



Explanation of Annual Statement of Benefits

Wisconsin Retirement System Account Information

As of January 1, 2018

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 send ETF your request for a correction in writing.

Please review information on Page 3 regarding Required Minimum Distributions.

Keep This Explanation With Your Statement For Future Reference

Section 1 — 2017 Earnings and Service

Your employer reports your pay 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 service and pay for the 2016/17 fiscal year (July 1, 2016 to June 30, 2017) and for the first half of the 2017/18 fiscal year (July 1, 2017 to December 31, 2017).
- A maximum of 1.0 year of service is creditable for each annual reporting period.

Section 2 — Years of Creditable Service as of 1/1/2018

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’ve earned.

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 registered 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.

Formula Multipliers			
Employment Category	Before 2000	After 1999	After Act 10
General, Teachers and Educational Support	.01765	.016	
Protective with Social Security (police, prison guards, sheriffs, deputies, some firefighters)	.02165	.020	
Protective without Social Security (most firefighters)	.02665	.025	
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, 2018).

- Employee-required contributions are a percentage of your gross pay.
- 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 annuity, referred to as your “Investment in Contract,” is shown at the bottom of this section.

Section 4 — Additional Contributions

This section shows the balance of 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.

Section 5 — Primary Beneficiary Designation for WRS Required Account

A beneficiary designation controls who receives a death benefit if you die before you begin your retirement benefit.

- If you filed a beneficiary designation 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 distributed according to the standard sequence specified by Wis. Stat. § 40.02 (8)(a).
- You may change or add 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 by request from ETF.

Section 6 — Separation Benefit

A separation benefit is a payout of your employee-required contributions, plus any additional contributions (if applicable) and interest. It does not include the employer-required contributions. A separation benefit closes your WRS account. If you are vested and take a separation benefit, you forfeit all rights to a retirement benefit based on the employer contributions and your WRS service earned before the separation benefit.

You are eligible for a lump sum 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 age 55, or age 50 if you have some protective category service that is not purchased forfeited service.

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.

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 you apply for your WRS benefit. Once you are an annuitant, these estimated death benefits are no longer valid. Instead, your death benefit, if any, is based on the annuity option that you selected.

- 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 have not yet received a WRS benefit when you die.

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 consecutive 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, 2018.

You will see a Variable excess/deficiency amount if you participated in the Variable Fund. This amount illustrates 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 *How Participation in the Variable Trust Fund Affects Your WRS Benefits (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 balance and the matching employer contributions in your account.

- Your money purchase benefit is calculated by multiplying your total account balance (including interest) by the money purchase factor for your age.
- In 2018, this balance is only available as a lump sum retirement benefit if the monthly amount is less than \$405.

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 2018 minimum of \$198 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.

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 annuity. However, you should also consider how long it will take to recover the monthly payments and any annual increases that will be lost by waiting to begin receiving a 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 Distributions

Once you have terminated all WRS-covered employment, federal and state laws require you to begin receiving your WRS benefit (required and additional contributions, if applicable) by a certain date to avoid tax penalties. This is called “minimum required distribution.” For more information, see the *Tax Liability on WRS Benefits (ET-4125)* brochure.

Important deadlines:

- If you are no longer working for a WRS employer, you must apply for benefits from your WRS account before December 31 of the year in which you reach age 69½.
- If you are still working for a WRS employer when you reach age 69½, you must apply for benefits within 30 days after terminating WRS employment.
- If you have not applied for your WRS benefit by the required beginning date, ETF must make an automatic distribution in the year you reach age 70½. This could result in a significant tax consequence, an effective date, or type of payment that you do not want.

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 project your potential retirement benefits, follow the instructions to use ETF's retirement benefit 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.

Complete and return the [Address/Name Change \(ET-2815\)](#) form, available at etf.wi.gov. You may also change your address by calling 1-877-533-5020 or by sending 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 (toll free)
608-266-3285 (local Madison)

Wisconsin Relay: 711