurance Participants**





## ETF BOARDS AND DEPARTMENT ORGANIZATION

The individuals who serve on the boards that provide oversight for the Department of Employee Trust Funds (ETF) play important roles. 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 ETF operates for Wisconsin.

This section explains how members are appointed or elected and how membership overlaps. Under state law, members of the boards are chosen in a variety of ways. Some members are direct appointees of the governor, others are appointed to fixed terms from lists submitted to the governor by specified organizations, and still others are directly elected by active participants or retirees.

The members and officers of each board are listed below, along with a short explanation of board responsibilities.

### EMPLOYEE TRUST FUNDS BOARD (13 MEMBERS)

This board sets policy for ETF; appoints the ETF Secretary; approves tables used for computing benefits, contribution rates and actuarial assumptions; authorizes all annuities except for disability; approves or rejects ETF administrative rules; and generally oversees administration of the benefit programs, except group insurance and deferred compensation. State law sets ETF Board membership criteria, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board). The ETF Board has established three committees to assist the Board in fulfilling its fiduciary and oversight responsibilities: an Executive Committee, an Audit Committee and a Budget and Operations Committee. The Executive Committee oversees the effective operation of Board and other Committee meetings and will review personnel matters relating to the Department and the Secretary. The Audit Committee reviews the adequacy and effectiveness of the Department's system of internal controls, including those relating to information technology systems, and the Department's accounting and financial reporting systems. The Budget and Operations Committee reviews the biennial budget process as well as the

Department's strategic business and information technology planning activities.

#### BOARD MEMBERS

**Chair: Marilyn J. Wigdahl**

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b)7 or 8 (participating employee or public member who is not a participant).

**Vice Chair: Wayne E. Koessl**

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b) 1,2,4,5 or 8 (chief executive, finance officer or member of a governing body of a participating city or village, county clerk, deputy county clerk, chairperson, or member of the governing body of a participating county or town, or public member who is not a participant).

**Secretary: Robert M. Niendorf**

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)4 (UW teacher participant).

**John David**

Appointed by the WR Board. Any WR Board member. § 15.16 (1)(b)

**Sheila Conroy**

Ex officio; Director of the Office of State Employment Relations or the Director's designee. §15.16 (1)(intro.)

**Rosemary Finora**

Appointed by the Governor, with Senate confirmation. Public member who is not a participant in or beneficiary of the WRS, with at least five years of experience in actuarial analysis, administration of an employee benefit plan, or significant administrative responsibility in a major insurer. § 15.16 (1)(c)

**Theron Fisher**

Elected by WRS annuitants. WRS annuitant as defined for purposes other than life insurance under § 40.02 (4). § 15.16 (1)(d)

**Mary Von Ruden**

Appointed by the WR Board. WR Board member appointed under §15.16 (3)(b)3,6, or 7 (participating employee of a city or village, participating employee of a local employer other than a city or village or participating state employee). § 15.16 (1)(b)2





**Kathleen Kreul**

Elected by educational support personnel. WRS participant who is either a public school district educational support employee or a technical college district educational support employee. § 15.16 (1)(f)

**Michael Langyel**

Appointed by the TR Board. TR Board member elected under § 15.165 (3)(a)7 (City of Milwaukee teacher participant). § 15.165 (1)(a)3

**Wayne D. McCaffery**

Appointed by the TR Board. TR Board member appointed or elected under § 15.16 (3)(a)1 or 2 (public or vocational school teacher). § 15.16 (1)(a)1

**Gary Sherman**

Ex officio; Governor or the Governor's designee on the Group Insurance Board. § 15.16 (1)(intro.)

**Daniel Nerad**

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)3 or 5 (public school administrator or school board member). § 15.16 (3)(a)5

**WISCONSIN RETIREMENT BOARD (9 MEMBERS)**

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

**BOARD MEMBERS**

**Chair: Marilyn J. Wigdahl**

Appointed by the Governor. Participating state employee. § 15.165 (3)(b)7

**Vice Chair: Wayne E. Koessl**

Appointed by the Governor from a list of five names submitted by the executive committee of the Wisconsin Counties Association. Chairperson or member of the governing body of a participating county or town, and from a different county than subds. 5 & 6. § 15.165 (3)(b)4

**Secretary: Mary Von Ruden**

Appointed by the Governor. Participating employee from a participating local employer other than a city or village and from a different county than subds. 4 & 5. § 15.165 (3)(b)6

**Jamie Aulik**

Appointed by the Governor. County clerk or deputy county clerk from a participating county different than subds. 4 & 6. § 15.165 (3)(b)5

**John David**

Appointed by the Governor from a list of five names submitted by the Board of Directors of the League of Wisconsin Municipalities. Chief executive or member of the governing body of a participating city or village and from a different county than subds. 2 & 3. § 15.165 (3)(b)1

**Sean Dilweg**

Ex officio; Commissioner of Insurance or an experienced actuary in the Office of the Commissioner designated by the Commissioner. § 15.165 (3)(b)9

**Herbert Stinski**

Appointed by the Governor. Participating employee and principal finance officer of a participating city or village and from a different county than subds. 1 & 3. § 15.165 (3)(b)2

**Michael Woodzicka**

Appointed by the Governor. Participating employee of a participating city or village and from a different county than subds. 1 & 2. § 15.165 (3)(b)3

**Vacant**

Appointed by the Governor. Public member who is not a participant or beneficiary of the WRS. § 15.165 (3)(b)8





**TEACHERS RETIREMENT BOARD  
(13 MEMBERS)**

The TR Board advises the ETF Board on retirement and other benefit matters involving public school, technical college, 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 elected. This board appoints four members to the ETF Board and one teacher participant to the State of Wisconsin Investment Board.

**BOARD MEMBERS**

**Chair: Lon Mishler**

Elected by annuitants who were teacher participants. Annuitant who was a teacher participant in the WRS. § 15.165 (3)(a)6

**Vice Chair: Michael Langyel**

Elected by Milwaukee Public School teachers who are participants. City of Milwaukee teacher who is a participant in the WRS. § 15.165 (3)(a)7

**Secretary: Robin Starck**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Betsy Kippers**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Mary Jo Meier**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Daniel Nerad**

Appointed by the Governor. Public school administrator who is not a classroom teacher. § 15.165 (3)(a)3

**R. Thomas Pederson**

Elected by participating Wisconsin Technical College teachers. Public school teacher from a participating Wisconsin Technical College district and a participating employee in the WRS. § 15.165 (3)(a)2

**Patrick Phair**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Roberta Rasmus**

Appointed by the Governor. Member of a school board. § 15.165 (3)(a)5

**Steven Scheible**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Sandra Claflin-Chalton**

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

**David Wiltgen**

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

**Susan Harrison**

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

**GROUP INSURANCE BOARD  
(11 MEMBERS)**

This board sets policy for 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. Members, how they are chosen for the board, and their original source of appointment or election are:

**BOARD MEMBERS**

**Chair: Cindy O'Donnell**

Ex officio; Attorney General or his/her designee. § 15.165 (2)

**Vice Chair: Eileen Mallow**

Ex officio; Commissioner of Insurance or his/her designee. § 15.165 (2)

**Secretary: Esther Olson**

Appointed by the Governor. Insured participant in the WRS who is a teacher. § 15.165 (2)



**Robert Baird**

Appointed by the Governor. Insured participant in the WRS who is an employee of a local unit of government. § 15.165 (2)

**Martin Beil**

Appointed by the Governor. Insured participant in the WRS who is not a teacher. § 15.165 (2)

**Janis Doleschal**

Appointed by the Governor. Insured participant in the WRS who is a retired employee. § 15.165 (2)

**Jennifer Donnelly**

Ex officio; Director of the Office of State Employment Relations or Director's designee. § 15.165 (2)

**David Schmiedicke**

Ex officio; Secretary of Department of Administration or Secretary's designee. § 15.165 (2)

**Gary Sherman**

Ex officio; Governor or Governor's designee. § 15.165 (2)

**Vacant:**

Appointed by the Governor. Chief executive or member of the governing body of a local unit of government that is a participating employer. § 15.165 (2)

**Vacant:**

Appointed by the Governor. No membership requirement. § 15.165 (2)

**DEFERRED COMPENSATION BOARD (5 MEMBERS)**

This 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. The Governor, with senate confirmation, appoints all board members; there are no statutory requirements for appointments. Members, how they are chosen for the board, and their original source of appointment or election are:

**BOARD MEMBERS**

**Chair: Edward D. Main**

Appointed by the Governor with no membership requirements. § 15.165 (4)

**Vice Chair: John F. Nelson**

Appointed by the Governor with no membership requirements. § 15.165 (4)

**Secretary: Martin Beil**

Appointed by the Governor with no membership requirements. § 15.165 (4)

**Michael Drury**

Appointed by the Governor with no membership requirements. § 15.165 (4)

**Gail Hanson**

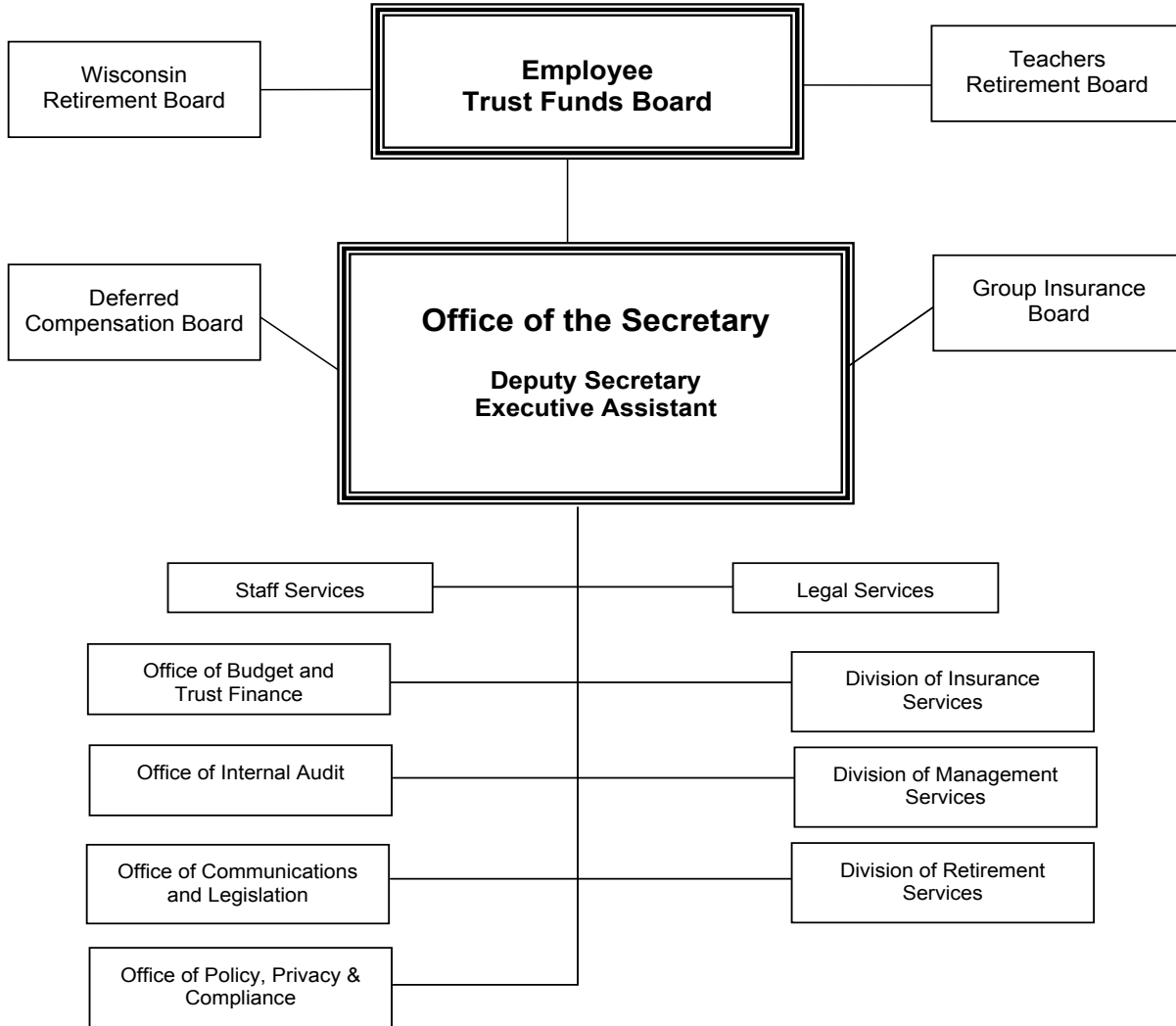
Appointed by the Governor with no membership requirements. § 15.165 (4)



## DEPARTMENT ORGANIZATION

The Department of Employee Trust Fund had 243.2 permanent full-time equivalent positions at the end of 2010. If all positions had been filled, the employee count would have been 249.

The Department's organizational chart is shown below:





## 2010 ETF MANAGEMENT STAFF

Secretary: David A. Stella  
Deputy Secretary: Bob Conlin  
Executive Assistant: Rhonda Dunn  
General Counsel: David Nispel

Division of Retirement Services  
Administrator: Jean Gilding

Deputy Administrator: Anne Boudreau

Division of Insurance Services  
Administrator: Tom Korpady  
Deputy Administrator: Lisa Ellinger

Division of Management Services  
Administrator: Pam Henning

Office of Budget and Trust Finance  
Director: Jon Kranz

Office of Internal Audit  
Director: John Vincent

Office of Communications and Legislation  
Director: Matt Stohr

Office of Policy, Privacy & Compliance  
Director: Steve Hurley

## PRINCIPAL CONSULTANTS AND ADMINISTRATORS

### **Consulting Actuaries:**

Gabriel Roeder Smith & Company  
Southfield, Michigan

Deloitte Consulting  
Minneapolis, Minnesota

### **Auditors:**

Legislative Audit Bureau  
Madison, Wisconsin

## THIRD PARTY ADMINISTRATORS

### **Health Insurance:**

WPS Health Insurance  
Madison, Wisconsin

### **Pharmacy Benefits Manager:**

Navitus Health Solutions  
Appleton, Wisconsin

### **Income Continuation Insurance and Long-Term Disability Insurance:**

Aetna, Inc.  
Burlington, Massachusetts

### **Deferred Compensation:**

Great-West Retirement Services  
Greenwood Village, Colorado

### **Employee Reimbursement Accounts and Commuter Benefits:**

Fringe Benefits Management Company  
Tallahassee, Florida

### **Life Insurance:**

Minnesota Life Insurance Company  
St. Paul, Minnesota



## LEGISLATION, VISION STATEMENT AND ANNUAL ACCOMPLISHMENTS

### LEGISLATION

The state legislation that became law in 2010 that affected the public employee benefit programs administered by the Department of Employee Trust Funds (ETF) is described below.

**2009 Wisconsin Act 218** removed the minimum statutory requirements for in-patient, out-patient and transitional care for nervous and mental disorders, and alcoholism and other drug abuse problems. It also established requirements for annual mental health screenings. The effective date was December 1, 2010.

**2009 Wisconsin Act 279** required hearing screening for newborns. The effective date was May 26, 2010.

**2009 Wisconsin Act 282** required insurance coverage of the services of behavior analysts for autism treatment. The effective date was May 26, 2010.

**2009 Wisconsin Act 284** modified certain aspects of the duty disability program under Wis. Stat. § 40.65. Under the Act, in a proceeding regarding benefits for certain protective occupation participants related to a disability due to certain infectious diseases, there would be a presumption that the disease was caused by the person's employment if that person's pre-employment medical examination showed no evidence of the disease. The Act became effective May 27, 2010.

**2009 Wisconsin Act 285** requires municipal employers to pay for the health insurance of a surviving spouse, if not remarried, and dependent children to age 27 of a firefighter who dies or has previously died in the line of duty, if the municipality pays (or paid) for health insurance for firefighters while they were employed by the municipality. This Act did not apply to the state or the State Group Health Insurance Program, but it did affect municipalities, including the municipalities in the Wisconsin Public Employers Group Health Insurance Program. The Act applied retroactively to firefighters who died in the line of duty before the effective date and to prospective firefighters who die in the line of duty.

**2009 Wisconsin Act 346** required health insurance policies and plans that cover any diagnostic or surgical procedures to cover colorectal cancer examinations and laboratory tests for any insured or enrollee who is 50 years of age or older or any insured or enrollee who

is under 50 years of age and at high risk for colorectal cancer. The Act went into effect on December 1, 2010.

**2009 Wisconsin Act 161** brought Wisconsin law into conformity with Section 811 of the Internal Revenue Code (IRC). Section 811 is a section of the IRC that pertains to Section 457 plans such as the Wisconsin Deferred Compensation (WDC) Program. As a result, WDC deferral limits did not revert to the pre-2001 limit of \$8,500. In addition, the law allowed the WDC program and 403(b) plans to continue to:

- Allow for age 50 catch-up contributions, and
- Allow for the portability between qualified plans, and
- Allow for flexible distributions from s. 457 plans, such as no more irrevocable elections of a fixed future date to begin distributions.

### ETF VISION STATEMENT

The Department's 2010-2015 Strategic Plan provides the framework supporting the plan to become a leader among large public employee benefit systems by offering best practice customer services to members and employers.

To achieve this goal:

- ETF will offer self-service tools to Wisconsin Retirement System (WRS) members and employers. These tools will empower members to become better educated about their benefits, provide secure online access to their accounts, and allow them to securely update information online.
- ETF will expand outreach to more members and employers in more parts of the state. Efforts will include more timely and efficient electronic communications, a greater number of retirement planning and other information sessions and result in more user-friendly, accessible benefit program materials.
- ETF will strengthen its internal workforce training programs to maintain and grow its highly-skilled and knowledgeable workforce. Efforts will include sophisticated training programs for new as well as existing employees.

The Department is committed to making the most of available resources by incorporating modern best practices, continually evaluating processes for



effectiveness in meeting the needs of members, safeguarding member data, and by delivering the best value in benefits and services provided.

## 2010 ACCOMPLISHMENTS

This section highlights Department of Employee Trust Funds (ETF) accomplishments from January through December 2010. These accomplishments are linked to the following strategic business plan objectives:

- 1. Offer self-service tools for members and employers**
- 2. Expand outreach to members and employers**
- 3. Strengthen internal workforce training program**

### **1. Offer Self-Service Tools for Members and Employers**

- Implemented the “myETF Benefits” portal. Members use this online portal to review and update health insurance information. Employers utilize the portal to carry out health insurance administration responsibilities, including validating member updates and submitting premium payments.
- Launched E-Mail Updates, an e-mail notification service. Subscribers receive e-mail notification of Department website updates such as press releases, bulletins, benefit presentation updates and news.
- Created a new calculator to help members understand the financial implications of choosing the accelerated benefit payment options.
- Published the first in a series of online videos providing general Wisconsin Retirement System (WRS) benefits information specific to new employees.
- Enhanced several applications on the Online Network for Employers (ONE) site, including the display of over/under balances and open invoice information, and placing WRS employers’ annual reconciliation reports online.

### **2. Expand Outreach to Members and Employers**

- Completed a comprehensive business risk assessment for online services. Subsequently developed a new information technology governance and project management system, “risk mitigation” plan and initiated work on some of the projects identified in the strategic plan.

- Implemented the Lump Sum Payment System, which automatically calculates and issues payments for the majority of lump sum benefit types, produces duplicate and corrected 1099-R tax statements and electronically transmits year-end tax reporting data to state and federal entities.

- Created “customer service delivery districts” throughout the state, which led to increases in the number of members served (through expanded benefits presentation and group appointment schedules).

- Launched *WRS News*, a joint newsletter with the State of Wisconsin Investment Board (SWIB). The new newsletter replaced the *Trust Fund News* and is published and distributed to employees and retired members three times a year.

- Developed and implemented a comprehensive employer training program, which included the first in a series of training sessions for local government employers via webinar.

- Secured supplemental funding and additional positions to enhance critical customer service functions and carry out federal compliance tasks and responsibilities.

### **3. Strengthen Internal Workforce Training Program**

- Conducted a training needs assessment survey among employees and used the results to develop an employee development/training program for the next several years.
- Created a Project Management Office to establish and implement project management best practices designed to encourage collaboration, standardization, and overall improvement in projects that align to the strategic business plan.
- Conducted a skills inventory to identify skills required for the successful implementation of the Information Technology (IT) Governance and Project Portfolio Management projects. This effort will help in the development of a comprehensive training program for IT staff.
- Conducted several computer security training sessions for staff. Topics included application vulnerabilities and programming techniques to mitigate risks.



# FINANCES

**State of Wisconsin  
Department of  
Employee Trust Funds**



STATE OF WISCONSIN

## Legislative Audit Bureau

22 East Mifflin Street, Suite 500  
Madison, Wisconsin 53703  
(608) 266-2818  
Fax (608) 267-0410

[www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab)

Toll-free hotline: 1-877-FRAUD-17

Joe Chrisman  
Interim State Auditor

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE FUNDS ADMINISTERED BY THE DEPARTMENT OF EMPLOYEE TRUST FUNDS

We have audited the accompanying financial statements for the following fiduciary and proprietary funds administered by the State of Wisconsin Department of Employee Trust Funds as of and for the year ended December 31, 2010, as listed in the table of contents: the Wisconsin Retirement System, Duty Disability Insurance, Accumulated Sick Leave Conversion, State Retiree Life Insurance, Local Retiree Life Insurance, Employee Reimbursement Accounts, Commuter Benefits, Milwaukee Retirement Systems, Badger Rx, State Retiree Health Insurance, Local Retiree Health Insurance, Long-Term Disability Insurance, Health Insurance, Income Continuation Insurance, and Life Insurance. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. 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 provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to in the first paragraph present only the fiduciary and proprietary funds administered by the Department and do not purport to, and do not, present fairly the financial position of the State of Wisconsin and the changes in its financial position and its cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial positions of each fiduciary fund and of each proprietary fund as of December 31, 2010, and the respective changes in their financial positions and their cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2011, on our consideration of the Department's internal control over financial



reporting; our tests of its compliance with certain provisions of laws, regulations, and contracts; and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 2 to the financial statements, for calendar year 2010, the Department implemented Governmental Accounting Standards Board Statements Number 51, *Accounting and Financial Reporting for Intangible Assets*, and Number 53, *Accounting and Financial Reporting for Derivative Instruments*.

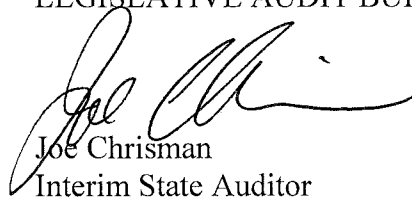
The required supplementary information on pages 74-81, which includes the Wisconsin Retirement System's schedules of funding progress and employer contributions, claims development information for public entity risk pools, and the other post-employment benefits schedules of funding progress and employer contributions, are not required parts of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph. The supplementary information included in the sections listed in the table of contents entitled Introduction, Statistics, Actuarial, Investments, and Employer Unfunded Liability Balances is presented for purposes of additional analysis and is not a required part of the financial statements. This supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

LEGISLATIVE AUDIT BUREAU

September 13, 2011

by

  
Joe Chrisman  
Interim State Auditor



**Wisconsin Department of Employee Trust Funds  
Statement of Fiduciary Net Assets  
December 31, 2010  
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
<b>Assets:</b>			
Equity In Pooled Cash & Cash Equivalents	\$ 2,712,773	\$ 0	\$ 0
Securities Lending Collateral	5,160,488	0	0
Prepaid Expenses	9,031	0	9,620
Receivables:			
Contributions Receivable	147,693	5,554	3,443
Prior Service Contributions Receivable	164,583	0	0
Benefit Overpayments Receivable	3,974	423	0
Due From Other Trust Funds	4,511	0	3
Rebates Receivable	0	0	0
Miscellaneous Receivables	2,018	0	0
Interest and Dividends Receivable	200,085	0	0
Investment Sales Receivable	192,810	0	0
Total Receivables	<u>715,674</u>	<u>5,977</u>	<u>3,446</u>
Investments at Fair Value:			
Stocks	45,551,251	0	0
Fixed Income Investments	21,706,552	0	0
Multi Asset Investments	865,905	0	0
Limited Partnerships	7,485,977	0	0
Real Estate	341,290	0	0
Preferred Securities	131,372	0	0
Convertible Securities	82,884	0	0
Mortgages	43,189	0	0
Foreign Currency Contracts	26,739	0	0
Options	(119)	0	0
Financial Futures Contracts	16,825	0	0
Investment In Core Fund	0	396,661	2,032,702
Investment In Variable Fund	0	0	0
Investment in External Pool	0	0	0
Total Investments	<u>76,251,865</u>	<u>396,661</u>	<u>2,032,702</u>
Capital Assets	<u>2,179</u>	<u>0</u>	<u>0</u>
Total Assets	<u>84,852,010</u>	<u>402,638</u>	<u>2,045,768</u>
<b>Liabilities:</b>			
Core Investment Due Other Programs	3,139,928	0	0
Variable Investment Due Other Programs	19,439	0	0
Securities Lending Collateral Liability	5,160,488	0	0
Benefits Payable	269,640	2,526	0
Other Estimated Future Benefits	0	0	2,214,681
Unearned Revenue	167	0	0
Due To Other Trust Funds	54	26	0
Miscellaneous Payables	118,316	0	0
Investment Payables	271,906	0	0
Total Liabilities	<u>8,979,938</u>	<u>2,552</u>	<u>2,214,681</u>
<b>Net Assets Held in Trust for Pension Benefits and Pool Participants</b>	<u>\$ 75,872,072</u>	<u>\$ 400,086</u>	<u>\$ (168,913)</u>

The accompanying notes are an integral part of the financial statements.  
A schedule of funding progress for the Wisconsin Retirement System is presented on page 80.



Statement 1

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 0	\$ 0	\$ 5,242	\$ 0	\$ 0	\$ 169
0	0	0	0	0	0
0	0	743	103	0	0
0	0	166	117	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	151	6	0	0
0	0	0	0	0	43
19	25	1	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19	25	318	123	0	43
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	129,888	0
0	0	0	0	19,439	0
357,032	227,972	0	0	0	0
357,032	227,972	0	0	149,327	0
0	0	0	0	0	0
357,051	227,997	6,303	226	149,327	212
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	4,255	11	0	0
0	0	0	0	0	0
0	0	769	103	0	0
19	25	0	131	0	0
0	0	36	0	0	0
0	0	0	0	0	0
19	25	5,060	245	0	0
\$ 357,032	\$ 227,972	\$ 1,243	\$ (19)	\$ 149,327	\$ 212



**Wisconsin Department of Employee Trust Funds  
Statement of Changes in Fiduciary Net Assets  
For the Year Ended December 31, 2010  
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
<b>Additions:</b>			
Contributions:			
Employer Contributions	\$ 679,792	\$ 51,865	\$ 32,607
Employee Contributions	787,461	0	0
Total Contributions	<u>1,467,253</u>	<u>51,865</u>	<u>32,607</u>
Deposits	0	0	0
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	7,430,215	0	0
Interest	592,814	0	0
Dividends	781,206	0	0
Securities Lending Income	17,292	0	0
Other	85,509	42,014	223,064
Less:			
Investment Income Distributed to Other Funds	338,364	0	0
Investment Expense	245,806	0	0
Securities Lending Rebates and Fees	5,431	0	0
Net Investment Income	<u>8,317,435</u>	<u>42,014</u>	<u>223,064</u>
Interest on Prior Service Receivable	9,546	0	0
Service Reimbursement Income	0	0	0
Miscellaneous Income	990	0	0
Total Additions	<u>9,795,224</u>	<u>93,879</u>	<u>255,671</u>
<b>Deductions:</b>			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary	3,875,429	30,338	0
Separation Benefits	26,415	0	0
Other Benefit Expense	0	0	130,983
Distributions	0	0	0
Carrier Administrative Expenses	0	0	0
Departmental Administrative Expenses	17,604	441	265
Total Deductions	<u>3,919,448</u>	<u>30,779</u>	<u>131,248</u>
Net Increase (Decrease)	<u>5,875,776</u>	<u>63,100</u>	<u>124,423</u>
Net Assets <b>Beginning of Year</b>	<u>69,996,296</u>	<u>336,986</u>	<u>(293,336)</u>
<b>End of Year</b>	<u>\$ 75,872,072</u>	<u>\$ 400,086</u>	<u>\$ (168,913)</u>

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



Statement 2

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 1,569	\$ 1,932	\$ 430	\$ 136	\$ 0	\$ 0
3,439	4,333	23,428	1,311	0	0
5,008	6,265	23,858	1,447	0	0
0	0	0	0	17,400	90
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,484	11,338	9	0	17,583	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,484	11,338	9	0	17,583	0
0	0	0	0	0	0
36	49	0	0	0	0
0	0	3	0	0	0
22,528	17,652	23,870	1,447	34,983	90
0	0	0	0	0	0
0	0	0	0	0	0
14,650	12,639	23,125	1,324	0	0
0	0	0	0	16,700	0
725	1,031	709	79	0	0
36	49	118	45	0	5
15,411	13,719	23,952	1,448	16,700	5
7,117	3,933	(82)	(1)	18,283	85
349,915	224,039	1,325	(18)	131,044	127
\$ 357,032	\$ 227,972	\$ 1,243	\$ (19)	\$ 149,327	\$ 212



**Wisconsin Department of Employee Trust Funds  
Statement of Net Assets -- Proprietary Funds  
December 31, 2010  
(In Thousands)**

**Statement 3**

Assets	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Current Assets:				
Cash and Cash Equivalents	0	9,260	0	2,420
Investment in Core Fund	243,551	238,220	88,214	0
Rebates Receivable	0	11,371	0	0
Contributions Receivable	0	0	1,159	8
Due From Other Trust Funds	4	2,834	23	49
Benefit Overpayment Receivable	73	0	4,186	0
Administrative Fees Receivable	0	0	0	212
Total Current Assets	<u>243,628</u>	<u>261,685</u>	<u>93,582</u>	<u>2,689</u>
Total Assets	<u>243,628</u>	<u>261,685</u>	<u>93,582</u>	<u>2,689</u>
<b>Liabilities</b>				
Current Liabilities:				
Premiums Payable	0	0	0	2,460
Unearned Revenue	0	110,603	157	0
Current Portion of Estimated Future Benefits	26,259	7,529	15,370	0
Due To Other Trust Funds	3,680	659	0	0
Miscellaneous Payables	229	1,191	230	0
Total Current Liabilities	<u>30,168</u>	<u>119,982</u>	<u>15,757</u>	<u>2,460</u>
Noncurrent Liabilities:				
Noncurrent Portion of Estimated Future Benefits	149,331	0	58,722	0
Total Noncurrent Liabilities	<u>149,331</u>	<u>0</u>	<u>58,722</u>	<u>0</u>
Total Liabilities	<u>179,499</u>	<u>119,982</u>	<u>74,479</u>	<u>2,460</u>
<b>Net Assets Restricted For Benefits</b>	<u>\$ 64,129</u>	<u>\$ 141,703</u>	<u>\$ 19,103</u>	<u>\$ 229</u>

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



**Statement 4**

**Wisconsin Department of Employee Trust Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Assets -- Proprietary Funds  
For the Year Ended December 31, 2010  
(In Thousands)**

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
<b>Operating Revenues:</b>				
Contributions	0	\$ 1,246,499	\$ 15,980	\$ 0
Miscellaneous Income	1	1	65	4
Administrative Reimbursement Income	0	0	0	429
Total Operating Revenues	1	1,246,500	16,045	433
<b>Operating Expenses:</b>				
Benefit Expense	45,610	1,216,524	17,260	0
Carrier Administrative Expenses	1,616	9,720	1,525	0
Departmental Administrative Expenses	366	4,448	476	429
Total Operating Expenses	47,592	1,230,692	19,261	429
Operating Income (Loss)	(47,591)	15,808	(3,216)	4
<b>Nonoperating Revenues:</b>				
Investment Income	29,846	16,602	9,016	2
Total Nonoperating Revenues	29,846	16,602	9,016	2
<b>Net Income (Loss)</b>	<b>(17,745)</b>	<b>32,410</b>	<b>5,800</b>	<b>6</b>
Change in Net Assets	(17,745)	32,410	5,800	6
<b>Total Net Assets - Beginning of Year</b>	<b>81,874</b>	<b>109,293</b>	<b>13,303</b>	<b>223</b>
<b>Total Net Assets - End of Year</b>	<b>\$ 64,129</b>	<b>\$ 141,703</b>	<b>\$ 19,103</b>	<b>\$ 229</b>

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



Statement 5

Wisconsin Department of Employee Trust Funds  
 Statement of Cash Flows -- Proprietary Funds  
 For the Year Ended December 31, 2010  
 (In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Cash Flows from Operating Activities				
Cash Received for Rebates	\$ 0	\$ 13,072	\$ 0	\$ 0
Cash Received for Insurance Premiums	0	1,253,906	15,911	88
Cash Paid for Employee Benefits	(25,782)	(1,232,888)	(16,413)	2,450
Cash Paid for Administrative Services	(2,046)	(16,411)	(1,962)	(554)
Service Reimbursement Income	0	0	0	429
Miscellaneous Income	1	1	65	4
Net Cash Provided (Used) by Operating Activities	(27,827)	17,680	(2,399)	2,417
Cash Flows from Investing Activities				
Investment Income	29,846	16,602	9,016	3
Decrease (Increase) in Investment in Core Fund	(2,019)	(33,146)	(6,617)	0
Net Cash Provided (Used) by Investing Activities	27,827	(16,544)	2,399	3
Net Increase (Decrease) in Cash and Cash Equivalents	0	1,136	0	2,420
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	0	8,124	0	0
Equity in Pooled Cash and Cash Equivalents at End of Year	0	9,260	0	2,420
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(47,591)	15,808	(3,216)	4
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
Decrease (Increase) in Rebates Receivable	0	(3,195)	0	0
Decrease (Increase) in Contributions Receivable	0	0	(67)	(8)
Decrease (Increase) in Miscellaneous Receivables	0	0	0	112
Decrease (Increase) in Benefit Overpayments Receivable	0	0	(677)	0
Decrease (Increase) in Prepaid Expenses	0	73	0	2,330
Decrease (Increase) in Due From Other Trust Funds	(4)	(1,859)	39	(42)
Increase (Decrease) in Estimated Future Benefits	19,312	(583)	1,316	0
Increase (Decrease) in Premiums Payable	0	0	0	119
Increase (Decrease) in Unearned Revenue	0	7,406	(2)	0
Increase (Decrease) in Miscellaneous Payables	157	415	208	0
Increase (Decrease) in Due to Other Trust Funds	299	(385)	0	(98)
Total Adjustments	19,764	1,872	817	2,413
Net Cash Provided (Used) by Operating Activities	(27,827)	17,680	(2,399)	2,417





**Wisconsin Department of Employee Trust Funds  
Statement of Fiduciary Net Assets - Agency Fund  
December 31, 2010  
(In Thousands)**

**Statement 6**

	State Retiree Health Insurance	Local Retiree Health Insurance
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 0	\$ 0
Receivables:		
Federal Subsidy Receivable	5,755	0
Benefit Overpayment Receivable	12	23
Rebates Receivable	5,750	271
Total Receivables	<u>11,517</u>	<u>294</u>
Investments at Fair Value:		
Investment in Core Fund	<u>10,694</u>	<u>0</u>
Total Investments	10,694	0
Total Assets	<u>22,211</u>	<u>294</u>
<b>Liabilities:</b>		
Unearned Revenue	14,780	1,700
Due To Other Trust Funds	123	2,863
Miscellaneous Payables	474	54
Benefit & Loss Liabilities--Current	5,443	206
Due To Employers	<u>1,391</u>	<u>(4,529)</u>
Total Liabilities	<u>22,211</u>	<u>294</u>
	<u>\$ 0</u>	<u>\$ 0</u>

Net Assets Held In Trust



**Wisconsin Department of Employee Trust Funds  
Statement of Changes in Fiduciary Net Assets - Agency Fund  
December 31, 2010  
(In Thousands)**

**Statement 7**

	<b>Balance</b>			<b>Balance</b>
	<b>January 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2010</b>
<b>Local Retiree Health Insurance</b>				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 23,594	\$ 23,594	\$ 0
Receivables:				
Contributions Receivable	0	23	0	23
Rebates Receivable	193	391	312	271
<b>Total Receivables</b>	<b>193</b>	<b>414</b>	<b>312</b>	<b>294</b>
Investments at Fair Value:				
<b>Total Assets</b>	<b>193</b>	<b>24,008</b>	<b>23,906</b>	<b>294</b>
Liabilities				
Unearned Revenue	1,724	1,700	1,724	1,700
Due To Other Trust Funds	984	1,879	0	2,863
Miscellaneous Payables	55	273	274	54
Benefit & Loss Liabilities--Current	216	4,139	4,149	206
Due To Employers	(2,786)	23,330	25,073	(4,529)
<b>Total Liabilities</b>	<b>\$ 193</b>	<b>\$ 31,321</b>	<b>\$ 31,220</b>	<b>\$ 294</b>
<b>State Retiree Health Insurance</b>				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 221,117	\$ 221,117	\$ 0
Receivables:				
Federal Subsidy Receivable	2,751	11,864	8,860	5,755
Benefit Overpayment Receivable	14	0	2	12
Rebates Receivable	3,973	8,387	6,610	5,750
<b>Total Receivables</b>	<b>6,738</b>	<b>20,251</b>	<b>15,472</b>	<b>11,517</b>
Investments at Fair Value:				
Investment in Core Fund	12,598	0	1,904	10,694
<b>Total Investments</b>	<b>12,598</b>	<b>0</b>	<b>1,904</b>	<b>10,694</b>
<b>Total Assets</b>	<b>19,336</b>	<b>241,368</b>	<b>238,493</b>	<b>22,211</b>
Liabilities				
Unearned Revenue	14,150	14,780	14,150	14,780
Due To Other Trust Funds	267	1,059	1,203	123
Miscellaneous Payables	384	5,847	5,757	474
Benefit & Loss Liabilities--Current	5,169	94,110	93,836	5,443
Due to Employers	(634)	200,825	198,800	1,391
<b>Total Liabilities</b>	<b>\$ 19,336</b>	<b>\$ 316,621</b>	<b>\$ 313,746</b>	<b>\$ 22,211</b>



## NOTES TO 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 Boards (GASB). The Department is not a general-purpose government and does not present government-wide statements. The Department is included in the State of Wisconsin financial reporting entity.

The assets and operations of the Department are accounted for in the following funds

#### FIDUCIARY FUNDS

#### PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

**Wisconsin Retirement System (WRS):** This fund is used to account for the collection of employee and employer contributions; investment of assets; and payment of retirement, disability, and death benefits to former employees, and their beneficiaries, of the state and participating local governments in Wisconsin.

**Accumulated Sick Leave Conversion Credits (ASLCC):** This fund is used to account for the collection of employer contributions, investment of assets, and purchase of post-retirement health insurance for retired employees of the State of Wisconsin and their beneficiaries. This benefit allows employees, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance. The value of their account is increased by an employer match of part or all of their unused sick leave accumulation.

**State Retiree Life Insurance:** This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of the State of Wisconsin.

**Local Retiree Life Insurance:** This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of participating local governments in Wisconsin.

**Employee Reimbursement Accounts:** This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying medical and dependent care expenses for employees of the State of Wisconsin, in compliance with Internal Revenue Code (IRC) Section 125.

**Commuter Benefits:** This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying transportation expenses for employees of the State of Wisconsin, in compliance with IRC Section 132.

**Duty Disability Insurance:** This fund is used to account for the collection of employer contributions, investment of assets, and payment of special disability benefits to protective occupation participants in the WRS.

#### INVESTMENT TRUST FUND

**Milwaukee Retirement System:** This fund is used to account for the receipt, investment, and disbursement of funds from other public pension funds in Wisconsin.

#### PRIVATE PURPOSE TRUST FUND

**Badger Rx:** This fund is used to account for the advance of pharmaceutical rebates to local pharmacies and the collection of those rebates from the pharmaceutical companies. The state uses leveraged bargaining powers established for employee health insurance to provide discounts and rebates on prescription drugs for participating individuals in the state.

#### AGENCY FUNDS

**State Retiree Health Insurance:** This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of the State of Wisconsin.

**Local Retiree Health Insurance:** This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of



health insurance claims for retired employees of participating local governments in Wisconsin.

## PROPRIETARY FUNDS

### **ENTERPRISE FUNDS**

**Long-Term Disability Insurance:** This fund is used to account for the collection of employer contributions, investment of assets, and payment of disability benefits to participants in the WRS.

**Health Insurance:** This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

**Income Continuation Insurance:** This fund is used to account for the collection of employee and employer contributions, the investment of assets, and the payment of disability benefits for employees of both the State of Wisconsin and participating local governments in Wisconsin.

**Life Insurance:** This fund is used to account for the collection of employee and employer contributions and the purchase of life insurance coverage for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations for these proprietary funds are collecting premiums and using the accumulated premiums and investment income to pay benefits. Revenues and expenses not directly related to the principal ongoing operations are classified as non-operating.

Department-wide administrative expenses, capital assets, and general fund activities are most closely associated with the WRS fund and have been blended with that fund for presentation.

All material intrafund transactions have been eliminated from fund financial statements. Interfund transactions have not been eliminated.

## **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The financial statements of the Department have been prepared in accordance with GAAP. The WRS, Duty Disability Insurance and Retiree Life Insurance Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the period in which the underlying earnings on which the contributions are based are paid 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.

The State Retiree and Local Retiree Health Insurance Funds are accounted for using the accrual basis of accounting, but have no measurement focus by virtue of their custodial nature. All other funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Financial Accounting Standards Board statements effective after November 30, 1989, are not applied in accounting and reporting for proprietary operations.

## **INVESTMENTS**

The assets of the WRS and the Milwaukee Retirement System are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund). The assets of the Income Continuation Insurance, Duty Disability Insurance, Long-Term Disability Insurance, Health Insurance, State Retiree Health Insurance, Local Retiree Health Insurance, and Accumulated Sick Leave Conversion Credit Programs are invested in the Core Fund. Earnings are allocated between the WRS and other programs, based on the average balance invested for each program. Earnings allocated to other programs are classified as Income Distributed to Other Funds on the *Statement of Changes in Fiduciary Net Assets*. Investments of these programs in the Core and Variable Funds are classified as Investment in Core Fund and Investment in Variable Fund on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*. Investments for the Retiree Life Insurance Funds are held by the plan administrator and classified as Investment in



External Investment Pool on the *Statement of Fiduciary Net Assets*. All other benefit plan assets are invested in the State Investment Fund (SIF). Investments in the SIF are classified as Equity in Pooled Cash and Cash Equivalents on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*.

The State of Wisconsin Investment Board (SWIB) manages the Core Fund, Variable Fund, and SIF with oversight by a board of trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company.

## FUNDING VALUE OF ASSETS

While investments are valued at fair value for financial statement presentation, a funding value of assets is used in evaluating the funded status of the benefit plans and in determining future contribution requirements.

Funding value does not include deferred market gains and losses that have not yet been distributed from the Market Recognition Account (MRA) to the program reserves. See Note 7 for further explanation of the MRA.

As of December 31, 2010, the funding value of reserves (\$ in millions) was as follows:

<b>Benefit Plan</b>	<b>Reserves at Actuarial Value</b>	<b>Deferred Market Gains (Losses)</b>	<b>Reserves at Fair Value</b>
Wisconsin Retirement System	\$80,690.3	\$(4,818.2)	\$75,872.1
Income Continuation Insurance <sup>(1)</sup>	15.4	3.7	19.1
Duty Disability Insurance	432.1	(32.1)	400.0
Long-Term Disability Insurance <sup>(1)</sup>	109.7	(45.6)	64.1
Accumulated Sick Leave Conversion Credits <sup>(1)</sup>	(16.2)	(152.7)	(168.9)
Health Insurance <sup>(1)</sup>	164.0	(22.4)	141.6
State Retiree Health Insurance <sup>(1)</sup>	1.0	0.4	1.4
Local Retiree Health Insurance <sup>(1)</sup>	(4.1)	(0.4)	(4.5)

(1) The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Long-Term Disability Insurance, and Accumulated Sick Leave Conversion Credits, Health Insurance, State Retiree Health Insurance, and Local Retiree Health Insurance have been reduced by the estimated future claims for the benefit plan.

## ADMINISTRATIVE EXPENSES

The administrative costs of all Department programs are financed by a separate appropriation and are allocated to the benefit plans in accordance with Wis. Stat. § 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. Total administrative expenses for the year were \$28.0 million.

SWIB incurs expenses related to investing the trust funds. As authorized by Wis. Stat. § 25.187 (2), these costs are charged directly to the investment income of each fund.

## CAPITAL ASSETS

Computer software, including internally developed software, and other intangible assets that meet the GASB

Statement No. 51 standard are capitalized effective July 1, 2009. Description of this new pronouncement can be found in Accounting Changes section (Note 2).

Capital assets consist of office furniture and equipment, and computer software (purchased or externally acquired and internally generated software). The Department capitalizes all furniture and equipment, and purchased computer software with a purchase price in excess of \$5,000, and internally generated software and other intangible assets in excess of \$1,000,000. Assets are depreciated on a composite basis over an estimated life ranging from 5 to 20 years, using the straight-line method of depreciation.

Starting in 2010, all office furniture and equipment acquisitions are depreciated over 20 and 5 years, respectively. Acquisitions prior to 2010 have been fully depreciated as of December 31, 2010, based on the previous 2-year estimated useful life.



As of December 31, 2010, the total value of capital assets was \$4,918,008, less accumulated depreciation of \$2,739,151 for a net capital asset value of \$2,178,857. The net capital asset value includes \$1,932,082 internally-generated software, i.e., Lump Sum Payment Systems, and \$118,986 purchased software, of which \$17,696 were adjustments for purchases after July 1980 that were still in use as of the calendar year-end.

### LONG-TERM LIABILITIES

**Accumulated Sick Leave Conversion Credit:** The Accumulated Sick Leave Conversion Credit Fund reports an actuarially-determined liability for future benefits.

The liability is determined using the Frozen Initial Liability actuarial cost method and actuarial assumptions that include a 7.2% long-term rate of investment return and a 3.2% annual base salary increase.

During 2010, the liability changed as follows (\$ in millions):

Beginning balance	\$ 2,196
Plus: New Liabilities Recognized	131
Less: Benefits Paid	<u>(112)</u>
Ending Balance	<u>\$2,215</u>

The portion estimated to be due within one year is \$125 million.

### INTERFUND ASSETS / LIABILITIES

Interfund assets and liabilities at December 31, 2010 consist of the following (\$ in thousands):

Due to Other Funds	Due From Other Funds									Total
	Wisconsin Retirement System	Commuter Benefits	Long-Term Disability Insurance	Health Insurance	State Retiree Health Insurance	Local Retiree Health Insurance	State Retiree Life Insurance	Local Retiree Life Insurance	Duty Disability	
Wisconsin Retirement System		\$28	\$3,680	\$622	\$123	\$29	\$1	\$1	\$26	\$4,510
Employee Reimbursement Accounts	\$10	\$104		\$36						\$151
Health Insurance						\$2,834				\$2,834
Life Insurance	\$7						\$18	\$24		\$49
Commuter Benefits	\$6									\$6
Long-Term Disability Insurance	\$4									\$4
Income Continuation Insurance	\$23									\$23
Sick Leave	\$3									\$3
<b>Total</b>	<b>\$53</b>	<b>\$132</b>	<b>\$3,680</b>	<b>\$659</b>	<b>\$123</b>	<b>\$2,863</b>	<b>\$19</b>	<b>\$25</b>	<b>\$26</b>	<b>\$7,580</b>

Interfund transfers are primarily the result of administrative expense reimbursement to the Wisconsin Retirement System. The outstanding balances between funds result from the time lag between the dates that interfund services are provided or reimbursable expenditures occur and when payments between funds are made. All inter-fund liabilities are expected to be paid within one year of the balance sheet date.

### USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported herein. Due to the inherent uncertainty involved, actual results could differ from those estimates.





## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that government-wide financial statements include an MD&A to provide an overview of the government's financial activities. This requirement does not extend to Department financial statements. It was management's determination that this type of information could be better presented in other areas of the Department's *Comprehensive Annual Financial Report*. Therefore management has not included an MD&A with the basic financial statements.

on the *Statement of Fiduciary Net Assets* with the implementation of this GASB Statement.

## WRS ACTUARIAL INVESTMENT RETURN AND WAGE INFLATION ASSUMPTIONS

Beginning with the December 31, 2010 valuation of the WRS, the Employee Trust Funds (ETF) Board adopted new economic assumptions for the actuarial investment return and wage inflation assumption rates. A special economic assumption study for these two key assumptions, which significantly impact the WRS valuation, was conducted by the ETF Board consulting actuary. The study resulted in a reduction in the investment return assumption rate from 7.8% to 7.2%, and a reduction in the wage growth assumption rate, from 4% to 3.2%. The ETF Board concluded the new rates to be the most appropriate in the changing market trends.

## 2 ACCOUNTING CHANGES

### GASB STATEMENT NO. 51

The Department implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective July 1, 2009. It establishes accounting and reporting requirements for intangible assets, including computer software (purchased or internally-developed software). All intangible assets not specifically excluded by the scope of this statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to those intangible assets, as applicable.

Disclosure details as a result of the implementation of GASB Statement No. 51 are described in the Capital Assets section of Summary of Significant Accounting Policies (Note 1).

### GASB STATEMENT NO. 53

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was implemented for the calendar year ended December 31, 2010. This Statement enhances the usefulness and comparability of derivative information reported in the Wisconsin Retirement System's *Statement of Fiduciary Net Assets*. There was no significant impact

## 3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

### VALUATION OF SECURITIES

The investments of the Core and Variable Funds are valued at fair value, per Wis. Stat. § 25.17 (14). Monthly, the investments are adjusted to fair value, with unrealized gains and losses reflected in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.

Generally, fair value information represents actual bid prices or the quoted yield equivalent for securities of comparable maturity, quality, and type as obtained from one or more major investment brokers. If quoted market prices are not available, a variety of third party pricing methods are used, including appraisals, certifications, pricing models, and other methods deemed acceptable by industry standards.

Commercial mortgages are priced via a matrix pricing system. The traditional discounted cash flow methodology is employed, where discount rates are



developed, based on market derived spreads over a base Treasury or London inter-bank offering rate yield. Spreads incorporate such factors as coupon rates, term to maturity, agency ratings, and sector/industry information.

Private debt is priced using a multi-tiered approach that prices each holding based on the best available information using the following hierarchy of pricing sources:

1. Custodian-supplied prices for assets that are in the Barclays Capital U.S. Aggregate Bond Index;
2. Prices provided by a third party with expertise in the bond market;
3. Modeled prices where spreads are supplied by a third party.

In a few instances, private debt cannot be priced by one of the above three sources. In these circumstances, the investment is priced using an alternative bond index price or, if no independent quotation exists, the investment is priced by SWIB management, usually at cost.

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

Real estate valuations are based on generally accepted industry standards and are most typically based on discounted cash flow and comparable sales methodologies. The basis for valuing direct real estate holdings is independent appraisals, which are prepared once every three years. In years when appraisals are not performed, the asset managers are responsible for providing market valuations. Annually, direct real estate holdings are audited by independent auditors.

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

Derivative financial instruments are reported at fair value in the *Statement of Fiduciary Net Assets*. The instru-

ments are marked to fair value at least monthly, with valuation changes recognized in income. Gains and losses are recorded in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments during the period the instruments are held and when the instrument is sold or expires. The nature and use of derivative instruments is discussed later in these notes.

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company) in the Company's investment pool. The methods used to value that pool's investments are described in Note 10.

## CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. With the exception of derivative instrument credit risk, there are no fund-wide investment guidelines related to credit risk exposures with the Core and Variable Funds. Information regarding SWIB's credit risk related to derivatives is found later in these notes. Other fixed income credit risk investment guidelines spell out the minimum ratings at the time of purchase by individual portfolios or groups of portfolios based on the portfolios' investment objectives. In addition, some fixed income portfolios are required to carry a minimum weighted average rating at all times.

The table, *Credit Quality Distribution*, displays the lowest credit rating assigned by several nationally-recognized statistical rating organizations on debt securities held by the Core Fund and the Variable Fund as of December 31, 2010. Included in this table are fixed income securities, including certain short term securities classified as cash equivalents on the *Statement of Fiduciary Net Assets*. Also included are investments held in the Core and Variable Funds' securities lending collateral reinvestment pools, which are managed by SWIB's securities custodian (additional information relating to the securities lending program is discussed later in these notes).

Obligations of the United States and obligations explicitly guaranteed by the United States government





have been included in the AAA rating. The table also includes investments in externally managed collective trust funds which have not been rated by an independent rating agency. Although the funds themselves do not carry ratings, external management investment guidelines govern minimum credit quality standards for the investments within each portfolio. These standards are determined based on the investment objectives and risk parameters of each fund.

Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase the exact securities in the future at the same price plus a stated rate of interest. The market value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their obligations to resell these securities or provide cash of equal value, SWIB would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. This credit exposure at December 31, 2010, was \$1.5 million.

Since the proceeds from reverse repurchase agreements are used for short term financings, the maturities of the purchases made with the proceeds of reverse repurchase agreements are not matched to the maturities of the agreements. The repurchase agreement transactions as of December 31, 2010, had underlying collateral with fair values of approximately 101% of the cost of the repurchase agreements. The agreed-upon yields to the counterparties were between 0.24% and 0.27% with maturity dates through February 1, 2011.

The liabilities resulting from reverse repurchase agreements are reported as Investment Payables and the underlying assets used as collateral are reported in the Investments section on the *Statement of Fiduciary Net Assets*. Any interest cost associated with the reverse repurchase agreements is reported as Investment Expense on the *Statement of Changes in Fiduciary Net Assets*.

Core & Variable Funds Credit Quality Distribution December 31, 2010		
Ratings	Fair Value	% of Total
P-1 or A-1	\$ 2,280,248,356	8
Aaa or AAA	6,942,557,837	24
Aa3 to Aa1 or AA- to AA+	2,877,035,501	10
A3 to A1 or A- to A+	2,485,892,827	8
Baa3 to Baa1 or BBB- to BBB+	1,510,975,777	5
Ba3 to Ba1 or BB- to BB+	478,763,573	2
B3 to B1 or B- to B+	640,327,802	2
Caa1 to Caa3 or CCC- to CCC+	220,855,567	1
Ca1 to Ca3 or CC- to CC+	26,365,650	0
C	10,760,513	0
D	1,341,875	0
Collective Trust Funds	10,306,151,082	35
Not Rated	<u>1,529,027,529</u>	<u>5</u>
Total	<u>\$ 29,310,303,889</u>	<u>100%</u>

Credit risk for the Retiree Life Insurance Funds is minimized by the Company monitoring portfolio diversification by asset class, creditor, and industry and by complying with investment limitations governed by insurance laws and regulations. However, the pool itself is not rated.

### REVERSE REPURCHASE AGREEMENTS

SWIB had \$119.6 million reverse repurchase agreements outstanding at December 31, 2010.

### CUSTODIAL CREDIT RISK

The Retirement Funds do not have a deposit or investment policy specifically related to custodial credit risk.

**Deposits:** Custodial credit risk related to deposits is the risk that, in the event of the failure of a depository financial institution, SWIB will not be able to recover deposits that are in possession of an outside party. Bank deposits as of December 31, 2010, were \$148.6 million. A portion of the deposits, totaling



\$5.2 million, are covered by federal depository insurance. The remaining uninsured and uncollateralized deposits, totaling \$143.4 million, were held in foreign currencies in SWIB's custodian's nominee name or in uninsured margin accounts. In addition, SWIB held time deposits with foreign financial institutions with a fair value of \$22.0 million, all of which were uncollateralized and uninsured.

**Investments:** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. As of December 31, 2010 the Core and Variable Funds held 21 tri-party repurchase agreements totaling \$998.7 million. These repurchase agreements were held in SWIB's cash management and securities lending cash collateral reinvestment portfolios, which are both managed by SWIB's custodian. The repurchase agreement's underlying securities were held by the counterparty's agent, not in SWIB's name.

## CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios that generally restrict issuer concentrations in any one company or Rule 144A securities to less than 5% of assets.

## INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SWIB uses a number of different methods to manage interest rate risk.

Generally, SWIB analyzes long or intermediate term portfolios' interest rate risk using various duration calculations. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present values for all cash flows. Some pooled investments are analyzed using an option

adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in the securities.

Short-term portfolios use the weighted average maturity (to next reset) to analyze interest rate risk. Weighted average maturity is the maturity of each position in a portfolio weighted by the dollar value of the position to compute an average maturity for the portfolio as a whole. This measure indicates a portfolio's sensitivity to interest rate changes: a longer weighted average maturity implies greater volatility in response to interest rate changes.

SWIB's investment guidelines related to interest rate risk vary by portfolio. Some fixed income portfolios are required to be managed within a range of a targeted duration, while others are required to maintain a weighted average maturity at or below a specified number of days or years.

The table, *Interest Rate Sensitivity by Investment Type*, presents the interest rate exposure for the Core and Variable Fund assets. Weighted average maturity, where reset dates are assumed to be the effective maturity date for the security, is presented for the securities lending collateral reinvestment pool and short term pooled investments. Longer term instruments held by the Core and Variable Funds are presented using modified duration, as this measure more accurately states the interest rate sensitivity of these investments.

Interest rate risk for the Retiree Life Insurance Funds is minimized by the Company maintaining a diversified portfolio of investments and monitoring cash flow patterns in order to approximately match the expected maturity of liabilities. The pool's investment objective is to maintain levels in its general account sufficient to guarantee principal amounts of reserves. The interest rate exposure of this pool expressed in terms of duration and average remaining life is 4.6 and 5.85 years, respectively.



**Interest Rate Sensitivity by Investment Type  
December 31, 2010**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Modified Duration (years)</b>
Asset Backed Securities	\$ 120,060,353	3.09
Asset Backed Securities	10,486,203	N/A
Certificates of Deposit	15,700,115	0.21
Commercial Paper	109,794,778	0.09
Corporate Bonds & Private Placements	5,050,249,984	4.93
Corporate Bonds & Private Placements	50,590,780	N/A
Futures Contracts	254,606,269	4.71
Futures Contracts	8,292,830	N/A
Government Agency	473,955,400	2.65
Commercial Mortgages	43,189,400	1.82
Municipal Bonds	81,762,549	11.37
Repurchase Agreements	137,626,624	0.01
Foreign Government/Agency Bonds	3,403,901,589	7.03
United States Treasury Securities	<u>4,399,386,513</u>	7.07
	\$ 14,159,603,386	
<b>Intermediate and Long Term Collective Trust Funds</b>		
Emerging Market Fixed Income	\$ 257,608,558	6.06
Global Fixed Income	537,448,990	4.76
Domestic Fixed Income	<u>\$ 7,375,154,341</u>	5.23
	\$ 8,170,211,890	
		<b>Weighted Average Maturity (days)</b>
<b>Short Term Collective Trust Funds</b>	\$ 2,135,939,193	72
<b>Securities Lending Collateral Pool</b>		
Asset Backed Securities	\$ 94,703,952	42
Certificates of Deposit	1,031,847,203	59
Commercial Paper	1,089,626,863	44
Corporate Bonds	2,030,185,937	39
Repurchase Agreements	<u>861,084,567</u>	3
	\$ 5,107,448,522	
<b>Total Fair Value</b>	<u>\$ 29,573,202,990</u>	

N/A = Data Not Available

\* Notional amount presented for futures contracts

Note: Values may not add due to rounding



## FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. It includes the risk that currencies in which a portfolio's investments, including derivatives, are denominated, or currencies in which a portfolio has taken on an active position, will decline in value relative to the U.S. dollar.

Foreign currency exchange rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, intervention by U.S. or foreign governments or central banks, currency controls, or political developments in the U.S. or abroad. The Core and Variable Funds hold foreign currency denominated cash and securities

invested directly in designated actively managed portfolios and indirectly through its investment in certain collective trust funds.

SWIB's policies include foreign currency risk management objectives relating to each individual portfolio. These guidelines address the foreign currency management activities permitted for each portfolio based on the portfolios mandates, risk tolerances and objectives. SWIB also employs discretionary currency overlay strategies at the total fund level when currency market conditions suggest such strategies are warranted.

As of December 31, 2010 the Core and Variable Funds assets were denominated in the currencies shown in the table, *Currency Exposures by Investment Type*.

Currency Exposures by Investment Type  
December 31, 2010

Currency	Cash & Cash Equivalents	Commercial Mortgages	Convertible Securities	Stocks	Options	Fixed Income	Financial Futures Contracts	Multi-Asset	Preferred Securities	Limited Partnerships	Real Estate	Total
Argentina Peso	\$ 143,107					\$ 4,519,916						\$ 4,663,023
Australian Dollar	2,204,174			530,881,213		43,100,020	(323,645)					675,861,762
Brazil Real	969,418			45,686,002		36,748,080			65,428,171			148,860,672
British Pound Sterling	10,308,735			2,050,053,282		221,619,640	1,078,772			100,633,726		2,383,894,155
Canadian Dollar	3,460,632			709,994,135		104,211,691	813,667			32,910,105		851,390,250
Colombian Peso						8,421,789						8,421,789
Czech Koruna	28,014			10,892,893								11,020,907
Danish Krone	443,339			76,094,412		30,650,645						107,188,396
Egyptian Pound	894,792											894,792
Euro Currency Unit	39,740,874		163,610	2,446,363,163		1,212,446,220	(2,215,622)		26,419,811	794,952,298		4,517,872,355
Hong Kong Dollar	563,608			434,615,586								435,179,194
Hungarian Forint	68,497			1,500,571		3,264,723						4,833,790
Indian Rupee	449,243			195,116,260		2,127,866						197,695,370
Indonesian Rupiah	221,002			4,407,388		34,832,894						39,461,283
Israeli Shekel	99,699			3,445,237								3,544,936
Japanese Yen	7,331,066		125,714	1,794,596,727		1,133,481,378	1,880,861					2,937,425,746
Malaysian Ringgit	2,150,453			51,299,476		46,668,452						100,118,382
Mexican New Peso	1,339,874			48,002,037		45,650,840						94,992,750
Moroccan Dirham	24,002			2,297,471								2,321,473
New Taiwan Dollar	742,493			216,046,165								216,788,658
New Zealand Dollar	1,066,518			50,119,135								51,185,653
Norwegian Krone	88,175			878,522		9,018,876						9,911,875
Peruvian Nuevo Sol	167,919			56,556,730		16,391,701						73,036,606
Philippine Peso	75,212			2,895,585		7,116,017						10,086,814
Polish Zloty	2,925,954			45,822,170		33,266,459						82,114,593
Russian Rubel						2,080,414						2,080,414
S. African Comm Rand	432,827			46,271,730		18,279,804						64,984,362
Singapore Dollar	44,227			112,167,600		17,256,150						172,440,977
South Korean Won	17,462			291,143,173		38,440,738				9,101,936		308,446,785
Swedish Krona	1,616,262			132,664,815								181,823,751
Swiss Franc	58,129			670,620,074								670,678,204
Thailand Baht	71,273			91,804,329								91,875,602
Uruguayan Peso						9,552,496						9,552,496
<b>Total</b>	<b>\$ 77,797,458</b>	<b>\$ -</b>	<b>\$ 289,324</b>	<b>\$ 10,122,428,079</b>	<b>\$ -</b>	<b>\$ 3,079,458,812</b>	<b>\$ 1,234,053</b>	<b>\$ -</b>	<b>\$ 91,847,992</b>	<b>\$ 937,599,066</b>	<b>\$ -</b>	<b>\$ 14,310,653,773</b>

Foreign currency risk for the Retiree Life Insurance Funds is minimized by the Company utilizing short-duration spot forward contracts to minimize the adverse impact of foreign currency exchange rate risks inherent in the elapsed time between trade processing and trade settlement.



## SECURITIES LENDING TRANSACTIONS

State statutes and Board policies permit SWIB to use investments of the Core and Variable Funds to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities in exchange for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for identical securities in the future. SWIB's securities custodian is an agent in lending the Core and Variable Funds' directly held domestic and international securities. When the Core and Variable Funds' securities are delivered to a borrower as part of a securities lending agreement, the borrower is required to place collateral equal to 102% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent, so long as the securities and the collateral are denominated in the same currency. In the event that foreign securities are loaned against collateral denominated in a different currency, the borrower is required to place collateral totaling 105% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

Cash collateral is reinvested by the lending agent in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also require a portion of the collateral investments to be invested in short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers and fees paid to agents, results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

In accordance with money market mutual fund industry standards, the cash collateral reinvestment pools are valued at amortized cost. The amortized or book value of a fund's assets and underlying fair market value of the assets may differ based on market conditions. The pool's market value relative to its amortized cost is expressed as net asset value (NAV) and is derived by dividing total market value by amortized cost. During calendar year 2010, the securities lending reinvestment pools' NAVs were below the typical money market fund market floor value of \$.9950. The NAVs improved by the end of the

calendar year. As of December 31, 2010, the U.S. dollar cash collateral reinvestment pool's NAV was \$.9957 while the foreign reinvestment pool had an NAV of \$.9984.

At calendar year-end, the Core and Variable Funds had no credit risk exposure to borrowers because the amounts the Core and Variable Funds owed the borrowers exceeded the amounts the borrowers owed the Core and Variable Funds. The contract with the lending agent requires it to indemnify the Core and Variable Funds if the borrowers fail to return the loaned securities and the collateral margin is inadequate to replace the securities lent. The Core and Variable Funds are also indemnified against losses resulting from violations of investment guidelines.

The majority of security loans can be terminated on demand by the Core and Variable Funds or the borrower. The average term of the loans is approximately 4 days which is shorter than the weighted average maturity/days to reset of 40 days for investments made with the U.S. dollar cash collateral and the weighted average maturity/days to reset of 25 days for investments made with foreign cash collateral at December 31, 2010.

Pledging or selling collateral securities cannot be done without a borrower default. The quantity or dollar value of securities lending contracts that the Core and Variable Funds may enter into is not restricted by statute.

The Core and Variable Funds also earn securities lending income as part of total net earnings from the investment in several collective trust funds. These earnings are automatically reinvested in the collective trust fund, and as a result the earnings are combined with all other earnings and gains and losses for these funds, and reported in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.

## DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives may be used to implement investment strategies for the Core and Variable Funds. All derivative instruments are subjected to risk analysis and monitoring processes at the portfolio, asset class and fund levels.

Gains and losses for all derivative instruments are reported in the *Statement of Changes in Fiduciary Net*





Assets as Net Appreciation (Depreciation) in Fair Value of Investments.

The following are the types of derivatives that SWIB uses in its dedicated account portfolios. SWIB also invests in derivative instruments indirectly through several collective trust funds. These derivatives have not been included in the following narrative.

### FOREIGN CURRENCY SPOT AND FORWARD CONTRACTS

Currency exposure management is permitted through the use of exchange-traded currency instruments, and through the use of over-the-counter spot and forward contracts in foreign currencies. Direct hedging of currency exposure back to the U. S. dollar is permitted when consistent with the strategy of the portfolio. Cross-currency exposure management to transfer out of an exposed currency and into a benchmark currency is permitted. In some portfolios, currencies of non-benchmark countries may be held through the use of forward contracts, provided that the notional value of any single non-benchmark currency does not exceed 5% of the market value of the portfolio.

SWIB may employ discretionary currency overlay strategies at the total fund level when currency market conditions suggest such strategies are warranted. Only the currencies of developed market countries in the MSCI ex US Index may be used to implement the currency overlay. Exchange-traded currency instruments and over-the-counter spot and forward contracts in foreign currencies are used to execute these strategies.

No cash is exchanged when a foreign exchange spot or forward contract is initiated. Amounts due are paid or received on the contracted settle date. The net receivable or payable for spot and forward contracts is included in Miscellaneous Receivable on the *Statement of Fiduciary Net Assets*. Losses may arise from future changes in the value of the underlying currency, or if the counterparties do not perform under the terms of the contract. Spot and forward contracts are valued daily with the changes in fair value included in the Net

Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*.

SWIB's policies for requiring collateral postings relating to foreign exchange spot and forward contracts vary by portfolio and are intended to mitigate the credit risk associated with the counterparty. On December 31, 2010, SWIB's custodian held cash collateral posted by foreign exchange contract counterparties which is included in Investment Payables on the *Statement of Fiduciary Net Assets*.

SWIB's foreign exchange spot and forward positions are over-the-counter contracts, entered into with various counterparties. Guidelines have been established which provide minimum credit ratings for counterparties. Additionally, policies have been established which, where possible, seek to implement master netting arrangements with counterparties to over-the-counter derivative transactions. The table, *Exposures Aggregated by Counterparty Credit Ratings*, summarizes by credit rating the Core and Variable Funds' exposure to the eighteen counterparties with whom SWIB has entered into foreign exchange spot and forward contracts as of December 31, 2010.

**Core & Variable Funds  
Exposures Aggregated by Counterparty Credit Rating  
December 31, 2010**

**Foreign Currency Spot and Forward Contracts**

<b>Counterparty Credit Rating</b>	<b>Payable</b>	<b>Receivable</b>	<b>Net</b>
AAA	\$ (69,392,173)	\$ 70,311,993	\$ 919,820
AA	(1,464,148,902)	1,477,344,342	13,195,440
A	(1,428,735,427)	1,441,358,922	12,623,495
Total	<u>\$ (2,962,276,502)</u>	<u>\$ 2,989,015,257</u>	<u>\$ 26,738,755</u>

During 2010, some of SWIB's currency exposure management involved the use of foreign currency spot and forward contracts. The table, *Foreign Currency Spot and Forward Contracts*, presents the fair value of foreign currency spot and forward contract assets and liabilities held by the Core and Variable Funds as of December 31, 2010.



**Core & Variable Funds  
Foreign Currency Spot and Forward Contracts  
December 31, 2010**

<b>Currency</b>	<b>Notional (local currency)</b>	<b>Fair Value of Foreign Currency Contracts Receivable (\$US)</b>
<b>Foreign Currency Contracts Sold</b>		
AUSTRALIAN DOLLAR	348,718,102	\$ 12,812,430
BRITISH POUND STERLING	263,111,730	(1,980,653)
CANADIAN DOLLAR	445,586,390	6,963,562
COLOMBIAN PESO	6,368,000,000	26,144
DANISH KRONE	79,238,715	294,419
EURO CURRENCY UNIT	397,471,728	5,856,017
HONG KONG DOLLAR	444,114,250	81,017
ISRAELI SHEKEL	27,030,189	44,536
JAPANESE YEN	30,007,263,616	8,034,130
MALAYSIAN RINGGIT	4,075,000	42,518
MEXICAN NEW PESO	68,194,000	91,273
NEW ZEALAND DOLLAR	3,609,000	92,160
NORWEGIAN KRONE	107,333,318	428,723
PHILIPPINES PESO	156,312,000	76,878
POLISH ZLOTY	18,759,000	93,617
S AFRICAN COMM RAND	2,992,000	34,341
SINGAPORE DOLLAR	25,778,509	258,662
SOUTH KOREAN WON	46,684,920	(40)
SWEDISH KRONA	696,596,133	1,955,147
SWISS FRANC	44,838,672	1,934,887
		<u>\$ 37,139,768</u>
	<b>Notional (local currency)</b>	<b>Fair Value of Foreign Currency Contracts Payable (\$US)</b>
<b>Foreign Currency Contracts Purchased</b>		
AUSTRALIAN DOLLAR	(33,841,467)	\$ (1,153,130)
BRAZIL REAL	(24,714,000)	(663,850)
BRITISH POUND STERLING	(168,330,559)	(2,740,591)
CANADIAN DOLLAR	(25,202,186)	(421,456)
COLOMBIAN PESO	(6,368,000,000)	104,318
DANISH KRONE	(29,820,819)	(39,029)
EURO CURRENCY UNIT	(167,253,134)	(600,385)
HONG KONG DOLLAR	(163,749,242)	(14,302)
INDIAN RUPEE	(5,475,089)	(929)
INDONESIAN RUPIAN	(28,759,496,000)	(26,815)
ISRAELI SHEKEL	(13,550,000)	(20,809)
JAPANESE YEN	(12,274,729,047)	(2,124,715)
MEXICAN NEW PESO	(2,200,000)	23
NEW ZEALAND DOLLAR	(5,314,000)	(146,330)
POLISH ZLOTY	(11,287,000)	136,792
S AFRICAN COMM RAND	(115,505,000)	(844,436)
SINGAPORE DOLLAR	(1,939,104)	(19,246)
SWEDISH KRONA	(63,446,894)	(172,108)
SWISS FRANC	(62,730,932)	(1,654,015)
		<u>\$ (10,401,013)</u>
<b>Net Unrealized Gain (Loss) on Foreign Currency Spot and Forward Contracts</b>		<u>\$ 26,738,755</u>



## FUTURES CONTRACTS

A financial futures contract is an exchange-traded agreement to buy or sell a financial instrument at an agreed upon price and time in the future. Upon entering into a futures contract, collateral is deposited with the broker, in SWIB's name, in accordance with initial margin requirements. Futures contracts are marked to market daily based upon the closing market price of the contract at the board of trade or exchange on which they are traded. The resulting gain/loss is typically received/paid the following day until the contract expires.

The fair value of futures contracts represents the unrealized gain/loss on the contract and is included in Investments at Fair Value on the *Statement of Fiduciary Net Assets*. Gains and losses as a result of investments in futures contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*.

Futures contracts involve, to varying degrees, risk of loss in excess of the fair value of the instrument disclosed in the *Statement of Fiduciary Net Assets*. Losses may arise from future changes in the value of the underlying instrument.

Financial futures contracts may be entered into for the following objectives: facilitate asset class rebalancing, protect portfolios against the risk of changing asset values or interest rates, enhance liquidity, aid in cash flow management, manage interest rate exposure, adjust duration, equitize cash and receivable positions or as a substitute for cash market transactions. Futures contracts are secured by collateral deposited with brokers, which can be in the form of cash, U.S. Treasuries and equity securities.

The table, *Futures Contracts*, presents the Core and Variable Funds investments in futures contracts as of December 31, 2010.

<b>Core &amp; Variable Funds Futures Contracts December 31, 2010</b>			
<b>Description</b>	<b>Expiration Date</b>	<b>Notional Amount</b>	<b>Unrealized Appreciation (Depreciation)*</b>
<b>Interest Rate Futures</b>			
3MO EUROYEN TIFF	6/13/2011 - 3/16/2012	\$ 8,292,830	\$ (2,882)
<b>Fixed Income Futures</b>			
AUSTRALIAN 10YR BOND	3/15/2011	25,413,505	227,050
AUSTRALIAN 3YR BOND	3/15/2011	1,776,011	(1,166)
CANADA 10YR BOND	3/22/2011	28,738,972	58,008
EURO BUXL 30 YR BOND	3/8/2011	868,519	(1,851)
EURO-BOBL	3/8/2011	9,560,959	(16,944)
EURO-BUND	3/8/2011	8,741,701	(45,318)
EURO-SCHATZ	3/8/2011	170,218,306	(94,887)
JAPAN 10YR MINI BD	3/9/2011	29,472,535	1,775
UK LONG GILT	3/29/2011	(15,340,521)	48,660
US TREAS BD	3/22/2011	2,808,875	(62,117)
US ULTRA BOND	3/22/2011	26,816,781	(613,141)
US 10YR TREAS NTS	3/22/2011	(47,572,813)	1,263,852
US 2YR TREAS NTS	3/31/2011	(36,338,438)	16,203
US 5YR TREAS NTS	3/31/2011	49,441,875	(772,414)
<b>Equity Futures</b>			
DJ EURO STOXX 50	3/18/2011	123,468,696	(2,056,623)
DOW JONES MINI	3/18/2011	1,669,385	10,585
FTSE 100 INDEX	3/18/2011	106,380,109	1,030,112
MSCI EAFE EMINI INDEX	3/18/2011	1,827,100	15,675
RUSSELL 2000 MINI IND	3/18/2011	417,044,130	7,018,440
S & P 500 EMINI INDEX	3/18/2011	488,983,250	7,977,725
S&P MID 400 EMINI	3/18/2011	48,252,490	736,052
S&P/TSE 60 INDEX	3/17/2011	54,657,757	755,679
SPI 200 INDEX	3/17/2011	55,272,746	(549,529)
TOPIX INDEX	3/10/2011	101,304,728	1,881,969
NET FUTURES CONTRACTS		<u>\$ 1,661,759,488</u>	<u>16,824,913</u>

\* Unrealized appreciation (depreciation) includes foreign currency gains and losses.





## OPTIONS

An option contract gives the purchaser of the contract the right, but not obligation, to buy (call) or sell (put) the security or index underlying the contract at an agreed upon price on or before the expiration of the option contract. The seller 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 to enter into the contract.

Trust fund rebalancing policies and portfolio investment guidelines permit the use of exchange traded options. Options may be used to improve the efficiency or to enhance the expected return of the Core and Variable Funds' strategic rebalancing procedures. Exchange traded options may be purchased or sold in conjunction with managing asset class exposure if the exercise of the options will move the asset allocation closer to the target established by the Board. The aggregate notional value of the options is limited to 2% of the market value of the trust fund at the date of purchase. The term of options used for this purpose may not exceed one year.

The fair value of option contracts is based upon the closing market price of the contract and is reflected as Options on the *Statement of Fiduciary Net Assets*. Gains and losses as a result of investments in option contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*. The table, *Option Contracts*, presents the fair value of option contracts held by the Core and Variable Funds as of December 31, 2010.

**Core & Variable Funds  
Option Contracts  
December 31, 2010**

<b>Security Description</b>	<b>Contract Type</b>	<b>Maturity</b>	<b>Number of Contracts</b>	<b>Notional</b>	<b>Cost/ (Proceeds)</b>	<b>Market Value</b>	<b>Unrealized Gain (Loss)</b>
AIRGAS INC	PUT	JAN 11	(770)	\$ (4,809,420)	\$ (37,000)	\$ (3,850)	\$ 33,150
AIRGAS INC	PUT	FEB 11	(400)	(2,498,400)	(37,000)	(22,400)	14,600
BUCYRUS INTERNATIONAL INC	PUT	JAN 11	(544)	(4,863,360)	(15,572)	(4,080)	11,492
EXCO RESOURCES INC	PUT	JAN 11	(930)	(1,806,060)	(58,000)	(9,300)	48,700
GENZYME CORP	PUT	JAN 11	(2,067)	(14,717,040)	(87,130)	(32,614)	54,516
GENZYME CORP	PUT	APR 11	(100)	(712,000)	(5,000)	(3,000)	2,000
MCAFFEE INC	PUT	JAN 11	(1,305)	(6,043,455)	(38,650)	(30,875)	7,775
MCAFFEE INC	PUT	MAR 11	(354)	(1,639,374)	(16,055)	(12,390)	3,665
				<u>\$ (37,089,109)</u>	<u>\$(294,407)</u>	<u>\$ (118,509)</u>	<u>\$ 175,898</u>



## SUMMARY OF INVESTMENTS

The tables, *Core Retirement Investment Trust Fund* and *Variable Retirement Investment Trust Fund*, provide summary information by investment classification for the Core and Variable Funds at December 31, 2010.

<b>Core Retirement Investment Trust Fund December 31, 2010</b>				
<b>Classification</b>	<b>Coupon Rate (%)</b>	<b>Maturity Dates</b>	<b>Cost</b>	<b>Fair Value</b>
Stocks	N/A	N/A	\$ 32,759,779,689	\$ 40,276,652,443
Fixed Income	Variable & 0.00 - 13.88	1/2011 - 3/2105	20,610,782,083	21,706,552,205
Limited Partnerships	N/A	N/A	8,472,140,992	7,485,976,518
Multi Asset	N/A	N/A	511,979,055	865,904,576
Real Estate	N/A	N/A	284,471,968	341,290,047
Preferred Securities	N/A	N/A	99,893,238	122,624,100
Convertible Securities	Variable & 0.00 - 6.25	2/2011 - 2/2066	68,448,306	82,883,906
Commercial Mortgages	7.13 - 7.36	7/2011 -12/2014	40,417,689	43,189,400
Foreign Currency Contracts	N/A	1/2011 - 3/2011	-	25,812,957
Option Contracts	N/A	1/2011 - 4/2011	(246,980)	(99,404)
Financial Futures Contracts	N/A	3/2011 - 2/2012	-	13,639,872
			<u>\$ 62,847,666,040</u>	<u>\$ 70,964,426,620</u>

<b>Variable Retirement Investment Trust Fund December 31, 2010</b>				
<b>Classification</b>	<b>Coupon Rate (%)</b>	<b>Maturity Dates</b>	<b>Cost</b>	<b>Fair Value</b>
Stocks	N/A	N/A	\$ 4,351,840,920	\$ 5,274,597,974
Fixed Income*	Variable	N/A	656,839	63
Preferred Securities	N/A	N/A	7,138,549	8,748,026
Foreign Currency Contracts	N/A	1/2010 - 3/2011	-	925,798
Option Contracts	N/A	1/2011 - 4/2011	(47,427)	(19,105)
Financial Futures Contracts	N/A	3/2011	-	3,185,041
			<u>\$ 4,359,588,881</u>	<u>\$ 5,287,437,797</u>

\* The Variable Fund held one defaulted fixed income investment related to securities lending cash collateral as of 12/31/10



## UNFUNDED CAPITAL COMMITMENTS

The Core Fund has committed to fund various limited partnerships and side-by-side agreements related to its private equity and real estate holdings. Commitments that have not been funded as of December 31, 2010, totaled \$4.9 billion. Unfunded commitments are not included in the financial statements since the amount and timing of the funding is not certain.

## LOSS CONTINGENCY

On September 5, 2008, the Internal Revenue Service (IRS) provided SWIB with a *Notice of Transferee Liability*. This claim seeks taxes, penalties and interest relating to the sale of Shockley Communications Corporation (SCC) stock in 2001.

SWIB is classified as a tax exempt entity by the IRS. However, the IRS asserts that the shareholders' sale of SCC stock in 2001 should have been characterized as a sale of assets by SCC, on which SCC should have paid income taxes. Based on the theory of transferee liability, the IRS asserts that the former SCC shareholders, including SWIB, would be liable for those taxes, plus penalties and interest. Transferee liability is limited to the amount actually received by the putative transferee, plus interest. As a result, SWIB's liability, as a putative transferee of SCC assets, would be limited to \$28.3 million of SCC's tax deficiency, plus interest.

SWIB is aggressively contesting the IRS' assertions of SWIB's tax liability. Furthermore, SWIB believes that the loss, if any, resulting from the claim will not have a material impact on SWIB's net investment assets or net income in future years. As such, SWIB has not recognized a loss relating to this matter in the current year, nor does it appear as a contingent liability in the *Statement of Fiduciary Net Investment Assets*.

## 4 DESCRIPTION OF WISCONSIN RETIREMENT SYSTEM

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

## WRS EMPLOYERS

The 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 fire-fighters, and all counties except Milwaukee County. As of December 31, 2010, the number of participating employers was:

State Agencies, UW & Public Authorities	59
Cities	152
Counties	71
4th Class Cities	36
Villages	258
Towns	233
School Districts	426
Cooperative Educational Service Agencies	12
Wisconsin Technical College System Districts	16
Special Districts	211
<b>Total Employers</b>	<b><u>1,474</u></b>

## WRS MEMBERSHIP

Any employee of a participating employer who is expected to work at least 600 hours per year (440 hours per year for teachers) must be covered by the WRS.

As of December 31, 2010, the WRS membership consisted of:

<b>Current Employees:</b>	
General	139,960
Teachers	102,368
Elected / Executive / Judges	1,430
Protective with Social Security	20,110
Protective without Social Security	<u>2,761</u>
<b>Total Current Employees</b>	<b><u>266,629</u></b>

<b>Inactive Participants:</b>	
Terminated Participants	145,803
Alternate Payees	<u>4,012</u>
<b>Total Inactive Participants</b>	<b><u>149,815</u></b>

<b>Retirees and Beneficiaries</b>	
<b>Currently Receiving Benefits:</b>	
Retirement Annuities	148,380
Disability Annuities	6,194
Death Beneficiary Annuities	<u>1,201</u>
<b>Total Annuitants</b>	<b><u>155,775</u></b>

<b>Total Participants</b>	<b><u>572,219</u></b>
---------------------------	-----------------------



## WRS BENEFITS

The 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 Wisconsin Act 69 provided for all active participants in the system on or after April 24, 1998, to be fully vested. Wisconsin Act 32 published on June 30, 2011 and effective July 1, 2011 made certain changes to vesting and eligibility requirements. Details of changes can be found in Note 11.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. Formula factors are shown in the table below.

<b>Employment Category</b>	<b>Service Before 1/1/2000</b>	<b>Service After 12/31/1999</b>
General and Teachers	1.765%	1.6%
Executive and Elected	2.165	2.0*
Protective with Social Security	2.165	2.0
Protective without Social Security	2.665	2.5

\*2011 Wisconsin Act 10 changes the Executive and Elected formula factor, as discussed in Note 11.

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 Core and Variable adjustments granted during recent years are as follows:

Year	Core Adjustment	Variable Adjustment
2001	5.7 %	(11)%
2002	3.3	(14)
2003	0.0	(27)
2004	1.4	25
2005	2.6	7
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22

## ACTUARIAL LIABILITIES

The WRS unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990, for employers in the WRS prior to 2009. As of December 31, 2010, 19 years remain on the amortization schedule. Liabilities for employers joining the WRS beginning 2009 are amortized over 30 years. 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 the amortization period. State law requires the accrued retirement cost be funded.

As of December 31, 2010, the UAAL was \$132 million. The Prior Service Contributions Receivable presented on the *Statement of Fiduciary Net Assets* includes the UAAL plus payments received in January 2011, which reduce the UAAL for actuarial purposes but not for GAAP reporting.

### 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 Fund. Retirement benefits were adjusted for the difference between the investment experience of the Core Fund and the Variable Fund. The Variable Fund was closed to new membership after April 30, 1980. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants, effective January 1, 2001. As of December 31, 2010, 71,300 active and inactive participants and 35,866 annuitants participated in the Variable Fund.

### 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, 2010, approximately 249 annuitants or their beneficiaries remained in the system. This group was 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, 2010, was \$8.4 million.

### 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. Total supplemental annuity benefits paid were \$0.7 million in 2010.

## 5 CONTRIBUTIONS MADE AND REQUIRED

### 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.

The 2010 contribution requirements were determined by the December 31, 2008, actuarial valuation. Significant actuarial assumptions used in the 2008 valuation include:

1. A rate of return on the investment of present and future assets of 7.8% per year, compounded annually;
2. Projected salary increases of 4.1% per year compounded annually, attributable to inflation;
3. Additional projected salary increases ranging from 0.3% to 5.5% per year, depending on age and type of employment, attributable to seniority/merit; and
4. 2.67% annual post-retirement benefit increases.



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

Employees also make an actuarially-determined benefit adjustment contribution. The benefit

adjustment contribution is treated as an employer contribution for benefit purposes and is not included in separation benefits, death benefits, or money purchase annuities. Part or all of the benefit adjustment contribution may be paid by the employer on behalf of the employee. Effective January 1, 1990, any changes in the contribution rate must be split equally between the employee and the employer.

**Contribution rates in effect during 2010 by employment category were:**

	<b>Employer Current</b>	<b>Employer Prior*</b>	<b>Employee</b>	<b>Benefit Adjustment Contribution</b>
Elected Officials, State Executive Retirement Plan	8.7%	0.0%	3.2%	0.0%
Protective Occupation with Social Security	8.6	0.0	5.5	0.0
Protective Occupation without Social Security	11.3	0.3	3.9	0.0
General and Teachers	4.8	0.2	5.0	1.2

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

**Contributions required and made during 2010 were:**

	<b>Contributions Required</b>		<b>Contributions Made</b>	
	<b>Contributions (\$ in millions)</b>	<b>Percentage of Payroll</b>	<b>Contributions (\$ in millions)</b>	<b>Percentage of Payroll</b>
Employer Current Service	\$672.5	5.28%	\$672.5	5.28%
Employer Prior Service*	14.2	0.11	70.9	0.56
Employee Required	640.1	5.02	640.1	5.02
Benefit Adjustment Contribution	136.0	1.07	136.0	1.07

\* Employer Prior Service contributions are recorded on the *Statement of Fiduciary Net Assets* as a reduction in the Prior Service Contribution Receivable. Contributions Made includes both mandatory and voluntary payments received from participating employers. Some Prior Service contributions received after year end are included in Contributions Made, but are not in the determination of Prior Service Contributions Receivable. This is due to a difference in how these payments are treated for actuarial and financial reporting purposes.

Employers also contributed \$1.9 million in reimbursement for benefits paid under the 62.13 Police and Firefighters Pension Program.

**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 FUNDED STATUS AND FUNDING PROGRESS – WRS

The funded status of the plan as of December 31, 2010, is as follows (\$ in millions):

(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Frozen Entry Age	(c) Unfunded Actuarial Accrued Liability (UAAL) (b) – (a)	(d) Funded Ratio (a) / (b)	(e) Covered Payroll	(f) UAAL as Percentage of Covered Payroll (c) / (e)
\$80,626.9	\$80,758.8	\$131.9	99.8%	\$12,744.0	1.0%

The *Schedules of Funding Progress*, presented as required supplementary information following the *Notes to the Financial Statements*, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuations follows:

<b>Valuation Date:</b>	December 31, 2010
<b>Actuarial Cost Method:</b>	Frozen Entry Age
<b>Amortization Method:</b>	Level Percent – Closed Amortization Period
<b>Remaining Amortization Period:</b>	19 Years (ending 12/31/2029)
<b>Asset Valuation Method:</b>	Five Year Smoothed Market
<b>Actuarial Assumptions</b>	
<b>Investment Rate of Return:</b>	7.2%
<b>Projected Salary Increases:*</b>	3.2% to 8.8%
* Includes Inflation at 3.2%	
<b>Post-Retirement Adjustment:</b>	2.10%

## 7 RESERVES

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

### 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. All legal restrictions on use of this reserve were met during the year. The Employee Accumulation Reserve is fully funded.

**Employee Accumulation Reserve balances (\$ in millions) as of December 31, 2010, were:**

	Core	Variable	Total
Employee Required	\$ 14,995.2	\$ 1,112.3	\$ 16,107.5
Employee Additional	125.5	17.0	142.5
<b>Total</b>	<b>\$ 15,120.7</b>	<b>\$ 1,129.3</b>	<b>\$ 16,250.0</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 transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employer Accumulation Reserve is 99.9% funded.

### Employer Accumulation Reserve balances (\$ in millions) as of December 31, 2010, were:

	<b>Core</b>	<b>Variable</b>	<b>Police &amp; Firefighters</b>	<b>Total</b>
Employer Accumulation	\$22,143.6	\$1,112.3	\$0.0	\$23,255.9
Less: Unfunded Actuarial Accrued Liability	<u>0.0</u>	<u>0.0</u>	<u>(8.4)</u>	<u>(8.4)</u>
Net Employer Accumulation	<u>\$22,143.6</u>	<u>\$1,112.3</u>	<u>(\$8.4)</u>	<u>\$23,247.5</u>

## 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 is transferred from the Employee 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. All legal restrictions on use of this reserve were met during the year. The Annuity Reserve is fully funded.

### Annuity Reserve balances (\$ in millions) as of December 31, 2010, were:

	<b>Core</b>	<b>Variable</b>	<b>Police &amp; Firefighters</b>	<b>Total</b>
Annuity Reserve	<u>\$37,772.2</u>	<u>\$3,337.2</u>	<u>\$26.0</u>	<u>\$41,135.4</u>

## MARKET RECOGNITION ACCOUNT

As authorized by Wis. Stats. § 40.04 (3), this reserve is used to smooth the flow of investment income into the Employee, Employer, and Annuity Reserves and other benefit plans invested in the Core Fund. Under the Market Recognition Account (MRA), all investment income, including realized and unrealized market gains and losses, is deposited into the MRA. At year-end, income equal to the assumed earnings rate is recognized. Any surplus or short-fall in earnings is recognized equally over five years.

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

	<b>MRA</b>
December 31, 2006	6,895
December 31, 2007	4,731
December 31, 2008	(18,629)
December 31, 2009	(9,471)
December 31, 2010	(5,067)





## 8 PUBLIC ENTITY RISK POOLS

The Department operates four public entity risk pools: Health Insurance, Income Continuation Insurance (ICI), Long-Term Disability Insurance (LTDI), and Life Insurance. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, these funds are accounted for as enterprise funds.

### HEALTH INSURANCE FUND

The Health Insurance Fund offers group health insurance for current employees of the State of Wisconsin and of participating local public employers. All public employers in the state are eligible to participate. The State of Wisconsin and 373 local employers participated during the year. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily Health Maintenance Organizations (HMOs).

The Health Insurance Fund includes three separate risk pools. The first pool includes those members who have chosen health insurance coverage from an HMO. All liabilities for medical claims for these participants are the responsibility of the HMO and are not included in the unpaid claims analysis or in the Required Supplementary Information.

The second pool includes medical coverage for those members selecting the self-insured indemnity plan offered by the Department. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

The last pool includes self-insured pharmacy benefits for all members regardless of whether they receive medical coverage from an HMO or through the indemnity plan. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

### INCOME CONTINUATION INSURANCE FUND

The Income Continuation Insurance (ICI) Fund offers both long-term and short-term disability benefits (up to 75% of gross salary) for current employees of the State of Wisconsin and participating local public employers. All public employers in Wisconsin are eligible to participate. The State of Wisconsin and 192 local employers currently participate in the plan, and it is self-insured.

### LONG-TERM DISABILITY INSURANCE FUND

Effective October 15, 1992, the Group Insurance Board (GIB) established the Long-Term Disability Insurance (LTDI) program as an alternative to the long-term disability coverage provided through the WRS. The ETF Board purchases disability insurance coverage from the GIB 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.

An LTDI benefit replaces 40% of the disabled participant's final average earnings until normal retirement age or for 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 GIB for LTDI coverage. Since January 1, 1999, premiums have been suspended in recognition of the high funding level in the program.



## LIFE INSURANCE PLAN

The Life Insurance Fund offers group life insurance coverage for current State of Wisconsin employees and employees of participating local public employers. All public employers in the state are eligible to participate. The State of Wisconsin and 709 local employers currently participate in the program. Employers and active employees make premium contributions, which the Department passes on to the insurance carrier (the Company). Participants have the option to select multiple coverage levels, each of which requires different premium contributions. Assets and liabilities are recorded in this program for contributions not yet received and payments not yet remitted to the Company, respectively.

## PUBLIC ENTITY RISK POOL ACCOUNTING POLICIES

**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.

**Valuation of Investments:** Assets of the Health Insurance, ICI, and LTDI funds are invested in the Core Fund and are valued at fair value.

**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 7.2% for the ICI and LTDI programs. The liabilities of the ICI, Health Insurance, and LTDI programs were determined by actuarial methods. Face value of the liability for these programs is not available.

**Administrative Expenses:** All maintenance expenses are expensed in the period they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses. Claim adjustment expenses are also immaterial.

**Reinsurance:** Health insurance plans provided by HMOs are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.

**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.

**Premium Setting:** Premiums are established by the GIB (Health Insurance, ICI, and LTDI) in consultation with actuaries.

**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 Programs include only the portion of the program that is self-insured.

	Income Continuation Insurance		Long-Term Disability Insurance		Health Insurance		Pharmacy Benefits	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>Unpaid claims at beginning of the calendar year</b>	\$72.8	\$76.7	\$156.3	\$138.6	\$4.3	\$4.9	(\$4.3)	(\$2.3)
<b>Incurred claims:</b>								
Provision for insured events of the current calendar year	34.3	33.4	54.2	50.2	24.0	25.9	148.4	134.8
Changes in provision for insured events of prior calendar years	(17.1)	(21.8)	(8.6)	(8.9)	(2.5)	(2.3)	(0.7)	(0.1)
Total incurred claims	<u>17.3</u>	<u>11.6</u>	<u>45.6</u>	<u>41.3</u>	<u>21.5</u>	<u>23.6</u>	<u>147.7</u>	<u>134.7</u>
<b>Payments:</b>								
Claims attributable to insured events of the current calendar year	6.0	5.5	1.9	1.7	20.5	21.6	155.8	139.1
Claims attributable to insured events of prior calendar years	<u>9.9</u>	<u>10.0</u>	<u>24.4</u>	<u>21.9</u>	<u>1.7</u>	<u>2.6</u>	<u>(5.0)</u>	<u>(2.4)</u>
Total payments	<u>15.9</u>	<u>15.5</u>	<u>26.3</u>	<u>23.6</u>	<u>22.2</u>	<u>24.2</u>	<u>150.8</u>	<u>136.7</u>
<b>Total unpaid claims at end of the calendar year</b>	<u>\$74.1</u>	<u>\$72.8</u>	<u>\$175.6</u>	<u>\$156.3</u>	<u>\$3.6</u>	<u>\$4.3</u>	<u>(\$7.4)*</u>	<u>(\$4.3)*</u>

\* Total unpaid claims at the end of 2010 is the net of \$4.0 million in unpaid claims and \$11.4 million in rebates due from pharmaceutical companies; unpaid claims at end of 2009 is the net of \$3.9 million in unpaid claims and \$8.2 million in rebates due from pharmaceutical companies.

## 9 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS ADMINISTERED BY THE DEPARTMENT OF EMPLOYEE TRUST FUNDS

The Department administers five postemployment benefit plans other than pension plans: the Duty Disability Fund, the State Retiree Life Insurance Fund, the Local Government Retiree Life Insurance Fund, the State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund. The Retiree Health Insurance Funds contain certain non-OPEB components relating to post-Medicare pharmacy and health insurance benefits.

## PLAN DESCRIPTIONS

### DUTY DISABILITY FUND

The Duty Disability Fund is a cost-sharing multiple-employer defined benefit OPEB plan. The plan offers special disability insurance for State of Wisconsin and local WRS participants in protective occupations. The plan is self-insured, and risk is shared between the State of Wisconsin and local government employers in the plan. The plan is administered under Wis. Stat. § 40.65. The plan is reported as an “other employee benefit trust fund”.



**Membership**

Participation in the program is mandatory for all WRS employers with protective occupation employees. The State of Wisconsin and 503 local government employers participate. Membership as of December 31, 2010 consisted of:

Disabled members and beneficiaries receiving benefits	957
Active plan members	<u>22,871</u>
Total plan members	<u>23,828</u>

**Contributions**

Contributions are actuarially determined in accordance with Wis. Stats. § 40.05 (2)(ar). All contributions are employer paid based on a graduated, experience-rated formula. During 2010 contribution rates ranged from 1.9% to 6.6% of covered payroll based on employer experience.

**Description of Benefits**

**Eligibility:** Duty-related injury or disease that is likely to be permanent, which causes a protective occupation participant to retire, accept reduced pay or light duty assignment, or in some cases, that impairs promotional opportunities.

**Amount:** 80% of salary (75% if partially disabled and not a state employee), less the following offsets:

- Social Security
- Unemployment Compensation
- Worker’s Compensation
- Any other WRS benefit
- All earnings from the employer under which the disability occurred
- A percent of other earnings as follows:
  - 1/3 of earnings less than 40% of monthly salary
  - 1/2 of earnings between 40% and 80% of monthly salary
  - 2/3 of earnings over 80% of monthly salary

**Survivor Benefit:** All survivor benefits are offset by any Worker’s Compensation death benefits. For participants first employed **prior to** May 3, 1988, and certain state employees, benefits are based on the following:

- 1/3 of the participant’s monthly salary at time of death to surviving spouse, plus
- \$15/month to each unmarried child under the age of 18
- Not to exceed 65% of participant’s monthly salary at time of death
- State employees are included

• For participants first employed after May 3, 1988, and certain state employees, benefits are based on the following:

- 1/2 of the participant’s monthly salary at time of death to surviving spouse, less other income sources that are based on the participant’s earnings record
- 1/10 of the participant’s monthly salary at time of death to each unmarried child under the age of 18
- Not to exceed 70% of participant’s monthly salary at time of death
- State employees are not included (with the exception of cancer presumptive)

• Survivor benefits granted under the Cancer Presumptive Law are based on the following:

- 70% of the participant’s monthly salary at time of death to surviving spouse, less other income sources that are based on the participant’s earnings record
- 1/10 of the participant’s monthly salary at time of death to the guardian of any minor child, as long as there is no surviving spouse
- There is no maximum

**Annual Increases:**

- To age 60: In accordance with WRS salary index.
- After age 60: In accordance with WRS dividend increases (so long as the claimant is not also receiving a disability retirement benefit).

**RETIREE LIFE INSURANCE FUNDS**

The State Retiree Life Insurance Fund and the Local Government Retiree Life Insurance Fund are cost-sharing multiple-employer defined benefit OPEB plans. The State of Wisconsin and 709 local government employers currently participate. The plans provide post-employment life insurance coverage to all eligible employees of participating employers. The plans are administered under Wis. Stats. § 40.70. The plans are reported as other employee benefit trust funds.



**Membership**

**Eligibility:** Generally, members may enroll during a 30-day enrollment period once they satisfy a six-month waiting period. They may enroll after the initial 30-day enrollment period with evidence of insurability. Members under evidence of insurability enrollment must enroll in group life insurance coverage before age 55 to be eligible for Basic or Supplemental coverage.

Membership as of December 31, 2010, included:

	State	Local	Total
Active*	51,467	77,229	128,696
Pre-65 Annuitants	6,603	9,599	16,202
Post-64 Annuitants	<u>16,584</u>	<u>22,671</u>	<u>39,255</u>
Totals	<u>74,654</u>	<u>109,499</u>	<u>184,153</u>

\*Active members include disabled.

**Contributions**

Employers are required to pay the following contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions for pre-65 annuitant coverage. All contributions are actuarially determined.

	State	Local
50% Post Retirement Coverage	28% of employee premium	40% of employee premium
25% Post Retirement Coverage	n/a	20% of employee premium

**Reserves**

Active member and retiree plan reserves are commingled for investment and administrative purposes. Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.

**Description of Benefits**

**Eligibility:** At retirement, the member must have active group life insurance coverage and satisfy one of the following:

- WRS coverage prior to January 1, 1989, or
- At least one month of group life insurance coverage in each of five calendar years after 1989 and one of the following:
  - Eligible for an immediate WRS benefit, or

- At least 20 years from their WRS creditable service as of January 1, 1990, plus their years of group life insurance coverage after 1989, or

- At least 20 years on the payroll of their last employer.

In addition, terminating members and retirees must continue to pay the employee premiums until age 65 (age 70 if active).

**Basic Coverage Benefits:** After retirement, basic coverage is continued for life in these amounts of the insurance in force before retirement:

Age	% of Basic Coverage Continuing	
	State	Local
Before age 65	100%	100%
While age 65	75%	75%
While age 66	50%	50%
After age 66	50%	50% / 25% employer election

**Supplemental Coverage Benefits:** After retirement, Supplemental coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

**Additional Coverage Benefits:** After retirement, Additional coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

**Spouse and Dependent Coverage Benefits:** After retirement, the coverage is terminated.

**METHOD USED TO VALUE INVESTMENTS**

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company). Each Retiree Life Insurance Fund's investment is a share in the Company's investment pool.

Fixed maturity securities, which may be sold prior to maturity, including fixed maturities on loan, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted over the estimated lives of the securities based on the interest yield method.

The Company uses book value as cost for applying the retrospective adjustment method to loan-backed fixed maturity securities purchased. Prepayment



assumptions for single-class and multi-class mortgage-backed securities were obtained from broker/dealer survey values or internal estimates.

Marketable equity securities are classified as available-for-sale and are carried at fair value. Mutual funds and exchange traded fund investments in select asset classes that are sub-advised are carried at the fair value of the underlying net assets of the funds.

Available-for-sale securities are stated at fair value.

Mortgage loans are carried at amortized cost less any valuation allowances. Premiums and discounts are amortized or accreted over the terms of the mortgage loans based on the effective interest yield method. Impairments are determined by specific identification. A mortgage loan is considered impaired if it is probable that amounts due for principal and interest will not be collected in accordance with the contractual terms. Impaired mortgage loans are valued at the present value of expected future cash flows discounted at the loan's effective interest rate, or the fair value of the underlying collateral, if the loan is collateral dependent.

Private equity investments in limited partnerships are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after the date of the acquisition, adjusted for any distributions received (equity method accounting).

Investments in partnerships, which represent minority interests owned in certain general agencies, are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after acquisition adjusted for any distributions received (equity method accounting).

Fair values of fixed maturity securities are based on quoted market prices where available. Fair values of marketable equity securities are based on quoted market prices. Fair values of private equity investments are obtained from the financial statement valuations of the underlying fund or independent broker bids. For fixed maturity securities not based on quoted market prices, generally private placement securities, securities that do not trade regularly, and embedded derivatives, an internally developed pricing model using a commercial software application is most often used. The internally developed pricing model is developed by

obtaining spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings.

Real estate is carried at cost, less accumulated depreciation and an allowance for estimated losses.

The Company's derivative instrument holdings are carried at fair value. All derivatives are recorded as non-hedge transactions. Derivative instrument fair values are based on quoted market prices or dealer quotes. If a quoted market price is not available, fair value is estimated using current market assumptions and modeling techniques, which are then compared with quotes from counterparties.

For mortgage-backed securities of high credit quality, excluding interest-only securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from an outside service provider or upon analyst review of the underlying collateral and the estimated economic life of the securities.

For interest-only securities and mortgage-backed securities not of high credit quality, the Company recognizes the excess of all cash flows, including estimated prepayments, attributable to the security estimated at the acquisition date over the initial investment using the effective yield method with adjustments made as a result of subsequent cash flow information recorded prospectively. If the fair value of the security has declined below its carrying amount, the Company will write the security down to fair value if the decline is deemed other-than-temporary.

Policy loans are carried at the unpaid principal balance.

Cash and cash equivalents are carried at cost, which approximates fair value. The Company considers all money market funds and commercial paper with original maturity dates of less than three months to be cash equivalents.

Finance receivables that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding unpaid principal balances reduced by any charge-offs.

The Company holds "To-Be-Announced" (TBA) Government National Mortgage Association forward contracts that require the Company to take delivery of





a mortgage-backed security at a settlement date in the future. Most of the TBAs are settled at the first available period allowed under the contract. However, the deliveries of some of the Company's TBA securities happen at a later date, thus extending the forward contract date. These securities are reported at fair value as derivative instruments with the changes in fair value reported in net realized investment gains and losses on the consolidated statements of operations.

## RETIREE HEALTH INSURANCE FUNDS

The State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund are agent multiple-employer defined benefit OPEB plans offering group health insurance to retired State of Wisconsin and local government employees. The Department and the Group Insurance Board have statutory authority for program administration and oversight [Wis. Stat. §§ 15.165 (2) and 40.03 (6)]. The State of Wisconsin and 373 local government employers currently participate in the plans. The plans are reported as agency funds.

Beginning in 2007, some employers must make additional disclosures related to their Retiree Health Insurance Plans, including the funding policy, the employer's annual OPEB cost and contributions made, the funded status and funding progress of the plan, and actuarial methods and assumptions used. This information is available from the employer.

**Membership:** State of Wisconsin and local government employees participating in the State Health Insurance Plan or the Wisconsin Public Employers Insurance Plan (local government plans) are eligible to continue their health insurance coverage after leaving covered employment. Membership as of December 31, 2010, included 20,967 former state employees or their beneficiaries and 2,258 former local government employees and beneficiaries.

**Description of Benefits:** Employees may choose between self-insured health plans and alternate health plans (i.e., HMOs) with specific provider networks. The HMOs follow GIB guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rates bid process. The Standard Plan and State Maintenance Plan (SMP) are self-insured by the GIB and administered by WPS Health Insurance. The Standard Plan is a preferred provider plan. The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions. The Medicare Part D benefit for local government employees program is insured and administered by Dean Health Insurance, Inc.

**Contributions:** Health Insurance premiums are actuarially determined or set by contract with the insurer.



## FUNDED STATUS AND FUNDING PROGRESS – OPEB PLANS

The funded status of each plan as of the most recent actuarial valuation date is as follows (\$ in thousands):

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(c) Unfunded Actuarial Liability (UAAL) (b) – (a)</b>	<b>(d) Funded Ratio (a) / (b)</b>	<b>(e) Covered Payroll</b>	<b>(f) UAAL as Percentage of Covered Payroll (c) / (e)</b>
<b>Duty Disability January 1, 2010</b>	\$373,048	\$512,785	\$139,737	72.7%	\$1,370,978	10.2%
<b>State Life Insurance January 1, 2010</b>	349,425	408,781	59,356	85.5%	3,029,651	2.0%
<b>Local Life Insurance January 1, 2010</b>	223,650	255,591	31,941	87.5%	3,864,159	0.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuations follows:

	<b>Duty Disability</b>	<b>State Life Insurance</b>	<b>Local Life Insurance</b>
<b>Valuation Date</b>	1/1/2010	1/1/2010	1/1/2010
<b>Actuarial Cost Method</b>	Projected Unit Credit	Entry Age Normal	Entry Age Normal
<b>Amortization Method</b>	Closed level percentage of pay	Closed level percentage of pay	Closed level percentage of pay
<b>Remaining Amortization Period</b>	UAAL – 8 years Future gains & losses – 15 years	UAAL – 30 years Future gains & losses – 15 years	UAAL – 30 years Future gains & losses – 15 years
<b>Asset valuation method</b>	5 year smoothed market	Market value	Market value
<b>Actuarial Assumptions:</b>			
<b>Investment Return</b>	7.8%	6.0%	6.0%
<b>Payroll Growth</b>	4.1%	4.1%	4.1%





## 10 MILWAUKEE RETIREMENT SYSTEM

The Milwaukee Retirement System (MRS), consisting of two funds within the Milwaukee Public Schools Retirement System, is reported as an Investment Trust Fund. MRS provides assets to the Department for investing in the Core and Variable Funds, described in the Investments section of Note 1. The Core and Variable Funds are managed by the State of Wisconsin Investment Board (SWIB) with oversight by a board of trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company. Participation of the MRS in the Core and Variable Funds is described in the Wisconsin Administrative Code, § ETF 10.12. Monthly, the Department distributes pro-rata shares of total Core Fund and total Variable Fund 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 Wisconsin Administrative Code, § ETF 10.12 (2).

No state statute, legal provision, or legally binding guarantee exists to support the value of shares. At December 31, 2010, the Core and Variable Funds held \$79.1 billion of investments, of which \$2.7 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$5.2 billion of securities lending collateral.



Summary information by investment classification in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, for the Core and Variable Funds at December 31, 2010, is presented in Note 3. Condensed financial data for the Core and Variable Funds for the year ended December 31, 2010, is presented below (\$ in thousands):

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS  
CONDENSED STATEMENTS OF NET ASSETS  
as of December 31, 2010**

<b>Assets:</b>	Core	Variable	Combined
Cash & Cash Equivalents	\$ 2,422,726	\$ 282,623	\$ 2,705,349
Securities Lending Collateral	4,746,275	414,213	5,160,488
Prepaid Items	8,292	738	9,030
Investment Receivables	386,607	8,153	394,760
Investments, at fair value	<u>70,964,427</u>	<u>5,287,438</u>	<u>76,251,865</u>
<b>Total Assets</b>	<u>78,528,327</u>	<u>5,993,165</u>	<u>84,521,492</u>
<b>Liabilities:</b>			
Securities Lending Collateral Liability	4,746,275	414,213	5,160,488
Investment Payables	<u>287,561</u>	<u>6,521</u>	<u>294,082</u>
<b>Total Liabilities</b>	<u>5,033,836</u>	<u>420,734</u>	<u>5,454,570</u>
Net Assets Held in Trust for:			
Internal Investment Pool Participants	73,364,603	5,552,991	78,917,595
Milwaukee Retirement Systems	<u>129,888</u>	<u>19,439</u>	<u>149,327</u>
<b>Total</b>	<u>\$ 73,494,491</u>	<u>\$ 5,572,431</u>	<u>\$ 79,066,922</u>

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS  
CONDENSED STATEMENTS OF CHANGES IN NET ASSETS  
For the Year Ended December 31, 2010**

	Core	Variable	Combined
<b>Additions:</b>			
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 6,766,034	\$ 664,182	\$ 7,430,216
Interest	592,274	539	592,813
Dividends	697,569	83,637	781,206
Securities Lending Income	15,877	1,416	17,293
Other	<u>85,509</u>	<u>-</u>	<u>85,509</u>
<b>Total Additions</b>	<u>8,157,263</u>	<u>749,774</u>	<u>8,907,037</u>
<b>Deductions:</b>			
Investment Expense	238,808	6,998	245,806
Securities Lending Rebates and Fees	5,155	276	5,431
Net Withdrawals by Pool Participants	<u>2,208,310</u>	<u>225,403</u>	<u>2,433,713</u>
<b>Total Deductions</b>	<u>2,452,273</u>	<u>232,677</u>	<u>2,684,950</u>
<b>Net Increase (Decrease)</b>	5,704,990	517,097	6,222,087
Net Assets Held in Trust for Pool Participants			
Beginning of Year	67,789,501	5,055,334	72,844,835
<b>End of Year</b>	<u>\$ 73,494,491</u>	<u>\$ 5,572,431</u>	<u>\$ 79,066,922</u>



## 11 CONTINGENCIES, UNUSUAL EVENTS, AND SUBSEQUENT EVENTS

### BADGER RX PROGRAM

Effective January 1, 2011, the Department of Health Services (DHS) assumed responsibility for the Badger Rx program. On January 26, 2011, the plan's reserve balance of \$211,975 was transferred to the DHS.

### 2011 WISCONSIN ACT 10

Act 10, the 2009-2011 Budget Repair Bill and 2011 Special Session Senate Bill 11, made several changes affecting the Wisconsin Retirement System (WRS) and the group health insurance programs administered by the Department. The bill was published on June 28, 2011 and became effective on June 29, 2011.

The major changes impacting the Department follow:

**WRS Employee Contributions:** Beginning the first day of any pay period after the effective date of the bill, as determined by the Secretary of the Department of Administration, public employees that participate in the WRS will generally be required to make contributions to the plan in an amount equal to one-half of all actuarially-required contributions. Further, the Act changes the law so that public employers may not, in general, pay the employee's contribution amount unless a collective bargaining agreement exists.

**WRS Retirement Benefit Formula Factor:** The formula factor used by the WRS to calculate retirement benefits for the Executive and Elected employment category is changed from 2% to 1.6%. The effective date of the change varies among different employee categories, and generally applies to the service earned after the effective date of the bill. There are no changes to the formula factors for any other employment categories.

**Health Insurance Program:** If a public employer provides health insurance through the Department, the employer is prohibited from contributing to the cost of an employee's health insurance premiums an amount that exceeds 88% of the cost of the lowest average premium available to employees under the health plan.

### 2011 WISCONSIN ACT 32 (2011-2013 BIENNIAL BUDGET BILL)

Act 32, published on June 30, 2011 and effective on July 1, 2011, also made important changes affecting the WRS. These are as follows:

**WRS Vesting Requirements:** The new vesting requirement applies to an employee who initially becomes a WRS member on or after July 1, 2011. Members who begin WRS employment on or after July 1, 2011 must accrue five years of creditable service to be vested in the WRS. (Note: for part-time employees, accruing five years of creditable service may take longer than five years.) Members that begin WRS employment on or after July 1, 2011 that do not accrue five years of creditable service before terminating WRS employment will not be eligible to receive the employer contributions of their WRS account. They will only be eligible for a separation benefit, which includes any employee contributions and related investment earnings. The employer contributions and years of creditable service would be forfeited and their WRS account closed.

**WRS Eligibility Requirements:** To become covered under the WRS, an individual must work for a covered employer at least two-thirds (previously one-third) of what is considered full-time employment, as determined by the Department. This rule applies to individuals hired on or after the effective date of the bill.

**Pre-tax Treatment of WRS Employee Contributions:** Employee contributions to the WRS will be made from the employee's pre-tax income for purposes of federal and state income taxes, unless there is a collective bargaining agreement in place that explicitly prohibits the pre-tax treatment of an employee contribution.



## REQUIRED SUPPLEMENTARY INFORMATION

### PUBLIC ENTITY RISK POOLS

#### Claims Development Information

The tables on the following pages illustrate how the funds' earned revenues and investment income compare to related costs of loss and other expenses assumed by the funds 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 fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first

year in which the event that triggered coverage under the contract occurred (called policy year).

4. Paid Cumulative as of Year-End. Shows the cumulative amounts paid as of the end of successive years for each policy year.
5. Re-estimated Incurred Claims. Shows how each policy years incurred claims increased or decreased as of the end of successive policy years. This annual re-estimation 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 re-estimated 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 re-estimated 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.



**Public Entity Risk Pools  
Required Supplementary Information  
Pharmacy Benefit Claims Development Information  
(\$ Millions)**

	2001	2002	2003	2004**	2005	2006***	2007	2008	2009	2010
1. Net earned required contribution and investment revenues	0.0	0.0	0.0	205.7	191.6	164.7	170.0	138.8	155.5	178.9
2. Unallocated expenses	0.0	0.0	0.0	7.6	9.5	7.4	8.4	8.8	6.4	8.7
3. Estimated incurred claims as of the end of the policy year	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8	148.4
4. Paid (cumulative) as of: *										
End of Policy Year	0.0	0.0	0.0	162.4	168.8	116.8	118.0	126.3	139.1	155.8
One Year Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1	
Two Years Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9		
Three Years Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4			
Four Years Later	0.0	0.0	0.0	159.8	159.6	111.0				
Five Years Later	0.0	0.0	0.0	159.8	159.6					
Six Years Later	0.0	0.0	0.0	159.8						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims:										
End of Policy Year	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8	148.4
One Year Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1	
Two Years Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9		
Three Years Later	0.0	0.0	0.0	159.8	159.6	111.0	119.4			
Four Years Later	0.0	0.0	0.0	159.8	159.6	111.0				
Five Years Later	0.0	0.0	0.0	159.8	159.6					
Six Years Later	0.0	0.0	0.0	159.8						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
6. Increase (decrease) in estimated incurred claims from end of policy year	0.0	0.0	0.0	1.7	(1.0)	0.9	2.5	(0.1)	(0.7)	0.0

\* Paid claims include payments expected to be reimbursed as rebate payments from participating pharmaceutical companies. Incurred claims are presented net of anticipated rebates.

\*\* The pharmacy benefit plan began operation in 2004. No data is available for prior years.

\*\*\* Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools  
Required Supplementary Information  
Health Insurance Claims Development Information  
(\$ Millions)**

	2001	2002	2003	2004	2005	2006*	2007	2008	2009	2010
1 Net earned required contribution and investment revenues	77.6	83.8	85.1	90.4	90.9	82.9	42.1	22.5	41.5	36.6
2 Unallocated expenses	4.8	3.9	5.7	6.8	7.7	4.9	3.4	5.3	5.0	5.4
3 Estimated incurred claims as of the end of the policy year	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9	24.0
4 Paid (cumulative) as of:										
End of Policy Year	61.1	62.5	65.1	65.2	65.8	51.8	20.3	25.7	21.6	20.5
One Year Later	68.2	69.3	73.4	72.2	73.6	58.3	23.5	28.3	23.4	
Two Years Later	68.3	69.4	73.7	72.3	73.7	58.2	23.5	28.2		
Three Years Later	68.3	69.4	73.7	72.3	73.7	58.2	23.5			
Four Years Later	68.3	69.4	73.7	72.3	73.7	58.2				
Five Years Later	68.3	69.4	73.7	72.3	73.7					
Six Years Later	68.3	69.4	73.7	72.3						
Seven Years Later	68.3	69.4	73.7							
Eight Years Later	68.3	69.4								
Nine Years Later	68.3									
5 Reestimated incurred claims:										
End of Policy Year	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9	24.0
One Year Later	68.3	69.5	73.5	72.2	73.7	58.4	23.6	28.3	23.5	
Two Years Later	68.3	69.4	73.7	72.3	73.7	58.2	23.5	28.2		
Three Years Later	68.3	69.4	73.7	72.3	73.7	58.2	23.5			
Four Years Later	68.3	69.4	73.7	72.3	73.7	58.2				
Five Years Later	68.3	69.4	73.7	72.3	73.7					
Six Years Later	68.3	69.4	73.7	72.3						
Seven Years Later	68.3	69.4	73.7							
Eight Years Later	68.3	69.4								
Nine Years Later	68.3									
6 Increase (decrease) in estimated incurred claims from end of policy year	(5.4)	(1.1)	0.5	(2.3)	0.1	(1.9)	(0.2)	(2.3)	(2.4)	0.0

\* Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools  
Required Supplementary Information  
Income Continuation Insurance Claims Development Information  
(\$ Millions)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1 Net earned required contribution and investment revenues	7.9	3.7	25.5	20.5	17.9	24.4	20.5	(9.1)	28.8	25.0
2 Unallocated expenses	1.9	1.7	1.9	2.1	2.1	2.4	2.4	2.4	1.8	2.0
3 Estimated incurred claims as of the end of the policy year	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4	34.3
4 Paid (cumulative) as of:										
End of Policy Year	5.5	3.5	4.5	4.5	5.1	4.4	2.5	5.1	5.5	6.0
One Year Later	10.0	7.7	8.8	9.7	12.9	9.3	6.8	9.2	9.7	
Two Years Later	12.1	9.0	10.5	11.9	17.0	10.4	7.8	10.0		
Three Years Later	13.0	9.9	11.7	13.1	18.1	11.2	8.6			
Four Years Later	13.6	10.6	12.3	13.6	18.8	11.7				
Five Years Later	14.1	11.0	12.6	14.1	19.5					
Six Years Later	14.3	11.4	13.0	14.6						
Seven Years Later	14.5	11.8	13.3							
Eight Years Later	14.7	12.2								
Nine Years Later	14.9									
5 Reestimated incurred claims:										
End of Policy Year	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4	34.3
One Year Later	20.4	15.8	17.0	20.5	25.1	16.7	22.5	15.8	17.5	
Two Years Later	18.9	14.4	16.6	21.1	25.9	17.8	13.4	15.3		
Three Years Later	16.7	14.3	17.1	19.7	27.0	16.8	13.9			
Four Years Later	16.6	14.1	15.8	20.2	24.7	16.0				
Five Years Later	16.5	13.7	16.0	18.5	24.4					
Six Years Later	16.1	14.1	15.6	18.5						
Seven Years Later	16.3	14.4	15.5							
Eight Years Later	16.4	14.3								
Nine Years Later	16.4									
6 Increase (decrease) in estimated incurred claims from end of policy year	(12.5)	(2.8)	(7.9)	(10.7)	(7.2)	(13.1)	(13.5)	(7.1)	(15.9)	0.0



**Public Entity Risk Pools  
Required Supplementary Information  
Long-Term Disability Insurance Claims Development Information  
(\$ Millions)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1 Net earned required contribution and investment revenues	(6.9)	(22.9)	52.5	33.4	24.1	47.3	27.8	(88.3)	49.3	29.8
2 Unallocated expenses	1.0	0.8	0.7	1.1	1.0	1.1	1.4	1.3	2.2	2.0
3 Estimated incurred claims and expense, as of the end of the policy year	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2	54.2
4 Paid (cumulative) as of:										
End of Policy Year	0.5	0.0	0.3	0.1	0.7	1.1	1.4	1.1	1.7	1.9
One Year Later	1.0	1.1	1.6	1.9	2.8	3.5	5.8	5.7	7.0	
Two Years Later	2.0	2.5	3.9	3.9	5.4	6.8	9.4	9.4		
Three Years Later	3.0	3.9	6.0	6.4	8.0	9.9	12.6			
Four Years Later	3.9	5.1	8.5	8.0	10.3	12.7				
Five Years Later	4.7	6.6	10.6	9.5	12.5					
Six Years Later	5.7	8.0	12.5	10.8						
Seven Years Later	6.5	9.3	14.2							
Eight Years Later	7.3	10.4								
Nine Years Later	8.0									
5 Reestimated incurred claims and expenses										
End of Policy Year	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2	54.2
One Year Later	8.7	8.4	12.0	14.1	22.2	26.2	25.6	26.9	32.3	
Two Years Later	8.3	12.7	18.3	14.9	22.1	29.5	29.9	29.5		
Three Years Later	10.2	12.9	19.2	16.1	24.7	27.1	31.0			
Four Years Later	10.0	13.7	20.3	17.7	23.4	28.3				
Five Years Later	10.1	14.3	22.4	19.2	24.5					
Six Years Later	10.8	15.7	24.3	17.8						
Seven Years Later	11.5	17.0	21.3							
Eight Years Later	12.3	15.2								
Nine Years Later	11.4									
6 Increase (decrease) in estimated incurred claims from end of policy year	1.4	3.5	5.4	(1.6)	(6.1)	(6.3)	(17.3)	(1.6)	(17.9)	0.0





## OTHER POST EMPLOYMENT BENEFITS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Other Post Employment Benefits Schedule of Funding Progress (Thousands \$)						
<u>Duty Disability</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued 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)
January 1, 2006	222,692	427,089	204,397	52.1%	1,144,529	17.9%
January 1, 2008	311,778	471,668	159,890	66.1%	1,257,666	12.7%
January 1, 2010	373,048	512,785	139,737	72.7%	1,370,978	10.2%
<u>State Retiree Life Insurance</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued 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)
January 1, 2006	314,116	337,341	23,225	93.1%	2,506,437	0.9%
January 1, 2008	329,822	382,392	52,570	86.3%	2,699,508	1.9%
January 1, 2010	349,425	408,781	59,356	85.5%	3,029,651	2.0%
<u>Local Retiree Life Insurance</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued 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)
January 1, 2006	195,632	206,097	10,465	94.9%	3,310,064	0.3%
January 1, 2008	211,950	233,444	21,494	90.8%	3,556,913	0.6%
January 1, 2010	223,650	255,591	31,941	87.5%	3,864,159	0.8%

Other Post Employment Benefits Schedule of Employer Contributions (thousands \$)			
<u>Duty Disability</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	44,397	44,566	100.4%
December 31, 2007	46,174	47,765	103.4%
December 31, 2008	47,684	50,574	106.1%
December 31, 2009	50,193	51,556	102.7%
December 31, 2010	53,181	51,864	97.5%
<u>State Retiree Life Insurance</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	12,222	1,235	10.1%
December 31, 2007	13,602	1,314	9.7%
December 31, 2008	14,786	1,405	9.5%
December 31, 2009	16,470	1,514	9.2%
December 31, 2010	16,949	1,569	9.3%
<u>Local Retiree Life Insurance</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	10,020	2,096	20.9%
December 31, 2007	11,065	1,733	15.7%
December 31, 2008	11,396	1,806	15.8%
December 31, 2009	12,636	1,906	15.1%
December 31, 2010	12,797	1,932	15.1%



### Wisconsin Retirement System Schedule of Funding Progress (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, 2001	58,024.3	60,134.7	2,110.4	96.5%	9,917.7	21.3%
December 31, 2002	57,861.9	59,618.8	1,756.9	97.1%	10,126.6	17.3%
December 31, 2003	62,685.3	63,211.7	526.4	99.2%	10,502.4	5.0%
December 31, 2004	66,209.4	66,622.3	412.9	99.4%	10,897.6	3.8%
December 31, 2005	68,615.1	68,987.5	372.5	99.5%	10,973.4	3.4%
December 31, 2006	73,415.3	73,735.8	320.5	99.6%	11,308.2	2.8%
December 31, 2007	79,791.9	80,079.7	287.8	99.6%	11,720.2	2.5%
December 31, 2008	77,159.4	77,412.0	252.6	99.7%	12,289.6	2.1%
December 31, 2009	78,911.3	79,104.6	193.3	99.8%	12,622.2	1.5%
December 31, 2010	80,626.9	80,758.8	131.9	99.8%	12,744.0	1.0%

(1) The Unfunded AAL in this schedule is the actuarially determined balance and may not agree with the Prior Service Contributions Receivable reported on the Statement of Net Assets because of differences in when payments received after year end are recognized.

### Wisconsin Retirement System Schedule of Employer Contributions (Millions \$)

Year Ended December 31,	Annual Required Contribution	Percentage Contributed***
2001	412.9	99.6% *
2002	426.9	99.8% *
2003	462.7	334.0% **
2004	497.6	121.0%
2005	535.6	108.0%
2006	569.0	104.0%
2007	614.0	105.0%
2008	644.8	105.0%
2009	645.6	108.0%
2010	686.7	108.0%

\* 1999 Wis. Act 11 provided \$200 million in "credits" to employers to be used in lieu of required contributions. These credits resulted in employers making contributions less than the Annual Required Contribution.

\*\* Increase in employer contributions in 2003 was due to prepayment of UAAL in connection with Pension Obligation Bond issued by the state and various local government employers.

\*\*\* The Annual Required Contribution includes both the employers' required normal cost and their amortized UAAL payment. The percentage contributed may exceed 100.0% when actual UAAL payments exceed the required amortized UAAL payment. Previously published reports only included the required normal cost.



## WISCONSIN RETIREMENT SYSTEM NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

<b>Valuation Date:</b>	December 31, 2010
<b>Actuarial Cost Method:</b>	Frozen Entry Age
<b>Amortization Method:</b>	Level Percent - Closed Amortization Period
<b>Remaining Amortization Period:</b>	19 Years (ending 12/31/2029)
<b>Asset Valuation Method:</b>	Five Year Smoothed Market
<b>Actuarial Assumptions</b>	
<b>Investment Rate of Return:</b>	7.2%
<b>Projected Salary Increases:*</b>	3.2 to 8.8%
* Includes Inflation at 4.0%	
<b>Post-Retirement Adjustment:</b>	2.10%





# STATISTICS

**State of Wisconsin  
Department of  
Employee Trust Funds**



### Wisconsin Retirement System (WRS) Statistics Active Participants by Employment Category

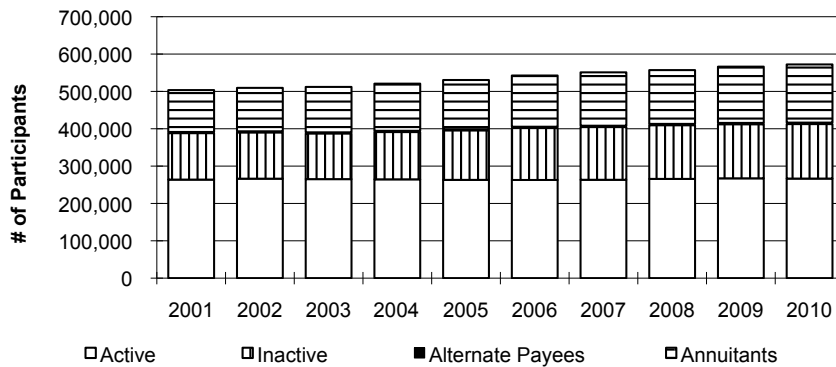
Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Totals
<b>State Participants</b>						
2001	43,494	18,500	708	7,810	0	70,512
2002	43,661	18,794	696	8,071	0	71,222
2003	43,257	18,909	689	8,176	0	71,031
2004	42,717	19,127	697	8,392	0	70,933
2005	41,911	19,044	695	8,356	0	70,006
2006	42,069	19,110	694	8,493	0	70,366
2007	42,379	19,331	694	8,758	0	71,162
2008	42,920	19,712	709	8,824	0	72,165
2009	42,814	20,002	709	8,890	0	72,415
2010	42,785	20,502	697	8,756	0	72,740
<b>Local Participants</b>						
2001	95,571	84,033	780	10,256	2,731	193,371
2002	96,364	84,821	788	10,444	2,711	195,128
2003	96,049	83,974	796	10,586	2,714	194,119
2004	96,104	83,411	782	10,660	2,710	193,667
2005	96,048	82,801	772	10,799	2,696	193,116
2006	95,716	82,392	760	10,922	2,700	192,490
2007	95,504	82,168	755	11,089	2,703	192,219
2008	96,273	82,520	744	11,292	2,727	193,556
2009	97,489	82,516	744	11,389	2,740	194,878
2010	97,175	81,866	733	11,354	2,761	193,889
<b>Total Participants</b>						
2001	139,065	102,533	1,488	18,066	2,731	263,883
2002	140,025	103,615	1,484	18,515	2,711	266,350
2003	139,306	102,883	1,485	18,762	2,714	265,150
2004	138,821	102,538	1,479	19,052	2,710	264,600
2005	137,959	101,845	1,467	19,155	2,696	263,122
2006	137,785	101,502	1,454	19,415	2,700	262,856
2007	137,883	101,499	1,449	19,847	2,703	263,381
2008	139,193	102,232	1,453	20,116	2,727	265,721
2009	140,303	102,518	1,453	20,279	2,740	267,293
2010	139,960	102,368	1,430	20,110	2,761	266,629



**Total WRS Participants**

Year	Active	Inactive	Alternate Payees	Annuitants	Total Participants
2001	263,883	124,194	3,322	112,142	503,541
2002	266,350	123,419	3,426	116,289	509,484
2003	265,150	121,902	3,391	121,582	512,025
2004	264,600	126,461	3,494	126,211	520,766
2005	263,122	132,145	3,599	131,674	530,540
2006	262,856	138,879	3,706	137,117	542,558
2007	263,381	141,002	3,769	142,906	551,058
2008	265,721	143,471	3,837	144,033	557,062
2009	267,293	144,424	3,929	150,671	566,317
2010	266,629	145,803	4,012	155,775	572,219

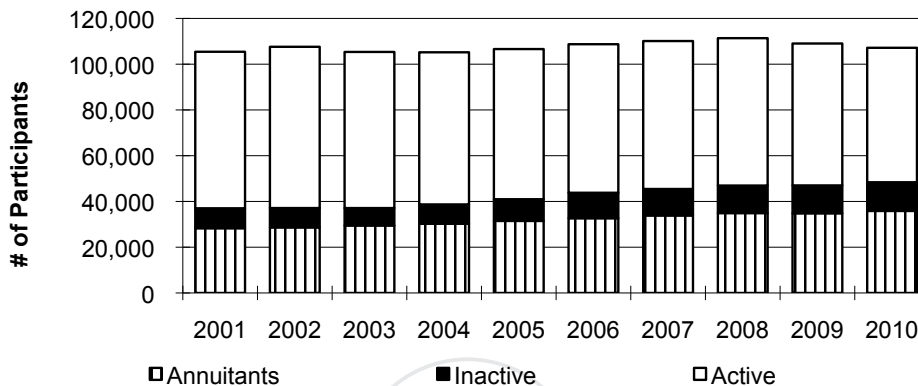
**Total WRS Participants**



**WRS Participants with Variable Elections**

Year	Active	Inactive	Annuitants	Totals
2001	68,423	8,693	28,314	105,430
2002	70,487	8,452	28,662	107,601
2003	68,246	7,611	29,496	105,353
2004	66,501	8,426	30,270	105,197
2005	65,644	9,468	31,499	106,611
2006	64,927	11,115	32,683	108,725
2007	64,674	11,563	33,880	110,117
2008	64,420	12,025	34,927	111,372
2009	62,032	12,169	34,836	109,037
2010	58,781	12,519	35,866	107,166

**WRS Participants with Variable Elections**

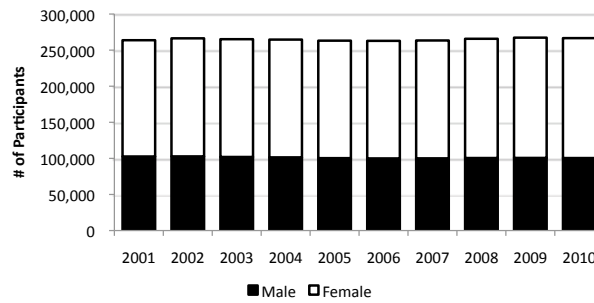




### Active WRS Participants by Gender

Year	Teachers		Protective Occupations		All Other Participants		Totals	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	34,780	67,723	17,220	3,573	50,619	89,817	102,619	161,113
2002	34,688	68,968	17,488	3,738	50,582	90,886	102,758	163,592
2003	34,085	68,838	17,654	3,822	50,214	90,537	101,953	163,197
2004	33,699	68,877	17,873	3,889	49,835	90,427	101,407	163,193
2005	33,085	68,793	17,936	3,915	49,301	90,092	100,322	162,800
2006	32,650	68,887	18,146	3,969	49,157	90,047	99,953	162,903
2007	32,348	69,183	18,497	4,053	49,199	90,101	100,044	163,337
2008	32,256	69,976	18,715	4,128	49,535	91,111	100,506	165,215
2009	32,228	70,290	18,862	4,157	49,542	92,214	100,632	166,661
2010	32,155	70,213	18,744	4,127	49,563	91,827	100,462	166,167

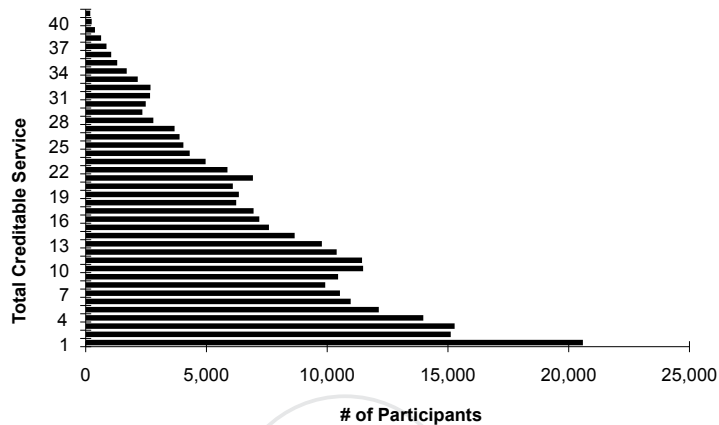
### Active WRS Participants by Gender



### Active Participants by Age



### Active Participants by Creditable Service







**Total WRS Covered Payroll by Employer Type  
(\$ in millions)**

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2001	4,046	1,220	957	416	135	46	89	6,911
2002	4,139	1,268	992	438	145	53	95	7,130
2003	4,237	1,325	1,027	450	160	50	99	7,349
2004	4,328	1,375	1,054	469	167	53	107	7,554
2005	4,405	1,398	1,078	483	182	51	112	7,709
2006	4,517	1,424	1,106	498	190	53	116	7,904
2007	4,625	1,462	1,148	520	202	56	119	8,131
2008	4,802	1,511	1,194	547	215	58	134	8,461
2009	4,959	1,553	1,241	579	223	60	156	8,771
2010	5,037	1,530	1,229	596	225	60	165	8,842

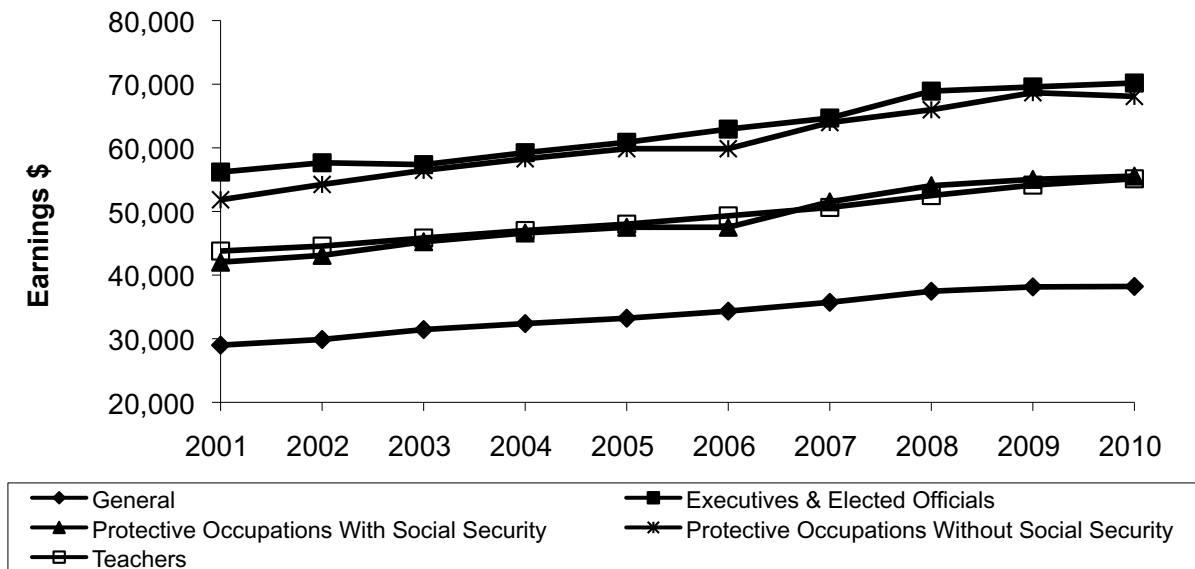
Year	State Government			Totals
	State Agencies	University	Totals	All Employers
2001	1,611	1,289	2,900	9,811
2002	1,652	1,344	2,996	10,127
2003	1,748	1,405	3,153	10,502
2004	1,777	1,429	3,206	10,760
2005	1,807	1,457	3,264	10,973
2006	1,903	1,501	3,404	11,308
2007	2,019	1,570	3,589	11,720
2008	2,178	1,651	3,829	12,290
2009	2,161	1,690	3,851	12,622
2010	2,169	1,732	3,902	12,744

**WRS Covered Payroll by Employment Category  
(\$ in millions)**

Year	General Employees	Teachers	Executives &	Protective	Protective	Totals
			Elected Officials	Occupations with Social Security	Occupations without Social Security	
2001	4,152	4,655	86	775	143	9,811
2002	4,307	4,769	88	814	149	10,127
2003	4,507	4,888	88	864	155	10,502
2004	4,625	4,981	90	903	160	10,760
2005	4,728	5,061	92	928	164	10,973
2006	4,879	5,181	94	985	169	11,308
2007	5,080	5,326	97	1,042	176	11,720
2008	5,367	5,534	102	1,105	182	12,290
2009	5,492	5,704	104	1,132	190	12,622
2010	5,504	5,809	105	1,136	190	12,744



### Average Annual Earnings

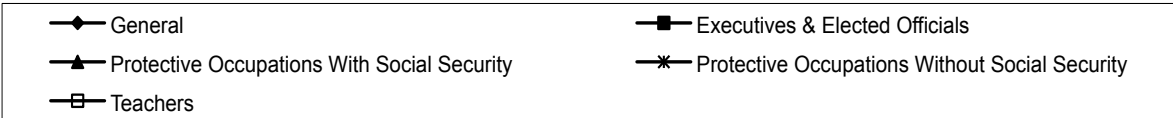
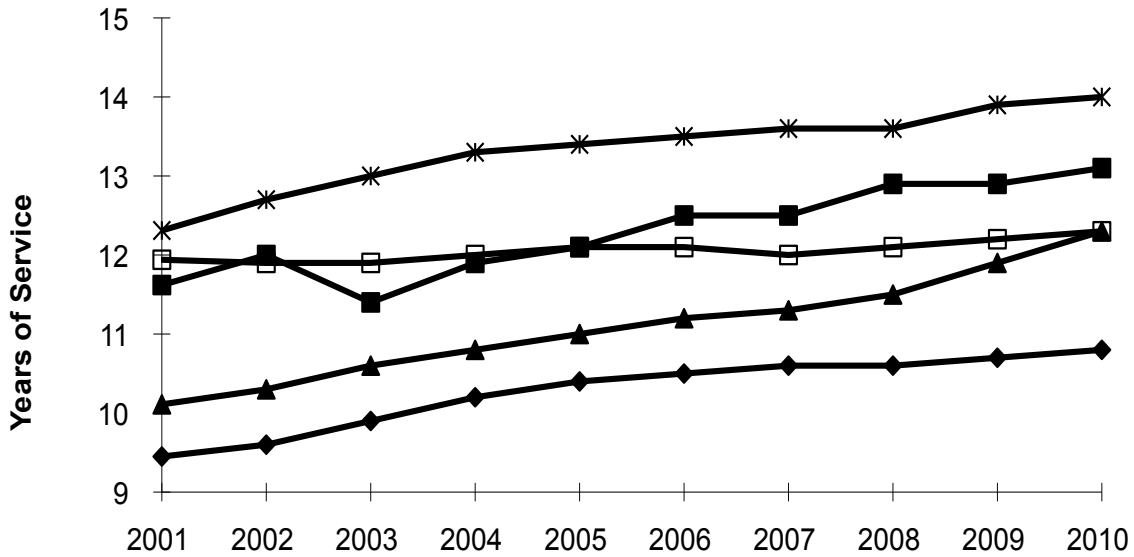


### Average Annual Earnings

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
2001	28,991	43,782	56,194	42,030	51,839	36,021
2002	29,885	44,559	57,656	43,100	54,248	36,915
2003	31,442	45,825	57,365	45,246	56,463	38,401
2004	32,381	47,006	59,242	46,619	58,280	39,489
2005	33,222	48,009	60,874	47,518	59,865	40,413
2006	34,335	49,312	62,945	47,519	59,866	41,513
2007	35,721	50,631	64,686	51,520	63,975	43,107
2008	37,465	52,498	68,917	54,051	65,987	44,969
2009	38,145	54,143	69,572	55,045	68,671	46,047
2010	38,216	55,135	70,191	55,564	68,087	46,501

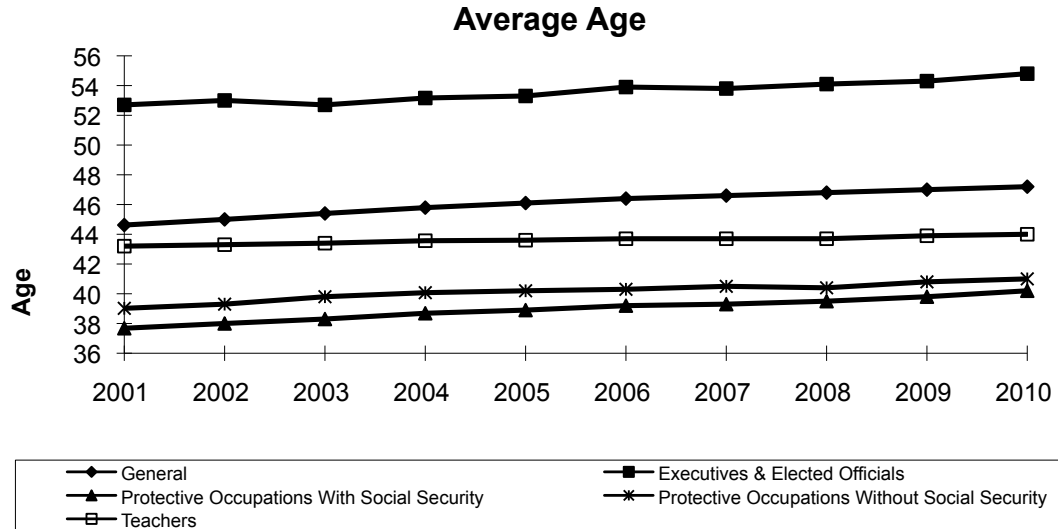


### Average Creditable Service



### Average Creditable Service

Year	General	Teachers	Officials	Security	Security	Average
2001	9.5	11.9	11.6	10.1	12.3	10.5
2002	9.6	11.9	12.0	10.3	12.7	10.6
2003	9.9	11.9	11.4	10.6	13.0	10.8
2004	10.2	12.0	11.9	10.8	13.3	11.0
2005	10.4	12.1	12.1	11.0	13.4	11.1
2006	10.5	12.1	12.5	11.2	13.5	11.2
2007	10.6	12.0	12.5	11.3	13.6	11.3
2008	10.6	12.1	12.9	11.5	13.6	11.3
2009	10.7	12.2	12.9	11.9	13.9	11.3
2010	10.8	12.3	13.1	12.3	14.0	11.5



### Average Age

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
2001	44.6	43.2	52.7	37.7	39.0	43.6
2002	45.0	43.3	53.0	38.0	39.3	43.8
2003	45.4	43.4	52.7	38.3	39.8	44.1
2004	45.8	43.6	53.2	38.7	40.1	44.4
2005	46.1	43.6	53.3	38.9	40.2	44.6
2006	46.4	43.7	53.9	39.2	40.3	44.8
2007	46.6	43.7	53.8	39.3	40.5	44.9
2008	46.8	43.7	54.1	39.5	40.4	45.0
2009	47.0	43.9	54.3	39.8	40.8	44.9
2010	47.2	44.0	54.8	40.2	41.0	45.4



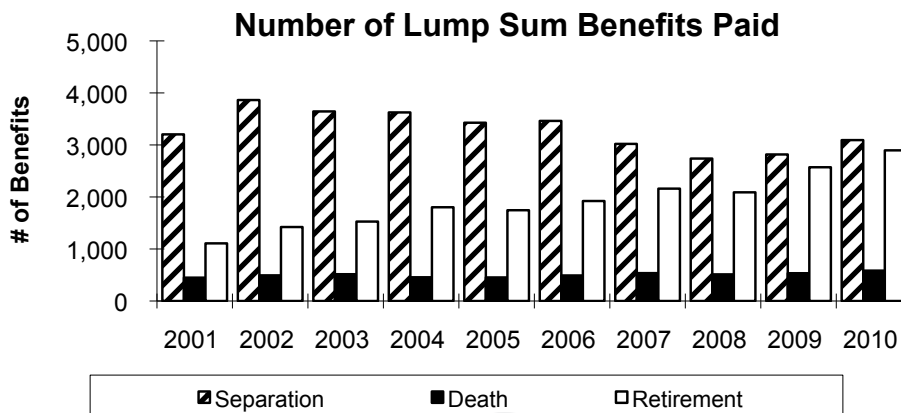
### Active Participants by Employer Type

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2001	113,995	37,960	24,094	9,390	3,860	1,408	2,664	193,371
2002	115,387	37,878	23,974	9,616	4,069	1,519	2,685	195,128
2003	114,535	37,609	23,909	9,599	4,270	1,487	2,710	194,119
2004	114,229	37,408	23,720	9,606	4,318	1,511	2,875	193,667
2005	113,915	37,015	23,621	9,626	4,618	1,437	2,884	193,116
2006	113,679	36,470	23,528	9,676	4,740	1,487	2,910	192,490
2007	113,584	36,043	23,646	9,750	4,831	1,482	2,883	192,219
2008	114,264	35,798	23,812	10,035	4,910	1,491	3,246	193,556
2009	115,380	35,437	23,744	10,268	5,021	1,510	3,518	194,878
2010	114,882	34,652	23,661	10,431	5,031	1,507	3,725	193,889

Year	State Government			Totals All Employers
	State Agencies	University	Totals	
2001	41,067	29,445	70,512	263,883
2002	41,393	29,829	71,222	266,350
2003	41,191	29,840	71,031	265,150
2004	40,875	30,058	70,933	264,600
2005	40,213	29,793	70,006	263,122
2006	40,562	29,804	70,366	262,856
2007	41,136	30,026	71,162	263,381
2008	41,611	30,554	72,165	265,721
2009	41,497	30,918	72,415	267,293
2010	41,215	31,525	72,740	266,629

### Number of Lump Sum Benefits Paid

Year	Separation	Death	Retirement
2001	3,203	449	1,108
2002	3,863	493	1,422
2003	3,644	515	1,527
2004	3,625	456	1,802
2005	3,427	453	1,745
2006	3,462	491	1,922
2007	3,020	536	2,160
2008	2,738	512	2,089
2009	2,817	534	2,571
2010	3,093	584	2,896

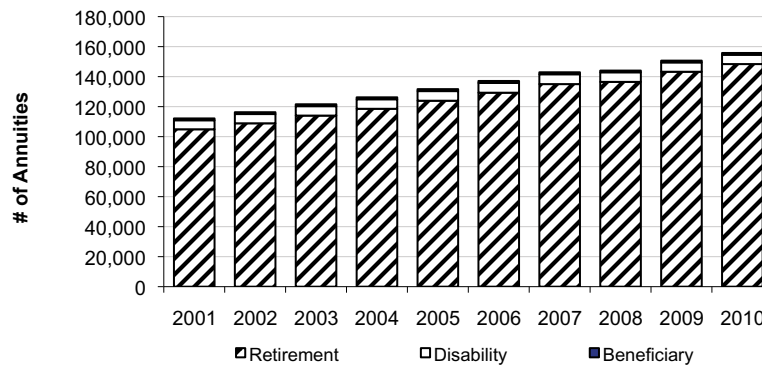




### Number of Annuities in Force

Year	Retirement	Disability	Beneficiary	Totals
2001	104,910	6,009	1,223	112,142
2002	108,901	6,158	1,230	116,289
2003	114,038	6,272	1,272	121,582
2004	118,572	6,346	1,293	126,211
2005	123,945	6,415	1,314	131,674
2006	129,289	6,505	1,323	137,117
2007	135,026	6,558	1,322	142,906
2008	136,502	6,397	1,134	144,033
2009	143,261	6,224	1,186	150,671
2010	148,380	6,194	1,201	155,775

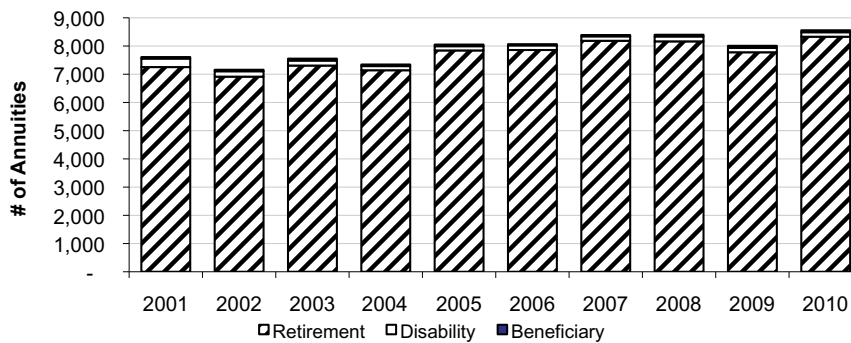
### Annuities in Force



### Number of New Annuities Approved

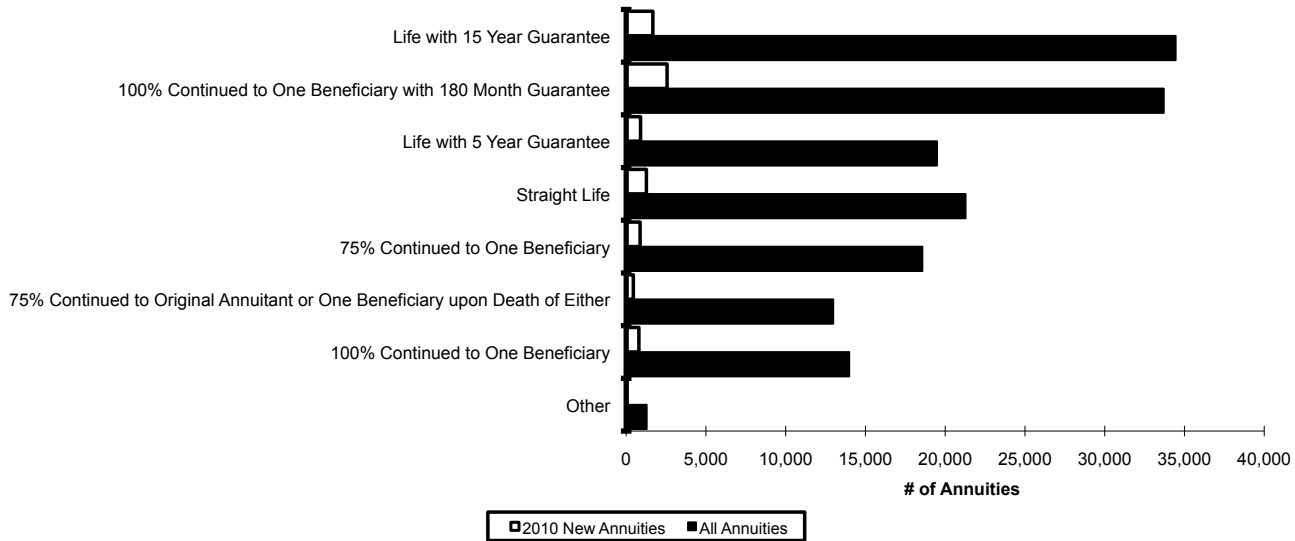
Year	Retirement	Disability	Beneficiary	Totals
2001	7,254	302	53	7,609
2002	6,915	191	53	7,159
2003	7,308	177	68	7,553
2004	7,142	147	56	7,345
2005	7,844	150	58	8,052
2006	7,859	163	43	8,065
2007	8,186	157	47	8,390
2008	8,165	174	61	8,400
2009	7,779	156	73	8,008
2010	8,330	159	69	8,558

### New Annuities Approved





### Annuities by Payment Option



### Average Monthly Annuities by Years of Service

	Years of Service									
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	Over 45
Average Monthly Annuity	\$ 398	\$ 524	\$ 782	\$ 1,176	\$ 1,704	\$ 2,438	\$ 3,131	\$ 3,788	\$ 4,621	\$ 6,080
Average Final Average Salary	\$ 20,753	\$ 27,688	\$ 32,443	\$ 39,179	\$ 44,732	\$ 50,220	\$ 54,579	\$ 54,605	\$ 54,937	\$ 52,446
Number of Annuitants	5,361	13,490	15,738	17,113	18,400	22,036	32,120	12,097	1,937	178

### Annuities by Type of Benefit

Monthly Annuity Amount		Type of Annuity			Annuity Payment Option			
		Retirement	Disability	Beneficiary	Life Annuity	Life with Guarantee	Joint Survivor	Time Certain
\$ 0 - 500	23,345	22,231	615	499	3,929	10,662	8,710	44
\$ 500 - 1,000	24,232	22,702	1,019	511	4,175	9,926	10,094	37
\$ 1,000 - 1,500	21,010	19,543	1,194	273	3,071	7,931	9,984	24
\$ 1,500 - 2,000	19,075	17,861	1,067	147	2,356	6,510	10,196	13
\$ 2,000 - 2,500	18,890	17,819	955	116	2,071	5,713	11,099	7
\$ 2,500 - 3,000	16,396	15,709	614	73	1,766	4,848	9,773	9
\$ 3,000 - 3,500	12,591	12,095	434	62	1,428	3,380	7,779	4
\$ 3,500 - 4,000	9,037	8,712	291	34	1,050	2,428	5,558	1
\$ 4,000 - 4,500	5,781	5,621	135	25	635	1,473	3,671	2
\$ 4,500 - 5,000	3,508	3,421	69	18	387	865	2,253	3
Over \$ 5,000	4,916	4,854	37	25	504	1,183	3,216	13
Total	158,781	150,568	6,430	1,783	21,372	54,919	82,333	157



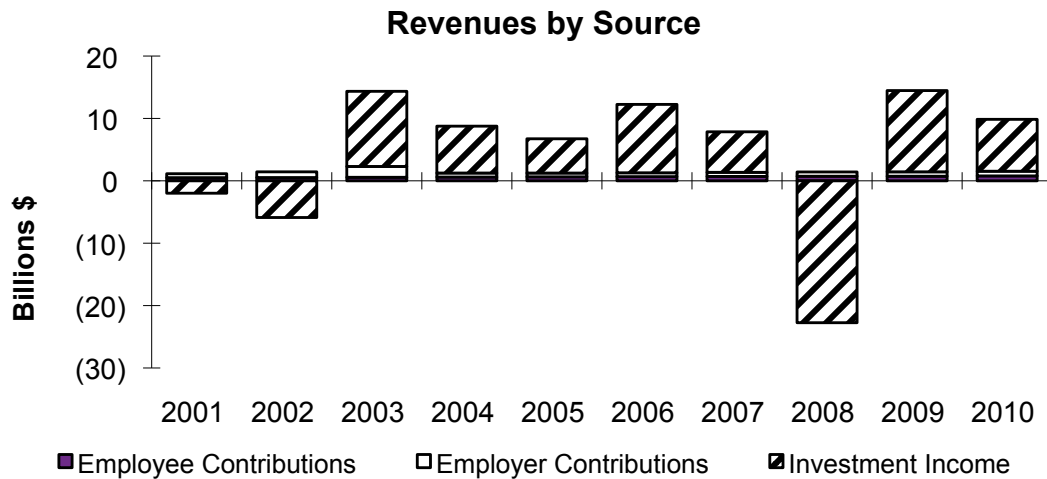
### Revenues by Source <sup>(1)</sup> (\$ in thousands)

Year	Employee Contributions <sup>(2)</sup>		Employer Contributions <sup>(3)</sup>		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
2001	506,712	5.1%	631,052	6.4%	(1,985,961)	211	(847,987)
2002	526,149	5.2%	914,575	9.0%	(5,880,598)	4,082	(4,435,793)
2003	564,754	5.4%	1,737,816	16.5%	12,043,429	3,563	14,349,563
2004	605,184	5.6%	644,649	6.0%	7,512,872	3,082	8,765,787
2005	640,229	5.8%	605,163	5.5%	5,492,548	2,338	6,740,278
2006	670,254	5.9%	617,263	5.5%	10,962,280	1,905	12,251,702
2007	705,804	6.0%	655,128	5.6%	6,495,914	1,823	7,858,669
2008	736,149	6.0%	683,520	5.6%	(22,744,110)	1,618	(21,322,822)
2009	736,689	5.8%	705,997	5.6%	13,024,986	1,117	14,468,790
2010	787,460	6.2%	750,702	5.9%	8,317,435	990	9,856,588

<sup>1</sup> Employee required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially-determined contribution requirements.

<sup>2</sup> Employee contributions include all employee required, employee additional and benefit adjustment contributions, including those amounts paid by the employer on behalf of the employee.

<sup>3</sup> Employer contributions include all employer required contributions, including contributions for unfunded actuarial accrued liability.







**Expenses by Type  
(\$ in millions)**

Year	Age and Service Benefits		Disability Benefits	Death Benefits	Separation Benefits	Administrative Expense	Total Expenses
	Retirants	Beneficiaries					
2001	2,328.4	11.4	127.8	22.0	40.9	16.4	2,546.9
2002	2,479.9	11.3	128.2	27.6	38.5	18.7	2,704.1
2003	2,517.3	12.3	128.3	32.7	28.8	16.4	2,735.8
2004	2,687.2	12.7	129.9	28.0	25.0	14.8	2,897.7
2005	2,892.6	13.9	134.5	26.6	25.2	17.9	3,110.7
2006	3,075.4	14.4	136.9	37.5	25.1	17.1	3,306.4
2007	3,323.6	15.6	142.3	36.9	24.2	17.7	3,560.3
2008	3,627.5	17.2	149.1	28.8	27.4	19.1	3,869.0
2009	3,609.6	17.4	146.3	24.4	24.8	20.9	3,843.3
2010	3,683.2	17.2	145.2	29.1	26.4	17.6	3,918.7

**Wisconsin Retirement System  
Principal Participating Employers  
Current Year and Nine Years Ago**

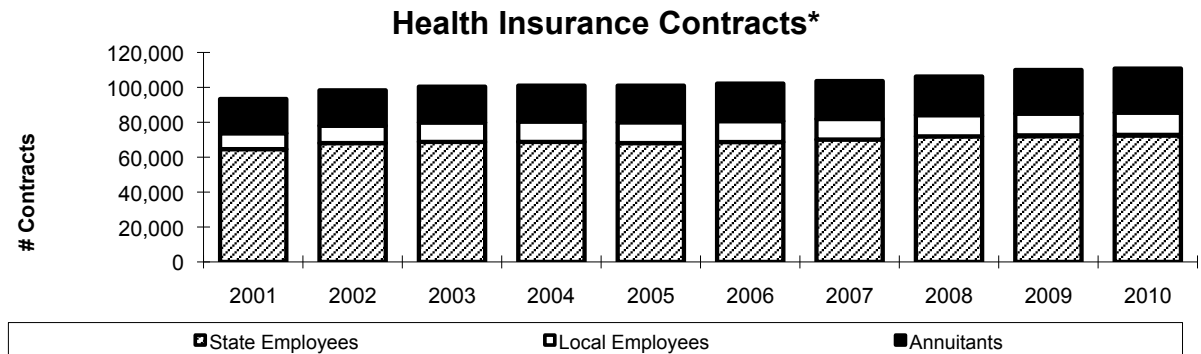
Participating Government	2010			2001		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	72,740	1	27.3%	70,512	1	26.7%
Milwaukee Teachers Retirement System	6,747	2	2.5%	8,059	2	3.1%
Madison Metro School District	4,389	3	1.6%	4,552	3	1.7%
Kenosha Unified School District	3,211	4	1.2%	2,658	7	1.0%
City of Madison	3,097	5	1.2%	2,783	6	1.1%
Green Bay Area School District	2,959	6	1.1%	2,791	5	1.1%
Racine Unified School District	2,808	7	1.1%	2,812	4	1.1%
Dane County	2,382	8	0.9%	2,255	8	0.9%
Milwaukee Area Technical College	1,879	9	0.7%	1,906	9	0.7%
Appleton Area School District	1,725	10	0.6%	1,720	10	0.7%
All Other	164,692		61.8%	163,835		62.1%
Total (1,474 employers)	266,629		100.0%	263,883		100.0%



### Group Health Insurance Program Statistics Health Insurance Contracts

Year	Employees	Continuants*	Annuitants				Totals
			Deduction	Conversion	Direct Pay*	Total Retired	
<b>State</b>							
2001	64,619	0	9,588	8,503	0	18,091	82,710
2002	68,090	0	9,751	8,904	0	18,655	86,745
2003	68,755	0	9,664	9,061	0	18,725	87,480
2004	68,758	0	9,519	9,258	0	18,777	87,535
2005	68,093	0	9,531	9,646	0	19,177	87,270
2006	68,688	0	9,468	10,105	0	19,573	88,261
2007	70,119	0	9,427	10,417	0	19,844	89,963
2008	71,925	0	9,433	10,825	0	20,258	92,183
2009	71,924	590	11,112	11,288	0	22,400	94,914
2010	72,313	478	9,179	11,788	1,732	22,699	95,490
<b>Local</b>							
2001	9,101	0	1,525	0	0	1,525	10,626
2002	9,929	0	1,629	0	0	1,629	11,558
2003	11,124	0	1,794	0	0	1,794	12,918
2004	11,669	0	1,787	0	0	1,787	13,456
2005	11,902	0	1,812	0	0	1,812	13,714
2006	11,973	0	1,927	0	0	1,927	13,900
2007	11,777	0	1,871	0	0	1,871	13,648
2008	12,159	0	1,873	0	0	1,873	14,032
2009	12,398	88	2,557	0	0	2,557	15,043
2010	12,700	89	2,258	0	225	2,483	15,272

\* This data unavailable prior to 2009



\*For display purposes, state and local continuants were statistically insignificant and therefore not included in this chart.



**Group Health Insurance Program Premiums by Source  
(\$ in thousands)**

Year	Employer	Employee <sup>(1)</sup>	Annuitant	Sick Leave Conversion	Medicare	Stabilization	Life Insurance Conversion	Totals
<b>State</b>								
2001	426,824	10,188	48,977	50,472	0	3,103	2	539,566
2002	502,499	11,647	53,967	58,270	0	6,325	5	632,713
2003	575,407	13,920	59,469	65,687	0	3,188	3	717,673
2004	628,532	25,129	61,257	70,633	0	10,622	4	796,176
2005	665,498	31,635	60,997	74,639	0	0	177	832,947
2006	711,946	40,064	58,091	79,763	10,442	28	6	900,339
2007	763,681	49,268	58,003	85,958	10,464	28	2	967,404
2008	834,363	51,160	60,171	92,434	10,713	26	0	1,048,867
2009	965,386	n/a	63,453	100,390	11,909	25	95	1,141,258
2010	1,067,164	n/a	72,861	111,676	11,864	0	390	1,263,954
<b>Local</b>								
2001	59,176	2,618	6,503	0	0	(78)	0	68,219
2002	73,996	3,424	7,380	0	0	0	0	84,800
2003	90,482	5,661	8,580	0	0	150	0	104,873
2004	108,469	5,267	9,418	0	0	938	0	124,092
2005	116,667	5,903	9,757	0	0	1,632	0	133,959
2006	124,771	7,484	10,403	0	380	0	0	143,038
2007	124,802	7,775	11,534	0	407	1	0	144,519
2008	137,141	7,398	12,021	0	467	1	0	157,028
2009	167,907	n/a	13,324	0	461	1	0	181,693
2010	189,480	n/a	15,362	0	574	0	3	205,419
<b>Local Annuitants</b>								
2001	0	0	640	0	0	0	1	641
2002	0	0	701	0	0	0	0	701
2003	0	0	767	1	0	0	0	768
2004	0	0	795	5	0	0	0	800
2005	0	0	879	0	0	0	6	885
2006	0	0	847	0	0	0	3	850
2007	0	0	823	0	0	0	3	826
2008	0	0	856	0	0	0	3	859
2009	0	0	958	0	0	0	4	962
2010	0	0	1,045	0	0	0	4	1,049

<sup>(1)</sup> Beginning in 2009 the employee paid portion of active participant health insurance premiums is no longer identifiable.



**Group Life Insurance Program Statistics  
Life Insurance Premiums Collected  
(\$ in thousands)**

Year	Employee					Employer			Totals
	Basic	Suppl	Additional	Spouse & Dependent	Total	Basic	Suppl	Total	
<u>State</u>									
2001	4,882	3,714	3,462	1,187	13,244	2,448	1,055	3,503	16,748
2002	5,344	4,036	3,998	1,274	14,652	2,673	1,142	3,814	18,466
2003	5,368	4,035	4,163	1,304	14,868	2,682	1,139	3,821	18,690
2004	5,254	3,936	4,245	1,073	14,509	2,609	1,104	3,713	18,223
2005	5,470	4,079	4,546	1,033	15,127	2,676	1,127	3,803	18,930
2006	5,765	4,275	4,934	1,019	15,994	2,779	1,163	3,943	19,936
2007	6,157	4,552	5,448	1,027	17,184	2,956	1,232	4,188	21,372
2008	6,600	4,861	6,585	1,039	19,085	3,161	1,312	4,473	23,558
2009	7,074	5,198	7,409	1,053	20,734	3,408	1,408	4,816	25,550
2010	7,363	5,404	7,834	1,253	21,855	3,519	1,453	4,971	26,826
<u>Local</u>									
2001	6,822	1,098	3,401	1,387	12,708	1,834	12	1,846	14,554
2002	7,324	1,256	3,932	1,438	13,950	2,103	12	2,116	16,066
2003	8,066	1,429	4,405	1,451	15,350	2,253	13	2,267	17,616
2004	8,308	1,566	4,785	1,462	16,121	2,307	15	2,322	18,443
2005	8,752	1,776	5,248	1,483	17,260	2,387	17	2,404	19,664
2006	9,256	1,966	5,733	1,492	18,447	2,534	27	2,561	21,008
2007	9,969	2,189	6,356	1,428	19,943	2,764	73	2,837	22,780
2008	10,352	2,337	6,747	1,337	20,773	2,868	71	2,939	23,712
2009	10,573	2,540	7,224	1,342	21,679	3,185	17	3,201	24,881
2010	10,950	2,642	7,636	1,329	22,558	3,247	53	3,300	25,858

**Group Life Insurance in Force  
(\$ in thousands)**

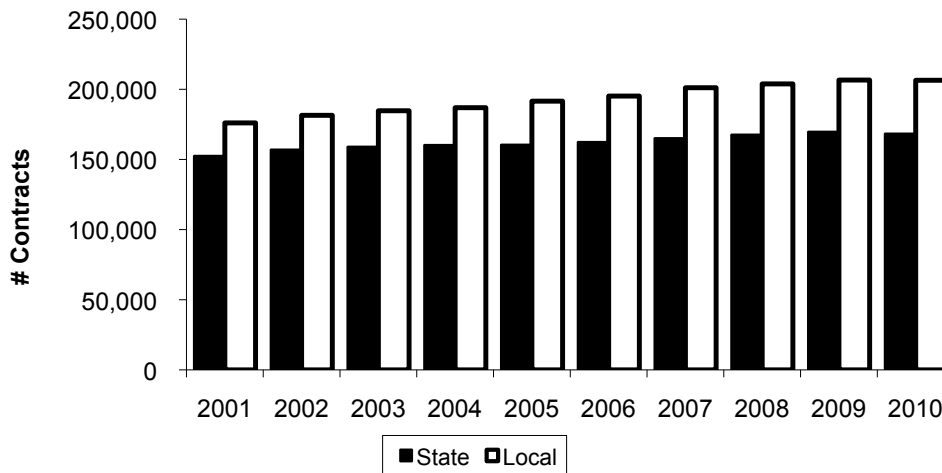
Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
<u>State</u>						
2001	2,277,758	1,709,216	1,614,778	219,828	572,335	6,393,915
2002	2,441,489	1,823,029	1,835,845	234,259	585,955	6,920,577
2003	2,525,292	1,876,086	1,976,044	248,541	590,340	7,216,303
2004	2,649,332	1,958,599	2,153,059	261,620	592,275	7,614,885
2005	2,719,404	2,003,210	2,276,487	277,560	582,575	7,859,236
2006	2,812,389	2,065,965	2,450,801	295,682	584,735	8,209,572
2007	2,953,085	2,163,847	2,686,412	320,233	592,020	8,715,597
2008	3,101,958	2,267,825	2,897,834	348,802	594,715	9,211,134
2009	3,288,721	2,401,767	3,175,970	371,715	605,205	9,843,378
2010	3,302,757	2,410,238	3,247,085	396,600	601,900	9,958,580
<u>Local</u>						
2001	3,012,639	589,955	1,903,271	134,879	829,425	6,470,169
2002	3,174,758	657,863	2,133,086	141,321	845,205	6,952,233
2003	3,281,854	736,895	2,325,771	152,083	844,175	7,340,778
2004	3,391,695	797,296	2,515,802	161,094	855,995	7,721,882
2005	3,540,667	910,482	2,746,798	173,746	868,055	8,239,748
2006	3,665,026	985,403	2,954,710	190,202	877,340	8,672,681
2007	3,849,827	1,085,500	3,171,093	209,310	893,160	9,208,890
2008	3,998,963	1,157,300	3,369,883	230,296	895,485	9,651,927
2009	4,173,626	1,237,027	3,614,168	247,986	897,225	10,170,032
2010	4,280,427	1,296,473	3,809,183	263,635	882,590	10,532,308



### Life Insurance Program Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
<u>State</u>							
2001	53,735	39,752	21,949	12,489	24,513	152,438	66,224
2002	55,359	40,663	23,096	12,809	24,994	156,921	68,168
2003	56,087	41,003	23,721	13,112	25,064	158,987	69,199
2004	56,437	41,095	24,202	13,392	25,077	160,203	69,829
2005	56,594	41,049	24,474	13,720	24,583	160,420	70,314
2006	57,137	41,358	25,120	14,148	24,575	162,338	71,285
2007	57,907	41,813	25,851	14,729	24,762	165,062	72,636
2008	58,668	42,246	26,444	15,431	24,796	167,585	74,099
2009	59,045	42,467	26,959	16,034	25,145	169,650	75,079
2010	58,070	41,840	26,805	16,584	25,008	168,307	74,654
<u>Local</u>							
2001	81,733	15,478	27,380	16,560	34,885	176,036	98,293
2002	83,438	16,604	29,106	16,841	35,453	181,442	100,279
2003	83,716	18,128	30,192	17,305	35,366	184,707	101,021
2004	83,598	18,901	30,926	17,750	35,710	186,885	101,348
2005	84,180	20,882	31,986	18,421	36,075	191,544	102,601
2006	84,928	21,753	32,904	19,187	36,395	195,167	104,115
2007	86,623	23,712	33,994	19,926	36,861	201,116	106,549
2008	87,150	24,444	34,430	20,912	36,905	203,841	108,062
2009	87,616	25,128	35,114	21,787	36,940	206,585	109,403
2010	86,828	25,336	35,257	22,671	36,340	206,432	109,499

### Life Insurance Contracts



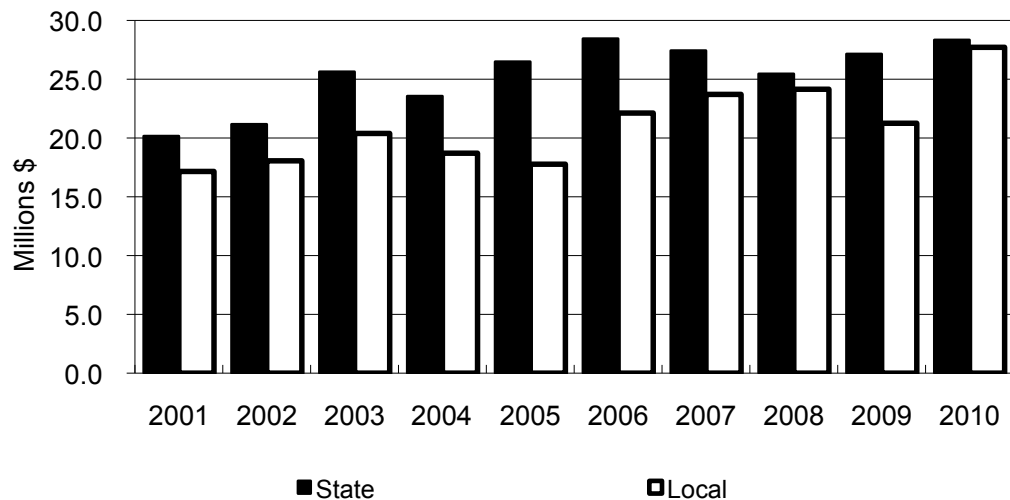


**Group Life Insurance Program Paid Claims  
(\$ in thousands)**

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Living Benefits <sup>(1)</sup>	Totals
	Life	AD&D	Disability				
<u>State</u>							
2001	10,842	469	1,312	6,157	1,017	362	20,159
2002	11,458	1,042	691	6,811	922	243	21,167
2003	14,696	781	1,436	6,868	1,363	489	25,632
2004	13,873	941	(602)	7,555	1,191	602	23,559
2005	13,479	1,788	2,284	7,521	1,076	341	26,489
2006	14,953	1,120	2,315	8,480	1,003	576	28,447
2007	15,424	578	1,048	8,774	1,095	512	27,431
2008	12,438	948	1,834	8,688	1,182	365	25,454
2009	13,567	1,152	1,697	9,300	1,116	314	27,145
2010	14,356	893	1,496	10,473	959	162	28,340
<u>Local</u>							
2001	9,365	629	1,870	3,563	1,586	143	17,155
2002	9,735	1,236	1,332	3,852	1,444	459	18,058
2003	12,350	1,670	549	3,986	1,345	487	20,387
2004	12,628	1,015	(606)	4,284	1,186	200	18,707
2005	10,389	880	805	4,146	1,426	125	17,770
2006	12,343	1,580	1,430	4,521	1,311	936	22,121
2007	13,662	1,192	1,327	5,305	1,690	531	23,708
2008	15,929	1,286	578	4,439	1,617	296	24,146
2009	12,408	444	1,070	5,552	1,540	240	21,253
2010	16,512	1,513	943	5,954	1,458	1,332	27,712

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

**Paid Claims**



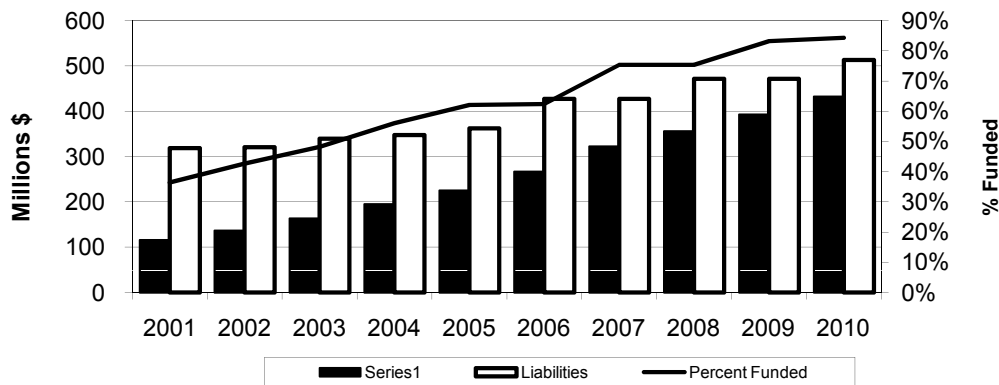


### Duty Disability Insurance Statistics (\$ in Millions)

Year	Employers	Participants	Benefit		Average
			Payments	Contributions	Contribution Rate
2001	461	20,797	20	35	3.74%
2002	476	21,226	22	37	3.81%
2003	476	21,476	23	39	3.86%
2004	483	21,762	23	41	3.83%
2005	486	21,851	24	42	3.85%
2006	494	22,115	26	45	3.86%
2007	499	22,550	26	48	3.92%
2008	500	22,843	27	51	3.93%
2009	502	23,019	29	52	3.89%
2010	504	22,871	30	52	3.91%

Year	Assets	Liabilities	Unfunded (Overfunded)		Covered Payroll	UAAL as %
			Liability	Percent Funded		of Covered Payroll
2001	116.0	318.3	202.3	36.4%	939.3	21.5%
2002	136.8	320.8	184.0	42.6%	962.4	19.1%
2003	163.4	339.2	175.8	48.2%	1,018.8	17.3%
2004	194.6	347.6	153.0	56.0%	1,063.7	14.4%
2005	224.9	362.3	137.4	62.1%	1,092.5	12.6%
2006	266.3	427.1	160.8	62.3%	1,154.0	13.9%
2007	321.9	427.1	105.2	75.4%	1,217.3	8.6%
2008	355.5	471.7	116.1	75.4%	1,286.7	9.0%
2009	392.4	471.7	79.2	83.2%	1,322.5	6.0%
2010	432.1	512.8	80.7	84.3%	1,326.3	6.1%

### Duty Disability Funding





### Duty Disability Insurance Principal Participating Employers Current Year and Nine Years Ago

Participating Government	2010			2001		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	8,756	1	38.3%	7,810	1	37.6%
City of Madison	805	2	3.5%	662	2	3.2%
Dane County	449	3	2.0%	400	3	1.9%
City of Green Bay	359	4	1.6%	385	4	1.9%
City of Kenosha	342	5	1.5%	327	6	1.6%
City of Racine	342	6	1.5%	359	5	1.7%
Brown County	293	7	1.3%	281	7	1.4%
City of West Allis	234	8	1.0%	255	8	1.2%
City of Waukesha	216	9	0.9%	202	9	1.0%
City of Appleton	201	10	0.9%	202	10	1.0%
All Other	10,874		47.5%	9,914		47.7%
Total (504 employers)	22,871		100.0%	20,797		100.0%

### Duty Disability Insurance Annuities by Type of Benefit

Monthly Benefit Amount	Number of Annuitants	Disability	Beneficiary
\$ 0 - 500	35	33	2
\$ 500 - 1,000	69	51	18
\$ 1,000 - 1,500	86	83	3
\$ 1,500 - 2,000	75	71	4
\$ 2,000 - 2,500	97	88	9
\$ 2,500 - 3,000	130	125	5
\$ 3,000 - 3,500	104	101	3
\$ 3,500 - 4,000	103	103	0
\$ 4,000 - 4,500	109	108	1
\$ 4,500 - 5,000	57	57	0
Over \$ 5,000	35	34	1
Total	900	854	46

\* This table excludes annuitants whose benefit is totally offset by other income sources.

### Duty Disability Insurance Average Monthly Benefit by Years of Service

	Years of Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35
Average Monthly Annuity	\$ 2,946	\$ 3,539	\$ 3,232	\$ 2,972	\$ 2,106	\$ 1,504	\$ 1,095
Average Final Average Salary	\$ 2,465	\$ 3,207	\$ 3,294	\$ 3,413	\$ 3,455	\$ 3,620	\$ 2,298
Number of Annuitants	53	150	195	228	193	71	10

\* This table excludes annuitants for whom years of service data is not available

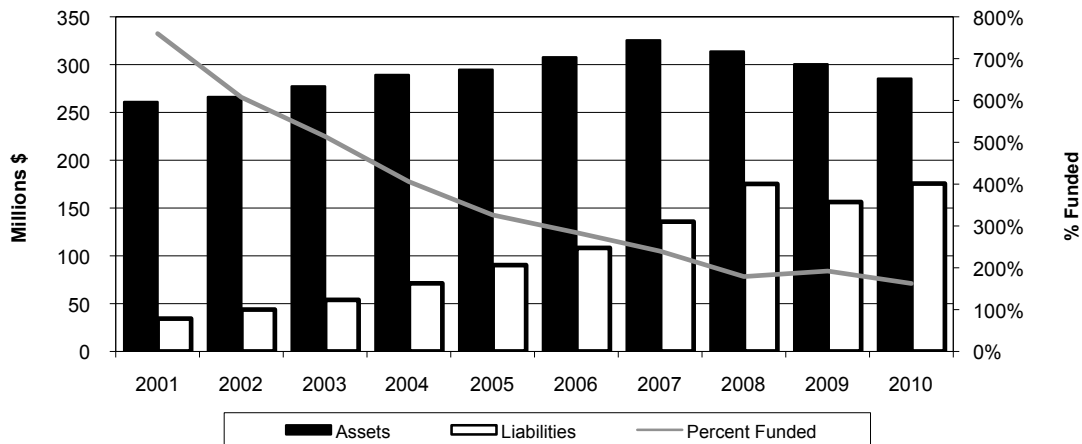




### Long-Term Disability Insurance Statistics (\$ in millions)

Year	Assets	Liabilities	Unfunded (Overfunded) Liability	Percent Funded	Covered Payroll (\$ in millions)	UAAL as % of Covered Payroll
2001	260.97	34.35	(226.6)	759.8%	9,918	-2.3%
2002	266.17	43.81	(222.4)	607.6%	10,127	-2.2%
2003	277.27	53.95	(223.3)	513.9%	10,502	-2.1%
2004	289.21	71.25	(218.0)	405.9%	10,760	-2.0%
2005	294.67	90.30	(204.4)	326.3%	10,973	-1.9%
2006	307.69	108.29	(199.4)	284.1%	11,308	-1.8%
2007	325.44	135.76	(189.7)	239.7%	11,720	-1.6%
2008	313.73	175.21	(138.5)	179.1%	12,290	-1.1%
2009	300.42	156.28	(144.1)	192.2%	12,622	-1.1%
2010	285.35	175.59	(109.8)	162.5%	12,744	-0.9%

### Long-Term Disability Insurance Funding

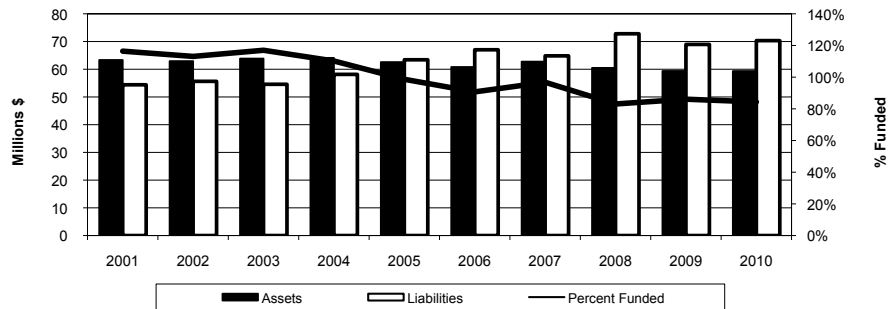




**Income Continuation Insurance Statistics  
(\$ in millions)**

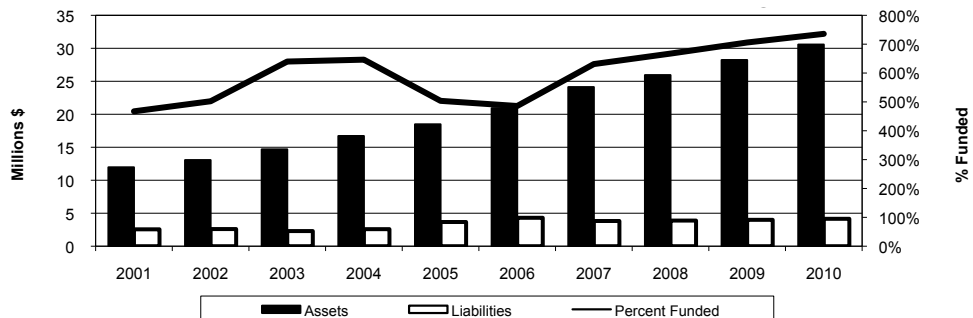
Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
<b>State</b>						
2001	54,533	1,746	63.3	54.4	(8.9)	116.4%
2002	54,876	1,981	62.9	55.6	(7.3)	113.1%
2003	55,357	2,024	63.8	54.6	(9.3)	117.0%
2004	55,622	2,177	64.1	58.1	(5.9)	110.2%
2005	54,844	1,865	62.6	63.4	0.8	98.7%
2006	54,646	2,054	60.8	67.0	6.2	90.7%
2007	55,048	1,388	62.7	64.8	2.1	96.8%
2008	55,908	1,419	60.5	72.8	12.3	83.1%
2009	56,596	1,399	59.4	69.0	9.6	86.1%
2010	56,068	1,415	59.3	70.3	11.0	84.4%

**State Income Continuation Insurance Funding**



Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
<b>Local</b>						
2001	5,391	47	12.0	2.6	(9.4)	467.3%
2002	5,610	80	13.1	2.6	(10.5)	502.2%
2003	6,353	75	14.7	2.3	(12.4)	639.8%
2004	6,763	42	16.7	2.6	(14.1)	646.3%
2005	6,985	115	18.5	3.7	(14.8)	503.6%
2006	7,053	137	20.9	4.3	(16.6)	485.8%
2007	7,270	70	24.1	3.8	(20.3)	631.1%
2008	7,837	67	25.9	3.9	(22.1)	667.4%
2009	8,229	87	28.2	4.0	(24.2)	705.8%
2010	7,964	75	30.6	4.2	(26.4)	735.8%

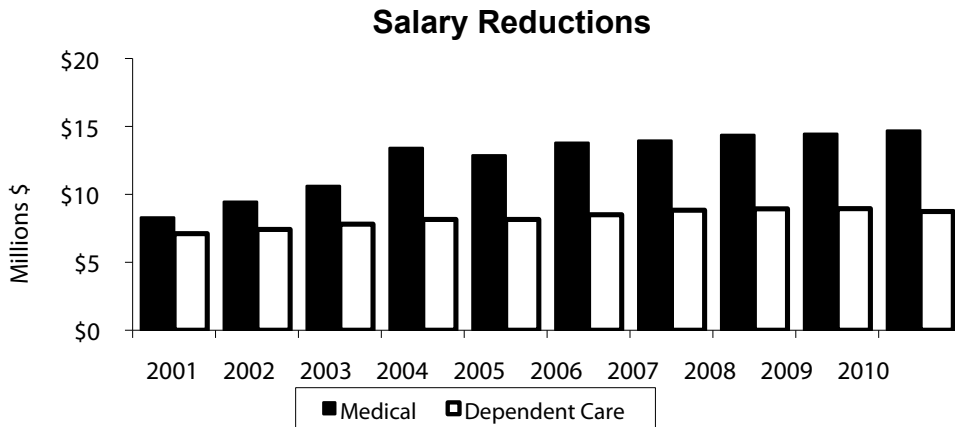
**Local Income Continuation Insurance Funding**





### Employee Reimbursement Accounts Program Statistics Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Accounts	Salary Reductions	Claims	Forfeitures
2001	8,219	8,296,557	8,181,145	115,412	2,068	7,108,464	7,057,475	50,989
2002	8,863	9,454,330	9,318,411	135,919	1,986	7,417,430	7,372,745	44,685
2003	9,374	10,617,227	10,436,989	180,238	2,005	7,806,467	7,740,380	66,087
2004	10,872	13,414,090	13,181,896	232,194	2,071	8,153,460	8,098,390	55,070
2005	11,246	12,869,605	12,680,770	188,835	2,285	8,152,493	8,099,308	53,185
2006	11,617	13,795,854	13,723,055	72,799	2,325	8,499,544	8,349,343	150,201
2007	11,587	13,953,387	13,749,822	203,565	2,389	8,832,561	8,774,586	57,975
2008	10,922	14,372,252	14,178,505	193,747	2,186	8,934,444	8,854,653	79,791
2009	10,975	14,455,388	14,243,697	211,691	2,211	8,948,891	8,860,082	88,810
2010	11,428	14,690,079	14,496,161	193,918	2,166	8,737,997	8,668,217	69,780



### Employee Reimbursement Accounts Program Statistics Administrative Funding

Year	Receipts				Expenses			Surplus / (Deficit)
	Fees	Interest	Forfeitures	Totals	Administrator	State	Total	
2001	356,188	134,670	166,401	657,259	613,745	104,315	718,060	(60,801)
2002	0	67,086	180,604	247,690	657,934	84,880	742,814	(495,124)
2003	386,252	43,680	246,325	676,257	599,348	81,249	680,597	(4,340)
2004	461,492	72,390	287,264	821,146	424,684	83,187	507,871	313,276
2005	456,715	161,038	242,020	859,773	599,868	101,780	701,648	158,125
2006	452,759	276,600	223,000	952,359	710,633	90,519	801,152	151,207
2007	457,303	284,850	261,540	1,003,693	699,699	118,552	818,251	185,442
2008	396,608	144,012	273,538	814,158	601,120	118,127	719,247	94,911
2009	409,931	28,172	300,500	738,603	603,121	123,055	726,176	12,427
2010	430,071	9,449	263,698	703,218	709,032	117,967	826,999	(123,781)



### Administrative Expense Statistics Administrative Expenses (\$ in thousands)

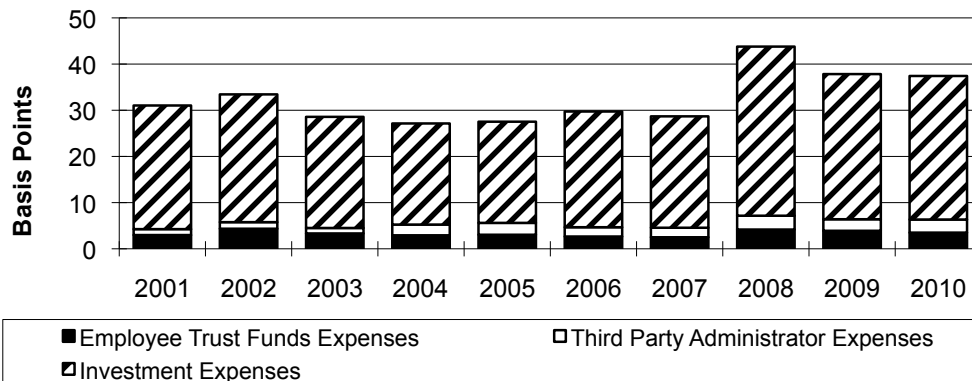
Year	ETF Expenses	Investment Expenses	Third Party Administrator Contracts							Commuter Benefits	Total Administration
			ERA	Health	Pharmacy	ICI	LTDI	Badger Rx	Deferred Comp		
2001	18,018	161,853	614	2,462	0	1,718	835	0	2,120	0	187,620
2002	22,672	144,153	659	2,452	0	1,289	656	0	2,258	91	174,230
2003	21,138	152,948	599	2,447	0	1,417	699	0	2,251	107	181,606
2004	20,368	152,629	425	3,314	7,597	1,622	807	0	2,320	124	189,205
2005	23,059	165,940	600	4,294	9,461	1,701	838	1	2,448	121	208,463
2006	22,367	210,660	710	2,807	8,820	1,859	894	0	1,771	87	249,975
2007	21,958	212,143	700	2,140	10,081	1,910	908	0	2,317	96	252,253
2008	25,779	226,364	601	2,183	10,427	1,859	912	0	2,440	94	270,659
2009	28,565	230,129	603	2,244	9,717	1,348	1,764	0	2,548	94	277,012
2010	27,709	245,806	709	2,461	13,379	1,525	1,616	0	2,659	79	295,943

### Administrative Expenses in Basis Points<sup>1</sup> (\$ in thousands)

Year	Net Assets at Year End	Employee Trust Funds		Investment Expenses		Third Party Administrators		Total Administration	
		Amount	Basis	Amount	Basis	Amount	Basis	Amount	Basis Points
2001	60,463,957	18,018	3.0	161,853	26.8	7,749	1.3	187,620	31.0
2002	52,107,041	22,672	4.4	144,153	27.7	7,405	1.4	174,230	33.4
2003	63,563,468	21,138	3.3	152,948	24.1	7,520	1.2	181,606	28.6
2004	69,712,511	20,368	2.9	152,629	21.9	16,208	2.3	189,205	27.1
2005	75,743,486	23,059	3.0	165,940	21.9	19,464	2.6	208,463	27.5
2006	84,095,413	22,367	2.7	210,660	25.1	16,948	2.0	249,975	29.7
2007	87,957,547	21,958	2.5	212,143	24.1	18,152	2.1	252,253	28.7
2008	61,818,013	25,779	4.2	226,364	36.6	18,516	3.0	270,659	43.8
2009	73,221,315	28,565	3.9	230,129	31.4	18,318	2.5	277,012	37.8
2010	79,080,925	27,709	3.5	245,806	31.1	22,428	2.8	295,943	37.4

<sup>1</sup>Each basis point represents 1/100 of one percent of net assets.

### Administrative Expenses in Basis Points





# ACTUARIAL

**State of Wisconsin  
Department of  
Employee Trust Funds**



August 9, 2011

Employee 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 purpose of the valuation was to determine contribution rates for the 2012 fiscal year and to provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements. The valuation should not be relied upon for any other purpose. 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 valuations were completed based upon population data, asset data, and plan provisions in effect on December 31, 2010.

The valuation was based upon information, furnished by the plan's administrative staff, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year to year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided.

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
- Percentage of Active Members Withdrawing (Select and Ultimate)
- Percentage of Active Members becoming Disabled
- Solvency Test
- Summary of Accrued and Unfunded Accrued Liabilities

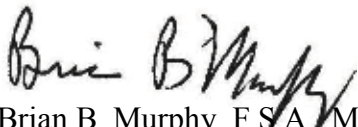
Assets are valued on a statutory market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

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. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 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, 2010 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2006-2008 period and the 2011 Economic Assumption Study. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provision, actuarial assumptions/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

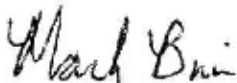
**Based upon the results of the December 31, 2010 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.**

The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

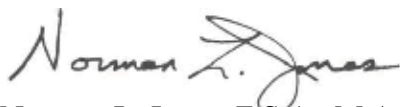
Respectfully submitted,



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



Mark Buis, F.S.A., M.A.A.A.



Norman L. Jones, F.S.A., M.A.A.A.

BBM/MB/NLJ:lr



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

	December 31, 2010	December 31, 2009	Increase (Decrease)
<b>Assets and Employer Obligations</b>			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Core Division	75,044.8	73,884.8	1,160.0
Variable Division	5,582.1	5,026.5	555.6
	<hr/>	<hr/>	<hr/>
Totals	80,626.9	78,911.3	1,715.6
	<hr/>	<hr/>	<hr/>
Obligations of Employers			
Unfunded Accrued Liability	131.9	193.3	(61.4)
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>80,758.8</b>	<b>79,104.6</b>	<b>1,654.2</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	16,107.5	16,007.6	99.9
Member Additional Contributions	146.1	149.0	(2.9)
Employer Contributions	23,366.2	23,213.8	152.4
	<hr/>	<hr/>	<hr/>
Total Contributions	39,619.8	39,370.4	249.4
	<hr/>	<hr/>	<hr/>
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Core Annuities	38,148.5	37,072.7	1,075.8
Variable Annuities	3,005.4	2,512.7	492.7
	<hr/>	<hr/>	<hr/>
Total Annuities	41,153.9	39,585.4	1,568.5
	<hr/>	<hr/>	<hr/>
Total Reserves	80,773.7	78,955.8	1,817.9
	<hr/>	<hr/>	<hr/>
Surplus			
Core Annuity Reserve Surplus	(350.1)	(416.9)	66.8
Variable Annuity Reserve Surplus	335.2	565.7	(230.5)
	<hr/>	<hr/>	<hr/>
Total Surplus	(14.9)	148.8	(163.7)
	<hr/>	<hr/>	<hr/>
<b>Total Reserves and Surplus</b>	<b>80,758.8</b>	<b>79,104.6</b>	<b>1,654.2</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>





## 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

\* Participants first employed after 1989 and terminated before April 24, 1998, must have creditable service in five calendar years.

### NORMAL RETIREMENT ANNUITY

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

Multiplier for Service Rendered		Group
After 1999	Before 2000	
2.0%	2.165%	Executive group, elected officials and protective occupation participants covered by Social Security
2.5%	2.665%	Protective occupation participants not covered by Social Security
1.6%	1.765%	All other participants

FAE is generally the average of the three highest years of earnings preceding retirement (July 1 - June 30 for teachers, educational support staff, and judges; calendar year for others). These years do not have to be consecutive. For legislators and state constitutional officers who are ineligible to receive pay increases during their term, FAE is the statutory rate of earnings at termination.

Maximum formula annuity is 85% of FAE for protective occupation participants not covered by Social Security, 65% of FAE for protectives covered by Social Security,

and 70% for all other participants. If greater than the formula amount, an annuity equal to the actuarial equivalent of two times the 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 June 30, 1990, 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:

A participant who terminates service before being eligible for a retirement annuity may either (1) receive a refund of accumulated contributions, or (2) leave contributions on deposit and apply for a retirement annuity on or after the minimum retirement age based upon age and accrued service at time of termination.

**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%), other plan experiences are within projected ranges, and the resulting adjustment would be at least 0.5%. Previously granted adjustments can be revoked if the investment income is insufficient to support these previously granted increases. However, a Core Fund annuity cannot be reduced below the amount granted upon inception. Slightly different provisions apply to variable annuities.

**Disability Annuity:** Eligibility for disability under the Wisconsin Retirement System means, generally, total and permanent incapacity to engage in gainful employment. The 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. The service requirement is waived if the disability is from service-related causes.



**Disability Amounts:** Amounts payable in case of disability depend upon the plan from which payment is made. Plans are described below.

	<b>Pre-10/16/92 WRS Plan</b>	<b>Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan</b>
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 the dividend rate.

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

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

**Interest credits:** For years after 1999, and for people with some active service after 1999, participant accounts are credited with interest at the Core effective rate. For others, accounts are credited with interest as follows:

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

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



## 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 year 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 7.2% a year, compounded yearly for active members, and 5% a year, compounded yearly for retired lives. This latter assumption determines the extent to which future benefit payments are assumed to be made from future investment income.

Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown 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 (Merit and Longevity)**

Service	General	University Teachers	Public School Teachers	Protective		Executive/Elected
				With SS	Without SS	
1	3.5%	3.5%	6.0%	5.0%	5.0%	1.2%
2	3.5%	3.5%	6.0%	5.0%	5.0%	1.2%
3	3.2%	3.4%	5.6%	4.4%	4.3%	1.2%
4	2.9%	3.3%	5.2%	3.7%	3.6%	1.2%
5	2.6%	3.2%	4.8%	3.1%	2.9%	1.1%
10	1.6%	2.9%	3.3%	1.4%	1.4%	1.0%
15	1.3%	2.4%	1.8%	1.1%	0.7%	0.9%
20	1.1%	1.9%	0.9%	0.9%	0.6%	0.8%
25	0.9%	1.3%	0.5%	0.8%	0.5%	0.6%
30	0.7%	1.2%	0.3%	0.6%	0.4%	0.4%

In addition to the merit and longevity increase, each person is assumed to get an economic increase of 3.2% each year.

The active population is assumed to remain constant. The active payroll is assumed to grow 3.2% per year. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

**DECREMENT PROBABILITIES**

The mortality table used to measure mortality for 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 (Retired Participants)**

Wisconsin Projected Experience Table With 5% Interest table is used:

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$207.44	\$213.54	41.9	45.3
45	198.25	205.53	37.1	40.5
50	187.11	195.62	32.4	35.7
55	174.05	183.60	27.9	30.9
60	158.95	169.88	23.5	26.4
65	140.97	153.66	19.3	22.0
70	120.85	134.71	15.3	17.8
75	99.35	113.77	11.7	13.9
80	78.71	91.62	8.6	10.4
85	59.77	69.69	6.2	7.4

The values shown above are for non-disabled participants. For disabled participants, the following table is used:



**Single Life Retirement Values (Disabled Participants)**

Wisconsin Projected Experience Table With 5% Interest

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$188.17	\$202.09	33.0	38.9
45	175.49	191.71	28.5	34.1
50	160.60	179.05	24.1	29.5
55	144.08	164.05	20.0	24.9
60	126.15	147.80	16.2	20.7
65	105.47	129.25	12.5	16.8
70	83.80	108.29	9.3	13.0
75	62.40	86.39	6.5	9.6
80	44.25	64.71	4.3	6.7
85	29.47	44.71	2.8	4.4

The active participant mortality assumption is used to measure the probability of participants dying while in service.

**Active Participant Mortality Rates**

Sample Attained Age	Mortality Rates	
	Male	Female
20	0.000233	0.000077
25	0.000303	0.000085
30	0.000368	0.000115
35	0.000391	0.000203
40	0.000492	0.000285
45	0.000725	0.000446
50	0.001184	0.000614
55	0.002085	0.001281
60	0.003038	0.002174
65	0.004660	0.003325
70	0.008171	0.005327
75	0.015030	0.009751
80	0.027138	0.016934



**Rates of Retirement for Those Eligible to Retire—Normal Retirement Pattern**

**Normal Retirement Pattern**

<b>% Retiring Next Year</b>									
<b>Age</b>	<b>General</b>		<b>Public School</b>		<b>University</b>		<b>Protective</b>		<b>Exec &amp; Elected</b>
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>With S.S.</b>	<b>W/OS.S.</b>	
50	%	%	%	%	%	%	8%	4%	%
51							8	4	
52							9	6	
53							28	23	
54							20	28	
55							17	28	
56							17	28	
57	24	19	40	30	15	17	17	37	17
58	24	19	35	30	15	14	17	32	17
59	24	19	28	30	15	14	17	35	17
60	24	19	28	30	15	14	17	22	11
61	20	19	28	30	15	22	20	15	11
62	33	29	38	38	17	20	20	20	11
63	33	29	35	32	17	20	30	20	11
64	24	25	25	26	17	20	18	20	8
65	26	25	25	31	20	22	30	40	8
66	28	28	25	27	22	20	30	40	20
67	15	15	20	26	18	18	23	40	17
68	15	15	20	24	18	18	23	40	17
69	15	15	20	22	18	18	20	40	17
70	15	15	25	18	20	18	100	100	15
71	15	15	25	18	20	18	100	100	15
72	15	15	25	18	18	18	100	100	15
73	15	15	25	18	18	18	100	100	10
74	15	15	25	18	18	18	100	100	10
75	100	100	100	100	100	100	100	100	100



**Rates of Retirement for Those Eligible to Retire—Early Retirement Pattern**

<b>% Retiring Next Year</b>							
<b>Age</b>	<b>General</b>		<b>Public School</b>		<b>University</b>		<b>Exec &amp; Elected</b>
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	
55	8.0%	6.0%	15.0%	12.5%	5.0%	6.0%	5.5%
56	8.0	6.0	15.0	12.5	4.5	6.0	5.5
57	4.5	4.5	15.0	11.5	2.5	6.0	5.5
58	5.0	5.5	14.0	12.5	3.5	6.0	5.5
59	5.5	5.5	11.0	12.5	4.0	6.0	5.5
60	8.0	8.0	15.0	15.0	5.5	7.0	5.5
61	8.0	8.0	14.0	16.0	7.5	7.5	5.5
62	17.0	16.0	23.0	23.0	10.0	14.0	
63	17.0	16.0	23.0	21.0	9.5	14.0	
64	17.0	16.0	16.0	19.0	8.5	16.0	

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. The percentage taking a separation benefit is 50% at age 35, grading downward to 0% at retirement eligibility. All participants terminating prior to normal retirement age with less than five years of service were assumed to take a separation benefit.



**Assumed Termination Rates  
% of Active Participants Terminating**

Age & Service	Protective		Public School		University		Exec. & Elected	Other		
	With S.S.	W/O S.S.	Male	Female	Male	Female		Male	Female	
0	13.0%	5.2%	16.5%	13.0%	18.0%	20.0%	20.0%	21.0%	20.0%	
1	7.0	3.4	11.0	9.5	16.0	16.0	14.5	13.0	14.0	
2	4.6	2.1	7.1	7.2	12.5	14.0	12.5	9.0	10.0	
3	4.1	1.5	5.2	6.1	10.5	12.0	10.5	7.0	8.2	
4	3.2	1.4	4.2	5.0	8.8	9.7	10.0	5.8	7.2	
5	3.0	1.3	3.4	4.3	7.6	9.1	9.5	4.7	6.2	
6	2.7	1.2	2.9	3.7	6.2	7.8	9.0	4.3	5.3	
7	2.5	1.0	2.5	3.2	5.3	6.8	7.5	4.0	4.7	
8	2.3	0.9	2.3	2.7	4.1	6.0	7.0	3.5	4.4	
9	1.9	0.9	2.0	2.5	3.6	5.2	6.5	3.0	4.0	
25	10 & Over	1.9	0.9	2.0	2.0	3.5	5.2	6.5	3.0	4.0
30		1.9	0.8	1.7	2.0	3.5	5.2	6.5	3.0	3.7
35		1.7	0.8	1.3	1.9	3.5	5.2	6.2	2.5	3.2
40		1.3	0.7	1.1	1.7	3.2	4.3	5.1	1.9	2.6
45		1.1	0.7	1.0	1.3	2.6	3.0	4.2	1.5	2.1
50		1.0	0.6	0.8	1.1	1.9	1.9	3.8	1.3	1.8
55		1.0	0.6	0.8	0.9	1.5	1.5	3.8	1.2	1.7
60		1.0	0.6	0.8	0.8	1.5	1.5	3.8	1.2	1.7

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

Age	Protective		Public School		University		Exec. & Elected		General	
	With S.S.	W/O S.S.	Male	Female	Male	Female	Male	Female	Male	Female
20	0.02	0.05	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.01%	0.01%
25	0.02	0.05	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01
30	0.02	0.05	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.03
35	0.03	0.06	0.01	0.01	0.01	0.03	0.01	0.01	0.01	0.04
40	0.04	0.08	0.02	0.02	0.01	0.05	0.01	0.01	0.04	0.06
45	0.06	0.16	0.05	0.07	0.03	0.05	0.02	0.02	0.08	0.09
50	0.09	0.92	0.13	0.14	0.05	0.08	0.03	0.03	0.18	0.14
55	1.47	0.68	0.23	0.20	0.14	0.13	0.12	0.12	0.34	0.25
60	2.48	0.20	0.39	0.29	0.18	0.20	0.15	0.15	0.60	0.35





## Summary of Member Valuation Data

### General Participants & Teachers

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
2/31/2001	1,287	238,944	8,746.0	36,602.72	2.8%
2/31/2002	1,324	240,990	9,007.0	37,377.00	2.1%
2/31/2003	1,344	239,696	9,272.8	38,686.00	3.5%
2/31/2004	1,361	238,943	9,501.0	39,764.00	2.8%
2/31/2005	1,376	237,501	9,661.1	40,678.00	2.3%
2/31/2006	1,392	236,877	9,933.5	41,935.00	3.1%
2/31/2007	1,404	237,124	10,277.9	43,344.00	3.4%
2/31/2008	1,431	238,994	10,806.3	45,216.00	4.3%
2/31/2009	1,438	240,401	11,098.1	46,165.00	2.1%
2/31/2010	1,444	239,959	11,195.4	46,655.00	1.1%

### Executive & Elected Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
2/31/2001	270	1,486	84.8	57,060	2.7%
2/31/2002	279	1,476	86.9	58,865	3.2%
2/31/2003	284	1,468	85.6	58,336	-0.9%
2/31/2004	274	1,469	89.0	60,379	3.5%
2/31/2005	275	1,452	89.7	61,788	2.3%
2/31/2006	272	1,436	92.6	64,480	4.4%
2/31/2007	270	1,427	94.6	66,320	2.9%
2/31/2008	259	1,430	100.6	70,316	6.0%
2/31/2009	258	1,427	101.0	70,786	0.7%
2/31/2010	254	1,418	101.2	71,394	0.9%

### Protective Participants Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
2/31/2001	460	17,981	771.6	42,914	1.5%
2/31/2002	475	18,325	803.9	43,871	2.2%
2/31/2003	485	18,660	856.3	45,891	4.6%
2/31/2004	491	18,964	896.0	47,266	3.0%
2/31/2005	495	19,036	920.0	48,330	2.3%
2/31/2006	502	19,297	976.9	50,622	4.7%
2/31/2007	508	19,757	1,035.6	52,419	3.5%
2/31/2008	509	20,038	1,099.3	54,859	4.7%
2/31/2009	509	20,205	1,124.1	55,636	1.4%



### Summary of Member Valuation Data

2/31/2010	510	20,019	1,124.7	56,184	1.0%
-----------	-----	--------	---------	--------	------

#### Protective Participants Not Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
2/31/2001	55	2,715	142.1	52,339	3.8%
2/31/2002	55	2,709	147.9	54,603	4.3%
2/31/2003	54	2,714	153.8	56,673	3.8%
2/31/2004	54	2,709	159.0	58,546	3.3%
2/31/2005	55	2,689	162.0	60,241	2.9%
2/31/2006	55	2,692	167.3	62,153	3.2%
2/31/2007	55	2,695	173.7	64,449	3.7%
2/31/2008	55	2,724	181.2	66,502	3.2%
2/31/2009	57	2,733	189.0	69,149	4.0%
2/31/2010	58	2,754	188.8	68,559	-0.9%

#### All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
2/31/2001	1,321	261,126	9,745	37,317	2.7%
2/31/2002	1,359	263,500	10,046	38,124	2.2%
2/31/2003	1,380	262,538	10,369	39,493	3.6%
2/31/2004	1,397	262,085	10,645	40,617	2.8%
2/31/2005	1,412	260,678	10,833	41,556	2.3%
2/31/2006	1,432	260,302	11,170	42,913	3.3%
2/31/2007	1,438	261,003	11,582	44,374	3.4%
2/31/2008	1,462	263,186	12,187	46,307	4.4%
2/31/2009	1,469	264,766	12,512	47,258	2.1%
2/31/2010	1,474	264,150	12,610	47,738	1.0%



<b>Summary of Accrued and Unfunded Accrued Liabilities (\$ in Millions)</b>						
<b>Valuation Year</b>	<b>Aggregate Accrued Liabilities</b>	<b>Valuation Assets</b>	<b>Assets as a % of Accrued Liabilities</b>	<b>Unfunded Accrued Liabilities</b>	<b>Annual Active Member Payroll</b>	<b>UAL as a % of Annual Active Member Payroll</b>
2001	60,134.7	58,024.3	96.5%	2,110.4	9,917.7	21.3%
2002	59,618.8	57,861.9	97.1%	1,756.9	10,126.6	17.4%
2003	63,211.7	62,685.3	99.2%	526.4	10,502.4	5.0%
2004	66,622.3	66,209.4	99.4%	412.9	10,897.6	3.8%
2005	68,987.5	68,615.1	99.5%	372.4	10,973.4	3.4%
2006	73,735.8	73,415.3	99.6%	320.5	11,308.2	2.8%
2007	80,079.7	79,791.9	99.6%	287.8	11,720.2	2.5%
2008	77,412.0	77,159.4	99.7%	252.6	12,289.6	2.1%
2009	79,104.6	78,911.3	99.8%	193.3	12,622.2	1.5%
2010	80,758.8	80,626.9	99.8%	131.9	12,744.0	1.0%

<b>Solvency Test (\$ in Millions)</b>									
<b>Valuation Year</b>	<b>Valuation Assets</b>	<b>Annuitants and Beneficiaries</b>	<b>Accrued Liability For Active</b>			<b>Percent Funded</b>			
			<b>Member Contrib.</b>	<b>Employer's Contrib.</b>	<b>Total</b>	<b>Annuitants and Beneficiaries</b>	<b>Active Member Contrib.</b>	<b>Employer's Contrib.</b>	<b>Total</b>
2001	58,024.3	25,881.5	14,275.3	19,977.9	60,134.7	100.0%	100.0%	89.4%	96.5%
2002	57,861.9	26,041.7	14,022.9	19,554.2	59,618.8	100.0%	100.0%	91.0%	97.1%
2003	62,685.3	28,707.8	14,503.1	20,000.8	63,211.7	100.0%	100.0%	97.4%	99.2%
2004	66,209.4	30,829.9	15,050.3	20,742.1	66,622.3	100.0%	100.0%	98.0%	99.4%
2005	68,615.1	32,668.0	15,155.3	21,164.2	68,987.5	100.0%	100.0%	98.2%	99.5%
2006	73,415.3	35,774.7	15,902.4	22,058.7	73,735.8	100.0%	100.0%	98.5%	99.6%
2007	79,791.9	39,675.1	16,795.4	23,609.2	80,079.7	100.0%	100.0%	98.8%	99.6%
2008	77,159.4	38,372.6	16,045.3	22,994.1	77,412.0	100.0%	100.0%	98.9%	99.7%
2009	78,911.3	39,734.2	16,156.6	23,213.8	79,104.6	100.0%	100.0%	99.2%	99.8%
2010	80,626.9	41,139.0	16,253.6	23,366.2	80,758.8	100.0%	100.0%	99.4%	99.8%



## WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

### NOTES TO CONTRIBUTION RATE SCHEDULE

1. The employee rate is set by Wis. Stat. §40.05 (1). Part or all of the required employee contributions may be paid by the employer on behalf of the employee.
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. The percentage reported represents a weighted average.

#### General (Includes Teachers)

	<b>Current Cost</b>	<b>Prior Cost</b>	<b>Employer Total</b>	<b>Employee</b>	<b>BAC</b>	<b>Total</b>
<b>2001</b>	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
<b>2002</b>	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
<b>2003</b>	4.0%	1.2%	5.2%	5.0%	0.4%	10.6%
<b>2004</b>	4.2%	1.0%	5.2%	5.0%	0.6%	10.8%
<b>2005</b>	4.4%	0.3%	4.7%	5.0%	0.8%	10.5%
<b>2006</b>	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
<b>2007</b>	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
<b>2008</b>	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
<b>2009</b>	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
<b>2010</b>	4.8%	0.2%	5.0%	5.0%	1.2%	11.2%

#### Executive & Elected

	<b>Current Cost</b>	<b>Prior Cost</b>	<b>Employer Total</b>	<b>Employee</b>	<b>BAC</b>	<b>Total</b>
<b>2001</b>	9.4%	1.0%	10.4%	3.9%	0.0%	14.3%
<b>2002</b>	8.6%	1.0%	9.6%	3.1%	0.0%	12.7%
<b>2003</b>	8.1%	1.0%	9.1%	2.6%	0.0%	11.7%
<b>2004</b>	8.1%	0.8%	8.9%	2.6%	0.0%	11.5%
<b>2005</b>	8.3%	0.1%	8.4%	2.8%	0.0%	11.2%
<b>2006</b>	8.4%	0.1%	8.5%	2.9%	0.0%	11.4%
<b>2007</b>	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
<b>2008</b>	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
<b>2009</b>	8.5%	0.0%	8.5%	3.0%	0.0%	11.5%
<b>2010</b>	8.7%	0.0%	8.7%	3.2%	0.0%	11.9%



## WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

### Protective with Social Security

	<b>Current Cost</b>	<b>Prior Cost</b>	<b>Duty Disability</b>	<b>Employer Total</b>	<b>Employee</b>	<b>BAC</b>	<b>Total</b>
<b>2001</b>	6.9%	0.7%	3.9%	11.5%	3.8%	0.0%	15.3%
<b>2002</b>	7.1%	0.7%	3.8%	11.6%	4.0%	0.0%	15.6%
<b>2003</b>	7.1%	0.6%	3.9%	11.6%	4.0%	0.0%	15.6%
<b>2004</b>	7.6%	0.4%	3.8%	11.8%	4.5%	0.0%	16.3%
<b>2005</b>	8.0%	0.1%	3.8%	11.9%	4.9%	0.0%	16.8%
<b>2006</b>	8.1%	0.1%	3.8%	12.0%	5.0%	0.0%	17.0%
<b>2007</b>	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
<b>2008</b>	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
<b>2009</b>	8.1%	0.1%	3.9%	12.1%	5.0%	0.0%	17.1%
<b>2010</b>	8.6%	0.0%	3.9%	12.5%	5.5%	0.0%	18.0%

### Protective without Social Security

	<b>Current Cost</b>	<b>Prior Cost</b>	<b>Duty Disability</b>	<b>Employer Total</b>	<b>Employee</b>	<b>BAC</b>	<b>Total</b>
<b>2001</b>	10.7%	1.5%	3.9%	16.1%	3.3%	0.0%	19.4%
<b>2002</b>	10.4%	1.5%	3.8%	15.7%	3.0%	0.0%	18.7%
<b>2003</b>	9.8%	1.5%	3.9%	15.2%	2.4%	0.0%	17.6%
<b>2004</b>	10.6%	1.2%	3.8%	15.6%	3.2%	0.0%	18.8%
<b>2005</b>	10.7%	0.6%	3.8%	15.1%	3.3%	0.0%	18.4%
<b>2006</b>	10.7%	0.4%	3.8%	14.9%	3.3%	0.0%	18.2%
<b>2007</b>	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
<b>2008</b>	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
<b>2009</b>	10.6%	0.3%	3.9%	14.8%	3.2%	0.0%	18.0%
<b>2010</b>	11.3%	0.3%	3.9%	15.5%	3.9%	0.0%	19.4%



## ANALYSIS OF ACTUARIAL EXPERIENCE

Gains and Losses in Accrued Liabilities during 2010 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
<b>Normal Retirement</b>	\$ 5.9	\$ (0.7)	\$ 4.9	\$ 3.2	\$ 13.3
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pay, there is a loss.					
<b>Early Retirement</b>	3.7	0.2	1.4	0.2	5.5
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.					
<b>Death with Benefit</b>	(1.8)	0.0	0.4	0.1	(1.3)
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.					
<b>Disability Retirement</b>	19.8	0.1	1.5	0.6	22.0
If disability claims are less than assumed, there is a gain. If more claims, a loss.					
<b>Other Separations</b>	(46.5)	(1.0)	(7.6)	(0.6)	(55.7)
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.					
<b>Salary Increases</b>	620.8	6.7	106.8	30.0	773.3
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.					
<b>Investment Return</b>	(739.1)	(8.3)	(101.9)	(26.4)	(875.7)
If there is greater investment income than assumed, there is a gain. If less income, a loss.					
<b>Other</b>	<u>(82.3)</u>	<u>(1.8)</u>	<u>(11.0)</u>	<u>(3.7)</u>	<u>(98.8)</u>
<b>Total Gain (Loss)</b>	\$ (210.5)	\$ (4.8)	\$ (5.5)	\$ 3.4	\$(217.4)
<b>% of accrued liability</b>	(0.6)%	(1.7)%	(0.1)%	(0.4)%	(0.6)%



### Wisconsin Retirement System Changes in Number of Annuities

Year	Annuity Type	Beginning	Additions	Deletions	Ending
2010	Retirement	143,261	8,330	3,211	148,380
	Disability	6,224	159	189	6,194
	Beneficiary	1,186	69	54	1,201
	<b>Total</b>	<b>150,671</b>	<b>8,558</b>	<b>3,454</b>	<b>155,775</b>
2009	Retirement	136,502	7,779	1,020	143,261
	Disability	6,397	156	329	6,224
	Beneficiary	1,134	73	21	1,186
	<b>Total</b>	<b>144,033</b>	<b>8,008</b>	<b>1,370</b>	<b>150,671</b>
2008	Retirement	135,026	8,165	6,689	136,502
	Disability	6,558	174	335	6,397
	Beneficiary	1,322	61	249	1,134
	<b>Total</b>	<b>142,906</b>	<b>8,400</b>	<b>7,273</b>	<b>144,033</b>
2007	Retirement	129,289	8,186	2,449	135,026
	Disability	6,505	157	104	6,558
	Beneficiary	1,323	47	48	1,322
	<b>Total</b>	<b>137,117</b>	<b>8,390</b>	<b>2,601</b>	<b>142,906</b>
2006	Retirement	123,945	7,859	2,515	129,289
	Disability	6,415	163	73	6,505
	Beneficiary	1,314	43	34	1,323
	<b>Total</b>	<b>131,674</b>	<b>8,065</b>	<b>2,622</b>	<b>137,117</b>
2005	Retirement	118,572	7,844	2,471	123,945
	Disability	6,346	150	81	6,415
	Beneficiary	1,293	58	37	1,314
	<b>Total</b>	<b>126,211</b>	<b>8,052</b>	<b>2,589</b>	<b>131,674</b>
2004	Retirement	114,038	7,142	2,608	118,572
	Disability	6,272	147	73	6,346
	Beneficiary	1,272	56	35	1,293
	<b>Total</b>	<b>121,582</b>	<b>7,345</b>	<b>2,716</b>	<b>126,211</b>
2003	Retirement	108,901	7,308	2,171	114,038
	Disability	6,158	177	63	6,272
	Beneficiary	1,230	68	26	1,272
	<b>Total</b>	<b>116,289</b>	<b>7,553</b>	<b>2,260</b>	<b>121,582</b>
2002	Retirement	104,910	6,915	2,924	108,901
	Disability	6,009	191	42	6,158
	Beneficiary	1,223	53	46	1,230
	<b>Total</b>	<b>112,142</b>	<b>7,159</b>	<b>3,012</b>	<b>116,289</b>
2001	Retirement	100,304	7,254	2,648	104,910
	Disability	5,898	302	191	6,009
	Beneficiary	1,223	53	53	1,223
	<b>Total</b>	<b>107,425</b>	<b>7,609</b>	<b>2,892</b>	<b>112,142</b>







# INVESTMENTS

**State of Wisconsin  
Department of  
Employee Trust Funds**



## STATE OF WISCONSIN INVESTMENT BOARD

The State of Wisconsin Investment Board (SWIB) is the state agency that invests the assets of the Wisconsin Retirement System (WRS) and other trust funds established by the State of Wisconsin. The WRS Trust Funds make up about 93% of the assets managed by SWIB. The effect of investment returns on WRS participants, determined by the Department of Employee Trust Funds, is based on the rate of return as of December 31, 2010.

**SWIB publishes an annual report and a schedule of investments that includes all investment holdings as of the end of the fiscal year. To view these publications online, go to <http://www.swib.state.wi.us> or call (608) 266-3281 to request paper copies.**

### BOARD OF TRUSTEES

SWIB is directed by an independent Board of Trustees and staffed with professional money managers and support personnel. The SWIB Board of Trustees consists of nine members meeting specific membership requirements, as directed by Wis. Stat. §15.76. The Board of Trustees appoints the SWIB executive director. The executive director oversees the staff, develops and recommends agency and investment policies for board adoption, and ensures adherence to state and federal law and policies. Trustee responsibilities include establishing asset allocation, investment guidelines, and performance benchmarks.

### Membership on the SWIB Board of Trustees as of December 31, 2010 is as follows:

1. Six public members appointed by the governor, four of whom must have at least 10 years investment experience and one of whom must have at least 10 years of financial experience and be employed by a local government active in the Local Government Investment Pool, a fund managed by SWIB.

**Chair: James A. Senty** (Public Member)  
President, Midwest Bottle Gas Company, La Crosse

**Vice Chair: Tom Boldt** (Public Member)  
President, The Boldt Group, Inc./CEO,  
The Boldt Co., Appleton

**David Kruger** (Public Member)  
CEO/Owner, Fiore Companies, Madison

**David Geertsen** (Local Government Member) Kenosha  
County Finance Director, Kenosha

**William Levit, Jr.** (Public Member)  
Attorney, Godfrey & Kahn S.C., Milwaukee

**Bruce Colburn** (Public Member)  
Director, Central States Property Services  
Division, Services Employees International Union,  
Milwaukee County

2. Two participants in the WRS, one must be a teacher member appointed by the Teachers Retirement Board; the other must be a non-teacher participant appointed by the Wisconsin Retirement Board.

**Wayne McCaffery** (WRS participant, Teachers Retirement Board appointee)  
Teacher, Stevens Point Area Senior High School

**David Stella** (WRS participant, Wisconsin Retirement Board appointee)  
Secretary, Department of Employee Trust Funds

3. The Secretary of the Wisconsin Department of Administration (DOA) or designee.

**Michael Morgan**  
Secretary, DOA



# EMPLOYER UNFUNDED LIABILITY BALANCES

**State of Wisconsin  
Department of  
Employee Trust Funds**



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
<b>State Agencies</b>			
Administration, Dept Of	\$60,777,229	\$7,398,057	\$0
Agric Trade Cons Prot, Dept Of	28,616,642	3,383,985	0
Arts Board	488,590	58,346	0
Bd For People With Develop Dis	295,174	34,831	0
Board Aging & Long Term Care	1,413,987	166,850	0
Brd Of Commsrs Of Public Lands	662,953	78,228	0
Commerce, Dept Of	18,750,706	2,220,078	0
Corrections, Dept. Of	517,225,510	77,736,496	0
Courts - State	68,494,586	8,398,705	0
Dept Of Children & Families	33,613,698	3,973,883	0
District Attorneys	32,765,046	3,929,854	0
Educational Communications Bd	3,019,038	359,605	0
Employee Trust Funds, Dept Of	11,691,806	1,383,160	0
Employment Relations Comm	1,953,003	232,914	0
Employment Relations,Office Of	2,786,244	332,162	0
Executive Office	1,814,416	216,464	0
Financial Institutions, Dept	7,703,869	915,201	0
Government Accountability Bd	2,088,116	249,470	0
Health Services, Dept Of	272,807,077	34,197,662	0
Higher Educational Aids Board	452,518	54,049	0
Historical Society - State	8,575,474	1,017,422	0
Insurance Commissioner'S Office	8,414,347	994,990	0
Investment Board	16,542,338	1,986,441	0
Judicial Commission	125,312	15,519	0
Judicial Council	58,356	6,886	0
Justice, Dept Of	33,507,412	4,341,542	0
Legis Assembly - Chief Clerk	13,979,958	1,693,431	0
Legis Assembly-Sgt At Arms	311,198	36,721	0
Legislative Audit Bureau	4,797,531	567,202	0
Legislative Council Staff	2,324,780	275,437	0
Legislative Fiscal Bureau	2,261,362	268,082	0
Legislative Reference Bureau	3,423,467	405,067	0
Legislative Tech Serv Bureau	2,446,407	289,650	0
Legislature - Senate	8,956,908	1,073,366	0
Lieutenant Governor'S Office	201,926	24,895	0
Lower Wis. State Riverway Bd.	101,733	12,004	0
Military Affairs, Dept Of	19,054,526	2,700,864	0
Natural Resources, Dept Of	145,115,286	19,513,569	0
Public Defender'S Office	34,208,750	4,040,357	0
Public Instruction, Dept Of	35,094,411	4,149,329	0
Public Service Commission	9,614,469	1,144,067	0
Regulation & Licensing, Dept	5,977,205	710,215	0
Revenue, Dept Of	54,385,569	6,455,420	0
Secretary Of State'S Office	313,955	37,924	0
State Fair Park Board	2,526,869	304,245	0
Tourism, Department Of	1,570,323	186,340	0
Transportation, Dept Of	183,264,365	24,152,580	0
Treasurer'S Office - State	673,297	80,647	0
Uw Hospital Board	101,593,735	11,988,061	0
Veterans Affairs, Dept Of	50,529,377	5,985,848	0
Wis Tech College Sys Board	4,279,913	509,405	0
Workforce Development, Dept Of	84,637,736	9,997,445	0
Total State Agencies	1,906,288,506	250,284,971	0
<b>University Of Wisconsin System</b>	<b>1,730,810,196</b>	<b>205,389,521</b>	<b>0</b>
<b>Public Authorities</b>			
Fox River Navigation Sys Auth	123,808	14,609	0
Health & Educ Facilities Auth	292,260	38,578	0
Hlth Ins Risk-Sharng Plan Auth	382,496	45,134	0
Housing & Econ Develop Auth	9,963,958	1,175,747	0
Wiscraft Inc - Ent For Blind	1,122,426	169,486	485,908
UW Hospital Authority	251,767,320	34,240,356	14,648,858
Total Public Authorities	263,652,268	35,683,911	15,134,766
Total State of Wisconsin	-	-	-



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
<b>Cities</b>			
Abbotsford, City Of	467,253	51,398	0
Adams, City Of	718,329	97,996	84,331
Algoma, City Of	3,677,072	477,485	1,165,124
Alma, City Of	262,408	31,652	29,648
Altoona, City Of	1,723,215	224,823	0
Amery, City Of	1,191,099	153,693	9,384
Antigo, City Of	4,106,556	653,927	0
Appleton, City Of	38,287,577	5,226,397	0
Arcadia, City Of	229,069	38,484	5,480
Ashland, City Of	5,229,333	779,503	0
Augusta, City Of	503,632	64,946	0
Baraboo, City Of	5,014,798	645,327	0
Barron, City Of	1,449,370	175,216	0
Bayfield, City Of	569,670	70,686	0
Beaver Dam, City Of	6,035,097	925,045	2,019,427
Beloit, City Of	21,100,115	3,262,735	0
Berlin, City Of	2,059,261	283,504	482,459
Black River Falls, City Of	2,180,877	298,285	0
Blair, City Of	332,041	40,820	0
Bloomer, City Of	389,844	62,375	0
Boscobel, City Of	1,229,878	149,165	0
Brillion, City Of	915,052	123,099	0
Brodhead, City Of	1,517,491	218,162	284,416
Brookfield, City Of	20,313,616	3,174,149	0
Buffalo City, City Of	82,141	9,036	0
Burlington, City Of	4,123,835	534,348	0
Cedarburg, City Of	5,624,979	755,208	0
Chetek, City Of	252,989	41,743	0
Chilton, City Of	1,110,409	138,754	0
Chippewa Falls, City Of	6,798,323	973,633	0
Clintonville, City Of	2,477,363	357,732	1,026,542
Colby, City Of	329,412	36,235	0
Columbus, City Of	2,354,849	292,812	0
Cornell, City Of	498,001	60,954	0
Crandon, City Of	586,212	72,181	0
Cuba City, City Of	723,738	89,686	0
Cudahy, City Of	8,696,391	1,381,644	0
Cumberland, City Of	897,736	111,415	0
Darlington, City Of	872,622	108,085	0
De Pere, City Of	8,497,970	1,239,769	0
Delafield, City Of	2,525,893	354,000	33,138
Delavan, City Of	3,384,139	474,225	326,159
Dodgeville, City Of	1,439,424	179,139	0
Durand, City Of	503,562	61,675	0
Eagle River, City Of	1,442,138	177,605	0
Eau Claire, City Of	30,063,574	4,409,277	0
Edgerton, City Of	1,679,570	215,866	0
Elkhorn, City Of	3,626,748	490,177	302,301
Elroy, City Of	715,442	83,040	0
Evansville, City Of	2,035,134	249,853	0
Fennimore, City Of	1,140,400	137,831	0
Fitchburg, City Of	8,659,806	1,158,903	0
Fond Du Lac, City Of	19,894,739	3,156,119	0
Fort Atkinson, City Of	4,453,983	625,143	1,225,540
Fountain City, City Of	163,776	19,791	0
Fox Lake, City Of	496,502	64,468	83,857
Franklin, City Of	7,122,613	1,388,909	0
Galesville, City Of	395,874	50,621	0
Gillett, City Of	446,182	57,888	14,090
Glendale, City Of	5,001,846	866,434	0
Glenwood, City Of	89,636	14,342	0
Green Bay, City Of	51,557,395	7,953,001	0
Green Lake, City Of	554,693	70,388	0
Greenfield, City Of	13,649,180	2,295,143	0
Greenwood, City Of	424,080	53,994	0
Hartford, City Of	7,239,868	889,492	0
Hayward, City Of	868,936	113,918	0
Hillsboro, City Of	521,431	62,689	0



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Horicon, City Of	1,190,732	150,790	0
Hudson, City Of	4,488,849	569,468	0
Hurley, City Of	780,821	103,180	0
Independence, City Of	374,244	50,666	18,144
Janesville, City Of	28,402,128	4,420,234	0
Jefferson, City Of	3,648,962	444,349	0
Juneau, City Of	931,394	112,835	0
Kaukauna, City Of	9,838,087	1,230,725	0
Kenosha, City Of	49,183,541	7,909,284	0
Kewaunee, City Of	997,575	143,414	414,460
Kiel, City Of	1,578,717	196,970	0
La Crosse, City Of	28,386,760	4,225,447	0
Ladysmith, City Of	1,739,262	216,315	0
Lake Geneva, City Of	4,478,411	579,814	0
Lake Mills, City Of	2,905,700	407,690	297,236
Lancaster, City Of	1,247,141	155,589	0
Lodi, City Of	1,167,201	140,807	0
Loyal, City Of	371,246	49,276	11,231
Madison, City Of	166,619,734	24,077,794	0
Manawa, City Of	476,081	66,352	95,853
Manitowoc, City Of	24,479,044	3,284,540	0
Marinette, City Of	5,467,161	823,154	0
Marion, City Of	152,639	25,033	8,804
Markesan, City Of	356,636	45,938	45,013
Marshfield, City Of	10,034,649	1,559,270	0
Mauston, City Of	1,322,308	169,129	41,740
Mayville, City Of	1,687,444	209,527	0
Medford, City Of	1,798,399	221,398	0
Mellen, City Of	284,586	34,840	0
Menasha, City Of	8,561,957	1,332,255	0
Menomonie, City Of	7,056,226	1,138,472	0
Mequon, City Of	7,145,408	1,110,015	1,424,811
Merrill, City Of	5,758,944	831,681	0
Middleton, City Of	7,609,158	990,046	0
Milton, City Of	1,656,272	211,507	0
Mineral Point, City Of	643,900	84,504	8,155
Mondovi, City Of	741,373	100,712	259,725
Monona, City Of	3,438,979	473,235	0
Monroe, City Of	4,553,214	593,128	0
Montello, City Of	349,511	45,278	46,644
Montreal, City Of	114,846	26,185	499,415
Mosinee, City Of	1,181,879	151,963	0
Muskego, City Of	6,830,011	1,011,168	0
Neenah, City Of	12,678,220	1,944,918	0
Neillsville, City Of	946,418	119,304	0
Nekoosa, City Of	1,086,952	147,779	0
New Berlin, City Of	14,920,244	2,244,289	0
New Holstein, City Of	1,612,572	194,873	0
New Lisbon, City Of	818,054	99,515	2,713
New London, City Of	3,917,682	487,071	0
New Richmond, City Of	4,105,149	536,232	243,741
Niagara, City Of	753,674	93,847	0
Oak Creek, City Of	17,217,938	2,692,453	0
Oconomowoc, City Of	6,930,465	856,154	0
Oconto Falls, City Of	1,276,364	155,986	0
Oconto, City Of	1,906,543	255,527	0
Omro, City Of	1,015,664	126,915	0
Onalaska, City Of	4,349,275	593,615	0
Oshkosh, City Of	31,703,619	4,730,123	9,790,750
Osseo, City Of	578,889	74,057	0
Owen, City Of	352,045	44,737	0
Park Falls, City Of	1,088,158	136,133	0
Peshtigo, City Of	307,831	49,253	0
Phillips, City Of	772,452	110,695	79,398
Pittsville, City Of	75,620	12,099	0
Platteville, City Of	4,069,589	498,068	0
Plymouth, City Of	3,860,917	477,151	0
Port Washington, City Of	4,567,893	639,869	0
Portage, City Of	3,741,371	495,378	0



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Prairie Du Chien, City Of	1,815,738	232,448	0
Prescott, City Of	1,245,349	158,317	0
Princeton, City Of	516,090	74,240	244,131
Racine, City Of	51,860,369	8,186,620	0
Reedsburg, City Of	4,477,458	544,789	0
Rhineland, City Of	5,425,346	820,256	1,164,753
Rice Lake, City Of	5,054,719	747,515	0
Richland Center, City Of	2,300,508	280,765	0
Ripon, City Of	2,789,054	347,534	0
River Falls, City Of	4,122,840	519,547	0
Schofield, City Of	347,818	38,260	0
Seymour, City Of	1,206,560	149,828	0
Shawano, City Of	3,155,076	405,969	0
Sheboygan Falls, City Of	2,267,135	294,127	0
Sheboygan, City Of	25,536,076	3,390,187	0
Shell Lake, City Of	473,082	59,395	0
Shullsburg, City Of	303,515	35,687	0
South Milwaukee, City Of	9,048,982	1,433,901	0
Sparta, City Of	2,873,932	365,850	0
Spooner, City Of	1,273,213	157,604	0
St Croix Falls, City Of	911,071	116,298	0
St Francis, City Of	4,580,613	774,454	0
Stanley, City Of	600,139	76,146	0
Stevens Point, City Of	11,996,603	1,860,362	0
Stoughton, City Of	5,205,424	700,866	801,152
Sturgeon Bay, City Of	5,052,364	668,848	0
Sun Prairie, City Of	3,174,341	523,766	0
Superior, City Of	13,524,878	2,068,359	0
Thorp, City Of	476,471	58,955	0
Tomah, City Of	3,906,673	491,424	0
Tomahawk, City Of	1,278,566	160,230	0
Two Rivers, City Of	7,287,704	1,223,020	3,650,209
Verona, City Of	3,165,376	405,776	0
Viroqua, City Of	1,475,749	257,800	1,482,086
Washburn, City Of	853,732	105,543	0
Waterloo, City Of	1,452,437	185,471	0
Watertown, City Of	9,067,985	1,205,314	0
Waukesha, City Of	33,399,457	5,036,682	0
Waupaca, City Of	2,672,493	373,415	249,483
Waupun, City Of	3,684,748	520,210	0
Wausau, City Of	16,398,291	2,510,800	0
Wautoma, City Of	778,297	100,135	0
Wauwatosa, City Of	28,339,603	4,462,780	0
West Allis, City Of	35,428,601	5,509,466	0
West Bend, City Of	14,662,349	2,270,153	0
Westby, City Of	742,666	89,176	0
Weyauwega, City Of	530,382	67,532	0
Whitehall, City Of	776,563	93,733	0
Whitewater, City Of	4,757,453	671,070	0
Wisconsin Dells, City Of	2,860,984	357,318	0
Wisconsin Rapids, City Of	13,247,459	1,887,128	0
<b>Total Cities</b>	<b>1,226,593,241</b>	<b>179,721,124</b>	<b>27,971,547</b>
<b>Villages</b>			
Adell, Village Of	107,670	11,844	0
Albany, Village Of	320,543	41,003	0
Allouez, Village Of	2,921,319	377,916	0
Amherst, Village Of	172,745	19,002	0
Argyle, Village Of	252,952	30,904	0
Arlington, Village Of	114,567	14,894	27,965
Ashwaubenon, Village Of	7,051,185	1,215,830	507,767
Athens, Village Of	209,844	27,002	0
Avoca, Village Of	117,506	14,543	0
Baldwin, Village Of	1,117,094	152,940	39,906
Balsam Lake, Village Of	307,286	37,517	17,101
Bay City, Village Of	103,916	11,431	0
Bayside, Village Of	1,945,132	262,637	0
Belgium, Village Of	339,912	37,465	0
Belleville, Village Of	750,898	95,318	0
Bellevue, Village Of (Brown)	1,588,669	185,295	0



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Belmont, Village Of	238,387	28,277	0
Benton, Village Of	211,969	23,317	0
Big Bend, Village Of	363,439	49,655	0
Birchwood, Village Of	215,831	28,429	0
Birnamwood, Village Of	44,030	4,843	0
Biron, Village Of	279,784	30,776	0
Black Creek, Village Of	290,994	33,967	0
Black Earth, Village Of	287,206	31,593	0
Blanchardville, Village Of	167,937	18,473	0
Blue Mounds, Village Of	123,783	15,445	0
Blue River, Village Of	107,608	11,837	0
Boyceville, Village Of	330,130	46,357	41,239
Boyd, Village Of	202,291	24,302	0
Brandon, Village Of	182,528	20,078	0
Brooklyn, Village Of	259,990	29,781	0
Brown Deer, Village Of	4,412,786	614,623	0
Brownsville, Village Of	152,125	16,734	0
Browtown, Village Of	70,703	7,777	0
Bruce, Village Of	132,625	14,589	0
Butler, Village Of	897,520	125,129	0
Cadott, Village Of	520,143	62,865	0
Caledonia, Village Of (Racine)	7,678,994	1,296,515	0
Cambria, Village Of	176,152	19,377	0
Cambridge, Village Of	325,972	35,857	0
Cameron, Village Of	371,747	47,989	0
Camp Douglas, Village Of	149,276	18,689	0
Campbellsport, Village Of	466,734	56,064	0
Cascade, Village Of	92,669	10,194	0
Casco, Village Of	53,568	5,893	0
Cashton, Village Of	517,264	61,574	0
Cedar Grove, Village Of	299,490	32,944	0
Centuria, Village Of	335,435	47,547	102,259
Chaseburg, Village Of	63,531	6,988	0
Chenequa, Village Of	827,728	126,147	0
Clayton, Village Of	149,367	18,577	0
Clear Lake, Village Of	422,709	52,042	0
Cleveland, Village Of	384,560	47,560	0
Clinton, Village Of	696,856	91,897	0
Clyman, Village Of	94,419	10,575	2,436
Cobb, Village Of	89,312	9,824	0
Cochrane, Village Of	92,483	10,173	0
Coleman, Village Of	185,117	22,292	0
Colfax, Village Of	353,226	41,600	0
Coloma, Village Of	179,021	22,471	0
Combined Locks, Village Of	735,195	100,701	169,033
Coon Valley, Village Of	212,037	25,204	0
Cottage Grove, Village Of	1,241,830	166,980	0
Crivitz, Village Of	294,134	36,531	0
Cross Plains, Village Of	852,356	121,368	136,142
Dallas, Village Of	46,073	5,068	0
Dane, Village Of	166,255	19,388	0
Darien, Village Of	572,783	81,869	19,620
De Soto, Village Of	61,577	6,904	0
Deerfield, Village Of	411,721	45,289	0
Deforest, Village Of	2,400,015	359,640	0
Denmark, Village Of	463,376	55,944	0
Dickeyville, Village Of	201,344	25,155	0
Dousman, Village Of	404,292	52,075	0
Dresser, Village Of	240,725	28,799	0
Eagle, Village Of	507,973	68,986	0
East Troy, Village Of	1,242,980	159,747	0
Eastman, Village Of	56,050	6,166	0
Edgar, Village Of	183,108	22,395	0
Egg Harbor, Village Of	416,495	45,814	0
Eleva, Village Of	162,648	19,913	0
Elk Mound, Village Of	238,227	28,545	0
Elkhart Lake, Village Of	499,723	63,897	0
Ellsworth, Village Of	845,848	109,579	0
Elm Grove, Village Of	2,745,240	427,885	0





<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Elmwood, Village Of	203,907	23,999	0
Ephraim, Village Of	397,153	43,687	0
Ettrick, Village Of	145,361	18,359	0
Fairwater, Village Of	52,635	5,790	0
Fall Creek, Village Of	351,697	44,949	0
Fall River, Village Of	244,406	31,674	0
Ferryville, Village Of	42,514	4,677	0
Fontana On Gnva Lk, Village Of	1,204,214	166,625	0
Fox Point, Village Of	3,099,557	509,500	2,240,670
Frederic, Village Of	449,110	54,285	0
Fremont, Village Of	175,448	22,204	0
Friendship, Village Of	186,504	25,551	36,645
Gays Mills, Village Of	195,558	29,334	24,177
Genoa City, Village Of	745,458	100,559	8,952
Germantown, Village Of	6,584,011	879,275	0
Gilman, Village Of	190,316	23,421	0
Grafton, Village Of	4,595,034	585,381	0
Granton, Village Of	125,038	13,754	0
Grantsburg, Village Of	514,995	63,396	0
Greendale, Village Of	5,905,617	995,988	0
Gresham, Village Of	439,087	48,300	0
Hales Corners, Village Of	2,660,109	365,300	0
Hammond, Village Of	600,606	76,433	0
Hartland, Village Of	3,048,103	399,996	0
Haugen, Village Of	32,136	3,535	0
Hawkins, Village Of	73,392	9,908	16,343
Hazel Green, Village Of	324,212	39,729	0
Highland, Village Of	162,173	19,254	0
Hilbert, Village Of	224,247	24,667	0
Hixton, Village Of	60,782	7,294	10,021
Hobart, Village Of	793,560	101,264	0
Hollandale, Village Of	41,904	4,609	0
Holmen, Village Of	1,276,337	164,138	0
Hortonville, Village Of	758,183	94,691	0
Howard, Village Of	2,293,315	256,440	0
Howards Grove, Village Of	335,808	36,939	0
Hustisford, Village Of	537,898	65,624	84,051
Iola, Village Of	386,329	49,923	0
Iron Ridge, Village Of	163,673	20,625	0
Jackson, Village Of	1,986,876	261,719	0
Johnson Creek, Village Of	905,385	112,671	0
Junction City, Village Of	72,941	11,160	68,100
Kendall, Village Of	85,004	12,156	0
Kewaskum, Village Of	1,167,551	150,893	0
Kimberly, Village Of	1,454,191	159,961	0
Kohler, Village Of	1,010,312	135,249	0
Kronenwetter, Village Of	1,037,335	133,115	0
La Farge, Village Of	333,709	47,493	53,068
La Valle, Village Of	85,195	9,371	0
Lac La Belle, Village Of	23,635	2,600	0
Lake Delton, Village Of	2,060,234	288,821	0
Lake Hallie, Village Of	555,060	79,224	0
Lake Nebagamom, Village Of	117,456	13,383	0
Lannon, Village Of	134,328	18,581	0
Lena, Village Of	171,773	20,881	0
Little Chute, Village Of	3,305,223	439,107	0
Loganville, Village Of	61,246	6,737	0
Lomira, Village Of	475,140	59,155	0
Luck, Village Of	514,870	65,964	37,795
Luxemburg, Village Of	218,478	26,268	0
Maple Bluff, Village Of	961,828	135,948	0
Marathon City, Village Of	426,780	51,993	0
Marshall, Village Of	964,644	126,878	0
Mattoon, Village Of	56,991	6,269	0
Mazomanie, Village Of	249,543	27,450	0
Mcfarland, Village Of	2,666,926	352,068	0
Menomonee Falls, Village Of	12,641,585	1,761,069	0
Milltown, Village Of	325,302	39,761	0
Minong, Village Of	213,617	27,371	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Mishicot, Village Of	290,975	39,155	48,129
Montfort, Village Of	96,590	10,625	0
Mount Horeb, Village Of	2,437,021	300,734	0
Mt Pleasant, Village Of(Racine	9,284,231	1,584,487	0
Mukwonago, Village Of	2,946,670	387,432	0
Muscoda, Village Of	506,671	62,088	0
Necedah, Village Of	239,208	27,027	0
Neshkoro, Village Of	88,172	16,400	103,323
New Glarus, Village Of	875,618	106,006	0
Newburg, Village Of	130,096	14,836	0
Nichols, Village Of	37,105	4,082	0
North Fond Du Lac, Village Of	2,162,732	311,930	20,236
North Freedom, Village Of	84,959	9,345	0
North Hudson, Village Of	590,091	79,296	0
Oconomowoc Lake, Village Of	532,300	80,742	0
Oostburg, Village Of	343,502	41,907	27,666
Oregon, Village Of	2,557,840	323,330	0
Orfordville, Village Of	374,068	46,443	0
Osceola, Village Of	816,109	105,428	0
Oxford, Village Of (Marquette)	106,221	12,279	0
Paddock Lake, Village Of	451,256	49,638	0
Pardeeville, Village Of	512,593	60,486	0
Pepin, Village Of	202,819	24,425	0
Pewaukee, Village Of	2,801,925	371,214	0
Plain, Village Of	216,487	23,814	0
Plainfield, Village Of	207,871	26,708	0
Pleasant Prairie, Village Of	9,992,801	1,274,218	0
Plover, Village Of	3,180,774	417,797	0
Port Edwards, Village Of	637,441	78,646	0
Pound, Village Of	40,597	4,466	0
Poynette, Village Of	684,672	93,042	22,110
Prairie Du Sac, Village Of	849,249	93,417	0
Prairie Farm, Village Of	1,451,272	159,640	0
Pulaski, Village Of	879,536	112,145	0
Randolph, Village Of	418,940	64,349	131,361
Random Lake, Village Of	354,406	38,985	0
Rib Lake, Village Of	192,187	21,141	0
Rio, Village Of	275,617	35,547	0
River Hills, Village Of	1,407,645	201,368	0
Roberts, Village Of	557,648	69,577	0
Rochester, Village Of	226,502	24,915	0
Rock Springs, Village Of	33,465	3,681	0
Rockland, Village Of	84,007	9,241	0
Rosendale Village Of	176,375	22,200	0
Rosholt, Village Of	53,122	5,843	0
Rothschild, Village Of	1,253,475	168,497	0
Sauk City, Village Of	745,266	81,979	0
Saukville, Village Of	1,801,584	235,857	0
Sharon, Village Of	568,050	74,587	0
Sherwood, Village Of	299,823	32,980	0
Shiocton, Village Of	229,025	27,427	0
Shorewood Hills, Village Of	1,148,204	147,851	0
Shorewood, Village Of	4,563,444	673,584	0
Silver Lake, Village Of	506,266	67,086	0
Siren, Village Of	389,463	49,711	0
Sister Bay, Village Of	357,037	39,274	0
Slinger, Village Of	1,584,330	202,245	0
Soldiers Grove, Village Of	130,266	21,480	136,072
Solon Springs, Village Of	124,973	14,832	0
Somerset, Village Of	952,550	131,280	29,061
South Wayne, Village Of	69,672	7,664	0
Spencer, Village Of	427,232	54,270	0
Spring Green, Village Of	492,849	61,512	0
Spring Valley, Village Of	270,032	32,195	0
St Nazianz, Village Of	154,360	16,980	0
Stockbridge, Village Of	37,093	4,080	0
Stratford, Village Of	384,833	48,607	0
Strum, Village Of	317,614	44,250	33,806
Suamico, Village Of	1,387,705	156,891	0



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Sullivan, Village Of	134,668	14,814	0
Summit, Village Of (Waukesha)	871,521	133,820	83,965
Suring, Village Of	206,824	26,123	36,402
Sussex, Village Of	2,084,503	238,343	0
Thiensville, Village Of	967,427	128,991	0
Trempealeau, Village Of	476,468	56,596	0
Turtle Lake, Village Of	528,664	68,441	0
Twin Lakes, Village Of	2,235,264	309,960	48,853
Union Center, Village Of	54,983	6,785	0
Union Grove, Village Of	901,918	99,211	0
Valders, Village Of	380,998	44,287	0
Walworth, Village Of	778,534	110,302	35,450
Warrens, Village Of	134,460	15,075	0
Waunakee, Village Of	3,057,063	387,620	0
Wausaukee, Village Of	110,353	12,139	0
Wauzeka, Village Of	91,509	10,066	0
West Baraboo, Village Of	206,646	22,731	0
West Milwaukee, Village Of	2,366,623	371,764	4,361,656
West Salem, Village Of	784,745	101,458	0
Westfield, Village Of	319,692	42,985	27,438
Weston, Village (Marathon)	2,365,108	286,258	0
White Lake, Village Of	98,800	10,868	0
Whitefish Bay, Village Of	4,053,800	536,692	0
Whitelaw, Village Of	77,340	8,507	0
Whiting, Village Of	187,663	22,144	21,428
Wild Rose, Village Of	189,285	24,638	0
Williams Bay, Village Of	899,918	126,317	100,053
Wilson, Village Of	38,312	4,368	3,753
Wind Point, Village Of	204,894	22,846	0
Winneconne, Village Of	800,280	109,119	81,163
Withee, Village Of	143,321	15,765	0
Wonewoc, Village Of	241,447	28,683	0
Woodville, Village Of	447,397	56,886	0
Wrightstown, Village Of	505,446	57,644	0
Wyocena, Village Of	140,222	15,424	0
<b>Total Villages</b>	<b>225,694,852</b>	<b>30,738,274</b>	<b>8,995,211</b>

**Special Districts**

Algoma City Housing Auth	69,970	7,697	0
Algoma Sanitary Dist	334,126	36,754	0
Allenton Sanitary Dist	101,105	11,122	0
Altoona City Housing Authority	47,805	6,215	5,207
Antigo City Housing Auth	347,321	38,205	0
Appleton City Housing Auth	610,259	67,129	0
Ashland City Housing Auth	205,064	24,198	20,392
Ashland County Housing Auth	637,587	94,363	36,869
Baraboo District Ambulance	1,094,785	171,070	0
Barron Co Housing Authority	91,851	10,104	0
Bay Area Rural Transit Commiss	323,762	35,614	0
Bayfield County Housing Auth	92,645	10,191	0
Bay-Lake Regional Plan Comm	395,402	47,053	70,897
Big Bend Vernon Fire Bd	169,865	26,528	0
Big Cedar Lake Prot/Rehab Dist	44,397	5,474	0
Brockway Sanitary District #1	74,823	8,231	0
Brookfield, Town San Dist #4	240,048	26,405	0
Bruce Village Housing Auth	61,001	6,710	0
Burlington City Housing Auth	50,048	5,505	0
Cambridge-Oakland Wstewtr Comm	98,410	10,825	0
Capital Area Reg Plan Comm	521,457	57,360	0
Central Brown Cty Water Auth	52,000	5,720	0
Chilton City Housing Auth	58,298	6,413	0
Chippewa Co Housing Auth	282,742	31,102	0
Chippewa Fire District	536,381	84,749	0
City-County Data Center Comm	1,791,381	197,052	0
Clintonville City Hous Auth	82,166	9,696	13,240
Colby/Abbotsford Jt Police Com	348,427	54,052	0
Community Care Of Cent Wiscon	10,006,248	1,100,687	0
Consol Koshkonong Sanitary Dis	272,819	30,010	0
Country Estates San Dist	30,653	3,372	0
Cross Plains Area Ems	43,030	4,733	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Cumberland Municipal Utility	435,081	47,859	0
Dane County Dist #1 Ems	45,806	7,329	0
Dane County Housing Authority	630,539	76,926	288,364
Dane-Iowa Wastewater Comm	128,563	14,142	0
Deer-Grove Ems Dist	202,190	31,328	0
Deforest Area Fire Board Dist	208,487	33,358	0
Delafield-Hartl Water Pol Cntl	412,402	45,364	0
Delavan Lake Sanitary District	544,228	59,865	0
Dells-Delton Ems Comm	819,385	90,132	0
Delton Fire & Ambulance Comm	64,904	9,822	0
Dodge County Housing Authority	118,473	13,032	0
Door Cty Tourism Zone Comm	16,084	1,769	0
Dousman Fire District	128,505	20,441	0
Eagle River Union Airport	102,179	11,240	0
East Central Wis Reg Plan Comm	922,894	108,902	0
Eastern Columbia Cty Jm Court	48,320	5,441	0
Eastern Shores Lib Sys	459,817	50,580	0
Eau Claire City Housing Auth	524,567	57,702	0
Eau Claire City-Co Health Dpt	2,625,510	288,806	0
Edgerton City Housing Auth	126,804	13,948	0
Edgerton Fire Prot Dist	189,068	30,251	0
Ellsworth Area Ambulance Serv	118,502	18,960	0
Everest Metro Police Comm	1,638,500	256,793	0
Fish Creek Sanitary Dist #1	178,697	19,657	0
Fitch-Rona Ems District	892,760	142,632	0
Fond Du Lac City Housing Auth	665,823	73,240	0
Fontana/Walworth Wtr Pol Cn Cm	303,757	33,413	0
Fox Lake Wastewater Contr Comm	95,866	10,545	0
Freedom Sanitary District #1	97,391	10,713	0
Gb/Brown Co Pro Ftbll Stad Dis	34,996	3,850	0
Goodman Sanitary District No 1	28,080	3,089	0
Grand Chute-Menasha Ws Sew Com	464,041	51,044	0
Green Bay Metro Sewerage Dist	6,565,214	722,174	0
Green Lake Sanitary District	155,222	17,074	0
Harmony Grove-Okee Jt Sew Comm	127,178	13,990	0
Heart Of The Valley Met Sew Ds	627,815	69,060	0
Holmen Area Fire Dept	228,942	36,631	0
Hudson City Housing Authority	70,146	7,716	0
Hum Srv Ctr Onida Vilas Forst	2,084,362	229,280	0
Hurley Housing Authority	53,630	6,167	1,944
Indianhead Fed Library System	598,337	65,817	0
Jefferson City Housing Auth	115,866	13,672	13,221
Kaukauna City Housing Auth	142,255	15,648	0
Kegonsa Sanitary District	108,216	11,904	0
Kelly Lake Sanitary Dist #1	22,131	2,434	0
Kenosha Joint Services	3,453,394	379,873	0
La Crosse City Housing Auth	1,037,917	114,171	0
Ladysmith Housing Auth	78,486	8,634	0
Lake Como Sanitary Dist #1	235,896	27,128	19,476
Lake Country Fire & Rescue	750,446	118,132	0
Lake Mills City Housing Auth	93,263	10,259	0
Lake Ripley Mgt District	57,024	6,444	5,277
Lakeland Care District	6,770,511	744,756	0
Lakeland Sanitary District #1	294,351	32,379	0
Lakeshores Library System	306,635	33,730	0
League Of Wisc Municipalities	794,654	87,412	0
Lincoln County Housing Auth	92,282	10,151	0
Lodi Community Ambulance Serv	103,984	16,637	0
Lyons Sanitary District #2	99,818	10,980	0
Madeline Sanitary District	39,651	4,362	0
Madison Metro Sewerage Dist	5,981,724	657,990	0
Manawa Rural Fire Dept	48,305	7,729	0
Manitowoc City Housing Auth	90,966	10,734	18,479
Manitowoc-Calumet Lib Sys	128,118	14,093	0
Marinette City Housing Auth	168,086	20,843	68,042
Marshall Area Ems Dist #14	86,527	13,245	0
Marshfield Cda	313,359	34,469	0
Marshfield Electric & Water	2,657,097	292,281	0
Menasha Electric & Water	2,950,922	324,601	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Menomonie City Housing Auth	193,980	21,338	0
Mequon - Thiensville Library	471,789	57,558	290
Mercer Sanitary District #1	107,493	11,824	0
Merrill City Housing Authority	242,027	26,623	0
Middleton Fire District	241,613	37,862	0
Mid-Moraine Municipal Court	292,350	32,681	0
Mid-Wis Federated Lib Sys	254,570	28,003	0
Milw Area Dom Animal Cont Comm	1,095,764	120,534	0
Milwaukee Co Fed Lib Sys	399,294	43,922	0
Mississippi River Reg Plan Com	233,349	25,668	0
Monroe City Housing Authority	130,897	14,399	0
Mosinee Fire Dist	128,893	20,623	0
Mt Horeb Area Fire Dept	187,514	31,371	0
Muni Court W Waukesha County	163,819	18,359	0
New Glarus Ems	103,105	16,497	0
New London City Housing Auth	92,166	10,968	4,705
New Richmond Ems	320,767	35,284	0
Nicolet Federated Library Sys	276,912	30,460	0
North Central Health Care Fac	26,055,831	2,866,141	0
North Central Wis Reg Plan Com	379,604	41,756	0
North Shore Fire Dept	8,069,953	1,736,611	0
North Shore Pub Saf Comm	627,674	69,044	0
North Shore Water Commission	452,952	49,825	0
Northern Bridges	6,198,019	681,782	0
Northern Moraine Utility Comm	113,332	12,467	0
Northern Waters Library Serv	371,745	40,892	0
Northwest Regional Plan Comm	1,131,271	133,490	16,835
Norway Sanitary District #1	247,534	27,229	0
Oconto City Housing Authority	106,654	11,732	0
Onalaska Comm Dev Auth	141,272	15,540	0
Oregon Area Fire - Ems Dist	486,405	77,825	0
Orfordville Vol Fire Prot Dist	34,841	5,575	0
Oshkosh City Housing Authority	1,323,685	145,605	0
Outagamie County Housing Auth	1,124,992	123,749	0
Outagamie Waupc Co Fed Libr Sy	569,176	62,609	0
Palmyra Fire District	26,661	4,266	0
Pell Lake Sanitary Dist #1	290,143	31,916	0
Phelps Sanitary District #1	51,505	5,666	0
Pleasant Springs San Dis #1	68,795	7,568	0
Plymouth City Housing Auth	87,043	9,575	0
Prairie Du Sac Jt Sewer Comm	50,858	5,594	0
Racine County Housing Auth	484,243	53,267	0
Reedsville Vil Housing Auth	25,489	2,804	0
Rhineland City Housing Auth	115,124	13,585	24,112
Rib Mountain Metro Sew Dist	390,380	42,942	0
Rice Lake City Housing Auth	226,511	32,165	103,978
Richland Center City Hous Auth	79,456	8,740	0
Richland Fire Department	25,864	3,645	0
Ripon Area Fire District	12,858	2,057	0
River Falls City Housing Auth	246,723	29,113	21,348
River Falls Municipal Utility	2,122,212	233,443	0
Sauk City Housing Authority	27,205	2,993	0
Sauk County Housing Authority	155,836	17,142	0
Sauk Prairie Ambulance Assoc	43,349	6,936	0
Sauk Prairie Police Commission	807,458	130,084	0
Sauk Prairie Recreation Comm	43,260	4,759	0
Sawyer County Housing Auth	114,614	12,608	0
Shawano City Housing Authority	198,794	23,458	45,218
Shawano County Housing Auth	133,767	14,714	0
Shawano Lake Sanitary Dist #1	601,503	66,165	0
Shawano Municipal Utilities	1,337,745	147,152	0
Sheboygan City Housing Auth	198,189	23,386	35,816
Sheboygan Sanitary District #2	3,242	357	0
Silver Lake San. Dist.	218,657	24,052	0
Slinger Village Housing Auth	49,339	5,427	0
South Central Library System	2,368,208	260,503	0
South Milwaukee Cda	196,800	21,648	0
Southeastern Wis Reg Plan Comm	3,328,786	366,167	0
Southwest Wis Library System	291,865	32,105	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Southwestern Wis Reg Plan Comm	412,633	45,390	0
Spooner City Housing Auth	73,177	8,049	0
Spooner Fire District	52,868	8,459	0
Stevens Point City Hous Auth	477,360	52,510	0
Superior City Housing Auth	1,008,750	110,963	0
Sw Family Care Alliance	1,838,804	202,268	0
Taylor County Housing Auth	48,550	5,340	0
Three Lakes Sanitary Dist #1	43,639	4,800	0
Trempealeau County Hous Auth	289,194	34,125	28,505
Unified Community Services	1,742,579	191,684	0
Valley Ridge Clean Water Comm	34,750	3,823	0
Vanguard Electric Util Comm	272,454	29,970	0
Verona Joint Fire Dist	229,854	36,777	0
Viroqua City Housing Authority	193,059	21,236	0
Wabeno Sanitary District #1	54,059	5,946	0
Wales/Genesee Joint Fire Bd	104,308	16,689	0
Walter E Olson Memorial Lib	93,863	10,325	0
Walworth County Metro Sew Dist	1,033,027	121,897	106,326
Washburn City Housing Auth	91,398	10,054	0
Watertown City Housing Auth	99,069	11,690	10,924
Waukesha City Housing Auth	618,258	68,008	0
Waunakee Area Ems	40,741	4,482	0
Waunakee Area Fire Dist	43,203	4,752	0
Waunakee Water & Light	1,017,280	111,901	0
Waupaca Chain O'Lakes San Dist	49,626	5,459	0
Wausaukee Village Hous Auth	112,641	12,391	0
Waverly Sanitary District	276,233	30,386	0
West Bend City Housing Auth	229,410	25,235	0
West Central Wi Bisolidis Comm	137,723	15,149	0
West Central Wis Reg Plan Comm	555,060	61,057	0
Western Racine Co Sewerage Dis	85,087	9,360	0
Western Wisconsin Cares	11,220,274	1,234,230	0
Winding Rivers Library Sys	376,068	41,367	0
Windsor Sanitary District #1	85,431	9,397	0
Winnefox Library System	754,766	83,024	0
Wis Dells-Lake Delton Sew Comm	174,870	19,236	0
Wisconsin Counties Association	1,349,941	148,494	0
Wisconsin Munic Mutal Ins Co	531,642	58,481	0
Wisconsin Rapids City Hs Auth	459,457	54,216	24,590
Wisconsin Towns Association	379,224	41,715	0
Wisconsin Valley Library Srv	435,426	47,897	0
Total Special Districts	163,840,307	19,419,186	984,057
<b>Towns</b>			
Addison, Town Of(Washington)	105,446	11,599	0
Alban, Town Of (Portage)	60,040	6,604	0
Albion, Town Of (Dane)	126,800	13,948	0
Albion, Town Of (Jackson)	24,024	2,643	0
Algoma, Town Of	69,090	7,600	0
Anson, Town Of (Chippewa)	90,982	11,646	42,299
Arbor Vitae, Town Of (Vilas)	165,400	20,840	25,511
Ashippun, Town Of (Dodge Co)	104,679	11,515	0
Ashland, Town Of (Ashland)	61,104	6,721	0
Athelstane, Town Of(Marinette)	74,574	8,203	0
Aztalan, Town Of(Jefferson)	69,033	9,402	94,092
Baileys Harbor, Town Of (Door)	279,963	30,796	0
Balsam Lake, Town Of (Polk)	46,079	5,069	0
Baraboo, Town Of (Sauk)	77,768	8,883	0
Barksdale, Town Of (Bayfield)	45,606	5,017	0
Barron, Town Of (Barron)	44,175	4,859	0
Bear Creek, Town Of (Sauk)	56,924	6,396	0
Belmont, Town Of (Lafayette)	29,610	3,257	0
Beloit, Town Of (Rock)	1,971,270	342,819	0
Bennett, Town Of (Douglas)	64,820	7,130	0
Bergen, Town Of (Vernon)	50,548	5,560	0
Berry, Town Of (Dane)	77,108	8,482	0
Bloomfield, Town Of (Walworth)	610,373	86,485	0
Blooming Grove, Town Of(Dane)	335,313	45,224	0
Blue Mounds, Town Of (Dane)	53,544	6,034	0
Boulder Junction, Town (Vilas)	229,650	33,153	0





<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Brigham, Town Of (Iowa)	109,437	12,038	0
Bristol, Town Of (Kenosha)	764,116	107,062	290,332
Brockway, Town Of (Jackson)	192,730	26,468	0
Brookfield, Town Of (Waukesha)	2,374,160	344,660	0
Brooklyn, Town Of (Green)	44,708	4,918	0
Brothertown, Town Of (Calumet)	53,548	9,906	85,286
Buchanan, Town Of (Outagamie)	165,997	18,260	0
Burke, Town Of (Dane)	204,355	22,479	0
Burlington, Town Of (Racine)	824,269	116,876	0
Campbell, Town Of (La Crosse)	539,163	73,239	0
Carey, Town Of (Iron)	38,273	4,210	0
Cassian, Town Of (Oneida)	74,031	8,143	0
Cedarburg, Town Of (Ozaukee)	541,907	59,610	0
Chetek, Town Of (Barron)	42,293	4,652	0
Clayton, Town Of (Winnebago)	235,565	25,912	0
Clear Lake, Town Of (Polk)	37,630	5,042	24,265
Clifton, Town Of (Monroe)	37,628	4,139	0
Clinton, Town Of (Barron)	50,025	5,503	0
Clover, Town Of (Bayfield)	71,336	7,919	0
Colby, Town Of (Clark)	37,152	4,087	0
Corning, Town Of (Lincoln)	29,420	3,236	0
Crescent, Town Of (Oneida)	76,145	8,376	0
Cross Plains, Town Of (Dane)	43,964	4,836	0
Dairyland, Town Of (Douglas)	40,534	4,459	0
Darien, Town Of (Walworth)	24,255	2,862	5,059
Delavan, Town Of (Walworth)	1,226,370	176,527	0
Delta, Town Of (Bayfield)	79,055	8,832	0
Delton, Town Of (Sauk)	145,124	16,185	0
Dover, Town Of (Racine)	203,885	22,427	0
Draper, Town Of (Sawyer)	63,557	6,991	0
Drummond, Town Of (Bayfield)	165,359	18,189	0
Dunkirk, Town Of (Dane)	88,874	9,776	0
Dunn, Town Of (Dane)	411,518	45,267	0
Eagle Point, Town Of (Chippewa)	109,191	12,209	0
East Troy, Town Of (Walworth)	695,045	99,401	0
Easton, Town Of (Marathon)	84,134	9,255	0
Eau Galle, Town Of (Dunn)	43,645	5,892	46,430
Elk Mound, Town Of	34,517	3,797	0
Erin, Town Of (Washington)	154,143	17,041	0
Exeter, Town Of (Green County)	74,995	8,249	0
Farmington, Town Of (Lacrosse)	69,850	7,683	0
Farmington, Town Of (Waupaca)	42,576	5,067	0
Flambeau, Town Of (Rusk)	24,650	3,401	16,789
Florence, Town Of (Florence)	692,168	76,439	0
Franklin, Town Of (Manitowoc)	65,835	7,411	0
Freedom, Town Of (Outagamie)	271,606	34,583	0
Freedom, Town Of (Sauk)	34,381	3,782	0
Fulton, Town Of (Rock)	44,943	4,944	0
Geneva, Town Of (Walworth)	784,552	108,569	0
Georgetown, Town Of (Polk)	38,731	7,049	118,907
Germantown, Town Of	105,384	11,592	0
Gibraltar, Town Of (Door)	157,604	17,336	0
Gilman, Town Of (Pierce)	48,786	5,366	0
Goodman, Town Of (Marquette)	42,868	4,715	0
Grand Chute, Town Of (Outagamie)	5,191,878	749,057	0
Grand Rapids, Town Of (Wood)	619,006	85,485	0
Grant, Town Of (Portage)	39,203	4,312	0
Gratiot, Town Of (Lafayette)	69,739	7,671	0
Green Lake, Town Of (Grn Lake)	43,804	4,818	0
Greenfield, Town Of (Lacrosse)	74,559	8,202	0
Greenville, Town Of (Outagamie)	974,735	108,918	0
Greenwood, Town Of (Vernon)	48,292	5,312	0
Hamburg, Town Of (Vernon)	48,743	5,362	0
Hayward, Town Of (Sawyer)	72,586	7,984	0
Hazelhurst, Town Of (Oneida)	111,893	12,449	0
Highland, Town Of (Iowa)	87,961	9,773	0
Hughes, Town Of (Bayfield)	56,701	6,237	0
Hull, Town Of (Portage)	248,773	27,673	0
Iron River, Town Of (Bayfield)	380,911	48,596	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Ixonia, Town Of (Jefferson)	253,832	27,922	0
Jackson, Town Of (Washington)	188,352	20,719	0
Jefferson, Town Of (Jefferson)	12,454	1,370	0
Kimball, Town Of (Iron)	86,283	11,648	52,200
Knight, Town Of (Iron)	59,530	6,548	0
Komensky, Town Of (Jackson)	44,408	4,885	0
La Pointe, Town Of (Ashland)	668,624	81,300	0
La Valle, Town Of (Sauk)	120,102	13,317	0
Lac Du Flambeau, Town (Vilas)	276,444	34,672	139,641
Lafayette, Town Of (Chippewa)	167,976	18,755	0
Lafayette, Town Of (Walworth)	82,635	9,360	0
Lake Holcombe, Town (Chippewa)	52,895	5,818	0
Lake, Town Of (Marinette)	59,500	6,680	0
Laketown, Town Of (Polk)	43,409	4,775	0
Land O Lakes, Town Of (Vilas)	306,048	36,226	7,515
Laona, Town Of (Forest)	174,674	21,328	0
Lebanon, Town Of (Dodge)	94,349	10,378	0
Ledgeview, Town Of (Brown)	358,732	39,461	0
Lincoln, Town Of (Vilas)	35,500	4,224	0
Linn, Town Of (Walworth)	629,359	91,559	0
Lisbon, Town Of (Waukesha)	857,014	106,428	0
Lodi, Town Of (Columbia)	43,890	4,828	0
Lyons, Town Of (Walworth)	116,135	12,948	0
Madison, Town Of (Dane)	2,256,035	403,233	0
Maple, Town Of (Douglas)	55,760	6,134	0
Marengo, Town Of (Ashland)	41,189	4,531	0
Marion, Town Of (Waushara)	51,146	7,219	0
Martell, Town Of (Pierce)	40,317	4,435	0
Mazomanie, Town Of (Dane)	60,692	6,856	0
Medford, Town Of (Taylor)	51,455	5,660	0
Menasha, Town Of (Winnebago)	4,703,512	622,044	0
Mercer, Town Of (Iron)	267,356	29,713	0
Merton, Town Of (Waukesha)	569,692	62,666	0
Middleton, Town Of (Dane)	372,965	41,026	0
Milltown, Town Of (Polk)	90,324	13,458	52,000
Minocqua, Town Of (Oneida)	1,548,689	220,399	312,309
Minong, Town Of (Washburn)	155,016	17,052	0
Mishicot, Town Of (Manitowoc)	41,383	4,552	0
Montrose, Town Of (Dane)	45,833	5,042	0
Mukwonago, Town Of	554,951	79,734	0
New Glarus, Town Of (Green)	90,126	9,914	0
New Haven, Town Of (Dunn)	56,056	6,615	3,852
Newbold, Town Of (Oneida)	226,759	25,304	0
Norway, Town Of (Racine)	448,475	53,302	0
Oakdale, Town Of (Monroe)	45,141	4,966	0
Oakland, Town Of (Jefferson)	149,754	16,473	0
Oconomowoc, Town Of (Waukesha)	1,303,512	183,536	0
Oma, Town Of (Iron)	82,557	9,081	0
Onalaska, Town Of (La Crosse)	147,463	16,221	0
Oregon, Town Of (Dane)	154,126	16,954	0
Orienta, Town Of (Bayfield)	32,088	3,530	0
Ottawa, Town Of (Waukesha)	62,994	6,929	0
Parkland, Town Of (Douglas)	87,887	9,755	1,426
Pelican, Town Of (Oneida)	84,803	9,328	0
Phelps, Town Of (Vilas)	166,330	18,296	0
Pine Lake, Town Of (Oneida)	97,086	10,679	0
Pleasant Springs, Town (Dane)	136,316	14,995	0
Pleasant Valley, Town (Eauclir)	76,884	9,687	4,743
Plover, Town Of (Portage)	32,155	3,537	0
Port Wing, Town Of (Bayfield)	63,560	6,992	0
Prairie Lake, Town Of (Barron)	43,531	4,788	0
Presque Isle, Town Of (Vilas)	222,859	24,801	0
Preston, Town Of (Adams)	55,488	6,204	0
Primrose, Town Of (Dane)	46,416	5,106	0
Quincy, Town Of (Adams)	114,585	12,888	0
Raymond, Town Of (Racine)	219,102	24,101	0
Rib Mountain, Town (Marathon)	798,803	97,849	0
Richfield, Village Of (Washing)	459,931	50,592	0
Richmond, Town Of (Walworth)	60,366	6,748	0





<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Ripon, Town Of(Fond Du Lac)	90,507	12,273	0
River Falls, Town Of (Pierce)	112,364	12,540	0
Rome, Town Of (Adams)	1,060,291	142,122	0
Rudolph, Town Of (Wood)	45,141	4,965	0
Rutland, Town Of (Dane)	105,293	11,831	0
Sanborn, Town Of (Ashland)	94,563	10,616	0
Scott, Town Of (Sheboygan)	67,114	7,383	0
Sharon, Town Of (Portage)	67,963	7,476	0
Sharon, Town Of (Walworth)	45,067	4,957	0
Sheboygan, Town Of (Sheboygan)	414,725	45,620	0
Shelby, Town Of (La Crosse)	517,084	62,485	0
Somers, Town Of (Kenosha)	1,473,231	199,161	0
Somerset, Town Of (St Croix)	139,324	15,326	0
South Lancaster, Town (Grant)	35,892	3,948	0
Sparta, Town Of (Monroe)	45,170	5,047	0
Spirit, Town Of (Price)	34,434	4,132	2,120
Spring Lake, Town Of (Pierce)	43,119	4,743	0
Springdale, Town Of (Dane)	57,167	6,392	0
Springfield, Town Of (Dane)	126,886	13,958	0
Springfield, Town Of (Jackson)	29,153	3,848	40,052
St Germain, Town Of (Vilas)	341,575	37,899	0
Stanton, Town Of (Dunn)	58,134	6,523	0
Stettin, Town Of (Marathon)	139,040	15,878	0
Stockton, Town Of (Portage)	131,973	14,757	0
Strongs Prairie, Town Of(Adms)	57,305	6,304	0
Sullivan, Town Of (Jefferson)	76,099	8,371	0
Summit, Town Of (Douglas)	93,521	10,287	0
Summit, Town Of (Juneau)	51,689	5,686	0
Sumner, Town Of (Barron)	31,866	3,505	0
Superior, Town Of (Douglas)	50,918	7,078	100,711
Tainter, Town Of (Dunn)	96,970	10,667	0
Theresa, Town Of (Dodge)	62,235	6,959	0
Three Lakes, Town Of (Oneida)	585,975	74,697	0
Tiffany, Town Of (Dunn)	32,921	3,621	0
Trade Lake, Town Of (Burnett)	44,944	4,944	0
Trempealeau, Town (Trempeleau)	98,823	10,871	0
Trenton, Town Of (Washington)	254,769	28,929	0
Troy, Town Of (Walworth)	81,622	9,839	6,624
Turtle Lake, Town Of (Barron)	43,548	4,790	0
Vermont, Town Of (Dane)	61,507	6,907	0
Vernon, Town Of (Waukesha)	516,945	57,389	0
Verona, Town Of (Dane)	206,225	22,685	0
Vienna, Town Of (Dane)	143,318	16,185	0
Viroqua, Town Of (Vernon)	99,375	11,229	2,155
Wabeno, Town Of (Forest)	113,963	15,554	24,099
Walworth, Town Of (Walworth)	51,879	6,122	10,037
Warren, Town Of	31,521	3,467	0
Wascott, Town Of (Douglas)	186,351	21,282	0
Washington, Town Of (Door)	448,723	53,500	0
Washington, Town Of (Lacrosse)	46,427	5,107	0
Washington, Town Of (Vilas)	148,774	16,552	0
Washington, Town Of(Eauclaire)	285,971	31,457	0
Waterford, Town Of (Racine)	710,357	107,511	0
Waukesha, Town Of(Waukesha)	377,423	50,112	0
Wayne, Town Of (Lafayette)	42,384	4,662	0
Wescott, Town Of (Shawano)	191,160	21,028	0
West Bend, Town Of(Washington)	150,647	16,571	0
West Sweden, Town Of (Polk)	39,288	4,322	0
Westfield, Town Of (Sauk Co)	1,897	209	0
Weston, Town Of (Marathon)	10,800	1,285	0
Westport, Town Of (Dane)	419,247	46,117	0
Wheaton, Town Of (Chippewa)	110,933	12,331	0
Wilson, Town Of (Sheboygan)	131,894	15,015	0
Wilton, Town Of (Monroe)	32,517	3,577	0
Windsor, Town Of (Dane)	600,573	78,675	4,245
Winter, Town Of (Sawyer)	161,676	18,024	0
Wiota, Town Of (Lafayette)	66,738	7,341	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Woodruff, Town Of (Oneida)	510,758	71,010	0
Yorkville, Town Of (Racine)	78,235	8,606	0
<b>Total Towns</b>	<b>59,768,223</b>	<b>7,810,935</b>	<b>1,512,700</b>
<b>Counties</b>			
Adams County	10,309,925	1,213,304	0
Ashland County	6,350,946	783,611	0
Barron County	12,748,061	1,534,813	0
Bayfield County	6,978,491	917,150	0
Brown County	69,788,656	8,855,450	0
Buffalo County	4,661,104	565,070	0
Burnett County	6,680,474	779,823	0
Calumet County	11,884,533	1,377,633	0
Chippewa County	16,055,922	1,966,208	0
Clark County	19,904,835	2,335,072	0
Columbia County	21,076,158	2,451,453	0
Crawford County	6,211,192	848,947	1,285,507
Dane County	125,321,239	16,741,540	0
Dodge County	38,413,891	4,413,803	0
Door County	16,412,869	2,062,723	0
Douglas County	13,438,762	2,040,231	6,168,771
Dunn County	20,423,609	2,519,171	0
Eau Claire County	23,108,111	2,790,023	0
Florence County	3,097,351	407,602	0
Fond Du Lac County	36,871,794	4,383,124	0
Forest County	4,227,519	511,134	0
Grant County	15,640,161	1,793,839	0
Green County	15,174,223	1,807,865	0
Green Lake County	8,540,135	1,049,699	0
Iowa County	9,230,570	1,111,268	0
Iron County	3,496,483	438,001	0
Jackson County	7,498,388	876,416	0
Jefferson County	25,949,061	3,254,737	0
Juneau County	10,125,951	1,249,537	0
Kenosha County	50,972,618	6,111,076	0
Kewaunee County	8,296,019	1,012,229	0
La Crosse County	47,867,603	5,474,294	0
Lafayette County	11,360,178	1,323,633	0
Langlade County	7,883,279	921,844	0
Lincoln County	15,725,775	1,820,525	0
Manitowoc County	20,636,762	2,481,115	0
Marathon County	37,212,172	4,450,834	0
Marinette County	15,658,698	1,809,064	0
Marquette County	6,994,349	879,891	0
Menominee County	3,056,601	361,282	0
Monroe County	14,720,520	1,719,701	0
Oconto County	12,375,177	1,449,201	0
Oneida County	12,747,438	1,518,132	0
Outagamie County	51,369,274	6,097,551	0
Ozaukee County	27,659,730	3,316,605	0
Pepin County	4,136,049	498,681	0
Pierce County	13,422,976	1,663,567	0
Polk County	20,095,217	2,386,657	0
Portage County	25,320,898	3,057,514	0
Price County	6,150,841	742,086	0
Racine County	40,299,407	5,343,863	0
Richland County	10,553,363	1,205,823	0
Rock County	54,142,222	6,789,860	0
Rusk County	15,224,076	1,754,689	0
Sauk County	27,555,532	3,347,334	0
Sawyer County	7,484,002	902,635	0
Shawano County	15,745,411	1,945,243	0
Sheboygan County	39,587,452	4,616,147	0
St Croix County	27,748,256	3,293,393	0
Taylor County	7,573,291	930,739	0
Trempealeau County	17,932,027	2,043,622	0
Vernon County	10,893,892	1,262,553	0
Vilas County	8,784,822	1,119,789	0
Walworth County	40,383,939	4,942,732	0
Washburn County	7,287,729	880,614	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Washington County	34,913,244	4,172,358	0
Waukesha County	76,341,108	9,139,116	0
Waupaca County	19,641,573	2,273,346	0
Waushara County	11,639,820	1,461,024	0
Winnebago County	48,213,405	5,987,036	0
Wood County	27,518,885	3,276,723	0
<b>Total Counties</b>	<b>1,532,746,044</b>	<b>186,863,369</b>	<b>7,454,278</b>
<b>School Districts</b>			
Abbotsford School District	3,195,571	351,513	0
Adams-Friendship Area School District	11,338,927	1,247,282	0
Albany School District	2,645,675	291,024	0
Algoma School District	3,553,330	390,866	0
Alma Center-Humbrd-Meril School District	3,417,162	416,894	467,808
Alma School District	1,827,286	201,002	0
Almond-Bancroft School District	2,328,992	256,189	0
Altoona School District	8,048,747	885,362	0
Amery School District	10,322,219	1,135,444	0
Antigo Unified School District	14,770,439	1,624,748	0
Appleton Area School District	84,127,473	9,254,022	0
Arbor Vitae-Woodruff Jsd #1	2,990,365	328,940	0
Arcadia School District	5,896,337	648,597	0
Argyle School District	1,699,502	186,945	0
Arrowhead Union High School District	13,608,687	1,496,956	0
Ashland School District	12,037,742	1,324,152	0
Ashwaubenon School District	16,588,289	1,824,712	0
Athens School District	2,331,943	256,514	0
Auburndale School District	3,644,197	400,862	0
Augusta School District	3,879,610	426,757	0
Baldwin-Woodville Area School District	8,774,891	965,238	0
Bangor School District	3,263,832	359,022	0
Baraboo School District	16,876,236	1,856,386	0
Barneveld School District	2,197,036	241,674	0
Barron Area School District	7,699,125	846,904	0
Bayfield School District	4,012,203	441,342	0
Beaver Dam Unified School District	22,399,217	2,463,914	0
Beecher Dunbar Pembine School District	1,597,425	175,717	0
Belleville School District	5,416,647	595,831	0
Belmont Community School District	1,877,313	206,504	0
Beloit School District	43,976,358	4,837,399	0
Beloit Turner School District	7,654,155	841,957	0
Benton School District	1,259,092	153,609	585,977
Berlin Area School District	8,775,706	965,328	0
Big Foot Uhs School District	2,957,135	325,285	0
Birchwood School District	1,816,925	199,862	0
Black Hawk School District	2,866,318	315,295	0
Black River Falls School District	10,805,133	1,188,565	0
Blair-Taylor School District	3,466,131	381,274	0
Bloomer School District	5,285,705	581,428	0
Bonduel School District	4,744,348	521,878	0
Boscobel School District	5,408,958	649,075	1,126,326
Bowler School District	2,512,153	276,337	0
Boyceville Community School District	4,169,036	508,622	0
Brighton School District #1	751,351	82,649	0
Brillion Public School District	4,617,731	507,950	0
Bristol, Town, School District #1	3,120,712	343,278	0
Brodhead School District	6,124,608	759,451	0
Brown Deer School District	10,615,091	1,167,660	0
Bruce School District	3,002,970	330,327	0
Burlington Area School District	20,539,103	2,259,301	0
Butternut School District	1,205,575	132,613	0
Cadott Comm School District	4,218,211	464,003	0
Cambria-Friesland School District	2,562,991	312,685	391,632
Cambridge School District	5,427,970	667,640	551,367
Cameron School District	4,824,843	530,733	0
Campbellsport School District	8,001,721	880,189	0
Cashton School District	3,165,089	348,160	0
Cassville School District	1,559,094	171,500	0
Cedar Grove-Belgium School District	5,852,155	643,737	0
Cedarburg School District	16,505,577	1,815,613	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Chequamegon School District	4,985,580	548,414	0
Chetek School District	3,097,644	340,741	0
Chetek-Weyerhaeuser Area School District	2,254,199	247,962	0
Chilton School District	5,634,361	619,780	0
Chippewa Falls Area Unif School	24,018,256	2,978,264	0
Clayton School District	2,490,904	273,999	0
Clear Lake School District	3,663,707	403,008	0
Clinton Community School District	6,259,677	688,565	0
Clintonville Public School District	9,008,938	1,117,108	1,740,108
Cochrane-Fountain City School District	3,164,119	348,053	0
Colby School District	3,946,542	434,120	0
Coleman School District	3,619,313	398,125	0
Colfax School District	4,606,633	562,009	537,814
Columbus School District	6,528,814	809,573	0
Cornell School District	2,253,396	247,874	0
Crandon School District	5,842,076	642,628	0
Crivitz School District	3,363,828	370,021	0
Cuba City School District	4,070,284	447,731	0
Cudahy School District	17,868,367	1,965,520	0
Cumberland School District	6,083,103	669,141	0
D C Everest Area School District	35,346,218	3,888,084	0
Darlington Comm School District	4,618,901	572,744	1,167,984
Deerfield Comm School District	4,825,244	530,777	0
Deforest Area School District	19,078,787	2,098,667	0
Delavan-Darien School District	12,967,756	1,620,969	2,406,547
Denmark School District	7,876,275	866,390	0
Depere Unified School District	20,944,943	2,303,944	0
Desoto Area School District	3,341,161	367,528	0
Dodgeand School District	4,879,956	536,795	0
Dodgeville School District	6,598,579	811,625	903,370
Drummond School District	2,514,776	276,625	0
Durand School District	5,193,108	571,242	0
East Troy Community School District	9,355,291	1,160,056	1,075,014
Eau Claire Area School District	59,428,628	6,537,149	0
Edgar School District	3,049,509	335,446	0
Edgerton School District	10,197,270	1,254,264	2,922,021
Elcho School District	2,537,086	279,080	0
Eleva-Strum School District	3,373,192	371,051	0
Elk Mound Area School District	5,157,654	567,342	0
Elkhart Lake-Glenbeulah School Ds	2,920,852	321,294	0
Elkhorn Area School District	16,458,498	2,040,854	589,525
Ellsworth Comm School District	9,150,954	1,006,605	0
Elmbrook School District	51,230,731	5,635,380	0
Elmwood School District	2,214,904	243,639	0
Erin School District #2	1,560,745	171,682	0
Evansville Comm School District	11,213,427	1,233,477	0
Fall Creek School District	4,183,152	460,147	0
Fall River School District	2,203,372	242,371	0
Fennimore Community School District	4,912,365	540,360	0
Flambeau School District	3,495,345	384,488	0
Florence County School District	2,998,192	329,801	0
Fond Du Lac School District	42,668,861	4,693,575	0
Fontana Jt School District #8 Etal	1,633,718	179,709	0
Fort Atkinson School District	16,442,935	1,808,723	0
Fox Point Jt School District # 2 Etal	6,287,915	691,671	0
Franklin Public School District	26,282,245	3,258,998	790,077
Frederic School District	2,891,913	318,110	0
Freedom Area School District	8,222,153	904,437	0
Friess Lake School District	1,576,913	192,383	0
Galesville School District Etal	8,680,434	1,076,374	0
Geneva Jt School District #4 Etal	946,579	113,590	162,754
Genoa City Jt School District #2 Etal	3,127,193	390,899	0
Germantown School District	22,904,152	2,817,211	0
Gibraltar Area School District	4,735,404	520,894	0
Gillett School District	2,989,720	328,869	0
Gilman School District	2,222,298	244,453	0
Gilmanton School District	761,613	94,440	299,538
Glendale-River Hills School District	6,186,995	680,569	0
Glenwood City School District	4,025,086	442,759	0



<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Goodman-Armstrong School District	977,202	107,492	0
Grafton School District	12,851,646	1,580,753	4,159,055
Granton Area School District	1,564,374	172,081	0
Grantsburg School District	4,539,182	499,310	0
Green Bay Area Public Schools	128,353,077	14,118,839	0
Green Lake School District	2,200,329	242,036	0
Greendale School District	16,159,641	1,777,560	0
Greenfield School District	19,252,516	2,117,777	0
Greenwood School District	2,354,634	259,010	0
Gresham School District	1,386,569	152,523	0
Hamilton School District	25,651,762	2,821,694	0
Hartford Jt School District #1 Etal	9,579,188	1,053,711	0
Hartford Union High School District	9,674,424	1,064,187	0
Hartland Jt School District #3 Etal	7,134,885	784,837	0
Hayward Community School District	10,079,911	1,108,790	0
Herman School District #22	437,088	52,451	153,643
Highland School District	1,308,634	162,271	512,397
Hilbert School District	2,626,657	288,932	0
Hillsboro School District	2,985,399	328,394	0
Holmen School District	23,862,639	2,768,066	615,828
Horicon School District	4,968,572	546,543	0
Hortonville Area School District	18,338,594	2,017,245	0
Howards Grove School District	5,309,709	584,068	0
Howard-Suamico School District	26,466,955	2,911,365	0
Hudson School District	28,918,030	3,180,983	0
Hurley School District	3,483,211	383,153	0
Hustisford School District	2,435,665	267,923	0
Independence School District	2,117,333	232,907	0
Iola-Scandinavia School District	4,029,390	443,233	0
Iowa-Grant School District	4,851,050	533,616	0
Ithaca School District	2,010,113	241,214	17,833
Janesville School District	63,796,185	7,017,580	0
Jefferson School District	10,616,163	1,167,778	0
Johnson Creek School District	3,857,432	466,749	0
Juda School District	1,368,012	150,481	0
Kansasville Dover District #1	467,950	55,686	52,321
Kaukauna Area School District	20,542,557	2,259,681	0
Kenosha Unified School District #1	146,265,880	16,089,247	0
Kettle Moraine School District	23,600,111	2,596,012	0
Kewaskum School District	11,062,181	1,360,648	1,987,076
Kewaunee School District	5,528,726	608,160	0
Kickapoo Area School District	2,737,899	301,169	0
Kiel Area School District	7,739,568	975,186	2,202,371
Kimberly Area School District	21,880,928	2,406,902	0
Kohler School District	3,822,174	420,439	0
La Crosse School District	50,719,898	6,238,547	8,309,349
Lac Du Flambeau School District #1	4,544,026	499,843	0
Ladysmith-Hawkins School District	6,081,874	669,006	0
Lafarge School District	1,782,971	196,127	0
Lake Country School District	2,991,086	329,019	0
Lake Geneva Jt School District #1 Etal	10,772,396	1,335,777	564,398
Lake Geneva School District	8,831,731	1,095,135	1,461,933
Lake Holcombe School District	2,212,169	243,339	0
Lake Mills Area School District	7,051,936	867,388	0
Lakeland Union High School District	5,788,831	636,771	0
Lancaster Comm School District	4,812,646	529,391	0
Laona School District	1,274,227	140,165	0
Lena Public School District	2,031,196	223,432	0
Linn Jt School District #4 Etal	902,679	111,029	128,749
Linn Jt School District #6 Etal	826,526	90,918	0
Little Chute Area School District	8,576,897	943,459	0
Lodi School District	9,077,538	998,529	0
Lomira School District	6,270,473	758,727	145,323
Loyal School District	2,896,114	318,572	0
Luck School District	3,150,033	384,304	410,610
Luxemburg-Casco School District	8,352,399	918,764	0
Madison Metro School District	190,702,784	20,977,306	0
Manawa School District	4,611,624	507,279	0
Manitowoc Public School District	33,096,150	3,640,577	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Maple Dale-Indian Hill School District	2,888,804	358,212	1,100,037
Maple School District	8,058,315	886,415	0
Marathon City School District	2,763,450	303,979	0
Marinette School District	9,459,338	1,040,527	0
Marion School District	2,072,049	254,862	1,345,044
Markesan School District	4,055,311	446,084	0
Marshall Jt School District #2 Etal	7,162,335	787,857	0
Marshfield Unified School District	23,696,805	2,606,649	0
Mauston School District	8,182,829	900,111	0
Mayville School District	7,110,532	782,159	0
Mcfarland School District	13,655,519	1,502,107	0
Medford Area Public Schl District	11,272,529	1,386,521	0
Mellen School District	1,374,389	151,183	0
Melrose-Mindoro School District	4,225,258	507,031	0
Menasha Joint School District	21,596,770	2,375,645	0
Menominee Indian School District	7,690,680	845,975	0
Menomonee Falls School District	27,841,599	3,062,576	0
Menomonie Area School District	19,112,711	2,102,398	0
Mequon-Thiensville School District	23,536,236	2,588,986	0
Mercer School District	1,070,403	117,744	0
Merrill Area Common Pub School	16,898,005	1,858,781	0
Merton Community School District	5,646,766	621,144	0
Middleton-Cross Plns School District	40,435,023	4,447,853	0
Milton School District	16,478,614	1,812,648	0
Milwaukee Teachers Retirem Sys	421,773,059	46,395,037	0
Mineral Point Unif School District	3,498,766	384,864	0
Minocqua Jt School District #1 M-H-Lt	3,436,769	378,045	0
Mishicot School District	5,369,963	590,696	0
Mondovi School District	5,515,059	606,656	0
Monona Grove School District	19,376,663	2,131,433	0
Monroe School District	16,900,128	1,859,014	0
Montello School District	3,781,947	416,014	0
Monticello School District	2,248,086	247,289	0
Mosinee School District	12,391,923	1,363,112	0
Mount Horeb Area School District	13,600,155	1,496,017	0
Mukwonago School District	26,302,959	2,893,326	0
Muskego-Norway School District	30,816,493	3,389,814	0
Necedah Area School District	4,209,425	463,037	0
Neenah Joint School District	34,456,818	3,790,250	0
Neillsville School District	5,277,011	580,471	0
Nekoosa School District	6,592,330	725,156	0
Neosho Jt School District #3 Etal	983,708	120,996	220,889
New Auburn School District	1,816,643	199,831	0
New Berlin School District	24,560,408	3,020,930	0
New Glarus School District	4,875,418	536,296	0
New Holstein School District	5,510,046	688,756	1,881,542
New Lisbon School District	3,304,477	363,492	0
New London School District	12,767,705	1,570,428	2,804,774
New Richmond School District	14,235,503	1,565,905	0
Niagara School District	2,724,150	299,656	0
Nicolet High School District	9,530,674	1,048,374	0
Norris School District	937,237	117,155	62,787
North Cape Consolidated S District	993,993	109,339	0
North Crawford School District	2,831,920	311,511	0
North Fond Du Lac School District	6,356,353	788,188	197,653
North Lake School District	1,537,503	190,650	43,184
North Lakeland School District	1,555,508	217,771	258,202
Northern Ozaukee School District	6,746,816	836,605	1,190,204
Northland Pines School District	9,103,497	1,001,385	0
Northwood School District	2,507,770	275,855	0
Norwalk-Ontario School District	4,057,183	446,290	0
Norway-Raymond Jt#7 School District	502,168	61,767	74,909
Oak Creek-Franklin Jt School District	33,864,821	3,725,130	0
Oakfield School District	3,084,405	339,285	0
Oconomowoc Area School District	22,005,267	2,420,579	0
Oconto Falls Public School District	10,923,297	1,201,563	0
Oconto Unified School District	7,162,180	787,840	0
Omro School District	6,614,618	727,608	0
Onalaska School District	16,445,119	1,808,963	0





<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Oostburg School District	4,924,331	541,676	0
Oregon School District	22,909,716	2,520,069	0
Osceola School District	10,054,302	1,246,733	445,554
Oshkosh Area School District	54,965,935	6,046,253	0
Osseo-Fairchild School District	4,850,479	533,553	0
Owen-Withee School District	3,267,569	359,433	0
Palmyra-Eagle Area School District	6,278,208	690,603	0
Pardeeville Area School District	4,953,310	604,304	664,812
Paris Jt School District #1 Etal	885,291	109,776	0
Parkview School District	6,466,661	711,333	0
Pecatonica Area School District	2,801,461	358,587	1,000,502
Pepin Area School District	1,807,610	198,837	0
Peshtigo School District	6,281,626	690,979	0
Pewaukee School District	13,843,705	1,522,808	0
Phelps School District	1,121,565	123,372	0
Phillips School District	5,184,779	632,543	0
Pittsville School District	3,375,689	371,326	0
Platteville School District	8,714,077	958,549	0
Plum City School District	1,466,381	161,302	0
Plymouth Joint School District	14,180,480	1,559,853	0
Port Edwards School District	2,552,003	280,720	0
Port Washington-Sauville School	16,691,522	1,836,067	0
Portage Community School District	15,337,734	1,687,151	0
Potosi School District	2,244,871	246,936	0
Poynette School District	5,947,903	731,592	927,349
Prairie Du Chien Area School District	6,473,298	712,063	0
Prairie Farm Public School District	1,852,023	203,723	0
Prentice School District	2,884,023	317,243	0
Prescott School District	7,594,633	835,410	0
Princeton School District	2,214,407	261,300	354,613
Pulaski Community School District	23,159,336	2,547,527	0
Racine Unified School District	129,851,359	14,283,649	0
Randall Jt School District #1 Etal	3,987,496	438,625	0
Randolph School District	3,214,854	353,634	0
Random Lake School District	5,557,243	611,297	0
Raymond School District #14	2,412,429	265,367	0
Reedsburg School District	15,113,348	1,662,468	0
Reedsville School District	3,889,328	427,826	0
Rhineland School District	14,359,068	1,579,498	0
Rib Lake School District	2,281,774	250,995	0
Rice Lake Area School District	13,677,538	1,504,529	0
Richfield Jsd #1	1,320,193	161,064	345,040
Richland School District	7,505,303	923,152	2,288,005
Richmond School District	2,092,594	230,185	0
Rio Community School District	2,819,507	310,146	0
Ripon Area School District	10,176,085	1,119,369	0
River Falls School District	17,185,026	1,890,353	0
River Ridge School District	3,173,973	349,137	0
River Valley School District	8,698,544	1,052,524	1,656,477
Riverdale School District	3,098,414	381,105	0
Rosendale-Brandon School District	5,575,205	613,273	0
Rosholt School District	3,130,479	344,353	0
Royall School District	3,036,401	334,004	0
Rubicon Jt School District #6 Etal	653,950	71,934	0
Salem School District	5,163,984	635,170	702,689
Sauk Prairie School District	15,869,022	1,951,890	1,539,291
Seneca School District	1,443,297	158,763	0
Sevastopol School District	3,502,102	385,231	0
Seymour Community School District	13,312,727	1,464,400	0
Sharon Jt School District # 11 Etal	1,346,114	165,572	336,056
Shawano School District	13,945,259	1,533,979	0
Sheboygan Area School District	70,405,748	7,744,632	0
Sheboygan Falls School District	9,897,202	1,088,692	0
Shell Lake School District	3,439,942	378,394	0
Shiocton School District	4,072,943	448,024	0
Shorewood School District	12,480,564	1,372,862	0
Shullsburg School District	1,957,430	240,764	420,303
Silver Lake Jt School District #1 Etal	2,393,873	296,840	63,641
Siren School District	3,005,536	369,681	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Slinger School District	14,607,936	1,796,776	578,954
Solon Springs School District	2,134,248	260,378	250,192
Somerset School District	8,898,267	978,809	0
South Milwaukee School District	21,783,239	2,396,156	0
South Shore School District	1,312,533	144,379	0
Southern Door County School District	6,970,873	766,796	0
Southwestern Wisc Comm School District	2,578,675	283,654	0
Sparta Area School District	14,433,632	1,587,700	0
Spencer School District	3,381,330	371,946	0
Spooner Area School District	7,612,079	837,329	0
Spring Valley School District	4,175,310	501,037	383,974
St Croix Central School District	7,082,027	779,023	0
St Croix Falls School District	6,533,657	803,640	0
St Francis School District #6	7,433,046	817,635	0
Stanley-Boyd Area School District	4,968,517	546,537	0
Stevens Point Area Pub School District	43,349,442	4,768,439	0
Stockbridge School District	1,146,378	126,102	0
Stone Bank School District	1,949,593	214,455	0
Stoughton Area School District	19,412,486	2,135,373	0
Stratford School District	3,888,242	427,707	0
Sturgeon Bay School District	7,492,509	824,176	0
Sun Prairie Area School District	41,224,331	4,534,676	0
Superior School District	29,145,118	3,205,963	0
Suring Public School District	2,551,754	280,693	0
Swallow School District	2,506,963	275,766	0
Thorp School District	3,168,062	348,487	0
Three Lakes School District	3,740,953	411,505	0
Tigerton School District	1,261,351	138,749	0
Tomah Area School District	18,010,290	1,981,132	0
Tomahawk School District	7,910,238	870,126	0
Tomorrow River School District	5,093,590	560,295	0
Trevor-Wilmot Cons Gr S.D.	3,332,914	366,621	0
Tri-County Area School Dist-PlnfDistrict	4,097,887	450,768	0
Turtle Lake School District	2,911,694	320,286	0
Twin Lakes School District #4	2,418,586	266,044	0
Two Rivers Public School District	10,955,978	1,205,158	0
Union Grove Jt School District #1 Etal	3,833,904	421,729	0
Union Grove Union High School District	4,228,475	465,132	0
Unity School District	6,638,114	730,193	0
Valders Area School District	6,137,774	736,533	0
Verona Area School District	33,251,706	3,657,688	0
Viroqua Area School District	6,278,338	690,617	0
Wabeno Area School District	2,804,911	308,540	0
Walworth Jt School District # 1 Etal	2,377,002	294,748	0
Washburn School District	3,304,875	363,536	0
Washington School District	702,082	84,952	85,212
Washington-Caldwell School District	1,100,842	135,404	4,099
Waterford Union High School District	6,490,570	713,963	0
Waterford Vil Jt School District #1	7,365,961	810,256	0
Waterloo School District	4,650,739	562,739	536,029
Watertown Unified School District	22,151,904	2,724,684	4,280,995
Waukesha School District	79,478,324	8,742,616	0
Waunakee Community School District	21,640,988	2,640,201	424,499
Waupaca School District	14,239,149	1,566,306	0
Waupun Area School District	11,595,573	1,275,513	0
Wausau School District	55,594,688	6,115,416	0
Wausaukee School District	2,474,557	272,201	0
Wautoma Area School District	8,732,213	960,543	0
Wauwatosa School District	42,476,841	4,672,453	0
Wauzeka Jt School District Etal	1,986,246	218,487	0
Webster School District	3,896,486	428,613	0
West Allis-West Milw School District	48,385,659	5,322,423	0
West Bend Jt School District #1	39,452,136	4,339,735	0
West Depere School District	14,334,533	1,763,148	2,098,107
West Salem School District	8,956,073	985,168	0
Westby Area School District	6,245,308	686,984	0
Westfield School District	5,692,319	700,155	20,424
Weston School District	1,986,252	238,350	350,372
Westosha Central High School District	6,357,844	699,363	0





<b>Name</b>	<b>Covered Payroll</b>	<b>Total Contributions</b>	<b>Unfunded Liability Balance</b>
Weyauwega-Fremont School District	5,371,678	590,885	0
Weyerhaeuser Area School District	696,045	86,310	0
Wheatland Jt School District #1 Etal	2,426,216	303,277	206,254
White Lake School District	1,135,419	124,896	0
Whitefish Bay School District	17,631,098	1,939,421	0
Whitehall School District	3,932,630	432,589	0
Whitewater Unified School District	10,709,704	1,178,067	0
Whitnall School District	13,201,303	1,452,143	0
Wild Rose School District	3,612,066	397,327	0
Williams Bay School District	3,506,224	385,685	0
Wilmot Union High School District	7,738,978	851,288	0
Winneconne Comm School District	8,405,039	924,554	0
Winter School District	2,166,915	238,361	0
Wisconsin Dells School District	9,993,177	1,099,250	0
Wisconsin Heights School District	4,936,339	542,997	0
Wisconsin Rapids School District	36,239,300	3,986,323	0
Wittenberg-Birnhamwood School District	6,971,289	766,842	0
Wonewoc & Union Center School District	1,964,407	216,085	0
Wrightstown Community School District	6,503,683	780,442	371,732
Yorkville Jt School District #2 Etal	2,041,667	224,583	0
<b>Total School Districts</b>	<b>4,969,083,734</b>	<b>554,695,827</b>	<b>65,953,150</b>
<b>Technical Colleges</b>			
Blackhawk Technical College	16,499,281	1,814,921	0
Chippewa Valley Tech College	28,477,168	3,132,488	0
Fox Valley Technical College	55,419,900	6,096,189	0
Gateway Tech College	43,132,765	4,744,604	0
Lakeshore Technical College	17,761,346	1,953,748	0
Madison Area Tech College	87,361,240	9,609,736	0
Mid-State Technical College	16,288,883	1,791,777	0
Milwaukee Area Tech College	120,284,132	13,231,255	0
Moraine Park Technical College	25,305,308	2,783,584	0
Nicolet Area Technical College	13,015,789	1,431,737	0
North Central Tech College	24,100,127	2,651,014	0
Northeast Wisc Tech College	48,899,969	5,378,997	0
Southwest Wisc Tech College	11,738,409	1,291,225	0
Waukesha Co Technical College	39,022,877	4,292,517	0
Western Tech College	26,993,853	2,969,324	0
Wisconsin Indianhead Tech Coll	24,941,406	2,743,555	0
<b>Total Technical Colleges</b>	<b>599,242,451</b>	<b>65,916,670</b>	<b>0</b>
<b>CESAs</b>			
CESA #1	5,310,795	653,228	535,890
CESA #2	7,312,768	950,660	0
CESA #3, Fennimore	1,566,906	194,296	501,891
CESA #4, Lacrosse	1,858,325	226,716	175,095
CESA #5, Portage	7,911,801	973,152	678,811
CESA #6, Oshkosh	7,334,736	902,173	2,035,007
CESA #7, Green Bay	9,106,079	1,001,669	0
CESA #8, Gillett	5,938,430	653,227	0
CESA #9, Tomahawk	2,035,042	223,855	0
CESA #10, Chippewa Falls	7,424,558	816,701	0
CESA #11	8,334,030	916,743	0
CESA #12, AshlanDistrict	2,171,026	238,813	0
<b>Total CESAs</b>	<b>66,304,497</b>	<b>7,751,232</b>	<b>3,926,694</b>
<b>Total WRS</b>	<b>\$12,744,024,319</b>	<b>\$1,544,275,020</b>	<b>\$131,932,403</b>