



Explanation of Annual Statement of Benefits

Wisconsin Retirement System Account Information

As of January 1, 2020

If any information on your *Statement of Benefits* is incorrect, contact your payroll office first. Your employer must report any corrected data to the Department of Employee Trust Funds and should contact us directly with any reporting questions. If your employer is unable to resolve your concerns, you must submit a written request for corrections to ETF.

Carefully review information on page 3 regarding Required Minimum Distributions (the deadline to apply for your benefit).

Keep This Explanation With Your Statement For Future Reference

Section 1 — 2019 Earnings and Service

Your employer reports your WRS earnings and service to ETF each year.

- For most employees, this information is reported on a calendar year basis.
- If you worked as a teacher, judge or educational support personnel, your information is reported on a fiscal year basis. This section shows your WRS earnings and service for the 2018/19 fiscal year (July 1, 2018 to June 30, 2019) and for the first half of the 2019/20 fiscal year (July 1, 2019 to December 31, 2019).
- A maximum of 1.0 year of service is creditable for each annual reporting period.

Your creditable service may also be less than expected if:

- **You worked part time, took a leave without pay or had a break in service.** In these cases, you earned less than a full year of creditable service. Your employer reports your WRS hours, which are then converted to a decimal fraction of a year. The hours are divided by 1,320 for teachers and by 1,904 for everyone else.
- **Your account has been divided by a Qualified Domestic Relations Order (QDRO).** Your total service does not include the portion awarded to your former spouse or domestic partner.
- **You had active military service, prior to January 1, 1974, before you became covered by the WRS.** Any military service credit that you may be eligible for will be added to your account when you apply for a WRS retirement or disability benefit.

Section 2 — Years of Creditable Service as of 1/1/2020

This section shows your total years of creditable service. Service is broken down into three types: “Before 2000,” “After 1999” and “After Act 10.” You may have service in one, two or all three types, depending on when and how long you have worked under the WRS.

- Employees who have “Before 2000” service have a higher formula multiplier applied to that service.
- Only employees in the elected/executive category have “After Act 10” service. A lower formula multiplier is applied to that service. If you first began employment in one of these categories **after** 2016, your normal retirement age is 65 for this service.

Your total service may be less than expected because of payroll lag time. Generally, when you retire, your employer’s final report will include all the service you have earned.

Formula Multipliers

Employment Category	Before 2000	After 1999	After Act 10
General, Teachers and Educational Support	.01765	.016	n/a
Protective with Social Security (police, prison guards, sheriffs, deputies, some firefighters)	.02165	.020	n/a
Protective without Social Security (most firefighters)	.02665	.025	n/a
Elected Officials, State Executive Retirement Plan Employees and Judges	.02165	.020	.016

Section 3 — Employee-Required Contributions

This section shows the cumulative employee-required contributions in your account and *does not* include the matching employer contributions (see Section 9 for your total account balance as of January 1, 2020).

- Employee-required contributions are a percentage of your WRS earnings reported.
- Since July 2011, most employees must pay these contributions themselves.
- Some employers may pay all or part of the employee-required contributions pursuant to a collective bargaining agreement or contract. Contact your employer if you are uncertain about your specific situation.
- Your interest rate is shown in this section.

Most contributions are made on a “pre-tax” basis and are not taxed until you terminate all WRS employment and receive a WRS benefit. However, some types of employee contributions can be made on an “after-tax” basis and are not taxed again. The non-taxable portion of your account is called your “Investment in Contract.” It is shown at the bottom of this section.

Section 4 — Additional Contributions

This section shows the balance of voluntary additional contributions that you or your employer have made to your account. You cannot withdraw these contributions until you leave all WRS employment. Additional contributions always receive the effective rate of interest.

If you received a Long-Term Disability Insurance (LTDI) benefit, your LTDI supplemental contributions are included as Core Employer Additional Contributions.

For information about taxes on additional contributions, see the [Tax Liability on WRS Benefits \(ET-4125\)](#) brochure.

Section 5 — Primary Beneficiary Designation for WRS-Required Account

A beneficiary designation controls who receives any WRS death benefit payable when you die. This includes life insurance with ETF.

- If you filed a beneficiary designation(s) with ETF in 1988 or later, your primary beneficiary(ies) will normally appear in this section.
- Changes in your personal situation like marriage, divorce or termination of a domestic partnership do not change your beneficiary designation. You must file a new designation to change your beneficiary.
- If you have never filed a beneficiary designation, or if your beneficiary(ies) are all deceased, your death benefit will be paid according to the standard sequence specified by Wis. Stat. § 40.02 (8)(a).
- You may change your beneficiaries by completing the [Beneficiary Designation \(ET-2320\)](#) form or [Beneficiary Designation-Alternate \(ET-2321\)](#) form. These forms are available at etf.wi.gov or from ETF.

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Section 6 — Separation Benefit

A separation benefit is a one time (lump-sum) payout of your employee-required contributions, plus any additional contributions (if applicable) and interest. It does not include the employer-required contributions. Taking this benefit closes your WRS account and you forfeit all your earned service as well as your rights to a “Retirement Benefit.”

You are eligible for a separation benefit if you leave all WRS employment, and you are not vested, or you apply before your minimum retirement age. Minimum retirement age is 55, or age 50 if you have some protective category service that is not purchased.

Section 7 — Death Benefit

The amount shown is the minimum death benefit payable to your beneficiary(ies). It will be paid if you die before your WRS benefit begin date. Once your retirement benefit begins, these estimated death benefits are no longer valid. Instead, your death benefit, if any, is based on the annuity option that you chose.

- The death benefit shown in the “Active” column will be paid if you die while employed in a WRS-covered position. A higher formula death benefit may be payable if you are an active WRS employee and are minimum retirement age when you die. An active employee’s beneficiary(ies) is entitled to this benefit regardless of vesting requirements.
- The death benefit shown in the “Inactive” column will be paid if you are no longer working in a WRS-covered position and you die before beginning your benefit.

See the [Death Benefits \(ET- 6101\)](#) brochure for details.

Section 8 — Formula Benefit Data

This section shows the data ETF uses to calculate your formula retirement benefit:

- Your three highest years of WRS earnings. The years do not need to be three in a row, nor your three most recent years.
- Your final average monthly earnings (FAE). Your FAE is calculated by adding the total earnings in your three highest years, dividing the total by the total service credited for those three years, then dividing the result by 12.
- Any Variable Fund excess/deficiency as of January 1, 2020.

You will see a Variable excess/deficiency amount if you participated in the Variable Fund. This amount shows the value of your account compared to the value it would have been if you had never participated in the Variable Fund. A Variable excess will increase your formula benefit. A Variable deficiency will decrease it.

For more information, see the [Variable Trust Fund \(ET-4930\)](#) brochure. You may project updates to your Variable excess or deficiency balances using the WRS Variable Excess/Deficiency Update Calculator at etf.wi.gov/calculator.htm.

Section 9 — Money Purchase Balance

Your money purchase balance is the total value of both the employee-required contributions and the matching employer contributions in your account.

- Your money purchase monthly benefit is calculated by multiplying your total account balance (including interest) by the money purchase factor for your age.
- In 2020, this balance is only available as a lump-sum retirement benefit if the monthly amount is less than \$433.

Section 10 — Retirement Benefit Projections

This section shows estimates for your retirement benefit under both the money purchase and formula methods. These are not official estimates; they are for your general information only. You may request a retirement estimate packet online at etf.wi.gov or by contacting ETF six to twelve months before you plan to retire (or before you plan to apply for benefits if you are not an active WRS employee).

- You must be vested to receive a retirement benefit.
- Your estimated payment must be at or above the 2020 minimum of \$211 to be eligible for a monthly annuity.
- If no amount is shown in this section, you may be restricted to a lump-sum payment.
- If you are older than normal retirement age for your employment category, the amounts are calculated based on your age as of January 1.

You may have to meet one of two vesting laws depending on when you first began WRS employment:

- If you first began WRS employment after 1989 and left employment before April 24, 1998, then you must have some WRS-creditable service in five calendar years or
- If you first began WRS employment on or after July 1, 2011, you must have five years of WRS-creditable service.

If neither vesting law applies, you were vested when you first began WRS employment.

If you are vested, you may receive a retirement benefit at age 55 (age 50 for protective category participants) once you leave all WRS employment. If you are not vested, you may only receive a separation benefit, regardless of your age.

If you are unable to work due to a permanent disability, call ETF immediately to request disability benefits information.

Please note, your statement does not include any account receivable amount due if you have an outstanding balance pending. Any monies owed on your account will be deducted from your WRS annuity, if not paid in full, before you apply for benefits.

Additional Information for Inactive Members

If you no longer work under the WRS, you may want to consider applying for your retirement benefit as soon as you are eligible, regardless of your employment status or income. Delaying your retirement benefit may increase your monthly payment. Calculate how long it will take to recover the monthly payments and any increases that you will give up by waiting to begin your benefit.

Additionally, if you die before you begin receiving a retirement benefit, the death benefit will be less than your total account balance because you will forfeit the matching employer contributions.

Required Minimum Distribution

Once you have terminated all WRS-covered employment, federal and state laws require you to begin receiving your WRS benefit by a certain date to avoid tax penalties. This payment includes both required and additional contributions (if applicable) and is called a “required minimum distribution.”

A required minimum distribution is based on your age and employment status. The federal Secure Act of 2019 modified the required minimum distribution deadlines.

- **You are covered by the old required minimum distribution law if your birth date is before July 1, 1949** and you are still working under the WRS.
- **You are covered by the new required minimum distribution law if your birth date is July 1, 1949 or later**, and you are still working under the WRS.

For detailed information, including the date by which you must apply for your WRS benefit, contact ETF, see the required minimum distribution information online or see the [Tax Liability on WRS Benefits \(ET-4125\)](#) brochure available at etf.wi.gov.

Required minimum distributions apply to your beneficiaries after your death. For more information, see [Information for Beneficiaries of WRS Accounts \(ET-6102\)](#).

WRS Retirement Plan Structure

- The WRS retirement plan is a qualified pension plan that satisfies requirements of the Internal Revenue Code (IRC).
- The WRS retirement plan is subject to Section 401(a). It is not a 401(k) plan.
- The WRS retirement plan is a defined benefit plan with a variable investment option.
- Interest is only credited to your account each December 31. No interest is credited on a daily, monthly or quarterly basis, except that prorated interest may be credited for a partial year when WRS benefits are paid.
- **You cannot take a loan against your account.**



Contact the Department of Employee Trust Funds

Visit us Online at etf.wi.gov

Find Wisconsin Retirement System benefits information, forms and publications, benefit calculators, educational offerings, email and other online resources.

Online Calculator

To get an estimate of your potential retirement benefits, follow the instructions to use ETF's retirement benefits calculator at etf.wi.gov/calculator.htm. ETF encourages members to use this valuable tool for retirement planning. This calculator uses only the information that you enter; it is not connected to your WRS account. There is no risk of anyone accessing your confidential data through this calculator.

Appointments

Although you may continue to drop off completed forms in person at ETF's office, you must call us to schedule an appointment to meet with a benefits specialist. There are three options available to you:

1. Small group retirement appointments are held throughout the state. Visit the Member Education section online at etf.wi.gov to view upcoming events in your region.
2. Individual appointments are available in Madison.
3. Individual online retirement appointments allow you to meet face-to-face with a benefits specialist without traveling. These secure, online appointments are convenient, personalized and easy, using GoToMeeting technology. All you need is a computer, your telephone and an internet connection.

Request Benefit Information

To request benefit information, complete the [Benefit Information Request \(ET-7301\)](#) form, available at etf.wi.gov, and return to ETF.

Name and Address Change

Once your WRS employment ends, notify ETF of all name and address changes. This will ensure that you receive annual statements and other information from ETF. Failure to notify ETF may result in forfeiture of your WRS account.

To change your address, complete and return the [Address/Name Change \(ET-2815\)](#) form to ETF, call ETF at 1-877-533-5020 or send a secure email at etf.wi.gov in the Contact Us section.

Return Forms to:

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

Call ETF

7:00 am to 5:00 p.m.,
Monday through Friday (except holidays)
1-877-533-5020
Wisconsin Relay: 711