

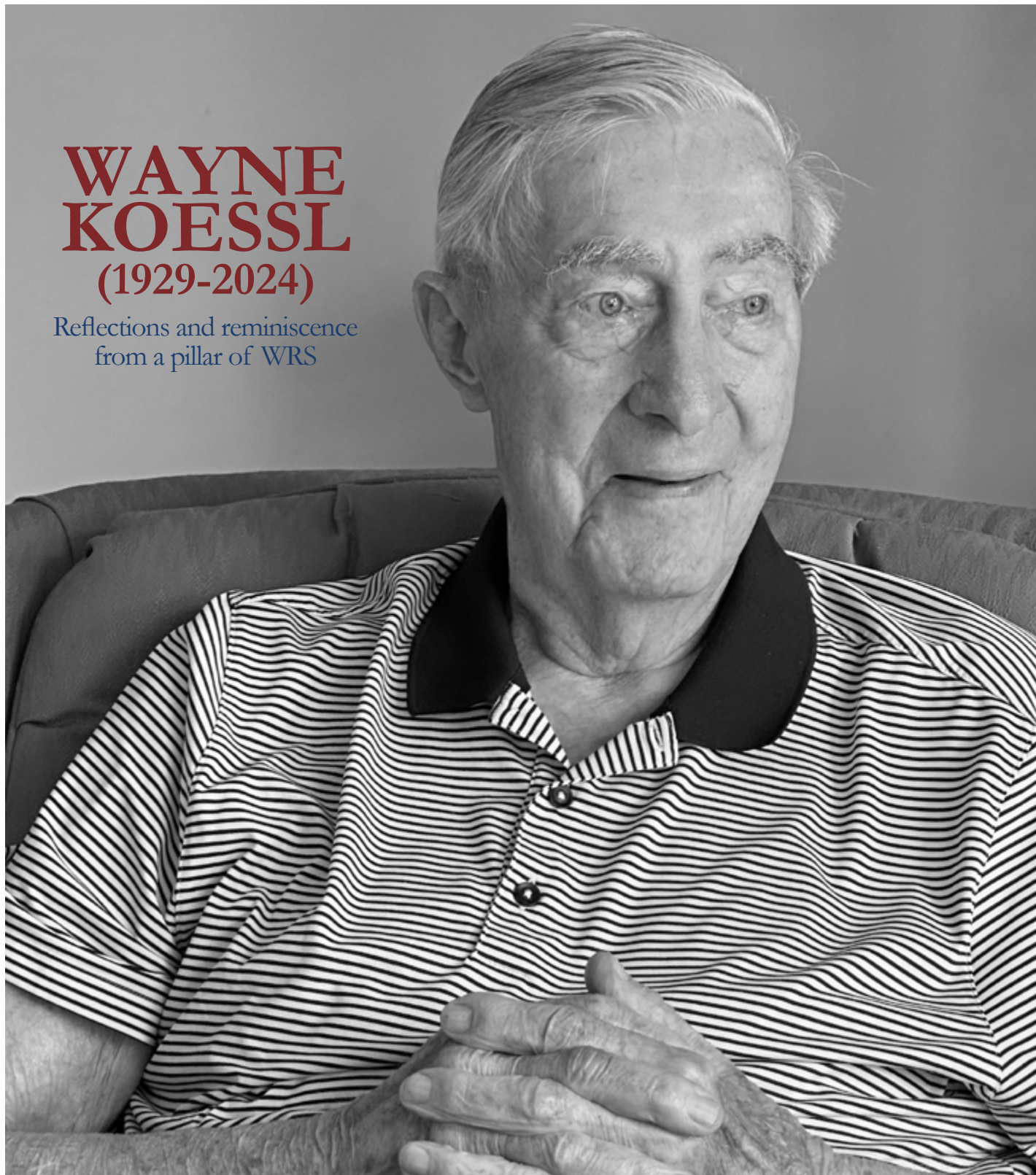
# WRS NEWS



For retired members of the Wisconsin Retirement System • September 2024

## WAYNE KOESSL (1929-2024)

Reflections and reminiscence  
from a pillar of WRS



# Core Annuity Adjustment Projections Next Year

The Department of Employee Trust Funds (ETF) released its projections for next year's Core annuity adjustment.

In adjusting the Core annuities, investment earnings are recognized over a period of five years to smooth market volatility effects.

WRS annuitants are currently receiving a 3.6% Core annuity adjustment based on the period ending December 31, 2023.

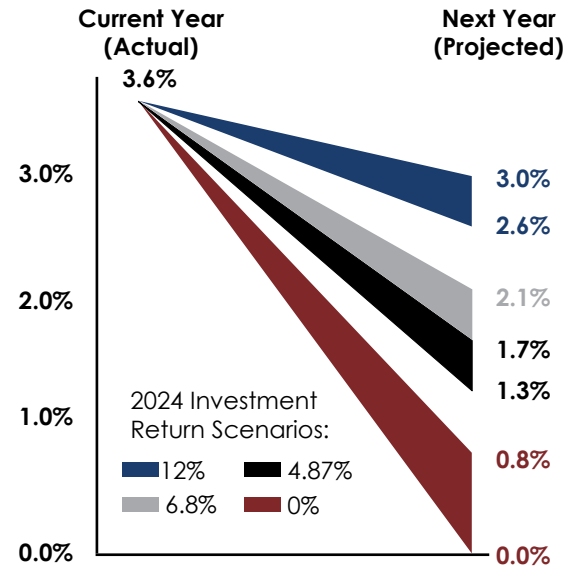
Next year's Core annuity adjustment will recognize

investment earnings from 2020 to 2024, including a \$5.068 billion loss in 2022 and gains of \$5.196 billion from the other three years, pending 2024 results.

ETF projects the following adjustments next year based on four investment return scenarios in 2024:

- With a 12% investment return this year, the Core annuity adjustment next year is projected between 2.6% and 3.0%.
- With a 6.8% investment return this year, the Core annuity adjustment next year is projected between 1.7% and 2.1%.
- If the 4.87% investment return as of June 30, 2024, will be sustained until the end of this year, the Core annuity adjustment next year is projected between 1.3% and 1.7%.
- Without a growth or dip in investment return this year (0%), the Core annuity adjustment is projected between 0% and 0.8%. Negative adjustments can only reduce increases granted in prior

Projected Range of Core Annuity Adjustments: Four Investment Return Scenarios in 2024



years, and the Core annuity cannot be reduced below the original value.

The above adjustment figures are merely projections. Only an independent actuarial valuation can accurately calculate the annuity adjustments. Projections, however, are useful for anticipating the magnitude of future adjustments.

A unique feature of the WRS is that annuitants do not receive a guaranteed cost-of-living adjustment. The system's risk-sharing design requires an annual adjustment of retirees' annuities based on the level of assets within the Trust Funds. ■

## Issue Highlights

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## WRS Trust Funds Investment Returns Year-to-Date (as of 6/30/2024)

Core Fund  
**4.87%**

Variable Fund  
**11.69%**

(Net of fees and costs)

## A Note from WRS News

Since January, you may have noticed a few editorial redesigns in *WRS News*. In May, we introduced a cover art that accompanied the article on WRS retirees' impact in Wisconsin. This current issue also

features a cover photo for Wayne Koessl's center spread story.

Perhaps the most striking change is the texture of the paper you

Continued on page 10

## Kristi Palmer Steps Down as SWIB Trustee

**SWIB Trustee Kristi Palmer** has stepped down as a member of the Board of Trustees for SWIB.

Palmer, who was appointed to the Board in 2019 as the local government representative, recently announced her retirement as Marathon County Finance Director.

SWIB Board of Trustees Chair Clyde Tinnen said he is grateful for Palmer's service to the Board, the WRS, and SWIB.

"On behalf of the Board of Trustees, I want to thank Kristi for her contributions and service," Tinnen said. "Her dedication, along with her expertise, has helped



**Kristi Palmer**

SWIB continue to achieve success and fulfill its commitment to the more than 677,000 participants of the WRS." Gov. Evers will appoint Palmer's replacement.

The SWIB Board of Trustees consists of nine members meeting specific membership requirements under state statutes.

The Board of Trustees have a fiduciary responsibility to act solely in the best interest of the funds under management. They appoint the SWIB Executive Director/Chief Investment Officer and Internal Audit Director.

The Trustees also approve SWIB's asset allocation, set the annual budget and performance benchmarks, establish and oversee the compensation program, and monitor performance. ■

## New ETF Chief Benefits Officer, Strategic Health Policy Director

**ETF recently announced** two key appointments in July this year.

Patti Epstein was appointed as the new Chief Benefits Officer. She leads ETF's Division of Benefits Administration — the epicenter for managing retirement, disability, deferred compensation, and other benefits of the WRS — with a focus on ways to enhance participant experiences as they plan and reach retirement.

Before ETF, Epstein was Deputy Secretary of the Wisconsin Department of Financial Institutions, where she oversaw the agency's four regulatory and licensing divisions or offices, the Division of Administrative Services and Technology, and the Office of Financial Capability.



**Patti Epstein and Renee Walk**

Her private sector experience included being the Director of Administration for Total Administrative Services Corporation (TASC), the nation's largest third-party benefits administrator. She also held leadership positions at JT Packard, Inacom Information Systems, and

the Wisconsin Physicians Service (WPS).

Meanwhile, Renee Walk was appointed as the new Director of the Office of Strategic Health Policy (OSHP), the unit overseeing the operations of the Group Health Insurance Program and other insurance plans.

She was promoted from her position as head of OSHP's Programs and Policy Unit.

Walk also holds a wealth of industry experience outside ETF. As WEA Trust Product Manager, she designed and oversaw group health insurance products. As Program and Policy Analyst at the Wisconsin Department of Health Services, she created clinical programs to help medically complex Medicaid members receive better services. ■





## \$150 Incentive Deadline on Oct. 11

**Group Health Insurance Program** subscribers and spouses can earn their \$150 Well Wisconsin prepaid card by completing their health assessment, health check, and well-being activity by Oct. 11, 2024.

UnitedHealthcare Medicare Advantage members can participate in Well Wisconsin but cannot earn the incentive since they have incentives available through their health plan.

In addition to the incentive, participants are finding support in managing their health and accomplishing their well-being goals with health coaching, or support in weight management with Positively Me, pain management with Fern, mental health support with meQ or Togetherall, and much more.

Go to [webmdhealth.com/wellwisconsin](http://webmdhealth.com/wellwisconsin) to complete your

incentive activities and learn more about program services.

### **It's Your Health: Diabetes**

Subscribers and spouses have access to diabetes management and prevention support.

Members diagnosed with diabetes can work with a WebMD nurse coach for support with managing their condition and building healthy habits to keep their diabetes under control.

Those not under the High Deductible Health Plan (HDHP) can also receive financial support to help with the cost burden of managing the disease. Their copays for diabetes prescriptions can be reduced in exchange for working with the nurse coach. This is done through the It's Your Health: Diabetes program.



**WELL WISCONSIN**  
Healthier starts with you

For members with pre-diabetes, WebMD offers life-changing support to help prevent diabetes and possibly reverse the condition with the Diabetes Prevention Program. Members can call 1-800-821-6591 to learn more.

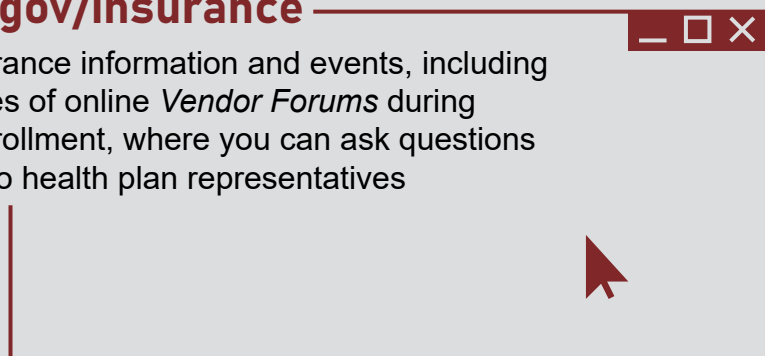
### **Annual Flu Vaccine**

Members can schedule their flu vaccine with their in-network doctor's office, pharmacy, or Well Wisconsin. Call them or log in to their websites to learn more. ■



## [etf.wi.gov/insurance](http://etf.wi.gov/insurance)

For insurance information and events, including schedules of online *Vendor Forums* during open enrollment, where you can ask questions directly to health plan representatives



## [etf.wi.gov/insurance-help](http://etf.wi.gov/insurance-help)

For answers to your insurance questions or issues

## New Free Service: Empathy

**Available at no cost, Empathy** is a service offering a holistic approach to bereavement support.

Access to Empathy is available for members and beneficiaries enrolled in the life insurance plan.

Empathy provides personalized guidance and care for emotional, administrative, legal, and financial challenges when preparing for a loss and after a loved one passes on.

Insured members and beneficiaries receive guidance from a dedicated care manager and a step-by-step care plan tailored to their unique needs. ■



# From Tree Trimmer to ETF Board Chair, Wayne Koessl Reflects on his Journey in WRS

(Editors' note: The article below retains its original form as written before Koessl's passing on Aug. 12, 2024.)

**Wayne Koessl's humility exudes** from his life stories filled with serendipity. His legacy, however, is more than just a cluster of coincidences, as he radiates with a clear vision and passion to serve.

In March this year, Koessl stepped down from the ETF Board after more than two decades. That month, he also turned 95.

Yet, his mental sharpness and enduring commitment allow him to continue working in Pleasant Prairie, a village in Kenosha County, where he has been a member of its Plan Commission since 1969.

Koessl ironically traces back his public service journey to his 64 years of private sector experience.

## Tree Trimmer to State Liaison

In November 1948, while searching for a job in downtown Kenosha,

Koessl ran into his high school sweetheart's dad and his neighbor, who worked for Wisconsin Electric (now We Energies). The neighbor arranged for him to meet with the company's electric test meter division head a few days later.

Koessl recalled he was offered a job that was to start in three months, but he needed a job right away because he was "flat broke." Luckily, the head remembered that another unit was looking for a tree trimmer. "I did that for 90 days, and then I started in the electric test meter division, and I kept getting promotions," Koessl said.

Koessl worked in We Energies for six decades and rose through the ranks to become its Senior Local Affairs Representative until his retirement in 2012.

"My job was to get approval for power plants, transmission lines, substations... I covered numerous counties in Wisconsin, so I worked with elected officials... I loved my job," Koessl beamed.

## Development in Kenosha

Koessl's We Energies stint was crucial in extending his sphere to public governance.

In 1969, John Maurer, then chair of the Pleasant Prairie Town Board, appointed Koessl to the town's Plan Commission. Koessl said it was also Maurer who convinced him to run for a seat in the Kenosha County Board of Supervisors. Koessl

won the elections and held the position from 1970 until 2002.

Kenosha's transformation as a manufacturing hub has been partly molded through Koessl's public and private sector hands.

As County Board Supervisor, he helped incorporate Pleasant Prairie into a village in 1989. He also rallied for the approval of the 1985 Wisconsin Act 79, which allowed utilities to develop in real estate. This paved the way for the LakeView Corporate Park, a 2,400-acre mixed-use development in Pleasant Prairie.

Koessl also twice became president of the Wisconsin Counties Association (WCA), a group that lobbies on behalf of the 72 counties' legislative needs.

## ETF and WRS Involvement

Koessl's impact in Kenosha's local development and WCA opened the door for him in ETF.

In November 1989, the governor appointed Koessl to the Wisconsin Retirement (WR) Board to fill the position specifically representing a WRS-participating county or town as nominated by WCA.

The WR Board is one of five Boards of Trustees in ETF — the other four are the Teachers Retirement (TR), Group Insurance, Deferred Compensation, and ETF Boards. The WR and TR Boards provide advisory roles to the ETF Board, and they each appoint four members to the latter.

By 1996, the WR Board appointed Koessl to the ETF

**Longevity.** From 1989 to 2024, Wayne Koessl worked with five of six ETF Secretaries.



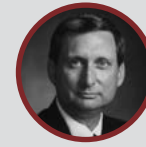
**Clyde "Max" Sullivan**  
1967-1976



**Gary Gates**  
1976-1992



**Eric Stanchfield**  
1992-2007



**Dave Stella**  
2007-2012



**Bob Conlin**  
2012-2021



**John Voelker**  
2021-present



Board. He was later elected as vice-chair of the ETF Board in 1999 and its chair from 2012 to 2022.

Koessl continued as a WR Board member until October 2023 and as an ETF Board member until he stepped down in March this year.

In his 35 years on these boards, Koessl worked with five of six ETF Secretaries and was instrumental in appointing the last three.

(Unlike most state department heads who are appointed by the governor, the ETF Secretary is appointed by the ETF Board.)

"I enjoyed all the people I worked with, because they were all committed to the retirement system and doing their fiduciary duty. We had disagreements, but we all came together for the good of WRS... You see, we never had a bad Secretary. They all were committed and dedicated," he said.

In his final years on the ETF and WR Boards, Koessl attended meetings either online or in person whenever his son is available to drive him to Madison. "I still drive, but my family is mad at me if I go on a freeway," he quipped.

## Post-ETF Life

Koessl stays busy in Pleasant Prairie while enjoying time with his growing family: "I have three sons, two grandsons, two granddaughters, four great-grandsons. Another great-grandson is due in August, another great-grandson is due in September, and another great-grandson is due in November!"

Later this year, Koessl expects to cut the ribbon to formally open the road extension north of 95th Street at 80th Avenue in Pleasant Prairie. The village decided to honor him by naming the roadway "Koessl

Court," a move that surprised him during a Plan Commission meeting.

It was full circle for him. "That's where the power plant used to be. I got that plan approved through state and local governments."

Koessl credits his longevity in public service to his core principles: "If you're working on something, you should make sure you're telling people the whole truth, even if it means more work for you... And if you're an elected official or an appointed official, people put their trust in you, and you should do what is best for the people, even if you have to cross party lines."

Koessl encapsulates his WRS legacy as being able to help public employees with their pensions.

"The WRS pensions are an asset to every community of Wisconsin. I am very proud and honored to be a member of the WRS." ■

## Two Ways Retirees Can Actively Manage WDC Investments

The older we get, the more we rely on our experience in making decisions. Experience can change our motivations and priorities, especially as it relates to our outlook on retirement.

If you recently retired, your view of investment risk has also probably evolved. What does that mean for your retirement plans? And what should you do to manage risk?

1. *Review your asset allocation — and adjust as needed.* It is all about finding the right balance for your age, risk tolerance, and retirement income needs.

In general, older investors tend to shift toward a more conservative mix of investments to manage the risk of the assets they'll rely on for retirement income. This is because

older investors have less time to make up for losses than their younger counterparts.

If your mix of investments is too aggressive for your age, you may be incurring “equity risk,” which is the risk where a sudden drop in stock values can hurt your retirement income viability.

If you invest too conservatively, you're also at risk of inflation eating into your spending power, because the rate of growth in your portfolio is lower than the rate of inflation.

2. *Clarify your spend down plan.* A spend down plan is a systematic



approach to withdrawing assets over the course of your retirement.

A well-designed spend down plan can help you minimize your tax obligations while helping stretch your savings across your entire retirement. Questions to think about include:

**Continued next page**

## Industry Associations Appoint SWIB Experts to Boards

**SWIB Private Markets & Funds Alpha** Chief Investment Officer (CIO) Anne-Marie Fink was appointed as co-chair of the Alternative Investment Management Association's (AIMA) Global Investor Board.

Fink serves in the co-chair position alongside Eduard van Gelderen, the founding chair of AIMA's Global Investor Board and CIO of Canada's Public Sector Pension Investments.

AIMA is the global representative of the alternative investment industry, with around 2,100 members in over 60 countries. AIMA's fund manager members collectively manage more than

\$3 trillion in assets. The Global Investor Board, founded in 2022, publishes research on topics including hedge funds, liquidity management, portfolio construction, private credit, and private equity.

Meanwhile, SWIB Senior Portfolio Manager Chris Eckerman was appointed to the Institutional Limited Partners Association (ILPA) Board.

ILPA represents over 575 institutions and more than \$2 trillion of private markets assets across public and corporate pensions, endowments, foundations, and sovereign wealth funds around the world.

In addition, SWIB Portfolio Manager Hillary Holstein was recently appointed to the Chartered Financial Analyst (CFA) Society Madison Board.

CFA Society Madison is a local chapter of the CFA Institute, a global, nonprofit member organization of financial analysts, portfolio managers, and other investment professionals. Its members are employed with area insurance companies, banks, money managers, wealth management firms, public agencies, universities, and corporations.

Holstein joins a long line of SWIB staffers who served on the CFA Society Madison Board. ■



- How will you use your funds in your account as a retirement income source?
- How will your multiple income sources (such as Social Security, WRS pension, and personal retirement savings such as Wisconsin Deferred Compensation Program or WDC account) work together to provide you with the retirement income you will need?
- How much of your retirement account should stay invested in stocks as your retirement progresses over time?

### WDC is Here to Help You

To create an investment asset allocation approach and/or a spend down plan, take advantage of the WDC. The WDC can help with your investments, no matter your level of experience.

Talk with a local WDC retirement plan advisor to schedule a one-on-one meeting, in person or virtually. These meetings are part of the WDC and do not have an additional cost.

Appointments can be made online on the WDC site (look for the owl), which goes to [wdc.timetap.com](http://wdc.timetap.com). You may also call the WDC at 1-877-457-9327. ■



## Looking for Info on WDC Fees?

**This year, 1,200 WDC participants** took a few minutes to share their opinions through the electronic WDC Participation Survey.

The survey generated some interesting findings. For example, almost a third (30%) of participants said they were looking for more information on WDC fees.

The information can be found in the WDC Program Highlights document. Go to [wdc457.org](http://wdc457.org), click the “About the WDC” menu above the page, then select “Program highlights & fees.” The direct link can also be viewed at [docs.empower.com/EE/WisconsinWR/DOCS/Plan-Highlights.pdf](https://docs.empower.com/EE/WisconsinWR/DOCS/Plan-Highlights.pdf). ■

## SWIB News Briefs

### New Podcast Episodes

In episode 28, Senior Portfolio Manager Chris Benish explains the role of passive strategies like synthetic replication, passive exposure management, and leverage implementation in helping keep the WRS fully funded. Rob Goobie, chair of the Global Peer Financing Association, also talks about how SWIB’s innovation played a role in founding the association and helped SWIB engage in a variety of securities finance activities, best practices, and knowledge sharing with peers across the world.

In episode 29, SWIB Head Economist and Asset & Risk Allocation Chief Investment

Officer (CIO) Todd Mattina provides a midyear update on some of the issues impacting the WRS. Mattina shares his thoughts on the first half of the year and the economic outlook for the rest of the year.

Listen to the SWIB Podcast at [swib.state.wi.us/podcasts](http://swib.state.wi.us/podcasts).

### Recognition for SWIB

Private Markets & Funds Alpha CIO Anne-Marie Fink has been named one of *Pension & Investments*’ Influential Women in Institutional Investing. The award recognizes women with an outsized impact on the professional investment and retirement market.

Senior Portfolio Manager Chase Nicholson is one of 10 allocators named to *Institutional Investor*’s list of 2024 Rising Stars, who are professionals on track to become leaders within the industry. He was selected for his use of academic research and technical expertise to identify innovative and effective investment strategies.

SWIB’s Funds Alpha Team has been nominated as the *Institutional Investor*’s 2024 Allocators’ Choice Award for “Allocator with the Best Hedge Fund Portfolio.” It was nominated for its strong investment performance and focus on fostering strategic partnerships, which include co-investments. ■





## Featured WRS Retiree: Ibrahim “Abe” Kheraz

I was a State of Wisconsin employee for 33 years as an electrical engineer with the Department of Administration. The best thing about the WRS is the guarantee that my payment will show up in my account on the first of each month. Because of that, I could never be late on any of my bills, since the money is there before the bills are due. That is a great feeling to have that type of security. The WRS pension is great!

### How has being part of WRS helped your retirement life?

Share your experience as a WRS retiree, and you might be featured in the next issues of *WRS News* and other ETF publications. Email your stories to [ETFsmbCommunications@etf.wi.gov](mailto:ETFsmbCommunications@etf.wi.gov).

## Wisconsin Seniors Lead the 2024 National Health Rankings

Wisconsin is the number one state when it comes to having the highest proportion of adults 65 and older who regularly exercise, who do not have functional disabilities, and having the lowest proportion of seniors who reported avoiding healthcare due to cost.

These are some of the findings from the *America's Health Rankings 2024 Senior Report* that the United Health Foundation recently released.

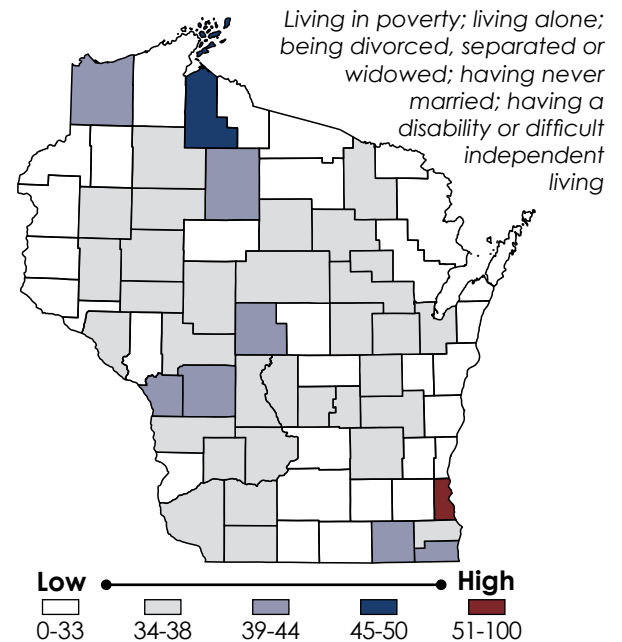
Wisconsin seniors also landed in the top 10 for having high cognitive ability (3rd); less frequent mental (9th) and physical (10th) distress; receiving cancer screenings (6th); extent of hospice care (4th)

and home healthcare workers (10th); fewer internet crime complaints (4th); and low risk of social isolation (9th); see county-level infographic.

Overall, Wisconsin ranked 11th, as the report also highlighted the state's challenges in excessive drinking, obesity, and low geriatric clinician rate.

To know more, you can read the full report online at [americashealthrankings.org/learn/reports](https://americashealthrankings.org/learn/reports). ■

### Seniors' Risk of Social Isolation by County



### A Note from WRS News, from page 1

are holding. Switching to a coated paper is not only a style decision; it

is also a cost-saver than using the previous uncoated type.

All these are part of a phased transition to a newsmagazine, a format we have been considering

based on your feedback. We hope that the changes so far will help you get primed for a more improved *WRS News*, as the editorial shift will be on full gear mode next year. ■

## Letters to WRS News

### Acknowledging Law Enforcers

I read the January article from ETF Secretary John Voelker, and I am glad to hear he is doing good after his health scare. I just wanted to express my gratitude to him for acknowledging public servants, specifically from law enforcement. Statements like that let us know our services are appreciated. I really enjoy the newsletters and keep up the good work!

*RS, WRS Member*

### Annuity Adjustments

Thank you for including in the May 2024 edition the very useful table showing percentage annuity adjustments and the change in the consumer price index over five-, 10-, and 20-year periods. An important aspect of the WRS annuity system's model for sustainability and resilience is that it does not promise that annuities will keep pace completely with inflation. In fact, the WRS annuities on average do not. This highlights

the wisdom of building some personal retirement assets that can at least supplement a WRS annuity, if an employee is able to do so. Individual retirement accounts and the Wisconsin Deferred Compensation Program are important options for this purpose. The WRS could do a better job of educating participants about the usefulness of a comprehensive retirement investment strategy.

*RM, WRS Member*

### Calculation for New Retirees

I appreciate your newsletter! As a retiree of one year, it's great to get this information. I'd love to read an article about the reason why those of us who retired in June 2023 only received half of the May 2024 3.6%

raise. If you could write an article explaining the reasoning, it would be much appreciated

*JAC, WRS Member*

**Editors' reply:** The Core annuity adjustment for new retirees is prorated based on the number of *full months* the annuity was in force the previous year. If Bucky retired on Aug. 15, 2023, they received annuity for four full months last year (September to December) and a 1.2% annuity adjustment this year (4/12 or a third of 3.6%). Meanwhile, the Variable annuity is always fully adjusted, regardless of the previous year's retirement date. Annuity adjustments are usually announced in March and take effect in April, as reflected in the May 1 annuity payment. ■

### We'd love to hear from you!

Send us your comments on the contents you read in *WRS News*.

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

September 2024 Issue Editors: Omar Dumdum (ETF) and Chris Preisler (SWIB)

## WRS News

For retired members of the Wisconsin Retirement System • Published in January, May, and September by:

### Wisconsin Department of Employee Trust Funds



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Madison, WI 53707-7931

Message through our website: [etf.wi.gov/contact-us](http://etf.wi.gov/contact-us)

Toll-free: 1-877-533-5020

Website: [etf.wi.gov](http://etf.wi.gov)

### State of Wisconsin Investment Board



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For info on WRS investments, contact SWIB:

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Email: [info@swib.state.wi.us](mailto:info@swib.state.wi.us)

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## **WRS News**

September 2024

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