



FOR YEAR ENDED DECEMBER 31, 2009

2009

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

State of Wisconsin
Department of
Employee Trust Funds



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DAVID A. STELLA
SECRETARY

State of Wisconsin
Department of
Employee Trust Funds



2009

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FINANCIAL OFFICER AND CONTROLLER**

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ET-8501

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STATE OF WISCONSIN
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November 11, 2010

GOVERNOR JIM DOYLE
MEMBERS OF THE STATE LEGISLATURE
PUBLIC EMPLOYEES, EMPLOYERS AND OTHER INTERESTED PARTIES:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 2009. This report is intended to provide comprehensive and reliable information about ETF, the Wisconsin Retirement System (WRS), and other benefit plans and trust funds administered by ETF. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation. I hope you will find this report useful and informative.

The WRS continues to be one of the best-funded public employee retirement systems in the country. A well-funded system ensures that a lifetime of benefits can be paid to today's workers without burdening the next generation of taxpayers with higher contributions. It is a tribute to the funding discipline exhibited by the legislature and the ETF Board, and the effective investment strategies of the State of Wisconsin Investment Board (SWIB), that the WRS remains so well funded.

Historical Overview:

The WRS was created effective January 1, 1982. The system covers state and local public employees, including the University of Wisconsin System, local police and firefighters, and all publicly-employed teachers in the state. Those not included are employees of the City of Milwaukee and Milwaukee County, who are covered under separate retirement systems. While the WRS has existed since 1982, pension coverage for local government employees has been in place since 1891, when the legislature required Milwaukee to create a pension fund for retired and disabled police and firefighters. Since that date, the legislature has extended pension coverage to other public employees, along with creating group life and health insurance programs.

The Group Insurance Board was created in 1959 to monitor the administration of the life and health insurance programs. In 1967, the Department of Employee Trust Funds was created to administer the various retirement and related benefit programs.

Currently, the WRS is composed of 27% state employees and 73% local employees. As of December 31, 2009, the WRS had 267,293 active employees, 150,671 annuitants (retirees, disability recipients, and beneficiaries), and 148,353 inactive employees with deferred benefits payable.

ETF Mission and Responsibilities:

ETF's mission is "to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust." ETF administers retirement, health, life, income continuation, long term disability, and long term care insurance programs, along with an employee reimbursement accounts program, commuter benefits program, and a deferred compensation plan. ETF also administers retirement disability coverage and serves as the state's designated coverage agent for Social Security for Wisconsin public employers. There are five different statutory boards with responsibilities for programs operated by the Department. The ETF Board is both the overall governing body for the Department and the general policy-setting and trustee board for the entire WRS.

All insurance programs are administered through contractual arrangements with private sector insurance firms and service corporations. Participation by eligible employees is mandatory for retirement and Social Security but optional for the other programs. ETF collects but does not invest the trust fund monies created for these programs. That responsibility rests with SWIB.

ETF is responsible for:

- Collecting all monies due the trust funds.
- Calculating and ensuring appropriate disbursement of all benefit payments from the trust funds.
- Providing information to, and answering inquiries from, participating employees and employers.
- Establishing the controls, systems, and procedures necessary to ensure the appropriate administration and security of the trust.

Plan Design and Administration:

ETF's administration of the WRS continues to make it one of the most cost-efficient systems, in terms of administrative expenses per member. In a recent public pension administration benchmarking study conducted by industry leader CEM Benchmarking, Inc., the annual per-member administrative expenses associated with the retirement and disability programs was \$60 for the WRS, compared to the median per-member cost of \$69. ETF employs one full-time equivalent staff person per 2,289 members compared to the peer system median of one per 1,711 members.

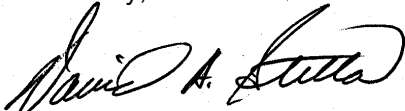
Internal Controls:

ETF has a formal internal control plan that is reviewed annually and updated as necessary. This plan provides reasonable assurance that ETF assets are safeguarded, that applicable statutes and rules are followed, and ETF goals and objectives are achieved. The Legislative Audit Bureau considers ETF's controls in order to determine auditing procedures for the purpose of expressing an opinion on ETF's annual financial statements, but it does not provide an opinion on the controls. These financial statements are presented in accordance with Generally Accepted Accounting Principles, and all supporting schedules and statistical tables have been fairly presented.

Acknowledgements:

I would like to express my appreciation to the Governor, members of the legislature, members of the boards, staff, employers, participants, and all those whose efforts and interest combine to assure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,



David A. Stella
Secretary



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2009***

Presented to

Wisconsin Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

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INTRODUCTION

**State of Wisconsin
Department of
Employee Trust Funds**



PROGRAM HIGHLIGHTS

The following section presents condensed financial statements, statistical information, and analysis of the programs administered by the Department of Employee Trust Funds (ETF). All values in the Summary Financial Statements, including totals and percentages, have been rounded for presentation. As a result, totals and percentages may not appear to be calculated correctly. A percentage change of “n/a” indicates that prior year actual amounts were negative and the percentage change is not meaningful.

WISCONSIN RETIREMENT SYSTEM (WRS)

Summary Financial Statements				
	2009	2008	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
Assets	\$77,598.6	\$68,046.4	\$9,552.2	14%
Liabilities	<u>7,602.3</u>	<u>8,616.2</u>	<u>(1,013.9)</u>	(12%)
Reserves:				
Employer Reserve	23,059.3	22,839.9	219.4	1%
Employee Reserve	16,152.5	16,045.3	107.2	1%
Annuity Reserve	39,731.6	38,370.1	1,361.5	4%
Reserve for Changes in the Market Value of Investments	(9,040.8)	(17,821.2)	8,780.4	n/a
Undistributed Earnings	92.8	(6.5)	99.3	n/a
Blended Administration	<u>0.9</u>	<u>2.6</u>	<u>(1.7)</u>	(66%)
Net Assets Held in Trust	<u>\$69,996.3</u>	<u>\$59,430.2</u>	<u>\$10,566.1</u>	18%
Additions				
Contributions	\$1,369.4	\$1,367.0	\$2.4	0%
Investment Income	13,024.9	(22,744.1)	35,769.0	n/a
Other Additions	<u>15.1</u>	<u>19.9</u>	<u>(4.8)</u>	(24%)
Total Additions	<u>14,409.4</u>	<u>(21,357.2)</u>	<u>35,766.6</u>	n/a
Deductions				
Benefits and Distributions	3,822.4	3,849.9	(27.5)	(1%)
Admin. & Other Expenses	<u>20.9</u>	<u>19.1</u>	<u>1.8</u>	9%
Total Deductions	<u>3,843.3</u>	<u>3,869.0</u>	<u>(25.7)</u>	(1%)
Net Increase (Decrease)	<u>\$10,566.1</u>	<u>(\$25,226.2)</u>	<u>\$35,792.3</u>	n/a

PROGRAM DESCRIPTION

The WRS pays retirement, disability, and death benefits to former employees, and their beneficiaries, of the state and participating local governments in Wisconsin.

FINANCIAL HIGHLIGHTS

For presentation purposes, the administrative fund, general fund, and fixed assets have been blended into the WRS financial statements. This blending resulted in an increase of \$0.9 million in 2009 and an increase of \$2.6 million in 2008 in the Net Assets Held in Trust.

Assets increased by 14% over 2008, primarily due to investment gains in 2009.

The Annuity Reserve increased by 3.5% in 2009, from \$38.4 billion to \$39.7 billion. This included a 2.4% increase in the Core Annuity Reserve of \$0.9 billion and a 19.6% increase in the Variable Annuity Reserve of \$0.5 billion.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to the WRS. The MRA increased by \$9.2 billion in 2009, the result of \$5.2 billion in investment gains from 2009 being deferred for future



recognition, and \$4.0 billion of previously-deferred investment losses from 2005 through 2008 being recognized in 2009. 95.4% of the deferred gains/losses in the MRA are attributable to the WRS.

Contributions increased by less than 0.1% in 2009, remaining at \$1.37 billion. This included a 0.3% increase in employer contributions, from \$631 million to \$633 million, and a 0.1% increase in employee contributions, from \$736 million to \$737 million. The increased contributions resulted from a 2.7% increase in covered payrolls less a \$4.1 million or 20.0% decrease in voluntary employee contributions. There was a 1.8% decrease to contribution rates in 2009. While most employee contributions are paid by the employer on behalf of the employee, employees paid more than \$16.4 million in retirement contributions in 2009.

Net investment income increased by \$35.8 billion in 2009, from a \$22.7 billion loss to a \$13.0 billion gain. This included an increase in Core Trust Fund income of \$31.9 billion, from a \$20.1 billion loss to an \$11.8 billion gain, and an increase in Variable Trust Fund income of \$3.9 billion, from a \$2.6 billion loss to a \$1.3 billion gain.

The balanced Core Trust Fund realized a 22.4% investment return, while the equity-based Variable Trust Fund experienced a 33.7% return. The Core Trust Fund gain, after being smoothed through the MRA, resulted in a core effective rate of 4.2% being credited to the Core Fund accounts and reserves. The Variable Trust Fund gain was passed through to Variable Fund accounts and reserves with a 33% variable effective rate.

Benefit payments decreased by 0.7%, from \$3.85 billion to \$3.82 billion. Core annuities (including Section 62.13 Police & Firefighters) increased by 3.5%, from \$3.33 billion to \$3.45 billion, while Variable annuities decreased by 33.4%, from \$428 million to \$285 million. Lump sum payments (separations, death benefits, and minimum annuities) decreased by 2.1%, from \$89.6 million to \$87.7 million. See “Annuity Payments” section on page 4 for details.

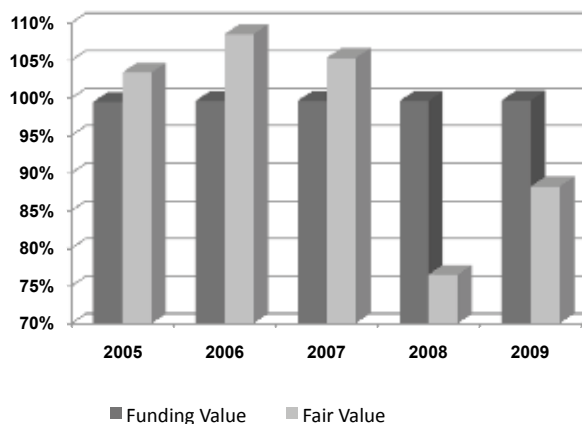
FUNDED STATUS

The funded status of the WRS is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio was relatively unchanged at 99.8% funded.

The fair value-based funded ratio for the WRS increased from 76.5% funded to 88.2% funded. This increase was the result of the investment gains in 2009.

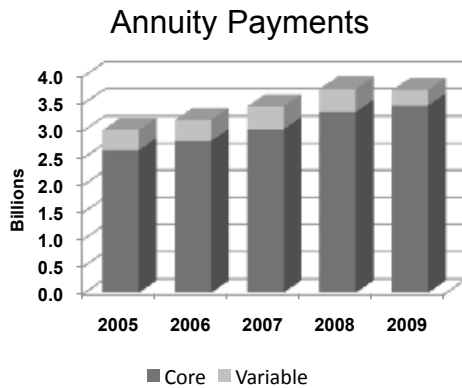
WRS Funded Ratio





ANNUITY PAYMENTS

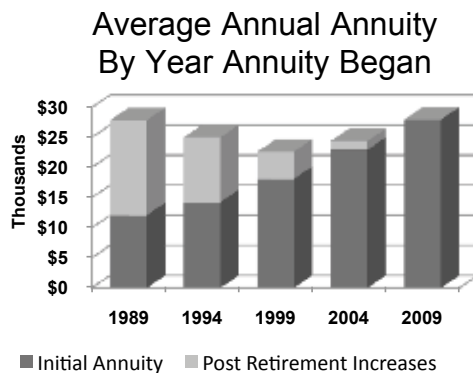
In 2009, ETF paid out a total of \$3.8 billion in benefits to retired persons, disabled retirees, and beneficiaries of retirees. This was a decrease of 0.7%, or \$27.3 million, over 2008. Core annuities increased by 3.5%, from \$3.3 billion to \$3.4 billion, while Variable annuities decreased by 33.4%, from \$428 million to \$285 million. Annuities paid to the closed group Section 62.13 Police and Firefighters decreased by 11.7%, from \$10.2 million to \$9.0 million.



Annuitants with Core annuities received a 2.1% decrease in their benefits in 2009, while Variable annuities received a 42.0% decrease in their benefits, effective April 1, 2009.

Approximately 8,008 additional persons began receiving annuities during 2009, while 1,370 annuities were ended due to death or expiration of a guarantee period. At year-end, 150,671 people were receiving retirement, disability, or beneficiary annuities, an increase of 4.6% over 2008.

While the initial amount of new annuities has increased over time, post-retirement increases have maintained the purchasing power of existing annuities. The accompanying chart shows how new annuities have increased over time, as well as how post-retirement increases multiplied the value of the annuity over time.

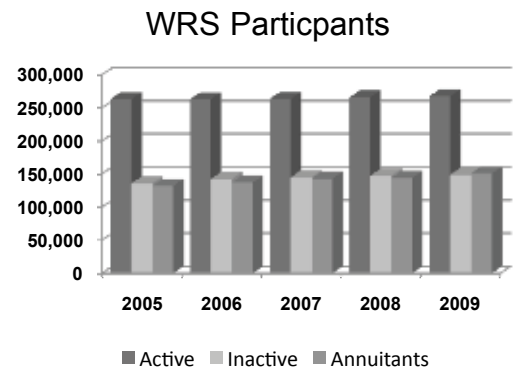


The **average** annual annuity received by **all** retirees (Core and Variable combined) decreased to \$24,488 in 2009, down 7.8% from the previous year. The average annual amount of new annuities begun during 2009 was \$27,996, down 5.4% from \$29,598 in 2008.

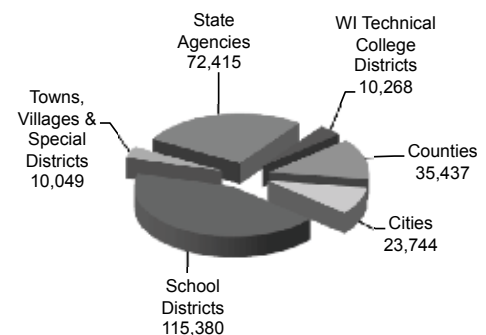
PARTICIPATION

There were 566,317 WRS participants as of December 31, 2009, an increase of 1.7% over the previous year. Participants include 267,293 active government employees, an increase of 0.6% from the previous year; 150,671 retirees and others receiving annuities; and 148,353 "inactives," or former public employees who had not yet taken a benefit from their retirement accounts. To put the WRS growth in perspective, the total participation level has risen by 103,170 persons since 1999, a 22.3% increase.

In 2009, the total number of employers participating in the WRS increased from 1,462 to 1,469. The increase included the addition of two villages, five towns, one school district, two special districts and the elimination of three state agencies.



Participants by Employer Type





ACCUMULATED SICK LEAVE CONVERSION CREDIT (ASLCC) PROGRAM

Summary Financial Statements				
	2009	2008	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$1,902.4	\$1,623.3	\$279.1	17%
Less: Liabilities				
Estimated Future Claims	2,195.7	2,176.0	19.7	1%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(277.0)</u>	<u>(536.7)</u>	<u>259.7</u>	n/a
Unfunded Liability	<u>(\$16.3)</u>	<u>(\$16.0)</u>	<u>(\$0.3)</u>	2%
Additions				
Contributions	\$31.8	\$39.9	(\$8.1)	(20%)
Investment Income	<u>348.0</u>	<u>(595.0)</u>	<u>943.0</u>	n/a
Total Additions	<u>379.8</u>	<u>(555.1)</u>	<u>934.9</u>	n/a
Deductions				
Benefits and Distributions	120.2	115.9	4.3	4%
Administration	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>	50%
Total Deductions	<u>120.5</u>	<u>116.1</u>	<u>4.4</u>	4%
Net Increase (Decrease)	<u>\$259.3</u>	<u>(\$671.2)</u>	<u>\$930.5</u>	n/a

PROGRAM DESCRIPTION

The ASLCC allows retirees of the State of Wisconsin, University of Wisconsin (UW), and University Hospital, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance.

Contributions received in 2009 declined by 20.0% from 2008. This is the net of a 20.0% decrease in the required contribution rate and a 0.6% increase in the covered payroll.

The Benefit and Distributions expense is the actuarially determined increase in liabilities during the year.

FINANCIAL HIGHLIGHTS

At the end of 2009, the unfunded liability is attributable to the University of Wisconsin Hospital Authority, the Wisconsin Health and Education Facility Authority, and Wiscraft. No liability exists for state agencies or the University of Wisconsin.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to ASLCC. 2.9% of the deferred investment gains/losses in the MRA are attributable to the ASLCC Program.



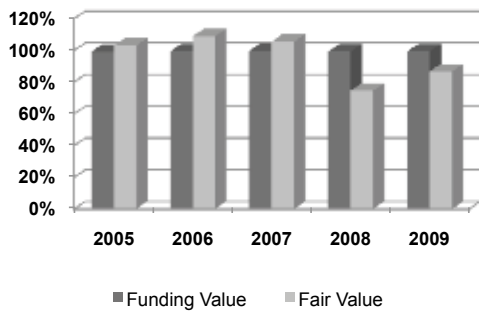
FUNDED STATUS

The funded status of the ASLCC Program is a measure of the extent to which the program has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio was unchanged at 99.3% funded.

The fair value-based funded ratio increased from 74.6% funded to 86.6% funded. The increase in the fair value funded ratio resulted from the recognition of current year investment income.

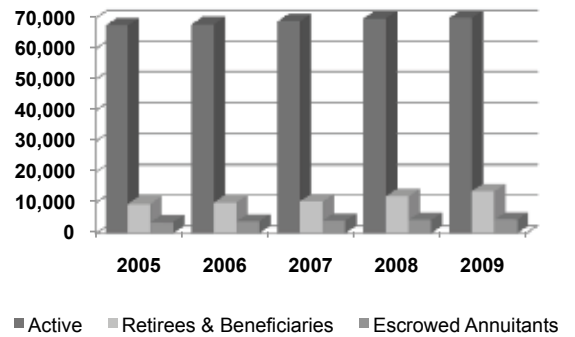
Accumulated Sick Leave Conversion Credits Funded Ratio



PARTICIPATION

There were 88,119 ASLCC participants as of December 31, 2009, an increase of 2.3% over the previous year. Participants include 69,964 active employees, an increase of 0.3% from the previous year; 13,713 retirees and others using ASLCC credits; and 4,442 “escrowed annuitants” or former employees who had not yet started using credits from their ASLCC accounts.

ASLCC Participants





STATE RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2009 <i>\$ in millions</i>	2008 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
Net Assets Held in Trust	\$349.9	\$339.2	\$10.7	3%
Additions				
Contributions	\$4.9	\$4.6	\$0.3	7%
Investment Income	<u>19.0</u>	<u>18.7</u>	<u>0.3</u>	2%
Total Additions	<u>23.9</u>	<u>23.3</u>	<u>0.6</u>	3%
Deductions				
Benefits and Distributions	12.6	13.1	(0.5)	(4%)
Admin. & Other Expenses	<u>0.6</u>	<u>0.7</u>	<u>(0.1)</u>	(14%)
Total Deductions	<u>13.2</u>	<u>13.8</u>	<u>(0.6)</u>	(4%)
Net Increase (Decrease)	<u>\$10.7</u>	<u>\$9.5</u>	<u>\$1.2</u>	13%

PROGRAM DESCRIPTION

The State Retiree Life Insurance Plan provides fully paid up life insurance benefits for post-age 64 retired employees of the State of Wisconsin. Pre-age 65 retirees pay premiums equivalent to comparably-aged active participants. Post-age 64 retirees receive a reduced benefit without payment of premium.

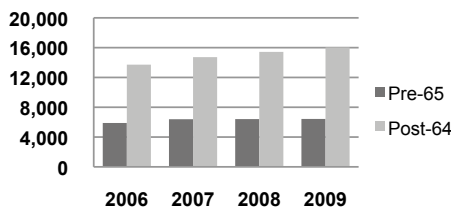
FINANCIAL HIGHLIGHTS

Effective January 1, 2008, assets were permanently split between the active member and retiree plans.

PARTICIPATION

6,431 pre-age 65 retirees and 16,034 post-age 64 retirees participated in the State Retiree Life Insurance Plan in 2009.

State Retiree Participants



FUNDED STATUS

Actuarial valuations of the State Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2008. As of that date, plan assets represented 86.3% of plan actuarial liabilities.



LOCAL GOVERNMENT RETIREE LIFE INSURANCE PLAN

Summary Financial Statements				
	2009 <i>\$ in millions</i>	2008 <i>\$ in millions</i>	Increase (Decrease) <i>\$ in millions</i>	Increase (Decrease) %
Net Assets Held in Trust	\$224.0	\$216.1	\$7.9	4%
Additions				
Contributions	\$6.0	\$5.7	\$0.3	5%
Investment Income	<u>12.0</u>	<u>11.8</u>	<u>0.2</u>	2%
Total Additions	<u>18.0</u>	<u>17.5</u>	<u>0.5</u>	3%
Deductions				
Benefits and Distributions	9.3	9.2	0.1	1%
Admin. & Other Expenses	<u>0.8</u>	<u>0.9</u>	<u>(0.1)</u>	(11%)
Total Deductions	<u>10.1</u>	<u>10.1</u>	<u>0.0</u>	0%
Net Increase (Decrease)	<u>\$7.9</u>	<u>\$7.4</u>	<u>\$0.5</u>	7%

PROGRAM DESCRIPTION

The Local Government Retiree Life Insurance Plan provides fully paid up life insurance benefits for post-age 64 retired employees of participating local governments in Wisconsin. Pre-age 65 retirees pay premiums equivalent to comparably aged active participants. Post-age 64 retirees receive a reduced benefit without payment of premium.

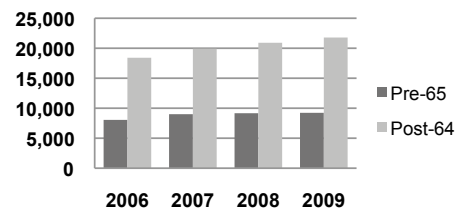
FINANCIAL HIGHLIGHTS

Effective January 1, 2008, assets were permanently split between the active member and retiree plans.

PARTICIPATION

9,232 pre-age 65 retirees and 21,787 post-age 64 retirees participated in the Local Retiree Life Insurance Plan in 2009.

Local Retiree Participants



FUNDED STATUS

Actuarial valuations of the Local Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2008. As of that date, plan assets represented 90.8% of plan liabilities.



ACTIVE MEMBER LIFE INSURANCE PLAN

Summary Financial Statements				
	2009 \$ in thousands	2008 \$ in thousands	Increase (Decrease) \$ in thousands	Increase (Decrease) %
Net Assets Available for Benefits	\$222.6	\$309.9	(\$87.3)	(28%)
Revenues				
Administrative Reimbursement	\$348.6	\$339.1	\$9.5	3%
Investment Income	<u>5.9</u>	<u>28.7</u>	<u>(22.8)</u>	(79%)
Total Revenues	<u>354.5</u>	<u>367.8</u>	<u>(13.3)</u>	(4%)
Expenses				
Administrative Expense	<u>441.8</u>	<u>387.0</u>	54.8	14%
Total Expenses	<u>441.8</u>	<u>387.0</u>	<u>54.8</u>	14%
Net Increase (Decrease)	<u>(\$87.3)</u>	<u>(\$19.2)</u>	<u>(\$68.1)</u>	n/a

PROGRAM DESCRIPTION

The Active Member Life Insurance Plan provides life insurance coverage for current employees of the State of Wisconsin and participating local governments in Wisconsin.

FINANCIAL HIGHLIGHTS

Active Member Life Insurance is reported as an "Insurance Purchasing Pool" under GASB Statement 10, which focuses on claims-servicing revenue and administrative costs. Amounts collected or due from pool participants and paid or to be paid to the carrier to settle claims are reported as a net asset or liability.

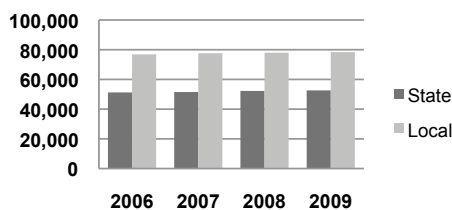
In 2008 and 2009 administrative cost reimbursement was less than the administrative costs in order to draw down the fund balance in the plan. The plan only needs enough in the fund balance for liquidity.

Effective January 1, 2008, assets were permanently split between the active member and retiree plans.

PARTICIPATION

52,614 active state employees and 78,384 active local government employees participated in the life insurance plan in 2009. Many of these employees participated in additional and supplemental coverage in addition to basic coverage.

Active Employee Participants





EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM

Summary Financial Statements				
	2009	2008	Increase (Decrease)	Increase (Decrease)
	\$ in thousands	\$ in thousands	\$ in thousands	%
Assets	\$7,289.5	\$7,346.5	(\$57.0)	(1%)
Liabilities	<u>5,964.7</u>	<u>6,022.3</u>	<u>(57.6)</u>	(1%)
Net Assets Held in Trust	<u>\$1,324.8</u>	<u>\$1,324.2</u>	<u>\$0.6</u>	0%
Additions				
Contributions	\$23,814.2	\$23,703.3	\$110.9	0%
Investment Income	28.2	144.1	(115.9)	(80%)
Other Additions	<u>2.0</u>	<u>11.0</u>	<u>(9.0)</u>	(82%)
Total Additions	<u>23,844.4</u>	<u>23,858.4</u>	<u>(14.0)</u>	0%
Deductions				
Benefits and Distributions	23,117.6	23,115.0	2.6	0%
Administrative Expenses	<u>726.2</u>	<u>719.3</u>	<u>6.9</u>	1%
Total Deductions	<u>23,843.8</u>	<u>23,834.3</u>	<u>9.5</u>	0%
Net Increase (Decrease)	<u>\$0.6</u>	<u>\$24.1</u>	<u>(\$23.5)</u>	(97%)

PROGRAM DESCRIPTION

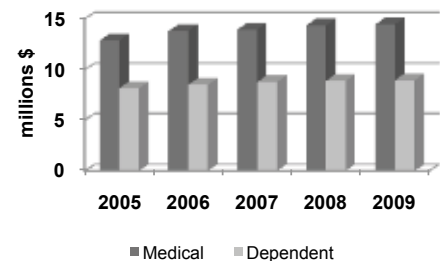
The ERA Program reimburses qualifying medical and dependent care expenses for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

for medical expenses), an increase of 0.4% from 2008. Reductions in FICA tax from this program saved the state an estimated \$1.8 million in 2009, with combined FICA and income tax savings of \$6.7 million realized by participants.

PARTICIPATION

At the end of 2009, the participants in the ERA program had created 13,186 accounts, an increase of 0.6% from 13,108 in 2008. Employees created 2,211 dependent care accounts and 10,975 medical expense accounts. The ERA Program 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 \$23.4 million (\$8.9 million for dependent care and \$14.5 million

Salary Reductions





COMMUTER BENEFITS PROGRAM

Summary Financial Statements				
	2009	2008	Increase (Decrease)	Increase (Decrease)
	\$ in thousands	\$ in thousands	\$ in thousands	%
Assets	\$137.7	\$253.0	(\$115.3)	(46%)
Liabilities	<u>155.3</u>	<u>231.5</u>	<u>(76.2)</u>	(33%)
Net Assets Held in Trust	<u>(\$17.6)</u>	<u>\$21.5</u>	<u>(\$39.1)</u>	(182%)
Additions				
Contributions	\$1,378.2	\$1,421.8	(\$43.6)	(3%)
Investment Income	<u>(0.9)</u>	<u>(5.4)</u>	<u>4.5</u>	n/a
Total Additions	<u>1,377.3</u>	<u>1,416.4</u>	<u>(39.1)</u>	(3%)
Deductions				
Benefits and Distributions	1,277.1	1,210.4	66.7	6%
Admin. & Other Expenses	<u>139.3</u>	<u>153.2</u>	<u>(13.9)</u>	(9%)
Total Deductions	<u>1,416.4</u>	<u>1,363.6</u>	<u>52.8</u>	4%
Net Increase (Decrease)	<u>(\$39.1)</u>	<u>\$52.8</u>	<u>(\$91.9)</u>	(174%)

PROGRAM DESCRIPTION

The Commuter Benefits Program reimburses qualifying transportation expenses for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

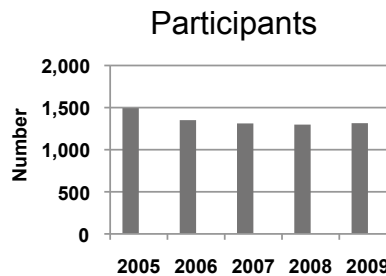
FINANCIAL HIGHLIGHTS

The Commuter Benefits Program began operations in August 2002. Startup costs were funded through an advance from the state's general fund. As of December 31, 2009, \$27,700 remained payable to the general fund.

The decrease in Net Assets Held in Trust is the result of benefits being paid before salary deductions being collected.

PARTICIPATION

Participation in the Commuter Benefits Program changes from month to month. As of December 31, 2009, the program had 1,315 participants, an increase of 1.3% from 1,298 as of December 31, 2008.





MILWAUKEE RETIREMENT FUND

Summary Financial Statements				
	2009	2008	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets				
Investment in Core Fund	\$109.9	\$89.0	\$20.9	23%
Investment in Variable Fund	<u>21.1</u>	<u>10.1</u>	<u>11.0</u>	109%
Net Assets Held in Trust	<u>\$131.0</u>	<u>\$99.1</u>	<u>\$31.9</u>	32%
Additions				
Deposits	\$13.9	\$13.1	\$0.8	6%
Investment Income	<u>25.4</u>	<u>(41.1)</u>	<u>66.5</u>	n/a
Total Additions	<u>39.3</u>	<u>(28.0)</u>	<u>67.3</u>	n/a
Deductions				
Benefits and Distributions	<u>7.4</u>	<u>15.2</u>	<u>(7.8)</u>	(51%)
Total Deductions	<u>7.4</u>	<u>15.2</u>	<u>(7.8)</u>	(51%)
Net Increase (Decrease)	<u>\$31.9</u>	<u>(\$43.2)</u>	<u>\$75.2</u>	n/a

PROGRAM DESCRIPTION

The Milwaukee Retirement Fund allows other retirement systems to have their funds invested with the WRS to maximize investment returns.

FINANCIAL HIGHLIGHTS

During 2009 and 2008, the Milwaukee Retirement Fund included only investments from the Milwaukee Public Schools Supplemental Retirement Program.



DUTY DISABILITY INSURANCE PROGRAM

Summary Financial Statements				
	2009 \$ in millions	2008 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Assets	\$339.4	\$257.6	\$81.8	32%
Less: Liabilities				
Other Liabilities	2.5	2.3	0.2	9%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(55.5)</u>	<u>(100.2)</u>	<u>44.7</u>	n/a
Net Assets Held in Trust	<u>\$392.4</u>	<u>\$355.5</u>	<u>\$36.9</u>	10%
Additions				
Contributions	\$51.5	\$50.6	\$0.9	2%
Investment Income	<u>60.0</u>	<u>(93.6)</u>	<u>153.6</u>	n/a
Total Additions	<u>111.5</u>	<u>(43.0)</u>	<u>154.5</u>	n/a
Deductions				
Benefits and Distributions	29.4	27.1	2.3	8%
Administration	<u>0.5</u>	<u>0.4</u>	<u>0.1</u>	25%
Total Deductions	<u>29.9</u>	<u>27.5</u>	<u>2.4</u>	9%
Net Increase (Decrease)	<u>\$81.6</u>	<u>(\$70.5)</u>	<u>\$152.1</u>	n/a

PROGRAM DESCRIPTION

Duty Disability pays special disability benefits to protective occupation participants in the WRS.

FINANCIAL HIGHLIGHTS

Contributions increased by 1.9% over 2008. The contribution tiers were unchanged in 2009. The increase in contributions is attributable to higher protective occupation salaries and movement within the contribution rate tiers by individual employers.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Duty Disability. 0.6% of the deferred investment gains/losses in the MRA are attributable to the Duty Disability Insurance Program.

FUNDED STATUS

The funded status of the Duty Disability Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement but can be extremely volatile, while the funding value measurement is less repre-

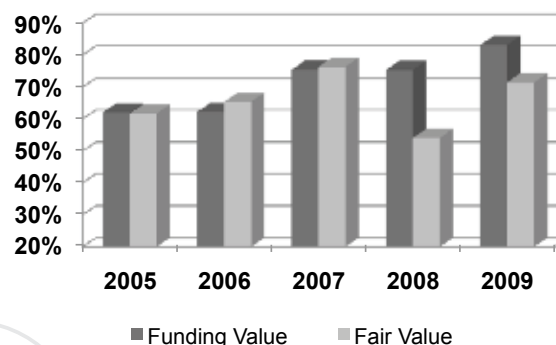
sentative of current market values but better presents the funding trends without the year-to-year volatility.

The funding and fair value based ratios were calculated using the actuarial accrued liability total from the OPEB Actuarial Valuation as of January 1, 2008, as this valuation is only required every two years.

The funding value-based funded ratio increased from 75.4% funded to 83.2% funded. Since 2005 the funded ratio has improved from 62.1% to 83.2% funded. The steady increase in the funding value funded ratio shows the success of the long-term strategy to fully fund the program.

The fair value-based funded ratio increased from 54.1% funded to 71.5% funded. The increase in the fair value funded ratio was the result of investment gains during 2009.

Duty-Disability Funded Ratio





INCOME CONTINUATION INSURANCE (ICI) PROGRAM

Summary Financial Statements				
	2009	2008	Increase	Increase
	\$ in millions	\$ in millions	(Decrease)	(Decrease)
			\$ in millions	%
Assets	\$86.3	\$74.9	\$11.4	15%
Less: Liabilities				
Estimated Future Claims	72.8	76.7	(3.9)	(5%)
Other Liabilities	0.2	0.4	(0.2)	(50%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(1.3)</u>	<u>(11.7)</u>	<u>10.4</u>	n/a
Net Assets Available for Benefits	<u>\$14.7</u>	<u>\$9.5</u>	<u>\$5.1</u>	54%
Revenues				
Contributions	\$14.9	\$14.0	\$0.9	6%
Investment Income	<u>13.9</u>	<u>(23.1)</u>	<u>37.0</u>	n/a
Total Revenues	<u>28.8</u>	<u>(9.1)</u>	<u>37.9</u>	n/a
Expenses				
Benefits and Distributions	11.6	22.9	(11.3)	(49%)
Admin & Other Expenses	<u>1.8</u>	<u>2.4</u>	<u>(0.6)</u>	(25%)
Total Expenses	<u>13.4</u>	<u>25.3</u>	<u>(11.9)</u>	(47%)
Net Income (Loss)	<u>\$15.4</u>	<u>(\$34.4)</u>	<u>\$49.8</u>	n/a

PROGRAM DESCRIPTION

ICI pays disability benefits for employees of the State of Wisconsin and participating local governments in Wisconsin, who enroll in the program. Employee premiums are based on sick leave accumulation and the waiting period selected.

FINANCIAL HIGHLIGHTS

Net Assets Available for Benefits increased by 54% during 2009. This was the combination of a \$2.9 million increase in state plan assets and a \$2.2 million increase in the local plan assets.

The Benefit and Distributions expense is the actuarially determined increase in liabilities during the year. During 2009 liabilities grew more slowly than in previous year due to favorable claims experience.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account

(MRA) attributable to ICI. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the ICI program.

FUNDED STATUS

The funded status of the ICI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair market value of assets or the smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

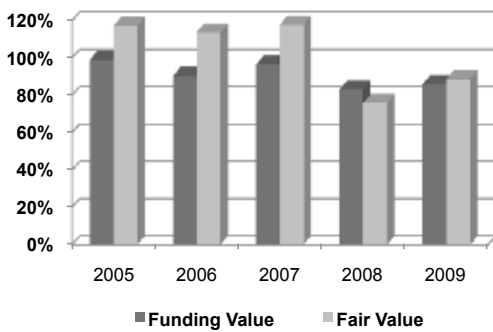


State Plan

The funding value-based funded ratio increased from 83% funded to 86% funded. This increase is the result of the investment gains in 2009. The target for this program is to maintain a funded ratio of 115% to 125% of liabilities as a hedge against adverse claims performance.

The fair value-based funded ratio increased from 76% funded to 89% funded. This increase is the result of the investment gains in 2009.

**State Income Continuation Insurance
Funded Ratio**

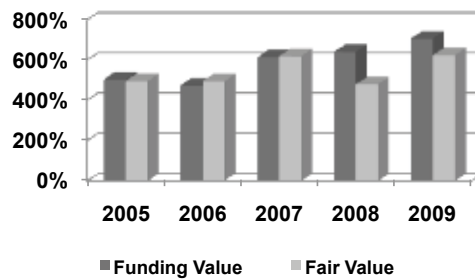


Local Plan

The funding value-based funded ratio increased from 645% funded to 706% funded. This increase is the result of lower than anticipated claims experience. The target for this program is to maintain a funded ratio of 100% to 200% of liabilities as a hedge against adverse claims performance. Because of the small size of this plan, significant year-to-year volatility in claims experience is expected.

The fair value-based funded ratio increased from 483% funded to 624% funded. This increase is the result of the investment gains in 2009.

**Local Income Continuation Insurance
Funded Ratio**





LONG-TERM DISABILITY INSURANCE (LTDI) PROGRAM

Summary Financial Statements				
	2009	2008	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	(Decrease)	(Decrease)
			<i>\$ in millions</i>	%
Assets	\$241.6	\$217.7	\$23.9	11%
Less: Liabilities				
Estimated Future Claims	156.2	138.6	17.6	13%
Other Liabilities	3.5	3.0	0.5	17%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(62.2)</u>	<u>(99.0)</u>	<u>(36.8)</u>	n/a
Net Assets Available for Benefits	<u>\$144.1</u>	<u>\$175.1</u>	<u>(\$31.0)</u>	(18%)
Revenues				
Investment Income	<u>\$49.3</u>	<u>(\$88.3)</u>	<u>\$137.6</u>	n/a
Total Revenues	<u>49.3</u>	<u>(88.3)</u>	<u>137.6</u>	n/a
Expenses				
Benefits and Distributions	41.3	23.3	18.0	77%
Admin. & Other Expenses	<u>2.2</u>	<u>1.3</u>	<u>0.9</u>	69%
Total Expenses	<u>43.5</u>	<u>24.6</u>	<u>18.9</u>	77%
Net Income (Loss)	<u>\$5.8</u>	<u>(\$112.9)</u>	<u>\$118.7</u>	n/a

PROGRAM DESCRIPTION

LTDI pays disability benefits to participants in the WRS.

FINANCIAL HIGHLIGHTS

No contributions were collected for this program during 2009, due to sufficient reserves available in the fund.

The Benefit and Distributions expense is the actuarially-determined increase in liabilities during the year. During 2009 liabilities grew more quickly than in the previous year, due to unfavorable claims experience.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to LTDI. 0.7% of the deferred investment gains/losses in the MRA are attributable to the LTDI program.

FUNDED STATUS

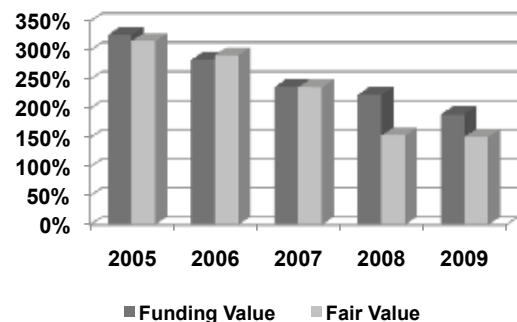
The funded status of the LTDI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using the current fair market value of assets or the smoothed funding value of assets. The fair value measurement

gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio decreased from 224% funded to 190% funded. The decrease in the actuarial value funded ratio was due to the contribution holiday during 2009. Despite the decline, the funded ratio still exceeds the target funding range, and the contribution holiday will continue for another year.

The fair value-based funded ratio declined from 154% funded to 151% funded. The slight decrease in the fair value funded ratio was the result of the contribution holiday and investment gains during 2009.

Long Term Disability Insurance Funded Ratio





GROUP HEALTH INSURANCE PROGRAM

Active Member Group Health Insurance

Summary Financial Statements				
	2009	2008	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$222.4	\$189.3	\$33.1	17%
Less: Liabilities				
Unearned Revenue	103.2	94.3	8.9	9%
Estimated Future Claims	8.1	10.4	(2.3)	(22%)
Other Liabilities	1.8	2.6	(0.8)	(31%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(34.3)</u>	<u>(55.0)</u>	<u>20.7</u>	n/a
Net Assets Available for Benefits	<u>\$143.6</u>	<u>\$137.0</u>	<u>\$6.6</u>	5%
Revenues				
Premiums	\$1,124.5	\$1,021.8	\$102.7	9%
Investment Income	<u>24.2</u>	<u>(53.4)</u>	<u>77.6</u>	n/a
Total Revenues	<u>1,148.7</u>	<u>968.4</u>	<u>180.3</u>	19%
Expenses				
Benefits and Distributions	1,110.0	1,010.1	99.9	10%
Administration	<u>11.4</u>	<u>13.4</u>	<u>(2.0)</u>	(15%)
Total Expenses	<u>1,121.4</u>	<u>1,023.5</u>	<u>97.9</u>	10%
Net Income (Loss)	<u>\$27.3</u>	<u>(\$55.1)</u>	<u>\$82.4</u>	n/a

PROGRAM DESCRIPTION

The Group Health Insurance Program pays for the purchase of health insurance coverage and health insurance claims for current employees of the State of Wisconsin and participating local governments in Wisconsin.

FINANCIAL HIGHLIGHTS

These statements include activity related to health insurance coverage for the current employees of the state and local government employers. Statements for the state and local government retiree health plans are presented below.

The assets increased by \$33.1 million or 17% from \$189.3 million in 2008 to \$222.4 million in 2009, primarily due to investment income.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Active Member Group Health Insurance. 0.4% of the deferred investment gains/losses in the MRA are attributable to the Group Health Insurance Program.



State Retiree Health Insurance

Summary Financial Statements				
	2009	2008	Increase	Increase
	<i>\$ in millions</i>	<i>\$ in millions</i>	<i>(Decrease)</i>	<i>(Decrease)</i>
			<i>\$ in millions</i>	<i>%</i>
Assets	\$19.3	\$13.4	\$5.9	44%
Less: Liabilities				
Estimated Future Claims	5.2	6.4	(1.2)	(19%)
Unearned Revenue	14.2	0.0	14.2	100%
Other Liabilities	0.6	0.6	0.0	0%
Due To Employers	(0.6)	7.7	(8.3)	(108%)
Less: Reserves				
Reserve for Changes in the Market Value of Investments	<u>(0.1)</u>	<u>(1.3)</u>	<u>(1.2)</u>	(92%)
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

PROGRAM DESCRIPTION

State Retiree Health Insurance pays for the purchase of health insurance coverage and health insurance claims for retired employees of the State of Wisconsin.

agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.

FINANCIAL HIGHLIGHTS

Beginning in 2006, the state retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to State Retiree Health. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the State Retiree Health Insurance.



Local Retiree Health Insurance

Summary Financial Statements

	2009 \$ in millions	2008 \$ in millions	Increase (Decrease) \$ in millions	Increase (Decrease) %
Assets	\$0.2	\$0.6	(\$0.4)	(67%)
Less: Liabilities				
Estimated Future Claims	0.2	0.2	0.0	0%
Unearned Revenue	1.7	0.5	1.2	240%
Due to Employers	(2.8)	(0.9)	(1.9)	n/a
Other Liabilities	1.2	1.2	0.0	0%
Less: Reserves				
Reserve for Changes in the Market Value of Investments	(0.1)	0.1	(0.2)	(200%)
Net Assets	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	0%

PROGRAM DESCRIPTION

Local Retiree Health Insurance pays for the purchase of health insurance coverage and health insurance claims for retired employees of participating local governments in Wisconsin.

FINANCIAL HIGHLIGHTS

Beginning in 2006, the local government retiree health insurance plan is reported as Other Post-Employment Benefits (OPEB) in an agency fund. Financial reporting for an agency fund is limited to reporting on the stewardship of assets, and does not include an operating statement.

The Reserve for Changes in the Market Value of Investments is the portion of the deferred investment gains and losses in the Market Recognition Account (MRA) attributable to Local Retiree Health Insurance. Less than 0.1% of the deferred investment gains/losses in the MRA are attributable to the Local Retiree Health Insurance.

FUNDED STATUS

The funded status of the Group Health Insurance Program includes both active and retiree health insurance and is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants, meet the liquidity needs of the plan, and smooth year-to-year volatility in claims. Funded status is measured as the ratio of reserves to annual expenses (claims plus administration). The assets can be measured using either the current fair market value of assets or the smoothed funding value

of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement is less representative of current market values, but better presents the funding trends without the year-to-year volatility.

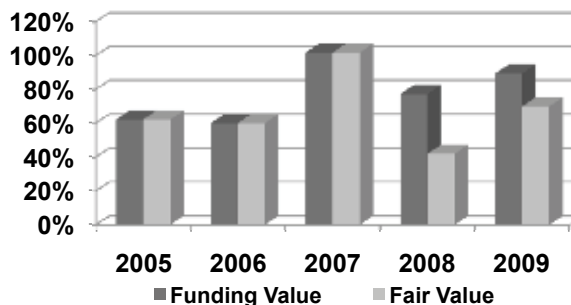
2008 was the first year the health insurance programs were invested in the Core Fund and therefore the first time the Department needed to report both funding value-based and fair value-based funded ratios. In years prior to 2008 the funding value-based and fair value-based funded ratios were the same.

State Standard Health Plan

The funding value-based funded ratio increased from 77.3% funded to 89.4%. This increase is the result of the investment gains in 2009.

The fair value-based funded ratio increased from 41.9% funded to 69.9% funded. This increase is the result of the investment gains in 2009.

**State Standard Health Plan
Funded Ratio**



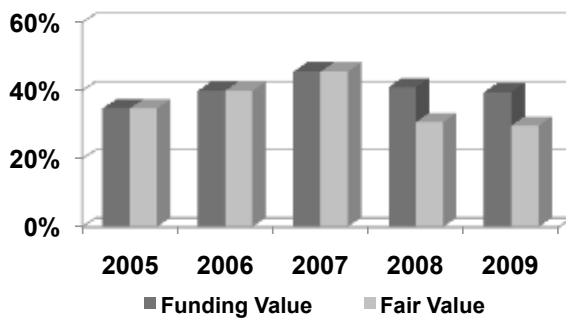


State Pharmacy Benefit Reserve

The funding value-based funded ratio decreased slightly from 46.7% funded to 39.6%. This decrease is the result of the loss ratio being higher in 2009 than it was in 2008.

The fair value-based funded ratio decreased from 30.8% funded to 29.8% funded. This decrease is the result of the investment gain in 2009 that was deferred to future years.

State Pharmacy Benefit Reserve Funded Ratio

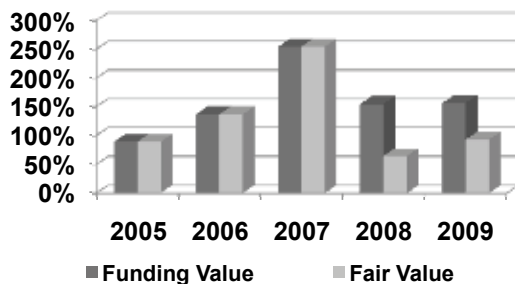


Local Standard Health Plan

The funding value-based funded ratio increased from 154.7% funded to 156.4%. This increase is the result of the investment gains in 2009.

The fair value-based funded ratio increased from 64.5% funded to 92.9% funded. This increase is the result of the investment gains in 2009.

Local Standard Health Plan Funded Ratio



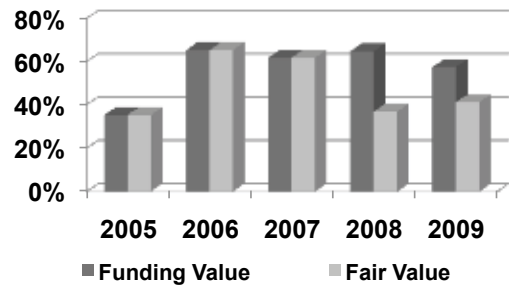
Local Pharmacy Benefit Reserve

The funding value-based funded ratio decreased from 64.9% funded to 57.5%. This decrease is the result of the loss ratio being higher in 2009 than it was in 2008.

The fair value-based funded ratio increased from 37.0% funded to 41.2% funded. This increase is the result of the investment gains in 2009.

This plan experiences significant year-to-year volatility due to a small participant base. Larger reserve balances are required to assure the solvency of the plan.

Local Pharmacy Benefit Reserve Funded Ratio

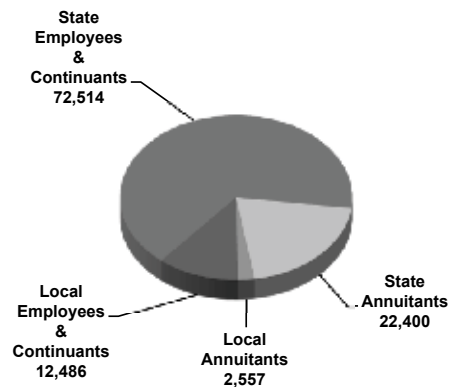


PARTICIPATION

The state Group Health Insurance Program covered 71,924 active employees, 590 continuants, and 22,400 retired State of Wisconsin employees at the end of 2009, about 204,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$1,129 million. Participants and annuitants contributed \$104 million toward their health insurance premiums.

The Wisconsin Public Employers Group Health Insurance Program covered 12,398 active, 88 continuants, and 2,557 retired participants. With their dependents, the total number of people covered was approximately 36,000. Annual premiums paid totaled \$181 million.

Health Insurance Participants





ETF BOARDS AND DEPARTMENT ORGANIZATION

The individuals who serve on the boards that provide oversight for the Department of Employee Trust Funds (ETF) play important roles. Board decisions affect hundreds of thousands of individuals who participate in the retirement programs funded by the trust funds as well as other fringe benefit programs ETF operates for Wisconsin.

This section explains how members are appointed or elected and how membership overlaps. It also provides information on individual board members. Under state law, members of the boards are chosen in a variety of ways. Some members are direct appointees of the 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 below, along with a short explanation of board responsibilities.

EMPLOYEE TRUST FUNDS BOARD (13 MEMBERS)

This board sets policy for 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 administration of the benefit programs, except group insurance and deferred compensation. State law sets membership criteria, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board).

Board Members

Chair: Marilyn J. Wigdahl

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b)7 or 8 (participating employee or public member who is not a participant).

Vice Chair: Wayne E. Koessl

Appointed by the WR Board. WR Board member appointed under § 15.16 (3)(b) 1,2,4,5 or 8 (chief executive, finance officer or member of a governing body of a participating city or village, county clerk,

deputy county clerk, chairperson, or member of the governing body of a participating county or town, or public member who is not a participant).

Secretary: Robert M. Niendorf

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)4 (UW teacher participant).

John David

Appointed by the WR Board. Any WR Board member. § 15.16 (1)(b)

Jennifer Donnelly

Ex officio; Director of the Office of State Employment Relations or the Director's designee. §15.16 (1)(intro.)

Rosemary Finora

Appointed by the Governor, with Senate confirmation. Public member who is not a participant in or beneficiary of the WRS, with at least five years of experience in actuarial analysis, administration of an employee benefit plan, or significant administrative responsibility in a major insurer. § 15.16 (1)(c)

Theron Fisher

Elected by WRS annuitants. WRS annuitant as defined for purposes other than life insurance under § 40.02 (4). § 15.16 (1)(d)

Mary Von Ruden

Appointed by the WR Board. WR Board member appointed under §15.16 (3)(b) 3,6, or 7 (participating employee of a city or village, participating employee of a local employer other than a city or village or participating state employee). § 15.16 (1)(b)2

Kathleen Kreul

Elected by educational support personnel. WRS participant who is either a public school district educational support employee or a technical college district educational support employee. § 15.16 (1)(f)

Michael Langyel

Appointed by the TR Board. TR Board member elected under § 15.165 (3)(a)7 (City of Milwaukee teacher participant). § 15.165 (1)(a)3



Wayne D. McCaffery

Appointed by the TR Board. TR Board member appointed or elected under § 15.16 (3)(a)1 or 2 (public or vocational school teacher). § 15.16 (1)(a)1

Gary Sherman

Ex officio; Governor or the Governor's designee on the Group Insurance Board. § 15.16 (1)(intro.)

Daniel Nerad

Appointed by the TR Board. TR Board member appointed under § 15.16 (3)(a)3 or 5 (public school administrator or school board member). § 15.16 (3)(a)5

WISCONSIN RETIREMENT BOARD (9 MEMBERS)

The WR 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. This board appoints four members to the ETF Board and one non-teaching participant to the State of Wisconsin Investment Board.

Board Members

Chair: Marilyn J. Wigdahl

Appointed by the Governor. Participating state employee. § 15.165 (3)(b)7

Vice Chair: Wayne E. Koessl

Appointed by the Governor from a list of five names submitted by the executive committee of the Wisconsin Counties Association. Chairperson or member of the governing body of a participating county or town, and from a different county than subds. 5 & 6. § 15.165 (3)(b)4

Secretary: Mary Von Ruden

Appointed by the Governor. Participating employee from a participating local employer other than a city or village and from a different county than subds. 4 & 5. § 15.165 (3)(b)6

Jamie Aulik

Appointed by the Governor. County clerk or deputy county clerk from a participating county different than subds. 4 & 6. § 15.165 (3)(b)5

John David

Appointed by the Governor from a list of five names submitted by the Board of Directors of the League of Wisconsin Municipalities. Chief executive or member of the governing body of a participating city or village and from a different county than subds. 2 & 3. § 15.165 (3)(b)1

Sean Dilweg

Ex officio; Commissioner of Insurance or an experienced actuary in the Office of the Commissioner designated by the Commissioner. § 15.165 (3)(b)9

Herbert Stinski

Appointed by the Governor. Participating employee and principal finance officer of a participating city or village and from a different county than subds. 1 & 3. § 15.165 (3)(b)2

Michael Woodzicka

Appointed by the Governor. Participating employee of a participating city or village and from a different county than subds. 1 & 2. § 15.165 (3)(b)3

Vacant

Appointed by the Governor. Public member who is not a participant or beneficiary of the WRS. § 15.165 (3)(b)8



TEACHERS RETIREMENT BOARD (13 MEMBERS)

The TR Board advises the ETF Board on retirement and other benefit matters involving public school, technical college, 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 elected. This board appoints four members to the ETF Board and one teacher participant to the State of Wisconsin Investment Board.

Board Members

Chair: Lon Mishler

Elected by annuitants who were teacher participants. Annuitant who was a teacher participant in the WRS. § 15.165 (3)(a)6

Vice Chair: Michael Langyel

Elected by Milwaukee Public School teachers who are participants. City of Milwaukee teacher who is a participant in the WRS. § 15.165 (3)(a)7

Secretary: Robin Starck

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Betsy Kippers

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Mary Jo Meier

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Daniel Nerad

Appointed by the Governor. Public school administrator who is not a classroom teacher. § 15.165 (3)(a)3

R. Thomas Pederson

Elected by participating Wisconsin Technical College teachers. Public school teacher from a participating Wisconsin Technical College district and a participating employee in the WRS. § 15.165 (3)(a)2

Patrick Phair

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Roberta Rasmus

Appointed by the Governor. Member of a school board. § 15.165 (3)(a)5

Steven Scheible

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Sandra Claflin-Chalton

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

David Wiltgen

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Susan Harrison

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

GROUP INSURANCE BOARD (11 MEMBERS)

This board sets policy for the group health, life, and income continuation insurance plans for state employees and the group health, life, and income continuation insurance plans for local employers who choose to offer them. The board also can provide other insurance plans, if employees pay the entire premium. Members, how they are chosen for the board, and their original source of appointment or election are:

BOARD MEMBERS

Chair: Cindy O'Donnell

Ex officio; Attorney General or the Attorney General's designee. § 15.165 (2)

Vice Chair: Eileen Mallow

Ex officio; Commissioner of Insurance or commissioner's designee. § 15.165 (2)

Secretary: Esther Olson

Appointed by the Governor. Insured participant in the WRS who is a teacher. § 15.165 (2)



Robert Baird

Appointed by the Governor. Insured participant in the WRS who is an employee of a local unit of government. § 15.165 (2)

Martin Beil

Appointed by the Governor. Insured participant in the WRS who is not a teacher. § 15.165 (2)

Janis Doleschal

Appointed by the Governor. Insured participant in the WRS who is a retired employee. § 15.165 (2)

Jennifer Donnelly

Ex officio; Director of the Office of State Employment Relations or Director's designee. § 15.165 (2)

David Schmiedicke

Ex officio; Secretary of Department of Administration or Secretary's designee. § 15.165 (2)

Gary Sherman

Ex officio; Governor or the Governor's designee. § 15.165 (2)

Vacant:

Appointed by the governor. Chief executive or member of the governing body of a local unit of government that is a participating employer. § 15.165 (2)

Vacant:

Appointed by the Governor. No membership requirement. § 15.165 (2)

DEFERRED COMPENSATION BOARD (5 MEMBERS)

This board sets policy, contracts with investment and administrative service providers, and oversees administration of the Deferred Compensation Program. The board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the Program. The Governor, with senate confirmation, appoints all board members; there are no statutory requirements for appointments. Members, how they are chosen for the board, and their original source of appointment or election are:

BOARD MEMBERS

Chair: Edward D. Main

Appointed by the Governor with no membership requirements. § 15.165 (4)

Vice Chair: John F. Nelson

Appointed by the Governor with no membership requirements. § 15.165 (4)

Secretary: Martin Beil

Appointed by the Governor with no membership requirements. § 15.165 (4)

Michael Drury

Appointed by the Governor with no membership requirements. § 15.165 (4)

Gail Hanson

Appointed by the Governor with no membership requirements. § 15.165 (4)

PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD

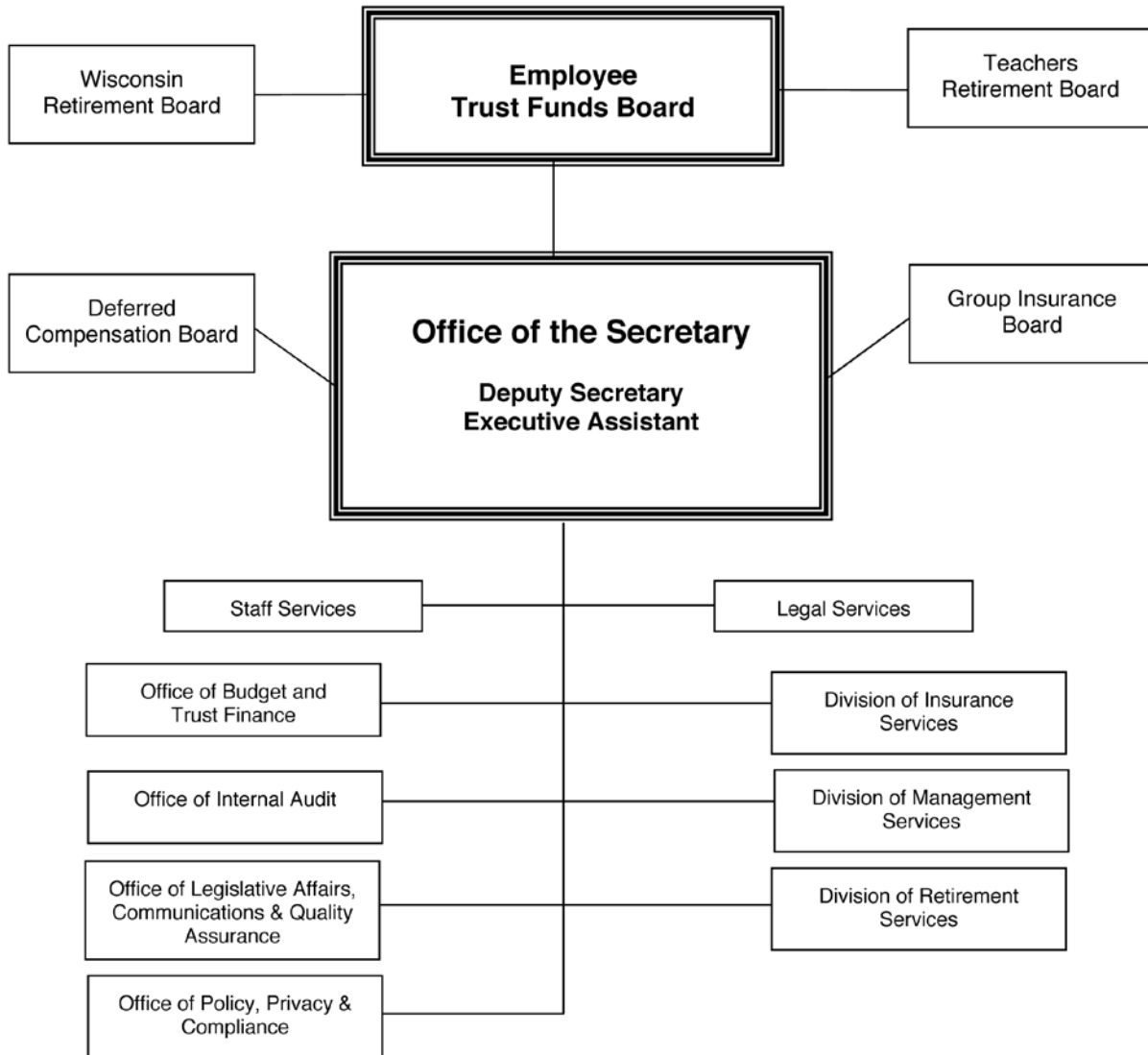
The Private Employer Health Care Coverage Program (PEHCCP) was created by 1999 Wisconsin Act 9 (1999-2001 Biennial Budget Act). 2007 Wisconsin Act 20 deleted all funding and position authority for the program and the statutes authorizing the program have been repealed effective January 1, 2010.



DEPARTMENT ORGANIZATION

The Department of Employee Trust Fund had 218.7 permanent full-time equivalent positions at the end of 2009. If all positions had been filled, the employee count would have been 227.

The Department's organizational chart is shown below:





2009 ETF MANAGEMENT STAFF

Secretary: David A. Stella
Deputy Secretary: Bob Conlin
Executive Assistant: Rhonda Dunn
General Counsel: David Nispel

Division of Retirement Services
Administrator: Jean Gilding
Deputy Administrator: Anne Boudreau

Division of Insurance Services
Administrator: Tom Korpady
Deputy Administrator: Lisa Ellinger

Division of Management Services
Administrator: Pam Henning

Office of Budget and Trust Finance
Director: Jon Kranz
Chief Trust Financial Officer and Controller: Robert Willett

Office of Internal Audit
Director: John Vincent

Office of Legislative Affairs, Communications
& Quality Assurance
Director: Matt Stohr

Office of Policy, Privacy & Compliance
Director: Steve Hurley

PRINCIPAL CONSULTANTS AND ADMINISTRATORS

Consulting Actuaries:

Gabriel Roeder Smith & Company
Southfield, Michigan

Deloitte Consulting
Minneapolis, Minnesota

Auditors:

Legislative Audit Bureau
Madison, Wisconsin

THIRD PARTY ADMINISTRATORS

Health Insurance:

WPS Health Insurance
Madison, Wisconsin

Pharmacy Benefits Manager:

Navitus Health Solutions
Appleton, Wisconsin

Income Continuation Insurance and Long-Term Disability Insurance:

Aetna, Inc.
Burlington, Massachusetts

Deferred Compensation:

Great-West Retirement Services
Greenwood Village, Colorado

Employee Reimbursement Accounts and Commuter Benefits:

Fringe Benefits Management Company
Tallahassee, Florida

Life Insurance:

Minnesota Life Insurance Company
St. Paul, Minnesota



LEGISLATION AND ANNUAL ACCOMPLISHMENTS

LEGISLATION

The legislation that became law in 2009 that affected the Wisconsin Retirement System (WRS) and/or other employee benefit programs administered by the Department of Employee Trust Funds (ETF) is described below.

2009 WISCONSIN ACT 28 (the state budget bill) statutory changes included:

1. Deemed Earnings

The law addressed the effect of furloughs on Wisconsin Retirement System (WRS) reportable earnings and benefits. For WRS purposes only, the earnings of a state employee includes compensation that would have been payable to the employee at the employee's rate of pay immediately prior to the beginning of any mandatory, temporary reduction of work hours or days (furlough) ordered by the State of Wisconsin from July 1, 2009, through June 30, 2011, for service that would have been rendered by the employee during that period had a furlough not been ordered. Contributions must be paid to the WRS on earnings considered to be received under this provision (referred to as "deemed earnings"). The deemed earnings are considered in the calculation of the participant's final average earnings for purposes of determining the participant's retirement annuity. The provision also included, in the definition of creditable service, the service for which a participating employee is considered to have received deemed earnings and for which contributions have been made as required by law.

Effective date: July 1, 2009

Applicable to: State of Wisconsin employees.

2. Changes in Calculation of WRS Benefits for Certain Part-Time Staff

Part 1: Educational support staff qualify for WRS participation at 440 hours.

Previously, one of the eligibility criteria for WRS participation was that an individual was expected to work at least 600 hours per year for **non-teacher participants** and 440 hours per year for teacher participants. This provision changed the educational support staff threshold to 440 hours.

Effective date: July 1, 2009

Applicable to: Educational support personnel employed by a school district only. Does not apply to those employed by a technical college district or by the Milwaukee Public School District.

Part 2: The early retirement actuarial reduction is lowered for all part-time non-teaching participants.

Previously, when calculating the actuarial reduction, a year of creditable service for participants with at least 5 years of part-time service in the 10 years immediately preceding retirement was calculated using **1,904 hours** for non-teacher participants. This provision required that the calculation use 1,320 hours as the full-time equivalent for a year of creditable service.

Effective date: July 1, 2009

Applicable to: All part-time, non-teaching participants who terminate WRS employment on or after July 1, 2009.

3. Retirement and Insurance Benefits for Domestic Partners

The law generally established that a domestic partner is to be treated like a spouse for purposes of the benefits in Wis. Stat. Ch. 40, including the WRS, health insurance (state and local), Deferred Compensation Program and other related benefits. Domestic partners must meet all of the following conditions:

- Be at least 18 years of age and otherwise competent to enter into a contract;
- Neither individual is married to or in a domestic partnership with another person;
- Neither individual is related by blood in any way that would prohibit marriage under Wisconsin law;
- The two individuals consider themselves to be members of each other's immediate family;
- The two individuals agree to be responsible for each other's basic living expenses; and
- The two individuals share a common residence.

Effective date: January 1, 2010

Applicable to: Subscribers (State of Wisconsin employees and retirees, and employees and retirees of participating local government employers).



4. Health Insurance Coverage for Dependents up to Age 27

Requires health plans to provide coverage to a dependent child through age 26 years unless the dependent is married or is employed and eligible for employer-sponsored health insurance where the cost to the dependent is greater than the cost as a dependent under ETF's program.

Effective date: January 1, 2010

Applicable to: Eligible dependents of subscribers in the state or local group health insurance programs.

5. Health Insurance Coverage for Treatment of Autism Spectrum Disorders

Requires health plans to provide coverage for treatment of autism spectrum disorders if the treatment is prescribed by a physician and provided by individuals with specified expertise who are qualified to provide intensive-level or non-intensive-level services.

Effective date: January 1, 2010

Applicable to: State of Wisconsin employees and retirees, and employees and retirees of local government employers and their eligible insured dependents.

6. Insurance Coverage of Contraceptives and Services

Required health plans that cover outpatient health care services, preventive treatments and services, or prescription drugs and devices to provide coverage for contraceptives prescribed by a health care provider.

Note: While benefits under the State of Wisconsin Uniform Benefits and Standard Plan Group Health Insurance programs already provided coverage for most contraceptives and services, this provision expanded coverage to include implantable birth control devices that are currently excluded.

Effective date: January 1, 2010

Applicable to: State of Wisconsin employees and retirees, and employees and retirees of local government employers and their eligible insured dependents.

7. Insurance Coverage of Licensed Mental Health Professionals Services

Provides a definition for a "Licensed mental health professional" and requires health plans to provide coverage for the treatment of nervous or mental disorders, or alcoholism or other drug abuse problems when the services are provided by a licensed mental health professional that is practicing within the scope of his or her license. Coverage is also required

when such outpatient services are provided by psychologists who are licensed under state law.

"Licensed mental health professional" is defined as a clinical social worker, marriage and family therapist, or professional counselor licensed under state law.

The provision eliminates the existing statutory requirement for a psychologist to be listed in the national register of health service providers in psychology or to be certified by the American board of professional psychology.

Effective Date: January 1, 2010

Applicable to: State of Wisconsin employees and retirees, and employees and retirees of local government employers and their eligible insured dependents.

8. Insurance - Independent Review of Coverage Denial Determinations

Makes changes to the independent review process, which permits participants to have claim disputes reviewed by medical professionals who have no connection to their health plan. Insurers will be required to provide a process for the request of independent review for coverage denial determinations – a new category that incorporates existing adverse determinations that include medical necessity and experimental treatment and adds two more categories.

Under Act 28, the new "coverage denial determination" category includes:

- adverse determinations
- experimental treatment determinations
- pre-existing condition exclusion denial determinations
- rescissions of a policy or certificate

"Pre-existing condition exclusion denial determination" is the denial of treatment, termination of treatment, or the denial of payment for treatment on the basis of a condition of an individual that existed before the individual's date of enrollment for coverage.

Wis. Stat. § 632.745 (23)

Independent Review Organization (IRO) decisions regarding pre-existing condition exclusion denial determinations and rescissions are not binding on the insured. IRO decisions regarding adverse and experimental treatment determinations are binding on both the insurer and the insured.



Act 28 also eliminates the \$25 fee paid by the insured.

Effective Date: January 1, 2010

Applicable to: Subscribers in the state or local group health plan and eligible insured dependents

2009 WISCONSIN ACT 14 requires health plans to provide 100% coverage for hearing aids, cochlear implants and related treatments for a child covered under the plan that is less than 18 years of age and who is certified as deaf or hearing impaired by a physician or by an audiologist licensed under Wisconsin law. *Note: Under the State of Wisconsin Group Health Insurance Program's Uniform Benefits, hearing aids and cochlear implants are benefits that were payable at 80%. This provision requires the hearing aid and cochlear implant benefits to be payable at 100% for members who are less than 18 years of age.*

ETF GOALS AND OBJECTIVES FOR 2009

The Department's goals and objectives are reviewed and updated annually. They are as follows:

Goals:

1. To protect the integrity of the Trust and administer benefits through effective **governance** with an emphasis on fiduciary responsibilities.
2. To provide effective and efficient **service** to participants, employers, and other customers.
3. To deliver quality **benefits** through prudent administration and the development and implementation of cost-containment strategies.
4. To develop and maintain a **workforce** with the necessary knowledge and skill sets.

OBJECTIVES:

Governance

1. Broaden administrative flexibility to enhance the ability to carry out fiduciary responsibilities.
2. Assist Boards in developing effective governance measures.
3. Educate external and internal parties on fiduciary and Trust administration responsibilities.
4. Develop and monitor internal controls to safeguard assets and ensure conscientious and effective administration.

Service

1. Identify existing organizational structures, processes and operations within ETF that can be simplified or streamlined, develop a plan to implement, and execute the plan.
2. Further develop the Department's ability to meet customer needs for guidance and timely, accurate information by providing information through a variety of mechanisms that is informative, accurate, and accessible.
3. Assist participants in resolving benefit issues and assess whether customer needs are being met through current services.
4. Maintain high quality operations and service by continually assessing issues raised; reviewing and adopting appropriate best practices; and changing benefit processes, structures and/or delivery as needed.
5. Clearly communicate benefit details and options to members and other stakeholders by improving the quality and quantity of internal and external communications.

Benefits

1. Work with the Governor's Office and the Legislature to protect benefits now offered to participants, seek statutory changes needed to reflect present operating conditions, and suggest changes that would maximize both the levels of service and the cost effectiveness of current benefits.



2. Develop and implement information technology applications based on business strategies that effectively and efficiently improve internal functions and external services.
3. Educate members and other stakeholders on the advantages of the ETF pension benefit model and the package of other employee benefits that complement the overall pension benefit structure.
4. Communicate to members and other stakeholders the role of ETF in effectively administering a well-funded benefit program.
5. Educate members and other stakeholders on the roles and responsibilities of the State of Wisconsin Investment Board in effectively managing fund investments while working in partnership and cooperation with ETF.

Workforce

1. Encourage documentation of workflow processes to facilitate transition of knowledge among employees.
2. Promote an atmosphere where candid discussion, critical thinking and innovation are encouraged and rewarded.
3. Provide cross-organizational training and utilization of staff to assist in handling changing demands and priorities.
4. Maintain a comprehensive, strategic workforce plan.
5. Refine employee development and recruitment efforts to ensure staff has the needed skill sets.
6. Conduct supervisory and managerial meetings with the Secretary's Office to provide a forum for policy and operational discussions across divisions, cultivating a staff that understands the business processes and interrelationships across the organization.

2009 ACCOMPLISHMENTS

Governance

- Developed and began implementation of the Department's 2009-2011 Audit Plan, which includes 14 audits, annual reviews, projects and consulting activities.
- Hired counsel to provide guidance on federal tax and compliance issues and implementation of domestic partner benefits.
- Developed online videos for use in orienting new retirement board members. The on-demand presentations will reduce board members' training time commitments and improve accessibility to training materials.

Service to Members

Several improvements were made to enhance service provided to members. These included:

- Implementing a communications plan to provide news and information on the effect of the investment market turmoil on Wisconsin Retirement System (WRS) trust funds and benefits. Efforts involved the use of online videos and other Internet site communications, and providing information to constituent groups and other stakeholders.
- Producing or updating online videos, including one on Medicare and WRS Health Insurance Benefits; two on WRS disability programs; the annual *Statement of Benefits*; and two separate programs for the Wisconsin Deferred Compensation (WDC) Program.
- Implementing procedures to allow retired public safety officers to deduct health insurance or long-term care premiums from WRS annuities.
- Implementing "on demand" print and reprint capability for original and corrected 1099-R forms, providing more timely service to annuitants.
- Implementing mandatory direct deposit for all new annuities and continuing outreach efforts to help those annuitants still receiving paper checks convert to safer, more secure direct deposit payments.



- Conducting a series of workshops combining presentations by representatives of the WRS, the Social Security Administration and the WDC.
- Expanding customer service hours in the Contact Management Section and conducting additional group retirement sessions during peak periods.
- Creating a detailed menu on the Department's Internet site to help members find information about projected Core Fund annuity adjustments and effective rates.
- Conducting 16 public WRS presentations, reaching more than 2,200 individuals at locations around the state.

Service to Employers

Several improvements were made to enhance service provided to employers. These included:

- Making "welcome" calls to new employers joining ETF-administered benefit plans. The effort ensured that proper materials and good customer service are provided at the outset.
- Producing *Health Insurance Enrollment Inquiry Instructions*, a tutorial for participating employers on using the Enrollment, Validation and Payment (EVP) System.

Benefits

The Department continued to deliver quality benefits through prudent administration and the development and implementation of cost-containment strategies. These included:

- Implementing a 90-day supply benefit for the prescription drug program, allowing members to obtain a 90-day supply at one visit for certain prescriptions, rather than a 30-day supply.
- Initiating administration of benefit eligibility provisions for domestic partners and dependent adult children, including creating related forms, documents and supplementary materials and information. The effort included reviewing and processing domestic partnership affidavits.

Workforce

The Department continued to develop and maintain a skilled and knowledgeable workforce, as evidenced through these accomplishments:

- Held a variety of educational sessions on human resources-related topics for supervisors and managers. Topics included successful recruitment and interviewing.
- Piloted a project management session for managers and staff to highlight the methodology, roles and responsibilities and communication efforts needed to address future business and information technology projects.
- Provided training opportunities for information technology staff, including how to utilize a Java development tool and another that will help automate the deployment of new applications and play a role in disaster recovery.
- Combined two separate training programs so that all new hires in the Contact Management Section and Member Services Bureau staff receive broad program information in a consistent manner and from a single trainer.
- Created self-guided training materials and conducted group training sessions designed to increase customer service staff proficiency with an internal system used to track and manage member calls.

Information technology updates included:

- Generating and distributing more than 152,000 1099-R tax forms from the new Benefit Payments System (BPS).
- Installing new telecommunications equipment in the Contact Management Section, simplifying how calls are routed to specialists and providing callers with more automated options.
- Implementing an application that allows employers to make online Income Continuation Insurance premium payments using the Automated Clearinghouse connection between the Department and a financial institution. The application provides payment receipt confirmation, supports paper reduction and streamlines the payment process.



- Completing Phase four of the health insurance Enrollment, Validation and Payment Project (EVP), which will provide members with a web-based system for health insurance benefits enrollment and, for employers, will significantly improve and automate processes involving health insurance enrollments and premium payments.
- Completing phases six through eight of the Lump Sum Payment System (LSPS), which will automatically calculate and issue payments for the majority of lump sum benefit types.
- Launching a new web-based system to administer the addition of WRS benefits for domestic partners. This effort included designing, building and testing internal processing and workflow steps, member notification, and business requirements for the new system.



FINANCES

**State of Wisconsin
Department of
Employee Trust Funds**



STATE OF WISCONSIN

Legislative Audit Bureau

22 East Mifflin Street, Suite 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
www.legis.wisconsin.gov/lab

Janice Mueller
State Auditor

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements for the following fiduciary and proprietary funds administered by the State of Wisconsin Department of Employee Trust Funds as of and for the year ended December 31, 2009: the Wisconsin Retirement System, Duty Disability Insurance, Accumulated Sick Leave Conversion, State Retiree Life Insurance, Local Retiree Life Insurance, Employee Reimbursement Accounts, Commuter Benefits, Milwaukee Retirement Systems, Badger Rx, State Retiree Health Insurance, Local Retiree Health Insurance, Long-Term Disability Insurance, Health Insurance, Income Continuation Insurance, and Life Insurance. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to in the first paragraph present only the fiduciary and proprietary funds administered by the Department and do not purport to, and do not, present fairly the financial position of the State of Wisconsin and the changes in its financial position and its cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial positions of each fiduciary fund and of each proprietary fund as of December 31, 2009, and the respective changes in their financial positions and their cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on the Wisconsin Retirement System's schedules of funding progress and employer contributions, the required supplementary information on claims development information for public entity risk pools, and the required supplementary information on the other post employment benefits schedules of funding progress and employer contributions are not required parts of the financial statements but are supplementary information

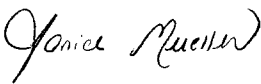
required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph. The supplementary information included in the Introduction and the sections entitled Statistics, Actuarial, Investments, and Employer Unfunded Liability Balances, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. This supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2010, on our consideration of the Department's internal control over financial reporting; our tests of its compliance with certain provisions of laws, regulations, and contracts; and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

LEGISLATIVE AUDIT BUREAU

November 10, 2010

by 
Janice Mueller
State Auditor



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets
December 31, 2009
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
Assets:			
Equity In Pooled Cash & Cash Equivalents	\$ 3,613,327	\$ 0	\$ 0
Securities Lending Collateral	4,196,276	0	0
Prepaid Expenses	13,103	0	9,172
Receivables:			
Contributions Receivable	135,437	5,509	3,400
Prior Service Contributions Receivable	244,339	0	0
Benefit Overpayments Receivable	2,956	495	0
Due From Other Trust Funds	4,786	0	0
Rebates Receivable	0	0	0
Miscellaneous Receivables	25,622	0	0
Interest and Dividends Receivable	183,788	0	0
Investment Sales Receivable	94,461	0	0
Total Receivables	<u>691,389</u>	<u>6,004</u>	<u>3,400</u>
Investments at Fair Value:			
Fixed Income Investments	19,360,078	0	0
Preferred Securities	155,665	0	0
Convertible Securities	45,660	0	0
Stocks	41,904,238	0	0
Options	105	0	0
Limited Partnerships	5,944,710	0	0
Mortgages	44,701	0	0
Real Estate	376,718	0	0
Multi Asset Investments	1,252,558	0	0
Investment In Core Fund	0	333,496	1,889,818
Investment In Variable Fund	0	0	0
Investment in External Pool	0	0	0
Total Investments	<u>69,084,433</u>	<u>333,496</u>	<u>1,889,818</u>
Capital Assets	63	0	0
Total Assets	<u>77,598,591</u>	<u>339,500</u>	<u>1,902,390</u>
Liabilities:			
Core Investment Due Other Programs	2,874,052	0	0
Variable Investment Due Other Programs	21,106	0	0
Securities Lending Collateral Liability	4,196,276	0	0
Benefits Payable	257,803	2,458	0
Other Estimated Future Benefits	0	0	2,195,709
Unearned Revenue	186	0	0
Due To Other Trust Funds	111	56	17
Due to General Fund	0	0	0
Miscellaneous Payables	134,467	0	0
Investment Payables	118,294	0	0
Total Liabilities	<u>7,602,295</u>	<u>2,514</u>	<u>2,195,726</u>
Net Assets Held in Trust for			
Pension Benefits and Pool Participants	<u>\$ 69,996,296</u>	<u>\$ 336,986</u>	<u>\$ (293,336)</u>

The accompanying notes are an integral part of the financial statements.
A schedule of funding progress for the Wisconsin Retirement System is presented on page 83.



Statement 1

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 22	\$ 29	\$ 6,513	\$ 0	\$ 0	\$ 160
0	0	0	0	0	0
0	0	543	5	0	0
0	0	74	113	0	8
0	0	0	0	0	0
0	0	0	0	0	0
0	0	158	19	0	0
0	0	0	0	0	60
19	26	1	1	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19	26	233	133	0	68
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	109,938	0
0	0	0	0	21,106	0
349,915	224,039	0	0	0	0
349,915	224,039	0	0	131,044	0
0	0	0	0	0	0
349,956	224,094	7,289	138	131,044	228
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	5,098	10	0	0
0	0	0	0	0	0
0	0	829	102	0	0
2	3	0	44	0	0
0	0	0	0	0	101
39	52	37	0	0	0
0	0	0	0	0	0
41	55	5,964	156	0	101
\$ 349,915	\$ 224,039	\$ 1,325	\$ (18)	\$ 131,044	\$ 127



**Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2009
(In Thousands)**

	Wisconsin Retirement System	Duty Disability	Accumulated Sick Leave Conversion
Additions:			
Contributions:			
Employer Contributions	\$ 632,706	\$ 51,556	\$ 31,816
Employee Contributions	736,689	0	0
Total Contributions	<u>1,369,395</u>	<u>51,556</u>	<u>31,816</u>
Deposits	0	0	0
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	12,547,119	0	0
Interest	498,792	0	0
Dividends	627,426	0	0
Securities Lending Income	33,663	0	0
Other	72,274	59,986	347,992
Less:			
Investment Income Distributed to Other Funds	522,032	0	0
Investment Expense	230,129	0	0
Securities Lending Rebates and Fees	2,127	0	0
Net Investment Income	<u>13,024,986</u>	<u>59,986</u>	<u>347,992</u>
Interest on Prior Service Receivable	13,986	0	0
Service Reimbursement Income	0	0	0
Miscellaneous Income	<u>1,117</u>	<u>0</u>	<u>0</u>
Total Additions	<u>14,409,484</u>	<u>111,542</u>	<u>379,808</u>
Deductions:			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary Separation Benefits	3,797,615	29,441	0
Other Benefit Expense	24,755	0	0
Distributions	0	0	120,159
Carrier Administrative Expenses	0	0	0
Departmental Administrative Expenses	20,940	441	279
Total Deductions	<u>3,843,310</u>	<u>29,882</u>	<u>120,438</u>
Net Increase (Decrease)	<u>10,566,174</u>	<u>81,660</u>	<u>259,370</u>
Net Assets Beginning of Year	<u>59,430,122</u>	<u>255,326</u>	<u>(552,706)</u>
End of Year	<u>\$ 69,996,296</u>	<u>\$ 336,986</u>	<u>\$ (293,336)</u>

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



Statement 2

State Retiree Life Insurance	Local Retiree Life Insurance	Employee Reimbursement Accounts	Commuter Benefits	Milwaukee Retirement Systems	Badger Rx
\$ 1,514	\$ 1,906	\$ 410	\$ 117	\$ 0	\$ 0
3,318	4,062	23,405	1,261	0	0
<u>4,832</u>	<u>5,968</u>	<u>23,815</u>	<u>1,378</u>	<u>0</u>	<u>0</u>
0	0	0	0	13,900	45
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19,002	12,055	28	(1)	25,415	1
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>19,002</u>	<u>12,055</u>	<u>28</u>	<u>(1)</u>	<u>25,415</u>	<u>1</u>
0	0	0	0	0	0
36	49	0	0	0	0
0	0	2	0	0	0
<u>23,870</u>	<u>18,072</u>	<u>23,845</u>	<u>1,377</u>	<u>39,315</u>	<u>46</u>
0	0	0	0	0	0
0	0	0	0	0	0
12,583	9,371	23,118	1,276	0	0
0	0	0	0	7,400	0
566	724	603	94	0	0
36	49	123	46	0	5
<u>13,185</u>	<u>10,144</u>	<u>23,844</u>	<u>1,416</u>	<u>7,400</u>	<u>5</u>
<u>10,685</u>	<u>7,928</u>	<u>1</u>	<u>(39)</u>	<u>31,915</u>	<u>41</u>
<u>339,230</u>	<u>216,111</u>	<u>1,324</u>	<u>21</u>	<u>99,129</u>	<u>86</u>
<u>\$ 349,915</u>	<u>\$ 224,039</u>	<u>\$ 1,325</u>	<u>\$ (18)</u>	<u>\$ 131,044</u>	<u>\$ 127</u>



**Wisconsin Department of Employee Trust Funds
Statement of Net Assets -- Proprietary Funds
December 31, 2009
(In Thousands)**

Statement 3

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
ASSETS				
Current Assets:				
Cash and Cash Equivalents	0	8,124	0	0
Investment In Core Fund	241,531	205,074	81,597	0
Prepaid Expenses	0	73	0	2,331
Rebates Receivable	0	8,176	0	0
Contributions Receivable	0	0	1,092	0
Due From Other Trust Funds	0	976	61	7
Benefit Overpayment Receivable	73	0	3,510	0
Miscellaneous Receivables	0	0	0	324
Total Current Assets	241,604	222,423	86,260	2,662
Total Assets	241,604	222,423	86,260	2,662
LIABILITIES				
Current Liabilities:				
Premiums Payable	0	0	0	2,341
Unearned Revenue	0	103,198	158	0
Current Portion of Estimated Future Benefits	22,321	8,112	15,303	0
Due To Other Trust Funds	3,381	1,044	0	98
Miscellaneous Payables	71	776	22	0
Total Current Liabilities	25,773	113,130	15,483	2,439
Noncurrent Liabilities:				
Noncurrent Portion of Estimated Future Benefits	133,957	0	57,474	0
Total Noncurrent Liabilities	133,957	0	57,474	0
Total Liabilities	159,730	113,130	72,957	2,439
NET ASSETS RESTRICTED FOR BENEFITS	\$ 81,874	\$ 109,293	\$ 13,303	\$ 223

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



Statement 4

Wisconsin Department of Employee Trust Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets -- Proprietary Funds
For the Year Ended December 31, 2009
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Operating Revenues:				
Contributions	0	\$ 1,124,381	\$ 14,867	\$ 0
Miscellaneous Income	1	5	81	6
Administrative Reimbursement Income	0	0	0	343
Total Operating Revenues	1	1,124,386	14,948	349
Operating Expenses:				
Benefit Expense	41,301	1,109,989	11,586	0
Carrier Administrative Expenses	1,764	7,229	1,348	0
Departmental Administrative Expenses	388	4,137	472	442
Total Operating Expenses	43,453	1,121,355	13,406	442
Operating Income (Loss)	(43,452)	3,031	1,542	(93)
Nonoperating Revenues:				
Investment Income	49,250	24,209	13,930	6
Total Nonoperating Revenues	49,250	24,209	13,930	6
Net Income (Loss)	5,798	27,240	15,472	(87)
Change in Net Assets	5,798	27,240	15,472	(87)
Total Net Assets - Beginning of Year	76,076	82,053	(2,169)	310
Total Net Assets - End of Year	\$ 81,874	\$ 109,293	\$ 13,303	\$ 223

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



Statement 5

Wisconsin Department of Employee Trust Funds
Statement of Cash Flows -- Proprietary Funds
For the Year Ended December 31, 2009
(In Thousands)

	Long-Term Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Cash Flows from Operating Activities				
Cash Received for Rebates	\$ 0	\$ 13,051	\$ 0	\$ 0
Cash Received for Insurance Premiums	0	1,131,841	14,821	(98)
Cash Paid for Employee Benefits	(23,216)	(1,124,796)	(16,069)	(1,571)
Cash Paid for Administrative Services	(2,002)	(10,308)	(1,867)	(376)
Service Reimbursement Income	0	0	0	343
Miscellaneous Income	1	5	81	6
Net Cash Provided (Used) by Operating Activities	(25,217)	9,793	(3,034)	(1,696)
Cash Flows from Investing Activities				
Investment Income	49,251	24,202	13,929	11
Decrease (Increase) in Investment in Core Fund	(24,034)	(36,973)	(10,895)	0
Net Cash Provided (Used) by Investing Activities	25,217	(12,771)	3,034	11
Net Increase (Decrease) in Cash and Cash Equivalents	0	(2,978)	0	(1,685)
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	0	11,102	0	1,685
Equity in Pooled Cash and Cash Equivalents at End of Year	0	8,124	0	0
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(43,452)	3,031	1,542	(93)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
Decrease (Increase) in Rebates Receivable	0	(344)	0	0
Decrease (Increase) in Contributions Receivable	0	104	(54)	0
Decrease (Increase) in Miscellaneous Receivables	0	0	0	(193)
Decrease (Increase) in Benefit Overpayments Receivable	41	0	(390)	0
Decrease (Increase) in Prepaid Expenses	0	1,454	0	(2,331)
Decrease (Increase) in Due From Other Trust Funds	90	(327)	(47)	63
Increase (Decrease) in Estimated Future Benefits	17,637	(2,317)	(3,912)	0
Increase (Decrease) in Premiums Payable	0	0	0	760
Increase (Decrease) in Unearned Revenue	0	8,972	8	0
Increase (Decrease) in Benefits Payable	0	0	0	0
Increase (Decrease) in Miscellaneous Payables	(6)	(549)	(181)	0
Increase (Decrease) in Due to Other Trust Funds	473	(231)	0	98
Total Adjustments	18,235	6,762	(4,576)	(1,603)
Net Cash Provided (Used) by Operating Activities	(25,217)	9,793	(3,034)	(1,696)



**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Assets - Agency Fund
December 31, 2009
(In Thousands)**

Statement 6

	State Retiree Health Insurance	Local Retiree Health Insurance
Assets:		
Cash and Cash Equivalents	\$ 0	\$ 0
Prepaid Expenses	0	0
Receivables:		
Federal Subsidy Receivable	2,751	0
Benefit Overpayment Receivable	14	0
Rebates Receivable	3,973	193
Total Receivables	<u>6,738</u>	<u>193</u>
Investments at Fair Value:		
Investment in Core Fund	<u>12,598</u>	<u>0</u>
Total Investments	12,598	0
Total Assets	<u>19,336</u>	<u>193</u>
Liabilities:		
Unearned Revenue	14,150	1,724
Due To Other Trust Funds	267	984
Miscellaneous Payables	384	55
Benefit & Loss Liabilities--Current	5,169	216
Due To Employers	<u>(634)</u>	<u>(2,786)</u>
Total Liabilities	<u>19,336</u>	<u>193</u>
Net Assets Held In Trust	<u>\$ 0</u>	<u>\$ 0</u>



Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Assets - Agency Fund
December 31, 2009
(In Thousands)

Statement 7

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Local Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 21,783	\$ 21,783	\$ 0
Prepaid Expenses	2	0	2	0
Receivables:				
Rebates Receivable	529	0	336	193
Total Receivables	529	0	336	193
Investments at Fair Value:				
Total Assets	531	21,783	22,121	193
Liabilities				
Unearned Revenue	466	1,724	466	1,724
Due To Other Trust Funds	711	273	0	984
Miscellaneous Payables	31	200	176	55
Benefit & Loss Liabilities--Current	244	3,777	3,805	216
Due To Employers	(921)	20,218	22,083	(2,786)
Total Liabilities	\$ 531	\$ 26,192	\$ 26,530	\$ 193
State Retiree Health Insurance				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 203,585	\$ 203,585	\$ 0
Prepaid Expenses	269	0	269	0
Receivables:				
Federal Subsidy Receivable	5,281	11,908	14,438	2,751
Benefit Overpayment Receivable	11	3	0	14
Rebates Receivable	3,538	6,776	6,341	3,973
Total Receivables	8,830	18,687	20,779	6,738
Investments at Fair Value:				
Investment in Core Fund	4,347	8,251	0	12,598
Total Investments	4,347	8,251	0	12,598
Total Assets	13,446	230,523	224,633	19,336
Liabilities				
Unearned Revenue	0	14,150	0	14,150
Due To Other Trust Funds	308	1,019	1,060	267
Miscellaneous Payables	251	4,532	4,399	384
Benefit & Loss Liabilities--Current	6,413	99,294	100,538	5,169
Due to Employers	6,474	180,567	187,675	(634)
Total Liabilities	\$ 13,446	\$ 299,562	\$ 293,672	\$ 19,336



NOTES TO FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRESENTATION BASIS

The financial statements of the Wisconsin Department of Employee Trust Funds (Department) have been prepared in conformity with generally accepted accounting principles (GAAP) for government units as prescribed by the Governmental Accounting Standards Boards (GASB). The Department is not a general-purpose government and does not present government-wide statements. The Department is included in the State of Wisconsin financial reporting entity.

The assets and operations of the Department are accounted for in the following funds:

FIDUCIARY FUNDS

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Wisconsin Retirement System (WRS): This fund is used to account for the collection of employee and employer contributions; investment of assets; and payment of retirement, disability, and death benefits to former employees, and their beneficiaries, of the state and participating local governments in Wisconsin.

Accumulated Sick Leave Conversion Credits (ASLCC): This fund is used to account for the collection of employer contributions, investment of assets, and purchase of post-retirement health insurance for retired employees of the State of Wisconsin and their beneficiaries. This benefit allows employees, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance. The value of their account is increased by an employer match of part or all of their unused sick leave accumulation.

State Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of the State of Wisconsin.

Local Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of participating local governments in Wisconsin.

Employee Reimbursement Accounts: This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying medical and dependent care expenses for employees of the State of Wisconsin, in compliance with Internal Revenue Code (IRC) Section 125.

Commuter Benefits: This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying transportation expenses for employees of the State of Wisconsin, in compliance with IRC Section 132.

Duty Disability Insurance: This fund is used to account for the collection of employer contributions, investment of assets, and payment of special disability benefits to protective occupation participants in the WRS.

INVESTMENT TRUST FUND

Milwaukee Retirement System: This fund is used to account for the receipt, investment, and disbursement of funds from other public pension funds in Wisconsin.

PRIVATE PURPOSE TRUST FUND

Badger Rx: This fund is used to account for the advance of pharmaceutical rebates to local pharmacies and the collection of those rebates from the pharmaceutical companies. The state uses leveraged bargaining powers established for employee health insurance to provide discounts and rebates on prescription drugs for participating individuals in the State of Wisconsin.

AGENCY FUNDS

State Retiree Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of the state.

Local Retiree Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of participating local governments in Wisconsin.



PROPRIETARY FUNDS

ENTERPRISE FUNDS

Long-Term Disability Insurance: This fund is used to account for the collection of employer contributions, investment of assets, and payment of disability benefits to participants in the WRS.

Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

Income Continuation Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, and the payment of disability benefits for employees of both the State of Wisconsin and participating local governments in Wisconsin.

Life Insurance: This fund is used to account for the collection of employee and employer contributions and the purchase of life insurance coverage for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations for these proprietary funds are collecting premiums and using the accumulated premiums and investment income to pay benefits. Revenues and expenses not directly related to the principal ongoing operations are classified as non-operating.

Department-wide administrative expenses, capital assets, and general fund activities are most closely associated with the WRS fund and have been blended with that fund for presentation.

All material intrafund transactions have been eliminated from fund financial statements. Interfund transactions have not been eliminated.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Department have been prepared in accordance with GAAP. The WRS, Duty Disability Insurance and Retiree Life Insurance Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the period in which the underlying earnings on which the contributions are based are paid and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The State Retiree and Local Retiree Health Insurance Funds are accounted for using the accrual basis of accounting, but have no measurement focus by virtue of their custodial nature. All other funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Financial Accounting Standards Board statements effective after November 30, 1989, are not applied in accounting and reporting for proprietary operations.

INVESTMENTS

The assets of the WRS and the Milwaukee Retirement System are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund). The assets of the Income Continuation Insurance, Duty Disability Insurance, Long-Term Disability Insurance, Health Insurance, State Retiree Health Insurance, Local Retiree Health Insurance, and Accumulated Sick Leave Conversion Credit Programs are invested in the Core Fund. Earnings are allocated between the WRS and other programs, based on the average balance invested for each program. Earnings allocated to other programs are classified as Income Distributed to Other Funds on the *Statement of Changes in Fiduciary Net Assets*. Investments of these programs in the Core and Variable Funds are classified as Investment in Core Fund and Investment in Variable



Fund on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*.

Investments for the Retiree Life Insurance Funds are held by the plan administrator and classified as Investment in External Investment Pool on the *Statement of Fiduciary Net Assets*. All other benefit plan assets are invested in the State Investment Fund (SIF). Investments in the SIF are classified as Equity in Pooled Cash and Cash Equivalents on the *Statement of Fiduciary Net Assets* and the *Statement of Net Assets – Proprietary Funds*.

The State of Wisconsin Investment Board (SWIB) manages the Core Fund, Variable Fund, and SIF with oversight by a board of trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company.

FUNDING VALUE OF ASSETS

While investments are valued at fair value for financial statement presentation, a funding value of assets is used in evaluating the funded status of the benefit plans and in determining future contribution requirements.

Funding value does not include deferred market gains and losses that have not yet been distributed from the Market Recognition Account (MRA) to the program reserves. See Note 7 for further explanation of the MRA.

As of December 31, 2009, the funding value of reserves (\$ in millions) was as follows:

Benefit Plan	Reserves at Actuarial Value	Deferred Market Gains (Losses)	Reserves at Fair Value
Wisconsin Retirement System	\$79,037.1	\$(9,040.8)	\$69,996.3
Income Continuation Insurance ⁽¹⁾	14.6	(1.3)	13.3
Duty Disability Insurance	392.4	(55.4)	337.0
Long-Term Disability Insurance ⁽¹⁾	144.1	(62.2)	81.9
Accumulated Sick Leave Conversion Credits ⁽¹⁾	(16.3)	(277.0)	(293.3)
Health Insurance ⁽¹⁾	143.6	(34.3)	109.3
State Retiree Health Insurance ⁽¹⁾	(0.6)	0.0	(0.6)
Local Retiree Health Insurance ⁽¹⁾	(2.7)	(0.1)	(2.8)

(1) The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Long-Term Disability Insurance, and Accumulated Sick Leave Conversion Credits, Health Insurance, State Retiree Health Insurance, and Local Retiree Health Insurance have been reduced by the estimated future claims for the benefit plan.

ADMINISTRATIVE EXPENSES

The administrative costs of all Department programs are financed by a separate appropriation and are allocated to the benefit plans in accordance with Wis. Stat. § 40.04. The sources of funds for this appropriation are investment earnings and third-party reimbursement received from the various programs administered by the Department. Total administrative expenses for the year were \$29.0 million.

SWIB incurs expenses related to investing the trust funds. As authorized by Wis. Stat. § 25.187 (2), these costs are charged directly to the investment income of each fund.

CAPITAL ASSETS

Capital assets consist of office furniture and equipment. The Department capitalizes all furniture and equipment with a purchase price in excess of \$5,000. Assets are depreciated on a composite basis over an estimated life of two years, using the straight-line method of depreciation.

As of December 31, 2009, the total value of capital assets was \$2,543,832, less accumulated depreciation of \$2,480,846, for a net capital asset value of \$62,986.



LONG-TERM LIABILITIES

Accumulated Sick Leave Conversion Credit: The Accumulated Sick Leave Conversion Credit Fund reports an actuarially-determined liability for future benefits. The liability is determined using the Frozen Initial Liability actuarial cost method and actuarial assumptions that include a 7.8% long-term rate of investment return and a 4.0% annual base salary increase.

During 2009, the liability changed as follows (\$ in millions):

Beginning balance	\$ 2,176
Plus: New Liabilities Recognized	120
Less: Benefits Paid	<u>(100)</u>
Ending Balance	<u>\$2,196</u>

The portion estimated to be due within one year is \$107 million.

INTERFUND ASSETS / LIABILITIES

Interfund assets and liabilities at December 31, 2009 consist of the following (\$ in thousands):

Due to Other Funds	Due From Other Funds											Total
	Wisconsin Retirement System	Commuter Benefits	Long-Term Disability Insurance	Health Insurance	State Retiree Health Insurance	Local Retiree Health Insurance	State Retiree Life Insurance	Local Retiree Life Insurance	Life Insurance	Duty Disability	Sick Leave	
Wisconsin Retirement System		\$28	\$3,381	\$1,001	\$267	\$8	\$2	\$3	\$23	\$56	\$17	\$4,786
Employee Reimbursement Accounts	\$30	\$16		\$36					\$76			\$158
Health Insurance						\$976						\$976
Life Insurance				\$7								\$7
Commuter Benefits	\$19											\$19
Income Continuation Insurance	\$61											\$61
Total	\$110	\$44	\$3,381	\$1,044	\$267	\$984	\$2	\$3	\$99	\$56	\$17	\$6,007

Interfund transfers are primarily the result of administrative expense reimbursement to the Wisconsin Retirement System. The outstanding balances between funds result from the time lag between the dates that interfund services are provided or reimbursable expenditures occur and when payments between funds are made. All interfund liabilities are expected to be paid within one year of the balance sheet date.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported herein. Due to the inherent uncertainty involved, actual results could differ from those estimates.



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that government-wide financial statements include an MD&A to provide an overview of the government's financial activities. This requirement does not extend to Department financial statements. It was management's determination that this type of information could be better presented in other areas of the Department's *Comprehensive Annual Financial Report*, and therefore management has not included an MD&A with the basic financial statements.

2 ACCOUNTING CHANGES

There are no accounting changes for the year.

3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

VALUATION OF SECURITIES

The investments of the Core and Variable Funds are valued at fair value, per Wis. Stat. § 25.17 (14). Monthly, the investments are adjusted to fair value, with unrealized gains and losses reflected in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.

Generally, fair value information represents actual bid prices or the quoted yield equivalent for securities of comparable maturity, quality, and type as obtained from one or more major investment brokers. If quoted market prices are not available, a variety of third party pricing methods are used, including appraisals, certifications, pricing models, and other methods deemed acceptable by industry standards.

Commercial mortgages are priced via a matrix pricing system. The traditional discounted cash flow methodology is employed, where discount rates are

developed, based on market derived spreads over a base Treasury or London inter-bank offering rate yield. Spreads incorporate such factors as coupon rates, term to maturity, agency ratings, and sector/industry information.

Private debt is priced using a multi-tiered approach that prices each holding based on the best available information using the following hierarchy of pricing sources:

1. Custodian-supplied prices for assets that are in the Barclays Capital U.S. Aggregate Bond Index;
2. Prices provided by a third party with expertise in the bond market;
3. Modeled prices utilizing CMS BondEdge where spreads are supplied by a contracted third party.

In a few instances, private debt cannot be priced by one of the above three sources. In these circumstances, the investment is priced using an alternative bond index price or, if no independent quotation exists, the investment is priced by SWIB management, usually at cost.

Limited partnerships' fair value is estimated based on periodic reports from the limited partnerships' management. Annually, the reports are audited by independent auditors.

Real estate valuations are based on generally accepted industry standards and are most typically based on discounted cash flow and comparable sales methodologies. The basis for valuing direct real estate holdings is independent appraisals, which are prepared once every three years. In years when appraisals are not performed, the asset managers are responsible for providing market valuations. Annually, direct real estate holdings are audited by independent auditors.

A limited number of securities are carried at cost. Certain non-public or closely-held stocks are not reported at fair value, but are carried at cost, since no independent quotation is available to estimate fair value for these securities.

All derivative financial instruments are reported at fair value in the *Statement of Fiduciary Net Assets*. The instruments are marked to fair value at least monthly,



with valuation changes recognized in income. Gains and losses are recorded in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments during the period the instruments are held and when the instrument is sold or expires. The nature and use of derivative instruments is discussed later in these notes.

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company) in the Company's investment pool. The methods used to value that pool's investments are described in Note 9.

DEPOSIT AND INVESTMENT RISK

The State of Wisconsin Investment Board (SWIB) recognizes that risk issues permeate the entire investment process, from asset allocation to performance evaluation. SWIB monitors risk through multiple forms of analysis and reporting. Inspection of levels of diversification, nominal risk exposures, risk/return plots, value at risk, tracking error, and worst case scenario modeling form the core of the monitoring process. Comprehensive reporting is presented to SWIB's Investment Committee and the Board of Trustees. In addition, portfolios and asset classes are reviewed monthly for compliance with investment guidelines.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. With the exception of derivative instrument credit risk, there are no fund-wide investment guidelines related to credit risk exposures within the Core and Variable Funds. Information regarding SWIB's credit risk related to derivatives is found later in these notes. Other fixed income credit risk investment guidelines spell out the minimum ratings at the time of purchase by individual portfolios or groups of portfolios based on the portfolios' investment objectives. In addition, some fixed income portfolios are required to carry a minimum weighted average rating at all times.

The table, *Credit Quality Distribution*, displays the lowest credit rating assigned by several nationally-recognized statistical rating organizations on debt securities held by the Core and Variable Funds as of December 31, 2009. Included in this schedule are fixed income securities, including certain short-term securities classified as cash equivalents on the *Statement of Fiduciary Net Assets*. Additionally, the schedule includes fixed income instruments held by securities lending collateral reinvestment pools administered by SWIB's custodian (additional information relating to the securities lending program is discussed later in these notes.) Obligations of the United States and obligations explicitly guaranteed by the United States government have been included in the AAA rating below although they are considered to be without credit risk.

The same table also includes investments in externally managed collective trust funds which have not been rated by an independent rating agency. Although the funds themselves do not carry ratings, external management investment guidelines govern minimum credit quality standards for the investments within each portfolio. These standards are determined based on the investment objectives and risk parameters of each fund.



Credit Quality Distribution December 31, 2009		
Ratings	Fair Value	% of Total
P-1 or A-1	1,161,261,972	4
Aaa or AAA	6,228,764,505	23
Aa3 to Aa1 or AA- to AA+	2,054,276,008	7
A3 to A1 or A- to A+	2,127,435,208	8
Baa3 to Baa1 or BBB- to BBB+	1,521,442,838	6
Ba3 to Ba1 or BB- to BB+	460,796,669	2
B3 to B1 or B- to B+	391,108,622	1
Caa1 to Caa3 or CCC- to CCC+	133,347,501	0
Ca1 to Ca3 or CC- to CC+	25,055,778	0
C	12,341,690	0
D	11,531,064	0
Collective Trust Funds	10,714,662,417	39
Repurchase Agreements	1,961,475,906	7
Not Rated	697,492,486	3
Total	\$ 27,500,992,664	100%

Credit risk for the Retiree Life Insurance Funds is minimized by the Company monitoring portfolio diversification by asset class, creditor, and industry and by complying with investment limitations governed by insurance laws and regulations. However, the pool itself is not rated.

CUSTODIAL CREDIT RISK

The Core and Variable Funds do not have a deposit or investment policy specifically related to custodial credit risk.

Deposits: Custodial credit risk related to deposits is the risk that, in the event of the failure of a depository financial institution, SWIB will not be able to recover deposits that are in possession of an outside party. Bank deposits as of December 31, 2009, were \$270.6 million. A portion of the deposits, totaling \$3.6 million, are covered by federal depository insurance. The remaining uninsured and uncollateralized deposits, totaling \$267.0 million, were held in foreign currencies or margin accounts in SWIB's custodian's nominee name. In addition, SWIB held time deposits with foreign financial institutions with a fair value of \$157.6 million, all of which were uncollateralized and uninsured.

Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. As of December 31, 2009, the Core and Variable Funds held 14 tri-party repurchase agreements totaling \$1.96 billion. SWIB's securities lending collateral portfolios and cash management portfolio participate in repurchase agreement pools, purchasing only a portion of a repurchase agreement in which the manager of these portfolios, acting as agent on behalf of SWIB and other clients, is the buyer-lender. Since the manager that purchased the repurchase agreement is the counterparty, the securities are not held in SWIB's name. They are held in the counterparty's name and held by the counterparty's agent.



CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios that generally restrict issuer concentrations in any one company or Rule 144A securities to less than 5% of assets.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SWIB uses a number of different methods to manage interest rate risk. Generally, SWIB analyzes long or intermediate term portfolios' interest rate risk using various duration calculations. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present values for all cash flows. Some pooled investments are analyzed using an option adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in the securities.

Short term portfolios use the weighted average maturity (to next reset) to analyze interest rate risk. Weighted average maturity is the maturity of each position in a portfolio weighted by the dollar value of the position to compute an average maturity for the portfolio as a whole. This measure indicates a portfolio's sensitivity to interest rate changes: a longer weighted average maturity implies greater volatility in response to interest rate changes.

SWIB's investment guidelines related to interest rate risk vary by portfolio. Some fixed income portfolios are required to be managed within a range of a targeted duration, while others are required to maintain a weighted average maturity at or below a specified number of days or years.

The table, *Interest Rate Sensitivity by Investment Type*, presents the interest rate exposure for the Core and Variable Fund assets. Weighted average maturity, where reset dates are assumed to be the effective maturity date for the security, is presented for the securities lending collateral reinvestment pool and short term pooled investments. Longer term instruments held by the Core and Variable Funds are presented using modified duration, as this measure more accurately states the interest rate sensitivity of these investments.

Interest rate risk for the Retiree Life Insurance Funds is minimized by the Company maintaining a diversified portfolio of investments and monitoring cash flow patterns in order to approximately match the expected maturity of liabilities. The pool's investment objective is to maintain levels in its general account sufficient to guarantee principal amounts of reserves. The interest rate exposure of this pool expressed in terms of duration and average remaining life is 4.1 and 5.5 years, respectively.



**Interest Rate Sensitivity by Investment Type
December 31, 2009**

Investment Type	Fair Value	Modified Duration (years)
Asset Backed Securities	\$ 68,996,761	3.22
Certificates of Deposit	6,200,146	0.04
Commercial Paper	100,463,972	0.20
Corporate Bonds	3,920,524,132	4.89
Corporate Bonds	11,041,127	N/A
Government Agency	508,435,637	3.59
Commercial Mortgages	44,700,916	2.62
Municipal Bonds	26,096,629	8.35
Private Placements	547,068,816	5.06
Private Placements	6,825,905	N/A
Repurchase Agreements	126,451,016	0.01
Sovereign Debt	3,004,762,473	6.70
Sovereign Debt	7,805,131	N/A
United States Treasury Securities	<u>3,685,163,555</u>	7.13
	<u>\$ 12,064,536,216</u>	
Intermediate and Long Term Pooled Investments		
Emerging Market Fixed Income	\$ 240,200,798	6.06
Global Fixed Income	502,563,163	4.81
Domestic Fixed Income	<u>\$ 6,990,224,620</u>	5.11
Total Intermediate and Long Term Pooled Investments	<u>\$ 7,732,988,581</u>	
		Weighted Average Maturity (days)
Short Term Pooled Investments	\$ 2,981,673,836	86
Securities Lending Collateral Pool		
Asset Backed Securities	\$ 332,096,848	29
Certificates of Deposit	684,474,011	75
Commercial Paper	528,697,089	44
Corporate Bonds	1,341,501,193	41
Repurchase Agreements	<u>1,835,024,890</u>	5
Total Securities Lending Pool Investments	<u>\$ 4,721,794,031</u>	
Total Fair Value	<u><u>\$ 27,500,992,664</u></u>	

N/A = Data Not Available



FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. It includes the risk that currencies in which a portfolio's investments are denominated or currencies in which a portfolio has taken on an active position will decline in value relative to the U.S. dollar.

Foreign currency exchange rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, intervention by U.S. or foreign governments or central banks, currency controls or political developments in the U.S. or abroad. The Core and Variable Funds hold foreign currency denominated cash and securities

invested directly in designated actively managed portfolios and indirectly through its investment in certain collective trust funds.

SWIB's policies include foreign currency risk management objectives relating to each individual portfolio. These guidelines address the foreign currency management activities permitted for each portfolio based on the portfolios mandates, risk tolerances, and objectives. SWIB also employs discretionary currency overlay strategies at the total fund level when currency market conditions suggest such strategies are warranted.

As of December 31, 2009, the Core and Variable Funds assets were denominated in the currencies shown in the table, *Currency Exposures by Investment Type*.

Currency	Currency Exposures by Investment Type as of December 31, 2009										Total	
	Cash & Cash Equivalents	Commercial Mortgages	Convertible Securities	Stocks	Options	Fixed Income	Financial Futures Contracts	Multi-Asset	Preferred Securities	Limited Partnerships		Real Estate
Australian Dollar	1,696,036	0	0	517,943,728	0	44,732,919	1,058,044	0	0	0	0	565,430,727
Brazil Real	2,489,973	0	0	32,742,129	0	23,923,192	0	0	140,487,683	0	0	199,642,977
British Pound Sterling	17,196,741	0	0	1,907,881,174	0	230,064,605	2,283,166	0	98,775,259	0	0	2,256,200,945
Canadian Dollar	3,921,310	0	0	628,393,913	0	107,963,124	252,701	0	29,453,621	0	0	769,984,669
Colombian Peso	0	0	0	0	0	7,458,842	0	0	0	0	0	7,458,842
Czech Koruna	206,039	0	0	13,450,439	0	0	0	0	0	0	0	13,656,478
Danish Krone	583,965	0	0	94,805,630	0	27,907,136	0	0	0	0	0	123,296,631
Euro Currency Unit	17,988,950	0	0	3,231,848,913	0	1,242,276,646	3,580,498	0	4,106,771	567,417,949	0	5,067,219,727
German Mark	0	0	0	0	0	265,011	0	0	0	0	0	265,011
Hong Kong Dollar	507,525	0	0	350,910,661	0	0	0	0	0	0	0	351,418,186
Hungarian Forint	75,796	0	0	9,494,524	0	3,953,143	0	0	0	0	0	13,483,463
Iceland Krona	0	0	0	0	0	1,308,562	0	0	0	0	0	1,308,562
Indian Rupee	399,604	0	0	163,178,223	0	20,471,256	0	0	0	0	0	163,577,827
Indonesian Rupiah	235,280	0	0	9,844,815	0	0	0	0	0	0	0	30,551,361
Israeli Shekel	458,533	0	0	24,489,387	0	0	0	0	0	0	0	24,947,920
Italian Lira	0	0	0	0	0	1,600,000	0	0	0	0	0	1,600,000
Japanese Yen	13,432,571	0	0	1,665,142,816	0	905,971,566	756,518	0	0	0	0	2,585,303,871
Malaysian Ringgit	1,562,663	0	0	41,790,841	0	41,904,449	0	0	0	0	0	85,257,953
Mexican New Peso	2,491,571	0	0	50,824,505	0	32,154,725	0	0	0	0	0	85,470,801
Moroccan Dirham	3,334	0	0	1,855,636	0	0	0	0	0	0	0	1,858,970
New Taiwan Dollar	2,974,080	0	0	212,411,221	0	0	0	0	0	0	0	215,385,301
New Zealand Dollar	275,874	0	0	60,548,984	0	3,056,977	0	0	0	0	0	63,881,835
New Zealand Dollar	309,758	0	0	1,047,045	0	9,484,805	0	0	0	0	0	10,841,608
Norwegian Krone	319,654	0	0	86,558,887	0	6,356,428	0	0	0	0	0	93,234,969
Peruvian Nuevo Sol	0	0	0	35,118	0	0	0	0	0	0	0	35,118
Philippines Peso	315,674	0	0	5,154,210	0	0	0	0	0	0	0	5,469,884
Polish Zloty	11,812	0	0	19,994,844	0	32,958,353	0	0	0	0	0	52,965,009
S. African Comm Rand	2,233,293	0	0	58,157,179	0	6,339,218	0	0	0	0	0	64,729,690
Singapore Dollar	159,543	0	0	110,900,200	0	0	0	0	0	0	0	111,059,744
South Korean Won	104,067	0	0	206,484,870	0	0	0	0	4,632,313	0	0	212,044,184
Swedish Krona	1,475,285	0	0	83,624,861	0	35,696,645	0	5,455,247	0	0	0	125,429,114
Swiss Franc	2,099,481	0	0	506,046,561	0	0	0	0	0	0	0	508,146,042
Thailand Baht	101,064	0	0	56,124,574	0	0	0	0	0	0	0	56,226,238
Uruguayan Peso	0	0	0	0	0	6,767,360	0	0	0	0	0	6,767,360
Total	\$ 73,630,397	\$ 0	\$ 0	\$ 10,149,645,888	\$ 0	\$ 2,792,815,982	\$ 7,930,927	\$ 0	\$ 150,049,701	\$ 700,279,142	\$ 0	\$ 13,874,352,037

Foreign currency risk for the Retiree Life Insurance Funds is minimized by the Company utilizing short-duration spot forward contracts to minimize the adverse impact of foreign currency exchange rate risks inherent in the elapsed time between trade processing and trade settlement.



SECURITIES LENDING TRANSACTIONS

State statutes and Board policies permit SWIB to use investments of the Core and Variable Funds to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities in exchange for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for identical securities in the future. SWIB's securities custodian is an agent in lending the Core and Variable Funds' directly held domestic and international securities. When the Core and Variable Funds' securities are delivered to a borrower as part of a securities lending agreement, the borrower is required to place collateral equal to at least 102% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent, so long as the securities and the collateral are denominated in the same currency. In the event that foreign securities are loaned against collateral denominated in a different currency, the borrower is required to place collateral totaling at least 105% of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

Cash collateral is reinvested by the lending agent or its affiliate in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also require a portion of the collateral investments to be invested with short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers and fees paid to agents, results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

In accordance with money market mutual fund industry standards, the cash collateral reinvestment pools are valued at amortized cost. The amortized or book value of a fund's assets and underlying fair market value of the assets may differ based on market

conditions. The pool's market value relative to its amortized cost is expressed as net asset value (NAV) and is derived by dividing total market value by amortized cost. In calendar year 2009, the securities lending reinvestment pools' NAV were below the typical money market fund floor value of \$.9950. As of December 31, 2009, the U.S. dollar cash collateral reinvestment pool's NAV was \$.9914 while the foreign reinvestment pool had an NAV of \$.9938

At year-end, the Core and Variable Funds had no credit risk exposure to borrowers because the amounts the Core and Variable Funds owed the borrowers exceeded the amounts the borrowers owed the Core and Variable Funds. The contract with the lending agent requires it to indemnify the Core and Variable Funds if the borrowers fail to return the loaned securities and the collateral margin is inadequate to replace the securities lent. The Core and Variable Funds are also indemnified against losses resulting from violations of investment guidelines.

The majority of securities loans can be terminated on demand by the Core and Variable Funds or the borrower. The average term of the loans is approximately 3.5 days, which is shorter than the weighted average maturity/days to reset of 35 days for investments made with the U.S. dollar cash collateral, and the weighted average maturity/days to reset of 19 days for investments made with foreign cash collateral at December 31, 2009.

Pledging or selling collateral securities cannot be done without a borrower default. The quantity or dollar value of securities lending contracts that the Core and Variable Funds may enter into is not restricted by statute.

The Core and Variable Funds also earn securities lending income as part of total net earnings from the investment in several collective trust funds. These earnings are automatically reinvested in the collective trust fund, and as a result the earnings are combined with all other earnings and gains and losses for these funds, and reported in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in Fair Value of Investments.



DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives may be used as part of a portfolio's or fund's investment strategy. All derivative instruments are subjected to risk analysis and monitoring processes at the portfolio, asset class and fund levels. Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives which have been approved by the Board. Where derivatives are permitted, guidelines stipulate allowable instruments and the manner in which they are to be used.

Investment guidelines have been established that provide minimum credit ratings for counterparties. Additionally, policies have been established which, where possible, seek to provide master netting arrangements with counterparties to over-the-counter derivative transaction.

Gains and losses for all derivative instruments are reported in the *Statement of Changes in Fiduciary Net Assets* as Net Appreciation (Depreciation) in the Fair Value of Investments.

Below are the types of derivatives that SWIB uses in its dedicated account portfolios. SWIB also invests in derivative instruments indirectly through several collective trust funds. These derivatives have not been included in the following narrative.

FOREIGN CURRENCY SPOT AND FORWARD CONTRACTS

Currency exposure management is permitted through the use of exchange-traded currency instruments, and through the use of over-the-counter spot and forward contracts in foreign currencies. Direct hedging of currency exposure back to the U.S. dollar is permitted when consistent with the strategy of the portfolio. Cross-currency exposure management to transfer out of an exposed currency and into a benchmark currency

is permitted. In some portfolios, currencies of non-benchmark countries may be held through the use of forward contracts, provided that the notional value of any single non-benchmark currency does not exceed 5% of the market value of the portfolio.

No cash is exchanged when a foreign exchange spot or forward contract is initiated. Collateral postings are not required for foreign currency spot or forward contract counterparties. Net amounts due are paid or received on the contracted settle date. The net receivable or payable for spot and forward contracts is included in Miscellaneous Receivable on the *Statement of Fiduciary Net Assets*. The fair values of spot and forward contracts are estimated based upon the exchange rate as of the close of business at year-end. Losses may arise from future changes in the value of the underlying currency, or if the counterparties do not perform under the terms of the contract. Gains and losses as a result of investments in foreign exchange spot and forward contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*.

SWIB may employ discretionary currency overlay strategies at the total fund level when currency market conditions suggest such strategies are warranted. Only the currencies of developed market countries in the MSCI ex U.S. Index may be used to implement the currency overlay. Positions in any individual currency may be taken equal to + /- 10% of the aggregate net market value of the internally managed international equities portfolio and the externally managed MSCI ex U.S. Index portfolio.

During 2009, some of SWIB's currency exposure management involved the use of foreign currency spot and forward contracts. The table, *Foreign Currency Spot and Forward Contracts*, presents the fair value of foreign currency spot and forward contract assets and liabilities held by the Core and Variable Funds as of December 31, 2009.



**Foreign Currency Spot and Forward Contracts
December 31, 2009**

Contracts Sold

Currency	Notional (local currency)	Receivable Gain (Loss)	Unrealized Gain (Loss)*\$US Dollar
AUSTRALIAN DOLLAR	441,092,194		\$ 936,042
BRITISH POUND STERLING	121,163,408		(355,244)
CANADIAN DOLLAR	202,255,027		1,977,423
COLOMBIAN PESO	4,848,369,000		(35,195)
DANISH KRONE	92,629,129		(59,524)
EURO CURRENCY UNIT	317,171,135		(1,448,108)
HONG KONG DOLLAR	265,909,925		2,295
HUNGARIAN FORINT	371,062,000		(35,412)
JAPANESE YEN	31,160,807,401		(7,973,566)
MALAYSIAN RINGGIT	4,075,000		(18,270)
MEXICAN NEW PESO	209,181,000		316,609
NEW ZEALAND DOLLAR	114,699,911		1,948,531
NORWEGIAN KRONE	528,141,014		(335,469)
PERUVIAN NUEVO SOL	11,037,000		(29,925)
POLISH ZLOTY	12,424,000		(34,424)
SINGAPORE DOLLAR	14,049,863		(18,410)
SWEDISH KRONA	1,144,389,154		511,822
SWISS FRANC	148,150,473		361,572

Subtotal \$ (4,289,253)

Contracts Purchased

Currency	Notional (local currency)	Payable (Loss)*	Unrealized Gain (Loss)*\$US Dollar
AUSTRALIAN DOLLAR	-164,568,509		\$ 734,997
BRAZIL REAL	-4,674,000		19,363
BRITISH POUND STERLING	-129,034,327		(189,731)
CANADIAN DOLLAR	-123,406,303		(119,601)
COLOMBIAN PESO	-4,848,369,000		68,388
DANISH KRONE	-63,230,539		65,388
EURO CURRENCY UNIT	-599,462,824		5,906,285
HONG KONG DOLLAR	-144,462,038		40
HUNGARIAN FORINT	-1,032,394,000		178,506
INDONESIAN RUPIAN	-12,675,113,000		(8,495)
JAPANESE YEN	-38,094,325,022		21,213,514
MEXICAN NEW PESO	-198,267,000		(289,996)
NEW TURKISH LIRA	-4,212,000		25,899
NEW ZEALAND DOLLAR	-6,540,845		34,951
NORWEGIAN KRONE	-76,907,574		(101,108)
SOUTH AFRICAN COMM RAND	-22,677,000		(38,610)
SINGAPORE DOLLAR	-7,328,630		(80)
SWEDISH KRONA	-317,221,846		42,399
SWISS FRANC	-84,949,660		39,243

Subtotal \$ 27,581,352

**Net Foreign Exchange Currency
Spot and Forward Contracts**

\$ 23,292,099

* Net effect of cross currency contracts is reflected in the Payable Unrealized Gain (Loss) column.



FUTURES CONTRACTS

A financial futures contract is an exchange-traded agreement to buy or sell a financial instrument at an agreed-upon price and time in the future. Upon entering into a futures contract, collateral is deposited with the broker, in SWIB's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily based upon the closing market price of the contract at the board of trade or exchange on which they are traded. The resulting gain/loss is typically received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the manager and third-party broker.

The fair value of futures contracts, totaling \$19.9 million, represents the net margin payable and is included in Miscellaneous Payables on the *Statement of Fiduciary Net Assets*. Gains and losses as a result of investments in futures contracts are included in the Net Appreciation (Depreciation) in Fair Value of

Investments on the *Statement of Changes in Fiduciary Net Assets*.

Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the *Statement of Fiduciary Net Assets*. Losses may arise from future changes in the value of the underlying instrument.

Financial futures contracts may be entered into for the following objectives: facilitate asset class rebalancing, protect the portfolio against the risk of changing asset values or interest rates, enhance liquidity, aid in cash flow management, manage interest rate exposure, adjust duration, equitize cash and receivable positions, or as a substitute for cash market transactions. Future contracts are secured by collateral deposited with brokers which can be in the form of cash, U.S. Treasuries, and equity securities.

The table, *Futures Contracts*, presents the Core and Variable Funds investments in futures contracts as of December 31, 2009.



**Futures Contracts
December 31, 2009**

Description	Expiration Date	Notional Amount	Unrealized Appreciation (Depreciation)*
Currency Futures			
90 DAY AUSTRALIAN BK BILL FUT	3/11/2010 - 12/9/2010	\$217,951,078	\$73,713
90DAY BANK ACCEPT FUTURE (MSE)	3/15/2010 - 12/13/2010	24,823,268	28,390
AUSTRALIAN DOLLAR CCY FUT(CME)	3/15/2010	17,384,620	(174,810)
BRITISH POUND CURRENCY (CME)	3/15/2010	(2,028,425)	10,175
CANADIAN DOLLAR FUTURES (CME)	3/16/2010	(4,915,480)	(56,760)
EURO FX CURR FUTURE (CME)	3/15/2010	2,567,900	(59,450)
JAPANESE YEN CCY FUTURE (CME)	3/15/2010	37,332,881	(1,756,631)
90DAY EURODOLLAR FUTURE (CME)	3/15/2010 - 3/19/2012	88,131,500	(62,038)
Interest Rate Futures			
3MO EUROYEN TIFF FUTURE (TFX)	3/15/2010 - 12/13/2010	(43,434,193)	(26,680)
3MO EURO EURIBOR FUTURE (LIF)	3/15/2010 - 12/19/2011	217,780,821	86,031
90DAY STERLING LIBOR FUT (LIF)	3/17/2010 - 12/15/2010	(6,307,427)	5,046
Fixed Income Futures			
AUSTRALIAN 10YR BOND FUT (SFE)	3/15/2010	26,310,464	(277,796)
AUSTRALIAN 3YR BOND FUT (SFE)	3/15/2010	8,968,750	5,625
CANADA 10YR BOND FUTURE (MSE)	3/22/2010	14,931,960	(291,725)
EURO BUXL 30 YR BOND FUT (EUX)	3/8/2010	(138,262)	(57)
EURO-BOBL FUTURE (EUX)	3/8/2010	5,554,907	(42,698)
EURO-BUND FUTURE (EUX)	3/8/2010	31,979,238	(500,857)
EURO-SCHATZ FUTURE (EUX)	3/8/2010	171,012,326	(46,622)
JAPAN 10YR BOND FUTURE (TSE)	3/11/2010	(1,507,984)	645
JAPAN 10YR MINI BD FUTURE(SGX)	3/10/2010	7,569,356	20,527
UK LONG GILT FUTURE (LIF)	3/29/2010	(12,653,063)	297,439
US TREAS BD FUTURE (CBT)	3/22/2010	(1,200,344)	46,594
US 10YR NOTE FUTURE (CBT)	3/22/2010	18,170,031	(274,797)
US 2YR TREAS NTS FUT (CBT)	3/31/2010	35,778,453	(94,625)
US 5YR TREAS NTS FUTURE (CBT)	3/31/2010	10,013,492	(176,570)
Equity Futures			
DJ EURO STOXX 50 FUTURE (EUX)	3/19/2010	90,899,734	2,854,105
FTSE 100 INDEX FUTURE (LIF)	3/19/2010	59,381,654	1,929,455
S&P /TSE 60 INDEX FUTURES(MSE)	3/19/2010	25,208,283	561,873
SPI 200 INDEX FUTURE (SFE)	3/18/2010	25,335,467	1,399,996
TOPIX INDEX FUTURE (TSE)	3/11/2010	48,156,805	753,453
S&P 500 EMINI INDEX FUT (CME)	3/19/2010	1,613,364,518	13,200,097
RUSSELL2000 MINI IND FUT (NYF)	3/19/2010	436,932,482	14,646,338
S & P MID 400 EMINI (CME)	3/19/2010	138,277,197	4,093,163
		\$3,301,632,007	\$36,113,769
		Net Variation Margin Paid	(56,026,160)
			\$ (19,912,391)

* Unrealized appreciation (depreciation) includes foreign currency gains and losses.



ASSET-BACKED SECURITIES

The Core Fund holds asset-backed securities, which are reported at fair market value in the *Statement of Fiduciary Net Assets*. Gains and losses as the result of investments in Asset-Backed Securities are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*.

Asset-backed securities are debt securities whose value is derived from payments and prepayments of principal and interest generated from whole loan mortgages, mortgage pass-through securities, credit card receivables, car loan and leases receivables, insurance proceeds receivable, as well as, airline and railroad car loan receivable. In some cases, cash flows are distributed to different investment classes or tranches in accordance with the security's established payment order. Some tranches have more stable cash flows relative to changes in interest rates while others are significantly more sensitive to interest rate fluctuations. In a declining interest rate environment, some asset-backed securities may be subject to a reduction in interest payments as a result of prepayments of underlying mortgages, leases, or loans which make up the collateral pool. A reduction in interest payments may cause a decline in cash flows and thus a decline in the fair value of the security. Rising interest rates may cause an increase in anticipated interest payments, thus an increase in fair value of the security. The Core Fund holds primarily high quality, senior tranches, resulting in low to moderate risk of default and prepayment. However, given the current credit market environment, some potential price volatility should be expected in these securities. The degree of prepayment risk varies with the type of underlying assets.

Mortgage-backed securities tend to have a higher degree of prepayment risk due to the long term nature of the security. At December 31, 2009, the Core and Variable Funds directly held mortgage-backed securities with a fair value totaling \$261.0 million, of which \$168.7 million is included in Fixed Income Investments and \$92.3 million is included in Securities Lending Collateral on the *Statement of Fiduciary Net Assets*.

OPTIONS

Option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security or index underlying the contract at an agreed-upon price on or before the expiration of the option contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid to enter into the contract. Trust fund rebalancing policies and portfolio investment guidelines permit the use of exchange-traded options. Options may be used to improve the efficiency or to enhance the expected return of the Core and Variable Funds' strategic rebalancing procedures. Exchange traded options may be purchased or sold in conjunction with managing asset class exposure if the exercise of the options will move the asset allocation closer to the target established by the Board. The aggregate notional value of the options will be limited to 2% of the market value of the trust fund at the date of purchase. The term of options used for this purpose may not exceed one year.

Portfolio investment guidelines stipulate that put options may be purchased and call options may be sold provided all such individual security options are covered within the portfolio. Call options may be purchased or put options sold on investments that could be held in the portfolio if the options were exercised. The aggregate notional value of the securities underlying put options sold is limited to 10% of the market value of the portfolio. Domestic fixed income portfolios are permitted to enter into option contracts for the purposes of adjusting duration, taking or modifying credit positions, or investing anticipated cash flows.

The fair value of option contracts is based upon the closing market price of the contract as of the close of business at year-end and is reflected as Options on the *Statement of Fiduciary Net Assets*. Gains and losses as a result of investments in option contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Assets*. The table, *Option Contracts*, presents the fair value of option contracts held by the Core and Variable Funds as of December 31, 2009.



**Option Contracts
December 31, 2009**

Security Description	Contract Type	Maturity Month	Cost	Market Value	Unrealized Gain (Loss)
AMERICAN INTL GROUP INC COM	CALL	JAN	\$790,000	\$ 30,000	\$ (760,000)
BARNES & NOBLE INC COM	CALL	JAN	33,040	7,750	(25,290)
CHIPOTLE MEXICAN GRILL INC CL	CALL	JAN	200,640	219,120	18,480
FRONTLINE LTD SHS	CALL	FEB	49,883	23,100	(26,783)
M & T BK CORP COM	CALL	FEB	69,937	71,720	1,783
SEARS HLDGS CORP	CALL	JAN	244,703	557,550	312,848
S&P 500 EOM OPTION MAR 10	CALL	JAN	(69,750)	(22,088)	47,663
AMERICAN INTL GROUP INC COM	PUT	JAN	(470,000)	(525,000)	(55,000)
BARNES & NOBLE INC COM	PUT	JAN	(57,911)	(44,950)	12,961
CHIPOTLE MEXICAN GRILL INC CL	PUT	JAN	(60,720)	(7,392)	53,328
FRONTLINE LTD SHS	PUT	FEB	(115,909)	(138,600)	(22,691)
M & T BK CORP COM	PUT	FEB	(40,542)	(40,750)	(208)
SEARS HLDGS CORP	PUT	JAN	(189,980)	(8,260)	181,720
S&P 500 EOM OPTION MAR 10	PUT	JAN	(102,300)	(17,438)	84,863
			<u>\$281,091</u>	<u>\$104,762</u>	<u>\$ (176,326)</u>

SUMMARY OF INVESTMENTS

The tables, *Core Retirement Investment Trust Fund* and *Variable Retirement Investment Trust Fund*, provide summary information by investment classification for the Core and Variable Funds at December 31, 2009.

Core Retirement Investment Trust Fund

Classification	Coupon Rate (%)	Maturity Dates	Cost	Fair Value
Fixed Income	Variable & 0.00 - 21.00	1/2010 - 12/2049	\$ 17,550,606,357	\$ 19,360,078,195
Preferred Securities	N/A	N/A	100,121,122	144,995,231
Convertible Securities	0.00 - 10.00	5/2010 - 12/2066	40,031,739	45,660,171
Stocks	N/A	N/A	32,960,299,618	37,209,751,358
Options	N/A	1/2010 - 2/2010	213,750	84,120
Limited Partnerships	N/A	N/A	7,433,728,842	5,944,709,655
Commercial Mortgages	7.13 - 7.36	7/2001 - 12/2014	42,494,094	44,700,916
Real Estate	N/A	N/A	284,091,968	376,718,070
Multi Asset	N/A	N/A	884,833,098	1,252,558,225
Financial Futures Contracts**	N/A	3/2010 - 3/2012	0	(17,775,332)
			<u>\$ 59,296,420,588</u>	<u>\$ 64,361,480,609</u>

**Included in Miscellaneous Payables on the *Statement of Fiduciary Net Assets*



Variable Retirement Investment Trust Fund				
Classification	Coupon Rate (%)	Maturity Dates	Cost	Fair Value
Fixed Income*	Variable	N/A	\$ 692,877	\$ 71
Preferred Securities	N/A	N/A	7,663,897	10,670,255
Stocks	N/A	N/A	4,315,328,870	4,694,486,201
Options	N/A	1/2010 - 2/2010	67,340	20,643
Financial Futures Contracts**	N/A	3/2010 - 9/2011	0	(2,137,060)
			<u>\$ 4,323,752,984</u>	<u>\$ 4,703,040,110</u>

* The Variable Fund held one defaulted fixed income investment as of 12/31/09

**Included in Miscellaneous Payables on the *Statement of Fiduciary Net Assets*

UNFUNDED CAPITAL COMMITMENTS

The Core Fund has committed to fund various limited partnerships and side-by-side agreements related to its private equity and real estate holdings. Commitments that have not been funded as of December 31, 2009, totaled \$5.5 billion. Unfunded commitments are not included in the financial statements since the amount and timing of the funding are not certain.

LOSS CONTINGENCY

On September 5, 2008, the Internal Revenue Service (IRS) provided SWIB a *Notice of Transferee Liability*. This claim seeks taxes, penalties and interest relating to the sale of Shockley Communications Corporation (SCC) stock in 2001.

SWIB is classified as a tax exempt entity by the IRS. However, the IRS asserts that the shareholders' sale of SCC stock in 2001 should have been characterized as a sale of assets by SCC, on which SCC should have paid income taxes. Based on the theory of transferee liability, the IRS asserts that the former SCC shareholders, including SWIB, would be liable for those taxes, plus penalties and interest. Transferee liability is limited to the amount actually received by the putative transferee, plus interest. As a result, SWIB's liability, as a putative transferee of SCC assets, would be limited to \$28.3 million of SCC's tax deficiency, plus interest.

SWIB is aggressively contesting the IRS assertions of SWIB's tax liability. Furthermore, SWIB believes that the loss, if any, resulting from the claim will not have a material impact on net investment assets or net

income in future years. As such, a loss relating to this matter has not been recognized in the current year, nor does it appear as a contingent liability.

4 DESCRIPTION OF WISCONSIN RETIREMENT SYSTEM

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

The 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 fire-fighters, and all counties except Milwaukee County. As of December 31, 2009, the number of participating employers was:

State Agencies, UW & Public Authorities	59
Cities	152
Counties	71
4th Class Cities	36
Villages	256
Towns	232
School Districts	427
Cooperative Educational Service Agencies	12
Wisconsin Technical College System Districts	16
Special Districts	208
Total Employers	<u>1,469</u>



WRS MEMBERSHIP

Any employee of a participating employer who is expected to work at least 600 hours per year (440 hours per year for teachers) must be covered by the WRS.

As of December 31, 2009, the WRS membership consisted of:

Current Employees:

General	140,303
Teachers	102,518
Elected / Executive / Judges	1,453
Protective with Social Security	20,279
Protective without Social Security	<u>2,740</u>
Total Current Employees	<u>267,293</u>

Inactive Participants:

Terminated Participants	144,424
Alternate Payees	<u>3,929</u>
Total Inactive Participants	<u>148,353</u>

**Retirees and Beneficiaries
Currently Receiving Benefits:**

Retirement Annuities	143,261
Disability Annuities	6,224
Death Beneficiary Annuities	<u>1,186</u>
Total Annuitants	<u>150,671</u>

Total Participants	<u><u>566,317</u></u>
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WRS BENEFITS

The 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 between December 31, 1989, and April 23, 1998, creditable service in each of five years was required for vesting. 1997 Wisconsin Act 69 provided for all active participants in the system on or after April 24, 1998, to be fully vested.

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 a retirement benefit based on a formula factor, their final average earnings, and creditable service. Formula factors are shown in the following table:

Employment Category	Service Before 1/1/2000	Service After 12/31/1999
General and Teachers	1.765%	1.6%
Executive and Elected	2.165	2.0
Protective with Social Security	2.165	2.0
Protective without Social Security	2.665	2.5

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 Core and Variable adjustments granted during recent years are as follows:

Year	Core Adjustment	Variable Adjustment
2000	17.1 %	21 %
2001	5.7	(11)
2002	3.3	(14)
2003	0.0	(27)
2004	1.4	25
2005	2.6	7
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)



The WRS unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990, for employers in the WRS prior to 2009. As of December 31, 2009, 20 years remain on the amortization schedule. Liabilities for employers joining the WRS beginning 2009 are amortized over 30 years. There were no new UAAL balances from new employers in 2009. 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 the amortization period. State law requires the accrued retirement cost be funded.

As of December 31, 2009, the UAAL was \$193 million. The Prior Service Contributions Receivable presented on the *Statement of Fiduciary Net Assets* includes the UAAL plus payments received in January 2010, which reduce the UAAL for actuarial purposes but not for GAAP reporting.

VARIABLE RETIREMENT OPTION

Prior to 1980, WRS participants had an option to have one-half of their required contributions and matching employer contributions invested in the Variable Fund. Retirement benefits were adjusted for the difference between the investment experience of the Core Fund and the Variable Fund. The Variable Fund was closed to new membership after April 30, 1980. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants, effective January 1, 2001. As of December 31, 2009, 74,201 active and inactive participants and 34,836 annuitants participated in the Variable Fund.

MUNICIPAL POLICE AND FIREFIGHTERS PENSION GROUP

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, 2009, approximately 289 annuitants or their beneficiaries remained in the system. This group was 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, 2009, was \$10.1 million.

ANNUITY SUPPLEMENT - GENERAL FUND

As authorized under 1985 Wis. Stats. § 40.27 (1), 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 serves as a clearing agent for its payment. Total supplemental annuity benefits paid were \$0.9 million in 2009.

5 CONTRIBUTIONS MADE AND REQUIRED

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.

The 2009 contribution requirements were determined by the December 31, 2007, actuarial valuation. Significant actuarial assumptions used in the valuation include:

- A rate of return on the investment of present and future assets of 7.8% per year, compounded annually;
- Projected salary increases of 4.1% per year compounded annually, attributable to inflation;

- Additional projected salary increases ranging from 0.3% to 5.5% per year, depending on age and type of employment, attributable to seniority/merit; and
- 2.67% annual post-retirement benefit increases.

Employee contributions are deducted from the employee's salary and remitted to the Department 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 separation benefits, 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 2009 by employment category were:

	Employer Current	Employer Prior*	Employee	Benefit Adjustment Contribution
Elected Officials, State Executive Retirement Plan	8.5%	0.0%	3.0%	0.0%
Protective Occupation with Social Security	8.1	0.1	5.0	0.0
Protective Occupation without Social Security	10.6	0.3	3.2	0.0
General and Teachers	4.5	0.2	5.0	0.9

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

Contributions required and made during 2009 were:

	Contributions Required		Contributions Made	
	Contributions (\$ in millions)	Percentage of Payroll	Contributions (\$ in millions)	Percentage of Payroll
Employer Current Service	\$626.0	4.96%	\$626.0	4.96%
Employer Prior Service*	19.6	.15	73.3	.58
Employee Required	627.1	4.97	627.1	4.97
Benefit Adjustment Contribution	101.0	0.80	101.0	0.80

* Employer Prior Service contributions are recorded on the *Statement of Fiduciary Net Assets* as a reduction in the Prior Service Contribution Receivable. Contributions Made includes both mandatory and voluntary payments received from participating employers. Some Prior Service contributions received after year end are included in Contributions Made, but are not in the determination of Prior Service Contributions Receivable. This is due to a difference in how these payments are treated for actuarial and financial reporting purposes.

Employers also contributed \$2.1 million in reimbursement for benefits paid under the 62.13 Police and Firefighters Pension Program.



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.

6 FUNDED STATUS AND FUNDING PROGRESS – WRS

The funded status of the plan as of December 31, 2009, is as follows (\$ in millions):

(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Frozen Entry Age	(c) Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	(d) Funded Ratio (a) / (b)	(e) Covered Payroll	(f) UAAL as Percentage of Covered Payroll (c) / (e)
\$78,911.3	\$79,104.6	\$193.3	99.8%	\$12,622.2	1.5%

The *Schedules of Funding Progress*, presented as required supplementary information following the *Notes to the Financial Statements*, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuations follows:

Valuation Date:	December 31, 2009
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent – Closed Amortization Period
Remaining Amortization Period:	20 Years (ending 12/31/2029)
Asset Valuation Method:	Five Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	7.8%
Projected Salary Increases:*	4.0% to 9.6%
* Includes Inflation at 4.0%	
Post-Retirement Adjustment:	2.67%

7 RESERVES

The following reserves have been established to reflect legal restrictions on the use of pension trust funds.

EMPLOYEE ACCUMULATION RESERVE

As authorized by Wis. Stats. § 40.04 (4), this reserve includes all required and voluntary employee contributions, including contributions made by the employer on behalf of the employee. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employee Accumulation Reserve is fully funded.

Employee Accumulation Reserve balances (\$ in millions) as of December 31, 2009, were:

	Core	Variable	Total
Employee Required	\$ 15,042.0	\$ 965.6	\$ 16,007.6
Employee Additional	128.7	16.2	144.9
Total	<u>\$ 15,170.7</u>	<u>\$ 981.8</u>	<u>\$ 16,152.5</u>



EMPLOYER ACCUMULATION RESERVE

As authorized by Wis. Stats. § 40.04 (5), this reserve includes all required employer contributions, including contributions for amortization of the unfunded accrued actuarial liability. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employer Accumulation Reserve is 99.9% funded.

Employer Accumulation Reserve balances (\$ in millions) as of December 31, 2009, were:

	Core	Variable	Police & Firefighters	Total
Employer Accumulation	\$22,103.8	\$965.6	\$0.0	\$23,069.4
Less: Unfunded Actuarial Accrued Liability	0.0	0.0	(10.1)	(10.1)
Net Employer Accumulation	<u>\$22,103.8</u>	<u>\$965.6</u>	<u>(\$10.1)</u>	<u>\$23,059.3</u>

ANNUITY RESERVE

As authorized by Wis. Stats. § 40.04 (6), this reserve includes the present value of all annuities. The present value of new annuities is transferred from the Employee Accumulation Reserve and the Employer Accumulation Reserve to the Annuity Reserve. This reserve may only be used for the payment of annuities and death benefits to annuitants. All legal restrictions on use of this reserve were met during the year. The Annuity Reserve is fully funded.

Annuity Reserve balances (\$ in millions) as of December 31, 2009, were:

	Core	Variable	Police & Firefighters	Total
Annuity Reserve	<u>\$36,619.7</u>	<u>\$3,079.9</u>	<u>\$32.0</u>	<u>\$39,731.6</u>

MARKET RECOGNITION ACCOUNT

As authorized by Wis. Stats. § 40.04 (3), this reserve is used to smooth the flow of investment income into the Employee, Employer, and Annuity Reserves and other benefit plans invested in the Core Fund. Under the Market Recognition Account (MRA), all investment income, including realized and unrealized market gains and losses, is deposited into the MRA. At year-end, income equal to the assumed earnings rate is recognized. Any surplus or shortfall in earnings is recognized equally over five years.

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

	MRA
December 31, 2005	2,818
December 31, 2006	6,895
December 31, 2007	4,731
December 31, 2008	(18,629)
December 31, 2009	(9,471)

8 PUBLIC ENTITY RISK POOLS

The Department operates four public entity risk pools: Health Insurance, Income Continuation Insurance (ICI), Long-Term Disability Insurance (LTDI), and Life Insurance. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, these funds are accounted for as enterprise funds.

HEALTH INSURANCE FUND

The Health Insurance Fund offers group health insurance for current employees of the State of Wisconsin and of participating local public employers. All public employers in the State of Wisconsin are eligible to participate. The state and 372 local employers participated during the year. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily Health Maintenance Organizations (HMOs).



The Health Insurance Fund includes three separate risk pools. The first pool includes those members who have chosen health insurance coverage from an HMO. All liabilities for medical claims for these participants are the responsibility of the HMO and are not included in the unpaid claims analysis or in the Required Supplementary Information.

The second pool includes medical coverage for those members selecting the self-insured indemnity plan offered by the Department. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

The last pool includes self-insured pharmacy benefits for all members regardless of whether they receive medical coverage from an HMO or through the indemnity plan. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

INCOME CONTINUATION INSURANCE FUND

The Income Continuation Insurance (ICI) Fund offers both long-term and short-term disability benefits (up to 75% of gross salary) for current employees of the State of Wisconsin and participating local public employers. All public employers in Wisconsin are eligible to participate. The State of Wisconsin and 187 local employers currently participate in the plan, and it is self-insured.

LONG-TERM DISABILITY INSURANCE FUND

Effective October 15, 1992, the Group Insurance Board (GIB) established the Long-Term Disability Insurance (LTDI) program as an alternative to the long-term disability coverage provided through the WRS. The ETF Board purchases disability insurance coverage from the GIB 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.

An LTDI benefit replaces 40% of the disabled participant's final average earnings until normal

retirement age or for a minimum of five years. It also provides for additional annual contributions to the participant's WRS account equal to 7% 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 GIB for LTDI coverage. Since January 1, 1999, premiums have been suspended in recognition of the high funding level in the program.

LIFE INSURANCE PLAN

The Life Insurance Fund offers group life insurance coverage for current State of Wisconsin employees and employees of participating local public employers. All public employers in the state are eligible to participate. The State of Wisconsin and 707 local employers currently participate in the program. Employers and active employees make premium contributions, which the Department passes on to the insurance carrier (the Company). Participants have the option to select multiple coverage levels, each of which requires different premium contributions. Assets and liabilities are recorded in this program for contributions not yet received and payments not yet remitted to the Company, respectively.

PUBLIC ENTITY RISK POOL ACCOUNTING POLICIES

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.

Valuation of Investments: Assets of the Health Insurance, ICI, and LTDI funds are invested in the Core Fund and are valued at fair value.

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 7.8% for the ICI and LTDI programs. The liabilities of the ICI, Health Insurance, and LTDI programs were determined by actuarial methods. Face value of the liability for these programs is not available.

Administrative Expenses: All maintenance expenses are expensed in the period they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses. Claim adjustment expenses are also immaterial.

Reinsurance: Health insurance plans provided by HMOs are fully insured by outside insurers.

All remaining risk is self-insured with no reinsurance coverage.

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.

Premium Setting: Premiums are established by the GIB (Health Insurance, ICI, and LTDI) in consultation with actuaries.

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 liabilities (\$ in millions) for each fund during the past year. The amounts for Health Insurance Programs include only the portion of the program that is self-insured.

	Income Continuation Insurance		Long-Term Disability Insurance		Health Insurance		Pharmacy Benefits	
	2009	2008	2009	2008	2009	2008	2009	2008
Unpaid claims at beginning of the calendar year	\$76.7	\$68.7	\$138.6	\$135.8	\$4.9	\$3.5	(\$2.3)	(\$1.1)
Incurred claims:								
Provision for insured events of the current calendar year	33.4	22.4	50.2	31.1	25.9	30.5	134.8	124.0
Changes in provision for insured events of prior calendar years	<u>(21.8)</u>	<u>0.5</u>	<u>(8.9)</u>	<u>(7.9)</u>	<u>(2.3)</u>	<u>(0.3)</u>	<u>(0.1)</u>	<u>2.5</u>
Total incurred claims	<u>11.6</u>	<u>22.9</u>	<u>41.3</u>	<u>23.2</u>	<u>23.6</u>	<u>30.2</u>	<u>134.7</u>	<u>126.5</u>
Payments:								
Claims attributable to insured events of the current calendar year	5.5	5.1	1.7	1.1	21.6	25.7	139.1	126.3
Claims attributable to insured events of prior calendar years	<u>10.0</u>	<u>9.8</u>	<u>21.9</u>	<u>19.3</u>	<u>2.6</u>	<u>3.1</u>	<u>(2.4)</u>	<u>1.4</u>
Total payments	<u>15.5</u>	<u>14.9</u>	<u>23.6</u>	<u>20.4</u>	<u>24.2</u>	<u>28.8</u>	<u>136.7</u>	<u>127.7</u>
Total unpaid claims at end of the calendar year	<u>\$72.8</u>	<u>\$76.7</u>	<u>\$156.3</u>	<u>\$138.6</u>	<u>\$4.3</u>	<u>\$4.9</u>	<u>(\$4.3)*</u>	<u>(\$2.3)*</u>

* Total unpaid claims at the end of 2009 is the net of \$3.9 million in unpaid claims and \$8.2 million in rebates due from pharmaceutical companies; unpaid claims at end of 2008 is the net of \$5.5 million in unpaid claims and \$7.8 million in rebates due from pharmaceutical companies.



**9 OTHER POSTEMPLOYMENT
BENEFIT (OPEB) PLANS
ADMINISTERED BY THE
DEPARTMENT OF EMPLOYEE
TRUST FUNDS**

The Department administers five postemployment benefit plans other than pension plans: the Duty Disability Fund, the State Retiree Life Insurance Fund, the Local Government Retiree Life Insurance Fund, the State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund. The Retiree Health Insurance Funds contain certain non-OPEB components relating to post-Medicare pharmacy and health insurance benefits.

PLAN DESCRIPTIONS

DUTY DISABILITY FUND

The Duty Disability Fund is a cost-sharing multiple-employer defined benefit OPEB plan. The plan offers special disability insurance for State of Wisconsin and local WRS participants in protective occupations. The plan is self-insured, and risk is shared between the State of Wisconsin and local government employers in the plan. The plan is administered under Wis. Stat. § 40.65. The plan is reported as an “other employee benefit trust fund”.

Membership

Participation in the program is mandatory for all WRS employers with protective occupation employees. The State of Wisconsin and 501 local government employers participate. Membership as of December 31, 2009 consisted of:

Disabled members and beneficiaries receiving benefits	938
Active plan members	<u>23,019</u>
Total plan members	<u>23,957</u>

Contributions

Contributions are actuarially determined in accordance with Wis. Stats. § 40.05 (2)(ar). All contributions are employer paid based on a graduated, experience-rated formula. During 2009 contribution rates ranged

from 1.9% to 6.6% of covered payroll based on employer experience.

Description of Benefits

Eligibility: Duty-related injury or disease that is likely to be permanent, which causes a protective occupation participant to retire, accept reduced pay or light duty assignment, or in some cases, that impairs promotional opportunities.

Amount: 80% of salary (75% if partially disabled and not a state employee), less the following offsets:

- Social Security
- Unemployment Compensation
- Worker’s Compensation
- Any other WRS benefit
- All earnings from the employer under which the disability occurred
- A percent of other earnings as follows:
 - 1/3 of earnings less than 40% of monthly salary
 - 1/2 of earnings between 40% and 80% of monthly salary
 - 2/3 of earnings over 80% of monthly salary

Survivor Benefit: All survivor benefits are offset by any Worker’s Compensation death benefits. For participants first employed **prior to** May 3, 1988, and certain state employees, benefits are based on the following:

- 1/3 of the participant’s monthly salary at time of death to surviving spouse, plus
- \$15/month to each unmarried child under the age of 18
- Not to exceed 65% of participant’s monthly salary at time of death
- State employees are included

• For participants first employed after May 3, 1988, and certain state employees, benefits are based on the following:

- 1/2 of the participant’s monthly salary at time of death to surviving spouse, less other income sources that are based on the participant’s earnings record
- 1/10 of the participant’s monthly salary at time of death to each unmarried child under the age of 18
- Not to exceed 70% of participant’s monthly salary at time of death



- State employees are not included (with the exception of cancer presumptive)
- Survivor benefits granted under the Cancer Presumptive Law are based on the following:
 - 70% of the participant's monthly salary at time of death to surviving spouse, less other income sources that are based on the participant's earnings record
 - 1/10 of the participant's monthly salary at time of death to the guardian of any minor child, as long as there is no surviving spouse
 - There is no maximum

Annual Increases:

- To age 60: In accordance with WRS salary index.
- After age 60: In accordance with WRS dividend increases (so long as the claimant is not also receiving a disability retirement benefit).

RETIREE LIFE INSURANCE FUNDS

The State Retiree Life Insurance Fund and the Local Government Retiree Life Insurance Fund are cost-sharing multiple-employer defined benefit OPEB plans. The State of Wisconsin and 707 local government employers currently participate. The plans provide post-employment life insurance coverage to all eligible employees of participating employers. The plans are administered under Wis. Stats. § 40.70. The plans are reported as other employee benefit trust funds.

Membership

Eligibility: Generally, members may enroll during a 30-day enrollment period once they satisfy a six-month waiting period. They may enroll after the initial 30-day enrollment period with evidence of insurability. Members under evidence of insurability enrollment must enroll in group life insurance coverage before age 55 to be eligible for Basic or Supplemental coverage.

Membership as of December 31, 2009, included:

	State	Local	Total
Active*	52,614	78,384	130,998
Pre-65 Annuitants	6,431	9,232	15,663
Post-64 Annuitants	<u>16,034</u>	<u>21,787</u>	<u>37,821</u>
Totals	<u>75,079</u>	<u>109,403</u>	<u>184,482</u>

*Active members include disabled.

Contributions

Employers are required to pay the following contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions for pre-65 annuitant coverage. All contributions are actuarially determined.

	State	Local
50% Post Retirement Coverage	28% of employee premium	40% of employee premium
25% Post Retirement Coverage	n/a	20% of employee premium

Reserves

Active member and retiree plan reserves are commingled for investment and administrative purposes. Effective January 1, 2008, assets were permanently split between the active member and OPEB plans.

Description of Benefits

Eligibility: At retirement, the member must have active group life insurance coverage and satisfy one of the following:

- WRS coverage prior to January 1, 1989, or
- At least one month of group life insurance coverage in each of five calendar years after 1989 and one of the following:
 - Eligible for an immediate WRS benefit, or
 - At least 20 years from their WRS creditable service as of January 1, 1990, plus their years of group life insurance coverage after 1989, or
 - At least 20 years on the payroll of their last employer.

In addition, terminating members and retirees must continue to pay the employee premiums until age 65 (age 70 if active).

Basic Coverage Benefits: After retirement, basic coverage is continued for life in these amounts of the insurance in force before retirement:

Age	% of Basic Coverage Continuing	
	State	Local
Before age 65	100%	100%
While age 65	75%	75%
While age 66	50%	50%
After age 66	50%	50% / 25% employer election



Supplemental Coverage Benefits: After retirement, Supplemental coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Additional Coverage Benefits: After retirement, Additional coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Spouse and Dependent Coverage Benefits: After retirement, the coverage is terminated.

METHOD USED TO VALUE INVESTMENTS

Investments for the Retiree Life Insurance Funds are held with the insurance carrier (the Company). Each Retiree Life Insurance Fund's investment is a share in the Company's investment pool.

Fixed maturity securities, which may be sold prior to maturity, including fixed maturities on loan, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted over the estimated lives of the securities based on the interest yield method.

The Company uses book value as cost for applying the retrospective adjustment method to loan-backed fixed maturity securities purchased. Prepayment assumptions for single-class and multi-class mortgage-backed securities were obtained from broker/dealer survey values or internal estimates.

Marketable equity securities are classified as available-for-sale and are carried at fair value. Mutual funds and exchange traded fund investments in select asset classes that are sub-advised are carried at the fair value of the underlying net assets of the funds.

Available-for-sale securities are stated at fair value.

Mortgage loans are carried at amortized cost less any valuation allowances. Premiums and discounts are amortized or accreted over the terms of the mortgage loans based on the effective interest yield method. Impairments are determined by specific identification. A mortgage loan is considered impaired if it is probable that amounts due for principal and interest will not be collected in accordance with the contractual terms.

Impaired mortgage loans are valued at the present value of expected future cash flows discounted at the loan's effective interest rate, or the fair value of the underlying collateral, if the loan is collateral dependent.

Private equity investments in limited partnerships are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after the date of the acquisition, adjusted for any distributions received (equity method accounting).

Investments in partnerships, which represent minority interests owned in certain general agencies, are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after acquisition adjusted for any distributions received (equity method accounting).

Fair values of fixed maturity securities are based on quoted market prices where available. Fair values of marketable equity securities are based on quoted market prices. Fair values of private equity investments are obtained from the financial statement valuations of the underlying fund or independent broker bids. For fixed maturity securities not based on quoted market prices, generally private placement securities, securities that do not trade regularly, and embedded derivatives, an internally developed pricing model using a commercial software application is most often used. The internally developed pricing model is developed by obtaining spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings.

Real estate is carried at cost, less accumulated depreciation and an allowance for estimated losses.

The Company's derivative instrument holdings are carried at fair value. All derivatives are recorded as non-hedge transactions. Derivative instrument fair values are based on quoted market prices or dealer quotes. If a quoted market price is not available, fair value is estimated using current market assumptions and modeling techniques, which are then compared with quotes from counterparties.

For mortgage-backed securities of high credit quality, excluding interest-only securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from an



outside service provider or upon analyst review of the underlying collateral and the estimated economic life of the securities.

For interest-only securities and mortgage-backed securities not of high credit quality, the Company recognizes the excess of all cash flows, including estimated prepayments, attributable to the security estimated at the acquisition date over the initial investment using the effective yield method with adjustments made as a result of subsequent cash flow information recorded prospectively. If the fair value of the security has declined below its carrying amount, the Company will write the security down to fair value if the decline is deemed other-than-temporary.

Policy loans are carried at the unpaid principal balance.

Cash and cash equivalents are carried at cost, which approximates fair value. The Company considers all money market funds and commercial paper with original maturity dates of less than three months to be cash equivalents.

Finance receivables that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding unpaid principal balances reduced by any charge-offs.

The Company holds "To-Be-Announced" (TBA) Government National Mortgage Association forward contracts that require the Company to take delivery of a mortgage-backed security at a settlement date in the future. Most of the TBAs are settled at the first available period allowed under the contract. However, the deliveries of some of the Company's TBA securities happen at a later date, thus extending the forward contract date. These securities are reported at fair value as derivative instruments with the changes in fair value reported in net realized investment gains and losses on the consolidated statements of operations.

RETIREE HEALTH INSURANCE FUNDS

The State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund are agent multiple-employer defined benefit OPEB plans offering group health insurance to retired State of Wisconsin and local government employees. The Department and the Group Insurance Board (GIB) have statutory authority for program administration and oversight [Wis. Stat. §§ 15.165 (2) and 40.03 (6)]. The State of Wisconsin and 372 local government employers currently participate in the plans. The plans are reported as agency funds.

Beginning in 2007, some employers must make additional disclosures related to their Retiree Health Insurance Plans, including the funding policy, the employer's annual OPEB cost and contributions made, the funded status and funding progress of the plan, and actuarial methods and assumptions used. This information is available from the employer.

Membership: State of Wisconsin and local government employees participating in the State Health Insurance Plan or the Wisconsin Public Employers Insurance Plan (local government plans) are eligible to continue their health insurance coverage after leaving covered employment. Membership as of December 31, 2009, included 20,621 former state employees or their beneficiaries and 2,317 former local government employees and beneficiaries.

Description of Benefits: Employees may choose between self-insured health plans and alternate health plans (i.e., HMOs) with specific provider networks. The HMOs follow GIB guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rates bid process. The Standard Plan and State Maintenance Plan (SMP) are self-insured by the GIB and administered by WPS Health Insurance. The Standard Plan is a preferred provider plan. The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions. The Medicare Part D benefit for local government employees program is insured and administered by Dean Health Insurance, Inc.

Contributions: Health Insurance premiums are actuarially determined or set by contract with the insurer.



FUNDED STATUS AND FUNDING PROGRESS – OPEB PLANS

The funded status of each plan as of the most recent actuarial valuation date is as follows (\$ in thousands):

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(c) Unfunded Actuarial Liability (UAAL) (b) - (a)	(d) Funded Ratio (a) / (b)	(e) Covered Payroll	(f) UAAL as Percentage of Covered Payroll (c) / (e)
Duty Disability January 1, 2008	\$311,778	\$471,668	\$159,890	66.1%	\$1,257,666	12.7%
State Life Insurance January 1, 2008	329,822	382,392	52,570	86.3%	2,699,508	1.9%
Local Life Insurance January 1, 2008	211,950	233,444	21,494	90.8%	3,556,913	0.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuations follows:

	Duty Disability	State Life Insurance	Local Life Insurance
Valuation Date	1/1/2008	1/1/2008	1/1/2008
Actuarial Cost Method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Amortization Method	Closed level percentage of pay	Closed level percentage of pay	Closed level percentage of pay
Remaining Amortization Period	UAAL - 8 years Future gains & losses - 15 years	UAAL - 30 years Future gains & losses - 15 years	UAAL - 30 years Future gains & losses - 15 years
Asset valuation method	5 year smoothed market	Market value	Market value
Actuarial Assumptions:			
Investment Return	7.8%	6.0%	6.0%
Payroll Growth	4.1%	4.1%	4.1%



10 MILWAUKEE RETIREMENT SYSTEM

The Milwaukee Retirement System (MRS), consisting of two funds within the Milwaukee Public Schools Retirement System, is reported as an Investment Trust Fund. MRS provides assets to the Department for investing in the Core and Variable Funds, described in the Investments section of Note 1. The Core and Variable Funds are managed by the State of Wisconsin Investment Board (SWIB) with oversight by a board of trustees as authorized in Wis. Stats. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company. Participation of the MRS in the Core and Variable Funds is described in the Wisconsin Administrative Code, § ETF 10.12. Monthly, the Department distributes pro-rata shares of total Core Fund and total Variable Fund earnings less administrative expenses to the MRS accounts. The MRS accounts are adjusted to fair value and gains/losses are recorded directly in the accounts per Wisconsin Administrative Code, § ETF 10.12 (2).

No state statute, legal provision, or legally binding guarantee exists to support the value of shares. At December 31, 2009, the Core and Variable Funds held \$72.8 billion of investments, of which \$3.6 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$4.2 billion of securities lending collateral.



Summary information by investment classification in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, for the Core and Variable Funds at December 31, 2009, is presented in Note 3. Significant financial data for the Core and Variable Funds for the year ended December 31, 2009, is presented below (\$ in thousands):

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF NET ASSETS
as of December 31, 2009**

Assets:	Core	Variable	Combined
Cash & Cash Equivalents	\$3,255,688	\$346,797	\$3,602,485
Securities Lending Collateral	3,959,560	236,716	4,196,276
Prepaid Items	12,416	678	13,094
Investment Receivables	289,855	13,887	303,742
Investments, at fair value	<u>64,379,256</u>	<u>4,705,177</u>	<u>69,084,433</u>
Total Assets	<u>71,896,775</u>	<u>5,303,255</u>	<u>77,200,030</u>
Liabilities:			
Securities Lending Collateral Liability	3,959,560	236,716	4,196,276
Investment Payables	<u>147,714</u>	<u>11,205</u>	<u>158,919</u>
Total Liabilities	<u>4,107,274</u>	<u>247,921</u>	<u>4,355,195</u>
Net Assets Held in Trust for:			
Internal Investment Pool Participants	67,679,564	5,034,227	72,713,791
Milwaukee Retirement Systems	<u>109,937</u>	<u>21,107</u>	<u>131,044</u>
Total	<u>\$67,789,501</u>	<u>\$5,055,334</u>	<u>\$72,844,835</u>

**CORE AND VARIABLE RETIREMENT INVESTMENT TRUSTS
CONDENSED STATEMENTS OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2009**

	Core	Variable	Combined
Additions:			
Net Appreciation (Depreciation) in Fair Value of Investments	\$11,352,062	\$1,195,056	\$12,547,118
Interest	498,357	435	498,792
Dividends	557,151	70,276	627,427
Securities Lending Income	31,783	1,880	33,663
Other	<u>72,274</u>	-	<u>72,274</u>
Total Additions	<u>12,511,627</u>	<u>1,267,647</u>	<u>13,779,274</u>
Deductions:			
Investment Expense	223,317	6,812	230,129
Securities Lending Rebates and Fees	2,896	(769)	2,127
Net Withdrawals by Pool Participants	<u>2,303,956</u>	<u>200,963</u>	<u>2,504,919</u>
Total Deductions	<u>2,530,169</u>	<u>207,006</u>	<u>2,737,175</u>
Net Increase (Decrease)	9,981,458	1,060,641	11,042,099
Net Assets Held in Trust for Pool Participants			
Beginning of Year	57,808,043	3,994,693	61,802,736
End of Year	<u>\$67,789,501</u>	<u>\$5,055,334</u>	<u>\$72,844,835</u>



REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC ENTITY RISK POOLS

Claims Development Information

The tables on the following pages 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 ten years. The rows of the tables 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 fund, including overhead and claims expense not allocable to individual claims.
3. Estimated Incurred Claims as of the End of the Policy Year. Shows the fund's 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. Re-estimated Incurred Claims. Shows how each policy years incurred claims increased or decreased as of the end of successive policy years. This annual re-estimation 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 re-estimated 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 re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the tables show data for successive policy years.



**Public Entity Risk Pools
Required Supplementary Information
Pharmacy Benefit Claims Development Information
(\$ Millions)**

	2000	2001	2002	2003	2004**	2005	2006***	2007	2008	2009
1. Net earned required contribution and investment revenues	0.0	0.0	0.0	0.0	205.7	191.6	164.7	170.0	138.8	155.5
2. Unallocated expenses	0.0	0.0	0.0	0.0	7.6	9.5	7.4	8.4	8.8	6.4
3. Estimated incurred claims as of the end of the policy year	0.0	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8
4. Paid (cumulative) as of: *										
End of Policy Year	0.0	0.0	0.0	0.0	162.4	168.8	116.8	118.0	126.3	139.1
One Year Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9	
Two Years Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4		
Three Years Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0			
Four Years Later	0.0	0.0	0.0	0.0	159.8	159.6				
Five Years Later	0.0	0.0	0.0	0.0	159.8					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims:										
End of Policy Year	0.0	0.0	0.0	0.0	158.1	160.6	110.1	116.9	124.0	134.8
One Year Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4	123.9	
Two Years Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0	119.4		
Three Years Later	0.0	0.0	0.0	0.0	159.8	159.6	111.0			
Four Years Later	0.0	0.0	0.0	0.0	159.8	159.6				
Five Years Later	0.0	0.0	0.0	0.0	159.8					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
6. Increase (decrease) in estimated incurred claims from end of policy year	0.0	0.0	0.0	0.0	1.7	(1.0)	0.9	2.5	(0.1)	0.0

* Paid claims include payments expected to be reimbursed as rebate payments from participating pharmaceutical companies. Incurred claims are presented net of anticipated rebates.

** The pharmacy benefit plan began operation in 2004. No data is available for prior years.

*** Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools
Required Supplementary Information
Health Insurance Claims Development Information
(\$ Millions)**

	2000	2001	2002	2003	2004	2005	2006*	2007	2008	2009
1 Net earned required contribution and investment revenues	64.5	77.6	83.8	85.1	90.4	90.9	82.9	42.1	22.5	41.5
2 Unallocated expenses	3.7	4.8	3.9	5.7	6.8	7.7	4.9	3.4	5.3	5.0
3 Estimated incurred claims as of the end of the policy year	69.9	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9
4 Paid (cumulative) as of:										
End of Policy Year	55.9	61.1	62.5	65.1	65.2	65.8	51.8	20.3	25.7	21.6
One Year Later	64.4	68.2	69.3	73.4	72.2	73.6	58.3	23.5	28.3	
Two Years Later	64.6	68.3	69.4	73.7	72.3	73.7	58.2	23.5		
Three Years Later	64.6	68.3	69.4	73.7	72.3	73.7	58.2			
Four Years Later	64.6	68.3	69.4	73.7	72.3	73.7				
Five Years Later	64.6	68.3	69.4	73.7	72.3					
Six Years Later	64.6	68.3	69.4	73.7						
Seven Years Later	64.6	68.3	69.4							
Eight Years Later	64.6	68.3								
Nine Years Later	64.6									
5 Reestimated incurred claims:										
End of Policy Year	69.9	73.7	70.5	73.2	74.6	73.6	60.1	23.7	30.5	25.9
One Year Later	64.7	68.3	69.5	73.5	72.2	73.7	58.4	23.6	28.3	
Two Years Later	64.6	68.3	69.4	73.7	72.3	73.7	58.2	23.5		
Three Years Later	64.6	68.3	69.4	73.7	72.3	73.7	58.2			
Four Years Later	64.6	68.3	69.4	73.7	72.3	73.7				
Five Years Later	64.6	68.3	69.4	73.7	72.3					
Six Years Later	64.6	68.3	69.4	73.7						
Seven Years Later	64.6	68.3	69.4							
Eight Years Later	64.6	68.3								
Nine Years Later	64.6									
6 Increase (decrease) in estimated incurred claims from end of policy year	(5.3)	(5.4)	(1.1)	0.5	(2.3)	0.1	(1.9)	(0.2)	(2.2)	0.0

* Starting in 2006, in accordance with GASB Statement #43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.



**Public Entity Risk Pools
Required Supplementary Information
Income Continuation Insurance Claims Development Information
(\$ Millions)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1 Net earned required contribution and investment revenues	8.2	7.9	3.7	25.5	20.5	17.9	24.4	20.5	(9.1)	28.8
2 Unallocated expenses	0.8	1.9	1.7	1.9	2.1	2.1	2.4	2.4	2.4	1.8
3 Estimated incurred claims as of the end of the policy year	21.4	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4
4 Paid (cumulative) as of:										
End of Policy Year	3.2	5.5	3.5	4.5	4.5	5.1	4.4	2.5	5.1	5.5
One Year Later	6.4	10.0	7.7	8.8	9.7	12.9	9.3	6.8	9.2	
Two Years Later	8.0	12.1	9.0	10.5	11.9	17.0	10.4	7.8		
Three Years Later	9.0	13.0	9.9	11.7	13.1	18.1	11.2			
Four Years Later	9.6	13.6	10.6	12.3	13.6	18.8				
Five Years Later	10.0	14.1	11.0	12.6	14.1					
Six Years Later	10.4	14.3	11.4	13.0						
Seven Years Later	10.6	14.5	11.8							
Eight Years Later	10.8	14.7								
Nine Years Later	11.0									
5 Reestimated incurred claims:										
End of Policy Year	21.4	28.9	17.1	23.4	29.2	31.6	29.1	27.4	22.4	33.4
One Year Later	18.0	20.4	15.8	17.0	20.5	25.1	16.7	22.5	15.8	
Two Years Later	16.3	18.9	14.4	16.6	21.1	25.9	17.8	13.4		
Three Years Later	14.3	16.7	14.3	17.1	19.7	27.0	16.8			
Four Years Later	13.1	16.6	14.1	15.8	20.2	24.7				
Five Years Later	12.7	16.5	13.7	16.0	18.5					
Six Years Later	12.4	16.1	14.1	15.6						
Seven Years Later	12.6	16.3	14.4							
Eight Years Later	12.8	16.4								
Nine Years Later	12.2									
6 Increase (decrease) in estimated incurred claims from end of policy year	(9.2)	(12.5)	(2.7)	(7.8)	(10.7)	(6.9)	(12.3)	(14.0)	(6.6)	0.0



Public Entity Risk Pools
Required Supplementary Information
Long-Term Disability Insurance Claims Development Information
 (\$ Millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1 Net earned required contribution and investment revenues	(3.0)	(6.9)	(22.9)	52.5	33.4	24.1	47.3	27.8	(88.3)	49.3
2 Unallocated expenses	0.3	1.0	0.8	0.7	1.1	1.0	1.1	1.4	1.3	2.2
3 Estimated incurred claims and expense, as of the end of the policy year	9.4	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2
4 Paid (cumulative) as of:										
End of Policy Year	0.2	0.5	0.0	0.3	0.1	0.7	1.1	1.4	1.1	1.7
One Year Later	0.8	1.0	1.1	1.6	1.9	2.8	3.5	5.8	5.7	
Two Years Later	1.5	2.0	2.5	3.9	3.9	5.4	6.8	9.4		
Three Years Later	2.6	3.0	3.9	6.0	6.4	8.0	9.9			
Four Years Later	3.4	3.9	5.1	8.5	8.0	10.3				
Five Years Later	4.2	4.7	6.6	10.6	9.5					
Six Years Later	4.9	5.7	8.0	12.5						
Seven Years Later	5.7	6.5	9.3							
Eight Years Later	6.5	7.3								
Nine Years Later	7.2									
5 Reestimated incurred claims and expense:										
End of Policy Year	9.4	10.0	11.7	15.9	19.4	30.6	34.6	48.3	31.1	50.2
One Year Later	4.9	8.7	8.4	12.0	14.1	22.2	26.2	25.6	26.9	
Two Years Later	7.2	8.3	12.7	18.3	14.9	22.1	29.5	29.9		
Three Years Later	8.5	10.2	12.9	19.2	16.1	24.7	27.1			
Four Years Later	9.3	10.0	13.7	20.3	17.7	23.4				
Five Years Later	8.5	10.1	14.3	22.4	19.2					
Six Years Later	9.0	10.8	15.7	24.3						
Seven Years Later	9.4	11.5	17.0							
Eight Years Later	10.1	12.3								
Nine Years Later	10.8									
6 Increase (decrease) in estimated incurred claims from end of policy year	1.4	2.3	5.3	8.4	(0.2)	(7.2)	(7.5)	(18.4)	(4.2)	0.0



OTHER POST EMPLOYMENT BENEFITS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Other Post Employment Benefits Schedule of Funding Progress (\$ thousands)						
<u>Duty Disability</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	222,692	427,089	204,397	52.1%	1,144,529	17.9%
January 1, 2008	311,778	471,668	159,890	66.1%	1,257,666	12.7%
<u>State Retiree Life Insurance</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	314,116	337,341	23,225	93.1%	2,506,437	0.9%
January 1, 2008	329,822	382,392	52,570	86.3%	2,699,508	1.9%
<u>Local Retiree Life Insurance</u>						
Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	195,632	206,097	10,465	94.9%	3,310,064	0.3%
January 1, 2008	211,950	233,444	21,494	90.8%	3,556,913	0.6%

Financial reporting for Other Post Employment Benefits began effective January 1, 2006. Comparable data for prior years is not available.

Other Post Employment Benefits Schedule of Employer Contributions (\$ thousands)			
<u>Duty Disability</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	44,397	44,566	100.4%
December 31, 2007	46,176	47,765	103.4%
December 31, 2008	47,684	50,574	106.1%
December 31, 2009	50,193	51,556	102.7%
<u>State Retiree Life Insurance</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	12,222	1,235	10.1%
December 31, 2007	13,382	1,348	10.1%
December 31, 2008	14,786	1,405	9.5%
December 31, 2009	16,470	1,514	9.2%
<u>Local Retiree Life Insurance</u>			
Year Ended	(a) Annual Required Contribution	(b) Employer Contributions	(c) Percentage Contributed
December 31, 2006	10,020	2,096	20.9%
December 31, 2007	10,908	2,444	22.4%
December 31, 2008	11,396	1,806	15.8%
December 31, 2009	12,636	1,906	15.1%

Financial reporting for Other Post Employment Benefits began effective January 1, 2006. Comparable data for prior years is not available.



Wisconsin Retirement System Schedule of Funding Progress (Millions \$)

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2000	51,824.6	53,993.6	2,169.0	96.0%	9,322.5	23.3%
December 31, 2001	58,024.3	60,134.7	2,110.4	96.5%	9,917.7	21.3%
December 31, 2002	57,861.9	59,618.8	1,756.9	97.1%	10,126.6	17.3%
December 31, 2003	62,685.3	63,211.7	526.4	99.2%	10,502.4	5.0%
December 31, 2004	66,209.4	66,622.3	412.9	99.4%	10,897.6	3.8%
December 31, 2005	68,615.1	68,978.6	363.5	99.5%	10,973.4	3.3%
December 31, 2006	73,415.3	73,735.8	320.5	99.6%	11,308.2	2.8%
December 31, 2007	79,791.9	80,079.7	287.8	99.6%	11,720.2	2.5%
December 31, 2008	77,159.4	77,412.0	252.6	99.7%	12,289.6	2.1%
December 31, 2009	78,911.3	79,104.6	193.3	99.8%	12,622.2	1.5%

(1) The Unfunded AAL in this schedule is the actuarially determined balance and may not agree with the Prior Service Contributions Receivable reported on the Statement of Net Assets because of differences in when payments received after year end are recognized.

Wisconsin Retirement System Schedule of Employer Contributions (Millions \$)

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2000	422.1	96.3% *
2001	412.2	99.6% *
2002	426.9	99.8% *
2003	462.7	100.0%
2004	497.6	100.0%
2005	531.8	100.0%
2006	561.0	100.0%
2007	592.9	100.0%
2008	623.1	100.0%
2009	626.0	100.0%

* 1999 Wis. Act 11 provided \$200 million in "credits" to employers to be used in lieu of required contributions. These credits resulted in employers making contributions less than the Annual Required Contribution



WISCONSIN RETIREMENT SYSTEM NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	December 31, 2009
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent - Closed Amortization Period
Remaining Amortization Period:	20 Years (ending 12/31/2029)
Asset Valuation Method:	Five Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return:	7.8%
Projected Salary Increases:*	4.0% to 9.6%
* Includes Inflation at 4.0%	
Post-Retirement Adjustment:	2.67%



STATISTICS

**State of Wisconsin
Department of
Employee Trust Funds**



Wisconsin Retirement System (WRS) Statistics Active Participants by Employment Category

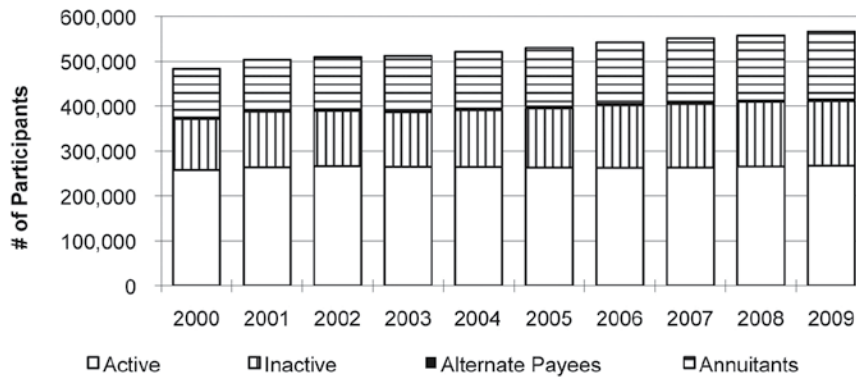
Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Totals
State Participants						
2000	42,501	17,931	717	7,181	0	68,330
2001	43,494	18,500	708	7,810	0	70,512
2002	43,661	18,794	696	8,071	0	71,222
2003	43,257	18,909	689	8,176	0	71,031
2004	42,717	19,127	697	8,392	0	70,933
2005	41,911	19,044	695	8,356	0	70,006
2006	42,069	19,110	694	8,493	0	70,366
2007	42,379	19,331	694	8,758	0	71,162
2008	42,920	19,712	709	8,824	0	72,165
2009	42,814	20,002	709	8,890	0	72,415
Local Participants						
2000	93,535	82,819	774	9,891	2,691	189,710
2001	95,571	84,033	780	10,256	2,731	193,371
2002	96,364	84,821	788	10,444	2,711	195,128
2003	96,049	83,974	796	10,586	2,714	194,119
2004	96,104	83,411	782	10,660	2,710	193,667
2005	96,048	82,801	772	10,799	2,696	193,116
2006	95,716	82,392	760	10,922	2,700	192,490
2007	95,504	82,168	755	11,089	2,703	192,219
2008	96,273	82,520	744	11,292	2,727	193,556
2009	97,489	82,516	744	11,389	2,740	194,878
Total Participants						
2000	136,036	100,750	1,491	17,072	2,691	258,040
2001	139,065	102,533	1,488	18,066	2,731	263,883
2002	140,025	103,615	1,484	18,515	2,711	266,350
2003	139,306	102,883	1,485	18,762	2,714	265,150
2004	138,821	102,538	1,479	19,052	2,710	264,600
2005	137,959	101,845	1,467	19,155	2,696	263,122
2006	137,785	101,502	1,454	19,415	2,700	262,856
2007	137,883	101,499	1,449	19,847	2,703	263,381
2008	139,193	102,232	1,453	20,116	2,727	265,721
2009	140,303	102,518	1,453	20,279	2,740	267,293



Total WRS Participants

Year	Active	Inactive	Alternate Payees	Annuitants	Total Participants
2000	258,040	114,205	2,972	107,425	482,642
2001	263,883	124,194	3,322	112,142	503,541
2002	266,350	123,419	3,426	116,289	509,484
2003	265,150	121,902	3,391	121,582	512,025
2004	264,600	126,461	3,494	126,211	520,766
2005	263,122	132,145	3,599	131,674	530,540
2006	262,856	138,879	3,706	137,117	542,558
2007	263,381	141,002	3,769	142,906	551,058
2008	265,721	143,471	3,837	144,033	557,062
2009	267,293	144,424	3,929	150,671	566,317

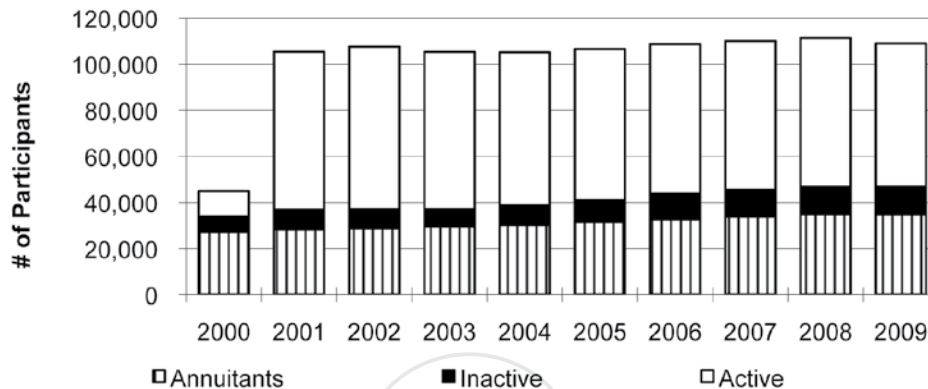
Total WRS Participants



WRS Participants with Variable Elections

Year	Active	Inactive	Annuitants	Totals
2000	10,955	6,686	27,321	44,962
2001	68,423	8,693	28,314	105,430
2002	70,487	8,452	28,662	107,601
2003	68,246	7,611	29,496	105,353
2004	66,501	8,426	30,270	105,197
2005	65,644	9,468	31,499	106,611
2006	64,927	11,115	32,683	108,725
2007	64,674	11,563	33,880	110,117
2008	64,420	12,025	34,927	111,372
2009	62,032	12,169	34,836	109,037

WRS Participants with Variable Elections

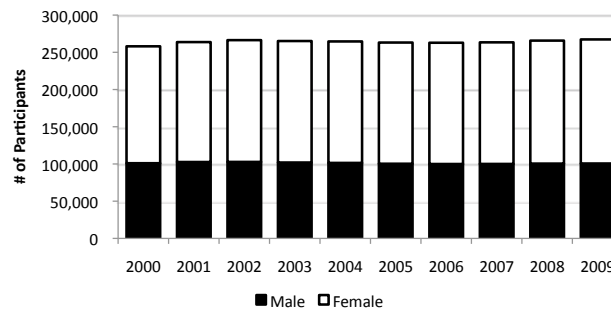




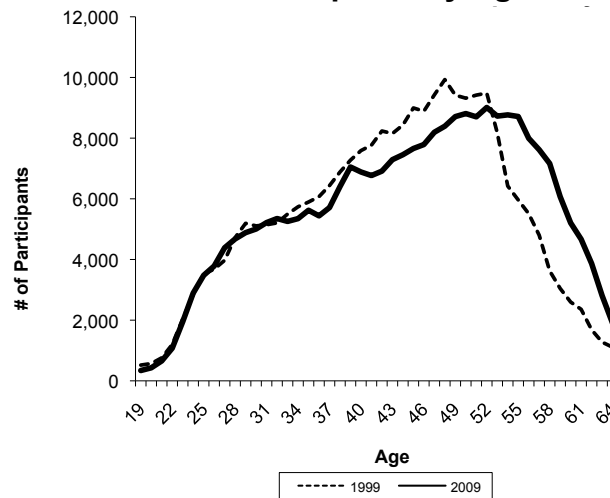
Active WRS Participants by Gender

Year	Teachers		Protective Occupations		All Other Participants		Totals	
	Male	Female	Male	Female	Male	Female	Male	Female
2000	34,685	66,103	16,512	3,251	49,813	87,676	101,010	157,030
2001	34,780	67,723	17,220	3,573	50,619	89,817	102,619	161,113
2002	34,688	68,968	17,488	3,738	50,582	90,886	102,758	163,592
2003	34,085	68,838	17,654	3,822	50,214	90,537	101,953	163,197
2004	33,699	68,877	17,873	3,889	49,835	90,427	101,407	163,193
2005	33,085	68,793	17,936	3,915	49,301	90,092	100,322	162,800
2006	32,650	68,887	18,146	3,969	49,157	90,047	99,953	162,903
2007	32,348	69,183	18,497	4,053	49,199	90,101	100,044	163,337
2008	32,256	69,976	18,715	4,128	49,535	91,111	100,506	165,215
2009	32,228	70,290	18,862	4,157	49,542	92,214	100,632	166,661

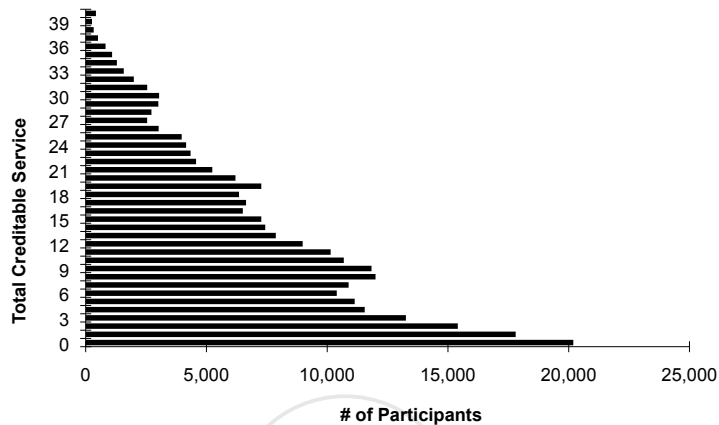
Active WRS Participants by Gender



Active Participants by Age



Active Participants by Creditable Service





**Total WRS Covered Payroll by Employer Type
(\$ in millions)**

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2000	3,908	1,149	912	397	125	42	84	6,617
2001	4,046	1,220	957	416	135	46	89	6,911
2002	4,139	1,268	992	438	145	53	95	7,130
2003	4,237	1,325	1,027	450	160	50	99	7,349
2004	4,328	1,375	1,054	469	167	53	107	7,554
2005	4,405	1,398	1,078	483	182	51	112	7,709
2006	4,517	1,424	1,106	498	190	53	116	7,904
2007	4,625	1,462	1,148	520	202	56	119	8,131
2008	4,802	1,511	1,194	547	215	58	134	8,461
2009	4,959	1,553	1,241	579	223	60	156	8,771

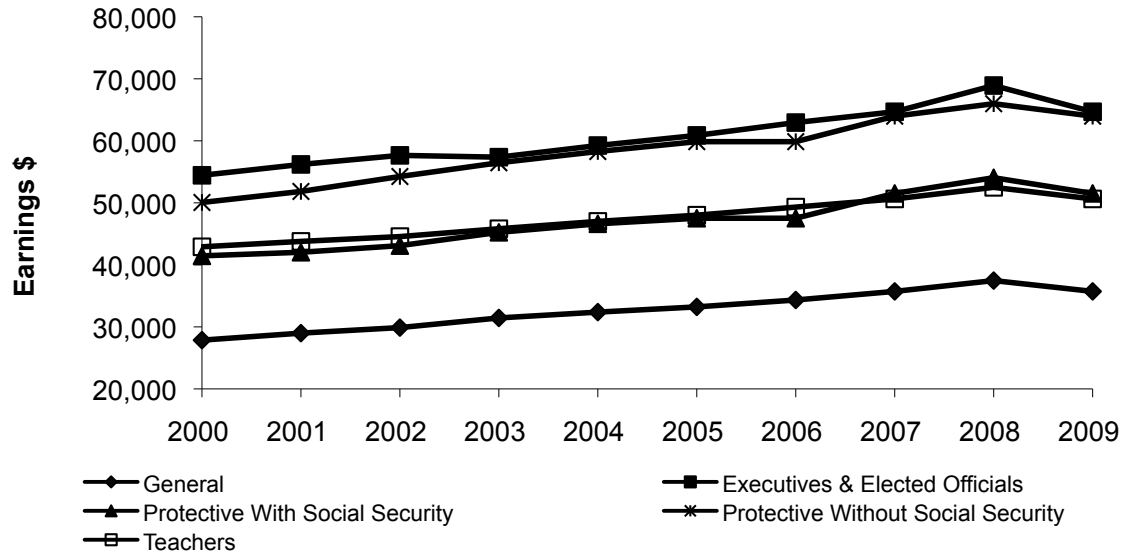
Year	State Government			Totals All Employers
	State Agencies	University	Totals	
2000	1,511	1,202	2,714	9,331
2001	1,611	1,289	2,900	9,811
2002	1,652	1,344	2,996	10,127
2003	1,748	1,405	3,153	10,502
2004	1,777	1,429	3,206	10,760
2005	1,807	1,457	3,264	10,973
2006	1,903	1,501	3,404	11,308
2007	2,019	1,570	3,589	11,720
2008	2,178	1,651	3,829	12,290
2009	2,161	1,690	3,851	12,622

**WRS Covered Payroll by Employment Category
(\$ in millions)**

Year	General Employees	Teachers	Executives &	Protective	Protective	Totals
			Elected Officials	Occupations with Social Security	Occupations without Social Security	
2000	3,914	4,475	83	722	137	9,331
2001	4,152	4,655	86	775	143	9,811
2002	4,307	4,769	88	814	149	10,127
2003	4,507	4,888	88	864	155	10,502
2004	4,625	4,981	90	903	160	10,760
2005	4,728	5,061	92	928	164	10,973
2006	4,879	5,181	94	985	169	11,308
2007	5,080	5,326	97	1,042	176	11,720
2008	5,367	5,534	102	1,105	182	12,290
2009	5,492	5,704	104	1,132	190	12,622



Average Annual Earnings

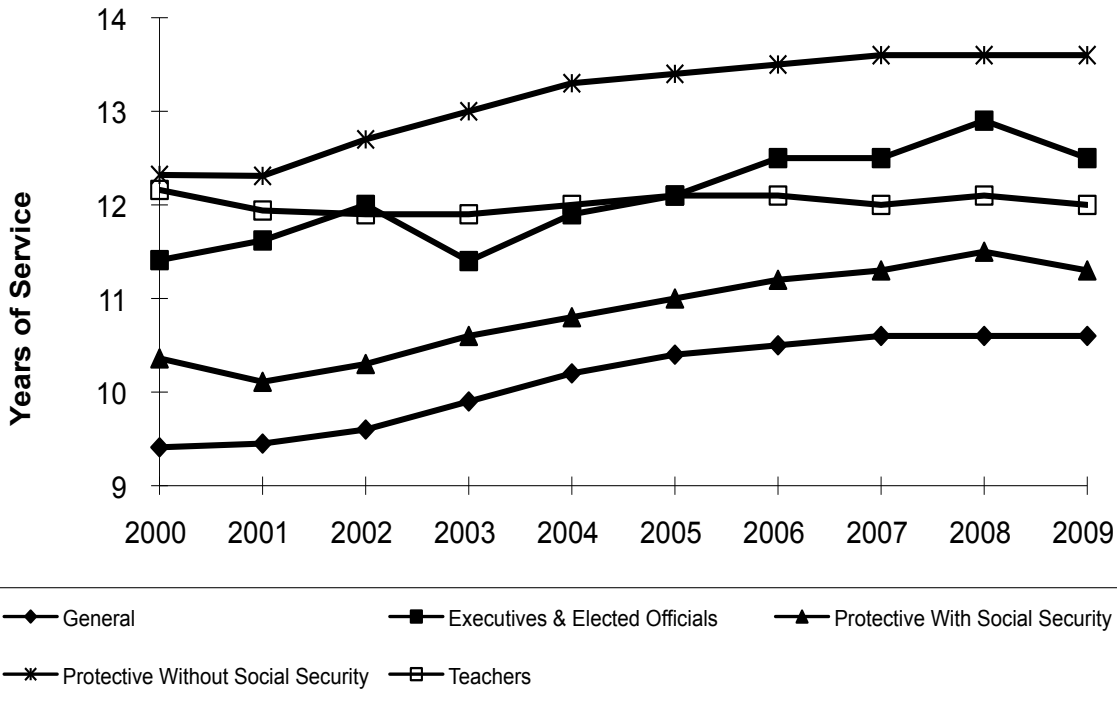


Average Annual Earnings

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Average
2000	27,860	42,911	54,442	41,452	50,059	35,021
2001	28,991	43,782	56,194	42,030	51,839	36,021
2002	29,885	44,559	57,656	43,100	54,248	36,915
2003	31,442	45,825	57,365	45,246	56,463	38,401
2004	32,381	47,006	59,242	46,619	58,280	39,489
2005	33,222	48,009	60,874	47,518	59,865	40,413
2006	34,335	49,312	62,945	47,519	59,866	41,513
2007	35,721	50,631	64,686	51,520	63,975	43,107
2008	37,465	52,498	68,917	54,051	65,987	44,969
2009	35,722	50,631	64,686	51,520	63,975	43,107

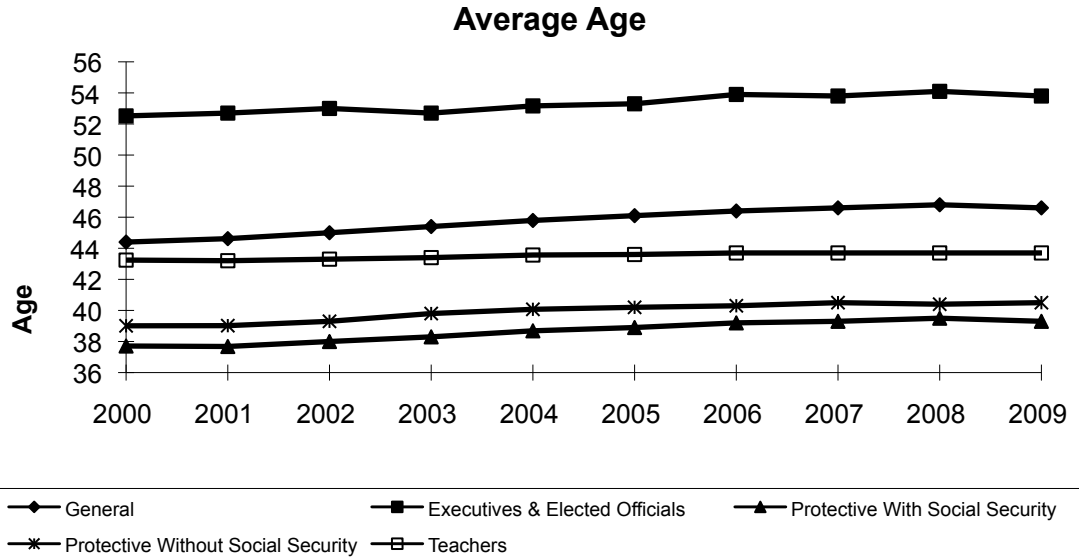


Average Creditable Service



Average Creditable Service

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social	Average
2000	9.4	12.2	11.4	10.4	12.3	10.6
2001	9.5	11.9	11.6	10.1	12.3	10.5
2002	9.6	11.9	12.0	10.3	12.7	10.6
2003	9.9	11.9	11.4	10.6	13.0	10.8
2004	10.2	12.0	11.9	10.8	13.3	11.0
2005	10.4	12.1	12.1	11.0	13.4	11.1
2006	10.5	12.1	12.5	11.2	13.5	11.2
2007	10.6	12.0	12.5	11.3	13.6	11.3
2008	10.6	12.1	12.9	11.5	13.6	11.3
2009	10.6	12.0	12.5	11.3	13.6	11.3



Average Age

Year	General	Teachers	Executives & Elected Officials	Protective With Social Security	Protective Without Social Security	Average
2000	44.4	43.2	52.5	37.7	39.0	43.5
2001	44.6	43.2	52.7	37.7	39.0	43.6
2002	45.0	43.3	53.0	38.0	39.3	43.8
2003	45.4	43.4	52.7	38.3	39.8	44.1
2004	45.8	43.6	53.2	38.7	40.1	44.4
2005	46.1	43.6	53.3	38.9	40.2	44.6
2006	46.4	43.7	53.9	39.2	40.3	44.8
2007	46.6	43.7	53.8	39.3	40.5	44.9
2008	46.8	43.7	54.1	39.5	40.4	45.0
2009	46.6	43.7	53.8	39.3	40.5	44.9



Active Participants by Employer Type

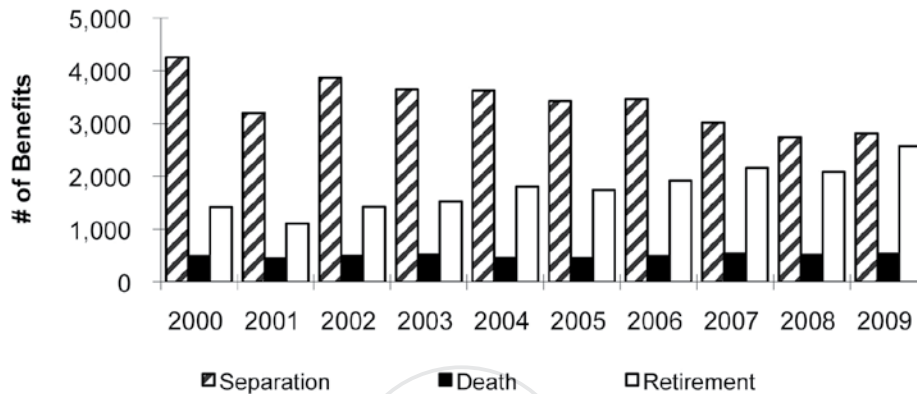
Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2000	112,029	37,157	23,793	9,152	3,708	1,324	2,547	189,710
2001	113,995	37,960	24,094	9,390	3,860	1,408	2,664	193,371
2002	115,387	37,878	23,974	9,616	4,069	1,519	2,685	195,128
2003	114,535	37,609	23,909	9,599	4,270	1,487	2,710	194,119
2004	114,229	37,408	23,720	9,606	4,318	1,511	2,875	193,667
2005	113,915	37,015	23,621	9,626	4,618	1,437	2,884	193,116
2006	113,679	36,470	23,528	9,676	4,740	1,487	2,910	192,490
2007	113,584	36,043	23,646	9,750	4,831	1,482	2,883	192,219
2008	114,264	35,798	23,812	10,035	4,910	1,491	3,246	193,556
2009	115,380	35,437	23,744	10,268	5,021	1,510	3,518	194,878

Year	State Government			Totals All Employers
	State Agencies	University	Totals	
2000	39,656	28,674	68,330	258,040
2001	41,067	29,445	70,512	263,883
2002	41,393	29,829	71,222	266,350
2003	41,191	29,840	71,031	265,150
2004	40,875	30,058	70,933	264,600
2005	40,213	29,793	70,006	263,122
2006	40,562	29,804	70,366	262,856
2007	41,136	30,026	71,162	263,381
2008	41,611	30,554	72,165	265,721
2009	41,497	30,918	72,415	267,293

Number of Lump Sum Benefits Paid

Year	Separation	Death	Retirement
2000	4,257	490	1,417
2001	3,203	449	1,108
2002	3,863	493	1,422
2003	3,644	515	1,527
2004	3,625	456	1,802
2005	3,427	453	1,745
2006	3,462	491	1,922
2007	3,020	536	2,160
2008	2,738	512	2,089
2009	2,817	534	2,571

Number of Lump Sum Benefits Paid

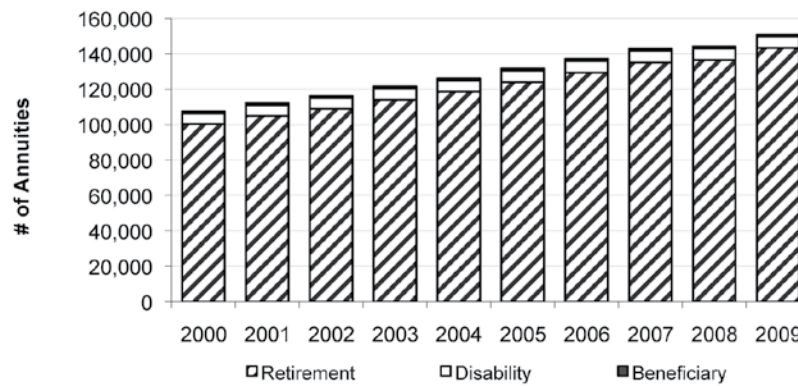




Number of Annuities in Force

Year	Retirement	Disability	Beneficiary	Totals
2000	100,304	5,898	1,223	107,425
2001	104,910	6,009	1,223	112,142
2002	108,901	6,158	1,230	116,289
2003	114,038	6,272	1,272	121,582
2004	118,572	6,346	1,293	126,211
2005	123,945	6,415	1,314	131,674
2006	129,289	6,505	1,323	137,117
2007	135,026	6,558	1,322	142,906
2008	136,502	6,397	1,134	144,033
2009	143,261	6,224	1,186	150,671

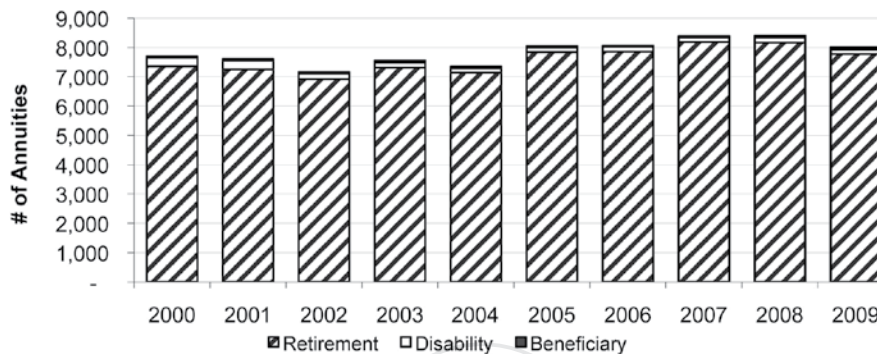
Annuities in Force



Number of New Annuities Approved

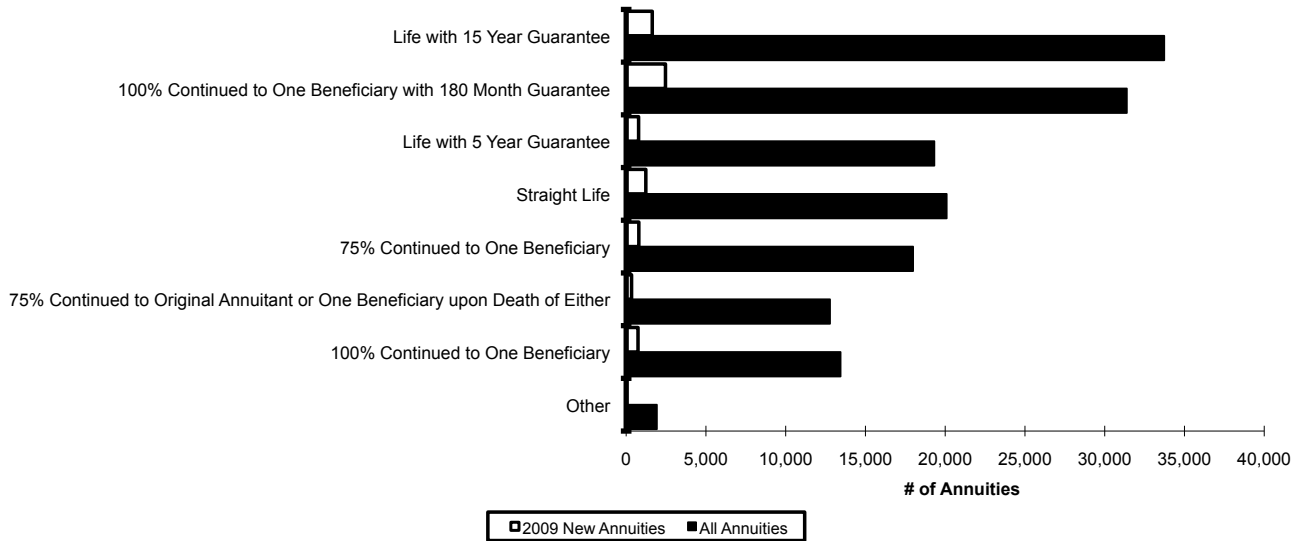
Year	Retirement	Disability	Beneficiary	Totals
2000	7,358	302	40	7,700
2001	7,254	302	53	7,609
2002	6,915	191	53	7,159
2003	7,308	177	68	7,553
2004	7,142	147	56	7,345
2005	7,844	150	58	8,052
2006	7,859	163	43	8,065
2007	8,186	157	47	8,390
2008	8,165	174	61	8,400
2009	7,779	156	73	8,008

New Annuities Approved





Annuities by Payment Option



Average Monthly Annuities by Years of Service

	Years of Service									
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	Over 45
Average Monthly Annuity	\$ 393	\$ 517	\$ 780	\$ 1,179	\$ 1,705	\$ 2,453	\$ 3,144	\$ 3,761	\$ 4,520	\$ 5,884
Average Final Average Salary	\$ 20,327	\$ 27,049	\$ 31,664	\$ 38,232	\$ 43,651	\$ 49,438	\$ 53,890	\$ 53,623	\$ 53,479	\$ 51,800
Number of Annuitants	5,170	13,125	15,335	16,559	17,631	21,295	31,024	11,656	1,934	172

Annuities by Type of Benefit

Monthly Annuity Amount		Type of Annuity			Annuity Payment Option			
		Retirement	Disability	Beneficiary	Life Annuity	Life with Guarantee	Joint Survivor	Time Certain
\$ 0 - 500	22,705	21,625	604	476	3,832	10,607	8,226	40
\$ 500 - 1,000	23,387	21,856	1,021	510	4,017	9,794	9,539	37
\$ 1,000 - 1,500	20,272	18,796	1,214	262	2,989	7,770	9,484	29
\$ 1,500 - 2,000	18,329	17,110	1,068	151	2,250	6,376	9,690	13
\$ 2,000 - 2,500	18,106	17,065	933	108	1,974	5,583	10,544	5
\$ 2,500 - 3,000	15,792	15,105	612	75	1,723	4,735	9,325	9
\$ 3,000 - 3,500	12,236	11,724	449	63	1,349	3,356	7,528	3
\$ 3,500 - 4,000	8,907	8,577	289	41	992	2,429	5,484	2
\$ 4,000 - 4,500	5,689	5,529	141	19	643	1,496	3,549	1
\$ 4,500 - 5,000	3,349	3,265	68	16	383	861	2,101	4
Over \$ 5,000	4,681	4,619	40	22	467	1,114	3,089	11
Total	153,453	145,271	6,439	1,743	20,619	54,121	78,559	154



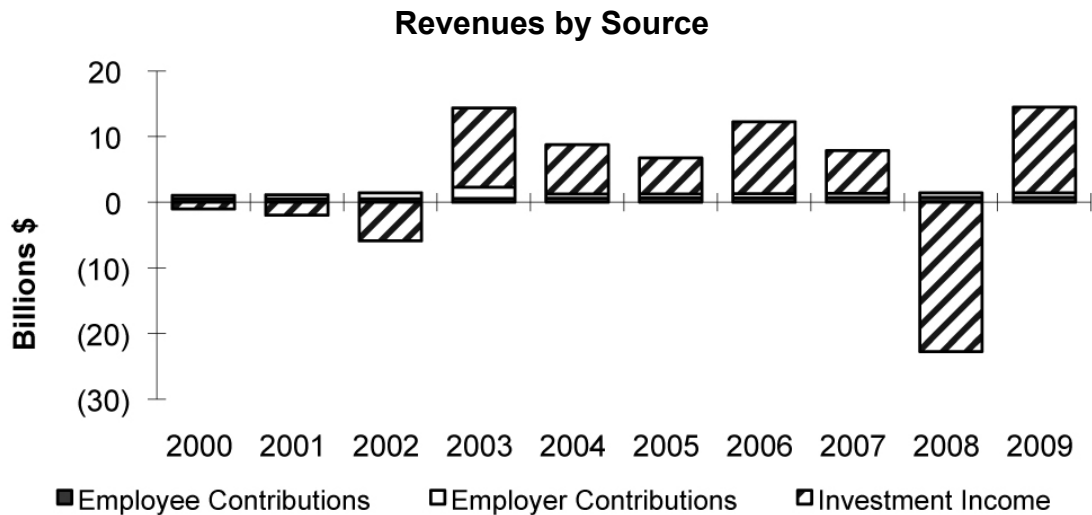
Revenues by Source ⁽¹⁾ (\$ in thousands)

Year	Employee Contributions ⁽²⁾		Employer Contributions ⁽³⁾		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
2000	511,661	5.4%	547,515	5.8%	(1,033,753)	184	25,607
2001	506,712	5.1%	631,052	6.4%	(1,985,961)	211	(847,987)
2002	526,149	5.2%	914,575	9.0%	(5,880,598)	4,082	(4,435,793)
2003	564,754	5.4%	1,737,816	16.5%	12,043,429	3,563	14,349,563
2004	605,184	5.6%	644,649	6.0%	7,512,872	3,082	8,765,787
2005	640,229	5.8%	605,163	5.5%	5,492,548	2,338	6,740,278
2006	670,254	5.9%	617,263	5.5%	10,962,280	1,905	12,251,702
2007	705,804	6.0%	655,128	5.6%	6,495,914	1,823	7,858,669
2008	736,149	6.0%	683,520	5.6%	(22,744,110)	1,618	(21,322,822)
2009	736,689	5.8%	705,997	5.6%	13,024,986	1,117	14,468,790

¹ Employee required contributions were made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially-determined contribution requirements.

² Employee contributions include all employee required, employee additional and benefit adjustment contributions, including those amounts paid by the employer on behalf of the employee.

³ Employer contributions include all employer required contributions, including contributions for unfunded actuarial accrued liability.





**Expenses by Type
(\$ in millions)**

Year	Age and Service Benefits		Disability Benefits	Death Benefits	Separation Benefits	Administrative Expense	Total Expenses
	Retirants	Beneficiaries					
2000	2,115.2	9.7	107.1	25.7	15.4	14.5	2,287.6
2001	2,328.4	11.4	127.8	22.0	40.9	16.4	2,546.9
2002	2,479.9	11.3	128.2	27.6	38.5	18.7	2,704.1
2003	2,517.3	12.3	128.3	32.7	28.8	16.4	2,735.8
2004	2,687.2	12.7	129.9	28.0	25.0	14.8	2,897.7
2005	2,892.6	13.9	134.5	26.6	25.2	17.9	3,110.7
2006	3,075.4	14.4	136.9	37.5	25.1	17.1	3,306.4
2007	3,323.6	15.6	142.3	36.9	24.2	17.7	3,560.3
2008	3,627.5	17.2	149.1	28.8	27.4	19.1	3,869.0
2009	3,609.6	17.4	146.3	24.4	24.8	20.9	3,843.3

**Wisconsin Retirement System
Principal Participating Employers
Current Year and Nine Years Ago**

Participating Government	2009			2000		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	72,415	1	27.1%	68,330	1	26.5%
Milwaukee Teachers Retirement System	7,020	2	2.6%	7,972	2	3.1%
Madison Metro School District	4,613	3	1.7%	4,279	3	1.7%
Kenosha Unified School District	3,120	4	1.2%	2,700	5	1.0%
Green Bay Area School District	2,981	5	1.1%	2,449	7	0.9%
City of Madison	2,944	6	1.1%	2,600	6	1.0%
Racine Unified School District	2,782	7	1.0%	2,713	4	1.1%
Dane County	2,332	8	0.9%	2,190	8	0.8%
Milwaukee Area Technical College	1,944	9	0.7%	1,945	9	0.8%
Appleton Area School District	1,719	10	0.6%	1,571	11	0.6%
All Other	165,423		61.9%	161,291		62.5%
Total (1,383 employers)	<u>267,293</u>		<u>100.0%</u>	<u>258,040</u>		<u>100.0%</u>

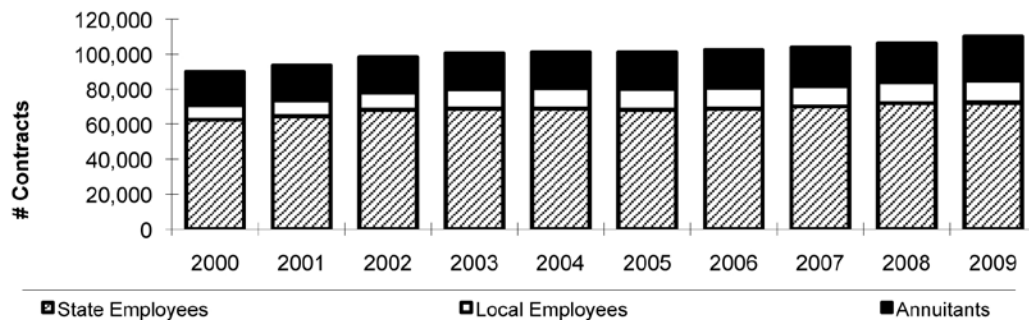


Group Health Insurance Program Statistics Health Insurance Contracts

Year	Active Employees	Continuants	Annuitants			Totals
			Annuity Deduction State	Sick Leave Conversion	Total Retired	
2000	62,476	0	9,525	8,125	17,650	80,126
2001	64,619	0	9,588	8,503	18,091	82,710
2002	68,090	0	9,751	8,904	18,655	86,745
2003	68,755	0	9,664	9,061	18,725	87,480
2004	68,758	0	9,519	9,258	18,777	87,535
2005	68,093	0	9,531	9,646	19,177	87,270
2006	68,688	0	9,468	10,105	19,573	88,261
2007	70,119	0	9,427	10,417	19,844	89,963
2008	71,925	0	9,433	10,825	20,258	92,183
2009	71,924	590	11,112	11,288	22,400	94,914

Local						
Year	Active Employees	Continuants	Annuity Deduction State	Sick Leave Conversion	Total Retired	Totals
2000	8,261	0	1,440	0	1,440	9,701
2001	9,101	0	1,525	0	1,525	10,626
2002	9,929	0	1,629	0	1,629	11,558
2003	11,124	0	1,794	0	1,794	12,918
2004	11,669	0	1,787	0	1,787	13,456
2005	11,902	0	1,812	0	1,812	13,714
2006	11,973	0	1,927	0	1,927	13,900
2007	11,777	0	1,871	0	1,871	13,648
2008	12,159	0	1,873	0	1,873	14,032
2009	12,398	88	2,557	0	2,557	15,043

Health Insurance Contracts*



*For display purposes, state and local continuants were statistically insignificant and therefore not included in this chart.



**Group Health Insurance Program Premiums by Source
(\$ in thousands)**

Year	Employer	Employee	Annuitant	Sick Leave Conversion State	Medicare	Stabilization	Life Insurance Conversion	Totals
2000	354,443	12,525	41,594	41,112	0	0	17	449,691
2001	426,824	10,188	48,977	50,472	0	3,103	2	539,566
2002	502,499	11,647	53,967	58,270	0	6,325	5	632,713
2003	575,407	13,920	59,469	65,687	0	3,188	3	717,673
2004	628,532	25,129	61,257	70,633	0	10,622	4	796,176
2005	665,498	31,635	60,997	74,639	0	0	177	832,947
2006	711,946	40,064	58,091	79,763	10,442	28	6	900,339
2007	763,681	49,268	58,003	85,958	10,464	28	2	967,404
2008	834,363	51,160	60,171	92,434	10,713	26	0	1,048,867
2009	924,659	40,727	63,453	100,390	11,909	25	95	1,141,258
Local								
2000	46,153	2,307	5,368	0	0	(1,170)	0	52,658
2001	59,176	2,618	6,503	0	0	(78)	0	68,219
2002	73,996	3,424	7,380	0	0	0	0	84,800
2003	90,482	5,661	8,580	0	0	150	0	104,873
2004	108,469	5,267	9,418	0	0	938	0	124,092
2005	116,667	5,903	9,757	0	0	1,632	0	133,959
2006	124,771	7,484	10,403	0	380	0	0	143,038
2007	124,802	7,775	11,534	0	407	1	0	144,519
2008	137,141	7,398	12,021	0	467	1	0	157,028
2009	161,635	6,272	13,324	0	461	1	0	181,693
Local Annuitants								
2000	0	0	609	0	0	0	1	610
2001	0	0	640	0	0	0	1	641
2002	0	0	701	0	0	0	0	701
2003	0	0	767	1	0	0	0	768
2004	0	0	795	5	0	0	0	800
2005	0	0	879	0	0	0	6	885
2006	0	0	847	0	0	0	3	850
2007	0	0	823	0	0	0	3	826
2008	0	0	856	0	0	0	3	859
2009	0	0	958	0	0	0	4	962



**Group Life Insurance Program Statistics
Life Insurance Premiums Collected
(\$ in thousands)**

Year	Employee					Employer			Totals
	Basic	Suppl	Additional	Spouse & Dependent	Total	Basic	Suppl	Total	
<u>State</u>									
2000	4,501	3,453	2,991	961	11,906	2,274	986	3,260	15,165
2001	4,882	3,714	3,462	1,187	13,244	2,448	1,055	3,503	16,748
2002	5,344	4,036	3,998	1,274	14,652	2,673	1,142	3,814	18,466
2003	5,368	4,035	4,163	1,304	14,868	2,682	1,139	3,821	18,690
2004	5,254	3,936	4,245	1,073	14,509	2,609	1,104	3,713	18,223
2005	5,470	4,079	4,546	1,033	15,127	2,676	1,127	3,803	18,930
2006	5,765	4,275	4,934	1,019	15,994	2,779	1,163	3,943	19,936
2007	6,157	4,552	5,448	1,027	17,184	2,956	1,232	4,188	21,372
2008	6,600	4,861	6,585	1,039	19,085	3,161	1,312	4,473	23,558
2009	7,074	5,198	7,409	1,053	20,734	3,408	1,408	4,816	25,550
<u>Local</u>									
2000	6,378	781	2,958	1,684	11,800	1,728	188	1,916	13,717
2001	6,822	1,098	3,401	1,387	12,708	1,834	12	1,846	14,554
2002	7,324	1,256	3,932	1,438	13,950	2,103	12	2,116	16,066
2003	8,066	1,429	4,405	1,451	15,350	2,253	13	2,267	17,616
2004	8,308	1,566	4,785	1,462	16,121	2,307	15	2,322	18,443
2005	8,752	1,776	5,248	1,483	17,260	2,387	17	2,404	19,664
2006	9,256	1,966	5,733	1,492	18,447	2,534	27	2,561	21,008
2007	9,969	2,189	6,356	1,428	19,943	2,764	73	2,837	22,780
2008	10,352	2,337	6,747	1,337	20,773	2,868	71	2,939	23,712
2009	10,573	2,540	7,224	1,342	21,679	3,185	17	3,201	24,881

**Group Life Insurance in Force
(\$ in thousands)**

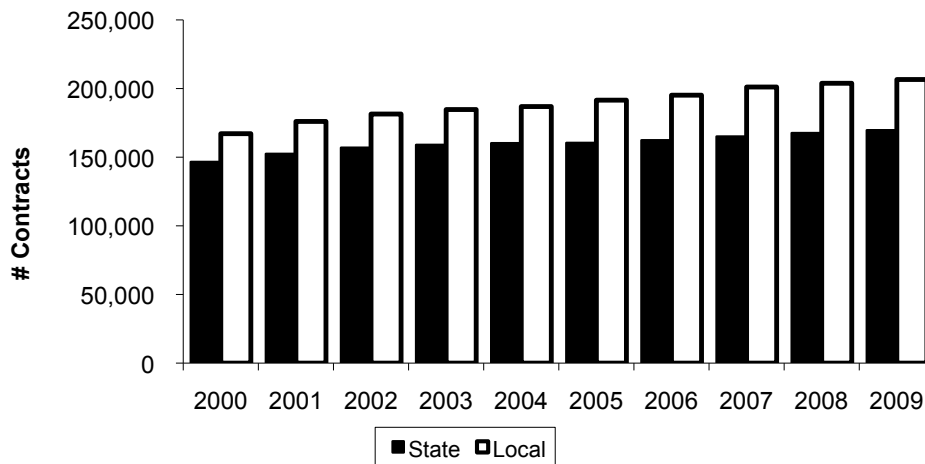
Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
<u>State</u>						
2000	2,058,557	1,550,124	1,356,399	207,849	555,905	5,728,834
2001	2,277,758	1,709,216	1,614,778	219,828	572,335	6,393,915
2002	2,441,489	1,823,029	1,835,845	234,259	585,955	6,920,577
2003	2,525,292	1,876,086	1,976,044	248,541	590,340	7,216,303
2004	2,649,332	1,958,599	2,153,059	261,620	592,275	7,614,885
2005	2,719,404	2,003,210	2,276,487	277,560	582,575	7,859,236
2006	2,812,389	2,065,965	2,450,801	295,682	584,735	8,209,572
2007	2,953,085	2,163,847	2,686,412	320,233	592,020	8,715,597
2008	3,101,958	2,267,825	2,897,834	348,802	594,715	9,211,134
2009	3,288,721	2,401,767	3,175,970	371,715	605,205	9,843,378
<u>Local</u>						
2000	2,817,790	511,401	1,635,022	125,537	794,480	5,884,230
2001	3,012,639	589,955	1,903,271	134,879	829,425	6,470,169
2002	3,174,758	657,863	2,133,086	141,321	845,205	6,952,233
2003	3,281,854	736,895	2,325,771	152,083	844,175	7,340,778
2004	3,391,695	797,296	2,515,802	161,094	855,995	7,721,882
2005	3,540,667	910,482	2,746,798	173,746	868,055	8,239,748
2006	3,665,026	985,403	2,954,710	190,202	877,340	8,672,681
2007	3,849,827	1,085,500	3,171,093	209,310	893,160	9,208,890
2008	3,998,963	1,157,300	3,369,883	230,296	895,485	9,651,927
2009	4,173,626	1,237,027	3,614,168	247,986	897,225	10,170,032



Life Insurance Program Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
<u>State</u>							
2000	51,604	38,287	20,441	12,246	23,973	146,551	63,850
2001	53,735	39,752	21,949	12,489	24,513	152,438	66,224
2002	55,359	40,663	23,096	12,809	24,994	156,921	68,168
2003	56,087	41,003	23,721	13,112	25,064	158,987	69,199
2004	56,437	41,095	24,202	13,392	25,077	160,203	69,829
2005	56,594	41,049	24,474	13,720	24,583	160,420	70,314
2006	57,137	41,358	25,120	14,148	24,575	162,338	71,285
2007	57,907	41,813	25,851	14,729	24,762	165,062	72,636
2008	58,668	42,246	26,444	15,431	24,796	167,585	74,099
2009	59,045	42,467	26,959	16,034	25,145	169,650	75,079
<u>Local</u>							
2000	78,674	13,754	25,126	16,097	33,468	167,119	94,771
2001	81,733	15,478	27,380	16,560	34,885	176,036	98,293
2002	83,438	16,604	29,106	16,841	35,453	181,442	100,279
2003	83,716	18,128	30,192	17,305	35,366	184,707	101,021
2004	83,598	18,901	30,926	17,750	35,710	186,885	101,348
2005	84,180	20,882	31,986	18,421	36,075	191,544	102,601
2006	84,928	21,753	32,904	19,187	36,395	195,167	104,115
2007	86,623	23,712	33,994	19,926	36,861	201,116	106,549
2008	87,150	24,444	34,430	20,912	36,905	203,841	108,062
2009	87,616	25,128	35,114	21,787	36,940	206,585	109,403

Life Insurance Contracts



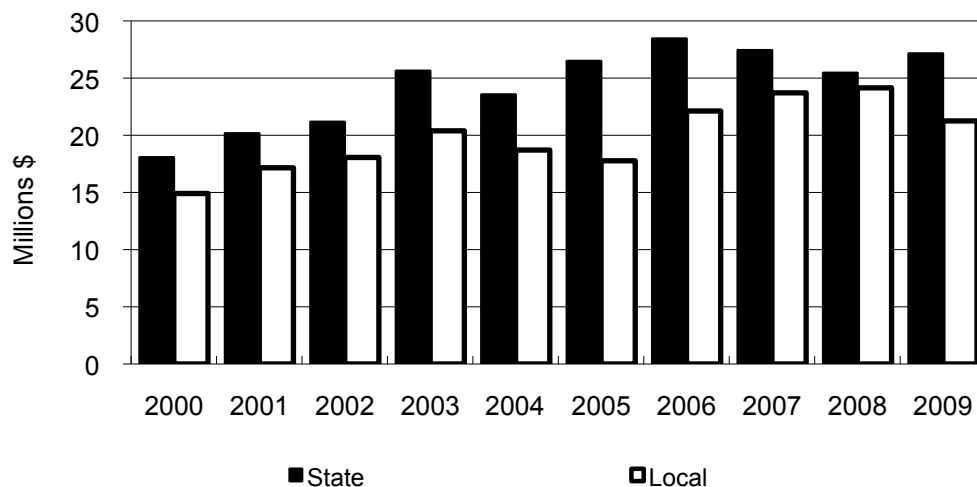


**Group Life Insurance Program Paid Claims
(\$ in thousands)**

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Living Benefits ⁽¹⁾	Totals
	Life	AD&D	Disability				
<u>State</u>							
2000	9,304	739	714	6,183	960	166	18,066
2001	10,842	469	1,312	6,157	1,017	362	20,159
2002	11,458	1,042	691	6,811	922	243	21,167
2003	14,696	781	1,436	6,868	1,363	489	25,632
2004	13,873	941	(602)	7,555	1,191	602	23,559
2005	13,479	1,788	2,284	7,521	1,076	341	26,489
2006	14,953	1,120	2,315	8,480	1,003	576	28,447
2007	15,424	578	1,048	8,774	1,095	512	27,431
2008	12,438	948	1,834	8,688	1,182	365	25,454
2009	13,567	1,152	1,697	9,300	1,116	314	27,145
<u>Local</u>							
2000	7,972	769	1,086	3,348	1,709	24	14,908
2001	9,365	629	1,870	3,563	1,586	143	17,155
2002	9,735	1,236	1,332	3,852	1,444	459	18,058
2003	12,350	1,670	549	3,986	1,345	487	20,387
2004	12,628	1,015	(606)	4,284	1,186	200	18,707
2005	10,389	880	805	4,146	1,426	125	17,770
2006	12,343	1,580	1,430	4,521	1,311	936	22,121
2007	13,662	1,192	1,327	5,305	1,690	531	23,708
2008	15,929	1,286	578	4,439	1,617	296	24,146
2009	12,408	444	1,070	5,552	1,540	240	21,253

¹ Living Benefits may originate as Pre-Retirement, Post-Retirement or Spouse & Dependent benefits.

Paid Claims



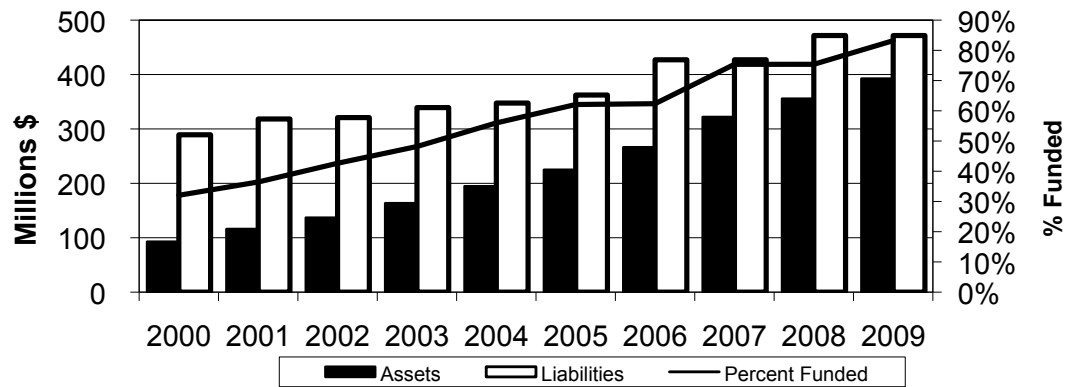


Duty Disability Insurance Statistics (\$ in Millions)

Year	Employers	Participants	Benefit		Average
			Payments	Contributions	Contribution Rate
2000	453	19,763	18	32	3.66%
2001	461	20,797	20	35	3.74%
2002	476	21,226	22	37	3.81%
2003	476	21,476	23	39	3.86%
2004	483	21,762	23	41	3.83%
2005	486	21,851	24	42	3.85%
2006	494	22,115	26	45	3.86%
2007	499	22,550	26	48	3.92%
2008	500	22,843	27	51	3.93%
2009	502	23,019	29	52	3.89%

Year	Assets	Liabilities	Unfunded (Overfunded)		Covered Payroll	UAAL as %
			Liability	Percent Funded		of Covered Payroll
2000	92.7	289.2	196.6	32.0%	878.9	22.4%
2001	116.0	318.3	202.3	36.4%	939.3	21.5%
2002	136.8	320.8	184.0	42.6%	962.4	19.1%
2003	163.4	339.2	175.8	48.2%	1,018.8	17.3%
2004	194.6	347.6	153.0	56.0%	1,063.7	14.4%
2005	224.9	362.3	137.4	62.1%	1,092.5	12.6%
2006	266.3	427.1	160.8	62.3%	1,154.0	13.9%
2007	321.9	427.1	105.2	75.4%	1,217.3	8.6%
2008	355.5	471.7	116.1	75.4%	1,286.7	9.0%
2009	392.4	471.7	79.2	83.2%	1,322.5	6.0%

Duty Disability Funding





Duty Disability Insurance Principal Participating Employers Current Year and Nine Years Ago

Participating Government	2009			2000		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	8,890	1	38.6%	7,181	1	36.3%
City of Madison	768	2	3.3%	629	2	3.2%
Dane County	449	3	2.0%	374	4	1.9%
City of Green Bay	353	4	1.5%	380	3	1.9%
City of Kenosha	347	5	1.5%	313	6	1.6%
City of Racine	337	6	1.5%	342	5	1.7%
Brown County	292	7	1.3%	213	8	1.1%
City of West Allis	237	8	1.0%	250	7	1.3%
City of Waukesha	215	9	0.9%	197	9	1.0%
City of Appleton	200	10	0.9%	193	11	1.0%
All Other	10,931		47.5%	9,691		49.0%
Total (502 employers)	23,019		100.0%	19,763		100.0%

Duty Disability Insurance Annuities by Type of Benefit

Monthly Benefit Amount	Number of Annuitants	Disability	Beneficiary
\$ 0 - 500	32	30	2
\$ 500 - 1,000	72	54	18
\$ 1,000 - 1,500	81	77	4
\$ 1,500 - 2,000	73	69	4
\$ 2,000 - 2,500	107	97	10
\$ 2,500 - 3,000	122	118	4
\$ 3,000 - 3,500	99	97	2
\$ 3,500 - 4,000	103	103	0
\$ 4,000 - 4,500	103	102	1
\$ 4,500 - 5,000	53	53	0
Over \$ 5,000	36	35	1
Total	881	835	46

* This table excludes annuitants whose benefit is totally offset by other income sources.

Duty Disability Insurance Average Monthly Benefit by Years of Service

	Years of Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35
Average Monthly Annuity	\$ 2,887	\$ 3,531	\$ 3,224	\$ 2,955	\$ 2,080	\$ 1,515	\$ 1,083
Average Final Average Salary	\$ 2,436	\$ 3,211	\$ 3,196	\$ 3,348	\$ 3,385	\$ 3,478	\$ 2,363
Number of Annuitants	52	147	190	225	188	68	11

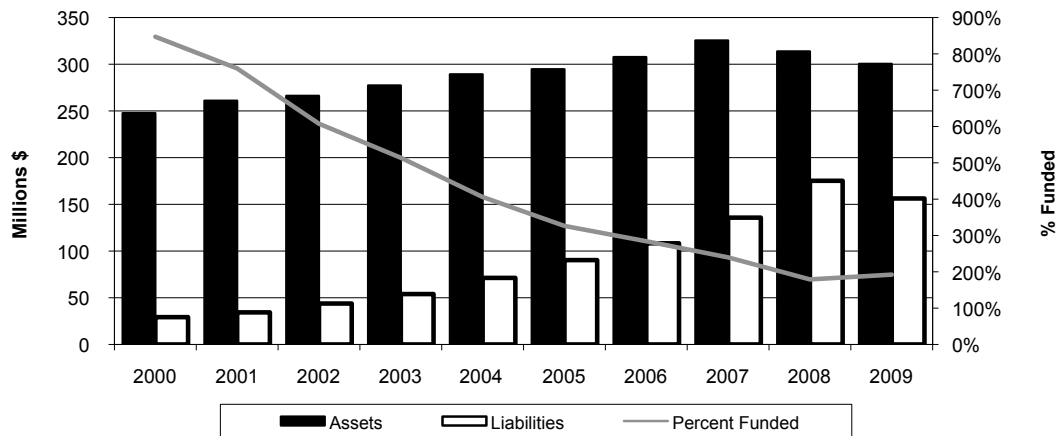
* This table excludes annuitants for whom years of service data is not available



Long-Term Disability Insurance Statistics (\$ in millions)

Year	Assets	Liabilities	Unfunded (Overfunded) Liability	Percent Funded	Covered Payroll (\$ in millions)	UAAL as % of Covered Payroll
2000	247.67	29.24	(218.4)	847.1%	9,442	-2.3%
2001	260.97	34.35	(226.6)	759.8%	9,918	-2.3%
2002	266.17	43.81	(222.4)	607.6%	10,127	-2.2%
2003	277.27	53.95	(223.3)	513.9%	10,502	-2.1%
2004	289.21	71.25	(218.0)	405.9%	10,760	-2.0%
2005	294.67	90.30	(204.4)	326.3%	10,973	-1.9%
2006	307.69	108.29	(199.4)	284.1%	11,308	-1.8%
2007	325.44	135.76	(189.7)	239.7%	11,720	-1.6%
2008	313.73	175.21	(138.5)	179.1%	12,290	-1.1%
2009	300.42	156.28	(144.1)	192.2%	12,622	-1.1%

Long-Term Disability Insurance Funding

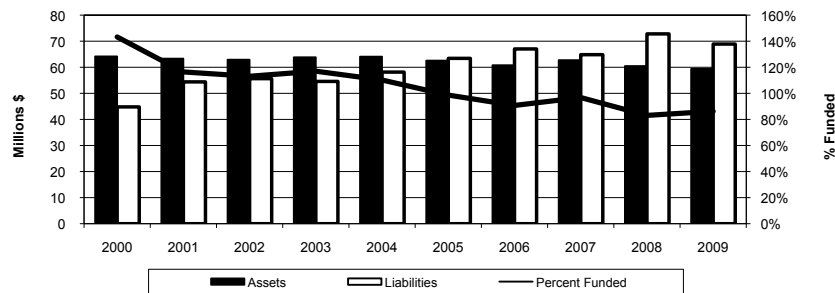




**Income Continuation Insurance Statistics
(\$ in millions)**

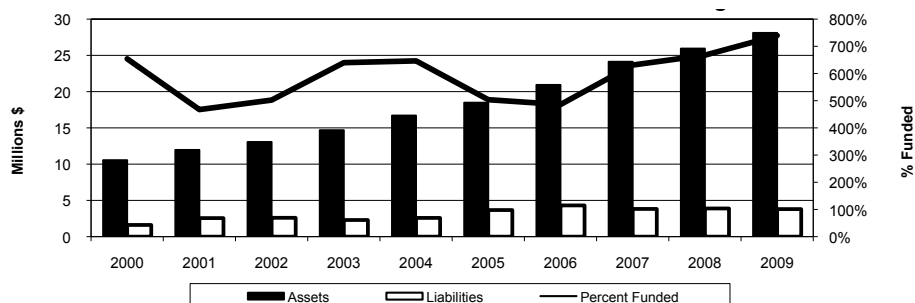
Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
State						
2000	53,064	2,055	64.2	44.8	(19.4)	143.3%
2001	54,533	1,746	63.3	54.4	(8.9)	116.4%
2002	54,876	1,981	62.9	55.6	(7.3)	113.1%
2003	55,357	2,024	63.8	54.6	(9.3)	117.0%
2004	55,622	2,177	64.1	58.1	(5.9)	110.2%
2005	54,844	1,865	62.6	63.4	0.8	98.7%
2006	54,646	2,054	60.8	67.0	6.2	90.7%
2007	55,048	1,388	62.7	64.8	2.1	96.8%
2008	55,908	1,419	60.5	72.8	12.3	83.1%
2009	56,596	1,399	59.4	68.9	9.5	86.2%

State Income Continuation Insurance Funding



Year	Contracts	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
Local						
2000	4,859	84	10.5	1.6	(8.9)	654.0%
2001	5,391	47	12.0	2.6	(9.4)	467.3%
2002	5,610	80	13.1	2.6	(10.5)	502.2%
2003	6,353	75	14.7	2.3	(12.4)	639.8%
2004	6,763	42	16.7	2.6	(14.1)	646.3%
2005	6,985	115	18.5	3.7	(14.8)	503.6%
2006	7,053	137	20.9	4.3	(16.6)	485.8%
2007	7,270	70	24.1	3.8	(20.3)	631.1%
2008	7,837	67	25.9	3.9	(22.1)	667.4%
2009	8,229	87	28.1	3.8	(24.3)	739.5%

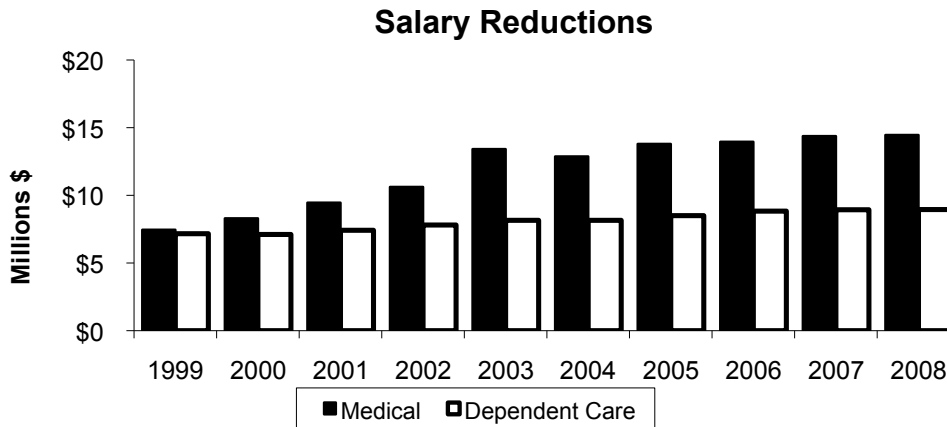
Local Income Continuation Insurance Funding





Employee Reimbursement Accounts Program Statistics Salary Reductions and Claims

Year	Medical				Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Accounts	Salary Reductions	Claims	Forfeitures
2000	7,850	7,453,827	7,321,342	132,485	2,063	7,164,721	7,144,844	19,877
2001	8,219	8,296,557	8,181,145	115,412	2,068	7,108,464	7,057,475	50,989
2002	8,863	9,454,330	9,318,411	135,919	1,986	7,417,430	7,372,745	44,685
2003	9,374	10,617,227	10,436,989	180,238	2,005	7,806,467	7,740,380	66,087
2004	10,872	13,414,090	13,181,896	232,194	2,071	8,153,460	8,098,390	55,070
2005	11,246	12,869,605	12,680,770	188,835	2,285	8,152,493	8,099,308	53,185
2006	11,617	13,795,854	13,723,055	72,799	2,325	8,499,544	8,349,343	150,201
2007	11,587	13,953,387	13,749,822	203,565	2,389	8,832,561	8,774,586	57,975
2008	10,922	14,372,252	14,171,396	200,856	2,186	8,934,444	8,886,965	47,479
2009	10,975	14,455,388	14,246,614	208,774	2,211	8,948,891	8,896,200	52,692



Employee Reimbursement Accounts Program Statistics Administrative Funding

Year	Receipts				Expenses			Surplus / (Deficit)
	Fees	Interest	Forfeitures	Totals	Administrator	State	Total	
2000	426,269	185,220	152,362	763,851	508,876	28,969	537,845	226,006
2001	356,188	134,670	166,401	657,259	613,745	104,315	718,060	(60,801)
2002	0	67,086	180,604	247,690	657,934	84,880	742,814	(495,124)
2003	386,252	43,680	246,325	676,257	599,348	81,249	680,597	(4,340)
2004	461,492	72,390	287,264	821,146	424,684	83,187	507,871	313,276
2005	456,715	161,038	242,020	859,773	599,868	101,780	701,648	158,125
2006	452,759	276,600	223,000	952,359	710,633	90,519	801,152	151,207
2007	457,303	284,850	261,540	1,003,693	699,699	118,552	818,251	185,442
2008	396,608	144,012	248,335	788,955	601,120	118,127	719,247	69,708
2009	409,931	28,172	261,466	699,568	603,121	123,055	726,176	(26,608)



Administrative Expense Statistics Administrative Expenses (\$ in thousands)

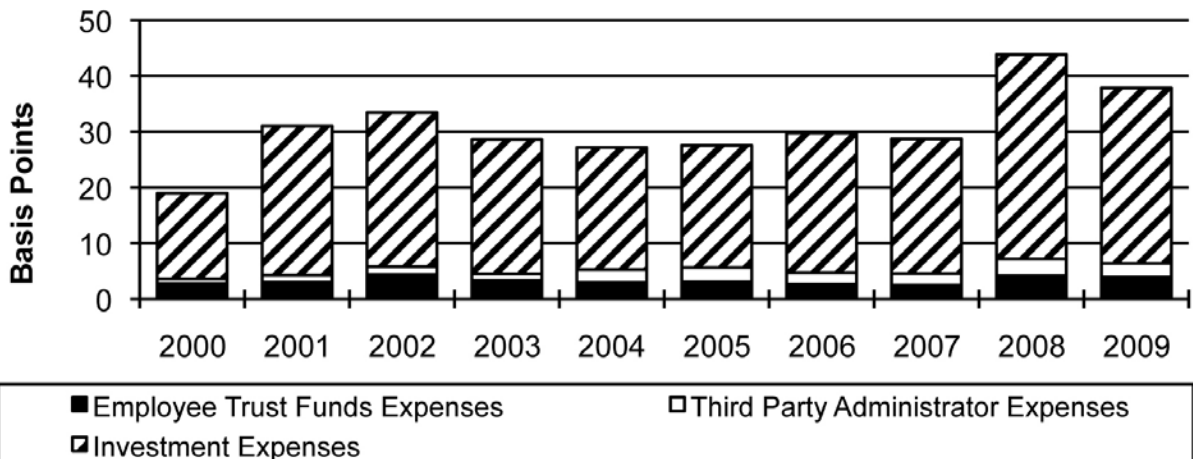
Year	ETF Expenses	Investment Expenses	Third Party Administrator Contracts							Commuter Benefits	Total Administration
			ERA	Health	Pharmacy	ICI	LTDI	Badger Rx	Deferred Comp		
2000	17,836	98,282	509	1,639	0	863	230	0	2,067	0	121,426
2001	18,018	161,853	614	2,462	0	1,718	835	0	2,120	0	187,620
2002	22,672	144,153	659	2,452	0	1,289	656	0	2,258	91	174,230
2003	21,138	152,948	599	2,447	0	1,417	699	0	2,251	107	181,606
2004	20,368	152,629	425	3,314	7,597	1,622	807	0	2,320	124	189,205
2005	23,059	165,940	600	4,294	9,461	1,701	838	1	2,448	121	208,463
2006	22,367	210,660	710	2,807	8,820	1,859	894	0	1,771	87	249,975
2007	21,958	212,143	700	2,140	10,081	1,910	908	0	2,317	96	252,253
2008	25,779	226,364	601	2,183	10,427	1,859	912	0	2,440	94	270,659
2009	28,565	230,129	603	2,244	9,717	1,348	1,764	0	2,548	94	277,012

Administrative Expenses in Basis Points¹ (\$ in thousands)

Year	Net Assets at Year End	Employee Trust Funds		Investment Expenses		Third Party Administrators		Total Administration	
		Amount	Basis	Amount	Basis	Amount	Basis	Amount	Basis
2000	64,025,759	17,836	2.8	98,282	15.4	5,308	0.8	121,426	19.0
2001	60,463,957	18,018	3.0	161,853	26.8	7,749	1.3	187,620	31.0
2002	52,107,041	22,672	4.4	144,153	27.7	7,405	1.4	174,230	33.4
2003	63,563,468	21,138	3.3	152,948	24.1	7,520	1.2	181,606	28.6
2004	69,712,511	20,368	2.9	152,629	21.9	16,208	2.3	189,205	27.1
2005	75,743,486	23,059	3.0	165,940	21.9	19,464	2.6	208,463	27.5
2006	84,095,413	22,367	2.7	210,660	25.1	16,948	2.0	249,975	29.7
2007	87,957,547	21,958	2.5	212,143	24.1	18,152	2.1	252,253	28.7
2008	61,818,013	25,779	4.2	226,364	36.6	18,516	3.0	270,659	43.8
2009	73,221,315	28,565	3.9	230,129	31.4	18,318	2.5	277,012	37.8

¹Each basis point represents 1/100 of one percent of net assets.

Administrative Expenses in Basis Points





ACTUARIAL

**State of Wisconsin
Department of
Employee Trust Funds**



September 14, 2010

Employee Trust Funds Board
801 West Badger Road
Madison, Wisconsin 53713-2526

Re: Wisconsin Retirement System (WRS)

Ladies and Gentlemen:

The basic financial objective of the WRS is to establish and receive contributions which:

- when expressed in terms of percents of active member payroll, will remain approximately level from generation-to-generation, and
- when combined with present assets and future investment return, will be sufficient to meet the financial obligations of WRS to present and future retirees and beneficiaries.

The financial objective is addressed within the annual actuarial valuation. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of December 31, 2009.

The plan's administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer-term trends.

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

- Percent Increase in Salaries Next Year
- Single Life Retirement Values
- Rates of Retirement for Those Eligible to Retire
- Early Retirement Pattern
- Percentage of Active Members Withdrawing (Select and Ultimate)
- Percentage of Active Members becoming Disabled
- Solvency Test
- Summary of Accrued and Unfunded Accrued Liabilities

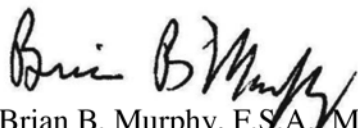
Assets are valued on a market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 25 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2009 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2006-2008 period.

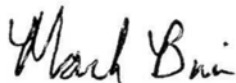
Based upon the results of the December 31, 2009 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing. Investment performance at least in line with assumptions continues to be important for the WRS as it is for virtually every other retirement system. WRS is fortunate to have mechanisms in place that will help it deal with the investment losses that occurred in 2008.

The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Brian B. Murphy, F.S.A., M.A.A.A.



Mark Buis, F.S.A., M.A.A.A



Norman L. Jones, F.S.A., M.A.A.A.

BBM/MB/NLJ:lr



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

	December 31, 2009	December 31, 2008	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Core Division	73,884.8	73,119.7	765.1
Variable Division	5,026.5	4,039.7	986.8
Totals	<u>78,911.3</u>	<u>77,159.4</u>	1,751.9
Obligations of Employers			
Unfunded Accrued Liability	193.3	252.6	(59.3)
Total Assets	<u><u>79,104.6</u></u>	<u><u>77,412.0</u></u>	1,692.6
Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	16,007.6	15,897.3	110.3
Member Additional Contributions	149.0	148.0	1.0
Employer Contributions	23,213.8	22,994.1	219.7
Total Contributions	<u>39,370.4</u>	<u>39,039.4</u>	331.0
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Core Annuities	37,072.7	36,551.5	521.2
Variable Annuities	2,512.7	4,491.0	(1,978.3)
Total Annuities	<u>39,585.4</u>	<u>41,042.5</u>	(1,457.1)
Total Reserves	<u>78,955.8</u>	<u>80,081.9</u>	(1,126.1)
Surplus			
Core Annuity Reserve Surplus	(416.9)	(753.4)	336.5
Variable Annuity Reserve Surplus	565.7	(1,916.5)	2,482.2
Total Surplus	<u>148.8</u>	<u>(2,669.9)</u>	2,818.7
Total Reserves and Surplus	<u><u>79,104.6</u></u>	<u><u>77,412.0</u></u>	1,692.6



SUMMARY OF BENEFIT PROVISIONS

NORMAL RETIREMENT ELIGIBILITY

The age a participant becomes eligible for an unreduced age and service annuity is:

General		Protective		Executive & Elected	
Age	Service	Age	Service	Age	Service
65	Any*	54	Any*	62	Any*
57	30	53	25	57	30

* Participants first employed after 1989 and terminated before April 24, 1998, must have creditable service in five calendar years.

NORMAL RETIREMENT ANNUITY

The age and service annuity payable at Normal Retirement Age is based on Final Average Earnings (FAE) and creditable service as follows:

Multiplier for Service Rendered		Group
After 1999	Before 2000	
2.0%	2.165%	Executive group, elected officials and protective occupation participants covered by Social Security
2.5%	2.665%	Protective occupation participants not covered by Social Security
1.6%	1.765%	All other participants

FAE is generally the average of the three highest years of earnings preceding retirement (July 1 - June 30 for teachers, educational support staff, and judges; calendar year for others). These years do not have to be consecutive. For legislators and state constitutional officers who are ineligible to receive pay increases during their term, FAE is the statutory rate of earnings at termination.

Maximum formula annuity is 85% of FAE for protective occupation participants not covered by Social Security, 65% of FAE for protectives covered by Social Security,

and 70% for all other participants. If greater than the formula amount, an annuity equal to the actuarial equivalent of two times the required accumulated contributions is paid in lieu of the formula amount.

Early Retirement: Any participant who has attained age 55 and any protective occupation participant who has attained age 50 may apply for an early retirement annuity. The benefit is reduced 0.4% for each month that the annuity effective date precedes the Normal Retirement Age. For non-protective participants terminating after June 30, 1990, the 0.4% is reduced for months after the attainment of age 57 and before the annuity effective date by .001111% for each month of creditable service.

Voluntary Termination Before Immediate Benefit Eligibility: A participant who terminates service before being eligible for a retirement annuity may either (1) receive a refund of accumulated contributions, or (2) leave contributions on deposit and apply for a retirement annuity on or after the minimum retirement age based upon age and accrued service at time of termination.

Post-Retirement Adjustments: Annuities are increased annually if the investment income credited to retired life funds is in excess of the assumed rate (presently 5%), other plan experiences are within projected ranges, and the resulting adjustment would be at least 0.5%. Previously granted adjustments can be revoked if the investment income is insufficient to support these previously granted increases. However, a Core Fund annuity cannot be reduced below the amount granted upon inception. Slightly different provisions apply to variable annuities.

Disability Annuity: Eligibility for disability under the Wisconsin Retirement System means, generally, total and permanent incapacity to engage in gainful employment. The participant must have completed at least six months of creditable service in each of at least five out of the last seven calendar years preceding application for disability. The service requirement is waived if the disability is from service-related causes.



Disability Amounts: Amounts payable in case of disability depend upon the plan from which payment is made. Plans are described below.

	Pre-10/16/92 WRS Plan	Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan
Participants Covered	Participants hired before 10/16/92 who do not elect LTDI coverage by January 2, 1997.	Participants entering after 10/15/92 and participants on 10/15/92 who elect LTDI coverage.
Benefit to age 65*	WRS formula benefit based on service projected to normal retirement age.	40% of FAE for participants covered by Social Security; 50% of FAE for non-covered participants who cannot qualify for Social Security disability benefits.
Benefit at age 65*	Continuation of pre-65 amount.	WRS benefit accrued to date of disability plus 7% of FAE money purchase benefit during disability period, both of which are adjusted in accordance with the dividend rate.

*Conversion age is later for participants becoming disabled after age 61.

Death In Service: Prior to age 50 for protective participants and age 55 for others, the benefit is the equivalent of twice the accumulated employee required and all additional contributions and employer amounts contributed prior to 1974 for teachers or 1966 for others. After age 50 for protective participants, and age 55 for others, the benefit is the amount that would have been paid if participant had retired and elected the 100% survivor option. The benefit is payable to a spouse, child, or other dependent.

Interest credits: For years after 1999, and for people with some active service after 1999, participant accounts are credited with interest at the Core effective rate. For others, accounts are credited with interest as follows:

Date of Participation	Rate Credited For Purpose of	
	Money Purchase Minimum	Refunds
Prior to 1982	Actual	Actual
January 1, 1982 and later	5%	3%

Contribution Rates: The financial objective of the WRS is to establish and receive contributions that will remain level from year to year and decade to decade. Statutory required participant contributions are as follows:

General	5.0%
Executives & Elected Officials	5.5
Protectives	
- With Social Security	6.0
- Without Social Security	8.0

Non-refundable benefit adjustment contributions are also required by statute and may be paid by the employer or by the employee, depending upon the employer's compensation plan. The employers contribute the remaining amounts necessary to fund the retirement system on an actuarially-sound basis.

As differences between actual and assumed experience emerge, adjustments are made to contributions to maintain financial balance as follows:

- One-half of the increase or decrease is reflected in the employer normal cost rate.
- One-half of the increase or decrease is reflected in the participant-paid portion of the benefit adjustment contribution. If a decrease would reduce a benefit adjustment contribution to less than zero, participant normal contributions are reduced.



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 year 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 completed 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 7.8% a year, compounded yearly for active members, and 5% a year, compounded yearly for retired lives. This latter 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 on the next page 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 (Merit and Longevity)

Service	General	University Teachers	Public School Teachers	Protective		Executive/Elected
				With SS	Without SS	
1	3.5%	3.5%	6.0%	5.0%	5.0%	1.2%
2	3.5%	3.5%	6.0%	5.0%	5.0%	1.2%
3	3.2%	3.4%	5.6%	4.4%	4.3%	1.2%
4	2.9%	3.3%	5.2%	3.7%	3.6%	1.2%
5	2.6%	3.2%	4.8%	3.1%	2.9%	1.1%
10	1.6%	2.9%	3.3%	1.4%	1.4%	1.0%
15	1.3%	2.4%	1.8%	1.1%	0.7%	0.9%
20	1.1%	1.9%	0.9%	0.9%	0.6%	0.8%
25	0.9%	1.3%	0.5%	0.8%	0.5%	0.6%
30	0.7%	1.2%	0.3%	0.6%	0.4%	0.4%

In addition to the merit and longevity increase, each person is assumed to get an economic increase of 4.0% each year.

The active population is assumed to remain constant. The active payroll is assumed to grow 4.0% per year. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

DECREMENT PROBABILITIES

The mortality table used to measure mortality for participants was the Wisconsin Projected Experience Table for men and women. Sample retirement values from this table are shown at right. 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 (Retired Participants)

Wisconsin Projected Experience Table With 5% Interest table is used:

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$207.44	\$213.54	41.9	45.3
45	198.25	205.53	37.1	40.5
50	187.11	195.62	32.4	35.7
55	174.05	183.60	27.9	30.9
60	158.95	169.88	23.5	26.4
65	140.97	153.66	19.3	22.0
70	120.85	134.71	15.3	17.8
75	99.35	113.77	11.7	13.9
80	78.71	91.62	8.6	10.4
85	59.77	69.69	6.2	7.4

The values shown above are for non-disabled participants. For disabled participants, the following table is used:



Single Life Retirement Values (Disabled Participants)

Wisconsin Projected Experience Table With 5% Interest

Sample Attained Age	Present Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Male	Female	Male	Female
40	\$188.17	\$202.09	33.0	38.9
45	175.49	191.71	28.5	34.1
50	160.60	179.05	24.1	29.5
55	144.08	164.05	20.0	24.9
60	126.15	147.80	16.2	20.7
65	105.47	129.25	12.5	16.8
70	83.80	108.29	9.3	13.0
75	62.40	86.39	6.5	9.6
80	44.25	64.71	4.3	6.7
85	29.47	44.72	2.8	4.4

The active participant mortality assumption is used to measure the probability of participants dying while in service.

Active Participant Mortality Rates

Sample Attained Age	Mortality Rates	
	Male	Female
20	0.000233	0.000077
25	0.000303	0.000085
30	0.000368	0.000115
35	0.000391	0.000203
40	0.000492	0.000285
45	0.000725	0.000446
50	0.001184	0.000614
55	0.002085	0.001281
60	0.003038	0.002174
65	0.004660	0.003325
70	0.008171	0.005327
75	0.015030	0.009751
80	0.027138	0.016934



Rates of Retirement for Those Eligible to Retire—Normal Retirement Pattern

Normal Retirement Pattern

% Retiring Next Year									
Age	General		Public School		University		Protective		Exec & Elected
	Male	Female	Male	Female	Male	Female	With S.S.	W/OS.S.	
50	%	%	%	%	%	%	8%	4%	%
51							8	4	
52							9	6	
53							28	23	
54							20	28	
55							17	28	
56							17	28	
57	24	19	40	30	15	17	17	37	17
58	24	19	35	30	15	14	17	32	17
59	24	19	28	30	15	14	17	35	17
60	24	19	28	30	15	14	17	22	11
61	20	19	28	30	15	22	20	15	11
62	33	29	38	38	17	20	20	20	11
63	33	29	35	32	17	20	30	20	11
64	24	25	25	26	17	20	18	20	8
65	26	25	25	31	20	22	30	40	8
66	28	28	25	27	22	20	30	40	20
67	15	15	20	26	18	18	23	40	17
68	15	15	20	24	18	18	23	40	17
69	15	15	20	22	18	18	20	40	17
70	15	15	25	18	20	18	100	100	15
71	15	15	25	18	20	18	100	100	15
72	15	15	25	18	18	18	100	100	15
73	15	15	25	18	18	18	100	100	10
74	15	15	25	18	18	18	100	100	10
75	100	100	100	100	100	100	100	100	100



Rates of Retirement for Those Eligible to Retire—Early Retirement Pattern

Age	General		Public School		University		Exec & Elected
	Male	Female	Male	Female	Male	Female	
55	8.0%	6.0%	15.0%	12.5%	5.0%	6.0%	5.5%
56	8.0	6.0	15.0	12.5	4.5	6.0	5.5
57	4.5	4.5	15.0	11.5	2.5	6.0	5.5
58	5.0	5.5	14.0	12.5	3.5	6.0	5.5
59	5.5	5.5	11.0	12.5	4.0	6.0	5.5
60	8.0	8.0	15.0	15.0	5.5	7.0	5.5
61	8.0	8.0	14.0	16.0	7.5	7.5	5.5
62	17.0	16.0	23.0	23.0	10.0	14.0	
63	17.0	16.0	23.0	21.0	9.5	14.0	
64	17.0	16.0	16.0	19.0	8.5	16.0	

he 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 five 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. The percentage taking a separation benefit is 50% at age 35, grading downward to 0% at retirement eligibility. All participants terminating prior to normal retirement age with less than five years of service were assumed to take a separation benefit.



**Assumed Termination Rates
% of Active Participants Terminating**

Age & Service	Protective		Public School		University		Exec. & Elected	Other		
	With S.S.	W/O S.S.	Male	Female	Male	Female		Male	Female	
0	13.0%	5.2%	16.5%	13.0%	18.0%	20.0%	20.0%	21.0%	20.0%	
1	7.0	2.1	7.1	7.2	12.5	14.0	12.5	9.0	10.0	
2	4.6	2.1	7.1	7.2	12.5	14.0	12.5	9.0	10.0	
3	4.1	1.5	5.2	6.1	10.5	12.0	10.5	7.0	8.2	
4	3.2	1.4	4.2	5.0	8.8	9.7	10.0	5.8	7.2	
5	3.0	1.3	3.4	4.3	7.6	9.1	9.5	4.7	6.2	
6	2.7	1.2	2.9	3.7	6.2	7.8	9.0	4.3	5.3	
7	2.5	1.0	2.5	3.2	5.3	6.8	7.5	4.0	4.7	
8	2.3	0.9	2.3	2.7	4.1	6.0	7.0	3.5	4.4	
9	1.9	0.9	2.0	2.5	3.6	5.2	6.5	3.0	4.0	
25	10 & Over	1.9	0.9	2.0	2.0	3.5	5.2	6.5	3.0	4.0
30		1.9	0.8	1.7	2.0	3.5	5.2	6.5	3.0	3.7
35		1.7	0.8	1.3	1.9	3.5	5.2	6.2	2.5	3.2
40		1.3	0.7	1.1	1.9	3.2	4.3	5.1	1.9	2.6
45		1.1	0.7	1.0	1.3	2.6	3.0	4.2	1.5	2.1
50		1.0	0.6	0.8	1.1	1.9	1.9	3.8	1.3	1.8
55		1.0	0.6	0.8	0.9	1.5	1.5	3.8	1.2	1.7
60		1.0	0.6	0.8	0.8	1.5	1.5	3.8	1.2	1.7

**Disability Rates
% of Active Participants Becoming Disabled**

Age	Protective		Public School		University		Exec. & Elected		General	
	With S.S.	W/O S.S.	Male	Female	Male	Female	Male	Female	Male	Female
20	0.02	0.05	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.01%	0.01%
25	0.02	0.05	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01
30	0.02	0.05	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.03
35	0.03	0.06	0.01	0.01	0.01	0.03	0.01	0.01	0.01	0.04
40	0.04	0.08	0.02	0.02	0.01	0.05	0.01	0.01	0.04	0.06
45	0.06	0.16	0.05	0.07	0.03	0.05	0.02	0.02	0.08	0.09
50	0.09	0.92	0.13	0.14	0.05	0.08	0.03	0.03	0.18	0.14
55	1.47	0.68	0.23	0.20	0.14	0.15	0.12	0.12	0.34	0.25
60	2.48	0.20	0.39	0.29	0.18	0.20	0.15	0.15	0.60	0.35



Summary of Member Valuation Data

General Participants & Teachers

Valuation Date	Participating Employers	Active Participants	Annual Payroll (\$ in millions)	Annual Average Pay	% Increase In Average Pay
12/31/00	1,260	234,076	8,335.4	35,609.80	3.4%
12/31/01	1,287	238,944	8,746.0	36,602.72	2.8%
12/31/02	1,324	240,990	9,007.0	37,377.00	2.1%
12/31/03	1,344	239,696	9,272.8	38,686.00	3.5%
12/31/04	1,361	238,943	9,501.0	39,764.00	2.8%
12/31/05	1,376	237,501	9,661.1	40,678.00	2.3%
12/31/06	1,392	236,877	9,933.5	41,935.00	3.1%
12/31/07	1,404	237,124	10,277.9	43,344.00	3.4%
12/31/08	1,431	238,994	10,806.3	45,216.00	4.3%
12/31/09	1,438	240,401	11,098.1	46,165.00	2.1%

Executive & Elected Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (\$ in millions)	Annual Average Pay	% Increase In Average Pay
12/31/00	267	1,486	82.6	55,582	4.4%
12/31/01	270	1,486	84.8	57,060	2.7%
12/31/02	279	1,476	86.9	58,865	3.2%
12/31/03	284	1,468	85.6	58,336	-0.9%
12/31/04	274	1,469	89.0	60,379	3.5%
12/31/05	275	1,452	89.7	61,788	2.3%
12/31/06	272	1,436	92.6	64,480	4.4%
12/31/07	270	1,427	94.6	66,320	2.9%
12/31/08	259	1,430	100.6	70,316	6.0%
12/31/09	258	1,427	101.0	70,786	0.7%

Protective Participants Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (\$ in millions)	Annual Average Pay	% Increase In Average Pay
12/31/00	452	16,970	717.2	42,263	6.0%
12/31/01	460	17,981	771.6	42,914	1.5%
12/31/02	475	18,325	803.9	43,871	2.2%
12/31/03	485	18,660	856.3	45,891	4.6%
12/31/04	491	18,964	896.0	47,266	3.0%
12/31/05	495	19,036	920.0	48,330	2.3%
12/31/06	502	19,297	976.9	50,622	4.7%
12/31/07	508	19,757	1,035.6	52,419	3.5%
12/31/08	509	20,038	1,099.3	54,859	4.7%
12/31/09	509	20,205	1,124.1	55,636	1.4%



Summary of Member Valuation Data

Protective Participants Not Covered by Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (\$ in millions)	Annual Average Pay	% Increase In Average Pay
12/31/00	55	2,685	135.4	50,423	3.0%
12/31/01	55	2,715	142.1	52,339	3.8%
12/31/02	55	2,709	147.9	54,603	4.3%
12/31/03	54	2,714	153.8	56,673	3.8%
12/31/04	54	2,709	159.0	58,546	3.3%
12/31/05	55	2,689	162.0	60,241	2.9%
12/31/06	55	2,692	167.3	62,153	3.2%
12/31/07	55	2,695	173.7	64,449	3.7%
12/31/08	55	2,724	181.2	66,502	3.2%
12/31/09	57	2,733	189.0	69,149	4.0%

All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (\$ in millions)	Annual Average Pay	% Increase In Average Pay
12/31/00	1,289	255,217	9,270.6	36,324	6.2%
12/31/01	1,321	261,126	9,744.5	37,317	2.7%
12/31/02	1,359	263,500	10,045.7	38,124	2.2%
12/31/03	1,380	262,538	10,368.5	39,493	3.6%
12/31/04	1,397	262,085	10,645.0	40,617	2.8%
12/31/05	1,412	260,678	10,832.8	41,556	2.3%
12/31/06	1,432	260,302	11,170.3	42,913	3.3%
12/31/07	1,438	261,003	11,581.8	44,374	3.4%
12/31/08	1,462	263,186	12,187.4	46,307	4.4%
12/31/09	1,469	264,766	12,512.2	47,258	2.1%



Summary of Accrued and Unfunded Accrued Liabilities (\$ in Millions)						
Valuation Year	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
2000	53,993.6	51,824.6	96.0%	2,169.0	9,322.5	23.3%
2001	60,134.7	58,024.3	96.5%	2,110.4	9,917.7	21.3%
2002	59,618.8	57,861.9	97.1%	1,756.9	10,126.6	17.4%
2003	63,211.7	62,685.3	99.2%	526.4	10,502.4	5.0%
2004	66,622.3	66,209.4	99.4%	412.9	10,897.6	3.8%
2005	68,987.5	68,615.1	99.5%	372.4	10,973.4	3.4%
2006	73,735.8	73,415.3	99.6%	320.5	11,308.2	2.8%
2007	80,079.7	79,791.9	99.6%	287.8	11,720.2	2.5%
2008	77,412.0	77,159.4	99.7%	252.6	12,289.6	2.1%
2009	79,104.6	78,911.3	99.8%	193.3	12,622.2	1.5%

Solvency Test (\$ in Millions)									
Valuation Year	Valuation Assets	Annuitants and Beneficiaries	Accrued Liability For Active			Percent Funded Active			
			Member Contrib.	Employer's Contrib.	Total	Beneficiaries	Member Contrib.	Employer's Contrib.	Total
2000	51,824.6	22,918.0	12,869.7	18,205.9	53,993.6	100.0%	100.0%	88.1%	96.0%
2001	58,024.3	25,881.5	14,275.3	19,977.9	60,134.7	100.0%	100.0%	89.4%	96.5%
2002	57,861.9	26,041.7	14,022.9	19,554.2	59,618.8	100.0%	100.0%	91.0%	97.1%
2003	62,685.3	28,707.8	14,503.1	20,000.8	63,211.7	100.0%	100.0%	97.4%	99.2%
2004	66,209.4	30,829.9	15,050.3	20,742.1	66,622.3	100.0%	100.0%	98.0%	99.4%
2005	68,615.1	32,668.0	15,155.3	21,164.2	68,987.5	100.0%	100.0%	98.2%	99.5%
2006	73,415.3	35,774.7	15,902.4	22,058.7	73,735.8	100.0%	100.0%	98.5%	99.6%
2007	79,791.9	39,675.1	16,795.4	23,609.2	80,079.7	100.0%	100.0%	98.8%	99.6%
2008	77,159.4	38,372.6	16,045.3	22,994.1	77,412.0	100.0%	100.0%	98.9%	99.7%
2009	78,911.3	39,734.2	16,156.6	23,213.8	79,104.6	100.0%	100.0%	99.2%	99.8%



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

NOTES TO CONTRIBUTION RATE SCHEDULE

1. The employee rate is set by Wis. Stat. §40.05 (1). Part or all of the required employee contributions 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. The percentage reported represents a weighted average.

General (Includes Teachers)

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2000	4.1%	1.4%	5.5%	5.0%	0.5%	11.0%
2001	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2002	3.8%	1.3%	5.1%	5.0%	0.2%	10.3%
2003	4.0%	1.2%	5.2%	5.0%	0.4%	10.6%
2004	4.2%	1.0%	5.2%	5.0%	0.6%	10.8%
2005	4.4%	0.3%	4.7%	5.0%	0.8%	10.5%
2006	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
2007	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2008	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2009	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%

Executive & Elected

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2000	9.6%	1.0%	10.6%	4.1%	0.0%	14.7%
2001	9.4%	1.0%	10.4%	3.9%	0.0%	14.3%
2002	8.6%	1.0%	9.6%	3.1%	0.0%	12.7%
2003	8.1%	1.0%	9.1%	2.6%	0.0%	11.7%
2004	8.1%	0.8%	8.9%	2.6%	0.0%	11.5%
2005	8.3%	0.1%	8.4%	2.8%	0.0%	11.2%
2006	8.4%	0.1%	8.5%	2.9%	0.0%	11.4%
2007	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2008	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2009	8.5%	0.0%	8.5%	3.0%	0.0%	11.5%



WISCONSIN RETIREMENT SYSTEM CONTRIBUTION RATES

Protective with Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2000	7.2%	0.8%	3.9%	11.9%	4.1%	0.0%	16.0%
2001	6.9%	0.7%	3.9%	11.5%	3.8%	0.0%	15.3%
2002	7.1%	0.7%	3.8%	11.6%	4.0%	0.0%	15.6%
2003	7.1%	0.6%	3.9%	11.6%	4.0%	0.0%	15.6%
2004	7.6%	0.4%	3.8%	11.8%	4.5%	0.0%	16.3%
2005	8.0%	0.1%	3.8%	11.9%	4.9%	0.0%	16.8%
2006	8.1%	0.1%	3.8%	12.0%	5.0%	0.0%	17.0%
2007	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2008	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2009	8.1%	0.1%	3.9%	12.1%	5.0%	0.0%	17.1%

Protective without Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2000	11.8%	1.5%	3.9%	17.2%	4.4%	0.0%	21.6%
2001	10.7%	1.5%	3.9%	16.1%	3.3%	0.0%	19.4%
2002	10.4%	1.5%	3.8%	15.7%	3.0%	0.0%	18.7%
2003	9.8%	1.5%	3.9%	15.2%	2.4%	0.0%	17.6%
2004	10.6%	1.2%	3.8%	15.6%	3.2%	0.0%	18.8%
2005	10.7%	0.6%	3.8%	15.1%	3.3%	0.0%	18.4%
2006	10.7%	0.4%	3.8%	14.9%	3.3%	0.0%	18.2%
2007	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2008	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2009	10.6%	0.3%	3.9%	14.8%	3.2%	0.0%	18.0%



ANALYSIS OF ACTUARIAL EXPERIENCE

Gains and Losses in Accrued Liabilities during 2009 Resulting from Differences
Between Assumed Experience & Actual Experience

(\$ in millions)

Type of Activity	General	Executive & Elected	Protective With Social Security	Protective Without Social Security	Total
Normal Retirement	\$ 12.5	\$ (0.2)	\$ 8.0	\$ 3.2	\$ 23.5
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pay, there is a loss.					
Early Retirement	7.7	0.1	1.1	0.2	9.1
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.					
Death with Benefit	(4.2)	0.0	0.0	(0.1)	(4.3)
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.					
Disability Retirement	18.7	0.1	1.9	0.8	21.5
If disability claims are less than assumed, there is a gain. If more claims, a loss.					
Other Separations	(56.4)	(1.2)	(9.1)	(1.2)	(67.9)
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.					
Salary Increases	360.5	7.9	74.6	5.7	448.7
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.					
Investment Return	(762.1)	(10.4)	(110.9)	(28.6)	(912.0)
If there is greater investment income than assumed, there is a gain. If less income, a loss.					
Other	(47.0)	(5.0)	(4.2)	(2.6)	(58.8)
Total Gain (Loss)	\$ (470.3)	\$ (8.7)	\$ (38.6)	\$ (22.6)	\$ (540.2)
% of accrued liability	(1.5)%	(3.0)%	(1.2)%	(2.9)%	(1.5)%



Wisconsin Retirement System Changes in Number of Annuities

Year	Annuity Type	Beginning	Additions	Deletions	Ending
2009	Retirement	136,502	7,779	1,020	143,261
	Disability	6,397	156	329	6,224
	Beneficiary	1,134	73	21	1,186
	Total	144,033	8,008	1,370	150,671
2008	Retirement	135,026	8,165	6,689	136,502
	Disability	6,558	174	335	6,397
	Beneficiary	1,322	61	249	1,134
	Total	142,906	8,400	7,273	144,033
2007	Retirement	129,289	8,186	2,449	135,026
	Disability	6,505	157	104	6,558
	Beneficiary	1,323	47	48	1,322
	Total	137,117	8,390	2,601	142,906
2006	Retirement	123,945	7,859	2,515	129,289
	Disability	6,415	163	73	6,505
	Beneficiary	1,314	43	34	1,323
	Total	131,674	8,065	2,622	137,117
2005	Retirement	118,572	7,844	2,471	123,945
	Disability	6,346	150	81	6,415
	Beneficiary	1,293	58	37	1,314
	Total	126,211	8,052	2,589	131,674
2004	Retirement	114,038	7,142	2,608	118,572
	Disability	6,272	147	73	6,346
	Beneficiary	1,272	56	35	1,293
	Total	121,582	7,345	2,716	126,211
2003	Retirement	108,901	7,308	2,171	114,038
	Disability	6,158	177	63	6,272
	Beneficiary	1,230	68	26	1,272
	Total	116,289	7,553	2,260	121,582
2002	Retirement	104,910	6,915	2,924	108,901
	Disability	6,009	191	42	6,158
	Beneficiary	1,223	53	46	1,230
	Total	112,142	7,159	3,012	116,289
2001	Retirement	100,304	7,254	2,648	104,910
	Disability	5,898	302	191	6,009
	Beneficiary	1,223	53	53	1,223
	Total	107,425	7,609	2,892	112,142
2000	Retirement	95,747	7,358	2,801	100,304
	Disability	5,811	302	215	5,898
	Beneficiary	1,259	40	76	1,223
	Total	102,817	7,700	3,092	107,425



INVESTMENTS

**State of Wisconsin
Department of
Employee Trust Funds**



STATE OF WISCONSIN INVESTMENT BOARD

The State of Wisconsin Investment Board (SWIB) is the state agency that invests the assets of the Wisconsin Retirement System (WRS) and other trust funds established by the State of Wisconsin. The WRS Trust Funds make up about 93% of the assets managed by SWIB. The effect of investment returns on WRS participants, determined by the Department of Employee Trust Funds, is based on the rate of return as of December 31, 2009.

SWIB publishes an annual report and a schedule of investments that includes all investment holdings as of the end of the fiscal year. To view these publications online, go to <http://www.swib.state.wi.us> or call (608) 266-3281 to request paper copies.

BOARD OF TRUSTEES

SWIB is directed by an independent Board of Trustees and staffed with professional money managers and support personnel. The SWIB Board of Trustees consists of nine members meeting specific membership requirements, as directed by Wis. Stat. §15.76. The Board of Trustees appoints the SWIB executive director. The executive director oversees the staff, develops and recommends agency and investment policies for board adoption, and ensures adherence to state and federal law and policies. Trustee responsibilities include establishing asset allocation, investment guidelines, and performance benchmarks.

Membership on the SWIB Board of Trustees as of December 31, 2009 is as follows:

1. Six public members appointed by the governor, four of whom must have at least 10 years investment experience and one of whom must have at least 10 years of financial experience and be employed by a local government active in the Local Government Investment Pool, a fund managed by SWIB.

Chair: James A. Senty (Public Member)
President, Midwest Bottle Gas Company, La Crosse

Vice Chair: Tom Boldt (Public Member)
President, The Boldt Group, Inc./CEO,
The Boldt Co., Appleton

David Kruger (Public Member)
CEO/Owner, Fiore Companies, Madison

David Geertsen (Local Government Member) Kenosha
County Finance Director, Kenosha

William Levit, Jr. (Public Member)
Attorney, Godfrey & Kahn S.C., Milwaukee

Bruce Colburn (Public Member)
Director, Central States Property Services
Division, Services Employees International Union,
Milwaukee County

2. Two participants in the WRS, one must be a teacher member appointed by the Teachers Retirement Board; the other must be a non-teacher participant appointed by the Wisconsin Retirement Board.

Wayne McCaffery (WRS participant, Teachers
Retirement Board appointee)
Teacher, Stevens Point Area Senior High School

David Stella (WRS participant, Wisconsin Retirement
Board appointee)
Secretary, Department of Employee Trust Funds

3. The Secretary of the Wisconsin Department of
Administration (DOA) or designee.

Michael Morgan
Secretary, DOA



EMPLOYER UNFUNDED LIABILITY BALANCES

**State of Wisconsin
Department of
Employee Trust Funds**



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
State Agencies			
Administration, Dept Of	64,299,377	7,425,314	0
Agric Trade Cons Prot, Dept Of	29,308,236	3,293,287	0
Arts Board	503,708	57,262	0
Bd For People With Develop Dis	273,732	30,658	0
Board Aging & Long Term Care	1,428,372	159,978	0
Brd Of Commsrs Of Public Lands	672,724	75,345	0
Commerce, Dept Of	19,493,794	2,191,977	0
Corrections, Dept. Of	513,142,708	72,750,011	0
Courts - State	68,168,853	8,016,828	0
Dept Of Children & Families	31,252,012	3,509,964	0
District Attorneys	32,350,187	3,701,040	0
Educational Communications Bd	3,254,141	369,243	0
Employee Trust Funds, Dept Of	11,169,790	1,255,327	0
Employment Relations Comm	1,932,783	219,426	0
Employment Relations,Office Of Executive Office	2,826,271	320,743	0
Executive Office	2,094,320	237,403	0
Financial Institutions, Dept	7,892,994	891,525	0
Fox River Navigation Sys Auth	58,088	6,506	0
Government Accountability Bd	2,110,764	240,161	0
Health Services, Dept Of	276,926,208	32,900,300	0
Higher Educational Aids Board	464,589	52,830	0
Historical Society - State	8,547,189	964,623	0
Insurance Commissioner's Office	7,915,040	889,047	0
Investment Board	12,974,550	1,484,379	0
Judicial Commission	125,312	14,930	0
Judicial Council	58,632	6,567	0
Justice, Dept Of	34,142,505	4,186,910	0
Legis Assembly - Chief Clerk	14,275,038	1,652,659	0
Legis Assembly-Sgt At Arms	353,586	39,664	0
Legislative Audit Bureau	4,789,221	537,729	0
Legislative Council Staff	2,279,965	256,716	0
Legislative Fiscal Bureau	2,253,770	253,939	0
Legislative Reference Bureau	3,562,385	400,329	0
Legislative Tech Serv Bureau	2,383,096	268,097	0
Legislature - Senate	9,473,876	1,081,017	0
Lieutenant Governor's Office	224,434	26,582	0
Lower Wis. State Riverway Bd.	101,468	11,364	0
Military Affairs, Dept Of	18,808,390	2,438,634	0
Natural Resources, Dept Of	147,678,001	18,874,424	0
Public Defender'S Office	34,486,764	3,867,064	0
Public Instruction, Dept Of	34,292,891	3,850,066	0
Public Service Commission	9,615,822	1,088,602	0
Regulation & Licensing, Dept	5,808,440	656,700	0
Revenue, Dept Of	55,202,386	6,218,801	0
Secretary Of State'S Office	313,868	36,224	0
State Fair Park Board	2,233,302	254,659	0
Tourism, Department Of	1,758,292	199,166	0
Transportation, Dept Of	183,061,248	22,992,497	0
Treasurer'S Office - State	653,505	74,752	0
UW Hospital Board	99,717,761	11,168,389	0
Veterans Affairs, Dept Of	49,460,615	5,564,227	0
Wis Tech College Sys Board	4,616,108	522,351	0
Workforce Development, Dept Of	82,025,435	9,199,862	0
Total State Agencies	<u>1,902,816,545</u>	<u>236,786,097</u>	0
Public Authorities			
Health & Educ Facilities Auth	314,951	39,684	0
Hlth Ins Risk-Sharng Plan Auth	316,142	35,408	0
Housing & Econ Develop Auth	10,232,530	1,146,043	0
UW Hospital Authority	245,956,628	31,728,405	16,888,762
Wiscraft Inc - Ent For Blind	1,091,558	160,459	465,341
Total Public Authorities	<u>257,911,809</u>	<u>33,109,999</u>	<u>17,354,103</u>
University Of Wisconsin System	<u>1,690,042,079</u>	<u>190,385,314</u>	0
Total State Government	<u>3,850,770,433</u>	<u>460,281,411</u>	<u>17,354,103</u>



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Cities			
Abbotsford, City Of	458,452	47,679	0
Adams, City Of	707,422	91,030	85,163
Algoma, City Of	3,561,590	439,779	1,134,918
Altoona, City Of	1,749,361	235,929	0
Amery, City Of	1,133,836	138,336	10,384
Antigo, City Of	4,057,133	610,723	0
Appleton, City Of	38,001,287	4,871,166	0
Ashland, City Of	5,542,923	770,491	0
Baraboo, City Of	4,916,593	598,178	0
Barron, City Of	1,431,532	163,511	0
Bayfield, City Of	593,697	69,085	0
Beaver Dam, City Of	6,167,595	924,024	1,957,545
Beloit, City Of	21,650,397	3,145,672	0
Berlin, City Of	2,007,678	261,580	466,043
Black River Falls, City Of	2,219,466	286,658	592,727
Blair, City Of	291,443	34,097	0
Boscobel, City Of	1,249,167	143,718	0
Brillion, City Of	870,662	108,870	0
Brodhead, City Of	1,415,890	193,039	291,208
Brookfield, City Of	21,252,774	3,128,798	0
Buffalo City, City Of	82,159	8,545	0
Burlington, City Of	4,061,286	494,787	0
Cedarburg, City Of	5,897,149	751,451	0
Chilton, City Of	1,116,910	131,112	0
Chippewa Falls, City Of	7,047,854	937,646	0
Clintonville, City Of	2,421,240	364,000	999,755
Columbus, City Of	2,372,653	275,444	0
Crandon, City Of	578,891	67,359	0
Cuba City, City Of	710,705	82,710	0
Cudahy, City Of	8,283,957	1,326,230	0
Cumberland, City Of	909,669	106,438	0
Darlington, City Of	844,100	98,461	0
De Pere, City Of	8,749,659	1,192,239	0
Delafield, City Of	3,185,364	436,804	51,969
Delavan, City Of	3,381,616	447,803	337,033
Durand, City Of	519,099	59,227	0
Eagle River, City Of	1,435,014	166,990	0
Eau Claire, City Of	29,922,359	4,137,678	0
Edgerton, City Of	1,702,674	206,724	0
Elkhorn, City Of	3,527,432	449,207	314,618
Elroy, City Of	667,359	73,462	0
Evansville, City Of	1,968,351	227,187	0
Fitchburg, City Of	8,364,428	1,060,378	0
Fond Du Lac, City Of	20,132,367	2,989,010	0
Fort Atkinson, City Of	4,439,462	591,159	1,193,120
Fox Lake, City Of	544,365	68,715	84,103
Galesville, City Of	402,484	49,278	0
Glendale, City Of	5,069,206	833,789	0
Green Bay, City Of	51,069,183	6,971,927	0
Green Lake, City Of	536,042	64,180	0
Greenfield, City Of	13,551,982	2,150,492	0
Hartford, City Of	6,921,055	802,371	0
Horicon, City Of	1,217,503	146,336	0
Hudson, City Of	4,365,257	520,939	0
Hurley, City Of	790,354	97,855	0
Janesville, City Of	28,219,015	4,148,967	0
Jefferson, City Of	3,426,202	394,252	0
Juneau, City Of	1,043,798	119,818	0
Kaukauna, City Of	9,676,017	1,139,788	0
Kenosha, City Of	50,940,847	7,684,492	0
Kewaunee, City Of	980,242	133,329	401,061
Kiel, City Of	1,592,861	187,513	0
La Crosse, City Of	28,962,130	4,043,117	0
Ladysmith, City Of	1,641,811	191,896	0
Lake Geneva, City Of	4,326,821	527,040	0
Lake Mills, City Of	2,818,663	377,073	332,847
Lancaster, City Of	1,214,624	142,997	0
Lodi, City Of	1,169,424	132,804	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Madison, City Of	169,952,138	23,117,295	0
Manawa, City Of	450,101	59,243	94,585
Manitowoc, City Of	24,735,270	3,104,791	0
Marinette, City Of	5,611,380	793,734	0
Markesan, City Of	365,295	44,759	44,685
Marshfield, City Of	10,122,093	1,474,248	0
Mayville, City Of	1,835,566	217,716	0
Medford, City Of	1,724,357	199,488	0
Menasha, City Of	8,415,226	1,243,411	0
Menomonie, City Of	6,835,713	1,045,234	0
Mequon, City Of	7,239,663	1,065,410	1,391,537
Merrill, City Of	5,754,256	779,595	0
Middleton, City Of	7,699,141	945,740	0
Milton, City Of	1,580,641	191,675	0
Mondovi, City Of	712,641	91,807	250,030
Monona, City Of	3,406,232	439,657	0
Monroe, City Of	4,497,914	549,083	0
Montello, City Of	351,367	42,968	46,094
Mosinee, City Of	1,102,768	133,520	0
Muskego, City Of	6,828,213	954,799	0
Neenah, City Of	12,672,374	1,831,438	0
Neillsville, City Of	906,493	107,609	0
Nekoosa, City Of	1,088,931	140,111	183,431
New Berlin, City Of	14,762,348	2,101,477	0
New Holstein, City Of	1,783,653	203,592	0
New London, City Of	3,792,604	443,894	0
New Richmond, City Of	4,201,299	518,860	259,236
Oak Creek, City Of	17,268,187	2,550,344	0
Oconomowoc, City Of	6,997,461	815,742	0
Oconto Falls, City Of	1,260,344	145,613	0
Oconto, City Of	1,881,967	235,631	0
Omro, City Of	1,120,995	133,497	0
Onalaska, City Of	4,588,202	588,359	0
Oshkosh, City Of	31,393,785	4,421,941	9,520,710
Owen, City Of	340,901	40,519	0
Park Falls, City Of	1,105,435	147,681	0
Phillips, City Of	846,360	113,463	84,841
Platteville, City Of	4,237,144	489,462	0
Plymouth, City Of	3,857,137	448,821	0
Port Washington, City Of	4,674,783	616,061	0
Portage, City Of	3,846,809	477,960	0
Prairie Du Chien, City Of	1,761,025	212,768	0
Princeton, City Of	479,296	64,961	235,647
Racine, City Of	51,881,335	7,745,528	0
Reedsburg, City Of	4,384,304	503,421	0
Rhineland, City Of	5,142,426	729,972	1,140,116
Rice Lake, City Of	5,149,386	719,663	0
Richland Center, City Of	2,245,323	260,241	0
Ripon, City Of	2,726,166	320,342	0
River Falls, City Of	4,372,598	519,376	0
Seymour, City Of	1,220,270	142,442	0
Shawano, City Of	3,017,421	365,402	0
Sheboygan Falls, City Of	2,401,343	291,299	0
Sheboygan, City Of	27,230,511	3,389,172	0
Shell Lake, City Of	468,010	55,508	0
South Milwaukee, City Of	9,262,767	1,381,027	0
Sparta, City Of	3,017,078	361,256	0
Spooner, City Of	1,217,936	141,075	0
St Francis, City Of	4,574,458	731,538	0
Stanley, City Of	547,156	65,234	0
Stevens Point, City Of	11,599,073	1,704,554	0
Stoughton, City Of	5,282,120	673,473	804,156
Sturgeon Bay, City Of	5,010,862	622,485	0
Superior, City Of	13,197,754	1,905,457	0
Thorp, City Of	459,193	53,338	0
Tomah, City Of	3,662,706	432,266	0
Tomahawk, City Of	1,235,690	146,537	0
Two Rivers, City Of	7,700,443	1,227,770	3,524,036
Verona, City Of	3,238,840	388,410	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Washburn, City Of	801,872	93,549	0
Watertown, City Of	9,845,547	1,221,097	0
Waukesha, City Of	34,966,332	4,958,588	0
Waupaca, City Of	2,786,641	369,517	269,597
Waupun, City Of	3,927,213	471,832	0
Wausau, City Of	17,476,716	2,361,881	0
Wautoma, City Of	758,262	92,353	0
Wauwatosa, City Of	28,147,144	4,177,401	0
West Allis, City Of	36,119,033	5,287,035	0
West Bend, City Of	15,090,676	2,194,232	0
Westby, City Of	697,605	79,614	0
Whitehall, City Of	786,109	89,674	0
Whitewater, City Of	4,611,829	615,656	0
Wisconsin Dells, City Of	2,849,688	333,716	0
Wisconsin Rapids, City Of	13,189,783	1,776,943	0
Total Cities	1,208,467,667	166,217,236	26,101,196

Cities (Protective Occupations Only)

Alma, City Of	277,300	31,423	28,043
Arcadia, City Of	236,050	37,296	6,916
Augusta, City Of	528,461	64,045	0
Bloomer, City Of	379,943	56,991	0
Chetek, City Of	261,922	40,598	0
Colby, City Of	316,550	32,921	0
Cornell, City Of	552,064	63,312	0
Dodgeville, City Of	1,418,393	166,612	0
Fennimore, City Of	1,082,608	123,291	0
Fountain City, City Of	168,251	19,087	0
Franklin, City Of	7,591,158	1,495,458	0
Gillett, City Of	453,507	55,368	14,539
Glenwood, City Of	85,494	12,824	0
Greenwood, City Of	465,100	55,099	0
Hayward, City Of	866,169	106,774	0
Hillsboro, City Of	495,355	55,728	0
Independence, City Of	305,126	36,952	18,544
Loyal, City Of	343,842	43,277	11,044
Marion, City Of	141,961	21,862	8,778
Mauston, City Of	1,343,442	162,303	40,325
Mellen, City Of	290,990	33,589	0
Mineral Point, City Of	655,483	81,142	8,578
Montreal, City Of	124,448	27,627	476,831
New Lisbon, City Of	806,376	92,725	3,383
Niagara, City Of	826,890	96,323	0
Osseo, City Of	563,118	67,694	823
Peshigo, City Of	306,909	46,036	0
Pittsville, City Of	71,770	10,766	0
Prescott, City Of	1,250,782	150,206	0
Schofield, City Of	341,599	35,526	0
Shullsburg, City Of	312,162	34,552	0
St Croix Falls, City Of	858,573	103,726	0
Sun Prairie, City Of	3,090,752	479,067	0
Viroqua, City Of	1,535,670	257,747	1,487,606
Waterloo, City Of	1,437,645	173,284	0
Weyauwega, City Of	561,354	68,901	0
Total Fourth Class Cities	30,347,221	4,440,133	2,105,408

Villages

Adell, Village Of	113,947	11,850	0
Albany, Village Of	319,787	38,526	0
Allouez, Village Of	2,944,709	358,825	0
Amherst, Village Of	181,562	18,882	0
Argyle, Village Of	254,032	29,181	0
Arlington, Village Of	109,677	13,600	28,233
Ashwaubenon, Village Of	6,968,972	1,095,139	510,284
Athens, Village Of	203,357	24,790	34,492
Avoca, Village Of	115,399	13,462	0
Baldwin, Village Of	1,061,878	136,918	44,849
Balsam Lake, Village Of	316,474	37,176	18,182
Bay City, Village Of	100,847	10,488	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Bayside, Village Of	2,025,083	255,659	0
Belgium, Village Of	344,301	35,974	0
Belleville, Village Of	747,566	89,135	0
Bellevue, Village Of (Brown)	1,429,080	156,103	0
Belmont, Village Of	233,002	26,057	0
Benton, Village Of	203,116	21,124	0
Big Bend, Village Of	376,739	47,891	0
Birchwood, Village Of	227,512	29,098	0
Birnamwood, Village Of	42,350	4,404	0
Biron, Village Of	288,049	29,957	0
Black Creek, Village Of	338,316	38,786	0
Black Earth, Village Of	277,463	28,856	0
Blanchardville, Village Of	169,206	17,597	0
Blue Mounds, Village Of	185,718	21,543	0
Blue River, Village Of	106,137	11,038	0
Boyceville, Village Of	331,492	44,166	44,210
Boyd, Village Of	196,516	22,235	0
Brandon, Village Of	197,429	20,533	0
Brooklyn, Village Of	228,995	23,815	0
Brown Deer, Village Of	4,448,330	563,478	0
Brownsville, Village Of	149,930	15,593	0
Browtown, Village Of	67,181	6,987	0
Bruce, Village Of	129,323	13,450	0
Butler, Village Of	937,176	124,477	0
Cadott, Village Of	536,912	62,453	0
Caledonia, Village Of (Racine)	7,723,589	1,242,764	0
Cambria, Village Of	202,184	22,427	0
Cambridge, Village Of	297,331	30,922	0
Cameron, Village Of	371,308	44,483	0
Camp Douglas, Village Of	157,943	18,389	0
Campbellsport, Village Of	480,586	54,331	0
Cascade, Village Of	87,161	9,065	0
Casco, Village Of	51,823	5,390	0
Cashton, Village Of	484,217	54,241	0
Cedar Grove, Village Of	303,237	31,537	0
Centuria, Village Of	336,323	45,669	100,927
Chaseburg, Village Of	59,699	6,209	0
Chenequa, Village Of	813,799	119,242	0
Clayton, Village Of	184,297	21,438	0
Clear Lake, Village Of	407,445	46,518	0
Cleveland, Village Of	363,515	41,992	0
Clinton, Village Of	673,782	83,510	0
Clyman, Village Of	94,222	9,987	2,449
Cobb, Village Of	89,062	10,153	0
Cochrane, Village Of	92,781	9,649	0
Coleman, Village Of	174,235	19,887	0
Colfax, Village Of	302,659	33,314	0
Coloma, Village Of	185,041	21,967	0
Combined Locks, Village Of	666,732	87,080	162,768
Coon Valley, Village Of	201,333	22,614	0
Cottage Grove, Village Of	1,399,449	177,346	0
Crivitz, Village Of	282,228	33,194	0
Cross Plains, Village Of	811,920	108,673	141,118
Dallas, Village Of	45,195	4,700	0
Dane, Village Of	157,105	17,294	0
Darien, Village Of	627,669	85,795	24,031
De Soto, Village Of	59,444	6,334	0
Deerfield, Village Of	385,704	40,113	0
Deforest, Village Of	2,351,000	335,197	0
Denmark, Village Of	463,894	52,720	0
Dickeyville, Village Of	188,416	22,321	0
Dousman, Village Of	401,781	48,752	0
Dresser, Village Of	236,093	26,758	0
Eagle, Village Of	491,266	62,296	0
East Troy, Village Of	1,273,601	153,750	0
Eastman, Village Of	55,640	5,787	0
Edgar, Village Of	183,630	21,170	0
Egg Harbor, Village Of	394,095	40,988	0
Eleva, Village Of	157,149	18,143	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Elk Mound, Village Of	237,639	26,878	0
Elkhart Lake, Village Of	477,086	57,641	0
Ellsworth, Village Of	840,907	103,245	0
Elm Grove, Village Of	2,779,931	407,444	0
Elmwood, Village Of	198,759	21,774	0
Ephraim, Village Of	395,161	41,097	0
Ettrick, Village Of	152,779	17,646	0
Fairwater, Village Of	52,522	5,462	0
Fall Creek, Village Of	344,831	41,580	0
Fall River, Village Of	252,852	30,817	0
Ferryville, Village Of	43,970	4,573	0
Fontana On Gnva Lk, Village Of	1,198,930	157,670	193,503
Fox Point, Village Of	3,123,728	488,021	2,135,127
Frederic, Village Of	440,113	50,129	0
Fremont, Village Of	167,254	19,961	0
Friendship, Village Of	184,339	24,148	39,029
Gays Mills, Village Of	156,896	22,593	30,250
Genoa City, Village Of	714,556	90,988	15,318
Germantown, Village Of	6,598,865	813,630	0
Gilman, Village Of	183,880	21,335	0
Grafton, Village Of	4,380,424	523,674	0
Granton, Village Of	127,629	13,273	0
Grantsburg, Village Of	538,579	62,441	0
Greendale, Village Of	5,753,715	912,830	0
Gresham, Village Of	406,754	42,302	0
Hales Corners, Village Of	2,809,403	363,359	0
Hammond, Village Of	589,193	70,687	0
Hartland, Village Of	2,950,172	364,498	0
Haugen, Village Of	30,600	3,182	0
Hawkins, Village Of	87,959	11,347	16,996
Hazel Green, Village Of	315,611	36,561	0
Highland, Village Of	162,811	18,213	0
Hilbert, Village Of	218,354	22,709	0
Hixton, Village Of	62,235	7,095	9,903
Hobart, Village Of	830,564	101,688	0
Hollandale, Village Of	42,322	4,402	0
Holmen, Village Of	1,272,908	153,153	0
Hortonville, Village Of	776,814	91,126	0
Howard, Village Of	2,453,540	258,268	0
Howards Grove, Village Of	336,868	35,034	0
Hustisford, Village Of	505,393	58,626	84,424
Iola, Village Of	378,282	46,155	0
Iron Ridge, Village Of	176,299	20,741	0
Jackson, Village Of	2,093,737	261,021	0
Johnson Creek, Village Of	846,237	99,681	0
Junction City, Village Of	69,012	10,145	66,309
Kendall, Village Of	82,648	11,323	1,962
Kewaskum, Village Of	1,167,483	141,773	0
Kimberly, Village Of	1,543,072	160,479	0
Kohler, Village Of	1,042,357	130,136	0
Kronenwetter, Village Of	1,028,372	123,727	0
La Farge, Village Of	332,517	44,972	58,218
La Valle, Village Of	76,313	7,937	0
Lake Delton, Village Of	1,932,433	254,744	0
Lake Hallie, Village Of	551,668	73,716	0
Lake Nebagamon, Village Of	118,790	12,906	0
Lannon, Village Of	134,513	18,106	0
Lena, Village Of	170,675	19,581	0
Little Chute, Village Of	3,225,197	402,382	0
Loganville, Village Of	66,384	6,904	0
Lomira, Village Of	455,592	52,912	0
Luck, Village Of	474,665	57,539	39,073
Luxemburg, Village Of	220,406	25,392	0
Maple Bluff, Village Of	936,214	123,423	0
Marathon City, Village Of	419,107	48,281	0
Marshall, Village Of	944,208	116,436	0
Mattoon, Village Of	57,536	5,984	0
Mazomanie, Village Of	251,829	26,190	0
Mcfarland, Village Of	2,676,707	333,674	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Menomonee Falls, Village Of	12,923,158	1,775,190	0
Milltown, Village Of	333,045	38,478	0
Minong, Village Of	236,388	29,120	0
Mishicot, Village Of	299,263	37,758	47,524
Montfort, Village Of	101,301	10,535	0
Mount Horeb, Village Of	2,355,737	274,066	0
Mt Pleasant, Village Of(Racine	9,336,869	1,506,038	0
Mukwonago, Village Of	2,868,253	353,184	0
Muscoda, Village Of	490,496	56,361	0
Necedah, Village Of	242,964	25,673	0
Neshkoro, Village Of	84,705	15,247	103,548
New Glarus, Village Of	887,658	101,650	0
Newburg, Village Of	124,527	13,308	0
Nichols, Village Of	36,154	3,760	0
North Fond Du Lac, Village Of	2,063,884	280,711	36,410
North Freedom, Village Of	81,351	8,461	0
North Hudson, Village Of	581,906	73,986	0
Oconomowoc Lake, Village Of	536,202	76,332	0
Oostburg, Village Of	368,369	42,731	30,091
Oregon, Village Of	2,699,809	321,110	0
Orfordville, Village Of	362,562	42,435	0
Osceola, Village Of	878,587	107,457	0
Oxford, Village Of (Marquette)	114,274	12,435	0
Paddock Lake, Village Of	485,010	51,411	0
Pardeeville, Village Of	481,737	53,955	34,644
Pepin, Village Of	191,268	21,729	0
Pewaukee, Village Of	2,791,409	346,958	0
Plain, Village Of	169,549	17,633	0
Plainfield, Village Of	204,573	24,658	0
Pleasant Prairie, Village Of	10,011,228	1,204,714	0
Plover, Village Of	3,113,384	379,885	0
Port Edwards, Village Of	642,295	74,599	0
Pound, Village Of	37,612	6,055	0
Poynette, Village Of	593,263	76,829	27,429
Prairie Du Sac, Village Of	810,130	84,254	0
Prairie Farm, Village Of	1,233,298	128,263	0
Pulaski, Village Of	837,619	102,968	0
Randolph, Village Of	426,919	62,428	135,316
Random Lake, Village Of	376,910	39,199	0
Rib Lake, Village Of	180,128	18,733	0
Rio, Village Of	257,311	31,353	0
River Hills, Village Of	1,389,801	187,051	0
Roberts, Village Of	514,996	59,419	0
Rochester, Village Of	211,532	21,999	0
Rock Springs, Village Of	35,664	3,709	0
Rockland, Village Of	84,438	8,782	0
Rosendale Village Of	176,827	21,337	0
Rosholt, Village Of	50,891	5,293	0
Rothschild, Village Of	1,232,330	156,178	0
Sauk City, Village Of	727,319	75,641	0
Saukville, Village Of	1,791,510	220,082	0
Sharon, Village Of	578,904	71,665	0
Sherwood, Village Of	298,104	31,003	0
Shiocton, Village Of	235,496	26,636	0
Shorewood Hills, Village Of	1,131,094	136,831	0
Shorewood, Village Of	4,653,026	656,118	0
Silver Lake, Village Of	535,113	66,401	0
Siren, Village Of	370,967	43,819	0
Sister Bay, Village Of	418,291	43,502	0
Slinger, Village Of	1,593,692	191,929	0
Soldiers Grove, Village Of	130,032	20,675	133,234
Solon Springs, Village Of	115,374	12,968	0
Somerset, Village Of	941,381	123,778	37,023
South Wayne, Village Of	67,434	7,013	0
Spencer, Village Of	443,112	52,856	0
Spring Green, Village Of	492,668	58,009	0
Spring Valley, Village Of	288,934	33,655	0
St Nazianz, Village Of	155,021	16,122	0
Stockbridge, Village Of	30,239	3,145	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Stratford, Village Of	363,327	42,804	0
Strum, Village Of	296,066	39,099	35,679
Suamico, Village Of	1,386,866	147,397	0
Sullivan, Village Of	134,969	14,037	0
Suring, Village Of	194,057	22,958	35,096
Sussex, Village Of	2,035,197	219,205	0
Thiensville, Village Of	1,007,542	127,021	0
Trempealeau, Village Of	476,441	53,399	0
Turtle Lake, Village Of	483,531	59,364	0
Twin Lakes, Village Of	1,704,574	228,782	64,521
Union Center, Village Of	58,535	7,118	0
Union Grove, Village Of	989,537	102,912	0
Valders, Village Of	350,175	38,571	0
Walworth, Village Of	781,849	104,625	37,510
Warrens, Village Of	153,584	16,430	0
Waunakee, Village Of	3,191,479	378,480	0
Wausaukee, Village Of	114,782	11,937	0
Wauzeka, Village Of	92,847	9,656	0
West Baraboo, Village Of	188,170	19,570	0
West Milwaukee, Village Of	2,396,260	357,028	4,088,902
West Salem, Village Of	749,623	91,125	0
Westfield, Village Of	320,957	40,865	27,897
Weston, Village (Marathon)	2,432,729	277,034	0
White Lake, Village Of	101,260	10,531	0
Whitefish Bay, Village Of	3,873,311	485,145	0
Whitelaw, Village Of	78,335	8,147	0
Whiting, Village Of	213,939	23,961	21,379
Wild Rose, Village Of	184,676	22,665	0
Williams Bay, Village Of	855,350	113,957	100,643
Wilson, Village Of	36,295	3,920	3,635
Wind Point, Village Of	213,940	22,773	0
Winneconne, Village Of	777,775	98,668	82,296
Withee, Village Of	140,384	14,600	0
Wonewoc, Village Of	232,592	26,079	0
Woodville, Village Of	424,641	50,538	0
Wrightstown, Village Of	558,687	61,507	0
Wyocena, Village Of	148,467	15,441	0
Total Villages	223,634,287	28,745,326	8,884,431

Special Districts

Algoma City Housing Auth	61,438	6,390	0
Algoma Sanitary Dist	315,677	32,830	0
Allenton Sanitary Dist	105,712	10,994	0
Altoona City Housing Authority	46,770	5,800	5,787
Antigo City Housing Auth	364,732	37,932	0
Appleton City Housing Auth	589,679	61,327	0
Ashland City Housing Auth	199,356	22,328	20,557
Ashland County Housing Auth	446,309	63,376	58,429
Baraboo District Ambulance	1,008,896	146,864	0
Barron Co Housing Authority	92,453	9,615	0
Bay Area Rural Transit Commiss	264,215	27,478	0
Bayfield County Housing Auth	108,492	11,283	0
Bay-Lake Regional Plan Comm	658,590	74,421	69,325
Big Bend Vernon Fire Bd	139,155	20,281	0
Big Cedar Lake Prot/Rehab Dist	34,879	4,005	0
Brockway Sanitary District #1	77,594	8,070	0
Brookfield, Town San Dist #4	240,888	25,052	0
Bruce Village Housing Auth	60,615	6,304	0
Burlington City Housing Auth	47,478	4,938	0
Cambridge-Oakland Wstewtr Comm	94,765	9,856	0
Capital Area Reg Plan Comm	502,946	52,306	0
Chilton City Housing Auth	54,421	5,660	0
Chippewa Co Housing Auth	283,181	29,451	0
Chippewa Fire District	541,909	80,472	0
City-County Data Center Comm	1,754,992	182,519	0
Clintonville City Hous Auth	76,146	8,528	12,939
Colby/Abbotsford Jt Police Com	341,388	49,754	0
Community Care Of Cent Wiscon	9,539,158	992,072	0
Consol Koshkonong Sanitary Dis	258,278	26,861	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Country Estates San Dist	26,785	2,786	0
Cross Plains Area Ems	33,900	3,526	0
Cumberland Municipal Utility	396,073	41,192	0
Dane County Dist #1 Ems	45,806	6,871	0
Dane County Housing Authority	599,187	69,506	275,066
Dane-Iowa Wastewater Comm	160,250	16,666	0
Deer-Grove Ems Dist	225,880	32,940	0
Deforest Area Fire Board Dist	176,058	26,409	0
Delafield-Hartl Water Pol Cntl	400,402	41,642	0
Delavan Lake Sanitary District	562,388	58,488	0
Dells-Delton Ems Comm	758,693	78,904	0
Delton Fire & Ambulance Comm	55,520	7,826	0
Dodge County Housing Authority	114,691	11,928	0
Door Cty Tourism Zone Comm	16,253	1,690	0
Dousman Fire District	123,073	18,182	0
Eagle River Union Airport	93,424	9,716	0
East Central Wis Reg Plan Comm	947,479	106,118	124,555
Eastern Columbia Cty Jm Court	47,280	5,071	0
Eastern Shores Lib Sys	455,338	47,355	0
Eau Claire City Housing Auth	510,916	53,135	0
Eau Claire City-Co Health Dpt	2,662,002	276,848	0
Edgerton City Housing Auth	126,291	13,134	0
Edgerton Fire Prot Dist	112,089	16,813	0
Ellsworth Area Ambulance Serv	119,832	17,975	0
Everest Metro Police Comm	1,662,828	244,595	0
Fish Creek Sanitary Dist #1	171,861	17,874	0
Fitch-Rona Ems District	868,955	130,343	0
Fond Du Lac City Housing Auth	623,423	64,836	0
Fontana/Walworth Wtr Pol Cn Cm	297,550	30,945	0
Fox Lake Wastewater Contr Comm	97,649	10,155	0
Freedom Sanitary District #1	106,330	11,058	0
Gb/Brown Co Pro Ftbll Stad Dis	35,082	3,649	0
Goodman Sanitary District No 1	27,794	2,891	0
Grand Chute-Menasha Ws Sew Com	452,918	47,103	0
Green Bay Metro Sewerage Dist	6,712,572	698,107	0
Green Lake Sanitary District	156,901	16,318	0
Harmony Grove-Okee Jt Sew Comm	125,298	13,031	0
Heart Of The Valley Met Sew Ds	626,238	65,129	0
Holmen Area Fire Dept	213,172	31,976	0
Hudson City Housing Authority	72,605	7,551	0
Hum Srv Ctr Onida Vilas Forst	2,270,215	236,102	0
Hurley Housing Authority	52,025	5,671	2,071
Indianhead Fed Library System	640,677	66,630	0
Jefferson City Housing Auth	116,395	13,036	13,191
Kaukauna City Housing Auth	139,765	14,536	0
Kegonsa Sanitary District	95,548	9,937	0
Kelly Lake Sanitary Dist #1	22,279	2,317	0
Kenosha City-Co Jt Serv Board	3,570,833	371,367	0
La Crosse City Housing Auth	958,438	99,678	0
Ladysmith Housing Auth	75,976	7,902	0
Lake Como Sanitary Dist #1	226,917	24,734	19,246
Lake Mills City Housing Auth	90,650	9,428	0
Lake Ripley Mgt District	55,896	5,981	5,066
Lakeland Sanitary District #1	289,599	30,118	0
Lakeshores Library System	320,859	33,369	0
League Of Wisc Municipalities	792,366	82,406	0
Lincoln County Housing Auth	90,471	9,409	0
Lodi Community Ambulance Serv	103,214	15,482	0
Lyons Sanitary District #2	102,524	10,662	0
Madeline Sanitary District	63,377	6,591	0
Madison Metro Sewerage Dist	5,628,541	585,368	0
Manawa Rural Fire Dept	47,199	7,080	0
Manitowoc City Housing Auth	91,436	10,241	17,870
Manitowoc-Calumet Lib Sys	72,897	7,581	0
Marinette City Housing Auth	167,614	19,779	65,472
Marshall Area Ems Dist #14	84,615	12,192	0
Marshfield Cda	354,356	36,853	0
Marshfield Electric & Water	2,541,802	264,347	0
Menasha Electric & Water	3,944,011	410,177	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Menomonie City Housing Auth	188,981	19,654	(59)
Mequon - Thiensville Library	504,602	58,534	5,931
Mercer Sanitary District #1	110,455	11,487	0
Merrill City Housing Authority	240,741	25,037	0
Middleton Fire District	271,438	36,504	0
Mid-Moraine Municipal Court	293,635	31,177	0
Mid-Wis Federated Lib Sys	251,806	26,188	0
Milw Area Dom Animal Cont Comm	1,126,581	117,164	0
Milwaukee Co Fed Lib Sys	481,163	50,041	0
Mississippi River Reg Plan Com	225,091	23,409	0
Mosinee Fire Dist	131,616	19,742	0
Mt Horeb Area Fire Dept	203,343	24,328	0
Muni Court W Waukesha County	162,332	17,287	0
New Glarus Ems	109,517	16,428	0
New London City Housing Auth	90,204	10,193	5,194
New Richmond Ems	169,268	17,604	0
Nicolet Federated Library Sys	309,082	32,145	0
North Central Health Care Fac	29,270,342	3,044,116	0
North Central Wis Reg Plan Com	373,149	38,808	0
North Shore Fire Dept	7,868,807	1,585,602	0
North Shore Pub Saf Comm	631,836	65,711	0
North Shore Water Commission	428,856	44,601	0
Northern Bridges	4,109,883	427,428	0
Northern Moraine Utility Comm	110,682	11,511	0
Northern Waters Library Serv	393,874	40,963	0
Northwest Regional Plan Comm	1,122,704	125,743	54,667
Norway Sanitary District #1	239,102	24,867	0
Oconto City Housing Authority	103,775	10,793	0
Onalaska Comm Dev Auth	141,484	14,714	0
Oregon Area Fire - Ems Dist	473,507	71,026	0
Orfordville Vol Fire Prot Dist	34,980	5,247	0
Oshkosh City Housing Authority	1,227,578	127,668	0
Outagamie County Housing Auth	1,054,582	109,677	0
Outagamie Waupc Co Fed Libr Sy	540,129	56,173	0
Palmyra Fire District	33,566	5,035	0
Pell Lake Sanitary Dist #1	289,379	30,095	0
Phelps Sanitary District #1	44,530	4,631	0
Pleasant Springs San Dis #1	69,304	7,208	0
Plymouth City Housing Auth	84,615	8,800	0
Prairie Du Sac Jt Sewer Comm	49,693	5,168	0
Racine County Housing Auth	475,897	49,493	0
Reedsville Vil Housing Auth	23,444	2,438	0
Rhineland City Housing Auth	141,005	15,793	23,288
Rib Mountain Metro Sew Dist	331,453	34,471	0
Rice Lake City Housing Auth	231,828	31,529	103,703
Richland Center City Hous Auth	70,134	7,294	0
Richland Fire Department	25,263	3,363	0
Ripon Area Fire District	57,640	8,646	0
River Falls City Housing Auth	257,645	28,856	21,778
River Falls Municipal Utility	2,147,443	223,334	0
Sauk City Housing Authority	20,739	2,157	0
Sauk County Housing Authority	182,285	18,958	0
Sauk Prairie Ambulance Assoc	109,419	16,413	0
Sauk Prairie Police Commission	799,412	120,649	0
Sauk Prairie Recreation Comm	42,000	4,368	0
Sawyer County Housing Auth	109,467	11,385	0
Shawano City Housing Authority	192,098	21,515	43,536
Shawano County Housing Auth	168,947	17,570	0
Shawano Lake Sanitary Dist #1	588,096	61,162	0
Shawano Municipal Utilities	1,306,964	135,924	0
Sheboygan City Housing Auth	233,360	26,136	34,810
Sheboygan Sanitary District #2	46,271	4,812	0
Silver Lake San. Dist.	220,190	22,900	0
Slinger Village Housing Auth	49,339	5,131	0
South Central Library System	2,363,964	245,852	0
South Milwaukee Cda	200,118	20,812	0
Southeastern Wis Reg Plan Comm	3,400,350	353,636	0
Southwest Wis Library System	295,987	30,783	0
Southwestern Wis Reg Plan Comm	406,642	42,291	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Spooner City Housing Auth	74,598	7,758	0
Spooner Fire District	54,901	8,235	0
St Joseph Sanitary District #1	27,300	2,839	0
Stevens Point City Hous Auth	511,170	53,162	0
Superior City Housing Auth	978,051	101,717	0
Sw Family Care Alliance	1,281,652	133,292	0
Taylor County Housing Auth	48,014	4,993	0
Three Lakes Sanitary Dist #1	41,218	4,287	0
Trempealeau County Hous Auth	296,129	33,166	28,756
Unified Community Services	1,660,258	172,667	0
Valley Ridge Clean Water Comm	36,288	3,774	0
Vanguard Electric Util Comm	304,663	31,685	0
Verona Joint Fire Dist	221,326	33,199	0
Viroqua City Housing Authority	186,954	19,443	0
Wabeno Sanitary District #1	54,209	5,638	0
Wales/Genesee Joint Fire Bd	108,329	16,249	0
Walter E Olson Memorial Lib	92,416	9,611	0
Walworth County Metro Sew Dist	969,691	108,605	106,897
Washburn City Housing Auth	120,989	12,583	0
Watertown City Housing Auth	95,100	10,651	10,927
Waukesha City Housing Auth	609,112	63,348	0
Waunakee Area Ems	39,942	4,154	0
Waunakee Area Fire Dist	42,047	4,373	0
Waunakee Water & Light	1,019,459	106,024	0
Waupaca Chain O'Lakes San Dist	48,180	5,011	0
Wausaukee Village Hous Auth	121,420	18,820	(1,125)
Waverly Sanitary District	260,314	27,073	0
West Bend City Housing Auth	231,700	24,097	0
West Central Wi Bisolidis Comm	136,375	14,183	0
West Central Wis Reg Plan Comm	655,603	68,183	0
Western Racine Co Sewerage Dis	85,790	8,922	0
Western Wisconsin Cares	9,815,623	1,020,825	0
Winding Rivers Library Sys	373,853	38,881	0
Windsor Sanitary District #1	90,699	9,433	0
Winnefox Library System	749,568	77,955	0
Wis Dells-Lake Delton Sew Comm	167,897	17,461	0
Wisconsin Counties Association	1,324,187	137,715	0
Wisconsin Munic Mutal Ins Co	504,222	52,439	0
Wisconsin Rapids City Hs Auth	434,078	48,617	26,487
Wisconsin Towns Association	372,326	38,722	0
Wisconsin Valley Library Srv	422,907	48,211	0
Total Special Districts	155,073,563	17,364,201	1,154,364
Towns			
Addison, Town Of(Washington)	107,027	11,131	0
Alban, Town Of (Portage)	59,739	6,213	0
Albion, Town Of (Dane)	126,534	13,159	0
Albion, Town Of (Jackson)	24,486	2,547	0
Algoma, Town Of	66,771	6,944	0
Anson, Town Of (Chippewa)	89,456	10,940	40,759
Arbor Vitae, Town Of (Vilas)	162,076	19,449	26,312
Ashippun, Town Of (Dodge Co)	104,173	10,896	0
Ashland, Town Of (Ashland)	60,837	6,327	0
Athelstane, Town Of(Marinette)	71,653	7,452	0
Aztalan, Town Of(Jefferson)	58,758	7,773	88,863
Balsam Lake, Town Of (Polk)	39,670	4,126	0
Baraboo, Town Of (Sauk)	66,342	7,167	0
Barksdale, Town Of (Bayfield)	40,143	4,175	0
Barron, Town Of (Barron)	40,998	4,264	0
Bear Creek, Town Of (Sauk)	56,590	6,042	0
Belmont, Town Of (Lafayette)	25,105	2,611	0
Beloit, Town Of (Rock)	2,110,351	356,315	0
Bennett, Town Of (Douglas)	72,616	7,552	0
Bergen, Town Of (Vernon)	68,972	7,173	0
Berry, Town Of (Dane)	76,682	7,975	0
Bloomfield, Town Of (Walworth)	587,159	78,114	0
Blooming Grove, Town Of(Dane)	292,454	37,708	0
Blue Mounds, Town Of (Dane)	53,727	5,761	0
Boulder Junction, Town (Vilas)	215,791	29,764	29,965



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Brigham, Town Of (Iowa)	108,137	11,246	0
Bristol, Town Of (Kenosha)	731,341	97,622	285,609
Brockway, Town Of (Jackson)	181,472	23,464	0
Brookfield, Town Of (Waukesha)	2,320,135	314,418	0
Brooklyn, Town Of (Green)	45,405	4,722	0
Brothertown, Town Of (Calumet)	53,860	9,641	83,131
Buchanan, Town Of (Outagamie)	165,072	17,168	0
Burke, Town Of (Dane)	233,537	24,288	0
Burlington, Town Of (Racine)	779,774	103,474	0
Campbell, Town Of (La Crosse)	566,618	75,214	0
Carey, Town Of (Iron)	36,983	3,846	0
Cassian, Town Of (Oneida)	62,977	6,550	0
Cedarburg, Town Of (Ozaukee)	540,235	56,184	0
Chetek, Town Of (Barron)	41,238	4,289	0
Clayton, Town Of (Winnebago)	221,888	23,076	0
Clear Lake, Town Of (Polk)	36,967	4,732	23,412
Clifton, Town Of (Monroe)	36,455	3,791	0
Clinton, Town Of (Barron)	44,920	4,672	0
Clover, Town Of (Bayfield)	72,539	7,632	0
Colby, Town Of (Clark)	36,089	3,753	0
Corning, Town Of (Lincoln)	32,875	3,419	0
Crescent, Town Of (Oneida)	72,856	7,577	0
Cross Plains, Town Of (Dane)	43,883	4,564	0
Dairyland, Town Of (Douglas)	59,352	6,173	0
Darien, Town Of (Walworth)	27,238	3,199	4,887
Delavan, Town Of (Walworth)	1,274,736	175,619	0
Delta, Town Of (Bayfield)	75,869	8,056	0
Delton, Town Of (Sauk)	146,102	15,463	0
Dover, Town Of (Racine)	183,275	19,061	0
Draper, Town Of (Sawyer)	55,841	5,807	0
Drummond, Town Of (Bayfield)	160,602	16,703	0
Dunkirk, Town Of (Dane)	83,408	8,674	0
Dunn, Town Of (Dane)	416,074	43,298	0
Eagle Point, Town Of (Chippewa)	105,411	11,205	0
East Troy, Town Of (Walworth)	673,790	90,589	0
Easton, Town Of (Marathon)	84,419	8,780	0
Eau Galle, Town Of (Dunn)	41,495	5,353	44,162
Elk Mound, Town Of	34,577	3,596	0
Erin, Town Of (Washington)	150,899	15,798	0
Exeter, Town Of (Green County)	70,873	7,371	0
Farmington, Town Of (Lacrosse)	64,480	6,706	0
Farmington, Town Of (Waupaca)	41,290	4,748	0
Flambeau, Town Of (Rusk)	23,768	3,146	16,212
Florence, Town Of (Florence)	697,148	72,869	0
Franklin, Town Of (Manitowoc)	67,009	7,166	0
Freedom, Town Of (Outagamie)	285,605	34,178	0
Freedom, Town Of (Sauk)	35,666	3,709	0
Fulton, Town Of (Rock)	41,669	4,334	0
Geneva, Town Of (Walworth)	774,693	100,334	0
Georgetown, Town Of (Polk)	38,168	6,718	113,092
Germantown, Town Of	107,921	11,224	0
Gibraltar, Town Of (Door)	149,053	15,502	0
Gilman, Town Of (Pierce)	46,185	4,803	0
Goodman, Town Of (Marquette)	41,617	4,328	0
Grand Chute, Town Of (Outagamie)	5,045,855	685,658	0
Grand Rapids, Town Of (Wood)	636,836	82,052	0
Grant, Town Of (Portage)	40,757	4,239	0
Gratiot, Town Of (Lafayette)	70,148	7,295	0
Green Lake, Town Of (Grn Lake)	43,549	4,529	0
Greenfield, Town Of (Lacrosse)	74,334	7,731	0
Greenville, Town Of (Outagamie)	985,167	104,779	0
Greenwood, Town Of (Vernon)	46,796	4,867	0
Hamburg, Town Of (Vernon)	47,054	4,894	0
Hayward, Town Of (Sawyer)	78,542	8,168	0
Hazelhurst, Town Of (Oneida)	103,553	10,925	0
Highland, Town Of (Iowa)	86,266	9,091	0
Hughes, Town Of (Bayfield)	49,781	5,177	0
Hull, Town Of (Portage)	202,678	21,445	0
Iron River, Town Of (Bayfield)	369,199	44,528	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Ixonia, Town Of (Jefferson)	270,264	28,107	0
Jackson, Town Of (Washington)	194,081	20,184	0
Jefferson, Town Of (Jefferson)	12,090	1,257	0
Kimball, Town Of (Iron)	86,414	11,147	50,580
Knight, Town Of (Iron)	51,262	5,331	0
Komensky, Town Of (Jackson)	42,692	4,440	0
La Pointe, Town Of (Ashland)	648,761	74,528	0
La Valle, Town Of (Sauk)	114,956	12,129	0
Lac Du Flambeau, Town (Vilas)	265,829	31,824	133,450
Lafayette, Town Of (Chippewa)	168,073	17,805	0
Lafayette, Town Of (Walworth)	81,279	8,783	0
Lake Holcombe, Town (Chippewa)	52,942	5,506	0
Lake, Town Of (Marinette)	78,570	8,337	0
Laketown, Town Of (Polk)	43,832	4,559	0
Land O Lakes, Town Of (Vilas)	275,449	31,069	9,189
Laona, Town Of (Forest)	173,081	20,026	0
Lebanon, Town Of (Dodge)	93,059	9,678	0
Ledgeview, Town Of (Brown)	359,627	37,401	0
Lincoln, Town Of (Vilas)	35,250	4,054	0
Linn, Town Of (Walworth)	568,583	78,013	0
Lisbon, Town Of (Waukesha)	810,978	93,625	0
Lodi, Town Of (Columbia)	33,696	3,504	0
Lyons, Town Of (Walworth)	119,617	12,651	0
Madison, Town Of (Dane)	2,440,467	411,361	0
Maple, Town Of (Douglas)	52,221	6,058	0
Marengo, Town Of (Ashland)	38,186	3,971	0
Marion, Town Of (Waushara)	72,659	10,102	0
Martell, Town Of (Pierce)	47,046	4,893	0
Mazomanie, Town Of (Dane)	59,900	6,441	0
Medford, Town Of (Taylor)	50,506	5,253	0
Menasha, Town Of (Winnebago)	4,695,132	586,227	0
Mercer, Town Of (Iron)	275,311	29,003	0
Merton, Town Of (Waukesha)	550,847	57,288	0
Middleton, Town Of (Dane)	352,920	36,704	0
Milltown, Town Of (Polk)	83,134	11,888	51,760
Minocqua, Town Of (Oneida)	1,511,182	202,832	306,515
Minong, Town Of (Washburn)	150,330	15,634	0
Mishicot, Town Of (Manitowoc)	50,359	5,237	0
Montrose, Town Of (Dane)	44,836	4,663	0
Mukwonago, Town Of	686,551	91,999	0
New Glarus, Town Of (Green)	82,289	8,558	0
New Haven, Town Of (Dunn)	59,835	6,702	4,021
Newbold, Town Of (Oneida)	219,460	23,215	0
Norway, Town Of (Racine)	468,977	52,899	0
Oakdale, Town Of (Monroe)	42,382	4,408	0
Oakland, Town Of (Jefferson)	140,151	14,576	0
Oconomowoc, Town Of (Waukesha)	1,360,068	180,151	0
Oma, Town Of (Iron)	76,837	7,991	0
Onalaska, Town Of (La Crosse)	228,789	23,794	0
Oregon, Town Of (Dane)	143,306	14,904	0
Orienta, Town Of (Bayfield)	30,868	3,210	0
Ottawa, Town Of (Waukesha)	64,246	6,682	0
Parkland, Town Of (Douglas)	89,907	9,440	1,411
Pelican, Town Of (Oneida)	79,867	8,306	0
Phelps, Town Of (Vilas)	129,753	13,494	0
Pine Lake, Town Of (Oneida)	107,916	11,223	0
Pleasant Springs, Town (Dane)	137,711	14,322	0
Pleasant Valley, Town (Eaucler)	74,267	8,912	5,630
Plover, Town Of (Portage)	43,149	4,488	0
Port Wing, Town Of (Bayfield)	86,180	8,963	0
Prairie Lake, Town Of (Barron)	41,922	4,360	0
Presque Isle, Town Of (Vilas)	217,327	22,949	0
Preston, Town Of (Adams)	60,155	6,373	0
Primrose, Town Of (Dane)	46,193	4,804	0
Quincy, Town Of (Adams)	107,973	11,565	0
Raymond, Town Of (Racine)	238,758	24,831	0
Rib Mountain, Town (Marathon)	741,047	84,858	0
Richfield, Village Of (Washington)	496,899	51,678	0
Richmond, Town Of (Walworth)	60,834	6,957	8,376



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Ripon, Town Of(Fond Du Lac)	94,547	11,960	0
River Falls, Town Of (Pierce)	110,028	11,663	0
Rome, Town Of (Adams)	1,145,535	143,202	0
Rudolph, Town Of (Wood)	38,407	3,994	0
Rutland, Town Of (Dane)	105,618	11,279	0
Sanborn, Town Of (Ashland)	89,035	9,487	0
Scott, Town Of (Sheboygan)	65,570	6,819	0
Sharon, Town Of (Walworth)	44,406	4,618	0
Sheboygan, Town Of (Sheboygan)	309,171	32,154	0
Shelby, Town Of (La Crosse)	528,307	60,056	0
Somers, Town Of (Kenosha)	1,366,287	173,371	0
Somerset, Town Of (St Croix)	115,466	12,008	0
South Lancaster, Town (Grant)	34,613	3,600	0
Sparta, Town Of (Monroe)	44,629	4,737	0
Spirit, Town Of (Price)	33,873	3,862	2,311
Spring Lake, Town Of (Pierce)	35,290	3,670	0
Springdale, Town Of (Dane)	57,835	6,139	0
Springfield, Town Of (Dane)	127,072	13,215	0
Springfield, Town Of (Jackson)	31,598	3,981	37,796
St Germain, Town Of (Vilas)	330,320	34,685	0
Stanton, Town Of (Dunn)	58,933	6,287	0
Stettin, Town Of (Marathon)	140,962	15,379	0
Stockton, Town Of (Portage)	132,581	14,082	0
Strongs Prairie, Town Of(Adms)	56,948	5,923	0
Sullivan, Town Of (Jefferson)	78,466	8,160	0
Summit, Town Of (Douglas)	92,062	9,574	0
Summit, Town Of (Juneau)	48,878	5,083	0
Summit, Town Of (Waukesha)	896,190	130,117	89,565
Sumner, Town Of (Barron)	30,983	3,222	0
Superior, Town Of (Douglas)	48,719	6,480	94,901
Tainter, Town Of (Dunn)	100,538	10,456	0
Theresa, Town Of (Dodge)	56,541	6,019	0
Three Lakes, Town Of (Oneida)	534,231	63,872	0
Tiffany, Town Of (Dunn)	29,381	3,056	0
Trade Lake, Town Of (Burnett)	60,677	6,310	0
Trempealeau, Town (Trempeleau)	97,187	10,107	0
Trenton, Town Of (Washington)	236,659	25,446	0
Troy, Town Of (Walworth)	81,857	9,404	6,880
Turtle Lake, Town Of (Barron)	42,288	4,398	0
Vermont, Town Of (Dane)	61,799	6,597	0
Vernon, Town Of (Waukesha)	519,357	54,664	0
Verona, Town Of (Dane)	196,391	20,425	0
Vienna, Town Of (Dane)	144,647	15,546	0
Viroqua, Town Of (Vernon)	95,931	10,265	2,297
Wabeno, Town Of (Forest)	114,770	14,897	23,454
Walworth, Town Of (Walworth)	49,171	5,507	9,726
Warren, Town Of	31,209	3,246	0
Wascott, Town Of (Douglas)	179,612	19,478	0
Washington, Town Of (Door)	412,113	45,846	0
Washington, Town Of (Lacrosse)	45,558	4,738	0
Washington, Town Of (Vilas)	133,130	13,988	0
Washington, Town Of(EauClaire)	289,798	30,244	0
Waterford, Town Of (Racine)	694,562	99,666	7,194
Waukesha, Town Of(Waukesha)	388,027	49,456	0
Wayne, Town Of (Lafayette)	37,954	3,947	0
Wescott, Town Of (Shawano)	207,253	21,554	0
West Bend, Town Of(Washington)	153,956	16,011	0
West Sweden, Town Of (Polk)	40,793	4,242	0
Westfield, Town Of (Sauk Co)	5,397	561	0
Weston, Town Of (Marathon)	10,800	1,242	0
Westport, Town Of (Dane)	438,562	45,610	0
Wheaton, Town Of (Chippewa)	107,421	11,329	0
Wilson, Town Of (Sheboygan)	129,906	14,110	0
Wilton, Town Of (Monroe)	34,729	3,612	0
Windsor, Town Of (Dane)	592,919	74,115	16,550
Winter, Town Of (Sawyer)	163,062	17,264	0
Wiota, Town Of (Lafayette)	64,622	6,721	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Woodruff, Town Of (Oneida)	523,284	77,833	0
Yorkville, Town Of (Racine)	74,869	7,786	0
Total Towns	59,974,442	7,463,304	1,618,011
Counties			
Adams County	10,054,320	1,116,159	0
Ashland County	6,328,312	736,355	0
Barron County	13,269,931	1,505,523	0
Bayfield County	7,317,744	911,222	0
Brown County	72,416,177	8,657,831	0
Buffalo County	4,663,973	532,149	0
Burnett County	6,724,007	741,061	0
Calumet County	11,742,699	1,288,925	0
Chippewa County	17,606,562	2,027,724	0
Clark County	19,178,485	2,127,583	0
Columbia County	22,102,833	2,418,428	0
Crawford County	5,985,765	776,297	1,273,939
Dane County	124,617,335	15,719,337	0
Dodge County	38,423,313	4,164,711	0
Door County	16,778,268	1,988,441	0
Douglas County	13,476,843	1,940,347	6,220,583
Dunn County	19,990,473	2,337,446	0
Eau Claire County	24,071,023	2,763,968	0
Florence County	2,946,535	369,839	0
Fond Du Lac County	41,034,318	4,565,324	0
Forest County	4,318,571	493,968	0
Grant County	14,872,222	1,610,646	0
Green County	15,396,811	1,732,191	0
Green Lake County	8,500,055	985,083	0
Iowa County	9,114,297	1,038,524	0
Iron County	3,507,591	413,844	0
Jackson County	7,584,428	836,361	0
Jefferson County	29,066,980	3,497,374	0
Juneau County	10,062,556	1,176,259	0
Kenosha County	51,529,625	5,826,977	0
Kewaunee County	8,130,731	934,887	0
La Crosse County	46,902,190	5,076,072	0
Lafayette County	12,078,864	1,328,314	0
Langlade County	7,776,134	857,724	0
Lincoln County	16,433,727	1,797,101	0
Manitowoc County	22,703,909	2,558,233	0
Marathon County	38,123,148	4,323,137	0
Marinette County	15,786,797	1,722,176	0
Marquette County	6,816,247	808,523	0
Menominee County	2,993,101	333,100	0
Monroe County	14,531,698	1,605,153	0
Oconto County	12,179,456	1,345,607	0
Oneida County	12,936,103	1,451,924	0
Outagamie County	50,586,771	5,740,599	0
Ozaukee County	27,218,438	3,064,263	0
Pepin County	4,288,230	485,893	0
Pierce County	13,622,588	1,591,025	0
Polk County	19,412,370	2,179,629	0
Portage County	25,903,274	2,952,742	0
Price County	6,687,311	758,473	0
Racine County	41,280,398	5,215,144	0
Richland County	11,548,550	1,408,727	2,561,946
Rock County	54,472,250	6,454,971	0
Rusk County	15,007,992	1,634,704	0
Sauk County	27,867,367	3,199,690	0
Sawyer County	8,070,194	912,872	0
Shawano County	17,536,027	2,031,747	0
Sheboygan County	41,556,307	4,566,250	0
St Croix County	26,744,288	2,999,551	0
Taylor County	7,574,631	877,074	0
Trempealeau County	18,423,038	1,982,560	0
Vernon County	11,295,641	1,249,853	0
Vilas County	8,841,335	1,088,621	0
Walworth County	41,193,043	4,746,285	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Washburn County	7,294,327	830,505	0
Washington County	34,683,812	3,906,147	0
Waukesha County	75,238,188	8,451,285	0
Waupaca County	20,590,095	2,245,547	0
Waushara County	11,426,609	1,345,881	0
Winnebago County	48,147,727	5,654,673	0
Wood County	29,343,645	3,309,822	0
Total Counties	1,555,928,600	179,326,381	10,056,468
School Districts			
Abbotsford School District	3,025,233	314,624	0
Adams-Friendship Area Sch Dist	11,321,020	1,177,386	0
Albany School District	2,698,107	280,603	0
Algoma School District	3,456,684	359,495	0
Alma Center-Humbrd-Meril Sch D	3,355,205	389,204	474,965
Alma School District	1,848,056	192,198	0
Almond-Bancroft School Dist	2,269,514	236,029	0
Altoona School District	8,146,069	847,191	0
Amery School District	10,152,853	1,055,897	0
Antigo Unified School District	14,654,319	1,524,049	0
Appleton Area School District	83,596,161	8,694,001	0
Arbor Vitae-Woodruff Jsd #1	2,933,174	305,050	0
Arcadia School District	5,749,348	597,932	0
Argyle School District	1,660,299	172,671	0
Arrowhead Union High Sch Dist	14,045,093	1,460,690	0
Ashland School District	12,276,353	1,276,741	0
Ashwaubenon School District	16,339,196	1,699,276	0
Athens School District	2,362,507	245,701	0
Auburndale School District	3,642,406	378,810	0
Augusta School District	3,770,705	392,153	0
Baldwin-Woodville Area Sch Dis	8,384,374	871,975	0
Bangor School District	3,247,920	363,767	7,976
Baraboo School District	16,695,808	1,736,364	0
Barneveld School District	2,205,438	229,366	0
Barron Area School District	7,802,333	811,443	0
Bayfield School District	3,824,746	397,774	0
Beaver Dam Unified School Dist	21,646,846	2,251,272	0
Beecher Dunbar Pembine Sch Dis	1,692,128	175,981	0
Belleville School District	5,284,743	607,745	0
Belmont Community School Dist	1,851,900	192,598	0
Beloit School District	43,241,683	5,059,277	0
Beloit Turner School District	7,349,151	852,501	1,653,625
Benton School District	1,199,687	139,164	558,687
Berlin Area School District	8,550,447	1,008,953	0
Big Foot UHS Sch Dist	2,858,446	297,278	0
Birchwood School District	1,871,747	194,662	0
Black Hawk School District	2,902,844	301,896	0
Black River Falls Sch Dist	10,479,989	1,089,919	0
Blair-Taylor School District	3,379,501	351,468	0
Bloomer School District	5,152,924	535,904	0
Bonduel School District	4,622,371	480,727	0
Boscobel School District	5,124,883	584,237	1,099,477
Bowler School District	2,456,508	255,477	0
Boyceville Community Sch Dist	3,929,036	455,768	585,722
Brighton Sch Dist #1	781,725	81,299	0
Brillion Public School Dist	4,674,798	486,179	0
Bristol, Town, Sch Dist #1	2,832,831	294,614	0
Brodhead School District	6,122,407	722,444	1,156,666
Brown Deer School District	10,355,046	1,076,925	0
Bruce School District	3,126,462	325,152	0
Burlington Area School Dist	20,241,099	2,105,074	0
Butternut School District	1,195,415	124,323	0
Cadott Comm School District	4,067,788	423,050	0
Cambria-Friesland School Dist	2,565,692	297,620	394,051
Cambridge School District	5,135,164	600,814	582,036
Cameron School District	4,559,437	474,181	0
Campbellsport School District	8,007,382	832,768	0
Cashton School District	3,005,932	312,617	0
Cassville School District	1,499,199	155,917	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Cedar Grove-Belgium Sch Dist	5,497,768	571,768	0
Cedarburg School District	16,441,747	1,709,942	0
Chequamegon School District	2,072,851	269,471	0
Chetek School District	4,908,839	510,519	0
Chilton School District	5,629,219	585,439	0
Chippewa Falls Area Unif Sch	24,011,063	2,833,305	150,145
Clayton School District	2,451,462	254,952	0
Clear Lake School District	3,628,138	377,326	0
Clinton Community School Dist	6,236,930	648,641	0
Clintonville Public Sch Dist	8,824,213	1,041,257	1,740,891
Cochrane-Fountain City Sch Dis	3,209,113	333,748	0
Colby School District	4,013,938	417,450	0
Coleman School District	3,012,393	313,289	0
Colfax School District	4,513,954	523,619	554,584
Columbus School District	6,478,442	764,456	1,588,888
Cornell School District	2,377,897	247,301	0
Crandon School District	5,906,789	614,306	0
Crivitz School District	3,421,271	355,812	0
Cuba City School District	4,007,313	416,761	0
Cudahy School District	18,358,890	1,909,325	0
Cumberland School District	5,984,917	622,431	0
D C Everest Area School Dist	35,692,471	3,712,017	0
Darlington Comm School Dist	4,281,858	505,259	1,148,138
Deerfield Comm School District	4,606,308	479,056	0
Deforest Area School District	18,755,639	1,950,586	0
Delavan-Darien School District	12,761,618	1,518,633	3,187,541
Denmark School District	7,815,041	812,764	0
Depere Unified School District	20,207,486	2,101,579	0
Desoto Area School District	3,258,764	338,912	0
Dodgeand School District	4,686,701	487,417	0
Dodgeville School District	6,253,409	731,649	924,249
Drummond School District	2,537,774	263,928	0
Durand School District	5,471,518	569,038	0
East Troy Community Sch Dist	9,352,533	1,103,599	1,128,307
Eau Claire Area School Dist	59,393,582	6,176,933	0
Edgar School District	2,955,853	307,409	0
Edgerton School District	10,144,007	1,186,849	2,843,537
Elcho School District	2,479,100	257,826	0
Eleva-Strum School District	3,326,581	345,964	0
Elk Mound Area School District	4,931,898	512,917	0
Elkhart Lake-Glenbeulah Sch Ds	2,841,678	295,535	0
Elkhorn Area School District	15,866,458	1,872,242	777,288
Ellsworth Comm Sch Dist	9,373,822	974,878	0
Elmbrook School District	50,476,848	5,249,592	0
Elmwood School District	2,120,624	220,545	0
Erin Sch Dist #2	1,588,544	165,209	0
Evansville Comm Sch Dist	11,291,735	1,174,340	0
Fall Creek School District	4,270,613	444,144	0
Fall River School District	2,109,833	219,423	0
Fennimore Community Sch Dist	4,811,353	500,381	0
Flambeau School District	3,416,004	355,264	0
Florence County Sch Dist	2,943,489	306,123	0
Fond Du Lac School District	40,768,037	4,239,876	0
Fontana Jt Sch Dist #8 Etal	1,602,940	195,559	0
Fort Atkinson School District	15,835,492	1,852,753	0
Fox Point Jt Sch Dist # 2 Etal	6,100,484	634,450	0
Franklin Public School Dist	26,251,518	3,097,679	1,100,896
Frederic School District	2,871,000	298,584	0
Freedom Area School District	7,762,172	807,266	0
Friess Lake School District	1,624,809	188,478	29,461
Galesville School District Etal	8,410,182	992,401	1,830,529
Geneva Jt Sch Dist #4 Etal	903,556	103,005	160,443
Genoa City Jt Sch Dist #2 Etal	2,946,554	350,640	65,244
Germantown School District	21,309,182	2,493,174	4,508,768
Gibraltar Area School District	4,653,247	483,938	0
Gillett School District	3,090,651	321,428	0
Gilman School District	2,114,795	219,939	0
Gilmanton School District	765,887	90,375	288,614
Glendale-River Hills Sch Dist	5,866,008	610,065	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Glenwood City School District	3,912,136	449,896	0
Glidden School District	861,135	98,169	0
Goodman-Armstrong School Dist	1,027,884	106,900	0
Grafton School District	12,429,326	1,454,231	4,190,120
Granton Area School District	1,316,212	136,886	0
Grantsburg School District	4,396,335	457,219	0
Green Bay Area Public Schools	125,079,352	13,008,253	0
Green Lake School District	2,165,229	225,184	0
Greendale School District	15,942,300	1,657,999	0
Greenfield School District	19,286,162	2,005,761	0
Greenwood School District	2,179,248	226,642	0
Gresham School Dist	1,283,283	133,461	0
Hamilton School District	25,696,895	2,672,477	0
Hartford Jt Sch Dist #1 Etal	9,746,115	1,013,596	0
Hartford Union High Sch Dist	9,956,097	1,035,434	0
Hartland Jt Sch Dist #3 Etal	7,155,906	744,214	0
Hayward Community School Dist	10,171,283	1,057,813	0
Herman Sch Dist #22	372,647	42,482	146,933
Highland School District	1,205,285	142,224	493,854
Hilbert School District	2,465,488	256,411	0
Hillsboro School District	2,816,080	292,872	0
Holmen School District	23,205,211	2,552,573	714,461
Horicon School District	5,132,894	533,821	0
Hortonville Area School Dist	17,350,416	1,804,443	0
Howards Grove School District	5,401,685	561,775	0
Howard-Suamico School District	25,959,352	2,699,773	0
Hudson School District	28,050,417	2,917,243	0
Hurley School District	3,550,510	369,253	0
Hustisford School District	2,296,895	238,877	0
Independence School District	1,987,300	206,679	0
Iola-Scandinavia School Dist	4,009,595	416,998	0
Iowa-Grant School District	4,468,973	464,773	0
Ithaca School District	2,019,032	230,170	36,644
Janesville School District	63,332,257	7,409,874	17,029,146
Jefferson School District	10,415,929	1,083,257	0
Johnson Creek School District	3,704,700	426,040	304,309
Juda School District	1,300,918	135,296	0
Kansasville Dover Dist #1	469,438	53,047	52,444
Kaukauna Area School District	21,181,975	2,202,925	0
Kenosha Unified Sch Dist #1	135,827,846	14,126,096	0
Kettle Moraine School District	23,216,849	2,414,552	0
Kewaskum School District	10,626,940	1,243,352	1,988,666
Kewaunee School District	5,760,303	599,072	0
Kickapoo Area School District	2,697,129	307,473	302,786
Kiel Area School District	7,689,435	922,732	2,166,849
Kimberly Area School District	20,672,629	2,149,953	0
Kohler School District	3,693,052	384,077	0
La Crosse School District	49,887,981	5,836,894	8,367,475
Lac Du Flambeau Sch Dist #1	4,515,775	469,641	0
Ladysmith-Hawkins Sch Dist	5,720,284	594,910	0
Lafarge School District	1,710,920	177,936	0
Lake Country Sch Dist	2,975,737	309,477	0
Lake Geneva Jt Sch Dis #1 Etal	10,215,186	1,205,392	674,374
Lake Geneva School District	8,557,085	1,009,736	1,479,798
Lake Holcombe School District	2,200,937	228,897	0
Lake Mills Area School Dist	7,305,451	854,738	1,709,654
Lakeland Union High Sch Dist	5,717,459	594,616	0
Lancaster Comm Sch Dist	4,720,953	490,979	0
Laona School District	1,346,886	140,076	0
Lena Public School District	2,056,193	213,844	0
Linn Jt Sch Dist #4 Etal	886,508	103,721	131,168
Linn Jt Sch Dist #6 Etal	818,952	85,171	0
Little Chute Area School Dist	8,350,971	868,501	0
Lodi School District	8,904,833	926,103	0
Lomira School District	6,202,311	713,266	204,734
Loyal School District	2,921,105	303,795	0
Luck School District	3,277,759	380,220	418,700
Luxemburg-Casco School Dist	8,080,067	840,327	0
Madison Metro School District	186,813,675	22,044,014	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Manawa School District	4,662,939	484,946	0
Manitowoc Public School Dist	32,738,217	3,404,775	0
Maple Dale-Indian Hill Sch Dis	2,760,839	325,779	1,060,886
Maple School District	7,855,346	816,956	0
Marathon City School District	2,751,099	286,114	0
Marinette School District	9,287,759	965,927	0
Marion School District	2,083,322	243,749	1,274,879
Markesan School District	3,957,238	411,553	0
Marshall Jt Sch Dist #2 Etal	6,923,511	720,045	0
Marshfield Unified School Dist	22,249,814	2,313,981	0
Mauston School District	8,166,765	849,344	0
Mayville School District	7,021,363	730,222	0
Mcfarland School District	13,575,784	1,411,881	0
Medford Area Public Schl Dist	11,013,585	1,288,589	1,516,928
Mellen School District	1,243,766	129,352	0
Melrose-Mindoro School Dist	3,978,279	453,524	52,838
Menasha Joint School District	21,643,451	2,250,919	0
Menominee Indian School Dist	7,252,026	754,211	0
Menominee Falls School District	27,933,680	2,905,103	0
Menomonie Area School District	18,992,232	1,975,192	0
Mequon-Thiensville School Dist	23,309,800	2,424,219	0
Mercer School District	1,026,186	106,723	0
Merrill Area Common Pub Sch	16,334,792	1,698,818	0
Merton Community School Dist	5,373,078	558,800	0
Middleton-Cross Plns Sch Dist	38,992,451	4,055,215	0
Milton School District	16,113,951	1,675,851	0
Milwaukee Teachers Retirem Sys	421,984,019	43,886,338	0
Mineral Point Unif Sch Dist	3,489,506	362,909	0
Minocqua Jt Sch Dist #1 M-H-Lt	3,296,444	342,830	0
Mishicot School District	5,210,125	541,853	0
Mondovi School District	5,553,968	644,260	0
Monona Grove School District	18,559,283	1,930,165	0
Monroe School District	16,117,587	1,676,229	0
Montello School District	3,907,134	406,342	0
Monticello School District	2,166,424	225,308	0
Mosinee School District	12,145,680	1,263,151	0
Mount Horeb Area School Dist	12,691,483	1,319,914	0
Mukwonago School District	25,437,530	2,645,503	0
Muskego-Norway School District	28,594,721	2,973,851	0
Necedah Area School District	4,426,343	460,340	0
Neenah Joint School District	33,796,696	3,514,856	0
Neillsville School District	5,345,926	555,976	0
Nekoosa School District	6,789,674	706,126	0
Neosho Jt Sch Dist #3 Etal	902,677	105,613	217,695
New Auburn School District	1,759,593	182,998	0
New Berlin School District	24,453,599	2,861,071	12,593,521
New Glarus School District	4,704,137	489,230	0
New Holstein School District	5,451,313	648,706	2,128,051
New Lisbon School District	3,348,320	348,225	0
New London School District	13,031,026	1,524,630	2,767,811
New Richmond School District	15,250,401	1,586,042	0
Niagara School District	2,701,360	280,941	0
Nicolet High School District	9,755,566	1,014,579	0
Norris School District	965,229	114,862	72,302
North Cape Consolidated S D	921,820	95,869	0
North Crawford School District	2,792,439	290,414	0
North Fond Du Lac Sch Dist	6,083,979	717,910	272,341
North Lake School District	1,457,620	171,999	89,422
North Lakeland School District	1,451,313	194,476	486,185
Northern Ozaukee School Dist	6,537,164	771,385	1,198,541
Northland Pines School Dist	8,866,648	922,131	0
Northwood School District	2,518,809	261,956	0
Norwalk-Ontario School Dist	3,868,421	402,316	0
Norway-Raymond Jt#7 Sd	490,713	57,413	76,017
Oak Creek-Franklin Jt Sch Dist	32,699,873	3,400,787	0
Oakfield School District	3,106,775	323,105	0
Oconomowoc Area School Dist	21,771,914	2,264,279	0
Oconto Falls Public Sch Dist	10,349,887	1,076,388	0
Oconto Unified School District	7,281,331	757,258	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Omro School District	6,471,898	673,077	0
Onalaska School District	15,893,659	1,652,941	0
Oostburg School District	5,095,760	529,959	0
Oregon School District	22,612,298	2,351,679	0
Osceola School District	9,797,754	1,156,135	554,764
Oshkosh Area School District	55,389,048	5,760,461	0
Osseo-Fairchild School Dist	4,891,177	508,682	0
Owen-Withee School District	3,241,384	337,104	0
Palmyra-Eagle Area School Dist	6,145,339	639,115	0
Pardeeville Area School Dist	4,562,755	529,280	676,148
Paris Jt Sch Dist #1 Etal	1,012,056	119,423	221,692
Park Falls School District	2,188,735	256,082	0
Parkview School District	6,296,873	730,437	0
Pecatonica Area School Dist	2,707,426	330,306	1,028,535
Pepin Area School District	1,741,642	181,131	0
Peshigo School District	6,029,790	627,098	0
Pewaukee School District	13,354,640	1,388,883	0
Phelps School District	1,147,768	119,368	0
Phillips School District	4,980,310	577,716	1,259,905
Pittsville School District	3,215,062	334,366	0
Platteville School District	8,500,960	884,100	0
Plum City School District	1,611,034	167,548	0
Plymouth Joint School District	14,097,036	1,466,092	0
Port Edwards School District	2,572,354	267,525	0
Port Washington-Saukville Sch	16,881,098	1,755,634	0
Portage Community School Dist	15,150,385	1,575,640	0
Potosi School District	2,302,041	239,412	0
Poynette School District	5,881,229	688,104	937,572
Prairie Du Chien Area Sch Dist	6,229,786	647,898	0
Prairie Farm Public Sch Dist	1,963,148	204,167	0
Prentice School District	2,771,956	288,283	0
Prescott School District	7,101,506	738,557	0
Princeton School District	2,330,422	261,007	346,669
Pulaski Community School Dist	22,494,530	2,339,431	0
Racine Unified School District	128,745,615	13,389,544	0
Randall Jt Sch Dist #1 Etal	3,673,561	433,480	70,260
Randolph School District	3,210,775	333,921	0
Random Lake School District	5,500,283	572,029	0
Raymond Sch Dist #14	2,304,793	239,698	0
Reedsburg School District	14,907,056	1,550,334	0
Reedsville School District	3,797,107	394,899	0
Rhineland School District	14,699,113	1,528,708	0
Rib Lake School District	2,296,567	238,843	0
Rice Lake Area School District	13,720,350	1,426,916	0
Richfield Jsd #1	1,340,296	155,474	335,916
Richland School District	7,579,796	886,836	2,220,023
Richmond School District	1,958,071	203,639	0
Rio Community School District	2,782,181	289,347	0
Ripon Area School District	9,844,167	1,023,793	0
River Falls School District	16,871,408	1,754,626	0
River Ridge School District	3,121,714	324,658	0
River Valley School District	8,525,741	980,460	1,632,305
Riverdale School District	3,437,472	402,184	974,987
Rosendale-Brandon School Dist	5,496,941	571,682	0
Rosholt School District	3,074,010	319,697	0
Royall School District	3,026,145	314,719	0
Rubicon Jt Sch Dist #6 Etal	706,869	73,514	0
Salem School District	5,403,382	632,196	719,401
Sauk Prairie School District	15,584,625	1,823,401	1,635,465
Seneca School District	1,413,428	146,997	0
Sevastopol School District	3,445,015	358,282	0
Seymour Community School Dist	13,129,232	1,522,991	691,085
Sharon Jt Sch Dist # 11 Etal	1,262,727	147,739	329,477
Shawano School Dist	13,985,188	1,454,460	0
Sheboygan Area School District	71,262,563	7,411,307	0
Sheboygan Falls School Dist	9,443,951	982,171	0
Shell Lake School District	3,376,524	351,159	0
Shiocton School District	4,041,394	420,305	0
Shorewood School District	12,590,158	1,309,376	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Shullsburg School District	1,869,006	218,674	415,338
Silver Lake Jt Sch Dis #1 Etal	2,425,169	286,170	92,551
Siren School District	2,888,044	337,901	663,740
Slinger School District	14,562,126	1,703,769	726,966
Solon Springs School District	2,153,692	249,828	257,700
Somerset School District	8,516,903	885,758	0
South Milwaukee School Dist	20,799,870	2,163,186	0
South Shore School District	1,269,588	132,037	0
Southern Door County Sch Dist	7,003,012	728,313	0
Southwestern Wisc Comm Sch Dis	2,423,613	252,056	0
Sparta Area School District	14,396,595	1,497,246	0
Spencer School District	3,242,581	337,228	0
Spooner Area School District	7,545,869	784,770	0
Spring Valley School District	4,086,885	465,905	648,030
St Croix Central Sch Dist	6,616,705	741,071	0
St Croix Falls School District	6,644,792	777,441	894,865
St Francis School District #6	7,292,417	758,411	0
Stanley-Boyd Area School Dist	4,876,377	507,143	0
Stevens Point Area Pub Sch Dis	44,344,074	4,611,784	0
Stockbridge Sch Dist	1,208,927	125,728	0
Stone Bank School District	1,781,922	185,320	0
Stoughton Area School District	18,954,741	1,971,293	0
Stratford School District	3,999,828	415,982	0
Sturgeon Bay School District	7,711,208	801,966	0
Sun Prairie Area Sch Dis	39,364,773	4,093,936	0
Superior School District	26,708,075	2,777,640	0
Suring Public School District	2,594,927	269,872	0
Swallow School District	2,465,128	256,373	0
Thorp School District	3,073,929	319,689	0
Three Lakes School District	3,875,593	403,062	0
Tigerton School District	1,365,896	142,053	0
Tomah Area School District	17,408,536	1,810,488	0
Tomahawk School District	7,771,170	808,202	0
Tomorrow River School District	4,825,832	501,887	0
Trevor-Wilmot Cons Gr S.D.	3,275,607	340,663	0
Tri-County Area Sch Dist-Plnfd	4,077,536	424,064	0
Turtle Lake School District	3,006,376	312,663	0
Twin Lakes Sch Dist #4	2,386,602	248,207	0
Two Rivers Public School Dist	10,949,035	1,138,700	0
Union Grove Jt Sch Dis #1 Etal	3,679,091	382,625	0
Union Grove Union High Sch Dis	4,290,690	446,232	0
Unity School District	6,383,519	663,886	0
Valders Area School District	6,035,281	688,022	287,736
Verona Area School District	31,887,683	3,316,319	0
Viroqua Area School District	6,192,776	644,049	0
Wabeno Area School District	2,750,799	286,083	0
Walworth Jt Sch Dist # 1 Etal	2,434,416	287,261	322,626
Washburn School District	3,293,322	342,506	0
Washington School District	731,823	84,160	86,770
Washington-Caldwell Sch Dist	1,114,640	130,413	18,113
Waterford Union High Sch Dist	6,394,626	665,041	0
Waterford Vil Jt Sch Dist #1	7,133,132	741,846	0
Waterloo School District	4,527,828	520,700	548,484
Watertown Unified School Dist	21,746,874	2,544,384	4,259,214
Waukesha School District	77,394,247	8,049,002	0
Waunakee Community School Dist	20,743,512	2,406,247	653,476
Waupaca School District	15,220,766	1,582,960	0
Waupun Area School District	12,021,642	1,250,251	0
Wausau School District	57,843,493	6,015,723	0
Wausaukee School District	2,559,538	266,192	0
Wautoma Area School District	8,913,976	927,054	0
Wauwatosa School District	42,717,370	4,442,606	0
Wauzeka Jt Sch Dist Etal	1,866,789	194,146	0
Webster School District	3,900,577	464,169	0
West Allis-West Milw Sch Dist	46,576,083	4,843,913	0
West Bend Jt Sch Dist #1	39,014,261	4,057,483	0
West Depere School District	13,720,686	1,605,320	2,132,645
West Salem School District	8,541,933	888,361	0
Westby Area School District	6,080,097	632,330	0



Name	Covered Payroll	Total Contributions	Unfunded Liability Balance
Westfield School District	5,898,777	690,157	92,947
Weston School District	1,911,285	217,886	344,883
Westosha Central High Sch Dist	6,214,531	708,457	506,448
Weyauwega-Fremont School Dist	5,348,016	556,194	0
Weyerhaeuser Area School Dist	1,224,178	144,453	410,714
Wheatland Jt Sch Dist #1 Etal	2,436,459	289,939	227,804
White Lake School District	1,152,844	119,896	0
Whitefish Bay School District	16,951,283	1,762,933	0
Whitehall School District	3,929,717	408,691	0
Whitewater Unified School Dist	10,635,721	1,106,115	0
Whitnall School District	13,387,146	1,392,263	0
Wild Rose School District	3,557,688	370,000	0
Williams Bay School District	3,299,838	343,183	0
Wilmot Union High School Dist	7,557,301	785,959	0
Winneconne Comm School Dist	8,782,206	913,349	0
Winter School District	2,177,170	226,426	16
Wisconsin Dells School Dist	9,572,240	995,513	0
Wisconsin Heights School Dist	5,005,305	520,552	0
Wisconsin Rapids School Dist	36,114,941	3,755,954	0
Wittenberg-Biramwood Sch Dist	7,129,281	741,445	0
Wonewoc & Union Center Sch Dis	1,923,927	234,719	257,122
Wrightstown Community Sch Dist	6,148,536	700,933	409,872
Yorkville Jt Sch Dist #2 Etal	1,922,814	199,973	0
Total School Districts	<u>4,891,040,495</u>	<u>521,862,531</u>	<u>120,652,526</u>
Technical Colleges			
Blackhawk Technical College	14,977,845	1,557,696	0
Chippewa Valley Tech College	27,986,044	2,910,549	0
Fox Valley Technical College	51,837,668	5,391,117	0
Gateway Tech College	43,021,669	4,474,254	0
Lakeshore Technical College	17,138,894	1,782,445	0
Madison Area Tech College	81,894,246	8,517,002	0
Mid-State Technical College	16,642,172	1,730,786	0
Milwaukee Area Tech College	119,728,050	12,451,717	0
Moraine Park Technical College	23,677,221	2,462,431	0
Nicolet Area Technical College	13,335,098	1,386,850	0
North Central Tech College	24,619,071	2,560,383	0
Northeast Wisc Tech College	46,391,235	4,824,688	0
Southwest Wisc Tech College	11,592,042	1,205,572	0
Waukesha Co Technical College	37,858,017	3,937,234	0
Western Tech College	26,942,544	2,802,025	0
Wisconsin Indianhead Tech Coll	24,029,882	2,499,108	0
Total Technical Colleges	<u>581,671,698</u>	<u>60,493,857</u>	<u>0</u>
CESAs			
CESA #1	5,630,840	658,808	566,155
CESA #10, Chippewa Falls	7,338,958	763,252	0
CESA #11	8,159,076	848,544	0
CESA #12, Ashland	2,234,211	232,358	0
CESA #2	7,641,388	947,532	1,412,235
CESA #3, Fennimore	1,554,554	183,437	487,513
CESA #4, Lacrosse	1,758,135	203,944	184,726
CESA #5, Portage	7,411,622	867,160	732,548
CESA #6, Oshkosh	6,969,549	815,437	1,983,272
CESA #7, Green Bay	8,678,585	902,573	0
CESA #8, Gillett	5,717,104	594,579	0
CESA #9, Tomahawk	2,228,972	231,813	0
Total CESAs	<u>65,322,992</u>	<u>7,249,437</u>	<u>5,366,449</u>
Total WRS	<u>12,622,231,398</u>	<u>1,453,443,817</u>	<u>193,292,956</u>

