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Wisconsin Department
of Employee Trust Funds

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

1994 Audited Financial Data,
Program Data, Legislation
and Accomplishments

Wisconsin Department of Employee Trust Funds

201 East Washington Avenue
Madison, WI 53702

199
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1994 Comprehensive Annual Financial Report

Stephen R. Tatarsky, ETF Editor
Walter Zekanoski, Graphic Designer, WISCOMP

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ET-8501 (REV. 12/95)



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric Stanchfield
Secretary

201 East Washington Avenue
P.O. Box 7931
Madison, Wisconsin 53707

February, 1996

Governor Tommy Thompson,
Members of the State Legislature,
Public Employers and Other Interested Parties:

I am pleased to present you with the 1994 Comprehensive Annual Financial Report of the Wisconsin Department of Employee Trust Funds (ETF). We continue to strive, with the Legislative Audit Bureau, to improve the timeliness of these reports. This has been one of our main objectives over the past few years, and the 1994 Report is the third one we have published since November 1994.

This year's report is a milestone for ETF, the Wisconsin Retirement System (WRS) and residents of the state. We, for the first time, topped the \$1 billion a year mark in distribution of retirement annuity payments to more than 86,000 annuitants. There are only a handful of public employe retirement systems in the United States which serve more retired individuals than we do in Wisconsin. In 1994 we also passed the 400,000 mark in total WRS participants, including active employes of the State of Wisconsin, municipalities, counties, public school districts, the University of Wisconsin System, and a variety of other local governments.

ETF manages the public employe retirement program and a number of other fringe benefit programs. The narrative summary of ETF's programs is found in the Introduction of this report. This year's report highlights the Group Life Insurance Program, which is our largest non-retirement fringe benefit offering. At the end of 1994, we served 137,788 active and retired employes with various life insurance plans. The total amount of life insurance in force for all participants has increased in the last ten years from \$3.5 billion to \$7.1 billion as of December 31, 1994.

The 1994 report contains audited financial data and statistical material, the actuarial report and other related data. To meet the state's requirement for publication of a biennial or annual report we also include material on our objectives, accomplishments, legislation affecting our programs and other information. This provides you with an ongoing record of our program and financial situation.

Your comments would be appreciated and can be directed to me at (608) 266-1071 or to Sandy Drew, our Director of Legislation and Planning, at (608) 267-2929.

Sincerely,

Eric O. Stanchfield

Eric O. Stanchfield
Secretary

1994 Contents

1. Introduction	
Overview	2
Program Highlights	6
Board Members and Detailed Board Functions	12
Department Organization	16
Legislation	18
Accomplishments	18
Objectives 1993–1995	20
2. Finances	
Independent Auditor's Report	26
1994 Combined Financial Statements	28
Notes on Combined Financial Statements	32
Required Supplementary Information	49
Combining Financial Statements	53
3. Statistics	
Retirement	68
Health Insurance	73
Life Insurance	75
Income Continuation Insurance	77
Employee Reimbursement Accounts	78
Deferred Compensation Program	79
4. Actuarial	
Balance Sheet and Methods and Assumptions	83
Changes in Number of Annuitants	90
5. Investments and Administrative Expenses	
State of Wisconsin Investment Board	92
Fixed and Variable Trusts	93
Investment Earnings Rates	94
Employee Trust Funds Administrative Expenses	95
6. Employers and Prior Service Balance	
State of Wisconsin	98
Cities	99
Villages	100
Towns	101
Counties	102
School Districts	102
Vocational/Technical Schools	105
Miscellaneous Public Employers	105

199

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Introduction

1994 Overview

In 1994 the Wisconsin Department of Employee Trust Funds broke the billion dollar barrier for annual benefits paid to retirees and survivors, a milestone of historical significance for Wisconsin public pension systems. The total disbursements for the year were \$1,009,000,000, about \$93.6 million over the 1993 audited total. This amount is important because it not only reflects the continuing growth of the retirement system managed by Employee Trust Funds (ETF), but also the contribution that public employees and their employers make to the economy of the State of Wisconsin through the Wisconsin Retirement System.

Other highlights of the year are detailed in this introduction and in other sections of the report. Some of the key ones are:

- △ The number of WRS participants passed the 400,000 level in 1994. At the end of 1994, ETF served 233,666 active employees working for 1,182 employers (with state agencies and the university system counted as 61 separate employing units); 86,214 retirees and others receiving annuities and 81,962 “inactives”—those former WRS participants who have left public service but have not yet taken a benefit from their retirement accounts.
- △ The total payroll for the more than 230,000 actively employed WRS participants at all levels continued its

climb in 1994, reaching \$7.1 billion for 1994, up from \$6.9 billion the previous year. The earnings of active employees has a direct relationship to the future retirement benefits for which these individuals will be eligible. (See the statistical section for more detail.)

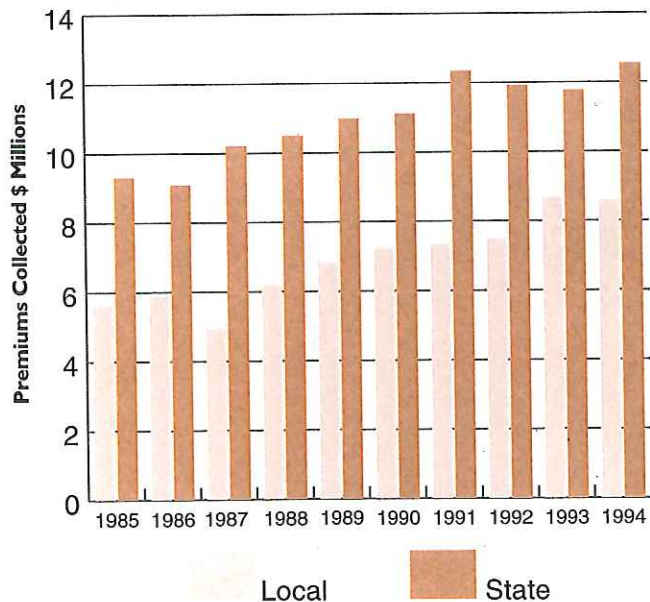
- △ The various fringe benefit programs offered to State of Wisconsin employees, and employees of local units of government who choose to participate, continued their steady growth in 1994. Wisconsin is one of the few states to have a merged retirement system in which the vast majority of public employees—state, university, municipal, county, public school district, vocational school and police and fire systems—are covered by a single system. Employee Trust Funds also is unusual among public retirement agencies because it offers state and local employees a broad range of fringe benefit plans as well. Other states offer such plans, but often provide them separately from their retirement programs. ETF administered fringe benefits include group health insurance, income continuation insurance, disability insurance, deferred compensation and employee reimbursement account programs and the group life insurance program, which is the special feature of this year's Comprehensive Annual Financial Report.

GROUP LIFE INSURANCE IS ETF'S LARGEST FRINGE BENEFIT PROGRAM

The Wisconsin Public Employers Group Life Insurance Program administered by ETF serves more participants than any of its other benefit programs. A total of 137,788 active and retired state and local employees were purchasing life insurance at the end of 1994.

The group plan for life insurance was first established by the Legislature in 1958 for state employees. In 1960 it was opened to local units of government that choose to offer some or all insurance features to their employees. Just over two-thirds of all state employees (46,150) were insured under the program in 1994. At the end of 1994, 536 local employers participated, about half of all local employers. They offer life insurance coverage to 40% of all local WRS employees. In addition, nearly 25,000 retired state and local employees qualified for premium-free post-age 65 coverage.

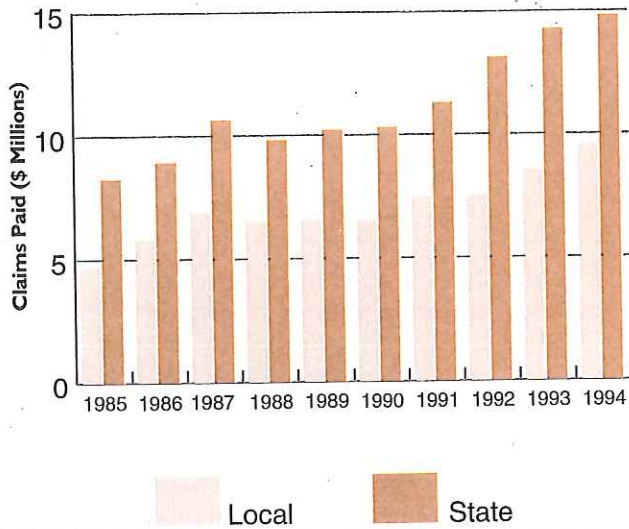
Life Insurance Premiums Collected



Several important changes and additions were approved in 1994:

1. ETF staff and the insurer, Minnesota Mutual Life Insurance Company, worked together to implement a statutory change which permits retirees to convert their life insurance to pay health insurance premiums. This option became available on January 1, 1995.
2. Program finances for the state and local plans have always been accounted for separately, but historically plan managers have attempted to maintain consistent premium rates in the two plans. Because the experience of the two groups is quite different, this effort resulted in some premium distortions on both sides. In 1994, the Group Insurance Board (GIB) accepted ETF's recommendation to separate the claims experience in the two plans for purposes of premium-setting. Premiums for the three levels of coverage in each plan became more uniform, and thus simpler and more attractive to employees. The Board also approved modifications in the formula for state contributions to the state group life program.
3. In November 1994, the GIB authorized a survey of local government employees and employers regarding their satisfaction with the life insurance program. The survey results will be summarized in the ETF 1995 Comprehensive Annual Financial Report. We hope to respond to perceived employer and employee needs with new ideas for program enhancements.

Life Insurance Paid Claims



At its inception the program offered life insurance coverage equal to the employee's annual earnings rounded to the next higher thousand (the "basic" plan). Eligible employees were insured through a system of "negative enrollment" in which coverage and premium deductions were automatic unless formally waived. Employees who retired at age 65 or with 25 years of service permanently retained 25% of their previous coverage amount. Employees who became disabled were eligible for a temporary or permanent waiver of premiums.

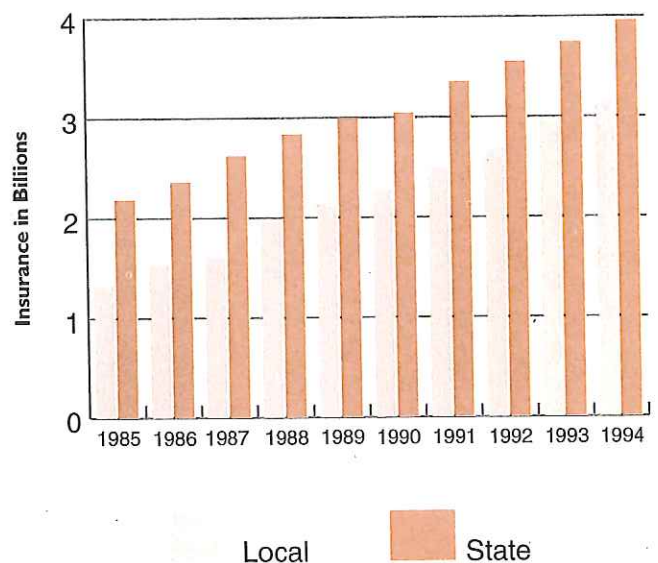
Since 1974, available coverage options increased to two times, then to three times earnings (the "supplemental" and "additional" plans). Accidental Death and Dismemberment benefits were added in 1969, and an Over-Age-70 plan for active employees in 1990. In 1983, at the direction of the GIB, the program changed to a system of positive enrollment, which requires employees who want coverage to file an application. In 1990, statutory changes significantly liberalized the eligibility criteria to keep group life insurance coverage after retirement.

Beginning in 1981, the program offered optional coverage for the employee's spouse and dependent children. Spouse and Dependent coverage is a popular and inexpensive feature. In 1994, state employees could obtain \$20,000 in spousal coverage and \$10,000 for each dependent child for a flat monthly premium of \$4. Local employees could obtain \$15,000 for a spouse and \$7,500 for each child.

Beginning in September 1992, insured employees, retirees, spouses, and dependents became eligible to receive all or part of their insurance coverage as a "Living Benefit." Living Benefits can provide extra income for persons who are terminally ill or who are permanently confined to a nursing home. Recipients do not incur a charge or penalty for this benefit. In 1994, eight active employees and four retirees received a total of \$274,500 in these benefits.

Plan enhancements have been accompanied by frequent premium reductions over the last 35 years. The 1957 statute authorizing the program capped the employee's premium at \$0.60 per month per thousand dollars of cover-

Life Insurance in Force



age; employers paid the difference between the employee premium and the true cost of the insurance. Premiums in the early 1960s were \$0.50 per thousand for members under age 40, and \$0.60 for all others. Employers paid \$0.35 for each dollar paid by employees. By 1994, employees under age 40 paid \$0.08 or less for Basic coverage; the \$0.60 maximum was reached only by employees age 60 or older. Most local employers paid \$0.20 for each dollar paid by employees; the state and a few local employers paid \$0.50 in return for an increased post-retirement benefit. Average coverage amount has increased as state and local public employees' average annual earnings increased.

The decline in premiums and increase in benefits was made possible by several factors. Plan reserves, non-existent when the program began, had grown to \$308 million in 1994. A steady improvement in life expectancy among insured employees and retirees means that an increasing share of the total benefit is funded from investment earnings on the reserves. Expanding numbers of participants, due primarily to new local employers taking part, spread plan risks among a broader population. The program now is able to set premiums equal to anticipated claims and administrative costs each year, so that the planned-for loss ratio is 100%.

Program oversight and coordination of insurance with WRS records is provided by ETF under the direction of the

Group Insurance Board. Minnesota Mutual insures the program, invests plan assets, and administers claims payments under contract with the Board. The contract is periodically rebid.

Future projects for group life insurance include more comprehensive sharing of electronic data between ETF and the insurer. Insurance amounts are based on WRS earnings and eligibility for coverage depends on the employee's status in the WRS. This detailed information has been gathered from each employer manually for many years. Computerized information exchange will significantly increase efficiency and accuracy in the program and reduce the paperwork required of participating employers.

The graphic material about life insurance shows the growth of the program in respect to total premiums collected, billions of dollars of life insurance in force, and claims paid during the last ten years. Premiums collected from state and local employees and employers increased from \$14.9 million in 1985 to \$20.9 million in 1994. The amount of life insurance in force for all participants increased from \$3.5 billion in 1985 to \$7.1 billion in 1994. Life insurance claims paid totaled \$10.1 million in 1985 and \$19.2 million in 1994. (These figures are from both bars added together in this section's bar charts.) Further details can be found in the Notes on the Combined Financial Statements, and in the Statistics section on pages 75 and 76.

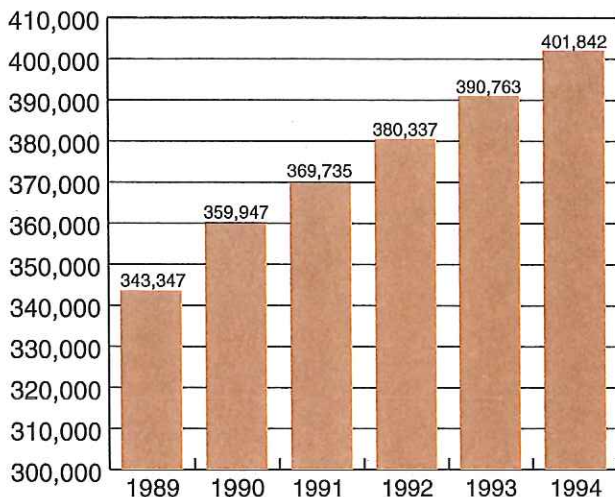
1994 Program Highlights

RETIREMENT:

Public employers and employees contributed \$936 million in 1994 to the WRS to support future benefits, an increase of about \$41 million from the previous year. The system's 1,182 public employers contributed \$561 million as the employer's required share of future benefits. The amount contributed directly by employees, or, by mutual agreement, by employers on behalf of their workers, totaled \$375 million in 1994. This was an increase of 4.7% from 1993.

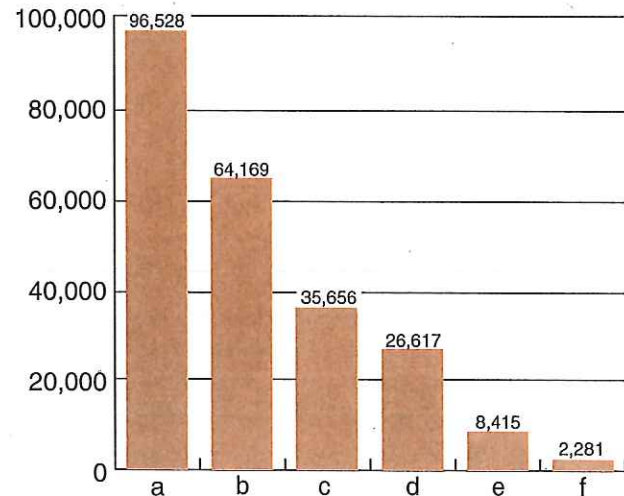
△ The number of WRS participants totaled 401,842 at the end of 1994, up 2.8% over the previous year. Participants include 233,666 active government employees, 86,214 retirees and others receiving annuities, and 81,962 "inactives," or former public employees who had not yet taken a benefit from their retirement accounts.

1989-1994 WRS Participation



The number of active participants in the WRS continues to increase. The 233,666 active employees covered by the WRS at the end of 1994 was a 1.9% increase from the 229,360 the previous year. About 28% are state employees including the university system and 72% are local employees. Participation by type of employment was:

Active Participants by Employee Type, 12/31/94



a - Local School Districts
b - State Government
c - County Government
d - Cities, Villages and Towns
e - Vocational Districts
f - Special Districts*

* Housing Authorities, Sewerage Districts, Regional Planning Commissions, etc.

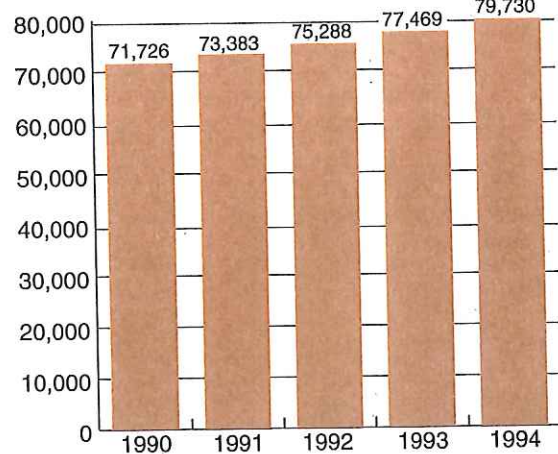
△ One of the most important functions of the Department of Employee Trust Funds is to provide retirees with their annuity payments at the same time every month. Given that so many people depend on these payments for their livelihood, this is a major ETF priority. The vast majority of WRS retirees still live in Wisconsin, so these payments are a major part of the state's economy.

In 1994, ETF passed the billion dollar mark for the first time in history in annual benefits to retired persons and disabled retirees or survivors of WRS participants. The total was one billion, nine million dollars. The total of annuity payments for 1994 was \$93.6 million (10.2%) more than 1993's audited \$915.5 million total. ETF also provides separation payments to employees leaving public service prior to retirement. The 1994 separation benefits totaled \$24.0 million, down \$0.2 million from the previous year. Separation benefits are paid participants who leave public employment and decide to withdraw their portion of their retirement account prior to retirement age. Over the past few years, the amount being withdrawn from the trust funds in this type of payment has been decreasing.

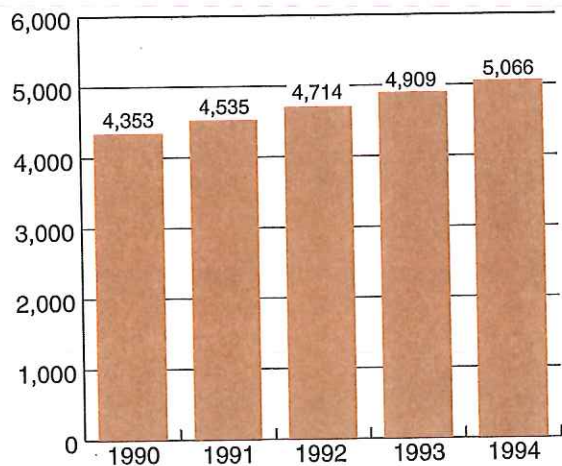
△ The number of persons receiving retirement, disability and beneficiary annuities at the end of 1994 was 86,214, an increase of 2,378 (2.8%) over 1993. The three-part chart on this page shows how the number of annuitants has increased over the past five years, from 77,666 at the end of 1990 to the three-part total of 86,214 at the end of 1994. (79,730 + 5,066 + 1,418). It also shows the type of annuitant. "Disability" means persons who had to retire because of injury or illness and were eligible for a monthly annuity. "Beneficiary" means persons previously selected by a WRS participant who is now deceased to receive payments from the deceased's account.

The average annual annuity received by all WRS retirees in 1994 (fixed and variable combined) was \$11,910, up \$872 (7.9%) from the previous year. The average annual benefit has been increasing through the years. Some individuals have more than one annuity, so the total number of annuities is higher than the number of people provided annuities by ETF each year.

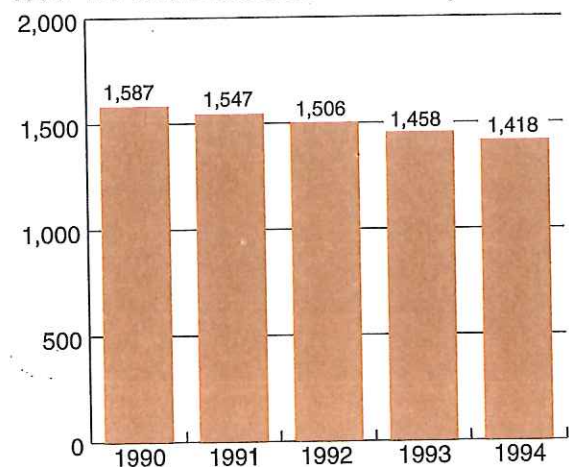
1990-1994 Annuities Paid-Retirement



1990-1994 Annuities Paid-Disability

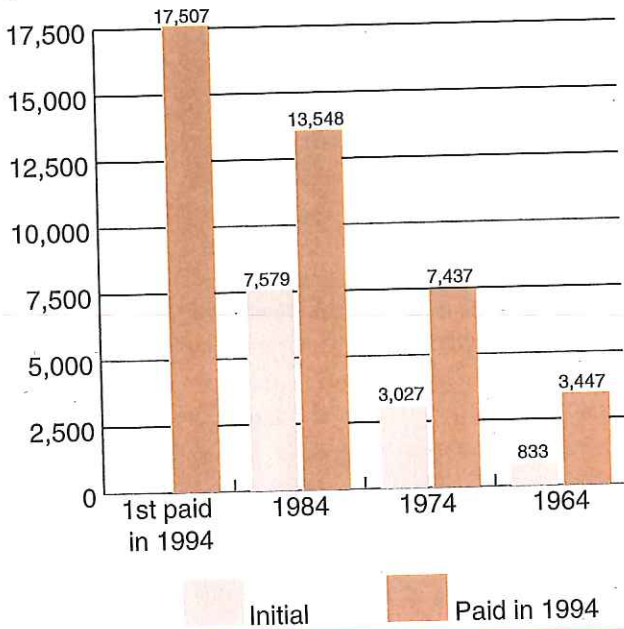


1990-1994 Annuities Paid-Beneficiary



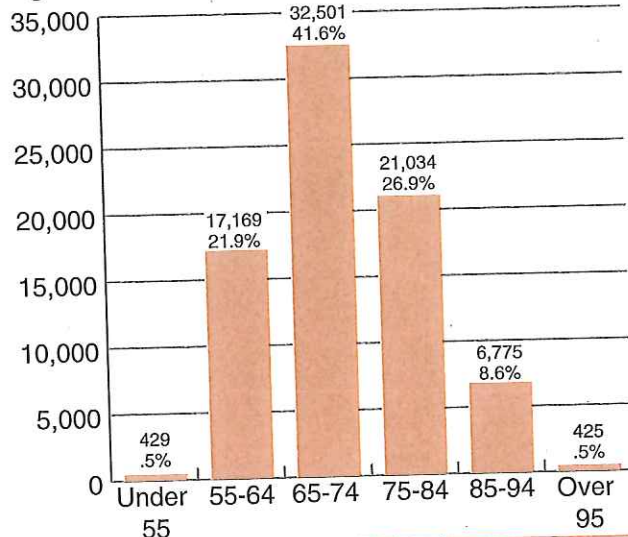
△ For those who retired in 1994, the average annuity was \$17,507, about \$1,700 more than the previous year's average. The chart below shows the average annuity received in 1994 by persons who retired 10, 20 and 30 years ago.

Growth in Average Annual Retirement Benefit (Initial Amount and \$ Value by 1994)



△ Another important characteristic is the age of those who are retired. The chart below shows the distribution of ages for all those receiving retire-

Age Distribution—All Retirees (through 12/31/94)

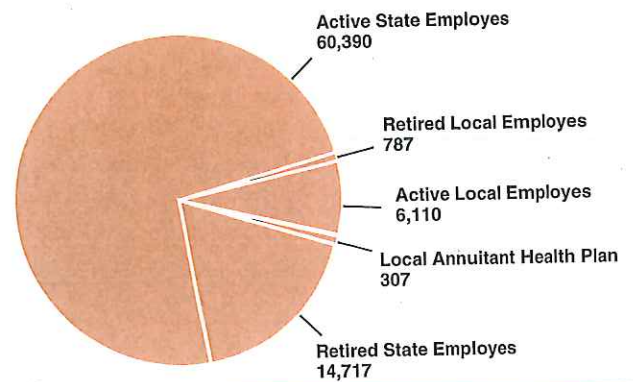


ment benefits from the system at the end of 1994. Only 429 individuals under the age of 55 are receiving benefits. At the other end of the age scale, Wisconsin retirees have great longevity with 7,200 individuals over the age of 85 still drawing their monthly benefits.

BENEFITS:

△ **GROUP HEALTH INSURANCE** covered 60,390 active and 14,717 retired state of Wisconsin employees at the end of 1994, about 185,000 persons when all covered dependents are counted. Total annual health insurance premiums paid by the state for these participants was \$306 million. In the local

Group Health Insurance, Employees Covered All Plans 12/31/94



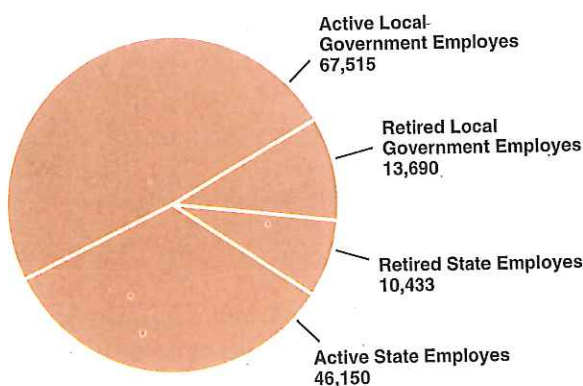
employer group health insurance program there were another 6,100 active and 787 retired participants. With dependents, the total number covered was about 17,000. Annual premium was \$28 million. At the end of 1994, there were 131 local employers participating. An additional program provided group health coverage to 307 retirees from local governments in the Local Annuitant Health Plan.

The health insurance plans offered by ETF provide employe health insurance coverage in all Wisconsin counties, with over one-fourth of participants residing in Dane County. Participants are offered a choice of at least two or more competing plans. All plans are required to be "substantially equivalent" to the Standard Plan—which is the traditional fee for service plan. The Standard Plan has a high benefit level which was ranked first among the 50 state employe plans in a recent evaluation by the Martin E. Segal Company.

Prior to the 1983 initiative to create managed care, approximately 82% of employes were enrolled in a standard indemnity plan offered statewide with the remainder enrolled in eight available HMOs. When the new system started, 16 HMOs became available and over 60% of active employes chose HMO coverage compared to only 18% previously. The number of plans offered has increased, and currently more than 85% of all state employes are enrolled in alternative plans. The remaining 15% participate in the two fee-for-service standard plans offered.

▲ **THE BASIC GROUP LIFE INSURANCE** plan covered 137,788 individuals at the end of 1994, a 2.7% increase in coverage over the previ-

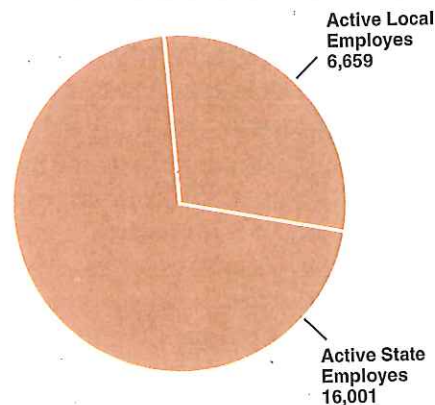
Group Life Insurance, Employees Covered All Plans 12/31/94



ous year. Basic life insurance covered 46,150 active state employes and 67,515 active local employes working for 536 local employers who chose to participate. In addition, 10,433 retired state and 13,690 retired local employes participate in the basic life plan. Many of these employes also have life insurance under supplemental, additional and spouse and dependent plans. At the end of the year, there was \$7.1 billion worth of life insurance coverage in force for all participants in all plans, up considerably from the \$5.7 billion the previous year.

▲ **THE WISCONSIN DEFERRED COMPENSATION (WDC) PROGRAM** had a substantial participation increase of 10.1% during 1994. There were 16,001 state employes and 6,659 local employes who set aside a portion of their earnings on a

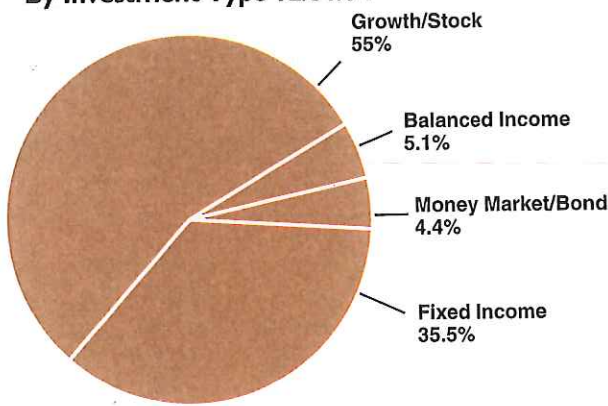
Deferred Compensation Total Participation 12/31/94



tax-deferred basis. Forty-six additional local employers came into the program in 1994, bringing the total to 381 local participating employers. Participants deferred \$46.7 million of their 1994 earnings, up \$4.6 million from the previous year. WDC assets totaled \$357.5 million at the

end of 1994, a 10.8% increase over last year's assets. The program allows employees to defer part of their compensation and have the amounts invested in choices which include two fixed income options and eight mutual funds with varying degrees of investment risk. Participants may defer earnings to as many investment options as they choose.

**Deferred Compensation
By Investment Type 12/31/94**



△ **THE EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM** At the end of 1994 ERA had 6,073 participants, an increase of 8.3% over 1993 participation. Employees created 1,550 dependent care accounts and 5,128 medical expense accounts. ERA 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. Total salary reductions were \$9.9 million (\$5.8 million for dependent care and \$4.1 million for medical), an increase of 12.3% over 1993 reductions of \$8.8 million. Reductions in FICA tax from this program saved the state an estimated \$1.78 million in 1994, with combined FICA and income tax savings of \$6.4 million realized by participants.

△ **INCOME CONTINUATION INSURANCE** was provided to 48,383 state employees and 2,800 local government employees as a supplemental benefit to cover income in case of short- or long-term disability. State government and 60 local governments participate in the program, a self-insured plan with claims administration through a third party administrator.

EMPLOYERS

At the end of 1994 there were 1,182 employers in the Wisconsin Retirement System. This includes state agencies and the university system (61 employers) and 1,121 local government employers. (See list of employers in the last section of this report.) Fourteen new local employers were added to the WRS in 1994. Three school districts also agreed to cover their other employees besides teachers in 1994. In total, these changes added 155 new employees to the WRS.

State law mandates WRS coverage for all eligible employees of the State of Wisconsin including the university system, all counties except Milwaukee, all public and vocational school teachers, city police officers and municipal firefighters except Milwaukee, and non-teaching employees of a new school district under special circumstances involving merger or consolidation of school districts. Also having mandated coverage, if required by law prior to March 31, 1978, are police officers in villages with more than 5,000 residents and firefighters in villages with more than 5,500 residents.

Most Wisconsin cities, most school districts and many villages have elected, however, to cover all their workers, not just mandated police, fire and teacher employees.

Sources for the number of governments listed below are the *Wisconsin*

Blue Book, published by the Legislative Reference Bureau, and the League of Wisconsin Municipalities.

- △ At the end of the year, 152 cities covered all their employees and 35 covered their police and fire employees under the WRS. Milwaukee is not included because it has had a separate retirement/benefit system for many years. (The list of employers includes the old Town of Lake which was annexed into the city of Milwaukee many years ago.)
- △ All 71 counties, outside of Milwaukee County, participate.
- △ Of 395 villages in Wisconsin, 157 now cover either all their municipal employees or their police and fire employees. Added in 1994 were the villages of Cochrane, Dressler, Lomira, Mount Horeb, Newburg and Randolph.
- △ Of the 1,265 town governments in the state, only 118 cover their employees through the WRS, but most of the larger, more urbanized townships in Wisconsin do provide coverage. Small townships may not have any fulltime employees. Added in 1994 were the towns of Farmington, Greenville and LaPointe.
- △ A total of 427 school districts and 12 Cooperative Educational Service

Agencies (regional units that provide some joint services) cover their teachers/administrators, and a large number also cover their office, cafeteria, maintenance and other employees under the WRS. Three districts expanded coverage to their other employees in 1994: Dover, Hustisford and Merton.

- △ All 16 local Vocational, Technical and Adult Education districts cover their teachers and most cover their other employees as well.
- △ There now are 133 special districts and units of government in Wisconsin which are counted as separate employers and cover their employees. Included, among others, are city and county housing authorities, sewerage and sanitary districts, library and health districts and regional planning commissions. The exact number of all such districts in Wisconsin is not available. Three such employers were added in 1994: Everest Metro Police Commission, Lake Ripley Management District and the Mercer Sanitary District.

Although the exact total of all public employees in Wisconsin is difficult to determine because of differences between "full time equivalent" positions and part-time employment, it is estimated that approximately 90% of all state and local public employees are participants in the Wisconsin Retirement System.

1994

ETF Boards and Agency Organization

DETAILED BOARD FUNCTIONS AND MEMBERS:

There were 40 individual Wisconsin citizens who served on one or more of the five Boards served by the Department of Employee Trust Funds at the end of 1994. This section explains how members are appointed or elected, shows how membership overlaps, and provides information on the individual Board members. Members of the Boards of Trustees represent a variety of geographic areas and are chosen, under state statutes, in a variety of ways. Some members are direct appointees of the incumbent Governor, others are appointed to fixed terms from lists submitted to the Governor by specified organizations, and still others are directly elected by active participants or retirees.

The members and officers of each board are listed, along with a short explanation of each board's responsibility:

EMPLOYEE TRUST FUNDS BOARD (12 members)

This board sets policy for the Department of Employee Trust Funds (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 the benefit programs, except group insurance and deferred compensation. Membership criteria is set by

state law, with some members appointed by the Teachers Retirement Board (TRB) and the Wisconsin Retirement Board (WRB). In 1993 a new seat on the board was created under state law, allowing retirees to elect a trustee for the first time.

Members, how they are chosen for the ETF Board, and their original source of appointment or election are:

BOARD MEMBERS (as of 12/31/94)

Chair: **Marilyn J. Wigdahl**, Accountant, UW-LaCrosse, appointed by Wisconsin Retirement Board; WRB member appointed by the Governor as a participating state employee.

Vice-Chair: **Mark H. Stone**, Superintendent of Schools, Little Chute Area District, DePere, appointed by Teachers Retirement Board; TRB member appointed by the Governor as a public school administrator who is not a classroom teacher.

Secretary: **Kenneth F. Stelzig**, Vocational school teacher, Eau Claire; appointed by Teachers Retirement Board; elected to TRB by vocational school teachers.

Others:

Paul C. Adamski, Finance Director, City of Stevens Point, appointed by Wisconsin Retirement Board; WRB

member appointed by Governor as a chief executive or finance officer from a participating city or village. (now President, State Bank of Rosholt.)

Constance P. Beck, President, C.P. Beck Consulting, Milwaukee, Governor's appointee as a public member who is NOT a participant in or beneficiary of the WRS. The appointee must have substantial actuarial, employe benefit or insurance experience.

John L. Brown, County Clerk, Washburn County, Spooner, appointed by the Wisconsin Retirement Board; WRB member appointed by the Governor as a participating county or town board member from a list submitted by the Wisconsin Counties Association.

Gale F. Dushack, Deputy Comptroller, City of Madison, appointed by Wisconsin Retirement Board; WRB member appointed by Governor as an employe of a participating city or village.

Stephen H. Frankel, ex-officio, Managing Actuary, Northwestern Mutual Life Insurance, Milwaukee. Governor's designee on the Group Insurance Board. (Governor's appointee)

Jon Litscher, ex-officio, Secretary of Wisconsin Department of Employment Relations, Madison,

Robert M. Niendorf, Professor of Finance, College of Business Administration, University of Wisconsin-Oshkosh; appointed by Teachers Retirement Board; TRB member appointed by Governor as a UW teacher participant in the WRS.

Otto H. Schultz, retired Superintendent of the Mishicot (Manitowoc County) school district; elected by retirees.

Richard J. Wesley, Milwaukee public school teacher, appointed by Teachers Retirement Board; elected to TRB by Milwaukee teachers.

WISCONSIN RETIREMENT BOARD (9 Members)

The Wisconsin Retirement 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. It appoints four members to the ETF Board and one to the State of Wisconsin Investment Board.

BOARD MEMBERS (as of 12/31/94)

Chair: **Marilyn J. Wigdahl**, LaCrosse, state employe appointed by the Governor. (See ETF Board)

Vice-Chair: **John L. Brown**, County Clerk, Washburn County, Spooner; Must be from a county different from other county appointees. (See ETF Board)

Secretary: **C. F. Saylor**, County Board Chairman, Juneau County, Necedah, appointed by the Governor as an employe of a participating local employer, other than a city or village, and from a different county than other appointees.

Others:

Virginia O. Smith, Mayor of Chippewa Falls; Governor's appointee from a

list of city or village chief executives supplied by the League of Wisconsin Municipalities.

Theodore H. Bauer, Finance Director, City of Neenah; appointed by the Governor as a local financial officer.

David L. Heineck, Life and Health Actuary, Office of the Commissioner of Insurance, Madison, designated by the Commissioner as an experienced actuary.

Donna Jarvis, Executive vice president/CEO, U.S. Counseling Services, Inc. Brookfield; appointed by the Governor as a public member who is not a participant or beneficiary of the WRS.

Wayne E. Koessl, Government Affairs Representative, Wisconsin Electric Power Co., Kenosha, and member Kenosha County Board of Supervisors; appointed by Governor from a list submitted by the Wisconsin Counties Association.

Donald S. Marx, Real Estate Manager, City of Madison, appointed by Governor from a city or village. Must be from a different municipality and county than other appointees to this board.

TEACHERS RETIREMENT BOARD (13 members)

Advises ETF Board on retirement and other benefit matters involving public school, vocational, 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 directly elected.

BOARD MEMBERS (as of 12/31/94)

Chair: Kenneth J. Stelzig, Eau Claire; elected by vocational school teachers. (See ETF Board)

Vice-Chair: John F. Walsh, Jr., Biology Teacher, Cumberland Public Schools; elected by public school teachers.

Secretary: Melvin Pinsker, Social Sciences Teacher, Greenfield High School, elected by public school teachers.

Others:

Lauri R. Bickel, teacher in the Eau Claire School District, elected by public school teachers.

Theodore Bratanow, Engineering Mechanics Faculty, University of Wisconsin-Milwaukee; appointed by the Governor as a UW faculty member. Must be from a different campus than the other UW representative.

Donald T. Ganther, teacher in the Chippewa Falls School District; elected by public school teachers.

George H. Hahner, retired teacher from the Racine School District, elected by retired school teachers.

Marvin L. Hopland, District Administrator and elementary principal, Oostburg public schools, appointed by the Governor as a public school administrator who is not a classroom teacher.

Wayne D. McCaffery, economics teacher, Stevens Point High School District; elected by public school teachers.

Nancy Mistele, member of the Madison School District Board, appointed by the Governor as a school board member.

Robert M. Niendorf, Professor of Finance, College of Business Administration, University of Wisconsin-Oshkosh; appointed by the Governor as a UW faculty member. (See ETF Board)

Gerald E. Pahl, Oostburg, science teacher, Sheboygan North High School, elected by public school teachers.

Richard J. Wesley, Milwaukee public school teacher; elected by Milwaukee school teachers. (See ETF Board)

GROUP INSURANCE BOARD (10 members)

This board sets policy and oversees administration of the group health, life insurance, and Income Continuation Insurance plans for state employees and the group health and life insurance plans for local employers who choose to offer these benefits. The Board also can provide other insurance plans, if employees pay the entire premium.

BOARD MEMBERS (as of 12/31/94)

Chair: **Stephen H. Frankel**, Milwaukee; appointed as the Governor's Designee. (See ETF Board)

Vice-Chair: **Randy A. Blumer**, Assistant Deputy Commissioner of Insurance, Office of the State Commissioner of Insurance; designee of the commissioner.

Secretary: **Wayne K. Potter**, Guidance

Counselor, New Lisbon School District; appointed by the Governor as an insured teacher participant in the WRS.

Others:

Robert A. Alesch, former senior personnel officer, University of Wisconsin System; appointed by the Governor as a retired, insured employee.

Martin Beil, Executive Director, American Federation of State, County and Municipal Employees Union, Council 24; appointed by the Governor as an insured member of the retirement system who is not a teacher.

Burneatta Bridge, Deputy Attorney General, for Wisconsin, Madison; appointed as the Attorney General's designee.

George F. Lightbourn, Executive Assistant, Wisconsin Department of Administration (DOA); designee of the DOA Secretary.

Jon Litscher, Secretary of Wisconsin Department of Employment Relations, appointed by the Governor. (See ETF Board)

Kenneth J. Merkel, Brookfield, appointed by the Governor to a seat with no membership requirements.

C. F. Saylor, Necedah, Governor's appointee as an employe of a local unit of government. (See Wisconsin Retirement Board).

DEFERRED COMPENSATION BOARD (5 members)

The Board sets policy, contracts with investment and administrative service providers, and oversees administration

of the program. The Board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the program. All Board members are appointed by the Governor; there are no statutory requirements for appointments.

BOARD MEMBERS (as of 12/31/94)

Chair: **Edward D. Main**, Legal Counsel, Wisconsin Department of Administration, (DOA) Madison.

Vice Chair: **Peter F. Ullrich**, Investment Broker, Agritech Investments Inc., Wauwatosa.

Secretary: **James R. Severance**, Investment Director, State of Wisconsin Investment Board, Madison.

Others:

Martin Beil, Executive Director, American Federation of State, County and Municipal Employees Union, Council 24, Madison.

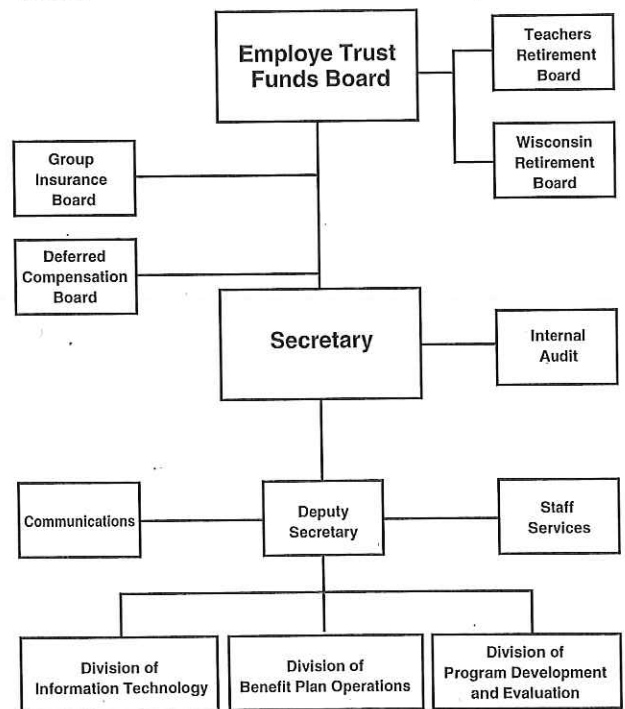
J. Jean Rogers, Administrator of the Division of Economic Support, Wisconsin Department of Health and Social Services, Madison.

(In addition, the State of Wisconsin Investment Board (SWIB) is an independent state agency, not part of the ETF Board system. SWIB issues a separate annual report, discussing its investment

activities. A brief review is contained in the Investments and Administrative Expenses Section.

DEPARTMENT ORGANIZATION

The Department of Employee Trust Funds had 169.6 permanent, full-time positions at the end of 1994, with employees in offices in Madison and Milwaukee. ETF has three divisions, Division of Information Technology, Benefit Plan Operations and Program Development and Evaluation. A new Office of Communications was created in 1994, joining the two other offices, Staff Services and Internal Audit, as shown in the following organizational chart.



**ETF Management Staff
(12/31/94)**

Secretary: **Eric Stanchfield**
Deputy Secretary: **David Mills**
Executive Assistant: **David Hinrichs**
Legal Counsel: **Robert Weber**
Communications Director: **Julie Reneau**
Staff Services Director: **Rhonda Dunn**
Internal Audit Director: **Robert Schaefer**

*Administrator, Division of Information
Technology:* **Mark Wahl**
Applications Development Bureau:
Jon Forde
Data Processing Operations Bureau:
Sandy Kreul
Computer Science Bureau: **Vacant**

*Administrator, Division of Program Development
and Evaluation:* **Vacant**
*Program Director, Retirement and Survivor
Benefits:* **David Stella**
Mary Anglim, *Assistant*
*Program Director, Health and Disability
Benefits:* **Thomas Korpady**
William Kox, *Assistant*

*Administrator, Division of Benefit Plan
Operations:* **Vacant**
Benefits Bureau Director: **Vacant**
Benefit Information Section: **Linda Owen**
Benefit Processing Section: **David Short**
Benefit Payments Section: **James Lodholz**

Membership and Coverage Bureau Director:
Jean Gilding

Accounting Bureau Director: **Robert Willett**

**PRINCIPAL CONSULTANTS
AND ADMINISTRATORS**

Consulting Actuaries:
Gabriel, Roeder, Smith & Co. Detroit, MI (retirement)

Milliman & Robertson, Inc. Milwaukee, WI (insurance plans)

Auditors:
Legislative Audit Bureau Madison, WI

Third Party Administrators:

Health Insurance:
Wisconsin Physicians Service Madison, WI

Income Continuation Insurance:
United Wisconsin Insurance Corp. Milwaukee, WI

Deferred Compensation:
National Deferred Compensation Inc. Columbus, OH

Employee Reimbursement Accounts:
Fringe Benefits Management Co. Tallahassee, FL

Life Insurance
Minnesota Mutual Life Insurance Co. St. Paul, MN

1994

Legislation and Annual Accomplishments

Although several bills were introduced in 1994 that dealt with employee benefits, the Legislature completed action on only a few during the second year of the biennium. Those that affected ETF and its programs include:

1993 WI Act 263 authorized cities, villages, towns and counties to create local exposition districts and authorized local exposition districts to elect to join the WRS.

1993 WI Act 360 amended current law that allowed a participant to purchase other governmental service by deleting the requirement that the participant pay the full cost of the increased benefit. Instead, the act required Employee Trust Funds to promulgate a rule to establish average cost rates for different categories of participants, based on factors recommended by the actuary. The act provided an appropriation for the WRS actuary to develop a computer program to calculate the cost of a proposed purchase according to the participant's age, salary and service accrual.

1993 WI Act 383 granted the Milwaukee Federated Library System the same powers as multi-county library systems and authorized the system to elect to join the WRS.

1993 WI Act 426 required that both the participant and the participant's spouse must sign an application for a lump sum payment if the parties have been married at least one year prior to filing the application. The act gave Employee Trust Funds authority to promulgate rules to waive the requirement under certain circumstances.

1993 WI Act 450 required health care coverage plans offered by the Group Insurance Board to comply with a health insurance mandate that requires coverage of tests to determine if lead is present in blood of children under six years of age.

1993 WI Act 490 and Act 491 were introduced at the request of the Revisor of Statutes and made minor, technical changes to the statutes, including those that apply to the WRS.

Accomplishments for January 1, 1994 through December 30, 1994 Service To Participants

1. The script was completed for a new ETF benefits videotape for use by employers and employee groups starting in 1995 as an orientation to the retirement and other benefits offered by ETF.
2. The Department's telephone message system was updated with new messages and information on current issues, to be effective on January 1, 1995. In addition, ETF's budget request for the 1995-97 biennium included an expansion of this system to provide a toll-free 800 number for messages and to expand it to include employer messages.
3. "Report Cards" for individual health care providers were planned during 1994 for inclusion in the 1995 Dual-Choice enrollment period. Information about each health care plan will be offered to health insurance par-

ticipants to help them make informed choices when selecting a health care plan.

4. Benefit Information public sessions were held in 1994 in Abbotsford, Brookfield, Cleveland, De Pere, Dodgeville, Eagle River, Germantown, Hayward, Janesville, Kewaunee, La Farge, Marshfield, Mellen, Middleton, Mondovi, New Richmond, Superior, Tomahawk, Verona and Wausaukee to assist WRS participants with their retirement planning and benefit questions. These regional meetings bring ETF services close to the people so they do not have to travel to Madison or Milwaukee for general retirement planning.

Service To WRS Employers

1. Employer Services staff offered assistance and encouragement to employers—including 45 of the larger county governments—to convert their annual reporting from paper to magnetic tape.
2. Staff developed a needs assessment survey for state employers and will use the results of the study to develop future employer training programs.
3. Staff improved communications with the large University of Wisconsin system in distribution of Employer Bulletins and other forms and documents.

Benefit Programs

1. The newly developed health care data system was used again in 1994's bidding/negotiation process to help negotiate contracts with

health care providers. This resulted in holding down the premium costs charged to participants and their employers, with the overall premium increases across all managed health plans averaging about 2%.

2. Much of the health insurance premium collection process was automated as a result of the new health care data system, with the hardware and software installed late in the year. This will streamline internal procedures and facilitate audits and control, besides helping some employers transfer health reports electronically. The first eight employers will submit electronic reports beginning February 1, 1995.
3. Bids were received late in the year from companies who would audit the agency's third party administrators for life insurance, income continuation insurance, deferred compensation and employee reimbursement account programs. This was part of the effort to improve management and use of administrative contracts.
4. Staff and Minnesota Mutual Life Insurance Co. developed and implemented a program to allow participants to use post-retirement life insurance assets for payment of health insurance premiums. The rule to begin the program will be in effect in 1995.

Administrative

1. The first phase of ETF Office Automation through a Local Area Network (LAN) computer-linked system was completed. This phase included the LAN, 120 new personal

- computers (PCs), several new printers and standard software on Madison office PCs. Existing PCs were upgraded and general training was provided for all Madison area staff. A microcomputer specialist was hired in mid-1994 to assist staff. Additional phases were planned for Milwaukee and for other components in 1995.
2. Phase VI of the Wisconsin Employee Benefits System was completed in 1994 to enhance participant information and employer reconciliation processes. The New Key project was completed during the year, combining various information systems to improve productivity. Work continued on WEBS Phases VII, VIII and IX — automated benefit calculation and check payment systems, which will continue through the decade.
 3. As part of the effort to improve financial management and reporting, improved financial reports which emphasized long-term trends rather than short-term were planned so Board members could receive them early in 1995. Significant progress was made in speeding the completion of Comprehensive Annual Financial Reports. The 1992 report was completed and printed in early 1995, and the 1993 report was brought to completion in late 1994, with a spring, 1995 printing date. This eventually will enable ETF to meet its goal of producing the 100-page document within six months after the end of a calendar year.
 4. ETF's Strategic Business Plan was completed during the year and progress was made on the separate, but related, Strategic Information Technology Plan which will document how ETF will use technology to help reach its goals. Staff from DOA and the private consulting firm of Lermonth and Burchett Management System are involved in this planning process.
 5. Remodeling was completed for the Benefit Processing, Secretarial Services and Records Management areas and the computer room.
 6. The consultant's study on the use of computer scanning/imaging of participant paper files was completed and a request for imaging funds submitted before the end of the year to the state Department of Administration as a crucial part of ETF's 1995-97 budget request. This project will provide faster information access to staff in serving participants.
- ETF Objectives for the period July 1, 1993 through June 30, 1995**
- The 1993-95 objectives submitted to, and accepted by, the Employee Trust Funds Board were as follows. The list of accomplishments above relate to these objectives:
1. Review and update ETF's strategic plan, including the information technology component, to provide strategic direction for management decisions as we prepare to meet the future needs of participants. This includes vital decisions affecting new or enhanced participant services; future technology decisions, including Wisconsin Employee Benefits System (WEBS) development; office automation; and restructuring to better utilize available staff and resources
 2. Enhance existing and implement new participant services through special projects to:
 - a) Revise the Annual Statement of Benefits to be more readable and customer friendly;

- b) Provide more extensive counseling on deferred compensation benefits and options;
 - c) Educate participants about the long-term disability insurance program (LTDI);
 - d) Furnish disability annuitants with data elements used to determine final calculations; and
 - e) Implement the use of post-retirement life insurance assets for payment of health insurance premiums.
3. Improve overall efficiency and quality of services through improved use of technology by: (a) implementing scheduled phases of WEBS; (b) increasing the use of office automation; (c) establishing information technology standards; (d) exploring the feasibility of installing local area networks, optical imaging, and electronic reporting; (e) developing a plan to give employers access to WEBS; and (f) training staff to efficiently use technology.
 4. Enhance services to employers by: establishing an employer advisory committee to advise ETF on service delivery and program improvements; updating and rewriting employer manuals to assure that they are current and better understood; and providing instruction on federal, state and ETF changes that impact the employer's reporting to ETF, such as the Government Accounting Standards Board and WEBS. Further, evaluate and, as appropriate, implement cross-training of ETF staff and employer staff to enhance understanding of roles and constraints as well as explore the use of various technologies to provide training to employers such as
 - through the use of videos and educational telecommunications network.
 5. Better equip staff to perform their jobs through such activities as:
 - a) Continuing the remodeling of office space and procurement of essential equipment;
 - b) Introduction to and use of quality improvement techniques for selective projects during the biennium; and
 - c) Scheduling structured, periodic informational meetings to update staff on state and federal developments, law changes, board decisions, management objectives, etc.
 6. Improve financial management and reporting by: (a) preparing annual financial reports on a timely basis using preliminary data; (b) revising financial reports for the Boards to present financial and statistical data in a clearer, more easily understood format; (c) implementing efficient, cost-effective ways to match out-of-state death data with the annuitant data base; (d) providing monthly financial reports on all ETF programs; (e) assessing the integrity of the actuarial process and the methods used for determining contribution rates; and (f) refining the active lives and gain/loss reports provided by the actuary by evaluating the actuarial data extract process and identifying data enhancements available through WEBS.
 7. Monitor state and federal legislative proposals, implement newly enacted laws, and actively seek support for departmental initiatives as appropriate in the following areas:

- a) Study and recommend a redesign of the Income Continuation Insurance (ICI) program;
 - b) Develop a plan to comply with IRS Section 415 limitations;
 - c) Study and develop recommendations for more uniform insurance program eligibility requirements, where appropriate, to ease administration;
 - d) Participate in discussions and analyze early retirement proposals, non-discrimination regulations, and benefit enhancements;
 - e) Advise Governor, state legislators and members of Congress about the Wisconsin Retirement System (WRS) and the impact that proposed legislation may have on it.
8. Monitor health insurance proposals and enhance the current program by:
- a) Studying and participating in discussions to reform health care on the state and local levels to assure that the needs of participants in the state and local plans are met;
 - b) Increasing data collection activities and refining ways the data can be used to benefit members and employees such as through negotiations with Health Maintenance Organizations and other insurers; and
 - c) Implementing the membership data base project.
9. Improve department management and use of administrative contracts by: (a) rebidding or renegotiating contract extensions in the following areas: insurance actuary, ICI/LTDI, deferred compensation, federal tax counsel, life insurance, and employee reimbursement accounts; (b) closely monitoring the Blue Cross & Blue Shield United of Wisconsin and Wisconsin Physicians Service transition and contract compliance; and (c) further reviewing internal systems to determine if services can be enhanced by contracting with outside vendors for more services such as third party audits.

199

4

Finances



**INDEPENDENT AUDITOR'S REPORT
ON THE COMBINED FINANCIAL STATEMENTS OF THE
STATE OF WISCONSIN
DEPARTMENT OF EMPLOYE TRUST FUNDS**

Senator Peggy A. Rosenzweig and
Representative Mary A. Lazich, Co-Chairpersons
Joint Legislative Audit Committee

Mr. Eric Stanchfield, Secretary
Department of Employee Trust Funds

We have audited the accompanying combined balance sheet of the State of Wisconsin Department of Employee Trust Funds as of December 31, 1994, and the related combined statements of revenues, expenditures, and changes in fund balance of governmental fund types and expendable trust funds; revenues, expenses, and changes in equity of pension trust funds and enterprise funds; and cash flows of enterprise funds for the year then ended. These financial statements are the responsibility of the State of Wisconsin Department of Employee Trust Funds management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Deferred Compensation Plan, which represents 53.5 percent of the assets of the Agency Funds and 0.8 percent of combined assets. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the combined financial statements, insofar as it relates to the amounts included for the Deferred Compensation Plan, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *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 of 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 and the report of the other auditors provide a reasonable basis for our opinion.

As discussed in Note 1, the combined financial statements of the Wisconsin Department of Employee Trust Funds are intended to present the financial position and results of operations and the cash flows of enterprise funds of only that portion of the financial reporting entity of the State of Wisconsin that is attributable to the transactions of and programs administered by the Department.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Wisconsin Department of Employee Trust Funds as of December 31, 1994, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1, the State of Wisconsin Department of Employee Trust Funds changed its method of recognizing liabilities in the Accumulated Sick Leave Conversion Expendable Trust Fund to more fairly present the obligations and financial position of the Fund in accordance with the modified accrual basis of accounting.

Our audit was made for the purpose of forming an opinion on the combined financial statements of the State of Wisconsin Department of Employee Trust Funds taken as a whole. The combining statements are presented for purposes of additional analysis and are not a required part of the combined financial statements of the State of Wisconsin Department of Employee Trust Funds. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

The required supplementary information on the Wisconsin Retirement System's revenues and expenses and analysis of funding progress, and the required supplementary information on claims development information for public entity risk pools, are not required parts of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board Statements 5 and 10. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we also are issuing a report on our consideration of the Department's internal control structure and a report on its compliance with laws and regulations.

LEGISLATIVE AUDIT BUREAU

February 21, 1996

by


Dale Cattanaach
State Auditor

Wisconsin Department of Employee Trust Funds
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1994

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Agency	Account Groups	Memorandum Only Totals	
	General		Administrative		Enterprise				Fixed Assets	
									12-31-94	12-31-93
Assets										
Equity in Pooled Cash & Cash Equivalents	\$ 31,663	\$ 1,668,565	\$ 43,930,449	\$ 1,997,560,046	\$ 1,414,252	\$ 284,766	\$ 0	\$ 0	\$ 1,444,889,741	\$ 760,953,482
Equity in Pooled Investments	0	0	0	28,537,528,854	0	357,246,450	0	0	28,894,775,304	29,780,162,750
Investment in Fixed Fund	0	0	134,049,161	98,382,025	193,922,980	310,464,052	0	0	736,813,218	684,985,795
Contributions Receivable	0	0	1,853,206	120,419,477	3,664,857	260,584	0	0	126,198,124	126,167,707
Fixed Investment in Variable Fund	0	0	0	15,475,728,958	0	0	0	0	15,475,728,958	14,853,914,152
Benefit Overpayments Receivable	0	0	774,398	964,180	0	0	0	0	1,738,577	1,553,988
Interfund Loan Receivable	0	0	373,431	0	0	0	0	0	373,431	0
Due From Other Trust Funds	3,419	1,037,950	3,973,835	13,347,667	171,651	0	0	0	18,534,522	66,414,578
Due From Other State Agencies	0	0	72,419	248,837	155,399	0	0	0	476,655	86,311,083
Prepaid Expenses	0	55,882	17,172,288	30	3,127,930	42,618	0	0	20,356,100	18,527,412
Miscellaneous Receivables	0	310,912	333	0	224,836	0	0	0	578,728	88,150
Equipment	0	0	0	0	0	0	0	1,896,029	1,896,029	1,276,446
Total Assets	\$ 35,082	\$ 3,073,309	\$ 202,199,518	\$ 45,644,180,074	\$ 202,681,905	\$ 668,298,470	\$ 1,896,029	\$ 46,722,364,388	\$ 46,380,355,543	
Liabilities, Equity, and Other Credits										
Liabilities										
Annuitants Payable	\$ 95,082	\$ 0	\$ 1,015,057	\$ 75,593,263	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,643,421	\$ 69,424,152
Deferred Compensation Payable	0	0	0	0	0	0	0	0	357,523,956	322,845,234
Administrative Reimbursement Advance	0	762,546	0	0	0	0	0	0	762,546	0
Estimated Future Claims	0	0	190,413,839	0	191,124,683	0	0	0	381,538,522	330,791,080
Insurance Claims Payable	0	0	0	0	1,236,244	0	0	0	1,236,244	1,119,466
Compensated Absences Payable	0	214,943	0	0	0	0	0	0	214,943	0
Advance Contributions	0	0	28,574,736	482,815	1,120,751	0	0	0	30,188,302	28,602,500
Miscellaneous Payables	0	617,231	751,153	15,801,566	32,010	310,462	0	0	17,512,421	12,680,390
Variable Investment Due Fixed Fund	0	0	0	15,475,728,958	0	0	0	0	15,475,728,958	14,853,914,152
Fixed Investment Due Other Funds	0	0	0	736,818,218	0	0	0	0	736,818,218	684,985,795
Interfund Loan Payable	0	0	0	0	373,431	0	0	0	373,431	0
Due to Other Trust Funds	0	151,604	236,678	16,286,136	1,856,659	1,444	0	0	18,534,522	66,414,578
Due to Other State Agencies	0	64,642	0	0	0	0	0	0	64,642	2,653,700
Due to General Fund	0	0	0	0	0	0	0	0	0	45,180,300
Due to Other Governments	0	0	0	0	0	310,462,608	0	0	310,462,608	294,555,919
Total Liabilities	35,082	1,810,967	220,991,463	16,320,720,976	195,745,779	668,298,470	0	17,407,602,736	16,713,167,266	
Equity and Other Credits										
Fund Balance - Reserved	0	1,603,915	0	29,323,459,098	6,417,195	0	0	0	29,331,480,209	29,695,496,469
Fund Balance - Unreserved	0	(341,573)	0	0	518,932	0	0	0	177,359	1,475,505
Retained Earnings - Reserved	0	0	8,265,448	0	0	0	0	0	8,265,448	17,217,597
Retained Earnings - Unreserved	0	0	(27,057,393)	0	0	0	0	0	(27,057,393)	(48,277,740)
Investment in Fixed Assets	0	0	0	0	0	0	1,896,029	0	1,896,029	1,276,446
Total Equity and Other Credits	0	1,262,342	(18,791,945)	29,323,459,098	6,936,127	0	1,896,029	29,314,761,652	29,667,188,277	
Total Liabilities, Equity and Other Credits	\$ 35,082	\$ 3,073,309	\$ 202,199,518	\$ 45,644,180,074	\$ 202,681,905	\$ 668,298,470	\$ 1,896,029	\$ 46,722,364,388	\$ 46,380,355,543	

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

Wisconsin Department of Employee Trust Funds
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types and Expendable Trust Funds
 for Year Ended December 31, 1994

	General Fund Supplement	Administrative Fund	Expendable Trust Funds	Memorandum Only Totals All Funds	
				12-31-94	12-31-93
Revenues:					
Annuity Supplements	\$ 436,665	\$ 0	\$ 0	\$ 436,665	\$ 487,327
Investment Income	0	202,087	(1,652,084)	(1,449,997)	24,040,918
Contributions	0	0	67,260,597	67,260,597	63,824,489
Administrative Expense Reimbursement	0	10,920,231	382,462	11,302,693	11,322,661
Miscellaneous Receipts	0	217	557	774	1,917
Total Revenues	<u>436,665</u>	<u>11,122,535</u>	<u>65,991,531</u>	<u>77,550,731</u>	<u>99,677,312</u>
Expenditures:					
Retirement Annuities	436,665	0	0	436,665	487,327
Insurance Claims	0	0	9,760,396	9,760,396	8,691,169
Insurance Premiums	0	0	69,250,294	69,250,294	68,185,579
Carrier Administrative Expenses	0	0	442,200	442,200	428,893
Administrative Expenses	0	11,185,794	664,064	11,849,857	11,845,849
Total Expenditures	<u>436,665</u>	<u>11,185,794</u>	<u>80,116,953</u>	<u>91,739,412</u>	<u>89,638,817</u>
Increase (Decrease) in Net Assets	0	(63,259)	(14,125,422)	(14,188,680)	10,038,495
Fund Balance - January 1	0	1,325,601	21,061,549	22,387,149	12,348,654
Fund Balance - December 31	<u>\$ 0</u>	<u>\$ 1,262,342</u>	<u>\$ 6,936,127</u>	<u>\$ 8,198,469</u>	<u>\$ 22,387,149</u>

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

Wisconsin Department of Employee Trust Funds
 Combined Statement of Revenues, Expenses, and Changes in Equity
 Pension Trust Funds and Enterprise Funds
 for Year Ended December 31, 1994

Statement 3

	Memorandum Only Totals		
	Pension Trust Funds	Enterprise Funds	All Funds
	12-31-94	12-31-94	12-31-93
Operating Revenues:			
Investment Income	\$ (202,652,515)	\$ 1,172,608	\$ 3,392,660,301
Contributions	942,500,205	382,653,120	1,266,772,160
Total Operating Revenues	739,847,689	383,825,728	5,199,432,461
Operating Expenses:			
Annuities	1,009,061,224	19,582,494	945,811,751
Lump Sum Benefits	41,790,267	0	35,520,940
Insurance Claims	0	76,677,380	72,014,245
Insurance Premiums	31,361,520	271,482,205	282,638,327
Administrative Expense	8,920,438	3,818,148	12,464,729
Total Operating Expenses	1,091,133,450	371,560,227	1,348,449,992
Operating Income (Loss)	(351,285,760)	12,265,501	3,850,982,469
Nonoperating Revenues (Expenses):			
Miscellaneous Income	155,145	2,825	189,040
Interest Expense	0	(128)	(165,637)
Net Income (Loss) Before Operating Transfers	(351,130,615)	12,268,198	3,851,005,872
Operating Transfers:			
Operating Transfers In	16,297,691	0	19,315,747
Operating Transfers Out	(16,292,802)	0	(19,299,790)
Total Operating Transfers	4,889	0	15,957
Net Income (Loss)	(351,125,726)	12,268,198	3,851,021,829
Fund Balance - January 1	29,674,584,824	(31,060,143)	25,792,502,852
Fund Balance - December 31	\$ 29,323,459,098	\$ (18,791,945)	\$ 29,643,524,681

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

Wisconsin Department of Employee Trust Funds
 Combined Statement of Cash Flows
 Enterprise Funds
 for the Year Ended December 31, 1994

Statement 4

	Totals	
	12-31-94	12-31-93
Cash Flows from Operating Activities		
Cash Received for Insurance Premiums	\$ 413,991,630	\$ 315,483,844
Cash Paid for Employee Benefits	(353,121,570)	(310,956,577)
Cash Paid for Administrative Services	(3,844,670)	(4,269,573)
Net Cash Provided (Used) by Operating Activities	<u>57,025,390</u>	<u>257,694</u>
Cash Flows from Non-Capital Financing Activities		
Interest Paid on Cash Advances	(128)	(165,637)
Cash Advances	(373,431)	(1,199,497)
Cash Repayments	1,199,497	(3,760,703)
Interest on Delinquent Premiums	2,953	1,405
Net Cash Provided by Non-Capital Financing Activities	<u>828,891</u>	<u>(5,124,432)</u>
Cash Flows from Investing Activities		
Investment Income	1,172,608	15,191,288
Purchase of Investment Securities	(27,071,532)	(106,977,629)
Net Cash Provided (Used) by Investing Activities	<u>(25,898,924)</u>	<u>(91,786,341)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,955,358	(96,653,079)
Cash and Cash Equivalents at Beginning of Year	11,975,091	108,628,171
Cash and Cash Equivalents at End of Year	<u>\$ 43,930,449</u>	<u>\$ 11,975,091</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	<u>\$ 12,265,501</u>	<u>\$ 23,239,177</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Investment Income Classified as Operating Revenue	(1,172,608)	(15,191,288)
Changes in Assets and Liabilities:		
Decrease (Increase) in Contributions Receivable	29,908,245	(52,665,224)
Decrease (Increase) in Benefit Overpayment Receivable	(276,083)	21,698
Decrease in Miscellaneous Receivables	0	2,431,881
Decrease (Increase) in Prepaid Expenses	(1,659,023)	(1,540,419)
Increase in Estimated Future Claims	15,876,673	23,237,385
Increase in Advance Contributions	1,430,264	395,031
Increase in Annuities Payable	68,483	946,575
Increase in Premiums Payable	0	20,530,131
Increase (Decrease) in Miscellaneous Payables	610,460	(528,694)
Increase (Decrease) Due to Other Trust Funds	(26,523)	(618,559)
Total Adjustments	<u>44,759,889</u>	<u>(22,981,483)</u>
Net Cash Provided by Operating Activities	<u>\$ 57,025,390</u>	<u>\$ 257,694</u>

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

199

Notes on Combined Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation Basis

The financial statements of the Wisconsin Department of Employee Trust Funds have been prepared in conformity with generally accepted accounting principles (GAAP) for government units as prescribed by the Governmental Accounting Standards Board. The Department of Employee Trust Funds is part of the State of Wisconsin financial reporting entity.

The following funds and account groups have been used to account for the assets and operations of the Department.

Governmental Funds:

- General Fund—Annuity Supplements
- Special Revenue Fund—Administration

Fiduciary Funds:

Pension Trust Funds:

- Fixed Retirement Investment Fund
- Variable Retirement Investment Fund
- Milwaukee Special Death Benefit Police and Firefighters (Ch. 182, Laws of 1977)

Expendable Trust Funds:

- Accumulated Sick Leave (Post Retirement Health Insurance)
- Group Life Insurance
- Employee Reimbursement Accounts

Agency Funds:

- Social Security
- Deferred Compensation
- Milwaukee Retirement Systems

Proprietary Funds:

Enterprise Funds:

- Group Health Insurance

- Group Income Continuation Insurance
- Duty Disability
- Long Term Disability Insurance

Account Group:

- General Fixed Assets Account Group

Amounts in the "Memorandum Only Totals" columns in the combined financial statements are a summation of line items and are presented for comparative purposes only. The amounts in these columns are not comparable to a consolidated presentation and do not present the consolidated financial position, results of operations, or changes in financial position.

Accounting Basis

The financial statements of the Wisconsin Department of Employee Trust Funds have been prepared in accordance with generally accepted accounting principles. All Governmental, Expendable Trust, and Agency Funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available, and expenditures when the related fund liability is incurred. Pension Trust Funds and Enterprise Funds are accounted for using the flow of economic resources measurement focus and a full accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. FASB statements effective af-

ter November 30, 1989 are not applied in accounting and reporting for proprietary operations.

Investment Valuation

Benefit plan assets (except Deferred Compensation) are invested in one of three investment pools managed by the State of Wisconsin Investment Board (SWIB): 1) the Fixed Retirement Investment Trust (FRIT), a broadly diversified mix of investments that includes equities, fixed income, real estate and cash; 2) the Variable Retirement Investment Trust (VRIT), which is invested primarily in equities; and 3) the State Investment Fund (SIF), a liquid fund invested primarily in obligations of the U.S. Government and its agencies and high-quality commercial bank and corporate debt obligations. All investments are carried at market value, and are revalued monthly to current market value. The investment policies and authorized investments of the three investment pools are governed by s. 25.17, Wis. Stats.

The retirement fund assets consist of shares in the FRIT and VRIT, which also own shares in the SIF. Shares of the SIF owned by the pension funds are classified as "Cash and Cash Equivalents" on the balance sheet. All remaining assets in the FRIT and VRIT are classified as "Investments."

All stocks for the FRIT and VRIT are held in the VRIT. The FRIT owns shares in the VRIT rather than owning individual stocks. The VRIT is appraised to current market value monthly and appraisal gains and losses, along with interest, dividends, and realized gains and losses, are distributed to the FRIT based on its proportional ownership share. The FRIT's investment in the VRIT is classified as "Fixed Investment in Variable" on the balance sheet.

Wisconsin statutes require that a Transaction Amortization Account

(TAA) be maintained to smooth the impact of market price volatility on the benefit plans invested in the FRIT. All realized and unrealized gains and losses in market value of investments in the FRIT are recorded in the TAA as they are incurred. To recognize the legal restrictions on the use of the TAA for current operations, the fund balances of the participating programs are reserved for the amount in the TAA and shown as a Reserve for Market Value Adjustments. Twenty percent of the TAA balance as of December 31 of each year is transferred from the Reserve for Market Value Adjustments to program reserves.

Year-end balances in the Transaction Amortization Account (in millions \$) for the last five years after annual distributions were as follows:

December 31, 1990	\$ 1,059
December 31, 1991	2,806
December 31, 1992	2,978
December 31, 1993	4,313
December 31, 1994	2,444

The assets of the Income Continuation Insurance, Duty Disability, Long Term Disability Insurance, and Accumulated Sick Leave programs are invested in the FRIT. Earnings are allocated between the Retirement System and other programs based on the average balance invested for each program. These programs investment in the FRIT is classified as "Investment in Fixed Fund" on the balance sheet. All other benefit plan assets are invested in the SIF. Investments in the SIF are classified as "Cash and Cash Equivalents" on the balance sheet.

For the Deferred Compensation plan, investments in fixed earnings accounts are valued at current book values, while variable earnings investments are presented at market values based on published quotations at December 31. Annuity payout reserves are actuarially valued.

Derivative Financial Instruments

The SWIB utilized various derivative financial instruments, including interest rate and currency swap agreements, forward contracts, options, and structured bonds with interest rate altering components. These instruments were used for the purpose of hedging risk and increasing yield in the retirement funds. Derivative transactions involve to varying degrees, market and credit risk.

As of December 31, 1994, eighteen swap agreements, with a carrying and estimated fair value of negative (\$59.2 million) were in place. Eight of these swap agreements contained leverage, whereby a multiplier effect is embedded in the rate structure of the agreement which effectively results in an increase in the notional amount of the instrument. Leverage factors ranging from three to ten effectively increased the notional amount from \$330.7 million to \$701.2 million. Each swap transaction involves the exchange of interest rate payment obligations without the exchange of underlying principal amounts. The notional amounts used to express the volume of these transactions do not represent the amounts subject to risk, but represent the amount on which both parties calculate the interest obligations. The settlement of the interest rate exchange occurs at predetermined dates, with the net difference between the amount paid and the amount received reflected as an increase (or decrease) in income. Entering into interest rate swap agreements subjects the FRIT to the possibility of financial loss in the event of adverse changes in market rates or nonperformance by the counterparty to the swap agreement. Credit risks arising from derivative transactions are mitigated by selecting credit-worthy counterparties.

The SWIB and its international investment managers make extensive use

of currency forward contracts to hedge the exposure to currency risk associated with the purchase, sale or ownership of assets which trade in a foreign currency. Market gains and losses associated with these instruments are generally offset by corresponding market fluctuations in the underlying securities.

Within the equity portfolios both purchased call and covered call options existed at December 31, 1994. In addition, the international fixed bond portfolio held a purchased option, a floor, and four contracts representing collar strategies (each collar consists of two separate contracts, a purchased put and a sold call). Market risk related to the purchased call and put options is limited to the loss of the premiums paid totalling \$26.4 million. The writing of covered call options does not present a significant increase in risk to the portfolio. SWIB management writes call options only on securities held in the portfolio. As such, the fund is only exposed to the opportunity loss if the option is exercised.

Administrative Expenses

The Department of Employee Trust Funds incurs two types of administrative expenses: administrative costs incurred by the Department to administer its programs, and administrative costs incurred by SWIB and reimbursed by the Department for investing the trust funds.

The administrative costs of all department programs are financed by a separate appropriation and are allocated to the benefit plans in accordance with s. 40.04, Wis. Stats. The sources of funds for this appropriation are investment earnings and third-party reimbursement received from the various programs administered by the Department. Estimated administrative expenses are allocated to programs at the beginning of each fiscal year and ad-

justed to actual after the end of the year. The expense recognized for calendar year 1994 includes actual adjusted expenses for January 1, 1994, through June 30, 1994, and estimated expenses for July 1, 1994, through December 31, 1994.

SWIB administrative expense is comprised of salaries, supplies, services, and equipment necessary for the investing activities of state funds. The administrative expenses are billed to the agencies for which investments are made. In 1994, SWIB administrative expense for the FRIT and VRIT was \$5,847,200 and \$712,600, respectively. In compliance with s. 40.04(2)(d), Wis. Stats., these costs were charged directly to the appropriate investment income account.

As of December 31, 1994 and 1993 respectively, \$1,603,915 and \$226,321 were reserved for encumbrances.

Fixed Assets

All fixed assets are purchased through the Special Revenue Administrative fund, and are reported at original cost in the General Fixed Asset Account Group. During 1994 the fixed asset balance changed as follows:

1/1/94	
Equipment Balance	\$ 1,276,446
Equipment Acquired	828,989
Equipment Disposed Of	209,406

12/31/94	
Equipment Balance	\$ 1,896,029

Interfund Assets / Liabilities

Interfund assets and liabilities at December 31, 1994 consist of the following (in thousands):

Due From/To Other Trust Funds represents short-term interfund accounts receivable and payable between funds administered by DETF.

Fund	Due From Other Trust Funds	Due To Other Trust Funds
General	\$ 3.4	\$ 0.0
Special Revenue (Administration)	1,038.0	151.6
Fixed Retirement	10,300.8	5,935.5
Variable Retirement	3,046.8	10,334.5
Milwaukee Special Death Benefit	0.0	9.7
Police and Firefighters	0.0	6.5
Accumulated Sick Leave	0.0	1,858.7
Life Insurance	171.7	0.0
City of Milwaukee Retirement System	0.0	1.4
Health Insurance	3,973.8	0.0
Income Continuation Insurance	0.0	66.3
Duty Disability	0.0	47.9
Long Term Disability Insurance	0.0	122.4
Totals	18,534.5	18,534.5

Due From/To Other State Agencies represents short-term interfund accounts receivable and payable between DETF funds and other state funds.

Fund	Due From Other State Agencies	Due To Other State Agencies
Fixed Retirement	248.9	0.0
Life Insurance	12.7	0.0
Special Revenue (Administration)	0.0	64.6
Employee Reimbursement Accounts	142.7	0.0
Health Insurance	72.4	0.0
Totals	476.7	64.6

Interfund Loans Receivable / Payable represent loans from one fund to another to cover temporary cash overdrafts as of December 31, 1994.

Fund	Interfund Loans Receivable	Interfund Loans Payable
Health Insurance	\$ 373.4	\$ 0.0
Life Insurance	0.0	373.4
Totals	373.4	373.4

Application of New Accounting Principles

In accordance with Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, a liability has been recognized in the Special Revenue (Administrative) Fund for DETF's accumulated vacation and sabbatical leave. Because the amount of the liability as of December 31, 1993 was not determinable, and is immaterial to the fund in total, the full cumulative effect has been recognized as an expenditure in 1994.

An accounting change was made in the Accumulated Sick Leave Conversion Expendable Trust Fund to present as a current fund liability and expenditure the amount of the Fund's assets available to fund the accrued liability for post retirement health insurance premiums. Prior to 1994, the unreserved fund balance represented the net assets available to fund the accrued benefits. The accounting change was made to better present the obligations and financial position of the fund. The 1993 comparative totals have been restated to reflect the retroactive application of the accounting change, resulting in a reduction in the January 1, 1993 fund balance of \$121.6 million, a reduction of the increase in net assets of \$34.7 million, and a reduction in the December 31, 1993 fund balance of \$156.3 million.

Reclassifications

Certain amounts in the 1993 financial statements have been reclassified to conform to 1994 financial statement presentation.

In previous years, FRIT Investments included a proportionate share of the value of equity securities owned by the Combined Stock Fund. Statutes provide for the VRIT to own all equity securities, through the Combined Stock Fund, and the FRIT to own shares in the VRIT. To better represent the statutory intent,

VRIT Investments now include the full value of the Combined Stock Fund. The FRIT share of the Combined Stock Fund is reported as Fixed Investment in Variable Fund in the FRIT, and Variable Investment Due Fixed Fund in the VRIT.

The assets for the Milwaukee Death Benefit, 62.13 Police and Fire Plans, Duty Disability, Income Continuation Insurance, Long Term Disability Insurance, Sick Leave Conversion, and Milwaukee Retirement are all invested in the FRIT along with the Fixed Pension Trust Fund. The assets of the Fixed Pension Trust Fund include over 98% of the total assets of the FRIT. In previous years, the assets of all benefit plans invested in the FRIT except the Fixed Pension Trust Fund and the Milwaukee Retirement Agency Fund were reported as Equity in Pooled Cash & Cash Equivalents. To avoid an arbitrary allocation of Cash and Investments between funds, the full value of all Cash and Investments in FRIT are now recognized in the Fixed Pension Trust Fund. The value of assets for other funds invested in the FRIT are reported as Fixed Investments Due Other Programs in the Fixed Pension Trust Fund, and as Investment in Fixed Fund in all other funds.

2. DEPOSITS AND INVESTMENTS

The Governmental Accounting Standards Board (GASB) Statement 3 requires deposits with financial institutions to be categorized to indicate the level of risk assumed, as defined by GASB Statement 3. Cash of \$2,427 is included with Cash and Cash Equivalents in the State Investment Fund.

GASB Statement 3 also requires investments to be categorized to indicate the level of risk assumed by the State, as defined by GASB Statement 3. Category 1 includes investments that are insured or registered or for which the

securities are held by the fund or its agent in the fund's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the fund's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the fund's name.

The following detail regarding the carrying and market value of specific classes of assets is based on SWIB's accounting records. In all instances, carrying value is equal to market value.

	Category (in millions)			Market Value
	"1"	"2"	"3"	
Bonds	\$ 5,619	\$ 0	\$ 0	\$ 5,619
Investment in Combined Stock Fund	<u>18,205</u>	<u>0</u>	<u>0</u>	18,205
	<u>\$23,824</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Limited Partnerships				1,266
Mortgages				191
Investment in State's Investment Fund				1,343
Private Placements				2,704
Real Estate				251
Real Estate - Commingled Funds				130
Miscellaneous Investments				74
Net Accounts Receivable				<u>200</u>
Total				<u>\$29,983</u>

Investments of the Deferred Compensation program have not been included in the above schedule. As of December 31, 1994, the investments included:

Variable Earnings (Mutual Fund) Investments	\$223
Insured Fixed Earnings Investments	23
Fixed Earnings Investment	99
Allocated Insurance Contracts	<u>12</u>
Total	<u>\$357</u>

3. DESCRIPTION OF PENSION TRUST FUNDS

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 public employees. The system is administered in accordance with Chapter 40 of the Wisconsin Statutes.

WRS Employers

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, 1994, the number of participating employers was:

State Agencies	61
Cities	152
Counties	71
4th Class Cities	35
Villages	157
Towns	118
School Districts	439
VTAE Districts	16
Other	<u>133</u>
Total Employers	<u>1,182</u>

WRS Membership

Any employee of a participating employer who is expected to work at least 600 hours per year must be covered by WRS. As of December 31, 1994, the WRS membership consisted of:

Current Employees:

General / Teachers	216,654
Elected / Executive / Judges	1,474
Protective with Social Security	12,899
Protective without Social Security	<u>2,639</u>

Total Current Employees 233,666

Terminated Vested Participants 81,962

Retirees and Beneficiaries currently receiving benefits:

Retirement Annuities	79,730
Disability Annuities	5,066
Death Beneficiary Annuities	<u>1,418</u>

Total Annuitants 86,214

Total Participants 401,842

WRS Benefits

WRS provides retirement benefits as well as death and disability benefits. Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements. For participants entering the system after December 31, 1989, creditable service in each of five years is required for vesting.

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 an annual formula retirement benefit in an amount equal to 1.6 percent, (2 percent for elected officials, and protective occupations covered by social security, and 2.5 percent for protective occupations not covered by social security), of their final average earnings and creditable service. 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 instead 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 increase annuity payments from the retirement system when investment income credited to the reserves, together with other actuarial experience factors, creates surplus reserves as determined by the actuary. Annuity increases are not based on cost of living or other similar factors.

The fixed dividends and variable adjustments granted during recent years are as follows:

Year	Fixed Dividend	Variable Adjustment
1985	6.0	0.0
1986	7.2	26.0
1987	7.6	8.0
1988	6.7	(6.0)
1989	4.1	14.0
1990	11.3	16.0
1991	3.6	(14.0)
1992	6.3	18.0
1993	4.4	5.0
1994	4.9	11.0

Actuarial Liabilities

WRS's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990. As of December 31, 1994, 35 years remain on the amortization schedule. 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 finally fully liquidate the liability at the end of 40 years. State

law requires the accrued retirement cost be funded.

As of December 31, 1994 and 1993, the unfunded actuarial accrued liability was \$2.01 billion and \$2.04 billion respectively.

Variable Retirement Fund

Prior to 1980, WRS participants had an option to have one-half of their required contributions and matching employer contributions invested in the VRIT. Retirement benefits were adjusted for the difference between the investment experience of the FRIT and VRIT. The VRIT was closed to new membership after April 30, 1980. Provisions for allowing members to withdraw from the VRIT were added with the passage of Ch. 221, Laws of 1979. As of December 31, 1994, 26,377 active and inactive participants and 22,248 annuitants remained in the VRIT.

Municipal Police and Firefighters Pension Fund

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, 1994, less than 1,200 participants remained in the system. These funds were previously 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 dividends on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 1994, and December 31, 1993, was \$50.9 million and \$53.6 million respectively.

Special Milwaukee Death Benefit Fund

Members of the former Milwaukee Teachers Retirement Fund as of December 31, 1981, could elect to participate in a special death benefit fund. Since September 1986, participation in the program has been continued for eligible participants without premiums. The benefit amount and length of post retirement coverage is actuarially reviewed annually and adjusted as appropriate. The benefit amount has been set at \$3,500 since August 1988. During 1994, coverage was available to eligible participants for six years after retirement. It is the intent of the Employee Trust Funds Board to extend post retirement coverage annually by one year, as long as sufficient reserves are available to support the benefit.

Annuity Supplement — General Fund

As authorized under s. 40.27 (1), Wis. Stats., 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 of Employee Trust Funds serves as a clearing agent for its payment.

4. CONTRIBUTIONS REQUIRED AND MADE

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.

1994 contribution requirements were determined by the December 31, 1992 actuarial valuation. Significant actuarial assumptions used in the valuation include:

- △ a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually;
- △ projected salary increases of 5.6 percent per year compounded annually, attributable to inflation;
- △ additional projected salary increases ranging from 0.0 percent to 8.0 percent per year, depending on age and type of employment, attributable to seniority/merit; and
- △ 2.9 percent annual post-retirement benefit increases.

Employee contributions are deducted from the employee's salary and remitted to the Department of Employee Trust Funds by the participating employer. Part or all of the employee contributions may be paid by the employer on behalf of the employee.

Employees also make an actuarially determined benefit adjustment contribution. The benefit adjustment contribution is treated as an employer contribution for benefit purposes and is not included in separations, death benefits, or money purchase annuities. Part or all of the benefit adjustment contribution may be paid by the employer on behalf of the employee.

Effective January 1, 1990, any changes in the contribution rate must be split equally between the employee and the employer.

Contribution rates in effect during 1994 by employment category were:

	Employer Current	Employer Prior*	Employee	Benefit Adjustment Contribution
Elected official, state executive retirement plan	11.1%	0.9%	5.5%	0.1%
Protective occupation with social security	9.7	1.0	6.0	0.6
Protective occupation without social security	14.9	1.4	7.5	0.0
General and Teachers	4.8	1.3	5.0	1.2

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

Contributions required and made during 1994 were:

	Contributions	Percentage of Payroll
Employer Current Service	\$ 379,988,760	5.3%
Employer Prior Service	100,191,243	1.4
Employee Required	364,864,199	5.1
Benefit Adjustment Contribution	81,085,430	1.1

Employee and Employer Additional Contributions

Contributions may be made to the retirement system in addition to the required contributions by employees and/or employers. These contributions are held in separate reserve accounts and are subject to certain restrictions as to amount, form of benefit payments, tax status, etc.

5. FUNDING STATUS AND PROGRESS

The amount shown below as "pension benefit obligation" is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is

the actuarial present value of credited projected benefits and is intended to help users assess WRS's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and provide a standard measure for making comparisons among Public Employee Retirement Systems. The measure is independent of the actuarial funding method used to determine contributions to any specific plan.

WRS's funding is based on an actuarial cost method that allocates the cost of benefits evenly over the participant's working life. The pension benefit obligation instead recognizes a relatively lower accumulated benefit at any time in a participant's working life and, therefore, gives the appearance of a better-funded system by deferring higher contributions until future years. It would, therefore, require higher future contribution rates. WRS's actual funding method is designed to avoid increasing contribution rates as the system matures.

The pension benefit obligation was determined as part of an actuarial valuation at December 31, 1994. Significant actuarial assumptions used include:

- △ a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually;
- △ projected salary increases of 5.3 percent per year compounded annually, attributable to inflation;
- △ additional projected salary increases ranging from 0.0 percent to 8.0 percent per year, depending on age and type of employment, attributable to seniority/merit; and
- △ 2.9 percent annual post-retirement benefit increases.

During 1994, actuarial assumptions were updated to better reflect actual experience during the three preceding years. Minor changes were made to mortality, retirement, disability and

separation assumptions. The wage inflation assumption was reduced from 5.6% to 5.3%. The net impact of all assumption changes was an increase in the Pension Benefit Obligation of \$194.6 million.

As of December 31, 1994, the assets in excess of pension benefit obligation were \$2,739.2 million, determined as follows:

Pension Benefit Obligation (in millions):	
Retirees and beneficiaries currently receiving benefits	\$10,704.2
Terminated employes not yet receiving benefits	1,142.1
Current employes:	
Accumulated employe contributions	7,406.6
Employer Financed	<u>7,330.5</u>
Total Pension Benefit Obligation	26,583.4
Net Assets Available for Benefits	<u>\$29,322.6</u>
Assets in Excess of Pension Benefit Obligation	<u>\$ 2,739.2</u>

During the year ended December 31, 1994, the plan experienced a net increase of \$ 1,408.1 million in the pension benefit obligation.

Ten-year historical trend information designed to provide information about WRS's progress in accumulating sufficient assets to pay benefits when due is presented at the conclusion of these notes.

6. CONTINGENCIES

Wisconsin Act 27, Laws of 1987, authorized the transfer of \$230 million from the Transaction Amortization Accounts to the reserves of the FRIT. This amount was distributed to the various reserves based on the ratio of each reserve to the total assets of the FRIT. The transfer to the Fixed Employe Accumulation Reserve was credited to participant accounts in accordance with

normal interest crediting procedures. The transfer to the Fixed Annuity Reserve was used for a "Special Performance Dividend" to those participants then receiving a supplemental benefit under s. 40.27 (1) and (1m), Wis. Stats. If an annuitant's special performance dividend was equal to or greater than the previous supplemental benefit, the supplemental benefit was eliminated. If the special performance dividend was less than the supplemental benefit, the supplemental benefit was reduced by the amount of the special performance dividend. In a lawsuit brought by certain employe and annuitant groups, a circuit court ruled July 29, 1991, that the distribution of the special performance dividend was unconstitutional. This decision was affirmed by the Court of Appeals on July 20, 1995. The remedy ordered by the Court of Appeals would require the state to repay to the trust fund the amount of special performance dividend that replaced supplemental benefits with interest. The appeals court decision has been appealed to the State Supreme Court.

state are eligible to participate. The State, plus 128 local employers, currently participate. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily health maintenance organizations.

Following is a summary of the activity and changes in retained earnings for these individual risk pools within the Health Insurance Fund during 1994 (in thousands):

	State	Local	Local Annuitants	Total
Investment Income	\$2,136.1	\$149.5	\$0.5	\$2,286.1
Insurance Premiums	<u>306,379.1</u>	<u>27,560.4</u>	<u>498.7</u>	<u>334,438.2</u>
Total Revenues	<u>308,515.2</u>	<u>27,709.9</u>	<u>499.2</u>	<u>336,724.3</u>
Claims Expense	60,335.1	2,442.0	0.0	62,777.1
Insurance Premiums	246,943.8	24,043.5	494.9	271,482.2
Carrier Administration	1,560.2	105.0	0.0	1,665.2
ETF Administration	<u>939.0</u>	<u>84.5</u>	<u>2.9</u>	<u>1,026.4</u>
Total Expenses	<u>309,778.1</u>	<u>26,675.0</u>	<u>497.8</u>	<u>336,950.9</u>
Net Income	(1,262.9)	1,034.9	1.4	(226.6)
January 1, 1994				
Retained Earnings	<u>23,224.3</u>	<u>2,154.2</u>	<u>4.2</u>	<u>25,382.7</u>
December 31, 1994				
Retained Earnings	<u>\$21,961.4</u>	<u>\$3,189.1</u>	<u>\$5.6</u>	<u>\$25,156.1</u>

7. PUBLIC ENTITY RISK POOLS

The Department of Employee Trust Funds operates four public entity risk pools: group health insurance, group income continuation insurance, protective occupation duty disability insurance (Duty Disability), and long term disability insurance (LTDI). In accordance with GASB Statement 10, these funds are accounted for as enterprise funds.

Group Health Insurance

The Health Insurance fund offers group health insurance for current and retired employes of the state government and of participating local public employers. All public employers in the

Group Income Continuation Insurance

The Income Continuation Insurance fund offers both long-term and short-term disability benefits (up to 75 percent of gross salary) for current employes of the state government and of participating local public employers. All public employers in the state are eligible to participate. Sixty nine local employers plus the State currently participate. The plan is self-insured.

Following is a summary of the activity and changes in retained earnings for these individual risk pools within the Income Continuation Insurance fund during 1994 (in thousands):

	<u>State</u>	<u>Local</u>	<u>Total</u>
Investment Income	\$ (474.2)	\$ (21.3)	\$ (495.5)
Contributions	0.3	610.7	611.0
Total Revenues	(473.9)	589.4	115.5
Benefit Expense	10,269.4	824.3	11,093.7
Carrier Administration	359.3	8.2	367.5
ETF Administration	331.2	21.6	352.8
Total Expenses	10,959.9	854.1	11,814.0
Net Income	(11,433.8)	(264.7)	(11,698.5)
January 1, 1994			
Retained Earnings	28,663.5	1,286.5	29,950.0
December 31, 1994			
Retained Earnings	\$ 17,229.7	\$ 1,021.8	\$ 18,251.5

As a result of favorable investment experience and actuarial gains, the Income Continuation Insurance program accumulated sufficient assets to allow the Group Insurance Board in April 1988 to suspend collection of premiums. The premium holiday has been extended through July, 1996.

Duty Disability

The Duty Disability fund offers special disability insurance for state and local Wisconsin Retirement System (WRS) participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State and 406 local employers currently participate. The plan is self-insured, and risk is shared between the State and local portions of the plan.

The Duty Disability program is intended to compensate WRS protective category employees for duty-related disabilities. Benefits are payable for duty-related injuries or diseases that are likely to be permanent and that cause the employee to retire, accept reduced pay or a light-duty assignment, or that impair the employee's promotional opportunities.

All contributions are employer-paid. Contributions are based on a graduated, experience-rated formula. During 1994,

contribution rates ranged from 1.4 percent to 6.1 percent of salaries based on employer experience.

During the program's initial years, contributions did not keep pace with benefits, resulting in both an accounting and a cash deficit. The Employe Trust Funds Board has increased contribution rates annually since 1985, and has implemented an experience-rated system to encourage employers to oppose frivolous claims against the program. After 1987 legislation (Wis. Act 363, Laws of 1987) broadened the Department's authority for experience-rated contribution collection and modified the benefit structure, a new rate structure was enacted which retired the cash deficit in 1993. The accounting deficit of \$130.3 million is being amortized over a forty year period beginning in 1996.

Long Term Disability Insurance

Effective October 15, 1992, the Group Insurance Board established the long term disability insurance program as an alternative to the long term disability coverage provided through the WRS. The Employe Trust Funds Board purchases disability insurance coverage from the Group Insurance Board for WRS participants.

Participants who were covered by the WRS prior to October 15, 1992 have the option to select 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.

A LTDI benefit replaces 40% of the disabled participant's final average earnings until normal retirement age, or a minimum of five years. It also provides for additional annual contributions to the participant's WRS account equal to 5% 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 group insurance board for LTDI coverage. The premium rates, as a percent of WRS covered payroll, in effect for 1994 were as follows:

General	0.47%
Executive & Elected	0.82%
Protective with Social Security	0.53%
Protective without Social Security	0.64%

Public Entity Risk Pool Accounting Policies

1. **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.
2. **Valuation of Investments:** Assets of the Health Insurance fund are invested in the State Investment Fund. Investments are valued at cost, which approximates market value. Assets of the Income Continuation Insurance, Duty Disability and Long Term Disability Insurance funds are invested in the Fixed Retirement Investment Trust. Investments are valued at current market, which approximates amortized cost.
3. **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 8 percent for the Income Continuation Insurance and Long Term Disability Insurance and 5 percent for the Duty Disability program. The unpaid claims liability for the Health Insurance program was calculated by the Department. The liabilities for the Income Continuation Insurance, Duty Disability and Long Term Disability Insurance programs were determined by actuarial methods.
4. **Administrative Expenses:** All maintenance expenses are expensed in the period in which they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses. Claim adjustment expenses are also immaterial.
5. **Reinsurance:** Health insurance plans provided by health maintenance organizations and health insurance for local government annuitants are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.
6. **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.
7. **Premium Setting:** Premiums are established by the Group Insurance Board (Health Insurance, Income Continuation Insurance and Long Term Disability Insurance) and the Employee Trust Funds Board (Duty Disability) in consultation with actuaries.
8. **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 li-

abilities (in millions) for each fund during the past year. The amounts for Health Insurance include only the portion of the program which is self-insured.

	Health Insurance		Income Continuation Insurance		Duty Disability		Long Term Disability Insurance	
	1994	1993	1994	1993	1994	1993	1994	1993
Unpaid claims at beginning of the calendar year	\$ 10.0	\$ 12.1	\$ 34.9	\$ 31.4	\$127.7	\$ 107.8	\$ 1.9	\$ 0.0
Incurred claims: Provision for insured events of the current calendar year	61.6	60.1	17.2	16.3	5.7	7.3	3.3	1.8
Changes in provision for insured events of prior calendar years	<u>0.6</u>	<u>0.5</u>	<u>(6.4)</u>	<u>(6.3)</u>	<u>13.8</u>	<u>23.0</u>	<u>(0.6)</u>	<u>0.1</u>
Total incurred claims	<u>62.2</u>	<u>60.6</u>	<u>10.8</u>	<u>10.0</u>	<u>19.5</u>	<u>30.3</u>	<u>2.7</u>	<u>1.9</u>
Payments: Claims attributable to insured events of the current calendar year	50.3	50.2	1.9	2.2	0.6	0.4	0.0	0.1
Claims attributable to insured events of prior calendar years	<u>10.8</u>	<u>12.5</u>	<u>4.3</u>	<u>4.3</u>	<u>11.1</u>	<u>10.0</u>	<u>0.3</u>	<u>0.0</u>
Total payments	<u>61.1</u>	<u>62.7</u>	<u>6.2</u>	<u>6.5</u>	<u>11.7</u>	<u>10.4</u>	<u>0.3</u>	<u>0.1</u>
Total unpaid claims at end of the calendar year	\$ 11.1	\$ 10.0	\$ 39.5	\$ 34.9	\$ 135.5	\$ 127.7	\$ 4.3	\$ 1.9

8. DESCRIPTION OF EXPENDABLE TRUST AND AGENCY FUNDS

The Department of Employee Trust Funds also administers the State's Accumulated Sick Leave Conversion Credit program, the Employee Reimbursement Accounts program, Group Life Insurance program, Public Employee Social Security, Deferred Compensation, and the Milwaukee Retirement System Investment in the Fixed Retirement Investment Trust. These programs are

administered in accordance with Chapter 40 of the Wisconsin Statutes.

Accumulated Sick Leave Conversion Credit Program

In accordance with Chapter 40, Wis. Stats., the State provides that employees retiring and beginning an immediate annuity are eligible for conversion of unused sick leave to post retirement health insurance. At the time of an employee's death or eligibility for an immediate annuity, that employee's accumulated unused sick leave balance may

be converted at the employee's current rate of pay to credits for the payment of health insurance premiums for the employee and/or the employee's surviving dependents. Health insurance premiums are paid on the behalf of the employee, until the sick leave conversion credits are exhausted. At that time, the employee has the option to continue coverage by paying the total cost of the premiums. Approximately 6,452 annuitants are currently receiving health insurance coverage through sick leave conversion credits. Accumulated sick leave conversion is prefunded based on an actuarially determined percentage of payroll.

The actuarial valuation is based on the entry age actuarial cost method. Significant actuarial assumptions include an 8% assumed interest rate, 5.3% assumed annual salary growth, and an average sick leave accumulation of 5.7 days per year for state employees and 7.4 days per year for university employees. The accrued liability for the post retirement health insurance benefits at December 31, 1994, determined through an actuarial valuation performed on that date, was \$567 million. The program's net assets on that date, at actuarial value, were \$191 million, leaving an unfunded liability of \$376 million. The unfunded liability is considered an obligation of the state and is included in the general long-term debt account group in the state's comprehensive annual financial report.

Required and actual contributions totaled \$43.6 million during 1994.

Employee Reimbursement Accounts Program

The "Employee Reimbursement Accounts" program, authorized by Internal Revenue Code Section 125, allows participants to contribute pre-tax earnings to an account to be used

to pay eligible dependent care and medical expenses.

The Department contracts with a third-party administrator to provide administrative services, including participant accounting and claims processing, for the program. Contributions are withheld from participant payrolls and remitted by the employer to the Department. The funds are invested by SWIB in the State's short-term investment pool. Funds are transferred to the third-party administrator as needed for reimbursement of expenses to plan participants.

Administrative costs of the program are funded from the employers' social security savings on amounts contributed to the accounts by employees, along with interest earned on the fund balance and forfeitures from unclaimed contributions.

Group Life Insurance

The Life Insurance Fund offers group life insurance for current and retired employees of the state government and of participating local public employers. All public employers in the state are eligible to participate. The State and 536 local employers currently participate. The plan is fully insured by an independent insurer.

Basic coverage is based on employee annual earnings for the prior calendar year (as reported to WRS) rounded to the next highest thousand dollars. Supplemental and additional life insurance are also offered. State employees pay contributions to cover the entire cost of the additional plan during active employment and a portion of the basic and supplemental plans. The State's share finances the cost of insurance after retirement plus a portion of the basic and supplemental plans. Local employers submit their contributions directly to the insurance carrier.

As of December 31, 1994, the following reserves (in millions \$) were accumulated to fund the liabilities of the program. All reserves are held by the insurer.

	State of Wisconsin <u>Plan</u>	Wisconsin Municipal <u>Plan</u>
Reserves:		
Premium Deposit Fund	\$ 128.1	\$ 51.4
Contingent Liability Reserve	56.5	56.4
Disability Claim Reserve	<u>8.1</u>	<u>6.4</u>
Total Reserves	<u>\$ 192.7</u>	<u>114.2</u>
Liabilities:		
Retired Lives	75.0	36.2
Active Lives	122.1	88.0
Disability Claims	<u>8.1</u>	<u>6.4</u>
Total Liabilities	<u>205.2</u>	<u>130.6</u>
Unfunded Accrued Liability	<u>\$ 12.5</u>	<u>\$ 16.4</u>

The Life Insurance Fund also includes a Group Spouse and Dependent Life Insurance program for state and local government employees. Unless the employer provides otherwise, the entire cost of this program is financed by the employee who pays a premium of \$2 monthly. Basic coverage provides a benefit of \$10,000 for the death of a spouse and \$5,000 for the death of a dependent. An optional second coverage level pays an additional \$10,000 on the death of a spouse and \$5,000 on the death of a dependent at a cost of an additional \$2 monthly.

Contribution rates are set at a level sufficient to pay anticipated claims incurred during the year. No actuarial liability has been calculated for the plan as of the balance sheet date. The reserves for the Spouse and Dependent plan as of 1994 year end are as follows:

State of Wisconsin Plan	\$929,639
Wisconsin Municipal Plan	231,442

In the event of termination of the current group life insurance contract, the insurer would retain liability for benefits for all retired employees and

those disabled employees under a waiver of premium. The insurer would retain assets equal to the Retired Lives Reserve and the Disability Claim Reserve. All remaining assets would revert to the Group Insurance Board in a series of installments.

In accordance with Chapter 40, Wis. Stats., the State provides post retirement life insurance to employees retiring before age 65 if they (1) have 20 years of creditable service, and (2) are eligible for a retirement annuity. This coverage is at the employee's expense (employee must pay the full premium) until age 65 when reduced coverage is provided at no cost. Employees retiring at or after age 65 are immediately eligible for reduced coverage at no cost. Beginning in the month in which an insured annuitant reaches age 65, premiums are no longer collected and coverage is continued for life. Approximately 10,261 state and 13,784 local annuitants currently qualify for coverage without premium. Post retirement life insurance is fully insured by the State's life insurance carrier; premiums are pre-funded with employer paid premiums during the employee's active career. The amount of premiums is determined by the insurer. The accrued liability and assets specifically related to post employment benefits could not be determined.

The required and actual contributions totaled \$3.0 million state and \$1.0 million local during 1994.

Deferred Compensation

A Deferred Compensation plan, created in accordance with Internal Revenue Code Section 457, is available to all state employees and employees of local employers who have chosen to participate. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency.

The Department of Employee Trust Funds contracts with an independent agent to administer the plan. Employers remit employee contributions directly to the administrative agent. The administrative agent transmits the contributions to one or more investment vehicles selected by the employee. All records detailing the contributions, earnings, and balance on deposit for individual participants are maintained by the administrative agent.

The Deferred Compensation plan is operated under Section 457 of the Internal Revenue Code. The deferred amounts legally are the property of the employer, although the funds have been earned by the employee and represent a portion of the employee's gross salary. Legal rights to the plan assets do not vest with the employee until certain eligibility criteria (termination, retirement, death, or unforeseeable emergency) have been met. Prior to vesting, the deferred amounts remain the sole property of the State and are subject to the claims of the State's general creditors. While the State does not have liability for losses under the plan, the State does have the duty of due care that would be required of an ordinary prudent investor and to administer the plan in good faith.

Of the \$357.5 million in the plan as of December 31, 1994, \$298.5 million is applicable to the State, while the remaining \$59.0 million represents the assets of the local governments participating in the plan.

Social Security

In accordance with Section 218 of the Federal Social Security Laws, the State entered into an agreement with the federal Department of Health and Human Services whereby the State underwrites and guarantees the payment of all public employer and employee Social Security contributions of personnel whose services are covered by the agreement. This agreement was amended effective January 1, 1987, to eliminate the Department's role in collecting contributions, at which time public employers began remitting contributions directly to the Social Security Administration. The Department remains the guarantor for local government payment of social security contributions. During 1994 the fund was closed by transferring all remaining assets to the Fixed Pension Trust Fund.

Milwaukee Retirement Systems

As authorized by s. 40.03 (1)(n), Wis. Stats., the City of Milwaukee Public Employee Retirement System and the Milwaukee Public Schools have elected to have funds invested by SWIB as part of the FRIT. These monies are accounted for separately from WRS as an agency fund. These retirement systems are charged a fee by the Department for investing and administering their retirement monies.

Wisconsin Retirement System
 Required Supplementary Information
 Revenues by Source and Expenses by Type
 (in thousands of dollars)

REVENUES BY SOURCE

Fiscal Year	Employee (1) Contributions	% Of Payroll	Employer (2) Contributions	% Of Payroll	Investment Income	Other Income	Total Revenues
1985	214,103	5.2%	295,864	7.2%	1,349,407	60	1,859,434
1986	231,342	5.3%	364,236	8.3%	1,239,925	73	1,835,576
1987	244,052	5.3%	365,714	7.9%	1,225,175	226	1,835,167
1988	259,173	5.4%	378,985	7.9%	2,632,059	569	3,270,786
1989	272,796	5.3%	395,223	7.6%	3,320,496	161	3,988,675
1990	294,584	5.4%	426,411	7.9%	(538,367)	172	182,800
1991	313,981	5.4%	465,113	7.9%	4,161,015	94	4,940,203
1992	337,668	5.2%	503,231	7.8%	2,232,661	113	3,073,673
1993	358,902	5.2%	536,513	7.8%	3,900,349	189	4,795,953
1994	375,128	5.3%	561,499	7.9%	(201,599)	155	735,183

EXPENSES BY TYPE

Fiscal Year	Retirement, Disability & Death Benefits	Separation Benefits (Refunds)	Administrative Expense	Other Expenses	Total Expenses
1985	298,212	32,549	2,901	57	333,719
1986	356,727	31,763	5,901	69	394,460
1987	419,294	29,900	6,670	237	456,101
1988	492,271	33,983	4,187	570	531,010
1989	555,145	28,038	10,349	147	593,678
1990	691,576	32,501	6,366	136	730,579
1991	764,599	27,536	7,553	0	799,688
1992	829,701	25,725	7,651	0	863,077
1993	942,953	24,225	8,775	0	975,953
1994	1,042,936	23,966	8,867	0	1,075,769

- (1) Employee Contributions include all employee required and employee additional contributions, including those amounts paid by the employer on behalf of the employee.
- (2) Beginning in 1986, Employer Contributions include all Benefit Adjustment Contributions, including those amounts paid by the employee.
- (3) Employee Required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially determined contribution requirements.
- (4) Beginning in 1988, Investment Income and Total Revenues reflect an accounting change in the valuation of investments to current market value.

Wisconsin Retirement System
 Required Supplementary Information
 Analysis of Funding Progress
 (in millions of dollars)

Calendar Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded Pension Benefit Obligation (PBO) (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as Percentage of Covered Payroll (4)/(5)
1986	11,648.5	11,759.4	99.1%	110.9	4,401.2	2.5%
1987	13,025.9	13,071.2	99.7%	45.3	4,636.6	1.0%
1988	16,645.8 (B)	14,894.2 (A)	111.8%	(1,751.6)	4,779.7	-36.6%
1989	20,040.5	17,549.0	114.2%	(2,491.5)	5,175.4	-48.1%
1990	19,756.2	18,726.0	105.5%	(1,030.2)	5,425.7	-19.0%
1991	23,633.5	20,874.0	113.2%	(2,759.5)	5,865.5	-47.0%
1992	25,845.9	22,818.0	113.3%	(3,027.9)	6,472.3	-46.8%
1993	29,673.7	25,175.3	117.9%	(4,498.4)	6,864.1	-65.5%
1994	29,322.6	26,583.4	110.3%	(2,739.2)	7,135.6	-38.4%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plans progress made accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS. See pages 40 and 41 of the notes, Funding Status and Progress, for further explanation of the Pension Benefit Obligation.

- (A) The 12/31/88 Pension Benefit Obligation includes the net liabilities created by the early retirement and other benefit provisions from 1989 Wisconsin Act 13 effective May 16, 1989. The net assets available for benefits does not include a \$500 million recognition of deferred market gains which was authorized by Act 13 to offset the increased benefit costs, but did not take place until June, 1989.
- (B) Beginning in 1988, the net assets available for benefits reflects an accounting change in the valuation of investments to current market value.
- (C) Data on the Pension Benefit Obligation is not available for periods prior to 1/1/86.

Public Entity Risk Pools
 Required Supplementary Information
 Claims Development Information
 (in millions of dollars)

The following tables 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 five years. The rows of the table 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 funds including overhead and claims expense not allocable to individual claims.
3. Estimated Incurred Claims as of the End of the Policy Year. Shows the funds' 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. Reestimated Incurred Claims. Shows how each policy year's incurred claims increased or decreased as of the end of successive policy years. This annual reestimation 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 reestimated 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 reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

Data for calendar and policy years prior to 1990 is not available.

HEALTH INSURANCE CLAIMS DEVELOPMENT INFORMATION

	1990	1991	1992	1993	1994
1. Net earned required contribution and investment revenues	\$70.8	\$78.0	\$83.7	\$69.1	\$66.2
2. Unallocated expenses	3.3	2.4	2.8	2.8	2.7
3. Estimated incurred claims as of the end of the policy year	58.5	66.8	65.3	60.1	61.6
4. Paid (cumulative) as of:					
End of Policy Year	47.4	54.4	53.3	50.2	50.3
One Year Later	59.2	66.8	65.6	61.0	
Two Years Later	59.2	66.9	65.5		
Three Years Later	59.2	66.9			
Four Years Later	59.2				
5. Reestimated incurred claims:					
End of Policy Year	58.5	66.8	65.3	60.1	61.6
One Year Later	59.2	66.8	65.7	60.8	
Two Years Later	59.2	66.9	65.5		
Three Years Later	59.2	66.9			
Four Years Later	59.2				
6. Increase (decrease) in estimated incurred claims from end of policy year	0.7	0.1	0.2	0.7	0.0

INCOME CONTINUATION INSURANCE CLAIMS DEVELOPMENT INFORMATION

	1990	1991	1992	1993	1994
1. Net earned required contribution and investment revenues	\$0.7	\$10.5	\$5.8	\$9.3	\$0.1
2. Unallocated expenses	0.3	0.5	0.5	0.6	0.7
3. Estimated incurred claims as of the end of the policy year	16.4	13.5	13.5	16.3	17.2
4. Paid (cumulative) as of:					
End of Policy Year	1.6	1.8	2.0	2.2	1.9
One Year Later	3.4	3.7	4.0	4.2	
Two Years Later	4.1	4.2	4.6		
Three Years Later	4.5	4.6			
Four Years Later	4.8				
5. Reestimated incurred claims:					
End of Policy Year	16.4	13.5	13.5	16.3	17.2
One Year Later	8.8	9.6	9.6	11.5	
Two Years Later	8.0	8.1	9.1		
Three Years Later	7.6	7.6			
Four Years Later	7.4				
6. Increase (decrease) in estimated incurred claims from end of policy year	(9.0)	(5.9)	(4.4)	(4.8)	0.0

DUTY DISABILITY CLAIMS DEVELOPMENT INFORMATION

	1990	1991	1992	1993	1994
1. Net earned required contribution and investment revenues	\$9.1	\$10.7	12.0	14.3	16.2
2. Unallocated expenses	1.3	0.1	0.5	0.3	0.2
3. Estimated incurred claims as of the end of the policy year	21.2	6.1	8.4	7.3	5.7
4. Paid (cumulative) as of:					
End of Policy Year	0.3	0.3	0.4	0.4	0.6
One Year Later	1.1	1.0	1.2	0.9	
Two Years Later	1.8	1.8	1.8		
Three Years Later	2.6	2.7			
Four Years Later	3.4				
5. Reestimated incurred claims:					
End of Policy Year	21.2	6.1	8.4	7.3	5.7
One Year Later	9.8	10.9	16.4	10.5	
Two Years Later	11.1	13.8	17.6		
Three Years Later	13.4	15.1			
Four Years Later	14.2				
6. Increase (decrease) in estimated incurred claims from end of policy year	(7.0)	9.0	9.2	3.2	0.0

LONG TERM DISABILITY CLAIMS DEVELOPMENT INFORMATION

	1992	1993	1994
1 Net earned required contribution and investment revenues	\$6.3	\$36.1	\$30.8
2 Unallocated expenses	0.0	0.1	0.2
3 Estimated incurred claims and expense, as of the end of the policy year	0.0	1.8	3.3
4 Paid (cumulative) as of:			
End of Policy	0.0	0.1	0.0
One Year Later	0.0	0.3	
Two Years Later	0.1		
5 Reestimated incurred claims and expense:			
End of Policy	0.0	1.8	3.3
One Year Later	0.2	1.2	
Two Years Later	0.2		
6 Increase (decrease) in estimated incurred claims and expense from end of policy year	0.2	(0.5)	0.0

Wisconsin Department of Employee Trust Funds
 Combining Balance Sheet
 Pension Trust Funds
 December 31, 1994

	Fixed Trust	Variable Trust	Special Death Benefit	Police and Fire s. 62.13	12-31-94	Totals
Assets:						
Equity in Pooled Cash & Cash Equivalents	\$ 360,281,141	\$ 1,037,278,905	\$ 0	\$ 0	\$ 1,397,560,046	\$ 747,188,575
Equity in Pooled Investments	10,434,656,196	18,102,872,658	0	0	28,537,528,854	29,457,796,502
Investment in Fixed Fund	0	0	826,552	97,555,473	98,382,025	108,102,681
Contributions Receivable	115,678,345	4,741,131	0	0	120,419,477	112,036,300
Benefits Overpayment Receivable	964,180	0	0	0	964,180	1,048,496
Miscellaneous Receivables	30	0	0	0	30	46,668
Fixed Investment in Variable Fund	15,475,728,958	0	0	0	15,475,728,958	14,853,914,152
Due From Other Trust Funds	10,300,822	3,046,845	0	0	13,347,667	54,320,058
Due From Other State Agencies	248,837	0	0	0	248,837	45,255,384
Total Assets	\$ 26,397,858,510	\$ 19,147,939,539	\$ 826,552	\$ 97,555,473	\$ 45,644,180,074	\$ 45,379,708,816
Liabilities:						
Annuities Payable	\$ 62,059,425	\$ 12,257,712	\$ 0	\$ 1,276,146	\$ 75,593,283	\$ 68,438,129
Advance Contributions	0	0	0	492,815	492,815	510,239
Miscellaneous Payables	15,801,566	0	0	0	15,801,566	11,929,785
Variable Investment Due Fixed Fund	0	15,475,728,958	0	0	15,475,728,958	14,853,914,152
Fixed Investment Due Other Programs	736,818,218	0	0	0	736,818,218	684,985,795
Due To Other Trust Funds	5,935,496	10,334,475	9,657	6,508	16,286,136	59,573,841
Due To Other State Agencies	0	0	0	0	0	2,653,700
Due To General Fund	0	0	0	0	0	23,118,351
Total Liabilities	\$ 820,614,705	\$ 15,498,321,145	\$ 9,657	\$ 1,775,468	\$ 16,320,720,976	\$ 15,705,123,992
Fund Balance:						
Reserve for Employer Contributions	8,931,202,501	1,074,449,701	0	585,219	10,006,237,421	9,664,892,066
Unfunded Accrued Liability	(2,006,931,523)	0	0	(50,929,953)	(2,057,861,476)	(2,096,519,274)
Reserve for Employer Contributions (Net)	6,924,270,978	1,074,449,701	0	(50,344,734)	7,948,375,945	7,568,372,792
Reserve for Employee Contributions	6,962,260,064	1,074,449,701	701,134	0	8,037,410,899	7,615,250,137
Reserve for Additional Contributions	91,160,067	50,445,365	0	0	141,605,432	143,559,064
Reserve for Annuities	9,171,260,220	1,414,788,002	0	131,965,434	10,718,013,656	10,059,042,613
Reserve for Undistributed Earnings	12,891,428	35,485,625	0	0	48,377,053	13,369,874
Reserve for Market Value Adjustments	2,415,401,048	0	115,761	14,159,304	2,429,676,113	4,274,990,344
Total Fund Balance	\$ 25,577,243,805	\$ 3,649,618,394	\$ 816,895	\$ 95,780,004	\$ 29,323,459,098	\$ 29,674,584,824
Total Liabilities and Fund Balance	\$ 26,397,858,510	\$ 19,147,939,539	\$ 826,552	\$ 97,555,473	\$ 45,644,180,074	\$ 45,379,708,816

Wisconsin Department of Employee Trust Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Balances
 Pension Trust Funds
 for Year Ended December 31, 1994

	Fixed Trust	Variable Trust	Special Death Benefit	Police and Fire s. 62.13	12-31-94	Totals
Operating Revenues:						
Investment Income	\$ (230,737,219)	\$ 29,137,971	\$ (7,189)	\$ (1,046,078)	\$ (202,652,515)	\$ 3,917,469,013
Employer Required Contributions	539,807,773	21,457,659	0	5,872,992	567,138,425	542,366,881
Employer Required Contributions	343,406,540	21,457,659	0	0	364,864,199	349,914,369
Employer Early Retirement Contributions	233,301	0	0	0	233,301	181,600
Employer Additional Contributions	4,172,207	1,137,990	0	0	5,310,196	4,741,251
Employer Additional Contributions	697,836	51,888	0	0	749,724	793,608
Employe Qualifying Service Contributions	577,931	107,893	0	0	685,824	577,382
Employe Forfeited Service Contributions	3,264,175	254,359	0	0	3,518,534	2,874,963
Total Operating Revenues	661,422,546	73,605,419	(7,189)	4,826,914	739,847,689	4,818,919,017
Operating Expenses:						
Retirement Annuities	793,373,041	135,275,067	0	14,117,913	942,766,021	853,886,093
Disability Annuities	54,582,502	4,461,367	0	1,098,527	60,142,397	55,498,726
Beneficiary Annuities	4,875,364	1,203,972	0	73,470	6,152,806	6,094,732
Separation Benefits	20,566,718	3,399,480	0	0	23,966,198	24,224,721
Retirement Single Cash Sums	6,194,779	268,935	0	0	6,463,714	3,003,751
Death Benefits	9,104,985	2,234,370	21,000	0	11,360,355	8,292,468
Disability Insurance Premiums	31,361,520	0	0	0	31,361,520	31,361,520
Administrative Expense	7,784,940	1,081,911	19,505	34,082	8,920,438	8,813,714
Total Operating Expenses	927,843,850	147,925,102	40,505	15,323,993	1,091,133,450	991,175,725
Operating Income (Loss)	(266,421,305)	(74,319,683)	(47,694)	(10,497,078)	(351,285,760)	3,827,743,292
Nonoperating Revenues (Expenses):						
Miscellaneous Income	155,145	0	0	0	155,145	189,064
Net Income (Loss) Before Operating Transfers	(266,266,159)	(74,319,683)	(47,694)	(10,497,078)	(351,130,615)	3,827,932,356
Operating Transfers:						
Operating Transfers In	15,835,485	462,206	0	0	16,297,691	19,315,747
Operating Transfers Out	(462,206)	(15,830,596)	0	0	(16,292,802)	(19,299,790)
Total Operating Transfers	15,373,279	(15,368,390)	0	0	4,889	15,957
Net Income (Loss)	(250,892,880)	(89,688,073)	(47,694)	(10,497,078)	(351,125,726)	3,827,948,313
Fund Balance - January 1	25,828,136,685	3,739,306,467	864,589	106,277,083	29,674,584,824	25,846,636,511
Fund Balance - December 31	\$ 25,577,243,805	\$ 3,649,618,394	\$ 816,895	\$ 95,780,004	\$ 29,323,459,098	\$ 29,674,584,824

Wisconsin Department of Employee Trust Funds
 Combining Statement of Changes in Reserve Balances
 Pension Trust Funds - Fixed Trust Fund
 for Year Ended December 31, 1994

	Employee Accumulation Reserve	Additional Accumulation Reserve	Employer Accumulation Reserve	Annuity Reserve	Undistributed Earnings	Market Value Adjustments	12-31-94	Totals 12-31-93
Beginning Balance - January 1	\$ 6,480,198,389	\$ 88,503,282	\$ 6,487,205,302	\$ 8,513,590,943	\$ 5,815,197	\$ 4,252,823,622	\$ 25,828,136,685	\$ 22,446,856,205
Revenues:								
Investment Income	0	0	0	0	1,606,685,355	(1,637,422,574)	(230,737,219)	3,359,932,259
Employer Contributions	347,248,647	4,172,207	0	0	0	0	351,420,854	334,794,134
Employer Contributions	0	697,836	540,041,075	0	0	0	540,738,911	515,181,057
Miscellaneous Revenues	0	0	0	0	155,145	0	155,145	189,064
Total Revenues	347,248,647	4,870,043	540,041,075	0	1,606,840,500	(1,637,422,574)	661,577,691	4,210,056,514
Expenditures:								
Separations	15,876,245	4,690,473	0	0	0	0	20,566,718	20,782,671
Retirement Single Sum Benefits	2,726,896	0	3,467,883	0	0	0	6,194,779	2,940,233
Death Benefits	7,283,520	258,908	1,562,557	0	0	0	9,104,985	7,211,587
LTDI Premiums	0	0	31,361,520	0	0	0	31,361,520	31,361,520
Annuities	0	0	0	852,830,908	0	0	852,830,908	778,030,951
Administrative Expenses	0	0	0	0	7,784,940	0	7,784,940	7,686,201
Total Expenditures	25,886,661	4,949,381	36,391,960	852,830,908	7,784,940	0	927,843,850	847,993,163
Transfers:								
Earnings Allocation	453,811,122	6,278,625	509,134,458	622,760,013	(1,591,984,218)	0	0	0
Annuities Awarded	(295,496,359)	(4,110,301)	(580,423,926)	880,032,586	0	0	0	0
Intra-Fund Transfers	(187,100)	(20,007)	207,107	0	0	0	0	0
Inter-fund Transfers	2,574,026	587,856	4,498,922	7,707,586	4,889	0	15,373,279	19,217,129
Total Transfers	160,699,689	2,736,173	(66,583,439)	1,510,500,185	(1,591,979,329)	0	15,373,279	19,217,129
Ending Balance - December 31	\$ 6,962,260,064	\$ 91,160,067	\$ 6,924,270,978	\$ 9,171,260,220	\$ 12,891,428	\$ 2,415,401,048	\$ 25,577,243,805	\$ 25,828,136,685

Wisconsin Department of Employee Trust Funds
 Combining Statement of Changes in Reserve Balances
 Pension Trust Funds - Variable Trust Fund
 for Year Ended December 31, 1994

	Beginning Balance - January 1	Employer Accumulation Reserve	Additional Accumulation Reserve	Employer Accumulation Reserve	Annuity Reserve	Undistributed Earnings	12-31-94	Totals	12-31-93
	\$ 1,134,360,845	\$ 1,134,360,845	\$ 55,055,892	\$ 1,134,360,845	\$ 1,407,974,268	\$ 7,554,677	\$ 3,739,306,467	\$ 3,300,571,510	
Revenues:									
Investment Income	0	0	0	0	0	29,137,971	29,137,971	540,416,935	
Employer Contributions	21,819,911	21,819,911	1,137,989	0	0	0	22,957,900	23,953,781	
Employer Contributions	0	0	51,888	21,457,660	0	0	21,509,548	22,125,311	
Total Revenues	21,819,911	21,819,911	1,189,877	21,457,660	0	29,137,971	73,605,419	585,896,027	
Expenditures:									
Separations	938,627	938,627	2,460,853	0	0	0	3,399,480	3,442,050	
Retirement Single Sum Benefits	136,069	136,069	0	132,866	0	0	268,935	63,518	
Death Benefits	1,699,951	1,699,951	150,861	383,558	0	0	2,234,370	1,059,298	
Annuities	0	0	0	0	140,940,406	1,081,911	140,940,406	122,286,383	
Administrative Expenses	0	0	0	0	0	1,081,911	1,081,911	1,108,649	
Total Expenditures	2,774,647	2,774,647	2,611,714	516,424	140,940,406	1,081,911	147,925,102	127,959,898	
Transfers:									
Earnings Allocation	218,594	218,594	109,205	211,907	(414,594)	(125,112)	0	0	
Annuities Awarded	(76,564,091)	(76,564,091)	(2,709,979)	(76,602,250)	155,876,320	0	0	0	
Intra-Fund Transfers	(36,885)	(36,885)	0	36,885	0	0	(15,368,390)	0	
Inter-fund Transfers	(2,574,026)	(2,574,026)	(587,856)	(4,498,922)	(7,707,586)	0	(15,368,390)	(19,201,172)	
Total Transfers	(78,956,408)	(78,956,408)	(3,188,630)	(80,852,380)	147,754,140	(125,112)	(15,368,390)	(19,201,172)	
Ending Balance - December 31	\$ 1,074,449,701	\$ 1,074,449,701	\$ 50,445,365	\$ 1,074,449,701	\$ 1,414,788,002	\$ 35,485,625	\$ 3,649,618,394	\$ 3,739,306,467	

Wisconsin Department of Employee Trust Funds
 Combining Statement of Changes in Reserve Balances
 Pension Trust Funds - s. 62.13 Police and Fire Plans
 for Year Ended December 31, 1994

Statement 9

	Employer Accumulation Reserve	Annuity Reserve	Market Value Adjustments	12-31-94	Totals	12-31-93
Beginning Balance - January 1	\$ (53,193,355)	\$ 137,477,402	\$ 21,993,036	\$ 106,277,083	\$	\$ 98,430,863
Revenues:						
Investment Income	(2,621,620)	9,409,274	(7,833,732)	(1,046,078)		17,002,863
Employer Contributions	5,872,992	0	0	5,872,992		6,035,721
Total Revenues	3,251,372	9,409,274	(7,833,732)	4,826,914		23,038,584
Expenditures:						
Annuities	0	15,289,911	0	15,289,911		15,162,217
Administrative Expenses	34,082	0	0	34,082		30,147
Total Expenditures	34,082	15,289,911	0	15,323,993		15,192,364
Transfers:						
Annuities Awarded	(368,669)	368,669	0	0		0
Ending Balance - December 31	\$ (50,344,734)	\$ 131,965,434	\$ 14,159,304	\$ 95,780,004	\$	\$ 106,277,083

Wisconsin Department of Employee Trust Funds
 Combining Balance Sheet
 Enterprise Funds
 December 31, 1994

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	12-31-94	Totals 12-31-93
Assets:						
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 43,930,449	\$ 0	\$ 0	\$ 43,930,449	\$ 11,975,091
Investment in Fixed Fund	4,483,283	0	57,085,813	72,480,065	134,049,161	106,977,629
Contributions Receivable	1,845,363	2,324	5,519	0	1,853,206	9,953,999
Miscellaneous Receivables	0	330	3	0	333	460
Benefit Overpayments Receivable	0	0	774,398	0	774,398	498,314
Prepaid Insurance/Premiums	0	17,121,921	50,367	0	17,172,288	15,513,265
Due From Other Trust Funds	0	3,973,835	0	0	3,973,835	6,824,422
Due From Other State Agencies	0	72,419	0	0	72,419	39,559,416
Interfund Loans Receivable	0	373,431	0	0	373,431	1,199,497
Total Assets	\$ 6,328,646	\$ 65,474,708	\$ 57,916,100	\$ 72,480,065	\$ 202,199,518	\$ 192,502,093
Liabilities:						
Annuities Payable	\$ 1,015,057	\$ 0	\$ 0	\$ 0	\$ 1,015,057	\$ 946,575
Estimated Future Claims	135,545,812	11,053,884	39,542,320	4,271,823	190,413,839	174,537,165
Advance Contributions	0	28,522,530	52,206	0	28,574,736	27,144,472
Miscellaneous Payables	0	742,169	3,731	5,252	751,153	140,692
Due To Other Trust Funds	47,967	0	66,288	122,423	236,678	263,201
Due To General Fund	0	0	0	0	0	20,530,131
Total Liabilities	136,608,836	40,318,583	39,664,546	4,399,499	220,991,463	223,562,236
Equity:						
Retained Earnings - Unreserved	(130,037,541)	25,156,125	7,535,978	70,288,045	(27,057,393)	(48,277,740)
Reserved for Market Value Adjustments	(242,649)	0	10,715,576	(2,207,479)	8,265,448	17,217,597
Total Equity	(130,280,190)	25,156,125	18,251,554	68,080,566	(18,791,945)	(31,060,143)
Total Liabilities and Equity	\$ 6,328,646	\$ 65,474,708	\$ 57,916,100	\$ 72,480,065	\$ 202,199,518	\$ 192,502,093

Wisconsin Department of Employee Trust Funds
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Funds
 for Year Ended December 31, 1994

	Duty Disability	Health Insurance	Income Continuation Insurance	Long-Term Disability Insurance	12-31-94	Totals 12-31-93
Operating Revenues:						
Investment Income	\$ (33,160)	\$ 2,283,578	\$ (495,542)	\$ (582,268)	\$ 1,172,608	\$ 15,191,288
Contributions	16,242,342	334,438,250	611,008	31,361,520	382,653,120	365,322,156
Total Operating Revenues	16,209,182	336,721,828	115,466	30,779,252	383,825,728	380,513,444
Operating Expenses:						
Insurance Claims	0	62,777,152	11,093,717	2,806,512	76,677,380	72,014,245
Insurance Premiums	0	271,482,205	0	0	271,482,205	251,276,807
Carrier Administrative Expenses	0	1,665,208	367,498	12,246	2,044,952	2,009,166
Disability Annuities	19,582,494	0	0	0	19,582,494	30,332,200
Administrative Expense	195,667	1,026,433	352,843	198,252	1,773,196	1,641,849
Total Operating Expenses	19,778,161	336,950,998	11,814,058	3,017,009	371,560,227	357,274,267
Operating Income (Loss)	(3,568,979)	(229,170)	(11,698,592)	27,762,243	12,265,501	23,239,177
Nonoperating Revenues (Expenses):						
Miscellaneous Income (Expense)	0	2,743	83	0	2,825	(24)
Interest Expense	0	(128)	0	0	(128)	(165,637)
Net Income	(3,568,979)	(226,555)	(11,698,510)	27,762,243	12,268,198	23,073,516
Retained Earnings - January 1	(126,711,210)	25,382,680	29,950,064	40,318,323	(31,060,143)	(54,133,659)
Retained Earnings - December 31	\$ (130,280,190)	\$ 25,156,125	\$ 18,251,554	\$ 68,080,566	\$ (18,791,945)	\$ (31,060,143)

Wisconsin Department of Employee Trust Funds
 Combining Statement of Cash Flows
 Enterprise Funds
 for Year Ended December 31, 1994

	Health Insurance	Income Continuance Insurance	Duty Disability	Long Term Disability Insurance	Totals
	12-31-94	12-31-94	12-31-94	12-31-94	12-31-93
Cash Flows from Operating Activities					
Cash Received for Insurance Premiums	\$ 365,924,330	\$ 691,964	\$ 16,013,817	\$ 31,361,520	\$ 413,991,630
Cash Paid for Employee Benefits	(334,389,717)	(6,650,041)	(11,714,348)	(367,464)	(353,121,570)
Cash Paid for Administrative Services	(2,691,641)	(767,793)	(209,796)	(175,440)	(3,844,670)
Cash Provided (Used) by Operating Activities	28,842,971	(6,725,870)	4,089,673	30,818,616	57,025,390
Cash Flows from Non-Capital Financing Activities					
Interest Paid on Cash Advances	(128)	0	0	0	(128)
Cash Advances	(373,431)	0	0	0	(373,431)
Cash Repayments	1,199,497	0	0	0	1,199,497
Interest on Delinquent Premiums	2,870	83	0	0	2,953
Net Cash Provided by Non-Capital Financing Activities	828,808	83	0	0	828,891
Cash Flows from Investing Activities					
Investment Income	2,283,578	(495,542)	(33,160)	(582,268)	1,172,608
Purchase of Investment Securities	0	7,221,330	(4,056,513)	(30,236,348)	(27,071,532)
Net Cash Provided (Used) by Investing Activities	2,283,578	6,725,788	(4,089,673)	(30,818,616)	(25,898,924)
Net Increase (Decrease) in Cash and Cash Equivalents	31,955,358	0	0	0	31,955,358
Cash and Cash Equivalents at Beginning of Year	11,975,091	0	0	0	11,975,091
Cash and Cash Equivalents at End of Year	43,930,449	0	0	0	43,930,449
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (229,170)	\$ (11,698,592)	\$ (3,568,979)	\$ 27,762,243	\$ 12,265,501
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Investment Income Classified as Operating Revenue	(2,283,578)	495,542	33,160	582,268	(1,172,608)
Changes in Assets and Liabilities:					
Decrease (Increase) in Contributions Receivable	30,108,021	28,749	(228,525)	0	29,908,245
Decrease (Increase) in Benefit Overpayment Receivable	0	(276,083)	0	0	(276,083)
Decrease (Increase) in Miscellaneous Receivables	(1,764,555)	105,532	0	0	(1,659,023)
Decrease (Increase) in Prepaid Expenses	1,027,900	4,613,427	7,799,664	2,435,682	15,876,673
Increase in Estimated Future Claims	1,378,058	52,206	0	0	1,430,264
Increase in Advance Contributions	0	0	68,483	0	68,483
Increase in Annuities Payable	0	0	0	0	0
Increase in Premiums Payable	606,295	800	0	3,365	610,460
Increase (Decrease) in Miscellaneous Payables	0	(47,452)	(14,129)	35,058	(26,523)
Increase (Decrease) Due to Other Trust Funds	29,072,141	4,972,722	7,658,653	3,056,373	44,759,889
Total Adjustments	28,842,971	(6,725,870)	4,089,673	30,818,616	57,025,390
Net Cash Provided by Operating Activities	\$ 28,842,971	\$ (6,725,870)	\$ 4,089,673	\$ 30,818,616	\$ 57,025,390
					\$ 257,694

Wisconsin Department of Employee Trust Funds
 Combining Balance Sheet
 Expendable Trust Funds
 December 31, 1994

	Accumulated Sick Leave Conversion	Employee Reimbursement Accounts	Life Insurance	12-31-94	Totals	12-31-93
Assets:						
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 1,414,252	\$ 0	\$ 1,414,252	\$ 294,928	
Investment in Fixed Fund	193,922,980	0	0	193,922,980	175,345,444	
Contributions Receivable	3,649,856	15,000	0	3,664,857	3,855,087	
Miscellaneous Receivables	0	0	299	299	752	
Benefit Overpayments Receivable	0	0	0	0	134	
Administrative Fees Receivable	0	0	224,537	224,537	0	
Prepaid Expenses	1,827,701	195,000	1,105,229	3,127,930	3,014,147	
Due From Other Trust Funds	0	0	171,651	171,651	2,018,913	
Due From Other State Agencies	0	142,675	12,724	155,399	1,496,283	
Total Assets	\$ 199,400,538	\$ 1,766,927	\$ 1,514,440	\$ 202,681,905	\$ 186,025,688	
Liabilities:						
Insurance Claims Payable	\$ 0	\$ 1,236,244	\$ 0	\$ 1,236,244	\$ 1,119,467	
Estimated Future Premiums	191,124,683	0	0	191,124,683	156,253,914	
Advance Contributions	0	15,417	1,105,334	1,120,751	947,789	
Miscellaneous Payables	0	31,835	175	32,010	158,979	
Due To Other Trust Funds	1,858,659	0	0	1,858,659	3,752,675	
Interfund Loans Payable	0	0	373,431	373,431	1,199,497	
Due To General Fund	0	0	0	0	1,531,818	
Total Liabilities	192,983,343	1,283,496	1,478,939	195,745,779	164,964,140	
Fund Balance:						
Fund Balance - Unreserved	0	483,431	35,501	518,932	376,225	
Reserved for Market Value Adjustments	6,417,195	0	0	6,417,195	20,685,324	
Total Fund Balance	6,417,195	483,431	35,501	6,936,127	21,061,549	
Total Liabilities and Fund Balance	\$ 199,400,538	\$ 1,766,927	\$ 1,514,440	\$ 202,681,905	\$ 186,025,688	

Wisconsin Department of Employee Trust Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Expendable Trust Funds
 for Year Ended December 31, 1994

	Accumulated Sick Leave Conversion	Employee Reimbursement Accounts	Life Insurance	12-31-94	Totals 12-31-93
Revenues:					
Investment Income	\$ (1,770,688)	\$ 86,616	\$ 31,988	\$ (1,652,084)	\$ 23,926,384
Contributions	43,575,146	10,374,186	13,311,265	67,260,597	63,824,489
Administrative Expense Reimbursement	0	0	382,462	382,462	291,143
Miscellaneous Receipts	0	300	257	557	1,737
	<u>41,804,458</u>	<u>10,461,102</u>	<u>13,725,971</u>	<u>65,991,531</u>	<u>88,043,753</u>
Total Revenues					
Expenditures:					
Insurance Claims	0	9,760,396	0	9,760,396	8,691,169
Insurance Premiums	55,939,029	0	13,311,265	69,250,294	68,185,579
Carrier Administrative Expenses	0	442,200	0	442,200	428,893
Administrative Expenses	133,558	145,046	385,460	664,064	609,757
	<u>56,072,587</u>	<u>10,347,641</u>	<u>13,696,725</u>	<u>80,116,953</u>	<u>77,915,398</u>
Total Expenditures					
Increase (Decrease) in Net Assets	(14,268,129)	113,461	29,246	(14,125,422)	10,128,355
Fund Balance - January 1	20,685,324	369,970	6,255	21,061,549	10,933,194
Fund Balance - December 31	<u>\$ 6,417,195</u>	<u>\$ 483,431</u>	<u>\$ 35,501</u>	<u>\$ 6,936,127</u>	<u>\$ 21,061,549</u>

Wisconsin Department of Employee Trust Funds
 Combining Balance Sheet
 All Agency Funds
 December 31, 1994

Statement 15

	Social Security	Deferred Compensation	Milwaukee Retirement	12-31-94	Totals	12-31-93
Assets:						
Equity in Pooled Cash & Cash Equivalents	\$ 0	\$ 284,766	\$ 0	\$ 284,766	\$	\$ 1,203,850
Investments	0	357,246,450	0	357,246,450		322,366,248
Investment In Fixed Fund	0	0	310,464,052	310,464,052		294,560,041
Contributions Receivable	0	260,584	0	260,584		322,321
Administrative Reimbursement Receivable	0	42,618	0	42,618		39,823
Total Assets	\$ 0	\$ 357,834,418	\$ 310,464,052	\$ 668,298,470	\$	\$ 618,492,283
Liabilities:						
Deferred Compensation Payable	\$ 0	\$ 357,523,956	\$ 0	\$ 357,523,956	\$	\$ 322,845,234
Due Milwaukee Retirement	0	0	310,462,608	310,462,608		294,555,919
Miscellaneous Payables	0	310,462	0	310,462		75
Due to Other Trust Funds	0	0	1,444	1,444		1,091,055
Total Liabilities	\$ 0	\$ 357,834,418	\$ 310,464,052	\$ 668,298,470	\$	\$ 618,492,283

Wisconsin Department of Employee Trust Funds
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 for the Year Ended December 31, 1994

Statement 16

	Balance January 1, 1994	Additions	Deductions	Balance December 31, 1994
SOCIAL SECURITY				
Assets				
Cash and Cash Equivalents	\$ <u>1,086,933</u>	\$ <u>19,392</u>	\$ <u>1,106,325</u>	\$ <u>0</u>
Liabilities				
Due to Other Trust Funds	\$ <u>1,086,933</u>	\$ <u>19,392</u>	\$ <u>1,106,325</u>	\$ <u>0</u>
DEFERRED COMPENSATION PROGRAM				
Assets				
Cash and Cash Equivalents	\$ 116,917	\$ 167,924	\$ 75	\$ 284,766
Investments	322,366,248	45,541,686	10,661,484	357,246,450
Contributions Receivable	322,321	260,584	322,321	260,584
Administrative Reimbursement Receivable	<u>39,823</u>	<u>42,618</u>	<u>39,823</u>	<u>42,618</u>
Total Assets	\$ <u>322,845,309</u>	\$ <u>46,012,812</u>	\$ <u>11,023,703</u>	\$ <u>357,834,418</u>
Liabilities				
Deferred Compensation Payable	\$ 322,845,234	\$ 45,650,668	\$ 10,971,946	\$ 357,523,956
Miscellaneous Payables	<u>75</u>	<u>310,462</u>	<u>75</u>	<u>310,462</u>
Total Liabilities	\$ <u>322,845,309</u>	\$ <u>45,961,130</u>	\$ <u>10,972,021</u>	\$ <u>357,834,418</u>

Wisconsin Department of Employee Trust Funds
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 for the Year Ended December 31, 1994

Statement 16
 (continued)

	Balance January 1, 1994	Additions	Deductions	Balance December 31, 1994
MILWAUKEE RETIREMENT				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 17,700,000	\$ 17,700,000	\$ 0
Investment in Fixed Fund	<u>294,560,041</u>	<u>15,904,011</u>	<u>0</u>	<u>310,464,052</u>
Total Assets	<u>\$ 294,560,041</u>	<u>\$ 33,604,011</u>	<u>\$ 17,700,000</u>	<u>\$ 310,464,052</u>
Liabilities				
Due Milwaukee Retirement	\$ 294,555,919	\$ 17,700,000	\$ 1,793,311	\$ 310,462,608
Due to Other Trust Funds	<u>4,122</u>	<u>1,444</u>	<u>4,122</u>	<u>1,444</u>
Total Liabilities	<u>\$ 294,560,041</u>	<u>\$ 17,701,444</u>	<u>\$ 1,797,433</u>	<u>\$ 310,464,052</u>
TOTALS - ALL FUNDS				
Assets				
Cash and Cash Equivalents	\$ 1,203,850	\$ 17,887,316	\$ 18,806,400	\$ 284,766
Investments	322,366,248	45,541,686	10,661,484	357,246,450
Investment in Fixed Fund	294,560,041	15,904,011	0	310,464,052
Contributions Receivable	322,321	260,584	322,321	260,584
Administrative Reimbursement Receivable	<u>39,823</u>	<u>42,618</u>	<u>39,823</u>	<u>42,618</u>
Total Assets	<u>\$ 618,492,283</u>	<u>\$ 79,636,215</u>	<u>\$ 29,830,028</u>	<u>\$ 668,298,470</u>
Liabilities				
Miscellaneous Payables	\$ 75	\$ 310,462	\$ 75	\$ 310,462
Due to Other Trust Funds	1,091,055	20,836	1,110,447	1,444
Deferred Compensation Payable	322,845,234	45,650,668	10,971,946	357,523,956
Due Milwaukee Retirement	<u>294,555,919</u>	<u>17,700,000</u>	<u>1,793,311</u>	<u>310,462,608</u>
Total Liabilities	<u>\$ 618,492,283</u>	<u>\$ 63,681,966</u>	<u>\$ 13,875,779</u>	<u>\$ 668,298,470</u>

199

4

Statistics

Retirement System Statistics

Total Participants by Status

Year	Active	Inactive	Annuitants	Total
1988	199,413	62,802	70,017	332,232
1989	204,336	65,779	73,232	343,347
1990	213,272	69,009	77,666	359,947
1991	219,624	70,646	79,465	369,735
1992	225,762	73,068	81,508	380,338
1993	229,360	77,567	83,836	390,763
1994	233,666	81,962	86,214	401,842

Total Participants with Variable Election

Year	Active	Inactive	Annuitant	Total
1988	27,160	8,167	17,779	53,106
1989	25,506	8,170	18,502	52,178
1990	23,577	8,282	19,922	51,781
1991	22,396	7,611	19,174	49,181
1992	21,367	7,061	20,968	49,396
1993	20,179	6,976	21,623	48,778
1994	18,993	6,928	22,248	48,169

Active Participants by Sex

Year	Male	Female	Total
1988	90,520	108,893	199,413
1989	90,987	113,349	204,336
1990	92,636	120,636	213,272
1991	94,178	125,446	219,624
1992	95,603	130,158	225,761
1993	96,278	133,082	229,360
1994	97,090	136,576	233,666

Active Participants by Employer Type

Year	State Agencies	University	School Districts	Counties	Cities
1988	30,360	26,359	80,528	31,759	20,549
1989	30,256	27,462	83,232	32,387	20,781
1990	32,138	28,802	87,048	33,346	21,276
1991	32,906	29,029	90,130	34,381	21,841
1992	32,497	29,925	92,569	34,750	21,903
1993	32,947	30,171	94,586	35,088	22,059
1994	33,722	30,447	96,537	35,656	22,333

Year	VTAE		4th Class			Totals (1)
	Districts	Villages	Towns	Cities	Misc.	
1988	7,310	2,161	821	225	1,863	199,413
1989	7,709	2,226	866	244	1,894	204,336
1990	8,104	2,379	952	258	1,973	213,272
1991	8,310	2,492	1,019	349	2,106	219,624
1992	8,140	2,649	923	317	2,089	225,762
1993	8,279	2,761	940	338	2,191	229,360
1994	8,415	2,915	1,005	364	2,272	233,666

(1) Some participants may be counted in more than one employer type. The total column eliminates the duplication and is an unduplicated count of participants.

*Active Membership (State Participants)
(10-Year Figures)*

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total
1985	49,816	474	2,363	-	52,653
1986	50,065	479	2,398	-	52,942
1987	51,429	362	3,008	-	54,799
1988	52,260	371	3,032	-	55,663
1989	53,345	371	3,091	-	56,807
1990	56,044	366	3,417	-	59,827
1991	56,900	371	3,692	-	60,963
1992	57,805	650	3,967	-	62,422
1993	58,416	685	4,017	-	63,118
1994	59,211	705	4,262	-	64,178

Active Membership (Local Participants)

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total
1985	126,774	869	6,967	2,535	137,145
1986	128,967	877	7,037	2,535	139,416
1987	130,723	930	7,246	2,584	141,483
1988	132,901	918	7,366	2,606	143,791
1989	136,655	920	7,498	2,590	147,663
1990	142,278	855	7,778	2,604	153,515
1991	147,288	847	8,002	2,586	158,723
1992	151,714	803	8,194	2,628	163,339
1993	154,423	774	8,418	2,627	166,242
1994	157,443	769	8,637	2,639	169,488

Active Membership (Total Participants)

Year	General	Elected	Protective With Soc. Sec.	Protective Without Soc. Sec.	Total (1)
1985	176,590	1,343	9,330	2,535	189,798
1986	179,032	1,356	9,435	2,535	192,358
1987	182,152	1,292	10,254	2,584	196,361
1988	185,161	1,289	10,398	2,606	199,413
1989	190,000	1,291	10,589	2,590	204,336
1990	198,322	1,221	11,195	2,604	213,272
1991	204,188	1,218	11,694	2,586	219,624
1992	209,519	1,453	12,161	2,628	225,761
1993	212,839	1,459	12,435	2,627	229,360
1994	216,654	1,474	12,899	2,639	233,666

(1) Some participants may be counted in more than one employment category. The total column eliminates the duplication and is an unduplicated count of participants.

Active Member Earnings (Amounts in Thousands \$)

Year	State	Local	Total
1985	1,214,611	2,872,140	4,086,751
1986	1,348,206	3,052,327	4,400,533
1987	1,373,498	3,136,228	4,509,726
1988	1,428,991	3,350,731	4,779,722
1989	1,483,612	3,535,249	5,018,861
1990	1,644,365	3,781,371	5,425,736
1991	1,746,228	4,119,269	5,865,497
1992	1,887,740	4,584,546	6,472,286
1993	1,988,110	4,876,034	6,864,144
1994	2,077,851	5,057,773	7,135,624

Active Member Statistics—Plan Averages

Year	Earnings	General		Earnings	Elected	
		Age	Service		Age	Service
1985	19,987	42.0	10.0	26,721	50.0	8.3
1986	21,309	42.3	9.8	28,371	50.3	8.8
1987	22,836	42.1	10.7	25,874	50.4	6.0
1988	23,784	42.3	10.8	26,171	50.1	6.0
1989	24,387	42.3	10.7	27,339	50.3	5.8
1990	25,245	42.1	10.3	28,137	51.2	6.2
1991	26,543	42.3	10.5	29,959	51.3	6.3
1992	27,508	42.5	10.7	39,185	50.5	10.3
1993	28,633	42.8	10.9	41,214	50.4	10.4
1994	29,306	43.0	11.0	43,361	50.6	10.7

Year	Earnings	Protective with Social Security		Protective without Social Security		
		Age	Service	Earnings	Age	Service
1985	24,596	38.1	11.0	27,388	40.2	14.0
1986	25,875	38.1	10.6	29,072	40.7	13.8
1987	26,509	37.8	10.8	30,460	40.5	14.6
1988	27,278	37.9	10.9	31,600	40.6	14.7
1989	28,191	38.0	11.0	32,184	40.1	14.2
1990	29,390	37.5	10.5	33,733	39.7	13.7
1991	30,408	37.6	10.5	35,563	39.8	13.7
1992	32,003	37.7	11.3	37,933	40.0	14.2
1993	32,858	37.9	11.5	39,348	40.1	14.4
1994	33,917	37.9	11.4	40,629	40.2	14.4

Number of Benefits

Year	All Annuities in Force			New Annuities			Lump Sum Benefits		
	Ret.	Disab.	Benef.	Ret.	Disab.	Benef.	Separation	Death	Ret.
1985	57,662	3,471	1,820	4,334	347	22	5,275	243	501
1986	59,954	3,695	1,776	4,154	362	26	6,035	467	761
1987	62,094	3,861	1,733	4,125	342	36	5,765	445	787
1988	64,283	4,046	1,688	4,163	379	31	5,962	433	1,213
1989	67,383	4,201	1,648	5,097	320	24	4,990	321	680
1990	71,726	4,353	1,587	6,389	333	27	4,939	360	889
1991	73,383	4,535	1,547	3,862	362	33	4,935	408	693
1992	75,288	4,714	1,506	3,993	343	35	4,665	316	607
1993	77,469	4,909	1,458	4,478	361	38	4,254	361	544
1994	79,730	5,066	1,418	4,575	344	37	3,940	416	723

Number and Percent of Annuities by Option — 1994

Option	All Annuities in Force		New Annuities	
	Number	%	Number	%
Life with 15 Year Guarantee	24,090	27.9%	1,035	20.9%
Life with 5 Year Guarantee	17,854	20.7	661	13.3
Straight Life	12,363	14.3	705	14.2
75% Continued Upon First Death	7,320	8.5	490	9.9
75% Continued to one Beneficiary	7,459	8.7	709	14.3
100% Continued to one Beneficiary	5,582	6.5	430	8.7
100% Continued to one Beneficiary with 180 Month Guarantee	4,831	5.6	818	16.5
Life with 10 Year Guarantee	1,516	1.8	0	0.0
Life with 5 Year Guarantee and Social Security Integrated	1,352	1.6	0	0.0
Other	3,847	4.4	108	2.2
Total	86,214	100.00%	4,956	100.00%

Retiree Age Distribution — 1994

Age Range	Members	% of Total
Under 55	429	0.5 %
55-59	5,219	6.7
60-64	11,950	15.3
65-69	16,663	21.3
70-74	15,838	20.2
75-79	12,279	15.7
80-84	8,755	11.2
85-89	4,890	6.2
90-94	1,885	2.4
95 And Above	425	0.5
Totals	78,333	100.0%

Retirement Annuity As A Percent of Final Average (Monthly) Earnings (FAE) At Normal Retirement Age

General Employees and Teachers Age 65							Elected Officials and State Executive Pay Plan (1) Age 62						
Years of Service	15		20		30		(Monthly) FAE	15		20		30	
	\$	%	\$	%	\$	%		\$	%	\$	%	\$	%
1,200	914	76.2	999	83.3	1,168	97.3	1,800	1,132	62.9	1,287	71.5	1,596	88.7
1,400	1,026	73.3	1,125	80.4	1,323	94.5	2,000	1,234	61.7	1,406	70.3	1,750	87.5
1,600	1,139	71.2	1,252	78.3	1,478	92.4	2,200	1,331	60.5	1,520	69.1	1,899	86.3
1,800	1,251	69.5	1,378	76.6	1,632	90.7	2,400	1,426	59.4	1,632	68.0	2,045	85.2
2,000	1,361	68.1	1,503	75.2	1,785	89.3	2,600	1,514	58.2	1,738	66.8	2,185	84.0
2,200	1,472	66.9	1,627	74.0	1,938	88.1	2,800	1,598	57.1	1,839	65.7	2,320	82.9
2,400	1,558	64.9	1,728	72.0	2,067	86.1	3,000	1,666	55.5	1,924	64.1	2,440	81.3
2,600	1,622	62.4	1,806	69.5	2,173	83.6	3,200	1,729	54.0	2,004	62.6	2,555	79.8
2,800	1,685	60.2	1,883	67.3	2,278	81.4	3,400	1,793	52.7	2,085	61.3	2,670	78.5
3,000	1,747	58.2	1,959	65.3	2,383	79.4	3,600	1,857	51.6	2,167	60.2	2,786	77.4

Protective Without Social Security (2) Age 55							Protective With Social Security (3) Age 55						
Years of Service	15		20		30		(Monthly) FAE	15		20		30	
	\$	%	\$	%	\$	%		\$	%	\$	%	\$	%
1,800	608	34	810	45	1,227	68	1,800	833	46	995	55	1,327	74
2,000	675	34	900	45	1,363	68	2,000	913	46	1,093	55	1,461	73
2,200	743	34	991	45	1,499	68	2,200	991	45	1,189	54	1,594	73
2,400	810	34	1,081	45	1,636	68	2,400	1,068	45	1,285	54	1,726	72
2,600	878	34	1,171	45	1,772	68	2,600	1,143	44	1,378	53	1,856	71
2,800	946	34	1,261	45	1,908	68	2,800	1,219	44	1,471	53	1,987	71
3,000	1,013	34	1,351	45	2,045	68	3,000	1,294	43	1,564	52	2,117	71
3,200	1,081	34	1,441	45	2,181	68	3,200	1,364	43	1,653	52	2,242	70
3,400	1,148	34	1,531	45	2,317	68	3,400	1,434	42	1,741	51	2,367	70
3,600	1,216	34	1,621	45	2,454	68	3,600	1,505	42	1,829	51	2,492	69

(1) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary, plus Social Security benefits based on estimated amounts from 1995 tables. The Social Security tables assume continuous coverage since age 22.

(2) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary. No Social Security benefits are included.

(3) Calculations are based on joint survivorship annuity - 100% continued to a spouse of the same age as beneficiary, integrated with Social Security benefits based on estimated amounts from 1995 tables. The Social Security tables assume continuous coverage since age 22.

Group Health Insurance Contracts in Force

Active Employees

Year	Single	Family	Medicare Integrated			Total
			Single	Family \ 1	Family \ 2	
1985	17,860	34,742	0	0	0	52,602
1986	16,704	34,544	0	0	0	51,248
1987	17,332	35,749	0	0	0	53,199
1988	17,404	36,029	0	0	0	53,438
1989	18,014	36,717	0	0	0	54,731
1990	18,206	37,292	0	0	0	55,498
1991	18,340	38,334	0	0	0	56,674
1992	19,214	39,547	0	0	0	58,761
1993	19,464	40,052	0	0	0	59,516
1994	19,646	40,744	0	0	0	60,390

Retired Employees Paying Premium By Annuity Deduction

Year	Single	Family	Medicare Integrated			Total
			Single	Family - 1	Family - 2	
1985	234	184	3,037	493	1,721	5,669
1986	601	338	4,260	570	2,239	8,008
1987	585	359	4,488	591	2,358	8,381
1988	663	369	4,646	604	2,457	8,734
1989	256	190	3,409	523	2,068	6,446
1990	307	200	3,547	513	2,202	6,769
1991	314	197	3,752	534	2,338	7,135
1992	304	230	3,953	511	2,468	7,466
1993	423	375	4,543	672	2,899	8,912
1994	337	247	4,341	573	2,767	8,265

Retired Employees Using Accumulated Sick Leave Credits

Year	Single	Family	Medicare Integrated			Total
			Single	Family - 1	Family - 2	
1985	602	900	1,710	765	1,472	5,449
1986	600	944	1,795	802	1,567	5,708
1987	613	983	1,840	882	1,621	5,939
1988	619	1,029	1,912	876	1,708	6,144
1989	678	1,209	1,881	894	1,781	6,443
1990	830	1,386	1,901	928	1,782	6,827
1991	786	1,307	1,845	922	1,786	6,646
1992	759	1,163	1,797	927	1,827	6,473
1993	780	1,129	1,834	841	1,852	6,436
1994	818	1,096	1,831	844	1,863	6,452

Premiums Collected (Amounts in Thousands \$)

Year (1)	Employee		Employer Active (2)	Sick Leave Conversion Credits (3)	Total
	Active	Retired			
1984-85	\$ 6,482	6,683	81,059	5,159	99,383
1985-86	6,275	7,468	85,722	9,129	108,594
1986-87	5,875	8,655	92,477	13,481	120,488
1987-88	6,900	10,714	103,837	9,462	130,913
1988-89	7,772	13,490	128,702	11,963	161,927
1989-90	7,162	17,566	155,691	15,722	196,141
1990	7,433	18,673	166,305	17,541	209,952
1991	7,524	21,074	218,676	19,472	266,746
1992	9,591	21,639	213,309	20,994	265,533
1993	9,630	21,818	240,458	20,656	292,562
1994	8,571	21,371	251,891	21,024	302,857

1. For years prior to 1990, data is for the July 1–June 30 fiscal year. Beginning in 1990, data is for the calendar year.
2. Employer contribution for active employees is presently the lesser of 90% of the cost of the standard plan or 105% of the cost of the lowest cost alternate health plan in the service area. Graduate assistants employed in the University of Wisconsin System pay the lesser of 80% of the standard plan or 100% of the lowest cost alternate plan.
3. Sick leave conversion credits represent the premium payments for retirees who converted their unused sick leave at retirement to dollar credits.

Life Insurance Statistics

Group Life Insurance Premiums Collected (Amounts in Thousands \$)

Year	State			Local			Totals
	Employee	Employer	Total	Employee	Employer	Total	
1985	6,903	2,838	9,741	4,418	1,157	5,575	15,316
1986	6,808	2,709	9,517	4,679	1,128	5,807	15,324
1987	7,353	2,728	10,081	4,338	1,110	5,448	15,529
1988	7,712	2,792	10,504	4,885	1,128	6,013	16,517
1989	8,159	2,880	11,039	5,450	1,203	6,653	17,692
1990	8,475	2,919	11,394	5,869	1,285	7,154	18,548
1991	9,122	3,124	12,246	6,348	1,382	7,730	19,976
1992	9,004	2,995	11,999	6,446	1,346	7,792	19,791
1993	9,010	2,949	11,959	6,703	1,892	8,595	20,554
1994	9,355	3,039	12,394	7,091	1,394	8,485	20,879

Monthly Employee Premium Rates

Age Group	Effective March 1, 1993			Effective March 1, 1994		
	Basic	Supplemental	Additional	Basic	Supplemental	Additional
Under 30	0.08	0.06	0.08	0.07	0.06	0.07
30 - 34	0.08	0.06	0.08	0.08	0.06	0.08
35 - 39	0.08	0.06	0.08	0.08	0.06	0.08
40 - 44	0.13	0.09	0.13	0.13	0.09	0.13
45 - 49	0.19	0.13	0.21	0.18	0.13	0.20
50 - 54	0.33	0.22	0.38	0.31	0.22	0.36
55 - 59	0.55	0.35	0.65	0.53	0.35	0.63
60 - 64	0.60	0.35	1.00	0.60	0.35	0.97
65 - 69	0.60	0.35	1.45	0.60	0.35	1.42

Group Life Insurance in Force (Amounts in Thousands \$)

Year	Pre-Retirement			Post Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
State						
1985	949,577	826,133	225,912	56,276	125,023	2,182,921
1986	1,002,407	867,395	243,998	62,237	178,913	2,354,950
1987	1,124,900	954,832	290,049	69,461	178,609	2,617,851
1988	1,149,936	973,811	299,574	76,455	330,128	2,829,904
1989	1,220,171	1,023,714	328,073	83,265	334,819	2,990,042
1990	1,236,343	1,019,605	341,634	94,775	345,188	3,037,545
1991	1,335,068	1,086,446	392,044	104,599	428,868	3,347,025
1992	1,419,159	1,136,635	430,942	114,713	444,447	3,545,896
1993	1,482,740	1,161,586	465,020	124,314	502,475	3,736,135
1994	1,557,536	1,224,469	506,871	141,705	518,765	3,949,346
Local						
1985	1,019,219	22,987	120,599	40,413	122,898	1,326,116
1986	1,104,837	31,763	158,204	44,888	191,030	1,530,722
1987	1,149,858	36,703	180,340	47,738	202,549	1,617,188
1988	1,231,123	41,072	213,375	51,087	423,030	1,959,687
1989	1,334,752	45,328	242,921	54,720	442,185	2,119,906
1990	1,431,760	49,396	278,634	58,442	454,834	2,273,066
1991	1,567,753	58,101	319,352	63,750	477,889	2,486,845
1992	1,691,283	65,852	359,978	70,577	495,236	2,682,926
1993	1,860,278	74,857	427,528	75,210	515,346	2,953,219
1994	1,984,318	87,792	478,110	80,734	531,233	3,162,187

Life Insurance Contracts

Year	Basic	Pre-Retirement		Post Retirement	Spouse & Dependent	Total Contracts	Total Participants
		Supplemental	Additional				
State							
1985	40,405	35,043	9,644	7,187	18,185	110,464	47,592
1986	40,545	34,946	9,870	7,576	18,588	111,525	48,121
1987	41,263	34,773	10,711	7,813	18,557	113,117	49,076
1988	41,237	34,721	10,801	8,101	20,056	114,916	49,338
1989	42,352	35,546	11,571	8,312	20,778	118,559	50,664
1990	41,850	34,389	11,708	8,859	21,422	118,228	50,709
1991	42,665	34,563	12,672	9,238	21,745	120,883	51,903
1992	44,390	35,422	13,678	9,579	22,534	125,603	53,969
1993	45,405	35,339	14,462	9,841	22,929	127,976	55,246
1994	46,150	36,067	15,273	10,433	23,226	131,149	56,583
Local							
1985	50,816	1,149	5,585	10,784	17,876	86,210	61,600
1986	52,695	1,461	7,044	11,178	19,847	92,225	63,873
1987	52,093	1,601	7,616	11,423	21,044	93,777	63,516
1988	53,674	1,732	8,761	11,717	25,699	101,583	65,391
1989	55,578	1,820	9,522	12,008	26,463	105,391	67,586
1990	57,845	1,929	10,631	12,242	26,867	109,514	70,087
1991	60,859	2,175	11,719	12,602	27,972	115,327	73,461
1992	62,723	2,338	12,537	12,975	28,759	119,332	75,698
1993	65,626	2,512	14,181	13,355	30,271	125,945	78,981
1994	67,515	2,875	15,320	13,690	30,416	129,816	81,205

Life Insurance Claims Paid (AMOUNTS IN THOUSANDS \$)

Year	Life	Pre-Retirement		Post Retirement	Spouse & Dependent	Living Benefits*	Totals
		AD&D	Disability				
State							
1985	5,512	416	558	1,502	280	0	8,268
1986	6,380	585	-104	1,751	323	0	8,935
1987	7,027	701	868	1,654	398	0	10,648
1988	6,896	170	-169	2,165	758	0	9,820
1989	7,090	668	-487	2,382	564	0	10,217
1990	7,176	267	-122	2,433	550	0	10,304
1991	6,982	236	712	2,733	642	0	11,305
1992	8,055	699	222	3,144	1,012	0	13,132
1993	7,358	966	1,054	3,971	647	285	14,281
1994	8,761	659	563	3,880	853	98	14,814
Local							
1985	2,780	177	360	1,196	255	0	4,768
1986	3,569	194	201	1,652	372	0	5,988
1987	4,008	634	440	1,480	426	0	6,988
1988	3,186	286	633	1,546	927	0	6,578
1989	4,081	309	-183	1,486	930	0	6,623
1990	3,443	259	47	1,831	1,066	0	6,646
1991	4,124	463	381	1,738	882	0	7,588
1992	3,895	264	245	2,177	1,107	0	7,688
1993	4,491	329	560	2,247	1,010	12	8,648
1994	4,842	283	861	2,297	1,190	177	9,633

* Living Benefits may originate as Pre-Retirement, Past Retirement, or Spouse & Dependent benefits.

Income Continuation Insurance Statistics

Income Continuation Insurance—Revenues by Type (Amounts in Thousands \$)

Year	Premiums		Investment Income	Totals
1985	\$ 5,396	N/A	3,366	8,762
1986	4,403	N/A	4,603	9,006
1987	3,363	N/A	5,642	9,005
1988	1,322	N/A	4,684	6,006
1989	0*	0*	10,682	10,682
1990	0*	0*	4,265	4,265
1991	0*	0*	5,754	5,754
1992	0*	0*	4,793	4,793
1993	0*	0*	8,504	8,504
1994	0*	0*	(474)	(474)

*Premium Holiday Declared

Income Continuation Insurance—Expense by Type (Amounts in Thousands \$)

Year	Benefits Paid		Other Expenses					Total
	Short-Term	Long-Term	Admin	Medical	Rehab	Legal	Misc	
1985	\$ 2,062	959	86	2	13	0	(6)	3,116
1986	2,243	940	87	2	11	0	(4)	3,279
1987	2,615	965	101	2	15	0	0	3,698
1988	2,647	1,240	112	1	8	0	0	4,008
1989	3,037	1,523	132	11	11	0	0	4,714
1990	3,380	1,995	154	32	20	0	0	5,541
1991	3,342	2,618	269	37	27	0	5	6,298
1992	3,414	2,646	284	38	21	0	27	6,430
1993	3,602	2,469	322	35	41	0	15	6,484
1994	3,868	2,617	361	41	69	0	28	6,984

Group Income Continuation Insurance—Claims Paid/Contracts in Force

Year	Contracts	Claims Paid Due To		Total Claims Paid
		Illness	Accident	
1985	32,902	576	143	719
1986	33,426	613	120	733
1987	34,429	605	142	747
1988	35,000	614	172	786
1989	35,569	686	184	870
1990	39,657	627	193	820
1991	41,885	736	229	965
1992	44,442	806	230	1,036
1993	46,813	838	300	1,138
1994	48,383	767	273	1,040

Employee Reimbursement Accounts Statistics

Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Accounts	Salary Reductions	Claims	Forfeitures
1990	3,111	\$ 1,909,556	1,870,359	39,197	971	\$ 2,798,565	2,786,212	12,353
1991	3,665	\$ 2,564,233	2,518,965	45,268	1,173	\$ 3,773,840	3,757,606	16,234
1992	4,270	\$ 3,028,007	2,969,889	58,118	1,350	\$ 4,404,836	4,388,155	16,681
1993	4,740	\$ 3,630,087	3,553,872	76,215	1,482	\$ 5,154,116	5,133,353	20,763
1994	5,128	\$ 4,101,236	3,995,663	105,573	1,550	\$ 5,760,957	5,709,061	51,896

Administrative Funding

Year	Receipts				Expenses			Surplus (Deficit)
	Fees	Interest	Forfeitures	Total	ASO	State	Total	
1989 (1)				0	\$ 138,556	42,015	180,571	(180,571)
1990	\$ 515,225	73,253	51,550	640,028	\$ 461,664	126,440	588,104	51,924
1991	\$ 706,185	79,045	61,502	846,732	\$ 386,958	116,322	503,280	343,452
1992	\$ 398,886	59,513	74,799	533,198	\$ 365,637	84,868	450,505	82,693
1993	\$ 505,485	64,889	96,978	667,352	\$ 421,893	172,309	594,202	73,150
1994	\$ 511,993	86,616	157,469	756,078	\$ 442,200	150,404	592,604	163,474

(1) The Employee Reimbursement Accounts program was implemented effective January 1, 1990. The administrative expenses incurred during 1989 were for program development and start-up costs.

Deferred Compensation Program Statistics

Active Accounts and Assets by Investment Option

Year	Fixed(1)		Variable(2)		Annuitants(3)		Totals	
	Accounts(5)	Assets	Accounts	Assets	Accounts	Assets	Accounts	Assets(4)
1985	5,059	\$12,866,326	8,383	\$19,920,856	N/A	\$476,243	13,442	\$33,862,308
1986	6,564	19,581,393	11,769	32,330,087	31	1,433,454	18,364	54,528,469
1987	7,749	27,855,791	15,819	45,849,044	72	3,386,608	23,640	77,309,294
1988	9,349	43,666,248	14,161	53,942,398	161	6,416,807	23,671	104,194,139
1989	10,166	59,303,613	14,880	76,366,885	385	11,991,751	25,431	147,940,718
1990	10,446	74,361,610	16,472	83,081,366	734	17,514,610	27,652	175,239,356
1991	10,728	87,773,868	18,141	132,671,545	1,031	18,723,904	29,900	239,272,383
1992	10,503	94,724,522	25,735	156,789,100	868	16,674,505	37,106	268,395,697
1993	10,534	107,596,133	32,547	200,962,005	691	13,808,110	43,772	322,688,569
1994	10,974	122,262,358	41,528	222,538,732	595	12,445,360	53,097	357,507,034

- (1) Fixed Investment Options include fixed income funds; i.e. insured bank accounts and insurance options (GIC).
- (2) Variable Investment Options include mutual funds with varying degrees of investment risk; i.e. money market, bond, balanced and growth funds.
- (3) Assets held for annuity payout are invested in a fixed insurance option (GIC).
- (4) Total Assets include amounts being held for investment which are not reflected as Fixed, Variable or Annuitant investments
- (5) A participant choosing multiple investment options may be counted in both fixed and variable.

Participants and Assets by State and Local

Year	Employers	Local		State		Totals	
		Participants	Assets	Participants	Assets	Participants	Assets
1986	116	1,825	NA	7,717	NA	9,542	NA
1987	164	2,505	\$ 6,810,894	9,188	\$ 70,498,400	11,693	\$ 77,309,294
1988	209	2,981	11,386,069	9,861	92,808,070	12,842	104,194,139
1989	233	3,603	18,925,498	10,889	129,015,220	14,492	147,940,718
1990	262	4,217	23,008,741	11,204	152,230,615	15,421	175,239,356
1991	280	4,383	33,190,382	11,412	206,082,001	15,795	239,272,383
1992	304	5,085	37,933,972	13,314	230,461,725	18,399	268,395,697
1993	335	5,848	49,202,410	14,725	273,486,159	20,573	322,688,569
1994	381	6,659	59,021,157	16,001	298,485,877	22,660	357,507,034

Annual Changes in Assets

Year	1/1 Assets	Deferrals	Earnings	Withdrawals	Fees	12/31 Assets
1985	\$ 15,470,026	\$ 14,293,055	\$ 4,841,409	\$ 436,632	\$ 305,550	\$ 33,862,308
1986	33,862,308	16,896,700	5,279,742	980,606	529,675	54,528,469
1987	54,528,489	22,438,587	2,777,196	1,642,560	792,398	77,309,294
1988	77,309,294	24,681,673	5,900,452	2,715,715	981,565	104,194,139
1989	104,194,139	26,547,017	22,563,886	4,061,708	1,302,616	147,940,718
1990	147,940,718	28,549,086	5,860,920	5,722,164	1,389,204	175,239,356
1991	175,239,356	30,298,143	42,912,507	7,460,685	1,716,938	239,272,383
1992	239,272,383	35,192,658	6,542,267	11,239,190	1,372,421	268,395,697
1993	268,395,697	42,099,071	24,689,856	10,912,323	1,583,732	322,688,569
1994	322,688,569	46,744,691	(1,264,742)	9,080,835	1,580,649	357,507,034

199

4

Actuarial

July 10, 1995

Employe Trust Funds Board
Wisconsin Retirement System
201 East Washington Avenue
Madison, Wisconsin 53702


The basic financial objective of the Wisconsin Retirement System is to establish and receive contributions which, expressed as percents of active participant payroll, will remain approximately level from generation to generation of Wisconsin citizens, and which when combined with present assets and future investment return will be sufficient to meet the financial obligations of WRS.

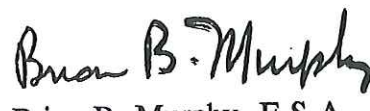
Annual actuarial valuations test how well the basic objective is being achieved, measure WRS funding progress, and estimate level contribution rates for the future. Actuarial valuations were last completed as of December 31, 1994. These valuations indicate that the contribution rates established by the ETF Board are consistent with the basic financial objective.

Actuarial valuations are based upon assumptions concerning future experience in various risk areas. Assumptions are adopted by the ETF Board after consulting with the actuary. They are reviewed every three years in accordance with Wisconsin Statutes. The most recent review covered the three year period January 1, 1990 to December 31, 1993. Revised assumptions from that review were first used in the December 31, 1994 valuations. We believe that the present assumptions produce reasonable results. Valuations are completed using generally accepted actuarial principles and in accordance with standards of practice prescribed by the Actuarial Standards Board.

Based upon the most recent valuation it is our opinion that the Wisconsin Retirement System continues to be in excellent condition in accordance with actuarial principles of level percent of payroll financing.

Respectfully submitted,


Norman L. Jones, F.S.A.


Brian B. Murphy, F.S.A.

Wisconsin Retirement System
 Actuarial Statement of Assets and Liabilities
 (millions \$)

	12/31/94	12/31/93	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Fixed Division	\$ 23,266.9	21,688.4	1,578.5
Variable Division	3,617.7	3,748.8	(131.1)
Totals	<u>26,884.6</u>	<u>25,437.2</u>	<u>1,447.4</u>
Obligations of Employers			
Unfunded Accrued Liability	<u>2,006.9</u>	<u>2,042.9</u>	<u>(36.0)</u>
Total Assets	<u>28,891.5</u>	<u>27,480.1</u>	<u>1,411.4</u>
Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	8054.8	7,656.6	398.2
Member Additional Contributions	142.8	143.6	(0.8)
Employer Contributions	<u>9,989.0</u>	<u>9,663.1</u>	<u>325.9</u>
Total Contributions	<u>18,186.6</u>	<u>17,463.3</u>	<u>723.3</u>
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Fixed Annuities	9,029.6	8,205.3	824.3
Variable Annuities	<u>1,487.0</u>	<u>1,268.3</u>	<u>218.7</u>
Total Annuities	<u>10,516.6</u>	<u>9,473.6</u>	<u>1,043.0</u>
Special Death Benefit Reserve	<u>0.7</u>	<u>0.7</u>	<u>0.0</u>
Total Reserves	<u>28,703.9</u>	<u>26,937.6</u>	<u>1,766.3</u>
Surplus			
Fixed Annuity Reserve Surplus	256.6	402.9	(146.3)
Variable Annuity Reserve Surplus	<u>(69.0)</u>	<u>139.6</u>	<u>(208.6)</u>
Total Surplus	<u>187.6</u>	<u>542.5</u>	<u>(354.9)</u>
Total Reserves and Surplus	<u>28,891.5</u>	<u>27,480.1</u>	<u>1,411.4</u>

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 years 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 complete 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 **long-term rates of investment return** used in making the valuation were 8.0% a year, compounded yearly for active members, and 5% a year, compounded yearly for present retired lives. This assumption determines the extent to which future benefit payments are assumed to be made from future investment income.

Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown below for sample ages. This assumption is used to project a participant's current earnings to the earnings upon which benefits will be based.

% Increases in Salaries Next Year

Age	Merit				Base (Economy)	Total				Age
	Protective	Teachers	Gen	Exec & Elec		Protective	Teachers	Gen	Exec & Elec	
20	6.0%	8.0%	7.3%	7.3	5.3%	11.3%	13.6%	12.6%	12.6	20
25	5.0	4.3	4.2	4.2	5.3	10.3	9.6	9.5	9.5	25
30	2.4	3.1	2.0	2.0	5.3	7.7	8.4	7.3	7.3	30
35	1.3	2.7	1.4	1.4	5.3	6.6	8.0	6.7	6.7	35
40	0.8	2.1	1.0	1.0	5.3	6.1	7.4	6.3	6.3	40
45	0.7	1.6	0.4	0.4	5.3	6.0	6.9	5.7	5.7	45
50	0.4	1.0	0.3	0.3	5.3	5.7	6.3	5.6	5.6	50
55	0.2	0.7	0.3	0.3	5.3	5.5	6.0	5.6	5.6	55
60	-	0.4	0.3	0.3	5.3	5.3	5.7	5.6	5.6	60
65	-	-	-	-	5.3	5.3	5.3	5.3	5.3	65

If the number of active participants remains constant, then the total active participant payroll will increase 5.3% a year, the base portion of the individual salary increase assumptions. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

Decrement Probabilities

The mortality table used to measure mortality for active and retired participants was the Wisconsin Projected Experience Table for men and women. Sample retirement values from this table are shown below. 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

Wisconsin Projected Experience Table—With 5% Interest

Sample Attained	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Ages	Males	Females	Males
40	\$200.98	\$213.51	38.7	45.1
45	190.15	205.50	34.0	40.3
50	177.63	195.63	29.4	35.4
55	163.38	183.57	25.0	30.7
60	146.87	168.96	20.9	26.1
65	128.43	151.77	16.9	21.6
70	108.99	131.92	13.4	17.3
75	90.06	110.50	10.4	13.4
80	71.81	89.29	7.8	10.1
85	56.51	69.03	5.8	7.3

Rates of Retirement for Those Eligible to Retire
Normal Retirement Pattern

% Retiring Next Year

Age	General		Public School		University		*Protective		Exec.
	Male	Female	Male	Female	Male	Female	With S.S.	W/O.S.S. & Elected	%
50	%	%	%	%	%	%	6%	5.5%	%
51							6	5.5	
52							6	5.5	
53							31	33	
54							30	32	
55							30	30	
56							30	30	8
57	9	12	14	19	16	12	30	30	8
58	14	12	15	19	16	12	30	30	10
59	16	12	17	23	13	12	30	30	11
60	16	12	19	23	15	12	30	30	13
61	19	12	15	16	10	12	30	30	20
62	34	25	41	30	25	30	50	50	20
63	34	25	41	20	25	20	30	30	20
64	34	25	41	20	13	20	30	30	20
65	58	53	60	52	40	39	50	50	37
66	52	47	50	45	40	39	50	50	37
67	40	37	42	37	35	37	50	50	32
68	40	37	43	37	35	37	50	50	32
69	46	45	51	40	35	37	50	50	38
70	48	46	59	40	50	50	100	100	46
71	48	46	59	40	50	50	100	100	46
72	100	100	100	100	100	100	100	100	100

*Includes early retirement

Early Retirement Pattern

% Retiring Next Year

Age	General		Public School		University		Exec. & Elected
	Male	Female	Male	Female	Male	Female	%
55	5%	6%	6%	6%	5%	10%	6%
56	5	6	6	5	5	8	6
57	6	7	9	5	4	8	7
58	6	7	9	6	3	9	8
59	6	8	9	7	3	9	8
60	8	10	9	9	3	9	11
61	9	10	9	10	3	9	13
62	30	25	25	30	14	19	
63	30	25	24	20	12	19	
64	28	25	23	20	12	19	

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 5 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. These assumptions are used to measure the probabilities of participants remaining in employment and the probabilities of being paid a disability or other termination benefits.

Select and Ultimate Withdrawal % of Active Participants Withdrawing

Age & Service	Protective		Public Schools		University		Exec. & Elected	Other		
	With Soc. Sec.	Without Soc. Sec.	Males	Females	Males	Females		Males	Females	
	Sec.	Sec.								
0	7.0%	5.0%	14.0%	14.0%	18.0%	20.0%	N/A%	14.0%	16.0%	
1	5.5	2.0	11.0	12.0	17.5	20.0	N/A	10.0	12.0	
2	4.0	2.0	9.0	9.0	15.0	18.0	N/A	7.0	9.0	
3	4.0	1.7	8.0	8.0	15.0	15.5	N/A	6.0	7.5	
4	3.5	1.7	6.0	7.0	12.5	13.0	N/A	5.0	7.0	
25	5 & Over	3.2	1.6	5.4	6.9	12.3	12.9	10.6	4.8	6.9
30		2.5	1.4	3.8	5.3	11.3	11.7	9.7	3.9	5.8
35		1.8	1.1	2.2	3.1	8.1	8.1	7.9	2.9	4.1
40		1.5	1.0	1.5	1.9	5.0	5.6	6.1	2.1	3.2
45		1.4	0.9	1.2	1.5	3.1	4.4	4.8	1.6	2.7
50		-	-	1.1	1.5	1.8	3.2	3.5	1.3	2.5
55		-	-	1.1	1.3	1.6	2.8	3.0	1.1	1.5
60	-	-	1.1	1.0	1.3	2.8	3.0	1.1	0.5	

Disability Rates % of Active Participants Becoming Disabled

Age	Protective		Public Schools		University		Other	
	With S.S.	Without S.S.	Males	Females	Males	Females	Males	Females
20	.04%	.07%	.02%	.02%	.02%	.03%	.04%	.03%
25	.05	.07	.02	.02	.02	.03	.04	.03
30	.06	.08	.03	.02	.02	.03	.05	.04
35	.08	.09	.03	.03	.03	.07	.06	.05
40	.11	.12	.04	.04	.04	.11	.10	.09
45	.17	.18	.07	.07	.06	.14	.17	.14
50	.56	.53	.17	.13	.11	.20	.33	.24
55	.84	.82	.33	.26	.22	.39	.67	.43
60	.93	.94	.52	.46	.40	.55	1.11	.71

**Contribution Rates—General and Elected Employees
(Percent of Payroll)**

Year	General					Elected				
	Current Cost %	Prior Cost %	Employer Total %	Employee %	Benefit Adjustment %	Current Cost %	Prior Cost %	Employer Total %	Employee %	Benefit Adjustment %
1985	5.8	0.7	6.5	5.0	-	11.0	0.9	11.9	5.5	0.0
1986	5.4	1.1	6.5	5.0	1.0	10.8	0.8	11.6	5.5	0.0
1987	5.0	1.1	6.1	5.0	1.0	10.6	0.7	11.3	5.5	0.0
1988	4.9	1.1	6.0	5.0	1.0	11.2	0.7	11.9	5.5	0.0
1989	4.9	1.1	6.0	5.0	1.0	11.2	0.7	11.9	5.5	0.0
1990	4.6	1.4	6.0	5.0	1.0	11.0	0.9	11.9	5.5	0.0
1991	4.7	1.4	6.1	5.0	1.1	11.1	0.9	12.0	5.5	0.1
1992	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1
1993	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1
1994	4.8	1.4	6.2	5.0	1.2	11.1	0.9	12.0	5.5	0.1

**Contribution Rates—Protective Employees
(Percent of Payroll)**

Calendar Year	Protective with Social Security						Protective without Social Security				
	Current Cost %	Prior Cost %	Duty Disab %	Employer Total %	Employee %	Benefit Adj %	Current Cost %	Prior Cost %	Duty Disab %	Employer Total %	Employee %
1985	10.8	1.3	0.2	12.3	6.0	-	18.2	1.6	0.2	20.0	8.0
1986	11.0	1.3	0.4	12.7	6.0	1.0	17.6	1.5	0.4	19.5	8.0
1987	11.2	1.2	0.5	12.9	6.0	1.0	17.0	1.5	0.5	19.0	8.0
1988	10.8	1.2	1.1	13.1	6.0	1.0	16.5	1.5	1.1	19.1	8.0
1989	10.1	1.2	1.4	12.7	6.0	1.0	15.4	1.5	1.4	18.3	8.0
1990	10.0	1.2	2.1	13.3	6.0	0.9	15.4	1.5	2.1	19.0	8.0
1991	9.8	1.1	2.3	13.2	6.0	0.7	14.9	1.5	2.3	18.7	7.5
1992	9.8	1.1	2.5	13.4	6.0	0.7	14.9	1.5	2.5	18.9	7.5
1993	9.7	1.0	2.8	13.5	6.0	0.6	14.9	1.5	2.8	19.2	7.5
1994	9.7	1.0	3.0	13.7	6.0	0.6	14.9	1.5	3.0	19.4	7.5

1. The employee rate is set by statute. Part or all of the required employee contribution may be paid by the employer on behalf of the employee.
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 and the percentage reported represents a weighted average.
3. The duty disability rate became effective in April, 1984. As of January 1, 1985, an experience rated schedule went into effect. The percentage reported represents a weighted average.
4. Beginning 1/1/86, participants were required to make an actuarially determined nonrefundable Benefit Adjustment Contribution. Part or all of the Benefit Adjustment Contribution may be paid by the employer on behalf of the employee.

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

Valuation Date	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
12/31/94	\$ 28,890.8	26,883.9	93.05%	2,006.9	7,135.6	28.1%
12/31/93	27,479.4	25,436.5	92.57%	2,042.9	6,864.1	29.8%
12/31/92	24,928.1	22,943.2	92.04%	1,984.9	6,293.8	31.5%
12/31/91	22,874.9	20,892.7	91.30%	1,982.2	5,865.5	33.8%
12/31/90	20,398.9	18,480.8	90.60%	1,918.1	5,421.5	35.4%
12/31/89	19,349.4	17,491.8	90.40%	1,857.6	5,011.8	37.1%
12/31/88	16,926.2	15,039.9	88.86%	1,886.3	4,779.0	39.5%
12/31/87	14,472.7	13,143.0	90.81%	1,329.7	4,508.0	29.5%
12/31/86	13,074.7	11,789.6	90.17%	1,285.1	4,184.0	30.7%
12/31/85	11,501.6	10,259.8	89.20%	1,241.8	3,869.0	32.1%

Solvency Test

(Millions \$)

Accrued Liability for:

Valuation Year	Valuation Assets	Retirants And Beneficiaries	% Funded	Active Member Contributions	% Funded	Active Members (Employers Share)	% Funded	Total	% Funded
1994	\$ 26,883.9	10,704.2	100.00%	8,197.6	100.00%	9,989.0	79.91%	28,890.8	93.05%
1993	25,436.5	10,016.1	100.00%	7,800.2	100.00%	9,663.1	78.86%	27,479.4	92.57%
1992	22,943.2	8,991.0	100.00%	7,026.3	100.00%	8,910.8	77.72%	24,928.1	92.04%
1991	20,892.7	8,239.1	100.00%	6,426.9	100.00%	8,208.9	75.85%	22,874.9	91.30%
1990	18,480.8	7,312.4	100.00%	5,694.5	100.00%	7,392.0	74.05%	20,398.9	90.60%
1989	17,491.8	6,365.5	100.00%	5,592.1	100.00%	7,391.8	74.87%	19,349.4	90.40%
1988	15,039.9	5,002.2	100.00%	4,974.0	100.00%	6,950.0	72.86%	16,926.2	88.86%
1987	13,143.0	4,382.5	100.00%	4,343.2	100.00%	5,747.0	76.86%	14,472.7	90.81%
1986	11,789.6	3,795.6	100.00%	3,909.0	100.00%	5,370.1	76.07%	13,074.7	90.17%
1985	10,259.8	3,221.3	100.00%	3,421.1	100.00%	4,859.2	74.44%	11,501.6	89.20%

Changes in Number of Annuitants

Year	Annuity Type	Beginning	Additions	Deletions	Ending
1994	Retirement	77,469	4,575	2,314	79,730
	Disability	4,909	344	187	5,066
	Beneficiary	1,458	37	77	1,418
	Totals	83,836	4,956	2,578	86,214
1993	Retirement	75,288	4,478	2,297	77,469
	Disability	4,714	361	166	4,909
	Beneficiary	1,506	38	86	1,458
	Totals	81,508	4,877	2,549	83,836
1992	Retirement	73,383	3,993	2,088	75,288
	Disability	4,535	343	164	4,714
	Beneficiary	1,547	35	76	1,506
	Totals	79,465	4,371	2,328	81,508
1991	Retirement	71,726	3,826	2,169	73,383
	Disability	4,353	362	180	4,535
	Beneficiary	1,587	33	73	1,547
	Totals	77,666	4,221	2,422	79,465
1990	Retirement	67,383	6,389	2,046	71,726
	Disability	4,201	333	181	4,353
	Beneficiary	1,648	27	88	1,587
	Totals	73,232	6,749	2,315	77,666
1989	Retirement	64,283	5,097	1,997	67,383
	Disability	4,046	320	165	4,201
	Beneficiary	1,688	24	64	1,648
	Totals	70,017	5,441	2,226	73,232
1988	Retirement	62,094	4,377	2,188	64,283
	Disability	3,861	368	183	4,046
	Beneficiary	1,733	34	79	1,688
	Totals	67,688	4,779	2,450	70,017
1987	Retirement	59,954	4,125	1,985	62,094
	Disability	3,695	342	176	3,861
	Beneficiary	1,776	36	79	1,733
	Totals	65,425	4,503	2,240	67,688
1986	Retirement	57,662	4,154	1,862	59,954
	Disability	3,471	362	138	3,695
	Beneficiary	1,820	26	70	1,776
	Totals	62,953	4,542	2,070	65,425
1985	Retirement	55,105	4,334	1,777	57,662
	Disability	3,281	347	157	3,471
	Beneficiary	1,916	22	118	1,820
	Totals	60,302	4,703	2,052	62,953

199

4

**Investments and
Administrative
Expenses**

1994 State of Wisconsin Investment Board

The State of Wisconsin Investment Board (SWIB) manages and invests the assets of the Wisconsin Retirement System and other benefit plans. Although a separate agency from the Department of Employee Trust Funds, its functions are directly related because it invests contributions by both employers and employees in the WRS.

Over the long term, investment earnings play a major role in the viability of the retirement system. The funding of the retirement system assumes that some of the costs of benefits will be paid from investment earnings. Without these earnings, employer and employee contributions would have to increase to maintain retirement benefit levels for the future.

The relationship between ETF and SWIB, in a nutshell, is this: ETF's Actuary determines how much of the funds will be needed to cover the annual pensions and benefits to be paid out. SWIB needs to create investment earnings to at least meet that need, when added to contributions already received or anticipated, so that contribution rates from employers and employees will not have to be increased. If SWIB exceeds the earnings assumption, the result may be post-retirement benefit increases (dividends) for retired persons, increased interest credited to the accounts of active employees and reduced employer and employee contributions. Other actuarial factors, such as life expectancy changes, may also affect these results.

SWIB pools all assets and manages them as either part of the Fixed Retirement Investment Trust or the Variable Retirement Investment Trust. As of December 31, 1994, the assets of the fixed trust were \$26.3 billion, down \$0.2 billion from the previous year. The assets in the variable trust were \$3.7 billion, down \$0.1 billion from the previous year. Besides the assets of the retirement trusts, SWIB is responsible for management and investment of other smaller, special purpose accounts such as the State Life Insurance Fund, the Local Government Property Insurance Fund and the State Historical Society Trust Fund. The two retirement trusts make up about 85% of the total assets managed by SWIB.

SWIB issues its own annual report, and readers who want more information about the investment program may call (608) 266-2381 to receive a copy.

The Trustees of the Investment Board as of December 31, 1994, their affiliations and appointment process, were as follows:

1. Five public members appointed by the Governor, four of whom must, by statute, have 10 years of professional investment experience:

Eugene G. Martin, chair, Executive Vice President, National Investment Services of America, Milwaukee.*

Maureen J. Oster, vice-chair, President, Johnson Asset Management, Milwaukee.

John Petersen III, President, Inland Investment Co., Madison.

* Deceased 12/28/94

Mark J. McMullen, Executive Vice President-Investments, Associated Kellogg Bank, Green Bay.

Philip M. Gelatt, President, Northern Engraving Corp., Sparta

2. Two Retirement System members, appointed by the Wisconsin Retirement Board (WRB) and the Teachers Retirement Board (TRB):

Eric O. Stanchfield, Secretary, Department of Employee Trust Funds, Madison, appointed by the WRB.

George H. Hahner, retired teacher, Racine, appointed by the TRB.

3. Secretary of the Wisconsin Department of Administration, ex-officio:

James R. Kláuser, Madison.

The staff of the Investment Board is headed by Patricia Lipton, the Executive Director, who is appointed by the Board of Trustees. The agency is divided into eight areas of responsibility. There are six investment divisions: Public Bonds, Private Placements, Real Estate and Mortgages, Common Stocks, Special Equities, and Liquid Assets. There are two support units: Legal Services and Accounting Operations/Administration.

Fixed Retirement Investment Trust (Balanced Trust)

All employe and employer contributions from the retirement system for active and retired participants are allocated to this trust — except for amounts employe participants elect to allocate to the Variable Retirement Investment Trust. About 90% of the \$26.3 billion holdings in the fixed or balanced trust at the end of 1994 were in public bonds and private securities and common and preferred stocks, as shown in the table below. Holdings in the trust as of December 31, 1994 as compared with December 31, 1993 are shown in Table 2.

Table 2
Fixed (Balanced) Trust

(in millions of \$)	12/31/94	12/31/93
At market value		
Short Term Reserves	\$ 1,035.2	\$ 658.7
Bonds	5,618.7	6,358.6
Private Placements	2,704.3	2,967.7
Real Estate	380.8	306.7
Stocks	14,800.8	14,547.6
Limited Partnerships	1,266.2	1,150.0
Miscellaneous	258.3	272.8
Mortgages	190.6	232.0
Totals	26,254.9	26,494.1

Variable Retirement Investment Trust

The Variable trust was established in 1958 with nearly all the assets invested in common stocks. Those who elected to participate can have up to one-half of their retirement contributions, and a matching amount of employer contributions, credited to this trust. The rest is credited to the Fixed trust. The Variable was designed to allow participants to share in the overall expansion of the economy through the stock market, and thus it is more volatile depending on annual market performance through the years. The variable trust was closed, however, to new participants effective April 30, 1980 by passage of Chapter 221, Laws of 1979. It was closed because of participant complaints about losses during years of low stock market returns and because the Fixed Trust also was increasingly being invested in common stocks. Holdings in the trust as of December 31, 1994 and 1993, valued at market, were as follows.

Table 3
Variable Trust

(in millions of \$)	12/31/94	12/31/93
At market value		
Short Term Reserves	193.4	88.4
Stocks	3,471.0	3,682.2
Totals	\$ 3,664.4	\$ 3,770.6

The investment earnings rates which affect active WRS participants over recent years are shown in table 4.

Table 4
Effective Earnings Rates
Active Members

Year	Fixed	Variable
1985	12.5	33.0
1986	12.7	13.0
1987	14.0	(Loss) (1.0)
1988	10.2	22.0
1989	18.1	24.0
1990	8.6	(Loss) (11.0)
1991	12.1	28.0
1992	10.2	11.0
1993	11.0	17.0
1994	7.7	0.0

The post-retirement benefit adjustments for both trusts for recent years are in table 5.

Table 5
Annuitant Experience
Variable Adjustments and Fixed Dividends

Year*	Fixed	Variable
1985	6.0	0.0
1986	7.2	26.0
1987	7.6	8.0
1988	6.7	(Loss) (6.0)
1989	4.1	14.0
1990	11.3	16.0
1991	3.6	(Loss)(14.0)
1992	6.3	18.0
1993	4.4	5.0
1994	4.9	11.0

*Figures reflect year in which benefit increase (decrease) was initially paid. The month of the change varies by fund and year. Fixed dividends and variable adjustments represent the net result of investment experience after taking into consideration the assumed investment return.

Administrative Expenses Department of Employee Trust Funds

The following two tables illustrate the administrative expenses to operate the Department of Employee Trust Funds. The agency's expenditures for the past two fiscal years are shown in table 6. Expenditures for the department's staff and all its operations are shown in table 7 as a proportion of the total net assets managed by the Investment Board. For 1994-95, the \$18.2 million ETF expenditures were six-100ths of one percent of the net assets.

Table 6
Department of Employee Trust Funds
Administrative Expenditures

	FY 1995	FY 1994
Personnel Costs:		
Salaries & Wages	\$5,766,056	\$5,414,736
Fringe Benefits	1,797,890	1,716,786
Travel & Training	164,293	119,115
Office Expenses:		
Postage	532,612	604,774
Office Space	509,201	492,295
Printing	399,105	308,582
Miscellaneous	34,313	93,765
Supplies	137,394	85,111
Repairs & Maintenance	116,137	92,823
Telephone	83,840	73,117
Professional Services:		
Investment Services (SWIB)	6,572,500	6,119,100
Data Processing	870,255	614,860
Actuarial	182,410	188,382
Auditing	54,000	52,000
Legal	62,927	96,827
Other	575,206	199,723
Permanent Property	<u>313,796</u>	<u>898,579</u>
Total Expenditures	\$18,172,435	\$17,170,575

Table 7
Administrative Expense Ratios
(Amounts in Thousands)

Fiscal Year	Admin Expense (1)	Net Assets Year End	Ratio to Net Assets	Total Revenues (2)	Ratio to Revenues	Total Expenses	Ratio to Expenses
1985-86	8,609	11,414,843	0.08%	2,849,781	0.30%	1,163,306	0.74%
1986-87	10,284	13,188,929	0.08%	3,062,747	0.34%	1,288,661	0.80%
1987-88	11,844	14,742,166	0.08%	2,365,947 (3)	0.50%	703,788 (3)	1.68%
1988-89	12,250	19,170,850 (4)	0.06%	2,432,821 (5)	0.50%	829,685	1.48%
1989-90	14,140	20,140,993	0.07%	4,235,438	0.33%	810,213	1.75%
1990-91	13,673	19,750,903	0.07%	719,105	1.90%	1,003,675	1.36%
1991-92	15,008	23,634,667	0.06%	5,023,361	0.30%	1,091,205	1.38%
1992-93	16,896	26,731,056	0.06%	3,477,816	0.49%	1,252,557	1.35%
1993-94	17,171	30,866,289	0.06%	5,299,110	0.32%	1,403,366	1.22%
1994-95	18,172	29,823,442	0.06%	1,244,163	1.46%	1,519,562	1.20%

- (1) Administrative expense includes ETF administrative expenses, including SWIB charges for investment services. It does not include the cost of Third Party Administrator contracts for Income Continuation Insurance, Health Insurance, Deferred Compensation and Employee Reimbursement Accounts.
- (2) Revenues include only those premiums, contributions and deferrals received by ETF. Local government life insurance premiums and deferred compensation deferrals paid directly from the employer to the Third Party Administrator are not included in Revenues.
- (3) Effective January 1, 1988 ETF no longer served as a depository for social security contributions from local governments.
- (4) Net asset value was increased by \$2,757,272,985 as of June 30, 1989 to reflect a change in investment valuation to current market value.
- (5) Effective January 1, 1989 revenues include gains and losses on the valuation of investments to current market value.

199

4

**Employers
and Prior
Service**

Wisconsin Retirement System Employers and Their Unfunded Liability (Prior Service Balance) (1) Dec. 31, 1994

State Agencies (59)

Name	Covered Payroll	Required Contributions	Unfunded Liability
Administration	\$ 34,229,539	5,111,040	
Agriculture Trade Consumer Protection	21,633,201	3,147,654	
Arts Board	362,093	55,060	
Banking Commissioner's Office	2,953,195	431,687	
Board Aging & Long Term Care	442,629	63,739	
Conservation Corps Board	326,071	49,523	
Corrections	150,149,314	25,845,875	
Courts - State	39,622,173	6,820,275	
Credit Unions Commissioner's Office	752,474	114,252	
Development	5,241,917	780,747	
District Attorneys	18,188,134	2,814,991	
Educational Communications Bd	3,585,044	532,629	
Elections Board	410,901	62,257	
Employe Trust Funds	5,452,845	797,682	
Employment Relations Comm	1,758,941	264,520	
Employment Relations	3,441,182	516,362	
Ethics Board	246,628	38,953	
Executive Office	1,340,842	200,452	
Gaming Commission, State	5,600,711	835,326	
Health & Educ Facilities Auth	143,524	20,668	
Health & Social Services	221,469,316	32,889,861	
Higher Educational Aids Board	544,930	84,030	
Historical Society	6,383,994	928,643	
Housing & Econ Develop Auth	6,057,901	872,338	
Industry Labor and Human Relations	67,109,703	9,710,215	
Insurance Commissioner's Office	4,574,219	668,335	
Investment Board	4,135,963	654,765	
Jt Survey Comm on Retirem Sys	111,254	18,961	
Judicial Commission	85,202	15,195	
Judicial Council	83,173	15,317	
Justice	22,092,871	3,441,410	
Legis Assembly - Chief Clerk	10,352,206	1,674,372	
Legis Assembly-Sgt at Arms	489,433	72,896	
Legislative Audit Bureau	3,215,264	471,324	
Legislative Council	1,611,186	236,531	
Legislative Fiscal Bureau	1,415,821	208,598	
Legislative Reference Bureau	2,033,127	296,402	
Legislature - Senate	7,439,904	1,139,397	
Lieutenant Governor's Office	296,597	48,326	
Lower Wis. State Riverway Bd.	57,065	10,205	
Military Affairs	9,059,799	1,403,018	
Minnesota-Wisc Boundary Comm	162,124	23,346	
Natural Resources	107,480,962	17,082,474	
Personnel Commission	485,379	79,165	
Public Defender's Office	23,189,907	3,353,085	
Public Instruction	23,649,049	3,441,445	
Public Service Commission	7,510,343	1,113,248	
Regulation & Licensing	4,097,817	607,476	
Revenue	36,946,532	5,370,593	
Revisor of Statutes Bureau	372,284	57,621	
Savings & Loan Commissioner's Office	634,485	97,527	
Secretary of State's Office	1,339,324	198,146	
Securities Commissioner's Office	1,197,563	179,314	
State Fair Park Board	1,563,838	244,056	
Transportation	142,856,077	21,921,346	
Treasurer's Office	512,305	78,619	
Veterans Affairs	20,209,782	2,927,062	
Wis Tech College Sys Board	3,788,363	561,581	
Wiscraft Inc - Ent for Blind	677,658	97,583	
Total State Agencies	\$ 1,041,174,076	160,797,520	

(1) Some employers, when they came under the Wisconsin Retirement System, chose to cover the past service of their employees working before the entry date. In addition new unfunded costs for past service sometimes are created by legislated benefit improvements. Unfunded liability, or prior service balance, means the additional amount of money eventually needed for retirement benefits for those prior years. "Covered payroll" is the total paid to employees covered by the Wisconsin Retirement System. "Required Contributions" is the amount for the year each employer contributes to the WRS for future benefits.

University of Wisconsin (2)

Name	Covered Payroll	Required Contributions	Unfunded Liability
Univ of Wis System-Cen Admin	\$ 273,570,600	39,612,775	
University of Wisconsin System	759,622,102	109,803,733	
Total University of Wisconsin	\$ 1,033,192,702	149,416,508	
Total State of Wisconsin	\$ 2,074,366,777	310,214,028	590,039,153

First Class Cities (152)

[Protective and other municipal employees]

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	\$ 219,117	24,103	
Adams	357,049	49,447	78,082
Algoma	1,981,449	260,790	745,635
Altoona	871,156	125,445	223,568
Amery	496,316	66,669	13,116
Antigo	2,585,658	424,188	802,206
Appleton	20,832,957	3,378,267	6,884,247
Ashland	3,276,760	548,818	1,043,873
Baraboo	2,565,775	381,616	742,986
Barron	867,783	123,881	353,734
Bayfield	224,346	29,898	31,607
Beaver Dam	3,680,234	583,678	1,263,413
Beloit	14,483,937	2,501,665	3,071,190
Berlin	1,409,458	198,853	294,643
Black River Falls	1,138,699	161,578	398,554
Blair	198,611	28,223	45,005
Boscobel	766,190	104,256	269,857
Brillion	346,063	46,757	12,429
Brodhead	667,974	98,916	263,700
Brookfield	11,208,822	1,965,836	1,997,860
Buffalo City	31,835	3,534	817
Burlington	2,486,917	366,288	594,261
Cedarburg	2,990,021	441,458	703,992
Chilton	588,501	84,198	206,568
Chippewa Falls	4,951,120	832,982	1,612,348
Clintonville	1,385,964	215,977	655,745
Columbus	1,136,010	158,861	411,643
Crandon	282,973	41,293	65,830
Cuba City	360,598	51,248	131,434
Cudahy	5,246,088	1,014,799	2,295,820
Cumberland	749,672	105,156	308,979
Darlington	410,833	58,623	123,326
De Pere	5,530,423	880,124	1,156,094
Delafield	841,099	128,218	132,786
Delavan	1,687,141	239,442	331,749
Durand	352,240	51,642	137,367
Eagle River	882,234	127,369	252,127
Eau Claire	19,544,337	3,326,161	5,730,029
Edgerton	1,006,769	144,360	250,365
Elkhorn	1,287,432	181,639	288,887
Elroy	373,010	48,333	62,662
Evansville	933,706	131,633	253,534
Fitchburg	2,217,420	318,998	218,980
Fond du Lac	13,029,782	2,289,790	4,442,249
Fort Atkinson	2,628,570	391,786	783,296
Fox Lake	213,349	29,091	67,518
Galesville	220,395	31,388	65,629
Glendale	5,116,691	1,142,959	1,999,640
Green Bay	35,748,300	6,005,452	11,953,510
Green Lake	221,900	33,527	78,956
Greenfield	8,420,707	1,458,226	1,204,107
Hartford	3,157,840	429,216	933,920
Horicon	893,336	131,850	276,886
Hudson	2,245,290	316,797	424,732
Hurley	411,882	62,902	183,567
Janesville	16,388,584	2,910,977	4,599,803
Jefferson	1,626,381	229,847	475,853
Juneau	532,519	71,697	147,005
Kaukauna	5,060,516	765,411	1,548,912
Kenosha	26,281,304	4,716,388	9,399,593
Kewaunee	584,734	87,111	247,592
Kiel	923,204	125,831	316,278
La Crosse	17,840,051	3,001,755	5,569,493
Ladysmith	866,209	120,181	282,590
Lake Geneva	1,959,982	283,263	471,069
Lake Mills	1,176,005	168,056	475,680
Lancaster	3,091,309	397,773	987,801
Lodi	592,131	80,214	113,189
Madison	86,107,739	14,073,894	26,898,184
Manawa	204,667	28,956	63,243
Manitowoc	13,967,947	2,167,008	5,518,522
Marinette	4,286,047	699,896	1,173,638
Markesan	207,408	29,965	39,043
Marshfield	7,630,314	1,280,233	2,584,901
Mayville	1,043,740	145,498	233,769
Medford	1,028,627	146,850	342,312
Menasha	7,181,188	1,197,333	2,292,081
Menomonie	3,850,772	712,315	905,581
Mequon	4,826,553	693,473	990,878
Merrill	3,640,353	689,948	1,305,068
Middleton	2,501,879	356,917	352,327
Milton	808,202	111,057	138,049
Milwaukee City Empl Retirement (2)	0	0	350,541
Mondovi	446,754	62,535	142,957
Monona	1,915,553	287,404	366,490
Monroe	2,725,484	385,631	626,698
Montello	182,397	27,093	38,230
Mosinee	663,846	97,086	145,078
Neenah	7,929,218	1,328,162	
Neillsville	560,056	81,042	302,234
Nekoosa	622,717	86,990	279,469
New Berlin	6,575,659	1,053,984	1,120,699
New Holstein	1,008,642	123,967	-722
New London	2,169,247	307,730	619,993
New Richmond	1,401,946	187,539	273,077
Oak Creek	7,511,455	1,274,969	2,170,808
Oconomowoc	3,731,431	545,312	1,435,173
Oconto Falls	736,515	99,248	125,063
Oconto	1,186,775	201,422	393,010
Omro	567,964	91,764	499,895
Onalaska	1,789,599	266,974	291,806
Oshkosh	17,288,819	2,847,866	6,098,277
Owen	218,707	30,941	48,958
Park Falls	631,050	91,687	272,557
Phillips	446,031	65,792	125,860
Platteville	2,210,769	316,444	853,211
Plymouth	2,317,562	318,128	761,831
Port Washington	2,579,984	369,434	670,372
Portage	2,108,980	303,932	65,620
Prairie du Chien	1,160,667	196,333	934,393
Princeton	268,121	40,643	137,523
Racine	37,028,277	6,469,931	13,290,721
Reedsburg	1,678,497	237,245	552,153
Rhineland	3,164,891	503,507	829,186
Rice Lake	3,029,846	481,884	785,234
Richland Center	1,395,464	194,169	529,939
Ripon	1,528,070	217,308	398,473
River Falls	2,922,221	400,013	670,051
Seymour	685,927	97,430	195,988

(2) Based on former employees of Town of Lake before Township was annexed many years ago by Milwaukee. Includes one employee; no new ones will be added.

Shawano	2,393,420	331,321	619,529
Sheboygan Falls	1,246,655	171,300	304,521
Sheboygan	17,540,706	2,821,189	7,640,221
Shell Lake	218,407	29,567	42,635
South Milwaukee	5,993,239	1,134,471	2,221,085
Sparta	1,603,465	228,961	373,392
Spooner	565,556	83,603	290,976
St Francis	2,512,502	503,927	566,379
Stanley	387,127	55,149	112,889
Stevens Point	7,010,857	1,276,236	1,707,734
Stoughton	2,669,545	363,999	681,339
Sturgeon Bay	2,827,198	449,073	1,277,401
Superior	9,275,738	1,672,943	3,713,139
Thorp	308,919	42,457	72,587
Tomah	1,950,857	272,542	422,333
Tomahawk	907,104	128,809	396,411
Two Rivers	4,636,473	807,720	2,255,742
Verona	861,182	138,427	293,297
Washburn	461,606	66,668	200,370
Watertown	5,198,865	802,077	1,186,375
Waukesha	19,352,878	3,258,528	4,405,890
Waupaca	1,476,788	212,734	386,542
Waupun	2,163,643	303,639	736,649
Wausau	10,316,751	1,746,375	3,866,436
Wautoma	265,322	39,375	89,310
Wauwatosa	17,684,216	3,285,738	7,377,814
West Allis	23,657,689	4,294,454	10,326,982
West Bend	7,156,132	1,223,994	1,728,920
Westby	385,464	50,656	96,723
Whitehall	369,632	51,849	132,116
Whitewater	2,576,507	370,702	646,049
Wisconsin Dells	1,395,039	194,730	429,194
Wisconsin Rapids	9,085,750	1,467,741	2,827,026

Total First Class Cities \$696,815,479 115,242,547 218,176,281

Fourth Class Cities (35)

[Protective Employees Only]

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Alma	44,443	8,400	14,049
Arcadia	119,270	22,065	15,822
Augusta	288,965	38,929	8,403
Bloomer	207,736	39,885	73,535
Chetek	143,200	25,346	0
Cornell	458,236	57,304	0
Dodgeville	260,332	47,641	18,162
Fennimore	161,846	29,618	21,652
Fountain City	27,514	5,008	2,822
Franklin	2,673,236	483,856	142,909
Gillett	99,192	18,549	16,839
Glenwood City	43,523	7,965	3,703
Greenwood	73,175	13,464	4,321
Hayward	158,936	28,767	6,993
Hillsboro	44,213	8,003	4,862
Independence	185,695	24,935	13,127
Loyal	75,593	13,682	7,275
Marion	75,051	13,584	5,776
Mauston	187,854	34,002	24,107
Mellen	36,704	6,497	6
Mineral Point	162,471	29,407	10,105
Montreal	116,150	19,746	168,825
Muskego	1,203,464	223,844	82,674
New Lisbon	69,092	12,575	5,925
Niagara	514,092	73,008	152,653
Osseo	73,763	13,425	9,632
Peshtigo	200,741	37,940	51,432
Pittsville	58,413	10,631	4,705
Prescott	237,417	42,973	15,222
Shullsburg	60,207	10,897	6,910
St Croix Falls	345,530	45,641	9,109
Sun Prairie	1,128,549	206,525	100,702
Viroqua	887,948	159,960	1,065,319
Waterloo	688,924	92,860	108,999
Weyauwega	94,039	17,115	8,847

Total 4th Class Cities \$ 11,205,516 1,924,045 2,185,422

Villages (157)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Albany	\$ 126,101	16,982	23,311
Allouez	1,713,946	245,991	464,419
Amherst	85,752	10,204	19,039
Argyle	102,326	11,863	0
Arlington	45,727	5,944	22,276
Ashwaubenon	3,414,830	526,051	433,887
Athens	108,098	14,786	23,095
Baldwin	290,814	37,992	58,240
Balsam Lake	130,592	17,310	19,377
Bayside	1,123,261	173,264	251,376
Belgium	115,765	14,355	20,809
Belleville	259,772	34,403	0
Belmont	114,139	14,158	1,641
Benton	98,462	12,966	19,268
Biron	154,902	17,039	0
Black Earth	187,853	23,330	0
Blanchardville	122,854	15,055	0
Blue Mounds	54,007	5,941	0
Blue River	46,478	5,113	0
Boyceville	134,130	18,729	50,934
Boyd	81,392	13,190	17,307
Brooklyn	112,572	18,247	111,395
Brown Deer	3,565,370	606,368	705,297
Browntown	33,071	4,299	13,185
Butler	559,280	89,699	148,369
Campbellsport	143,429	16,594	0
Cedar Grove	164,795	21,753	77,125
Centuria	159,448	22,828	67,983
Chenequa	459,001	79,045	106,243
Clear Lake	226,277	26,816	0
Cleveland	44,238	6,785	16,635
Clinton	338,994	44,742	0
Clyman	43,216	4,840	1,924
Cobb	58,240	6,989	17,970
Cochrane	39,384	4,332	0
Combined Locks	416,472	58,728	97,537
Cottage Grove	200,450	27,470	18,820
Cross Plains	386,034	56,679	146,604
Dallas	25,035	3,004	5,680
Dane	62,166	8,504	26,882
Darien	253,963	38,357	54,969
De Soto	37,836	4,503	1,439
DeForest	891,241	123,492	75,990
Dousman	167,945	20,721	0
Dresser	105,461	13,478	0
East Troy	620,919	93,302	257,497
Edgar	175,365	21,073	0
Egg Harbor	68,332	8,063	-684
Elkhart Lake	156,393	25,134	49,262
Ellsworth	378,082	52,966	34,606
Elm Grove	1,588,361	242,088	319,003
Ephraim	90,801	10,332	9,912
Fall River	76,744	10,533	10,089
Fontana on Geneva Lake	635,221	92,264	172,023
Fox Point	2,453,487	471,444	1,110,096
Friendship	66,620	9,127	42,464
Gays Mills	66,073	10,248	45,681
Genoa City	161,819	23,514	41,229
Germantown	2,967,631	431,267	490,585
Gilman	53,220	6,885	0
Grafton	2,007,521	288,475	479,740
Grantsburg	227,759	27,545	0
Greendale	3,623,735	687,545	918,127
Gresham	152,378	16,762	0
Hales Corners	1,657,483	255,630	315,203
Hartland	1,229,151	182,019	188,515
Hawkins	21,500	2,903	19,600
Hilbert	116,783	12,846	0
Holmen	404,677	55,107	0
Hortonville	266,433	40,035	78,639
Howard	1,113,707	125,430	38,364
Hustisford	264,652	34,687	73,349
Iola	180,613	24,774	0
Jackson	645,756	89,806	36,847
Johnson Creek	168,145	19,487	0
Kendall	53,920	7,884	16,864
Kewaskum	499,952	71,205	121,766

Kimberly	1,154,213	157,935	211,141
Kohler	512,605	77,534	214,101
La Farge	162,467	24,017	79,657
Lake Delton	577,739	96,289	117,311
Little Chute	1,443,071	203,758	264,229
Lomira	172,656	20,681	0
Luck	221,112	29,082	37,883
Luxemburg	104,022	13,798	49,440
Maple Bluff	456,348	77,571	147,084
Marathon City	214,017	29,493	47,121
Marshall	345,831	49,456	32,653
McFarland	825,714	118,231	90,444
Menomonee Falls	7,233,081	1,043,122	1,652,819
Milltown	163,673	21,678	25,067
Minong	89,827	12,745	20,370
Mishicot	134,945	17,587	36,959
Mount Horeb	903,153	114,010	0
New Glarus	448,893	74,493	190,567
Newburg	39,359	5,543	0
Nichols	24,205	2,856	6,014
North Fond du Lac	750,088	106,145	134,940
North Freedom	38,464	4,231	-480
North Hudson	164,996	24,359	10,107
Oconomowoc Lake	248,484	44,118	40,676
Oostburg	156,311	19,070	38,745
Oregon	764,271	123,333	479,760
Orfordville	238,961	30,451	0
Osceola	332,021	47,447	92,767
Paddock Lake	162,297	19,425	14,068
Pardeeville	332,014	44,340	46,680
Plain	116,238	14,925	0
Pleasant Prairie	2,301,398	393,000	222,584
Plover	1,152,195	163,301	84,278
Port Edwards	388,092	53,747	138,051
Pound	30,180	5,103	38,112
Poynette	208,194	28,292	47,964
Prairie du Sac	297,998	38,144	120,425
Pulaski	488,509	68,506	0
Randolph	222,846	35,722	151,638
Random Lake	190,852	24,238	34,033
Rib Lake	121,980	15,059	0
Rio	115,206	16,096	14,299
River Hills	1,112,456	185,790	438,699
Roberts	115,407	13,488	0
Rock Springs	23,204	3,056	3,146
Rosendale	86,320	11,322	0
Rosholt	22,826	2,762	6,452
Rothschild	581,504	86,960	138,921
Sauk City	690,868	103,922	175,570
Saukville	524,027	78,702	88,047
Sharon	205,062	28,828	42,248
Sherwood	112,020	15,347	70,229
Shorewood Hills	498,608	75,106	155,531
Shorewood	4,049,468	747,637	1,623,819
Sister Bay	170,993	20,348	15,637
Slinger	501,240	64,426	38,158
Spencer	220,380	31,954	63,507
St Nazianz	84,428	10,186	17,723
Stratford	175,694	22,206	0
Strum	103,659	14,967	32,144
Suring	96,417	12,203	19,745
Sussex	658,992	81,715	153,246
Thiensville	513,222	79,138	162,174
Trempealeau	181,329	22,891	0
Twin Lakes	609,256	93,931	120,682
Union Center	27,401	3,233	5,958
Union Grove	419,091	46,100	0
Valders	137,460	16,358	14,580
Walworth	318,485	49,289	40,807
Waunakee	1,103,488	151,775	172,059
West Baraboo	81,045	10,293	3,247
West Milwaukee	1,440,945	242,301	1,616,175
Westfield	152,838	21,122	25,709
Whitefish Bay	3,299,643	627,100	1,666,592
Whiting	118,636	13,999	19,017
Williams Bay	510,054	73,132	101,062
Wind Point	85,583	10,099	12,348
Winneconne	408,686	56,809	83,014
Withee	71,667	7,883	0
Wonewoc	106,273	14,216	30,119
Total Villages	\$ 82,865,549	12,652,841	20,075,6784

Towns (118)

Name (county)	Covered Payroll	Required Contrib.	Unfunded Liability
Addison (Washington)	\$ 25,988	2,859	0
Albion (Dane)	56,270	7,821	45,157
Arbor Vitae (Vilas)	91,636	12,693	25,706
Ashippun (Dodge)	71,954	9,903	2,443
Ashland (Ashland)	32,749	3,635	387
Athelstane (Marinette)	39,089	4,300	0
Aztalan (Jefferson)	57,850	8,157	46,755
Baraboo (Sauk)	21,825	2,401	0
Barksdale (Bayfield)	38,729	4,880	17,981
Beloit (Rock)	1,012,471	196,448	234,259
Bennett (Douglas)	30,541	4,245	17,664
Bloomfield (Walworth)	264,253	43,675	41,902
Bloomington (Dane)	134,363	26,529	118,865
Boulder Junction (Vilas)	95,384	15,163	43,412
Brockway (Jackson)	32,615	3,588	0
Brookfield (Waukesha)	613,077	95,355	9,905
Caledonia (Racine)	3,358,883	613,513	454,755
Campbell (La Crosse)	327,303	48,889	41,043
Cedarburg (Ozaukee)	343,345	41,201	84,783
Clear Lake (Polk)	22,590	3,027	14,876
Crescent (Oneida)	55,493	7,048	16,140
Dairyland (Douglas)	16,664	1,833	0
Darien (Walworth)	27,867	3,288	5,574
Delavan (Walworth)	472,368	75,463	63,312
Drummond (Bayfield)	54,522	9,051	58,273
Dunkirk (Dane)	54,079	5,949	0
Dunn (Dane)	149,842	17,623	0
Eagle Point (Chippewa)	65,907	9,973	40,239
Easton (Marathon)	56,646	6,231	0
Eau Galle (Dunn)	32,749	4,421	23,096
Ellington (Outagamie)	25,649	3,001	5,134
Farmington (La Crosse)	37,440	4,118	0
Flambeau (Rusk)	10,946	1,657	9,637
Florence (Florence)	313,384	43,452	133,514
Freedom (Sauk)	18,963	2,086	0
Geneva (Walworth)	163,151	26,269	42,755
Georgetown (Polk)	20,800	3,786	54,646
Grand Chute (Outagamie)	1,215,224	189,530	49,759
Grand Rapids (Wood)	277,870	36,526	0
Green Lake (Green Lake)	28,508	3,136	0
Greenfield (La Crosse)	36,993	4,069	0
Greenville (Outagamie)	141,638	17,874	0
Hallie (Chippewa)	244,385	36,550	0
Hazelhurst (Oneida)	50,285	5,682	6,109
Hull (Portage)	179,742	21,678	0
Jackson (Washington)	31,707	4,566	44,593
Kimball (Iron)	45,755	6,177	29,881
La Pointe (Ashland)	246,488	32,701	0
La Valle (Sauk)	75,057	11,044	6,541
Lac du Flambeau, Town (Vilas)	129,004	17,069	69,343
Land O Lakes (Vilas)	89,039	10,748	14,075
Laona (Forest)	54,962	8,189	12,084
Linn (Walworth)	205,904	34,453	41,133
Lisbon (Waukesha)	313,115	42,934	110,161
Lyons (Walworth)	47,849	6,694	11,806
Madison (Dane)	1,416,591	229,729	218,397
Maple (Douglas)	23,884	2,914	33,520
Marengo (Ashland)	18,261	2,009	0
Medford (Taylor)	23,522	2,823	6,692
Menasha (Winnebago)	1,474,139	231,606	245,802
Menominee (Menominee)	26,592	6,698	15,240
Mercer (Iron)	170,591	19,802	1,746
Merton (Waukesha)	226,493	30,442	88,379
Middleton (Dane)	61,591	8,807	46,790
Milltown (Polk)	50,913	7,586	41,086
Minocqua (Oneida)	869,970	129,340	214,046
Mishicot (Manitowoc)	30,951	3,652	6,101
Mount Pleasant (Racine)	3,719,413	672,504	398,051
New Haven (Dunn)	20,669	2,439	3,894
Newbold (Oneida)	101,324	13,169	28,930
Norway (Racine)	159,109	20,564	3,710
Oconomowoc (Waukesha)	623,381	101,400	91,147
Oma (Iron)	40,386	4,442	0
Parkland (Douglas)	46,116	5,119	1,027
Pelican (Oneida)	52,157	6,885	30,405
Phelps (Vilas)	71,889	7,908	0

Pine Lake (Oneida)	96,007	17,089	134,158
Pleasant Springs, (Dane)	59,961	8,712	-560
Pleasant Valley, (Eau Claire)	43,779	5,516	11,557
Port Wing (Bayfield)	39,120	4,303	0
Primrose (Dane)	28,970	3,187	0
Quincy (Adams)	40,839	5,538	6,133
Richmond (Walworth)	26,556	3,134	5,609
Rome (Adams)	239,780	37,466	0
Rutland (Dane)	55,319	6,852	3,879
Sanborn (Ashland)	45,976	5,514	0
Sharon (Walworth)	31,480	3,953	-3,317
Shelby (La Crosse)	229,559	30,913	111,592
South Lancaster, (Grant)	22,712	2,862	2,059
Springdale (Dane)	31,549	3,470	0
Springfield (Jackson)	32,589	4,302	16,942
St Germain (Vilas)	107,943	12,845	3,087
Summit (Juneau)	40,026	4,403	0
Summit (Waukesha)	396,704	66,639	100,170
Superior (Douglas)	51,074	7,099	43,807
Three Lakes (Oneida)	276,661	36,945	0
Tiffany (Dunn)	20,522	2,257	0
Troy (Walworth)	24,263	2,887	6,315
Vermont (Dane)	25,829	2,841	0
Vernon (Waukesha)	321,447	45,188	191,924
Verona (Dane)	58,888	7,333	0
Viroqua (Vernon)	35,002	3,955	2,303
Wabeno (Forest)	73,815	10,120	16,381
Walworth (Walworth)	22,851	2,696	5,582
Washington (Vilas)	89,494	12,554	42,056
Washington (Eau Claire)	125,395	15,986	40,031
Waterford (Racine)	238,532	38,788	50,026
Wescott (Shawano)	109,523	13,800	12,101
West Bend (Washington)	60,731	7,166	8,146
Westfield (Sauk)	19,166	2,108	0
Westford (Richland)	20,369	2,729	13,964
Weston (Marathon)	663,831	80,121	175,202
Westport (Dane)	111,037	13,741	0
Wilson (Sheboygan)	57,012	7,498	3,973
Windsor (Dane)	127,486	16,701	61,195
Winter (Sawyer)	88,568	10,485	0
Woodruff (Oneida)	191,540	33,606	75,983
Yorkville (Racine)	37,590	6,066	770
Total Towns	\$ 25,308,344	3,982,359	4,663,724

Counties (71)
[All But Milwaukee]

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Adams	\$ 4,220,970	572,886	1,182,483
Ashland	3,034,351	427,331	1,172,789
Barron	6,822,762	918,761	1,940,058
Bayfield	3,854,710	563,331	1,419,850
Brown	40,654,579	5,376,357	10,327,420
Buffalo	3,051,400	413,153	1,305,557
Burnett	3,086,187	422,091	1,256,466
Calumet	6,789,530	871,981	1,666,567
Chippewa	9,307,949	1,246,897	2,671,729
Clark	11,220,714	1,461,767	3,719,082
Columbia	11,232,248	1,524,404	3,626,717
Crawford	2,927,638	408,062	968,213
Dane	61,258,050	8,801,165	17,159,746
Dodge	20,911,253	2,694,386	6,107,258
Door	7,445,096	1,045,675	2,142,823
Douglas	7,849,143	1,137,544	3,952,091
Dunn	12,114,330	1,549,813	3,595,871
Eau Claire	16,392,869	2,139,484	3,398,718
Florence	1,704,077	251,935	470,323
Fond du Lac	20,588,231	2,626,794	5,466,550
Forest	2,030,964	286,980	726,001
Grant	8,385,604	1,092,871	2,716,321
Green	8,583,315	1,108,292	2,201,982
Green Lake	3,521,960	496,891	1,011,017
Iowa	4,731,756	624,428	1,471,446
Iron	-1,615,195	240,130	766,557
Jackson	7,556,196	965,678	1,573,786
Jefferson	17,342,346	2,450,719	5,514,840
Juneau	5,861,193	805,017	2,121,017

Kenosha	24,381,166	3,307,535	7,397,401
Kewaunee	4,201,168	588,902	1,461,329
La Crosse	23,075,878	2,889,465	5,427,078
Lafayette	6,593,813	837,445	1,748,185
Langlade	4,182,259	561,496	1,171,010
Lincoln	8,336,507	1,085,159	2,395,047
Manitowoc	19,151,651	2,505,573	5,710,342
Marathon	21,196,664	2,921,198	6,097,641
Marinette	8,413,349	1,096,486	3,054,910
Marquette	3,055,935	445,319	1,036,523
Menominee	2,054,968	262,233	385,764
Monroe	9,914,131	1,303,572	2,974,278
Oconto	6,275,894	853,866	2,083,174
Oneida	5,593,066	764,594	1,352,652
Outagamie	24,851,244	3,277,941	6,835,235
Ozaukee	13,625,103	1,853,138	3,302,882
Pepin	2,603,562	344,075	673,944
Pierce	6,873,924	947,890	2,575,681
Polk	8,319,836	1,137,704	2,876,003
Portage	13,724,960	1,887,849	2,904,765
Price	3,946,460	545,541	1,110,622
Racine	33,809,933	4,813,045	9,494,119
Richland	5,804,757	757,891	1,876,238
Rock	35,164,296	4,620,936	7,583,455
Rusk	7,420,015	938,614	1,834,637
Sauk	13,832,078	1,851,253	4,587,415
Sawyer	3,856,145	538,575	1,170,078
Shawano	8,582,826	1,236,272	3,014,795
Sheboygan	31,684,468	4,058,933	9,316,357
St Croix	13,855,775	1,815,905	3,595,369
Taylor	3,753,652	505,559	1,116,830
Trempealeau	8,580,511	1,110,610	2,345,081
Vernon	5,264,827	740,731	2,592,769
Vilas	3,567,962	544,074	1,092,403
Walworth	38,401,454	4,968,750	10,161,368
Washburn	3,308,029	451,045	1,289,652
Washington	18,224,241	2,358,900	4,275,272
Waukesha	41,140,259	5,418,742	5,941,230
Waupaca	10,884,415	1,450,183	3,145,425
Wausara	4,842,644	662,107	1,279,289
Winnebago	28,146,653	3,706,604	6,546,367
Wood	17,824,954	2,345,168	4,585,683
Total Counties	\$ 872,416,051	116,835,702	241,071,577

School Districts/CESAs (439)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Abbotsford	\$ 1,834,189	221,937	490,582
Adams-Friendship Area	6,892,230	847,744	1,735,457
Albany	1,563,641	190,764	378,776
Algoma	2,718,151	334,333	986,471
Alma Center-Humbrd-Meril	2,038,008	248,637	485,989
Alma	1,365,743	166,621	357,959
Almond-Bancroft	1,325,537	163,041	287,183
Altoona	3,957,984	486,832	929,870
Amery	6,003,968	744,492	1,538,934
Antigo Unified	11,062,308	1,360,664	3,241,783
Appleton Area	48,358,397	5,948,083	10,532,365
Arbor Vitae-Woodruff #1	1,821,117	225,818	352,976
Arcadia	2,933,954	369,678	759,986
Argyle	1,058,027	129,079	253,385
Arrowhead Union High	5,773,598	704,379	1,603,123
Ashland	7,708,823	948,185	2,200,604
Ashwaubenon	11,153,701	1,371,905	3,471,281
Athens	1,631,172	200,634	492,824
Auburndale	2,396,149	297,123	747,450
Augusta	2,456,332	302,129	665,703
Baldwin-Woodville Area	4,578,943	567,789	1,112,367
Bangor	1,796,514	222,768	409,772
Baraboo	9,416,244	1,167,614	2,089,367
Barneveld	1,194,690	149,336	245,902
Barron Area	5,283,007	655,093	1,643,349
Bayfield	2,065,709	258,214	492,451
Beaver Dam Unified	11,653,444	1,433,374	2,731,786
Beecher Dunbar Pembine	1,488,042	184,517	310,579
Belleville	2,658,231	321,646	561,945
Belmont Community	1,407,860	171,759	370,540

Beloit	28,503,058	3,505,876	6,332,265
Beloit Turner	3,909,456	476,954	1,111,436
Benton	1,130,596	137,933	315,340
Berlin Area	4,580,129	567,936	1,216,674
Big Foot UHS	1,782,574	221,039	571,644
Birchwood	1,147,185	143,398	375,358
Black Hawk	2,425,520	295,913	446,484
Black River Falls	6,256,257	775,776	1,757,327
Blair-Taylor	2,459,894	300,107	590,191
Bloomer	4,001,778	500,222	1,159,944
Bloomington	1,101,779	133,315	307,825
Bonduel	2,364,490	293,197	703,485
Boscobel	2,932,753	360,729	782,636
Boulder Junction Jt #1	883,949	107,842	212,556
Bowler	1,881,451	229,537	437,125
Boyceville Community	3,467,660	423,055	641,667
Brighton #1	415,231	51,073	78,934
Brillion Public	2,646,754	320,257	575,883
Bristol, Town, #1	1,256,518	159,578	419,648
Brodhead	4,055,934	502,936	1,092,622
Brown Deer	8,039,799	996,935	2,581,650
Bruce	2,649,376	331,172	847,915
Burlington Area	10,211,450	1,256,008	3,092,743
Butternut	956,793	115,772	246,273
Cadott Comm	3,145,618	402,639	1,278,499
Cambria-Friesland	1,735,252	211,701	368,663
Cambridge	3,285,604	404,129	718,523
Cameron	2,342,181	290,430	567,618
Campbellsport	4,046,992	497,780	964,497
Cashton	1,849,774	227,522	486,009
Cassville	1,200,556	148,869	348,302
Cedar Grove-Belgium	2,537,878	307,083	583,198
Cedarburg	10,190,912	1,253,482	3,048,386
CESA #1, West Allis	2,568,404	315,914	747,143
CESA #2, Janesville	4,211,639	547,513	1,418,663
CESA #3, Fennimore	2,259,452	280,172	524,778
CESA #4, Lacrosse	1,388,283	169,371	483,049
CESA #5, Portage	4,423,402	544,078	993,795
CESA #6, Oshkosh	8,719,925	1,072,551	1,769,247
CESA #7, Green Bay	3,438,753	416,089	699,753
CESA #8, Gillett	2,597,482	322,088	582,868
CESA #9, Tomahawk	1,622,588	197,956	410,435
CESA #10, Chippewa Falls	3,806,764	468,232	855,923
CESA #11, Cumberland	4,369,011	537,388	817,827
CESA #12, Ashland	1,643,465	198,859	254,135
Chetek	3,626,920	453,365	1,044,728
Chilton	3,405,511	418,878	1,119,108
Chippewa Falls Area Unif	15,252,967	1,891,368	3,882,457
Clayton	1,176,660	145,906	344,730
Clear Lake	2,279,292	282,632	599,366
Clinton Community	4,181,390	514,311	1,127,917
Clintonville Public	5,871,814	728,105	1,623,435
Cochrane-Fountain City	2,851,436	350,727	751,161
Colby	3,548,751	436,496	998,633
Coleman	2,786,977	345,585	697,108
Colfax	2,474,607	301,902	604,829
Columbus	3,875,491	480,561	1,183,877
Cornell	2,038,846	252,817	626,624
Crandon	3,393,650	420,813	868,226
Crivitz	3,082,781	382,265	924,754
Cuba City	2,763,282	359,227	1,022,711
Cudahy	12,949,062	1,592,735	3,859,130
Cumberland	3,591,992	441,815	983,905
D C Everest Area	16,896,351	2,061,355	4,550,330
Darlington Comm	3,146,850	390,209	875,556
Deerfield Comm	2,439,978	292,797	537,779
DeForest Area	10,632,208	1,297,129	1,767,115
Delavan-Darien	7,244,875	905,609	2,633,953
Denmark	4,473,102	541,245	872,540
DePere Unified	6,645,534	817,401	1,930,068
Desoto Area	2,321,147	280,859	509,626
Dodgegland	2,540,121	314,975	797,546
Dodgeville	4,175,565	513,594	970,360
Dover #1	253,481	30,164	51,799
Drummond	2,142,767	276,417	908,436
Durand	5,193,281	618,000	983,837
East Troy Community	5,196,252	644,335	1,343,778
Eau Claire Area	42,266,851	5,198,823	10,166,995
Edgar	1,751,246	215,403	513,347
Egerton	6,542,696	804,752	1,915,736
Elcho	1,618,577	200,704	444,602

Eleva-Strum	2,049,791	252,124	626,306
Elk Mound Area	2,742,149	334,542	626,331
Elkhart Lake-Glenbeulahs	2,703,111	329,780	670,294
Elkhorn Area	6,069,050	752,562	1,654,369
Ellsworth Comm	6,660,564	805,928	1,476,833
Elmbrook	32,586,251	4,008,109	8,733,847
Elmwood	1,910,432	231,162	421,543
Elroy-Kendall-Wilton	2,630,374	323,536	877,219
Erin #2	942,869	115,973	131,331
Evansville Comm	4,642,808	575,708	1,357,226
Fall Creek	3,073,889	384,236	906,384
Fall River	1,164,870	144,444	346,042
Fennimore Community	2,664,812	327,772	616,629
Flambeau	2,845,140	355,642	967,335
Florence	2,968,995	371,124	910,701
Fond du Lac	24,889,080	3,061,357	7,143,363
Fontana Jt #8 Etal	977,851	125,165	372,454
Fort Atkinson	8,917,779	1,096,887	2,542,836
Fox Point Jt #2 Etal	3,934,756	483,975	1,205,594
Franklin #5	13,541,577	1,679,156	2,830,793
Frederic	2,165,442	270,680	731,960
Freedom Area	4,025,771	495,170	947,571
Galesville Etal	4,676,440	579,879	1,401,088
Geneva Jt #4 Etal	422,989	52,451	83,653
Genoa City Jt #2 Etal	1,258,450	157,306	279,382
Germantown	12,801,333	1,574,564	3,420,986
Gibraltarr Area	3,165,969	402,078	838,991
Gillett	2,195,814	276,673	710,413
Gilman	2,007,280	252,917	732,105
Gilmanton	692,214	85,835	206,203
Glendale-River Hills	5,869,135	721,904	1,636,934
Glenwood City	3,129,530	378,673	652,232
Glidden	1,085,210	130,225	247,103
Goodman-Armstrong	1,019,069	124,327	227,984
Grafton	8,489,992	1,044,269	2,638,395
Granton Area	1,272,234	155,213	358,419
Grantsburg	2,982,453	372,807	881,969
Green Bay Area	74,807,522	9,276,133	19,883,830
Green Lake	1,521,200	187,108	466,935
Greendale	11,017,598	1,366,182	4,118,517
Greenfield	12,672,629	1,571,406	3,850,993
Greenwood	2,195,493	272,241	727,250
Hamilton	11,947,626	1,469,558	3,601,839
Hartford Jt #1 Etal	5,983,169	735,930	1,529,548
Hartford Union High	6,036,268	736,425	1,611,756
Hartland Jt #3 Etal	4,497,577	539,709	752,428
Hayward Community	6,678,874	794,786	1,360,473
Herman #22	371,501	46,066	95,874
Highland	1,113,662	138,094	315,209
Hilbert	1,774,848	214,757	373,583
Hillsboro	1,799,668	217,760	488,295
Holmen	7,125,957	876,493	1,177,823
Horicon	3,456,929	428,659	875,532
Hortonville	4,698,562	577,923	978,322
Howard-Suamico	10,459,311	1,296,955	2,499,204
Howards Grove	3,397,873	417,938	807,968
Hudson	11,462,985	1,398,484	2,227,922
Hurley	2,623,491	327,936	883,697
Hustisford	1,405,671	168,680	333,932
Independence	1,423,405	172,232	354,432
Iola-Scandinavia	2,250,960	283,621	772,629
Iowa-Grant	2,754,385	338,789	743,794
Ithaca	1,349,874	161,985	304,171
Janesville	37,464,857	4,608,177	11,596,283
Jefferson	6,744,674	822,850	1,904,618
Johnson Creek	2,322,345	281,004	601,841
Juda	964,434	121,519	248,397
Kaukauna Area	12,254,775	1,507,337	3,006,494
Kenosha Unified #1	65,082,863	8,005,192	17,120,175
Kettle Moraine	15,293,949	1,881,156	3,272,188
Kewaskum	6,046,194	743,682	1,707,993
Kewaunee	3,726,093	458,309	1,274,795
Kickapoo Area	1,985,662	238,279	336,823
Kiel Area	4,558,210	574,334	1,586,065
Kimberly Area	6,731,885	841,486	1,915,376
Kohler	2,046,143	255,768	678,376
La Crosse	33,735,060	4,149,412	7,662,762
Lac du Flambeau #1	2,329,424	286,519	300,776
Ladysmith-Hawkins	5,355,204	664,045	1,307,122
LaFarge	1,273,213	152,786	201,516
Lake Country	1,216,154	149,587	238,423

Lake Geneva Jt #1 Etal	3,953,446	490,227	992,236	Oakfield	1,986,763	248,345	750,605
Lake Geneva	3,665,637	454,539	1,196,005	Oconomowoc Area	14,097,492	1,733,991	4,202,380
Lake Holcombe	1,862,112	232,764	650,895	Oconto Falls Public	6,068,280	746,398	1,473,221
Lake Mills Area	4,546,338	559,200	1,252,427	Oconto Unified	3,980,653	489,620	1,013,598
Lakeland Union High	3,713,160	456,719	1,087,796	Omro	3,885,847	477,959	1,107,112
Lancaster Comm	4,077,981	501,592	998,213	Onalaska	8,755,367	1,068,155	1,782,319
Laona	1,237,381	150,960	359,194	Oostburg	2,933,841	363,796	780,906
Lena Public	1,347,507	167,091	399,853	Oregon	9,049,467	1,113,085	1,963,364
Linn Jt #4 Etal	365,705	44,982	109,737	Osceola	4,576,825	567,526	1,133,818
Linn Jt #6 Etal	562,384	72,548	165,835	Oshkosh Area	33,487,242	4,152,418	9,577,370
Little Chute Area	3,507,213	431,387	934,268	Osseo-Fairchild	3,191,450	392,548	1,003,841
Lodi	4,192,108	519,821	1,290,374	Owen-Withee	2,216,067	283,657	989,712
Lomira	2,617,212	321,917	521,015	Palmyra-Eagle Area	4,623,891	568,739	1,191,160
Loyal	1,954,205	242,321	600,836	Pardeeville Area	2,605,259	317,842	657,556
Luck	2,054,404	250,637	483,404	Paris Jt #1 Etal	525,570	65,171	168,959
Luxemburg-Casco	3,888,396	478,273	1,140,920	Park Falls	3,123,484	384,189	994,481
Madison Metro	117,094,013	14,519,658	29,990,603	Parkview	4,465,858	544,835	1,125,406
Manawa	2,964,866	361,714	713,807	Pecatonica Area	1,512,003	185,976	380,682
Manitowoc Public	15,897,698	1,971,315	5,058,633	Pepin Area	1,437,535	173,942	359,559
Maple Dale-Indian Hill	2,650,019	328,602	759,329	Peshigo	3,617,970	455,864	1,028,455
Maple	4,537,199	558,076	1,565,943	Pewaukee	6,548,952	825,168	1,253,441
Marathon City	2,035,761	248,363	486,669	Phelps	821,138	101,000	188,211
Marinette	8,799,830	1,082,379	2,771,024	Phillips	4,136,873	504,699	1,065,984
Marion	1,885,042	231,860	683,875	Pittsville	2,477,938	304,786	666,941
Markesan	3,580,676	444,004	1,007,848	Platteville	7,013,352	862,642	1,941,286
Marshall Jt #2 Etal	3,204,512	390,950	714,249	Plum City	1,190,822	146,471	309,658
Marshfield Unified	14,838,477	1,825,133	3,302,445	Plymouth Joint	8,000,923	984,114	1,854,286
Mauston	5,142,769	637,703	1,185,745	Port Edwards	1,904,205	234,217	685,702
Mayville	4,018,784	498,329	1,105,955	Port Washington-Saukville	11,365,743	1,397,986	2,814,587
McFarland	6,799,190	829,501	1,240,546	Portage Community	7,918,443	973,969	1,983,252
Medford Area	7,047,860	866,887	1,677,289	Potosi	1,622,242	212,242	509,298
Mellen	1,465,068	181,668	364,373	Poyette	3,741,789	460,240	931,502
Melrose-Mindoro	2,410,097	289,212	469,309	Prairie du Chien Area	3,496,815	430,108	926,957
Menasha Joint	12,005,651	1,476,695	3,159,311	Prairie Farm Public	1,497,282	184,166	358,613
Menominee Indian	5,153,235	628,695	1,026,879	Prentice	2,160,612	259,273	471,780
Menomonee Falls	16,556,616	2,069,577	5,427,191	Prescott	4,005,680	476,676	640,057
Menomonie Area	11,633,338	1,430,901	2,531,438	Princeton	1,208,792	148,681	287,783
Mequon-Thiensville	15,671,669	1,927,615	3,739,233	Pulaski Community	9,591,606	1,170,176	2,280,262
Mercer	840,259	102,512	204,907	Racine Unified	89,180,574	10,969,211	26,195,309
Merrill Area Common	11,489,076	1,413,156	3,231,792	Randall Jt #1 Etal	215,000	215,000	388,610
Merton Jt #9 Etal	1,744,709	204,131	282,323	Randolph	1,743,560	212,714	411,948
Middleton-Cross Plains	16,805,884	2,050,318	3,601,979	Random Lake	4,049,310	498,065	934,880
Milton	7,491,704	921,480	1,791,633	Raymond #14	773,491	95,913	246,514
Milwaukee	306,213,722	39,807,784	136,075,603	Reedsburg	7,420,968	920,200	1,950,288
Mineral Point Unif	2,683,609	330,084	566,098	Reedsville	2,000,272	244,033	547,038
Minocqua Jt #1 Etal	1,816,719	223,457	447,674	Rhineland	11,710,131	1,440,346	3,233,077
Mishicot	2,616,441	321,822	917,079	Rib Lake	1,748,259	215,036	441,350
Mondovi	3,422,394	417,532	754,730	Rice Lake Area	8,873,162	1,091,399	2,256,898
Monona Grove	8,387,840	1,040,092	2,580,275	Richfield #1	1,419,890	173,227	380,006
Monroe	8,130,697	1,000,076	2,087,820	Richfield Jt #11 Etal	625,143	76,267	124,430
Montello	2,021,015	248,585	524,335	Richland	6,564,562	807,441	1,604,596
Monticello	1,538,589	186,169	363,781	Richmond	733,641	90,972	253,999
Mosinee	6,964,734	863,627	1,661,011	Rio Community	1,834,151	223,766	441,980
Mount Horeb Area	5,506,233	677,267	1,453,214	Ripon	5,473,375	678,699	1,693,987
Mukwonago	16,488,571	2,011,606	4,058,840	River Falls	10,256,200	1,251,256	2,052,597
Muskego-Norway	14,579,798	1,807,895	4,171,718	River Valley	4,322,995	531,728	1,194,212
Necedah Area	2,109,041	255,194	439,631	Riverdale	2,850,730	350,640	792,006
Neenah Joint	22,289,019	2,741,549	6,528,694	Rosendale-Brandon	3,753,062	469,133	1,026,642
Neillsville	4,379,647	538,697	1,091,426	Rosholt	2,146,928	259,778	392,517
Nekoosa	4,969,678	611,270	1,391,669	Rubicon Jt #6 Etal	289,103	35,560	133,815
Neosho Jt #3 Etal	866,226	106,546	183,682	Salem Jt #2 Etal	2,305,697	283,601	567,927
New Auburn	1,252,986	156,623	345,694	Salem #7	600,582	71,469	100,071
New Berlin	22,039,171	2,710,818	7,004,082	Sauk Prairie	8,596,595	1,057,381	2,047,092
New Glarus	2,141,904	272,022	543,828	Seneca	1,294,214	159,188	342,078
New Holstein	4,558,937	569,867	1,597,986	Sevastopol	2,698,510	329,218	665,478
New Lisbon	2,515,096	314,387	711,912	Seymour Community	7,590,256	926,011	2,022,717
New London	8,149,313	1,002,366	2,150,692	Sharon Jt # 11 Etal	907,669	111,643	233,666
New Richmond	7,989,049	974,664	1,589,965	Shawano-Gresham	6,829,578	840,038	2,096,275
Niagara	2,523,170	312,873	710,371	Sheboygan Area	38,104,826	4,686,894	10,662,732
Nicolet High	6,495,099	805,392	2,477,550	Sheboygan Falls	6,908,198	849,708	1,218,565
Norris	435,949	54,494	119,644	Shell Lake	2,244,074	280,509	662,820
North Cape Consolidated	294,383	36,209	69,895	Shiocton	2,182,766	268,480	633,422
North Crawford	2,072,118	261,087	733,151	Shorewood	9,723,989	1,205,775	2,714,274
North Fond du Lac	3,104,467	384,954	868,037	Shullsburg	1,532,417	188,487	375,392
North Lake	862,541	106,955	191,512	Shull Lake Jt #1 Etal	1,181,553	146,513	269,500
Northern Ozaukee	3,438,410	426,363	963,919	Siren	1,843,993	226,811	531,141
Northland Pines	4,988,067	628,496	1,489,126	Slinger	7,219,876	888,045	1,639,794
Northwood	1,663,288	209,574	592,646	Solon Springs	1,484,764	181,141	316,809
Norwalk-Ontario	1,695,200	206,814	485,673	Somerseset	2,938,359	355,541	545,421
Norway-Raymond Jt#7	381,081	46,873	78,835	South Milwaukee	12,293,305	1,512,077	4,112,185
Oak Creek-Franklin Jt	15,458,162	1,901,354	4,026,525	South Shore	1,167,929	142,487	322,506

Southern Door County	5,243,644	639,725	1,289,233
Southwestern Wisc Comm	2,183,070	268,518	696,107
Sparta Area	8,705,001	1,070,715	2,014,174
Spencer	2,549,631	316,154	744,681
Spooner	5,520,536	684,546	1,527,166
Spring Valley	2,631,840	315,821	594,310
St Croix Central	3,325,781	392,442	593,737
St Croix Falls	3,884,643	477,811	945,356
St Francis #6	4,567,136	566,325	1,443,787
Stanley-Boyd Area	3,621,356	445,427	1,016,477
Stevens Point Area Pub	31,378,058	3,859,501	6,694,454
Stockbridge	821,579	98,590	190,965
Stone Bank	1,067,227	133,403	220,378
Stoughton Area	11,638,758	1,431,567	2,925,549
Stratford	2,143,686	263,673	556,759
Sturgeon Bay	5,468,394	672,613	1,383,568
Sun Prairie Jt #2 Etal	16,060,169	1,975,401	4,597,109
Superior	20,515,222	2,523,372	6,372,605
Surging Public	1,967,434	243,962	613,649
Swallow	866,101	108,263	187,897
Thorp	2,242,480	275,825	652,545
Three Lakes	2,646,831	328,207	668,598
Tigerton	1,340,530	164,885	375,477
Tomah Area	9,726,687	1,196,382	2,316,014
Tomahawk	4,432,428	545,189	1,169,021
Tomorrow River	2,522,771	310,301	499,931
Tri-County Area-Plnfd	2,610,591	313,271	503,864
Turtle Lake	1,995,338	247,422	610,010
Twin Lakes #4	1,144,343	140,754	216,523
Two Rivers Public	7,320,729	907,770	2,283,765
Union Grove Jt #1 Etal	1,557,378	191,557	419,682
Union Grove Union High	1,861,347	228,946	604,364
Unity	4,304,785	533,793	1,151,280
Valders	3,395,450	407,454	781,627
Verona Area	11,327,505	1,393,283	1,332,313
Viroqua Area	5,080,731	630,011	1,437,207
Wabeno Area	1,896,779	233,304	544,146
Walworth Jt # 1 Etal	857,981	106,390	290,887
Washburn	2,597,210	319,457	711,282
Washington	499,041	60,384	94,081
Washington-Caldwell	416,266	51,201	102,782
Waterford Union High	2,255,486	279,680	731,731
Waterford Vil Jt #1	2,369,449	291,442	496,467
Waterloo	2,958,731	358,006	627,979
Watertown Unified	13,411,581	1,649,625	3,445,586
Waukesha	48,385,589	5,951,427	11,460,440
Waunakee Community	7,675,331	936,390	1,754,646
Waupaca	6,507,726	800,450	1,291,312
Waupun	8,348,892	1,026,914	2,121,635
Wausau	35,933,978	4,419,879	8,087,788
Wausaukee	2,721,226	331,990	717,595
Wautoma Area	4,640,570	566,150	1,096,619
Wauwatosa	29,283,178	3,631,114	9,193,013
Wauzeka Jt Etal	1,461,118	175,334	260,622
Webster	2,449,501	306,188	772,172
West Allis-West Milw	36,562,729	4,533,778	12,312,452
West Bend Jt #1	24,145,991	2,969,957	6,811,444
West DePere	5,857,686	720,495	1,787,455
West Grant	1,214,852	149,427	303,934
West Salem	3,733,223	459,186	907,537
Westby Area	4,257,211	523,637	1,173,638
Westfield	3,539,230	435,325	700,044
Weston	1,405,085	168,610	258,396
Westosha Central High	2,705,521	332,779	759,287
Weyauwega-Fremont	3,100,930	381,414	710,265
Weyerhaeuser Area	956,312	114,757	178,969
Wheatland Jt #1 Etal	1,566,051	195,756	355,275
White Lake	1,014,984	127,888	395,186
Whitefish Bay	11,440,676	1,418,644	3,433,604
Whitehall	2,808,590	342,648	754,537
Whitewater Unified	6,545,706	811,668	1,976,624
Whitnall	9,554,829	1,184,799	2,385,403
Wild Rose	2,112,267	257,697	550,205
Williams Bay	1,808,702	224,279	464,218
Wilmot Grade	376,751	45,587	91,695
Wilmot Union High	2,898,827	356,556	628,387
Winneconne Comm	4,464,674	558,084	1,370,653
Winter	1,641,323	201,883	462,063
Wisconsin Dells	5,674,302	697,939	1,199,060
Wisconsin Heights	3,856,584	466,647	892,439
Wisconsin Rapids	22,000,431	2,706,053	5,704,693

Wittenberg-Birnamwood	5,106,497	633,206	1,335,919
Wonewoc & Union Center	1,423,951	182,266	487,839
Wrightstown Community	1,930,172	237,411	492,754
Yorkville Jt #2 Etal	962,310	120,289	325,211

Total School Districts \$ 3,015,262,679 373,575,108 850,441,069

VTAE Districts (16)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Blackhawk	\$ 8,335,881	1,016,977	1,959,998
Chippewa Valley	16,627,710	2,028,581	4,295,845
Fox Valley	23,801,280	2,903,756	5,018,500
Gateway	20,333,863	2,480,731	4,674,492
Lakeshore	10,050,158	1,226,119	2,696,274
Madison Area	34,037,778	4,152,609	7,933,524
Mid-State	8,767,340	1,069,615	2,161,694
Milwaukee Area	66,422,582	8,103,555	16,790,497
Moraine Park	13,457,455	1,628,352	3,328,738
Nicolet	6,137,722	748,802	1,481,786
North Central	12,547,598	1,530,807	3,945,775
Northeast Wisc	18,544,690	2,262,452	4,453,176
Southwest Wisc	6,047,854	737,838	1,866,371
Waukesha Co Area	20,308,022	2,457,271	4,256,234
Western Wisc	14,800,870	1,805,706	4,075,776
Wisconsin Indianhead	12,681,032	1,547,086	3,237,670
Total VTAE Districts	\$ 292,901,835	35,700,258	72,176,352

Miscellaneous (133)

Name	Covered Payroll	Required Contrib.	Unfunded Liability
Algoma City Housing Authority	\$ 30,760	3,384	0
Allenton Sanitary Dist	78,801	8,668	0
Altoona City Housing Auth	25,155	3,270	8,338
Antigo City Housing Auth	190,454	22,474	16,987
Appleton City Housing Auth	203,573	22,393	0
Ashland City Housing Auth	138,724	16,369	21,571
Ashland Housing Auth	91,051	13,476	98,615
Baraboo District Ambulance	82,297	9,053	0
Bay Area Rural Transit Commiss	78,237	8,606	0
Bay-Lake Regional Plan Comm	303,096	36,068	69,889
Bayfield Housing Auth	65,072	7,939	3,936
Big Cedar Lake Prot/Rehab Dist	29,821	3,698	10,982
Brockway Sanitary District #1	26,697	2,937	0
Brookfield, Town San Dist #4	101,308	12,056	1,714
Burlington City Housing Auth	35,071	4,314	9,485
Caddy Vista Sanitary District	22,908	3,138	12,214
Chippewa Co Housing Auth	120,700	13,277	0
City-County Data Center Comm	788,139	93,000	67,626
Clintonville City Hous Auth	39,912	4,710	8,539
Colby/Abbotsford Jt Police Com	164,863	28,327	0
Consol Koshkonong Sanitary Dis	94,543	10,400	0
Dane Co Regional Plan Comm	718,074	84,733	165,978
Dane Housing Authority	482,041	58,809	140,774
Deer-Grove Ems Dist	37,260	6,595	0
Delafield-Hartl Water Pol Cntl	210,745	25,500	62,714
Delavan Lake Sanitary District	196,686	22,226	13,506
Dodge Housing Authority	52,865	6,450	7,522
Drummond San Dist #1	19,240	2,116	0
Eagle River Jt Library Sv Etal	52,198	5,742	0
East Central Wis Reg Plan Comm	480,224	56,666	97,893
Eastern Shores Lib Sys	197,174	21,689	0
Eau Claire City Housing Auth	190,921	21,001	0
Eau Claire City-Co Health Dpt	1,474,484	175,464	279,453
Edgerton City Housing Auth	49,841	5,482	0
Edgerton Fire Prot Dist	35,934	3,953	0
Everest Metro Police Comm	716,832	125,891	89,212
Fitch-Rona EMS District	113,458	12,480	0
Fond du Lac City Housing Auth	378,225	45,009	52,097
Fontana/Walworth Wtr Pol Cn Cm	140,051	15,406	0
Grand Chute Sanitary Dist #2	243,000	30,386	40,802
Grand Chute-Menasha Sew Com	321,901	35,409	0
Green Bay Metro Sewerage Dist	4,522,757	538,208	1,031,191
Green Lake Sanitary District	54,522	5,997	0

Hallie Sanitary Dist #1	2,911	320	0
Heart of the Valley Met Sew Ds	457,567	54,450	115,906
Hudson City Housing Authority	33,926	3,732	0
Hum Srv Ctr Oneida Vilas Forest	982,751	115,965	123,740
Indianhead Fed Library System	317,356	37,765	51,522
Jefferson City Housing Auth	56,202	6,632	10,203
Kaukauna City Housing Auth	91,410	10,878	6,198
Kenosha City-Co Jt Serv Board	1,750,294	206,535	388,402
La Crosse City Housing Auth	557,651	65,803	102,362
Lake Area Communication Sys	155,727	17,130	0
Lake Mills City Housing Auth	40,960	4,547	733
Lake Ripley Mgt District	29,400	3,322	2,402
Lakeland Sanitary District #1	157,559	18,750	36,613
League of Wisc Municipalities	349,526	44,739	153,579
Lincoln Housing Auth	54,516	6,433	10,853
Madison Metro Sewerage Dist	3,488,633	383,750	0
Manitowoc City Housing Auth	53,877	6,358	11,679
Marinette City Housing Auth	103,283	12,807	37,972
Menasha San Dist #4(Winnebago)	377,923	45,351	97,634
Menomonie City Housing Auth	105,715	13,532	26,346
Mequon - Thiensville Library	277,226	33,822	45,021
Mercer Sanitary District #1	30,870	3,396	-242
Merrill City Housing Authority	100,563	11,866	20,791
Mid-Wis Federated Lib Sys	217,952	25,064	18,256
Milwaukee Co Fed Lib Sys	130,277	14,721	6,930
Mississippi River Reg Plan Com	160,386	18,926	26,212
Myrtle Werth Medical Center	0	0	188,837
Neeah - Menasha Sewer Comm	162,790	19,860	92,659
New London City Housing Auth	65,814	7,832	9,442
Nicolet Federated Library Sys	361,584	43,029	55,490
North Central Health Care Fac	18,240,645	2,152,396	1,349,130
North Central Wis Reg Plan Com	162,469	19,334	57,842
North Park Sanitary District	138,753	17,205	51,102
North Shore Pub Saf Comm	259,408	28,535	0
North Shore Water Commission	284,648	33,589	61,461
Northern Moraine Utility Comm	58,895	6,950	12,569
Northern Pines Unif Serv Cntr	2,193,746	261,056	278,819
Northern Waters Library Serv	264,187	33,288	109,530
Northwest Regional Plan Comm	587,183	69,288	91,606
Norway Sanitary District #1	80,361	8,840	0
Oconto City Housing Auth	39,020	4,292	0
Onalaska Comm Dev Auth	58,233	6,406	0
Oregon EMS	8,862	1,888	18,390
Orfordville Vol Fire Prot Dist	26,330	6,267	40,447
Oshkosh City Housing Auth	178,783	20,918	15,760
Outagamie Housing Auth	321,198	37,901	22,859
Outagamie Waupac Co Fed Libr Sy	278,163	33,101	43,857
Phelps Sanitary District #1	29,611	3,257	0
Plymouth City Housing Auth	50,801	5,639	900

Prairie du Sac Jt Sewer Comm	26,395	3,167	4,836
Rhineland City Housing Auth	66,075	7,797	13,842
Rib Mountain Metro Sew Dist	201,635	22,180	0
Rice Lake City Housing Auth	108,176	15,361	85,191
Sauk Housing Auth	106,975	11,767	0
Se Wis Reg Planning Comm	2,816,197	332,311	607,344
Shawano City Housing Auth	120,718	14,245	25,742
Shawano Housing Auth	80,182	9,461	16,032
Shawano Lake Sanitary Dist #1	370,405	44,078	72,998
Sheboygan City Housing Auth	112,174	13,237	24,276
Silver Lake San. Dist.	118,481	13,033	0
Slinger Village Housing Auth	29,728	3,627	593
South Central Library System	586,434	69,199	76,305
South Milwaukee City Hous Auth	68,506	8,084	8,079
Southwest Wis Library System	291,094	35,222	63,301
SW Wis Reg Plan Comm	220,735	26,047	35,154
St Joseph Sanitary District #1	12,256	1,348	0
Stevens Point City Hous Auth	266,697	31,737	24,164
Three Lakes Sanitary Dist #1	32,216	3,544	-273
Trempealeau Hous Auth	124,529	14,694	27,029
Unif Board of Grant & Iowa Co	1,041,318	123,917	314,555
Viroqua City Housing Auth	96,899	10,950	7,731
Walworth Metro Sew Dist	476,988	56,285	84,869
Washburn City Housing Auth	64,372	7,596	7,148
Watertown City Housing Auth	42,554	5,021	8,798
Waukesha City Housing Auth	472,130	55,711	30,520
Waupaca Chain O'Lakes San Dist	17,304	1,903	0
Wausaukee Village Hous Auth	80,241	12,919	39,990
Waverly Sanitary District	112,043	12,325	0
West Bend City Housing Auth	91,791	10,372	3,112
West Central Wis Reg Plan Comm	324,249	38,261	70,469
Winding Rivers Library Sys	259,750	28,573	0
Windsor Sanitary District #1	33,751	5,501	39,527
WinneFox Library System	283,258	33,141	47,310
Wis Alliance of Cities	96,920	10,661	0
Wis Dells-Lake Delton Sew Comm	93,241	10,257	0
Wisconsin Counties Association	632,665	78,450	128,880
Wisconsin Munic Mutal Ins Co	132,201	14,674	253
Wisconsin Rapids City Hs Auth	185,039	21,835	28,898
Wisconsin Towns Association	166,108	19,601	15,899
Wisconsin Valley Library Srv	380,863	45,704	84,845

Total Miscellaneous \$ 58,178,851 6,904,023 8,102,268

Total Wisconsin Retirement System \$ 7,129,321,081 977,030,910 1,416,892,371