



FOR YEAR ENDED DECEMBER 31, 2011

2011

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

State of Wisconsin
Department of
Employee Trust Funds



2011

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

State of Wisconsin
Department of
Employee Trust Funds



2011

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
Robert J. Conlin
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>

July 11, 2013

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, 2011. 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. The financial strength of the WRS is attributable to its unique plan design, funding discipline at the state and local level, strong governance, and the effective investment strategies of the State of Wisconsin Investment Board (SWIB).

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, 2011, the WRS had 257,254 active employees, 167,453 annuitants (retirees, disability, and beneficiaries), and 157,186 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.

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 \$62 for the WRS, compared to the median per-member cost of \$86. ETF employs one full-time equivalent staff person per 1,805 members, compared to the peer system median of one per 1,548 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,

Robert J. Conlin



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2011***

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 that reads "Alan H. Winkle". The signature is written in a cursive style.

Alan H. Winkle
Program Administrator

TABLE OF CONTENTS

INTRODUCTION

Program Highlights	2
ETF Boards and Department Organization	22
Legislation, Vision Statement and Annual Accomplishments	28

FINANCES

Financial Statements.....	36
Notes to Financial Statements	45
Required Supplementary Information	79

STATISTICS

Wisconsin Retirement System	88
Group Health Insurance	100
Group Life Insurance	102
Duty Disability Insurance.....	105
Long-Term Disability Insurance.....	107
Income Continuation Insurance.....	108
Employee Reimbursement Accounts Program	109
Department of Employee Trust Funds Administrative Expenses	110

ACTUARIAL

Actuarial Statement of Assets and Liabilities.....	114
Summary of Benefit Provisions.....	115
Actuarial Method and Assumptions Used in Valuations.....	117

INVESTMENTS

State of Wisconsin Investment Board.....	132
--	-----

EMPLOYER UNFUNDED LIABILITY BALANCES

State Agencies	134
Public Authorities	134
Cities	135
Villages.....	137
Special Districts	141
Towns.....	144
Counties.....	148
School Districts	149
Technical Colleges	155
Cooperative Educational Service Agencies (CESAs).....	155



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				
	2011	2010	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$78,994.1	\$84,852.0	(\$5,857.9)	(7%)
Liabilities	<u>5,086.1</u>	<u>8,979.9</u>	<u>(3,893.8)</u>	(43%)
Reserves:				
Employer Reserve	20,831.1	23,247.5	(2,416.4)	(10%)
Employee Reserve	14,513.9	16,250.0	(1,736.1)	(11%)
Annuity Reserve	43,593.0	41,135.4	2,457.6	6%
Reserve for Changes in the Market Value of Investments	(5,080.8)	(4,818.2)	(262.6)	n/a
Undistributed Earnings	41.8	49.3	(7.5)	(15%)
Blended Administration	<u>9.0</u>	<u>8.1</u>	<u>0.9</u>	11%
Net Assets Held in Trust	<u>\$73,908.0</u>	<u>\$75,872.1</u>	<u>(\$1,964.1)</u>	(3%)
Additions				
Contributions	\$1,547.8	\$1,467.3	\$80.5	5%
Investment Income	664.0	8,317.4	(7,653.4)	(92%)
Other Additions	<u>7.6</u>	<u>10.5</u>	<u>(2.9)</u>	(27%)
Total Additions	<u>2,219.4</u>	<u>9,795.2</u>	<u>(7,575.8)</u>	(77%)
Deductions				
Benefits and Distributions	4,164.9	3,901.8	263.1	7%
Admin. & Other Expenses	<u>18.6</u>	<u>17.6</u>	<u>1.0</u>	6%
Total Deductions	<u>4,183.5</u>	<u>3,919.4</u>	<u>264.1</u>	7%
Net Increase (Decrease)	<u>(\$1,964.1)</u>	<u>\$5,875.8</u>	<u>(\$7,839.9)</u>	(133%)

PROGRAM DESCRIPTION

The Wisconsin Retirement System (WRS) collects and invests employee and employer contributions, and 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 \$9.0 million in 2011 and an increase of \$8.1 million in 2010 in the Net Assets Held in Trust.

- The Annuity Reserve increased by 6% in 2011, from \$41.1 billion to \$43.6 billion. This included a 6.9% increase in the Core Annuity Reserve of \$2.6 billion and a 4.5% decrease in the Variable Annuity Reserve of \$0.2 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 decreased by \$273.3 million in 2011, the result of \$3.7 billion in actuarial investment losses from 2011 being deferred for future recognition, and \$3.5 billion of previously-deferred investment losses from 2007 through 2010 being recognized in 2011. 95.1% or \$5,080.8 million of the deferred losses in the MRA are attributable to the WRS.



- Contributions increased 5.4% in 2011, from \$1.47 billion to \$1.55 billion. This included a 10.3% increase in employer contributions, from \$680 million to \$750 million, and a 1.4% increase in employee contributions, from \$787 million to \$798 million. The increased contributions resulted from a 0.2% decrease in covered payrolls and a 5.5% increase to contribution rates in 2011. Prior to approximately July 1, 2011, most employee contributions were paid by the employer on behalf of the employee. 2011 Act 10 restricted the employer from paying the employee required contribution, unless provided for by an existing collective bargaining agreement. In 2011 employees paid more than \$217 million of required contributions and more than \$14 million of voluntary contributions.

- Net investment income decreased by \$7.6 billion in 2011, from an \$8.3 billion gain to a \$0.7 billion gain. This included a decrease in Core Trust Fund income of \$6.8 billion, from a \$7.6 billion gain to a \$0.8 billion gain, and a decrease in Variable Trust Fund income of \$1.0 billion, from a \$0.8 billion gain to a \$0.2 billion loss.

- The balanced Core Trust Fund realized a 1.4% investment return, while the equity-based Variable Trust Fund experienced a (3%) return. The Core Trust Fund gain, after being smoothed through the MRA, resulted in a core effective rate of 1.5% being credited to the Core Fund accounts and reserves. The Variable Trust Fund loss was passed through to Variable Fund accounts and reserves with a (3%) Variable effective rate.

- Benefit payments increased by 6.7%, from \$3.9 billion to \$4.2 billion. Core annuities (including Section 62.13 Police & Firefighters) increased by 6.2%, from \$3.53 billion to \$3.74 billion, while Variable annuities increased by 14.5%, from \$277 million to \$317 million. Lump sum payments (separations, death benefits, and minimum annuities) increased by 4.1%, from \$99.1 million to \$103.2 million. See “Annuity Payments” section below for details.

FUNDED STATUS

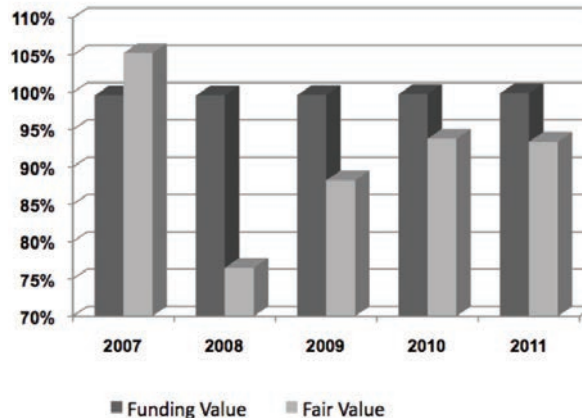
The funded status of the WRS is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The

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 increased from 99.8% to 99.9% funded.

The fair value-based funded ratio for the WRS decreased from 93.8% funded to 93.4% funded. This slight decrease was the result of the small investment gain in 2011 offset by the increase in benefits and distributions paid.

WRS Funded Ratio

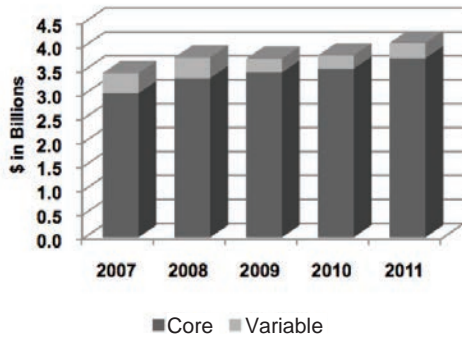


ANNUITY PAYMENTS

In 2011 ETF paid a total of \$4.2 billion in benefits to retired persons, disabled retirees and beneficiaries of retirees. This was an increase of 6.8%, or \$263.2 million, over 2010. Core annuities increased by 6.3%, from \$3.5 billion to \$3.7 billion, while Variable annuities increased by 14.5%, from \$277 million to \$317 million. Annuities paid to the closed group Section 62.13 Police and Firefighters decreased by 14.3%, from \$7.8 million to \$6.7 million.



Annuity Payments



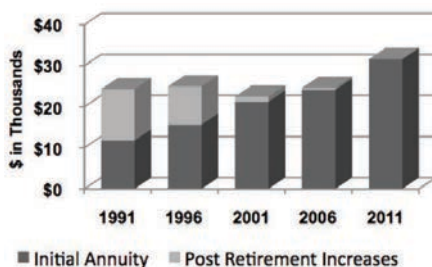
Annuitants with Core annuities experienced a 1.2% decrease in their benefits in 2011, while Variable annuities received an 11.0% increase in their benefits, effective April 1, 2011.

Approximately 15,352 additional persons began receiving annuities during 2011, while 3,674 annuities were ended due to death or expiration of a guarantee period. At year-end, 167,453 people were receiving retirement, disability, or beneficiary annuities, an increase of 7.5% over 2010.

The **average** annual annuity received by all retirees (Core and Variable combined) increased to \$24,989 in 2011, up 1.7% from the previous year. The average annual amount of new annuities begun during 2011 was \$31,632, up 12.4% from \$28,150 in 2010.

While the initial amount of new annuities has increased over time, in many cases post-retirement increases have generally helped maintain the purchasing power of existing annuities. The accompanying chart shows how new annuities have increased over time, based on investment performance, as well as how post-retirement increases multiplied the value of the annuity over time.

Average Annual Annuity By Year Annuity Began

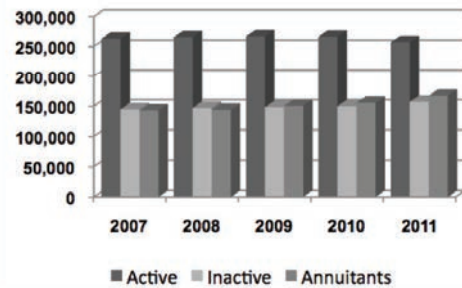


PARTICIPATION

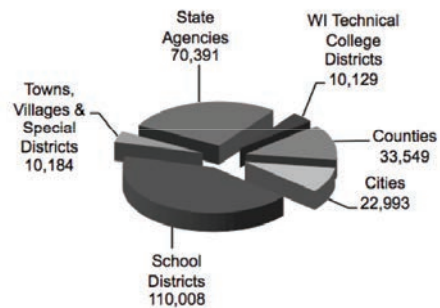
There were 581,893 WRS participants as of December 31, 2011, an increase of 1.7% over the previous year. Participants include 257,254 active government employees, a decrease of 3.5% from the previous year; 167,453 retirees and others receiving annuities, an increase of 7.5% over the previous year; and 157,186 “inactives,” or former public employees who had not yet taken a benefit from their retirement accounts, an increase of 4.9% over the previous year. To put the WRS growth in perspective, the total participation level has risen by 78,352 persons since 2001, a 15.6% increase.

In 2011, the total number of employers participating in the WRS increased from 1,474 to 1,480. The increase included the addition of two state agencies, two villages, six towns and the elimination of two school districts and two special districts.

WRS Participants



Participants by Employer Type





ACCUMULATED SICK LEAVE CONVERSION CREDIT (ASLCC) PROGRAM

Summary Financial Statements				
	2011	2010	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$1,986.3	\$2,045.8	(\$59.5)	(3%)
Less: Liabilities				
Estimated Future Claims	2,160.8	2,214.7	(53.9)	(2%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(160.4)</u>	<u>(152.7)</u>	<u>(7.7)</u>	n/a
Unfunded Liability	<u>(\$14.1)</u>	<u>(\$16.2)</u>	<u>\$2.1</u>	n/a
Additions				
Contributions	\$47.7	\$32.6	\$15.1	46%
Investment Income	<u>24.3</u>	<u>223.1</u>	<u>(198.8)</u>	(89%)
Total Additions	<u>72.0</u>	<u>255.7</u>	<u>(183.7)</u>	(72%)
Deductions				
Benefits and Distributions	77.3	131.0	(53.7)	(41%)
Administration	<u>0.3</u>	<u>0.3</u>	<u>0.0</u>	0%
Total Deductions	<u>77.6</u>	<u>131.3</u>	<u>(53.7)</u>	(41%)
Net Increase (Decrease)	<u>(\$5.6)</u>	<u>\$124.4</u>	<u>(\$130.0)</u>	(105%)

PROGRAM DESCRIPTION

The ASLCC Program allows retirees of the State of Wisconsin, the University of Wisconsin (UW) System, the UW Hospital & Clinics Authority, and other state Authorities, 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 2011, the unfunded liability is attributable to the UW Hospital & Clinics Authority, the Wisconsin Health and Education Facility Authority, and Wiscraft. No liability exists for state agencies or the UW System.

- Contributions received in 2011 increased by 46.0% from 2010. This is the net of a 50% increase in the required contribution rate and a 0.7% decrease in covered payroll.
- The 41% decrease in the Benefits and Distributions expense is the actuarially-determined decrease 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% or \$160.4 million of the deferred investment losses in the MRA are attributable to the ASLCC Program.



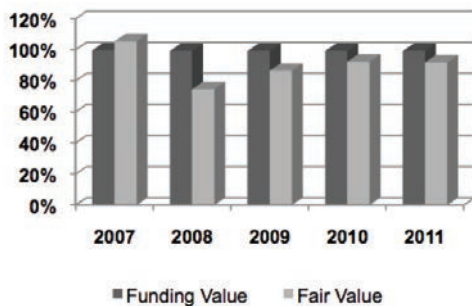
FUNDED STATUS

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 decreased from 92.4% funded to 91.9% funded. The decrease in the fair value funded ratio resulted from the contributions and investment income being less than total deductions for the year.

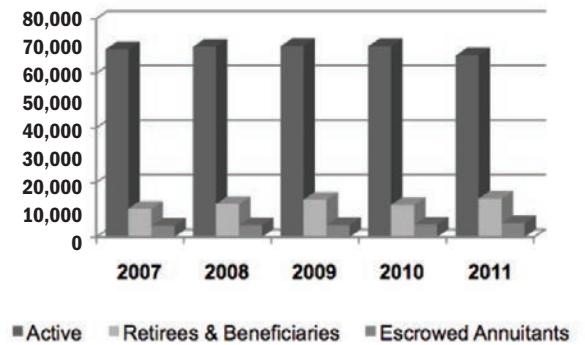
Accumulated Sick Leave Conversion Credits Funded Ratio



PARTICIPATION

There were 85,756 ASLCC participants as of December 31, 2011, a decrease of 0.6% over the previous year. Participants include 66,533 active employees, a decrease of 4.8% from the previous year; 14,121 retirees and others using ASLCC credits; and 5,102 “escrowed annuitants”—former employees who had not yet started using credits from their ASLCC accounts.

ASLCC Participants





STATE RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2011 <i>\$ in millions</i>	2010 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
Net Assets Held in Trust	\$363.8	\$357.0	\$6.8	2%
Additions				
Contributions	\$5.4	\$5.0	\$0.4	8%
Investment Income	<u>16.9</u>	<u>17.5</u>	<u>(0.6)</u>	(3%)
Total Additions	<u>22.3</u>	<u>22.5</u>	<u>(0.2)</u>	(1%)
Deductions				
Benefits and Distributions	14.7	14.7	0.0	0%
Admin. & Other Expenses	<u>0.9</u>	<u>0.7</u>	<u>0.2</u>	25%
Total Deductions	<u>15.6</u>	<u>15.4</u>	<u>0.2</u>	1%
Net Increase (Decrease)	<u>\$6.7</u>	<u>\$7.1</u>	<u>(\$0.4)</u>	(5%)

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.

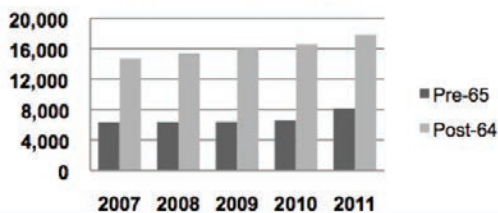
PARTICIPATION

8,191 pre-age 65 retirees and 17,847 post-age 64 retirees participated in the State Retiree Life Insurance Plan in 2011.

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.

State Retiree Participants





LOCAL GOVERNMENT RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2011 \$ in millions	2010 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Net Assets Held in Trust	\$231.7	\$227.9	\$3.8	2%
Additions				
Contributions	\$6.6	\$6.3	\$0.3	5%
Investment Income	<u>10.7</u>	<u>11.3</u>	<u>(0.6)</u>	(5%)
Total Additions	<u>17.3</u>	<u>17.6</u>	<u>(0.3)</u>	(2%)
Deductions				
Benefits and Distributions	12.3	12.6	(0.3)	(2%)
Admin. & Other Expenses	<u>1.3</u>	<u>1.1</u>	<u>0.2</u>	18%
Total Deductions	<u>13.6</u>	<u>13.7</u>	<u>0.1</u>	(1%)
Net Increase (Decrease)	<u>\$3.7</u>	<u>\$3.9</u>	<u>(\$0.2)</u>	(5%)

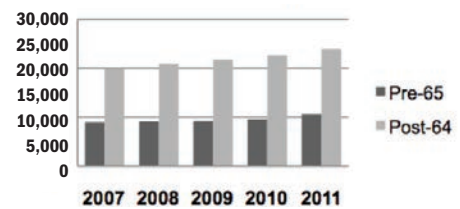
PROGRAM DESCRIPTION

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.

PARTICIPATION

10,597 pre-age 65 retirees and 23,956 post-age 64 retirees participated in the Local Government Retiree Life Insurance Plan in 2011.

Local Retiree Participants



FUNDED STATUS

Actuarial valuations of the Local Retiree Government 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				
	2011 \$ in thousands	2010 \$ in thousands	Increase (Decrease) \$ in thousands	Increase (Decrease) %
Net Assets Available for Benefits	\$235.8	\$229.3	\$6.5	3%
Revenues				
Administrative Reimbursement	\$607.0	\$433.0	\$174.0	40%
Investment Income	<u>1.6</u>	<u>2.5</u>	<u>(0.9)</u>	(36%)
Total Revenues	<u>608.6</u>	<u>435.5</u>	<u>173.1</u>	40%
Expenses				
Administrative Expense	<u>602.1</u>	<u>428.9</u>	173.2	40%
Total Expenses	<u>602.1</u>	<u>428.9</u>	<u>173.2</u>	40%
Net Increase (Decrease)	<u>\$6.5</u>	<u>\$6.6</u>	<u>(\$0.1)</u>	(2%)

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.

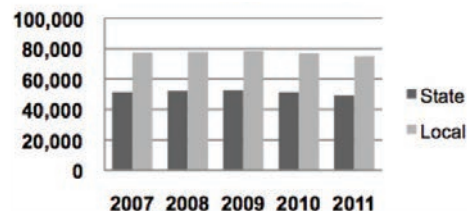
FINANCIAL HIGHLIGHTS

- 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

49,482 active state employees and 75,117 active local government employees participated in the life insurance plan in 2011. 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				
	2011	2010	Increase (Decrease)	Increase (Decrease)
	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>\$ in thousands</i>	%
Assets	\$5,457.2	\$6,302.6	(\$845.4)	(13%)
Liabilities	<u>4,353.5</u>	<u>5,059.9</u>	<u>(706.4)</u>	(14%)
Net Assets Held in Trust	<u>\$1,103.7</u>	<u>\$1,242.7</u>	<u>(\$139.0)</u>	(11%)
Additions				
Contributions	\$22,402.4	\$23,858.1	(\$1,455.7)	(6%)
Investment Income	5.6	9.4	(3.8)	(40%)
Other Additions	<u>4.8</u>	<u>2.7</u>	<u>2.1</u>	80%
Total Additions	<u>22,412.9</u>	<u>23,870.2</u>	<u>(1,457.4)</u>	(6%)
Deductions				
Benefits and Distributions	21,759.0	23,125.3	(1,366.3)	(6%)
Administrative Expenses	<u>792.8</u>	<u>827.0</u>	<u>(34.2)</u>	(4%)
Total Deductions	<u>22,551.8</u>	<u>23,952.3</u>	<u>(1,400.5)</u>	(6%)
Net Increase (Decrease)	<u>(\$139.0)</u>	<u>(\$82.1)</u>	<u>(\$56.9)</u>	n/a

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

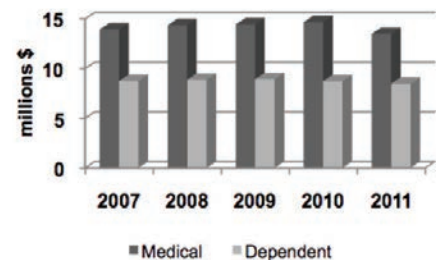
- The net decrease in the ERA Program this year of \$139.0 thousand resulted from lower-than-expected forfeitures.

PARTICIPATION

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. At the end of 2011, the participants in the ERA Program had created 12,856 accounts, a decrease of 5.4% from 13,594 in 2010.

Employees created 2,133 dependent care accounts and 10,723 medical expense accounts. Total salary reductions were \$22.0 million (\$8.5 million for dependent care and \$13.5 million for medical expenses), a decrease of 6.2% from 2010. Reductions in FICA tax from this program saved the state an estimated \$1.7 million in 2011, with combined FICA and income tax savings of an estimated \$5.9 million realized by participants.

Salary Reductions





COMMUTER BENEFITS PROGRAM

Summary Financial Statements				
	2011	2010	Increase (Decrease)	Increase (Decrease)
	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>\$ in thousands</i>	<i>%</i>
Assets	\$227.8	\$226.2	\$1.6	1%
Liabilities	<u>218.2</u>	<u>245.6</u>	<u>(27.4)</u>	(11%)
Net Assets Held in Trust	<u>\$9.6</u>	<u>(\$19.4)</u>	<u>\$29.0</u>	n/a
Contributions				
Contributions	\$1,467.5	\$1,446.4	\$21.1	1%
Investment Income	<u>(0.1)</u>	<u>(0.2)</u>	<u>0.1</u>	n/a
Total Additions	<u>1,467.4</u>	<u>1,446.2</u>	<u>21.2</u>	1%
Deductions				
Benefits and Distributions	1,306.0	1,323.7	(17.7)	(1%)
Admin. & Other Expenses	<u>132.3</u>	<u>124.3</u>	<u>8.0</u>	6%
Total Deductions	<u>1,438.3</u>	<u>1,448.0</u>	<u>(9.7)</u>	(1%)
Net Increase (Decrease)	<u>\$29.1</u>	<u>(\$1.8)</u>	<u>\$30.9</u>	n/a

PROGRAM DESCRIPTION

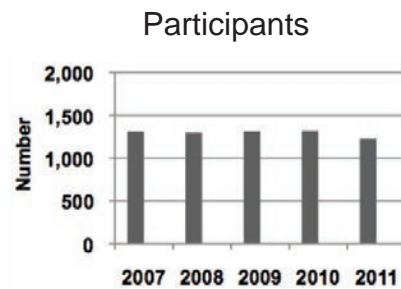
The Commuter Benefits Program reimburses qualifying transportation expenses for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

FINANCIAL HIGHLIGHTS

- The Commuter Benefits Program began in August 2002. Startup costs were funded through an advance from the state’s general fund. As of December 31, 2011, \$27,700 remained payable to the general fund.
- The net increase in the Commuter Benefits Program this year was \$29.1 thousand in contributions that exceeded this year’s benefits and administrative expenses.

PARTICIPATION

Participation in the Commuter Benefits Program changes from month to month. As of December 31, 2011, the program had 1,229 participants, a decrease of 6.8% from 1,319 as of December 31, 2010.





MILWAUKEE RETIREMENT FUND

Summary Financial Statements				
	2011	2010	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets				
Investment in Core Fund	\$133.2	\$129.9	\$3.3	3%
Investment in Variable Fund	<u>17.7</u>	<u>19.4</u>	<u>(1.7)</u>	(9%)
Net Assets Held in Trust	<u>\$150.9</u>	<u>\$149.3</u>	<u>\$1.6</u>	1%
Additions				
Deposits	\$13.5	\$17.4	(\$3.9)	(22%)
Investment Income	<u>0.6</u>	<u>17.6</u>	<u>(17.0)</u>	(97%)
Total Additions	<u>14.1</u>	<u>35.0</u>	<u>(20.9)</u>	(60%)
Deductions				
Benefits and Distributions	<u>12.5</u>	<u>16.7</u>	<u>(4.2)</u>	(25%)
Total Deductions	<u>12.5</u>	<u>16.7</u>	<u>(4.2)</u>	(25%)
Net Increase (Decrease)	<u>\$1.6</u>	<u>\$18.3</u>	<u>(\$16.7)</u>	(91%)

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 2011 and 2010, the Milwaukee Retirement Fund included only investments from the Milwaukee Public Schools Supplemental Retirement Program.



DUTY DISABILITY INSURANCE PROGRAM

Summary Financial Statements				
	2011	2010	Increase (Decrease)	Increase (Decrease)
	\$ in millions	\$ in millions	\$ in millions	%
Assets	\$430.5	\$402.6	\$27.9	7%
Liabilities	2.5	2.6	0.1	(4%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(33.6)</u>	<u>(32.1)</u>	<u>(1.5)</u>	n/a
Net Assets Held in Trust	<u>\$461.6</u>	<u>\$432.1</u>	<u>\$29.5</u>	7%
Additions				
Contributions	\$53.0	\$51.8	\$1.2	2%
Investment Income	<u>5.0</u>	<u>42.0</u>	<u>(37.0)</u>	(88%)
Total Additions	<u>58.0</u>	<u>93.8</u>	<u>(35.8)</u>	(38%)
Deductions				
Benefits and Distributions	29.6	30.3	(0.7)	(2%)
Administration	<u>0.6</u>	<u>0.5</u>	<u>0.1</u>	20%
Total Deductions	<u>30.2</u>	<u>30.8</u>	<u>(0.6)</u>	(2%)
Net Increase (Decrease)	<u>\$27.9</u>	<u>\$63.0</u>	<u>(\$35.1)</u>	(56%)

PROGRAM DESCRIPTION

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

FINANCIAL HIGHLIGHTS

- Contributions increased by 2.0% over 2010. The contribution tiers were unchanged in 2011. 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% or \$33.6 million of the deferred investment 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

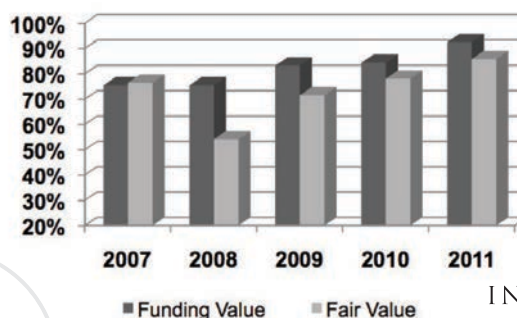
the funding value measurement is less representative of current market values but better presents the funding trends without the year-to-year volatility.

The funding and fair value based ratios were calculated using the actuarial accrued liability total from the Other Post-Employment Benefits (OPEB) Actuarial Valuation as of January 1, 2011.

The funding value-based funded ratio increased from 84.3% funded to 92.5% funded. Since 2007 the funded ratio has improved from 75.4% to 92.5% 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 78.0% funded to 85.8% funded. The increase in the fair value funded ratio was a combination of the investment gains and the increase in contributions combined with the decrease in benefits and distributions during 2011.

Duty-Disability Funded Ratio





INCOME CONTINUATION INSURANCE (ICI) PROGRAM

Summary Financial Statements				
	2011	2010	Increase (Decrease)	Increase (Decrease)
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>%</i>
Assets	\$89.9	\$93.6	(\$3.7)	(4%)
Less: Liabilities				
Estimated Future Claims	88.1	74.1	14.0	19%
Other Liabilities	0.6	0.4	0.2	50%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>3.4</u>	<u>3.7</u>	<u>(0.3)</u>	(8%)
Net Assets Available for Benefits	<u>(\$2.2)</u>	<u>\$15.4</u>	<u>(\$17.6)</u>	(114%)
Revenues				
Contributions	\$15.6	\$16.0	(\$0.4)	(3%)
Investment Income	<u>1.0</u>	<u>9.0</u>	<u>(8.0)</u>	(89%)
Total Revenues	<u>16.6</u>	<u>25.0</u>	<u>(8.4)</u>	(34%)
Expenses				
Benefits and Distributions	32.3	17.3	15.0	87%
Admin. & Other Expenses	<u>2.3</u>	<u>2.0</u>	<u>0.3</u>	15%
Total Expenses	<u>34.6</u>	<u>19.3</u>	<u>15.3</u>	79%
Net Income (Loss)	<u>(\$18.0)</u>	<u>\$5.7</u>	<u>(\$23.7)</u>	(416%)

PROGRAM DESCRIPTION

The ICI Program 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 2011 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% or \$3.4 million of the deferred investment gains 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 84% funded to 65% funded. This decrease is the result of greater-than-anticipated claims experience in 2011. The target for this program is to maintain a funded ratio of 115% to 125% of liabilities as a hedge against adverse claims performance. Annual premium increases are anticipated for the next five years to reach the target funding level.

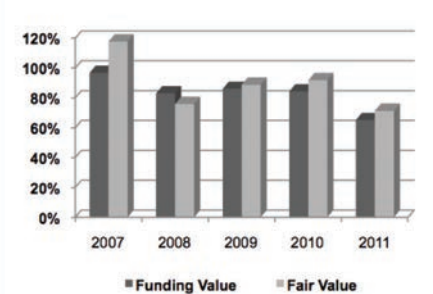
The fair value-based funded ratio decreased from 92% funded to 71% funded. This decrease is the result of greater-than-anticipated claims experience in 2011.

Local Plan

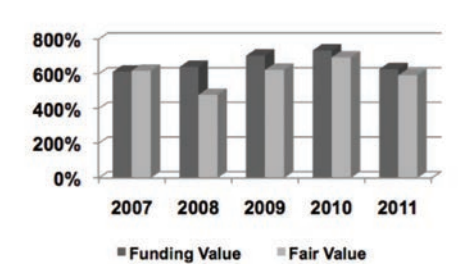
The funding value-based funded ratio decreased from 736% funded to 628% funded. This decrease is the result of an intentional drawdown of reserves. The target for this program is to maintain a funded ratio of 100% to 200% of liabilities as a hedge against adverse claims performance. Because of the small size of this plan, significant year-to-year volatility in claims experience is expected.

The fair value-based funded ratio decreased from 696% funded to 593% funded. This decrease is the result of an intentional drawdown of reserves.

State Income Continuation Insurance Funded Ratio



Local Income Continuation Insurance Funded Ratio





LONG-TERM DISABILITY INSURANCE (LTDI) PROGRAM

Summary Financial Statements				
	2011	2010	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
Assets	\$215.9	\$243.6	(\$27.7)	(11%)
Less: Liabilities				
Estimated Future Claims	189.0	175.6	13.4	8%
Other Liabilities	4.3	3.9	0.4	10%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(46.6)	(45.6)	(1.0)	n/a
Net Assets Available for Benefits	<u>\$69.2</u>	<u>\$109.7</u>	<u>(\$40.5)</u>	(37%)
Revenues				
Investment Income	<u>\$3.0</u>	<u>\$29.8</u>	<u>(\$26.8)</u>	(90%)
Total Revenues	<u>3.0</u>	<u>29.8</u>	<u>(26.8)</u>	(90%)
Expenses				
Benefits and Distributions	42.5	45.6	(3.1)	(7%)
Admin. & Other Expenses	<u>2.1</u>	<u>2.0</u>	<u>0.1</u>	5%
Total Expenses	<u>44.6</u>	<u>47.6</u>	<u>(3.0)</u>	(6%)
Net Income (Loss)	<u>(\$41.6)</u>	<u>(\$17.8)</u>	<u>(\$23.8)</u>	n/a

PROGRAM DESCRIPTION

The LTDI Program pays disability benefits to participants in the WRS.

FINANCIAL HIGHLIGHTS

- No contributions were collected for this program during 2011, due to sufficient reserves available in the fund.
- The Benefit and Distributions expense is the actuarially-determined increase in liabilities during the year. During 2011 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% or \$46.6 million of the deferred investment losses in the MRA are attributable to the LTDI program.

FUNDED STATUS

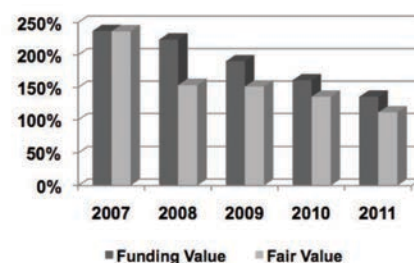
The funded status of the LTDI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of 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 161% funded to 136% funded. The decrease in the actuarial value funded ratio was due to the contribution holiday during 2011. 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 136% funded to 112% funded. The decrease in the fair value funded ratio was the result of the contribution holiday during 2011.

Long Term Disability Insurance Funded Ratio





GROUP HEALTH INSURANCE PROGRAM

The Group Health Insurance Program is a comprehensive benefit plan providing coverage for active and retired employees of both state and local governments. It is made up of the State Health Plan, including current and retired employees of the State, and the Wisconsin Public Employers Health Plan (Local Health Plan), which includes current and retired employees of participating local governments. The State and Local Health Plans each include separately managed risk pools for medical and pharmacy benefits. For financial reporting purposes, the program is divided into three funds: Active Member Group Health Insurance (state and local governments combined), State Retiree Health Insurance, and Local Retiree Health Insurance.

Active Member Group Health Insurance

Summary Financial Statements				
	2011	Restated	Increase	Increase
	\$ in millions	2010	(Decrease)	(Decrease)
		\$ in millions	\$ in millions	%
Assets	\$290.0	\$262.0	\$28.0	11%
Less: Liabilities				
Unearned Revenue	103.4	110.6	(7.2)	(7%)
Estimated Future Claims	6.6	7.6	(1.0)	(13%)
Other Liabilities	3.2	1.9	1.3	68%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(22.5)	(22.4)	(0.1)	n/a
Net Assets Available for Benefits	<u>\$199.3</u>	<u>\$164.3</u>	<u>\$35.0</u>	21%
Revenues				
Premiums	\$1,306.5	\$1,246.5	\$60.0	5%
ERRP Subsidy	13.2	0.0	13.2	n/a
Investment Income	2.1	16.6	(14.5)	(87%)
Total Revenues	<u>1,321.8</u>	<u>1,263.1</u>	<u>58.7</u>	5%
Expenses				
Benefits and Distributions	1,274.4	1,216.5	57.9	5%
Administration	12.6	13.9	(1.3)	(9%)
Total Expenses	<u>1,287.0</u>	<u>1,230.4</u>	<u>56.6</u>	5%
Net Income (Loss)	<u>\$34.8</u>	<u>\$32.7</u>	<u>\$2.1</u>	6%

PROGRAM DESCRIPTION

Active Member Group Health Insurance pays for the purchase of health insurance coverage and health insurance claims for current employees of the State of Wisconsin and participating local government employers.

FINANCIAL HIGHLIGHTS

- These statements include activity related to health insurance coverage for the current employees of the state and participating local government employers. Statements for the state and local government retiree health plans follow.
- The assets increased by \$28.0 million, or 11%, from \$262.0 million in 2010 to \$290.0 million in 2011, due to increased premiums and receipt of the Early Retiree Reinsurance Program (ERRP) subsidy of \$13.2 million.



- The ERRP subsidy received in 2011 was split between the Active Member Group Health Insurance Program and the State and Local Retiree Health Insurance Programs. ERRP provides reimbursement to employer and union sponsors of participating employment-based plans, for a portion of the cost of health benefits for early retirees and their spouses, beneficiaries and dependents. The purpose of the reimbursement is to help make it more affordable for

plan participants and sponsors to offer health benefits to their employees.

- 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% or \$22.5 million of the deferred investment losses in the MRA are attributable to Active Member Group Health Insurance.

State Retiree Health Insurance

Summary Financial Statements				
	2011	Restated	Increase	Increase
	<i>\$ in millions</i>	2010	(Decrease)	(Decrease)
		<i>\$ in millions</i>	<i>\$ in millions</i>	%
Assets	\$19.2	\$21.9	\$2.7	(12%)
Less: Liabilities				
Estimated Future Claims	5.2	5.4	(0.2)	(4%)
Unearned Revenue	15.0	14.8	0.2	1%
Other Liabilities	2.0	0.6	1.4	233%
Due To Employers	(3.4)	0.7	(4.1)	(586%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>	0%
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

PROGRAM DESCRIPTION

The State Retiree Health Insurance Plan 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 the State Retiree Health Insurance Plan. Less than 0.1% or \$0.4 million of the deferred investment gains in the MRA are attributable to the State Retiree Health Insurance Plan.



Local Retiree Health Insurance

Summary Financial Statements

	2011 <i>\$ in millions</i>	Restated 2010 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
Assets	\$0.3	\$0.3	\$0.0	0%
Less: Liabilities				
Estimated Future Claims	0.2	0.2	0.0	0%
Unearned Revenue	1.6	1.7	(0.1)	(6%)
Due to Employers	(6.0)	(4.1)	(1.9)	n/a
Other Liabilities	4.8	2.9	1.9	66%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(0.3)	(0.4)	0.1	n/a
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

PROGRAM DESCRIPTION

The Local Retiree Health Insurance Plan pays for the purchase of health insurance coverage and health insurance claims for retired employees of participating local government employers 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 the Local Retiree Health Insurance Plan. Less than 0.1% or \$0.3 million of the deferred investment gains in the MRA are attributable to the Local Retiree Health Insurance Plan.

FUNDED STATUS: GROUP HEALTH INSURANCE PROGRAM

The funded status of the Group Health Insurance Program 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 market value measurement gives a more timely measurement, but can be extremely volatile. The smoothed 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 Group Health Insurance Program was 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.

Both plans in the Group Health Insurance Program, the State Health Plan and the Local Health Plan, includes fully-insured Health Maintenance Organization Plans, a self-insured fee-for-service “Standard Health Plan,” and a fully-insured Pharmacy Benefit Plan. The funding status of the self-insured options are described on the next page.

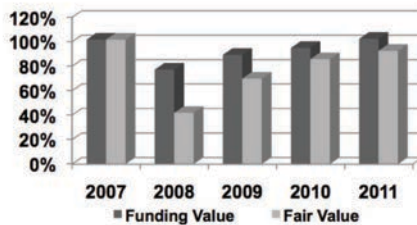


State Standard Health Plan

The funding value ratio of reserves to annual expenses increased from 95.1% to 102.4%. This increase is the result of the loss ratio being lower in 2011 than it was in 2010 and the investment gains in 2011.

The fair value ratio of reserves to annual expenses increased from 85.8% to 92.7%. This increase is the result of the loss ratio being lower in 2011 than it was in 2010 and the investment gains in 2011.

State Standard Health Plan
Funded Ratio

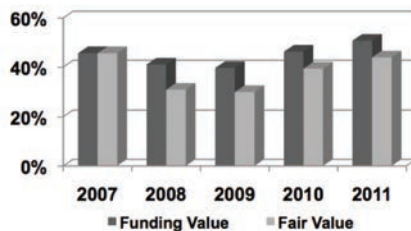


State Pharmacy Benefit Reserve

The funding value ratio of reserves to annual expenses increased from 46.2% to 50.7%. This increase is the result of investment income in 2011.

The fair value ratio of reserves to annual expenses increased from 39.3% to 43.9%. This increase is the result of the operating income increasing more than the operating expenses in 2011.

State Pharmacy Benefit Reserve
Funded Ratio

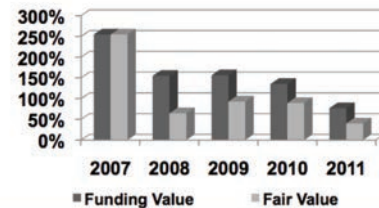


Local Standard Health Plan

The funding value ratio of reserves to annual expenses decreased from 135.6% to 76.9%. This decrease is the result of the loss ratio being higher in 2011 than it was in 2010.

The fair value ratio of reserves to annual expenses decreased from 89.4% to 40.2%. This decrease is the result the loss ratio being higher in 2011 than it was in 2010.

Local Standard Health Plan
Funded Ratio



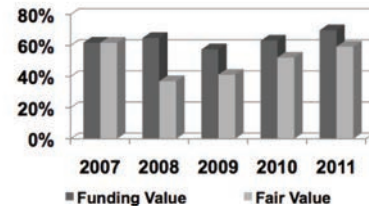
Local Pharmacy Benefit Reserve

The funding value ratio of reserves to annual expenses increased from 63.1 to 69.8%. This increase is the result of the investment gains in 2011.

The fair value ratio of reserves to annual expenses increased from 52.2% to 59.3%. This increase is the result of the operating income increasing more than the operating expenses in 2011.

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



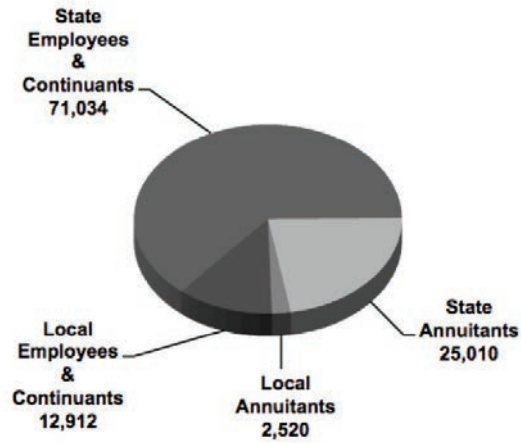


PARTICIPATION

The State Health Plan covered 70,656 active employees, 378 continuants (former employees or their beneficiaries who have the right to continue health insurance coverage under federal COBRA requirements), and 25,010 retired State of Wisconsin employees at the end of 2011—about 204,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$1,316 million.

The Wisconsin Public Employers Health Insurance Plan (Local Health Plan) covered 12,826 active employees; 86 continuants; and 2,520 retired participants. With their dependents, the total number of people covered was approximately 36,000. Annual premiums paid totaled \$220 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 board membership is determined and how membership overlaps. Under state law, members of the boards are chosen in a variety of ways. Some members are ex-officio, some are direct appointees of the governor, others are appointed to fixed terms from lists submitted to the governor by specified organizations. 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 reviews 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 and the Department's operating budget, as well as the Department's strategic business and information technology planning activities.

BOARD MEMBERS

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).

Vice Chair: John David

Appointed by the WR Board. WR Board member appointed under § 15.16(1)(b), chief executive or member of the governing body of a participating city or village.

Secretary: Robert M. Niendorf

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

William Ford

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

Kimberly Hall

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

John Litscher

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

Jessica O'Donnell

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

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

David Wiltgen

Appointed by the TR Board. TR Board member appointed or elected under § 15.165 (3)(a) 1 or 2 (public or vocational school teacher).

Vacant

Appointed by the Wisconsin Retirement Board. Wisconsin Retirement Board member appointed under § 15.165 (3)(b) 7 or 8 (participating state employee or public member who is not a participant). § 15.16 (1)(b) 3

Vacant

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)

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: 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

Vice Chair: 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

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

Ted Nickel

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

Steven Wilding

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

Vacant

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



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

Sandra Clafin-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

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

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 Pedersen

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

David Wiltgen

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

GROUP INSURANCE BOARD (11 MEMBERS)

The Group Insurance Board sets policy for the group health, life, and income continuation insurance plans for state employees and employees of participating local employers who choose to offer them. The board also can provide other insurance plans, if employees pay the entire premium.

BOARD MEMBERS

Chair: Cindy O'Donnell

Ex officio; Attorney General 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)

Brian Hayes

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

Jon Litscher

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

Jessica O’Donnell

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

Daniel Schwartzer

Ex officio; Commissioner of Insurance or his/her 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)

The Deferred Compensation Board sets policy for, contracts with investment and administrative service providers for, 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.

BOARD MEMBERS

Chair: Edward D. Main

Appointed by the Governor. § 15.165 (4)

Vice Chair: John F. Nelson

Appointed by the Governor. § 15.165 (4)

Secretary: Gail Hanson

Appointed by the Governor. § 15.165 (4)

Martin Beil

Appointed by the Governor. § 15.165 (4)

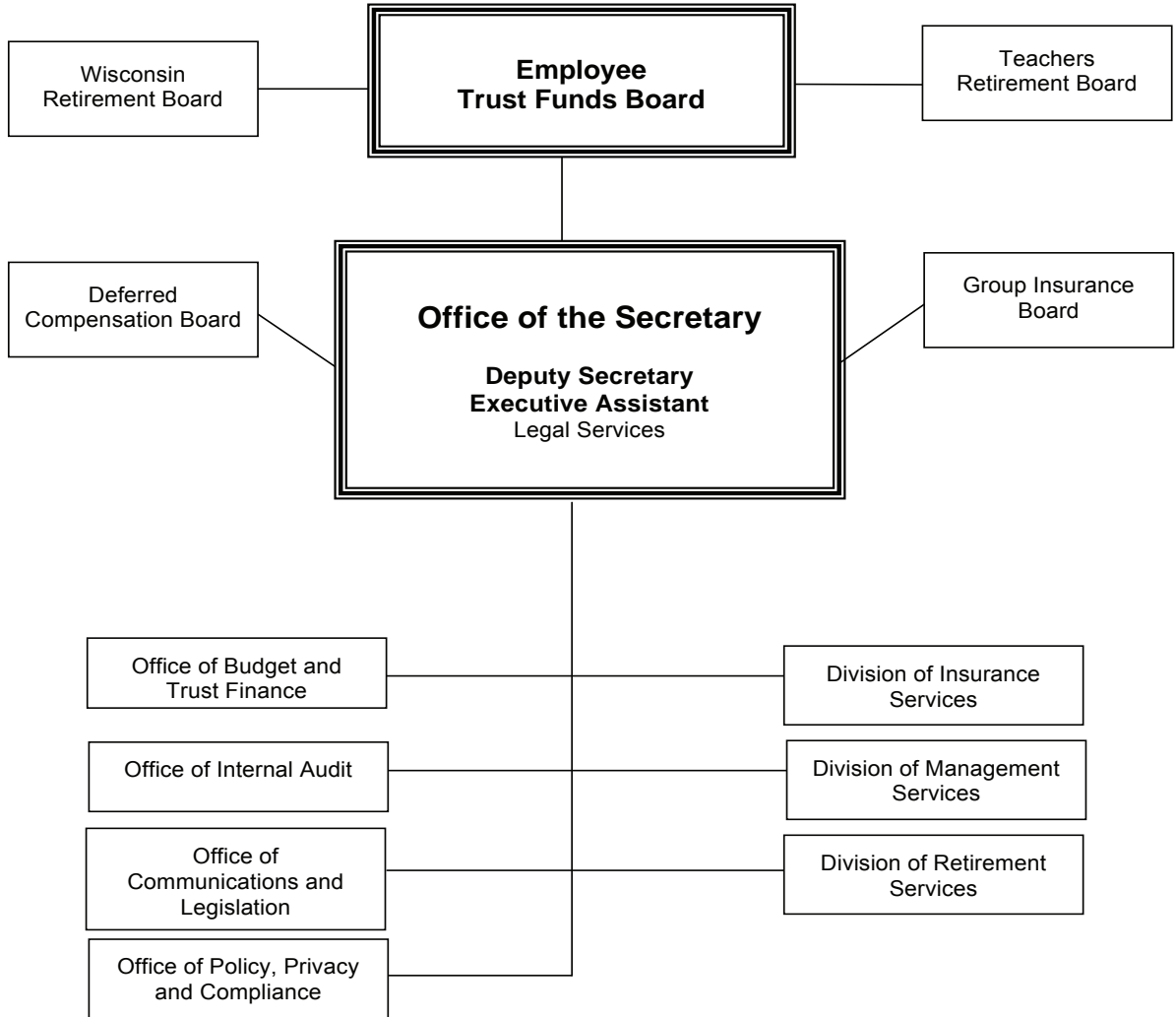
Vacant

Appointed by the Governor. § 15.165 (4)

DEPARTMENT ORGANIZATION

The Department of Employee Trust Fund had 260.2 permanent positions and 0 project full-time equivalent positions at the end of 2011. If all positions had been filled, the employee count would have been 266.

The Department's organizational chart is shown below:





2011 ETF MANAGEMENT STAFF

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

Division of Retirement Services
 Administrator: Matt Stohr

Division of Insurance Services
 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: Shawn Smith

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 Life Insurance Company
 Aetna Disability and Leave Management
 Lexington, Kentucky

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

This section describes laws that took effect in 2011 and that relate to the public employee benefit programs administered by the Department of Employee Trust Funds (ETF).

2011 WISCONSIN ACT 10

2011 Wisconsin Act 10 made several changes affecting the Wisconsin Retirement System (WRS) and the group health insurance programs administered by ETF. The legislation was published on June 28, 2011 and for the most part took effect on June 29, 2011. The major changes that affect ETF and/or the WRS follow:

WRS Employee Contributions

- Generally, required most public employees that participate in the WRS to make contributions to the plan in an amount equal to one-half of all actuarially-required contributions.
- Generally, prohibited public employers from paying the employee's contribution amount. Created an exception for protective occupation employees.
- Eliminated the Benefit Adjustment Contribution and changed the allocation of employee and employer contributions to member accounts for purposes of money purchase benefits.

The specific implementation date for these changes varied among participating employers, as provided in the Act. However, these changes generally were implemented in the summer and fall of 2011.

WRS Retirement Benefit Formula Factor

- Reduced the formula factor used by the WRS to calculate retirement benefits for the Executive and Elected employment category from 2% to 1.6%. The effective date of the change varied among different employee categories and applied to service earned after the effective date of the law.

Group Health Insurance Program

- Prohibited public employers that participate in ETF's group health plans from contributing to the cost of an employee's health insurance premiums in an

amount that exceeds 88% of the cost of the lowest premium available to employees under the health plan. Part-time employees and graduate assistant employer contributions to be determined annually by the Office of State Employment Relations.

- Modified the state employee monthly contribution rates for health insurance by increasing the employee rate. No changes were made to the 50% cost sharing structure for part-time employees.
- Directed the Group Insurance Board (GIB) to design health care coverage plans for the 2012 calendar year that reduced the average premium cost of plans in the lowest tier by at least 5%.
- Authorized the GIB to require health risk assessments for state employees and participation in wellness or disease management programs.
- Authorized the GIB to enter into agreements to modify or expand group coverage in a manner that materially affects the level of premiums required to be paid or the level of benefits provided under group insurance coverage.

2011 WISCONSIN ACT 13

2011 Wisconsin Act 13 required that \$28 million from reserve accounts established for group health and pharmacy benefits be used to reduce employer costs for providing group health insurance for state employees from July 1, 2011 to December 31, 2011.

2011 WISCONSIN ACT 32

2011 Wisconsin Act 32, the 2011-2013 Biennial Budget Act, generally took effect on July 1, 2011. The major changes that affect ETF and/or the WRS follow:

WRS Vesting Requirements

- The Act established a new vesting requirement, which applies to an employee who initially became a WRS member on or after July 1, 2011. Such members 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.)*



WRS Eligibility Requirements

- The Act increased the eligibility criteria an employee must meet to participate in the WRS from one-third of full-time employment to two-thirds of full time employment. This provision first applied to individuals who were initially employed by a WRS employer on or after the effective date of the law.

Pre-tax Treatment of WRS Employee Contributions

- The Act provided that 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.

Non-statutory Provision—WRS Study

- The Act directed three state agencies -- ETF, the Department of Administration, and the Office of State Employment Relations (OSER) -- to examine the structure and benefits of the WRS and specifically examine two issues:

1. establishing a defined contribution (DC) plan as an option for participating employees;
2. permitting employees to not make employee required contributions and limiting retirement benefits for those employees to a money purchase annuity.

Results and findings of the study were to be submitted by June 30, 2012. Among the study’s key findings:

- The WRS is stable and highly funded. The WRS funding ratio has consistently remained above 90% during the last 20 years and has been nearly 100% since 2004.
- Variations in employer and employee contribution rates over the past 20 years have been low.
- The WRS has one of the lowest pension system costs for taxpayers in the United States. Given the current financial health and unique risk-sharing features of the WRS, neither an optional DC plan nor an opt-out of employee contributions should be implemented in Wisconsin at this time.

Non-statutory Provision—Group Health Insurance Studies

- The Act directed OSER and ETF to study the following:
 1. Offering to state and local employees (beginning January 1, 2013) the option of a low-cost or high-deductible health insurance plan coupled with a health savings account;
 2. Implementing a three-level premium cost structure that would establish separate levels for single individuals, married couples with no dependents and families with dependents;
 3. Implementing a program (beginning January 1, 2012) to provide an online marketplace for the purchase of prescription drugs;
 4. Requiring State of Wisconsin employees to receive health care coverage through a health benefit exchange;
 5. Creating a health care insurance purchasing pool for all state and local employees and individuals enrolled in Medical Assistance.
 6. Allowing the provision of midwifery services under state health plans.

Results and findings of the study were submitted on October 31, 2011. Among the study’s key findings:

1. Low-Cost and high-Deductible Plan Design and Health Savings Account
 - There are numerous ways to structure a low-cost, high deductible insurance plan, depending upon the intent of the policy change. Policymakers should outline the major objectives to be achieved, and consider the limitations involved with these mechanisms to guide the development of such a proposal.
 - To effectively implement a “consumer-driven” model, it is imperative that employees have access to reliable, meaningful information about cost, quality of care, effectiveness and efficiency of health-care services and providers.
 - Analysis is mixed regarding whether participation in a high-deductible health plan fosters appropriate, timely treatment or whether higher out-of-pocket costs discourage participants from seeking appropriate care.



2. Three-Level Premium Cost Structure

- Three-level premium structures are relatively common in the health insurance industry, and this policy change has been investigated at ETF previously. Policymakers should outline the goals to be achieved, and consider who would benefit from this change and which populations would absorb additional cost.
- Contrary to the notion that “employee+spouse” contracts subsidize other family contracts, studies suggest the opposite. Based on ETF enrollment, those eligible for employee+spouse coverage have an actuarially-higher cost factor than those for all other family groupings combined, including employee+spouse+dependents. This is because they generally consist of an older population.

3. Online Marketplace for Prescription Drugs

- Online prescription drug tools may be useful for some consumers, but also present a myriad of concerns, including limited consumer participation, formulary adherence, network compliance, limited pharmacy participation and safety issues.
- The online prescription drug market is a relatively new, untested business model. Limited analysis has been published regarding the effectiveness of decreasing prescription drug costs through the utilization of online prescription drug pricing and auction tools.

4. State Employee Coverage through a Health Benefits Exchange

- The Office of Free Market Health Care (OFMHC) is leading the development of a Wisconsin-based Exchange. OFMHC is primarily focused on covering small employers and individuals through the Exchange.
- The Exchange structure could range from a minimal online portal presenting insurance options, to the State of Wisconsin playing the role of an active purchaser. As the development of the Exchange proceeds, policymakers should carefully analyze the range of options and related impacts involved with covering State employees through the Exchange.

5. State and Local Government Pooled with Medicaid

- There are a number of questions that should be investigated if policymakers plan to pool state and local government employees with the Medicaid population. There are numerous differences in the administration, purchasing practices and benefits packages for these programs.
- The ETF and Medicaid programs essentially operate similar to an “Exchange” model. Both programs leverage large populations to negotiate premiums, the risk is aggregated, but the insurers are separate entities retaining their own risk.

2011 WISCONSIN ACT 133

2011 Wisconsin Act 133 permitted government employers that are not participating employers in the WRS to be covered in the local government health insurance plan offered by the GIB.

ETF VISION STATEMENT

The Department’s strategic plan provides the framework for achieving the Department’s vision 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.

2011 ACCOMPLISHMENTS

This section highlights Department accomplishments from January through December 2011. 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**

Note: Many of the following are associated with projects that are prerequisites/building blocks to larger—and in some cases, longer-term—efforts to fulfill strategic plan objectives.

1. Offer Self-Service Tools for Members and Employers

- Updated the Online Network for Employers (ONE) site to detect and correct, at point of entry, address changes that do not comply with U.S. Postal standards.
- Revised the materials in the “retirement estimate packet” and simultaneously developed a complementary website menu, *How to Retire*. The goal of these improvements was to improve the quality of initial communications with members regarding the retirement process.
- Streamlined the process for members requesting retirement appointments by re-directing a phone line to customer service staff in the call center.

- Created a data governance steering committee to lead the development of processes, policies, standards and automation required to measure, manage and ensure data quality and security.
- Created a Security Council responsible for drafting and maintaining policies that affect security and privacy covering all areas of the Department.

2. Expand Outreach to Members and Employers

- From an outreach perspective, completed one of the busiest periods in recent memory. Staff traveled to 27 cities across the state, providing more than 300 small group retirement sessions serving approximately 2,800 members; 22 “field” presentations reaching 2,300 members; and staffed booths at 23 WRS benefits fairs.
- Processed a record-setting number of requests for retirement estimates, retirement applications, and “final” retirement calculations. Retirement estimates increased by 33.6% over 2010 and retirement benefit applications received increased by 59.8%. In addition, the number of “new annuities started” increased by more than 80% and the number of retirement calculations finalized increased by more than 49%, over 2010.
- Handled 4,961 telephone calls via the Employer Communication Center in the last three months of the year alone, a 44% increase over the same timeframe in 2010. For 2011, more than 12,700 calls from employers were handled.
- Successfully produced and disseminated key communications and updates to members and employers, media, legislators, and other stakeholders about the changes encompassed in 2011 Wisconsin Acts 10 and 32. Key projects included new videos, e-mail updates, newsletter articles, online “Frequently Asked Questions” documents and other critical publications. Also handled hundreds of media and legislative inquiries and requests.
- Permanently expanded daily operating hours and increased capacity in the Call Center.



- Expanded the number of employer training sessions for presenting changes to the annual reporting process resulting from Wisconsin Acts 10 and 32. These included 136 webinar sessions, 37 in-person group trainings, 4 conferences and 7 payroll council meetings.
- Completed multiple program changes related to Wisconsin Act 10, including allowing for employee paid contributions to be reported and credited to employee accounts on a pre-tax basis and to accommodate the change in contribution rates mid-year. These changes affected approximately 145 computer programs and several applications.

3. Strengthen Internal Workforce Training Program

- Established an ETF Training Council to advise on planning, coordinating and presenting training to employees.
- Developed and administered an employee training needs assessment survey to help develop appropriate, job-related training programs.

- Offered 136 employee training sessions on a variety of topics, including changing jobs/making career moves; time management; and finding Wisconsin public records.
- Implemented a web-based online registration system for employees to register for training programs and launched a weekly internal communications piece on training news and information.
- Developed and implemented the Department's project management methodology, standards, templates and presented a series of training sessions for staff interested in project management.
- Conducted multiple staff training sessions on Wisconsin Acts 10 and 32 and the Group Insurance Board-approved health insurance program changes.
- Conducted an intensive training program for staff charged with ongoing support responsibilities for the myETF Benefits System.



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

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

Joe Chrisman
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, 2011, as listed in the table of contents: the Wisconsin Retirement System, Duty Disability Insurance, Accumulated Sick Leave Conversion Credits, 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 opinions 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 from 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 opinions.

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 financial position of each fiduciary fund and of each proprietary fund administered by the Department of Employee Trust Funds as of December 31, 2011, 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 July 11, 2013, 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.

Accounting principles generally accepted in the United States of America require that 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 on pages 79–86 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions 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. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

LEGISLATIVE AUDIT BUREAU

July 11, 2013

by



Joe Chrisman
State Auditor



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets
December 31, 2011
(In Thousands)**

	Wisconsin Retirement System	Duty Disability Insurance	Accumulated Sick Leave Conversion Credits
Assets:			
Equity In Pooled Cash & Cash Equivalents	\$ 2,144,106	\$ 0	\$ 0
Securities Lending Collateral	1,104,863	0	0
Prepaid Expenses	22,072	0	10,845
Receivables:			
Contributions Receivable	136,287	5,583	3,350
Prior Service Contributions Receivable	115,225	0	0
Benefit Overpayments Receivable	3,656	377	0
Due From Other Trust Funds	5,850	0	0
Miscellaneous Receivables	1,718	0	0
Interest and Dividends Receivable	223,267	0	0
Investment Sales Receivable	120,144	0	0
Total Receivables	606,147	5,960	3,350
Investments at Fair Value:			
Stocks	41,739,938	0	0
Fixed Income Investments	22,086,357	0	0
Limited Partnerships	8,963,592	0	0
Multi Asset Investments	1,676,804	0	0
Real Estate	462,809	0	0
Preferred Securities	118,760	0	0
Convertible Securities	73,807	0	0
Foreign Currency Contracts	7,837	0	0
Options	(665)	0	0
Financial Futures Contracts	(14,366)	0	0
Investment In Core Fund	0	424,564	1,972,071
Investment In Variable Fund	0	0	0
Investment in External Pool	0	0	0
Total Investments	75,114,873	424,564	1,972,071
Capital Assets	2,066	0	0
Total Assets	78,994,127	430,524	1,986,266
Liabilities:			
Core Investment Due Other Programs	3,111,475	0	0
Variable Investment Due Other Programs	17,709	0	0
Securities Lending Collateral Liability	1,104,863	0	0
Benefits Payable	292,300	2,458	0
Other Estimated Future Benefits	0	0	2,160,752
Unearned Revenue	146	0	0
Due To Other Trust Funds	59	63	21
Miscellaneous Payables	107,443	0	0
Investment Payables	452,127	0	0
Total Liabilities	5,086,122	2,521	2,160,773
Net Assets Held in Trust for Pension Benefits and Pool Participants	\$ 73,908,005	\$ 428,003	\$ (174,507)

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 85.



Statement 1

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 0	\$ 0	\$ 4,340	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	751	102	0	0
0	0	144	126	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	131	0	0	0
32	44	91	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
32	44	366	126	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	133,209	0
0	0	0	0	17,709	0
363,778	231,695	0	0	0	0
363,778	231,695	0	0	150,918	0
0	0	0	0	0	0
363,810	231,739	5,457	228	150,918	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	4,293	11	0	0
0	0	0	0	0	0
0	0	25	81	0	0
32	44	0	126	0	0
0	0	35	0	0	0
0	0	0	0	0	0
32	44	4,353	218	0	0
\$ 363,778	\$ 231,695	\$ 1,104	\$ 10	\$ 150,918	\$ 0



**Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2011
(In Thousands)**

	Wisconsin Retirement System	Duty Disability Insurance	Accumulated Sick Leave Conversion Credits
Additions:			
Contributions:			
Employer Contributions	\$ 749,920	\$ 53,085	\$ 47,754
Employee Contributions	797,856	0	0
Total Contributions	<u>1,547,776</u>	<u>53,085</u>	<u>47,754</u>
Deposits	0	0	0
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(891,180)	0	0
Interest	669,575	0	0
Dividends	1,026,732	0	0
Securities Lending Income	21,920	0	0
Other	116,757	4,994	24,280
Less:			
Investment Income Distributed to Other Funds	35,986	0	0
Investment Expense	241,413	0	0
Securities Lending Rebates and Fees	2,254	0	0
Net Investment Income	<u>664,151</u>	<u>4,994</u>	<u>24,280</u>
Interest on Prior Service Receivable	6,668	0	0
Service Reimbursement Income	0	0	0
Miscellaneous Income	849	0	0
Total Additions	<u>2,219,444</u>	<u>58,079</u>	<u>72,034</u>
Deductions:			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary	4,136,885	29,595	0
Separation Benefits	28,006	0	0
Other Benefit Expense	0	0	77,314
Distributions	0	0	0
Carrier Administrative Expenses	0	0	0
Departmental Administrative Expenses	18,620	567	314
Transfers Out	0	0	0
Total Deductions	<u>4,183,511</u>	<u>30,162</u>	<u>77,628</u>
Net Increase (Decrease)	<u>(1,964,067)</u>	<u>27,917</u>	<u>(5,594)</u>
Net Assets			
Beginning of Year	<u>75,872,072</u>	<u>400,086</u>	<u>(168,913)</u>
End of Year	<u>\$ 73,908,005</u>	<u>\$ 428,003</u>	<u>\$ (174,507)</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
\$ 1,505	\$ 1,893	\$ 428	\$ 150	\$ 0	\$ 0
3,895	4,655	21,974	1,317	0	0
<u>5,400</u>	<u>6,548</u>	<u>22,402</u>	<u>1,467</u>	<u>0</u>	<u>0</u>
0	0	0	0	13,500	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
16,886	10,684	6	0	591	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>16,886</u>	<u>10,684</u>	<u>6</u>	<u>0</u>	<u>591</u>	<u>0</u>
0	0	0	0	0	0
52	71	0	0	0	0
0	0	5	0	0	0
<u>22,338</u>	<u>17,303</u>	<u>22,413</u>	<u>1,467</u>	<u>14,091</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
14,638	12,267	21,759	1,306	0	0
0	0	0	0	12,500	0
902	1,242	682	77	0	0
52	71	111	55	0	0
0	0	0	0	0	212
<u>15,592</u>	<u>13,580</u>	<u>22,552</u>	<u>1,438</u>	<u>12,500</u>	<u>212</u>
6,746	3,723	(139)	29	1,591	(212)
<u>357,032</u>	<u>227,972</u>	<u>1,243</u>	<u>(19)</u>	<u>149,327</u>	<u>212</u>
<u>\$ 363,778</u>	<u>\$ 231,695</u>	<u>\$ 1,104</u>	<u>\$ 10</u>	<u>\$ 150,918</u>	<u>\$ 0</u>



Statement 3

Wisconsin Department of Employee Trust Funds
Statement of Net Assets -- Proprietary Funds
December 31, 2011
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Assets				
Current Assets:				
Cash and Cash Equivalents	0	0	0	2,180
Investment in Core Fund	215,758	275,369	84,764	0
Rebates Receivable	0	10,001	0	0
Contributions Receivable	0	0	1,097	0
Due From Other Trust Funds	49	4,625	0	47
Benefit Overpayment Receivable	81	0	4,032	0
Administrative Fees Receivable	0	0	0	362
Total Current Assets	<u>215,888</u>	<u>289,995</u>	<u>89,893</u>	<u>2,589</u>
Total Assets	<u>215,888</u>	<u>289,995</u>	<u>89,893</u>	<u>2,589</u>
Liabilities				
Current Liabilities:				
Premiums Payable	0	7	0	2,233
Unearned Revenue	0	103,414	162	0
Current Portion of Estimated Future Benefits	27,288	6,631	18,733	0
Due To Other Trust Funds	4,158	784	335	120
Miscellaneous Payables	141	2,366	123	0
Total Current Liabilities	<u>31,587</u>	<u>113,202</u>	<u>19,353</u>	<u>2,353</u>
Noncurrent Liabilities:				
Noncurrent Portion of Estimated Future Benefits	161,717	0	69,406	0
Total Noncurrent Liabilities	<u>161,717</u>	<u>0</u>	<u>69,406</u>	<u>0</u>
Total Liabilities	<u>193,304</u>	<u>113,202</u>	<u>88,759</u>	<u>2,353</u>
Net Assets Restricted For Benefits	<u>\$ 22,584</u>	<u>\$ 176,793</u>	<u>\$ 1,134</u>	<u>\$ 236</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, 2011
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Operating Revenues:				
Contributions	0	\$ 1,306,522	\$ 15,615	0
Early Retiree Reinsurance Program Income	0	13,186	0	0
Miscellaneous Income	1	1	63	5
Administrative Reimbursement Income	0	0	0	602
Total Operating Revenues	1	1,319,709	15,678	607
Operating Expenses:				
Benefit Expense	42,510	1,274,411	32,345	0
Carrier Administrative Expenses	1,692	7,054	1,449	0
Departmental Administrative Expenses	381	5,569	833	602
Total Operating Expenses	44,583	1,287,034	34,627	602
Operating Income (Loss)	(44,582)	32,675	(18,949)	5
Nonoperating Revenues:				
Investment Income	3,037	2,114	980	2
Total Nonoperating Revenues	3,037	2,114	980	2
Net Income (Loss)	(41,545)	34,789	(17,969)	7
Change in Net Assets	(41,545)	34,789	(17,969)	7
Total Net Assets - Beginning of Year	64,129	142,004	19,103	229
Total Net Assets - End of Year	\$ 22,584	\$ 176,793	\$ 1,134	\$ 236

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, 2011
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Cash Received for Rebates	\$ 0	\$ 19,254	\$ 0	\$ 0
Cash Received for Insurance Premiums	0	1,312,517	15,682	10
Cash Paid for Employee Benefits	(28,713)	(1,292,011)	(18,251)	(227)
Cash Paid for Administrative Services	(2,118)	(14,288)	(1,924)	(632)
Service Reimbursement Income	0	0	0	602
Miscellaneous Income	1	1	63	5
Net Cash Provided (Used) by Operating Activities	(30,830)	25,473	(4,430)	(242)
Cash Flows from Investing Activities				
Investment Income	3,037	2,114	980	2
Decrease (Increase) in Investment in Core Fund	27,793	(37,148)	3,450	0
Net Cash Provided (Used) by Investing Activities	30,830	(35,034)	4,430	2
Net Increase (Decrease) in Cash and Cash Equivalents	0	(9,561)	0	(240)
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	0	9,561	0	2,420
Equity in Pooled Cash and Cash Equivalents at End of Year	0	0	0	2,180

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	(44,582)	32,675	(18,949)	5
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	1,370	0	0
Decrease (Increase) in Contributions Receivable	0	0	62	8
Decrease (Increase) in Miscellaneous Receivables	0	0	0	(150)
Decrease (Increase) in Benefit Overpayments Receivable	(8)	0	154	0
Decrease (Increase) in Due From Other Trust Funds	(45)	(1,791)	23	1
Increase (Decrease) in Estimated Future Benefits	13,415	(898)	14,047	0
Increase (Decrease) in Premiums Payable	0	0	0	(226)
Increase (Decrease) in Unearned Revenue	0	(7,190)	5	0
Increase (Decrease) in Miscellaneous Payables	(88)	1,182	(107)	0
Increase (Decrease) in Due to Other Trust Funds	478	125	335	120
Total Adjustments	13,752	(7,202)	14,519	(247)
Net Cash Provided (Used) by Operating Activities	\$ (30,830)	\$ 25,473	\$ (4,430)	\$ (242)

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



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets - Agency Fund
December 31, 2011
(In Thousands)**

Statement 6

	State Retiree Health Insurance	Local Retiree Health Insurance
Assets:		
Cash and Cash Equivalents	\$ 0	\$ 0
Receivables:		
Federal Subsidy Receivable	9,417	0
Benefit Overpayment Receivable	12	19
Rebates Receivable	3,999	257
Total Receivables	<u>13,428</u>	<u>276</u>
Investments at Fair Value:		
Investment in Core Fund	5,742	0
Total Investments	<u>5,742</u>	<u>0</u>
Total Assets	<u>19,170</u>	<u>276</u>
Liabilities:		
Unearned Revenue	15,033	1,627
Due To Other Trust Funds	291	4,669
Miscellaneous Payables	1,711	85
Benefit & Loss Liabilities--Current	5,201	238
Due To Employers	<u>(3,066)</u>	<u>(6,343)</u>
Total Liabilities	<u>19,170</u>	<u>276</u>
Net Assets Held In Trust	<u>\$ 0</u>	<u>\$ 0</u>

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



**Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets - Agency Fund
December 31, 2011
(In Thousands)**

Statement 7

	<u>Balance</u> <u>January 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2011</u>
Local Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ (5)	\$ 24,163	\$ 24,158	\$ 0
Receivables:				
Benefit Overpayment Receivable	23	0	4	19
Due From Other Trust Funds	0	54	54	0
Rebates Receivable	271	480	494	257
Total Receivables	<u>294</u>	<u>534</u>	<u>552</u>	<u>276</u>
Investments at Fair Value:				
Total Assets	<u>289</u>	<u>24,697</u>	<u>24,710</u>	<u>276</u>
Liabilities				
Unearned Revenue	1,700	1,627	1,700	1,627
Due To Other Trust Funds	2,863	1,806	0	4,669
Miscellaneous Payables	54	233	202	85
Benefit & Loss Liabilities--Current	206	4,847	4,815	238
Due To Employers	(4,534)	23,737	25,546	(6,343)
Total Liabilities	<u>\$ 289</u>	<u>\$ 32,250</u>	<u>\$ 32,263</u>	<u>\$ 276</u>
State Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ (296)	\$ 244,715	\$ 244,419	\$ 0
Receivables:				
Federal Subsidy Receivable	5,755	11,733	8,071	9,417
Benefit Overpayment Receivable	12	0	0	12
Due From Other Trust Funds	0	44	44	0
Rebates Receivable	5,750	5,948	7,699	3,999
Total Receivables	<u>11,517</u>	<u>17,725</u>	<u>15,814</u>	<u>13,428</u>
Investments at Fair Value:				
Investment in Core Fund	10,694	0	4,952	5,742
Total Investments	<u>10,694</u>	<u>0</u>	<u>4,952</u>	<u>5,742</u>
Total Assets	<u>21,915</u>	<u>262,440</u>	<u>265,185</u>	<u>19,170</u>
Liabilities				
Unearned Revenue	14,780	15,033	14,780	15,033
Due To Other Trust Funds	123	1,459	1,291	291
Miscellaneous Payables	474	4,033	2,796	1,711
Benefit & Loss Liabilities--Current	5,443	103,584	103,826	5,201
Due to Employers	1,095	220,693	224,854	(3,066)
Total Liabilities	<u>\$ 21,915</u>	<u>\$ 344,802</u>	<u>\$ 347,547</u>	<u>\$ 19,170</u>

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



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 of Wisconsin 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 Systems: These funds are 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 of Wisconsin uses leveraged bargaining powers established for employee health insurance to provide discounts and rebates on prescription drugs for participating individuals in the state. The Department of Health Services (DHS) assumed responsibility for the Badger Rx program on January 1, 2011.



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. Stat. § 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, 2011, the funding value of reserves (\$ in millions) was as follows:

Benefit Plan	Reserves at Funding Value	Deferred Market Gains (Losses)	Reserves at Fair Value
Wisconsin Retirement System	\$78,988.8	\$(5,080.8)	\$73,908.0
Income Continuation Insurance ⁽¹⁾	(2.3)	3.4	1.1
Duty Disability Insurance	461.6	(33.6)	428.0
Long-Term Disability Insurance ⁽¹⁾	69.2	(46.6)	22.6
Accumulated Sick Leave Conversion Credits ⁽¹⁾	(14.1)	(160.4)	(174.5)
Health Insurance ⁽¹⁾	199.3	(22.5)	176.8
State Retiree Health Insurance ⁽¹⁾	(3.5)	0.4	(3.1)
Local Retiree Health Insurance ⁽¹⁾	(6.0)	(0.3)	(6.3)

(1) The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Long-Term Disability Insurance, Accumulated Sick Leave Conversion Credits, Health Insurance, and State and Local Retiree Health Insurances 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 \$29.0 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

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.

As of December 31, 2011, the total value of capital assets was \$4,809,642, less accumulated depreciation of \$2,743,639, for a net capital asset value of \$2,066,003. The net capital asset value includes \$1,830,394 in internally-generated software

(e.g., the Lump Sum Payment System), and \$107,329 in purchased software.

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 2011, the liability changed as follows (\$ in millions):

Beginning balance	\$ 2,215
Plus: New Liabilities Recognized	77
Less: Benefits Paid	<u>(131)</u>
Ending Balance	<u>\$2,161</u>

The portion estimated to be due within one year is \$154 million.

INTERFUND ASSETS / LIABILITIES

Interfund assets and liabilities at December 31, 2011 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	Life Insurance	State Retiree Life Insurance	Local Retiree Life Insurance	Duty Disability Insurance	Income Continuation Insurance	ASLCC	
Wisconsin Retirement System		\$40	\$4,158	\$748	\$291	\$44	\$120	\$12	\$17	\$63	\$335	\$21	\$5,849
Employee Reimbursement Accounts	\$10	\$86		\$35									\$131
Health Insurance						\$4,625							\$4,625
Local Retiree Health Insurance													
Life Insurance								\$20	\$27				\$47
Commuter Benefits													
Long-Term Disability Insurance	\$49												\$49
Income Continuation Insurance													
ASLCC													
Total	\$59	\$126	\$4,158	\$784	\$291	\$4,669	\$120	\$32	\$44	\$63	\$335	\$21	\$10,701

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.

2 ACCOUNTING CHANGES

There are no accounting changes for the year.

3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

VALUATION OF SECURITIES

The investments of the Core and Variable Funds are reported in the *Statement of Fiduciary Net Assets* at fair value as prescribed by GASB and per Wisconsin Statutes s. 25.17(14). Unrealized gains and losses are reflected in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.

The fair value of Core and Variable Fund assets are obtained or estimated in accordance with a pricing hierarchy established with SWIB's custodian BNY

Mellon Bank (BNY Mellon). As prescribed by the hierarchy, a variety of independent pricing sources are used to price assets based on type, class or issue.

When a portfolio includes securities or instruments for which the custodial bank does not receive fair value information from its vendor pricing sources, a variety of third party pricing methods are used, including appraisals, pricing models and other methods deemed acceptable by industry standards.

Privately-held debt, which is included in Fixed Income Investments on the *Statement of Fiduciary Net Assets*, 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 interest rate spreads are supplied by a third party.

In a few instances, privately-held 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.

For alternative investments where no readily-ascertainable market value exists, including limited partnerships and real estate pooled funds, fair value is estimated based on the net asset value as reported by the general partner. In these instances, the capital account balance as stated in the most recent available quarterly reporting period is adjusted for subsequent cash flows to derive the fair value. Annually, the financial statements of the limited partnerships and real estate pooled funds are audited by independent auditors.

Monthly, SWIB values hedge funds based on statements received from each of the hedge fund's



administrators. Essentially, a hedge fund administrator serves as an independent third party that protects the interests of investors. The main function of a third-party administrator is to independently calculate the net asset value of the fund. Generally, hedge fund administrators price financial instruments traded in active markets based on quoted market prices or binding dealer quotations. For certain over-the-counter instruments, fair value is determined based on valuation models used by the administrator. Annually, the financial statements prepared by the administrator are audited by independent auditors.

Real estate direct owned properties are valued by independent appraisers every three years. In years when appraisals are not performed, properties are informally appraised by the asset advisor. As with other alternative investments, SWIB will establish fair value through the use of quarterly financial statements provided by the advisor. The net asset value reported by the advisor is adjusted for subsequent cash flows such as contributions, distributions, and realized gains and losses. Annually, the financial statements reporting on 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 are not 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 instruments 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 9.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. Fixed income credit risk investment guidelines spell out the minimum ratings required 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. Information regarding SWIB's credit risk related to derivatives is discussed later in these notes.

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 and Variable Funds as of December 31, 2011. 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 interest rate sensitive 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). The table also includes SWIB's investment in externally managed commingled funds included within the Fixed Income and Cash and Cash Equivalents categories on the *Statement of Fiduciary Net Assets* that have not been assigned a rating. Although the funds themselves are not assigned 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. The table, *Credit Quality Breakdown of Commingled Funds*, presents the aggregated credit ratings for the underlying investments held by commingled funds within the Core and Variable Funds.

United States Treasury obligations (UST) and obligations explicitly guaranteed by the U.S. government (AGY) historically were not considered to have credit risk. However, following federal legislation which raised the statutory U.S. debt ceiling in August 2011, the three major U.S. rating agencies (Moody's Investors Service "Moody's", Fitch Investors "Fitch",



and Standard & Poor's "S&P") issued divergent perspectives regarding current sovereign U.S. debt rating assignments. The credit quality tables present the lowest rating assigned for each security. At December 31, 2011 SWIB's holdings of UST and AGY are shown within the "AA" category.

Core & Variable Funds Credit Quality Distribution December 31, 2011		
Ratings	Fair Value	% of Total
P-1 or A-1	\$ 73,725,253	0
AAA/Aaa	1,162,053,116	5
AA/Aa	7,880,637,044	31
A	2,037,318,358	8
BBB/Baa	1,838,734,210	7
BB/Ba	473,365,619	2
B	643,410,467	3
CCC/Caa	213,770,905	1
CC/Ca	5,444,339	0
C	8,867,787	0
D	4,515,900	0
Commingled Funds	8,925,637,370	36
Not Rated	1,840,590,850	7
Total	<u>\$ 25,108,071,218</u>	<u>100%</u>

Core & Variable Funds Credit Quality Breakdown of Commingled Funds* December 31, 2011		
Ratings	Fair Value	% of Total
P-1 or A-1	\$ 530,067,223	6
AAA/Aaa	4,556,799,096	51
AA/Aa	513,229,015	6
A	1,325,981,134	15
BBB/Baa	1,316,059,435	14
BB/Ba	165,279,086	2
B	167,893,039	2
CCC/Caa	73,906,865	1
CC/Ca	8,541,548	0
C	1,348,665	0
Not Rated	<u>266,532,264</u>	<u>3</u>
Total	<u>\$ 8,925,637,370</u>	<u>100%</u>

*Reflects aggregated ratings of underlying investments as reported by the commingled fund managers.

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 \$229.2 million reverse repurchase agreements outstanding at December 31, 2011. 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 of the underlying securities plus accrued interest and the agreement obligation, including accrued interest. This credit exposure at December 31, 2011 was \$4.2 million.

Because 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, 2011, had underlying collateral with fair values of approximately 102% of the cost of the repurchase agreements. The agreed-upon yields were between 0.15% and 0.25% with maturity dates through March 8, 2012.

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*.



CUSTODIAL CREDIT RISK

The Core and Variable 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, 2011 were \$339.9 million. A portion of the deposits, totaling \$12.1 million, are covered by federal depository insurance. The remaining uninsured and uncollateralized deposits, totaling \$327.8 million, were held in foreign currencies in SWIB's custodian's nominee name or were posted as collateral for derivatives transactions. In addition, SWIB held time deposits with foreign financial institutions with a fair value of \$39.2 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, 2011 the Core and Variable Funds held 24 repurchase agreements totaling \$1.3 billion. Twenty-three of these repurchase agreements, representing all but a small fraction of the total repurchase agreement value, were tri-party agreements held in short-term cash management portfolios managed by SWIB's custodian. The underlying securities for these repurchase agreements were held by the tri-party'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 the portfolio's

market value. The Core and Variable Funds did not hold any investments with a single issuer, exclusive of investments issued or explicitly guaranteed by the U.S. government, representing 5% or more of the funds' value at December 31, 2011.

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 aggregated 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. Some floating rate instruments, such as term loans, use reset date as the maturity date in calculating the duration statistic.

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 4.9 and 6.6 years, respectively.

Core and Variable Funds		
Interest Rate Sensitivity by Investment Type		
December 31, 2011		
Investment Type	Fair Value*	Duration (years)
Asset Backed Securities	\$ 25,689,988	3.43
Certificates of Deposit	4,800,000	0.13
Commercial Paper	73,725,253	0.11
Corporate Bonds & Private Placements	5,170,994,750	4.87
Futures Contracts	944,158,705	5.48
U.S. Government Agency	673,395,654	2.79
Municipal Bonds	109,825,419	11.13
Repurchase Agreements	23,740,920	0.01
Foreign Government/Agency Bonds	3,228,451,642	6.95
U.S. Treasury Securities	5,431,298,758	8.11
Commingled Funds		
Emerging Market Fixed Income	306,485,659	6.70
Global Fixed Income	449,555,141	4.23
Domestic Fixed Income	6,759,044,123	5.73
		Weighted Average Maturity (days)
Cash Management	1,410,552,447	97
Securities Lending Collateral Pool		
Corporate Bonds	162,623,960	28
Repurchase Agreements	<u>1,277,887,505</u>	3
Total Fair Value	<u>\$ 26,052,229,924</u>	

* Notional amount presented for futures contracts



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 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 their investment in certain commingled 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. Additional information related to the management of foreign currencies through the use of derivatives is discussed later in these notes.

As of December 31, 2011 the Core and Variable Funds' assets were exposed to foreign currency risk in the currencies shown in the table, *Currency Exposures by Investment Type* (below).

Currency Exposures by Investment Type December 31, 2011

Currency	Cash & Cash Equivalents	Stocks	Fixed Income	Limited Partnerships	Multi Asset	Real Estate	Preferred Securities	Convertible Securities	Options	Financial Futures	Total
Argentina Peso	\$ (28)	\$ -	\$ 1,124,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124,907
Australian Dollar	14,836,660	841,600,642	43,718,151	-	-	-	-	-	-	(1,718,620)	898,436,833
Brazilian Real	1,119,606	59,800,279	33,594,505	-	-	-	36,532,592	-	-	-	131,046,982
British Pound Sterling	17,018,720	3,090,143,179	236,369,801	99,733,955	-	-	-	-	-	2,281,838	3,445,547,493
Canadian Dollar	8,335,072	1,153,897,016	95,371,198	27,442,669	-	-	-	-	-	154,709	1,285,200,664
Colombian Peso	-	-	5,554,153	-	-	-	-	-	-	-	5,554,153
Czech Koruna	291,398	6,685,565	-	-	-	-	-	-	-	-	6,876,963
Danish Krone	306,340	93,136,311	25,956,404	-	-	-	64,061,251	530,277	-	352,604	119,399,055
Euro	63,654,312	3,306,204,957	1,036,424,112	838,269,515	-	-	-	-	-	-	5,309,497,028
Hong Kong Dollar	1,772,715	516,518,410	-	-	-	-	-	-	-	-	518,291,125
Hungarian Forint	5,306	196,861	5,235,544	-	-	-	-	-	-	-	5,437,711
Indian Rupee	876,469	80,489,566	3,185,544	-	-	-	-	-	-	-	84,551,579
Indonesian Rupiah	83,776	6,913,760	14,676,983	-	-	-	-	-	-	-	21,674,519
Israeli New Shekel	898,406	35,237,126	-	-	-	-	-	-	-	-	36,135,532
Japanese Yen	13,276,145	2,563,446,270	1,057,805,164	-	-	-	-	129,194	-	(2,040,811)	3,632,615,962
Malaysian Ringgit	2,721,108	15,967,778	49,074,199	-	-	-	-	-	-	-	67,763,085
Mexican New Peso	1,635,060	21,712,376	60,025,978	-	-	-	-	-	-	-	83,373,414
Moroccan Dirham	2,679	1,962,631	-	-	-	-	-	-	-	-	1,965,310
New Taiwan Dollar	992,857	146,508,250	-	-	-	-	-	-	-	-	147,501,107
Turkish Lira	472	51,891,145	603,061	-	-	-	-	-	-	-	52,494,678
New Zealand Dollar	136,567	10,133,753	6,815,639	-	-	-	-	-	-	-	17,085,959
Norwegian Krone	555,147	87,644,033	16,015,198	-	-	-	-	-	-	-	104,214,378
Peruvian Nuevo Sol	174,769	86,630	3,587,217	-	-	-	-	-	-	-	3,848,616
Philippine Peso	5,420	2,275,905	9,474,701	-	-	-	-	-	-	-	11,756,026
Polish Zloty	62,393	28,221,599	30,241,783	-	-	-	-	-	-	-	58,525,775
Singapore Dollar	896,031	157,617,271	-	-	-	-	-	-	-	-	158,513,302
South African Rand	1,260,836	32,186,216	23,324,346	-	-	-	-	-	-	-	56,771,398
South Korean Won	49,502	264,538,205	15,859,193	-	-	-	-	-	-	-	280,446,900
Swedish Krona	1,273,507	265,116,990	28,486,257	10,893,771	-	-	-	-	-	-	305,770,525
Swiss Franc	2,322,330	1,079,142,473	-	-	-	-	-	-	-	-	1,081,464,803
Thai Baht	69	67,630,426	7,859,038	-	-	-	-	-	-	-	67,630,495
Uruguayan Peso	-	-	-	-	-	-	-	-	-	-	7,859,038
Total	\$ 134,563,644	\$ 13,986,905,623	\$ 2,810,383,104	\$ 976,339,910	\$ -	\$ -	\$ 100,593,843	\$ 659,471	\$ -	\$ (970,280)	\$ 18,008,475,315

Foreign currency risk for the Retiree Life Insurance Funds is minimized by the Company, utilizing short-duration spot forward contracts to reduce 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 percent 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 percent 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 two separate pools: a U.S. dollar cash collateral pool and a pool denominated in Euros. These pools are administered in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and obtain a modest rate of return. In April 2011, SWIB began transitioning to new investment guidelines that limit new investments to overnight repurchase agreements collateralized with high quality U.S. government and sovereign debt securities. The primary driver of this decision was to reduce the credit and liquidity risk of the credit/duration-oriented reinvestment portfolio. Additionally, SWIB's custodian provides indemnification to SWIB against borrower default. The earnings generated from

the collateral investments, plus the net amount of rebates paid to the dealers and less fees paid to agents, results in the net earnings from lending activities—which are 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 pools' 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 the calendar year ending December 31, 2011, the U.S. dollar pool's NAV dipped slightly below the typical money market fund market floor value of 0.9950. However, both collateral pools ended the calendar year with NAVs in excess of this floor. As of December 31, 2011, the U.S. dollar cash collateral reinvestment pool's NAV was 0.9961, while the foreign reinvestment pool had a NAV of 1.0000.

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. In addition to the cash collateral reinvestment indemnification, 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 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 three days. This is shorter than the weighted average maturity/days to reset of seven days for investments made with the U.S. dollar cash collateral, and matches the weighted average maturity/days to reset of three days for investments made with Euro cash collateral at December 31, 2011.



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 commingled funds. These earnings are automatically reinvested in the commingled funds and 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

A derivative instrument, as defined by GASB Statement No. 53, is a financial instrument or other contract that has all of the following characteristics:

- Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- Leverage. It either requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- Net settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

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.

Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives that have been approved by the SWIB Board of Trustees. Where derivatives are

permitted, guidelines stipulate allowable instruments and the manner in which they are to be used.

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.

Certain investments and cash deposits were posted as collateral, or pledged to cover derivatives positions. At December 31, 2011, the Core and Variable Funds posted \$203.2 million in cash and \$35.5 million in equity securities as collateral for derivatives contracts. In addition, \$34.3 million in equity securities were pledged to cover option contracts written by the Core and Variable Funds.

The following are the types of derivatives that SWIB uses in its dedicated account portfolios. SWIB also invests in derivative instruments indirectly through several commingled 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 and asset class level when currency market conditions suggest such strategies are warranted. Only the currencies of developed market countries in the MSCI World Index may be used to implement the currency overlay.



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

SWIB executes spot and forward contracts with various counterparties. Guidelines that provide minimum credit ratings for counterparties have been established. Policies that seek to implement master netting arrangements with counterparties to over-the-counter derivative transactions have also been set. Such arrangements permit the closeout and netting of transactions with the same counterparty upon the occurrence of certain events, such as payment default, rating downgrade, bankruptcy, illegality or force majeure. SWIB’s policies for requiring collateral postings relating to spot and forward contracts vary by portfolio and counterparty and are intended to mitigate the credit risk associated with the counterparty.

The table, *Exposures Aggregated by Counterparty Credit Rating*, summarizes by credit rating the Core and Variable Funds’ exposure to the 15 counterparties with which SWIB has entered into spot and forward contracts as of December 31, 2011, without respect to any collateral or netting arrangement.

The aggregate fair value of foreign currency spot and forward contracts receivables at December 31, 2011 was \$3,093.2 million. This represents the maximum potential loss that could be recognized if all 15 counterparties failed to perform as contracted, without respect to any collateral or netting arrangement. However, at year-end, the Core and Variable Funds held \$80,000 in counterparty collateral and incurred \$3,024.7 million in foreign currency spot and forward payables that would offset the maximum potential loss under netting arrangements with counterparties, resulting in a net exposure to credit risk of \$68.4 million.

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, 2011 (see next page).

**Core & Variable Funds
Exposures Aggregated by Counterparty Credit Rating
December 31, 2011**

Foreign Currency Spot and Forward Contracts

Counterparty Credit Rating	Payable	Receivable	Net
AA	\$ (1,060,516,255)	\$ 1,068,017,711	\$ 7,501,456
A	(2,024,853,813)	2,025,189,696	335,883
Total	<u>\$ (3,085,370,068)</u>	<u>\$ 3,093,207,407</u>	<u>\$ 7,837,339</u>

**Foreign Currency Spot and Forward Contracts
December 31, 2011**

Currency	Notional (local currency)	Fair Value of Foreign Currency Contracts Receivable (\$US)
Foreign Currency Contracts Sold		
Australian Dollar	292,126,788	\$ 3,886,659
Brazilian Real	2,758,128	(2,682)
British Pound Sterling	213,270,041	(4,322,368)
Canadian Dollar	489,000,109	2,181,325
Chilean Peso	2,680,000,000	(105,402)
Chinese Renminbi	53,993,000	81,160
Danish Krone	130,287,527	(665,643)
Euro	186,058,727	(9,509,441)
Hong Kong Dollar	266,540,813	104,470
Israeli New Shekel	10,530,000	(33,944)
Japanese Yen	34,729,569,164	5,416,288
Malaysian Ringgit	12,641,000	16,109
Mexican New Peso	288,612,000	(846,538)
Turkish Lira	13,456,000	(111,633)
New Zealand Dollar	3,469,000	76,992
Norwegian Krone	66,493,604	(191,903)
South African Rand	8,539,009	25,730
Singapore Dollar	45,748,579	85,263
Swedish Krona	668,235,900	(336,160)
Swiss Franc	50,567,964	(870,819)
		\$ (5,122,537)
Foreign Currency Contracts Purchased		
	Notional (local currency)	Fair Value of Foreign Currency Contracts Payable (\$US)
Australian Dollar	(99,332,425)	\$ (2,115,114)
Brazilian Real	(32,941,375)	297,821
British Pound Sterling	(316,905,286)	5,653,035
Canadian Dollar	(168,933,280)	(640,727)
Danish Krone	(41,887,152)	219,585
Euro	(233,542,665)	7,083,750
Hong Kong Dollar	(141,247,320)	(41,517)
Israeli New Shekel	(104,042,029)	326,145
Japanese Yen	(19,868,084,264)	504,333
Mexican New Peso	(15,438,150)	(32)
New Zealand Dollar	(7,625,000)	(13,110)
Norwegian Krone	(42,687,000)	89,909
Peruvian Nuevo Sol	(9,724,000)	(33,716)
South African Rand	(99,569,000)	157,054
Singapore Dollar	(4,116,220)	12,425
South Korean Won	(358,173,031)	(647)
Swedish Krona	(357,460,839)	(256,442)
Swiss Franc	(114,021,523)	1,717,124
		\$ 12,959,876
Net Unrealized Gain (Loss) on Foreign Currency Spot and Forward Contracts		\$ 7,837,339



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 resulting from 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 variation margin 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; adjust sector exposures; 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; and equitize cash and receivable positions or as a substitute for cash market transactions. Futures contracts are secured by collateral deposited with brokers and can be in the form of cash, U.S. Treasuries and equity securities.

The table, *Core & Variable Funds Futures Contracts*, presents the Core and Variable Funds investments in futures contracts as of Futures Contracts December 31, 2011.

Core & Variable Funds Futures Contracts December 31, 2011			
Description	Expiration	Notional Amount	Unrealized Appreciation (Depreciation)*
Fixed Income Futures	Mar 2012	\$ 944,158,705	\$ 10,034,011
Equity Index Futures	Mar 2012	218,910,918	(24,399,643)
Total Futures Contracts		<u>\$ 1,163,069,623</u>	<u>\$ (14,365,632)</u>

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

OPTIONS

An option contract gives the purchaser of the contract the right, but not the 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 and over-the-counter options. However, during calendar year 2011, the Core and Variable Funds did not make any investments in over-the-counter option contracts. Guidelines allow options to be used to improve the efficiency or to enhance the expected return of the Core and Variable Funds' strategic rebalancing procedures. In addition, 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 provided by rebalancing policies 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. Portfolio investment guidelines permit the use of options to adjust exposures and provide additional yield.



The fair value of option contracts is based on 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, *Core & Variable Funds Option Contracts*, presents the fair value of option contracts purchased or sold by the Core and Variable Funds as of December 31, 2011.

Core & Variable Funds Option Contracts December 31, 2011						
Security Description	Contract Type	Expiration	Notional	Cost/ (Proceeds)	Fair Value	Unrealized Gain (Loss)
Options Sold						
Equity	Call	Jan 12 - May 12	\$ (34,560,789)	\$ (263,887)	\$ (425,238)	\$ (161,350)
Equity	Put	Jan 12 - May 12	(55,369,732)	(804,298)	(482,906)	321,394
Equity Futures	Put	Jan 12	(151,875)	(745,666)	(151,875)	593,791
Equity Index	Put	Mar 12	(452,736,000)	(7,333,200)	(4,139,996)	3,193,200
Options Purchased						
Equity	Call	Jan 12	1,116,500	275,660	2,310	(273,350)
Equity Index	Call	Mar 12	4,900,000	7,381,850	4,532,500	(2,849,350)
Total Option Contracts			\$ (536,801,896)	\$ (1,489,541)	\$ (665,205)	\$ 824,335

MULTI ASSET INVESTMENTS

SWIB employs portfolio strategies that involve investment across multiple asset classes. The Multi Asset Investments category on the *Statement of Fiduciary Net Assets* consists of risk parity and hedge funds multi asset strategies. Risk parity and hedge fund investments are either in the form of a commingled fund—with ownership through fund shares—or a limited partnership. The risk parity portfolios seek to equally weight asset allocation risk across multiple assets and geographies. Exposures are expected to deliver improved risk and return tradeoffs, versus conventional portfolios comprised of stocks and bonds. The risk parity portfolios also intend to provide more diversified exposure over various economic environments. The Core and Variable Funds invest in a diversified set of hedge fund strategies, invested across multiple asset classes. In general, a hedge fund is a private investment fund that seeks to maximize absolute returns using a broad range of strategies, typically employing both long and short positions. An allocation to a diversified hedge fund portfolio is intended to assist SWIB's pursuit of

investment return by earning near equity returns but with a level of risk that is significantly lower than traditional publicly-traded equities, and contribute to overall portfolio diversification by means of a lower correlation to traditional asset classes. Hedge funds can be illiquid—either by virtue of the illiquidity of underlying assets, or due to lock-up terms in the partnership agreement. However, SWIB has taken steps to minimize this risk by investing in hedge funds with more liquid asset classes and by structuring its investments to stagger lock-up periods. Hedge funds also use leverage to varying degrees, and while it is possible that a hedge fund can lose a significant portion of its capital, SWIB has limited the amount it invests in hedge funds in total and with any individual hedge fund manager. At calendar year-end, the majority of SWIB's risk parity and hedge fund investments are reflected within the Multi Asset Investments category on the *Statement of Fiduciary Net Assets*. In addition, hedge fund portfolios with a long only equity strategy are included within the Stocks classification on the *Statement of Fiduciary Net Assets*.



SUMMARY OF INVESTMENTS

The tables, *Summary of Investments Core Retirement Investment Trust Fund* and *Summary of Investments Variable Retirement Investment Trust Fund*, provide summary information by investment classification for the Core and Variable Funds at December 31, 2011.

Summary of Investments Core Retirement Investment Trust Fund December 31, 2011				
Classification	Coupon Rate (%)	Maturity Dates	Cost	Fair Value
Stocks	N/A	N/A	\$34,806,465,559	\$36,859,150,182
Fixed Income	Variable & 0.00 - 15.00	1/2012 - 10/2110	20,164,945,761	22,086,356,863
Limited Partnerships	N/A	N/A	9,376,554,072	8,963,592,133
Multi Asset	N/A	N/A	1,476,792,324	1,676,804,035
Real Estate	N/A	N/A	345,788,822	462,808,881
Preferred Securities	N/A	N/A	119,171,000	110,906,727
Convertible Securities	Variable & 0.25 - 6.00	8/2012 - 12/2041	72,660,228	73,807,054
Foreign Currency Contracts	N/A	1/2012 - 3/2012	-	7,365,897
Option Contracts	N/A	1/2012 - 5/2012	(1,450,400)	(598,299)
Financial Futures Contracts	N/A	3/2012	-	(14,670,058)
Total			<u>\$ 66,360,927,371</u>	<u>\$ 70,225,523,415</u>

N/A = Not Applicable

Summary of Investments Variable Retirement Investment Trust Fund December 31, 2011			
Classification	Maturity Dates	Cost	Fair Value
Stocks	N/A	\$ 4,435,717,404	\$ 4,880,787,122
Preferred Securities	N/A	8,631,073	7,853,122
Foreign Currency Contracts	1/2012 - 3/2012	-	471,442
Option Contracts	1/2012 - 3/2012	(39,141)	(66,906)
Financial Futures Contracts	3/2012	-	304,426
Total		<u>\$ 4,444,309,336</u>	<u>\$ 4,889,349,206</u>

N/A = Not Applicable

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, 2011, totaled \$5.3 billion. Unfunded commitments are not included in the financial statements because the amount and timing of the funding is not certain.



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 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 firefighters, and all counties except Milwaukee County. As of December 31, 2011, the number of participating employers was:

State Agencies, UW & Public Authorities	61
Cities	152
Counties	71
4th Class Cities	36
Villages	260
Towns	239
School Districts	424
Cooperative Educational Service Agencies	12
Wisconsin Technical College System Districts	16
Special Districts	209
Total Employers	<u>1,480</u>

WRS MEMBERSHIP

Prior to July 1, 2011, any employee of a participating employer who is expected to work at least 600 hours per year (440 hours per year for teachers and school district educational support employees) must be covered by the WRS. 2011 Wisconsin Act 32 increased the required expected work hours to at least 1,200 hours per year (880 hours per year for teachers and school district educational support employees). This change generally applied to any employees of a participating employer hired on or after July 1, 2011. As of December 31, 2011, the WRS membership consisted of:

Current Employees:	
General	134,933
Teachers	98,532
Elected / Executive / Judges	1,437
Protective with Social Security	19,634
Protective without Social Security	<u>2,718</u>
Total Current Employees	<u>257,254</u>

Inactive Participants:	
Terminated Participants	153,123
Alternate Payees	<u>4,063</u>
Total Inactive Participants	<u>157,186</u>

Retirees and Beneficiaries Currently Receiving Benefits:	
Retirement Annuities	160,044
Disability Annuities	6,201
Death Beneficiary Annuities	<u>1,208</u>
Total Annuitants	<u>167,453</u>

Total Participants	<u>581,893</u>
---------------------------	----------------

WRS BENEFITS

The WRS provides retirement benefits as well as death and disability benefits. Vesting requirements have changed over time, as follows:

- Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements;
- For participants entering the system from January 1, 1990, to April 23, 1998, creditable service in each of five years was required for vesting;
- All active participants in the system at any time from April 24, 1998 to June 30, 2011 are fully vested;
- 2011 Wisconsin Act 32 generally required participants hired on or after July 1, 2011 to have five years of creditable service to be vested.



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.

Employment Category	Service Before 1/1/2000	Service Between 2000 & 2011	Service After 2011
General and Teachers	1.765%	1.6%	1.6%
Executive and Elected	2.165	2.0*	1.6*
Protective with Social Security	2.165	2.0	2.0
Protective without Social Security	2.665	2.5	2.5

*2011 Wisconsin Act 10 changed the Executive and Elected formula factor from 2.0% to 1.6%. The effective date of the change varies among different employee categories, and generally applies to the services earned after Act 10 effective date (i.e., June 29, 2011).

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 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 adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus

(shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

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

Year	Core Adjustment	Variable Adjustment
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
2011	(1.2)	11

The negative Core annuity adjustments from 2009 to 2011 are primarily due to the Fund's \$21 billion investment decline in 2008, caused by the global economic crisis. Core Fund gains and losses are recognized over a five-year period. Therefore, 2013 is the fifth and final year that 2008 investment experience will result in a negative Core annuity adjustment.

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. The remaining balance is expected to be fully amortized by December 31, 2029. Liabilities for employers joining the WRS beginning in 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 ultimately fully liquidate the liability at the end of the amortization period. State law requires the accrued retirement cost to be funded.



As of December 31, 2011, the UAAL was \$99 million. The Prior Service Contributions Receivable presented on the *Statement of Fiduciary Net Assets* includes the UAAL plus payments received in January 2012, which reduce the UAAL for actuarial purposes, but not for GAAP reporting.

VARIABLE RETIREMENT OPTION

Prior to 1980, WRS participants could opt 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. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. The Variable Fund was closed to new membership after April 30, 1980. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants, effective January 1, 2001. As of December 31, 2011, there were 68,162 active and inactive members and 38,949 annuitants participating 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, 2011, approximately 212 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 annuity adjustments on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 2011, was \$6.5 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 \$0.6 million in 2011.

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 2011 contribution requirements were determined by the December 31, 2009, actuarial valuation. Significant actuarial assumptions used in the 2009 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 4.0% per year compounded annually, attributable to inflation;
3. Additional projected salary increases ranging from 0.3% to 6.0% per year, depending on age and type of employment, attributable to seniority/merit;
4. 2.67% annual post-retirement benefit increases; and
5. Subsequent to the 2009 valuation the investment rate of return and the projected salary increases assumptions were adjusted to 7.2% and 3.3 to 8.8% respectively.

Employee contributions are deducted from the employee’s salary and remitted to the Department by



the participating employer. Prior to June 29, 2011, part or all of the employee contributions could be paid by the employer on behalf of the employee. Effective June 29, 2011, Wisconsin Act 10 provided that employers generally may not pay the employee required contribution unless a collective bargaining agreement existed prior to the effective date. The Act also changed the contribution rates and the manner in which the contributions are allocated to the accounts of employees. Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially-determined contribution rate for General category employees, which includes teachers; and employees in the Executive Group and Elected

Officials category. Required contributions for Protective Occupation category employees are the same rate as General category employees. Employers are required to contribute the remainder of the actuarially-determined contribution rate.

Prior to Wisconsin Act 10, General category employees also made an actuarially-determined benefit adjustment contribution (BAC). The BAC was treated as an employer contribution for benefit purposes and, therefore, not included in separation benefits, death benefits, or money purchase annuities. Part or all of the BAC could be paid by the employer on behalf of the employee. 2011 Wisconsin Act 10 eliminated the BAC, effective on the first pay period on or after June 29, 2011.

Contribution rates in effect during 2011 by employment category were:

	Before June 29, 2011				
	Employer Current	Employer Prior*	Employee	Benefit Adjustment Contribution	Total
Executive Group and Elected Officials	9.4%	0.0%	3.9%	0.0%	13.3%
Protective Occupation with Social Security	8.9	0.0	5.8	0.0	14.7%
Protective Occupation without Social Security	12.2	0.3	4.8	0.0	17.3%
General (incl. teachers)	5.1	0.1	5.0	1.5	11.7%

	June 29, 2011 and After			
	Employer Current	Employer Prior*	Employee	Total
Executive Group and Elected Officials	6.65%	0.0%	6.65%	13.3%
Protective Occupation with Social Security	8.9	0.0	5.8	14.7%
Protective Occupation without Social Security	11.2	0.3	5.8	17.3%
General (incl. teachers)	5.8	0.1	5.8	11.7%

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

Contributions required and made during 2011 were:

	Contributions Required		Contributions Made	
	Contributions (\$ in millions)	Percentage of Payroll	Contributions (\$ in millions)	Percentage of Payroll
Employer Current Service	\$741.8	5.82%	\$741.8	5.82%
Employer Prior Service*	39.3	0.31	39.3	0.31
Employee Required	684.4	5.38	684.4	5.38
Benefit Adjustment Contribution	99.3	0.78	99.3	0.78

* 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 \$1.6 million in reimbursement for benefits paid under the s. 62.13, Wis. Stat, Police and Firefighters Pension Program.



EMPLOYEE AND EMPLOYER ADDITIONAL CONTRIBUTIONS

Contributions in addition to those required contributions by employees and/or employers may be made to the retirement system. 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, 2011, 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)
\$78,940.0	\$79,039.3	\$99.3	99.9%	\$12,719.40	0.8%

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:

Valuation Date:	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent – Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)
Actuarial Assumptions	
Investment Rate of Return:	7.2%
Projected Salary	3.3% to 8.8%
Increases:*	
* Includes Inflation at 3.2%	
Post-retirement Adjustment:	2.1%

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. Stat. § 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, 2011, were:

	Core	Variable	Total
Employee Required	\$ 13,391.1	\$ 986.8	\$ 14,377.9
Employee Additional	121.0	15.0	136.0
Total	<u>\$ 13,512.1</u>	<u>\$ 1,001.8</u>	<u>\$ 14,513.9</u>



EMPLOYER ACCUMULATION RESERVE

As authorized by Wis. Stat. § 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, 2011, were:

	Core	Variable	Police & Firefighters	Total
Employer Accumulation	\$19,850.8	\$986.8	\$0.0	\$20,837.6
Less: Unfunded Actuarial Accrued Liability	<u>0.0</u>	<u>0.0</u>	<u>(6.5)</u>	<u>(6.5)</u>
Net Employer Accumulation	<u>\$19,850.8</u>	<u>\$986.8</u>	<u>(\$6.5)</u>	<u>\$20,831.1</u>

ANNUITY RESERVE

As authorized by Wis. Stat. § 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, 2011, were:

	Core	Variable	Police & Firefighters	Total
Annuity Reserve	<u>\$40,385.0</u>	<u>\$3,187.9</u>	<u>\$20.1</u>	<u>\$43,593.0</u>

MARKET RECOGNITION ACCOUNT

As authorized by Wis. Stat. § 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 shortfall 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:

	MRA
December 31, 2007	4,731
December 31, 2008	(18,629)
December 31, 2009	(9,471)
December 31, 2010	(5,067)
December 31, 2011	<u>(5,340)</u>

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 370 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 193 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 either 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 funding level in the program.

LIFE INSURANCE FUND

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 712 local employers currently participate in the program. Employers and active employees make premium contributions, which ETF 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 Retirement Investment Trust 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	
	2011	2010	2011	2010	2011	2010	2011	2010
Unpaid claims at beginning of the calendar year	\$74.1	\$72.8	\$175.6	\$156.3	\$3.6	\$4.3	(\$7.4)	(\$4.3)
Incurred claims:								
Provision for insured events of the current calendar year	42.4	34.3	43.5	54.2	21.4	24.0	144.6	148.4
Changes in provision for insured events of prior calendar years	<u>(10.1)</u>	<u>(17.1)</u>	<u>(1.0)</u>	<u>(8.6)</u>	<u>(1.4)</u>	<u>(2.5)</u>	<u>(1.1)</u>	<u>(0.7)</u>
Total incurred claims	<u>32.3</u>	<u>17.3</u>	<u>42.5</u>	<u>45.6</u>	<u>20.0</u>	<u>21.5</u>	<u>143.5</u>	<u>147.7</u>
Payments:								
Claims attributable to insured events of the current calendar year	6.7	6.0	1.9	1.9	18.7	20.5	150.7	155.8
Claims attributable to insured events of prior calendar years	<u>11.6</u>	<u>9.9</u>	<u>27.2</u>	<u>24.4</u>	<u>2.2</u>	<u>1.7</u>	<u>(8.5)</u>	<u>(5.0)</u>
Total payments	<u>18.3</u>	<u>15.9</u>	<u>29.1</u>	<u>26.3</u>	<u>20.9</u>	<u>22.2</u>	<u>142.2</u>	<u>150.8</u>
Total unpaid claims at end of the calendar year	<u>\$88.1</u>	<u>\$74.1</u>	<u>\$189.0</u>	<u>\$175.6</u>	<u>\$2.7</u>	<u>\$3.6</u>	<u>(\$6.1)*</u>	<u>(\$7.4)*</u>

* Total unpaid claims at the end of 2011 is the net of \$3.9 million in unpaid claims and \$10.0 million in rebates due from pharmaceutical companies; unpaid claims at end of 2010 is the net of \$4.0 million in unpaid claims and \$11.4 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 OPEB plans: the Duty Disability Insurance 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 Insurance 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 502 local government employers participate. Membership as of December 31, 2011 consisted of:

Disabled members and beneficiaries receiving benefits	964
Active plan members	<u>22,352</u>
Total plan members	<u>23,316</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 2011 contribution rates ranged from 1.9% to 6.7% 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 not a State of Wisconsin 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 applications filed **prior** to May 3, 1988, 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
- For applications filed on or **after** May 3, 1988 benefits are based on the following:
 - Local employees:
 - 1/2 of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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:
 - 1/3 of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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



- For applications received on or after May 12, 1998 in which the protective occupation participant dies as a result of a disease covered under the Cancer Presumptive Law, benefits are based on the following:
 - 70% of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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 712 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, 2011, included:

	State	Local	Total
Active*	49,482	75,117	124,599
Pre-65 Annuitants	8,191	10,597	18,788
Post-64 Annuitants	<u>17,847</u>	<u>23,956</u>	<u>41,803</u>
Totals	75,520	109,670	185,190

*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 that 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 (GIB) have statutory authority for program administration and oversight [Wis. Stats. §§ 15.165 (2) and 40.03 (6)]. The State of Wisconsin and 370 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 the 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, 2011, included 23,283 former state employees or their beneficiaries and 2,284 former local government employees and beneficiaries.

Description of Benefits: Employees may choose between self-insured health plans and alternate health plans with specific provider networks (i.e., HMOs). 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 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):

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(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)
Duty Disability Insurance January 1, 2011	\$412,988	\$499,034	\$86,046	82.8%	\$1,326,345	6.5%
State Life Insurance January 1, 2010	349,425	408,781	59,356	85.5%	3,029,651	2.0%
Local Life Insurance January 1, 2010	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, included in the required supplementary information at the end of the notes, 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:

	Duty Disability Insurance	State Life Insurance	Local Life Insurance
Valuation Date	1/1/2011	1/1/2010	1/1/2010
Actuarial Cost Method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Amortization Method	Closed level percentage of pay	Closed level percentage of pay	Closed level percentage of pay
Remaining Amortization Period	UAAL – 8 years Future gains & losses – 15 years	UAAL – 30 years Future gains & losses – 15 years	UAAL – 30 years Future gains & losses – 15 years
Asset valuation method	5 year smoothed market	Market value	Market value
Actuarial Assumptions:			
Investment Return	7.8%	6.0%	6.0%
Payroll Growth	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. Stat. § 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, 2011, the Core and Variable Funds held \$77.2 billion of investments, of which \$2.1 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$1.1 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, 2011, is presented in Note 3. Condensed financial data for the Core and Variable Funds for the year ended December 31, 2011, is presented below (\$ in thousands):

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF NET ASSETS
as of December 31, 2011**

Assets:	Core	Variable	Combined
Cash & Cash Equivalents	\$ 1,829,960	\$ 299,158	\$ 2,129,119
Securities Lending Collateral	1,041,937	62,926	1,104,863
Prepaid Items	21,934	138	22,072
Investment Receivables	327,704	17,235	344,939
Investments, at fair value	<u>70,225,523</u>	<u>4,889,349</u>	<u>75,114,873</u>
Total Assets	<u>73,447,059</u>	<u>5,268,806</u>	<u>78,715,865</u>
Liabilities:			
Securities Lending Collateral Liability	1,041,937	62,926	1,104,863
Investment Payables	<u>441,444</u>	<u>10,683</u>	<u>452,127</u>
Total Liabilities	<u>1,483,381</u>	<u>73,609</u>	<u>1,556,990</u>
Net Assets Held in Trust for:			
Internal Investment Pool Participants	71,830,469	5,177,488	77,007,957
Milwaukee Retirement Systems	<u>133,209</u>	<u>17,709</u>	<u>150,918</u>
Total	<u>\$ 71,963,678</u>	<u>\$ 5,195,197</u>	<u>\$ 77,158,875</u>

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2011**

	Core	Variable	Combined
Additions:			
Net Appreciation (Depreciation) in Fair Value of Investments	\$ (618,350)	\$ (272,830)	\$ (891,180)
Interest	669,251	324	669,575
Dividends	916,091	110,641	1,026,732
Securities Lending Income	19,885	2,035	21,920
Other	<u>116,757</u>	<u>0</u>	<u>116,757</u>
Total Additions	<u>1,103,634</u>	<u>(159,829)</u>	<u>943,804</u>
Deductions:			
Investment Expense	234,830	6,583	241,413
Securities Lending Rebates and Fees	2,051	203	2,254
Net Withdrawals by Pool Participants	<u>2,397,566</u>	<u>210,618</u>	<u>2,608,184</u>
Total Deductions	<u>2,634,447</u>	<u>217,404</u>	<u>2,851,851</u>
Net Increase (Decrease)	(1,530,813)	(377,234)	(1,908,047)
Net Assets Held in Trust for Pool Participants			
Beginning of Year	73,494,491	5,572,431	79,066,921
End of Year	<u>\$ 71,963,678</u>	<u>\$ 5,195,197</u>	<u>\$ 77,158,875</u>



11 CONTINGENCIES, UNUSUAL EVENTS, AND SUBSEQUENT EVENTS

LOSS CONTINGENCY ON INVESTMENTS

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*.

RESTATEMENT OF HEALTH INSURANCE PROGRAMS BEGINNING BALANCES

After the publication of the 2010 financial statements, it was determined that 2010 Health Insurance program's Net Assets, and Retiree Health Insurance Programs' Due to Employers account balances were misstated. \$301,000 carrier administrative expenses incurred by State and Local Retiree Health Insurance programs were charged incorrectly to Health Insurance program. The beginning balances of the programs have been restated, as shown below:

	Health Insurance (Net Assets)	State Retiree Health Insurance (Due to Employers)	Local Retiree Health Insurance (Due to Employers)
December 31, 2010 Ending Balance	\$141,703,000	\$1,391,000	(\$4,529,000)
Corrections	301,000	(296,000)	(5,000)
January 1, 2011 Beginning Balance	\$142,004,000	\$1,095,000	(\$4,534,000)



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 (receivables in the amount of \$43,210.25 and cash in the amount of \$168,765.22) was transferred to DHS.

2011 WISCONSIN ACTS 10 AND 32

In 2011, the state enacted 2011 Wisconsin Acts 10 and 32, which significantly affected the WRS and the group health insurance program. The Acts were effective June 29, 2011 and July 1, 2011, respectively. Provisions in the Acts impacting the Department are as follows:

WRS Eligibility Requirements: This rule applies to employees hired on or after July 1, 2011. To qualify for participation in the WRS, an employee is expected to: 1) work for a WRS covered employer at least two-thirds (previously one-third) of what is considered full-time employment per year; and 2) be employed for at least one year from employee's date of hire. Full-time means 1,200 hours for non-teachers and non-school district educational support personnel; or 880 hours for teachers and school district educational support personnel (not including education support personnel for technical colleges and other educational institutions).

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 Employee Contributions: Effective the first day of the first pay period on or after June 29, 2011, WRS members are required to contribute to the plan an amount equal to one-half of the actuarially determined contributions rate for general category employees, including teachers, and Executive and Elected Officials. Required contributions for protective employees are the same rate as general employees. WRS participating employers are required to contribute the remainder of the actuarially determined contribution rate. Information on contribution rates in effect during 2011 can be found in Note 5.

2011 Wisconsin Act 10 eliminated the Benefit Adjustment Contribution (BAC) effective on the first pay period on or after June 29, 2011. Under the previous law, BAC was an employee responsibility unless the employer agreed to pay the BAC portion for the employee. BAC was treated as an employer contribution for benefit purposes.

The Acts further changed the law so that WRS participating employers may not pay the employee's contribution amount unless a collective bargaining agreement existed prior to June 29, 2011.

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 services earned after June 29, 2011. There are no changes on the formula factors for all 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 in an amount that exceeds 88% of the cost of the lowest premium available to employees under the health plan.

Pre-tax Treatment of WRS Employee Contributions: Wisconsin Act 32 provided that Employee contributions to the WRS 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)**

	2002	2003	2004**	2005	2006***	2007	2008	2009	2010	2011
1. Net earned required contribution and investment revenues	0.0	0.0	205.7	191.6	164.7	170.0	138.8	155.5	178.9	169.9
2. Unallocated expenses	0.0	0.0	7.6	9.5	7.4	8.4	8.8	6.4	8.7	6.4
3. Estimated incurred claims as of the end of the policy year	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8	148.4	144.6
4. Paid (cumulative) as of: *										
End of Policy Year	0.0	0.0	162.4	168.8	116.8	118.0	126.3	139.1	155.8	150.7
One Year Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1	147.3	
Two Years Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1		
Three Years Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9			
Four Years Later	0.0	0.0	159.8	159.6	111.0	119.4				
Five Years Later	0.0	0.0	159.8	159.6	111.0					
Six Years Later	0.0	0.0	159.8	159.6						
Seven Years Later	0.0	0.0	159.8							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims:										
End of Policy Year	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8	148.4	144.6
One Year Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1	147.3	
Two Years Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9	134.1		
Three Years Later	0.0	0.0	159.8	159.6	111.0	119.4	123.9			
Four Years Later	0.0	0.0	159.8	159.6	111.0	119.4				
Five Years Later	0.0	0.0	159.8	159.6	111.0					
Six Years Later	0.0	0.0	159.8	159.6						
Seven Years Later	0.0	0.0	159.8							
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	1.7	(1.0)	0.9	2.5	(0.1)	(0.7)	(1.1)	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)**

	2002	2003	2004	2005	2006*	2007	2008	2009	2010	2011
1 Net earned required contribution and investment revenues	83.8	85.1	90.4	90.9	82.9	42.1	22.5	41.5	36.6	27.9
2 Unallocated expenses	3.9	5.7	6.8	7.7	4.9	3.4	5.3	5.0	5.4	6.2
3 Estimated incurred claims as of the end of the policy year	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9	24.0	21.4
4 Paid (cumulative) as of:										
End of Policy Year	62.5	65.1	65.2	65.8	51.8	20.3	25.7	21.6	20.5	18.7
One Year Later	69.3	73.4	72.2	73.6	58.3	23.5	28.3	23.4	22.6	
Two Years Later	69.4	73.7	72.3	73.7	58.2	23.5	28.2	23.5		
Three Years Later	69.4	73.7	72.3	73.7	58.2	23.5	28.2			
Four Years Later	69.4	73.7	72.3	73.7	58.2	23.5				
Five Years Later	69.4	73.7	72.3	73.7	58.2					
Six Years Later	69.4	73.7	72.3	73.7						
Seven Years Later	69.4	73.7	72.3							
Eight Years Later	69.4	73.7								
Nine Years Later	69.4									
5 Reestimated incurred claims:										
End of Policy Year	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9	24.0	21.4
One Year Later	69.5	73.5	72.2	73.7	58.4	23.6	28.3	23.5	22.6	
Two Years Later	69.4	73.7	72.3	73.7	58.2	23.5	28.2	23.5		
Three Years Later	69.4	73.7	72.3	73.7	58.2	23.5	28.2			
Four Years Later	69.4	73.7	72.3	73.7	58.2	23.5				
Five Years Later	69.4	73.7	72.3	73.7	58.2					
Six Years Later	69.4	73.7	72.3	73.7						
Seven Years Later	69.4	73.7	72.3							
Eight Years Later	69.4	73.7								
Nine Years Later	69.4									
6 Increase (decrease) in estimated incurred claims from end of policy year	(1.1)	0.5	(2.3)	0.1	(1.9)	(0.2)	(2.3)	(2.4)	(1.4)	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)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1 Net earned required contribution and investment revenues	3.7	25.5	20.5	17.9	24.4	20.5	(9.1)	28.8	25.0	16.6
2 Unallocated expenses	1.7	1.9	2.1	2.1	2.4	2.4	2.4	1.8	2.0	2.3
3 Estimated incurred claims as of the end of the policy year	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4	34.3	42.4
4 Paid (cumulative) as of:										
End of Policy Year	3.5	4.5	4.5	5.1	4.4	2.5	5.1	5.5	6.0	6.7
One Year Later	7.7	8.8	9.7	12.9	9.3	6.8	9.2	9.7	11.0	
Two Years Later	9.0	10.5	11.9	17.0	10.4	7.8	10.0	10.8		
Three Years Later	9.9	11.7	13.1	18.1	11.2	8.6	10.6			
Four Years Later	10.6	12.3	13.6	18.8	11.7	9.3				
Five Years Later	11.0	12.6	14.1	19.5	12.2					
Six Years Later	11.4	13.0	14.6	20.2						
Seven Years Later	11.8	13.3	15.1							
Eight Years Later	12.2	13.6								
Nine Years Later	12.6									
5 Reestimated incurred claims:										
End of Policy Year	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4	34.3	42.4
One Year Later	15.8	17.0	20.5	25.1	16.7	22.5	15.8	17.5	23.0	
Two Years Later	14.4	16.6	21.1	25.9	17.8	13.4	15.3	17.5		
Three Years Later	14.3	17.1	19.7	27.0	16.8	13.9	14.7			
Four Years Later	14.1	15.8	20.2	24.7	16.0	13.9				
Five Years Later	13.7	16.0	18.5	24.4	16.1					
Six Years Later	14.1	15.6	18.5	24.8						
Seven Years Later	14.4	15.5	18.2							
Eight Years Later	14.3	15.8								
Nine Years Later	14.7									
6 Increase (decrease) in estimated incurred claims from end of policy year	(2.4)	(7.6)	(11.0)	(6.8)	(13.0)	(13.5)	(7.7)	(15.9)	(11.3)	0.0



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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1 Net earned required contribution and investment revenues	(22.9)	52.5	33.4	24.1	47.3	27.8	(88.3)	49.3	29.8	3.0
2 Unallocated expenses	0.8	0.7	1.1	1.0	1.1	1.4	1.3	2.2	2.0	2.1
3 Estimated incurred claims and expense as of the end of the policy year	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2	54.2	43.5
4 Paid (cumulative) as of:										
End of Policy Year	0.0	0.3	0.1	0.7	1.1	1.4	1.1	1.7	1.9	1.9
One Year Later	1.1	1.6	1.9	2.8	3.5	5.8	5.7	7.0	7.6	
Two Years Later	2.5	3.9	3.9	5.4	6.8	9.4	9.4	11.3		
Three Years Later	3.9	6.0	6.4	8.0	9.9	12.6	12.7			
Four Years Later	5.1	8.5	8.0	10.3	12.7	15.5				
Five Years Later	6.6	10.6	9.5	12.5	15.2					
Six Years Later	8.0	12.5	10.8	14.6						
Seven Years Later	9.3	14.2	12.0							
Eight Years Later	10.4	15.7								
Nine Years Later	11.4									
5 Reestimated incurred claims and expense										
End of Policy Year	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2	54.2	43.5
One Year Later	8.4	12.0	14.1	22.2	26.2	25.6	26.9	32.3	35.8	
Two Years Later	12.7	18.3	14.9	22.1	29.5	29.9	29.5	35.0		
Three Years Later	12.9	19.2	16.1	24.7	27.1	31.0	31.8			
Four Years Later	13.7	20.3	17.7	23.4	28.3	33.7				
Five Years Later	14.3	22.4	19.2	24.5	30.5					
Six Years Later	15.7	24.3	17.8	26.6						
Seven Years Later	17.0	21.3	18.7							
Eight Years Later	15.2	22.6								
Nine Years Later	16.1									
6 Increase (decrease) in estimated incurred claims from end of policy year	4.4	6.7	(0.7)	(4.0)	(4.1)	(14.6)	0.7	(15.2)	(18.4)	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 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	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%
January 1, 2011	412,988	499,034	86,046	82.8%	1,326,345	6.5%
<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 Insurance</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%
December 31, 2011	50,364	53,085	105.4%
<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%
December 31, 2011	18,878	1,505	8.0%
<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%
December 31, 2011	14,192	1,893	13.3%



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, 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%
December 31, 2011	78,940.0	79,039.3	99.3	99.9%	12,719.4	0.8%

(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***
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%
2011	781.1	100.0%

* 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:

Valuation Date:	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent – Closed Amortization Period
Remaining Amortization Period:	30 Years closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	7.2%
Projected Salary Increases:*	3.3 to 8.8%
* Includes Inflation at 3.2%	
Post-Retirement Adjustment:	2.1%



STATISTICS

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



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

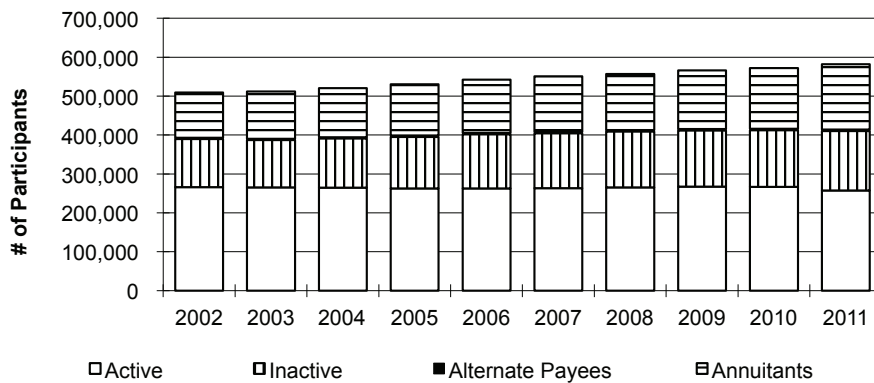
Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Totals
State Participants						
2002	43,661	18,794	696	8,071	0	71,222
2003	43,257	18,909	689	8,176	0	71,031
2004	42,717	19,127	697	8,392	0	70,933
2005	41,911	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
2011	41,136	20,184	717	8,354	0	70,391
Local Participants						
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
2011	93,797	78,348	720	11,280	2,718	186,863
Total Participants						
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
2011	134,933	98,532	1,437	19,634	2,718	257,254



Total WRS Participants

Year	Active	Inactive	Alternate Payees	Annuityants	Total Participants
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
2011	257,254	153,123	4,063	167,453	581,893

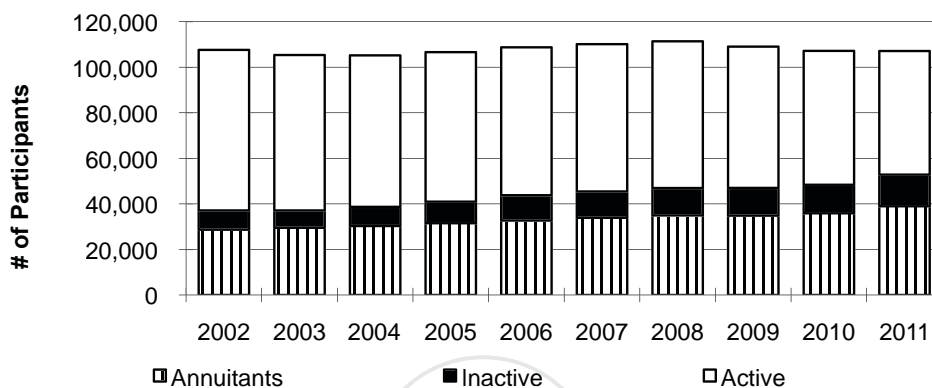
Total WRS Participants



WRS Participants with Variable Elections

Year	Active	Inactive	Annuityants	Totals
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
2011	54,273	13,889	38,949	107,111

WRS Participants with Variable Elections

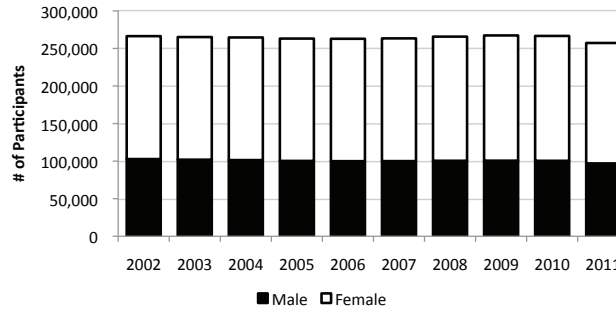




Active WRS Participants by Gender

Year	Teachers		Protective Occupations		All Other Participants		Totals	
	Male	Female	Male	Female	Male	Female	Male	Female
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
2011	30,784	67,748	18,374	3,978	47,829	88,541	96,987	160,267

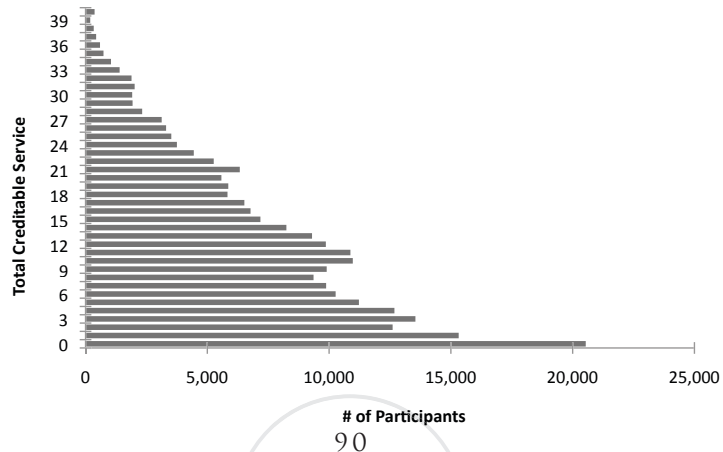
Active WRS Participants by Gender



WRS Active Participants by Age



Active Participants by Creditable Service





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

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
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
2011	5,006	1,537	1,236	607	227	63	171	8,847

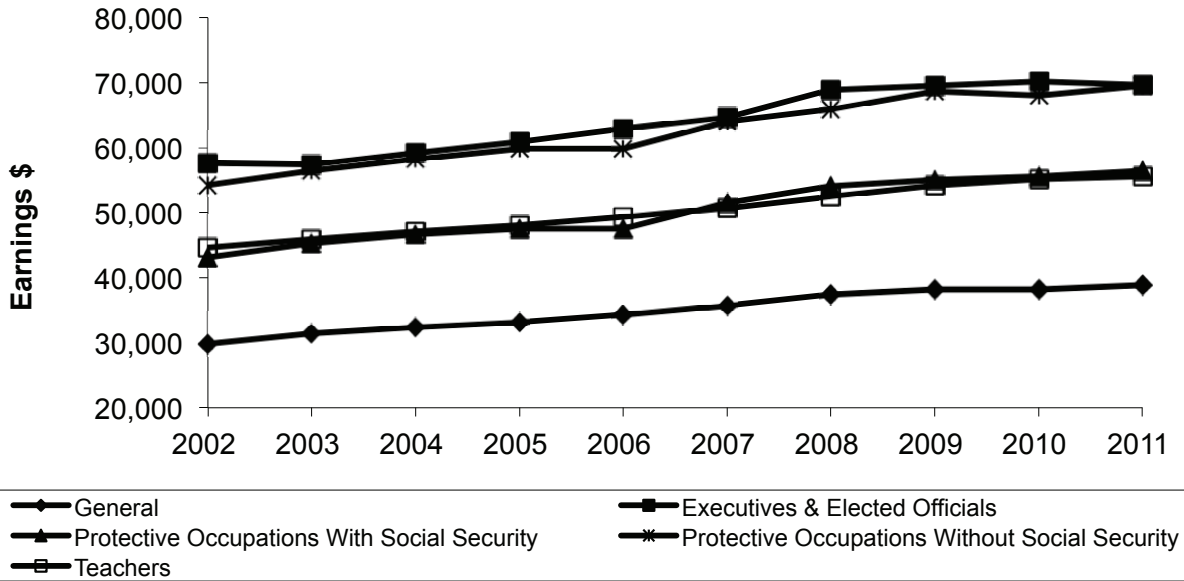
Year	State Government			Totals
	State Agencies	University	Totals	All Employers
2002	1,652	1,344	2,996	10,127
2003	1,748	1,405	3,153	10,502
2004	1,777	1,429	3,206	10,760
2005	1,807	1,457	3,264	10,973
2006	1,903	1,501	3,404	11,308
2007	2,019	1,570	3,589	11,720
2008	2,178	1,651	3,829	12,290
2009	2,161	1,690	3,851	12,622
2010	2,169	1,732	3,902	12,744
2011	2,126	1,746	3,872	12,719

**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	
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
2011	5,485	5,797	105	1,139	193	12,719



Average Annual Earnings

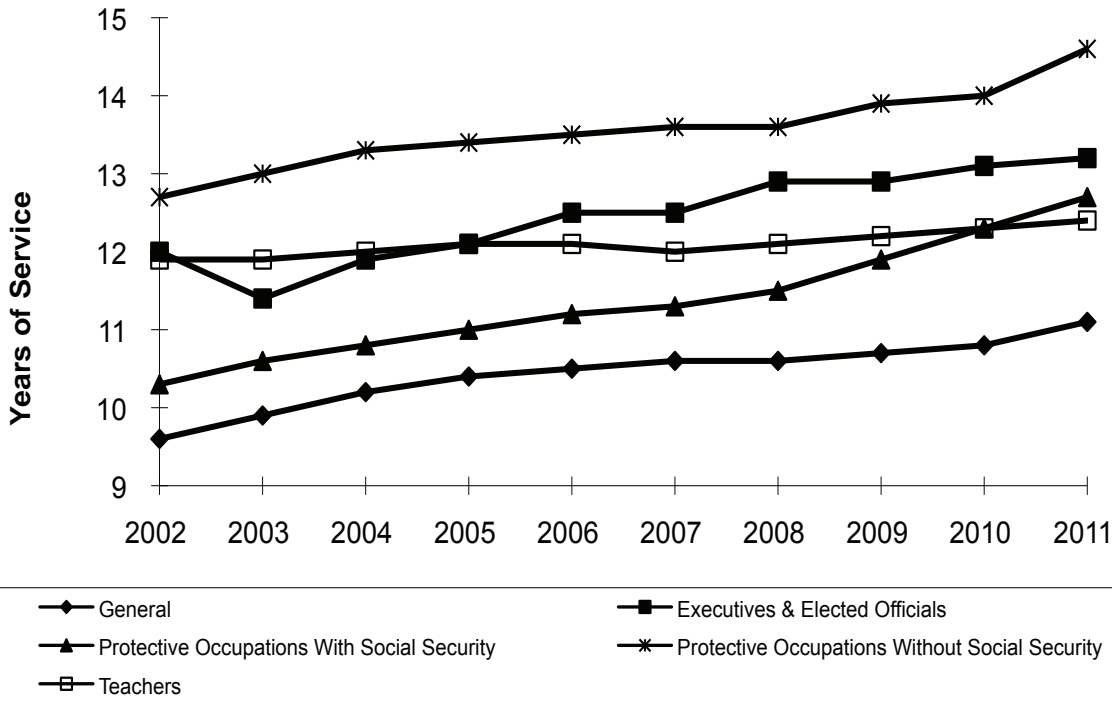


Average Annual Earnings

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
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
2011	38,874	55,546	69,699	56,451	69,590	47,098

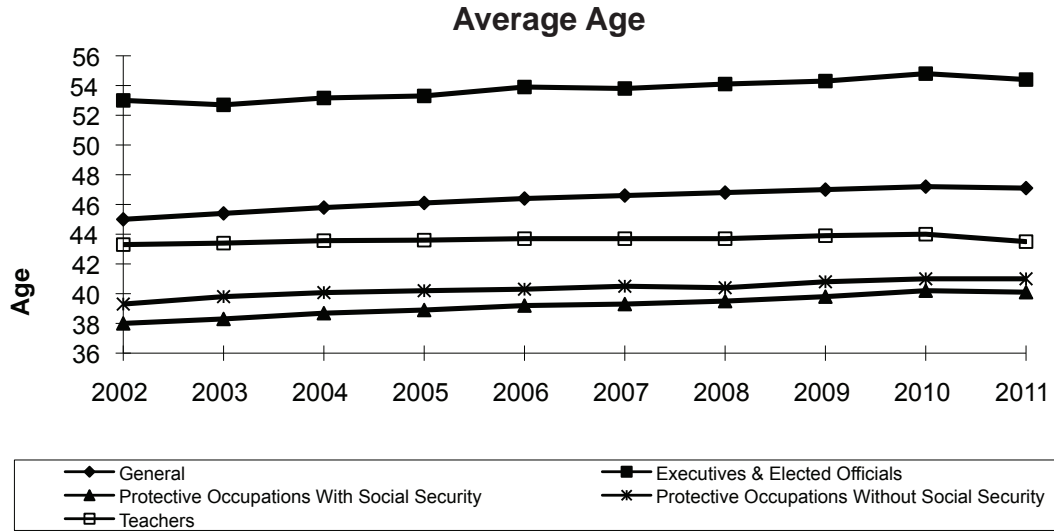


Average Creditable Service



Average Creditable Service

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Occupations Without Social Security	Average
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
2011	11.1	12.4	13.2	12.7	14.6	11.8



Average Age

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
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
2011	47.1	43.5	54.4	40.1	41.0	45.2



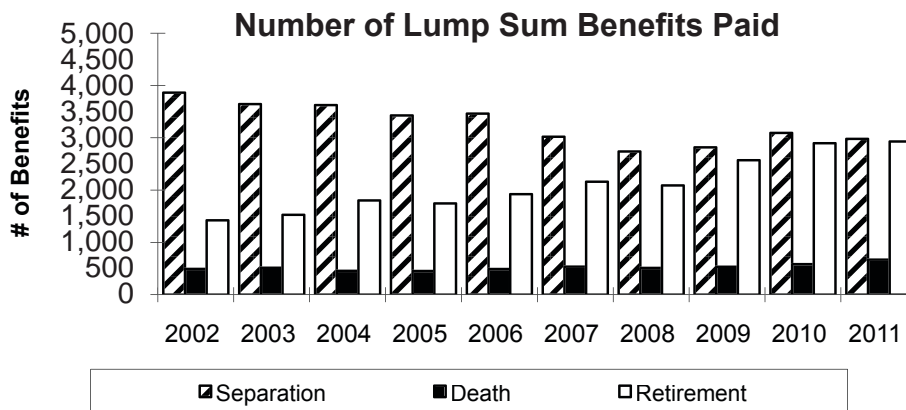
Active Participants by Employer Type

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
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
2011	110,008	33,549	22,993	10,129	4,952	1,552	3,680	186,863

Year	State Government			Totals All Employers
	State Agencies	University	Totals	
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
2011	39,642	30,749	70,391	257,254

Number of Lump Sum Benefits Paid

Year	Separation	Death	Retirement
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
2011	2,979	670	2,929

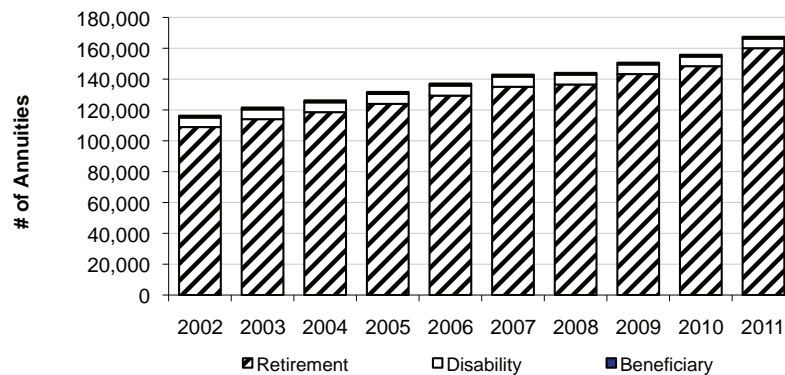




Number of Annuities in Force

Year	Retirement	Disability	Beneficiary	Totals
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
2011	160,044	6,201	1,208	167,453

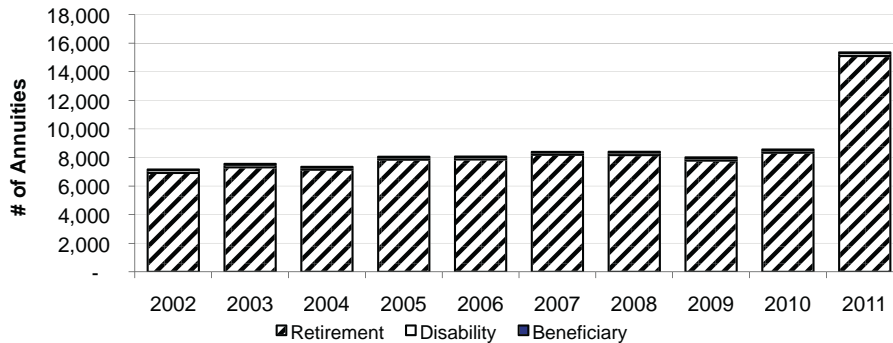
Annuities in Force



Number of New Annuities Approved

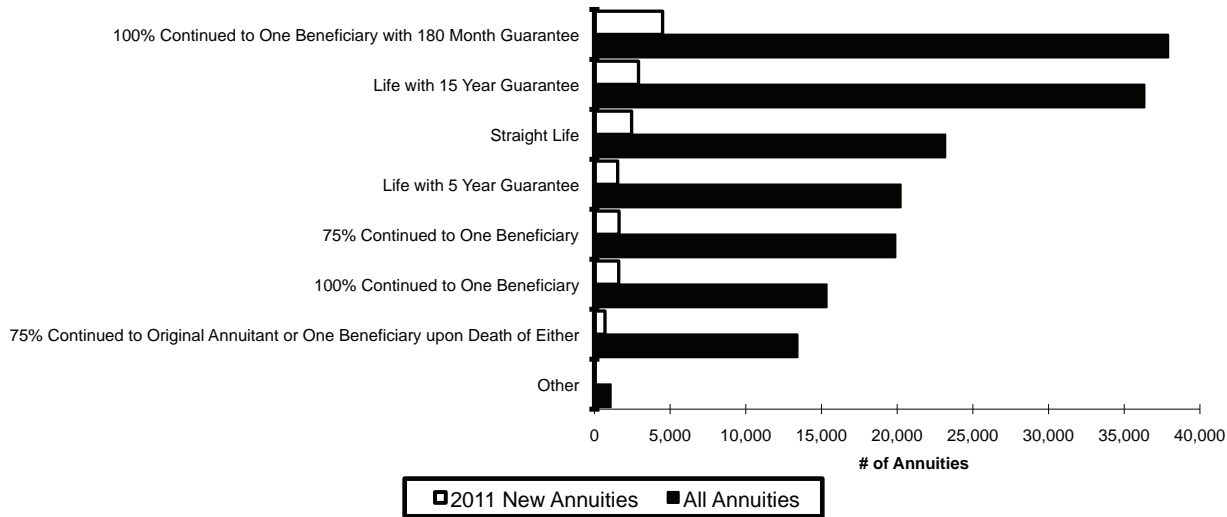
Year	Retirement	Disability	Beneficiary	Totals
2002	6,915	191	53	7,159
2003	7,308	177	68	7,553
2004	7,142	147	56	7,345
2005	7,844	150	58	8,052
2006	7,859	163	43	8,065
2007	8,186	157	47	8,390
2008	8,165	174	61	8,400
2009	7,779	156	73	8,008
2010	8,330	159	69	8,558
2011	15,096	196	60	15,352

New Annuities Approved





Annuities by Payment Option



Wisconsin Retirement System 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	\$ 409	\$ 533	\$ 788	\$ 1,184	\$ 1,728	\$ 2,445	\$ 3,131	\$ 3,839	\$ 4,723	\$ 6,862
Average Final Average Salary	\$ 21,109	\$ 28,607	\$ 33,429	\$ 40,530	\$ 46,666	\$ 51,815	\$ 55,810	\$ 56,428	\$ 57,120	\$ 58,296
Number of Annuitants	5,603	14,040	16,598	18,311	20,291	23,986	34,998	13,450	2,141	190

Wisconsin Retirement System 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	24,276	23,151	610	515	4,111	10,817	9,312	36
\$ 500 - 1,000	25,568	23,987	1,046	535	4,453	10,213	10,871	31
\$ 1,000 - 1,500	22,389	20,927	1,196	266	3,274	8,254	10,832	29
\$ 1,500 - 2,000	20,678	19,453	1,080	145	2,604	6,872	11,190	12
\$ 2,000 - 2,500	20,424	19,346	960	118	2,316	6,061	12,040	7
\$ 2,500 - 3,000	17,991	17,294	614	83	1,998	5,190	10,796	7
\$ 3,000 - 3,500	13,694	13,179	455	60	1,581	3,602	8,508	3
\$ 3,500 - 4,000	9,747	9,437	274	36	1,146	2,567	6,032	2
\$ 4,000 - 4,500	6,418	6,258	135	25	737	1,634	4,046	1
\$ 4,500 - 5,000	3,947	3,866	63	18	454	940	2,550	3
Over \$ 5,000	5,656	5,589	40	27	627	1,344	3,672	13
Total	170,788	162,487	6,473	1,828	23,301	57,494	89,849	144



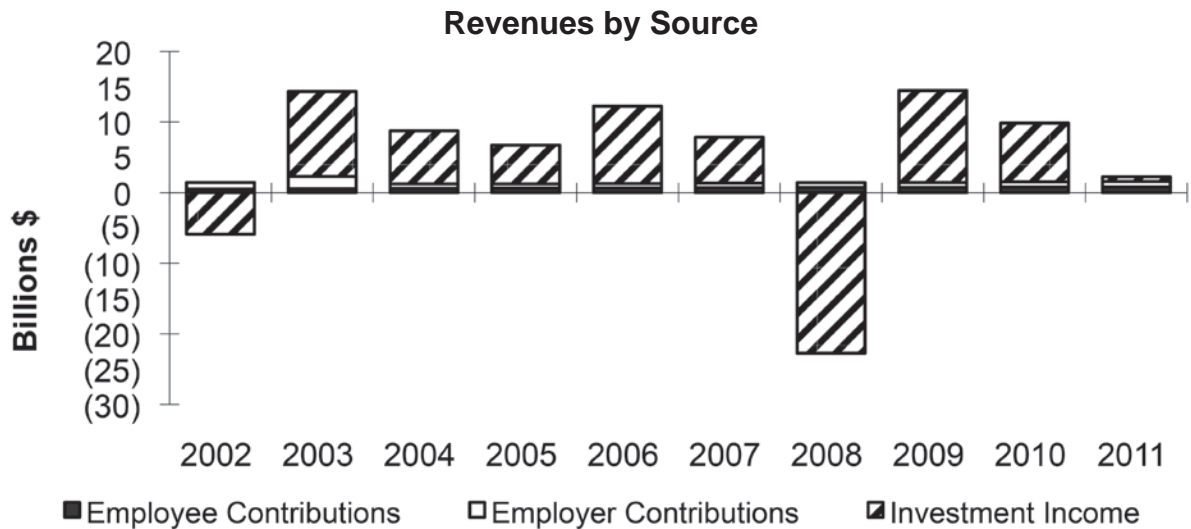
Revenues by Source ⁽¹⁾ (\$ in thousands)

Year	Employee Contributions ⁽²⁾		Employer Contributions ⁽³⁾		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
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
2011	797,856	6.3%	789,244	6.2%	664,151	849	2,252,100

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

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

³ 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					
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
2011	3,941.6	17.8	144.4	33.1	28.0	18.6	4,183.5

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

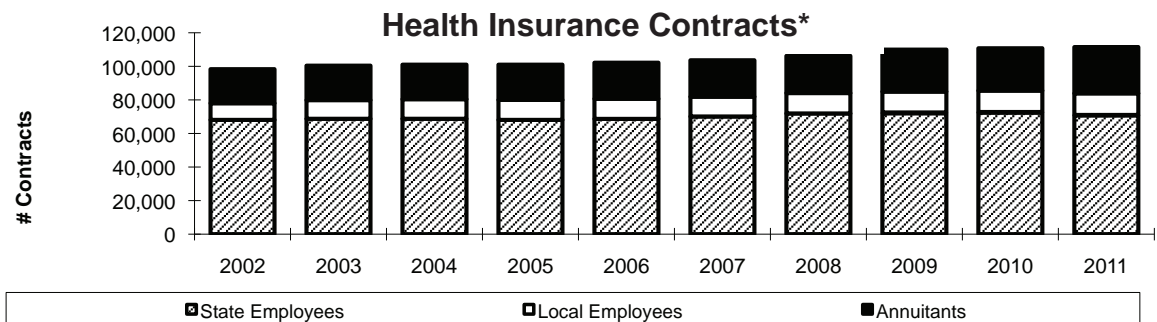
Participating Government	2011			2002		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	70,391	1	27.4%	71,222	1	26.7%
Milwaukee Teachers Retirement System	5,920	2	2.3%	8,103	2	3.0%
Madison Metro School District	4,462	3	1.7%	4,535	3	1.7%
City of Madison	2,993	4	1.2%	2,777	6	1.0%
Kenosha Unified School District	2,868	5	1.1%	2,767	7	1.0%
Green Bay Area School District	2,847	6	1.1%	2,845	5	1.1%
Racine Unified School District	2,683	7	1.0%	2,859	4	1.1%
Dane County	2,301	8	0.9%	2,209	8	0.8%
Milwaukee Area Technical College	1,800	9	0.7%	1,909	9	0.7%
Appleton Area School District	1,698	10	0.7%	1,768	10	0.7%
All Other	<u>159,291</u>		<u>61.9%</u>	<u>165,356</u>		<u>62.1%</u>
Total (1,480 employers)	<u>257,254</u>		<u>100.0%</u>	<u>266,350</u>		<u>100.0%</u>



Group Health Insurance Program Statistics Health Insurance Contracts

Year	Active Employees	Continuants*	Annuitants			Total Retired	Totals
			Annuity Deduction	Sick Leave Conversion	Direct Pay*		
State							
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
2011	70,656	378	9,126	14,157	1,727	25,010	96,044
Local							
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
2011	12,826	86	2,284	0	236	2,520	15,432

*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 ⁽¹⁾	Annuitant	Sick Leave Conversion	Medicare	Stabilization	Life Insurance Conversion	Totals
State								
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
2011	1,112,382	n/a	73,166	130,840	11,733	0	464	1,328,585
Local								
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
2011	205,211	n/a	14,700	0	427	0	0	220,338
Local Annuitants								
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
2011	0	0	985	0	0	0	2	987

⁽¹⁾ 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		Basic	Suppl	Total	
				State	Total				
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
2011	7,302	4,577	7,248	1,275	20,402	3,488	1,180	4,668	25,070
Local									
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
2011	10,933	2,702	7,761	1,298	22,694	3,250	54	3,304	25,997

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

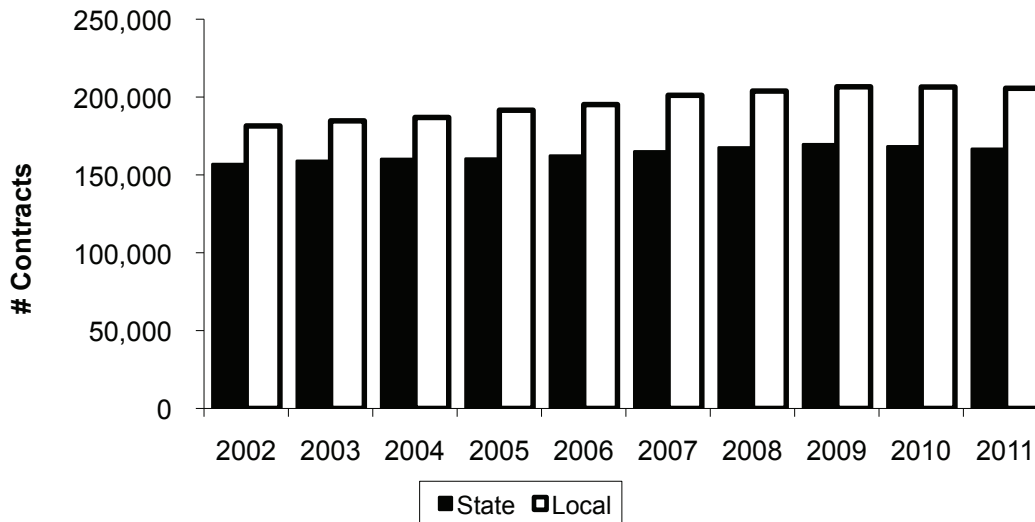
Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
State						
2002	2,441,489	1,823,029	1,835,845	234,259	585,955	6,920,577
2003	2,525,292	1,876,086	1,976,044	248,541	590,340	7,216,303
2004	2,649,332	1,958,599	2,153,059	261,620	592,275	7,614,885
2005	2,719,404	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
2011	3,296,564	2,385,886	3,250,843	449,897	567,755	9,950,945
Local						
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
2011	4,303,919	1,364,577	3,903,476	296,558	852,035	10,720,565



Life Insurance Program Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
<u>State</u>							
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
2011	57,673	41,247	26,503	17,847	23,446	166,716	75,520
<u>Local</u>							
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
2011	85,714	26,155	34,768	23,956	35,036	205,629	109,670

Life Insurance Contracts



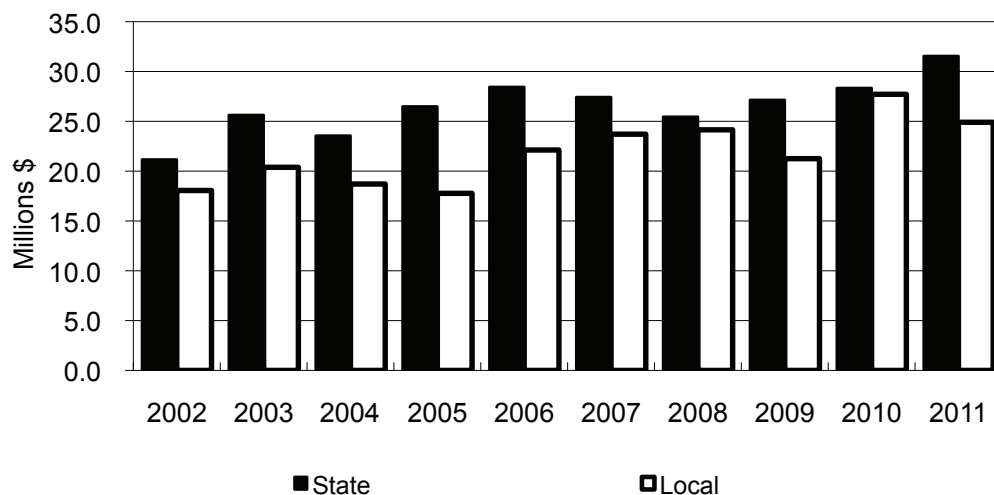


Group Life Insurance Program Paid Claims (\$ in thousands)

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Living Benefits ⁽¹⁾	Totals
	Life	AD&D	Disability				
State							
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
2011	16,749	1,285	1,184	9,881	1,241	1,211	31,551
Local							
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
2011	14,646	1,188	1,215	6,141	1,633	81	24,904

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

Group Life Insurance Program Paid Claims



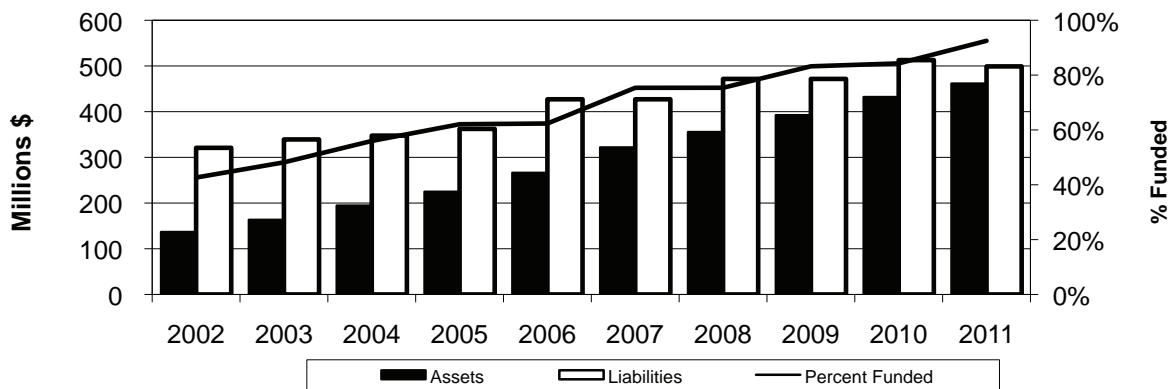


Duty Disability Insurance Statistics (\$ in Millions)

Year	Employers	Participants	Benefit		Average
			Payments	Contributions	Contribution Rate
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%
2011	503	22,352	30	53	3.98%

Year	Assets	Liabilities	Unfunded (Overfunded)		Covered Payroll	UAAL as %
			Liability	Percent Funded		of Covered Payroll
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%
2011	461.6	499.0	37.4	92.5%	1,332.7	2.8%

Duty Disability Funding





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

Participating Government	2011			2002		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	8,354	1	37.4%	8,071	1	38.0%
City of Madison	799	2	3.6%	663	2	3.1%
Dane County	431	3	1.9%	412	3	1.9%
City of Green Bay	364	4	1.6%	382	4	1.8%
City of Kenosha	346	5	1.5%	333	6	1.6%
City of Racine	338	6	1.5%	362	5	1.7%
Brown County	291	7	1.3%	280	7	1.3%
City of West Allis	234	8	1.0%	253	8	1.2%
City of Waukesha	211	9	0.9%	199	10	0.9%
City of Appleton	199	10	0.9%	202	9	1.0%
All Other	10,785		48.3%	10,069		47.4%
Total (503 employers)	22,352		100.0%	21,226		100.0%

Duty Disability Insurance Annuities by Type of Benefit

Monthly Benefit Amount	Number of Annuitants	Disability	Beneficiary
\$ 0 - 500	40	38	2
\$ 500 - 1,000	69	52	17
\$ 1,000 - 1,500	85	82	3
\$ 1,500 - 2,000	85	82	3
\$ 2,000 - 2,500	105	96	9
\$ 2,500 - 3,000	126	121	5
\$ 3,000 - 3,500	94	91	3
\$ 3,500 - 4,000	111	111	0
\$ 4,000 - 4,500	101	101	0
\$ 4,500 - 5,000	59	57	2
Over \$ 5,000	30	29	1
Total	905	860	45

* 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	\$ 3,036	\$ 3,456	\$ 3,187	\$ 2,848	\$ 2,039	\$ 1,550	\$ 1,065
Average Final Average Salary	\$ 2,426	\$ 3,224	\$ 3,351	\$ 3,468	\$ 3,523	\$ 3,748	\$ 2,302
Number of Annuitants	52	156	197	231	189	72	8

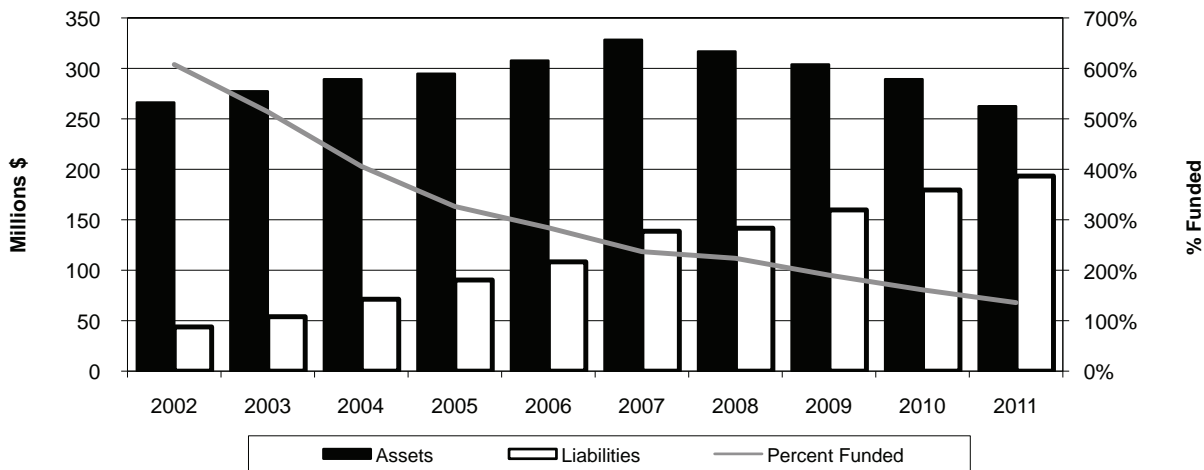
* This table excludes annuitants for whom years of service data is not available



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

Year	Assets	Liabilities	Unfunded (Overfunded) Liability	Percent Funded	Covered Payroll (\$ in millions)	UAAL as % of Covered Payroll
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	328.32	138.63	(189.7)	236.8%	11,720	-1.6%
2008	316.72	141.63	(175.1)	223.6%	12,290	-1.4%
2009	303.87	159.73	(144.1)	190.2%	12,622	-1.1%
2010	289.26	179.50	(109.8)	161.1%	12,744	-0.9%
2011	262.48	193.30	(69.2)	135.8%	12,719	-0.5%

Long-Term Disability Insurance Funding



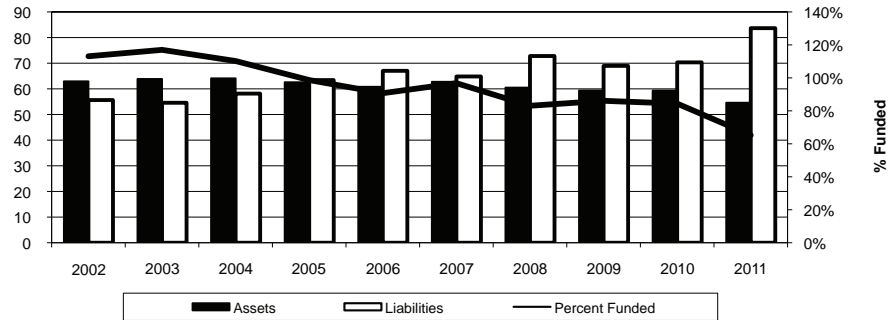


**Income Continuation Insurance Statistics
(\$ in millions)**

State

Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
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%
2011	52,573	1,545	54.6	83.7	29.1	65.2%

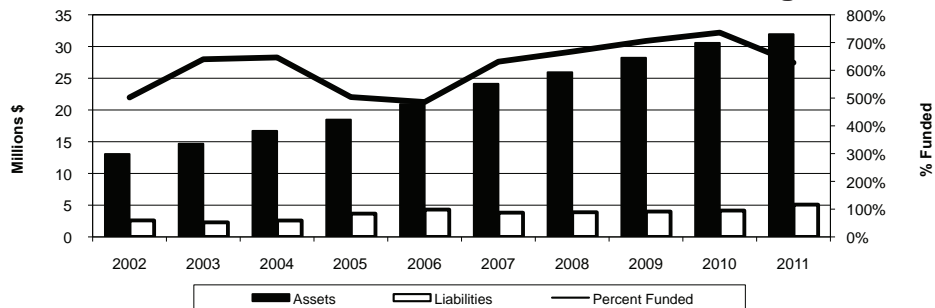
State Income Continuation Insurance Funding



Local

Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
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%
2011	7,878	93	31.9	5.1	(26.9)	627.6%

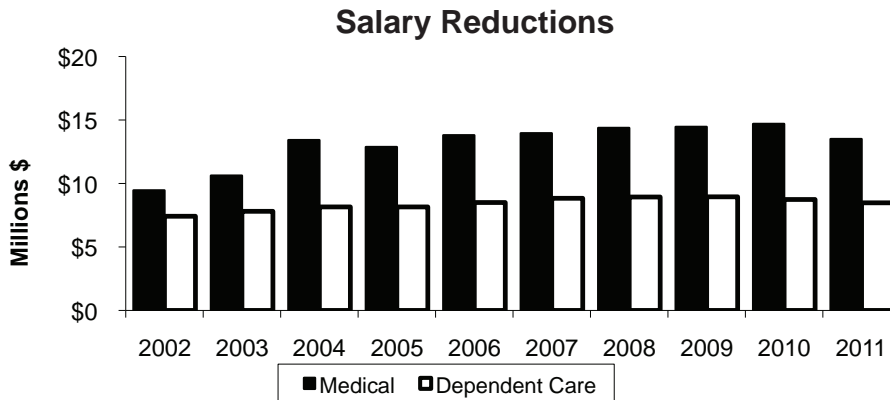
Local Income Continuation Insurance Funding





Employee Reimbursement Accounts Program Statistics Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Accounts	Salary Reductions	Claims	Forfeitures
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
2011	10,723	13,498,149	13,373,269	124,880	2,133	8,476,558	8,420,493	56,065



Employee Reimbursement Accounts Program Statistics Administrative Funding

Year	Receipts				Expenses			Surplus / (Deficit)
	Fees	Interest	Forfeitures	Totals	Administrator	State	Total	
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)
2011	427,725	10,435	180,945	619,105	681,803	111,024	792,827	(173,722)



Administrative Expense Statistics Administrative Expenses (\$ in thousands)

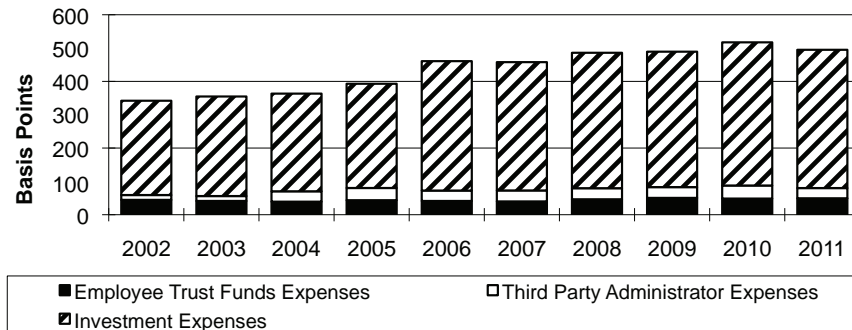
Year	ETF Expenses	Investment Expenses	Third Party Administrator Contracts							Commuter Benefits	Total Administration
			ERA	Health	Pharmacy	ICI	LTDI	Badger Rx	Deferred Comp		
2002	22,672	144,153	659	2,452	0	1,289	656	0	2,258	91	174,230
2003	21,138	152,948	599	2,447	0	1,417	699	0	2,251	107	181,606
2004	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
2011	28,664	241,413	682	2,264	9,056	1,449	1,692	0	2,639	77	287,936

Administrative Expenses in Basis Points¹ (\$ in thousands)

Year	Participants	Employee Trust Funds		Investment Expenses		Third Party Administrators		Total Administration	
		Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant
2002	509,484	22,672	44.5	144,153	282.9	7,405	14.5	174,230	342.0
2003	512,025	21,138	41.3	152,948	298.7	7,520	14.7	181,606	354.7
2004	520,766	20,368	39.1	152,629	293.1	16,208	31.1	189,205	363.3
2005	530,540	23,059	43.5	165,940	312.8	19,464	36.7	208,463	392.9
2006	542,558	22,367	41.2	210,660	388.3	16,948	31.2	249,975	460.7
2007	551,058	21,958	39.8	212,143	385.0	18,152	32.9	252,253	457.8
2008	557,062	25,779	46.3	226,364	406.4	18,516	33.2	270,659	485.9
2009	566,317	28,565	50.4	230,129	406.4	18,318	32.3	277,012	489.1
2010	572,219	27,709	48.4	245,806	429.6	22,428	39.2	295,943	517.2
2011	581,893	28,664	49.3	241,413	414.9	17,859	30.7	287,935	494.8

¹Each 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**



May 13, 2013

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 2013 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, 2011.

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

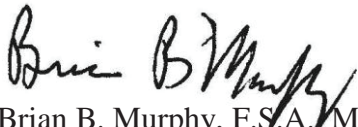
Assets are valued on a statutory market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

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 and are in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial 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, 2011 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, 2011 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.

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.



James D. Anderson, F.S.A., M.A.A.A.

BBM/MB/JDA:



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

	December 31, 2011	December 31, 2010	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Core Division	73,738.7	75,044.8	(1,306.1)
Variable Division	5,201.3	5,582.1	(380.8)
	<hr/>	<hr/>	<hr/>
Totals	78,940.0	80,626.9	(1,686.9)
	<hr/>	<hr/>	<hr/>
Obligations of Employers			
Unfunded Accrued Liability	99.3	131.9	(32.6)
	<hr/>	<hr/>	<hr/>
Total Assets	79,039.3	80,758.8	(1,719.5)
	<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	14,294.9	16,107.5	(1,812.6)
Member Additional Contributions	139.5	146.1	(6.6)
Employer Contributions	20,995.5	23,366.2	(2,370.7)
	<hr/>	<hr/>	<hr/>
Total Contributions	35,429.9	39,619.8	(4,189.9)
	<hr/>	<hr/>	<hr/>
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Core Annuities	42,078.3	38,148.5	3,929.8
Variable Annuities	3,462.9	3,005.4	457.5
	<hr/>	<hr/>	<hr/>
Total Annuities	45,541.2	41,153.9	4,387.3
	<hr/>	<hr/>	<hr/>
Total Reserves	80,971.1	80,773.7	197.4
	<hr/>	<hr/>	<hr/>
Surplus			
Core Annuity Reserve Surplus	(1,666.8)	(350.1)	(1,316.7)
Variable Annuity Reserve Surplus	(265.0)	335.2	(600.2)
	<hr/>	<hr/>	<hr/>
Total Surplus	(1,931.8)	(14.9)	(1,916.9)
	<hr/>	<hr/>	<hr/>
Total Reserves and Surplus	79,039.3	80,758.8	(1,719.5)
	<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. Participants first employed after June 30, 2011 must have five years of creditable service.

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
Before 2000	Between 2000 and 2011	After 2011	
2.165%	2.0%	1.6%	Executive group, elected officials
2.165%	2.0%	2.0%	Protective occupation covered by Social Security
2.665%	2.5%	2.5%	Protective occupation not covered by Social Security
1.765%	1.6%	1.6%	All other

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.

	Pre-10/16/92 WRS Plan	Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan
Participants Covered	Participants hired before 10/16/92 who do not elect LTDI coverage.	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: Interest is credited on member Core Fund accounts based on the prior year ending account balance and the interest rates shown below.

Date of Participation	Rate Credited For Purpose of	
	Money Purchase Minimum	Refunds
Prior to 1982	Core Effective Rate	Core Effective Rate
January 1, 1982 and later and terminated prior to January 1, 2000	5%	3%
January 1, 1982 and later and not terminated prior to January 1, 2000	Core Effective Rate	Core Effective Rate

Interest is credited on member Variable Fund accounts based on the prior year ending account balance and the Variable effective rate. Interest on both Core and Variable member additional deposit accounts is based on the prior year ending account balance and the appropriate effective rate.

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. Prior to June 28, 2011, employee contribution rates were set by statute and the employer was responsible for the remainder of the actuarially-determined contribution. Employee contributions were frequently paid by the employer on behalf of the employee.

Effective June 28, 2011, the employee contribution for general category employees, teachers and executives and elected officials is equal to one-half the actuarially required contribution. The employee contribution for protective occupations is the same percentage as general employees. The employer is responsible for the remainder of the actuarially determined contribution. The employer may not pay any portion of the employee contribution unless provided for by an pre-existing collective bargaining agreement.



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 **Investment Return Assumption** for plan assets is 7.2%.

For determining plan liabilities, the **Discount Rate** is 5.0% for retired participants, 5.0% for active and inactive participants following retirement, and 7.2% for active participants prior to their retirement. A valuation performed assuming a 5.5% discount rate for all participants at all stages of life, reproduces the results of an actuarial valuation using the 5% post-retirement and 7.2% pre-retirement assumptions. Thus, it can be said that **the net discount rate assumed in the valuations was 5.5% per year, compounded annually (net after administrative expenses).**

The **Wage Inflation Rate** assumed in this valuation was 3.20% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces, including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation because there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 2.0% to 2.7% would be consistent with the other economic assumptions.

The assumed **Real Rate of Return** over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.2% pre-retirement investment return rate translates to an assumed real rate of return over wage inflation of 4.0%. The assumed real rate of return over price inflation would be higher – on the order of 4.5% to 5.2%, considering both an inflation assumption and an average expense provision.

Pay increase assumptions for individual active participants are shown for sample services below. Part of the assumption for each age is for merit and/or seniority increase, and the other 3.2% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.



% Increases in Salaries Next Year (Merit and Longevity)

% Merit and Longevity Increase Next Year

Service	General	University Teachers	Public School Teachers	Protective Occupation		
				With SS	Without SS	Executive/Elected
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

% Retiring Next Year									
Age	General		Public School		University		Protective		Exec & Elected
	Male	Female	Male	Female	Male	Female	With S.S.	W/OS.S.	
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

% Retiring Next Year							
Age	General		Public School		University		Exec & Elected
	Male	Female	Male	Female	Male	Female	
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 25% 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
12/31/02	1,324	240,990	9,007.0	37,377.00	2.1%
12/31/03	1,344	239,696	9,272.8	38,686.00	3.5%
12/31/04	1,361	238,943	9,501.0	39,764.00	2.8%
12/31/05	1,376	237,501	9,661.1	40,678.00	2.3%
12/31/06	1,392	236,877	9,933.5	41,935.00	3.1%
12/31/07	1,404	237,124	10,277.9	43,344.00	3.4%
12/31/08	1,431	238,994	10,806.3	45,216.00	4.3%
12/31/09	1,438	240,401	11,098.1	46,165.00	2.1%
12/31/10	1,444	239,959	11,195.4	46,655.00	1.1%
12/31/11	1,450	232,518	10,947.0	47,080.00	0.9%

Executive Group & Elected Officials

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/02	279	1,476	86.9	58,865	3.2%
12/31/03	284	1,468	85.6	58,336	-0.9%
12/31/04	274	1,469	89.0	60,379	3.5%
12/31/05	275	1,452	89.7	61,788	2.3%
12/31/06	272	1,436	92.6	64,480	4.4%
12/31/07	270	1,427	94.6	66,320	2.9%
12/31/08	259	1,430	100.6	70,316	6.0%
12/31/09	258	1,427	101.0	70,786	0.7%
12/31/10	254	1,418	101.2	71,394	0.9%
12/31/11	257	1,393	98.6	70,802	-0.8%

Protective with Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/02	475	18,325	803.9	43,871	2.2%
12/31/03	485	18,660	856.3	45,891	4.6%
12/31/04	491	18,964	896.0	47,266	3.0%
12/31/05	495	19,036	920.0	48,330	2.3%
12/31/06	502	19,297	976.9	50,622	4.7%
12/31/07	508	19,757	1,035.6	52,419	3.5%
12/31/08	509	20,038	1,099.3	54,859	4.7%
12/31/09	509	20,205	1,124.1	55,636	1.4%
12/31/10	510	20,019	1,124.7	56,184	1.0%
12/31/11	510	19,610	1,119.0	57,065	1.6%



Summary of Member Valuation Data

Protective Without Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/02	55	2,709	147.9	54,603	4.3%
12/31/03	54	2,714	153.8	56,673	3.8%
12/31/04	54	2,709	159.0	58,546	3.3%
12/31/05	55	2,689	162.0	60,241	2.9%
12/31/06	55	2,692	167.3	62,153	3.2%
12/31/07	55	2,695	173.7	64,449	3.7%
12/31/08	55	2,724	181.2	66,502	3.2%
12/31/09	57	2,733	189.0	69,149	4.0%
12/31/10	58	2,754	188.8	68,559	-0.9%
12/31/11	57	2,711	189.5	69,898	2.0%

All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (in millions \$)	Annual Average Pay	% Increase In Average Pay
12/31/02	1,359	263,500	10,046	38,124	2.2%
12/31/03	1,380	262,538	10,369	39,493	3.6%
12/31/04	1,397	262,085	10,645	40,617	2.8%
12/31/05	1,412	260,678	10,833	41,556	2.3%
12/31/06	1,432	260,302	11,170	42,913	3.3%
12/31/07	1,438	261,003	11,582	44,374	3.4%
12/31/08	1,462	263,186	12,187	46,307	4.4%
12/31/09	1,469	264,766	12,512	47,258	2.1%
12/31/10	1,474	264,150	12,610	47,738	1.0%
12/31/11	1,480	256,232	12,354	48,215	1.0%



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

Valuation Year	Aggregate Accrued Liabilities	Valuation Assets	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Annual Active Member Payroll
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%
2011	79,039.3	78,940.0	99.9%	99.3	12,855.6	0.8%

**Solvency Test
(\$ in Millions)**

Valuation Year	Valuation Assets	Annuitants and Beneficiaries	Accrued Liability For			Annuitants and Beneficiaries	Percent Funded		
			Active Member Contrib.	Employer's Contrib.	Total		Active Member Contrib.	Employer's Contrib.	Total
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%
2011	78,940.0	43,609.4	14,434.4	20,995.5	79,039.3	100.0%	100.0%	99.5%	99.9%



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

NOTES TO CONTRIBUTION RATE SCHEDULE

1. Prior to June 28, 2011, the employee contribution rate was set by Wis. Stat. §40.05 (1) and part or all of the required employee contributions could be paid by the employer on behalf of the employee. Effective June 28, 2011 the employee contribution rate for general and executive/elected category employees is equal to one half the total required contributions, and the protective category employee contribution rate is equal to the general category rate. Employers may not pay the employee contribution on their behalf unless provided for by an existing collective bargaining agreement.
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)

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2001	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2002	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2003	4.0%	1.2%	5.2%	5.0%	0.4%	10.6%
2004	4.2%	1.0%	5.2%	5.0%	0.6%	10.8%
2005	4.4%	0.3%	4.7%	5.0%	0.8%	10.5%
2006	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
2007	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2008	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2009	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
2010	4.8%	0.2%	5.0%	5.0%	1.2%	11.2%
2011	5.1%	0.1%	5.2%	5.0%	1.5%	11.7%
2011*	5.8%	0.1%	5.9%	5.8%	0.0%	11.7%

Executive Group and Elected Officials

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2001	9.4%	1.0%	10.4%	3.9%	0.0%	14.3%
2002	8.6%	1.0%	9.6%	3.1%	0.0%	12.7%
2003	8.1%	1.0%	9.1%	2.6%	0.0%	11.7%
2004	8.1%	0.8%	8.9%	2.6%	0.0%	11.5%
2005	8.3%	0.1%	8.4%	2.8%	0.0%	11.2%
2006	8.4%	0.1%	8.5%	2.9%	0.0%	11.4%
2007	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2008	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2009	8.5%	0.0%	8.5%	3.0%	0.0%	11.5%
2010	8.7%	0.0%	8.7%	3.2%	0.0%	11.9%
2011	9.4%	0.0%	9.4%	3.9%	0.0%	13.3%
2011*	6.65%	0.0%	6.65%	6.65%	0.0%	13.3%

* 2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

Protective with Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2001	6.9%	0.7%	3.9%	11.5%	3.8%	0.0%	15.3%
2002	7.1%	0.7%	3.8%	11.6%	4.0%	0.0%	15.6%
2003	7.1%	0.6%	3.9%	11.6%	4.0%	0.0%	15.6%
2004	7.6%	0.4%	3.8%	11.8%	4.5%	0.0%	16.3%
2005	8.0%	0.1%	3.8%	11.9%	4.9%	0.0%	16.8%
2006	8.1%	0.1%	3.8%	12.0%	5.0%	0.0%	17.0%
2007	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2008	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2009	8.1%	0.1%	3.9%	12.1%	5.0%	0.0%	17.1%
2010	8.6%	0.0%	3.9%	12.5%	5.5%	0.0%	18.0%
2011	8.9%	0.0%	4.0%	12.9%	5.8%	0.0%	18.7%
2011*	8.9%	0.0%	4.0%	12.9%	5.8%	0.0%	18.7%

Protective without Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2001	10.7%	1.5%	3.9%	16.1%	3.3%	0.0%	19.4%
2002	10.4%	1.5%	3.8%	15.7%	3.0%	0.0%	18.7%
2003	9.8%	1.5%	3.9%	15.2%	2.4%	0.0%	17.6%
2004	10.6%	1.2%	3.8%	15.6%	3.2%	0.0%	18.8%
2005	10.7%	0.6%	3.8%	15.1%	3.3%	0.0%	18.4%
2006	10.7%	0.4%	3.8%	14.9%	3.3%	0.0%	18.2%
2007	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2008	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2009	10.6%	0.3%	3.9%	14.8%	3.2%	0.0%	18.0%
2010	11.3%	0.3%	3.9%	15.5%	3.9%	0.0%	19.4%
2011	12.2%	0.3%	4.0%	16.5%	4.8%	0.0%	21.3%
2011*	12.2%	0.3%	4.0%	16.5%	5.8%	0.0%	21.3%

* 2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011



ANALYSIS OF ACTUARIAL EXPERIENCE

Gains and Losses in Accrued Liabilities during 2011 Resulting from Differences
Between Assumed Experience & Actual Experience

(\$ in millions)

Type of Activity	General	Executive & Elected	Protective With Social Security	Protective Without Social Security	Total
Normal Retirement	\$ (50.0)	\$ (2.1)	\$ (21.1)	\$ 0.7	\$ (72.5)
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.					
Early Retirement	(76.8)	0.1	(0.6)	0.3	(77.0)
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.					
Death with Benefit	0.2	0.2	0.4	(0.1)	0.7
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.					
Disability Retirement	16.9	0.1	1.4	0.6	19.0
If disability claims are less than assumed, there is a gain. If more claims, a loss.					
Other Separations	(2.2)	1.2	(3.9)	(1.2)	(6.1)
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.					
Salary Increases	270.1	5.2	30.6	7.9	313.8
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.					
Investment Return	(1,247.5)	(10.2)	(183.5)	(50.9)	(1,492.1)
If there is greater investment income than assumed, there is a gain. If less income, a loss.					
Other	<u>(125.6)</u>	<u>(7.2)</u>	<u>(20.4)</u>	<u>(5.9)</u>	<u>(159.1)</u>
Total Gain (Loss)	\$ (1,214.9)	\$ (12.7)	\$ (197.1)	\$ (48.6)	\$ (1,473.3)
% of accrued liability	(4.0)%	(5.3)%	(5.6)%	(5.4)%	(4.2)%



Wisconsin Retirement System Changes in Number of Annuities

Year	Annuity Type	Beginning	Additions	Deletions	Ending
2011	Retirement	148,380	15,096	3,432	160,044
	Disability	6,194	196	189	6,201
	Beneficiary	1,201	60	53	1,208
	Total	155,775	15,352	3,674	167,453
2010	Retirement	143,261	8,330	3,211	148,380
	Disability	6,224	159	189	6,194
	Beneficiary	1,186	69	54	1,201
	Total	150,671	8,558	3,454	155,775
2009	Retirement	136,502	7,779	1,020	143,261
	Disability	6,397	156	329	6,224
	Beneficiary	1,134	73	21	1,186
	Total	144,033	8,008	1,370	150,671
2008	Retirement	135,026	8,165	6,689	136,502
	Disability	6,558	174	335	6,397
	Beneficiary	1,322	61	249	1,134
	Total	142,906	8,400	7,273	144,033
2007	Retirement	129,289	8,186	2,449	135,026
	Disability	6,505	157	104	6,558
	Beneficiary	1,323	47	48	1,322
	Total	137,117	8,390	2,601	142,906
2006	Retirement	123,945	7,859	2,515	129,289
	Disability	6,415	163	73	6,505
	Beneficiary	1,314	43	34	1,323
	Total	131,674	8,065	2,622	137,117
2005	Retirement	118,572	7,844	2,471	123,945
	Disability	6,346	150	81	6,415
	Beneficiary	1,293	58	37	1,314
	Total	126,211	8,052	2,589	131,674
2004	Retirement	114,038	7,142	2,608	118,572
	Disability	6,272	147	73	6,346
	Beneficiary	1,272	56	35	1,293
	Total	121,582	7,345	2,716	126,211
2003	Retirement	108,901	7,308	2,171	114,038
	Disability	6,158	177	63	6,272
	Beneficiary	1,230	68	26	1,272
	Total	116,289	7,553	2,260	121,582
2002	Retirement	104,910	6,915	2,924	108,901
	Disability	6,009	191	42	6,158
	Beneficiary	1,223	53	46	1,230
	Total	112,142	7,159	3,012	116,289



INVESTMENTS

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



INVESTMENTS

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, 2011.

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 Board of Trustees as of December 31, 2011 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: Thomas 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)
Retired 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 Huebsch
Secretary, DOA



EMPLOYER UNFUNDED LIABILITY BALANCES

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



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
State Agencies			
Administration, Department Of	\$57,638,893	\$7,651,127	\$0
Agric Trade Cons Prot, Department Of	27,776,593	3,570,607	0
Arts Board	256,047	33,479	0
Board For People With Develop District	353,265	45,218	0
Board Aging & Long Term Care	1,377,755	176,353	0
Board Of Commsrs Of Public Lands	668,714	85,595	0
Children & Families, Department Of	34,474,432	4,422,213	0
Commerce, Department Of	9,179,157	1,179,496	0
Corrections, Department Of	501,103,032	80,357,867	0
Courts - State	68,368,009	9,341,946	0
District Attorneys	32,229,936	4,245,321	0
Educational Communications Board	2,975,872	388,065	0
Employee Trust Funds, Department Of	12,449,464	1,600,193	0
Employment Relations Comm	1,800,863	235,281	0
Employment Relations, Office Of	2,411,252	316,328	0
Executive Office	1,907,312	248,130	0
Financial Institutions, Department	7,177,378	931,402	0
Government Accountability Board	1,734,899	227,871	0
Health Services, Department Of	260,483,244	35,405,367	0
Higher Educational Aids Board	390,587	50,047	0
Historical Society - State	8,476,475	1,093,800	0
Insurance Commissioner's Office	8,625,124	1,108,321	0
Investment Board	16,402,779	2,158,218	0
Judicial Commission	125,312	17,423	0
Judicial Council	58,356	7,470	0
Justice, Department Of	33,547,417	4,702,536	0
Legis Assembly - Chief Clerk	13,260,926	1,779,134	0
Legis Assembly-Sgt At Arms	331,731	43,511	0
Legislative Audit Bureau	4,849,871	622,171	0
Legislative Council Staff	2,071,047	267,196	0
Legislative Fiscal Bureau	2,368,467	305,508	0
Legislative Reference Bureau	3,336,906	429,197	0
Legislative Tech Serv Bureau	2,471,597	318,203	0
Legislature - Senate	8,970,702	1,177,862	0
Lieutenant Governor's Office	215,799	30,048	0
Lower Wis. State Riverway Board.	101,733	13,022	0
Military Affairs, Department Of	19,053,188	2,921,203	0
Natural Resources, Department Of	138,332,318	20,024,648	0
Public Defender's Office	34,120,672	4,371,712	0
Public Instruction, Department Of	33,513,134	4,304,744	0
Public Service Commission	9,288,039	1,206,970	0
Revenue, Department Of	51,343,693	6,612,077	0
Safety & Profess Svces, Department	11,282,234	1,454,170	0
Secretary Of State's Office	237,588	32,096	0
State Fair Park Board	2,796,325	363,728	0
Tourism, Department Of	1,598,061	208,835	0
Transportation, Department Of	174,626,117	25,306,514	0
Treasurer's Office - State	581,936	76,870	0
UW Hospital Board	56,006,012	7,168,770	0
Veterans Affairs, Department Of	48,926,115	6,289,403	0
Wis Tech College Sys Board	3,969,613	516,381	0
Workforce Development, Department Of	78,057,100	10,010,737	0
Total State Agencies	<u>1,793,703,093</u>	<u>255,454,381</u>	0
University Of Wisconsin System	<u>1,747,980,768</u>	<u>224,917,435</u>	0
Public Authorities			
Fox River Navigation Sys Auth	107,289	13,733	0
Health & Educ Facilities Auth	302,920	43,318	0
Hlth Ins Risk-Sharng Plan Auth	404,796	47,288	0
Housing & Econ Develop Auth	9,977,298	1,277,094	0
Quality Home Care Authority	43,395	5,555	0
UW Hospital Authority	317,277,341	44,699,217	12,037,238
Wisconsin Econ Develop Corp	1,885,595	218,729	0
Wiscraft Inc - Ent For Blind	1,323,495	209,112	502,449
Total Public Authorities	<u>331,322,129</u>	<u>46,514,045</u>	<u>12,539,687</u>
Total State	<u>3,873,005,989</u>	<u>526,885,861</u>	<u>12,539,687</u>



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Cities			
Abbotsford, City Of	423,932	49,176	0
Adams, City Of	740,561	106,132	82,856
Algoma, City Of	3,618,530	492,176	1,191,977
Alma, City Of	253,983	32,337	31,187
Altoona, City Of	1,711,355	232,728	0
Amery, City Of	1,103,898	148,783	8,414
Antigo, City Of	4,100,260	683,933	0
Appleton, City Of	37,218,926	5,415,171	0
Arcadia, City Of	249,643	43,438	3,734
Ashland, City Of	5,136,898	818,035	0
Augusta, City Of	494,629	67,211	0
Baraboo, City Of	4,987,265	745,382	0
Barron, City Of	1,469,673	187,100	0
Bayfield, City Of	567,605	73,002	0
Beaver Dam, City Of	6,287,776	1,015,929	2,069,318
Beloit, City Of	21,392,270	3,493,443	0
Berlin, City Of	2,031,660	292,973	497,704
Black River Falls, City Of	2,181,821	279,712	0
Blair, City Of	315,235	40,270	0
Bloomer, City Of	348,213	57,803	0
Boscobel, City Of	1,247,702	159,628	0
Brillion, City Of	873,687	124,181	0
Brodhead, City Of	1,482,664	195,531	0
Brookfield, City Of	20,847,482	3,453,110	0
Buffalo City, City Of	79,015	9,166	0
Burlington, City Of	4,114,434	561,375	0
Cedarburg, City Of	5,455,940	769,080	0
Chetek, City Of	257,453	44,024	0
Chilton, City Of	1,144,264	149,967	0
Chippewa Falls, City Of	6,708,750	1,025,958	0
Clintonville, City Of	2,489,456	374,590	1,049,308
Colby, City Of	341,033	39,560	0
Columbus, City Of	2,326,400	305,027	0
Cornell, City Of	494,517	63,110	0
Crandon, City Of	565,352	72,534	0
Cuba City, City Of	726,560	93,970	0
Cudahy, City Of	8,356,592	1,411,627	0
Cumberland, City Of	879,437	113,185	0
Darlington, City Of	848,147	110,798	0
De Pere, City Of	8,748,687	1,357,639	0
Delafield, City Of	2,518,986	367,562	14,485
Delavan, City Of	3,444,260	503,767	(186)
Dodgeville, City Of	1,396,886	182,549	0
Durand, City Of	511,032	65,430	0
Eagle River, City Of	1,433,607	183,883	0
Eau Claire, City Of	30,214,837	4,813,086	0
Edgerton, City Of	1,627,721	220,251	0
Elkhorn, City Of	3,579,877	504,590	287,782
Elroy, City Of	682,113	84,401	0
Evansville, City Of	2,031,232	262,458	0
Fennimore, City Of	1,097,591	139,763	0
Fitchburg, City Of	9,245,868	1,309,815	0
Fond Du Lac, City Of	20,138,979	3,359,825	0
Fort Atkinson, City Of	4,398,562	648,718	1,254,268
Fountain City, City Of	167,162	21,266	0
Fox Lake, City Of	524,280	71,387	82,786
Franklin, City Of	7,524,365	1,512,397	0
Galesville, City Of	335,980	44,110	0
Gillett, City Of	564,531	78,224	12,829
Glendale, City Of	4,845,557	871,603	0
Glenwood, City Of	109,237	18,133	0
Green Bay, City Of	53,229,137	8,733,203	0
Green Lake, City Of	527,298	69,293	0
Greenfield, City Of	13,745,185	2,396,590	0
Greenwood, City Of	430,152	57,250	0
Hartford, City Of	6,640,944	860,396	0
Hayward, City Of	923,665	127,852	0
Hillsboro, City Of	499,804	63,392	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Horicon, City Of	1,153,637	155,796	0
Hudson, City Of	4,613,000	612,161	0
Hurley, City Of	818,703	113,579	0
Independence, City Of	396,060	56,804	17,351
Janesville, City Of	28,993,405	4,766,478	0
Jefferson, City Of	3,572,915	457,224	0
Juneau, City Of	884,176	113,185	0
Kaukauna, City Of	10,168,300	1,351,526	0
Kenosha, City Of	48,634,657	8,303,395	0
Kewaunee, City Of	991,508	148,559	426,633
Kiel, City Of	1,537,360	202,466	0
La Crosse, City Of	28,024,595	4,400,410	0
Ladysmith, City Of	1,720,453	225,346	0
Lake Geneva, City Of	4,409,343	599,406	0
Lake Mills, City Of	2,876,996	421,298	258,125
Lancaster, City Of	1,228,302	158,559	0
Lodi, City Of	1,208,001	153,294	0
Loyal, City Of	322,858	46,291	11,338
Madison, City Of	168,737,746	25,782,618	0
Manawa, City Of	500,484	72,245	96,293
Manitowoc, City Of	23,857,435	3,420,272	0
Marinette, City Of	5,331,999	845,153	0
Marion, City Of	141,610	24,074	8,831
Markesan, City Of	372,071	50,441	44,973
Marshfield, City Of	10,427,559	1,708,229	0
Mauston, City Of	1,368,285	183,166	42,968
Mayville, City Of	1,649,161	213,388	0
Medford, City Of	1,818,719	235,495	0
Mellen, City Of	293,577	37,675	0
Menasha, City Of	8,331,623	1,379,110	0
Menomonie, City Of	7,143,582	1,218,636	0
Mequon, City Of	7,086,468	1,144,086	591
Merrill, City Of	5,898,261	907,005	0
Middleton, City Of	8,016,211	1,086,286	0
Milton, City Of	1,640,623	219,448	0
Mineral Point, City Of	625,819	85,325	7,731
Mondovi, City Of	735,875	104,558	268,741
Monona, City Of	3,631,334	521,835	0
Monroe, City Of	4,462,898	607,624	0
Montello, City Of	347,714	47,646	47,063
Montreal, City Of	115,981	27,140	520,701
Mosinee, City Of	1,099,265	149,067	0
Muskego, City Of	6,899,094	1,059,225	0
Neenah, City Of	12,965,129	2,114,575	0
Neillsville, City Of	955,191	126,029	0
Nekoosa, City Of	1,104,964	145,655	0
New Berlin, City Of	14,823,801	2,352,318	0
New Holstein, City Of	1,622,718	207,311	0
New Lisbon, City Of	831,663	105,963	1,984
New London, City Of	3,933,352	513,527	0
New Richmond, City Of	4,082,445	557,940	226,343
Niagara, City Of	742,086	96,966	0
Oak Creek, City Of	17,897,230	2,909,348	0
Oconomowoc, City Of	7,336,423	962,087	0
Oconto Falls, City Of	1,278,903	163,583	0
Oconto, City Of	1,993,374	285,962	0
Omro, City Of	1,046,446	137,594	0
Onalaska, City Of	4,456,886	644,220	0
Oshkosh, City Of	32,638,192	5,157,589	10,010,997
Osseo, City Of	592,743	78,357	0
Owen, City Of	362,944	48,384	0
Park Falls, City Of	1,145,591	150,868	0
Peshtigo, City Of	309,930	51,448	0
Phillips, City Of	763,682	113,919	73,224
Pittsville, City Of	84,336	14,000	0
Platteville, City Of	3,988,135	513,204	0
Plymouth, City Of	3,898,913	505,189	0
Port Washington, City Of	4,626,149	678,302	0
Portage, City Of	3,749,967	525,187	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Prairie Du Chien, City Of	1,838,161	247,052	0
Prescott, City Of	1,236,954	165,142	0
Princeton, City Of	507,118	76,337	(197)
Racine, City Of	50,438,395	8,452,486	0
Reedsburg, City Of	4,464,858	574,717	0
Rhineland, City Of	5,558,739	892,487	1,183,109
Rice Lake, City Of	5,365,432	832,178	0
Richland Center, City Of	2,274,346	292,388	0
Ripon, City Of	2,689,108	353,286	0
River Falls, City Of	4,144,481	549,190	0
Schofield, City Of	351,988	40,831	0
Seymour, City Of	1,162,791	149,244	0
Shawano, City Of	3,208,077	431,888	0
Sheboygan Falls, City Of	2,382,719	321,886	0
Sheboygan, City Of	25,879,233	3,665,175	0
Shell Lake, City Of	483,517	63,222	0
Shullsburg, City Of	327,339	40,378	0
South Milwaukee, City Of	9,128,317	1,528,911	0
Sparta, City Of	2,921,824	389,610	0
Spooner, City Of	1,235,910	160,037	0
St Croix Falls, City Of	901,006	120,915	0
St Francis, City Of	4,723,789	849,802	0
Stanley, City Of	575,695	76,671	0
Stevens Point, City Of	12,005,782	1,960,090	0
Stoughton, City Of	5,242,837	733,676	0
Sturgeon Bay, City Of	5,204,225	727,966	0
Sun Prairie, City Of	3,268,126	558,850	0
Superior, City Of	13,930,241	2,250,353	0
Thorp, City Of	479,882	62,349	0
Tomah, City Of	3,826,097	504,288	0
Tomahawk, City Of	1,246,260	164,704	0
Two Rivers, City Of	7,049,083	1,241,766	3,769,875
Verona, City Of	3,398,651	458,244	0
Viroqua, City Of	1,544,198	279,397	1,462,471
Washburn, City Of	865,030	111,633	0
Waterloo, City Of	1,446,267	192,477	0
Watertown, City Of	8,938,884	1,257,576	0
Waukesha, City Of	33,772,880	5,385,486	0
Waupaca, City Of	2,628,660	384,488	227,177
Waupun, City Of	3,688,599	540,972	0
Wausau, City Of	17,014,903	2,758,980	0
Wautoma, City Of	741,748	100,205	0
Wauwatosa, City Of	27,693,252	4,637,671	0
West Allis, City Of	34,966,567	5,739,854	0
West Bend, City Of	14,857,719	2,449,884	0
Westby, City Of	733,685	92,401	0
Weyauwega, City Of	498,465	67,671	0
Whitehall, City Of	782,745	99,450	0
Whitewater, City Of	4,809,186	707,859	0
Wisconsin Dells, City Of	2,844,901	371,298	0
Wisconsin Rapids, City Of	13,196,511	1,986,165	0
Total Cities	1,232,804,586	190,954,619	25,292,782
Villages			
Adell, Village Of	86,431	10,026	0
Albany, Village Of	319,176	42,834	0
Allouez, Village Of	2,793,436	376,301	0
Amherst, Village Of	211,681	24,555	0
Argyle, Village Of	229,573	29,774	0
Arlington, Village Of	112,113	15,247	27,575
Ashwaubenon, Village Of	6,954,620	1,251,574	(3,895)
Athens, Village Of	216,597	27,256	0
Avoca, Village Of	115,749	14,989	0
Baldwin, Village Of	1,124,553	161,520	34,425
Balsam Lake, Village Of	310,671	39,544	15,789
Bangor, Village Of	692,746	85,348	0
Bay City, Village Of	109,697	12,725	0
Bayside, Village Of	2,034,899	285,502	0
Belgium, Village Of	316,064	36,663	0
Belleville, Village Of	789,765	105,174	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Bellevue, Village Of (Brown)	1,604,788	198,305	0
Belmont, Village Of	239,860	29,939	0
Benton, Village Of	221,673	25,714	0
Big Bend, Village Of	365,949	51,710	0
Birchwood, Village Of	166,651	21,812	0
Birnamwood, Village Of	45,350	5,261	0
Biron, Village Of	298,785	34,659	0
Black Creek, Village Of	308,456	37,950	0
Black Earth, Village Of	280,861	32,580	0
Blanchardville, Village Of	167,403	19,419	0
Blue Mounds, Village Of	146,043	19,853	0
Blue River, Village Of	99,533	11,546	0
Boyceville, Village Of	326,709	47,900	37,923
Boyd, Village Of	195,354	24,391	0
Brandon, Village Of	201,242	23,344	0
Bristol, Village Of	761,339	111,393	293,853
Brooklyn, Village Of	245,034	29,964	0
Brown Deer, Village Of	4,495,115	654,095	0
Brownsville, Village Of	163,739	18,994	0
Browtown, Village Of	71,388	8,281	0
Bruce, Village Of	136,331	15,814	0
Butler, Village Of	891,323	129,616	0
Cadott, Village Of	547,196	70,193	0
Caledonia, Village Of (Racine)	7,609,907	1,342,265	0
Cambria, Village Of	185,116	21,473	0
Cambridge, Village Of	337,643	39,167	0
Cameron, Village Of	349,675	47,513	0
Camp Douglas, Village Of	140,842	18,039	0
Campbellsport, Village Of	473,929	59,191	0
Cascade, Village Of	103,870	12,049	0
Casco, Village Of	55,624	6,452	0
Cashton, Village Of	523,589	65,281	0
Cedar Grove, Village Of	304,807	35,358	0
Centuria, Village Of	349,970	52,350	102,948
Chaseburg, Village Of	59,570	6,910	0
Chenequa, Village Of	833,104	131,645	0
Clayton, Village Of	144,371	18,883	0
Clear Lake, Village Of	387,176	50,687	0
Cleveland, Village Of	376,162	48,969	0
Clinton, Village Of	701,411	96,910	0
Clyman, Village Of	93,828	11,072	2,410
Cobb, Village Of	80,047	9,285	0
Cochrane, Village Of	108,867	12,629	0
Coleman, Village Of	178,045	22,687	0
Colfax, Village Of	376,467	46,406	0
Coloma, Village Of	202,648	26,357	0
Combined Locks, Village Of	598,106	82,101	175,594
Coon Valley, Village Of	186,637	23,363	0
Cottage Grove, Village Of	1,210,435	168,638	0
Crivitz, Village Of	300,060	39,128	0
Cross Plains, Village Of	838,853	124,857	130,125
Dallas, Village Of	49,575	5,751	0
Dane, Village Of	174,875	21,385	0
Darien, Village Of	643,865	96,425	14,056
De Soto, Village Of	61,304	7,359	0
Deerfield, Village Of	425,900	49,404	0
Deforest, Village Of	2,409,482	369,055	0
Denmark, Village Of	452,194	57,476	0
Dickeyville, Village Of	205,653	26,740	0
Dousman, Village Of	395,785	52,627	0
Dresser, Village Of	239,424	30,113	0
Eagle, Village Of	386,780	56,319	0
East Troy, Village Of	1,256,217	189,278	0
Eastman, Village Of	61,535	7,138	0
Edgar, Village Of	200,370	25,500	0
Egg Harbor, Village Of	479,381	55,608	0
Eleva, Village Of	163,794	21,038	0
Elk Mound, Village Of	254,273	32,593	0
Elkhart Lake, Village Of	538,367	71,691	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Ellsworth, Village Of	894,813	121,490	0
Elm Grove, Village Of	2,774,819	451,475	0
Elmwood, Village Of	208,395	25,832	0
Ephraim, Village Of	379,628	44,037	0
Ettrick, Village Of	120,848	14,448	0
Fairwater, Village Of	52,702	6,113	0
Fall Creek, Village Of	353,958	47,339	0
Fall River, Village Of	231,437	31,527	0
Ferryville, Village Of	43,139	5,004	0
Fontana On Gnva Lk, Village Of	1,187,893	156,675	0
Fox Point, Village Of	3,090,718	527,367	2,341,532
Frederic, Village Of	440,437	55,095	0
Fremont, Village Of	177,598	23,510	0
Friendship, Village Of	179,752	25,705	34,081
Gays Mills, Village Of	198,104	30,904	17,423
Genoa City, Village Of	742,926	104,199	2,146
Germantown, Village Of	6,738,386	937,215	0
Gilman, Village Of	189,235	24,418	0
Grafton, Village Of	4,485,258	607,250	0
Granton, Village Of	128,205	14,872	0
Grantsburg, Village Of	557,198	71,905	0
Greendale, Village Of	5,810,985	1,036,532	0
Gresham, Village Of	421,918	48,943	0
Hales Corners, Village Of	2,638,815	378,076	0
Hammond, Village Of	626,605	83,739	0
Hartland, Village Of	3,039,983	418,256	0
Haugen, Village Of	33,265	3,859	0
Hawkins, Village Of	81,070	11,431	15,347
Hazel Green, Village Of	332,815	42,813	0
Highland, Village Of	158,057	19,805	0
Hilbert, Village Of	209,049	24,250	0
Hixton, Village Of	61,946	7,805	10,078
Hobart, Village Of	811,154	108,662	0
Hollandale, Village Of	47,953	5,563	0
Holmen, Village Of	1,247,071	169,096	0
Hortonville, Village Of	751,511	99,471	0
Howard, Village Of	2,236,595	264,961	0
Howards Grove, Village Of	325,430	37,750	0
Hustisford, Village Of	557,388	71,346	82,932
Iola, Village Of	387,130	52,075	0
Iron Ridge, Village Of	173,182	22,737	0
Jackson, Village Of	1,941,918	266,627	0
Johnson Creek, Village Of	904,604	116,619	0
Junction City, Village Of	72,314	11,498	69,670
Kendall, Village Of	105,659	12,643	0
Kewaskum, Village Of	1,201,997	161,992	0
Kimberly, Village Of	1,537,050	178,298	0
Kohler, Village Of	1,034,308	144,829	0
Kronenwetter, Village Of	1,115,509	149,517	0
La Farge, Village Of	338,970	50,067	47,160
La Valle, Village Of	91,832	10,653	0
Lac La Belle, Village Of	18,099	2,100	0
Lake Delton, Village Of	2,162,795	316,521	0
Lake Hallie, Village Of	574,245	85,314	0
Lake Nebagamom, Village Of	122,786	14,243	0
Lannon, Village Of	145,361	20,944	0
Lena, Village Of	181,531	23,066	0
Little Chute, Village Of	3,436,334	480,587	0
Loganville, Village Of	50,914	5,906	0
Lomira, Village Of	488,759	64,014	0
Luck, Village Of	498,798	67,304	36,357
Luxemburg, Village Of	227,330	28,624	0
Maple Bluff, Village Of	953,957	141,862	0
Marathon City, Village Of	433,933	55,599	0
Marshall, Village Of	960,987	131,080	0
Mattoon, Village Of	63,251	7,337	0
Mazomanie, Village Of	247,106	28,664	0
Mcfarland, Village Of	2,761,903	383,365	0
Menomonee Falls, Village Of	13,015,115	1,894,232	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Milltown, Village Of	352,174	45,804	0
Minong, Village Of	225,035	30,126	0
Mishicot, Village Of	281,604	39,641	48,632
Montfort, Village Of	89,390	10,369	0
Mount Horeb, Village Of	2,442,949	316,933	0
Mt Pleasant, Village Of(Racine)	8,910,250	1,607,261	0
Mukwonago, Village Of	2,983,808	409,163	0
Muscoda, Village Of	519,279	66,133	0
Necedah, Village Of	307,265	37,713	0
Neshkoro, Village Of	60,649	11,645	105,821
New Glarus, Village Of	903,354	114,150	0
Newburg, Village Of	133,430	15,972	0
Nichols, Village Of	38,607	4,478	0
North Fond Du Lac, Village Of	2,145,576	322,204	2,918
North Freedom, Village Of	87,466	10,146	0
North Hudson, Village Of	609,746	85,771	0
Oconomowoc Lake, Village Of	470,342	73,549	0
Oostburg, Village Of	355,911	45,557	25,079
Oregon, Village Of	2,507,121	332,447	0
Orfordville, Village Of	376,478	48,978	0
Osceola, Village Of	857,676	117,059	0
Oxford, Village Of (Marquette)	111,703	14,018	0
Paddock Lake, Village Of	429,061	49,771	0
Pardeeville, Village Of	501,479	58,172	0
Pepin, Village Of	198,911	25,151	0
Pewaukee, Village Of	2,814,835	391,290	0
Plain, Village Of	255,136	29,596	0
Plainfield, Village Of	214,250	28,849	0
Pleasant Prairie, Village Of	9,614,699	1,295,935	0
Plover, Village Of	3,280,761	452,250	0
Port Edwards, Village Of	684,133	88,251	0
Pound, Village Of	30,469	3,534	0
Poynette, Village Of	702,529	99,589	16,077
Prairie Du Sac, Village Of	862,650	100,067	0
Prairie Farm, Village Of	1,456,049	168,902	0
Pulaski, Village Of	857,772	114,173	0
Randolph, Village Of	420,409	67,235	126,299
Random Lake, Village Of	352,972	40,945	0
Rib Lake, Village Of	190,028	22,043	0
Rio, Village Of	263,080	35,416	0
River Hills, Village Of	1,443,076	250,767	0
Roberts, Village Of	594,361	78,178	0
Rochester, Village Of	229,194	26,587	0
Rock Springs, Village Of	32,164	3,731	0
Rockland, Village Of	84,943	9,853	0
Rosendale Village Of	182,766	24,355	0
Rosholt, Village Of	54,986	6,378	0
Rothschild, Village Of	1,314,400	186,202	0
Sauk City, Village Of	765,028	88,743	0
Saukville, Village Of	1,790,561	245,644	0
Sharon, Village Of	559,290	76,763	0
Sherwood, Village Of	290,422	33,689	0
Shiocton, Village Of	233,685	29,407	0
Shorewood Hills, Village Of	1,197,917	162,710	0
Shorewood, Village Of	4,662,735	721,184	0
Silver Lake, Village Of	476,046	66,953	0
Siren, Village Of	379,671	50,994	0
Sister Bay, Village Of	362,915	42,098	0
Slinger, Village Of	1,618,033	216,523	0
Soldiers Grove, Village Of	130,713	22,352	138,162
Solon Springs, Village Of	114,913	14,448	0
Somerset, Village Of	898,943	127,830	20,916
South Wayne, Village Of	70,533	8,182	0
Spencer, Village Of	436,370	58,129	0
Spring Green, Village Of	523,089	68,101	0
Spring Valley, Village Of	294,675	37,846	0
St Nazianz, Village Of	146,198	16,959	0
Stockbridge, Village Of	26,000	3,016	0
Stratford, Village Of	419,916	55,687	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Strum, Village Of	292,883	42,714	32,034
Suamico, Village Of	1,319,092	157,917	0
Sullivan, Village Of	130,014	15,082	0
Summit, Village Of (Waukesha)	918,947	149,272	0
Suring, Village Of	179,238	22,826	37,609
Sussex, Village Of	2,130,912	256,193	0
Thiensville, Village Of	963,070	133,770	0
Trempealeau, Village Of	481,333	60,000	0
Turtle Lake, Village Of	475,856	65,395	0
Twin Lakes, Village Of	2,175,420	312,711	32,044
Union Center, Village Of	72,134	8,975	0
Union Grove, Village Of	934,611	108,415	0
Valders, Village Of	408,199	49,800	0
Walworth, Village Of	747,000	109,768	33,194
Warrens, Village Of	131,377	15,422	0
Waunakee, Village Of	3,206,883	424,445	0
Wausaukee, Village Of	115,877	13,442	0
Wauzeka, Village Of	70,838	8,217	0
West Baraboo, Village Of	204,219	23,689	0
West Milwaukee, Village Of	2,432,211	397,453	4,628,593
West Salem, Village Of	817,816	110,769	0
Westfield, Village Of	328,693	46,241	0
Weston, Village (Marathon)	2,420,821	307,922	0
White Lake, Village Of	102,846	11,930	0
Whitefish Bay, Village Of	3,946,297	551,271	0
Whitelaw, Village Of	79,004	9,165	0
Whiting, Village Of	213,554	26,481	21,139
Wild Rose, Village Of	181,137	24,401	0
Williams Bay, Village Of	946,500	137,959	98,390
Wilson, Village Of	39,523	4,743	3,854
Wind Point, Village Of	198,760	23,082	0
Winneconne, Village Of	782,515	111,372	79,809
Withee, Village Of	113,256	13,138	0
Wonewoc, Village Of	250,551	31,193	0
Woodville, Village Of	461,446	62,362	0
Wrightstown, Village Of	489,476	58,821	0
Wyocena, Village Of	151,895	17,620	0
Total Villages	227,868,944	32,511,546	8,938,100
Special Districts			
Algoma City Housing Auth	68,819	7,983	0
Algoma Sanitary District	373,167	43,287	0
Allenton Sanitary District	105,671	12,258	0
Altoona City Housing Authority	28,375	3,859	4,974
Antigo City Housing Auth	326,085	37,826	0
Appleton City Housing Auth	590,478	68,495	0
Ashland City Housing Auth	208,794	25,890	20,070
Ashland County Housing Auth	594,502	91,553	15,305
Baraboo District Ambulance	1,446,391	234,846	0
Barron Co Housing Authority	95,583	11,088	0
Bay Area Rural Transit Commiss	335,815	38,955	0
Bayfield County Housing Auth	93,638	10,862	0
Bay-Lake Regional Plan Comm	326,514	40,814	72,851
Big Cedar Lake Prot/Rehab District	44,250	5,623	0
Brockway Sanitary District #1	87,862	10,192	0
Brookfield, Town San District #4	239,444	27,775	0
Bruce Village Housing Auth	63,535	7,370	0
Burlington City Housing Auth	52,448	6,084	0
Cambridge-Oakland Wstewtr Comm	98,899	11,472	0
Capital Area Reg Plan Comm	683,108	79,241	0
Central Brown Cty Water Auth	66,400	7,702	0
Chilton City Housing Auth	58,995	6,843	0
Chippewa Co Housing Auth	280,704	32,562	0
Chippewa Fire District	656,856	107,708	0
City-County Data Center Comm	1,707,637	198,086	0
Clintonville City Hous Auth	87,278	10,822	13,444
Colby/Abbotsford Jt Police Com	358,938	57,866	0
Community Care Of Cent Wiscon	11,384,107	1,320,556	0
Consol Koshkonong Sanitary District	252,949	29,342	0
Country Estates San District	37,813	4,386	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Cross Plains Area Ems	43,769	5,077	0
Cumberland Municipal Utility	461,061	53,483	0
Dane County District #1 Ems	45,806	7,604	0
Dane County Housing Authority	538,169	68,886	302,204
Dane-Iowa Wastewater Comm	138,681	16,087	0
Deer-Grove Ems District	226,951	37,115	0
Deforest Area Fire Board District	163,812	27,193	0
Delafield-Hartl Water Pol Cntl	428,868	49,749	0
Delavan Lake Sanitary District	505,783	58,671	0
Dells-Delton Ems Comm	828,070	96,056	0
Delton Fire & Ambulance Comm	45,515	6,975	0
Dodge County Housing Authority	140,661	16,317	0
Door Cty Tourism Zone Comm	17,048	1,978	0
Dousman Fire District	123,807	20,552	0
Eagle River Union Airport	110,075	12,769	0
East Central Wis Reg Plan Comm	987,985	114,606	0
Eastern Columbia Cty Jm Court	49,006	5,923	0
Eastern Shores Lib Sys	458,806	53,222	0
Eau Claire City Housing Auth	554,771	64,353	0
Eau Claire City-Co Health Dpt	2,705,190	313,802	0
Edgerton City Housing Auth	132,133	15,327	0
Edgerton Fire Prot District	196,358	32,596	0
Ellsworth Area Ambulance Serv	48,008	7,969	0
Everest Metro Police Comm	1,708,485	278,097	0
Fish Creek Sanitary District #1	167,144	19,389	0
Fitch-Rona Ems District	927,342	153,334	0
Fond Du Lac City Housing Auth	665,162	77,159	0
Fontana/Walworth Wtr Pol Cn Cm	326,777	37,906	0
Fox Lake Wastewater Contr Comm	85,611	9,931	0
Freedom Sanitary District #1	118,412	13,736	0
Gb/Brown Co Pro Ftbll Stad District	96,007	11,137	0
Goodman Sanitary District No 1	28,080	3,257	0
Grand Chute-Menasha Ws Sew Com	472,381	54,796	0
Green Bay Metro Sewerage District	6,302,076	731,041	0
Green Lake Sanitary District	179,839	20,861	0
Harmony Grove-Okee Jt Sew Comm	131,422	15,245	0
Heart Of The Valley Met Sew Ds	648,389	75,213	0
Holmen Area Fire Department	281,015	46,648	0
Hudson City Housing Authority	70,718	8,203	0
Hum Srv Ctr Onida Vilas Forst	2,077,136	240,948	0
Hurley Housing Authority	55,563	6,723	1,786
Indianhead Fed Library System	620,948	72,030	0
Jefferson City Housing Auth	121,327	15,045	13,132
Kaukauna City Housing Auth	137,936	16,001	0
Kegonsa Sanitary District	110,627	12,833	0
Kelly Lake Sanitary District #1	23,366	2,710	0
Kenosha Joint Services	3,533,155	409,846	0
La Crosse City Housing Auth	984,479	114,200	0
Ladysmith Housing Auth	75,919	8,807	0
Lake Como Sanitary District #1	262,529	31,766	19,471
Lake Country Fire & Rescue	832,602	136,200	0
Lake Mills City Housing Auth	95,410	11,068	0
Lake Ripley Mgt District	58,728	6,989	5,468
Lakeland Care District	8,770,081	1,017,329	0
Lakeland Sanitary District #1	288,296	33,442	0
Lakeshores Library System	324,779	37,674	0
League Of Wisc Municipalities	608,896	70,632	0
Lincoln County Housing Auth	93,598	10,857	0
Lodi Community Ambulance Serv	105,638	17,536	0
Lyons Sanitary District #2	91,087	10,566	0
Madeline Sanitary District	46,405	5,383	0
Madison Metro Sewerage District	6,069,602	704,074	0
Manawa Rural Fire Department	47,235	7,841	0
Manitowoc City Housing Auth	106,757	13,238	18,894
Manitowoc-Calumet Lib Sys	153,326	17,786	0
Marinette City Housing Auth	177,699	23,101	70,274
Marshall Area Ems District #14	59,221	9,196	0
Marshfield Cda	350,699	40,681	0
Marshfield Electric & Water	2,808,896	325,832	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Menasha Electric & Water	2,928,313	339,684	0
Menomonie City Housing Auth	188,750	21,895	0
Mequon - Thiensville Library	484,022	56,147	0
Mercer Sanitary District #1	114,841	13,322	0
Merrill City Housing Authority	244,173	28,324	0
Middleton Fire District	261,583	44,208	0
Mid-Moraine Municipal Court	321,806	38,497	0
Mid-Wis Federated Lib Sys	199,703	23,166	0
Milw Area Dom Animal Cont Comm	1,051,822	122,011	0
Milwaukee Co Fed Lib Sys	393,387	45,633	0
Mississippi River Reg Plan Com	237,996	27,608	0
Monroe City Housing Authority	137,095	15,903	0
Mosinee Fire District	132,167	21,940	0
Mt Horeb Area Fire Department	196,747	37,185	0
Muni Court W Waukesha County	164,698	19,762	0
New Glarus Ems	134,509	22,328	0
New London City Housing Auth	96,717	12,090	4,111
New Richmond Ambulance	336,598	39,045	0
Nicolet Federated Library Sys	289,274	33,556	0
North Central Health Care Fac	25,558,043	2,964,733	0
North Central Wis Reg Plan Com	384,198	44,567	0
North Shore Fire Department	7,786,822	1,813,218	0
North Shore Pub Saf Comm	607,597	70,481	0
North Shore Water Commission	457,246	53,041	0
Northern Bridges	6,683,747	775,315	0
Northern Moraine Utility Comm	115,011	13,341	0
Northern Waters Library Serv	368,578	42,755	0
Northwest Regional Plan Comm	1,098,855	136,258	(138)
Norway Sanitary District #1	234,239	27,172	0
Oconto City Housing Authority	107,880	12,514	0
Onalaska Comm Dev Auth	104,076	12,073	0
Oregon Area Fire - Ems District	482,542	80,102	0
Orfordville Vol Fire Prot District	35,937	5,966	0
Oshkosh City Housing Authority	1,340,290	155,474	0
Outagamie County Housing Auth	1,151,278	133,548	0
Outagamie Waupc Co Fed Libr Sy	574,894	66,688	0
Palmyra Fire District	34,790	5,775	0
Pell Lake Sanitary District #1	259,076	30,053	0
Phelps Sanitary District #1	54,956	6,375	0
Pleasant Springs San Dis #1	61,958	7,187	0
Plymouth City Housing Auth	89,138	10,340	0
Prairie Du Sac Jt Sewer Comm	51,823	6,011	0
Racine County Housing Auth	496,343	57,576	0
Reedsville Vil Housing Auth	25,488	2,957	0
Rhineland City Housing Auth	121,569	14,102	0
Rib Mountain Metro Sew District	394,664	45,781	0
Rice Lake City Housing Auth	224,712	33,257	103,756
Richland Center City Hous Auth	75,860	8,800	0
Richland Fire Department	27,407	4,056	0
River Falls City Housing Auth	251,653	31,205	20,727
River Falls Municipal Utility	1,914,867	222,125	0
Sauk City Housing Authority	29,927	3,472	0
Sauk County Housing Authority	230,037	26,684	0
Sauk Prairie Ambulance Assoc	139,907	23,225	0
Sauk Prairie Police Commission	841,546	140,178	0
Sauk Prairie Recreation Comm	43,260	5,018	0
Sawyer County Housing Auth	120,156	13,938	0
Shawano City Housing Authority	203,382	25,219	46,729
Shawano County Housing Auth	130,613	15,151	0
Shawano Lake Sanitary District #1	576,996	66,931	0
Shawano Municipal Utilities	1,244,046	144,309	0
Sheboygan City Housing Auth	182,301	22,605	36,831
Silver Lake San. Dist.	241,776	28,046	0
Slinger Village Housing Auth	52,339	6,071	0
South Central Library System	2,450,863	284,300	0
South Milwaukee Cda	201,887	23,419	0
Southeastern Wis Reg Plan Comm	3,489,083	404,734	0
Southwest Wis Library System	250,797	29,092	0
Southwestern Wis Reg Plan Comm	349,697	40,565	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Spooner City Housing Auth	68,167	7,907	0
Spooner Fire District	52,868	8,776	0
St Joseph Sanitary District #1	13,129	1,523	0
Stevens Point City Hous Auth	462,718	53,675	0
Superior City Housing Auth	1,067,440	123,823	0
Sw Family Care Alliance	5,603,607	650,018	0
Taylor County Housing Auth	50,420	5,849	0
Three Lakes Sanitary District #1	52,983	6,146	0
Trempealeau County Hous Auth	300,687	37,285	27,979
Unified Community Services	1,278,884	148,351	0
Valley Ridge Clean Water Comm	38,211	4,432	0
Vanguard Electric Util Comm	291,871	33,857	0
Verona Joint Fire District	305,153	50,655	0
Viroqua City Housing Authority	187,252	21,721	0
Wabeno Sanitary District #1	54,676	6,342	0
Wales/Genesee Joint Fire Boardistrict	73,569	12,212	0
Walter E Olson Memorial Lib	95,312	11,056	0
Walworth County Metro Sew District	1,058,149	131,210	104,907
Washburn City Housing Auth	92,058	10,679	0
Watertown City Housing Auth	101,179	12,546	10,843
Waukesha City Housing Auth	641,898	74,460	0
Waunakee Area Ems	41,760	4,844	0
Waunakee Area Fire District	44,603	5,174	0
Waunakee Water & Light	1,045,128	121,235	0
Waupaca Chain O'Lakes San District	51,360	5,958	0
Wausaukee Village Hous Auth	116,940	13,565	0
Waverly Sanitary District	282,234	32,739	0
West Bend City Housing Auth	239,874	27,825	0
West Central Wi Bisolidis Comm	141,812	16,450	0
West Central Wis Reg Plan Comm	609,606	70,714	0
Western Racine Co Sewerage District	83,782	9,719	0
Western Wisconsin Cares	11,544,790	1,339,196	0
Winding Rivers Library Sys	353,965	41,060	0
Windsor Sanitary District #1	87,896	10,196	0
Winnefox Library System	745,361	86,462	0
Wis Dells-Lake Delton Sew Comm	181,692	21,076	0
Wisconsin Counties Association	1,411,303	163,711	0
Wisconsin Munic Mutal Ins Co	560,128	64,975	0
Wisconsin Rapids City Hs Auth	387,414	48,039	23,121
Wisconsin Towns Association	360,868	41,861	0
Wisconsin Valley Library Srv	340,804	39,533	0
Total Special Districts	171,396,080	21,358,906	936,740
Towns			
Addison, Town Of(Washington)	110,165	12,779	0
Alban, Town Of (Portage)	62,251	7,221	0
Albion, Town Of (Dane)	128,528	14,909	0
Albion, Town Of (Jackson)	24,544	2,847	0
Algoma, Town Of	70,897	8,224	0
Anson, Town Of (Chippewa)	59,414	8,065	44,324
Arbor Vitae, Town Of (Vilas)	168,620	22,258	24,456
Ashippun, Town Of (Dodge Co)	114,490	13,281	0
Ashland, Town Of (Ashland)	65,981	7,654	0
Athelstane, Town Of(Marinette)	72,916	8,458	0
Aztalan, Town Of(Jefferson)	70,582	10,248	99,122
Baileys Harbor, Town Of (Door)	295,476	34,275	0
Balsam Lake, Town Of (Polk)	36,460	4,229	0
Baraboo, Town Of (Sauk)	81,150	10,051	0
Barksdale, Town Of (Bayfield)	44,685	5,183	0
Barron, Town Of (Barron)	41,176	4,776	0
Bear Creek, Town Of (Sauk)	58,690	7,081	0
Belmont, Town Of (Lafayette)	30,877	3,582	0
Beloit, Town Of (Rock)	1,932,701	346,170	0
Bennett, Town Of (Douglas)	76,033	8,820	0
Bergen, Town Of (Vernon)	68,774	7,978	0
Berry, Town Of (Dane)	77,100	8,944	0
Bloomfield, Town Of (Walworth)	636,172	94,327	0
Blooming Grove, Town Of(Dane)	358,063	50,438	0
Blue Mounds, Town Of (Dane)	56,021	6,793	0
Boulder Junction, Town (Vilas)	225,097	28,816	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Brigham, Town Of (Iowa)	110,126	12,775	0
Brockway, Town Of (Jackson)	176,259	25,639	0
Brookfield, Town Of (Waukesha)	2,319,649	351,648	0
Brooklyn, Town Of (Green)	51,811	6,152	0
Brothertown, Town Of (Calumet)	54,801	10,467	87,021
Buchanan, Town Of (Outagamie)	181,746	21,083	0
Burke, Town Of (Dane)	177,320	20,569	0
Burlington, Town Of (Racine)	689,711	101,118	0
Campbell, Town Of (La Crosse)	554,511	77,740	0
Carey, Town Of (Iron)	40,140	4,656	0
Cassian, Town Of (Oneida)	79,541	9,227	0
Cedarburg, Town Of (Ozaukee)	482,076	55,921	0
Chetek, Town Of (Barron)	66,575	8,069	0
Clayton, Town Of (Polk)	42,864	4,972	0
Clayton, Town Of (Winnebago)	266,421	30,905	0
Clear Lake, Town Of (Polk)	38,152	5,341	25,030
Clifton, Town Of (Monroe)	40,793	4,732	0
Clinton, Town Of (Barron)	52,293	6,066	0
Clover, Town Of (Bayfield)	71,467	8,431	0
Colby, Town Of (Clark)	38,798	4,501	0
Corning, Town Of (Lincoln)	36,559	4,241	0
Crescent, Town Of (Oneida)	107,956	13,033	0
Cross Plains, Town Of (Dane)	58,301	6,957	0
Dairyland, Town Of (Douglas)	40,518	4,700	0
Darien, Town Of (Walworth)	27,861	3,455	5,184
Delavan, Town Of (Walworth)	1,242,941	186,941	0
Delta, Town Of (Bayfield)	83,493	9,967	0
Delton, Town Of (Sauk)	144,872	17,225	0
Dover, Town Of (Racine)	199,914	23,190	0
Draper, Town Of (Sawyer)	63,627	7,381	0
Drummond, Town Of (Bayfield)	172,033	19,956	0
Dunkirk, Town Of (Dane)	110,672	12,838	0
Dunn, Town Of (Dane)	420,111	48,733	0
Eagle Point, Town Of (Chippewa)	108,214	12,927	0
Eagle, Town Of (Waukesha)	246,985	31,583	0
East Troy, Town Of (Walworth)	699,545	104,189	0
Easton, Town Of (Marathon)	85,704	9,942	0
Eau Galle, Town Of (Dunn)	43,675	6,158	48,603
Egg Harbor, Town Of (Door)	34,346	4,149	0
Elk Mound, Town Of	35,924	4,167	0
Erin, Town Of (Washington)	159,597	18,675	0
Exeter, Town Of (Green County)	75,973	8,813	0
Farmington, Town Of (Lacrosse)	46,531	5,398	0
Farmington, Town Of (Waupaca)	44,297	5,892	0
Flambeau, Town Of (Rusk)	21,358	3,128	17,344
Florence, Town Of (Florence)	684,083	79,919	0
Franklin, Town Of (Manitowoc)	85,604	10,251	0
Freedom, Town Of (Outagamie)	256,865	34,294	0
Freedom, Town Of (Sauk)	34,944	4,054	0
Fulton, Town Of (Rock)	47,877	5,554	0
Geneva, Town Of (Walworth)	654,988	93,032	0
Georgetown, Town Of (Polk)	30,592	5,751	125,107
Germantown, Town Of	113,840	13,205	0
Gibraltar, Town Of (Door)	157,720	18,296	0
Gilman, Town Of (Pierce)	50,272	5,832	0
Goodman, Town Of (Marinette)	53,014	6,150	0
Grand Chute, Town Of (Outagamie)	5,408,112	852,078	0
Grand Rapids, Town Of (Wood)	639,637	91,999	0
Grant, Town Of (Portage)	42,101	4,884	0
Gratiot, Town Of (Lafayette)	69,735	8,089	0
Green Lake, Town Of (Grn Lake)	46,008	5,337	0
Greenfield, Town Of (Lacrosse)	69,654	8,080	0
Greenville, Town Of (Outagamie)	1,016,996	121,167	0
Greenwood, Town Of (Vernon)	43,177	5,009	0
Hamburg, Town Of (Vernon)	47,969	5,564	0
Hay River, Town Of (Dunn)	33,248	3,857	0
Hayward, Town Of (Sawyer)	80,760	9,368	0
Hazelhurst, Town Of (Oneida)	108,020	12,797	0
Highland, Town Of (Iowa)	56,844	6,778	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Hughes, Town Of (Bayfield)	61,945	7,186	0
Hull, Town Of (Portage)	255,972	30,274	0
Iron River, Town Of (Bayfield)	395,626	52,815	0
Ixonia, Town Of (Jefferson)	259,820	30,139	0
Jackson, Town Of (Washington)	197,025	22,855	0
Jefferson, Town Of (Jefferson)	12,807	1,486	0
Kimball, Town Of (Iron)	93,136	13,132	53,462
Knight, Town Of (Iron)	59,166	6,863	0
Komensky, Town Of (Jackson)	51,007	5,917	0
La Pointe, Town Of (Ashland)	686,343	88,003	0
La Valle, Town Of (Sauk)	103,968	12,060	0
Lac Du Flambeau, Town (Vilas)	259,703	34,334	145,702
Lafayette, Town Of (Chippewa)	173,244	20,637	0
Lafayette, Town Of (Walworth)	81,505	9,625	0
Lake Holcombe, Town (Chippewa)	64,103	7,533	0
Lake, Town Of (Marinette)	59,109	7,112	0
Laketown, Town Of (Polk)	42,886	4,975	0
Land O Lakes, Town Of (Vilas)	297,456	37,309	5,742
Laona, Town Of (Forest)	177,285	22,960	0
Lebanon, Town Of (Dodge)	94,872	11,005	0
Ledgeview, Town Of (Brown)	376,882	43,718	0
Lincoln, Town Of (Vilas)	35,500	4,722	0
Linn, Town Of (Walworth)	630,259	95,991	0
Lisbon, Town Of (Waukesha)	828,569	106,651	0
Lodi, Town Of (Columbia)	52,611	6,103	0
Lyons, Town Of (Walworth)	135,449	16,049	0
Madison, Town Of (Dane)	2,297,633	426,752	0
Maple, Town Of (Douglas)	52,379	6,076	0
Marengo, Town Of (Ashland)	38,162	4,427	0
Marion, Town Of (Waushara)	24,242	2,812	0
Martell, Town Of (Pierce)	47,956	5,563	0
Mazomanie, Town Of (Dane)	61,801	7,507	0
Medford, Town Of (Taylor)	55,005	6,381	0
Menasha, Town Of (Winnebago)	4,588,118	721,241	0
Mercer, Town Of (Iron)	267,171	31,623	0
Merton, Town Of (Waukesha)	595,079	69,029	0
Middleton, Town Of (Dane)	392,802	45,565	0
Milltown, Town Of (Polk)	88,268	13,682	52,054
Minocqua, Town Of (Oneida)	1,493,886	222,528	317,461
Minong, Town Of (Washburn)	162,090	18,803	0
Mishicot, Town Of (Manitowoc)	44,308	5,140	0
Montrose, Town Of (Dane)	45,626	5,293	0
Mukwonago, Town Of	626,289	94,214	0
Neenah, Town Of	35,000	4,060	0
New Glarus, Town Of (Green)	87,147	10,109	0
New Haven, Town Of (Dunn)	45,469	5,638	3,739
Newbold, Town Of (Oneida)	260,150	31,262	0
Norway, Town Of (Racine)	436,223	54,664	0
Oakdale, Town Of (Monroe)	43,629	5,061	0
Oakland, Town Of (Jefferson)	159,057	18,451	0
Oconomowoc, Town Of (Waukesha)	1,293,636	189,201	0
Oma, Town Of (Iron)	81,353	9,437	0
Onalaska, Town Of (La Crosse)	119,214	13,829	0
Oregon, Town Of (Dane)	164,660	19,101	0
Orienta, Town Of (Bayfield)	34,690	4,024	0
Ottawa, Town Of (Waukesha)	64,908	7,529	0
Parkland, Town Of (Douglas)	86,643	10,137	1,436
Pelican, Town Of (Oneida)	87,188	10,114	0
Pewaukee, City Of	3,706,306	515,157	0
Phelps, Town Of (Vilas)	175,738	20,386	0
Pine Lake, Town Of (Oneida)	105,257	12,210	0
Pleasant Springs, Town (Dane)	147,467	17,106	0
Pleasant Valley, Town (Eaucler)	83,235	10,987	3,657
Plover, Town Of (Portage)	35,121	4,074	0
Port Wing, Town Of (Bayfield)	81,355	9,437	0
Prairie Lake, Town Of (Barron)	45,380	5,264	0
Presque Isle, Town Of (Vilas)	225,802	26,729	0
Preston, Town Of (Adams)	59,084	7,056	0
Primrose, Town Of (Dane)	48,713	5,651	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Quincy, Town Of (Adams)	109,933	13,347	0
Raymond, Town Of (Racine)	223,571	25,934	0
Rib Mountain, Town (Marathon)	780,080	100,708	0
Rice Lake, Town Of (Barron)	90,541	10,503	0
Richfield, Village Of (Washing)	525,916	61,006	0
Richmond, Town Of (Walworth)	59,918	7,154	0
Ripon, Town Of (Fond Du Lac)	90,507	12,816	0
River Falls, Town Of (Pierce)	116,661	13,901	0
Rome, Town Of (Adams)	1,005,642	142,526	0
Rudolph, Town Of (Wood)	38,469	4,462	0
Rutland, Town Of (Dane)	109,732	13,198	0
Sanborn, Town Of (Ashland)	99,269	11,949	0
Scott, Town Of (Sheboygan)	65,570	7,606	0
Sharon, Town Of (Portage)	71,616	8,307	0
Sharon, Town Of (Walworth)	44,120	5,118	0
Sheboygan, Town Of (Sheboygan)	366,827	42,552	0
Shelby, Town Of (La Crosse)	523,618	66,424	0
Somers, Town Of (Kenosha)	1,435,510	203,758	0
Somerset, Town Of (St Croix)	112,809	13,086	0
South Lancaster, Town (Grant)	39,145	4,541	0
Sparta, Town Of (Monroe)	40,646	4,757	0
Spirit, Town Of (Price)	34,686	4,370	1,900
Spring Lake, Town Of (Pierce)	36,355	4,217	0
Springdale, Town Of (Dane)	61,309	7,377	0
Springfield, Town Of (Dane)	124,638	14,458	0
Springfield, Town Of (Jackson)	32,039	4,421	42,181
St Germain, Town Of (Vilas)	338,098	39,806	0
Stanton, Town Of (Dunn)	60,353	7,265	0
Stettin, Town Of (Marathon)	154,396	19,028	0
Stockton, Town Of (Portage)	141,839	16,907	0
Strongs Prairie, Town Of (Adms)	61,499	7,134	0
Sullivan, Town Of (Jefferson)	68,486	7,944	0
Summit, Town Of (Douglas)	87,170	10,112	0
Summit, Town Of (Juneau)	44,128	5,119	0
Sumner, Town Of (Barron)	32,848	3,810	0
Superior, Town Of (Douglas)	65,626	9,516	105,922
Tainter, Town Of (Dunn)	107,521	12,472	0
Theresa, Town Of (Dodge)	64,366	7,689	0
Three Lakes, Town Of (Oneida)	605,461	80,818	0
Tiffany, Town Of (Dunn)	35,429	4,110	0
Trade Lake, Town Of (Burnett)	51,511	5,975	0
Trempealeau, Town (Trempeleau)	102,795	11,924	0
Trenton, Town Of (Washington)	221,694	26,617	0
Troy, Town Of (Walworth)	80,742	10,331	6,322
Turtle Lake, Town Of (Barron)	45,047	5,225	0
Vermont, Town Of (Dane)	63,292	7,608	0
Vernon, Town Of (Waukesha)	626,735	79,804	0
Verona, Town Of (Dane)	209,908	24,349	0
Vienna, Town Of (Dane)	158,340	18,806	0
Viroqua, Town Of (Vernon)	99,588	11,851	1,990
Wabeno, Town Of (Forest)	116,246	16,564	24,632
Walworth, Town Of (Walworth)	78,395	9,721	10,088
Warren, Town Of	32,893	3,816	0
Wascott, Town Of (Douglas)	190,295	23,164	0
Washington, Town Of (Door)	420,341	52,727	0
Washington, Town Of (Lacrosse)	46,009	5,337	0
Washington, Town Of (Vilas)	149,007	17,731	0
Washington, Town Of (Eau Claire)	296,570	34,402	0
Waterford, Town Of (Racine)	744,545	108,871	0
Waukesha, Town Of (Waukesha)	342,602	49,081	0
Wayne, Town Of (Lafayette)	48,530	5,629	0
Wescott, Town Of (Shawano)	194,627	22,577	0
West Bend, Town Of (Washington)	158,941	18,437	0
West Sweden, Town Of (Polk)	42,690	4,952	0
Westfield, Town Of (Sauk Co)	6,403	743	0
Weston, Town Of (Marathon)	11,100	1,476	0
Westport, Town Of (Dane)	431,286	50,029	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Wheaton, Town Of (Chippewa)	95,879	11,365	0
Wilson, Town Of (Sheboygan)	127,282	15,716	0
Wilton, Town Of (Monroe)	35,842	4,158	0
Windsor, Town Of (Dane)	634,573	73,611	0
Winter, Town Of (Sawyer)	164,325	19,542	0
Wiotia, Town Of (Lafayette)	65,697	7,621	0
Woodruff, Town Of (Oneida)	509,599	74,440	0
Yorkville, Town Of (Racine)	83,088	9,638	0
Total Towns	63,517,235	8,789,223	1,252,478
Counties			
Adams County	10,397,012	1,290,040	0
Ashland County	6,402,629	830,838	0
Barron County	12,786,741	1,617,111	0
Bayfield County	7,247,981	994,381	0
Brown County	71,016,913	9,466,444	0
Buffalo County	4,525,394	579,629	0
Burnett County	6,604,411	813,775	0
Calumet County	12,194,189	1,486,515	0
Chippewa County	16,686,653	2,205,824	0
Clark County	19,954,676	2,465,534	0
Columbia County	21,452,890	2,621,630	0
Crawford County	5,508,766	787,891	1,300,828
Dane County	129,457,052	18,062,925	0
Dodge County	38,387,046	4,647,265	0
Door County	16,916,532	2,228,629	0
Douglas County	13,429,616	2,123,261	6,118,406
Dunn County	20,382,936	2,643,679	0
Eau Claire County	23,203,293	2,941,842	0
Florence County	3,056,223	425,276	0
Fond Du Lac County	37,014,470	4,626,886	0
Forest County	4,248,032	540,188	0
Grant County	15,337,872	1,857,897	0
Green County	14,669,868	1,841,286	0
Green Lake County	8,869,623	1,145,677	0
Iowa County	9,169,426	1,162,440	0
Iron County	3,587,527	472,147	0
Jackson County	7,610,513	938,824	0
Jefferson County	23,586,327	3,140,306	0
Juneau County	9,731,824	1,263,570	0
Kenosha County	52,178,239	6,594,291	0
Kewaunee County	8,503,900	1,090,714	0
La Crosse County	47,962,672	5,773,316	0
Lafayette County	11,203,931	1,376,342	0
Langlade County	7,163,398	884,707	0
Lincoln County	15,249,193	1,862,349	0
Manitowoc County	20,260,061	2,573,743	0
Marathon County	38,131,977	4,792,399	0
Marinette County	15,809,075	1,928,674	0
Marquette County	6,880,155	910,197	0
Menominee County	3,244,000	403,772	0
Monroe County	14,900,685	1,834,702	0
Oconto County	12,418,503	1,530,565	0
Oneida County	12,923,477	1,622,276	0
Outagamie County	50,955,158	6,355,076	0
Ozaukee County	28,126,848	3,557,117	0
Pepin County	4,101,759	521,573	0
Pierce County	13,408,022	1,745,626	0
Polk County	20,369,498	2,547,956	0
Portage County	25,313,734	3,226,173	0
Price County	6,106,543	770,075	0
Racine County	41,440,435	5,709,439	0
Richland County	10,169,857	1,229,300	0
Rock County	54,661,337	7,014,205	0
Rusk County	15,302,434	1,861,791	0
Sauk County	25,786,802	3,276,966	0
Sawyer County	7,651,736	969,957	0
Shawano County	14,847,085	1,944,797	0
Sheboygan County	38,268,178	4,692,754	0
St Croix County	28,140,484	3,507,839	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Taylor County	7,798,662	1,004,785	0
Trempealeau County	18,374,101	2,203,307	0
Vernon County	10,842,763	1,324,159	0
Vilas County	8,735,788	1,192,488	0
Walworth County	40,030,155	5,134,469	0
Washburn County	7,345,132	932,497	0
Washington County	35,502,908	4,460,487	0
Waukesha County	77,298,753	9,744,800	0
Waupaca County	19,723,624	2,406,819	0
Waushara County	11,727,557	1,538,988	0
Winnebago County	48,280,225	6,294,399	0
Wood County	26,308,555	3,300,027	0
Total Counties	1,536,883,840	196,867,628	7,419,234
School Districts			
Abbotsford School District	3,224,541	374,047	0
Adams-Friendship Area School District	11,108,513	1,288,587	0
Albany School District	2,709,258	314,274	0
Algoma School District	3,606,611	418,367	0
Alma Center-HumBoard-Meril School District	3,379,470	432,572	458,017
Alma School District	1,687,249	195,721	0
Almond-Bancroft School District	2,472,130	286,767	0
Altoona School District	7,932,864	920,212	0
Amery School District	10,497,272	1,217,684	0
Antigo Unified School District	14,667,318	1,701,409	0
Appleton Area School District	86,129,291	9,990,998	0
Arbor Vitae-Woodruff Jsd #1	2,944,339	341,543	0
Arcadia School District	6,000,401	696,046	0
Argyle School District	1,685,703	195,542	0
Arrowhead Union High School District	12,897,615	1,496,123	0
Ashland School District	11,691,418	1,356,204	0
Ashwaubenon School District	17,084,818	1,981,839	0
Athens School District	2,207,045	256,017	0
Auburndale School District	3,657,858	424,312	0
Augusta School District	3,978,922	461,555	0
Baldwin-Woodville Area School District	9,019,363	1,046,246	0
Bangor School District	3,229,650	374,639	0
Baraboo School District	17,111,520	1,984,936	0
Barneveld School District	2,214,658	256,900	0
Barron Area School District	7,707,322	894,049	0
Bayfield School District	3,884,244	450,572	0
Beaver Dam Unified School District	22,483,458	2,608,081	0
Beecher Dunbar Pembine School District	1,585,868	183,961	0
Belleville School District	5,381,534	624,258	0
Belmont Community School District	1,948,874	226,069	0
Beloit School District	43,970,176	5,100,540	0
Beloit Turner School District	7,790,165	903,659	0
Benton School District	1,370,751	175,456	610,129
Berlin Area School District	8,990,047	1,042,845	0
Big Foot Uhs School District	3,051,232	353,943	0
Birchwood School District	1,892,468	219,526	0
Black Hawk School District	2,675,440	310,351	0
Black River Falls School District	10,553,977	1,224,261	0
Blair-Taylor School District	3,511,750	407,363	0
Bloomer School District	5,424,555	629,248	0
Bonduel School District	4,738,393	549,654	0
Boscobel School District	5,073,613	639,275	1,153,033
Bowler School District	2,511,678	291,355	0
Boyceville Community School District	4,132,830	479,408	0
Brighton School District #1	725,948	84,210	0
Brillion Public School District	4,640,044	538,245	0
Bristol, Town, School District #1	3,032,232	351,739	0
Brodhead School District	5,837,505	677,151	0
Brown Deer School District	10,673,013	1,238,070	0
Bruce School District	2,908,473	337,383	0
Burlington Area School District	19,877,727	2,305,816	0
Butternut School District	1,200,941	139,309	0
Cadott Comm School District	4,346,325	504,174	0
Cambria-Friesland School District	2,614,494	334,655	385,533
Cambridge School District	5,344,006	689,377	516,592



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Cameron School District	4,900,587	568,468	0
Campbellsport School District	8,071,567	936,302	0
Cashton School District	3,230,319	374,717	0
Cassville School District	1,520,553	176,384	0
Cedar Grove-Belgium School District	6,451,141	748,332	0
Cedarburg School District	17,165,288	1,991,173	0
Chequamegon School District	5,008,011	580,929	0
Chetek-Weyerhaeuser Area SDistrict	5,785,456	671,113	0
Chilton School District	5,663,154	656,926	0
Chippewa Falls Area Unif School	23,643,763	2,742,676	0
Clayton School District	2,453,172	284,568	0
Clear Lake School District	3,714,659	430,900	0
Clinton Community School District	6,444,016	747,506	0
Clintonville Public School District	9,133,444	1,187,348	0
Cochrane-Fountain City School District	3,111,594	360,945	0
Colby School District	3,813,565	442,374	0
Coleman School District	3,506,336	406,735	0
Colfax School District	4,542,657	581,460	518,100
Columbus School District	6,459,535	749,306	0
Cornell School District	2,264,138	262,640	0
Crandon School District	5,610,875	650,862	0
Crivitz School District	3,388,679	393,087	0
Cuba City School District	3,945,216	457,645	0
Cudahy School District	17,342,307	2,011,708	0
Cumberland School District	6,028,035	699,252	0
D C Everest Area School District	34,863,676	4,044,186	0
Darlington Comm School District	4,210,067	488,368	0
Deerfield Comm School District	4,966,918	576,162	0
Deforest Area School District	19,448,370	2,256,011	0
Delavan-Darien School District	12,824,430	1,680,000	(32)
Denmark School District	7,896,800	916,029	0
Depere Unified School District	21,540,033	2,498,644	0
Desoto Area School District	3,396,246	393,965	0
Dodgeand School District	5,038,562	584,473	0
Dodgeville School District	6,685,980	862,491	875,236
Drummond School District	2,466,911	286,162	0
Durand School District	5,230,523	606,741	0
East Troy Community School District	9,048,351	1,176,286	0
Eau Claire Area School District	60,639,744	7,034,210	0
Edgar School District	3,004,112	348,477	0
Edgerton School District	10,108,745	1,304,028	2,911,131
Elcho School District	2,673,313	310,104	0
Eleva-Strum School District	3,378,969	391,960	0
Elk Mound Area School District	5,356,774	621,386	0
Elkhart Lake-Glenbeulah School Ds	2,891,903	335,461	0
Elkhorn Area School District	16,982,263	2,207,694	375,175
Ellsworth Comm School District	9,046,099	1,049,348	0
Elmbrook School District	50,671,795	5,877,928	0
Elmwood School District	2,307,395	267,658	0
Erin School District #2	1,498,312	173,804	0
Evansville Comm School District	11,265,142	1,306,757	0
Fall Creek School District	4,243,797	492,281	0
Fall River School District	2,131,252	247,225	0
Fennimore Community School District	4,829,071	560,172	0
Flambeau School District	3,561,318	413,113	0
Florence County School District	2,875,928	333,608	0
Fond Du Lac School District	42,463,681	4,925,787	0
Fontana Jt School District #8 Etal	1,658,653	192,404	0
Fort Atkinson School District	16,396,880	1,902,038	0
Fox Point Jt School District #2 Etal	6,365,914	738,446	0
Franklin Public School District	26,925,240	3,500,281	(36,228)
Frederic School District	2,979,420	345,613	0
Freedom Area School District	8,246,701	956,617	0
Friess Lake School District	1,449,373	168,127	0
Galesville School District Etal	8,495,940	985,529	0
Geneva Jt School District #4 Etal	1,025,216	129,177	163,481
Genoa City Jt School District #2 Etal	3,175,398	368,346	0
Germantown School District	23,659,947	2,744,554	0
Gibraltar Area School District	4,807,673	557,690	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Gillett School District	3,143,872	364,689	0
Gilman School District	2,044,242	237,132	0
Gilmanton School District	736,405	95,733	0
Glendale-River Hills School District	6,261,364	726,318	0
Glenwood City School District	4,005,539	464,643	0
Goodman-Armstrong School District	906,678	105,175	0
Grafton School District	13,016,562	1,679,136	(55)
Granton Area School District	1,448,785	168,059	0
Grantsburg School District	4,618,888	535,791	0
Green Bay Area Public Schools	129,232,223	14,990,938	0
Green Lake School District	2,135,494	247,717	0
Greendale School District	16,297,087	1,890,462	0
Greenfield School District	20,246,857	2,348,635	0
Greenwood School District	2,308,356	267,769	0
Gresham School District	1,375,928	159,608	0
Hamilton School District	25,929,912	3,007,870	0
Hartford Jt School District #1 Etal	9,203,509	1,067,607	0
Hartford Union High School District	9,210,818	1,068,455	0
Hartland Jt School District #3 Etal	7,121,927	826,144	0
Hayward Community School District	9,663,355	1,120,949	0
Herman School District #22	514,097	64,776	159,194
Highland School District	1,243,834	161,698	0
Hilbert School District	2,564,062	297,431	0
Hillsboro School District	3,150,956	365,511	0
Holmen School District	24,447,744	2,982,625	403,495
Horicon School District	4,762,335	552,431	0
Hortonville Area School District	18,374,366	2,131,427	0
Howards Grove School District	5,309,177	615,865	0
Howard-Suamico School District	26,889,869	3,119,225	0
Hudson School District	29,491,695	3,421,037	0
Hurley School District	3,279,213	380,389	0
Hustisford School District	2,384,499	276,602	0
Independence School District	2,118,324	245,726	0
Iola-Scandinavia School District	3,961,181	459,497	0
Iowa-Grant School District	4,863,945	564,218	0
Ithaca School District	2,022,534	254,839	0
Janesville School District	63,839,874	7,405,425	0
Jefferson School District	10,806,641	1,253,570	0
Johnson Creek School District	3,980,791	461,772	0
Juda School District	1,377,359	159,774	0
Kansasville Dover District #1	500,803	62,600	51,256
Kaukauna Area School District	20,486,691	2,376,456	0
Kenosha Unified School District #1	146,957,894	17,047,116	0
Kettle Moraine School District	23,738,914	2,753,714	0
Kewaskum School District	10,959,996	1,413,839	1,977,407
Kewaunee School District	5,241,557	608,021	0
Kickapoo Area School District	2,752,075	319,241	0
Kiel Area School District	7,939,888	1,048,065	1,554,757
Kimberly Area School District	22,286,955	2,585,287	0
Kohler School District	3,777,919	438,239	0
La Crosse School District	50,324,229	6,491,826	8,206,017
Lac Du Flambeau School District #1	4,556,402	528,543	0
Ladysmith-Hawkins School District	5,941,271	689,187	0
Lafarge School District	1,792,946	207,982	0
Lake Country School District	3,102,453	359,885	0
Lake Geneva Jt School Dis #1 Etal	10,767,128	1,248,987	0
Lake Geneva School District	9,360,936	1,085,869	0
Lake Holcombe School District	2,160,578	250,627	0
Lake Mills Area School District	6,809,338	789,883	0
Lakeland Union High School District	5,739,091	665,735	0
Lancaster Comm School District	4,703,957	545,659	0
Laona School District	1,278,497	148,306	0
Lena Public School District	2,025,795	234,992	0
Linn Jt School District #4 Etal	896,617	115,664	125,524
Linn Jt School District #6 Etal	833,997	96,744	0
Little Chute Area School District	8,537,490	990,349	0
Lodi School District	8,965,306	1,039,975	0
Lomira School District	6,285,090	798,206	81,673
Loyal School District	2,802,106	325,044	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Luck School District	3,063,277	392,099	399,746
Luxemburg-Casco School District	8,293,725	962,072	0
Madison School District	195,037,792	22,624,384	0
Manawa School District	4,320,356	501,161	0
Manitowoc Public School District	32,699,173	3,793,104	0
Maple Dale-Indian Hill School District	2,969,926	386,090	1,134,490
Maple School District	7,530,828	873,576	0
Marathon City School District	2,737,565	317,558	0
Marinette School District	9,840,674	1,141,518	0
Marion School District	2,003,134	258,404	0
Markesan School District	4,211,658	488,552	0
Marshall Jt School District #2 Etal	7,131,804	827,289	0
Marshfield Unified School District	23,997,764	2,783,741	0
Mauston School District	8,280,135	960,496	0
Mayville School District	7,150,494	829,457	0
Mcfarland School District	13,638,216	1,582,033	0
Medford Area Public Schl District	11,364,613	1,318,295	0
Mellen School District	1,263,077	146,517	0
Melrose-Mindoro School District	4,159,963	482,556	0
Menasha Joint School District	20,789,297	2,411,558	0
Menominee Indian School District	7,784,332	902,983	0
Menomonee Falls School District	27,744,865	3,218,404	0
Menomonie Area School District	18,720,543	2,171,583	0
Mequon-Thiensville School District	22,620,383	2,623,964	0
Mercer School District	1,071,032	124,240	0
Merrill Area Common Pub School	16,706,247	1,937,925	0
Merton Community School District	5,438,135	630,824	0
Middleton-Cross Plns School District	40,890,312	4,743,276	0
Milton School District	16,926,065	1,963,424	0
Milwaukee Teachers Retirem Sys	399,837,397	46,381,138	0
Mineral Point Unif School District	3,424,607	397,254	0
Minocqua Jt School District #1 M-H-Lt	3,471,110	402,649	0
Mishicot School District	5,283,898	612,932	0
Mondovi School District	5,659,552	656,508	0
Monona Grove School District	18,029,776	2,091,454	0
Monroe School District	17,138,873	1,988,109	0
Montello School District	3,782,467	438,766	0
Monticello School District	2,149,932	249,392	0
Mosinee School District	12,124,034	1,406,388	0
Mount Horeb Area School District	13,694,761	1,588,592	0
Mukwonago School District	25,887,870	3,002,993	0
Muskego-Norway School District	29,295,745	3,398,306	0
Necedah Area School District	4,143,296	480,622	0
Neenah Joint School District	33,408,042	3,875,333	0
Neillsville School District	5,062,997	587,308	0
Nekoosa School District	6,349,873	736,585	0
Neosho Jt School District #3 Etal	1,030,146	132,889	222,437
New Auburn School District	1,893,332	219,626	0
New Berlin School District	24,220,074	2,809,529	0
New Glarus School District	5,151,303	597,551	0
New Holstein School District	5,401,462	707,592	1,608,537
New Lisbon School District	3,365,450	390,392	0
New London School District	12,605,951	1,626,168	2,831,041
New Richmond School District	15,115,195	1,753,363	0
Niagara School District	2,783,998	322,944	0
Nicolet High School District	9,585,131	1,111,875	0
Norris School District	910,452	119,269	52,668
North Cape Consolidated S District	1,019,104	118,216	0
North Crawford School District	2,927,019	339,534	0
North Fond Du Lac School District	6,286,160	817,201	117,542
North Lake School District	1,650,177	214,523	21,178
North Lakeland School District	1,493,232	218,012	174,973
Northern Ozaukee School District	5,819,791	756,573	1,188,549
Northland Pines School District	9,273,081	1,075,677	0
Northwood School District	2,445,017	283,622	0
Norwalk-Ontario School District	4,095,114	475,033	0
Norway-Raymond Jt#7 SDistrict	459,500	59,276	73,877
Oak Creek-Franklin Jt School District	34,178,520	3,964,708	0
Oakfield School District	2,974,232	345,011	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Oconomowoc Area School District	22,048,860	2,557,668	0
Oconto Falls Public School District	10,321,466	1,197,290	0
Oconto Unified School District	6,671,444	773,887	0
Omro School District	6,571,703	762,318	0
Onalaska School District	16,765,850	1,944,839	0
Oostburg School District	4,809,597	557,913	0
Oregon School District	22,543,200	2,615,011	0
Osceola School District	10,282,743	1,192,798	0
Oshkosh Area School District	55,120,684	6,393,999	0
Osseo-Fairchild School District	4,664,369	541,067	0
Owen-Withee School District	3,216,994	373,171	0
Palmyra-Eagle Area School District	6,130,671	711,158	0
Pardeeville Area School District	4,926,784	630,628	648,965
Paris Jt School District #1 Etal	904,329	104,902	0
Parkview School District	6,319,421	733,053	0
Pecatonica Area School District	2,806,526	376,075	0
Pepin Area School District	1,783,866	206,928	0
Peshigo School District	6,259,061	726,051	0
Pewaukee School District	14,064,083	1,631,434	0
Phelps School District	1,070,507	124,179	0
Phillips School District	4,806,788	557,587	0
Pittsville School District	3,421,664	396,913	0
Platteville School District	8,932,742	1,036,198	0
Plum City School District	1,290,197	149,663	0
Plymouth Joint School District	13,884,660	1,610,620	0
Port Edwards School District	2,499,811	289,978	0
Port Washington-Saukville School	15,897,516	1,844,112	0
Portage Community School District	14,897,877	1,728,154	0
Potosi School District	2,307,224	267,638	0
Poynette School District	6,079,751	784,288	909,389
Prairie Du Chien Area School District	6,623,674	768,346	0
Prairie Farm Public School District	1,963,564	227,773	0
Prentice School District	2,874,750	333,471	0
Prescott School District	7,776,542	902,079	0
Princeton School District	2,299,974	285,197	360,420
Pulaski Community School District	23,148,646	2,685,243	0
Racine Unified School District	129,268,883	14,995,190	0
Randall Jt School District #1 Etal	3,753,611	435,419	0
Randolph School District	3,113,821	361,203	0
Random Lake School District	5,501,043	638,121	0
Raymond School District #14	2,390,855	277,339	0
Reedsburg School District	14,851,026	1,722,719	0
Reedsville School District	3,929,764	455,853	0
Rhineland School District	14,265,681	1,654,819	0
Rib Lake School District	2,213,988	256,823	0
Rice Lake Area School District	13,719,539	1,591,467	0
Richfield Jsd #1	1,340,524	171,587	245,438
Richland School District	7,561,648	975,453	0
Richmond School District	2,179,652	252,840	0
Rio Community School District	2,858,527	331,589	0
Ripon Area School District	10,149,434	1,177,334	0
River Falls School District	17,435,481	2,022,516	0
River Ridge School District	3,222,793	373,844	0
River Valley School District	8,476,333	1,076,494	1,675,791
Riverdale School District	3,104,865	360,164	0
Rosendale-Brandon School District	5,267,358	611,014	0
Rosholt School District	3,000,008	348,001	0
Royall School District	3,114,030	361,227	0
Rubicon Jt School District #6 Etal	588,153	68,226	0
Salem School District	5,208,364	671,879	680,594
Sauk Prairie School District	15,592,826	2,011,475	1
Seneca School District	1,513,200	175,531	0
Sevastopol School District	3,519,175	408,224	0
Seymour Community School District	13,019,679	1,510,283	0
Sharon Jt School District # 11 Etal	1,394,388	179,876	340,805
Shawano School District	13,472,072	1,562,760	0
Sheboygan Area School District	69,019,453	8,006,257	0
Sheboygan Falls School District	9,965,062	1,155,947	0
Shell Lake School District	3,535,024	410,063	0



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
Shiocton School District	4,052,740	470,118	0
Shorewood School District	12,961,846	1,503,574	0
Shullsburg School District	1,973,347	254,562	208,664
Silver Lake Jt School Dis #1 Etal	2,467,368	320,758	12
Siren School District	3,084,954	357,855	0
Slinger School District	14,885,024	1,726,663	0
Solon Springs School District	2,088,846	267,372	241,335
Somerset School District	9,054,160	1,050,283	0
South Milwaukee School District	20,100,604	2,331,670	0
South Shore School District	1,321,080	153,245	0
Southern Door County School District	6,825,010	791,701	0
Southwestern Wisc Comm School District	2,496,475	289,591	0
Sparta Area School District	14,264,241	1,654,652	0
Spencer School District	3,417,893	396,476	0
Spooner Area School District	7,423,013	861,069	0
Spring Valley School District	4,289,700	540,502	365,018
St Croix Central School District	7,278,979	844,362	0
St Croix Falls School District	6,750,749	783,087	0
St Francis School District #6	7,279,280	844,396	0
Stanley-Boyd Area School District	4,999,683	579,963	0
Stevens Point Area Pub School District	40,853,039	4,738,953	0
Stockbridge School District	1,136,878	131,878	0
Stone Bank School District	2,033,044	235,833	0
Stoughton Area School District	19,531,124	2,265,610	0
Stratford School District	3,945,482	457,676	0
Sturgeon Bay School District	7,283,719	844,911	0
Sun Prairie Area School District	42,665,018	4,949,142	0
Superior School District	28,021,997	3,250,552	0
Suring Public School District	2,463,809	285,802	0
Swallow School District	2,612,769	303,081	0
Thorp School District	3,144,200	364,727	0
Three Lakes School District	3,733,143	433,045	0
Tigerton School District	1,228,500	142,506	0
Tomah Area School District	17,950,523	2,082,261	0
Tomahawk School District	7,942,603	921,342	0
Tomorrow River School District	5,166,718	599,339	0
Trevor-Wilmot Cons Gr S.D.	3,361,894	389,980	0
Tri-County Area School Dist-PlnfDistrict	4,079,706	473,246	0
Turtle Lake School District	2,781,133	322,612	0
Twin Lakes School District #4	2,324,012	269,585	0
Two Rivers Public School District	10,635,353	1,233,701	0
Union Grove Jt School Dis #1 Etal	3,925,805	455,393	0
Union Grove Union High School District	4,290,649	497,715	0
Unity School District	6,581,444	763,448	0
Valders Area School District	6,054,769	702,353	0
Verona Area School District	33,727,804	3,912,425	0
Viroqua Area School District	6,013,170	697,528	0
Wabeno Area School District	2,950,328	342,238	0
Walworth Jt School District # 1 Etal	2,442,266	283,303	0
Washburn School District	3,415,786	396,231	0
Washington School District	668,296	84,874	83,467
Washington-Caldwell School District	1,102,852	127,931	0
Waterford Union High School District	6,481,526	751,857	0
Waterford Vil Jt School District #1	7,267,422	843,021	0
Waterloo School District	4,679,909	594,348	0
Watertown Unified School District	22,816,689	2,943,353	4,269,199
Waukesha School District	80,424,591	9,329,253	0
Waunakee Community School District	22,054,378	2,558,308	0
Waupaca School District	13,672,015	1,585,954	0
Waupun Area School District	11,299,028	1,310,687	0
Wausau School District	53,428,943	6,197,757	0
Wausaukee School District	2,388,436	277,059	0
Wautoma Area School District	8,625,199	1,000,523	0
Wauwatosa School District	41,749,110	4,842,897	0
Wauzeka Jt School Dist Etal	1,990,676	230,918	0
Webster School District	4,102,321	475,869	0
West Allis-West Milw School District	48,999,322	5,683,921	0
West Bend Jt School District #1	39,537,423	4,586,341	0
West Depere School District	14,555,828	1,877,702	(467)



Name	Covered Payroll	Total Contributions*	Unfunded Liability Balance
West Salem School District	9,352,142	1,084,848	0
Westby Area School District	6,254,758	725,552	0
Westfield School District	5,338,940	619,317	0
Weston School District	2,064,044	260,070	353,472
Westosha Central High School District	6,476,616	751,287	0
Weyauwega-Fremont School District	5,211,506	604,535	0
Wheatland Jt School District #1 Etal	2,401,076	314,541	182,495
White Lake School District	1,083,756	125,716	0
Whitefish Bay School District	17,750,455	2,059,053	0
Whitehall School District	3,924,924	455,291	0
Whitewater Unified School District	10,678,077	1,238,657	0
Whitnall School District	13,009,293	1,509,078	0
Wild Rose School District	3,434,656	398,420	0
Williams Bay School District	3,331,853	386,495	0
Wilmot Union High School District	7,802,475	905,087	0
Winneconne Comm School District	8,393,609	973,659	0
Winter School District	2,033,673	235,906	0
Wisconsin Dells School District	10,118,616	1,173,759	0
Wisconsin Heights School District	4,687,916	543,798	0
Wisconsin Rapids School District	35,616,056	4,131,462	0
Wittenberg-Birnhamwood School District	6,479,107	751,576	0
Wonewoc & Union Center School District	1,883,684	218,507	0
Wrightstown Community School District	6,139,265	773,547	332,684
Yorkville Jt School District #2 Etal	1,990,373	230,883	0
Total School Districts	4,938,723,382	577,937,044	39,211,756
Technical Districts			
Blackhawk Technical College	16,636,827	1,929,872	0
Chippewa Valley Tech College	29,619,478	3,435,859	0
Fox Valley Technical College	57,459,606	6,665,314	0
Gateway Tech College	44,251,601	5,133,186	0
Lakeshore Technical College	17,676,819	2,050,511	0
Madison Area Tech College	90,420,812	10,488,814	0
Mid-State Technical College	15,958,857	1,851,227	0
Milwaukee Area Tech College	121,140,639	14,052,314	0
Moraine Park Technical College	25,215,789	2,925,031	0
Nicolet Area Technical College	12,618,467	1,463,742	0
North Central Tech College	24,156,360	2,802,138	0
Northeast Wisc Tech College	50,326,049	5,837,822	0
Southwest Wisc Tech College	11,633,990	1,349,543	0
Waukesha Co Technical College	39,209,364	4,548,286	0
Western Tech College	27,375,074	3,175,509	0
Wisconsin Indianhead Tech College	25,303,805	2,935,241	0
Total Technical Colleges	609,003,536	70,644,410	0
CESAs			
CESA #1	5,034,847	649,495	502,754
CESA #10, Chippewa Falls	7,510,090	871,170	0
CESA #11	8,097,847	939,350	0
CESA #12, AshlanDistrict	2,285,159	265,078	0
CESA #2	6,951,783	806,407	0
CESA #3, Fennimore	1,554,911	202,138	439,651
CESA #4, Lacrosse	1,816,354	232,493	57,137
CESA #5, Portage	8,107,924	1,045,922	614,694
CESA #6, Oshkosh	7,926,577	1,022,528	2,071,062
CESA #7, Green Bay	9,140,035	1,060,244	0
CESA #8, Gillett	5,718,488	663,345	0
CESA #9, Tomahawk	2,014,665	233,701	0
Total CESAs	66,158,680	7,991,873	3,685,298
Total WRS	\$12,719,362,272	\$1,633,941,110	\$99,276,075

* Includes contributions of WRS, Accumulated Sick Leave Conversion and Duty Disability.