



# How to Join the Wisconsin Retirement System

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# About the Wisconsin Retirement System and Department of Employee Trust Funds

The Wisconsin Retirement System (WRS) is a pension plan with both defined benefit and defined contribution components. The WRS is nearly 100% funded while the average for other U.S. public pension plans is less than 75%.

The Department of Employee Trust Funds (ETF) also oversees and manages the following benefit programs for WRS-enrolled employees (members):

- disability retirement
- duty disability
- optional insurance programs
  - health insurance
  - life insurance
  - income Continuation Insurance (ICI)
- Wisconsin Deferred Compensation

To learn more about these programs, see the *Other Benefits* section at the end of the brochure.

## ***Benefit to Enrolled Employees***

The WRS provides lifetime retirement benefits to members who are vested and have reached minimum retirement age.

The Disability Retirement program provides a lifetime monthly benefit to members who:

1. Become disabled; and
2. Must stop working before their normal retirement age

The Duty Disability program provides a lifetime monthly benefit to protective category employees (e.g. police officers and firefighters) who:

1. Are hurt while working or get a disease due to their job; and
2. Can't perform full protective job duties.

To learn more about member benefits, see: [Our Wisconsin Retirement System ET-7100](#) and [YourBenefit Handbook ET-2119](#).

## ***Employee and Employer Cost***

The WRS is a retirement plan to which the employee and employer make contributions [Wis. Stat. §40.05 (1) (a)].

State statute and the Employee Trust Funds Board determine contribution rates. Rates are subject to change each year and are usually announced in June. A [WRS Contribution Rates History](#) is available online.

Employee-required contributions are deducted on a pre-tax basis. In most cases, Wisconsin Act 10 prohibits employers from paying the employee share.

Employer-required contributions differ by employment category. If you cover protective category employees (police officers and firefighters), a Duty Disability rate is added on. We calculate this rate based on claims experience. New WRS employers have no claims, so the rate would be in the lowest category.

See the *Electing Prior Service* section to learn about the cost of providing **optional** prior service.

**Example:** Employer ABC has 2 WRS-eligible general category employees and one protective employee. The employer did not buy prior service. The annual rates are:

- General Category: 6.75% employee, 6.75% employer
- Protective Category: 6.75% employee, 11.75% employer
- Protective Employer Duty Disability Contribution: 0.00%

Employment Category	Annual Gross Wages	Annual Employer Contribution	Annual Employee Contribution	Total Contributions
General: 2 employees	Employee 1: \$25,000	$\$60,000 \times 6.75\%$ <b>= \$4,050</b>	Employee 1: \$1687.50	<b>\$8,100</b>
	Employee 2: \$35,000		Employee 2: \$2362.50	
	Total: <b>\$60,000</b>		Total: <b>\$4,050</b>	
Protective: 1 employee	<b>\$60,000</b>	$\$60,000 \times 11.75\%$ <b>= \$7,050</b>	<b>\$4,050</b>	<b>\$11,100</b>
<b>Grand Total</b>	<b>\$120,000</b>	<b>\$11,100</b>	<b>\$8,100</b>	<b>\$19,200</b>

## Employee Eligibility

The employer must evaluate WRS eligibility for **all** employees who receive pay for their services. This includes employees hired as:

- seasonal
- project
- temporary and part-time
- members of boards and commissions
- elected officials

The employer may **not** limit participation to:

- a department
- a classification of employees
- special interest groups
- union contract groups
- only full-time employees

Employees not expected to meet eligibility upon hire may become eligible at a later date. See Chapter 3 of the [WRS Employer Administration Manual \(ET-1127\)](#) for details.

### WRS Eligibility Criteria

WRS eligibility criteria must be met separately at each employer. **All employees who meet criteria must be enrolled in the WRS.** There is no enrollment waiting period for eligible employees.

There are one-time enrollment exceptions for employers who:

- file a resolution to participate in the WRS for employees hired on or after the effective date,
- offer a one-time waiver of participation to current eligible employees, or
- exclude their public utility workers from participation per Wis. Stat. § 40.21 (7).

WRS eligibility is based on the employee's:

- past WRS enrollment with *any* WRS employer, number of hours expected to work each year (**Note:** *The employer must decide the reasonable number of hours needed to perform job duties.*), **and**
- expected duration of employment.

The employee must meet all criteria to be eligible. WRS eligibility rules are based on previous participation:

Employees covered by *any* WRS employer **before July 1, 2011** (who have not taken a benefit) must be:

- expected to work 440 hours for teachers and educational support staff, and 600 hours for all others, **and**
- expected to work at least one year (365 consecutive days, 366 in leap year) from date of hire.

Employees covered by *any* WRS employer **on or after July 1, 2011** (or never enrolled in the WRS) must be:

- expected to work 880 hours for teachers and educational support staff, and 1,200 hours for all others, **and**
- expected to work at least one year (365 consecutive days, 366 in leap year) from date of hire.

**Note:** *If an employee works 9 or 10 months per year but is expected to return year after year, the 1-year rule is met.*

## ***Rehired Annuitant Information***

An annuitant is a person who is receiving a retirement benefit (also called an annuity) from the WRS. All rehired annuitants must complete a [Rehired Annuitant Form \(ET-2319\)](#).

**Annuitants returning to work have the same WRS eligibility requirements as active employees.**

Mandatory enrollment and annuity suspensions are based on their original termination date.

1. Eligible annuitants with a termination date **before July 2, 2013** may:
  - choose to return to active WRS participation and suspend their WRS annuity; **or**
  - continue their WRS annuity and *not* receive WRS credit for their return to work

If they choose to enroll in the WRS, the annuity is suspended the first of the month following ETF's receipt of the ET-2319.

2. Eligible annuitants with a termination date **on or after July 2, 2013**:
  - may continue their WRS annuity and *not* receive WRS credit for their return to work if they are not expected to work at least 880 (teachers and educational support) or 1,200 (all other categories) hours and work at least 12 months.
  - must return to active WRS participation and suspend their WRS annuity if they are expected to work at least 880 (teachers and educational support) or 1,200 (all other categories) hours and work at least 12 months. **This includes eligible annuitants of employers who select the one-time WRS waiver.**

For more details, see [Information for Rehired Annuitants \(ET-4105\)](#).

# How to Join the WRS

## Employer Eligibility

Participation in the WRS is open to any public employer. Statute requires some public employers to participate, while others are voluntary. Voluntary employers must submit a resolution of inclusion to join the WRS.

Required Public Employers	Voluntary Public Employers
<ul style="list-style-type: none"><li>• State agencies, including the University of Wisconsin System</li><li>• Every county (except Milwaukee)</li><li>• Villages with a population of 5,500 or more must cover police officers and firefighters<sup>1</sup>. They may choose to cover their non-protective employees.</li><li>• Second-, third- and fourth-class cities must cover police officers and firefighters (except volunteer firefighters)<sup>2</sup>. They may choose to cover their non-protective employees.</li><li>• All school districts must cover their teaching personnel. They may choose to cover non-teaching employees (educational support).</li></ul>	<ul style="list-style-type: none"><li>• Joint police commissions</li><li>• Housing authorities</li><li>• Cooperative education service agencies</li><li>• Joint health departments</li><li>• Sanitary districts</li><li>• Regional planning commissions</li><li>• Federated library systems</li></ul>

<sup>1</sup> Wis. Stat. § 61.65 (7) 1975, repealed by Wis Stat. § 40.21 (4), Chapter 96, Laws of 1981.

<sup>2</sup> Wis. Stat. § 62.13 (9) (e), (9a), (10) (f) and (g), 1975, repealed by Wis. Stat. §40.21 (4), Chapter 96, Laws of 1981.

## Social Security Coverage and the WRS

Employers joining the WRS must be covered by Wisconsin's Section 218 Agreement. This is a voluntary agreement between the State and the Social Security Administration (SSA) to provide Social Security coverage for public employees.

### Employers must meet Wisconsin's three-part test to join the 218 Agreement:

1. The entity or entities which created the new entity must have the power to do so under Wisconsin statutes.
2. Must be an independent legal entity, this includes powers to:
  - levy taxes
  - borrow money and to issue bonds
  - hold and to convey real and personal property
  - sue and to be sued in its own name
  - enter into contracts
  - hire, supervise, and fire its own employees
3. Must perform a governmental function. For example:
  - police and fire protection
  - education
  - sanitation
  - flood control

**ETF may require creation documents to determine an employer's eligibility.** Please see the [218 Agreement](#) webpage to learn more.

**Important:** Employers with a FICA alternative plan (also called a social security replacement plan) are not eligible to join the WRS or the 218 Agreement. To join the 218 Agreement and the WRS, the employer must:

1. end the FICA alternative/replacement plan;
2. begin deducting FICA taxes from its employees; and
3. meet Wisconsin's three-part test.

ETF is not involved with the process of dissolving the FICA alternative/replacement. Please work with your attorney to ensure compliance with Federal law.



## Timeline to Join

ETF must receive the resolution and other required documentation by **November 15** for coverage beginning January 1 [Wis. Admin. Code ETF §20.017].

If the resolution is received after November 15, the effective date will be the January 1 *after* the upcoming January 1. For example:

- If the resolution is received by 11/15/2021, coverage is effective 01/01/2022.
- If the resolution is received after 11/15/2021, coverage is effective 01/01/2023.

## Employer Responsibilities

All WRS employers must have at least one employee to administer WRS benefits. This person is called the employer agent or retirement contact. The table below lists some responsibilities of the employer agent and/or retirement contact. They must also complete all items on the [WRS New Employer Onboarding Checklist](#) (ET-1419) before the employer's WRS effective date.

For a complete list, see Chapter 2, Subchapter 201: *Employer Agent Responsibilities* in the [WRS Administration Manual](#).

Ongoing	Monthly	Yearly
<p><b>WRS Eligibility and Employment Category Determination</b></p> <ul style="list-style-type: none"><li>• Determine WRS eligibility and employment category for all employees</li><li>• Track and re-evaluate ineligible employees</li><li>• Track and report rehired annuitants</li><li>• Track hours worked for all employees</li></ul> <p><b>Periodic Transaction Reporting</b></p> <ul style="list-style-type: none"><li>• Report WRS enrollments within 14 days of event</li><li>• Report terminations within 7 days of event</li><li>• Report unpaid leave of absence (LOA) and military USERRA</li><li>• Report employment category changes</li></ul> <p><b>Other On-Going Duties</b></p> <ul style="list-style-type: none"><li>• Respond to inquiries from ETF staff</li><li>• Submit account corrections</li><li>• Distribute materials to all WRS-enrolled employees</li><li>• Maintain employee records</li></ul>	<p><b>Earnings and Contributions Reporting</b></p> <ul style="list-style-type: none"><li>• Understand WRS reportable hours, earnings, and contributions</li><li>• Submit monthly remittance report</li></ul>	<p><b>Contribution Rates</b></p> <ul style="list-style-type: none"><li>• Review contribution rate changes for the upcoming year</li><li>• Notify employees of rate changes</li><li>• Update rate by first payroll in January</li></ul> <p><b>Annual Reconciliation</b></p> <ul style="list-style-type: none"><li>• Submit annual hours, earnings, and contributions for all enrolled employees</li><li>• Reconcile remittance reports against employee transactions</li></ul>

## Employee Participation Options

Employers must choose **one** eligible employee participation option for initial enrollment.

**Option 1:** Enroll all eligible employees in the WRS as of the effective date.

**Option 2:** Offer a one-time waiver to all *current* eligible employees to enroll in the WRS. If choosing this option, note the following:

- Employees that waive WRS coverage and continue to be employed by the same employer will:
  - never be enrolled in the WRS; and
  - never be eligible for any ETF-administered insurance programs.
- Eligible employees hired on or after the WRS effective date can't waive WRS coverage and must be enrolled.
- Eligible Rehired Annuitants with a WRS termination date on or after 07/01/2013 can't waive WRS coverage and must be enrolled.

**Option 3:** Enroll all *future* eligible employees hired on or after the effective date of WRS coverage. This option excludes all employees hired before the employer's WRS effective date.

## Complete Required Paperwork

**ETF must receive the forms below no later than November 15.**

1. [Resolution of Inclusion under the Wisconsin Retirement System \(ET-1319\)](#)
2. [Designation of Agent \(ET-1313\)](#): Appoints the employee(s) representing the employer for ETF-administered benefit programs.
3. [Online Access Security Agreement \(ET-8928\)](#): Adds, deletes, and changes online access for ETF employer reporting applications. Complete separate forms for each user, if needed.
4. [Automated Clearing House \(ACH\) Direct Withdrawal Authorization \(ET-1734\)](#): Allows ETF to withdraw monthly remittance contributions from the employer's bank account.

Send completed forms directly to ETF using the information below. We recommend sending all paperwork by fax or email:

[ETFSMBEmployerWRS@etf.wi.gov](mailto:ETFSMBEmployerWRS@etf.wi.gov)

Fax: 608-266-5801, Attn: WRS Unit

If you are unable to fax or email, please mail to:

Dept. of Employee Trust Funds  
Attn: Employer Services  
PO Box 7931  
Madison, WI 53707-7931

## After the Resolution is Submitted

When ETF receives the resolution, we will send an acknowledgment and assign required training.

**Training must be complete by January 1. ETF will track training progress for each employer and follow up if training is not completed on time.**

Additional information will be sent after November 15 if the employer is offering eligible employees a one-time waiver of WRS participation.

On or after November 15, the employer will be assigned a WRS Case Manager at ETF. Your case manager will:

- send your online username and help with account activation,
- be available to answer any questions you may have, and
- check the progress of your onboarding checklist.

The employer must:

- complete required WRS-administration training by December 31,
- determine eligibility for all employees before December 31,
- distribute paperwork to all eligible employees, and
- enter employee enrollments on the WRS Account Update application between January 1 – 15.

## ***Rescinding a Resolution***

To rescind the Resolution of Inclusion, send a written request to ETF *before* November 15. **An employer's WRS resolution is irrevocable on or after November 15.**

## **Employer FAQ**

Please visit the [WRS for Employers](#) webpage to view the WRS Onboarding FAQ.

## **Other Benefits**

**Note:** All the programs listed below require a separate resolution.

### ***Group Health Insurance***

The Wisconsin Public Employers (WPE) Group Health Insurance Program gives employers the option to select a benefit design with Uniform Benefits to offer its eligible employees. The employer can also choose to offer Uniform Dental Benefits as a part of this plan.

For more information, see:

- [How to Join the Wisconsin Public Employer's Group Health Insurance Program \(ET-1139\)](#) manual
- [Health Insurance for Employers](#) webpage

Note: Employers must be enrolled in the WRS and be covered by the Section 218 agreement to join the group health insurance program.

### ***Group Life Insurance***

The Wisconsin Public Employers Group Life Insurance Program is a benefit available to all state employees and local government employees whose employers participate in the program. Members may even be able to continue coverage in retirement.

An employer may choose to offer only the Basic life insurance coverage, all levels of coverage at once, or any combination of coverage levels.

For more information, see:

- [How to Become a Participating Employer Under the Wisconsin Public Employers Group Life Insurance Program \(ET-1117\)](#) manual
- [Life Insurance for Employers](#) webpage

## ***Income Continuation Insurance (ICI)***

ICI is a voluntary income replacement benefit payable to an enrolled employee if they become disabled. ETF contracts with a third-party administrator to issue eligibility determinations and process claims.

For more information, see:

- [How to Become a Participating Employer Under the Wisconsin Public Employers' Group ICI](#) manual
- [ICI for Employers](#) webpage

## ***Wisconsin Deferred Compensation Program***

The Wisconsin Deferred Compensation Program is an optional, supplemental retirement savings plan available to Wisconsin Public Employers participating in the WRS. The Deferred Compensation Board oversee the program. The investment options are offered at no cost to employers and at a low cost to employees.

For more information, see the [Wisconsin Deferred Compensation Program](#) webpage.