

# 2014

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2014

State of Wisconsin  
Department of Employee Trust Funds






# 2014

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For The Year Ended December 31, 2014

State of Wisconsin Department of Employee Trust Funds  
Robert Willett, Chief Trust Financial Officer and Controller

Wisconsin Department of Employee Trust Funds  
P.O. Box 7931  
Madison, Wis. 53707-7931  
1-877-533-5020  
<http://etf.wi.gov>

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State of Wisconsin

Department of Employee Trust Funds







**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**

**Robert J. Conlin**  
SECRETARY

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January 14, 2016

GOVERNOR SCOTT WALKER  
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, 2014. 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. The financial strength of the WRS is attributable to its unique plan design, funding discipline at the state and local level, strong governance, and the effective investment strategies of the State of Wisconsin Investment Board (SWIB).

### **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 29% state employees and 71% local employees. As of December 31, 2014, the WRS had 257,255 active employees, 185,605 annuitants (retirees, disability recipients, and beneficiaries), and 161,123 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

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.
- Management is responsible for the contents of this report.

### **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 fund administration benchmarking study conducted by industry leader CEM Benchmarking, Inc., the annual per-member administrative expenses associated with the retirement and disability programs was \$66 for the WRS, compared to the median per-member cost of \$91. ETF employs one full-time equivalent staff person per 1,531 members, compared to the peer system median of one per 1,536 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 ensure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,

Robert J. Conlin, Secretary  
Bob Willett, Chief Trust Financial Officer and Controller



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2014***

Presented to

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

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.

### Wisconsin Retirement System

| Summary Financial Statements                              |                       |                       |                       |                   |
|---|-----------------------|-----------------------|-----------------------|-------------------|
|   | 2014                  | 2013                  | Increase              | Increase          |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|   |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>   | \$98,741.8            | \$96,483.6            | \$2,258.2             | 2%                |
| <b>Liabilities</b>  | <u>6,595.0</u>        | <u>6,558.8</u>        | <u>36.2</u>           | 1%                |
| <b>Reserves:</b>  |                       |                       |                       |                   |
| Employer Reserve  | 22,030.1              | 21,277.0              | 753.1                 | 4%                |
| Employee Reserve  | 16,402.1              | 15,559.3              | 842.8                 | 5%                |
| Annuity Reserve   | 51,133.2              | 48,458.3              | 2,674.9               | 6%                |
| Reserve for Changes in the<br>Market Value of Investments | 2,476.0               | 4,570.4               | (2,094.4)             | (46%)             |
| Undistributed Earnings                                    | 87.7                  | 49.8                  | 37.9                  | 76%               |
| Blended Administration                                    | <u>17.7</u>           | <u>10.0</u>           | <u>7.7</u>            | 77%               |
| <b>Net Position Held in Trust</b>                         | <u>\$92,146.8</u>     | <u>\$89,924.8</u>     | <u>\$2,222.0</u>      | 3%                |
| <b>Additions</b>  |                       |                       |                       |                   |
| Contributions   | \$1,929.7             | \$1,786.0             | \$143.7               | 8%                |
| Investment Income   | 4,888.2               | 11,343.2              | (6,455.0)             | (57%)             |
| Other Additions   | <u>2.8</u>            | <u>4.1</u>            | <u>(1.3)</u>          | (32%)             |
| Total Additions   | <u>6,820.7</u>        | <u>13,133.3</u>       | <u>(6,312.6)</u>      | (48%)             |
| <b>Deductions</b>   |                       |                       |                       |                   |
| Benefits and Distributions                                | 4,574.7               | 4,258.0               | 316.7                 | 7%                |
| Admin. & Other Expenses                                   | <u>24.0</u>           | <u>22.9</u>           | <u>1.1</u>            | 5%                |
| Total Deductions  | <u>4,598.7</u>        | <u>4,280.9</u>        | <u>317.8</u>          | 7%                |
| <b>Net Increase (Decrease)</b>                            | <u>\$2,222.0</u>      | <u>\$8,852.4</u>      | <u>(\$6,630.4)</u>    | (75%)             |

### Program Description

The Wisconsin Retirement System (WRS) collects and invests employee and employer contributions, and 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 \$17.7 million in 2014 and an increase of \$10.0 million in 2013 in the Net Position Held in Trust.



## INTRODUCTION

- The Annuity Reserve increased by 5.5% in 2014, from \$48.5 billion to \$51.1 billion. This included a 6.52% increase in the Core Annuity Reserve of \$2.86 billion and a 4.54% decrease in the Variable Annuity Reserve of \$190 million.
- 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 decreased by \$2.1 billion in 2014, the result of \$971 million in investment losses from 2014 being deferred for future recognition, and \$1.2 billion of previously-deferred investment gains from 2010 through 2013 being recognized in 2014. 97.5% or \$2,476.0 million of the deferred gains in the MRA are attributable to the WRS.
- Contributions increased 8.05% in 2014, from \$1.79 billion to \$1.93 billion. This included an 11.86% increase in employer contributions, from \$915 million to \$1.02 billion, and a 4.04% increase in employee contributions, from \$871 million to \$906 million. The increased contributions resulted from a 2.6% increase in covered payrolls and a 5.3% increase to contribution rates in 2014.
- Net investment income decreased by approximately \$6.4 billion in 2014, from an \$11.3 billion gain to a \$4.9 billion gain. This included a decrease in Core Trust Fund income of \$5.3 billion, from a \$9.7 billion gain to a \$4.4 billion gain, and a decrease in Variable Trust Fund income of \$1.1 billion, from a \$1.6 billion gain to a \$497 million gain.
- The balanced Core Trust Fund realized a 5.7% investment return, while the equity-based Variable Trust Fund experienced a 7.3% return. The Core Trust Fund gain, after being smoothed through the MRA, resulted in a Core effective rate of 8.7% 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 7.0% Variable effective rate.
- Benefit payments increased by 7.4%, from \$4.26 billion to \$4.58 billion. Core annuities (including Section 62.13 Police & Firefighters) increased by 6.0%, from \$3.82 billion to \$4.04 billion, while

Variable annuities increased by 15.7%, from \$318 million to \$368 million. Lump Sum Payments (separations, death benefits, and minimum annuities) decreased by 1.8%, from \$123.5 million to \$121.5 million. See "Annuity Payments" section below for details.

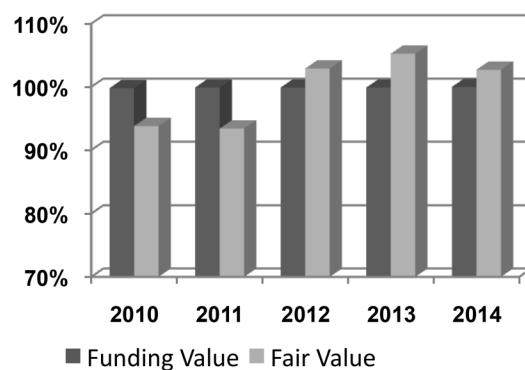
### Funded Status

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 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 fair value, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio increased slightly at 100.0% funded.

The fair value-based funded ratio for the WRS decreased to 102.7% funded.

### WRS Funded Ratio



### Annuity Payments

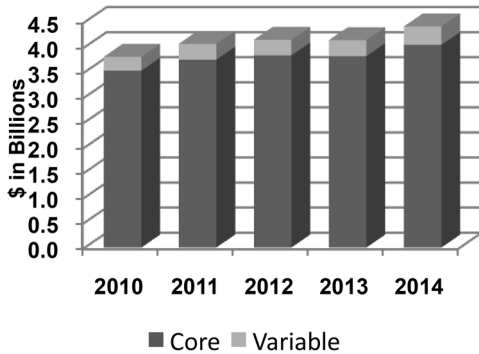
In 2014 ETF paid a total of \$4.6 billion in benefits to retired persons, disabled retirees and beneficiaries of retirees. This was an increase of 7.4%, or \$316.7 million, over 2013. Core annuities increased by 6.0%, from \$3.82 billion to \$4.04 billion, while Variable



annuities increased by 15.7%, from \$318 million to \$368 million. Annuities paid to the closed group Section 62.13 Police and Firefighters decreased by 13.0%, from \$3.9 million to \$3.4 million.

Annuitants with Core annuities experienced a 2.9% increase in their benefits in 2014, while Variable annuities received a 2.0% increase in their benefits, effective April 1, 2015.

### Annuity Payments

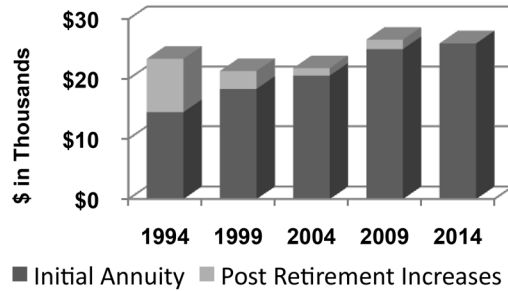


Approximately 9,274 additional persons began receiving annuities during 2014, while 3,725 annuities were ended due to death or expiration of a guarantee period. At year-end, 185,605 people were receiving retirement, disability, or beneficiary annuities, an increase of 3.1% over 2013.

The **average** annual annuity received by **all** retirees (Core and Variable combined) increased to \$24,185 in 2014, up 5.56% from the previous year. The average annual amount of new annuities begun during 2014 was \$29,479 up 1.21% from \$29,128 in 2013.

While the initial amount of new annuities has increased over time, post-retirement increases have generally helped maintain the purchasing power of existing annuities. The exception to this is in the years since the market losses in 2008, when there have been post-retirement decreases due to the losses being smoothed over five years. The accompanying chart shows how new annuities have increased over time, based on investment performance, as well as how post-retirement increases added to the value of the annuity over time.

### Average Annual Annuity By Year Began

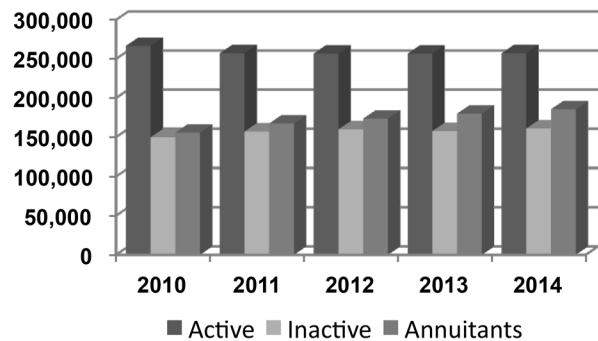


### Participation

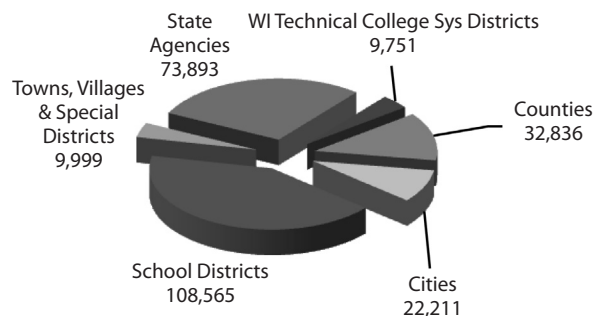
There were 603,983 WRS participants as of December 31, 2014, an increase of 1.6% over the previous year. Participants include 257,255 active government employees, an increase of 0.18% from the previous year; 185,605 retirees and others receiving annuities, an increase of 3.1% over the previous year; and 161,123 "inactives," or former public employees who had not yet taken a benefit from their retirement accounts, an increase of 2.13% over the previous year. To put the WRS growth in perspective, the total participation level has risen by 83,217 persons since 2004, a 15.98% increase.

In 2014, the total number of employers participating in the WRS increased from 1,479 to 1,482. The increase included the addition of four towns and the elimination of one special district.

### WRS Participants



### Participants by Employer Type





## Deferred Compensation Plan and Trust

| <b>Summary Financial Statements</b>             |                       |                       |                                |                                |
|---|-----------------------|-----------------------|--------------------------------|--------------------------------|
|   | <b>2014</b>           | <b>2013</b>           | <b>Increase<br/>(Decrease)</b> | <b>Increase<br/>(Decrease)</b> |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>\$ in millions</i>          | <i>%</i>                       |
| <b>Net position available for plan benefits</b> | \$3,926.8             | \$3,650.7             | \$276.1                        | 8%                             |
| <b>Additions</b>                                |                       |                       |                                |                                |
| Employee Contributions                          | \$142.6               | \$139.0               | \$3.6                          | 3%                             |
| Transfers In                                    | 31.0                  | 19.2                  | 11.8                           | 61%                            |
| Investment Income                               | <u>259.7</u>          | <u>606.6</u>          | <u>(346.9)</u>                 | <u>(57%)</u>                   |
| Total Additions                                 | <u>433.3</u>          | <u>764.8</u>          | <u>(331.5)</u>                 | <u>(43%)</u>                   |
| <b>Deductions</b>                               |                       |                       |                                |                                |
| Participant Distributions                       | 154.1                 | 136.7                 | 17.4                           | 13%                            |
| Administrative Expenses                         | 2.9                   | 2.5                   | 0.4                            | 16%                            |
| Other   | <u>0.3</u>            | <u>0.3</u>            | <u>0.0</u>                     | <u>0%</u>                      |
| Total Deductions                                | <u>157.2</u>          | <u>139.5</u>          | <u>17.7</u>                    | <u>13%</u>                     |
| <b>Net Increase (Decrease)</b>                  | <u>\$276.1</u>        | <u>\$625.3</u>        | <u>(\$349.2)</u>               | <u>(56%)</u>                   |

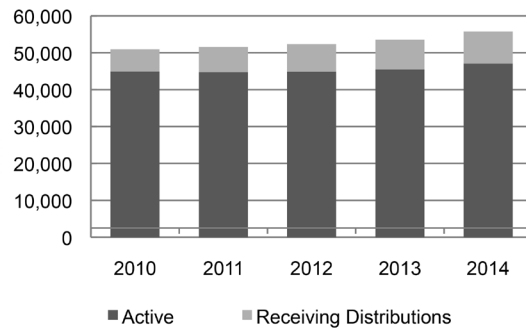
### Program Description

The State of Wisconsin Public Employees Deferred Compensation Plan and Trust (the Plan) was established in 1981 pursuant to Wisconsin State Statute Section 40.80. Under the Plan provisions, employees of the State of Wisconsin and public employers in Wisconsin that elect to participate are eligible to contribute to the Plan through payroll deductions. The Plan is governed by the Wisconsin Deferred Compensation Board. The plan is administered by a third party and the Wisconsin Deferred Compensation Board is trustee of the Plan.

### Participation

There were 47,063 active members participating in the Plan as of December 31, 2014, and 8,675 participants who received a distribution from the Plan in 2014. As of December 31, 2014, approximately 61% of the Plan assets were applicable to state employees and the remaining 39% represent assets of other Wisconsin public employers participating in the Plan.

### Plan Participants



### Financial Statements

The annual financial statements audit report for the WDC can be found in the Board's Governance Manual on the Department's website.



## Accumulated Sick Leave Conversion Credit (ASLCC) Program

| Summary Financial Statements                           |                       |                       |                       |                   |
|--|-----------------------|-----------------------|-----------------------|-------------------|
|  | 2014                  | 2013                  | Increase              | Increase          |
|  | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|  |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>  | \$2,408.2             | \$2,363.8             | \$44.4                | 2%                |
| <b>Less: Liabilities</b>                               |                       |                       |                       |                   |
| Estimated Future Claims                                | 2,367.9               | 2,267.7               | 100.2                 | 4%                |
| Other Liabilities                                      | 0.8                   | 0.8                   | 0.0                   | 0%                |
| <b>Less: Reserves</b>                                  |                       |                       |                       |                   |
| Reserve for Changes in the Market Value of Investments | <u>59.6</u>           | <u>119.4</u>          | <u>(59.8)</u>         | (50%)             |
| <b>Unfunded Liability</b>                              | <u>(\$20.1)</u>       | <u>(\$24.1)</u>       | <u>(\$4.0)</u>        | (17%)             |
| <b>Additions</b>                                       |                       |                       |                       |                   |
| Contributions  | \$61.5                | \$53.7                | \$7.8                 | 15%               |
| Investment Income                                      | <u>125.4</u>          | <u>280.4</u>          | <u>(155.0)</u>        | (55%)             |
| Total Additions  | <u>186.9</u>          | <u>334.1</u>          | <u>(147.2)</u>        | (44%)             |
| <b>Deductions</b>                                      |                       |                       |                       |                   |
| Benefits and Distributions                             | 242.4                 | 276.6                 | (34.2)                | (12%)             |
| Administration   | <u>0.3</u>            | <u>1.2</u>            | <u>(0.9)</u>          | (79%)             |
| Total Deductions                                       | <u>242.7</u>          | <u>277.8</u>          | <u>(35.1)</u>         | (13%)             |
| <b>Net Increase (Decrease)</b>                         | <u>(\$55.8)</u>       | <u>\$56.3</u>         | <u>(\$112.1)</u>      | (199%)            |

### Program Description

The ASLCC Program allows retirees of the State of Wisconsin, the University of Wisconsin (UW) System, the UW Hospital & Clinics Authority and other state Authorities, 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.

### Financial Highlights

- At the end of 2014, the unfunded liability is attributable to the UW Hospital & Clinics Authority, the Wisconsin Health and Education Facility Authority, and Wiscraft. No liability exists for state agencies or the University of Wisconsin System.
- 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. 2.3% or \$59.6 million of the deferred investment gains in the MRA are attributable to the ASLCC Program.



INTRODUCTION

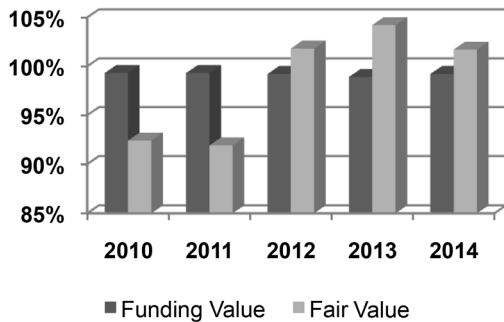
**Funded Status**

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 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 fair value, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio increased from 98.9% funded to 99.2% funded.

The fair value-based funded ratio decreased from 104.2% funded to 101.7% funded. The decrease in the fair value funded ratio resulted from the decrease in investment income for the year.

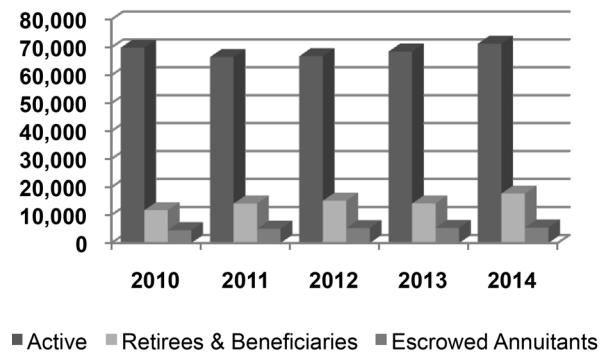
**Accumulated Sick Leave Conversion Credits Funded Ratio**



**Participation**

There were 94,510 ASLCC participants as of December 31, 2014, an increase of 7.3% over the previous year. Participants include 71,314 active employees, an increase of 4.1% from the previous year; 17,715 retirees and others using ASLCC credits; and 5,481 “escrowed annuitants” — former employees who had not yet started using credits from their ASLCC accounts.

**ASLCC Participants**





## State Retiree Life Insurance Plan

| Summary Financial Statements      |                        |                        |  |                             |
|-----------------------------------|------------------------|------------------------|--|-----------------------------|
|                                   | 2014<br>\$ in millions | 2013<br>\$ in millions | Increase<br>(Decrease)<br>\$ in millions | Increase<br>(Decrease)<br>% |
| <b>Net Position Held in Trust</b> | \$364.8                | \$365.9                | (\$1.1)                                  | 0%                          |
| <b>Additions</b>                  |                        |                        |  |                             |
| Contributions                     | \$4.7                  | \$4.7                  | (0.0)                                    | 0%                          |
| Investment Income                 | <u>14.0</u>            | <u>14.8</u>            | <u>(0.8)</u>                             | (5%)                        |
| Total Additions                   | <u>18.8</u>            | <u>19.5</u>            | <u>(0.7)</u>                             | (4%)                        |
| <b>Deductions</b>                 |                        |                        |  |                             |
| Benefits and Distributions        | 19.1                   | 18.6                   | 0.5                                      | 3%                          |
| Admin. & Other Expenses           | <u>0.9</u>             | <u>0.7</u>             | <u>0.2</u>                               | 29%                         |
| Total Deductions                  | <u>20.0</u>            | <u>19.3</u>            | <u>0.7</u>                               | 4%                          |
| <b>Net Increase (Decrease)</b>    | <u>(\$1.1)</u>         | <u>\$0.2</u>           | <u>(\$1.4)</u>                           | (700%)                      |

### 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.

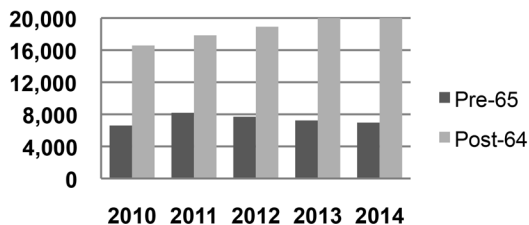
### Participation

6,969 pre-age 65 retirees and 21,168 age 65 and over retirees participated in the State Retiree Life Insurance Plan in 2014.

### Funded Status

Actuarial valuations of the State Retiree Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2014. As of that date, plan assets represented 69.1% of plan actuarial liabilities.

### State Retiree Participants







## Local Government Retiree Life Insurance Plan

| Summary Financial Statements      |                        |                        |  |                             |
|-----------------------------------|------------------------|------------------------|--|-----------------------------|
|                                   | 2014<br>\$ in millions | 2013<br>\$ in millions | Increase<br>(Decrease)<br>\$ in millions | Increase<br>(Decrease)<br>% |
| <b>Net Position Held in Trust</b> | \$243.3                | \$239.7                | \$3.6                                    | 2%                          |
| <b>Additions</b>                  |                        |                        |  |                             |
| Contributions                     | \$7.6                  | \$7.6                  | \$0.0                                    | 0%                          |
| Investment Income                 | <u>9.2</u>             | <u>9.6</u>             | <u>(0.4)</u>                             | (4%)                        |
| Total Additions                   | <u>16.8</u>            | <u>17.2</u>            | <u>(0.4)</u>                             | (2%)                        |
| <b>Deductions</b>                 |                        |                        |  |                             |
| Benefits and Distributions        | 11.8                   | 12.0                   | (0.2)                                    | (2%)                        |
| Admin. & Other Expenses           | <u>1.5</u>             | <u>1.2</u>             | 0.3                                      | 25%                         |
| Total Deductions                  | <u>13.3</u>            | <u>13.2</u>            | <u>0.1</u>                               | 1%                          |
| <b>Net Increase (Decrease)</b>    | <u>\$3.5</u>           | <u>\$4.0</u>           | <u>(\$0.5)</u>                           | (13%)                       |

### 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.

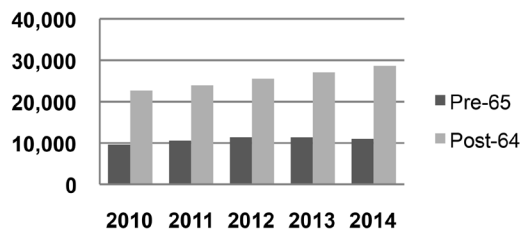
### Participation

11,008 pre-age 65 retirees and 28,634 age 65 and over retirees participated in the Local Government Retiree Life Insurance Plan in 2014.

### Funded Status

Actuarial valuations of the Local Retiree Government Life Insurance Plan are conducted biennially. The most recent valuation was performed January 1, 2014. As of that date, plan assets represented 67.8% of plan liabilities.

### Local Retiree Participants





## Active Member Life Insurance Plan

| Summary Financial Statements               |                 |                 |                        |                        |
|--|-----------------|-----------------|------------------------|------------------------|
|  | 2014            | 2013            | Increase<br>(Decrease) | Increase<br>(Decrease) |
|  | \$ in thousands | \$ in thousands | \$ in thousands        | %                      |
| <b>Net Position Available for Benefits</b> | \$257.9         | \$254.2         | \$3.7                  | 1%                     |
| <b>Revenues</b>                            |                 |                 |                        |                        |
| Administrative Reimbursement               | 761.5           | \$549.2         | 212.3                  | 39%                    |
| Investment Income                          | 0.6             | 1.4             | (0.8)                  | (57%)                  |
| Total Revenues                             | <u>762.1</u>    | <u>550.6</u>    | <u>211.5</u>           | 38%                    |
| <b>Expenses</b>                            |                 |                 |                        |                        |
| Administrative Expense                     | <u>758.4</u>    | <u>539.9</u>    | <u>218.5</u>           | 40%                    |
| Total Expenses                             | <u>758.4</u>    | <u>539.9</u>    | <u>218.5</u>           | 40%                    |
| <b>Net Increase (Decrease)</b>             | <u>\$3.7</u>    | <u>\$10.7</u>   | <u>(\$7.0)</u>         | (65%)                  |

### 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.

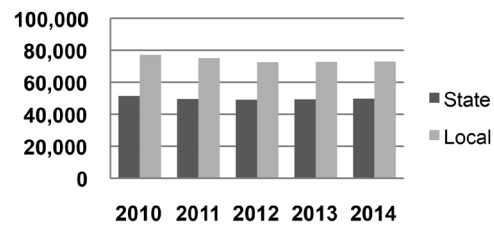
### Financial Highlights

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 an asset or liability.

### Participation

49,683 active state employees and 72,879 active local government employees participated in the life insurance plan in 2014. 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      |                 |                 |                        |                        |
|-----------------------------------|-----------------|-----------------|------------------------|------------------------|
|                                   | 2014            | 2013            | Increase<br>(Decrease) | Increase<br>(Decrease) |
|                                   | \$ in thousands | \$ in thousands | \$ in thousands        | %                      |
| <b>Assets</b>                     | \$7,061.3       | \$6,514.1       | \$547.2                | 8%                     |
| <b>Liabilities</b>                | <u>6,409.4</u>  | <u>5,780.5</u>  | <u>628.9</u>           | 11%                    |
| <b>Net Position Held in Trust</b> | <u>\$651.9</u>  | <u>\$733.6</u>  | <u>(81.7)</u>          | (11%)                  |
| <b>Additions</b>                  |                 |                 |                        |                        |
| Contributions                     | \$27,331.3      | \$25,400.3      | \$1,931.0              | 8%                     |
| Investment Income                 | 3.6             | 3.9             | (0.3)                  | (8%)                   |
| Other Additions                   | <u>37.0</u>     | <u>50.8</u>     | <u>(13.8)</u>          | (27%)                  |
| Total Additions                   | <u>27,371.9</u> | <u>25,454.9</u> | <u>1917.0</u>          | 8%                     |
| <b>Deductions</b>                 |                 |                 |                        |                        |
| Benefits and Distributions        | 26,216.8        | 24,391.0        | 1,825.8                | 7%                     |
| Administrative Expenses           | <u>1,236.8</u>  | <u>1,017.2</u>  | <u>219.6</u>           | 22%                    |
| Total Deductions                  | <u>27,453.6</u> | <u>25,408.2</u> | <u>2,045.4</u>         | 8%                     |
| <b>Net Increase (Decrease)</b>    | <u>(\$81.7)</u> | <u>\$46.7</u>   | <u>(128.4)</u>         | (275%)                 |

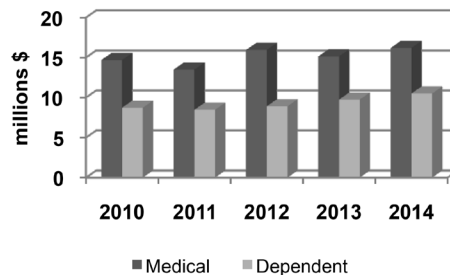
### Program Description

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.

### Financial Highlights

- The net decrease in the ERA Program this year of \$81,700 resulted from the expenses related to the transition of a new third party administrator. Reductions in FICA tax from this program saved the state an estimated \$2 million in 2014, with combined FICA and income tax savings of an estimated \$7.6 million realized by participants.

### Salary Reductions





## Commuter Benefits Program

| Summary Financial Statements      |                        |                        |                        |            |
|-----------------------------------|------------------------|------------------------|------------------------|------------|
|                                   | 2014                   | 2013                   | Increase               | Increase   |
|                                   | <i>\$ in thousands</i> | <i>\$ in thousands</i> | (Decrease)             | (Decrease) |
|                                   |                        |                        | <i>\$ in thousands</i> | %          |
| <b>Assets</b>                     | \$133.1                | \$310.8                | (\$177.7)              | (57%)      |
| <b>Liabilities</b>                | <u>181.3</u>           | <u>260.3</u>           | <u>(79.0)</u>          | (30%)      |
| <b>Net Position Held in Trust</b> | <u>(\$48.2)</u>        | <u>\$50.5</u>          | <u>(98.7)</u>          | (195%)     |
| <b>Additions</b>                  |                        |                        |                        |            |
| Contributions                     | \$1,797.8              | \$1,700.7              | \$97.1                 | 6%         |
| Investment Income                 | 0.4                    | (0.3)                  | 0.7                    | 233%       |
| Other Additions                   | <u>0.0</u>             | <u>2.0</u>             | <u>(2.0)</u>           | (100%)     |
| Total Additions                   | <u>1,798.2</u>         | <u>1,702.4</u>         | <u>95.8</u>            | 6%         |
| <b>Deductions</b>                 |                        |                        |                        |            |
| Benefits and Distributions        | 1,721.9                | 1,526.9                | 195.0                  | 13%        |
| Administrative Expenses           | <u>175.1</u>           | <u>158.0</u>           | <u>17.1</u>            | 11%        |
| Total Deductions                  | <u>\$1,897.0</u>       | <u>1,684.9</u>         | <u>212.1</u>           | 13%        |
| <b>Net Increase (Decrease)</b>    | <u>(\$98.7)</u>        | <u>\$17.5</u>          | <u>(116.2)</u>         | (664%)     |

### 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.

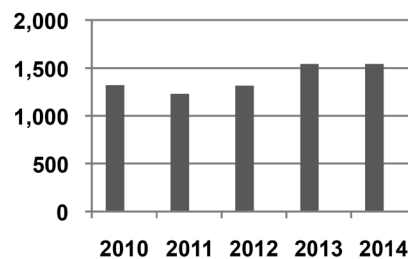
### Financial Highlights

- The Commuter Benefits Program began in August 2002. Startup costs were funded through an advance from the state's general fund. As of December 31, 2014, \$27,700 remained payable to the general fund.
- The net decrease in the Commuter Benefits Program of \$98.8 thousand was attributable to recognizing a liability related to the transition of a new third party administrator for all participant account balances as of year-end for the first time.

### Participation

Participation in the Commuter Benefits Program changes from month to month. As of December 31, 2014, the program had 1,481 participants, a 4% decrease from 1,543 as of December 31, 2013.

### Participants





## Milwaukee Retirement Fund

| <b>Summary Financial Statements</b> |                       |                       |                                |                                |
|-------------------------------------|-----------------------|-----------------------|--------------------------------|--------------------------------|
|                                     | <b>2014</b>           | <b>2013</b>           | <b>Increase<br/>(Decrease)</b> | <b>Increase<br/>(Decrease)</b> |
|                                     | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>\$ in millions</i>          | <i>%</i>                       |
| <b>Assets</b>                       |                       |                       |                                |                                |
| Investment in Core Fund             | \$165.8               | \$162.5               | \$3.3                          | 2 %                            |
| Investment in Variable Fund         | <u>21.1</u>           | <u>21.6</u>           | <u>(0.5)</u>                   | (2%)                           |
| <b>Net Position Held in Trust</b>   | <u>\$186.9</u>        | <u>\$184.1</u>        | <u>\$2.8</u>                   | 2%                             |
| <b>Additions</b>                    |                       |                       |                                |                                |
| Deposits                            | \$7.0                 | \$8.5                 | (\$1.5)                        | (18%)                          |
| Investment Income                   | <u>9.7</u>            | <u>24.9</u>           | <u>(15.2)</u>                  | (61%)                          |
| Total Additions                     | <u>16.7</u>           | <u>33.4</u>           | <u>(16.7)</u>                  | (50%)                          |
| <b>Deductions</b>                   |                       |                       |                                |                                |
| Benefits and Distributions          | <u>14.0</u>           | <u>17.5</u>           | <u>(3.5)</u>                   | (20%)                          |
| Total Deductions                    | <u>14.0</u>           | <u>17.5</u>           | <u>(3.5)</u>                   | (20%)                          |
| <b>Net Increase (Decrease)</b>      | <u>\$2.7</u>          | <u>\$15.9</u>         | <u>(\$13.2)</u>                | (83%)                          |

### 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 2014 and 2013, the Milwaukee Retirement Fund included only investments from the Milwaukee Public Schools Supplemental Retirement Program.

## Duty Disability Insurance Program

| Summary Financial Statements                           |                       |                       |                       |                   |
|--|-----------------------|-----------------------|-----------------------|-------------------|
|  | 2014                  | 2013                  | Increase              | Increase          |
|  | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|  |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>  | \$611.1               | \$602.5               | \$8.6                 | 1%                |
| <b>Less: Liabilities</b>                               | 3.1                   | 3.1                   | 0.0                   | 0%                |
| <b>Less: Reserves</b>                                  |                       |                       |                       |                   |
| Reserve for Changes in the Market Value of Investments | <u>15.3</u>           | <u>30.5</u>           | <u>(15.2)</u>         | (50%)             |
| <b>Net Position Held in Trust</b>                      | <u>\$592.7</u>        | <u>\$568.9</u>        | <u>\$23.8</u>         | 4%                |
| <b>Additions</b>                                       |                       |                       |                       |                   |
| Contributions  | \$9.3                 | \$53.9                | (\$44.6)              | (83%)             |
| Investment Income                                      | <u>31.8</u>           | <u>68.5</u>           | <u>(36.7)</u>         | (54%)             |
| Total Additions  | <u>41.1</u>           | <u>122.4</u>          | <u>(81.3)</u>         | (66%)             |
| <b>Deductions</b>                                      |                       |                       |                       |                   |
| Benefits and Distributions                             | 31.7                  | 31.4                  | 0.3                   | 1%                |
| Administration   | <u>0.7</u>            | <u>0.8</u>            | <u>(0.1)</u>          | (13%)             |
| Total Deductions                                       | <u>32.4</u>           | <u>32.2</u>           | <u>0.2</u>            | 1%                |
| <b>Net Increase (Decrease)</b>                         | <u>\$8.7</u>          | <u>\$90.2</u>         | <u>(\$81.5)</u>       | (90%)             |

### Program Description

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

### Financial Highlights

- 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% or \$15.3 million of the deferred investment gains in the MRA are attributable to the Duty Disability Insurance Program.
- Contributions decreased 83% in 2014, from \$53.9 million to \$9.3 million. The decrease resulted from the ETF Board's new contribution policy reducing the contribution rates for employers as the program reaches full funding.

### 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 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

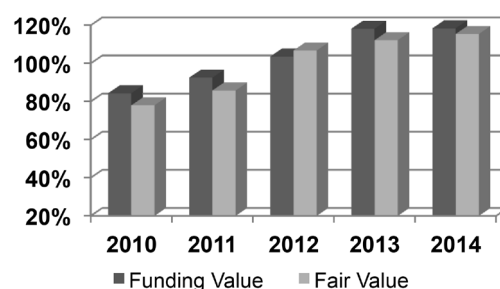
measurement is less representative of current fair value but better presents the funding trends without the year-to-year volatility.

The funding and fair value based ratios were calculated using the actuarial accrued liability total from the Other Post-Employment Benefits (OPEB) Actuarial Valuation as of January 1, 2014.

The funding value-based funded ratio increased from 112.2% funded to 115.4%. Since 2010, the funded ratio has improved from 84.3% to 118.4% 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 slightly from 118.1% funded to 118.4% funded. The increase in the fair value funded ratio resulted from the investment income for the year.

### Duty Disability Insurance Funded Ratio





## Income Continuation Insurance (ICI) Program

| <b>Summary Financial Statements</b>                       |                       |                       |                                |                                |
|---|-----------------------|-----------------------|--------------------------------|--------------------------------|
|   | <b>2014</b>           | <b>2013</b>           | <b>Increase<br/>(Decrease)</b> | <b>Increase<br/>(Decrease)</b> |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>\$ in millions</i>          | <i>%</i>                       |
| <b>Assets</b>   | \$98.0                | \$99.2                | (\$1.2)                        | (1%)                           |
| <b>Less: Liabilities</b>                                  |                       |                       |                                |                                |
| Estimated Future Claims                                   | 79.3                  | 90.8                  | (11.5)                         | (13%)                          |
| Other Liabilities   | 4.0                   | 0.4                   | 3.6                            | 900%                           |
| <b>Less: Reserves</b>                                     |                       |                       |                                |                                |
| Reserve for Changes in the<br>Market Value of Investments | <u>12.1</u>           | <u>14.3</u>           | <u>(2.2)</u>                   | (15%)                          |
| <b>Net Position Available for<br/>Benefits</b>            | <u>2.6</u>            | <u>\$ (6.3)</u>       | <u>8.9</u>                     | 140%                           |
| <b>Revenues</b>   |                       |                       |                                |                                |
| Contributions   | \$15.8                | \$15.0                | \$0.8                          | 5%                             |
| Investment Income   | 4.6                   | 10.8                  | (6.2)                          | (57%)                          |
| Miscellaneous Income                                      | <u>0.1</u>            | <u>0.1</u>            | <u>0.0</u>                     | 0%                             |
| Total Revenues  | <u>20.5</u>           | <u>25.9</u>           | <u>(5.4)</u>                   | (21%)                          |
| <b>Expenses</b>   |                       |                       |                                |                                |
| Benefits and Distributions                                | 8.2                   | 27.7                  | (19.5)                         | (70%)                          |
| Admin. & Other Expenses                                   | <u>5.7</u>            | <u>2.0</u>            | <u>3.7</u>                     | 185%                           |
| Total Expenses  | <u>13.9</u>           | <u>29.7</u>           | <u>(15.8)</u>                  | (53%)                          |
| <b>Net Income (Loss)</b>                                  | <u>\$6.6</u>          | <u>(\$3.8)</u>        | <u>\$10.4</u>                  | 274%                           |

### Program Description

The ICI Program 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

- The Benefit and Distributions expense is the actuarially-determined change in liabilities during the year. Changes in actuarial procedures and assumptions, including the recognition of a liability for loss adjustment expenses, were reflected in the December 31, 2014, valuation resulting in a significant decrease in liabilities from years previous.
- 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. 0.5% or \$12.1 million of the deferred investment gains in the MRA are attributable to the ICI program.

### Funded Status

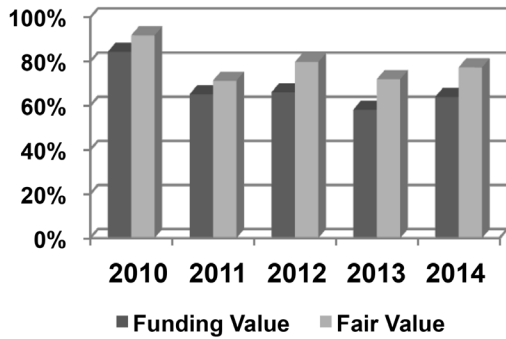
The funded status of the ICI Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair value of 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 fair value, but better presents the funding trends without the year-to-year volatility.

**State Plan**

The funding value-based funded ratio increased from 60% funded to 64% funded. The target for this program is to maintain a funded ratio of 115% to 125% of liabilities as a hedge against adverse claims performance. Annual premium increases are anticipated for the next six years to reach the target funding level.

The fair value-based funded ratio increased from 74% funded to 77% funded.

**State Income Continuation Insurance Funded Ratio**

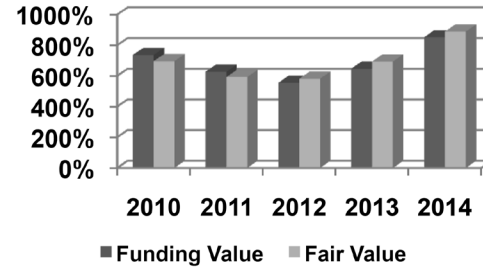


**Local Plan**

The funding value-based funded ratio increased from 644% funded to 840% funded. This increase is the result of investment income earned in 2014. Starting in March 2012 local governments are on a premium holiday. 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 691% funded to 876% funded.

**Local Income Continuation Insurance Funded Ratio**







## Long-Term Disability Insurance (LTDI) Program

| Summary Financial Statements                              |                       |                       |                       |                   |
|---|-----------------------|-----------------------|-----------------------|-------------------|
|   | 2014                  | 2013                  | Increase              | Increase          |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|   |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>   | \$209.8               | \$200.1               | \$9.7                 | 5%                |
| <b>Less: Liabilities</b>                                  |                       |                       |                       |                   |
| Estimated Future Claims                                   | 281.2                 | 233.5                 | 47.7                  | 20%               |
| Other Liabilities   | 17.8                  | 5.8                   | 12.0                  | 207%              |
| <b>Less: Reserves</b>                                     |                       |                       |                       |                   |
| Reserve for Changes in the<br>Market Value of Investments | <u>(21.2)</u>         | <u>(15.5)</u>         | <u>(5.7)</u>          | (37%)             |
| <b>Net Position Available for Benefits</b>                | <u>(\$68.0)</u>       | <u>(\$23.7)</u>       | <u>(\$44.3)</u>       | (187%)            |
| <b>Revenues</b>   |                       |                       |                       |                   |
| Investment Income   | \$11.9                | \$28.2                | (\$16.3)              | (58%)             |
| Contributions   | <u>42.3</u>           | <u>0.0</u>            | <u>42.3</u>           | n/a               |
| Total Revenues  | <u>\$54.2</u>         | <u>\$28.2</u>         | <u>\$26.0</u>         | 92%               |
| <b>Expenses</b>   |                       |                       |                       |                   |
| Benefits and Distributions                                | 90.3                  | 57.8                  | 32.5                  | 56%               |
| Admin. & Other Expenses                                   | <u>13.8</u>           | <u>2.3</u>            | <u>11.5</u>           | 500%              |
| Total Expenses  | <u>104.1</u>          | <u>60.1</u>           | <u>44.0</u>           | 73%               |
| <b>Net Income (Loss)</b>                                  | <u>(\$49.9)</u>       | <u>(\$31.9)</u>       | <u>(18.0)</u>         | (56%)             |

### Program Description

The LTDI Program provides disability coverage to some participants in the WRS. WRS participants prior to October 16, 1992 may choose between LTDI and traditional WRS Disability benefits. Participants beginning after that date are eligible only for LTDI benefits.

### Financial Highlights

- Based on plan funding, a premium holiday was in effect through 2013. Effective January 2014, LTDI premiums are collected from the WRS as a percentage of covered payroll. The rate for 2014 and 2015 is .32% of payroll, based on recent experience.
- The Benefit and Distributions expense is the actuarially-determined increase in liabilities during the year. Changes in actuarial procedures and assumptions, including the recognition of a liability for loss adjustment expenses, were reflected in

the December 31, 2014, valuation resulting in a significant increase in Liabilities from years previous.

- 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. -0.8% or -\$21.2 million of the deferred investment gains in the MRA are attributable to the LTDI program.

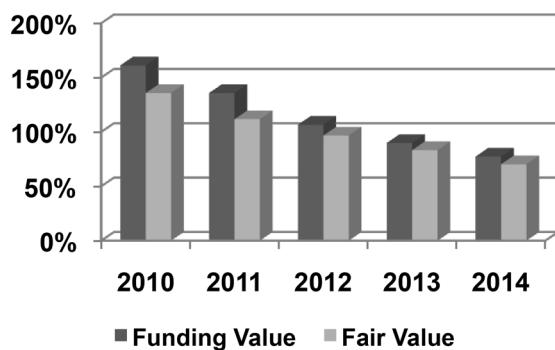
**Funded Status**

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 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 fair value, but better presents the funding trends without the year-to-year volatility.

The funding value-based funded ratio decreased from 90% funded to 77%. The decrease in the actuarial value funded ratio was due to the increase in actuarially-determined liabilities.

The fair value-based funded ratio declined from 84% funded to 70%. The decrease in the fair value funded ratio was the result of lower than assumed investment earnings in 2014.

**Long Term Disability Insurance Funded Ratio**





## Group Health Insurance Program

The Group Health Insurance Program is a comprehensive benefit plan providing coverage for active and retired employees of both state and local governments. It is made up of the State Health Plan, including current and retired employees of the State of Wisconsin, and the Wisconsin Public Employers Health Plan (Local Health Plan), which includes current and retired employees of participating local governments. The state and local health plans each include separately managed risk pools for medical and pharmacy benefits. For financial reporting, the program is divided into three funds: Active Member Group Health Insurance (state and local governments combined), State Retiree Health Insurance, and Local Retiree Health Insurance.

| <b>Summary Financial Statements</b>                       |                       |                       |                                |                                |
|---|-----------------------|-----------------------|--------------------------------|--------------------------------|
|   | <b>2014</b>           | <b>2013</b>           | <b>Increase<br/>(Decrease)</b> | <b>Increase<br/>(Decrease)</b> |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>\$ in millions</i>          | <i>%</i>                       |
| <b>Assets</b>   | \$332.8               | \$334.8               | (\$2.0)                        | (1%)                           |
| <b>Less: Liabilities</b>                                  |                       |                       |                                |                                |
| Unearned Revenue  | 117.4                 | 112.1                 | 5.3                            | 5%                             |
| Estimated Future Claims                                   | 6.7                   | 6.4                   | 0.3                            | 5%                             |
| Other Liabilities   | 10.7                  | 6.5                   | 4.2                            | 65%                            |
| <b>Less: Reserves</b>                                     |                       |                       |                                |                                |
| Reserve for Changes in the<br>Market Value of Investments | (1.2)                 | 4.3                   | (5.5)                          | (128%)                         |
| <b>Net Position Available for<br/>Benefits</b>            | <u>\$198.0</u>        | <u>\$205.5</u>        | <u>(7.5)</u>                   | (4%)                           |
| <b>Revenues</b>   |                       |                       |                                |                                |
| Premiums  | \$1,338.5             | \$1,279.3             | \$59.2                         | 5%                             |
| Investment Income   | 11.4                  | 26.6                  | (15.2)                         | (57%)                          |
| Total Revenues  | <u>1,349.9</u>        | <u>1,305.9</u>        | <u>44.0</u>                    | 3%                             |
| <b>Expenses</b>   |                       |                       |                                |                                |
| Benefits and Distributions                                | 1,348.1               | 1,279.7               | 68.4                           | 5%                             |
| Administration  | 13.6                  | 10.0                  | 3.6                            | 36%                            |
| Total Expenses  | <u>1,361.7</u>        | <u>1,289.7</u>        | <u>72.0</u>                    | 6%                             |
| <b>Net Income (Loss)</b>                                  | <u>(\$11.8)</u>       | <u>\$16.2</u>         | <u>(28.0)</u>                  | (173%)                         |

### Program Description

Active Member Group Health Insurance pays for the purchase of health insurance coverage and health insurance claims for current employees of the State of Wisconsin and participating local government employers.

### Financial Highlights

- These statements include activity related to health insurance coverage for the current employees of the state and participating local government employers.

Statements for the state and local government retiree health plans follow.

- 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% or -\$1.2 million of the deferred investment gains in the MRA are attributable to Active Member Group Health Insurance.



## State Retiree Health Insurance

| Summary Financial Statements                              |                       |                       |                       |                   |
|---|-----------------------|-----------------------|-----------------------|-------------------|
|   | 2014                  | 2013                  | Increase              | Increase          |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|   |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>   | \$22.2                | \$25.3                | (3.1)                 | (12%)             |
| <b>Less: Liabilities</b>                                  |                       |                       |                       |                   |
| Estimated Future Claims                                   | 5.0                   | 5.3                   | (0.3)                 | (6%)              |
| Unearned Revenue  | 0.1                   | 16.1                  | (16.0)                | (99%)             |
| Other Liabilities   | 82.5                  | 49.8                  | 32.7                  | 66%               |
| Due To Employers  | (65.4)                | (44.6)                | (20.8)                | (47%)             |
| <b>Less: Reserves</b>                                     |                       |                       |                       |                   |
| Reserve for Changes in the<br>Market Value of Investments | <u>0.0</u>            | <u>(1.3)</u>          | <u>1.3</u>            | 100%              |
| <b>Net Position</b>                                       | <u>0.0</u>            | <u>\$0.0</u>          | <u>\$0.0</u>          | n/a               |

### Program Description

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

### Financial Highlights

- The State 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.
- Due to Employers reflects the accumulated deficit incurred by the plan. Pre-Medicare retirees included in this plan are subsidized by paying active member premiums. A surplus in the Active Member Group Health Fund offsets the shortfall in the Retiree Health Insurance fund.
- 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 State Retiree Health Insurance plan. 0.0% or \$0.04 million of the deferred investment losses in the MRA are attributable to the State Retiree Health Insurance Plan.



## Local Retiree Health Insurance

| Summary Financial Statements                              |                       |                       |                       |                   |
|---|-----------------------|-----------------------|-----------------------|-------------------|
|   | 2014                  | 2013                  | Increase              | Increase          |
|   | <i>\$ in millions</i> | <i>\$ in millions</i> | <i>(Decrease)</i>     | <i>(Decrease)</i> |
|   |                       |                       | <i>\$ in millions</i> | <i>%</i>          |
| <b>Assets</b>   | \$2.2                 | \$2.9                 | (\$0.7)               | (24%)             |
| <b>Less: Liabilities</b>                                  |                       |                       |                       |                   |
| Estimated Future Claims                                   | 0.3                   | 0.5                   | (0.2)                 | (40%)             |
| Unearned Revenue  | 0.6                   | 1.8                   | (1.2)                 | (67%)             |
| Other Liabilities   | 17.5                  | 13.6                  | 3.9                   | 29%               |
| Due to Employers  | (15.2)                | (11.6)                | (3.6)                 | 31%               |
| <b>Less: Reserves</b>                                     |                       |                       |                       |                   |
| Reserve for Changes in the<br>Market Value of Investments | (1.0)                 | (1.4)                 | 0.4                   | 29%               |
| <b>Net Position</b>                                       | <u>\$0.0</u>          | <u>\$0.0</u>          | <u>\$0.0</u>          | n/a               |

### Program Description

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

### Financial Highlights

- 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.
- Due to Employers reflects the accumulated deficit incurred by the plan. Pre-Medicare retirees included in this plan are subsidized by paying active member premiums. A Surplus in the Active Member Group Health Fund offsets the shortfall in the Retiree Health Insurance fund.
- 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 Local Retiree Health Insurance Plan. 0.4% or \$1.0 million of the deferred investment losses in the MRA are attributable to the Local Retiree Health Insurance Plan.

**Funded Status: Group Health Insurance Program**

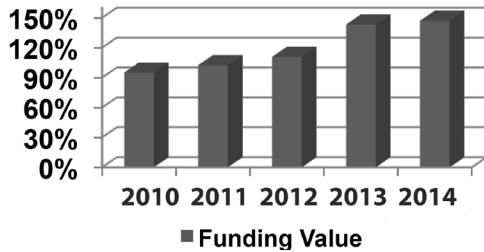
The funded status of the Group Health Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants, meet the liquidity needs of the plan, and smooth year-to-year volatility in claims. Funded status is measured as the ratio of reserves to annual expenses (claims plus administration).

Both plans in the Group Health Insurance Program, the State Health Plan and Local Health Plan, include fully-insured Health Maintenance Organization Plans, a self-insured fee-for-service "Standard Plan," and a self-insured Pharmacy Benefit Plan. The funding status of each of the self-insured options is broken down by plan and described below:

**State Standard Plan**

The ratio of reserves to annual expenses increased from 143% to 147%. This increase is the result of a lower than anticipated loss ratio in 2014.

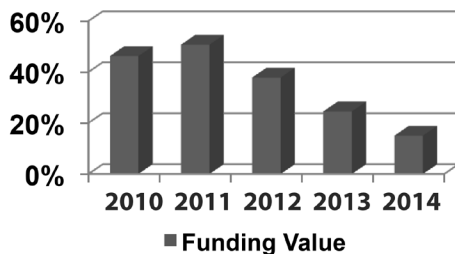
**State Standard Health Plan Funded Ratio**



**State Pharmacy Benefit Plan**

The ratio of reserves to annual expenses decreased from 24% to 15%. This decrease is the result of an intentional drawdown of plan reserves.

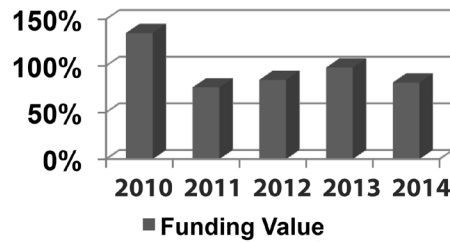
**State Pharmacy Benefit Funded Ratio**



**Local Standard Plan**

The ratio of reserves to annual expenses decreased from 98% to 82%. This decrease is the result of a higher than anticipated loss ratio in 2014.

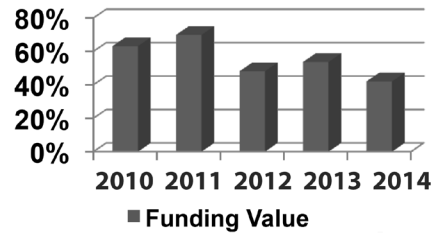
**Local Standard Health Plan Funded Ratio**



**Local Pharmacy Benefit Plan**

The ratio of reserves to annual expenses decreased from 54% to 42%. This decrease is the result of a higher than anticipated loss ratio in 2014.

**Local Pharmacy Benefit Plan**





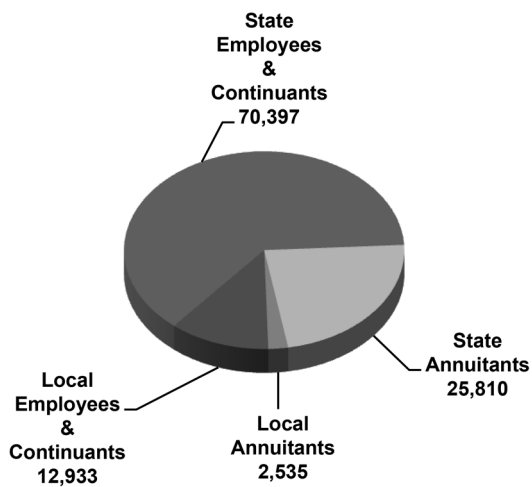
## INTRODUCTION

## Participation

The State Health Plan covered 70,219 active employees, 178 continuants (former employees or their beneficiaries who have the right to continue health insurance coverage under federal COBRA requirements), and 25,810 retired State of Wisconsin employees at the end of 2014--about 210,000 persons when all covered dependents are included. The total amount of annual health insurance premiums for all participants was \$1,300 million.

The Wisconsin Public Employers Health Insurance Plan (Local Health Plan) covered 12,890 active employees; 43 continuants and 2,535 retired participants. With their dependents, the total number of people covered was approximately 42,000. Annual premiums paid totaled \$225 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 board membership is determined and how membership overlaps. Under state law, members of the boards are chosen in a variety of ways. Some members are ex-officio, some 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. Membership on the boards as of May 1, 2014 is as follows:

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### ***Employee Trust Funds Board (13 Members)***

This board has general oversight of 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 ETF Board membership criteria, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board). The ETF Board has established three committees to assist the Board in fulfilling its fiduciary and oversight responsibilities: an Executive Committee, an Audit Committee and a Budget and Operations Committee. The Executive Committee oversees the effective operation of Board and other Committee meetings and reviews personnel matters relating to the Department and the Secretary. The Audit Committee reviews the adequacy and effectiveness of the Department's system of internal controls, including those relating to information

technology systems, and the Department's accounting and financial reporting systems. The Budget and Operations Committee reviews the biennial budget process and the Department's operating budget, as well as the Department's strategic business and information technology planning activities.

### **BOARD MEMBERS**

#### **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).

#### **Vice Chair: John David**

Appointed by Wisconsin Retirement Board. Any WR Board member appointed under § 15.16(1)(b).

#### **Secretary: Robert M. Niendorf**

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

#### **William Ford**

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

#### **Kimberly Hall**

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

#### **Jon Litscher**

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






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 INTRODUCTION
**Jessica O'Donnell**

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

**Roberta Rasmus**

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

**Victor Shier**

Appointed by 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)

**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

**David Wiltgen**

Appointed by TR Board. TR Board member appointed or elected under § 15.165 (3)(a) 1 or 2 (public or vocational school teacher).

**Vacant**

Appointed by Wisconsin Retirement Board. Wisconsin Retirement Board member appointed under § 15.165 (3)(b) 7 or 8 (participating state employee or public member who is not a participant). § 15.16 (1)(b) 3

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**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 member to the State of Wisconsin Investment Board.

**BOARD MEMBERS****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

**Vice Chair: 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

**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

**Ted Nickel**

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

**Steven Wilding**

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

**Vacant**

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

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**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: Michael Langyel**

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

**Vice Chair: Robin Starck**

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

**Secretary: 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

**Sandra Clafin-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

**Gary Epping**

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

**Brent Grochowski**

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

**Craig Hubbell**

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

**Jon Joslin**

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

**Dennis Murphy**

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

**R. Thomas Pedersen**

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

**David Wiltgen**

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

**Jeffrey Zore**

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

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**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.

**BOARD MEMBERS****Chair: Jon Litscher**

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

**Vice Chair: Bonnie Cyganek**

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

**Secretary: Jessica O'Donnell**

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




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 INTRODUCTION
**Terri Carlson**

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

**Herschel Day**

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

**Michael Farrell**

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

**Charles Grapentine**

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

**Andrew Hitt**

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

**Theodore Neitzke**

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

**Daniel Schwartz**

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

**Nancy Thompson**

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)

**BOARD MEMBERS****Chair: Edward D. Main**

Appointed by the Governor, with Senate confirmation.  
§ 15.165 (4)

**Vice Chair: John F. Nelson**

Appointed by the Governor, with Senate confirmation.  
§ 15.165 (4)

**Secretary: Gail Hanson**

Appointed by the Governor, with Senate confirmation.  
§ 15.165 (4)

**Michael Gracz**

Appointed by the Governor, with Senate confirmation.  
§ 15.165 (4)

**Vacant**

Appointed by the Governor, with Senate confirmation.  
§ 15.165 (4)

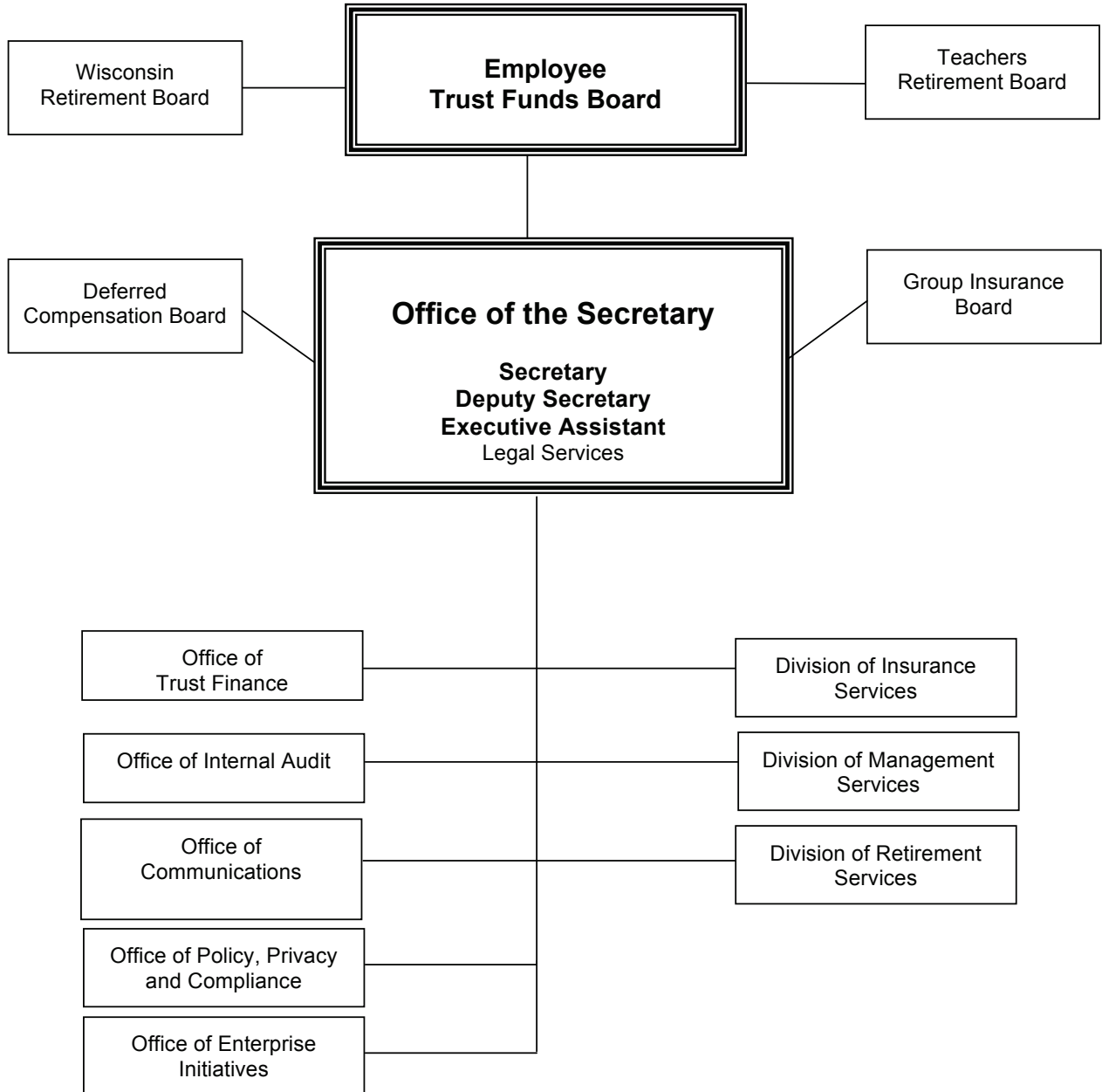
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**Deferred Compensation Board (5 Members)**

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.

### Department Organization

The Department of Employee Trust Funds had 263.2 permanent positions at the end of 2014.





## INTRODUCTION

**2014 ETF Management Staff**

Secretary: Robert J. Conlin  
 Deputy Secretary: John Voelker  
 Assistant Deputy Secretary: Pam Henning  
 Chief Legal Counsel: David Nispel

Division of Retirement Services  
 Administrator: Matt Stohr

Division of Insurance Services  
 Administrator: Lisa Ellinger

Division of Management Services  
 Administrator: Vacant

Office of Trust Finance  
 Director: Robert Willett

Office of Internal Audit  
 Director: Yikchau Sze

Office of Communications  
 Director: Mark Lamkins

Office of Policy, Privacy & Compliance  
 Director: Steve Hurley

Office of Enterprise Initiatives  
 Director: Bob Martin

**Principal Consultants and Administrators****Consulting Actuaries**

Gabriel Roeder Smith & Company  
 Southfield, Michigan

**Segal Consulting**

Atlanta, Georgia

**Milliman, Inc.**

Portland, Maine

**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 Life Insurance Company  
 Aetna Disability and Leave Management  
 Lexington, Kentucky

**Deferred Compensation**

Great-West Financial  
 Greenwood Village, Colorado

**Employee Reimbursement Accounts and Commuter Benefits**

WageWorks  
 Tallahassee, Florida

**Life Insurance**

Minnesota Life Insurance Company  
 St. Paul, Minnesota

## Legislation, Vision Statement, 2014 Accomplishments

### Legislation

There were no bills that became law in 2014 that affected the Wisconsin Retirement System or other employee benefit programs administered by the Department of Employee Trust Funds.

### ETF Vision Statement

The Department's strategic plan provides the framework for achieving ETF's vision to become a leader among large public employee benefit systems by offering best practice customer services to members and employers.

To achieve this goal:

- ETF will offer self-service tools to WRS members and employers. These tools will empower members to become better educated about their benefits, provide secure online access to their accounts, and allow them to securely update information online.
- ETF will expand outreach to more members and employers in more parts of the state. Efforts will include more timely and efficient electronic communications, a greater number of retirement planning and other information sessions that result in more user-friendly, accessible benefit program materials.
- ETF will strengthen its internal workforce training programs to maintain and grow its highly-skilled and knowledgeable workforce. Efforts will include sophisticated training programs for new as well as existing employees.

The Department is committed to incorporating modern best practices, continually evaluating processes for effectiveness in meeting the needs of members, safeguarding member data, and delivering the best value in benefits and services provided.

### 2014 Accomplishments

This section highlights ETF's accomplishments from January through December 2014. These accomplishments are linked to the following strategic business plan objectives:

- 1. Offer self-service tools for members and employers**
- 2. Expand outreach to members and employers**
- 3. Strengthen internal workforce training program**

Many of the following accomplishments are associated with projects that are prerequisites/building blocks to long-term efforts to fulfill strategic plan objectives.

#### 1. Offer Self-Service Tools for Members and Employers

Completed critical phases in preparation for launching the Benefits Administration System (BAS) project. These included:

- Negotiating a long-term contract with a vendor, establishing ETF and vendor project teams and hosting a technical summit to examine project milestones in detail.
- Confirming more than 3,350 business and technical requirements of the project.
- Establishing the governance documents and finalizing the Statement of Work for the first two rollouts.
- Completing the computer environments that project teams will use to develop, train and test; installing secure servers; installing new scanning equipment.
- Completing a data conversion plan and moving more than one million member and employer data fields from ETF legacy systems to the new system.
- Completing several project cycles, including those that cover imaging, enrollments and demographics and employer wage and contributions processing.




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 INTRODUCTION

- Extensively redesigned website pages to streamline member and employer access to information for health insurance open enrollment and benefits, member education learning opportunities and other online resources.
- Created multiple testing, training and innovation spaces that enhance and support collaboration across work units.
- Launched the first of several “e-learning modules” for enhanced staff training and education.

## 2. Expand Outreach to Members and Employers

- Significantly increased the number of webinars for employers. Topics include annual reconciliation, WRS employer orientation, WRS eligibility, rehired annuitants and late reported earnings.
- Offered two new webinars in conjunction with the Wisconsin Deferred Compensation Program. One targeted members nearing retirement and the other targeted current and participating WDC employers and covered fiduciary responsibilities.
- Provided Outreach and Education services to a total of 20,124 members in 2014. This includes covering 46 cities statewide in the course of:
  - Conducting 266 group appointment sessions, connecting with 2,380 members;
  - Staffing 44 benefit fair booths, reaching 4,741 members;
  - Conducting 87 public and private presentations, reaching 6,327 members;
  - Conducting 156 live webinar sessions on 17 different topics, reaching 6,676 members.

## 3. Strengthen Internal Workforce Training

- Implemented a learning management system that integrates training resources and tracks internal and external training programs for employees.
- Implemented a cross-training plan in several key areas in preparation for the BAS implementation.
- Offered numerous employee training sessions throughout the year. Topics included BAS status updates; project management; notable health insurance program changes; enterprise software upgrades; presentation development skills; and career advancement strategies. Ten staff received business analyst certifications.

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# FINANCES

State of Wisconsin  
Department of Employee Trust Funds





**STATE OF WISCONSIN**  
**Legislative Audit Bureau**

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State Auditor

## **Independent Auditor's Report on the Financial Statements and Other Reporting Required by *Government Auditing Standards***

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-Chairpersons  
Joint Legislative Audit Committee

Members of the Employee Trust Funds Board and  
Mr. Robert J. Conlin, Secretary  
Department of Employee Trust Funds

### **Report on the Financial Statements**

We have audited the accompanying Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and the related notes for the following fiduciary funds administered by the State of Wisconsin Department of Employee Trust Funds as of and for the year ended December 31, 2014: the Wisconsin Retirement System, Duty Disability Insurance, Accumulated Sick Leave Conversion Credits, State Retiree Life Insurance, Local Retiree Life Insurance, Employee Reimbursement Accounts, Commuter Benefits, Milwaukee Retirement Systems, State Retiree Health Insurance, and Local Retiree Health Insurance. In addition, we have audited the accompanying Statement of Net Position; Statement of Revenues, Expenses, and Changes in Fund Net Position; Statement of Cash Flows; and the related notes for the following proprietary funds administered by the State of Wisconsin Department of Employee Trust Funds as of and for the year ended December 31, 2014: Long-Term Disability Insurance, Health Insurance, Income Continuation Insurance, and Life Insurance.

#### **Management's Responsibility for the Financial Statements**

Management of the Department of Employee Trust Funds is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions 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*, which is issued by the Comptroller General of the United States. Those

standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on these financial statements.

### **Opinions**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each fiduciary fund and each proprietary fund administered by the Department as of December 31, 2014, and the respective changes in its financial position and its cash flows thereof, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphases of Matter**

As discussed in Note 1 to the financial statements, 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 as of December 31, 2014, the changes in its financial position, or where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Department implemented Governmental Accounting Standards Board Statement Number 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, which changed the presentation and disclosure requirements for pension plans.

As discussed in Note 3 to the financial statements, the financial statements include investments that do not have readily ascertainable market prices and are valued based on a variety of third-party pricing methods. Because of the inherent uncertainty of valuation, those estimated values may differ from the values that would have been used had a ready market for the investments existed.

Our opinions are not modified with respect to these matters.

### **Other Matters**

**Required Supplementary Information**—Accounting principles generally accepted in the United States of America require that the claims development information for public entity risk pools, the Wisconsin Retirement System's schedules of changes in net pension liability and related

ratios and its schedule of employer contributions and schedule of investment returns, which include the related note, and the other post-employment benefits schedules of funding progress and employer contributions on pages 85 through 94 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, which considers it to be essential for placing the financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information that included inquiries of management about the methods of preparing the information. We further compared the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to do so.

*Accompanying Information*—Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph. The supplementary information included in the sections listed in the table of contents entitled Introduction, Statistics, Actuarial, Investments, and Contributions Paid and Employer Unfunded Liability Balances is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 14, 2016, 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 used when considering the Department's internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU



Joe Chrisman  
State Auditor

January 14, 2016

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**Wisconsin Department of Employee Trust Funds  
Statement of Fiduciary Net Position  
December 31, 2014  
(In Thousands)**

|  | Wisconsin Retirement<br>System | Duty Disability<br>Insurance | Accumulated Sick<br>Leave Conversion<br>Credits |
|--|--------------------------------|------------------------------|---|
| <b>Assets:</b>   |                                |                              |   |
| Equity In Pooled Cash & Cash Equivalents   | \$ 3,346,728                   | \$ 0                         | \$ 0  |
| Securities Lending Collateral  | 833,501                        | 0                            | 0   |
| Prepaid Expenses   | 27,577                         | 0                            | 0   |
| <b>Receivables:</b>  |                                |                              |   |
| Contributions Receivable   | 164,907                        | 762                          | 5,175   |
| Prior Service Contributions Receivable   | 33,239                         | 0                            | 0   |
| Benefit Overpayments Receivable  | 2,527                          | 338                          | 0   |
| Due From Other Trust Funds   | 10,526                         | 0                            | 651   |
| Miscellaneous Receivables  | 3,558                          | 0                            | 0   |
| Interest and Dividends Receivable  | 233,038                        | 0                            | 0   |
| Investment Sales Receivable  | 527,889                        | 0                            | 0   |
| Total Receivables  | 975,684                        | 1,100                        | 5,826   |
| <b>Investments at Fair Value:</b>  |                                |                              |   |
| Stocks   | 50,725,324                     | 0                            | 0   |
| Fixed Income Investments   | 27,139,271                     | 0                            | 0   |
| Limited Partnerships   | 10,554,585                     | 0                            | 0   |
| Multi Asset Investments  | 3,906,834                      | 0                            | 0   |
| Real Estate  | 1,017,433                      | 0                            | 0   |
| Preferred Securities   | 221,385                        | 0                            | 0   |
| Convertible Securities   | 3,779                          | 0                            | 0   |
| Foreign Currency Contracts   | (10,916)                       | 0                            | 0   |
| Options  | (1,616)                        | 0                            | 0   |
| Financial Futures Contracts  | (326)                          | 0                            | 0   |
| Swaps  | (28)                           | 0                            | 0   |
| Investment In Core Fund  | 0                              | 610,049                      | 2,402,370                                       |
| Investment In Variable Fund  | 0                              | 0                            | 0   |
| Investment in External Pool  | 0                              | 0                            | 0   |
| Total Investments  | 93,555,725                     | 610,049                      | 2,402,370                                       |
| Capital Assets   | 2,411                          | 0                            | 0   |
| Total Assets   | 98,741,626                     | 611,149                      | 2,408,196                                       |
| <b>Liabilities:</b>  |                                |                              |   |
| Core Investment Due Other Programs   | 3,660,577                      | 0                            | 0   |
| Variable Investment Due Other Programs   | 21,058                         | 0                            | 0   |
| Obligation Under Reverse Repo Agreement  | 820,516                        | 0                            | 0   |
| Short Sell Obligations   | 473,539                        | 0                            | 0   |
| Securities Lending Collateral Liability  | 833,501                        | 0                            | 0   |
| Benefits Payable   | 314,965                        | 2,627                        | 0   |
| Other Estimated Future Benefits  | 0                              | 0                            | 2,367,897                                       |
| Unearned Revenue   | 115                            | 0                            | 0   |
| Due To Other Trust Funds   | 43,286                         | 428                          | 755   |
| Miscellaneous Payables   | 118,188                        | 0                            | 0   |
| Investment Payables  | 309,109                        | 0                            | 0   |
| Total Liabilities  | 6,594,854                      | 3,055                        | 2,368,652                                       |
| <b>Net Position Held in Trust for<br/>Pension Benefits and Pool Participants</b> | <b>\$ 92,146,772</b>           | <b>\$ 608,094</b>            | <b>\$ 39,544</b>                                |

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

Continued on page 39



FINANCES

Statement 1

| State<br>Retiree Life<br>Insurance | Local<br>Retiree Life<br>Insurance | Employee<br>Reimbursement<br>Accounts | Commuter Benefits | Milwaukee<br>Retirement<br>Systems |
|------------------------------------|------------------------------------|---------------------------------------|-------------------|------------------------------------|
| \$ 0                               | \$ 0                               | \$ 6,232                              | \$ 0              | \$ 0                               |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 0                                  | 0                                  | 500                                   | 0                 | 0                                  |
| 0                                  | 0                                  | 182                                   | 133               | 0                                  |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 0                                  | 0                                  | 147                                   | 0                 | 0                                  |
| 32                                 | 43                                 | 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                 | 165,787                            |
| 0                                  | 0                                  | 0                                     | 0                 | 21,058                             |
| 364,757                            | 243,274                            | 0                                     | 0                 | 0                                  |
| 364,757                            | 243,274                            | 0                                     | 0                 | 186,845                            |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 364,789                            | 243,317                            | 7,061                                 | 133               | 186,845                            |
| 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                                  | 4,768                                 | 63                | 0                                  |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 0                                  | 0                                  | 986                                   | 0                 | 0                                  |
| 32                                 | 43                                 | 599                                   | 118               | 0                                  |
| 0                                  | 0                                  | 56                                    | 0                 | 0                                  |
| 0                                  | 0                                  | 0                                     | 0                 | 0                                  |
| 32                                 | 43                                 | 6,409                                 | 181               | 0                                  |
| \$ 364,757                         | \$ 243,274                         | \$ 652                                | \$ (48)           | \$ 186,845                         |

Continued from page 38



**Wisconsin Department of Employee Trust Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2014  
(In Thousands)**

|   | <b>Wisconsin<br/>Retirement<br/>System</b> | <b>Duty Disability<br/>Insurance</b> |
|---|--|--------------------------------------|
| <b>Additions:</b>   |  |                                      |
| Contributions:  |  |                                      |
| Employer Contributions  | \$ 1,023,197                               | \$ 9,336                             |
| Employee Contributions  | 906,499                                    | 0                                    |
| Total Contributions   | <u>1,929,696</u>                           | <u>9,336</u>                         |
| Deposits  | 0  | 0                                    |
| Investment Income:  |  |                                      |
| Net Appreciation (Depreciation) in<br>Fair Value of Investments | 3,167,373                                  | 0                                    |
| Interest  | 665,878                                    | 0                                    |
| Dividends   | 1,354,765                                  | 0                                    |
| Securities Lending Income                                       | 28,453                                     | 0                                    |
| Other   | 221,680                                    | 31,734                               |
| Less:   |  |                                      |
| Investment Income Distributed to Other Funds                    | (190,690)                                  | 0                                    |
| Investment Expense  | (356,811)                                  | 0                                    |
| Securities Lending Rebates and Fees                             | <u>(2,407)</u>                             | <u>0</u>                             |
| Net Investment Income   | <u>4,888,241</u>                           | <u>31,734</u>                        |
| Interest on Prior Service Receivable                            | 2,133                                      | 0                                    |
| Service Reimbursement Income                                    | 0  | 0                                    |
| Miscellaneous Income  | <u>641</u>                                 | <u>8</u>                             |
| Total Additions   | <u>6,820,711</u>                           | <u>41,078</u>                        |
| <b>Deductions:</b>  |  |                                      |
| Benefits and Refunds:   |  |                                      |
| Retirement, Disability, and Beneficiary                         | 4,497,945                                  | 31,669                               |
| Separation Benefits   | 34,401                                     | 0                                    |
| Other Benefit Expense   | 42,303                                     | 0                                    |
| Distributions   | 0  | 0                                    |
| Carrier Administrative Expenses                                 | 0  | 0                                    |
| Departmental Administrative Expenses                            | <u>24,037</u>                              | <u>708</u>                           |
| Total Deductions  | <u>4,598,686</u>                           | <u>32,377</u>                        |
| Net Increase (Decrease)   | <u>2,222,025</u>                           | <u>8,701</u>                         |
| <b>Net Position Beginning of Year</b>                           | <u>89,924,747</u>                          | <u>599,393</u>                       |
| <b>End of Year</b>  | <u>\$ 92,146,772</u>                       | <u>\$ 608,094</u>                    |

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

Continued on page 41





## FINANCES

## Statement 2

| Accumulated Sick<br>Leave Conversion<br>Credits | State<br>Retiree Life<br>Insurance | Local<br>Retiree Life<br>Insurance | Employee<br>Reimbursement<br>Accounts | Commuter Benefits | Milwaukee<br>Retirement Systems |
|---|------------------------------------|------------------------------------|---------------------------------------|-------------------|---------------------------------|
| \$ 61,456                                       | \$ 1,302                           | \$ 2,080                           | \$ 671                                | \$ 148            | \$ 0                            |
| 0   | 3,378                              | 5,473                              | 26,660                                | 1,650             | 0                               |
| 61,456  | 4,680                              | 7,553                              | 27,331                                | 1,798             | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 7,000                           |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 125,426   | 14,086                             | 9,206                              | 4                                     | 0                 | 9,714                           |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 125,426   | 14,086                             | 9,206                              | 4                                     | 0                 | 16,714                          |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 45                                 | 61                                 | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 37                                    | 0                 | 0                               |
| 186,882   | 18,811                             | 16,820                             | 27,372                                | 1,798             | 16,714                          |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 0                               |
| 242,432   | 19,051                             | 11,799                             | 26,217                                | 1,722             | 0                               |
| 0   | 0                                  | 0                                  | 0                                     | 0                 | 14,000                          |
| 0   | 867                                | 1,411                              | 848                                   | 94                | 0                               |
| 250   | 45                                 | 61                                 | 389                                   | 81                | 0                               |
| 242,682   | 19,963                             | 13,271                             | 27,454                                | 1,897             | 14,000                          |
| (55,800)  | (1,152)                            | 3,549                              | (82)                                  | (99)              | 2,714                           |
| 95,344  | 365,909                            | 239,725                            | 734                                   | 51                | 184,132                         |
| \$ 39,544                                       | \$ 364,757                         | \$ 243,274                         | \$ 652                                | \$ (48)           | \$ 186,845                      |

Continued from page 40



**Statement 3**

**Wisconsin Department of Employee Trust Funds**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2014**  
**(In Thousands)**

| <b>Assets</b>  | <b>Long-Term<br/>Disability Insurance</b> | <b>Health Insurance</b> | <b>Income<br/>Continuation<br/>Insurance</b> | <b>Life Insurance</b> |
|--|---|-------------------------|--|-----------------------|
| <b>Current Assets:</b>                                     |   |                         |  |                       |
| Cash and Cash Equivalents                                  | 0   | 0                       | 0  | 1,837                 |
| Investment In Core Fund                                    | 167,177                                   | 221,698                 | 93,496                                       | 0                     |
| Prepaid Expenses   | 0   | 0                       | 0  | 0                     |
| Rebates Receivable   | 0   | 14,379                  | 0  | 0                     |
| Contributions Receivable                                   | 0   | 0                       | 1,087  | 0                     |
| Due From Other Trust Funds                                 | 42,475                                    | 96,714                  | 1  | 143                   |
| Benefit Overpayment Receivable                             | 98  | 0                       | 3,418  | 0                     |
| Administrative Fees Receivable                             | 0   | 0                       | 0  | 513                   |
| <b>Total Current Assets</b>                                | <b>209,750</b>                            | <b>332,791</b>          | <b>98,002</b>                                | <b>2,493</b>          |
| <b>Total Assets</b>  | <b>209,750</b>                            | <b>332,791</b>          | <b>98,002</b>                                | <b>2,493</b>          |
| <b>Liabilities</b>   |   |                         |  |                       |
| <b>Current Liabilities:</b>                                |   |                         |  |                       |
| Benefits Payable   | 0   | 423                     | 0  | 0                     |
| Premiums Payable   | 0   | 0                       | 0  | 2,235                 |
| Unearned Revenue   | 0   | 117,443                 | 0  | 0                     |
| Current Portion of Estimated Future Benefits               | 43,182                                    | 6,727                   | 19,442                                       | 0                     |
| Due To Other Trust Funds                                   | 6,350                                     | 1,776                   | 228  | 0                     |
| Miscellaneous Payables                                     | 11,409                                    | 8,467                   | 3,737  | 0                     |
| <b>Total Current Liabilities</b>                           | <b>60,941</b>                             | <b>134,836</b>          | <b>23,407</b>                                | <b>2,235</b>          |
| <b>Noncurrent Liabilities:</b>                             |   |                         |  |                       |
| Noncurrent Portion of Estimated Future Benefits            | 237,986                                   | 0                       | 59,905                                       | 0                     |
| <b>Total Noncurrent Liabilities</b>                        | <b>237,986</b>                            | <b>0</b>                | <b>59,905</b>                                | <b>0</b>              |
| <b>Total Liabilities</b>                                   | <b>298,927</b>                            | <b>134,836</b>          | <b>83,312</b>                                | <b>2,235</b>          |
| <b>Net Position Restricted (Unrestricted) For Benefits</b> | <b>\$ (89,177)</b>                        | <b>\$ 197,955</b>       | <b>\$ 14,690</b>                             | <b>\$ 258</b>         |

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



## FINANCES

## Statement 4

Wisconsin Department of Employee Trust Funds  
 Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds  
 For the Year Ended December 31, 2014  
 (In Thousands)

|   | Long-Term<br>Disability Insurance | Health Insurance  | Income<br>Continuation<br>Insurance | Life Insurance |
|---|-----------------------------------|-------------------|-------------------------------------|----------------|
| <b>Operating Revenues:</b>                    |                                   |                   |                                     |                |
| Contributions                                 | \$ 42,301                         | \$ 1,338,486      | \$ 15,747                           | \$ 0           |
| Miscellaneous Income                          | 0                                 | 0                 | 139                                 | 3              |
| Administrative Reimbursement Income           | 0                                 | 0                 | 0                                   | 758            |
| Total Operating Revenues                      | 42,301                            | 1,338,486         | 15,886                              | 761            |
| <b>Operating Expenses:</b>                    |                                   |                   |                                     |                |
| Benefit Expense                               | 90,285                            | 1,348,125         | 8,184                               | 0              |
| Carrier Administrative Expenses               | 13,189                            | 7,073             | 5,026                               | 0              |
| Departmental Administrative Expenses          | 647                               | 6,536             | 694                                 | 758            |
| Total Operating Expenses                      | 104,121                           | 1,361,734         | 13,904                              | 758            |
| <b>Operating Income (Loss)</b>                | <b>(61,820)</b>                   | <b>(23,248)</b>   | <b>1,982</b>                        | <b>3</b>       |
| <b>Nonoperating Revenues:</b>                 |                                   |                   |                                     |                |
| Investment Income                             | 11,868                            | 11,413            | 4,644                               | 1              |
| Total Nonoperating Revenues                   | 11,868                            | 11,413            | 4,644                               | 1              |
| Net Income (Loss)                             | <b>(49,952)</b>                   | <b>(11,835)</b>   | <b>6,626</b>                        | <b>4</b>       |
| Change in Net Position                        | (49,952)                          | (11,835)          | 6,626                               | 4              |
| <b>Total Net Position - Beginning of Year</b> | <b>(39,225)</b>                   | <b>209,790</b>    | <b>8,064</b>                        | <b>254</b>     |
| Total Net Position - End of Year              | <b>\$ (89,177)</b>                | <b>\$ 197,955</b> | <b>\$ 14,690</b>                    | <b>\$ 258</b>  |

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, 2014**  
(In Thousands)

|  | Long-Term<br>Disability<br>Insurance | Health Insurance | Income<br>Continuation<br>Insurance | Life Insurance |
|--|--------------------------------------|------------------|-------------------------------------|----------------|
| <b>Cash Flows from Operating Activities</b>  |                                      |                  |                                     |                |
| Cash Received for Rebates  | 0                                    | \$ 20,892        | \$ 0                                | \$ 0           |
| Cash Received for Insurance Premiums   | 0                                    | 1,355,155        | 15,705                              | 1              |
| Cash Paid for Employee Benefits  | (41,789)                             | (1,270,945)      | (19,325)                            | 43             |
| Cash Paid for Administrative Services  | (2,694)                              | (12,076)         | (2,118)                             | (1,075)        |
| Service Reimbursement Income   | 0                                    | 0                | 0                                   | 758            |
| Miscellaneous Income   | (2)                                  | 0                | 139                                 | 3              |
| Net Cash Provided (Used) by Operating Activities   | (44,485)                             | 93,026           | (5,599)                             | (270)          |
| <b>Cash Flows from Noncapital Financing Activities</b>   |                                      |                  |                                     |                |
| Interfund Loans Provided (Used)  | 0                                    | (96,589)         | 0                                   | 0              |
| Net Cash Provided (Used) by Noncapital Financing Activities  | 0                                    | (96,589)         | 0                                   | 0              |
| <b>Cash Flows from Investing Activities</b>  |                                      |                  |                                     |                |
| Investment Income  | 11,868                               | 11,413           | 4,644                               | 1              |
| Decrease (Increase) in Investment in Core Fund   | 32,617                               | (7,850)          | 955                                 | 0              |
| Net Cash Provided (Used) by Investing Activities   | 44,485                               | 3,563            | 5,599                               | 1              |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>  | 0                                    | 0                | 0                                   | (269)          |
| <b>Equity in Pooled Cash and Cash Equivalents at Beginning of Year</b>                               | 0                                    | 0                | 0                                   | 2,106          |
| <b>Equity in Pooled Cash and Cash Equivalents at End of Year</b>                                     | 0                                    | 0                | 0                                   | 1,837          |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b> |                                      |                  |                                     |                |
| Operating Income (Loss)  | (61,819)                             | (23,248)         | 1,982                               | 3              |
| 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                                    | (2,620)          | 0                                   | 0              |
| Decrease (Increase) in Contributions Receivable  | 0                                    | 1                | (42)                                | 0              |
| Decrease (Increase) in Miscellaneous Receivables   | 0                                    | 0                | 0                                   | (266)          |
| Decrease (Increase) in Benefit Overpayments Receivable   | 1                                    | 17               | 260                                 | 0              |
| Decrease (Increase) in Prepaid Expenses  | 0                                    | 97,917           | 7                                   | 0              |
| Decrease (Increase) in Due From Other Trust Funds  | (42,301)                             | 11,096           | (1)                                 | (50)           |
| Increase (Decrease) in Estimated Future Benefits   | 47,659                               | 324              | (11,408)                            | 0              |
| Increase (Decrease) in Premiums Payable  | 0                                    | 0                | 0                                   | 43             |
| Increase (Decrease) in Unearned Revenue  | 0                                    | 5,392            | 0                                   | 0              |
| Increase (Decrease) in Benefits Payable  | 0                                    | 423              | 0                                   | 0              |
| Increase (Decrease) in Miscellaneous Payables  | 10,904                               | 2,011            | 3,393                               | 0              |
| Increase (Decrease) in Due to Other Trust Funds  | 1,071                                | 1,713            | 210                                 | 0              |
| Total Adjustments  | 17,334                               | 116,274          | (7,581)                             | (273)          |
| Net Cash Provided (Used) by Operating Activities   | \$ (44,485)                          | \$ 93,026        | \$ (5,599)                          | \$ (270)       |

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



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**Wisconsin Department of Employee Trust Funds  
Statement of Fiduciary Net Position - Agency Fund  
December 31, 2014  
(In Thousands)**

**Statement 6**

|  | State Retiree Health<br>Insurance | Local Retiree Health<br>Insurance |
|--|-----------------------------------|-----------------------------------|
| <b>Assets:</b>                                 |                                   |                                   |
| Cash and Cash Equivalents                      | \$ 0                              | \$ 0                              |
| Prepaid Expenses                               | 0                                 | 0                                 |
| Receivables:                                   |                                   |                                   |
| Federal Subsidy Receivable                     | 8,448                             | 863                               |
| Benefit Overpayment Receivable                 | 36                                | 0                                 |
| Due From Other Trust Funds                     | 46                                | 26                                |
| Miscellaneous Receivables                      | 0                                 | 0                                 |
| Rebates Receivable                             | 13,690                            | 1,275                             |
| Total Receivables                              | <u>22,220</u>                     | <u>2,164</u>                      |
| Total Assets                                   | <u>22,220</u>                     | <u>2,164</u>                      |
| <b>Liabilities:</b>                            |                                   |                                   |
| Unearned Revenue                               | 58                                | 647                               |
| Due To Other Trust Funds                       | 80,092                            | 17,022                            |
| Miscellaneous Payables                         | 2,494                             | 324                               |
| Benefit & Loss Liabilities--Current            | 4,957                             | 340                               |
| Due To Employers                               | (65,381)                          | (16,169)                          |
| Total Liabilities                              | <u>22,220</u>                     | <u>2,164</u>                      |
| <b>Net Position in Trust for OPEB benefits</b> | <u>\$ 0</u>                       | <u>\$ 0</u>                       |

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



**Wisconsin Department of Employee Trust Funds**  
**Statement of Changes in Fiduciary Net Position - Agency Fund**  
**December 31, 2014**  
(In Thousands)

**Statement 7**

|                                       | Balance         |            | Balance    |                   |
|---------------------------------------|-----------------|------------|------------|-------------------|
|                                       | January 1, 2014 | Additions  | Deductions | December 31, 2014 |
| <b>Local Retiree Health Insurance</b> |                 |            |            |                   |
| Assets                                |                 |            |            |                   |
| Cash and Cash Equivalents             | \$ 0            | \$ 31,166  | \$ 31,166  | \$ 0              |
| Prepaid Health Insurance              | 1,300           | 0          | 1,300      | 0                 |
| Receivables:                          |                 |            |            |                   |
| Federal Subsidy Receivable            | 720             | 1,440      | 1,297      | 863               |
| Benefit Overpayment Receivable        | 11              | 0          | 11         | 0                 |
| Due From Other Trust Funds            | 16              | 718        | 708        | 26                |
| Miscellaneous Receivable              | 0               | 0          | 0          | 0                 |
| Rebates Receivable                    | 818             | 1,942      | 1,485      | 1,275             |
| Total Receivables                     | 1,565           | 4,100      | 3,501      | 2,164             |
| Total Assets                          | 2,865           | 35,266     | 35,967     | 2,164             |
| Liabilities                           |                 |            |            |                   |
| Unearned Revenue                      | 1,800           | 647        | 1,800      | 647               |
| Due To Other Trust Funds              | 13,168          | 3,854      | 0          | 17,022            |
| Miscellaneous Payables                | 406             | 402        | 484        | 324               |
| Benefit & Loss Liabilities--Current   | 490             | 11,502     | 11,652     | 340               |
| Due To Employers                      | (12,999)        | 25,273     | 28,443     | (16,169)          |
| Total Liabilities                     | \$ 2,865        | \$ 41,678  | \$ 42,379  | \$ 2,164          |
| <b>State Retiree Health Insurance</b> |                 |            |            |                   |
| Assets                                |                 |            |            |                   |
| Cash and Cash Equivalents             | \$ 0            | \$ 266,554 | \$ 266,554 | \$ 0              |
| Prepaid Health Insurance              | 9,812           | 0          | 9,812      | 0                 |
| Receivables:                          |                 |            |            |                   |
| Federal Subsidy Receivable            | 6,822           | 15,837     | 14,211     | 8,448             |
| Benefit Overpayment Receivable        | 15              | 21         | 0          | 36                |
| Due From Other Trust Funds            | 15              | 2,758      | 2,727      | 46                |
| Miscellaneous Receivable              | 0               | 0          | 0          | 0                 |
| Rebates Receivable                    | 8,613           | 19,298     | 14,221     | 13,690            |
| Total Receivables                     | 15,465          | 37,914     | 31,159     | 22,220            |
| Total Assets                          | 25,277          | 304,468    | 307,525    | 22,220            |
| Liabilities                           |                 |            |            |                   |
| Unearned Revenue                      | 16,093          | 58         | 16,093     | 58                |
| Due To Other Trust Funds              | 47,732          | 32,360     | 0          | 80,092            |
| Miscellaneous Payables                | 2,050           | 6,193      | 5,749      | 2,494             |
| Benefit & Loss Liabilities--Current   | 5,299           | 123,136    | 123,478    | 4,957             |
| Due to Employers                      | (45,897)        | 226,984    | 246,468    | (65,381)          |
| Total Liabilities                     | \$ 25,277       | \$ 388,731 | \$ 391,788 | \$ 22,220         |

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



## 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 and is presented in the State's Comprehensive Annual Financial Report in a "Pension and Other Employee Benefit Trust Fund" and is reported as a separate fund in ETF's separately issued Comprehensive Annual Financial Report. The Legislative Audit Bureau also issues a standalone financial statement report of the Wisconsin Retirement System.

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 of Wisconsin 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 may also be 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 Systems:** These funds are used to account for the receipt, investment, and disbursement of funds from other public pension funds in 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 of Wisconsin.

**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, Accumulated Sick Leave Conversion Credits, Employee Reimbursement Accounts, Commuter Benefits, and Retiree Life Insurance Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the accounting 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. Security transactions and the related gains and losses are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date, and interest income is accrued as earned.

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.

### ***Investments***

The assets of the WRS and the Milwaukee Retirement System are valued at fair value and are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund), which are collectively the Retirement Funds. The assets of the Income Continuation Insurance, Duty Disability Insurance, Long-Term Disability Insurance,





## FINANCES

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 benefit programs based on the average balance invested for each program. Earnings allocated to other benefit programs are classified as Investment Income Distributed to Other Benefit Programs on the *Statement of Changes in Fiduciary Net Position*. The total amount invested by the other benefit programs included in the Retirement Funds is presented as Core Investment Due to Other Programs and Variable Investment Due to Other Programs on the *Statement of Fiduciary Net Position and the Statement of Net Position – Proprietary Funds*. Investments for the Retiree Life Insurance Funds are held by the plan administrator and classified as Investment in External Pool on the *Statement of Fiduciary Net Position*.

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 Position* and Cash and Cash Equivalents on the *Statement of Net Position – Proprietary Funds*. The SIF is a pool of cash balances of various state and local government units with the investment objectives to provide safety, liquidity, and competitive rates of return.

The State of Wisconsin Investment Board (SWIB) manages the Core Fund, Variable Fund, and SIF with oversight by the SWIB Board of Trustees, as authorized in Wis. Stat. § 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, 2014, the funding value of reserves (\$ in millions) was as follows:

| Benefit Plan  | Reserves at Funding Value | Deferred Market Gains (Losses) | Reserves at Fair Value |
|---|---------------------------|--------------------------------|------------------------|
| Wisconsin Retirement System                             | \$89,670.7                | \$2,476.1                      | \$92,146.8             |
| Income Continuation Insurance <sup>(1)</sup>            | 2.6                       | 12.1                           | 14.7                   |
| Duty Disability Insurance                               | 592.8                     | 15.3                           | 608.1                  |
| Long-Term Disability Insurance <sup>(1)</sup>           | (68.0)                    | (21.2)                         | (89.2)                 |
| Accumulated Sick Leave Conversion Credit <sup>(1)</sup> | (20.1)                    | 59.6                           | 39.5                   |
| Health Insurance <sup>(1)</sup>                         | 199.2                     | (1.2)                          | 198.0                  |
| State Retiree Health Insurance <sup>(1)</sup>           | (65.4)                    | 0.0                            | (65.4)                 |
| Local Retiree Health Insurance <sup>(1)</sup>           | (15.2)                    | (1.0)                          | (16.2)                 |

<sup>(1)</sup>The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Long-Term Disability Insurance, Accumulated Sick Leave Conversion Credits, Health Insurance, and State and Local Retiree Health Insurances 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 each benefit plan administered by ETF in accordance with Wis. Stat. § 40.04. The sources of funds for this appropriation are investment earnings and third-party reimbursements received from the various programs administered by the Department. Total administrative expenses for the year were \$34.5 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 trust fund.

**Capital Assets**

Capital assets consist of office furniture and equipment and computer software (purchased or externally acquired and internally generated software). The Department capitalizes all furniture and equipment, and purchased computer software with a purchase price in excess of \$5,000 and internally-generated software and other intangible assets in excess of \$1 million. Assets are depreciated on a composite basis over an estimated life, ranging from 5 to 20 years, using the straight-line method of depreciation.

As of December 31, 2014, the total value of capital assets was \$4,939,077, less accumulated depreciation of \$2,528,026, for a net capital asset value of \$2,411,051. The net capital asset value includes \$2,199,723 in internally-generated software (i.e., the Lump Sum Payment System and Accumulated Sick Leave System – Phase 1) and \$67,895 in purchased software.

**Long-Term Liabilities**

Accumulated Sick Leave Conversion Credit Fund: 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 7.2% long-term rate of investment return and a 3.2% annual base salary increase.

During 2014, the liability changed as follows (\$ in millions):

|                                  |                 |
|----------------------------------|-----------------|
| Beginning balance                | \$ 2,268        |
| Plus: New Liabilities Recognized | 242             |
| Less: Benefits Paid              | (142)           |
| Ending Balance                   | <u>\$ 2,368</u> |

The portion estimated to be due within one year is \$151 million.

**Interfund Assets / Liabilities**

Interfund assets and liabilities at December 31, 2014, consist of the following (\$ in thousands):

| Due to Other Funds              | Due From Other Funds        |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              | Total          |
|---------------------------------|-----------------------------|---------------------------------|-------------------|--------------------------------|------------------|--------------------------------|--------------------------------|----------------|------------------------------|------------------------------|-----------------|-------------------------------|--------------|----------------|
|                                 | Wisconsin Retirement System | Employee Reimbursement Accounts | Commuter Benefits | Long-Term Disability Insurance | Health Insurance | State Retiree Health Insurance | Local Retiree Health Insurance | Life Insurance | State Retiree Life Insurance | Local Retiree Life Insurance | Duty Disability | Income Continuation Insurance | Sick Leave   |                |
| Wisconsin Retirement System     |                             | 599                             | 28                | 6,350                          | 1,611            | 490                            | 36                             |                |                              |                              | 428             | 228                           | 755          | 10,525         |
| Employee Reimbursement Accounts |                             |                                 | 90                |                                | 57               |                                |                                |                |                              |                              |                 |                               |              | 147            |
| Health Insurance                | 126                         |                                 |                   |                                |                  | 79,603                         | 16,986                         |                |                              |                              |                 |                               |              | 96,715         |
| State Retiree Health Insurance  | 15                          |                                 |                   |                                | 32               |                                |                                |                |                              |                              |                 |                               |              | 47             |
| Local Retiree Health Insurance  | 18                          |                                 |                   |                                | 8                |                                |                                |                |                              |                              |                 |                               |              | 26             |
| Life Insurance                  |                             |                                 |                   |                                | 68               |                                |                                | 32             | 43                           |                              |                 |                               |              | 143            |
| State Retiree Life Insurance    |                             |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              |                |
| Local Retiree Life Insurance    |                             |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              |                |
| Commuter Benefits               |                             |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              |                |
| Long-Term Disability            | 42,475                      |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              | 42,475         |
| Duty Disability                 |                             |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              |                |
| Income Continuation Insurance   | 1                           |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              | 1              |
| Sick Leave                      | 651                         |                                 |                   |                                |                  |                                |                                |                |                              |                              |                 |                               |              | 651            |
| <b>Total</b>                    | <b>\$43,286</b>             | <b>\$599</b>                    | <b>\$118</b>      | <b>\$6,350</b>                 | <b>\$1,776</b>   | <b>\$80,093</b>                | <b>\$17,022</b>                | <b>\$0</b>     | <b>\$32</b>                  | <b>\$43</b>                  | <b>\$428</b>    | <b>\$228</b>                  | <b>\$755</b> | <b>150,730</b> |

Interfund transfers are primarily the result of administrative expense reimbursement to the WRS. 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. The amount due from Long-Term Disability Insurance (LTDI) is for additional contributions made by LTDI to the WRS. The amount due to LTDI is insurance premiums for LTDI coverage for WRS participants. The amounts due to Health Insurance are cash loans to State Retiree Health Insurance and Local Retiree Health Insurance. All liabilities are expected to be paid within one year of the balance sheet date.



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### 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*. Therefore, management has not included an MD&A with the financial statements.

## 2 ACCOUNTING CHANGES

The WRS adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*—an amendment of GASB No. 25, during the year ended December 31, 2014. GASB Statement No. 67 addresses accounting and financial reporting requirements for pension plans. Significant requirements include an actuarial calculation of total pension liability and net pension liability (asset). It also includes comprehensive footnote disclosure regarding the pension liability (asset), the sensitivity of the net pension liability (asset) to the discount rate, and increased investment activity disclosures.

## 3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

### Valuation of Securities

The investments of the Retirement Funds are reported in the *Statement of Fiduciary Net Position* at fair value as prescribed by GASB and per Wisconsin Statutes s.

25.17(14). Unrealized gains and losses are reflected in the *Statement of Changes in Fiduciary Net Position* as Net Appreciation (Depreciation) in Fair Value of Investments.

The fair value of the Retirement Fund assets are obtained or estimated in accordance with a pricing hierarchy established with SWIB's custodian Bank of New York Mellon (BNY Mellon). As prescribed by the hierarchy, a variety of independent pricing sources are used to price assets based on type, class or issue. When a portfolio includes securities or instruments for which the custodial bank does not receive fair value information from its vendor pricing sources, a variety of third party pricing methods are used, including appraisals, pricing models and other methods deemed acceptable by industry standards.

The Cash & Cash Equivalents account reported on the *Statement of Fiduciary Net Position* consists of short-term investments that are used to meet the liquidity requirements of the Retirement Funds. Cash & Cash Equivalents held by the Retirement Funds can include cash on deposit, foreign currencies, cash posted as collateral to counterparties, repurchase agreements, certificates of deposit, U.S. Treasury Bills, short-term investment funds, and other liquid financial instruments with maturities that are generally less than three months. Cash & Cash Equivalents are reported at fair value or cost, which approximates fair value.

Privately-held debt, which is included in Fixed Income Investments on the *Statement of Fiduciary Net Position*, 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 where interest rate spreads are supplied by a third party.

In a few instances, privately-held 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 may be valued at cost.

For alternative investments where no readily-ascertainable market value exists, including limited partnerships and real estate pooled funds, fair value is estimated based on the net asset value as reported by the general partner. The capital account balance as stated in the most recently available quarterly reporting period is adjusted for subsequent cash flows to derive the fair value. Annually, the financial statements of the limited partnerships and real estate pooled funds are audited by independent auditors.

Real estate properties wholly owned by SWIB are valued by independent appraisers every three years. In years when appraisals are not performed, properties are informally appraised by the asset advisor. Each year, audited financial statements are prepared for each property.

Monthly, SWIB values hedge funds based on statements received from each of the hedge fund's administrators. Essentially, a hedge fund administrator serves as an independent third party that protects the interests of investors. The main function of a third-party administrator is to independently calculate the net asset value of the fund. Generally, hedge fund administrators price financial instruments traded in active markets based on quoted market prices or binding dealer quotations. For certain over-the-counter instruments, fair value is determined based on valuation models used by the administrator. Annually, the financial statements prepared by the administrator are audited by independent auditors.

Derivative financial instruments are marked to fair value daily, with valuation changes recognized in income 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.

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. 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.

### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. Fixed income credit risk investment guidelines outline the minimum ratings required 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. Information regarding SWIB's credit risk related to derivatives is discussed later in these notes.

The table, *Retirement Funds Credit Quality Distribution*, displays the lowest credit rating assigned by nationally-recognized statistical rating organizations on debt securities held by the Retirement Funds as of December 31, 2014. Included in this table are fixed income securities, including certain short term securities, classified as Cash & Cash Equivalents on the *Statement of Fiduciary Net Position*. Also included are interest rate sensitive investments held in the Retirement Funds' securities lending collateral reinvestment pools, which are managed by SWIB's securities custodian (additional information relating to the securities lending program is discussed later in these notes). The table also includes SWIB's investment in commingled fixed income funds, which are not assigned ratings. Although the funds themselves are not assigned 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. The table, *Retirement Funds Credit Quality Breakdown of Commingled Fixed Income Funds*, presents the aggregated credit ratings for the underlying investments held by commingled fixed income investments within the Retirement Funds.

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



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governed by insurance laws and regulations. However, the pool itself is not rated.

**Retirement Funds**  
Credit Quality Distribution  
As of December 31, 2014  
(\$ in thousands)

| Rating                           | Fair Value           | % of Total  |
|----------------------------------|----------------------|-------------|
| P-1/A-1                          | \$ 523,018           | 2%          |
| P-2/A-2                          | 341,452              | 1           |
| AAA/Aaa                          | 522,299              | 2           |
| AA/Aa                            | 12,487,930           | 41          |
| A                                | 2,551,816            | 8           |
| BBB/Baa                          | 2,768,461            | 9           |
| BB/Ba                            | 579,923              | 2           |
| B                                | 559,934              | 2           |
| CCC/Caa                          | 171,795              | 1           |
| CC/Ca                            | 88                   | -           |
| C                                | -                    | -           |
| D                                | -                    | -           |
| Commingled Fixed<br>Income Funds | 8,816,196            | 29          |
| Not Rated                        | 865,207              | 3           |
| <b>Total</b>                     | <b>\$ 30,188,119</b> | <b>100%</b> |

**Retirement Funds**  
Credit Quality Breakdown of Commingled Fixed  
Income Funds  
As of December 31, 2014  
(\$ in thousands)

| Rating*  | Fair Value          | % of Total   |
|--|---------------------|--------------|
| P-1/A-1  | \$ 1,122,451        | 13%          |
| AAA/Aaa  | 2,478,416           | 28           |
| AA/Aa  | 831,060             | 9            |
| A  | 1,804,313           | 20           |
| BBB/Baa  | 2,107,882           | 24           |
| BB/Ba  | 151,766             | 2            |
| B  | 173,721             | 2            |
| CCC/Caa  | 59,667              | 1            |
| CC/Ca  | 2,455               | -            |
| C  | -                   | -            |
| D  | 4,459               | -            |
| Not Rated                                      | 80,006              | 1            |
| <b>Total Commingled Fixed<br/>Income Funds</b> | <b>\$ 8,816,196</b> | <b>100 %</b> |

\*Reflects aggregated ratings of underlying investments as reported by commingled fixed income fund managers.

### Reverse Repurchase Agreements

SWIB held \$820.5 million in reverse repurchase agreements at December 31, 2014. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, which are a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a stated rate of interest. The market value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the counterparty a margin against a decline in market value of the securities. If the counterparty defaults on their obligations to sell these securities back to SWIB or provide cash of equal value, SWIB could suffer an economic loss equal to the difference between the market value of the underlying securities plus accrued interest and the agreement obligation, including accrued interest.

During calendar year 2014 SWIB began entering into reverse repurchase agreements under a new Master Repurchase Agreement, with an agent who retains full control of the underlying securities, effectively eliminating the possibility of re-hypothecation of the securities. Under this new arrangement, credit risk exposure is limited to \$200 million per reverse repurchase agreement counterparty. The counterparty credit exposure is monitored daily and managed through the transfer of margin, in the form of cash or securities between SWIB and the counterparty. At December 31, 2014, approximately half of the reverse repurchase agreements were entered into under this arrangement. The Retirement Funds counterparty credit exposure for reverse repurchase agreements at December 31, 2014, is summarized in the table, *Retirement Funds Reverse Repurchase Agreements, Counterparty Credit Exposure*.

Retirement Funds  
 Reverse Repurchase Agreements  
 Counterparty Credit Exposure  
 As of December 31, 2014  
 (\$ in thousands)

|  |            |            |
|--|------------|------------|
| Fair Value of Collateral and Margin Held by Counterparty/Agent |            | \$ 838,237 |
| Less:  |            |            |
| Cash due to Counterparty                                       | \$ 820,516 |            |
| Collateral and Interest due to Counterparty                    | 728        |            |
| Total due to Counterparty                                      |            | 821,244    |
| Net Counterparty Credit Exposure                               |            | \$ 16,993  |

The cash proceeds from reverse repurchase agreements are reinvested by the Retirement Funds. The maturities of the purchases made with the proceeds of reverse repurchase agreements are not necessarily matched to the maturities of the agreements. The agreed-upon yields earned by the counterparty for the reverse repurchase agreements held were between .15% and .30% at December 31, 2014. The reverse repurchase agreements had open maturities, whereby a maturity date is not established upon entering into the agreement; however, interest rates on the agreements are negotiated daily. The agreements can be terminated at the will of either SWIB or the counterparty.

The cash due to counterparties resulting from reverse repurchase agreements is reported as Obligation Under Reverse Repo Agreement and the interest due to counterparties is included in Investment Payables on the *Statement of Fiduciary Net Position*. The underlying assets, as well as the reinvested proceeds, are reported in the Investments at Fair Value section on the *Statement of Fiduciary Net Position*.

### **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, 2014, were \$1.0 billion. Of the total deposits, \$732.5 million were collateralized by securities

borrowed. Additionally, a portion of the total deposits were uninsured and uncollateralized representing balances held in foreign currencies in SWIB's custodian's nominee name and cash posted as collateral for derivatives transactions as well as cash collateral posted exceeding the fair value of securities held by SWIB related to SWIB's shorting program. The sum of uninsured and uncollateralized deposits amounted to \$247.9 million as of December 31, 2014. The remaining deposits were covered by depository insurance at year end. The Retirement Funds also held time deposits with foreign financial institutions with a fair value of \$17.9 million as of December 31, 2014, which were uncollateralized and uninsured. In addition, as of December 31, 2014, the Retirement Funds held certificates of deposit which were covered by depository insurance with a fair value of \$56.7 million.

**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. The repurchase agreements held by the Retirement Funds were 13 agreements totaling \$151.5 million as of December 31, 2014. All of these repurchase agreements were tri-party agreements held in short-term cash management portfolios managed by SWIB's custodian. The underlying securities for these repurchase agreements were held by the tri-party's agent, not in SWIB's name.



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Although SWIB has not adopted a formal deposit or investment policy specifically related to custodial credit risk, SWIB investment staff monitor the creditworthiness of SWIB's custodian as a counterparty, depository financial institution and as agent for certain reverse repurchase agreements and securities lending activity. Concerns and issues are discussed with SWIB's credit task force for further action. Additionally, SWIB's custodian reviews each sub-custodian's operations, local market activity, financial strength, regulatory compliance and overall service performance throughout the year.

### **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 the portfolio's market value. The Retirement Funds did not hold any investments with a single issuer, exclusive of investments issued or explicitly guaranteed by the U.S. government, representing 5% or more of the WRS's fiduciary net position at December 31, 2014.

### **Interest Rate Risk**

Fixed income instruments held by the Retirement Funds include investments with variable rate securities, stepped rate securities, securities with no coupon, such as discount notes and coupons that range between .01% and 15.95% at December 31, 2014. 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 interest rate risk is analyzed using the weighted average maturity (to next reset). 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, *Retirement Funds Interest Rate Sensitivity by Investment Type*, presents the aggregated interest rate exposure for the Retirement Funds' assets. Weighted average maturity, where reset dates are assumed to be the effective maturity date for the security, is presented for repurchase agreements and short term pooled investments. Longer term instruments held by the Retirement Funds are presented using modified duration, as this measure more accurately states the interest rate sensitivity of these investments. The duration statistic is calculated utilizing reset dates for some floating rate instruments, such as term loans.

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 this 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 6.3 and 8.9 years, respectively.

**Retirement Funds**  
**Interest Rate Sensitivity by Investment Type**  
**As of December 31, 2014**  
**(\$ in thousands)**

| Investment Type                              | Fair Value                 | Duration (years) | Weighted Average Maturity (days) |
|--|----------------------------|------------------|----------------------------------|
| Asset Backed Securities                      | \$ 49,368                  | 1.61             | -                                |
| Commercial Paper                             | 870,435                    | 0.17             | -                                |
| Corporate Bonds & Private Placements         | 4,992,052                  | 5.74             | -                                |
| Foreign Government/Agency Bonds              | 3,752,326                  | 7.73             | -                                |
| Futures Contracts*                           | 3,690,696                  | 4.94             | -                                |
| Municipal Bonds                              | 117,639                    | 10.73            | -                                |
| Repurchase Agreements                        | 151,526                    | -                | 3                                |
| U.S. Government Agencies                     | 633,802                    | 1.78             | -                                |
| U.S. Treasury Inflation Protected Securities | 6,878,808                  | 7.87             | -                                |
| U.S. Treasury Securities                     | 3,925,967                  | 4.78             | -                                |
| Commingled Funds:                            |                            |                  |                                  |
| Short Term Cash Management                   | 1,462,719                  | -                | 117                              |
| Emerging Market Fixed Income                 | 526,942                    | 7.15             | -                                |
| Global Fixed Income                          | 500,984                    | 4.66             | -                                |
| Domestic Fixed Income                        | 6,325,551                  | 6.23             | -                                |
| <b>Total</b>                                 | <b><u>\$33,878,815</u></b> |                  |                                  |

\* Notional amount presented for fair value.

### 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.

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. Additional information related to the management of foreign currencies through the use of derivatives is discussed later in these notes.

The table, *Retirement Funds Currency Exposures by Investment Type*, presents the funds' investments which were exposed to foreign currency risk at December 31, 2014.

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





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Retirement Funds  
 Currency Exposure by Investment Type  
 December 31, 2014  
 (Stated in U.S. Dollars)

| Currency             | Cash & Cash Equivalents | Stocks            | Fixed Income      | Limited Partnerships | Multi Asset      | Real Estate      | Preferred Securities | Convertible Securities | Options        | Futures Contracts | Swaps       | Short Sell Obligations | Total             |
|----------------------|-------------------------|-------------------|-------------------|----------------------|------------------|------------------|----------------------|------------------------|----------------|-------------------|-------------|------------------------|-------------------|
| Australian Dollar    | \$ 9,817,564            | \$ 978,265,727    | \$ 55,218,308     | \$ -                 | \$ -             | \$ -             | \$ -                 | \$ -                   | \$ -           | \$ 987,504        | \$ -        | \$ -                   | \$ 1,044,289,103  |
| Brazilian Real       | 2,866,308               | 91,190,340        | 21,715,188        | -                    | -                | -                | 71,963,752           | -                      | -              | -                 | -           | -                      | 187,735,588       |
| Canadian Dollar      | 14,415,688              | 1,372,516,045     | 54,009,564        | -                    | -                | -                | -                    | -                      | -              | 1,296,774         | -           | (3,000,147)            | 1,439,239,925     |
| Colombian Peso       | -                       | -                 | 1,857,845         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 1,857,845         |
| Czech Koruna         | -                       | 731,731           | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 731,731           |
| Danish Krone         | -                       | 224,418,528       | 26,054,463        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 250,472,991       |
| Egyptian Pound       | 3,383                   | -                 | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 3,383             |
| Euro Currency Unit   | 23,738,165              | 4,866,077,416     | 1,640,002,260     | 703,357,776          | -                | -                | 94,220,799           | -                      | (567,281)      | 1,401,235         | -           | (88,197,274)           | 7,240,033,095     |
| Hong Kong Dollar     | 3,256,209               | 702,509,433       | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 705,765,642       |
| Hungarian Forint     | 2                       | -                 | 7,274,464         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 7,274,466         |
| Indian Rupee         | 1,602,240               | 154,347,868       | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 155,950,108       |
| Indonesian Rupiah    | 148,137                 | 8,517,006         | 15,413,194        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 24,078,337        |
| Israeli New Shekel   | 1,206,799               | 46,912,359        | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | (53,895)               | 48,065,263        |
| Japanese Yen         | 14,976,595              | 3,238,088,068     | 969,330,525       | -                    | -                | -                | -                    | (2,589,841)            | -              | -                 | -           | (78,159,329)           | 4,141,646,017     |
| Malaysian Ringgit    | 1,703,411               | 47,849,624        | 37,461,420        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 87,014,455        |
| Mexican New Peso     | 38,115,609              | 34,206,552        | 82,795,107        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 155,117,267       |
| Moroccan Dirham      | 13,314                  | -                 | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 13,314            |
| New Taiwan Dollar    | 14,138                  | 197,708,830       | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 197,722,968       |
| New Turkish Lira     | 5,445                   | 69,893,922        | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 69,899,367        |
| New Zealand Dollar   | 598,088                 | 31,898,379        | 7,408,148         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 39,904,615        |
| Norwegian Krone      | 1,105,395               | 113,961,411       | 7,806,298         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 122,873,104       |
| Peruvian Nuevo Sol   | (4)                     | -                 | 697,789           | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 697,785           |
| Philippine Peso      | 13,141                  | 4,397,509         | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 4,410,649         |
| Polish Zloty         | 1,160,906               | 26,358,218        | 33,005,727        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 60,524,851        |
| Pound Sterling       | 19,554,989              | 3,610,557,749     | 366,386,962       | 77,406,506           | -                | -                | -                    | -                      | -              | 1,854,814         | -           | -                      | 4,075,761,020     |
| Russian Ruble        | -                       | -                 | 4,269,615         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 4,269,615         |
| South African Rand   | 2,498,087               | 72,628,040        | 32,835,482        | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 107,961,608       |
| Singapore Dollar     | 2,278,310               | 187,006,074       | 502,739           | -                    | -                | -                | -                    | -                      | -              | -                 | -           | (4,635,161)            | 185,153,962       |
| South Korean Won     | 404,693                 | 280,380,649       | 8,769,702         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 289,595,044       |
| Swedish Krona        | 3,125,761               | 436,064,908       | 11,508,925        | 20,885,593           | -                | -                | -                    | -                      | -              | -                 | -           | (15,526,502)           | 456,058,684       |
| Swiss Franc          | 32                      | 1,492,807,097     | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 1,476,903,945     |
| Thailand Baht        | 2,525                   | 77,266,246        | -                 | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 77,268,771        |
| United States Dollar | 3,178,513,015           | 32,358,760,426    | 23,749,739,531    | 9,752,934,919        | 3,906,834,492    | 1,017,432,558    | 55,200,212           | 3,779,266              | (1,049,114)    | (3,276,110)       | (27,829)    | (268,063,479)          | 73,750,777,887    |
| Uruguayan Peso       | -                       | -                 | 5,208,094         | -                    | -                | -                | -                    | -                      | -              | -                 | -           | -                      | 5,208,094         |
| Total                | \$ 3,321,137,945        | \$ 50,725,324,156 | \$ 27,139,271,349 | \$ 10,554,584,793    | \$ 3,906,834,492 | \$ 1,017,432,558 | \$ 221,384,763       | \$ 3,779,266           | \$ (1,616,395) | \$ (325,625)      | \$ (27,829) | \$ (473,538,971)       | \$ 96,414,240,502 |

1) Commingled funds (including limited partnerships and other pooled vehicles) represent investments where the Retirement Funds own only a portion of the overall fund. While the overall fund may be denominated in U.S. dollars, the underlying investments may be exposed to foreign currency risk in various currencies. Commingled funds are shown in the denomination used by the fund for financial reporting.

2) Short Sell Obligations are reported as liabilities on the Statement of Net Investment Position. They are included in the above table because they have exposure to foreign currency risk.

3) Values may not add due to rounding.

### **Securities Lending Transactions**

State statutes and SWIB Board of Trustees policies permit SWIB to use investments of the Retirement 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 custodian is an agent in lending the Retirement Funds' directly held domestic and international securities. When the Retirement 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 percent 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 securities are loaned against collateral denominated in a different currency, the borrower is required to place collateral totaling at least 105 percent 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. Pledging or selling non-cash collateral securities cannot be done without a borrower default.

Cash collateral is reinvested by the lending agent in two separate pools: a U.S. dollar cash collateral pool and a pool denominated in Euros. These pools are administered in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and provide a modest rate of return. Investment guidelines limit credit and liquidity risk by restricting new investments to overnight repurchase agreements collateralized with high quality U.S. government, U.S. government agencies, and sovereign debt securities. To further reduce credit risk, SWIB's custodian provides indemnification to SWIB against counterparty default. The earnings generated from the collateral investments, plus or minus the rebates received from or paid to the dealers and less fees paid to agents, results in the net earnings from lending activities, which are then split on a percentage basis with the lending agent. Cash from the U.S. dollar pool may be

posted as collateral relating to short sale transactions and earns a comparable overnight repurchase agreement market rate of return for the duration of the posting. Additional information relating to short sales is discussed later in the notes.

At December 31, 2014, the Retirement Funds had minimal credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the Retirement Funds. In addition to the cash collateral reinvestment indemnification, the contract with the lending agent requires it to indemnify the Retirement Funds if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent. The Retirement Funds are also indemnified against losses resulting from violations of investment guidelines.

The majority of security loans are open-ended and can be terminated on demand by the Retirement Funds or the borrower. Maturities of investments made with cash collateral are not necessarily matched to the maturities of the securities loaned because most loans do not have a fixed maturity date. The risk that SWIB would be unable to return collateral to securities borrowers upon termination of the loan is low because the majority of investments made with cash collateral mature in one to two business days. The average maturities of the loans and the average maturities of the assets held in the collateral reinvestment pools did not materially differ at December 31, 2014.

Securities lending is allowed in certain commingled fund investments. As an investor in such funds, SWIB does not own the underlying securities and does not separately report on securities lending activity. All earnings of these funds are reported in the *Statement of Changes in Fiduciary Net Position* as Net Appreciation (Depreciation) in Fair Value of Investments.

### **Derivatives**

A derivative instrument, as defined by GASB Statement No. 53, is a financial instrument or other contract that has all of the following characteristics:



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- **Settlement factors.** It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- **Leverage.** It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- **Net settlement.** Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivatives may be used to implement investment strategies for the Retirement Funds. 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 that have been approved by the Board. Where derivatives are permitted, guidelines stipulate allowable instruments and the manner and degree to which they are to be used.

A derivative can take the form of a contract negotiated between the Retirement Funds and a specific counterparty. This is referred to as an over-the-counter (OTC) contract, such as a forward

contract. Alternatively, standardized derivative instruments, such as futures contracts, may be traded on an organized exchange and are referred to as "exchange-traded."

Inherent in the use of OTC derivatives, the Retirement Funds may be exposed to counterparty credit risk on OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligations under the terms of the derivative contract. SWIB seeks to mitigate this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. Additionally, policies have been established which seek to implement master netting arrangements with counterparties that permit the closeout and netting of transactions with the same counterparty upon the occurrence of certain events, such as payment default, rating downgrade, bankruptcy, illegality or force majeure. Agreements may also require daily collateral postings to further mitigate credit risk. Cash collateral on deposit with OTC counterparties was \$18.7 million at December 31, 2014. No securities were pledged relating to OTC positions.

The Retirement Funds' OTC positions included foreign currency contracts, OTC options and a total return swap. The table titled *Retirement Funds OTC Derivative Investments Subject to Counterparty Credit Risk*, summarizes, by credit rating, the Retirement Funds' exposure to OTC derivative instruments' counterparty credit risk as of December 31, 2014, without respect to any collateral or netting arrangement.

Retirement Funds  
OTC Derivative Investments Subject to Counterparty Credit Risk  
As of December 31, 2014  
(\$ in thousands)

| Counterparty Credit Rating | Payable               | Receivable          | Fair Value         |
|----------------------------|-----------------------|---------------------|--------------------|
| AA                         | \$ (227,113)          | \$ 228,808          | \$ 1,695           |
| A                          | (2,063,478)           | 2,051,559           | (11,919)           |
| BBB                        | (1,716,512)           | 1,715,793           | (720)              |
| Total                      | <u>\$ (4,007,103)</u> | <u>\$ 3,996,160</u> | <u>\$ (10,944)</u> |

The aggregate fair value of receivables relating to OTC derivative contracts was \$4.0 billion at December 31, 2014. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. The number of OTC counterparties with credit exposure was 16. This maximum exposure is reduced to \$196.4 million at December 31, 2014, when counterparty collateral and master netting arrangements are taken into account.

Conversely, counterparty credit risk is mitigated by an intermediary for exchange-traded derivatives. For this type of derivative investment, the clearinghouse interposes itself as counterparty to all trades and extends a guarantee that trades will be settled as originally intended. To ensure performance, the exchange establishes, and the clearinghouse monitors, margin requirements to cover nearly all expected price changes for a given product within a specified time period based on market risk. Margin payments are settled daily based upon the price movements of the contracts, thereby significantly reducing counterparty credit risk. The Retirement Funds posted \$98.0 million in cash and \$68.7 million in securities as collateral with exchange clearing brokers as of December 31, 2014.

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

SWIB invests in derivative investments directly, as well as indirectly through commingled or pooled investments. Information relating to investments held in commingled funds has not been separately disclosed in the financial statements or the accompanying footnotes.

### **Foreign Currency Spot and Forward Contracts**

Foreign Currency Spot and Forward contracts are OTC agreements between two counterparties to exchange designated currencies at a specific time in the future. No cash is exchanged when a foreign exchange spot or forward contract is initiated. Amounts due are paid or received on the contracted settle date.

Currency exposure management is permitted through the use of currency derivative instruments. 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. SWIB may employ discretionary currency overlay strategies at the total fund and asset class level when currency market conditions suggest such strategies are warranted.

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. Spot and forward contracts are valued daily with the changes in fair value included in Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Position*. The net receivable or payable for spot and forward contracts is reflected as Foreign Currency Contracts on the *Statement of Fiduciary Net Position*. The table titled *Retirement Funds Foreign Currency Spot and Forward Contracts* presents the fair value of foreign currency spot and forward contract assets and liabilities held by the Retirement Funds as of December 31, 2014.



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Retirement Funds  
Foreign Currency Spot and Forward Contracts  
As of December 31, 2014  
(\$ in thousands)

| Currency   | Notional (local currency) | Fair Value (\$US)  | Unrealized Gain/(Loss) (\$US) |
|--|---------------------------|--------------------|-------------------------------|
| <b>Foreign Currency Contract Receivables</b>                                 |                           |                    |                               |
| Australian Dollar  | 294,008                   | \$ 240,248         | \$ (3,611)                    |
| Brazilian Real   | 54,475                    | 20,291             | (53)                          |
| British Pound Sterling   | 138,317                   | 215,643            | (4,601)                       |
| Canadian Dollar  | 431,270                   | 372,181            | (2,108)                       |
| Chilean Peso   | 5,563,000                 | 9,109              | 21                            |
| Colombian Peso   | 2,630,645                 | 1,107              | 4                             |
| Danish Krone   | 98,967                    | 16,086             | (331)                         |
| Euro Currency Unit   | 364,423                   | 441,036            | (11,087)                      |
| Hong Kong Dollar   | 552,944                   | 71,302             | (2)                           |
| Indian Rupee   | 3,004,637                 | 47,169             | (151)                         |
| Israeli New Shekel   | 39,279                    | 10,094             | 188                           |
| Japanese Yen   | 51,562,580                | 430,130            | (15,807)                      |
| Malaysian Ringgit  | 2,000                     | 570                | (40)                          |
| Mexican New Peso   | 795,472                   | 53,873             | (1,174)                       |
| New Zealand Dollar   | 6,473                     | 5,059              | 33                            |
| Norwegian Krone  | 177,273                   | 23,632             | (1,167)                       |
| Singapore Dollar   | 82,506                    | 62,241             | (963)                         |
| Swedish Krona  | 832,355                   | 106,329            | (4,009)                       |
| Swiss Franc  | 93,010                    | 93,616             | (1,947)                       |
| United States Dollar   | 1,766,466                 | 1,766,466          | -                             |
|  |                           | <u>3,986,182</u>   | <u>(46,805)</u>               |
| <b>Foreign Currency Contract Payables</b>                                    |                           |                    |                               |
| Australian Dollar  | (81,808)                  | (66,917)           | 1,989                         |
| Brazilian Real   | (29,504)                  | (10,988)           | 164                           |
| British Pound Sterling   | (357,699)                 | (557,642)          | 3,888                         |
| Canadian Dollar  | (267,778)                 | (231,065)          | 5,438                         |
| Colombian Peso   | (5,261,289)               | (2,213)            | 34                            |
| Danish Krone   | (274,879)                 | (44,670)           | 869                           |
| Euro Currency Unit   | (442,646)                 | (535,736)          | 12,885                        |
| Hong Kong Dollar   | (531,020)                 | (68,476)           | 3                             |
| Indonesian Rupiah  | (7,175,223)               | (573)              | 8                             |
| Israeli New Shekel   | (16,869)                  | (4,335)            | (92)                          |
| Japanese Yen   | (17,912,001)              | (149,432)          | 1,707                         |
| Malaysian Ringgit  | (48,000)                  | (13,678)           | 611                           |
| Mexican New Peso   | (553,570)                 | (37,425)           | 1,589                         |
| New Zealand Dollar   | (9,010)                   | (7,034)            | 185                           |
| Norwegian Krone  | (199,958)                 | (26,668)           | 1,710                         |
| Peruvian Nuevo Sol   | (1,978)                   | (658)              | 11                            |
| Polish Zloty   | (32,155)                  | (9,040)            | 519                           |
| Singapore Dollar   | (23,392)                  | (17,652)           | 140                           |
| South African Rand   | (100,882)                 | (8,691)            | 141                           |
| South Korean Won   | (9,160,000)               | (8,372)            | 88                            |
| Swedish Krona  | (559,285)                 | (71,446)           | 2,277                         |
| Swiss Franc  | (111,660)                 | (112,410)          | 1,725                         |
| United States Dollar   | (2,011,977)               | (2,011,977)        | -                             |
|  |                           | <u>(3,997,098)</u> | <u>35,889</u>                 |
| Net Unrealized Gain (Loss) on Foreign<br>Currency Spot and Forward Contracts |                           | <u>\$ (10,916)</u> | <u>\$ (10,916)</u>            |

**Futures Contracts**

A futures contract is an exchange-traded agreement to buy or sell a financial instrument, index or commodity at an agreed-upon price and time in the future.

The fair value of futures contracts represents the unrealized gain/ (loss) on the contract, since inception, and is included in Financial Futures Contracts on the *Statement of Fiduciary Net Position*. 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. Gains and losses resulting from investments in futures contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Position*.

Futures contracts involve, to varying degrees, risk of loss in excess of the margin deposited with the broker. Losses may arise from future changes in the value of the underlying instrument.

Futures contracts may be entered into to efficiently gain or adjust market exposures for purposes that include trust fund rebalancing, sector, interest rate, or duration types of exposure adjustments; the securitization of cash or as a substitute for cash market transactions.

The table, *Retirement Funds Futures Contracts*, presents the Retirement Funds' investments in futures contracts as of December 31, 2014.

Retirement Funds  
Futures Contracts  
As of December 31, 2014  
(\$ in thousands)

| Description                | Expiration    | Notional Amount     | Unrealized Appreciation<br>(Depreciation)* |
|----------------------------|---------------|---------------------|--|
| Long Fixed Income Futures  | Mar 15        | \$ 4,197,590        | \$ 30,167                                  |
| Short Fixed Income Futures | Mar 15        | (506,895)           | (4,417)                                    |
| Long Equity Index Futures  | Mar 15        | 897,669             | 19,319                                     |
| Short Equity Index Futures | Mar 15-May 15 | (15,481)            | (358)                                      |
| Long Commodity Futures     | Jan 15-Mar 15 | 792,416             | (45,037)                                   |
| Short Commodity Futures    | -             | -                   | -  |
| <b>Total</b>               |               | <u>\$ 5,365,299</u> | <u>\$ (326)</u>                            |

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

**Options**

An option contract gives the purchaser of the contract the right, but not the obligation, 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 and OTC options. Investment Guidelines allow options to be used to improve market exposure efficiency, enhance expected returns, or provide market exposure hedges. Exchange rules require that the seller of exchange-traded call option contracts cover these positions either by collateral deposits in the form of cash or securities or by pledging, in escrow, the actual securities that would be transferred



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to the option purchaser in the event the option contract were exercised.

The fair value of option contracts is based upon the closing market price of the contract and is reflected as Options on the *Statement of Fiduciary Net Position*. 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 Position*. The table, *Retirement Funds Option Contracts*, presents the fair value of option contracts as of December 31, 2014.

Retirement Funds  
Option Contracts  
As of December 31, 2014  
(\$ in thousands)

| Description       | Expiration      | Notional     | Unrealized Gain<br>(Loss) | Fair Value |
|-------------------|-----------------|--------------|---------------------------|------------|
| Options Sold      |                 |              |                           |            |
| Exchange-Traded   |                 |              |                           |            |
| Equity-Call       | Jan 15 - Jul 15 | \$ (34,029)  | \$ (10)                   | \$ (875)   |
| Equity-Put        | Jan 15 - Apr 15 | (250,029)    | 1,140                     | (1,140)    |
| Commodity-Put     | Jan 15 - Mar 15 | (4,673)      | (489)                     | (601)      |
| Over-the-Counter  |                 |              |                           |            |
| Equity-Call       | Jan 15 - Jul 15 | (660)        | 5                         | (10)       |
| Equity-Put        | Jan 15 - Feb 15 | (163,176)    | (67)                      | (557)      |
|                   |                 | (452,567)    | 579                       | (3,183)    |
| Options Purchased |                 |              |                           |            |
| Exchange-Traded   |                 |              |                           |            |
| Equity-Call       | Jan 15 - Jul 15 | 31,746       | 124                       | 1,543      |
| Equity-Put        | Jan 15 - Jul 15 | 3,482        | (169)                     | 24         |
|                   |                 | 35,228       | (45)                      | 1,567      |
| Total             |                 | \$ (417,339) | \$ 534                    | \$ (1,616) |

### Swaps

Swaps are negotiated contractual agreements between two counterparties. The Retirement Funds entered into a total return swap in 2013 with a termination date of December 1, 2014 and entered into a similar agreement in 2014 with a termination date of November 18, 2015. Under the terms of the swap, the Funds receive the total return of an equity index while paying the counterparty a variable rate of return based on the 3-month London Interbank Offering Rate (LIBOR). Each of these swaps has a notional value of \$10 million. Fair value is determined based on quoted market prices of the underlying

equity index less the accrued interest owed to the counterparty. Gains and losses resulting from investments in swap contracts are included in the Net Appreciation (Depreciation) in Fair Value of Investments on the *Statement of Changes in Fiduciary Net Position*. The fair value of swaps is reported as Swaps on the *Statement of Fiduciary Net Position* in a loss position of \$27,829 at December 31, 2014.

As is specified in SWIB's investment guidelines, OTC derivatives, including swaps, may be used as an alternative to physical securities when it is deemed advantageous for portfolio construction. In addition, swaps may be used to adjust asset class exposures

for the Retirement Funds. Guideline limits and soft risk parameters for each portfolio are applied to the aggregate exposures which includes both physical and synthetic securities.

### **Short Sell Obligations**

The Retirement Funds may sell a security it does not own in anticipation of purchasing the security later at a lower price. This is known as a short sale transaction. For the duration of the short sale transaction, a liability is recorded under Short Sell Obligations on the *Statement of Fiduciary Net Position*. The liability presented on the *Statement of Fiduciary Net Position* represents the fair value of the shorted securities necessary for delivery to the purchaser and is marked-to-market daily. Realized and unrealized gains and losses associated with short sales are recorded on the *Statement of Changes in Fiduciary Net Position* within the Net Appreciation (Depreciation) in Fair Value of Investments account. While the transaction is open, the Retirement Funds incur expenses for securities borrowing costs. In addition, as a security borrower, the Retirement Funds may incur dividend and interest expense as such payments must be remitted to the security lender during the course of the loan. Such expenses are included in Investment Expenses on the *Statement of Changes in Fiduciary Net Position*.

Risks arise from short sales due to the possible illiquidity of the securities markets and from potential adverse movements in security values. The cost to acquire the securities sold short may exceed the amount of proceeds initially received, as well as the amount of the liability recorded as Short Sell Obligations in the *Statement of Fiduciary Net Position*. Short sales expose the short seller to potentially unlimited liability because there is no upward limit on the price a shorted security could attain. Certain portfolio guidelines permit short sales and, to mitigate risks, the total value of short sales in any portfolio may not exceed 50% of a portfolio's value. In addition, portfolios which engage in short sales have long only benchmarks established by the SWIB Board of Trustees. Investment performance and risk associated with each portfolio is measured against benchmarks and monitored by management.

When a short sale occurs, the shorting portfolio must

borrow the security and deliver it to the buyer. If the shorted security is owned by another Retirement Fund portfolio, investment policies allow the borrowing of securities from other Retirement Fund portfolios, including inter-fund borrowings. Except in the case of borrowing within the same trust fund, the Retirement Funds are required to post collateral to the lender, at the required rate of 102% for in-currency loans and 105% for cross-currency loans. The Retirement Funds posted \$765.2 million in collateral to security lenders representing \$32.8 million in excess of the fair market value of the securities borrowed as of December 31, 2014. If the security lender recalled the security and SWIB was not able to supply the lender with the security, the lender would be permitted to use SWIB's collateral to fund the purchase of the security.

### **Multi Asset**

SWIB employs portfolio strategies which involve investment across multiple asset classes. The Multi Asset Investments account on the *Statement of Fiduciary Net Position* consists of risk parity and hedge funds multi asset strategies. Risk parity and hedge fund investments are either in the form of a commingled fund, with ownership through fund shares, or a limited partnership.

The risk parity portfolios seek to equally weight asset allocation risk across multiple assets and geographies. Exposures are expected to deliver improved risk and return tradeoffs, versus conventional portfolios comprised of stocks and bonds. The risk parity portfolios also intend to provide more diversified exposure over various economic environments.

The Retirement Funds invest in a diversified set of hedge fund strategies, invested across multiple asset classes. In general, a hedge fund is a private investment fund that seeks to produce absolute returns using a broad range of strategies with low to moderate levels of volatility, typically employing both long and short positions. An allocation to a diversified hedge fund portfolio is intended to have low correlation to traditional publicly traded equities.

Hedge funds can be illiquid, either by virtue of the illiquidity of underlying assets, or due to lock-up





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terms. However, SWIB has taken steps to minimize this risk by investing in hedge funds with more liquid asset classes and by structuring its investments to stagger lock-up periods. Hedge funds also use leverage to varying degrees, and while it is possible that a hedge fund can lose a significant portion of its capital, SWIB has limited the amount it invests in hedge funds in total and with any individual hedge fund manager.

As of December 31, 2014, the majority of SWIB's risk parity and hedge fund investments are reflected within the Multi Asset Investments account on the *Statement of Fiduciary Net Position*. Hedge fund portfolios with a long only equity strategy are included within the Stocks classification on the *Statement of Fiduciary Net Position*.

### **Long-Term Receivables**

Included in the Core Fund's Investment Sales Receivable account on the *Statement of Fiduciary Net Position* is \$73.0 million in receivables as of December 31, 2014, which are due on or before January 2017. These receivables represent amounts due from third parties related to the sale of private equity limited partnership interests.

### **Investment Policy and Asset Allocation**

SWIB's Board of Trustees has established investment guidelines pursuant to a comprehensive and ongoing evaluation of the appropriate risk and return standards for each fund under management. Trustees have a fiduciary responsibility, with respect to the Retirement Funds, to act solely in the interest of the WRS. The SWIB Board of Trustees consists of nine members meeting specific requirements as follows:

- Six Governor appointed and State Senate approved members including:
  - Four with at least ten years investment experience
  - One with at least ten years financial experience and who works for a local government participant in the Local Government Investment Pool
  - One additional member
- Educator participant in the WRS appointed by the Teachers Retirement Board
- Non-educator participant in the WRS appointed by the Wisconsin Retirement Board
- Secretary of the Department of Administration or designee

Board-approved guidelines are intended to assist in development of a diversified portfolio of investments, tailored to accomplish the purpose of each fund within acceptable risk parameters. They represent a delegation of standing authority to the Executive Director and investment managers within the organization to make prudent investments within the investment guidelines, pursuant to sections 15.02(4) and 25.16(1) of the Wisconsin Statutes and section IB 2.02 of the Wisconsin Administrative Code.

Additionally, the Investment Committee (IC) was created to provide oversight of SWIB investments within the parameters established by the SWIB Board of Trustees. Oversight includes analysis of risk and return of the portfolio, asset class, and Retirement Funds. The IC is responsible for proposing to the SWIB Board of Trustees changes to investment guidelines for internally-managed portfolios, for approving investment guidelines for externally managed portfolios, and for approving individual strategies within the Multi-Asset portfolios.

The WRS asset allocation policy is recommended by the IC and adopted by the SWIB Board of Trustees. SWIB undertakes a review of its strategic asset allocation plan every other year, including asset/liability modeling, to determine a suitable target allocation for each asset class included in the Retirement Funds. The strategic nature of these reviews contemplates a long-term time horizon over which potential results are evaluated. This exercise is not an attempt to predict short-term market movements, but an effort to understand the long-term impacts of poor, normal and above average market results. In the "off year" of the two-year cycle, structural asset allocation adjustments and other funding initiatives are considered.

In addition to potential future market impact, SWIB

also contemplates the objectives of the funds, the impact of actuarial analysis and the soundness of investment return and risk expectations. SWIB's asset allocation policies reflect the SWIB Board of Trustee's program of risk allocation that involves reduced equity exposure coupled with leveraged low-volatility assets, such as "fixed income" securities. This investment strategy results in Core Fund strategic targets that exceed 100% of invested assets. Currently the Core Fund has adopted an asset allocation target of 6% leverage, however over time it is anticipated that SWIB will move toward an asset allocation that includes 20% leveraging of low volatility assets. As SWIB increases the degree of leverage as it moves toward the destination target asset allocation, the

SWIB Board of Trustees will be informed of the nature and method used for each incremental step. Before implementing leverage beyond 10%, the SWIB Board of Trustees, asset allocation consultants and staff will engage in additional focused asset allocation discussion. The table, *Retirement Funds Asset Allocation Targets*, presents the policy targets as well as the destination targets for the Retirement Funds.

For purposes of determining asset allocation targets, investments may be categorized differently than they are within the financial statements. For example, SWIB's management considers inflation sensitive assets separately from other "fixed income" investments for asset allocation purposes.

| Retirement Funds<br>Asset Allocation Targets |  |  |
|--|--|--|
|  | December 31, 2014<br>Target Asset Allocation | Destination Target<br>Asset Allocation |
| <b>Core Fund Asset Class</b>                 |  |  |
| U.S. Equities                                | 26%  | 21%                                    |
| International Equities                       | 24%  | 23%                                    |
| Fixed Income                                 | 27%  | 36%                                    |
| Inflation Sensitive Assets                   | 9%   | 20%                                    |
| Real Estate                                  | 7%   | 7%                                     |
| Private Equity/Debt                          | 7%   | 7%                                     |
| Multi-Asset                                  | 6%   | 6%                                     |
| <b>Total</b>                                 | <b>106%</b>                                  | <b>120%</b>                            |
| <b>Variable Fund Asset Class</b>             |  |  |
| U.S. Equities                                | 70%  | 70%                                    |
| International Equities                       | 30%  | 30%                                    |
| <b>Total</b>                                 | <b>100%</b>                                  | <b>100%</b>                            |

**Unfunded Capital Commitments**

SWIB entered into a number of agreements that commit the Core Trust Fund to make investment purchases up to predetermined amounts over certain investment time periods. The unfunded capital commitments for private equity, real estate and multi asset investments not reported on the *Statement of Fiduciary Net Position* totaled \$6.2 billion as of December 31, 2014.

**Annual Money-Weighted Rate of Return**

Money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the money-weighted rate of return for the Core Trust Fund was 5.44% and 7.24% for the Variable Trust Fund.



## 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 employees. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. ETF, under the direction of the ETF Board, is responsible for the administration of the WRS.

### **Employee Trust Funds Board**

The ETF Board has general oversight of ETF, appoints the ETF Secretary and oversees administration of the benefit programs, other than group insurance and deferred compensation. The Board is comprised of 13 members, including:

- the Governor or the Governor's designee on the Group Insurance Board,
- the director of the Office of State Employment Relations or the director's designee,
- 4 members appointed by the Teachers Retirement Board (an advisory board to the ETF Board),
- 4 members appointed by the Wisconsin Retirement Board (an advisory board to the ETF Board),
- a public member who is not a participant in or beneficiary of the WRS, with at least 5 years of experience in actuarial analysis, administration of an employee benefit plan or significant administrative responsibility in a major insurer,
- a WRS annuitant, and
- a participant in the WRS who is a technical college or public school district educational support personnel employee.

### **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 firefighters, and all counties except Milwaukee

County. As of December 31, 2014, the number of participating employers was:

|  |              |
|--|--------------|
| State Agencies, UW & Public Authorities      | 57           |
| Cities                                       | 152          |
| Counties                                     | 71           |
| 4th Class Cities                             | 36           |
| Villages                                     | 261          |
| Towns  | 246          |
| School Districts                             | 424          |
| Cooperative Educational Service Agencies     | 12           |
| Wisconsin Technical College System Districts | 16           |
| Special Districts                            | 207          |
| Total Employers                              | <u>1,482</u> |

### **WRS Membership**

Any employee of a participating employer who is expected to work at least 1,200 hours per year (880 hours per year for teachers and school district educational support employees) must be covered by the WRS. As of December 31, 2014, the WRS membership consisted of:

#### **Current Employees:**

|                                    |                |
|------------------------------------|----------------|
| General                            | 133,882        |
| Teachers                           | 99,618         |
| Elected / Executive / Judges       | 1,409          |
| Protective with Social Security    | 19,603         |
| Protective without Social Security | 2,743          |
| Total Current Employees            | <u>257,255</u> |

#### **Inactive Participants:**

|                             |                |
|-----------------------------|----------------|
| Terminated Participants     | 157,072        |
| Alternate Payees            | 4,051          |
| Total Inactive Participants | <u>161,123</u> |

#### **Retirees and Beneficiaries**

##### **Currently Receiving Benefits:**

|                             |                |
|-----------------------------|----------------|
| Retirement Annuities        | 177,959        |
| Disability Annuities        | 6,363          |
| Death Beneficiary Annuities | 1,283          |
| Total Annuitants            | <u>185,605</u> |

#### **Total Participants**

603,983

**WRS Benefits**

The WRS provides retirement benefits as well as death and disability benefits. Vesting requirements have changed over time, as follows:

- Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements;
- For participants entering the system from January 1, 1990, to April 23, 1998, creditable service in each of five years was required for vesting;

- All active participants in the system at any time from April 24, 1998 to June 30, 2011 are fully vested;
- 2011 Wisconsin Act 32 generally required participants hired on or after July 1, 2011 to have five years of creditable service to be 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 table below.

| <b>Employment Category</b>         | <b>Service Before<br/>1/1/2000</b> | <b>Service Between<br/>2000 and 2011</b> | <b>Service After<br/>2011</b> |
|------------------------------------|------------------------------------|--|-------------------------------|
| General and Teachers               | 1.765%                             | 1.6%                                     | 1.6%                          |
| Executive and Elected              | 2.165                              | 2.0*                                     | 1.6*                          |
| Protective with Social Security    | 2.165                              | 2.0                                      | 2.0                           |
| Protective without Social Security | 2.665                              | 2.5                                      | 2.5                           |

\*2011 Wisconsin Act 10 changed the Executive and Elected formula factor from 2.0% to 1.6%. The effective date of the change varies among different employee categories, and generally applies to the services earned after Act 10 effective date (i.e., June 29, 2011).

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 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 adjust annuity payments from the retirement system based on annual investment performance

in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable Fund annuity adjustments granted during recent years are as follows:

| <b>Year</b> | <b>Core Adjustment</b> | <b>Variable Adjustment</b> |
|-------------|------------------------|----------------------------|
| 2005        | 2.6%                   | 7.0%                       |
| 2006        | 0.8                    | 3.0                        |
| 2007        | 3.0                    | 10.0                       |
| 2008        | 6.6                    | 0.0                        |
| 2009        | (2.1)                  | (42.0)                     |
| 2010        | (1.3)                  | 22.0                       |
| 2011        | (1.2)                  | 11.0                       |
| 2012        | (7.0)                  | (7.0)                      |
| 2013        | (9.6)                  | 9.0                        |
| 2014        | 4.7                    | 25.0                       |



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The negative Core annuity adjustments from 2009 to 2013 were primarily due to the Fund's \$21.0 billion investment decline in 2008, caused by the global economic crisis. Core Fund gains and losses are recognized over a five-year period. Therefore, 2013 was the fifth and final year that 2008 investment experience would result in a negative Core annuity adjustment.

### **Long-term Receivables**

The Prior Service Contributions Receivable on the *Statement of Fiduciary Net Position* represents the WRS unfunded actuarial accrued liability (UAAL), determined under the plan's Frozen Initial Liability funding methodology. This liability 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. The remaining balance is expected to be fully amortized by December 31, 2029. Liabilities for employers joining the WRS beginning in 2009 are amortized over 30 years. 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 ultimately fully liquidate the liability at the end of the amortization period. State law requires the accrued retirement cost to be funded. As of December 31, 2014, the receivable balance was \$33.2 million

### **Variable Retirement Option**

Prior to 1980 WRS participants could opt 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. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. The Variable Fund was closed to new membership after April 30, 1980. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants,

effective January 1, 2001. As of December 31, 2014, there were 61,476 active and inactive members and 40,402 annuitants participating 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, 2014, approximately 125 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 annuity adjustments on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 2014, was \$3.5 million.

### **Annuity Supplement - General Fund**

As authorized under 1985 Wis. Stats. § 40.27 (1), the State's 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 \$0.3 million in 2014.

## **5 CONTRIBUTIONS REQUIRED AND MADE**

### **Required Contributions**

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 2014 contribution requirements were determined by the December 31, 2012, actuarial valuation.

Employee contributions are deducted from the employee's salary and remitted to the Department by the participating employer. Employers generally may not pay the employee required contribution. The employee required contribution is one-half of the actuarially-determined contribution rate for General category employees (which includes teachers) and employees in the Elected Official/Executive/Judge category. Required contributions for Protective occupation category employees are the same rate as General category employees. Employers are required to contribute the remainder of the actuarially-determined contribution rate.

**Contribution rates in effect during 2014 by employment category were:**

|                                    | Employer<br>Current | Employer<br>Prior * | Employee | Total |
|------------------------------------|---------------------|---------------------|----------|-------|
| General and Teachers               | 7.0%                | 0.0%                | 7.0%     | 14.0% |
| Elected Official/Executive/Judge   | 7.75                | 0.0                 | 7.75     | 15.5  |
| Protective with Social Security    | 10.1                | 0.0                 | 7.0      | 17.1  |
| Protective without Social Security | 13.7                | 0.3                 | 7.0      | 21.0  |

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

**Contributions required and made during 2014 were:**

|                          | Contributions<br>(\$ in millions) | Percentage of Payroll |
|--------------------------|-----------------------------------|-----------------------|
| Employer Current Service | \$977.1                           | 7.39%                 |
| Employer Prior Service*  | 5.9                               | 0.04                  |
| Employee Required        | 927.3                             | 7.01                  |

\*Employer Prior Service contributions are recorded on the *Statement of Fiduciary Net Position* 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 \$1 million in reimbursement for benefits paid under the s. 62.13, Wis. Stat, Police and Firefighters Pension Program.

are held in separate reserve accounts and are subject to certain restrictions as to amount, form of benefit payments, tax status, etc.

**Employee and Employer Additional Contributions**

Contributions in addition to those required contributions by employees and/or employers may be made to the retirement system. These contributions



## 6 NET PENSION LIABILITY (ASSET) OF PARTICIPATING EMPLOYERS WRS

The components of the net pension liability (asset) of the participating employers at December 31, 2014, were as follows (\$ in millions):

|  |                    |
|--|--------------------|
| Total Pension Liability  | \$89,691.1         |
| Plan Fiduciary Net Position  | <u>92,147.4*</u>   |
| Participating Employers' Net Pension Liability (Asset)                     | <u>(\$2,456.3)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 102.74%            |

\* Immaterial differences may exist between the Plan Fiduciary Net Position used in the actuarial valuation and that reported in the Statement of Fiduciary Net Position due to the timing of the actuarial valuation.

Additional information as of the latest actuarial valuations follows:

|  |                                |
|--|--------------------------------|
| <b>Actuarial Valuation Date:</b>                 | December 31, 2013              |
| <b>Measurement Date of Net Pension Liability</b> | December 31, 2014              |
| <b>Actuarial Cost Method:</b>                    | Entry Age                      |
| <b>Asset Valuation Method:</b>                   | Fair Value                     |
| <b>Long-Term Expected Rate of Return:</b>        | 7.2%                           |
| <b>Discount Rate:</b>                            | 7.2%                           |
| <b>Salary Increases:</b>                         |                                |
| <b>Inflation</b>                                 | 3.2%                           |
| <b>Seniority/Merit</b>                           | 0.2% - 5.8%                    |
| <b>Mortality:</b>                                | Wisconsin 2012 Mortality Table |
| <b>Post-retirement Adjustments*</b>              | 2.1%                           |

\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009–2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.20%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher (\$ in millions):

|                               | <b>1% Decrease<br/>(6.2%)</b> | <b>Current Discount Rate<br/>(7.2%)</b> | <b>1% Increase<br/>(8.2%)</b> |
|-------------------------------|-------------------------------|---|-------------------------------|
| Total Pension Liability       | \$99,077.0                    | \$89,691.1                              | \$82,278.6                    |
| Plan Fiduciary Net Position   | <u>92,147.4</u>               | <u>92,147.4</u>                         | <u>92,147.4</u>               |
| Net Pension Liability/(Asset) | \$6,929.6                     | (\$2,456.3)                             | (\$9,868.8)                   |

For the WRS the determination of liabilities also depends on the assumed dividend, which is linked to the interest rate used in the liability calculation. Therefore, we have shown an alternative set of Sensitivity Analysis, which varies the assumed dividend in conjunction with the change in the discount rate. For the liabilities shown below, the assumed dividend was 1.1% for the 6.2% discount rate, 2.1% for the 7.2% discount rate, and 3.0% for the 8.2% discount rate. The liabilities are as follows (\$ in millions):

|                               | <b>1% Decrease<br/>(6.2%)</b> | <b>Current Discount Rate<br/>(7.2%)</b> | <b>1% Increase<br/>(8.2%)</b> |
|-------------------------------|-------------------------------|---|-------------------------------|
| Total Pension Liability       | \$90,957.9                    | \$89,691.1                              | \$88,560.5                    |
| Plan Fiduciary Net Position   | <u>92,147.4</u>               | <u>92,147.4</u>                         | <u>92,147.4</u>               |
| Net Pension Liability/(Asset) | (\$1,189.5)                   | (\$2,456.3)                             | (\$3,586.9)                   |

### Long-term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method, in which best-estimate ranges of expected future real rates of return (Expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014, are summarized in the following table:

| Asset Class                | Core Retirement Investment Trust |                   | Variable Retirement Investment Trust |                   |
|----------------------------|----------------------------------|-------------------|--------------------------------------|-------------------|
|                            | Long-Term Real Rate of Return    | Target Allocation | Long-Term Real Rate of Return        | Target Allocation |
| US Equities                | 5.3%                             | 21%               | 5.3%                                 | 70%               |
| International Equities     | 5.7                              | 23                | 5.7                                  | 30                |
| Fixed Income               | 1.7                              | 36                | N/A                                  |                   |
| Inflation Sensitive Assets | 2.3                              | 20                | N/A                                  |                   |
| Real Estate                | 4.2                              | 7                 | N/A                                  |                   |
| Private Equity/Debt        | 6.9                              | 7                 | N/A                                  |                   |
| Multi-Asset                | 3.9                              | 6                 | N/A                                  |                   |
| Cash                       | 0.9                              | -20               | N/A                                  |                   |





## 7 STATUTORY 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, 2014, were:**

|                     | <b>Core</b>       | <b>Variable</b>  | <b>Total</b>      |
|---------------------|-------------------|------------------|-------------------|
| Employee Required   | \$14,750.4        | \$1,492.4        | \$16,242.8        |
| Employee Additional | 144.6             | 14.7             | 159.3             |
| Total               | <u>\$14,895.0</u> | <u>\$1,507.1</u> | <u>\$16,402.1</u> |

### ***Employer Accumulation Reserve***

As authorized by Wis. Stat. § 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, 2014, were:**

|  | <b>Core</b>       | <b>Variable</b>  | <b>Police<br/>&amp; Firefighters</b> | <b>Total</b>      |
|--|-------------------|------------------|--------------------------------------|-------------------|
| Employer Accumulation                      | \$20,541.2        | \$1,492.5        | \$0.0                                | \$22,033.7        |
| Less: Unfunded Actuarial Accrued Liability | <u>0.0</u>        | <u>0.0</u>       | <u>(3.5)</u>                         | <u>(3.5)</u>      |
| Net Employer Accumulation                  | <u>\$20,541.2</u> | <u>\$1,492.5</u> | <u>(\$3.5)</u>                       | <u>\$22,030.2</u> |

### ***Annuity Reserve***

As authorized by Wis. Stat. § 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, 2014, were:**

|                 | <b>Core</b> | <b>Variable</b> | <b>Police<br/>&amp; Firefighters</b> | <b>Total</b> |
|-----------------|-------------|-----------------|--------------------------------------|--------------|
| Annuity Reserve | \$47,125.9  | \$3,998.1       | \$9.2                                | \$51,133.2   |

**Market Recognition Account**

As authorized by Wis. Stat. § 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:

| <b>As of:</b>     | <b>MRA</b> |
|-------------------|------------|
| December 31, 2010 | \$(5,067)  |
| December 31, 2011 | (5,340)    |
| December 31, 2012 | 2,451      |
| December 31, 2013 | 4,721      |
| December 31, 2014 | 2,540      |

**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 are eligible to participate. The State of Wisconsin and 419 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 third 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 207 local employers currently participate in the plan, and it is self-insured. Since March 2012, premiums have been suspended for the local employers as a result of the increase in funded status of the program.

**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 either 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.



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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.

Since January 2014, WRS collects actuarially-determined premiums paid by employers participating in the LTDI program and remits them to the GIB for LTDI coverage.

### **Life Insurance Fund**

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 729 local employers currently participate in the program. Employers and active employees make premium contributions, which ETF 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 Retirement Investment Trust 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 7.2% 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.

**Reinsurance:** Health insurance plans provided by Health Maintenance Organizations 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.

|  | <b>Income<br/>Continuation<br/>Insurance</b> |               | <b>Long-Term<br/>Disability<br/>Insurance</b> |                | <b>Health<br/>Insurance</b> |              | <b>Pharmacy<br/>Benefits</b> |                 |
|--|--|---------------|---|----------------|-----------------------------|--------------|------------------------------|-----------------|
|  | <u>2014</u>                                  | <u>2013</u>   | <u>2014</u>                                   | <u>2013</u>    | <u>2014</u>                 | <u>2013</u>  | <u>2014</u>                  | <u>2013</u>     |
| <b>Unpaid claims and claim adjustment expenses at beginning of the calendar year</b>             | \$90.7                                       | \$82.2        | \$233.6                                       | \$213.1        | \$2.3                       | \$2.6        | (\$7.6)                      | \$7.1           |
| <b>Incurred claims and claim adjustment expenses:</b>  |  |               |   |                |                             |              |                              |                 |
| Provision for insured events of the current calendar year  | 20.5   | 36.0          | 47.5  | 50.6           | 17.7                        | 16.9         | 163.5                        | 149.0           |
| Changes in provision for insured events of prior calendar years                                  | (8.7)  | (8.4)         | 54.0  | 7.2            | (0.9)                       | (0.5)        | (0.7)                        | (0.1)           |
| Total incurred claims and claim adjustment expenses  | <u>11.8</u>                                  | <u>27.6</u>   | <u>101.5</u>                                  | <u>57.8</u>    | <u>16.8</u>                 | <u>16.4</u>  | <u>162.8</u>                 | <u>148.9</u>    |
| <b>Payments:</b>   |  |               |   |                |                             |              |                              |                 |
| Claims and claim adjustment expenses attributable to insured events of the current calendar year | 5.9  | 6.4           | 2.1   | 2.2            | 15.4                        | 14.6         | 173.4                        | 156.6           |
| Claims and claim adjustment expenses attributable to insured events of prior calendar years      | <u>13.7</u>                                  | <u>12.7</u>   | <u>40.5</u>                                   | <u>35.1</u>    | <u>1.4</u>                  | <u>2.1</u>   | <u>(8.3)</u>                 | <u>7.0</u>      |
| Total payments   | <u>19.6</u>                                  | <u>19.1</u>   | <u>42.6</u>                                   | <u>37.3</u>    | <u>16.8</u>                 | <u>16.7</u>  | <u>165.1</u>                 | <u>163.6</u>    |
| <b>Total unpaid claims and claim adjustment expenses at end of the calendar year</b>             | <u>\$82.9</u>                                | <u>\$90.7</u> | <u>\$292.5</u>                                | <u>\$233.6</u> | <u>\$2.3</u>                | <u>\$2.3</u> | <u>(\$9.9)*</u>              | <u>(\$7.6)*</u> |

\*Total unpaid claims at the end of 2014 is the net of \$4.5 million in unpaid claims and \$14.4 million in rebates due from pharmaceutical companies; unpaid claims at the end of 2013 is the net of \$4.2 million in unpaid claims and \$11.8 million in rebates due from pharmaceutical companies.



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

The Department administers five OPEB plans: the Duty Disability Insurance 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 Insurance Fund**

The Duty Disability Insurance 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 506 local government employers participate. Membership as of December 31, 2014 consisted of:

|   |               |
|---|---------------|
| Disabled members and beneficiaries receiving benefits | 990           |
| Active plan members                                   | <u>22,346</u> |
| Total plan members                                    | <u>23,336</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 2014 contribution rates ranged from .21% to 6.56% 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 not a State of Wisconsin 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 applications filed **prior** to May 3, 1988, 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
- For applications filed on or **after** May 3, 1988 benefits are based on the following:
- Local employees:
  - 1/2 of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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:
  - 1/3 of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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
- For applications received on or after May 12, 1998 in which the protective occupation participant dies as a result of a disease covered under the Cancer Presumptive Law, benefits are based on the following:
  - 70% of the participant’s monthly salary at time of death to surviving spouse or domestic partner, 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 729 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, 2014, included:

|                        | State         | Local          | Total          |
|------------------------|---------------|----------------|----------------|
| Active*                | 49,683        | 72,879         | 122,562        |
| Pre-Age 65 Annuitants  | 6,969         | 11,008         | 17,977         |
| Post-Age 64 Annuitants | 21,168        | 28,634         | 49,802         |
| Totals                 | <u>77,820</u> | <u>112,521</u> | <u>190,341</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).



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**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 Position 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 that 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. Stats. §§ 15.165 (2) and 40.03 (6)]. The State of Wisconsin and 419 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 the 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, 2014, included 24,082 former state employees or their beneficiaries and 2,285 former local government employees and beneficiaries.

**Description of Benefits:** Employees may choose between self-insured health plans and alternate





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health plans with specific provider networks (i.e., HMOs). 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 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.

Effective January 1, 2012, prescription drug coverage for Medicare eligible retirees enrolled in the State group health insurance program is provided by a self-funded Medicare Part D Employer Group Waiver Plan (EGWP). A Medicare "Wrap" product is also included to provide full coverage to members, as required by uniform benefits, when they reach the Medicare coverage gap, also known as the "donut hole".

**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):

| <b>Actuarial Valuation Date</b>                     | <b>(a)<br/>Actuarial<br/>Value<br/>of Assets</b> | <b>(b)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)</b> | <b>(c)<br/>Unfunded<br/>Actuarial<br/>Liability<br/>(UAAL)<br/>(b) – (a)</b> | <b>(d)<br/>Funded<br/>Ratio<br/>(a) / (b)</b> | <b>(e)<br/>Covered<br/>Payroll</b> | <b>(f)<br/>UAAL as<br/>Percentage<br/>of Covered<br/>Payroll<br/>(c) / (e)</b> |
|---|--|--|--|---|------------------------------------|--|
| <b>Duty Disability Insurance</b><br>January 1, 2014 | \$567,239  | \$513,165  | (\$54,164)   | 110.6%  | \$1,302,765                        | (4.2%)   |
| <b>State Life Insurance</b><br>January 1, 2014      | 366,652  | 530,376  | 163,724  | 69.1%   | 2,931,935                          | 5.6%   |
| <b>Local Life Insurance</b><br>January 1, 2014      | 239,919  | 353,840  | 113,921  | 67.8%   | 3,814,869                          | 3.0%   |

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, included in the required supplementary information at the end of the notes, 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:

|                                      | <b>Duty Disability Insurance</b>  | <b>State Life Insurance</b>                         | <b>Local Life Insurance</b>                         |
|--------------------------------------|---|---|---|
| <b>Valuation Date</b>                | 1/1/2014  | 1/1/2014  | 1/1/2014  |
| <b>Actuarial Cost Method</b>         | Projected Unit Credit   | Entry Age Normal                                    | Entry Age Normal                                    |
| <b>Amortization Method</b>           | Closed level percentage of pay if underfunded, open level percentage of pay if overfunded | Closed level percentage of pay                      | Closed level percentage of pay                      |
| <b>Remaining Amortization Period</b> | UAAL – 30 years<br>Future gains & losses – 15 years                                       | UAAL – 30 years<br>Future gains & losses – 15 years | UAAL – 30 years<br>Future gains & losses – 15 years |
| <b>Asset valuation method</b>        | 5 year smoothed market  | Market value  | Market value  |
| <b>Actuarial Assumptions:</b>        |   |   |   |
| <b>Investment Return</b>             | 7.2%  | 4.65% through 2027<br>5.75% for 2028<br>and beyond  | 4.65% through 2027<br>5.75% for 2028<br>and beyond  |
| <b>Payroll Growth</b>                | 3.2%  | 3.2%  | 3.2%  |

## 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. Stat. § 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, 2014, the Core and Variable Funds held \$96.1 billion in investment related accounts, of which \$3.3 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$834 million 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, 2014, is presented in Note 3. Condensed financial data for the Core and Variable Funds for the year ended December 31, 2014, is presented below (\$ in thousands):



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Core and Variable Retirement Investment Trusts  
Condensed Statements of Net Position  
As of December 31, 2014

| <b>Assets:</b>                                    | <b>Core</b>         | <b>Variable</b>    | <b>Short Sales<br/>Adjustment*</b> | <b>Combined</b>     |
|---|---------------------|--------------------|------------------------------------|---------------------|
| Cash & Cash Equivalents                           | \$3,242,707         | \$78,431           |                                    | \$3,321,138         |
| Securities Lending Collateral                     | 739,162             | 94,339             |                                    | 833,501             |
| Prepaid Items                                     | 26,088              | 1,488              |                                    | 27,576              |
| Investment Receivables                            | 732,694             | 31,551             |                                    | 764,245             |
| Investments, at fair value                        | <u>86,346,589</u>   | <u>7,229,016</u>   | (19,880)                           | <u>93,555,725</u>   |
| Total Assets                                      | <u>91,087,240</u>   | <u>7,434,825</u>   | <u>(19,880)</u>                    | <u>98,502,185</u>   |
| <br><b>Liabilities:</b>                           |                     |                    |                                    |                     |
| Securities Lending Collateral Liability           | 739,162             | 94,339             | -                                  | 833,501             |
| Due to Other Funds                                | -                   | -                  | -                                  | -                   |
| Obligations Under Reverse<br>Repurchase Agreement | 820,516             | -                  | -                                  | 820,516             |
| Short Sell Obligations                            | 465,586             | 27,833             | (19,880)                           | 473,539             |
| Collateral Due to Counterparty                    | -                   | -                  | -                                  | -                   |
| Investment Payables                               | <u>287,934</u>      | <u>21,175</u>      | -                                  | <u>309,109</u>      |
| Total Liabilities                                 | <u>2,313,198</u>    | <u>143,347</u>     | <u>(19,880)</u>                    | <u>2,436,665</u>    |
| <br>Net Assets Held in Trust for:                 |                     |                    |                                    |                     |
| Internal Investment Pool Participants             | 88,608,255          | 7,270,420          | -                                  | 95,878,675          |
| Milwaukee Retirement Systems                      | <u>165,787</u>      | <u>21,058</u>      | -                                  | <u>186,845</u>      |
| Total   | <u>\$88,774,042</u> | <u>\$7,291,478</u> | <u>\$</u>                          | <u>\$96,065,520</u> |

\*This adjustment removes the impact of inter-fund short sales where the shorted position is held in the other Retirement Investment Trust Fund (i.e. SWIB is short a security in the Core Fund but long the same position in the Variable Fund, or vice-versa).

**Core and Variable Retirement Investment Trusts**  
**Condensed Statements of Changes in Net Position**  
**As of December 31, 2014**

|  | <b>Core</b>         | <b>Variable</b>    | <b>Combined</b>     |
|--|---------------------|--------------------|---------------------|
| <b>Additions:</b>  |                     |                    |                     |
| Net Appreciation (Depreciation) in Fair Value of Investments | \$2,824,142         | \$343,907          | \$3,168,049         |
| Interest   | 665,804             | 74                 | 665,878             |
| Dividends  | 1,193,523           | 161,242            | 1,354,765           |
| Securities Lending Income                                    | 25,206              | 3,245              | 28,451              |
| Other  | 221,681             | -                  | 221,681             |
| Total Additions  | <u>4,930,356</u>    | <u>508,468</u>     | <u>5,438,824</u>    |
| <b>Deductions:</b>   |                     |                    |                     |
| Investment Expense   | 346,598             | 10,213             | 356,811             |
| Securities Lending Rebates and Fees                          | 2,136               | 271                | 2,407               |
| Net Withdrawals by Pool Participants                         | <u>2,310,920</u>    | <u>386,558</u>     | <u>2,697,478</u>    |
| Total Deductions   | <u>2,659,654</u>    | <u>397,042</u>     | <u>3,056,696</u>    |
| Net Increase (Decrease)                                      | 2,270,702           | 111,426            | 2,382,128           |
| Net Assets Held in Trust for Pool Participants               |                     |                    |                     |
| Beginning of Year  | <u>86,503,340</u>   | <u>7,180,052</u>   | <u>93,683,392</u>   |
| End of Year  | <u>\$88,774,042</u> | <u>\$7,291,478</u> | <u>\$96,065,520</u> |

## 11 CONTINGENCIES, UNUSUAL EVENTS, AND SUBSEQUENT EVENTS

### **Loss Contingency**

On September 5, 2008, the Internal Revenue Service (IRS) provided SWIB with 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 potential liability, as a putative transferee of SCC assets, is estimated to be \$48.3 million as of December 31, 2014. These estimates include taxes, interest and potential penalties. SWIB is aggressively contesting the IRS' assertions of SWIB's tax liability. Furthermore, SWIB believes that the loss, if any, resulting from the claim is not probable and therefore will not have a material impact on SWIB's net investment position or net investment income in future years. As such, SWIB has not been recognized a loss relating to this matter in the current year, nor does it appear as a contingent liability in the *Statement of Fiduciary Net Position*.



### ***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 expenses 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 as 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 year 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)

|   | 2005  | 2006** | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
|---|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Net earned required contribution and investment revenues                 | 191.6 | 164.7  | 170.0 | 138.8 | 155.5 | 178.9 | 169.9 | 153.7 | 159.6 | 157.7 |
| 2. Unallocated expenses   | 9.5   | 7.4    | 8.4   | 8.8   | 6.4   | 8.7   | 6.4   | 8.0   | 4.4   | 6.0   |
| 3. Estimated incurred claims as of the end policy year                      | 160.6 | 110.1  | 116.9 | 124.0 | 134.8 | 148.4 | 144.6 | 141.3 | 149.0 | 163.5 |
| 4. Paid (cumulative) as of: *   |       |        |       |       |       |       |       |       |       |       |
| End of Policy Year  | 168.8 | 116.8  | 118.0 | 126.3 | 139.1 | 155.8 | 150.7 | 148.3 | 156.6 | 173.4 |
| One Year Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 | 141.2 | 148.3 |       |
| Two Years Later   | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 | 141.2 |       |       |
| Three Years Later   | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 |       |       |       |
| Four Years Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 |       |       |       |       |
| Five Years Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 |       |       |       |       |       |
| Six Years Later   | 159.6 | 111.0  | 119.4 | 123.9 |       |       |       |       |       |       |
| Seven Years Later   | 159.6 | 111.0  | 119.4 |       |       |       |       |       |       |       |
| Eight Years Later   | 159.6 | 111.0  |       |       |       |       |       |       |       |       |
| Nine Years Later  | 159.6 |        |       |       |       |       |       |       |       |       |
| 5. Reestimated incurred claims:   |       |        |       |       |       |       |       |       |       |       |
| End of Policy Year  | 160.6 | 110.1  | 116.9 | 124.0 | 134.8 | 148.4 | 144.6 | 141.3 | 149.0 | 163.5 |
| One Year Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 | 141.2 | 148.3 |       |
| Two Years Later   | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 | 141.2 |       |       |
| Three Years Later   | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 | 145.1 |       |       |       |
| Four Years Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 | 147.3 |       |       |       |       |
| Five Years Later  | 159.6 | 111.0  | 119.4 | 123.9 | 134.1 |       |       |       |       |       |
| Six Years Later   | 159.6 | 111.0  | 119.4 | 123.9 |       |       |       |       |       |       |
| Seven Years Later   | 159.6 | 111.0  | 119.4 |       |       |       |       |       |       |       |
| Eight Years Later   | 159.6 | 111.0  |       |       |       |       |       |       |       |       |
| Nine Years Later  | 159.6 |        |       |       |       |       |       |       |       |       |
| 6. Increase (decrease) in estimated incurred claims from end of policy year | (1.0) | 0.9    | 2.5   | (0.1) | (0.7) | (1.1) | 0.5   | (0.1) | (0.7) | 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.

\*\* 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.



## FINANCES

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

|  | 2005 | 2006* | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014 |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| 1 Net earned required contribution and investment revenues                 | 90.9 | 82.9  | 42.1  | 22.5  | 41.5  | 36.6  | 27.9  | 33.1  | 29.9  | 26.0 |
| 2 Unallocated expenses   | 7.7  | 4.9   | 3.4   | 5.3   | 5.0   | 5.4   | 6.2   | 5.5   | 5.2   | 7.0  |
| 3 Estimated incurred claims as of the end of the policy year               | 73.6 | 60.1  | 23.7  | 30.5  | 25.9  | 24.0  | 21.4  | 17.7  | 16.9  | 17.7 |
| 4 Paid (cumulative) as of:   |      |       |       |       |       |       |       |       |       |      |
| End of Policy Year   | 65.8 | 51.8  | 20.3  | 25.7  | 21.6  | 20.5  | 18.7  | 15.1  | 14.6  | 15.4 |
| One Year Later   | 73.6 | 58.3  | 23.5  | 28.3  | 23.4  | 22.6  | 20.7  | 17.2  | 16.0  |      |
| Two Years Later  | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  | 20.7  | 17.1  |       |      |
| Three Years Later  | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  | 20.7  |       |       |      |
| Four Years Later   | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  |       |       |       |      |
| Five Years Later   | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  |       |       |       |       |      |
| Six Years Later  | 73.7 | 58.2  | 23.5  | 28.2  |       |       |       |       |       |      |
| Seven Years Later  | 73.7 | 58.2  | 23.5  |       |       |       |       |       |       |      |
| Eight Years Later  | 73.7 | 58.2  |       |       |       |       |       |       |       |      |
| Nine Years Later   | 73.7 |       |       |       |       |       |       |       |       |      |
| 5 Reestimated incurred claims:   |      |       |       |       |       |       |       |       |       |      |
| End of Policy Year   | 73.6 | 60.1  | 23.7  | 30.5  | 25.9  | 24.0  | 21.4  | 17.7  | 16.9  | 17.7 |
| One Year Later   | 73.7 | 58.4  | 23.6  | 28.3  | 23.5  | 22.6  | 20.7  | 17.2  | 16.0  |      |
| Two Years Later  | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  | 20.7  | 17.1  |       |      |
| Three Years Later  | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  | 20.7  |       |       |      |
| Four Years Later   | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  | 22.6  |       |       |       |      |
| Five Years Later   | 73.7 | 58.2  | 23.5  | 28.2  | 23.5  |       |       |       |       |      |
| Six Years Later  | 73.7 | 58.2  | 23.5  | 28.2  |       |       |       |       |       |      |
| Seven Years Later  | 73.7 | 58.2  | 23.5  |       |       |       |       |       |       |      |
| Eight Years Later  | 73.7 | 58.2  |       |       |       |       |       |       |       |      |
| Nine Years Later   | 73.7 |       |       |       |       |       |       |       |       |      |
| 6 Increase (decrease) in estimated incurred claims from end of policy year | 0.1  | (1.9) | (0.2) | (2.3) | (2.4) | (1.4) | (0.7) | (0.6) | (0.9) | 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)

|   | 2005  | 2006   | 2007   | 2008  | 2009   | 2010   | 2011   | 2012   | 2013   | 2014 |
|---|-------|--------|--------|-------|--------|--------|--------|--------|--------|------|
| 1 Net earned required contribution and investment revenues                              | 17.9  | 24.4   | 20.5   | (9.1) | 28.8   | 25.0   | 16.6   | 25.0   | 25.7   | 20.5 |
| 2 Unallocated expenses  | 2.1   | 2.4    | 2.4    | 2.4   | 1.8    | 2.0    | 2.3    | 1.9    | 2.0    | 5.7  |
| 3 Estimated incurred claims and expenses as of the end of the policy year               | 31.6  | 29.1   | 27.4   | 22.4  | 33.4   | 34.3   | 42.4   | 33.4   | 36.0   | 20.5 |
| 4 Paid (cumulative) as of:  |       |        |        |       |        |        |        |        |        |      |
| End of Policy Year  | 5.1   | 4.4    | 2.5    | 5.1   | 5.5    | 6.0    | 6.7    | 5.9    | 6.4    | 5.9  |
| One Year Later  | 12.9  | 9.3    | 6.8    | 9.2   | 9.7    | 11.0   | 11.9   | 11.0   | 11.8   |      |
| Two Years Later   | 17.0  | 10.4   | 7.8    | 10.0  | 10.8   | 12.2   | 12.8   | 12.3   |        |      |
| Three Years Later   | 18.1  | 11.2   | 8.6    | 10.6  | 11.7   | 13.3   | 13.6   |        |        |      |
| Four Years Later  | 18.8  | 11.7   | 9.3    | 11.1  | 12.6   | 14.2   |        |        |        |      |
| Five Years Later  | 19.5  | 12.2   | 10.0   | 11.6  | 13.3   |        |        |        |        |      |
| Six Years Later   | 20.2  | 12.7   | 10.6   | 12.1  |        |        |        |        |        |      |
| Seven Years Later   | 20.8  | 13.2   | 11.3   |       |        |        |        |        |        |      |
| Eight Years Later   | 21.4  | 13.7   |        |       |        |        |        |        |        |      |
| Nine Years Later  | 21.9  |        |        |       |        |        |        |        |        |      |
| 5 Reestimated incurred claims and expense:  |       |        |        |       |        |        |        |        |        |      |
| End of Policy Year  | 31.6  | 29.1   | 27.4   | 22.4  | 33.4   | 34.3   | 42.4   | 33.4   | 36.0   | 20.5 |
| One Year Later  | 25.1  | 16.7   | 22.5   | 15.8  | 17.5   | 23.0   | 22.3   | 23.1   | 22.6   |      |
| Two Years Later   | 25.9  | 17.8   | 13.4   | 15.3  | 17.5   | 20.1   | 20.0   | 20.9   |        |      |
| Three Years Later   | 27.0  | 16.8   | 13.9   | 14.7  | 17.7   | 20.1   | 19.5   |        |        |      |
| Four Years Later  | 24.7  | 16.0   | 13.9   | 14.5  | 18.5   | 21.2   |        |        |        |      |
| Five Years Later  | 24.4  | 16.1   | 14.3   | 14.7  | 18.8   |        |        |        |        |      |
| Six Years Later   | 24.8  | 16.6   | 15.1   | 15.3  |        |        |        |        |        |      |
| Seven Years Later   | 24.7  | 16.9   | 15.7   |       |        |        |        |        |        |      |
| Eight Years Later   | 25.2  | 17.1   |        |       |        |        |        |        |        |      |
| Nine Years Later  | 25.5  |        |        |       |        |        |        |        |        |      |
| 6 Increase (decrease) in estimated incurred claims and expenses from end of policy year | (6.1) | (12.0) | (11.7) | (7.1) | (14.6) | (13.1) | (22.9) | (12.5) | (13.4) | 0.0  |





## FINANCES

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

|  | 2005  | 2006 | 2007  | 2008   | 2009  | 2010  | 2011 | 2012 | 2013 | 2014 |
|--|-------|------|-------|--------|-------|-------|------|------|------|------|
| 1 Net earned required contribution and investment revenues                 | 24.1  | 47.3 | 27.8  | (88.3) | 49.3  | 29.8  | 3.0  | 29.9 | 28.2 | 54.2 |
| 2 Unallocated expenses   | 1.0   | 1.1  | 1.4   | 1.3    | 2.2   | 2.0   | 2.1  | 2.4  | 2.3  | 13.8 |
| 3 Estimated incurred claims and expense, as of the end of the policy year  | 30.6  | 34.6 | 48.3  | 31.1   | 50.2  | 54.2  | 43.5 | 52.0 | 50.6 | 47.6 |
| 4 Paid (cumulative) as of:   |       |      |       |        |       |       |      |      |      |      |
| End of Policy Year   | 0.7   | 1.1  | 1.4   | 1.1    | 1.7   | 1.9   | 1.9  | 2.5  | 2.2  | 2.1  |
| One Year Later   | 2.8   | 3.5  | 5.8   | 5.7    | 7.0   | 7.6   | 8.6  | 10.3 | 10.1 |      |
| Two Years Later  | 5.4   | 6.8  | 9.4   | 9.4    | 11.3  | 12.5  | 14.2 | 17.3 |      |      |
| Three Years Later  | 8.0   | 9.9  | 12.6  | 12.7   | 15.2  | 16.9  | 19.4 |      |      |      |
| Four Years Later   | 10.3  | 12.7 | 15.5  | 15.7   | 18.7  | 21.0  |      |      |      |      |
| Five Years Later   | 12.5  | 15.2 | 18.2  | 18.5   | 22.0  |       |      |      |      |      |
| Six Years Later  | 14.6  | 17.4 | 20.8  | 21.2   |       |       |      |      |      |      |
| Seven Years Later  | 16.5  | 19.5 | 23.2  |        |       |       |      |      |      |      |
| Eight Years Later  | 18.2  | 21.6 |       |        |       |       |      |      |      |      |
| Nine Years Later   | 19.8  |      |       |        |       |       |      |      |      |      |
| 5 Reestimated incurred claims and expense:                                 |       |      |       |        |       |       |      |      |      |      |
| End of Policy Year   | 30.6  | 34.6 | 48.3  | 31.1   | 50.2  | 54.2  | 43.5 | 52.0 | 50.6 | 47.6 |
| One Year Later   | 22.2  | 26.2 | 25.6  | 26.9   | 32.3  | 35.8  | 41.4 | 48.3 | 52.7 |      |
| Two Years Later  | 22.1  | 29.5 | 29.9  | 29.5   | 35.0  | 39.6  | 44.5 | 57.5 |      |      |
| Three Years Later  | 24.7  | 27.1 | 31.0  | 31.8   | 36.6  | 41.3  | 50.4 |      |      |      |
| Four Years Later   | 23.4  | 28.3 | 33.7  | 32.7   | 38.0  | 46.3  |      |      |      |      |
| Five Years Later   | 24.5  | 30.5 | 34.9  | 33.4   | 41.9  |       |      |      |      |      |
| Six Years Later  | 26.6  | 30.9 | 36.3  | 36.7   |       |       |      |      |      |      |
| Seven Years Later  | 26.4  | 31.9 | 39.0  |        |       |       |      |      |      |      |
| Eight Years Later  | 27.1  | 34.7 |       |        |       |       |      |      |      |      |
| Nine Years Later   | 29.4  |      |       |        |       |       |      |      |      |      |
| 6 Increase (decrease) in estimated incurred claims from end of policy year | (1.2) | 0.1  | (9.3) | 5.6    | (8.3) | (7.9) | 6.9  | 5.5  | 2.1  | 0.0  |

**Wisconsin Retirement System**  
**Schedules of Changes in Net Pension Liability and Related Ratios**  
 (\$ in millions)

| <b>Calendar Year Ended, December 31</b>  | <b>2014</b>        | <b>2013</b>        |
|--|--------------------|--------------------|
| <b>Total Pension Liability</b>   |                    |                    |
| Service Cost   | \$ 1,757.0         | \$ 1,745.0         |
| Interest on the Total Pension Liability  | 6,089.3            | \$5,680.7          |
| Benefit Changes  | -                  | -                  |
| Difference between Expected and Actual Experience                                | 437.2              | \$2,659.9          |
| Assumption Changes   | -                  | -                  |
| Benefit Payments   | (4,540.2)          | (4,224.7)          |
| Refunds  | (34.4)             | (33.3)             |
|  | <u>3,708.9</u>     | <u>5,827.7</u>     |
| <b>Net Change in Total Pension Liability</b>                                     | 3,708.9            | 5,827.7            |
| <b>Total Pension Liability - Beginning</b>                                       | 85,982.2           | 80,154.6           |
| <b>Total Pension Liability - Ending (a)</b>                                      | <u>89,691.1</u>    | <u>85,982.2</u>    |
| <b>Plan Fiduciary Net Position</b>   |                    |                    |
| Employer Contributions   | 1,023.2            | 914.7              |
| Employee Contributions   | 906.5              | 871.3              |
| Pension Plan Net Investment Income   | 4,891.7            | 11,347.3           |
| Benefit Payments   | (4,540.2)          | (4,224.7)          |
| Refunds  | (34.4)             | (33.3)             |
| Pension Plan Administrative Expense  | (24.0)             | (22.9)             |
| Other  | -                  | -                  |
|  | <u>2,222.7</u>     | <u>8,852.4</u>     |
| <b>Net Change in Plan Fiduciary Net Position</b>                                 | 2,222.7            | 8,852.4            |
| <b>Plan Fiduciary Net Position - Beginning</b>                                   | 89,924.7           | 81,072.3           |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                  | <u>\$ 92,147.4</u> | <u>\$ 89,924.7</u> |
| <b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>                          | (2,456.3)          | (3,942.5)          |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>    | 102.74%            | 104.59%            |
| <b>Covered Employee Payroll<sup>2</sup></b>                                      | \$ 13,219.5        | \$ 12,884.8        |
| <b>Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll</b> | (18.58%)           | (30.60%)           |

<sup>1</sup>Immaterial differences may exist between the amounts in this schedules and those reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net position due to the timing of the actuarial valuation.

<sup>2</sup>Covered Employee Payroll is not available so Pensionable Payroll is presented in its place. The difference is believed to be immaterial.



## FINANCES

**Schedule of Employer Contributions**

| Wisconsin Retirement System<br>Schedule of Employer Contributions<br>(\$ in millions) |  |                        |  |                    |   |
|---|--|------------------------|--|--------------------|---|
| Calendar<br>Year Ending<br>December 31,   | Actuarially<br>Determined<br>Contributions | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll |
| 2013  | 905.1                                      | 905.1                  | -                                      | 12,884.8           | 7.02%   |
| 2014  | 977.1                                      | 977.1                  | -                                      | 13,219.5           | 7.39%   |

**Schedule of Investment Returns**

| Wisconsin Retirement System<br>Schedule of Investment Returns<br>Last Ten Calendar Years<br>Annual Money-weighted Rate of Return (IRR), Net of Investment Expenses |       |        |        |         |        |        |          |       |        |       |
|--|-------|--------|--------|---------|--------|--------|----------|-------|--------|-------|
|  | 2014  | 2013   | 2012   | 2011    | 2010   | 2009   | 2008     | 2007  | 2006   | 2005  |
| <b>Core Trust Fund</b>   | 5.44% | 13.18% | 13.40% | 1.25%   | 11.92% | 21.76% | (26.31%) | 8.52% | 15.48% | 8.31% |
| <b>Variable Trust Fund</b>   | 7.24% | 28.78% | 16.94% | (3.02%) | 15.23% | 33.06% | (38.96%) | 5.57% | 17.51% | 8.01% |

**Notes to Required Supplementary Information**

Significant methods and assumptions used in calculating the Actuarially Determined Contribution:

|  |  |
|--|--|
| <b>Valuation Date:</b>                     | December 31, 2012                                |
| <b>Actuarial Cost Method:</b>              | Frozen Entry Age                                 |
| <b>Amortization Method:</b>                | Level Percent – Closed Amortization Period       |
| <b>Amortization Period:</b>                | 30 Year closed from date of participation in WRS |
| <b>Asset Valuation Method:</b>             | Five Year Smoothed Market (Closed)               |
| <b>Actuarial Assumptions</b>               |  |
| <b>Net Investment Rate of Return</b>       | 7.2%   |
| <b>Discount Rate:</b>                      |  |
| <b>Pre-retirement</b>                      | 7.2%   |
| <b>Post-retirement</b>                     | 5.0%   |
| <b>Salary Increases:</b>                   |  |
| <b>Inflation</b>                           | 3.2%   |
| <b>Seniority/merit</b>                     | 0.1% - 5.6%                                      |
| <b>Post-retirement Benefit Adjustments</b> | 2.1%*  |

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.



## FINANCES

### Other Post Employment Benefits 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 (\$ in thousands)

##### Duty Disability Insurance

| 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%   |
| January 1, 2010          | 373,048                       | 512,785  | 139,737                   | 72.7%              | 1,370,978           | 10.2%   |
| January 1, 2011          | 412,988                       | 499,034  | 86,046                    | 82.8%              | 1,326,345           | 6.5%  |
| January 1, 2012          | 449,177                       | 476,979  | 27,802                    | 94.2%              | 1,285,854           | 2.2%  |
| January 1, 2013          | 490,137                       | 507,081  | 16,944                    | 96.7%              | 1,279,908           | 1.3%  |
| January 1, 2014          | 567,329                       | 513,165  | (54,164)                  | 110.6%             | 1,302,765           | -4.2%   |

##### State Retiree Life Insurance

| 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%  |
| January 1, 2010          | 349,425                       | 408,781  | 59,356                    | 85.5%              | 3,029,651           | 2.0%  |
| January 1, 2012          | 363,778                       | 509,315  | 145,537                   | 71.4%              | 2,869,087           | 5.1%  |
| January 1, 2014          | 366,652                       | 530,376  | 163,724                   | 69.1%              | 2,931,935           | 5.6%  |

##### Local Retiree Life Insurance

| 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%  |
| January 1, 2010          | 223,650                       | 255,591  | 31,941                    | 87.5%              | 3,864,159           | 0.8%  |
| January 1, 2012          | 231,695                       | 326,280  | 94,585                    | 71.0%              | 3,813,576           | 2.5%  |
| January 1, 2014          | 239,919                       | 353,840  | 113,921                   | 67.8%              | 3,814,869           | 3.0%  |

Other Post Employment Benefits  
Schedule of Employer Contributions  
(\$ in thousands)

| <b>Duty Disability Insurance</b> |   |  |   |
|----------------------------------|---|--|---|
| <b>Year Ended</b>                | <b>(a)<br/>Annual Required<br/>Contribution</b> | <b>(b)<br/>Employer<br/>Contribution</b> | <b>(c)<br/>Percentage<br/>Contributed</b> |
| December 31, 2006                | 44,397  | 44,566                                   | 100.4%                                    |
| December 31, 2007                | 46,174  | 47,765                                   | 103.4%                                    |
| December 31, 2008                | 47,684  | 50,574                                   | 106.1%                                    |
| December 31, 2009                | 50,193  | 51,556                                   | 102.7%                                    |
| December 31, 2010                | 53,181  | 51,861                                   | 97.5%                                     |
| December 31, 2011                | 50,364  | 52,335                                   | 103.9%                                    |
| December 31, 2012                | 48,377  | 52,978                                   | 109.5%                                    |
| December 31, 2013                | 49,755  | 53,902                                   | 108.3%                                    |
| December 31, 2014                | 8,173   | 9,335                                    | 114.2%                                    |

| <b>State Retiree Life Insurance</b> |   |  |   |
|-------------------------------------|---|--|---|
| <b>Year Ended</b>                   | <b>(a)<br/>Annual Required<br/>Contribution</b> | <b>(b)<br/>Employer<br/>Contribution</b> | <b>(c)<br/>Percentage<br/>Contributed</b> |
| December 31, 2006                   | 12,222  | 1,235                                    | 10.1%                                     |
| December 31, 2007                   | 13,602  | 1,314                                    | 9.7%                                      |
| December 31, 2008                   | 14,786  | 1,405                                    | 9.5%                                      |
| December 31, 2009                   | 16,470  | 1,514                                    | 9.2%                                      |
| December 31, 2010                   | 16,949  | 1,569                                    | 9.3%                                      |
| December 31, 2011                   | 18,878  | 1,505                                    | 8.0%                                      |
| December 31, 2012                   | 24,866  | 1,205                                    | 4.8%                                      |
| December 31, 2013                   | 27,456  | 1,277                                    | 4.6%                                      |
| December 31, 2014                   | 28,272  | 1,302                                    | 4.6%                                      |

| <b>Local Retiree Life Insurance</b> |   |  |   |
|-------------------------------------|---|--|---|
| <b>Year Ended</b>                   | <b>(a)<br/>Annual Required<br/>Contribution</b> | <b>(b)<br/>Employer<br/>Contribution</b> | <b>(c)<br/>Percentage<br/>Contributed</b> |
| December 31, 2006                   | 10,020  | 2,096                                    | 20.9%                                     |
| December 31, 2007                   | 11,065  | 1,733                                    | 15.7%                                     |
| December 31, 2008                   | 11,396  | 1,806                                    | 15.8%                                     |
| December 31, 2009                   | 12,636  | 1,906                                    | 15.1%                                     |
| December 31, 2010                   | 12,797  | 1,932                                    | 15.1%                                     |
| December 31, 2011                   | 14,192  | 1,893                                    | 13.3%                                     |
| December 31, 2012                   | 19,679  | 1,817                                    | 9.2%                                      |
| December 31, 2013                   | 21,674  | 1,753                                    | 8.1%                                      |
| December 31, 2014                   | 22,038  | 2,080                                    | 9.4%                                      |

# 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 Occupations With Social Security | Protective Occupations Without Social Security | Totals  |
|---------------------------|---------|----------|--------------------------------|---|--|---------|
| <b>State Participants</b> |         |          |                                |   |  |         |
| 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  |
| 2010                      | 42,785  | 20,502   | 697                            | 8,756                                       | 0  | 72,740  |
| 2011                      | 41,136  | 20,184   | 717                            | 8,354                                       | 0  | 70,391  |
| 2012                      | 42,433  | 20,776   | 733                            | 8,327                                       | 0  | 72,269  |
| 2013                      | 42,898  | 21,065   | 730                            | 8,398                                       | 0  | 73,091  |
| 2014                      | 42,982  | 21,279   | 732                            | 8,900                                       | 0  | 73,893  |
| <b>Local Participants</b> |         |          |                                |   |  |         |
| 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 |
| 2010                      | 97,175  | 81,866   | 733                            | 11,354                                      | 2,761  | 193,889 |
| 2011                      | 93,797  | 78,348   | 720                            | 11,280                                      | 2,718  | 186,863 |
| 2012                      | 92,122  | 77,938   | 687                            | 11,083                                      | 2,734  | 184,564 |
| 2013                      | 91,422  | 77,995   | 679                            | 10,856                                      | 2,745  | 183,697 |
| 2014                      | 90,900  | 78,339   | 677                            | 10,703                                      | 2,743  | 183,362 |
| <b>Total Participants</b> |         |          |                                |   |  |         |
| 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 |
| 2010                      | 139,960 | 102,368  | 1,430                          | 20,110                                      | 2,761  | 266,629 |
| 2011                      | 134,933 | 98,532   | 1,437                          | 19,634                                      | 2,718  | 257,254 |
| 2012                      | 134,555 | 98,714   | 1,420                          | 19,410                                      | 2,734  | 256,833 |
| 2013                      | 134,320 | 99,060   | 1,409                          | 19,254                                      | 2,745  | 256,788 |
| 2014                      | 133,882 | 99,618   | 1,409                          | 19,603                                      | 2,743  | 257,255 |



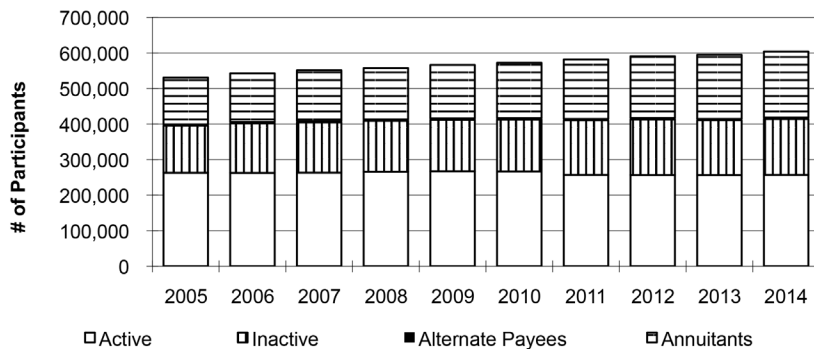


STATISTICS

**Total WRS Participants**

| Year | Active  | Inactive | Alternate Payees | Annuitants | Total Participants |
|------|---------|----------|------------------|------------|--------------------|
| 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            |
| 2010 | 266,629 | 145,803  | 4,012            | 155,775    | 572,219            |
| 2011 | 257,254 | 153,123  | 4,063            | 167,453    | 581,893            |
| 2012 | 256,833 | 155,887  | 4,086            | 173,655    | 590,461            |
| 2013 | 256,788 | 153,721  | 4,040            | 180,056    | 594,605            |
| 2014 | 257,255 | 157,072  | 4,051            | 185,605    | 603,983            |

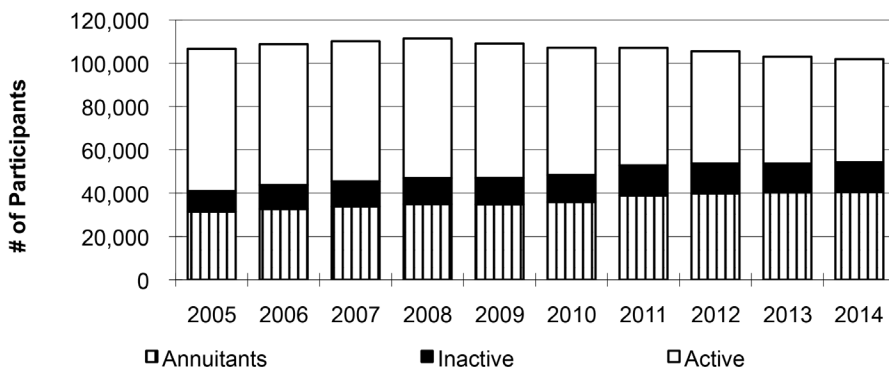
**Total WRS Participants**



**WRS Participants with Variable Election**

| Year | Active | Inactive | Annuitants | Totals  |
|------|--------|----------|------------|---------|
| 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 |
| 2010 | 58,781 | 12,519   | 35,866     | 107,166 |
| 2011 | 54,273 | 13,889   | 38,949     | 107,111 |
| 2012 | 51,771 | 13,858   | 39,873     | 105,502 |
| 2013 | 49,299 | 13,376   | 40,317     | 102,992 |
| 2014 | 47,671 | 13,805   | 40,402     | 101,878 |

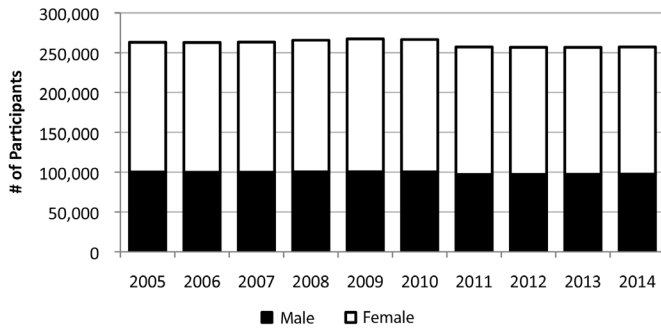
**WRS Participants with Variable Election**



**Active WRS Participants by Gender**

| Year | TEACHERS |        | PROTECTIVE OCCUPATIONS |        | ALL OTHER PARTICIPANTS |        | TOTALS  |         |
|------|----------|--------|------------------------|--------|------------------------|--------|---------|---------|
|      | Male     | Female | Male                   | Female | Male                   | Female | Male    | Female  |
| 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 |
| 2010 | 32,155   | 70,213 | 18,744                 | 4,127  | 49,563                 | 91,827 | 100,462 | 166,167 |
| 2011 | 30,784   | 67,748 | 18,374                 | 3,978  | 47,829                 | 88,541 | 96,987  | 160,267 |
| 2012 | 30,983   | 67,761 | 18,278                 | 3,866  | 47,836                 | 88,109 | 97,097  | 159,736 |
| 2013 | 30,979   | 68,115 | 18,354                 | 3,840  | 47,908                 | 87,592 | 97,241  | 159,547 |
| 2014 | 30,949   | 68,669 | 18,337                 | 4,009  | 48,155                 | 87,136 | 97,442  | 159,813 |

**Active WRS Participants by Gender**



**WRS Active Participants by Age**





STATISTICS

**WRS Covered Payroll by Employer Type**

(\$ in Millions)

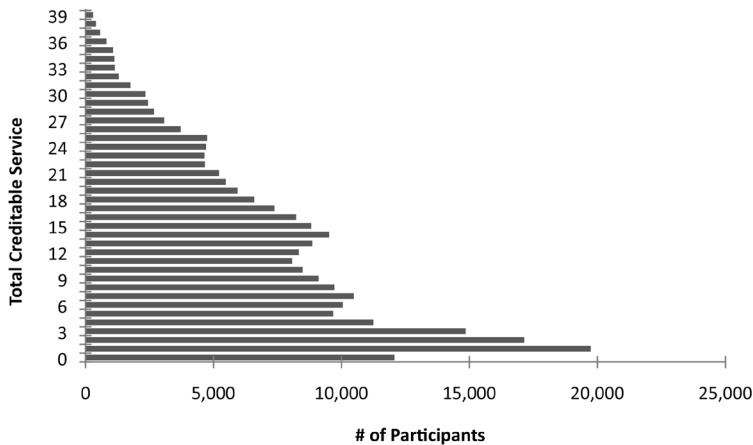
**Local Employers**

| Year | School Districts | Counties | Cities | Technical Colleges | Villages | Towns | Special Districts | Totals |
|------|------------------|----------|--------|--------------------|----------|-------|-------------------|--------|
| 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  |
| 2010 | 5,037            | 1,530    | 1,229  | 596                | 225      | 60    | 165               | 8,842  |
| 2011 | 5,006            | 1,537    | 1,236  | 607                | 227      | 63    | 171               | 8,847  |
| 2012 | 4,906            | 1,526    | 1,227  | 611                | 228      | 66    | 177               | 8,740  |
| 2013 | 4,956            | 1,551    | 1,244  | 616                | 233      | 66    | 187               | 8,853  |
| 2014 | 5,042            | 1,591    | 1,287  | 603                | 238      | 69    | 188               | 9,018  |

**State Government**

| Year | State | University | Totals | Totals All Employers |
|------|-------|------------|--------|----------------------|
| 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               |
| 2010 | 2,169 | 1,732      | 3,902  | 12,744               |
| 2011 | 2,126 | 1,746      | 3,872  | 12,719               |
| 2012 | 2,137 | 1,751      | 3,888  | 12,628               |
| 2013 | 2,211 | 1,820      | 4,032  | 12,885               |
| 2014 | 2,306 | 1,895      | 4,202  | 13,220               |

**Active Participants by Creditable Service**



**WRS Covered Payroll by Employment Category**

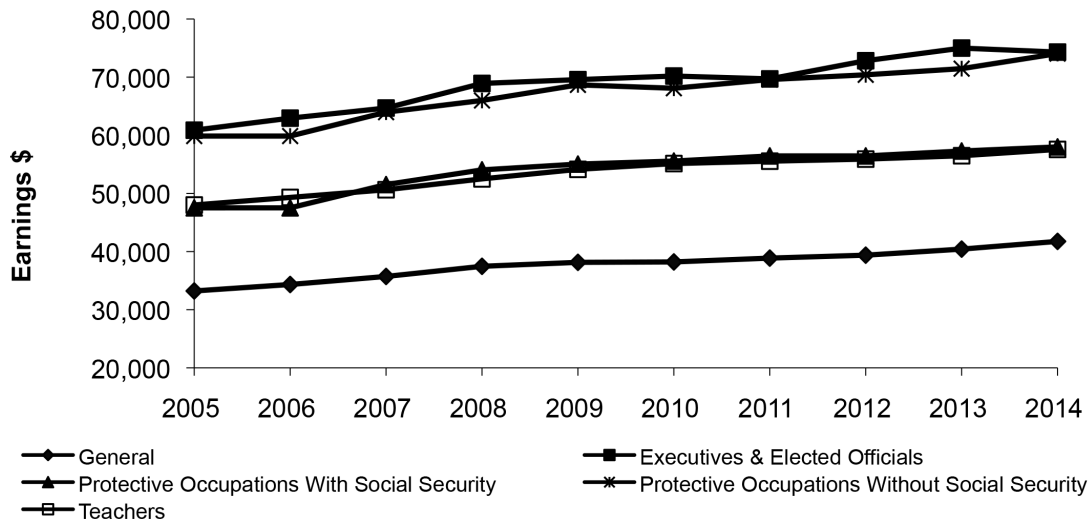
(\$ in Millions)

| Year | General Employees | Teachers | Executives<br>& Elected<br>Officials | Protective<br>Occupations with<br>Social Security | Protective<br>Occupations<br>without Social<br>Security | Totals |
|------|-------------------|----------|--------------------------------------|---|---|--------|
| 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 |
| 2010 | 5,504             | 5,809    | 105                                  | 1,136   | 190   | 12,744 |
| 2011 | 5,485             | 5,797    | 105                                  | 1,139   | 193   | 12,719 |
| 2012 | 5,496             | 5,707    | 107                                  | 1,122   | 196   | 12,628 |
| 2013 | 5,638             | 5,809    | 109                                  | 1,128   | 200   | 12,885 |
| 2014 | 5,815             | 5,923    | 111                                  | 1,163   | 207   | 13,220 |



STATISTICS

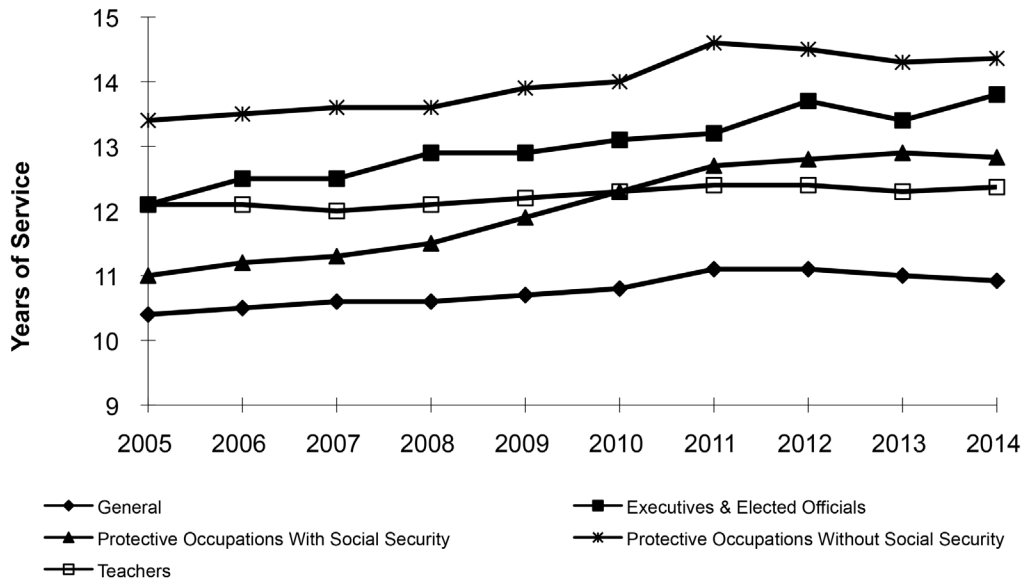
**Average Annual Earnings**



**Average Annual Earnings**

| Year | General Employees | Teachers | Executives & Elected Officials | Protective Occupations with Social Security | Protective Occupations without Social Security | Average |
|------|-------------------|----------|--------------------------------|---|--|---------|
| 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 | 38,145            | 54,143   | 69,572                         | 55,045                                      | 68,671   | 46,047  |
| 2010 | 38,216            | 55,135   | 70,191                         | 55,564                                      | 68,087   | 46,501  |
| 2011 | 38,874            | 55,546   | 69,699                         | 56,451                                      | 69,590   | 47,098  |
| 2012 | 39,379            | 55,902   | 72,824                         | 56,448                                      | 70,402   | 47,535  |
| 2013 | 40,422            | 56,480   | 74,996                         | 57,294                                      | 71,460   | 48,403  |
| 2014 | 41,750            | 57,569   | 74,312                         | 57,999                                      | 74,051   | 49,634  |

**Average Creditable Service**



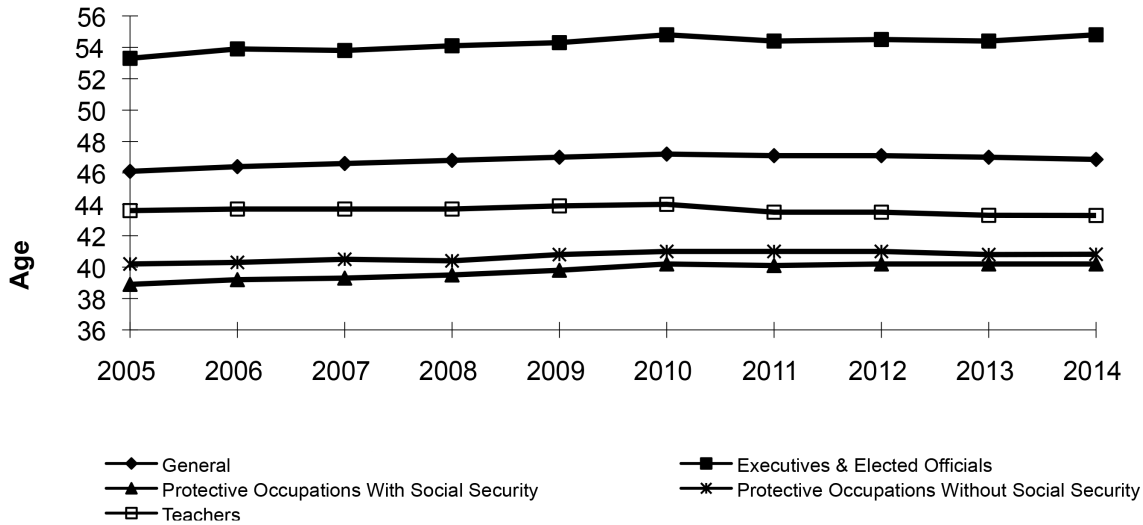
**Average Creditable Service**

| Year | General Employees | Teachers | Executives & Elected Officials | Protective Occupations with Social Security | Protective Occupations without Social Security | Average |
|------|-------------------|----------|--------------------------------|---|--|---------|
| 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 | 10.7              | 12.2     | 12.9                           | 11.9  | 13.9   | 11.3    |
| 2010 | 10.8              | 12.3     | 13.1                           | 12.3  | 14.0   | 11.5    |
| 2011 | 11.1              | 12.4     | 13.2                           | 12.7  | 14.6   | 11.8    |
| 2012 | 11.1              | 12.4     | 13.7                           | 12.8  | 14.5   | 11.8    |
| 2013 | 11.0              | 12.3     | 13.4                           | 12.9  | 14.3   | 11.7    |
| 2014 | 10.9              | 12.4     | 13.8                           | 12.8  | 14.4   | 11.7    |



STATISTICS

**Average Age**



**Average Age**

| Year | General Employees | Teachers | Executives & Elected Officials | Protective Occupations with Social Security | Protective Occupations without Social Security | Average |
|------|-------------------|----------|--------------------------------|---|--|---------|
| 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 | 47.0              | 43.9     | 54.3                           | 39.8  | 40.8   | 44.9    |
| 2010 | 47.2              | 44.0     | 54.8                           | 40.2  | 41.0   | 45.4    |
| 2011 | 47.1              | 43.5     | 54.4                           | 40.1  | 41.0   | 45.2    |
| 2012 | 47.1              | 43.5     | 54.5                           | 40.2  | 41.0   | 45.2    |
| 2013 | 47.0              | 43.3     | 54.4                           | 40.2  | 40.8   | 45.1    |
| 2014 | 46.9              | 43.3     | 54.8                           | 40.2  | 40.8   | 45.0    |

**Active Participants by Employer Type**

(\$ in Millions)

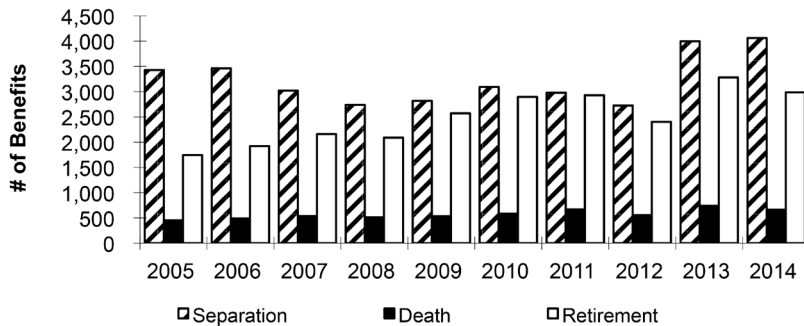
**Local Employers**

| Year | School    |          |        | Technical |          |       | Special   | Totals  |
|------|-----------|----------|--------|-----------|----------|-------|-----------|---------|
|      | Districts | Counties | Cities | Colleges  | Villages | Towns | Districts |         |
| 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 |
| 2010 | 114,882   | 34,652   | 23,661 | 10,431    | 5,031    | 1,507 | 3,725     | 193,889 |
| 2011 | 110,008   | 33,549   | 22,993 | 10,129    | 4,952    | 1,552 | 3,680     | 186,863 |
| 2012 | 108,758   | 33,045   | 22,506 | 10,036    | 4,838    | 1,566 | 3,815     | 184,564 |
| 2013 | 108,504   | 33,044   | 22,251 | 9,873     | 4,746    | 1,550 | 3,729     | 183,697 |
| 2014 | 108,565   | 32,836   | 22,211 | 9,751     | 4,717    | 1,519 | 3,763     | 183,362 |

**State Government**

| Year | State  | University | Totals | Totals        |
|------|--------|------------|--------|---------------|
|      |        |            |        | All Employers |
| 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       |
| 2010 | 41,215 | 31,525     | 72,740 | 266,629       |
| 2011 | 39,642 | 30,749     | 70,391 | 257,254       |
| 2012 | 40,745 | 31,524     | 72,269 | 256,833       |
| 2013 | 41,333 | 31,758     | 73,091 | 256,788       |
| 2014 | 42,063 | 31,830     | 73,893 | 257,255       |

**Number of Lump Sum Benefits Paid**



**Number of Lump Sum Benefits Paid**

| Year | Separation | Death | Retirement |
|------|------------|-------|------------|
| 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      |
| 2010 | 3,093      | 584   | 2,896      |
| 2011 | 2,979      | 670   | 2,929      |
| 2012 | 2,725      | 556   | 2,403      |
| 2013 | 3,998      | 740   | 3,281      |
| 2014 | 4,061      | 662   | 2,987      |



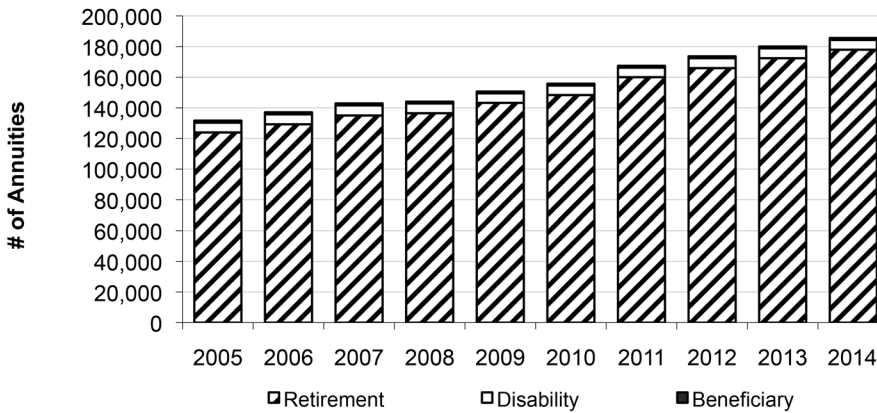


STATISTICS

**Number of Annuities in Force**

| Year | Retirement | Disability | Beneficiary | Totals  |
|------|------------|------------|-------------|---------|
| 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 |
| 2010 | 148,380    | 6,194      | 1,201       | 155,775 |
| 2011 | 160,044    | 6,201      | 1,208       | 167,453 |
| 2012 | 165,966    | 6,473      | 1,216       | 173,655 |
| 2013 | 172,430    | 6,393      | 1,233       | 180,056 |
| 2014 | 177,959    | 6,363      | 1,283       | 185,605 |

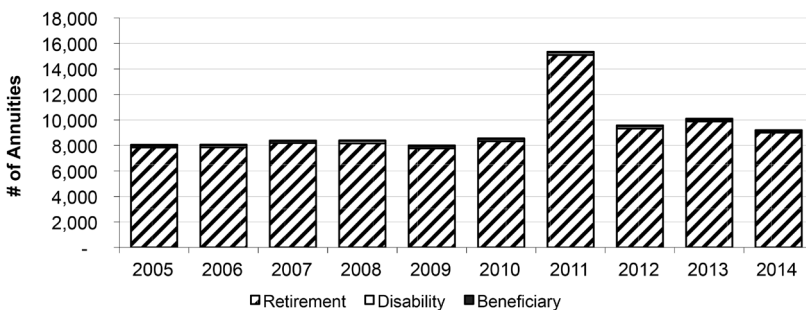
**Annuities in Force**



**Number of New Annuities Approved**

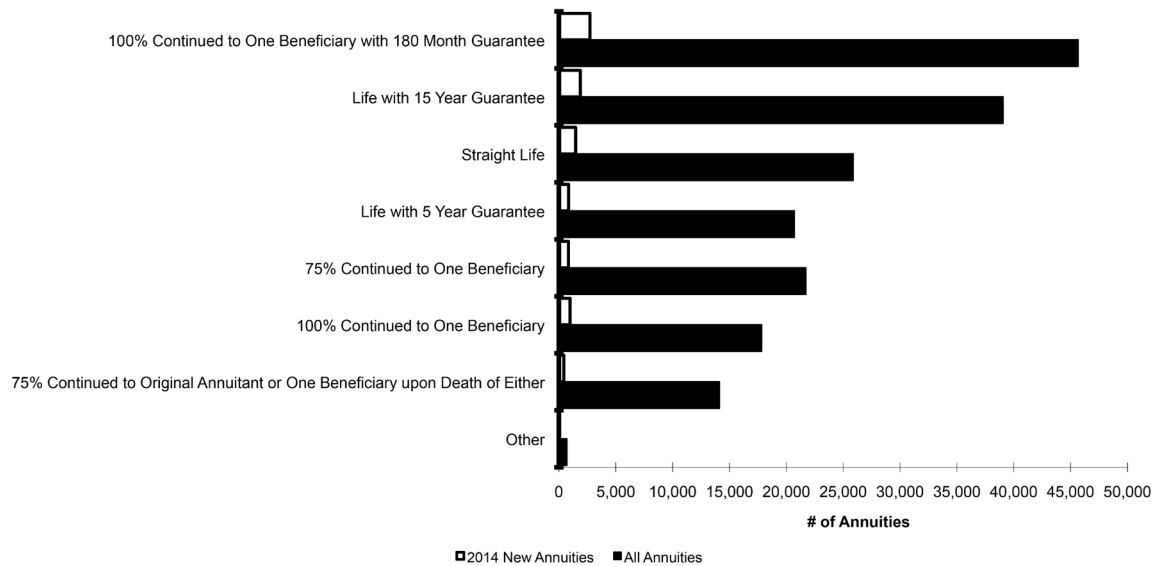
| Year | Retirement | Disability | Beneficiary | Totals |
|------|------------|------------|-------------|--------|
| 2005 | 7,844      | 150        | 58          | 8,052  |
| 2006 | 7,859      | 163        | 43          | 8,065  |
| 2007 | 8,186      | 157        | 47          | 8,390  |
| 2008 | 8,165      | 174        | 61          | 8,400  |
| 2009 | 7,779      | 156        | 73          | 8,008  |
| 2010 | 8,330      | 159        | 69          | 8,558  |
| 2011 | 15,096     | 196        | 60          | 15,352 |
| 2012 | 9,322      | 183        | 67          | 9,572  |
| 2013 | 9,889      | 146        | 70          | 10,105 |
| 2014 | 9,010      | 125        | 69          | 9,204  |

**Number of New Annuities Approved**





### Annuities by Payment Option



### Wisconsin Retirement System

#### Average Monthly Annuities by 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      | \$428    | \$549    | \$795    | \$1,179  | \$1,715  | \$2,391  | \$3,026  | \$3,785  | \$4,920  | \$7,565  |
| Average Final Average Salary | \$22,703 | \$30,924 | \$36,302 | \$43,475 | \$49,709 | \$54,395 | \$57,335 | \$58,425 | \$60,554 | \$62,190 |
| Number of Annuitants         | 6,278    | 15,650   | 19,102   | 20,978   | 23,372   | 26,661   | 37,383   | 14,241   | 2,224    | 199      |

### Wisconsin Retirement System

#### Annuities by Type of Benefit

| Monthly Annuity Amount | Total Number of Annuities | Type of Annuity |              |              | Annuity Payment Option |                     |                |              |
|------------------------|---------------------------|-----------------|--------------|--------------|------------------------|---------------------|----------------|--------------|
|                        |                           | Retirement      | Disability   | Beneficiary  | Life Annuity           | Life with Guarantee | Joint Survivor | Time Certain |
| \$ 0 - 500             | 27,523                    | 26,320          | 693          | 510          | 4,687                  | 11,612              | 11,194         | 30           |
| \$ 500 - 1,000         | 29,698                    | 28,044          | 1,074        | 580          | 5,216                  | 11,277              | 13,163         | 42           |
| \$ 1,000 - 1,500       | 26,283                    | 24,776          | 1,183        | 324          | 3,742                  | 9,090               | 13,424         | 27           |
| \$ 1,500 - 2,000       | 24,404                    | 23,180          | 1,070        | 154          | 3,087                  | 7,557               | 13,750         | 10           |
| \$ 2,000 - 2,500       | 23,298                    | 22,224          | 936          | 138          | 2,737                  | 6,671               | 13,881         | 9            |
| \$ 2,500 - 3,000       | 18,880                    | 18,183          | 612          | 85           | 2,195                  | 5,150               | 11,530         | 5            |
| \$ 3,000 - 3,500       | 13,856                    | 13,360          | 425          | 71           | 1,645                  | 3,459               | 8,747          | 5            |
| \$ 3,500 - 4,000       | 9,570                     | 9,312           | 218          | 40           | 1,154                  | 2,430               | 5,986          | 0            |
| \$ 4,000 - 4,500       | 6,162                     | 6,034           | 105          | 23           | 750                    | 1,545               | 3,864          | 3            |
| \$ 4,500 - 5,000       | 3,890                     | 3,829           | 47           | 14           | 437                    | 908                 | 2,544          | 1            |
| Over \$ 5,000          | 6,134                     | 6,064           | 33           | 37           | 752                    | 1,373               | 3,998          | 11           |
| <b>Total</b>           | <b>189,698</b>            | <b>181,326</b>  | <b>6,396</b> | <b>1,976</b> | <b>26,402</b>          | <b>61,072</b>       | <b>102,081</b> | <b>143</b>   |



## STATISTICS

**Revenues by Source <sup>(1)</sup>**

(\$ in thousands)

| Year | <u>Employee Contributions <sup>(2)</sup></u> |                     |           | <u>Employer Contributions <sup>(3)</sup></u> |                   |              | Total Revenues |
|------|--|---------------------|-----------|--|-------------------|--------------|----------------|
|      | Dollars                                      | % of Annual Payroll | Income    | % of Annual Payroll                          | Investment Income | Other Income |                |
| 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     |
| 2010 | 787,460                                      | 6.2%                | 750,702   | 5.9%   | 8,317,435         | 990          | 9,856,588      |
| 2011 | 797,856                                      | 6.3%                | 789,244   | 6.2%   | 664,151           | 849          | 2,252,100      |
| 2012 | 757,151                                      | 6.0%                | 799,350   | 6.3%   | 9,858,710         | 678          | 11,415,889     |
| 2013 | 871,260                                      | 6.8%                | 914,698   | 7.1%   | 11,343,231        | 532          | 13,129,721     |
| 2014 | 906,499                                      | 6.9%                | 1,023,197 | 7.7%   | 4,888,240         | 642          | 6,818,578      |

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

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

<sup>3</sup> Employer contributions include all employer required contributions, including contributions for unfunded actuarial accrued liability.

**Revenues by Source**

**Expenses by Type**

(\$ in millions)

| Year | <u>Age and Service Benefits</u> |               | Disability Benefits | Death Benefits | Separation Benefits | Administrative Expense | Other Benefit Expense | Total Expense |
|------|---------------------------------|---------------|---------------------|----------------|---------------------|------------------------|-----------------------|---------------|
|      | Retirants                       | Beneficiaries |                     |                |                     |                        |                       |               |
| 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       |
| 2010 | 3,683.2                         | 17.2          | 145.2               | 29.1           | 26.4                | 17.6                   |                       | 3,918.7       |
| 2011 | 3,941.6                         | 17.8          | 144.4               | 33.1           | 28.0                | 18.6                   |                       | 4,183.5       |
| 2012 | 4,023.8                         | 18.2          | 141.5               | 24.8           | 26.6                | 21.5                   |                       | 4,256.4       |
| 2013 | 4,035.5                         | 18.2          | 132.9               | 38.0           | 33.3                | 22.9                   |                       | 4,280.8       |
| 2014 | 4,309.0                         | 19.5          | 135.9               | 33.5           | 34.4                | 24.0                   | 42.3                  | 4,598.6       |

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

| Participating Government             | 2014              |      |                            | 2005              |      |                            |
|--------------------------------------|-------------------|------|----------------------------|-------------------|------|----------------------------|
|                                      | Covered Employees | Rank | Percentage of Total System | Covered Employees | Rank | Percentage of Total System |
| State of Wisconsin                   | 73,852            | 1    | 28.7%                      | 70,676            | 1    | 26.9%                      |
| Milwaukee Teachers Retirement System | 6,000             | 2    | 2.3%                       | 7,265             | 2    | 2.8%                       |
| Madison Metro School District        | 4,666             | 3    | 1.8%                       | 4,734             | 3    | 1.8%                       |
| Green Bay Area School District       | 2,990             | 4    | 1.2%                       | 2,975             | 4    | 1.1%                       |
| City of Madison                      | 2,880             | 5    | 1.1%                       | 2,888             | 5    | 1.1%                       |
| Kenosha Unified School District      | 2,738             | 6    | 1.1%                       | 2,824             | 6    | 1.1%                       |
| Racine Unified School District       | 2,673             | 7    | 1.0%                       | 2,817             | 7    | 1.1%                       |
| Dane County                          | 2,433             | 8    | 0.9%                       | 2,296             | 8    | 0.9%                       |
| Appleton Area School District        | 1,798             | 9    | 0.7%                       | 1,805             | 10   | 0.7%                       |
| Milwaukee Area Technical College     | 1,754             | 10   | 0.7%                       | 2,115             | 9    | 0.8%                       |
| All Other                            | <u>155,471</u>    |      | <u>60.4%</u>               | <u>162,727</u>    |      | <u>61.8%</u>               |
| Total (1,440 employers)              | <u>257,255</u>    |      | <u>100.0%</u>              | <u>263,122</u>    |      | <u>100.0%</u>              |



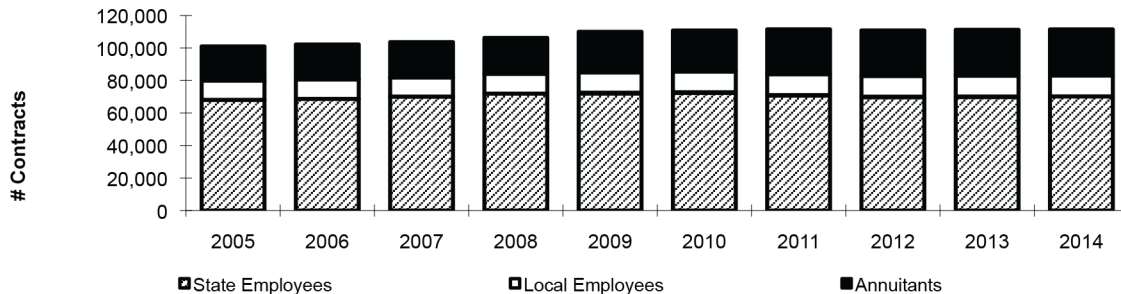
STATISTICS

**Group Health Insurance Program Statistics**  
**Health Insurance Contracts**

| Year         | Active Employees | Continuants* | Annuitants |                       |             |               | Totals |
|--------------|------------------|--------------|------------|-----------------------|-------------|---------------|--------|
|              |                  |              | Deduction  | Sick Leave Conversion | Direct Pay* | Total Retired |        |
| <b>State</b> |                  |              |            |                       |             |               |        |
| 2005         | 68,093           | 0            | 9,531      | 9,646                 | 0           | 19,177        | 87,270 |
| 2006         | 68,688           | 0            | 9,468      | 10,105                | 0           | 19,573        | 88,261 |
| 2007         | 70,119           | 0            | 9,427      | 10,417                | 0           | 19,844        | 89,963 |
| 2008         | 71,925           | 0            | 9,433      | 10,825                | 0           | 20,258        | 92,183 |
| 2009         | 71,924           | 590          | 11,112     | 11,288                | 0           | 22,400        | 94,914 |
| 2010         | 72,313           | 478          | 9,179      | 11,788                | 1,732       | 22,699        | 95,490 |
| 2011         | 70,656           | 378          | 9,126      | 14,157                | 1,727       | 25,010        | 96,044 |
| 2012         | 69,650           | 430          | 9,146      | 14,398                | 1,827       | 25,371        | 95,451 |
| 2013         | 69,772           | 367          | 9,187      | 14,701                | 1,777       | 25,665        | 95,804 |
| 2014         | 70,219           | 178          | 8,913      | 15,074                | 1,823       | 25,810        | 96,207 |
| <b>Local</b> |                  |              |            |                       |             |               |        |
| 2005         | 11,902           | 0            | 1,812      | 0                     | 0           | 1,812         | 13,714 |
| 2006         | 11,973           | 0            | 1,927      | 0                     | 0           | 1,927         | 13,900 |
| 2007         | 11,777           | 0            | 1,871      | 0                     | 0           | 1,871         | 13,648 |
| 2008         | 12,159           | 0            | 1,873      | 0                     | 0           | 1,873         | 14,032 |
| 2009         | 12,398           | 88           | 2,557      | 0                     | 0           | 2,557         | 15,043 |
| 2010         | 12,700           | 89           | 2,258      | 0                     | 225         | 2,483         | 15,272 |
| 2011         | 12,826           | 86           | 2,284      | 0                     | 236         | 2,520         | 15,432 |
| 2012         | 12,679           | 80           | 2,366      | 0                     | 229         | 2,595         | 15,354 |
| 2013         | 12,749           | 80           | 2,295      | 0                     | 253         | 2,548         | 15,377 |
| 2014         | 12,890           | 43           | 2,283      | 0                     | 252         | 2,535         | 15,468 |

\*This data unavailable prior to 2009

**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 <sup>(1)</sup> | Annuitant | Sick Leave Conversion | Medicare | Stabilization | Life Insurance Conversion | Totals    |
|-------------------------|-----------|-------------------------|-----------|-----------------------|----------|---------------|---------------------------|-----------|
| <b>State</b>            |           |                         |           |                       |          |               |                           |           |
| 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                    | 965,386   | n/a                     | 63,453    | 100,390               | 11,909   | 25            | 95                        | 1,141,258 |
| 2010                    | 1,067,164 | n/a                     | 72,861    | 111,676               | 11,864   | 0             | 390                       | 1,263,954 |
| 2011                    | 1,112,382 | n/a                     | 73,166    | 130,840               | 11,733   | 0             | 464                       | 1,328,585 |
| 2012                    | 1,034,066 | n/a                     | 61,495    | 130,154               | 17,865   | 0             | 412                       | 1,243,993 |
| 2013                    | 1,082,211 | n/a                     | 64,201    | 133,809               | 19,438   | 0             | 485                       | 1,300,144 |
| 2014                    | 1,128,667 | n/a                     | 67,624    | 141,449               | 18,633   | 0             | 640                       | 1,357,013 |
| <b>Local</b>            |           |                         |           |                       |          |               |                           |           |
| 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                    | 167,907   | n/a                     | 13,324    | 0                     | 461      | 1             | 0                         | 181,693   |
| 2010                    | 189,480   | n/a                     | 15,362    | 0                     | 574      | 0             | 3                         | 205,419   |
| 2011                    | 205,211   | n/a                     | 14,700    | 0                     | 427      | 0             | 0                         | 220,338   |
| 2012                    | 198,476   | n/a                     | 13,926    | 0                     | 1,846    | 0             | 0                         | 214,248   |
| 2013                    | 206,812   | n/a                     | 14,746    | 0                     | 2,047    | 0             | 0                         | 223,605   |
| 2014                    | 219,413   | n/a                     | 14,969    | 0                     | 1,808    | 0             | 3                         | 236,193   |
| <b>Local Annuitants</b> |           |                         |           |                       |          |               |                           |           |
| 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       |
| 2010                    | 0         | 0                       | 1,045     | 0                     | 0        | 0             | 4                         | 1,049     |
| 2011                    | 0         | 0                       | 985       | 0                     | 0        | 0             | 2                         | 987       |
| 2012                    | 0         | 0                       | 1,085     | 0                     | 0        | 0             | 3                         | 1,088     |
| 2013                    | 0         | 0                       | 1,097     | 0                     | 0        | 0             | 3                         | 1,100     |
| 2014                    | 0         | 0                       | 969       | 0                     | 0        | 0             | 3                         | 972       |

<sup>(1)</sup> Beginning in 2009 the employee paid portion of active participant health insurance premiums is no longer identifiable.



## STATISTICS

**Group Life Insurance Program Statistics****Life Insurance Premiums Collected**

(\$ in thousands)

| State        | Employee |       |            |                    |        | Employer |       |       | Totals |
|--------------|----------|-------|------------|--------------------|--------|----------|-------|-------|--------|
|              | Basic    | Supp  | Additional | Spouse & Dependent | Total  | Basic    | Suppl | Total |        |
| 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 |
| 2010         | 7,363    | 5,404 | 7,834      | 1,253              | 21,855 | 3,519    | 1,453 | 4,971 | 26,826 |
| 2011         | 7,302    | 4,577 | 7,248      | 1,275              | 20,402 | 3,488    | 1,180 | 4,668 | 25,070 |
| 2012         | 6,285    | 4,557 | 6,758      | 1,233              | 18,833 | 2,873    | 1,204 | 4,078 | 22,911 |
| 2013         | 6,235    | 4,513 | 7,008      | 1,222              | 18,978 | 2,926    | 1,222 | 4,148 | 23,126 |
| 2014         | 6,323    | 4,573 | 7,351      | 1,217              | 19,465 | 3,028    | 1,262 | 4,290 | 23,755 |
| <b>Local</b> |          |       |            |                    |        |          |       |       |        |
| 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 |
| 2010         | 10,950   | 2,642 | 7,636      | 1,329              | 22,558 | 3,247    | 53    | 3,300 | 25,858 |
| 2011         | 10,933   | 2,702 | 7,761      | 1,298              | 22,694 | 3,250    | 54    | 3,304 | 25,997 |
| 2012         | 10,612   | 2,692 | 7,666      | 1,248              | 22,218 | 3,319    | 51    | 3,370 | 25,588 |
| 2013         | 10,497   | 2,736 | 7,575      | 1,216              | 22,024 | 3,264    | 17    | 3,281 | 25,305 |
| 2014         | 10,561   | 2,789 | 7,737      | 1,209              | 22,296 | 3,317    | 16    | 3,334 | 25,629 |

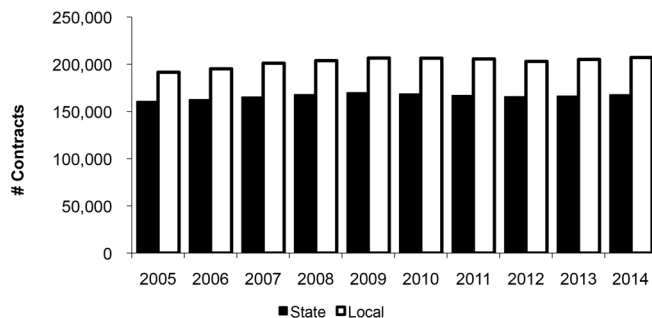
**Group Life Insurance In Force**

(\$ in thousands)

| State        | Pre-Retirement |              |            | Post-Retirement | Spouse & Dependent | Totals     |
|--------------|----------------|--------------|------------|-----------------|--------------------|------------|
|              | Basic          | Supplemental | Additional |                 |                    |            |
| 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  |
| 2010         | 3,302,757      | 2,410,238    | 3,247,085  | 396,600         | 601,900            | 9,958,580  |
| 2011         | 3,296,564      | 2,385,886    | 3,250,843  | 449,897         | 567,755            | 9,950,945  |
| 2012         | 3,231,871      | 2,321,576    | 3,258,782  | 493,214         | 561,610            | 9,867,053  |
| 2013         | 3,327,163      | 2,387,599    | 3,424,431  | 536,246         | 562,840            | 10,238,279 |
| 2014         | 3,392,305      | 2,431,610    | 3,563,096  | 581,765         | 570,825            | 10,539,601 |
| <b>Local</b> |                |              |            |                 |                    |            |
| 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 |
| 2010         | 4,280,427      | 1,296,473    | 3,809,183  | 263,635         | 882,590            | 10,532,308 |
| 2011         | 4,303,919      | 1,364,577    | 3,903,476  | 296,558         | 852,035            | 10,720,565 |
| 2012         | 4,182,413      | 1,346,900    | 3,801,144  | 339,426         | 819,980            | 10,489,863 |
| 2013         | 4,340,129      | 1,412,278    | 4,146,681  | 369,512         | 810,265            | 11,078,865 |
| 2014         | 4,440,538      | 1,458,009    | 4,263,886  | 401,639         | 805,950            | 11,370,022 |

**Life Insurance Program Contracts and Participants**

| Year         | Pre-Retirement |              |            | Post-Retirement | Spouse & Dependent | Total Contracts | Total Participants |
|--------------|----------------|--------------|------------|-----------------|--------------------|-----------------|--------------------|
|              | Basic          | Supplemental | Additional |                 |                    |                 |                    |
| <b>State</b> |                |              |            |                 |                    |                 |                    |
| 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             |
| 2010         | 58,070         | 41,840       | 26,805     | 16,584          | 25,008             | 168,307         | 74,654             |
| 2011         | 57,673         | 41,247       | 26,503     | 17,847          | 23,446             | 166,716         | 75,520             |
| 2012         | 56,773         | 40,243       | 26,288     | 18,921          | 23,153             | 165,378         | 75,694             |
| 2013         | 56,516         | 39,940       | 26,297     | 20,025          | 23,203             | 165,981         | 76,541             |
| 2014         | 56,652         | 39,958       | 26,237     | 21,168          | 23,478             | 167,493         | 77,820             |
| <b>Local</b> |                |              |            |                 |                    |                 |                    |
| 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            |
| 2010         | 86,828         | 25,336       | 35,257     | 22,671          | 36,340             | 206,432         | 109,499            |
| 2011         | 85,714         | 26,155       | 34,768     | 23,956          | 35,036             | 205,629         | 109,670            |
| 2012         | 83,863         | 26,053       | 33,833     | 25,573          | 33,704             | 203,026         | 109,436            |
| 2013         | 83,519         | 26,111       | 35,166     | 27,049          | 33,297             | 205,142         | 110,568            |
| 2014         | 83,887         | 26,288       | 35,241     | 28,634          | 33,117             | 207,167         | 112,521            |

**Life Insurance Program Contracts**





STATISTICS

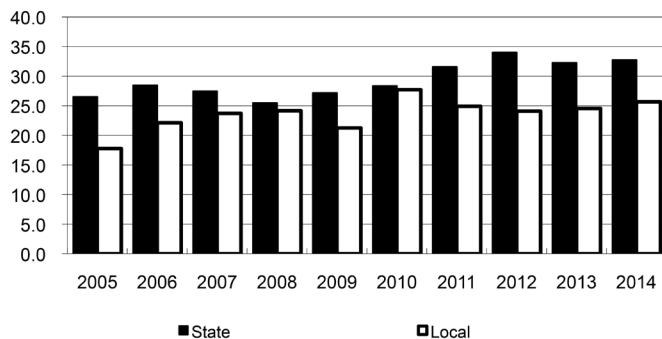
**Group Life Insurance Program Paid Claims**

(\$ in thousands)

| Year         | Pre-Retirement |       |            | Post-Retirement | Spouse & Dependent | Living Benefits <sup>(1)</sup> | Totals |
|--------------|----------------|-------|------------|-----------------|--------------------|--------------------------------|--------|
|              | Life           | AD&D  | Disability |                 |                    |                                |        |
| <b>State</b> |                |       |            |                 |                    |                                |        |
| 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 |
| 2010         | 14,356         | 893   | 1,496      | 10,473          | 959                | 162                            | 28,340 |
| 2011         | 16,749         | 1,285 | 1,184      | 9,881           | 1,241              | 1,211                          | 31,551 |
| 2012         | 17,137         | 1,260 | 1,343      | 12,040          | 1,027              | 1,185                          | 33,991 |
| 2013         | 17,179         | 284   | 323        | 12,894          | 1,309              | 252                            | 32,241 |
| 2014         | 13,243         | 1,314 | 1,512      | 14,772          | 1,091              | 792                            | 32,724 |
| <b>Local</b> |                |       |            |                 |                    |                                |        |
| 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 |
| 2010         | 16,512         | 1,513 | 943        | 5,954           | 1,458              | 1,332                          | 27,712 |
| 2011         | 14,646         | 1,188 | 1,215      | 6,141           | 1,633              | 81                             | 24,904 |
| 2012         | 13,704         | 788   | 1,175      | 6,588           | 1,180              | 655                            | 24,090 |
| 2013         | 14,456         | 1,305 | 6          | 7,415           | 1,331              | 37                             | 24,550 |
| 2014         | 13,195         | 1,468 | 1,484      | 7,337           | 1,246              | 928                            | 25,659 |

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

**Group Life Insurance Program Paid Claims**



### Duty Disability Insurance Statistics

(\$ in Millions)

| Year | Employers | Active Participants | Disabilitants | Benefit Payments | Contributions | Average Contribution Rate |
|------|-----------|---------------------|---------------|------------------|---------------|---------------------------|
| 2005 | 486       | 21,851              | n/a           | 24               | 42            | 3.85%                     |
| 2006 | 494       | 22,115              | n/a           | 26               | 45            | 3.86%                     |
| 2007 | 499       | 22,550              | n/a           | 26               | 48            | 3.92%                     |
| 2008 | 500       | 22,843              | 836           | 27               | 51            | 3.93%                     |
| 2009 | 502       | 23,019              | 839           | 29               | 52            | 3.89%                     |
| 2010 | 504       | 22,871              | 938           | 30               | 52            | 3.91%                     |
| 2011 | 503       | 22,352              | 957           | 30               | 53            | 3.98%                     |
| 2012 | 501       | 22,144              | 964           | 30               | 53            | 3.98%                     |
| 2013 | 512       | 21,976              | 973           | 31               | 54            | 4.06%                     |
| 2014 | 506       | 22,346              | 990           | 32               | 9             | 0.68%                     |

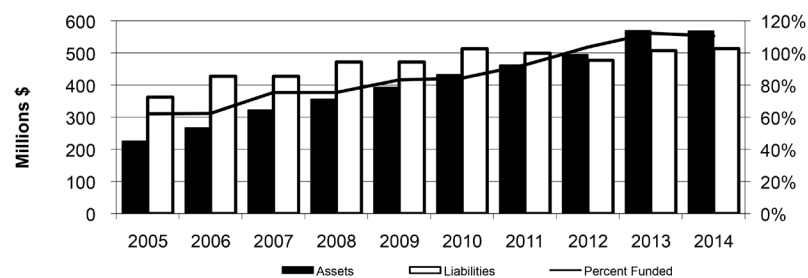
### Duty Disability Insurance Statistics

**Funded Status**

(\$ in Millions)

| Year | Assets | Liabilities | Unfunded (Overfunded) Liability | Percent Funded | Covered Payroll | UAAL as % of Covered Payroll |
|------|--------|-------------|---------------------------------|----------------|-----------------|------------------------------|
| 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%                         |
| 2010 | 432.1  | 512.8       | 80.7                            | 84.3%          | 1,326.3         | 6.1%                         |
| 2011 | 461.6  | 499.0       | 37.4                            | 92.5%          | 1,332.7         | 2.8%                         |
| 2012 | 494.1  | 477.0       | (17.1)                          | 103.6%         | 1,318.3         | -1.3%                        |
| 2013 | 568.9  | 507.1       | (61.8)                          | 112.2%         | 1,328.2         | -4.7%                        |
| 2014 | 567.2  | 513.2       | (54.1)                          | 110.5%         | 1,370.7         | -3.9%                        |

### Duty Disability Funding





## STATISTICS

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

| Participating Government | 2014              |      |                            | 2005              |      |                            |
|--------------------------|-------------------|------|----------------------------|-------------------|------|----------------------------|
|                          | Covered Employees | Rank | Percentage of Total System | Covered Employees | Rank | Percentage of Total System |
| State of Wisconsin       | 8,900             | 1    | 39.8%                      | 8,356             | 1    | 38.2%                      |
| City of Madison          | 838               | 2    | 3.8%                       | 695               | 2    | 3.2%                       |
| Dane County              | 437               | 3    | 2.0%                       | 436               | 3    | 2.0%                       |
| City of Green Bay        | 369               | 4    | 1.7%                       | 378               | 4    | 1.7%                       |
| City of Kenosha          | 341               | 5    | 1.5%                       | 325               | 6    | 1.5%                       |
| City of Racine           | 334               | 6    | 1.5%                       | 336               | 5    | 1.5%                       |
| City of West Allis       | 231               | 7    | 1.0%                       | 245               | 8    | 1.1%                       |
| City of Waukesha         | 214               | 8    | 1.0%                       | 203               | 9    | 0.9%                       |
| City of Oshkosh          | 202               | 9    | 0.9%                       | 202               | 10   | 0.9%                       |
| City of Appleton         | 198               | 10   | 0.9%                       | 196               | 11   | 0.9%                       |
| All Other                | 10,282            |      | 46.0%                      | 10,479            |      | 48.0%                      |
| Total (493 employers)    | <u>22,346</u>     |      | <u>100.0%</u>              | <u>21,851</u>     |      | <u>100.0%</u>              |

**Duty Disability Annuities by Type of Benefit**

| Monthly Benefit Amount | Number of Annuitants | Type of Annuity |             |
|------------------------|----------------------|-----------------|-------------|
|                        |                      | Disability      | Beneficiary |
| \$ 0 - 500             | 33                   | 32              | 1           |
| \$ 500 - 1,000         | 71                   | 54              | 17          |
| \$ 1,000 - 1,500       | 84                   | 79              | 5           |
| \$ 1,500 - 2,000       | 100                  | 96              | 4           |
| \$ 2,000 - 2,500       | 107                  | 101             | 6           |
| \$ 2,500 - 3,000       | 116                  | 110             | 6           |
| \$ 3,000 - 3,500       | 118                  | 112             | 6           |
| \$ 3,500 - 4,000       | 96                   | 94              | 2           |
| \$ 4,000 - 4,500       | 100                  | 99              | 1           |
| \$ 4,500 - 5,000       | 65                   | 63              | 2           |
| Over \$ 5,000          | 46                   | 44              | 2           |
| Total                  | 936                  | 884             | 52          |

\* 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      | \$3,229          | \$3,530 | \$3,278 | \$2,846 | \$2,044 | \$1,614 | \$1,671 |
| Average Final Average Salary | \$2,453          | \$3,301 | \$3,475 | \$3,657 | \$3,771 | \$3,962 | \$3,261 |
| Number of Annuitants         | 50               | 165     | 203     | 243     | 196     | 71      | 8       |

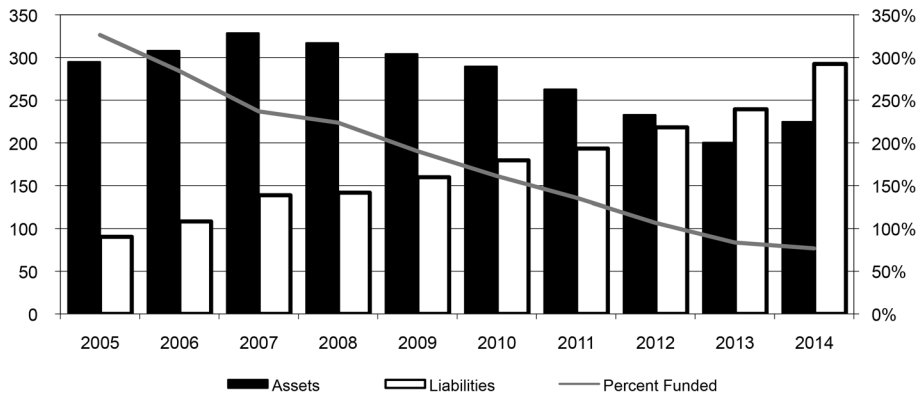
\* This table excludes annuitants for whom years of service data is not available

### Long-Term Disability Insurance Statistics

(\$ in millions)

| Year | Assets | Liabilities | Unfunded<br>(Overfunded)<br>Liability | Percent<br>Funded | Covered Payroll<br>(\$ in millions) | UAAL as %<br>of Covered<br>Payroll |
|------|--------|-------------|---------------------------------------|-------------------|-------------------------------------|------------------------------------|
| 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 | 328.32 | 138.63      | (189.7)                               | 236.8%            | 11,720                              | -1.6%                              |
| 2008 | 316.72 | 141.63      | (175.1)                               | 223.6%            | 12,290                              | -1.4%                              |
| 2009 | 303.87 | 159.73      | (144.1)                               | 190.2%            | 12,622                              | -1.1%                              |
| 2010 | 289.26 | 179.50      | (109.8)                               | 161.1%            | 12,744                              | -0.9%                              |
| 2011 | 262.48 | 193.30      | (69.2)                                | 135.8%            | 12,719                              | -0.5%                              |
| 2012 | 232.61 | 218.15      | (14.5)                                | 106.6%            | 12,628                              | -0.1%                              |
| 2013 | 200.07 | 239.30      | 39.2                                  | 83.6%             | 12,885                              | 0.3%                               |
| 2014 | 224.41 | 292.42      | 68.0                                  | 76.7%             | 13,220                              | 0.5%                               |

### Long-Term Disability Insurance Funding





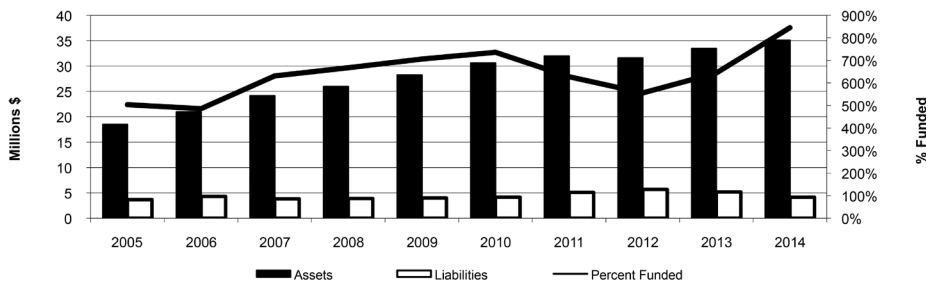
STATISTICS

**Income Continuation Insurance Statistics—Local**

(\$ in millions)

| Year | Contracts | Claims | Assets | Liabilities | Unfunded (Overfunded) Liability | Funded Ratio |
|------|-----------|--------|--------|-------------|---------------------------------|--------------|
| 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     | 28.2   | 4.0         | (24.2)                          | 705.8%       |
| 2010 | 7,964     | 75     | 30.6   | 4.2         | (26.4)                          | 735.8%       |
| 2011 | 7,878     | 93     | 31.9   | 5.1         | (26.9)                          | 627.6%       |
| 2012 | 7,593     | 90     | 31.6   | 5.7         | (25.9)                          | 555.6%       |
| 2013 | 8,344     | 130    | 33.4   | 5.2         | (28.2)                          | 644.1%       |
| 2014 | 8,463     | 118    | 35.1   | 4.1         | (30.9)                          | 845.0%       |

**Income Continuation Insurance Funding—Local**

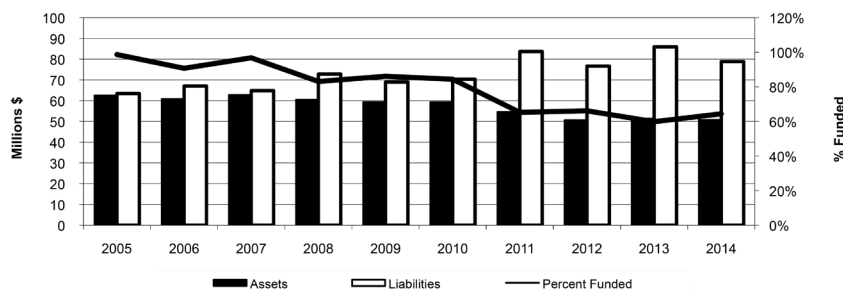


**Income Continuation Insurance Statistics—State**

(\$ in millions)

| Year | Contracts | Claims | Assets | Liabilities | Unfunded (Overfunded) Liability | Funded Ratio |
|------|-----------|--------|--------|-------------|---------------------------------|--------------|
| 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   | 69.0        | 9.6                             | 86.1%        |
| 2010 | 56,068    | 1,415  | 59.3   | 70.3        | 11.0                            | 84.4%        |
| 2011 | 52,573    | 1,545  | 54.6   | 83.7        | 29.1                            | 65.2%        |
| 2012 | 53,488    | 1,663  | 50.7   | 76.6        | 26.0                            | 66.1%        |
| 2013 | 51,692    | 1,648  | 51.4   | 85.9        | 34.5                            | 59.8%        |
| 2014 | 51,379    | 1,645  | 50.8   | 78.8        | 28.1                            | 64.4%        |

**Income Continuation Insurance Funding—State**

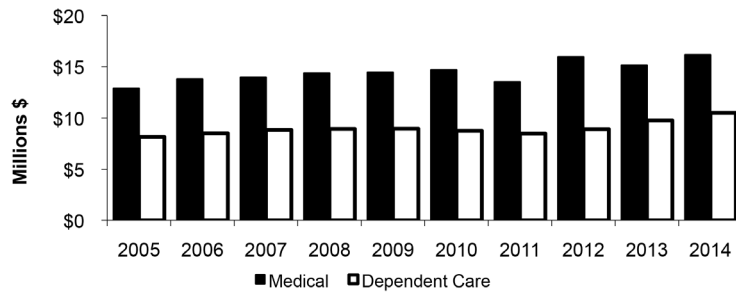




**Employee Reimbursement Accounts Program Statistics  
Salary Reductions and Claims**

| Year | Medical  |                   |            |             | Dependent Care |                   |            |             |
|------|----------|-------------------|------------|-------------|----------------|-------------------|------------|-------------|
|      | Accounts | Salary Reductions | Claims     | Forfeitures | Accounts       | Salary Reductions | Claims     | Forfeitures |
| 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        | 14,178,505 | 193,747     | 2,186          | 8,934,444         | 8,854,653  | 79,791      |
| 2009 | 10,975   | 14,455,388        | 14,243,697 | 211,691     | 2,211          | 8,948,891         | 8,860,082  | 88,810      |
| 2010 | 11,428   | 14,690,079        | 14,496,161 | 193,918     | 2,166          | 8,737,997         | 8,668,217  | 69,780      |
| 2011 | 10,723   | 13,498,149        | 13,373,269 | 124,880     | 2,133          | 8,476,558         | 8,420,493  | 56,065      |
| 2012 | 12,373   | 15,948,452        | 15,828,849 | 119,603     | 2,245          | 8,911,658         | 8,847,562  | 64,096      |
| 2013 | 12,956   | 15,149,278        | 14,922,337 | 226,941     | 2,469          | 9,750,422         | 9,675,871  | 74,551      |
| 2014 | 13,370   | 16,163,180        | 15,911,661 | 251,519     | 2,672          | 10,496,707        | 10,398,333 | 98,374      |

**Salary Reductions**



**Employee Reimbursement Accounts Program Statistics  
Administrative Funding**

| Year | Receipts |          |             |           | Expenses      |         |           | Surplus/<br>(Deficit) |
|------|----------|----------|-------------|-----------|---------------|---------|-----------|-----------------------|
|      | Fees     | Interest | Forfeitures | Totals    | Administrator | State   | Total     |                       |
| 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  | 273,538     | 814,158   | 601,120       | 118,127 | 719,247   | 94,911                |
| 2009 | 409,931  | 28,172   | 300,500     | 738,603   | 603,121       | 123,055 | 726,176   | 12,427                |
| 2010 | 430,071  | 9,449    | 263,698     | 703,218   | 709,032       | 117,967 | 826,999   | (123,781)             |
| 2011 | 427,725  | 10,435   | 180,945     | 619,105   | 681,803       | 111,024 | 792,827   | (173,722)             |
| 2012 | 418,251  | 7,260    | 183,699     | 609,210   | 753,307       | 226,690 | 979,997   | (370,787)             |
| 2013 | 500,554  | 3,910    | 301,492     | 805,956   | 786,888       | 230,327 | 1,017,215 | (211,259)             |
| 2014 | 671,414  | 3,685    | 349,893     | 1,024,992 | 847,955       | 388,875 | 1,236,830 | (211,838)             |



STATISTICS

**Administrative Expense Statistics**  
**Administrative Expenses**

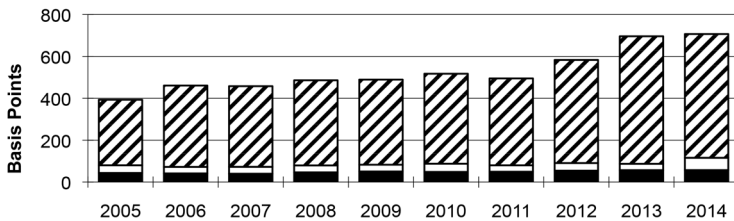
(\$ in thousands)

| Year | ETF Expenses | Investment Expenses | Third Party Administrator Contracts |        |          |       |        |           |               |                   | Total Administration |
|------|--------------|---------------------|-------------------------------------|--------|----------|-------|--------|-----------|---------------|-------------------|----------------------|
|      |              |                     | ERA                                 | Health | Pharmacy | ICI   | LTDI   | Badger Rx | Deferred Comp | Commuter Benefits |                      |
| 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              |
| 2010 | 27,709       | 245,806             | 709                                 | 2,461  | 13,379   | 1,525 | 1,616  | 0         | 2,659         | 79                | 295,943              |
| 2011 | 28,664       | 241,413             | 682                                 | 2,264  | 9,056    | 1,449 | 1,692  | 0         | 2,639         | 77                | 287,935              |
| 2012 | 32,154       | 290,608             | 753                                 | 2,235  | 12,413   | 1,455 | 1,777  | 0         | 2,714         | 73                | 344,184              |
| 2013 | 33,817       | 362,011             | 787                                 | 2,286  | 8,756    | 1,419 | 1,881  | 0         | 2,775         | 87                | 413,817              |
| 2014 | 34,484       | 356,811             | 848                                 | 2,874  | 10,700   | 5,026 | 13,189 | 0         | 2,775         | 94                | 426,801              |

**Administrative Expenses per Participant**

| Year | Participants | Employee Trust Funds |                 | Investment Expenses |                 | Third Party Administrators |                 | Total Administration |                 |
|------|--------------|----------------------|-----------------|---------------------|-----------------|----------------------------|-----------------|----------------------|-----------------|
|      |              | Amount (\$000's)     | Per Participant | Amount (\$000's)    | Per Participant | Amount (\$000's)           | Per Participant | Amount (\$000's)     | Per Participant |
| 2005 | 530,540      | 23,059               | 43.5            | 165,940             | 312.8           | 19,464                     | 36.7            | 208,463              | 392.9           |
| 2006 | 542,558      | 22,367               | 41.2            | 210,660             | 388.3           | 16,948                     | 31.2            | 249,975              | 460.7           |
| 2007 | 551,058      | 21,958               | 39.8            | 212,143             | 385.0           | 18,152                     | 32.9            | 252,253              | 457.8           |
| 2008 | 557,062      | 25,779               | 46.3            | 226,364             | 406.4           | 18,516                     | 33.2            | 270,659              | 485.9           |
| 2009 | 566,317      | 28,565               | 50.4            | 230,129             | 406.4           | 18,318                     | 32.3            | 277,012              | 489.1           |
| 2010 | 572,219      | 27,709               | 48.4            | 245,806             | 429.6           | 22,428                     | 39.2            | 295,943              | 517.2           |
| 2011 | 581,893      | 28,664               | 49.3            | 241,413             | 414.9           | 17,859                     | 30.7            | 287,935              | 494.8           |
| 2012 | 590,461      | 32,154               | 54.5            | 290,608             | 492.2           | 21,421                     | 36.3            | 344,184              | 582.9           |
| 2013 | 594,605      | 33,817               | 56.9            | 362,011             | 608.8           | 17,990                     | 30.3            | 413,817              | 696.0           |
| 2014 | 603,983      | 34,484               | 57.1            | 356,811             | 590.8           | 35,506                     | 58.8            | 426,801              | 706.6           |

**Administrative Expenses per Participant**



■ Employee Trust Funds Expenses □ Third Party Administrator Expenses ▨ Investment Expenses

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**ACTUARIAL**

State of Wisconsin  
Department of Employee Trust Funds



September 8, 2015

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

**Re: Wisconsin Retirement System (WRS) Actuarial Valuation as of December 31, 2014**

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 purpose of the valuation was to determine contribution rates for the 2016 fiscal year. The valuation should not be relied upon for any other purpose. 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 in effect on December 31, 2014.

The valuation was based upon information, furnished by the plan's administrative staff, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year to year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided.

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

- Percent Increase in Salaries
- 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

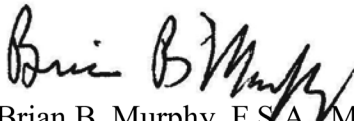
Assets are valued on a statutory market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

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 are in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial 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, 2014 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2009-2011 period. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provision, actuarial assumptions/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

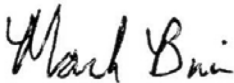
**Based upon the results of the December 31, 2014 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing.**

Brian B. Murphy, Mark Buis, and James D. Anderson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

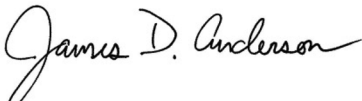
Respectfully submitted,



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



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



James D. Anderson, F.S.A., M.A.A.A.

BBM/MB/JDA:sc



**Wisconsin Retirement System**  
**Actuarial Statement of Assets and Liabilities**

(Millions \$)

|  | December 31, 2014 | December 31, 2013 | Increase<br>(Decrease) |
|--|-------------------|-------------------|------------------------|
| <b>Assets and Employer Obligations</b>   |                   |                   |                        |
| Net Assets   |                   |                   |                        |
| Cash, Investments & Receivables  |                   |                   |                        |
| Less: Payables & Suspense Items  |                   |                   |                        |
| Core Division  | 82,385.4          | 78,170.1          | 4,215.3                |
| Variable Division  | 6,975.0           | 7,053.4           | (78.4)                 |
| Totals   | 89,360.4          | 85,223.5          | 4,136.9                |
| Obligations of Employers   |                   |                   |                        |
| Unfunded Accrued Liability   | 31.7              | 52.6              | (20.9)                 |
| <b>Total Assets</b>  | <b>89,392.1</b>   | <b>85,276.1</b>   | <b>4,116.0</b>         |
| Reserves and Surplus   |                   |                   |                        |
| Reserves   |                   |                   |                        |
| Actuarial Present Value of Projected Benefits Payable<br>to Terminated Vested Participants and Active Members: |                   |                   |                        |
| Member Normal Contributions  | 16,243.3          | 15,407.7          | 835.6                  |
| Member Additional Contributions  | 16.0              | 151.5             | (135.5)                |
| Employer Contributions   | 22,001.7          | 21,256.4          | 745.3                  |
| Total Contributions  | 38,261.0          | 36,815.6          | 1,445.4                |
| Actuarial Present Value of Projected Benefits<br>Payable to Current Retirees and Beneficiaries:                |                   |                   |                        |
| Core Annuities   | 45,790.7          | 42,300.5          | 3,490.2                |
| Variable Annuities   | 3,917.1           | 3,347.0           | 570.1                  |
| Total Annuities  | 49,707.8          | 45,647.5          | 4,060.3                |
| Total Reserves   | 87,968.8          | 82,463.1          | 5,505.7                |
| Surplus  |                   |                   |                        |
| Core Annuity Reserve Surplus   | 1,345.0           | 1,972.7           | (627.7)                |
| Variable Annuity Reserve Surplus   | 78.3              | 840.3             | (762.0)                |
| Total Surplus  | 1,423.3           | 2,813.0           | (1,389.7)              |
| Total Reserves and Surplus   | 89,392.1          | 85,276.1          | 4,116.0                |



## Summary of Benefit Provisions

### Normal Retirement Eligibility

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

| General |         | Protective Occupation |         | 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. Participants first employed after June 30, 2011 must have five years of creditable service.

### 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   |
|---------------------------------|-----------------------|------------|---|
| Before 2000                     | Between 2000 and 2011 | After 2011 |   |
| 2.165%                          | 2.0%                  | 1.6%       | Executive group and elected officials                             |
| 2.165%                          | 2.0%                  | 2.0%       | Protective occupation participants covered by Social Security     |
| 2.665%                          | 2.5%                  | 2.5%       | Protective occupation participants not covered by Social Security |
| 1.765%                          | 1.6%                  | 1.6%       | 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.

|                      | <b>Pre-10/16/92 WRS Plan</b>   | <b>Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan</b>  |
|----------------------|--|--|
| Participants Covered | Participants hired before 10/16/92 who do not elect LTDI coverage.       | Participants entering after 10/15/92 and participants on 10/15/92 who elect LTDI   |
| 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  |
| Benefit at age 65*   | Security disability benefits.<br>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 occupation 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:** Interest is credited on member Core Fund accounts based on the prior year ending account balance and the interest rates shown below.

| <b>Date of Participation</b>  | <b>Rate Credited For Purpose of</b> |                     |
|---|-------------------------------------|---------------------|
|   | <b>Money Purchase Minimum</b>       | <b>Refunds</b>      |
| Prior to 1982   | Core Effective Rate                 | Core Effective Rate |
| January 1, 1982 and later and terminated prior to January 1, 2000     | 5%                                  | 3%                  |
| January 1, 1982 and later and not terminated prior to January 1, 2000 | Core Effective Rate                 | Core Effective Rate |

Interest is credited on member Variable Fund accounts based on the prior year ending account balance and the Variable effective rate.

Interest on both Core and Variable member additional deposit accounts is based on the prior year ending account balance and the appropriate effective rate.

**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.

Effective June 28, 2011, the employee contribution for general category employees, teachers and executives and elected officials is equal to one-half the actuarially required contribution. The employee contribution for protective occupations is the same percentage as general employees. The employer is responsible for the remainder of the actuarially determined contribution. The employer may not pay any portion of the employee contribution unless provided for by a pre-existing collective bargaining agreement.



## 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 Investment Return Assumption for plan assets is 7.2%.

For determining plan liabilities, the **Discount Rate** is 5.0% for retired participants, 5.0% for active and inactive participants following retirement, and 7.2% for active participants prior to their retirement. A valuation performed assuming 5.5% discount rate for all participants at all stages of life, reproduces the results of an actuarial valuation using the 5% post-retirement and 7.2% pre-retirement assumptions. Thus, it can be said that **the net discount rate assumed in the valuations was 5.5% per year, compounded annually (net after administrative expenses).**

The **Wage Inflation Rate** assumed in this valuation was 3.20% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces, including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific Price Inflation assumption is required to perform this valuation because there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 2.0% to 2.7% would be consistent with the other economic assumptions.

The assumed **Real Rate of Return** over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.2% pre-retirement investment return rate translates to an assumed real rate of return over wage inflation of 4.0%. The assumed real rate of return over price inflation would be higher – on the order of 4.5% to 5.2%, considering both an inflation assumption and an average expense provision.

Pay increase assumptions for individual active participants are shown for sample services below. Part of the assumption for each age is for merit and/or seniority increase, and the other 3.2% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

**% Increases in Salaries Next Year (Merit and Longevity)**

| Service | % Merit and Longevity Increase Next Year |                     |                        |                               |                                  |                    |
|---------|--|---------------------|------------------------|-------------------------------|----------------------------------|--------------------|
|         | General                                  | University Teachers | Public School Teachers | Protective Occupation With SS | Protective Occupation Without SS | Executive /Elected |
| 1       | 3.5%                                     | 3.2%                | 5.8%                   | 4.8%                          | 5.5%                             | 2.0%               |
| 2       | 3.5%                                     | 3.2%                | 5.8%                   | 4.8%                          | 5.5%                             | 2.0%               |
| 3       | 3.1%                                     | 3.1%                | 5.4%                   | 4.1%                          | 4.7%                             | 2.0%               |
| 4       | 2.8%                                     | 3.0%                | 5.1%                   | 3.5%                          | 3.8%                             | 1.9%               |
| 5       | 2.5%                                     | 2.9%                | 4.7%                   | 2.8%                          | 3.0%                             | 1.9%               |
| 10      | 1.5%                                     | 2.4%                | 3.2%                   | 1.1%                          | 0.9%                             | 1.6%               |
| 15      | 1.1%                                     | 1.7%                | 1.8%                   | 0.8%                          | 0.5%                             | 1.2%               |
| 20      | 0.9%                                     | 1.1%                | 0.8%                   | 0.7%                          | 0.4%                             | 0.7%               |
| 25      | 0.6%                                     | 0.8%                | 0.4%                   | 0.6%                          | 0.3%                             | 0.4%               |
| 30      | 0.4%                                     | 0.6%                | 0.2%                   | 0.5%                          | 0.2%                             | 0.3%               |

In addition to the merit and longevity increase, each person is assumed to get an economic increase of 3.2% each year.

The active population is assumed to remain constant. The active payroll is assumed to grow 3.2% 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 below. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

**Single Life Retirement Values (Retired Participants)**

Wisconsin Projected Experience Table With 5% Interest

| Sample Attained (Years) | Present Value of \$1 Monthly for Life |          | Future Life Expectancy |        |
|-------------------------|---------------------------------------|----------|------------------------|--------|
|                         | Male                                  | Female   | Male                   | Female |
| 40                      | \$209.20                              | \$214.70 | 42.9                   | 46.1   |
| 45                      | 200.43                                | 207.06   | 38.1                   | 41.3   |
| 50                      | 189.60                                | 197.69   | 33.3                   | 36.5   |
| 55                      | 176.75                                | 186.37   | 28.7                   | 31.8   |
| 60                      | 162.35                                | 172.92   | 24.4                   | 27.2   |
| 65                      | 145.13                                | 156.75   | 20.1                   | 22.7   |
| 70                      | 125.71                                | 137.76   | 16.1                   | 18.4   |
| 75                      | 104.34                                | 116.43   | 12.4                   | 14.3   |
| 80                      | 82.05                                 | 93.57    | 9.0                    | 10.7   |
| 85                      | 61.28                                 | 70.89    | 6.3                    | 7.6    |

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





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**Single Life Retirement Values (Disabled Participants)**

Wisconsin Projected Experience Table With 5% Interest

| Sample Attained (Years) | Present Value of \$1 Monthly for Life |          | Future Life Expectancy |        |
|-------------------------|---------------------------------------|----------|------------------------|--------|
|                         | Male                                  | Female   | Male                   | Female |
| 40                      | \$195.27                              | \$204.53 | 35.7                   | 39.9   |
| 45                      | 183.23                                | 194.56   | 30.9                   | 35.1   |
| 50                      | 169.52                                | 182.61   | 26.4                   | 30.4   |
| 55                      | 153.66                                | 168.39   | 22.1                   | 25.8   |
| 60                      | 135.14                                | 151.44   | 18.0                   | 21.4   |
| 65                      | 114.76                                | 131.73   | 14.1                   | 17.2   |
| 70                      | 92.83                                 | 109.91   | 10.6                   | 13.2   |
| 75                      | 71.03                                 | 86.92    | 7.6                    | 9.7    |
| 80                      | 52.06                                 | 64.92    | 5.2                    | 6.8    |
| 85                      | 36.73                                 | 47.23    | 3.5                    | 4.7    |

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

**Active Participant Mortality Rates**

| Sample Attained Age | Mortality Rates |          |
|---------------------|-----------------|----------|
|                     | Male            | Female   |
| 20                  | 0.000155        | 0.000089 |
| 25                  | 0.000184        | 0.000097 |
| 30                  | 0.000229        | 0.000129 |
| 35                  | 0.000398        | 0.000230 |
| 40                  | 0.000540        | 0.000329 |
| 45                  | 0.000717        | 0.000519 |
| 50                  | 0.000966        | 0.000765 |
| 55                  | 0.002228        | 0.001345 |
| 60                  | 0.003147        | 0.001935 |
| 65                  | 0.004814        | 0.002974 |
| 70                  | 0.007979        | 0.005057 |
| 75                  | 0.013576        | 0.009155 |
| 80                  | 0.024949        | 0.017103 |





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

% Retiring Next Year

| Age | General |        | Public School |        | University |        | Exec<br>& Elected |
|-----|---------|--------|---------------|--------|------------|--------|-------------------|
|     | Male    | Female | Male          | Female | Male       | Female |                   |
| 55  | 8.0%    | 6.1%   | 12.0%         | 11.0%  | 4.8%       | 5.5%   | 4.5%              |
| 56  | 8.0     | 6.4    | 12.0          | 11.0   | 3.0        | 5.5    | 4.5               |
| 57  | 4.3     | 4.2    | 12.0          | 11.0   | 2.0        | 4.0    | 4.5               |
| 58  | 5.3     | 5.5    | 12.0          | 11.0   | 2.5        | 4.0    | 4.5               |
| 59  | 5.5     | 5.3    | 12.0          | 11.0   | 4.0        | 6.5    | 4.5               |
| 60  | 7.5     | 8.1    | 12.0          | 15.0   | 4.0        | 6.5    | 4.5               |
| 61  | 8.0     | 7.0    | 12.0          | 15.0   | 7.5        | 7.5    | 4.5               |
| 62  | 14.0    | 15.0   | 20.0          | 20.0   | 7.0        | 10.0   |                   |
| 63  | 16.0    | 15.0   | 20.0          | 20.0   | 7.5        | 10.0   |                   |
| 64  | 17.0    | 15.0   | 20.0          | 20.0   | 8.0        | 13.0   |                   |

The assumed rates of separation from employment prior to service retirement due to disability and other causes are shown below for sample ages. For other terminations it was assumed that a percentage depending on age of participants terminating after age 35 with five or more years of 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 25% 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 &<br>Service | <u>Protective</u> |           | <u>Public Schools</u> |        | <u>University</u> |        | Exec<br>Elected | <u>Other</u> |        |
|------------------|-------------------|-----------|-----------------------|--------|-------------------|--------|-----------------|--------------|--------|
|                  | With<br>SS        | W/O<br>SS | Male                  | Female | Male              | Female |                 | Male         | Female |
| 0                | 15.0%             | 4.0%      | 17.7%                 | 15.0%  | 18.3%             | 22.0%  | 20.0%           | 17.5%        | 19.5%  |
| 1                | 7.0               | 3.5       | 11.4                  | 10.5   | 15.0              | 15.0   | 14.0            | 13.0         | 13.5   |
| 2                | 4.3               | 2.1       | 7.3                   | 7.1    | 11.3              | 12.5   | 14.0            | 8.5          | 10.0   |
| 3                | 3.8               | 1.3       | 5.2                   | 5.5    | 9.6               | 10.0   | 10.0            | 6.8          | 8.0    |
| 4                | 3.4               | 1.2       | 3.9                   | 4.6    | 8.5               | 9.5    | 10.0            | 6.0          | 7.4    |
| 5                | 2.6               | 1.1       | 3.0                   | 4.0    | 7.5               | 8.0    | 9.0             | 4.5          | 6.0    |
| 6                | 2.5               | 1.0       | 2.8                   | 3.5    | 7.0               | 7.0    | 8.5             | 4.0          | 5.0    |
| 7                | 2.3               | 0.9       | 2.5                   | 3.0    | 5.5               | 6.0    | 8.0             | 3.5          | 4.5    |
| 8                | 2.0               | .08       | 2.0                   | 2.5    | 4.3               | 5.0    | 7.5             | 3.0          | 4.0    |
| 9                | 1.7               | 0.7       | 1.8                   | 2.3    | 3.2               | 4.0    | 7.0             | 2.5          | 3.8    |
| 25 10 & Over     | 1.7               | 0.7       | 1.8                   | 2.2    | 3.2               | 5.0    | 6.0             | 2.5          | 3.8    |
| 30               | 1.6               | 0.7       | 1.4                   | 1.9    | 3.2               | 4.5    | 5.1             | 2.5          | 3.3    |
| 35               | 1.4               | 0.7       | 1.2                   | 1.4    | 3.1               | 4.0    | 4.2             | 2.1          | 2.8    |
| 40               | 1.2               | 0.6       | 1.1                   | 1.1    | 2.7               | 3.4    | 3.7             | 1.6          | 2.2    |
| 45               | 1.1               | 0.6       | 1.0                   | 0.9    | 2.1               | 2.6    | 3.3             | 1.3          | 1.8    |
| 50               | 1.0               | 0.5       | 1.0                   | 0.9    | 1.6               | 1.8    | 3.1             | 1.1          | 1.6    |
| 55               | 1.0               | 0.5       | 1.0                   | 0.9    | 1.4               | 1.5    | 3.0             | 1.1          | 1.5    |
| 60               | 1.0               | 0.5       | 1.0                   | 0.9    | 1.4               | 1.5    | 3.0             | 1.1          | 1.5    |

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

| Age | <u>Protective</u> |           | <u>Public Schools</u> |        | <u>University</u> |        | <u>Exec. &amp; Elected</u> |        | <u>General</u> |        |
|-----|-------------------|-----------|-----------------------|--------|-------------------|--------|----------------------------|--------|----------------|--------|
|     | With<br>SS        | W/O<br>SS | Male                  | Female | Male              | Female | Male                       | Female | Male           | Female |
| 20  | 0.01%             | 0.04%     | 0.01%                 | 0.01%  | 0.01%             | 0.01%  | 0.00%                      | 0.00%  | 0.01%          | 0.01%  |
| 25  | 0.01              | 0.04      | 0.01                  | 0.01   | 0.01              | 0.01   | 0.00                       | 0.00   | 0.01           | 0.01   |
| 30  | 0.01              | 0.04      | 0.01                  | 0.01   | 0.01              | 0.01   | 0.00                       | 0.00   | 0.01           | 0.03   |
| 35  | 0.02              | 0.04      | 0.01                  | 0.01   | 0.01              | 0.03   | 0.01                       | 0.01   | 0.01           | 0.04   |
| 40  | 0.03              | 0.07      | 0.02                  | 0.02   | 0.01              | 0.04   | 0.01                       | 0.01   | 0.04           | 0.05   |
| 45  | 0.05              | 0.13      | 0.04                  | 0.06   | 0.02              | 0.04   | 0.01                       | 0.01   | 0.07           | 0.07   |
| 50  | 0.08              | 0.74      | 0.11                  | 0.12   | 0.04              | 0.07   | 0.02                       | 0.02   | 0.15           | 0.11   |
| 55  | 1.21              | 0.54      | 0.21                  | 0.17   | 0.11              | 0.10   | 0.09                       | 0.09   | 0.29           | 0.20   |
| 60  | 2.04              | 0.16      | 0.34                  | 0.25   | 0.14              | 0.15   | 0.11                       | 0.11   | 0.51           | 0.29   |



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## 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 |
|----------------|-------------------------|---------------------|---------------------------------|--------------------|---------------------------|
| 12/31/05       | 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%                      |
| 12/31/10       | 1,444                   | 239,959             | 11,195.4                        | 46,655.00          | 1.1%                      |
| 12/31/11       | 1,450                   | 232,518             | 10,947.0                        | 47,080.00          | 0.9%                      |
| 12/31/12       | 1,450                   | 231,765             | 11,041.0                        | 47,639.00          | 1.2%                      |
| 12/31/13       | 1,450                   | 231,973             | 11,270.0                        | 48,584.00          | 2.0%                      |
| 12/31/14       | 1,454                   | 232,433             | 11,574.0                        | 49,794.00          | 2.5%                      |

### Executive Group & Elected Officials

| Valuation Date | Participating Employers | Active Participants | Annual Payroll (in millions \$) | Annual Average Pay | % Increase In Average Pay |
|----------------|-------------------------|---------------------|---------------------------------|--------------------|---------------------------|
| 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%                      |
| 12/31/10       | 254                     | 1,418               | 101.2                           | 71,394             | 0.9%                      |
| 12/31/11       | 257                     | 1,393               | 98.6                            | 70,802             | -0.8%                     |
| 12/31/12       | 249                     | 1,408               | 104.1                           | 73,968             | 4.5%                      |
| 12/31/13       | 249                     | 1,397               | 106.0                           | 76,125             | 2.9%                      |
| 12/31/14       | 251                     | 1,401               | 109.0                           | 77,998             | 2.5%                      |

### Protective with Social Security

| Valuation Date | Participating Employers | Active Participants | Annual Payroll (in millions \$) | Annual Average Pay | % Increase In Average Pay |
|----------------|-------------------------|---------------------|---------------------------------|--------------------|---------------------------|
| 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%                      |
| 12/31/10       | 510                     | 20,019              | 1,124.7                         | 56,184             | 1.0%                      |
| 12/31/11       | 510                     | 19,610              | 1,119.0                         | 57,065             | 1.6%                      |
| 12/31/12       | 508                     | 19,353              | 1,105.1                         | 57,104             | 0.1%                      |
| 12/31/13       | 506                     | 19,290              | 1,121.0                         | 58,127             | 1.8%                      |
| 12/31/14       | 502                     | 19,533              | 1,151.0                         | 58,916             | 1.4%                      |

**Protective Without Social Security**

| <b>Valuation Date</b> | <b>Participating Employers</b> | <b>Active Participants</b> | <b>Annual Payroll (in millions \$)</b> | <b>Annual Average Pay</b> | <b>% Increase In Average Pay</b> |
|-----------------------|--------------------------------|----------------------------|--|---------------------------|----------------------------------|
| 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%                             |
| 12/31/10              | 58                             | 2,754                      | 188.8                                  | 68,559                    | -0.9%                            |
| 12/31/11              | 57                             | 2,711                      | 189.5                                  | 69,898                    | 2.0%                             |
| 12/31/12              | 57                             | 2,727                      | 193.5                                  | 70,949                    | 1.5%                             |
| 12/31/13              | 58                             | 2,736                      | 197.0                                  | 71,960                    | 1.4%                             |
| 12/31/14              | 58                             | 2,733                      | 204.0                                  | 74,487                    | 3.5%                             |

**All Participants**

| <b>Valuation Date</b> | <b>Participating Employers</b> | <b>Active Participants</b> | <b>Annual Payroll (in millions \$)</b> | <b>Annual Average Pay</b> | <b>% Increase In Average Pay</b> |
|-----------------------|--------------------------------|----------------------------|--|---------------------------|----------------------------------|
| 12/31/05              | 1,412                          | 260,678                    | 10,833                                 | 41,556                    | 2.3%                             |
| 12/31/06              | 1,432                          | 260,302                    | 11,170                                 | 42,913                    | 3.3%                             |
| 12/31/07              | 1,438                          | 261,003                    | 11,582                                 | 44,374                    | 3.4%                             |
| 12/31/08              | 1,462                          | 263,186                    | 12,187                                 | 46,307                    | 4.4%                             |
| 12/31/09              | 1,469                          | 264,766                    | 12,512                                 | 47,258                    | 2.1%                             |
| 12/31/10              | 1,474                          | 264,150                    | 12,610                                 | 47,738                    | 1.0%                             |
| 12/31/11              | 1,480                          | 256,232                    | 12,354                                 | 48,215                    | 1.0%                             |
| 12/31/12              | 1,478                          | 255,253                    | 12,444                                 | 48,750                    | 1.1%                             |
| 12/31/13              | 1,479                          | 255,396                    | 12,694                                 | 49,703                    | 2.0%                             |
| 12/31/14              | 1,482                          | 256,100                    | 13,038                                 | 50,910                    | 2.4%                             |



## ACTUARIAL

**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 |
|----------------|-------------------------------|------------------|--------------------------------------|------------------------------|------------------------------|--|
| 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%                                       |
| 2010           | 80,758.8                      | 80,626.9         | 99.8%                                | 131.9                        | 12,744.0                     | 1.0%                                       |
| 2011           | 76,565.2                      | 76,465.9         | 99.9%                                | 99.3                         | 12,855.6                     | 0.8%                                       |
| 2012           | 78,682.7                      | 78,613.0         | 99.9%                                | 69.7                         | 12,627.6                     | 0.6%                                       |
| 2013           | 85,328.7                      | 85,276.1         | 99.9%                                | 52.6                         | 12,884.8                     | 0.4%                                       |
| 2014           | 89,392.1                      | 89,360.4         | 100.0%                               | 31.7                         | 13,219.5                     | 0.2%                                       |

**Solvency Test**

(\$ In Millions)

| Valuation Year | Valuation Assets | Accrued Liability For        |                        |                     |          | Percent Funded               |                        |                     |        |
|----------------|------------------|------------------------------|------------------------|---------------------|----------|------------------------------|------------------------|---------------------|--------|
|                |                  | Annuitants and Beneficiaries | Active Member Contrib. | Employer's Contrib. | Total    | Annuitants and Beneficiaries | Active Member Contrib. | Employer's Contrib. | Total  |
| 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%  |
| 2010           | 80,626.9         | 41,139.0                     | 16,253.6               | 23,366.2            | 80,758.8 | 100.0%                       | 100.0%                 | 99.4%               | 99.8%  |
| 2011           | 76,465.9         | 41,135.3                     | 14,434.4               | 20,995.5            | 76,565.2 | 100.0%                       | 100.0%                 | 99.5%               | 99.9%  |
| 2012           | 78,613.0         | 44,055.5                     | 14,401.1               | 20,226.1            | 78,682.7 | 100.0%                       | 100.0%                 | 99.7%               | 99.9%  |
| 2013           | 85,276.1         | 48,460.5                     | 15,559.2               | 21,309.0            | 85,328.7 | 100.0%                       | 100.0%                 | 99.8%               | 99.9%  |
| 2014           | 89,360.4         | 51,131.1                     | 16,259.3               | 22,001.7            | 89,392.1 | 100.0%                       | 100.0%                 | 99.9%               | 100.0% |

## Wisconsin Retirement System Contribution Rates

### Notes to Contribution Rate Schedule

1. Prior to June 28, 2011 the employee contribution rate was set by Wis. Stats. § 40.05 (1) and part or all of the required employee contributions could be paid by the employer on behalf of the employee. Effective June 28, 2011 the employee contribution rate for general and executive/elected category employees is equal to one half the total required contributions, and the protective category employee contribution rate is equal to the general category rate. Employers may not pay the employee contribution on their behalf unless provided for by an existing collective bargaining agreement.

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, for the employers in the WRS prior to 2009, or on the effective date of the employer's participation, whichever is later. Liabilities for employers joining the WRS beginning in 2009 are amortized over 30 years. Prior service rates vary by employers. The percentage reported represents a weighted average.

### General Participants & Teachers

|       | Current Cost | Prior Cost | Employer Total | Employee | BAC  | Total |
|-------|--------------|------------|----------------|----------|------|-------|
| 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% |
| 2010  | 4.8%         | 0.2%       | 5.0%           | 5.0%     | 1.2% | 11.2% |
| 2011  | 5.1%         | 0.1%       | 5.2%           | 5.0%     | 1.5% | 11.7% |
| 2011* | 5.8%         | 0.1%       | 5.9%           | 5.8%     | 0.0% | 11.7% |
| 2012  | 5.9%         | 0.1%       | 6.0%           | 5.9%     | 0.0% | 11.9% |
| 2013  | 6.65%        | 0.1%       | 6.75%          | 6.65%    | 0.0% | 13.4% |
| 2014  | 7.0%         | 0.0%       | 7.0%           | 7.0%     | 0.0% | 14.0% |

### Executive Group and Elected Officials

|       | Current Cost | Prior Cost | Employer Total | Employee | BAC  | Total |
|-------|--------------|------------|----------------|----------|------|-------|
| 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% |
| 2010  | 8.7%         | 0.0%       | 8.7%           | 3.2%     | 0.0% | 11.9% |
| 2011  | 9.4%         | 0.0%       | 9.4%           | 3.9%     | 0.0% | 13.3% |
| 2011* | 6.65%        | 0.0%       | 6.65%          | 6.65%    | 0.0% | 13.3% |
| 2012  | 7.05%        | 0.0%       | 7.05%          | 7.05%    | 0.0% | 14.1% |
| 2013  | 7.00%        | 0.0%       | 7.00%          | 7.00%    | 0.0% | 14.0% |
| 2014  | 7.75%        | 0.0%       | 7.75%          | 7.75%    | 0.0% | 15.5% |

\*2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011 .





ACTUARIAL

## Wisconsin Retirement System Contribution Rates

### *Protective with Social Security*

|              | <b>Current<br/>Cost</b> | <b>Prior<br/>Cost</b> | <b>Duty<br/>Disability</b> | <b>Employer<br/>Total</b> | <b>Employee</b> | <b>BAC</b> | <b>Total</b> |
|--------------|-------------------------|-----------------------|----------------------------|---------------------------|-----------------|------------|--------------|
| <b>2005</b>  | 8.0%                    | 0.1%                  | 3.8%                       | 11.9%                     | 4.9%            | 0.0%       | 16.8%        |
| <b>2006</b>  | 8.1%                    | 0.1%                  | 3.8%                       | 12.0%                     | 5.0%            | 0.0%       | 17.0%        |
| <b>2007</b>  | 8.2%                    | 0.1%                  | 3.9%                       | 12.2%                     | 5.1%            | 0.0%       | 17.3%        |
| <b>2008</b>  | 8.2%                    | 0.1%                  | 3.9%                       | 12.2%                     | 5.1%            | 0.0%       | 17.3%        |
| <b>2009</b>  | 8.1%                    | 0.1%                  | 3.9%                       | 12.1%                     | 5.0%            | 0.0%       | 17.1%        |
| <b>2010</b>  | 8.6%                    | 0.0%                  | 3.9%                       | 12.5%                     | 5.5%            | 0.0%       | 18.0%        |
| <b>2011</b>  | 8.9%                    | 0.0%                  | 4.0%                       | 12.9%                     | 5.8%            | 0.0%       | 18.7%        |
| <b>2011*</b> | 8.9%                    | 0.0%                  | 4.0%                       | 12.9%                     | 5.8%            | 0.0%       | 18.7%        |
| <b>2012</b>  | 9.0%                    | 0.0%                  | 4.0%                       | 13.0%                     | 5.9%            | 0.0%       | 18.9%        |
| <b>2013</b>  | 9.75%                   | 0.0%                  | 4.1%                       | 13.9%                     | 6.65%           | 0.0%       | 20.5%        |
| <b>2014</b>  | 10.1%                   | 0.0%                  | 0.7%                       | 10.8%                     | 7.0%            | 0.0%       | 17.8%        |

### *Protective without Social Security*

|              | <b>Current<br/>Cost</b> | <b>Prior<br/>Cost</b> | <b>Duty<br/>Disability</b> | <b>Employer<br/>Total</b> | <b>Employee</b> | <b>BAC</b> | <b>Total</b> |
|--------------|-------------------------|-----------------------|----------------------------|---------------------------|-----------------|------------|--------------|
| <b>2005</b>  | 10.7%                   | 0.6%                  | 3.8%                       | 15.1%                     | 3.3%            | 0.0%       | 18.4%        |
| <b>2006</b>  | 10.7%                   | 0.4%                  | 3.8%                       | 14.9%                     | 3.3%            | 0.0%       | 18.2%        |
| <b>2007</b>  | 10.8%                   | 0.4%                  | 3.9%                       | 15.1%                     | 3.4%            | 0.0%       | 18.5%        |
| <b>2008</b>  | 10.8%                   | 0.4%                  | 3.9%                       | 15.1%                     | 3.4%            | 0.0%       | 18.5%        |
| <b>2009</b>  | 10.6%                   | 0.3%                  | 3.9%                       | 14.8%                     | 3.2%            | 0.0%       | 18.0%        |
| <b>2010</b>  | 11.3%                   | 0.3%                  | 3.9%                       | 15.5%                     | 3.9%            | 0.0%       | 19.4%        |
| <b>2011</b>  | 12.2%                   | 0.3%                  | 4.0%                       | 16.5%                     | 4.8%            | 0.0%       | 21.3%        |
| <b>2011*</b> | 11.2%                   | 0.3%                  | 4.0%                       | 15.5%                     | 5.8%            | 0.0%       | 21.3%        |
| <b>2012</b>  | 11.3%                   | 0.3%                  | 4.0%                       | 15.6%                     | 5.9%            | 0.0%       | 21.5%        |
| <b>2013</b>  | 12.35%                  | 0.3%                  | 4.1%                       | 16.75%                    | 6.65%           | 0.0%       | 23.4%        |
| <b>2014</b>  | 13.7%                   | 0.3%                  | 0.7%                       | 14.7%                     | 7.00%           | 0.0%       | 21.7%        |

\*2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011 .

**Analysis of Actuarial Experience****Gains and Losses in Accrued Liabilities during 2014 Resulting from Differences between Assumed Experience & Actual Experience**

(\$ in millions)

| Type of Activity   | General  | Executive & Elected | Protective Occupation With Social Security | Protective Occupation Without Social Security | Total     |
|--|----------|---------------------|--|---|-----------|
| <b>Normal Retirement</b><br>If members retire at older ages or with lower final average pay assumed, there is a gain.<br>If younger ages or higher pay, there is a loss. | \$ (4.7) | \$ 1.2              | \$ (6.5)                                   | \$ (0.4)                                      | \$ (10.4) |
| <b>Early Retirement</b><br>If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.                           | (20.8)   | 0.6                 | 0.4  | 0.1   | (19.7)    |
| <b>Death with Benefit</b><br>If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.   | (0.1)    | 0.0                 | 0.4  | (0.1)   | 0.2       |
| <b>Disability Retirement</b><br>If disability claims are less than assumed, there is a gain. If more claims, a loss.   | 18.1     | 0.1                 | 1.5  | 0.6   | 20.3      |
| <b>Other Separations</b><br>If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.                                  | 24.6     | (0.7)               | (0.1)                                      | (0.6)   | 23.2      |
| <b>Salary Increases</b><br>If there are smaller pay increases than assumed, there is a gain.<br>If greater increases, a loss.  | 14.5     | (0.7)               | 13.0                                       | (3.3)   | 23.5      |
| <b>Investment Return</b><br>If there is greater investment income than assumed, there is a gain. If less income, a loss.   | 269.0    | 2.1                 | 42.6                                       | 11.8  | 325.5     |
| <b>Other</b>   | (111.0)  | (6.4)               | (14.9)                                     | (7.4)   | (139.7)   |
| <b>Total Gain (Loss)</b>   | \$ 189.6 | \$ (3.8)            | \$ 36.4                                    | \$ 0.7  | \$ 222.9  |
| <b>% of accrued liability</b>  | 0.6%     | (1.6)%              | 0.9%                                       | 0.1%  | 0.6%      |



## ACTUARIAL

**Wisconsin Retirement System**

## Changes in Number of Annuities

| Year | Annuity Type | Beginning      | Additions     | Deletions    | Ending         |
|------|--------------|----------------|---------------|--------------|----------------|
| 2014 | Retirement   | 172,430        | 9,080         | 3,551        | 177,959        |
|      | Disability   | 6,393          | 125           | 155          | 6,363          |
|      | Beneficiary  | 1,233          | 69            | 19           | 1,283          |
|      | Total        | <u>180,056</u> | <u>9,274</u>  | <u>3,725</u> | <u>185,605</u> |
| 2013 | Retirement   | 165,966        | 9,889         | 3,425        | 172,430        |
|      | Disability   | 6,473          | 146           | 226          | 6,393          |
|      | Beneficiary  | 1,216          | 70            | 53           | 1,233          |
|      | Total        | <u>173,655</u> | <u>10,105</u> | <u>3,704</u> | <u>180,056</u> |
| 2012 | Retirement   | 160,044        | 9,322         | 3,400        | 165,966        |
|      | Disability   | 6,201          | 183           | (89)         | 6,473          |
|      | Beneficiary  | 1,208          | 67            | 59           | 1,216          |
|      | Total        | <u>167,453</u> | <u>9,572</u>  | <u>3,370</u> | <u>173,655</u> |
| 2011 | Retirement   | 148,380        | 15,096        | 3,432        | 160,044        |
|      | Disability   | 6,194          | 196           | 189          | 6,201          |
|      | Beneficiary  | 1,201          | 60            | 53           | 1,208          |
|      | Total        | <u>155,775</u> | <u>15,352</u> | <u>3,674</u> | <u>167,453</u> |
| 2010 | Retirement   | 143,261        | 8,330         | 3,211        | 148,380        |
|      | Disability   | 6,224          | 159           | 189          | 6,194          |
|      | Beneficiary  | 1,186          | 69            | 54           | 1,201          |
|      | Total        | <u>150,671</u> | <u>8,558</u>  | <u>3,454</u> | <u>155,775</u> |
| 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        | <u>144,033</u> | <u>8,008</u>  | <u>1,370</u> | <u>150,671</u> |
| 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        | <u>142,906</u> | <u>8,400</u>  | <u>7,273</u> | <u>144,033</u> |
| 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        | <u>137,117</u> | <u>8,390</u>  | <u>2,601</u> | <u>142,906</u> |
| 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        | <u>131,674</u> | <u>8,065</u>  | <u>2,622</u> | <u>137,117</u> |
| 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        | <u>126,211</u> | <u>8,052</u>  | <u>2,589</u> | <u>131,674</u> |

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# INVESTMENTS

State of Wisconsin  
Department of Employee Trust Funds



## Investments

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, 2014.

SWIB publishes an annual report and a schedule of investments that includes all investment holdings as of the end of the calendar 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 Board of Trustees as of December 31, 2014 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: Lon Roberts** (Public Member)  
Attorney, Ruder Ware, Wausau

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

**Norman Cummings** (Local Government Member)  
Waukesha County Director of Administration, Waukesha

**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

**David Stein** (Public Member)  
Executive Vice President and Head of Retail Banking, Associated Banc-Corp, Madison

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.

**Sandra Clafin-Chalton** (WRS participant, Teachers Retirement Board appointee)  
Senior Lecturer-Economics, University of Wisconsin-Stout, Department of Social Science

**Robert J. Conlin** (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 Huebsch**  
Secretary, DOA

# CONTRIBUTIONS PAID AND EMPLOYER UNFUNDED LIABILITY BALANCES

State of Wisconsin  
Department of Employee Trust Funds





| Name                            | Contributions   |                |               |             | Unfunded<br>Liability Balance |
|---------------------------------|-----------------|----------------|---------------|-------------|-------------------------------|
|                                 | Covered Payroll | Employer Paid* | Employee Paid | Total       |                               |
| <b>State Agencies</b>           |                 |                |               |             |                               |
| Administration, Dept Of         | 57,883,272      | 4,988,067      | 4,066,793     | 9,054,861   | 0                             |
| Agric Trade Cons Prot, Dept Of  | 30,563,378      | 2,575,444      | 2,147,555     | 4,722,999   | 0                             |
| Bd For People With Develop Dis  | 394,489         | 33,137         | 27,614        | 60,751      | 0                             |
| Board Aging & Long Term Care    | 1,589,091       | 133,484        | 111,236       | 244,720     | 0                             |
| Brd Of Commsrs Of Public Lands  | 706,845         | 59,375         | 49,479        | 108,854     | 0                             |
| Children & Families, Dept Of    | 39,271,654      | 3,305,498      | 2,755,688     | 6,061,185   | 0                             |
| Corrections, Dept. Of           | 490,002,751     | 51,373,838     | 34,315,294    | 85,689,132  | 0                             |
| Courts - State                  | 69,052,287      | 6,066,502      | 5,099,487     | 11,165,989  | 0                             |
| District Attorneys              | 32,435,442      | 2,779,889      | 2,325,502     | 5,105,391   | 0                             |
| Educational Communications Bd   | 3,063,769       | 261,275        | 218,384       | 479,659     | 0                             |
| Employee Trust Funds, Dept Of   | 14,932,362      | 1,257,117      | 1,048,016     | 2,305,133   | 0                             |
| Employment Relations Comm       | 788,233         | 68,070         | 57,035        | 125,104     | 0                             |
| Employment Relations, Office Of | 2,926,393       | 250,085        | 209,117       | 459,202     | 0                             |
| Executive Office                | 2,036,692       | 172,161        | 143,648       | 315,809     | 0                             |
| Financial Institutions, Dept    | 8,452,526       | 716,161        | 597,824       | 1,313,985   | 0                             |
| Government Accountability Bd    | 1,881,888       | 160,707        | 134,360       | 295,068     | 0                             |
| Health Services, Dept Of        | 299,302,321     | 26,506,102     | 20,960,115    | 47,466,217  | 0                             |
| Higher Educational Aids Board   | 502,018         | 42,700         | 35,672        | 78,372      | 0                             |
| Historical Society - State      | 8,883,663       | 752,513        | 626,947       | 1,379,460   | 0                             |
| Insurance Commissionr'S Office  | 9,723,693       | 820,154        | 684,025       | 1,504,179   | 0                             |
| Investment Board                | 26,236,772      | 2,243,557      | 1,876,240     | 4,119,798   | 0                             |
| Judicial Commission             | 126,499         | 11,240         | 9,469         | 20,709      | 0                             |
| Judicial Council                | 59,214          | 4,974          | 4,145         | 9,119       | 0                             |
| Justice, Dept Of                | 38,962,797      | 3,545,455      | 2,735,460     | 6,280,915   | 0                             |
| Legis Assembly - Chief Clerk    | 13,849,533      | 1,200,212      | 1,006,322     | 2,206,534   | 0                             |
| Legis Assembly-Sgt At Arms      | 404,423         | 34,517         | 28,855        | 63,372      | 0                             |
| Legislative Audit Bureau        | 4,628,303       | 389,643        | 324,848       | 714,491     | 0                             |
| Legislative Council Staff       | 2,045,404       | 167,449        | 149,462       | 316,911     | 0                             |
| Legislative Fiscal Bureau       | 2,440,217       | 206,027        | 171,864       | 377,891     | 0                             |
| Legislative Reference Bureau    | 3,474,288       | 292,786        | 244,146       | 536,933     | 0                             |
| Legislative Tech Serv Bureau    | 2,485,114       | 209,596        | 174,804       | 384,400     | 0                             |
| Legislature - Senate            | 9,267,884       | 791,681        | 661,931       | 1,453,612   | 0                             |
| Lieutenant Governor'S Office    | 193,004         | 17,269         | 14,567        | 31,837      | 0                             |
| Lower Wis. State Riverway Bd.   | 113,561         | 9,539          | 7,949         | 17,488      | 0                             |
| Military Affairs, Dept Of       | 20,412,573      | 1,929,018      | 1,432,677     | 3,361,695   | 0                             |
| Natural Resources, Dept Of      | 147,893,249     | 13,558,687     | 10,361,431    | 23,920,118  | 0                             |
| Public Defender'S Office        | 35,508,397      | 2,985,076      | 2,487,975     | 5,473,051   | 0                             |
| Public Instruction, Dept Of     | 35,007,514      | 2,947,803      | 2,457,163     | 5,404,966   | 0                             |
| Public Service Commission       | 9,421,746       | 801,996        | 670,092       | 1,472,088   | 0                             |
| Revenue, Dept Of                | 56,155,128      | 4,743,771      | 3,937,121     | 8,680,892   | 0                             |
| Safety & Profess Svces, Dept    | 12,534,810      | 1,059,940      | 884,448       | 1,944,389   | 0                             |
| Secretary Of State'S Office     | 199,620         | 17,576         | 14,782        | 32,358      | 0                             |
| State Fair Park Board           | 3,709,460       | 316,445        | 260,543       | 576,987     | 0                             |
| Tourism, Department Of          | 1,764,763       | 150,902        | 126,194       | 277,096     | 0                             |
| Transportation, Dept Of         | 195,387,374     | 18,804,621     | 12,445,267    | 31,249,888  | 0                             |
| Treasurer'S Office - State      | 237,655         | 21,063         | 17,736        | 38,799      | 0                             |
| Veterans Affairs, Dept Of       | 56,189,117      | 4,737,779      | 3,937,481     | 8,675,260   | 0                             |
| Wis Tech College Sys Board      | 3,872,635       | 329,260        | 275,042       | 604,302     | 0                             |
| Workforce Development, Dept Of  | 82,531,758      | 6,943,856      | 5,788,321     | 12,732,177  | 0                             |
| Total State Agencies (49)       | 1,839,505,581   | 170,794,017    | 128,120,129   | 298,914,145 | 0                             |
| University Of Wisconsin System  | 1,896,092,723   | 159,591,227    | 132,990,050   | 292,581,278 | 0                             |
| <b>Public Authorities</b>       |                 |                |               |             |                               |
| Fox River Navigation Sys Auth   | 0               | 0              | 0             | 0           | 0                             |
| Health & Educ Facilities Auth   | 155,972         | 13,105         | 10,914        | 24,020      | 0                             |
| Hlth Ins Risk-Sharnng Plan Auth | 286,280         | 49,526         | 0             | 49,526      | 0                             |
| Housing & Econ Develop Auth     | 84,731          | 5,931          | 5,931         | 11,862      | 0                             |
| UW Hospital Authority           | 9,908,979       | 832,353        | 693,629       | 1,525,983   | 0                             |
| Wisconsin Econ Develop Corp     | 448,397,207     | 59,122,062     | 16,657,066    | 75,779,128  | 1,741,362                     |
| Wiscraft Inc - Ent For Blind    | 6,574,065       | 460,184        | 460,185       | 920,369     | 0                             |
|                                 | 1,710,585       | 196,717        | 119,741       | 316,458     | 544,426                       |
| Total State Of Wisconsin (57)   | 4,202,716,123   | 391,065,124    | 279,057,646   | 670,122,769 | 2,285,788                     |





## CONTRIBUTIONS PAID AND UAAL

| Name                       | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|----------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                            | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| <b>Cities</b>              |                 |                |               |           |                               |
| Abbotsford City Of         | 454,874         | 31,841         | 31,841        | 63,682    | 0                             |
| Adams, City Of             | 690,969         | 75,984         | 34,292        | 110,276   | 77,602                        |
| Algoma, City Of            | 3,511,694       | 261,602        | 237,769       | 499,371   | 0                             |
| Alma, City Of              | 279,538         | 21,866         | 19,568        | 41,434    | 36,542                        |
| Altoona, City Of           | 1,986,523       | 165,424        | 138,901       | 304,325   | 0                             |
| Amery, City Of             | 1,182,104       | 116,795        | 63,365        | 180,160   | 4,835                         |
| Antigo, City Of            | 4,095,553       | 486,889        | 191,535       | 678,424   | 0                             |
| Appleton, City Of          | 39,160,783      | 4,184,492      | 2,113,248     | 6,297,740 | 0                             |
| Arcadia, City Of           | 229,624         | 34,271         | 7,313         | 41,585    | 0                             |
| Ashland, City Of           | 5,094,425       | 583,700        | 260,288       | 843,988   | 0                             |
| Augusta, City Of           | 554,842         | 58,418         | 26,606        | 85,023    | 0                             |
| Baraboo, City Of           | 5,317,046       | 539,162        | 264,896       | 804,058   | 0                             |
| Barron, City Of            | 1,550,278       | 139,303        | 89,376        | 228,680   | 0                             |
| Bayfield, City Of          | 593,121         | 46,012         | 41,510        | 87,523    | 0                             |
| Beaver Dam, City Of        | 6,775,600       | 776,249        | 432,869       | 1,209,118 | 2,234,528                     |
| Beloit, City Of            | 23,641,399      | 2,338,470      | 1,654,148     | 3,992,619 | 0                             |
| Berlin, City Of            | 2,136,477       | 226,801        | 97,106        | 323,907   | 0                             |
| Black River Falls, City Of | 2,333,340       | 195,926        | 149,964       | 345,890   | 0                             |
| Blair, City Of             | 381,212         | 29,915         | 26,647        | 56,562    | 0                             |
| Bloomer, City Of           | 317,295         | 50,687         | 4,236         | 54,924    | 0                             |
| Boscobel, City Of          | 1,316,413       | 102,675        | 92,149        | 194,824   | 0                             |
| Brillion, City Of          | 971,275         | 83,067         | 67,971        | 151,038   | 0                             |
| Brodhead, City Of          | 1,475,391       | 138,995        | 82,258        | 221,254   | 0                             |
| Brookfield, City Of        | 22,116,948      | 2,421,637      | 1,265,947     | 3,687,584 | 0                             |
| Buffalo City, City Of      | 51,069          | 3,576          | 3,574         | 7,150     | 0                             |
| Burlington, City Of        | 4,351,295       | 532,780        | 144,979       | 677,759   | 0                             |
| Cedarburg, City Of         | 5,899,895       | 481,142        | 398,715       | 879,857   | 0                             |
| Chetek, City Of            | 295,384         | 51,131         | 0             | 51,131    | 0                             |
| Chilton, City Of           | 1,131,992       | 143,652        | 26,717        | 170,370   | 0                             |
| Chippewa Falls, City Of    | 6,345,276       | 783,578        | 271,349       | 1,054,927 | 0                             |
| Clintonville, City Of      | 2,505,340       | 246,921        | 175,368       | 422,289   | 1,129,125                     |
| Colby, City Of             | 368,205         | 25,774         | 25,774        | 51,549    | 0                             |
| Columbus, City Of          | 2,409,212       | 211,489        | 145,582       | 357,071   | 0                             |
| Cornell, City Of           | 573,852         | 43,495         | 40,170        | 83,665    | 0                             |
| Crandon, City Of           | 664,217         | 58,747         | 40,167        | 98,914    | 0                             |
| Cuba City, City Of         | 616,301         | 47,525         | 43,141        | 90,667    | 0                             |
| Cudahy, City Of            | 8,367,637       | 954,099        | 462,450       | 1,416,549 | 0                             |
| Cumberland, City Of        | 850,860         | 76,003         | 50,442        | 126,444   | 0                             |
| Darlington, City Of        | 894,986         | 78,900         | 54,757        | 133,657   | 0                             |
| De Pere, City Of           | 9,073,681       | 987,890        | 507,911       | 1,495,801 | 0                             |
| Delafield, City Of         | 2,583,288       | 221,830        | 177,278       | 399,108   | 0                             |
| Delavan, City Of           | 3,499,089       | 362,971        | 174,626       | 537,596   | 0                             |
| Dodgeville, City Of        | 1,515,979       | 138,462        | 88,935        | 227,397   | 0                             |
| Durand, City Of            | 549,681         | 43,377         | 38,397        | 81,775    | 0                             |
| Eagle River, City Of       | 1,457,560       | 113,592        | 101,912       | 215,505   | 0                             |
| Eau Claire, City Of        | 31,639,758      | 2,953,460      | 2,217,961     | 5,171,421 | 0                             |
| Edgerton, City Of          | 1,628,436       | 148,007        | 99,310        | 247,317   | 0                             |
| Elkhorn, City Of           | 3,523,912       | 322,051        | 210,421       | 532,472   | 0                             |
| Elroy, City Of             | 714,930         | 54,570         | 50,045        | 104,615   | 0                             |
| Evansville, City Of        | 2,109,101       | 188,209        | 128,086       | 316,294   | 0                             |
| Fennimore, City Of         | 1,138,369       | 88,277         | 79,544        | 167,821   | 0                             |
| Fitchburg, City Of         | 10,010,948      | 975,960        | 583,385       | 1,559,345 | 0                             |
| Fond Du Lac, City Of       | 20,528,426      | 2,558,826      | 959,658       | 3,518,485 | 0                             |
| Fort Atkinson, City Of     | 4,396,943       | 461,934        | 266,789       | 728,724   | 1,353,251                     |
| Fountain City, City Of     | 180,430         | 14,027         | 12,520        | 26,547    | 0                             |
| Fox Lake, City Of          | 461,994         | 44,288         | 28,879        | 73,167    | 79,854                        |
| Franklin, City Of          | 8,071,472       | 904,351        | 553,357       | 1,457,708 | 0                             |
| Galesville, City Of        | 372,386         | 29,574         | 26,067        | 55,641    | 0                             |
| Gillett, City Of           | 579,462         | 49,732         | 40,562        | 90,295    | 8,424                         |
| Glendale, City Of          | 4,892,989       | 585,679        | 282,908       | 868,587   | 0                             |
| Glenwood, City Of          | 101,493         | 17,568         | 0             | 17,568    | 0                             |
| Green Bay, City Of         | 56,402,361      | 5,525,732      | 3,949,658     | 9,475,390 | 0                             |
| Green Lake, City Of        | 539,160         | 54,336         | 26,662        | 80,997    | 0                             |
| Greenfield, City Of        | 14,960,517      | 1,400,352      | 1,048,126     | 2,448,478 | 0                             |
| Greenwood, City Of         | 473,293         | 48,006         | 23,031        | 71,037    | 0                             |
| Hartford, City Of          | 6,743,792       | 645,385        | 360,752       | 1,006,137 | 0                             |



| Name                   | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                        | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Hayward, City Of       | 841,257         | 72,380         | 58,889        | 131,269    | 0                             |
| Hillsboro, City Of     | 553,332         | 43,013         | 38,733        | 81,746     | 0                             |
| Horicon, City Of       | 1,195,012       | 100,263        | 80,733        | 180,996    | 0                             |
| Hudson, City Of        | 4,775,480       | 486,206        | 233,223       | 719,429    | 0                             |
| Hurley, City Of        | 953,327         | 90,706         | 54,845        | 145,551    | 0                             |
| Independence, City Of  | 350,360         | 30,332         | 24,525        | 54,857     | 16,260                        |
| Janesville, City Of    | 29,934,378      | 2,954,108      | 2,041,587     | 4,995,695  | 0                             |
| Jefferson, City Of     | 3,763,866       | 292,552        | 263,470       | 556,021    | 0                             |
| Juneau, City Of        | 1,027,258       | 89,035         | 61,288        | 150,323    | 0                             |
| Kaukauna, City Of      | 10,905,307      | 918,045        | 765,087       | 1,683,132  | 0                             |
| Kenosha, City Of       | 50,741,034      | 6,110,928      | 2,508,977     | 8,619,905  | 0                             |
| Kewaunee, City Of      | 954,174         | 116,263        | 44,443        | 160,705    | 469,165                       |
| Kiel, City Of          | 1,788,636       | 152,865        | 114,787       | 267,652    | 0                             |
| La Crosse, City Of     | 29,513,033      | 3,176,327      | 1,638,798     | 4,815,125  | 0                             |
| Ladysmith, City Of     | 1,786,575       | 160,913        | 106,407       | 267,321    | 0                             |
| Lake Geneva, City Of   | 4,508,233       | 495,377        | 193,998       | 689,374    | 0                             |
| Lake Mills, City Of    | 2,940,765       | 284,965        | 205,853       | 490,818    | 119,555                       |
| Lancaster, City Of     | 1,335,241       | 107,417        | 92,037        | 199,454    | 0                             |
| Lodi, City Of          | 1,225,375       | 94,564         | 85,613        | 180,176    | 0                             |
| Loyal, City Of         | 343,926         | 30,240         | 24,075        | 54,314     | 11,662                        |
| Madison, City Of       | 180,555,530     | 16,309,082     | 12,642,631    | 28,951,713 | 0                             |
| Manawa, City Of        | 565,799         | 58,214         | 33,515        | 91,729     | 96,081                        |
| Manitowoc, City Of     | 21,308,496      | 2,215,930      | 1,218,573     | 3,434,503  | 0                             |
| Marinette, City Of     | 5,391,970       | 660,778        | 222,301       | 883,079    | 0                             |
| Marion, City Of        | 115,179         | 12,336         | 8,063         | 20,398     | 9,081                         |
| Markesan, City Of      | 420,724         | 37,084         | 29,451        | 66,535     | 44,154                        |
| Marshfield, City Of    | 10,834,459      | 1,212,226      | 624,192       | 1,836,418  | 0                             |
| Mauston, City Of       | 1,461,840       | 181,810        | 38,977        | 220,787    | 47,032                        |
| Mayville, City Of      | 1,652,994       | 132,429        | 113,911       | 246,341    | 0                             |
| Medford, City Of       | 2,098,523       | 165,344        | 146,716       | 312,059    | 0                             |
| Mellen, City Of        | 320,631         | 24,970         | 22,444        | 47,414     | 0                             |
| Menasha, City Of       | 8,665,694       | 875,500        | 605,033       | 1,480,533  | 0                             |
| Menomonie, City Of     | 7,085,987       | 942,691        | 285,522       | 1,228,213  | 0                             |
| Mequon, City Of        | 7,251,806       | 637,287        | 489,861       | 1,127,148  | 0                             |
| Merrill, City Of       | 6,308,015       | 674,514        | 372,522       | 1,047,036  | 0                             |
| Middleton, City Of     | 9,162,017       | 761,533        | 640,720       | 1,402,253  | 0                             |
| Milton, City Of        | 1,754,899       | 163,776        | 100,188       | 263,964    | 0                             |
| Mineral Point, City Of | 664,441         | 68,402         | 33,872        | 102,274    | 6,124                         |
| Mondovi, City Of       | 816,150         | 64,306         | 57,130        | 121,436    | 0                             |
| Monona, City Of        | 3,945,874       | 383,951        | 234,063       | 618,014    | 0                             |
| Monroe, City Of        | 4,901,508       | 482,715        | 261,256       | 743,970    | 0                             |
| Montello, City Of      | 339,869         | 29,104         | 23,791        | 52,895     | 48,319                        |
| Montreal, City Of      | 142,707         | 26,829         | 9,989         | 36,818     | 586,211                       |
| Mosinee, City Of       | 1,121,942       | 105,631        | 66,530        | 172,161    | 0                             |
| Muskego, City Of       | 7,320,021       | 630,718        | 512,900       | 1,143,618  | 0                             |
| Neenah, City Of        | 13,691,283      | 1,310,568      | 955,792       | 2,266,360  | 0                             |
| Neillsville, City Of   | 1,008,743       | 93,322         | 58,482        | 151,804    | 0                             |
| Nekoosa, City Of       | 1,269,102       | 123,820        | 66,411        | 190,232    | 0                             |
| New Berlin, City Of    | 15,084,689      | 1,493,080      | 941,651       | 2,434,731  | 0                             |
| New Holstein, City Of  | 1,791,384       | 139,626        | 123,148       | 262,775    | 0                             |
| New Lisbon, City Of    | 774,222         | 61,427         | 53,146        | 114,573    | 0                             |
| New London, City Of    | 4,187,310       | 332,734        | 293,112       | 625,846    | 0                             |
| New Richmond, City Of  | 4,111,276       | 382,141        | 261,999       | 644,140    | 167,205                       |
| Niagara, City Of       | 685,089         | 71,126         | 32,225        | 103,351    | 0                             |
| Oak Creek, City Of     | 17,775,702      | 1,674,231      | 1,244,137     | 2,918,369  | 0                             |
| Oconomowoc, City Of    | 7,751,645       | 691,325        | 471,110       | 1,162,435  | 0                             |
| Oconto Falls, City Of  | 1,387,526       | 112,154        | 93,128        | 205,282    | 0                             |
| Oconto, City Of        | 2,044,068       | 250,499        | 87,057        | 337,556    | 0                             |
| Omro, City Of          | 1,107,813       | 111,218        | 56,211        | 167,429    | 0                             |
| Onalaska, City Of      | 5,070,926       | 570,454        | 237,323       | 807,777    | 0                             |
| Oshkosh, City Of       | 34,551,515      | 3,217,198      | 2,418,621     | 5,635,819  | 0                             |
| Osseo, City Of         | 593,641         | 48,133         | 41,555        | 89,688     | 0                             |
| Owen, City Of          | 423,082         | 34,130         | 29,616        | 63,746     | 0                             |
| Park Falls, City Of    | 1,209,958       | 96,675         | 84,697        | 181,372    | 0                             |
| Peshtigo, City Of      | 329,410         | 53,389         | 3,631         | 57,021     | 0                             |
| Phillips, City Of      | 827,289         | 99,990         | 37,963        | 137,953    | 49,700                        |
| Pittsville, City Of    | 71,523          | 7,374          | 5,007         | 12,381     | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                      | Contributions   |                |               |             | Unfunded<br>Liability Balance |
|---------------------------|-----------------|----------------|---------------|-------------|-------------------------------|
|                           | Covered Payroll | Employer Paid* | Employee Paid | Total       |                               |
| Platteville, City Of      | 4,080,595       | 322,391        | 285,642       | 608,033     | 0                             |
| Plymouth, City Of         | 3,807,620       | 360,025        | 207,666       | 567,691     | 0                             |
| Port Washington, City Of  | 4,782,327       | 392,238        | 334,985       | 727,222     | 0                             |
| Portage, City Of          | 4,085,943       | 429,839        | 215,998       | 645,838     | 0                             |
| Prairie Du Chien, City Of | 1,836,757       | 194,278        | 85,155        | 279,434     | 0                             |
| Prescott, City Of         | 1,375,745       | 117,054        | 92,765        | 209,819     | 0                             |
| Princeton, City Of        | 503,951         | 41,110         | 35,277        | 76,386      | 0                             |
| Racine, City Of           | 49,050,285      | 7,407,535      | 1,021,753     | 8,429,288   | 0                             |
| Reedsburg, City Of        | 4,956,357       | 385,555        | 346,922       | 732,476     | 0                             |
| Rhineland, City Of        | 5,876,759       | 569,867        | 391,367       | 961,234     | 0                             |
| Rice Lake, City Of        | 5,013,726       | 514,351        | 293,727       | 808,078     | 0                             |
| Richland Center, City Of  | 2,410,225       | 188,900        | 168,716       | 357,616     | 0                             |
| Ripon, City Of            | 2,755,563       | 257,016        | 156,715       | 413,731     | 0                             |
| River Falls, City Of      | 6,109,604       | 512,450        | 391,815       | 904,265     | 0                             |
| Schofield, City Of        | 381,432         | 26,701         | 26,699        | 53,400      | 0                             |
| Seymour, City Of          | 1,191,183       | 100,209        | 75,502        | 175,711     | 0                             |
| Shawano, City Of          | 3,166,388       | 265,442        | 221,760       | 487,202     | 0                             |
| Sheboygan Falls, City Of  | 2,401,593       | 256,767        | 110,385       | 367,152     | 0                             |
| Sheboygan, City Of        | 26,387,532      | 2,531,666      | 1,714,327     | 4,245,993   | 0                             |
| Shell Lake, City Of       | 421,809         | 32,663         | 29,516        | 62,179      | 0                             |
| Shullsburg, City Of       | 362,415         | 27,198         | 25,369        | 52,567      | 0                             |
| South Milwaukee, City Of  | 9,506,242       | 1,155,394      | 639,980       | 1,795,374   | 0                             |
| Sparta, City Of           | 3,063,529       | 279,026        | 187,272       | 466,298     | 0                             |
| Spoooner, City Of         | 1,330,491       | 126,329        | 70,597        | 196,926     | 0                             |
| St Croix Falls, City Of   | 970,204         | 98,594         | 48,514        | 147,109     | 0                             |
| St Francis, City Of       | 5,028,033       | 555,385        | 352,320       | 907,705     | 0                             |
| Stanley, City Of          | 565,815         | 59,945         | 25,807        | 85,752      | 0                             |
| Stevens Point, City Of    | 12,351,569      | 1,303,604      | 763,821       | 2,067,425   | 0                             |
| Stoughton, City Of        | 5,696,627       | 493,651        | 353,639       | 847,290     | 0                             |
| Sturgeon Bay, City Of     | 5,350,151       | 566,192        | 298,719       | 864,911     | 0                             |
| Sun Prairie, City Of      | 3,544,279       | 365,415        | 248,100       | 613,515     | 0                             |
| Superior, City Of         | 14,543,573      | 1,671,682      | 1,018,198     | 2,689,880   | 0                             |
| Thorp, City Of            | 483,938         | 39,096         | 33,497        | 72,593      | 0                             |
| Tomah, City Of            | 3,889,332       | 385,712        | 200,485       | 586,197     | 0                             |
| Tomahawk, City Of         | 1,333,436       | 132,216        | 69,477        | 201,694     | 0                             |
| Two Rivers, City Of       | 7,273,639       | 923,155        | 457,560       | 1,380,715   | 4,179,969                     |
| Verona, City Of           | 4,286,287       | 440,443        | 221,388       | 661,832     | 0                             |
| Viroqua, City Of          | 1,678,136       | 221,935        | 114,205       | 336,140     | 1,376,720                     |
| Washburn, City Of         | 856,178         | 67,788         | 59,982        | 127,770     | 0                             |
| Waterloo, City Of         | 1,517,985       | 123,391        | 106,259       | 229,650     | 0                             |
| Watertown, City Of        | 9,184,102       | 846,441        | 610,300       | 1,456,741   | 0                             |
| Waukesha, City Of         | 35,230,655      | 3,785,441      | 2,019,952     | 5,805,394   | 0                             |
| Waupaca, City Of          | 2,935,377       | 275,174        | 163,411       | 438,586     | 0                             |
| Waupun, City Of           | 3,657,352       | 362,992        | 192,968       | 555,960     | 0                             |
| Wausau, City Of           | 18,179,898      | 1,732,852      | 1,273,626     | 3,006,477   | 0                             |
| Wautoma, City Of          | 680,299         | 55,886         | 47,603        | 103,489     | 0                             |
| Wauwatosa, City Of        | 28,350,192      | 2,786,733      | 1,984,264     | 4,770,997   | 0                             |
| West Allis, City Of       | 35,558,481      | 4,010,997      | 1,884,732     | 5,895,729   | 0                             |
| West Bend, City Of        | 13,505,764      | 1,512,010      | 766,353       | 2,278,362   | 0                             |
| Westby, City Of           | 801,973         | 67,008         | 50,520        | 117,528     | 0                             |
| Weyauwega, City Of        | 601,430         | 49,527         | 42,100        | 91,627      | 0                             |
| Whitehall, City Of        | 862,855         | 66,595         | 60,400        | 126,994     | 0                             |
| Whitewater, City Of       | 4,826,161       | 462,995        | 269,790       | 732,785     | 0                             |
| Wisconsin Dells, City Of  | 3,003,648       | 280,605        | 173,130       | 453,735     | 0                             |
| Wisconsin Rapids, City Of | 14,261,723      | 1,271,344      | 1,000,505     | 2,271,849   | 0                             |
| Total Cities (188)        | 1,284,899,697   | 130,934,523    | 78,382,848    | 209,317,370 | 12,151,397                    |
| <b>Villages</b>           |                 |                |               |             |                               |
| Adell, Village Of         | 114,663         | 8,026          | 8,026         | 16,053      | 0                             |
| Albany, Village Of        | 404,876         | 32,996         | 28,341        | 61,337      | 0                             |
| Allouez, Village Of       | 1,752,012       | 122,641        | 122,640       | 245,282     | 0                             |
| Amherst, Village Of       | 231,056         | 16,174         | 16,174        | 32,348      | 0                             |
| Argyle, Village Of        | 256,935         | 23,159         | 14,473        | 37,632      | 0                             |
| Arlington, Village Of     | 120,473         | 10,843         | 8,433         | 19,276      | 0                             |
| Ashwaubenon, Village Of   | 7,482,338       | 863,897        | 366,283       | 1,230,180   | 0                             |
| Athens, Village Of        | 224,409         | 17,231         | 15,709        | 32,940      | 0                             |
| Avoca, Village Of         | 116,247         | 9,111          | 8,137         | 17,248      | 0                             |



| Name                           | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| Baldwin, Village Of            | 1,250,830       | 131,895        | 69,864        | 201,759   | 13,391                        |
| Balsam Lake, Village Of        | 330,606         | 27,343         | 23,061        | 50,403    | 11,047                        |
| Bangor, Village Of             | 745,888         | 66,559         | 41,578        | 108,137   | 0                             |
| Bay City, Village Of           | 90,516          | 6,336          | 6,336         | 12,672    | 0                             |
| Bayside, Village Of            | 2,849,315       | 246,629        | 185,893       | 432,521   | 0                             |
| Belgium, Village Of            | 315,068         | 22,055         | 22,055        | 44,110    | 0                             |
| Belleville, Village Of         | 773,743         | 67,057         | 48,717        | 115,774   | 0                             |
| Bellevue, Village Of (Brown)   | 1,784,724       | 138,319        | 124,931       | 263,250   | 0                             |
| Belmont, Village Of            | 279,889         | 21,218         | 19,592        | 40,811    | 0                             |
| Benton, Village Of             | 229,693         | 16,079         | 16,079        | 32,157    | 0                             |
| Big Bend, Village Of           | 360,939         | 47,424         | 10,605        | 58,030    | 0                             |
| Birchwood, Village Of          | 167,349         | 13,525         | 11,299        | 24,824    | 0                             |
| Birnamwood, Village Of         | 69,178          | 4,941          | 4,744         | 9,685     | 0                             |
| Biron, Village Of              | 296,482         | 20,754         | 20,754        | 41,508    | 0                             |
| Black Creek, Village Of        | 312,358         | 23,456         | 21,865        | 45,321    | 0                             |
| Black Earth, Village Of        | 243,592         | 17,051         | 17,051        | 34,103    | 0                             |
| Blanchardville, Village Of     | 160,618         | 11,243         | 11,243        | 22,487    | 0                             |
| Bloomfield, Village Of         | 980,450         | 81,957         | 68,631        | 150,589   | 0                             |
| Blue Mounds, Village Of        | 213,998         | 16,855         | 14,980        | 31,835    | 0                             |
| Blue River, Village Of         | 109,235         | 7,646          | 7,646         | 15,293    | 0                             |
| Boyceville, Village Of         | 307,724         | 29,450         | 21,535        | 50,984    | 26,170                        |
| Boyd, Village Of               | 214,938         | 16,340         | 15,046        | 31,386    | 0                             |
| Brandon, Village Of            | 223,480         | 15,644         | 15,644        | 31,287    | 0                             |
| Bristol, Village Of            | 750,600         | 72,764         | 52,542        | 125,306   | 306,549                       |
| Brooklyn, Village Of           | 301,622         | 22,614         | 21,113        | 43,727    | 0                             |
| Brown Deer, Village Of         | 4,687,391       | 408,371        | 328,117       | 736,488   | 0                             |
| Brownsville, Village Of        | 146,119         | 10,228         | 10,228        | 20,457    | 0                             |
| Browntown, Village Of          | 65,351          | 4,957          | 4,192         | 9,149     | 0                             |
| Bruce, Village Of              | 144,480         | 10,114         | 10,114        | 20,227    | 0                             |
| Butler, Village Of             | 838,206         | 74,849         | 58,321        | 133,170   | 0                             |
| Cadott, Village Of             | 572,869         | 54,556         | 30,289        | 84,844    | 0                             |
| Caledonia, Village Of (Racine) | 8,007,763       | 941,024        | 461,514       | 1,402,537 | 0                             |
| Cambria, Village Of            | 208,299         | 14,581         | 14,581        | 29,162    | 0                             |
| Cambridge, Village Of          | 408,893         | 28,622         | 28,623        | 57,245    | 0                             |
| Cameron, Village Of            | 392,909         | 32,403         | 27,504        | 59,906    | 0                             |
| Camp Douglas, Village Of       | 112,764         | 7,947          | 7,840         | 15,787    | 0                             |
| Campbellsport, Village Of      | 492,059         | 40,523         | 32,029        | 72,552    | 0                             |
| Cascade, Village Of            | 111,990         | 7,839          | 7,839         | 15,679    | 0                             |
| Casco, Village Of              | 56,947          | 3,992          | 3,981         | 7,973     | 0                             |
| Cashton, Village Of            | 595,057         | 45,387         | 41,654        | 87,041    | 0                             |
| Cedar Grove, Village Of        | 355,800         | 25,178         | 24,634        | 49,812    | 0                             |
| Centuria, Village Of           | 341,653         | 32,870         | 23,916        | 56,786    | 106,315                       |
| Chaseburg, Village Of          | 67,771          | 4,744          | 4,744         | 9,488     | 0                             |
| Chenequa, Village Of           | 768,759         | 99,363         | 26,358        | 125,722   | 0                             |
| Clayton, Village Of            | 161,343         | 12,777         | 11,294        | 24,071    | 0                             |
| Clear Lake, Village Of         | 401,638         | 31,885         | 28,115        | 59,999    | 0                             |
| Cleveland, Village Of          | 327,555         | 23,200         | 24,684        | 47,885    | 0                             |
| Clinton, Village Of            | 701,023         | 58,713         | 49,071        | 107,785   | 0                             |
| Clyman, Village Of             | 109,129         | 7,871          | 7,626         | 15,496    | 2,261                         |
| Cobb, Village Of               | 85,014          | 5,951          | 5,951         | 11,902    | 0                             |
| Cochrane, Village Of           | 82,000          | 5,740          | 5,740         | 11,480    | 0                             |
| Coleman, Village Of            | 202,504         | 15,619         | 14,237        | 29,856    | 0                             |
| Colfax, Village Of             | 433,797         | 34,222         | 29,239        | 63,460    | 0                             |
| Coloma, Village Of             | 222,860         | 17,607         | 15,600        | 33,207    | 0                             |
| Combined Locks, Village Of     | 427,772         | 34,222         | 29,944        | 64,166    | 201,783                       |
| Coon Valley, Village Of        | 196,316         | 15,007         | 13,742        | 28,750    | 0                             |
| Cottage Grove, Village Of      | 1,421,828       | 151,889        | 66,705        | 218,595   | 0                             |
| Crivitz, Village Of            | 287,376         | 22,792         | 20,116        | 42,909    | 0                             |
| Cross Plains, Village Of       | 932,557         | 102,647        | 52,964        | 155,611   | 107,146                       |
| Dallas, Village Of             | 36,284          | 2,540          | 2,540         | 5,080     | 0                             |
| Dane, Village Of               | 209,976         | 15,949         | 14,698        | 30,647    | 0                             |
| Darien, Village Of             | 357,153         | 51,680         | 2,607         | 54,287    | 0                             |
| De Soto, Village Of            | 67,801          | 4,866          | 4,865         | 9,731     | 0                             |
| Deerfield, Village Of          | 446,461         | 31,252         | 31,252        | 62,504    | 0                             |
| Deforest, Village Of           | 2,751,776       | 234,795        | 191,881       | 426,676   | 0                             |
| Denmark, Village Of            | 447,473         | 34,680         | 31,323        | 66,003    | 0                             |
| Dickeyville, Village Of        | 221,009         | 17,685         | 15,457        | 33,142    | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| Dousman, Village Of            | 215,086         | 15,056         | 15,056        | 30,112    | 0                             |
| Dresser, Village Of            | 262,519         | 23,393         | 14,970        | 38,363    | 0                             |
| Eagle, Village Of              | 360,816         | 37,754         | 20,200        | 57,955    | 0                             |
| East Troy, Village Of          | 1,307,267       | 129,414        | 72,011        | 201,425   | 0                             |
| Eastman, Village Of            | 69,398          | 4,858          | 4,858         | 9,716     | 0                             |
| Edgar, Village Of              | 257,375         | 19,665         | 17,553        | 37,218    | 0                             |
| Egg Harbor, Village Of         | 440,087         | 30,806         | 30,806        | 61,612    | 0                             |
| Eleva, Village Of              | 176,189         | 13,789         | 12,333        | 26,123    | 0                             |
| Elk Mound, Village Of          | 311,519         | 22,450         | 21,807        | 44,257    | 0                             |
| Elkhart Lake, Village Of       | 522,808         | 42,335         | 36,597        | 78,932    | 0                             |
| Ellsworth, Village Of          | 877,313         | 92,184         | 40,923        | 133,107   | 0                             |
| Elm Grove, Village Of          | 2,926,697       | 318,575        | 140,087       | 458,663   | 0                             |
| Elmwood, Village Of            | 197,765         | 16,900         | 11,784        | 28,684    | 0                             |
| Ephraim, Village Of            | 333,373         | 24,735         | 21,938        | 46,672    | 0                             |
| Ettrick, Village Of            | 148,969         | 10,893         | 10,428        | 21,321    | 0                             |
| Fairwater, Village Of          | 59,157          | 4,141          | 4,141         | 8,282     | 0                             |
| Fall Creek, Village Of         | 340,021         | 26,874         | 23,801        | 50,676    | 0                             |
| Fall River, Village Of         | 254,346         | 21,349         | 17,804        | 39,153    | 0                             |
| Ferryville, Village Of         | 43,888          | 3,072          | 3,072         | 6,144     | 0                             |
| Fontana On Gnva Lk, Village Of | 1,202,104       | 106,684        | 74,531        | 181,215   | 0                             |
| Fox Point, Village Of          | 3,210,928       | 348,261        | 162,128       | 510,390   | 0                             |
| Frederic, Village Of           | 409,319         | 30,545         | 28,568        | 59,113    | 0                             |
| Fremont, Village Of            | 126,438         | 10,135         | 8,851         | 18,985    | 0                             |
| Friendship, Village Of         | 193,916         | 18,810         | 13,574        | 32,384    | 24,398                        |
| Gays Mills, Village Of         | 165,798         | 18,238         | 11,606        | 29,844    | 0                             |
| Genoa City, Village Of         | 782,351         | 77,995         | 40,392        | 118,388   | 0                             |
| Germantown, Village Of         | 7,018,809       | 764,627        | 330,147       | 1,094,774 | 0                             |
| Gilman, Village Of             | 172,332         | 17,011         | 8,882         | 25,893    | 0                             |
| Grafton, Village Of            | 4,703,438       | 420,269        | 295,736       | 716,004   | 0                             |
| Granton, Village Of            | 144,014         | 10,081         | 10,081        | 20,162    | 0                             |
| Grantsburg, Village Of         | 520,843         | 41,881         | 36,459        | 78,341    | 0                             |
| Greendale, Village Of          | 6,283,656       | 853,473        | 297,375       | 1,150,848 | 0                             |
| Gresham, Village Of            | 397,772         | 32,300         | 23,388        | 55,688    | 0                             |
| Hales Corners, Village Of      | 2,689,180       | 239,054        | 188,243       | 427,296   | 0                             |
| Hammond, Village Of            | 550,944         | 44,337         | 38,566        | 82,903    | 0                             |
| Hartland, Village Of           | 3,224,004       | 272,448        | 225,681       | 498,129   | 0                             |
| Haugen, Village Of             | 35,568          | 2,501          | 2,478         | 4,980     | 0                             |
| Hawkins, Village Of            | 88,007          | 8,361          | 6,161         | 14,521    | 11,637                        |
| Hazel Green, Village Of        | 376,595         | 29,075         | 26,362        | 55,437    | 0                             |
| Highland, Village Of           | 185,072         | 14,182         | 12,955        | 27,137    | 0                             |
| Hilbert, Village Of            | 240,160         | 16,811         | 16,811        | 33,622    | 0                             |
| Hixton, Village Of             | 78,342          | 6,267          | 5,484         | 11,751    | 10,249                        |
| Hobart, Village Of             | 939,257         | 75,672         | 65,648        | 141,319   | 0                             |
| Hollandale, Village Of         | 21,933          | 1,535          | 1,535         | 3,071     | 0                             |
| Holmen, Village Of             | 1,594,533       | 132,651        | 111,617       | 244,268   | 0                             |
| Hortonville, Village Of        | 837,346         | 73,547         | 52,788        | 126,335   | 0                             |
| Howard, Village Of             | 2,361,411       | 169,187        | 165,118       | 334,305   | 0                             |
| Howards Grove, Village Of      | 345,545         | 24,188         | 24,188        | 48,376    | 0                             |
| Hustisford, Village Of         | 596,837         | 48,941         | 41,778        | 90,719    | 78,068                        |
| Iola, Village Of               | 454,136         | 37,417         | 31,270        | 68,687    | 0                             |
| Iron Ridge, Village Of         | 187,797         | 15,019         | 13,146        | 28,165    | 0                             |
| Jackson, Village Of            | 2,005,966       | 184,122        | 125,367       | 309,490   | 0                             |
| Johnson Creek, Village Of      | 792,592         | 62,090         | 55,477        | 117,567   | 0                             |
| Junction City, Village Of      | 86,802          | 10,196         | 5,689         | 15,885    | 74,071                        |
| Kendall, Village Of            | 140,374         | 10,140         | 9,826         | 19,966    | 0                             |
| Kewaskum, Village Of           | 1,085,110       | 111,684        | 55,742        | 167,427   | 0                             |
| Kimberly, Village Of           | 1,548,792       | 108,415        | 108,416       | 216,831   | 0                             |
| Kohler, Village Of             | 1,017,955       | 98,791         | 60,875        | 159,666   | 0                             |
| Kronenwetter, Village Of       | 1,143,928       | 103,938        | 70,235        | 174,173   | 0                             |
| La Farge, Village Of           | 381,547         | 38,213         | 26,708        | 64,922    | 23,757                        |
| La Valle, Village Of           | 86,959          | 7,666          | 4,508         | 12,174    | 0                             |
| Lac La Belle, Village Of       | 18,437          | 1,291          | 1,290         | 2,581     | 0                             |
| Lake Delton, Village Of        | 2,533,071       | 224,627        | 177,144       | 401,771   | 0                             |
| Lake Hallie, Village Of        | 718,475         | 67,263         | 46,717        | 113,980   | 0                             |
| Lake Nebagamon, Village Of     | 181,727         | 25,442         | 0             | 25,442    | 0                             |
| Lannon, Village Of             | 143,284         | 12,850         | 10,030        | 22,880    | 0                             |
| Lena, Village Of               | 198,690         | 15,226         | 13,897        | 29,123    | 0                             |



| Name                           | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| Little Chute, Village Of       | 3,734,471       | 324,476        | 260,164       | 584,640   | 0                             |
| Loganville, Village Of         | 44,320          | 4,428          | 1,777         | 6,205     | 0                             |
| Lomira, Village Of             | 497,309         | 40,105         | 34,811        | 74,916    | 0                             |
| Luck, Village Of               | 435,771         | 36,996         | 30,504        | 67,500    | 33,850                        |
| Luxemburg, Village Of          | 202,310         | 18,795         | 11,016        | 29,811    | 0                             |
| Maple Bluff, Village Of        | 1,079,573       | 102,739        | 75,570        | 178,309   | 0                             |
| Marathon City, Village Of      | 469,498         | 40,040         | 28,956        | 68,997    | 0                             |
| Marshall, Village Of           | 967,281         | 81,460         | 67,710        | 149,170   | 0                             |
| Mattoon, Village Of            | 81,163          | 10,084         | 1,279         | 11,363    | 0                             |
| Mazomanie, Village Of          | 238,437         | 16,822         | 16,560        | 33,381    | 0                             |
| Mcfarland, Village Of          | 2,735,705       | 287,531        | 137,262       | 424,793   | 0                             |
| Menomonee Falls, Village Of    | 12,593,512      | 1,406,596      | 567,207       | 1,973,803 | 0                             |
| Milltown, Village Of           | 275,869         | 21,947         | 19,311        | 41,257    | 0                             |
| Minong, Village Of             | 227,641         | 18,965         | 15,750        | 34,714    | 0                             |
| Mishicot, Village Of           | 294,970         | 23,026         | 20,648        | 43,674    | 0                             |
| Montfort, Village Of           | 87,822          | 6,424          | 5,871         | 12,295    | 0                             |
| Mount Horeb, Village Of        | 2,777,106       | 221,099        | 194,398       | 415,497   | 0                             |
| Mt Pleasant, Village Of(Racine | 9,478,618       | 1,094,464      | 493,674       | 1,588,138 | 0                             |
| Mukwonago, Village Of          | 3,077,565       | 321,774        | 154,298       | 476,072   | 0                             |
| Muscoda, Village Of            | 527,903         | 40,209         | 36,953        | 77,162    | 0                             |
| Necedah, Village Of            | 305,410         | 22,778         | 21,379        | 44,156    | 0                             |
| Neshkoro, Village Of           | 48,927          | 7,966          | 2,602         | 10,568    | 116,634                       |
| New Glarus, Village Of         | 952,140         | 84,296         | 56,382        | 140,678   | 0                             |
| Newburg, Village Of            | 126,113         | 8,828          | 8,828         | 17,656    | 0                             |
| Nichols, Village Of            | 41,736          | 2,921          | 2,922         | 5,843     | 0                             |
| North Fond Du Lac, Village Of  | 2,140,635       | 212,277        | 116,780       | 329,057   | 0                             |
| North Freedom, Village Of      | 83,443          | 5,841          | 5,841         | 11,682    | 0                             |
| North Hudson, Village Of       | 577,390         | 67,798         | 21,827        | 89,625    | 0                             |
| Oconomowoc Lake, Village Of    | 610,660         | 94,469         | 7,629         | 102,098   | 0                             |
| Oostburg, Village Of           | 349,095         | 28,626         | 24,437        | 53,062    | 16,202                        |
| Oregon, Village Of             | 2,749,471       | 259,925        | 156,753       | 416,678   | 0                             |
| Orfordville, Village Of        | 427,407         | 36,867         | 26,604        | 63,471    | 0                             |
| Osceola, Village Of            | 861,405         | 85,983         | 45,263        | 131,246   | 0                             |
| Oxford, Village Of (Marquette) | 110,059         | 8,538          | 7,704         | 16,242    | 0                             |
| Paddock Lake, Village Of       | 337,804         | 23,646         | 23,646        | 47,293    | 0                             |
| Pardeeville, Village Of        | 506,363         | 35,446         | 35,445        | 70,891    | 0                             |
| Pepin, Village Of              | 201,503         | 15,668         | 13,979        | 29,647    | 0                             |
| Pewaukee, Village Of           | 2,931,622       | 293,444        | 162,219       | 455,663   | 0                             |
| Plain, Village Of              | 197,739         | 13,842         | 13,842        | 27,683    | 0                             |
| Plainfield, Village Of         | 234,347         | 19,260         | 16,405        | 35,665    | 0                             |
| Pleasant Prairie,Village Of    | 11,218,417      | 939,806        | 763,402       | 1,703,208 | 0                             |
| Plover, Village Of             | 3,659,454       | 358,520        | 201,225       | 559,745   | 0                             |
| Port Edwards, Village Of       | 708,337         | 55,424         | 49,584        | 105,007   | 0                             |
| Pound, Village Of              | 59,522          | 4,167          | 4,167         | 8,333     | 0                             |
| Poynette, Village Of           | 746,732         | 79,653         | 40,279        | 119,931   | 0                             |
| Prairie Du Sac, Village Of     | 948,208         | 66,384         | 66,365        | 132,749   | 0                             |
| Prairie Farm, Village Of       | 1,131,055       | 79,174         | 79,174        | 158,348   | 0                             |
| Pulaski, Village Of            | 922,111         | 80,759         | 59,337        | 140,096   | 0                             |
| Randolph, Village Of           | 391,277         | 43,218         | 27,390        | 70,607    | 111,869                       |
| Random Lake, Village Of        | 268,673         | 18,807         | 18,807        | 37,614    | 0                             |
| Rib Lake, Village Of           | 151,247         | 10,587         | 10,587        | 21,175    | 0                             |
| Rio, Village Of                | 248,576         | 21,962         | 15,684        | 37,647    | 0                             |
| River Hills, Village Of        | 1,359,770       | 111,225        | 109,291       | 220,515   | 0                             |
| Roberts, Village Of            | 615,825         | 60,890         | 31,035        | 91,924    | 0                             |
| Rochester, Village Of          | 249,861         | 17,490         | 17,490        | 34,981    | 0                             |
| Rock Springs, Village Of       | 70,017          | 4,901          | 4,901         | 9,802     | 0                             |
| Rockland, Village Of           | 116,811         | 8,177          | 8,177         | 16,354    | 0                             |
| Rosendale, Village Of          | 192,706         | 15,284         | 13,489        | 28,774    | 0                             |
| Rosholt, Village Of            | 68,779          | 4,814          | 4,815         | 9,629     | 0                             |
| Rothschild, Village Of         | 1,372,456       | 149,868        | 64,442        | 214,310   | 0                             |
| Sauk City, Village Of          | 841,495         | 58,905         | 58,905        | 117,809   | 0                             |
| Saukville, Village Of          | 1,695,155       | 183,502        | 77,389        | 260,892   | 0                             |
| Sharon, Village Of             | 588,990         | 64,288         | 27,106        | 91,394    | 0                             |
| Sherwood, Village Of           | 313,736         | 21,961         | 21,962        | 43,923    | 0                             |
| Shiocton, Village Of           | 247,045         | 18,766         | 17,291        | 36,057    | 0                             |
| Shorewood Hills, Village Of    | 1,229,578       | 103,893        | 86,070        | 189,963   | 0                             |
| Shorewood, Village Of          | 4,792,475       | 450,056        | 291,679       | 741,735   | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Silver Lake, Village Of        | 486,090         | 58,584         | 17,353        | 75,937     | 0                             |
| Siren, Village Of              | 322,895         | 26,221         | 22,603        | 48,823     | 0                             |
| Sister Bay, Village Of         | 473,511         | 33,146         | 33,146        | 66,292     | 0                             |
| Slinger, Village Of            | 1,737,333       | 181,304        | 84,166        | 265,470    | 0                             |
| Soldiers Grove, Village Of     | 134,453         | 16,964         | 9,255         | 26,218     | 145,371                       |
| Solon Springs, Village Of      | 123,750         | 9,146          | 8,582         | 17,728     | 0                             |
| Somerset, Village Of           | 957,956         | 100,136        | 44,678        | 144,814    | 0                             |
| South Wayne, Village Of        | 75,231          | 5,266          | 5,266         | 10,532     | 0                             |
| Spencer, Village Of            | 474,622         | 47,816         | 23,791        | 71,607     | 0                             |
| Spring Green, Village Of       | 535,231         | 42,415         | 37,466        | 79,882     | 0                             |
| Spring Valley, Village Of      | 305,000         | 23,581         | 21,338        | 44,919     | 0                             |
| St Nazianz, Village Of         | 172,543         | 12,078         | 12,078        | 24,156     | 0                             |
| Stockbridge, Village Of        | 26,780          | 1,875          | 1,875         | 3,749      | 0                             |
| Stratford, Village Of          | 472,548         | 38,532         | 33,078        | 71,610     | 0                             |
| Strum, Village Of              | 276,847         | 45,547         | 0             | 45,547     | 26,173                        |
| Suamico, Village Of            | 1,206,416       | 88,207         | 84,430        | 172,637    | 0                             |
| Sullivan, Village Of           | 136,473         | 9,553          | 9,553         | 19,106     | 0                             |
| Summit, Village Of (Waukesha)  | 1,144,847       | 104,316        | 80,139        | 184,456    | 0                             |
| Suring, Village Of             | 229,752         | 19,092         | 16,083        | 35,175     | 41,527                        |
| Sussex, Village Of             | 2,281,238       | 166,508        | 159,688       | 326,196    | 0                             |
| Thiensville, Village Of        | 1,050,177       | 88,674         | 73,295        | 161,969    | 0                             |
| Trempealeau, Village Of        | 546,593         | 46,750         | 32,923        | 79,673     | 0                             |
| Turtle Lake, Village Of        | 518,003         | 55,468         | 24,191        | 79,659     | 0                             |
| Twin Lakes, Village Of         | 2,281,585       | 237,123        | 112,592       | 349,715    | 0                             |
| Union Center, Village Of       | 85,522          | 6,620          | 5,847         | 12,466     | 0                             |
| Union Grove, Village Of        | 875,648         | 61,402         | 61,189        | 122,591    | 0                             |
| Valders, Village Of            | 303,510         | 22,984         | 21,246        | 44,230     | 0                             |
| Walworth, Village Of           | 792,252         | 86,081         | 43,363        | 129,444    | 25,156                        |
| Warrens, Village Of            | 132,695         | 9,388          | 9,289         | 18,677     | 0                             |
| Wauwaukee, Village Of          | 3,382,014       | 275,704        | 236,741       | 512,444    | 0                             |
| Wausaukee, Village Of          | 129,762         | 9,083          | 9,083         | 18,167     | 0                             |
| Wauzeka, Village Of            | 100,615         | 7,044          | 7,043         | 14,086     | 0                             |
| West Baraboo, Village Of       | 204,768         | 14,334         | 14,334        | 28,668     | 0                             |
| West Milwaukee, Village Of     | 2,688,324       | 359,347        | 117,393       | 476,740    | 5,541,597                     |
| West Salem, Village Of         | 880,933         | 89,009         | 45,641        | 134,650    | 0                             |
| Westfield, Village Of          | 334,935         | 27,243         | 23,446        | 50,689     | 0                             |
| Weston, Village Of (Marathon)  | 2,005,535       | 149,199        | 139,021       | 288,220    | 0                             |
| White Lake, Village Of         | 82,787          | 5,795          | 5,795         | 11,590     | 0                             |
| Whitefish Bay, Village Of      | 3,958,309       | 384,771        | 229,182       | 613,953    | 0                             |
| Whitelaw, Village Of           | 81,398          | 5,698          | 5,698         | 11,396     | 0                             |
| Whiting, Village Of            | 187,679         | 13,138         | 13,138        | 26,275     | 0                             |
| Wild Rose, Village Of          | 232,906         | 19,047         | 16,303        | 35,351     | 0                             |
| Williams Bay, Village Of       | 1,042,751       | 126,559        | 42,779        | 169,339    | 91,026                        |
| Wilson, Village Of             | 41,864          | 3,218          | 2,810         | 6,028      | 4,184                         |
| Wind Point, Village Of         | 212,660         | 14,899         | 14,873        | 29,772     | 0                             |
| Winneconne, Village Of         | 820,805         | 90,498         | 40,713        | 131,211    | 74,185                        |
| Withee, Village Of             | 110,474         | 7,733          | 7,733         | 15,466     | 0                             |
| Wonewoc, Village Of            | 272,344         | 23,350         | 16,299        | 39,649     | 0                             |
| Woodville, Village Of          | 495,963         | 41,336         | 34,717        | 76,054     | 0                             |
| Wrightstown, Village Of        | 541,886         | 39,260         | 37,932        | 77,192     | 0                             |
| Wyocena, Village Of            | 123,850         | 8,669          | 8,670         | 17,339     | 0                             |
| Total Villages (261)           | 238,218,736     | 22,770,659     | 14,212,878    | 36,983,537 | 7,224,616                     |
| <b>Special Districts</b>       |                 |                |               |            |                               |
| Adrc Of The Northwoods         | 222,784         | 15,595         | 15,595        | 31,190     | 0                             |
| Algoma City Housing Auth       | 67,121          | 4,698          | 4,698         | 9,397      | 0                             |
| Algoma Sanitary Dist           | 399,871         | 27,991         | 27,991        | 55,982     | 0                             |
| Allenton Sanitary Dist         | 127,301         | 8,911          | 8,911         | 17,822     | 0                             |
| Altoona City Housing Authority | 28,314          | 2,564          | 1,967         | 4,530      | 4,228                         |
| Antigo City Housing Auth       | 361,244         | 25,287         | 25,287        | 50,574     | 0                             |
| Appleton City Housing Auth     | 621,880         | 43,531         | 43,532        | 87,063     | 0                             |
| Ashland City Housing Auth      | 315,470         | 24,607         | 22,083        | 46,690     | 16,836                        |
| Ashland County Housing Auth    | 511,292         | 35,790         | 35,791        | 71,581     | 0                             |
| Baraboo District Ambulance     | 1,405,956       | 141,330        | 98,250        | 239,580    | 0                             |
| Barron Co Housing Authority    | 108,117         | 7,568          | 7,568         | 15,136     | 0                             |
| Bay Area Rural Transit Commiss | 432,348         | 30,443         | 30,086        | 60,529     | 0                             |
| Bayfield County Housing Auth   | 105,022         | 7,351          | 7,352         | 14,703     | 0                             |



| Name                           | Contributions   |                |               |           | Unfunded Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|----------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                            |
| Bay-Lake Regional Plan Comm    | 338,747         | 26,761         | 23,712        | 50,473    | 77,118                     |
| Big Cedar Lake Prot/Rehab Dist | 47,342          | 9,468          | (2,579)       | 6,889     | 0                          |
| Brockway Sanitary District #1  | 101,574         | 7,110          | 7,110         | 14,220    | 0                          |
| Brookfield, Town San Dist #4   | 212,711         | 14,890         | 14,890        | 29,780    | 0                          |
| Bruce Village Housing Auth     | 63,924          | 4,475          | 4,475         | 8,949     | 0                          |
| Burlington City Housing Auth   | 44,768          | 3,134          | 3,134         | 6,268     | 0                          |
| Cambridge-Oakland Wstewtr Comm | 108,992         | 7,629          | 7,629         | 15,259    | 0                          |
| Capital Area Reg Plan Comm     | 487,287         | 34,111         | 34,110        | 68,220    | 0                          |
| Central Brown Cty Water Auth   | 87,461          | 6,122          | 6,122         | 12,245    | 0                          |
| Chilton City Housing Auth      | 58,877          | 4,133          | 4,110         | 8,243     | 0                          |
| Chippewa Co Housing Auth       | 376,972         | 26,388         | 26,388        | 52,776    | 0                          |
| Chippewa Fire District         | 767,688         | 78,133         | 53,707        | 131,840   | 0                          |
| Christmas Mountain Sntry Dist  | 40,480          | 2,834          | 2,834         | 5,667     | 0                          |
| City-County Data Center Comm   | 1,891,317       | 132,395        | 132,390       | 264,784   | 0                          |
| Clintonville City Hous Auth    | 94,904          | 7,403          | 6,643         | 14,046    | 13,919                     |
| Colby/Abbotsford Jt Police Com | 358,106         | 55,864         | 4,978         | 60,842    | 0                          |
| Community Care Of Cent Wiscon  | 20,724,743      | 1,450,818      | 1,450,646     | 2,901,464 | 0                          |
| Consol Koshkonong Sanitary Dis | 308,019         | 21,561         | 21,561        | 43,123    | 0                          |
| Continu Us                     | 14,331,049      | 1,003,429      | 1,002,918     | 2,006,347 | 0                          |
| Country Estates San Dist       | 32,438          | 2,292          | 2,249         | 4,541     | 0                          |
| Cross Plains Area Ems          | 48,718          | 4,665          | 3,410         | 8,076     | 0                          |
| Cumberland Municipal Utility   | 597,953         | 41,857         | 41,857        | 83,713    | 0                          |
| Dane County Dist #1 Ems        | 46,807          | 4,826          | 3,276         | 8,102     | 0                          |
| Dane County Housing Authority  | 424,112         | 34,780         | 29,685        | 64,465    | 355,127                    |
| Dane-Iowa Wastewater Comm      | 144,790         | 10,135         | 10,135        | 20,271    | 0                          |
| Deer-Grove Ems Dist            | 359,002         | 36,591         | 25,130        | 61,721    | 0                          |
| Deforest Area Fire Board Dist  | 283,610         | 28,473         | 19,739        | 48,212    | 0                          |
| Delafield-Hartl Water Pol Cntl | 478,211         | 33,475         | 33,475        | 66,949    | 0                          |
| Delavan Lake Sanitary District | 530,917         | 37,164         | 37,164        | 74,328    | 0                          |
| Dells-Delton Ems Comm          | 985,808         | 69,006         | 69,007        | 138,013   | 0                          |
| Delton Fire & Ambulance Comm   | 15,756          | 1,223          | 1,103         | 2,326     | 0                          |
| Dodge County Housing Authority | 146,710         | 11,346         | 9,194         | 20,539    | 0                          |
| Dousman Fire District          | 306,846         | 31,636         | 21,479        | 53,115    | 0                          |
| Eagle River Union Airport      | 128,136         | 8,970          | 8,969         | 17,939    | 0                          |
| East Central Wis Reg Plan Comm | 1,105,566       | 77,389         | 77,390        | 154,779   | 0                          |
| Eastern Columbia Cty Jm Court  | 52,210          | 3,760          | 3,760         | 7,519     | 0                          |
| Eastern Shores Lib Sys         | 350,847         | 24,559         | 24,560        | 49,119    | 0                          |
| Eau Claire City Housing Auth   | 685,614         | 48,125         | 47,860        | 95,986    | 0                          |
| Eau Claire City-Co Health Dpt  | 2,741,691       | 191,919        | 191,918       | 383,837   | 0                          |
| Edgerton City Housing Auth     | 146,787         | 10,275         | 10,275        | 20,550    | 0                          |
| Edgerton Fire Prot Dist        | 248,932         | 43,090         | 0             | 43,090    | 0                          |
| Everest Metro Police Comm      | 1,785,974       | 240,149        | 64,703        | 304,852   | 0                          |
| Fish Creek Sanitary Dist #1    | 190,186         | 13,313         | 13,313        | 26,626    | 0                          |
| Fitch-Rona Ems District        | 1,025,458       | 133,365        | 43,688        | 177,054   | 0                          |
| Fond Du Lac City Housing Auth  | 674,643         | 47,225         | 47,225        | 94,450    | 0                          |
| Fontana/Walworth Wtr Pol Cn Cm | 301,972         | 21,138         | 21,138        | 42,276    | 0                          |
| Fox Lake Wastewater Contr Comm | 95,597          | 6,692          | 6,692         | 13,384    | 0                          |
| Freedom Sanitary District #1   | 130,900         | 9,163          | 9,163         | 18,326    | 0                          |
| Gb/Brown Co Pro FtBl Stad Dis  | 108,656         | 7,606          | 7,606         | 15,212    | 0                          |
| Goodman Sanitary District No 1 | 33,280          | 2,330          | 2,330         | 4,659     | 0                          |
| Grand Chute-Menasha Ws Sew Com | 332,264         | 23,398         | 23,119        | 46,517    | 0                          |
| Green Bay Metro Sewerage Dist  | 6,481,885       | 453,732        | 453,732       | 907,464   | 0                          |
| Green Lake Sanitary District   | 196,203         | 20,376         | 7,092         | 27,468    | 0                          |
| Harmony Grove-Okee Jt Sew Comm | 148,349         | 10,384         | 10,384        | 20,769    | 0                          |
| Heart Of The Valley Met Sew Ds | 728,599         | 51,002         | 51,002        | 102,004   | 0                          |
| Holmen Area Fire Dept          | 231,845         | 23,903         | 16,229        | 40,132    | 0                          |
| Hudson City Housing Authority  | 82,891          | 5,802          | 5,802         | 11,605    | 0                          |
| Hum Srv Ctr Onida Vilas Forst  | 2,000,755       | 140,052        | 140,054       | 280,106   | 0                          |
| Hurley Housing Authority       | 61,666          | 4,625          | 4,317         | 8,942     | 1,178                      |
| Indianhead Fed Library System  | 665,296         | 46,571         | 46,570        | 93,141    | 0                          |
| Iron River Sanitary Dist #1    | 83,945          | 5,876          | 5,876         | 11,752    | 0                          |
| Jefferson City Housing Auth    | 131,936         | 10,291         | 9,236         | 19,526    | 12,594                     |
| Kaukauna City Housing Auth     | 132,504         | 9,327          | 9,223         | 18,551    | 0                          |
| Kegonsa Sanitary District      | 96,961          | 6,787          | 6,787         | 13,574    | 0                          |
| Kelly Lake Sanitary Dist #1    | 21,964          | 1,574          | 1,501         | 3,075     | 0                          |
| Kenosha Joint Services         | 3,712,043       | 259,875        | 259,811       | 519,686   | 0                          |
| La Crosse City Housing Auth    | 955,746         | 66,902         | 66,902        | 133,804   | 0                          |





## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| Ladysmith Housing Auth         | 80,859          | 5,660          | 5,660         | 11,320    | 0                             |
| Lake Como Sanitary Dist #1     | 197,801         | 14,835         | 13,846        | 28,681    | 19,962                        |
| Lake Country Fire & Rescue     | 1,033,683       | 105,181        | 72,356        | 177,537   | 0                             |
| Lake Mills City Housing Auth   | 98,412          | 12,527         | 1,251         | 13,778    | 0                             |
| Lake Ripley Mgt District       | 37,143          | 2,711          | 2,600         | 5,312     | 6,178                         |
| Lakeland Care District         | 9,079,636       | 638,783        | 632,366       | 1,271,149 | 0                             |
| Lakeland Sanitary District #1  | 282,807         | 19,797         | 19,796        | 39,593    | 0                             |
| Lakeshores Library System      | 247,186         | 17,303         | 17,303        | 34,606    | 0                             |
| Laona Sanitary District #1     | 64,397          | 4,508          | 4,508         | 9,016     | 0                             |
| League Of Wisc Municipalities  | 641,804         | 44,927         | 44,926        | 89,853    | 0                             |
| Lincoln County Housing Auth    | 99,495          | 6,965          | 6,965         | 13,929    | 0                             |
| Lodi Community Ambulance Serv  | 100,636         | 14,391         | 3,029         | 17,420    | 0                             |
| Lyons Sanitary District #2     | 90,583          | 6,341          | 6,341         | 12,682    | 0                             |
| Madeline Sanitary District     | 58,187          | 4,097          | 4,049         | 8,146     | 0                             |
| Madison Metro Sewerage Dist    | 7,095,005       | 496,651        | 496,650       | 993,301   | 0                             |
| Manitowoc City Housing Auth    | 118,545         | 8,298          | 8,298         | 16,596    | 0                             |
| Manitowoc-Calumet Lib Sys      | 95,388          | 6,677          | 6,677         | 13,354    | 0                             |
| Marinette City Housing Auth    | 166,562         | 13,991         | 11,659        | 25,651    | 77,689                        |
| Marshall Area Ems Dist #14     | 71,734          | 6,983          | 5,021         | 12,005    | 0                             |
| Marshfield Cda                 | 330,283         | 23,120         | 23,120        | 46,240    | 0                             |
| Marshfield Electric & Water    | 2,992,698       | 209,489        | 209,488       | 418,978   | 0                             |
| Menasha Electric & Water       | 2,796,060       | 195,724        | 195,724       | 391,448   | 0                             |
| Menomonie City Housing Auth    | 213,156         | 14,921         | 14,921        | 29,842    | 0                             |
| Mequon - Thiensville Library   | 435,777         | 30,504         | 30,505        | 61,009    | 0                             |
| Mercer Sanitary District #1    | 123,575         | 8,650          | 8,650         | 17,300    | 0                             |
| Merrill City Housing Authority | 248,075         | 17,365         | 17,366        | 34,731    | 0                             |
| Middleton Fire District        | 303,822         | 51,781         | 5,912         | 57,693    | 0                             |
| Mid-Moraine Municipal Court    | 345,487         | 24,739         | 24,739        | 49,478    | 0                             |
| Mid-Wis Federated Lib Sys      | 246,295         | 17,241         | 17,241        | 34,481    | 0                             |
| Milw Area Dom Animal Cont Comm | 1,254,955       | 87,893         | 87,801        | 175,694   | 0                             |
| Milwaukee Co Fed Lib Sys       | 368,826         | 25,818         | 25,818        | 51,636    | 0                             |
| Mississippi River Reg Plan Com | 230,009         | 16,100         | 16,101        | 32,201    | 0                             |
| Monroe City Housing Authority  | 163,875         | 11,471         | 11,471        | 22,942    | 0                             |
| Mosinee Fire Dist              | 137,232         | 16,392         | 9,606         | 25,998    | 0                             |
| Mt Horeb Area Fire Dept        | 256,727         | 35,711         | 17,971        | 53,682    | 0                             |
| Muni Court W Waukesha County   | 190,106         | 13,612         | 13,612        | 27,225    | 0                             |
| New Glarus Ems                 | 82,660          | 14,308         | 0             | 14,308    | 0                             |
| New London City Housing Auth   | 86,802          | 6,858          | 6,076         | 12,933    | 2,510                         |
| New Richmond Ambulance         | 338,734         | 23,804         | 23,619        | 47,423    | 0                             |
| Nicolet Federated Library Sys  | 308,837         | 21,619         | 21,619        | 43,237    | 0                             |
| North Central Health Care Fac  | 26,908,431      | 1,886,161      | 1,881,019     | 3,767,180 | 0                             |
| North Central Wis Reg Plan Com | 380,906         | 26,663         | 26,664        | 53,327    | 0                             |
| North Shore Fire Dept          | 8,060,190       | 1,604,800      | 564,213       | 2,169,013 | 0                             |
| North Shore Water Commission   | 459,178         | 32,142         | 32,143        | 64,285    | 0                             |
| Northern Bridges               | 412,496         | 28,878         | 28,872        | 57,749    | 0                             |
| Northern Moraine Utility Comm  | 124,119         | 8,688          | 8,688         | 17,377    | 0                             |
| Northern Waters Library Serv   | 319,953         | 22,397         | 22,397        | 44,793    | 0                             |
| Northwest Regional Plan Comm   | 998,141         | 69,870         | 69,870        | 139,740   | 0                             |
| Norway Sanitary District #1    | 249,582         | 17,471         | 17,471        | 34,942    | 0                             |
| Oconto City Housing Authority  | 123,052         | 8,614          | 8,614         | 17,227    | 0                             |
| Oregon Area Fire - Ems Dist    | 416,644         | 55,623         | 16,498        | 72,121    | 0                             |
| Orfordville Vol Fire Prot Dist | 38,661          | 3,986          | 2,706         | 6,692     | 0                             |
| Oshkosh City Housing Authority | 1,398,663       | 97,906         | 97,907        | 195,813   | 0                             |
| Outagamie County Housing Auth  | 1,114,865       | 78,040         | 78,041        | 156,081   | 0                             |
| Outagamie Waupc Co Fed Libr Sy | 578,938         | 40,526         | 40,526        | 81,051    | 0                             |
| Phelps Sanitary District #1    | 43,836          | 6,137          | 0             | 6,137     | 0                             |
| Pleasant Springs San Dis #1    | 44,331          | 3,103          | 3,103         | 6,206     | 0                             |
| Plymouth City Housing Auth     | 93,624          | 6,554          | 6,554         | 13,107    | 0                             |
| Prairie Du Sac Jt Sewer Comm   | 61,269          | 4,290          | 4,288         | 8,578     | 0                             |
| Racine County Housing Auth     | 484,609         | 36,251         | 31,594        | 67,845    | 0                             |
| Reedsburg Area Ambulance Svces | 272,010         | 26,047         | 19,041        | 45,088    | 0                             |
| Reedsville Vil Housing Auth    | 29,002          | 2,030          | 2,030         | 4,060     | 0                             |
| Rhineland City Housing Auth    | 124,048         | 8,683          | 8,683         | 17,367    | 0                             |
| Rib Mountain Metro Sew Dist    | 449,375         | 31,456         | 31,456        | 62,912    | 0                             |
| Rice Lake City Housing Auth    | 267,855         | 27,373         | 18,698        | 46,071    | 99,680                        |
| Richland Center City Hous Auth | 82,515          | 5,776          | 5,776         | 11,552    | 0                             |
| Richland Fire Department       | 25,045          | 2,582          | 1,753         | 4,335     | 0                             |



| Name                                 | Contributions      |                   |                   |                   | Unfunded<br>Liability Balance |
|--------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------------------|
|                                      | Covered Payroll    | Employer Paid*    | Employee Paid     | Total             |                               |
| Ripon Area Fire District             | 66,410             | 6,847             | 4,649             | 11,496            | 0                             |
| River Falls City Housing Auth        | 292,349            | 22,803            | 20,464            | 43,268            | 17,768                        |
| Sauk City Housing Authority          | 36,594             | 2,562             | 2,562             | 5,123             | 0                             |
| Sauk County Housing Authority        | 236,280            | 16,621            | 16,458            | 33,079            | 0                             |
| Sauk Prairie Ambulance Assoc         | 169,141            | 22,921            | 6,357             | 29,278            | 0                             |
| Sauk Prairie Police Commission       | 871,174            | 115,749           | 32,653            | 148,402           | 0                             |
| Sauk Prairie Recreation Comm         | 50,000             | 3,500             | 3,500             | 7,000             | 0                             |
| Sawyer County Housing Auth           | 127,714            | 8,957             | 8,924             | 17,880            | 0                             |
| Shawano City Housing Authority       | 187,562            | 14,767            | 12,992            | 27,759            | 53,075                        |
| Shawano County Housing Auth          | 159,694            | 11,178            | 11,179            | 22,357            | 0                             |
| Shawano Lake Sanitary Dist #1        | 633,877            | 48,745            | 39,998            | 88,743            | 0                             |
| Shawano Municipal Utilities          | 1,236,383          | 86,547            | 86,547            | 173,094           | 0                             |
| Sheboygan City Housing Auth          | 292,573            | 22,821            | 20,480            | 43,301            | 38,266                        |
| Silver Lake San. Dist.               | 284,155            | 24,138            | 15,644            | 39,782            | 0                             |
| Slinger Village Housing Auth         | 55,839             | 7,817             | 0                 | 7,817             | 0                             |
| South Central Library System         | 2,325,719          | 162,834           | 162,767           | 325,601           | 0                             |
| South Milwaukee Cda                  | 148,895            | 10,423            | 10,423            | 20,845            | 0                             |
| Southeastern Wis Reg Plan Comm       | 3,886,202          | 272,096           | 271,972           | 544,068           | 0                             |
| Southwest Wis Library System         | 226,243            | 15,837            | 15,837            | 31,674            | 0                             |
| Southwestern Wis Reg Plan Comm       | 315,123            | 22,059            | 22,059            | 44,117            | 0                             |
| Spooner City Housing Auth            | 72,985             | 5,109             | 5,109             | 10,218            | 0                             |
| Spooner Fire District                | 60,500             | 6,238             | 4,235             | 10,473            | 0                             |
| St Joseph Sanitary District #1       | 30,801             | 2,156             | 2,156             | 4,312             | 0                             |
| Stevens Point City Hous Auth         | 401,264            | 28,089            | 28,088            | 56,177            | 0                             |
| Sullivan Sanitary District #1        | 31,515             | 2,206             | 2,206             | 4,412             | 0                             |
| Superior City Housing Auth           | 1,077,969          | 75,458            | 75,458            | 150,916           | 0                             |
| Taylor County Housing Auth           | 9,951              | 697               | 697               | 1,393             | 0                             |
| Three Lakes Sanitary Dist #1         | 62,420             | 4,369             | 4,369             | 8,739             | 0                             |
| Trempealeau County Hous Auth         | 298,331            | 23,270            | 20,883            | 44,153            | 26,465                        |
| Unified Community Services           | 1,480,290          | 103,620           | 103,621           | 207,241           | 0                             |
| Valley Ridge Clean Water Comm        | 43,101             | 3,017             | 3,017             | 6,034             | 0                             |
| Vanguard Electric Util Comm          | 364,453            | 25,512            | 25,512            | 51,023            | 0                             |
| Viroqua City Housing Authority       | 186,905            | 13,388            | 12,778            | 26,167            | 0                             |
| Wabeno Sanitary District #1          | 57,946             | 4,056             | 4,056             | 8,112             | 0                             |
| Wales/Genesee Joint Fire Bd          | 109,125            | 11,251            | 7,639             | 18,890            | 0                             |
| Walter E Olson Memorial Lib          | 80,317             | 5,622             | 5,622             | 11,244            | 0                             |
| Walworth County Metro Sew Dist       | 984,582            | 76,797            | 68,921            | 145,718           | 101,982                       |
| Washburn City Housing Auth           | 115,957            | 8,117             | 8,117             | 16,234            | 0                             |
| Watertown City Housing Auth          | 113,332            | 10,199            | 6,574             | 16,773            | 10,349                        |
| Waukesha City Housing Auth           | 540,430            | 37,830            | 37,830            | 75,660            | 0                             |
| Waunakee Area Ems                    | 45,000             | 3,150             | 3,150             | 6,300             | 0                             |
| Waunakee Area Fire Dist              | 51,547             | 3,608             | 3,608             | 7,217             | 0                             |
| Waunakee Water & Light               | 1,108,688          | 77,608            | 77,608            | 155,216           | 0                             |
| Waupaca Chain O'Lakes San Dist       | 57,200             | 4,004             | 4,004             | 8,008             | 0                             |
| Wausaukee Village Hous Auth          | 88,491             | 6,195             | 6,194             | 12,389            | 0                             |
| Waverly Sanitary District            | 314,136            | 21,990            | 21,989            | 43,979            | 0                             |
| West Bend City Housing Auth          | 228,040            | 15,963            | 15,963            | 31,926            | 0                             |
| West Central Wi Bisolids Comm        | 149,483            | 10,464            | 10,464            | 20,928            | 0                             |
| West Central Wis Reg Plan Comm       | 676,283            | 47,340            | 47,340            | 94,680            | 0                             |
| Western Racine Co Sewerage Dis       | 89,828             | 6,288             | 6,288             | 12,576            | 0                             |
| Western Wisconsin Cares              | 12,283,849         | 859,860           | 859,879           | 1,719,739         | 0                             |
| Winding Rivers Library Sys           | 369,855            | 25,890            | 25,890            | 51,780            | 0                             |
| Windsor Sanitary District #1         | 97,416             | 6,819             | 6,819             | 13,638            | 0                             |
| Winnefox Library System              | 696,457            | 50,165            | 47,339            | 97,504            | 0                             |
| Wis Dells-Lake Delton Sew Comm       | 184,224            | 12,896            | 12,896            | 25,791            | 0                             |
| Wisconsin Counties Association       | 1,746,054          | 122,223           | 122,224           | 244,448           | 0                             |
| Wisconsin Munic Mutal Ins Co         | 627,032            | 53,781            | 34,004            | 87,784            | 0                             |
| Wisconsin Rapids City Hs Auth        | 415,301            | 32,393            | 29,071            | 61,465            | 17,444                        |
| Wisconsin Towns Association          | 371,717            | 26,020            | 26,020            | 52,040            | 0                             |
| Wisconsin Valley Library Srv         | 343,210            | 24,025            | 24,025            | 48,049            | 0                             |
| <b>Total Special Districts (207)</b> | <b>187,767,760</b> | <b>14,846,033</b> | <b>12,889,414</b> | <b>27,735,447</b> | <b>952,366</b>                |
| <b>Towns</b>                         |                    |                   |                   |                   |                               |
| Addison, Town Of (Washington)        | 128,087            | 8,966             | 8,966             | 17,932            | 0                             |
| Alban, Town Of (Portage)             | 63,518             | 4,455             | 4,437             | 8,892             | 0                             |
| Albion, Town Of (Dane)               | 136,243            | 9,765             | 9,309             | 19,074            | 0                             |
| Albion, Town Of (Jackson)            | 26,935             | 1,934             | 1,836             | 3,771             | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                            | Contributions   |                |               |         | Unfunded<br>Liability Balance |
|---------------------------------|-----------------|----------------|---------------|---------|-------------------------------|
|                                 | Covered Payroll | Employer Paid* | Employee Paid | Total   |                               |
| Algoma, Town Of                 | 42,318          | 2,967          | 2,958         | 5,924   | 0                             |
| Anson, Town Of (Chippewa)       | 56,586          | 5,065          | 3,960         | 9,026   | 51,472                        |
| Arbor Vitae, Town Of (Vilas)    | 186,354         | 16,026         | 13,045        | 29,071  | 20,265                        |
| Ashippun, Town Of (Dodge Co)    | 122,038         | 8,543          | 8,543         | 17,085  | 0                             |
| Ashland, Town Of (Ashland)      | 69,434          | 4,869          | 4,852         | 9,721   | 0                             |
| Athelstane, Town Of (Marinette) | 117,109         | 8,198          | 8,197         | 16,395  | 0                             |
| Aztalan, Town Of (Jefferson)    | 57,161          | 5,557          | 4,113         | 9,670   | 117,707                       |
| Baileys Harbor, Town Of (Door)  | 335,474         | 23,483         | 23,483        | 46,966  | 0                             |
| Balsam Lake, Town Of (Polk)     | 47,805          | 3,346          | 3,346         | 6,693   | 0                             |
| Baraboo, Town Of (Sauk)         | 79,045          | 5,766          | 5,766         | 11,531  | 0                             |
| Barksdale, Town Of (Bayfield)   | 53,456          | 3,742          | 3,742         | 7,484   | 0                             |
| Barron, Town Of (Barron)        | 51,057          | 3,574          | 3,574         | 7,148   | 0                             |
| Bayview, Town Of (Bayfield)     | 42,224          | 2,956          | 2,956         | 5,911   | 0                             |
| Bear Creek, Town Of (Sauk)      | 68,257          | 4,971          | 4,852         | 9,822   | 0                             |
| Belmont, Town Of (Lafayette)    | 29,264          | 2,069          | 2,028         | 4,097   | 0                             |
| Beloit, Town Of (Rock)          | 2,183,982       | 222,394        | 152,879       | 375,273 | 0                             |
| Bennett, Town Of (Douglas)      | 86,129          | 6,029          | 6,029         | 12,058  | 0                             |
| Bergen, Town Of (Vernon)        | 39,929          | 2,795          | 2,795         | 5,590   | 0                             |
| Berry, Town Of (Dane)           | 79,779          | 293            | 10,876        | 11,169  | 0                             |
| Bloomfield, Town Of (Walworth)  | 6,300           | 441            | 441           | 882     | 0                             |
| Blooming Grove, Town Of (Dane)  | 405,085         | 35,751         | 28,269        | 64,020  | 0                             |
| Blue Mounds, Town Of (Dane)     | 62,600          | 4,547          | 4,547         | 9,094   | 0                             |
| Boulder Junction, Town (Vilas)  | 219,671         | 17,142         | 15,377        | 32,519  | 0                             |
| Brigham, Town Of (Iowa)         | 120,662         | 9,765          | 7,128         | 16,893  | 0                             |
| Brockway, Town Of (Jackson)     | 77,556          | 5,535          | 5,535         | 11,071  | 0                             |
| Brookfield, Town Of (Waukesha)  | 2,623,812       | 301,707        | 126,469       | 428,176 | 0                             |
| Brooklyn, Town Of (Green)       | 54,810          | 3,846          | 3,827         | 7,673   | 0                             |
| Brothertown, Town Of (Calumet)  | 59,292          | 8,597          | 4,150         | 12,748  | 92,090                        |
| Buchanan, Town Of (Outagamie)   | 175,133         | 12,259         | 12,259        | 24,519  | 0                             |
| Burke, Town Of (Dane)           | 196,139         | 13,730         | 13,730        | 27,459  | 0                             |
| Burlington, Town Of (Racine)    | 345,396         | 26,664         | 24,178        | 50,841  | 0                             |
| Campbell, Town Of (La Crosse)   | 514,798         | 44,626         | 36,036        | 80,662  | 0                             |
| Carey, Town Of (Iron)           | 49,808          | 3,487          | 3,487         | 6,973   | 0                             |
| Cassian, Town Of (Oneida)       | 87,926          | 6,197          | 6,113         | 12,310  | 0                             |
| Cedarburg, Town Of (Ozaukee)    | 568,300         | 39,781         | 39,781        | 79,562  | 0                             |
| Chetek, Town Of (Barron)        | 69,473          | 5,025          | 5,021         | 10,046  | 0                             |
| Clayton, Town Of (Polk)         | 40,275          | 2,819          | 2,819         | 5,639   | 0                             |
| Clayton, Town Of (Winnebago)    | 242,794         | 16,996         | 16,996        | 33,991  | 0                             |
| Clear Lake, Town Of (Polk)      | 38,905          | 3,657          | 2,723         | 6,380   | 27,665                        |
| Clifton, Town Of (Monroe)       | 40,302          | 2,821          | 2,821         | 5,642   | 0                             |
| Clinton, Town Of (Barron)       | 49,757          | 3,483          | 3,483         | 6,966   | 0                             |
| Clover, Town Of (Bayfield)      | 73,909          | 5,175          | 5,172         | 10,347  | 0                             |
| Colby, Town Of (Clark)          | 45,248          | 3,317          | 3,017         | 6,335   | 0                             |
| Corning, Town Of (Lincoln)      | 34,040          | 2,387          | 2,379         | 4,766   | 0                             |
| Crescent, Town Of (Oneida)      | 130,265         | 16,752         | 1,998         | 18,750  | 0                             |
| Cross Plains, Town Of (Dane)    | 68,966          | 4,954          | 4,954         | 9,908   | 0                             |
| Dairyland, Town Of (Douglas)    | 19,024          | 1,797          | 866           | 2,663   | 0                             |
| Darien, Town Of (Walworth)      | 67,725          | 5,386          | 4,637         | 10,023  | 0                             |
| Delavan, Town Of (Walworth)     | 1,239,491       | 157,977        | 43,067        | 201,044 | 0                             |
| Delta, Town Of (Bayfield)       | 92,985          | 6,637          | 6,637         | 13,274  | 0                             |
| Delton, Town Of (Sauk)          | 155,987         | 11,116         | 11,116        | 22,232  | 0                             |
| Dover, Town Of (Racine)         | 58,322          | 4,083          | 4,083         | 8,165   | 0                             |
| Draper, Town Of (Sawyer)        | 76,058          | 5,324          | 5,324         | 10,648  | 0                             |
| Drummond, Town Of (Bayfield)    | 211,987         | 14,938         | 14,938        | 29,876  | 0                             |
| Dunkirk, Town Of (Dane)         | 118,861         | 9,751          | 6,890         | 16,641  | 0                             |
| Dunn, Town Of (Dane)            | 441,766         | 30,923         | 30,924        | 61,847  | 0                             |
| Eagle Point, Town Of (Chippewa) | 99,808          | 7,152          | 7,152         | 14,303  | 0                             |
| Eagle, Town Of (Waukesha)       | 256,736         | 28,053         | 10,421        | 38,474  | 0                             |
| East Troy, Town Of (Walworth)   | 749,529         | 98,617         | 21,180        | 119,798 | 0                             |
| Easton, Town Of (Marathon)      | 87,964          | 6,157          | 6,158         | 12,315  | 0                             |
| Eau Galle, Town Of (Dunn)       | 49,226          | 4,676          | 3,446         | 8,122   | 55,787                        |
| Egg Harbor, Town Of (Door)      | 37,991          | 2,659          | 2,659         | 5,319   | 0                             |
| Elk Mound, Town Of              | 37,890          | 2,658          | 2,647         | 5,305   | 0                             |
| Erin, Town Of (Washington)      | 162,882         | 11,473         | 11,473        | 22,946  | 0                             |
| Exeter, Town Of (Green County)  | 83,961          | 5,877          | 5,877         | 11,755  | 0                             |
| Farmington, Town Of (Lacrosse)  | 69,196          | 4,844          | 4,844         | 9,687   | 0                             |
| Farmington, Town Of (Waupaca)   | 44,702          | 3,464          | 3,464         | 6,929   | 0                             |



| Name                             | Contributions   |                |               |         | Unfunded<br>Liability Balance |
|----------------------------------|-----------------|----------------|---------------|---------|-------------------------------|
|                                  | Covered Payroll | Employer Paid* | Employee Paid | Total   |                               |
| Flambeau, Town Of (Rusk)         | 1,269           | 128            | 89            | 217     | 19,879                        |
| Florence, Town Of (Florence)     | 769,928         | 54,168         | 54,168        | 108,336 | 0                             |
| Franklin, Town Of (Manitowoc)    | 69,473          | 5,236          | 4,640         | 9,876   | 0                             |
| Freedom, Town Of (Outagamie)     | 335,284         | 27,531         | 23,448        | 50,979  | 0                             |
| Freedom, Town Of (Sauk)          | 35,015          | 2,451          | 2,451         | 4,902   | 0                             |
| Fulton, Town Of (Rock)           | 53,788          | 3,765          | 3,765         | 7,530   | 0                             |
| Geneva, Town Of (Walworth)       | 658,099         | 71,021         | 32,820        | 103,841 | 0                             |
| Georgetown, Town Of (Polk)       | 41,513          | 5,895          | 2,906         | 8,801   | 144,235                       |
| Germantown, Town Of              | 128,907         | 9,024          | 9,024         | 18,047  | 0                             |
| Gibraltar, Town Of (Door)        | 211,162         | 14,781         | 14,781        | 29,563  | 0                             |
| Gilman, Town Of (Pierce)         | 54,392          | 3,807          | 3,807         | 7,615   | 0                             |
| Goodman, Town Of (Marinette)     | 73,543          | 5,153          | 5,143         | 10,296  | 0                             |
| Grand Chute, Town Of (Outagamie) | 5,454,449       | 499,639        | 377,062       | 876,701 | 0                             |
| Grand Rapids, Town Of (Wood)     | 715,305         | 68,392         | 44,479        | 112,871 | 0                             |
| Grant, Town Of (Portage)         | 35,301          | 2,481          | 2,461         | 4,942   | 0                             |
| Gratiot, Town Of (Lafayette)     | 71,107          | 4,977          | 4,978         | 9,955   | 0                             |
| Green Lake, Town Of (Grn Lake)   | 45,134          | 3,159          | 3,159         | 6,319   | 0                             |
| Greenfield, Town Of (Lacrosse)   | 65,445          | 4,581          | 4,581         | 9,162   | 0                             |
| Greenville, Town Of (Outagamie)  | 1,273,897       | 96,146         | 89,140        | 185,285 | 0                             |
| Greenwood, Town Of (Vernon)      | 43,855          | 3,095          | 3,045         | 6,140   | 0                             |
| Hamburg, Town Of (Vernon)        | 49,264          | 3,479          | 3,418         | 6,897   | 0                             |
| Hay River, Town Of (Dunn)        | 34,716          | 2,430          | 2,430         | 4,860   | 0                             |
| Hayward, Town Of (Sawyer)        | 151,490         | 11,530         | 10,604        | 22,134  | 0                             |
| Hazelhurst, Town Of (Oneida)     | 119,676         | 9,608          | 7,381         | 16,990  | 0                             |
| Highland, Town Of (Iowa)         | 73,297          | 5,237          | 5,237         | 10,474  | 0                             |
| Hughes, Town Of (Bayfield)       | 61,672          | 4,317          | 4,317         | 8,634   | 0                             |
| Hull, Town Of (Portage)          | 246,084         | 17,489         | 17,489        | 34,977  | 0                             |
| Iron River, Town Of (Bayfield)   | 334,683         | 27,442         | 23,574        | 51,016  | 0                             |
| Ixonia, Town Of (Jefferson)      | 305,533         | 21,387         | 21,388        | 42,775  | 0                             |
| Jackson, Town Of (Washington)    | 222,524         | 18,695         | 12,459        | 31,153  | 0                             |
| Jefferson, Town Of (Jefferson)   | 14,360          | 1,005          | 1,005         | 2,010   | 0                             |
| Kimball, Town Of (Iron)          | 96,704          | 15,956         | 0             | 15,956  | 57,705                        |
| Knight, Town Of (Iron)           | 57,394          | 4,018          | 4,018         | 8,035   | 0                             |
| Komensky, Town Of (Jackson)      | 49,257          | 6,896          | 0             | 6,896   | 0                             |
| La Pointe, Town Of (Ashland)     | 770,443         | 59,562         | 54,218        | 113,780 | 0                             |
| La Valle, Town Of (Sauk)         | 132,840         | 9,299          | 9,298         | 18,598  | 0                             |
| Lac Du Flambeau, Town (Vilas)    | 256,899         | 21,879         | 18,193        | 40,071  | 166,738                       |
| Lafayette, Town Of (Chippewa)    | 182,349         | 13,288         | 12,748        | 26,036  | 0                             |
| Lafayette, Town Of (Walworth)    | 86,888          | 6,082          | 6,082         | 12,164  | 0                             |
| Lake Holcombe, Town (Chippewa)   | 72,813          | 5,179          | 5,150         | 10,329  | 0                             |
| Lake, Town Of (Marinette)        | 69,912          | 5,024          | 5,024         | 10,048  | 0                             |
| Laketown, Town Of (Polk)         | 51,778          | 3,624          | 3,624         | 7,249   | 0                             |
| Land O Lakes, Town Of (Vilas)    | 310,141         | 24,242         | 21,995        | 46,237  | 0                             |
| Laona, Town Of (Forest)          | 169,829         | 13,382         | 12,091        | 25,473  | 0                             |
| Lawrence, Town Of (Brown Co)     | 365,566         | 25,590         | 25,590        | 51,179  | 0                             |
| Lebanon, Town Of (Dodge)         | 101,557         | 7,109          | 7,109         | 14,218  | 0                             |
| Ledgeview, Town Of (Brown)       | 368,328         | 25,783         | 25,783        | 51,566  | 0                             |
| Lincoln, Town Of (Vilas)         | 40,500          | 3,162          | 3,115         | 6,278   | 0                             |
| Linn, Town Of (Walworth)         | 544,297         | 77,913         | 11,924        | 89,837  | 0                             |
| Linwood, Town Of (Portage)       | 41,893          | 2,933          | 2,933         | 5,865   | 0                             |
| Lisbon, Town Of (Waukesha)       | 804,079         | 68,984         | 51,044        | 120,028 | 0                             |
| Lodi, Town Of (Columbia)         | 60,549          | 4,238          | 4,238         | 8,477   | 0                             |
| Lyons, Town Of (Walworth)        | 134,805         | 9,587          | 9,586         | 19,173  | 0                             |
| Madison, Town Of (Dane)          | 2,371,178       | 235,447        | 164,963       | 400,410 | 0                             |
| Maple, Town Of (Douglas)         | 53,067          | 3,715          | 3,715         | 7,429   | 0                             |
| Marengo, Town Of (Ashland)       | 46,012          | 3,269          | 3,172         | 6,442   | 0                             |
| Marion, Town Of (Waushara)       | 26,561          | 3,719          | 0             | 3,719   | 0                             |
| Martell, Town Of (Pierce)        | 50,798          | 9,927          | (2,815)       | 7,112   | 0                             |
| Mazomanie, Town Of (Dane)        | 53,222          | 3,882          | 3,882         | 7,763   | 0                             |
| Medford, Town Of (Taylor)        | 53,292          | 3,730          | 3,730         | 7,461   | 0                             |
| Menasha, Town Of (Winnebago)     | 4,979,203       | 425,864        | 348,713       | 774,577 | 0                             |
| Mercer, Town Of (Iron)           | 272,266         | 19,370         | 19,311        | 38,682  | 0                             |
| Merton, Town Of (Waukesha)       | 644,151         | 45,091         | 45,091        | 90,181  | 0                             |
| Middleton, Town Of (Dane)        | 443,098         | 31,017         | 31,017        | 62,034  | 0                             |
| Milltown, Town Of (Polk)         | 98,325          | 10,717         | 6,883         | 17,600  | 51,549                        |
| Minocqua, Town Of (Oneida)       | 1,466,706       | 139,466        | 103,442       | 242,908 | 335,926                       |
| Minong, Town Of (Washburn)       | 177,297         | 12,846         | 11,976        | 24,822  | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                            | Contributions   |                |               |         | Unfunded<br>Liability Balance |
|---------------------------------|-----------------|----------------|---------------|---------|-------------------------------|
|                                 | Covered Payroll | Employer Paid* | Employee Paid | Total   |                               |
| Mishicot, Town Of (Manitowoc)   | 48,456          | 3,392          | 3,392         | 6,784   | 0                             |
| Montrose, Town Of (Dane)        | 52,117          | 3,648          | 3,648         | 7,296   | 0                             |
| Mukwonago, Town Of              | 690,621         | 65,348         | 45,460        | 110,808 | 0                             |
| Neenah, Town Of                 | 555             | 39             | 39            | 78      | 0                             |
| New Glarus, Town Of (Green)     | 97,903          | 6,853          | 6,853         | 13,706  | 0                             |
| New Haven, Town Of (Dunn)       | 36,979          | 2,889          | 2,584         | 5,473   | 3,533                         |
| Newbold, Town Of (Oneida)       | 260,988         | 21,443         | 15,881        | 37,324  | 0                             |
| Norway, Town Of (Racine)        | 494,299         | 36,857         | 34,601        | 71,458  | 0                             |
| Oakdale, Town Of (Monroe)       | 44,023          | 3,082          | 3,082         | 6,163   | 0                             |
| Oakland, Town Of (Jefferson)    | 182,363         | 12,792         | 12,739        | 25,531  | 0                             |
| Oconomowoc, Town Of (Waukesha)  | 1,520,293       | 135,971        | 106,416       | 242,387 | 0                             |
| Oma, Town Of (Iron)             | 89,958          | 12,594         | 0             | 12,594  | 0                             |
| Onalaska, Town Of (La Crosse)   | 157,276         | 12,583         | 9,435         | 22,019  | 0                             |
| Oregon, Town Of (Dane)          | 173,758         | 12,163         | 12,163        | 24,326  | 0                             |
| Orienta, Town Of (Bayfield)     | 38,480          | 2,694          | 2,694         | 5,387   | 0                             |
| Ottawa, Town Of (Waukesha)      | 79,179          | 5,543          | 5,543         | 11,085  | 0                             |
| Parkland, Town Of (Douglas)     | 70,062          | 4,974          | 4,904         | 9,879   | 1,527                         |
| Pelican, Town Of (Oneida)       | 99,626          | 6,974          | 6,974         | 13,948  | 0                             |
| Pewaukee, City Of               | 4,320,562       | 370,024        | 302,439       | 672,463 | 0                             |
| Phelps, Town Of (Vilas)         | 191,144         | 13,380         | 13,380        | 26,760  | 0                             |
| Pine Lake, Town Of (Oneida)     | 106,236         | 7,436          | 7,437         | 14,873  | 0                             |
| Pleasant Springs, Town (Dane)   | 143,117         | 10,018         | 10,018        | 20,036  | 0                             |
| Pleasant Valley, Town (Eauclr)  | 116,011         | 8,121          | 8,121         | 16,242  | 0                             |
| Port Wing, Town Of (Bayfield)   | 103,500         | 7,245          | 7,245         | 14,490  | 0                             |
| Prairie Lake, Town Of (Barron)  | 73,114          | 5,118          | 5,118         | 10,236  | 0                             |
| Presque Isle, Town Of (Vilas)   | 276,476         | 19,599         | 19,574        | 39,172  | 0                             |
| Preston, Town Of (Adams)        | 62,993          | 4,538          | 4,524         | 9,062   | 0                             |
| Primrose, Town Of (Dane)        | 51,891          | 3,632          | 3,632         | 7,265   | 0                             |
| Quincy, Town Of (Adams)         | 115,863         | 8,384          | 8,385         | 16,769  | 0                             |
| Raymond, Town Of (Racine)       | 242,937         | 18,329         | 15,682        | 34,011  | 0                             |
| Rib Mountain, Town (Marathon)   | 876,118         | 69,411         | 61,328        | 130,740 | 0                             |
| Rice Lake, Town Of (Barron)     | 105,232         | 7,366          | 7,366         | 14,732  | 0                             |
| Richfield, Village Of (Washing) | 587,206         | 41,104         | 41,104        | 82,209  | 0                             |
| Richmond, Town Of (Walworth)    | 66,540          | 4,784          | 4,711         | 9,496   | 0                             |
| Ripon, Town Of (Fond Du Lac)    | 82,387          | 7,350          | 5,767         | 13,117  | 0                             |
| River Falls, Town Of (Pierce)   | 127,983         | 9,120          | 9,165         | 18,285  | 0                             |
| Rome, Town Of (Adams)           | 916,354         | 99,836         | 43,460        | 143,296 | 0                             |
| Rudolph, Town Of (Wood)         | 40,848          | 2,870          | 2,848         | 5,719   | 0                             |
| Rutland, Town Of (Dane)         | 118,971         | 8,561          | 8,561         | 17,122  | 0                             |
| Salem, Town Of (Kenosha)        | 1,428,839       | 109,473        | 100,019       | 209,491 | 0                             |
| Sanborn, Town Of (Ashland)      | 92,586          | 12,421         | 947           | 13,368  | 0                             |
| Scott, Town Of (Brown)          | 146,584         | 10,261         | 10,261        | 20,522  | 0                             |
| Scott, Town Of (Sheboygan)      | 117,490         | 8,237          | 8,211         | 16,449  | 0                             |
| Sharon, Town Of (Portage)       | 82,138          | 5,750          | 5,750         | 11,499  | 0                             |
| Sharon, Town Of (Walworth)      | 46,812          | 3,281          | 3,273         | 6,554   | 0                             |
| Sheboygan, Town Of (Sheboygan)  | 359,511         | 25,170         | 25,162        | 50,332  | 0                             |
| Shelby, Town Of (La Crosse)     | 574,501         | 44,444         | 40,215        | 84,659  | 0                             |
| Somers, Town Of (Kenosha)       | 1,376,535       | 152,296        | 60,850        | 213,146 | 0                             |
| Somerset, Town Of (St Croix)    | 164,347         | 11,504         | 11,504        | 23,009  | 0                             |
| South Lancaster, Town (Grant)   | 44,231          | 3,096          | 3,096         | 6,192   | 0                             |
| Sparta, Town Of (Monroe)        | 79,351          | 5,554          | 5,555         | 11,109  | 0                             |
| Spirit, Town Of (Price)         | 36,113          | 2,889          | 2,528         | 5,417   | 1,121                         |
| Spring Lake, Town Of (Pierce)   | 44,471          | 3,113          | 3,113         | 6,226   | 0                             |
| Springdale, Town Of (Dane)      | 74,289          | 5,328          | 5,328         | 10,655  | 0                             |
| Springfield, Town Of (Dane)     | 137,271         | 9,609          | 9,609         | 19,218  | 0                             |
| Springfield, Town Of (Jackson)  | 32,959          | 3,032          | 2,307         | 5,339   | 49,660                        |
| St Germain, Town Of (Vilas)     | 267,524         | 19,074         | 19,074        | 38,148  | 0                             |
| Stanton, Town Of (Dunn)         | 69,954          | 10,095         | 0             | 10,095  | 0                             |
| Stettin, Town Of (Marathon)     | 166,643         | 10,771         | 13,418        | 24,190  | 0                             |
| Stockton, Town Of (Portage)     | 171,972         | 12,301         | 12,301        | 24,603  | 0                             |
| Strongs Prairie, Town Of (Adms) | 35,595          | 2,492          | 2,492         | 4,983   | 0                             |
| Sugar Creek, Town Of (Walworth) | 106,518         | 7,774          | 7,774         | 15,547  | 0                             |
| Sullivan, Town Of (Jefferson)   | 80,313          | 11,244         | 0             | 11,244  | 0                             |
| Summit, Town Of (Douglas)       | 107,117         | 7,498          | 7,498         | 14,996  | 0                             |
| Summit, Town Of (Juneau)        | 40,363          | 2,825          | 2,825         | 5,651   | 0                             |
| Sumner, Town Of (Barron)        | 37,140          | 2,600          | 2,600         | 5,200   | 0                             |
| Superior, Town Of (Douglas)     | 106,491         | 10,543         | 7,454         | 17,997  | 120,107                       |



| Name                             | Contributions     |                  |                  |                   | Unfunded<br>Liability Balance |
|----------------------------------|-------------------|------------------|------------------|-------------------|-------------------------------|
|                                  | Covered Payroll   | Employer Paid*   | Employee Paid    | Total             |                               |
| Tainter, Town Of (Dunn)          | 118,042           | 8,263            | 8,263            | 16,526            | 0                             |
| Theresa, Town Of (Dodge)         | 74,335            | 5,307            | 5,305            | 10,612            | 0                             |
| Three Lakes, Town Of (Oneida)    | 685,471           | 57,017           | 47,983           | 105,000           | 0                             |
| Tiffany, Town Of (Dunn)          | 44,236            | 3,097            | 3,097            | 6,193             | 0                             |
| Trade Lake, Town Of (Burnett)    | 51,046            | 3,573            | 3,573            | 7,146             | 0                             |
| Trempealeau, Town (Trempealeau)  | 117,494           | 8,224            | 8,225            | 16,449            | 0                             |
| Trenton, Town Of (Washington)    | 208,135           | 15,204           | 14,569           | 29,774            | 0                             |
| Troy, Town Of (Walworth)         | 105,042           | 8,521            | 7,523            | 16,044            | 4,846                         |
| Turtle Lake, Town Of (Barron)    | 49,306            | 3,452            | 3,451            | 6,903             | 0                             |
| Unity, Town Of (Clark)           | 31,820            | 2,235            | 2,220            | 4,455             | 0                             |
| Vermont, Town Of (Dane)          | 73,758            | 5,292            | 5,292            | 10,584            | 0                             |
| Vernon, Town Of (Waukesha)       | 559,196           | 45,022           | 39,922           | 84,944            | 0                             |
| Verona, Town Of (Dane)           | 239,079           | 16,735           | 16,736           | 33,471            | 0                             |
| Vienna, Town Of (Dane)           | 159,034           | 11,517           | 11,517           | 23,034            | 0                             |
| Viroqua, Town Of (Vernon)        | 128,208           | 9,359            | 8,975            | 18,334            | 1,331                         |
| Wabeno, Town Of (Forest)         | 122,532           | 11,315           | 8,352            | 19,667            | 26,352                        |
| Walworth, Town Of (Walworth)     | 77,006            | 6,006            | 5,390            | 11,397            | 10,383                        |
| Warren, Town Of                  | 40,580            | 2,841            | 2,841            | 5,681             | 0                             |
| Wascott, Town Of (Douglas)       | 210,794           | 16,137           | 14,257           | 30,394            | 0                             |
| Washington, Town Of (Door)       | 446,003           | 34,274           | 31,220           | 65,494            | 0                             |
| Washington, Town Of (Lacrosse)   | 50,906            | 7,127            | 0                | 7,127             | 0                             |
| Washington, Town Of (Vilas)      | 115,643           | 8,292            | 8,292            | 16,584            | 0                             |
| Washington, Town Of (Eau Claire) | 325,495           | 22,785           | 22,785           | 45,569            | 0                             |
| Waterford, Town Of (Racine)      | 818,348           | 94,240           | 35,529           | 129,769           | 0                             |
| Waukesha, Town Of (Waukesha)     | 338,783           | 29,117           | 23,715           | 52,832            | 0                             |
| Wayne, Town Of (Lafayette)       | 56,408            | 3,957            | 3,940            | 7,897             | 0                             |
| Wescott, Town Of (Shawano)       | 245,674           | 17,197           | 17,197           | 34,394            | 0                             |
| West Bend, Town Of (Washington)  | 164,565           | 11,546           | 11,493           | 23,039            | 0                             |
| West Point, Town Of              | 23,000            | 1,782            | 1,782            | 3,565             | 0                             |
| West Sweden, Town Of (Polk)      | 41,049            | 2,873            | 2,873            | 5,747             | 0                             |
| Weston, Town Of (Marathon)       | 11,200            | 952              | 784              | 1,736             | 0                             |
| Westport, Town Of (Dane)         | 454,251           | 45,715           | 17,880           | 63,595            | 0                             |
| Wheatland, Town Of (Vernon)      | 48,709            | 3,410            | 3,410            | 6,819             | 0                             |
| Wheaton, Town Of (Chippewa)      | 104,213           | 7,425            | 7,425            | 14,849            | 0                             |
| Wilson, Town Of (Sheboygan)      | 137,691           | 9,766            | 9,766            | 19,533            | 0                             |
| Wilton, Town Of (Monroe)         | 39,444            | 2,761            | 2,761            | 5,522             | 0                             |
| Windsor, Town Of (Dane)          | 682,675           | 47,787           | 47,787           | 95,575            | 0                             |
| Winter, Town Of (Sawyer)         | 196,446           | 14,099           | 14,099           | 28,198            | 0                             |
| Wiotia, Town Of (Lafayette)      | 38,181            | 2,676            | 2,670            | 5,345             | 0                             |
| Woodruff, Town Of (Oneida)       | 578,652           | 76,767           | 16,346           | 93,113            | 0                             |
| Yorkville, Town Of (Racine)      | 97,795            | 7,327            | 6,364            | 13,691            | 0                             |
| <b>Total Towns (246)</b>         | <b>68,919,976</b> | <b>6,032,355</b> | <b>4,460,196</b> | <b>10,492,551</b> | <b>1,359,877</b>              |
| <b>Counties</b>                  |                   |                  |                  |                   |                               |
| Adams County                     | 11,066,583        | 836,031          | 775,811          | 1,611,841         | 0                             |
| Ashland County                   | 6,477,355         | 553,468          | 394,082          | 947,550           | 0                             |
| Barron County                    | 13,946,719        | 1,054,475        | 961,786          | 2,016,261         | 0                             |
| Bayfield County                  | 7,716,343         | 651,216          | 483,044          | 1,134,260         | 0                             |
| Brown County                     | 73,958,935        | 5,868,379        | 4,903,187        | 10,771,566        | 0                             |
| Buffalo County                   | 4,656,431         | 379,528          | 294,221          | 673,750           | 0                             |
| Burnett County                   | 7,047,951         | 526,628          | 495,020          | 1,021,648         | 0                             |
| Calumet County                   | 12,531,666        | 930,156          | 879,021          | 1,809,177         | 0                             |
| Chippewa County                  | 18,214,274        | 1,424,326        | 1,191,095        | 2,615,422         | 0                             |
| Clark County                     | 19,818,369        | 1,549,812        | 1,282,219        | 2,832,032         | 0                             |
| Columbia County                  | 22,947,444        | 1,869,305        | 1,440,257        | 3,309,562         | 0                             |
| Crawford County                  | 6,036,362         | 530,217          | 538,498          | 888,715           | 0                             |
| Dane County                      | 146,643,799       | 11,676,632       | 10,255,095       | 21,931,727        | 0                             |
| Dodge County                     | 38,076,862        | 2,778,443        | 2,668,655        | 5,447,097         | 0                             |
| Door County                      | 17,263,674        | 1,601,457        | 964,160          | 2,565,617         | 0                             |
| Douglas County                   | 13,601,696        | 1,647,860        | 455,004          | 2,102,864         | 0                             |
| Dunn County                      | 19,744,668        | 1,564,347        | 1,279,721        | 2,844,069         | 0                             |
| Eau Claire County                | 25,767,642        | 1,963,178        | 1,804,477        | 3,767,655         | 0                             |
| Florence County                  | 3,073,165         | 242,917          | 216,804          | 459,721           | 0                             |
| Fond Du Lac County               | 37,742,253        | 2,948,608        | 2,467,571        | 5,416,179         | 0                             |
| Forest County                    | 4,422,207         | 382,364          | 275,298          | 657,661           | 0                             |
| Grant County                     | 16,007,910        | 1,174,907        | 1,122,483        | 2,297,390         | 0                             |
| Green County                     | 16,321,637        | 1,288,823        | 1,082,019        | 2,370,842         | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions        |                    |                    |                    | Unfunded<br>Liability Balance |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|-------------------------------|
|                                | Covered Payroll      | Employer Paid*     | Employee Paid      | Total              |                               |
| Green Lake County              | 8,852,136            | 700,977            | 579,073            | 1,280,050          | 0                             |
| Iowa County                    | 9,310,865            | 710,871            | 652,738            | 1,363,609          | 0                             |
| Iron County                    | 3,948,198            | 354,860            | 221,777            | 576,637            | 0                             |
| Jackson County                 | 7,883,896            | 650,464            | 495,546            | 1,146,010          | 0                             |
| Jefferson County               | 25,012,937           | 2,312,584          | 1,410,952          | 3,723,536          | 0                             |
| Juneau County                  | 10,852,445           | 896,904            | 717,276            | 1,614,180          | 0                             |
| Kenosha County                 | 52,348,117           | 4,512,823          | 3,123,983          | 7,636,806          | 0                             |
| Kewaunee County                | 8,021,235            | 701,700            | 469,458            | 1,171,158          | 0                             |
| La Crosse County               | 49,049,387           | 3,600,058          | 3,360,828          | 6,960,887          | 0                             |
| Lafayette County               | 12,001,154           | 936,853            | 795,557            | 1,732,410          | 0                             |
| Langlade County                | 7,367,284            | 599,897            | 469,210            | 1,069,107          | 0                             |
| Lincoln County                 | 15,567,327           | 1,151,625          | 1,091,389          | 2,243,014          | 0                             |
| Manitowoc County               | 21,537,221           | 1,887,610          | 1,263,106          | 3,150,716          | 0                             |
| Marathon County                | 39,317,347           | 2,955,977          | 2,755,804          | 5,711,781          | 0                             |
| Marinette County               | 16,438,902           | 1,279,992          | 1,091,794          | 2,371,786          | 0                             |
| Marquette County               | 7,287,215            | 561,193            | 511,397            | 1,072,590          | 0                             |
| Menominee County               | 3,369,212            | 251,209            | 236,837            | 488,046            | 0                             |
| Monroe County                  | 14,683,347           | 1,155,651          | 977,257            | 2,132,908          | 0                             |
| Oconto County                  | 13,033,210           | 1,102,030          | 786,412            | 1,888,442          | 0                             |
| Oneida County                  | 12,780,692           | 976,901            | 896,547            | 1,873,448          | 0                             |
| Outagamie County               | 53,021,217           | 3,951,478          | 3,667,899          | 7,619,377          | 0                             |
| Ozaukee County                 | 26,830,076           | 2,146,133          | 1,719,830          | 3,865,963          | 0                             |
| Pepin County                   | 3,933,119            | 329,280            | 253,415            | 582,695            | 0                             |
| Pierce County                  | 13,779,386           | 1,222,691          | 803,034            | 2,025,725          | 0                             |
| Polk County                    | 20,067,237           | 1,604,207          | 1,274,146          | 2,878,352          | 0                             |
| Portage County                 | 25,526,690           | 2,096,469          | 1,604,274          | 3,700,742          | 0                             |
| Price County                   | 6,155,115            | 525,013            | 373,322            | 898,334            | 0                             |
| Racine County                  | 40,818,992           | 3,843,649          | 2,842,025          | 6,685,674          | 0                             |
| Richland County                | 10,940,454           | 833,995            | 733,079            | 1,567,074          | 0                             |
| Rock County                    | 57,733,976           | 4,781,737          | 3,673,799          | 8,455,536          | 0                             |
| Rusk County                    | 14,268,666           | 1,161,256          | 895,509            | 2,056,765          | 0                             |
| Sauk County                    | 26,706,620           | 2,241,950          | 1,695,680          | 3,937,629          | 0                             |
| Sawyer County                  | 8,213,631            | 635,283            | 565,678            | 1,200,961          | 0                             |
| Shawano County                 | 14,980,081           | 1,273,170          | 1,029,255          | 2,302,425          | 0                             |
| Sheboygan County               | 38,151,964           | 2,831,605          | 2,672,938          | 5,504,543          | 0                             |
| St Croix County                | 28,226,246           | 2,119,887          | 2,007,211          | 4,127,098          | 0                             |
| Taylor County                  | 7,993,066            | 628,773            | 533,713            | 1,162,485          | 0                             |
| Trempealeau County             | 19,680,754           | 1,511,088          | 1,293,691          | 2,804,780          | 0                             |
| Vernon County                  | 11,007,041           | 885,486            | 703,177            | 1,588,663          | 0                             |
| Vilas County                   | 8,337,745            | 649,827            | 586,379            | 1,236,206          | 0                             |
| Walworth County                | 39,961,501           | 3,420,146          | 2,415,279          | 5,835,425          | 0                             |
| Washburn County                | 7,500,743            | 576,335            | 527,145            | 1,103,480          | 0                             |
| Washington County              | 35,859,016           | 2,881,052          | 2,320,916          | 5,201,967          | 0                             |
| Waukesha County                | 81,351,432           | 6,366,276          | 5,461,407          | 11,827,683         | 0                             |
| Waupaca County                 | 20,225,627           | 1,510,508          | 1,412,088          | 2,922,596          | 0                             |
| Waushara County                | 12,267,001           | 976,025            | 828,299            | 1,804,324          | 0                             |
| Winnebago County               | 50,604,492           | 4,232,926          | 3,172,760          | 7,405,686          | 0                             |
| Wood County                    | 25,864,500           | 2,066,113          | 1,666,470          | 3,732,583          | 0                             |
| <b>Total Counties (71)</b>     | <b>1,591,752,458</b> | <b>128,045,618</b> | <b>104,688,882</b> | <b>232,734,500</b> | <b>0</b>                      |
| <b>School Districts</b>        |                      |                    |                    |                    |                               |
| Abbotsford School District     | 3,219,763            | 225,383            | 225,384            | 450,767            | 0                             |
| Adams-Friendship Area Sch Dist | 10,200,500           | 714,035            | 714,035            | 1,428,070          | 0                             |
| Albany School District         | 2,772,616            | 195,741            | 192,425            | 388,166            | 0                             |
| Algoma School District         | 3,737,996            | 261,659            | 261,661            | 523,320            | 0                             |
| Alma Center-Humbrd-Meril Sch D | 3,388,199            | 237,174            | 237,174            | 474,348            | 0                             |
| Alma School District           | 1,724,000            | 120,680            | 120,680            | 241,360            | 0                             |
| Almond-Bancroft School Dist    | 2,423,245            | 169,628            | 169,627            | 339,254            | 0                             |
| Altoona School District        | 8,486,195            | 594,036            | 594,031            | 1,188,067          | 0                             |
| Amery School District          | 10,375,540           | 726,288            | 726,287            | 1,452,576          | 0                             |
| Antigo Unified School District | 13,648,754           | 955,410            | 955,415            | 1,910,826          | 0                             |
| Appleton Area School District  | 87,953,382           | 6,156,811          | 6,156,662          | 12,313,474         | 0                             |
| Arbor Vitae-Woodruff Jsd #1    | 2,602,201            | 182,154            | 182,154            | 364,308            | 0                             |
| Arcadia School District        | 6,799,222            | 475,944            | 475,947            | 951,891            | 0                             |
| Argyle School District         | 1,657,805            | 116,046            | 116,047            | 232,093            | 0                             |
| Arrowhead Union High Sch Dist  | 12,817,990           | 897,240            | 897,279            | 1,794,519          | 0                             |
| Ashland School District        | 11,444,427           | 801,117            | 801,103            | 1,602,220          | 0                             |



| Name                           | Contributions   |                |               |           | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|-----------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total     |                               |
| Ashwaubenon School District    | 17,605,576      | 1,232,029      | 1,232,751     | 2,464,781 | 0                             |
| Athens School District         | 2,309,001       | 161,629        | 161,631       | 323,260   | 0                             |
| Auburndale School District     | 3,652,691       | 256,025        | 255,352       | 511,377   | 0                             |
| Augusta School District        | 4,123,422       | 288,639        | 288,640       | 577,279   | 0                             |
| Baldwin-Woodville Area Sch Dis | 9,297,635       | 650,832        | 650,837       | 1,301,669 | 0                             |
| Bangor School District         | 3,328,709       | 233,009        | 233,010       | 466,019   | 0                             |
| Baraboo School District        | 18,531,221      | 1,296,778      | 1,297,593     | 2,594,371 | 0                             |
| Barneveld School District      | 2,367,038       | 165,693        | 165,692       | 331,385   | 0                             |
| Barron Area School District    | 8,270,128       | 579,202        | 578,616       | 1,157,818 | 0                             |
| Bayfield School District       | 3,988,469       | 279,192        | 279,193       | 558,386   | 0                             |
| Beaver Dam Unified School Dist | 21,812,015      | 1,526,971      | 1,526,711     | 3,053,682 | 0                             |
| Beecher Dunbar Pembine Sch Dis | 1,535,679       | 107,497        | 107,498       | 214,995   | 0                             |
| Belleville School District     | 5,592,212       | 390,275        | 392,634       | 782,910   | 0                             |
| Belmont Community School Dist  | 2,088,696       | 146,208        | 146,209       | 292,418   | 0                             |
| Beloit School District         | 40,219,358      | 2,815,466      | 2,815,244     | 5,630,710 | 0                             |
| Beloit Turner School District  | 8,340,139       | 583,809        | 583,810       | 1,167,619 | 0                             |
| Benton School District         | 1,403,881       | 98,272         | 98,271        | 196,543   | 0                             |
| Berlin Area School District    | 9,051,341       | 633,593        | 633,595       | 1,267,188 | 0                             |
| Big Foot Uhs Sch Dist          | 3,035,674       | 210,238        | 214,756       | 424,994   | 0                             |
| Birchwood School District      | 2,107,081       | 149,445        | 145,546       | 294,991   | 0                             |
| Black Hawk School District     | 2,440,452       | 170,832        | 170,832       | 341,663   | 0                             |
| Black River Falls Sch Dist     | 10,725,653      | 750,793        | 750,798       | 1,501,591 | 0                             |
| Blair-Taylor School District   | 3,386,592       | 237,061        | 237,061       | 474,123   | 0                             |
| Bloomer School District        | 5,789,161       | 405,238        | 405,244       | 810,483   | 0                             |
| Bonduel School District        | 4,800,040       | 336,002        | 336,003       | 672,006   | 0                             |
| Boscobel School District       | 5,199,753       | 357,923        | 370,042       | 727,965   | 0                             |
| Bowler School District         | 2,550,266       | 178,246        | 178,792       | 357,037   | 0                             |
| Boyceville Community Sch Dist  | 4,272,899       | 299,101        | 299,105       | 598,206   | 0                             |
| Brighton Sch Dist #1           | 760,140         | 53,210         | 53,210        | 106,420   | 0                             |
| Brillion Public School Dist    | 5,102,105       | 357,146        | 357,148       | 714,295   | 0                             |
| Bristol, Town, Sch Dist #1     | 3,498,197       | 244,875        | 244,873       | 489,748   | 0                             |
| Brodhead School District       | 6,044,555       | 423,118        | 423,120       | 846,238   | 0                             |
| Brown Deer School District     | 10,833,942      | 758,500        | 758,252       | 1,516,752 | 0                             |
| Bruce School District          | 2,962,289       | 207,338        | 207,383       | 414,720   | 0                             |
| Burlington Area School Dist    | 19,662,111      | 1,368,987      | 1,383,709     | 2,752,696 | 0                             |
| Butternut School District      | 1,344,823       | 94,137         | 94,138        | 188,275   | 0                             |
| Cadott Comm School District    | 4,461,269       | 312,290        | 312,288       | 624,578   | 0                             |
| Cambria-Friesland School Dist  | 2,696,194       | 221,088        | 188,734       | 409,822   | 366,396                       |
| Cambridge School District      | 5,298,058       | 439,929        | 370,674       | 810,603   | 396,831                       |
| Cameron School District        | 5,466,518       | 382,655        | 382,657       | 765,312   | 0                             |
| Campbellsport School District  | 7,580,643       | 530,636        | 530,654       | 1,061,290 | 0                             |
| Cashton School District        | 3,378,651       | 236,506        | 236,506       | 473,011   | 0                             |
| Cassville School District      | 1,528,583       | 107,001        | 107,001       | 214,002   | 0                             |
| Cedar Grove-Belgium Sch Dist   | 5,908,796       | 414,120        | 413,112       | 827,231   | 0                             |
| Cedarburg School District      | 17,081,788      | 1,187,782      | 1,203,669     | 2,391,450 | 0                             |
| Chequamegon School District    | 4,647,207       | 325,318        | 325,291       | 650,609   | 0                             |
| Chetek-Weyerhaeuser Area Sd    | 6,173,664       | 432,156        | 432,156       | 864,313   | 0                             |
| Chilton School District        | 6,322,226       | 442,588        | 442,523       | 885,112   | 0                             |
| Chippewa Falls Area Unif Sch   | 25,639,676      | 1,794,777      | 1,794,778     | 3,589,555 | 0                             |
| Clayton School District        | 2,513,484       | 175,943        | 175,945       | 351,888   | 0                             |
| Clear Lake School District     | 3,608,781       | 252,649        | 252,581       | 505,229   | 0                             |
| Clinton Community School Dist  | 6,762,302       | 473,360        | 473,362       | 946,722   | 0                             |
| Clintonville Public Sch Dist   | 8,951,376       | 626,596        | 626,597       | 1,253,193 | 0                             |
| Cochrane-Fountain City Sch Dis | 3,481,185       | 246,690        | 240,676       | 487,366   | 0                             |
| Colby School District          | 3,665,137       | 256,558        | 256,561       | 513,119   | 0                             |
| Coleman School District        | 3,730,299       | 261,121        | 261,121       | 522,242   | 0                             |
| Colfax School District         | 4,698,454       | 385,384        | 328,781       | 714,165   | 449,580                       |
| Columbus School District       | 6,423,539       | 449,646        | 449,649       | 899,296   | 0                             |
| Cornell School Distict         | 2,201,158       | 154,081        | 154,081       | 308,162   | 0                             |
| Crandon School District        | 5,505,455       | 386,294        | 384,469       | 770,764   | 0                             |
| Crivitz School District        | 3,119,798       | 218,388        | 218,384       | 436,772   | 0                             |
| Cuba City School District      | 4,145,364       | 290,174        | 290,177       | 580,351   | 0                             |
| Cudahy School District         | 17,158,918      | 1,201,124      | 1,201,125     | 2,402,249 | 0                             |
| Cumberland School District     | 5,629,412       | 394,058        | 394,060       | 788,118   | 0                             |
| D C Everest Area School Dist   | 34,105,812      | 2,387,411      | 2,387,403     | 4,774,814 | 0                             |
| Darlington Comm School Dist    | 4,446,206       | 311,234        | 311,235       | 622,469   | 0                             |
| Deerfield Comm School District | 4,695,918       | 328,714        | 328,714       | 657,428   | 0                             |





## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Deforest Area School District  | 19,620,368      | 1,373,425      | 1,373,427     | 2,746,851  | 0                             |
| Delavan-Darien School District | 14,159,470      | 992,069        | 990,257       | 1,982,326  | 0                             |
| Denmark School District        | 7,742,971       | 542,010        | 542,006       | 1,084,016  | 0                             |
| Depere Unified School District | 21,538,802      | 1,507,715      | 1,507,717     | 3,015,432  | 0                             |
| Desoto Area School District    | 3,370,639       | 235,944        | 235,946       | 471,890    | 0                             |
| Dodgeand School District       | 5,238,982       | 366,728        | 366,729       | 733,458    | 0                             |
| Dodgeville School District     | 6,977,067       | 488,393        | 488,397       | 976,789    | 0                             |
| Drummond School District       | 2,365,002       | 165,580        | 165,521       | 331,100    | 0                             |
| Durand School District         | 4,802,665       | 336,185        | 336,188       | 672,373    | 0                             |
| East Troy Community Sch Dist   | 8,998,269       | 629,933        | 629,825       | 1,259,758  | 0                             |
| Eau Claire Area School Dist    | 61,246,881      | 4,264,438      | 4,310,125     | 8,574,563  | 0                             |
| Edgar School District          | 3,112,629       | 217,887        | 217,881       | 435,768    | 0                             |
| Edgerton School District       | 10,568,083      | 739,765        | 739,767       | 1,479,532  | 0                             |
| Elcho School District          | 2,522,410       | 178,188        | 174,949       | 353,137    | 0                             |
| Eleva-Strum School District    | 3,753,548       | 262,747        | 262,749       | 525,497    | 0                             |
| Elk Mound Area School District | 5,971,140       | 418,021        | 417,938       | 835,960    | 0                             |
| Elkhart Lake-Glenbeulah Sch Ds | 2,802,191       | 196,153        | 196,153       | 392,307    | 0                             |
| Elkhorn Area School District   | 17,276,953      | 1,209,384      | 1,209,390     | 2,418,773  | 0                             |
| Ellsworth Comm Sch Dist        | 8,819,224       | 617,349        | 617,342       | 1,234,691  | 0                             |
| Elmbrook School District       | 48,610,258      | 3,402,808      | 3,402,628     | 6,805,436  | 0                             |
| Elmwood School District        | 2,370,459       | 165,865        | 165,999       | 331,864    | 0                             |
| Erin Sch Dist #2               | 1,372,009       | 96,041         | 96,040        | 192,081    | 0                             |
| Evansville Comm Sch Dist       | 9,985,239       | 697,698        | 700,235       | 1,397,933  | 0                             |
| Fall Creek School District     | 4,414,991       | 309,045        | 309,053       | 618,099    | 0                             |
| Fall River School District     | 2,266,525       | 162,987        | 154,327       | 317,314    | 0                             |
| Fennimore Community Sch Dist   | 5,194,176       | 363,592        | 363,592       | 727,185    | 0                             |
| Flambeau School District       | 3,388,190       | 237,173        | 237,173       | 474,347    | 0                             |
| Florence County Sch Dist       | 2,929,280       | 204,903        | 205,196       | 410,099    | 0                             |
| Fond Du Lac School District    | 43,612,777      | 3,042,745      | 3,063,044     | 6,105,789  | 0                             |
| Fontana Jt Sch Dist #8 Etal    | 1,832,154       | 128,250        | 128,251       | 256,502    | 0                             |
| Fort Atkinson School District  | 16,422,849      | 1,150,485      | 1,148,714     | 2,299,199  | 0                             |
| Fox Point Jt Sch Dist # 2 Etal | 6,420,636       | 447,608        | 451,281       | 898,889    | 0                             |
| Franklin Public School Dist    | 27,876,137      | 1,950,369      | 1,952,290     | 3,902,659  | 0                             |
| Frederic School District       | 2,946,928       | 207,367        | 205,203       | 412,570    | 0                             |
| Freedom Area School District   | 8,652,205       | 605,652        | 605,657       | 1,211,309  | 0                             |
| Friess Lake School District    | 992,007         | 69,675         | 69,206        | 138,881    | 0                             |
| Galesville School Distrct Etal | 8,264,729       | 578,531        | 578,531       | 1,157,062  | 0                             |
| Geneva Jt Sch Dist #4 Etal     | 976,480         | 69,311         | 67,396        | 136,707    | 0                             |
| Genoa City Jt Sch Dist #2 Etal | 3,278,004       | 229,460        | 229,461       | 458,921    | 0                             |
| Germantown School District     | 23,773,176      | 1,654,892      | 1,673,353     | 3,328,245  | 0                             |
| Gibraltar Area School District | 5,049,554       | 353,610        | 353,328       | 706,938    | 0                             |
| Gillett School District        | 3,535,017       | 247,451        | 247,451       | 494,902    | 0                             |
| Gilman School District         | 1,948,225       | 136,375        | 136,376       | 272,751    | 0                             |
| Gilmanton School District      | 705,712         | 49,400         | 49,400        | 98,800     | 0                             |
| Glendale-River Hills Sch Dist  | 7,057,424       | 494,071        | 493,968       | 988,039    | 0                             |
| Glenwood City School District  | 3,939,594       | 275,772        | 275,771       | 551,543    | 0                             |
| Goodman-Armstrong School Dist  | 909,282         | 63,650         | 63,650        | 127,300    | 0                             |
| Grafton School District        | 13,069,141      | 915,000        | 914,679       | 1,829,680  | 0                             |
| Granton Area School District   | 1,487,976       | 104,159        | 104,158       | 208,317    | 0                             |
| Grantsburg School District     | 5,203,869       | 365,996        | 362,546       | 728,542    | 0                             |
| Green Bay Area Public Schools  | 136,779,918     | 9,577,786      | 9,571,402     | 19,149,189 | 0                             |
| Green Lake School District     | 2,004,345       | 140,304        | 140,304       | 280,608    | 0                             |
| Greendale School District      | 17,156,664      | 1,200,976      | 1,200,957     | 2,401,933  | 0                             |
| Greenfield School District     | 20,355,628      | 1,419,587      | 1,430,201     | 2,849,788  | 0                             |
| Greenwood School District      | 2,202,084       | 154,169        | 154,123       | 308,292    | 0                             |
| Gresham School Dist            | 1,617,753       | 113,271        | 113,215       | 226,485    | 0                             |
| Hamilton School District       | 26,643,312      | 1,866,318      | 1,863,746     | 3,730,064  | 0                             |
| Hartford Jt Sch Dist #1 Etal   | 10,000,577      | 700,040        | 700,041       | 1,400,081  | 0                             |
| Hartford Union High Sch Dist   | 8,488,466       | 591,373        | 597,012       | 1,188,385  | 0                             |
| Hartland Jt Sch Dist #3 Etal   | 6,932,207       | 485,254        | 485,255       | 970,509    | 0                             |
| Hayward Community School Dist  | 9,905,210       | 693,363        | 693,367       | 1,386,729  | 0                             |
| Herman Sch Dist #22            | 468,671         | 37,493         | 32,807        | 70,301     | 179,502                       |
| Highland School District       | 1,315,571       | 92,093         | 92,087        | 184,180    | 0                             |
| Hilbert School District        | 2,606,466       | 182,453        | 182,452       | 364,905    | 0                             |
| Hillsboro School District      | 3,250,151       | 227,511        | 227,510       | 455,021    | 0                             |
| Holmen School District         | 25,881,034      | 1,811,647      | 1,811,698     | 3,623,345  | 0                             |
| Horicon School District        | 4,510,203       | 315,713        | 315,715       | 631,428    | 0                             |



| Name                            | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|---------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                 | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Hortonville Area School Dist    | 18,619,765      | 1,303,385      | 1,303,382     | 2,606,767  | 0                             |
| Howards Grove School District   | 5,235,809       | 366,561        | 366,453       | 733,013    | 0                             |
| Howard-Suamico School District  | 28,478,506      | 1,991,795      | 1,995,196     | 3,986,991  | 0                             |
| Hudson School District          | 32,287,584      | 2,260,133      | 2,260,128     | 4,520,262  | 0                             |
| Hurley School District          | 3,609,180       | 252,642        | 252,644       | 505,285    | 0                             |
| Hustisford School District      | 2,493,820       | 174,777        | 174,358       | 349,135    | 0                             |
| Independence School District    | 2,225,256       | 156,196        | 155,340       | 311,536    | 0                             |
| Iola-Scandinavia School Dist    | 3,788,507       | 265,956        | 264,435       | 530,391    | 0                             |
| Iowa-Grant School District      | 4,978,129       | 348,469        | 348,469       | 696,938    | 0                             |
| Ithaca School District          | 2,330,480       | 163,222        | 163,046       | 326,267    | 0                             |
| Janesville School District      | 63,306,487      | 4,431,217      | 4,431,691     | 8,862,908  | 0                             |
| Jefferson School District       | 11,338,306      | 793,681        | 793,681       | 1,587,363  | 0                             |
| Johnson Creek School District   | 4,078,384       | 285,487        | 285,487       | 570,974    | 0                             |
| Juda School District            | 1,501,531       | 105,339        | 104,875       | 210,214    | 0                             |
| Kansasville Dover Dist #1       | 564,647         | 39,525         | 39,525        | 79,051     | 0                             |
| Kaukauna Area School District   | 19,980,071      | 1,393,784      | 1,403,426     | 2,797,210  | 0                             |
| Kenosha Unified Sch Dist #1     | 141,510,815     | 9,921,156      | 9,890,358     | 19,811,514 | 0                             |
| Kettle Moraine School District  | 23,892,884      | 1,672,504      | 1,672,500     | 3,345,004  | 0                             |
| Kewaskum School District        | 10,654,676      | 739,918        | 751,737       | 1,491,655  | 0                             |
| Kewaunee School District        | 5,238,067       | 366,663        | 366,666       | 733,329    | 0                             |
| Kickapoo Area School District   | 2,869,686       | 200,887        | 200,869       | 401,756    | 0                             |
| Kiel Area School District       | 7,672,067       | 659,797        | 537,045       | 1,196,842  | 0                             |
| Kimberly Area School District   | 24,215,128      | 1,695,056      | 1,695,062     | 3,390,118  | 0                             |
| Kohler School District          | 3,939,634       | 275,773        | 275,776       | 551,549    | 0                             |
| La Crosse School District       | 48,932,237      | 3,424,997      | 3,425,516     | 6,850,513  | 0                             |
| Lac Du Flambeau Sch Dist #1     | 5,173,303       | 362,131        | 362,131       | 724,262    | 0                             |
| Ladysmith-Hawkins Sch Dist      | 5,721,812       | 400,526        | 400,528       | 801,054    | 0                             |
| Lafarge School District         | 1,784,073       | 124,885        | 124,885       | 249,770    | 0                             |
| Lake Country Sch Dist           | 3,121,039       | 217,910        | 219,035       | 436,945    | 0                             |
| Lake Geneva Jt Sch Dis #1 Etal  | 11,387,379      | 797,116        | 797,117       | 1,594,233  | 0                             |
| Lake Geneva School District     | 9,602,849       | 672,198        | 672,200       | 1,344,399  | 0                             |
| Lake Holcombe School District   | 2,005,227       | 140,366        | 140,366       | 280,732    | 0                             |
| Lake Mills Area School Dist     | 7,375,756       | 516,411        | 516,194       | 1,032,606  | 0                             |
| Lakeland Union High Sch Dist    | 6,185,708       | 432,999        | 433,000       | 865,999    | 0                             |
| Lancaster Comm Sch Dist         | 5,578,314       | 390,482        | 390,482       | 780,964    | 0                             |
| Laona School District           | 1,464,808       | 102,537        | 102,537       | 205,073    | 0                             |
| Lena Public School District     | 2,050,934       | 143,565        | 143,566       | 287,131    | 0                             |
| Linn Jt Sch Dist #4 Etal        | 870,744         | 61,073         | 60,831        | 121,904    | 0                             |
| Linn Jt Sch Dist #6 Etal        | 656,910         | 45,984         | 45,984        | 91,967     | 0                             |
| Little Chute Area School Dist   | 8,593,633       | 601,553        | 601,555       | 1,203,109  | 0                             |
| Lodi School District            | 8,929,532       | 624,285        | 625,850       | 1,250,134  | 0                             |
| Lomira School District          | 5,998,475       | 419,893        | 419,894       | 839,787    | 0                             |
| Loyal School District           | 2,738,724       | 192,790        | 190,631       | 383,421    | 0                             |
| Luck School District            | 3,075,808       | 215,293        | 215,320       | 430,613    | 0                             |
| Luxemburg-Casco School Dist     | 8,491,555       | 593,937        | 594,881       | 1,188,818  | 0                             |
| Madison Metro School District   | 213,983,673     | 14,963,827     | 14,993,887    | 29,957,714 | 0                             |
| Manawa School District          | 3,910,781       | 273,754        | 273,756       | 547,509    | 0                             |
| Manitowoc Public School Dist    | 31,813,322      | 2,226,930      | 2,226,935     | 4,453,865  | 0                             |
| Maple Dale-Indian Hill Sch Dis  | 3,822,428       | 317,846        | 259,708       | 577,554    | 1,250,674                     |
| Maple School District           | 7,438,373       | 520,684        | 520,688       | 1,041,372  | 0                             |
| Marathon City School District   | 2,941,119       | 205,878        | 205,879       | 411,757    | 0                             |
| Marinette School District       | 10,417,674      | 729,237        | 729,237       | 1,458,474  | 0                             |
| Marion School District          | 1,957,845       | 137,049        | 137,050       | 274,098    | 0                             |
| Markesan School District        | 4,394,897       | 307,642        | 307,644       | 615,286    | 0                             |
| Marshall Jt Sch Dist #2 Etal    | 7,174,883       | 504,231        | 500,252       | 1,004,484  | 0                             |
| Marshfield Unified School Dist  | 21,715,697      | 1,566,497      | 1,473,701     | 3,040,198  | 0                             |
| Mauston School District         | 8,389,370       | 583,620        | 590,892       | 1,174,512  | 0                             |
| Mayville School District        | 7,162,167       | 501,257        | 501,446       | 1,002,703  | 0                             |
| Mcfarland School District       | 14,811,127      | 1,040,419      | 1,033,139     | 2,073,558  | 0                             |
| Medford Area Public Schl Dist   | 11,850,077      | 829,504        | 829,506       | 1,659,011  | 0                             |
| Mellen School District          | 1,282,844       | 93,271         | 86,327        | 179,598    | 0                             |
| Melrose-Mindoro School Dist     | 4,355,866       | 304,910        | 304,912       | 609,821    | 0                             |
| Menasha Joint School District   | 20,908,290      | 1,462,095      | 1,465,066     | 2,927,161  | 0                             |
| Menominee Indian School Dist    | 7,700,640       | 535,842        | 542,247       | 1,078,090  | 0                             |
| Menomonee Falls School District | 27,545,397      | 1,924,434      | 1,931,921     | 3,856,356  | 0                             |
| Menomonie Area School District  | 18,863,936      | 1,320,900      | 1,320,051     | 2,640,951  | 0                             |
| Mequon-Thiensville School Dist  | 21,251,565      | 1,483,761      | 1,491,458     | 2,975,219  | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Mercer School District         | 1,329,246       | 105,928        | 80,166        | 186,095    | 0                             |
| Merrill Area Common Pub Sch    | 16,428,345      | 1,150,053      | 1,149,915     | 2,299,968  | 0                             |
| Merton Community School Dist   | 4,606,946       | 322,486        | 322,486       | 644,972    | 0                             |
| Middleton-Cross Plns Sch Dist  | 42,732,742      | 2,983,855      | 2,998,729     | 5,982,584  | 0                             |
| Milton School District         | 17,159,106      | 1,201,149      | 1,201,126     | 2,402,275  | 0                             |
| Milwaukee Teachers Retirem Sys | 369,586,810     | 25,871,749     | 25,870,404    | 51,742,153 | 0                             |
| Mineral Point Unif Sch Dist    | 3,803,283       | 266,230        | 266,230       | 532,460    | 0                             |
| Minocqua Jt Sch Dist #1 M-H-Lt | 3,555,849       | 248,909        | 248,910       | 497,819    | 0                             |
| Mishicot School District       | 5,209,855       | 364,690        | 364,690       | 729,380    | 0                             |
| Mondovi School District        | 5,602,579       | 392,181        | 392,180       | 784,361    | 0                             |
| Monona Grove School District   | 18,318,844      | 1,281,952      | 1,282,686     | 2,564,638  | 0                             |
| Monroe School District         | 16,346,879      | 1,144,282      | 1,144,281     | 2,288,563  | 0                             |
| Montello School District       | 4,154,811       | 290,837        | 290,837       | 581,673    | 0                             |
| Monticello School District     | 2,234,193       | 156,394        | 156,393       | 312,787    | 0                             |
| Mosinee School District        | 11,666,854      | 816,680        | 816,680       | 1,633,360  | 0                             |
| Mount Horeb Area School Dist   | 13,382,645      | 932,157        | 941,413       | 1,873,570  | 0                             |
| Mukwonago School District      | 25,061,949      | 1,754,328      | 1,754,345     | 3,508,673  | 0                             |
| Muskego-Norway School District | 28,175,879      | 1,970,424      | 1,974,199     | 3,944,623  | 0                             |
| Necedah Area School District   | 4,166,133       | 290,528        | 292,730       | 583,259    | 0                             |
| Neenah Joint School District   | 34,673,406      | 2,562,836      | 2,291,441     | 4,854,277  | 0                             |
| Neillsville School District    | 4,988,369       | 349,185        | 349,187       | 698,372    | 0                             |
| Nekoosa School District        | 6,313,290       | 441,930        | 441,931       | 883,861    | 0                             |
| Neosho Jt Sch Dist #3 Etal     | 1,214,507       | 100,804        | 85,015        | 185,820    | 223,476                       |
| New Auburn School District     | 2,047,125       | 143,298        | 143,299       | 286,598    | 0                             |
| New Berlin School District     | 24,193,417      | 1,693,537      | 1,693,542     | 3,387,078  | 0                             |
| New Glarus School District     | 5,397,914       | 377,853        | 377,855       | 755,708    | 0                             |
| New Holstein School District   | 6,025,028       | 421,750        | 421,754       | 843,504    | 0                             |
| New Lisbon School District     | 3,517,313       | 246,213        | 246,211       | 492,424    | 0                             |
| New London School District     | 12,076,368      | 845,809        | 844,883       | 1,690,692  | 0                             |
| New Richmond School District   | 16,587,730      | 1,161,702      | 1,160,580     | 2,322,282  | 0                             |
| Niagara School District        | 2,707,143       | 189,500        | 189,500       | 379,000    | 0                             |
| Nicolet High School District   | 10,074,890      | 705,240        | 705,244       | 1,410,485  | 0                             |
| Norris School District         | 1,187,521       | 100,939        | 83,127        | 184,066    | 13,163                        |
| North Cape Consolidated S D    | 1,173,915       | 83,058         | 81,290        | 164,348    | 0                             |
| North Crawford School District | 3,021,781       | 211,544        | 211,505       | 423,049    | 0                             |
| North Fond Du Lac Sch Dist     | 6,761,750       | 473,322        | 473,323       | 946,645    | 0                             |
| North Lake School District     | 1,762,429       | 123,370        | 123,370       | 246,740    | 0                             |
| North Lakeland School District | 1,285,661       | 89,874         | 90,119        | 179,993    | 0                             |
| Northern Ozaukee School Dist   | 4,708,161       | 329,571        | 329,571       | 659,143    | 0                             |
| Northland Pines School Dist    | 9,381,033       | 656,661        | 656,683       | 1,313,345  | 0                             |
| Northwood School District      | 2,453,513       | 175,346        | 168,146       | 343,492    | 0                             |
| Norwalk-Ontario School Dist    | 4,114,792       | 288,035        | 288,035       | 576,071    | 0                             |
| Norway-Raymond Jt#7 Sd         | 394,246         | 32,722         | 27,597        | 60,320     | 72,812                        |
| Oak Creek-Franklin Jt Sch Dist | 35,262,069      | 2,425,312      | 2,511,378     | 4,936,690  | 0                             |
| Oakfield School District       | 2,966,940       | 207,685        | 207,686       | 415,372    | 0                             |
| Oconomowoc Area School Dist    | 22,746,966      | 1,592,287      | 1,592,288     | 3,184,575  | 0                             |
| Oconto Falls Public Sch Dist   | 10,257,713      | 718,039        | 718,041       | 1,436,080  | 0                             |
| Oconto Unified School District | 6,373,748       | 446,163        | 446,161       | 892,325    | 0                             |
| Omro School District           | 6,754,260       | 471,537        | 474,060       | 945,596    | 0                             |
| Onalaska School District       | 17,880,425      | 1,251,630      | 1,251,629     | 2,503,260  | 0                             |
| Oostburg School District       | 5,277,230       | 369,406        | 369,406       | 738,812    | 0                             |
| Oregon School District         | 23,112,504      | 1,602,001      | 1,633,750     | 3,235,751  | 0                             |
| Osceola School District        | 10,658,345      | 746,084        | 746,084       | 1,492,168  | 0                             |
| Oshkosh Area School District   | 55,757,935      | 3,882,868      | 3,923,243     | 7,806,111  | 0                             |
| Osseo-Fairchild School Dist    | 4,955,704       | 346,899        | 346,899       | 693,799    | 0                             |
| Owen-Withee School District    | 2,906,939       | 203,485        | 203,486       | 406,971    | 0                             |
| Palmyra-Eagle Area School Dist | 5,526,727       | 386,871        | 386,871       | 773,742    | 0                             |
| Pardeeville Area School Dist   | 4,915,638       | 403,083        | 344,094       | 747,177    | 597,027                       |
| Paris Jt Sch Dist #1 Etal      | 1,077,758       | 75,456         | 75,430        | 150,886    | 0                             |
| Parkview School District       | 5,619,479       | 394,352        | 392,375       | 786,727    | 0                             |
| Pecatonica Area School Dist    | 2,931,973       | 205,535        | 204,941       | 410,476    | 0                             |
| Pepin Area School District     | 1,835,277       | 128,469        | 128,470       | 256,939    | 0                             |
| Peshtigo School District       | 6,219,826       | 435,387        | 435,389       | 870,776    | 0                             |
| Pewaukee School District       | 14,983,365      | 1,048,260      | 1,049,412     | 2,097,671  | 0                             |
| Phelps School District         | 1,179,854       | 82,620         | 82,560        | 165,180    | 0                             |
| Phillips School District       | 4,330,324       | 303,123        | 303,122       | 606,245    | 0                             |
| Pittsville School District     | 3,407,663       | 238,536        | 238,537       | 477,073    | 0                             |



| Name                           | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Platteville School District    | 8,975,928       | 628,314        | 628,316       | 1,256,630  | 0                             |
| Plum City School District      | 1,232,503       | 86,275         | 86,275        | 172,550    | 0                             |
| Plymouth Joint School District | 13,355,444      | 934,878        | 934,884       | 1,869,762  | 0                             |
| Port Edwards School District   | 2,435,831       | 170,549        | 170,468       | 341,016    | 0                             |
| Port Washington-Saukville Sch  | 16,323,993      | 1,173,696      | 1,111,663     | 2,285,359  | 0                             |
| Portage Community School Dist  | 13,269,281      | 928,848        | 928,852       | 1,857,699  | 0                             |
| Potosi School District         | 2,479,733       | 173,581        | 173,581       | 347,163    | 0                             |
| Poynette School District       | 5,828,830       | 408,018        | 408,018       | 816,036    | 0                             |
| Prairie Du Chien Area Sch Dist | 7,179,496       | 502,565        | 502,564       | 1,005,129  | 0                             |
| Prairie Farm Public Sch Dist   | 2,082,519       | 145,777        | 145,776       | 291,553    | 0                             |
| Prentice School District       | 2,612,381       | 182,867        | 182,867       | 365,733    | 0                             |
| Prescott School District       | 8,369,144       | 587,052        | 584,628       | 1,171,680  | 0                             |
| Princeton School District      | 2,247,453       | 175,470        | 157,153       | 332,623    | 382,881                       |
| Pulaski Community School Dist  | 23,121,477      | 1,612,512      | 1,624,495     | 3,237,007  | 0                             |
| Racine Unified School District | 133,929,709     | 9,380,439      | 9,369,720     | 18,750,159 | 0                             |
| Randall Jt Sch Dist #1 Etal    | 3,600,573       | 254,322        | 249,759       | 504,080    | 0                             |
| Randolph School District       | 3,306,422       | 231,449        | 231,450       | 462,899    | 0                             |
| Random Lake School District    | 5,715,972       | 401,437        | 398,799       | 800,236    | 0                             |
| Raymond Sch Dist #14           | 2,324,485       | 162,450        | 162,978       | 325,428    | 0                             |
| Reedsburg School District      | 15,737,228      | 1,102,990      | 1,100,222     | 2,203,212  | 0                             |
| Reedsville School District     | 3,580,242       | 250,616        | 250,618       | 501,234    | 0                             |
| Rhineland School District      | 13,086,654      | 916,064        | 916,068       | 1,832,132  | 0                             |
| Rib Lake School District       | 2,377,368       | 166,415        | 166,416       | 332,832    | 0                             |
| Rice Lake Area School District | 14,165,808      | 991,492        | 991,721       | 1,983,213  | 0                             |
| Richfield Jsd #1               | 1,412,548       | 99,277         | 98,480        | 197,757    | 0                             |
| Richland School District       | 7,849,688       | 549,480        | 549,476       | 1,098,956  | 0                             |
| Richmond School District       | 2,155,678       | 149,896        | 151,899       | 301,795    | 0                             |
| Rio Community School District  | 2,988,849       | 207,522        | 210,917       | 418,439    | 0                             |
| Ripon Area School District     | 10,036,208      | 702,534        | 702,535       | 1,405,069  | 0                             |
| River Falls School District    | 17,456,504      | 1,221,015      | 1,222,896     | 2,443,911  | 0                             |
| River Ridge School District    | 3,159,612       | 221,172        | 221,173       | 442,346    | 0                             |
| River Valley School District   | 8,384,543       | 587,204        | 586,633       | 1,173,836  | 0                             |
| Riverdale School District      | 3,287,194       | 230,103        | 230,104       | 460,207    | 0                             |
| Rosendale-Brandon School Dist  | 5,430,164       | 380,111        | 380,112       | 760,223    | 0                             |
| Rosholt School District        | 2,963,029       | 207,412        | 207,412       | 414,824    | 0                             |
| Royall School District         | 3,318,546       | 232,297        | 232,299       | 464,596    | 0                             |
| Rubicon Jt Sch Dist #6 Etal    | 449,230         | 31,446         | 31,446        | 62,892     | 0                             |
| Salem School District          | 5,535,613       | 460,455        | 386,493       | 846,949    | 597,104                       |
| Sauk Prairie School District   | 15,706,993      | 1,100,020      | 1,098,959     | 2,198,979  | 0                             |
| Seneca School District         | 1,634,063       | 114,384        | 114,385       | 228,769    | 0                             |
| Sevastopol School District     | 3,498,022       | 244,861        | 244,862       | 489,723    | 0                             |
| Seymour Community School Dist  | 12,875,587      | 901,291        | 901,292       | 1,802,582  | 0                             |
| Sharon Jt Sch Dist # 11 Etal   | 1,462,551       | 103,321        | 101,436       | 204,757    | 0                             |
| Shawano School Dist            | 13,642,351      | 954,633        | 955,297       | 1,909,929  | 0                             |
| Sheboygan Area School District | 64,314,368      | 4,502,490      | 4,501,522     | 9,004,012  | 0                             |
| Sheboygan Falls School Dist    | 10,164,666      | 711,526        | 711,527       | 1,423,053  | 0                             |
| Shell Lake School District     | 4,021,190       | 281,483        | 281,483       | 562,967    | 0                             |
| Shiocton School District       | 4,056,268       | 284,328        | 283,549       | 567,877    | 0                             |
| Shorewood School District      | 13,959,685      | 969,758        | 984,598       | 1,954,356  | 0                             |
| Shullsburg School District     | 2,002,469       | 166,204        | 140,174       | 306,378    | 167,991                       |
| Silver Lake Jt Sch Dis #1 Etal | 2,562,627       | 179,383        | 179,384       | 358,768    | 0                             |
| Siren School District          | 3,091,492       | 216,333        | 216,476       | 432,809    | 0                             |
| Slinger School District        | 15,005,884      | 1,050,411      | 1,050,413     | 2,100,824  | 0                             |
| Solon Springs School District  | 1,840,839       | 128,860        | 128,857       | 257,717    | 0                             |
| Somerset School District       | 9,182,410       | 642,767        | 642,771       | 1,285,537  | 0                             |
| South Milwaukee School Dist    | 20,601,595      | 1,441,272      | 1,442,951     | 2,884,223  | 0                             |
| South Shore School District    | 1,342,297       | 94,168         | 93,754        | 187,922    | 0                             |
| Southern Door County Sch Dist  | 6,228,167       | 435,975        | 435,968       | 871,943    | 0                             |
| Southwestern Wisc Comm Sch Dis | 2,545,346       | 178,173        | 178,175       | 356,349    | 0                             |
| Sparta Area School District    | 15,028,048      | 1,051,962      | 1,051,965     | 2,103,927  | 0                             |
| Spencer School District        | 3,583,382       | 250,836        | 250,837       | 501,673    | 0                             |
| Spooner Area School District   | 7,484,064       | 524,270        | 523,498       | 1,047,769  | 0                             |
| Spring Valley School District  | 4,262,676       | 298,387        | 298,387       | 596,775    | 0                             |
| St Croix Central Sch Dist      | 7,885,283       | 551,970        | 551,970       | 1,103,940  | 0                             |
| St Croix Falls School District | 6,794,685       | 475,627        | 475,629       | 951,256    | 0                             |
| St Francis School District #6  | 6,533,899       | 453,986        | 460,760       | 914,746    | 0                             |
| Stanley-Boyd Area School Dist  | 5,441,184       | 380,883        | 380,883       | 761,766    | 0                             |



## CONTRIBUTIONS PAID AND UAAL

| Name                           | Contributions   |                |               |            | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total      |                               |
| Stevens Point Area Pub Sch Dis | 40,034,258      | 2,811,110      | 2,793,686     | 5,604,796  | 0                             |
| Stockbridge Sch Dist           | 1,092,006       | 75,554         | 77,327        | 152,881    | 0                             |
| Stone Bank School District     | 2,191,568       | 152,217        | 154,602       | 306,820    | 0                             |
| Stoughton Area School District | 19,824,482      | 1,387,413      | 1,388,014     | 2,775,427  | 0                             |
| Stratford School District      | 4,342,464       | 303,973        | 303,972       | 607,945    | 0                             |
| Sturgeon Bay School District   | 7,805,519       | 546,387        | 546,386       | 1,092,773  | 0                             |
| Sun Prairie Area Sch Dis       | 47,507,723      | 3,325,265      | 3,325,816     | 6,651,081  | 0                             |
| Superior School District       | 28,754,988      | 2,005,568      | 2,020,131     | 4,025,698  | 0                             |
| Suring Public School District  | 2,403,535       | 168,248        | 168,247       | 336,495    | 0                             |
| Swallow School District        | 2,847,400       | 199,318        | 199,318       | 398,636    | 0                             |
| Thorp School District          | 3,266,284       | 228,727        | 228,552       | 457,280    | 0                             |
| Three Lakes School District    | 4,113,599       | 287,950        | 287,954       | 575,904    | 0                             |
| Tigerton School District       | 1,209,752       | 84,683         | 84,683        | 169,365    | 0                             |
| Tomah Area School District     | 17,439,794      | 1,220,784      | 1,220,787     | 2,441,571  | 0                             |
| Tomahawk School District       | 7,173,805       | 502,166        | 502,167       | 1,004,333  | 0                             |
| Tomorrow River School District | 5,757,457       | 403,022        | 403,022       | 806,044    | 0                             |
| Trevor-Wilmot Cons Gr S.D.     | 3,377,753       | 240,750        | 232,136       | 472,885    | 0                             |
| Tri-County Area Sch Dist-Plnfd | 4,089,121       | 286,235        | 286,242       | 572,477    | 0                             |
| Turtle Lake School District    | 2,319,175       | 162,342        | 162,342       | 324,684    | 0                             |
| Twin Lakes Sch Dist #4         | 2,565,301       | 179,571        | 179,571       | 359,142    | 0                             |
| Two Rivers Public School Dist  | 10,020,734      | 701,451        | 701,451       | 1,402,903  | 0                             |
| Union Grove Jt Sch Dis #1 Etal | 4,649,935       | 325,583        | 325,408       | 650,991    | 0                             |
| Union Grove Union High Sch Dis | 4,859,977       | 340,198        | 340,199       | 680,397    | 0                             |
| Unity School District          | 6,411,811       | 449,458        | 448,196       | 897,654    | 0                             |
| Valders Area School District   | 5,988,556       | 418,832        | 419,566       | 838,398    | 0                             |
| Verona Area School District    | 34,790,332      | 2,435,376      | 2,435,270     | 4,870,647  | 0                             |
| Viroqua Area School District   | 6,077,077       | 425,394        | 425,396       | 850,791    | 0                             |
| Wabeno Area School District    | 3,088,862       | 216,219        | 216,222       | 432,441    | 0                             |
| Walworth Jt Sch Dist # 1 Etal  | 2,428,403       | 169,906        | 170,071       | 339,976    | 0                             |
| Washburn School District       | 3,662,851       | 256,399        | 256,400       | 512,799    | 0                             |
| Washington School District     | 638,871         | 52,056         | 44,414        | 96,470     | 79,010                        |
| Washington-Caldwell Sch Dist   | 1,162,851       | 81,402         | 81,397        | 162,799    | 0                             |
| Waterford Union High Sch Dist  | 7,047,206       | 493,315        | 493,294       | 986,609    | 0                             |
| Waterford Vil Jt Sch Dist #1   | 6,685,750       | 463,284        | 472,721       | 936,005    | 0                             |
| Waterloo School District       | 4,594,019       | 321,581        | 321,581       | 643,163    | 0                             |
| Watertown Unified School Dist  | 22,512,117      | 1,557,677      | 1,594,019     | 3,151,696  | 0                             |
| Waukesha School District       | 78,615,846      | 5,349,029      | 5,657,190     | 11,006,219 | 0                             |
| Waunakee Community School Dist | 22,917,086      | 1,604,196      | 1,604,196     | 3,208,392  | 0                             |
| Waupaca School District        | 13,747,134      | 962,300        | 962,299       | 1,924,599  | 0                             |
| Waupun Area School District    | 10,074,687      | 746,250        | 664,206       | 1,410,456  | 0                             |
| Wausau School District         | 56,913,887      | 3,982,980      | 3,984,964     | 7,967,944  | 0                             |
| Wausaukee School District      | 2,163,014       | 151,412        | 151,410       | 302,822    | 0                             |
| Wautoma Area School District   | 9,144,275       | 640,568        | 639,631       | 1,280,198  | 0                             |
| Wauwatosa School District      | 42,188,567      | 2,953,228      | 2,953,172     | 5,906,399  | 0                             |
| Wauzeka Jt Sch Dist Etal       | 2,183,553       | 153,068        | 152,629       | 305,697    | 0                             |
| Webster School District        | 4,129,024       | 289,239        | 288,825       | 578,063    | 0                             |
| West Allis-West Milw Sch Dist  | 55,591,510      | 3,890,000      | 3,892,812     | 7,782,811  | 0                             |
| West Bend Jt Sch Dist #1       | 39,381,219      | 2,756,683      | 2,756,688     | 5,513,371  | 0                             |
| West Depere School District    | 15,899,785      | 1,112,983      | 1,112,987     | 2,225,970  | 0                             |
| West Salem School District     | 10,187,973      | 713,157        | 713,160       | 1,426,316  | 0                             |
| Westby Area School District    | 5,794,636       | 405,624        | 405,626       | 811,249    | 0                             |
| Westfield School District      | 5,025,332       | 351,772        | 351,774       | 703,547    | 0                             |
| Weston School District         | 2,018,520       | 142,520        | 140,073       | 282,593    | 0                             |
| Westosha Central High Sch Dist | 6,856,894       | 479,982        | 479,983       | 959,965    | 0                             |
| Weyauwega-Fremont School Dist  | 5,002,860       | 350,199        | 350,201       | 700,400    | 0                             |
| Wheatland Jt Sch Dist #1 Etal  | 2,714,573       | 231,841        | 188,918       | 420,759    | 86,923                        |
| White Lake School District     | 1,144,164       | 80,092         | 80,091        | 160,183    | 0                             |
| Whitefish Bay School District  | 18,987,254      | 1,329,107      | 1,329,108     | 2,658,216  | 0                             |
| Whitehall School District      | 3,867,942       | 270,757        | 270,755       | 541,512    | 0                             |
| Whitewater Unified School Dist | 10,892,777      | 762,493        | 762,496       | 1,524,989  | 0                             |
| Whitnall School District       | 14,461,830      | 1,012,327      | 1,012,329     | 2,024,656  | 0                             |
| Wild Rose School District      | 3,394,694       | 237,628        | 237,629       | 475,257    | 0                             |
| Williams Bay School District   | 3,333,441       | 233,329        | 233,353       | 466,682    | 0                             |
| Wilmot Union High School Dist  | 7,267,174       | 508,052        | 509,352       | 1,017,404  | 0                             |
| Winneconne Comm School Dist    | 8,067,291       | 565,250        | 564,171       | 1,129,421  | 0                             |
| Winter School District         | 2,078,046       | 145,483        | 145,443       | 290,926    | 0                             |
| Wisconsin Dells School Dist    | 10,244,993      | 719,154        | 715,145       | 1,434,299  | 0                             |



| Name                           | Contributions   |                |               |               | Unfunded<br>Liability Balance |
|--------------------------------|-----------------|----------------|---------------|---------------|-------------------------------|
|                                | Covered Payroll | Employer Paid* | Employee Paid | Total         |                               |
| Wisconsin Heights School Dist  | 4,323,041       | 302,613        | 302,613       | 605,226       | 0                             |
| Wisconsin Rapids School Dist   | 33,599,478      | 2,351,613      | 2,352,314     | 4,703,927     | 0                             |
| Wittenberg-Birnamwood Sch Dist | 6,245,699       | 437,199        | 437,199       | 874,398       | 0                             |
| Wonewoc & Union Center Sch Dis | 2,138,257       | 149,678        | 149,678       | 299,356       | 0                             |
| Wrightstown Community Sch Dist | 6,052,786       | 423,693        | 423,697       | 847,390       | 0                             |
| Yorkville Jt Sch Dist #2 Etal  | 2,199,734       | 153,981        | 153,982       | 307,963       | 0                             |
| Total School Districts (424)   | 4,976,666,616   | 348,893,024    | 348,429,203   | 697,322,227   | 4,863,369                     |
| <b>Technical Colleges</b>      |                 |                |               |               |                               |
| Blackhawk Technical College    | 16,059,648      | 1,124,180      | 1,124,171     | 2,248,351     | 0                             |
| Chippewa Valley Tech College   | 31,248,811      | 2,190,017      | 2,184,817     | 4,374,833     | 0                             |
| Fox Valley Technical College   | 58,054,078      | 5,943,538      | 2,184,033     | 8,127,571     | 0                             |
| Gateway Tech College           | 45,832,538      | 3,208,438      | 3,208,117     | 6,416,555     | 0                             |
| Lakeshore Technical College    | 18,257,138      | 1,277,998      | 1,278,001     | 2,555,999     | 0                             |
| Madison Area Tech College      | 91,871,959      | 418,187        | 12,443,887    | 12,862,074    | 0                             |
| Mid-State Technical College    | 15,057,878      | 1,054,051      | 1,054,052     | 2,108,103     | 0                             |
| Milwaukee Area Tech College    | 109,043,390     | 8,799,249      | 6,466,825     | 15,266,075    | 0                             |
| Moraine Park Technical College | 24,821,863      | 1,737,527      | 1,737,534     | 3,475,061     | 0                             |
| Nicolet Area Technical College | 11,575,952      | 810,316        | 810,317       | 1,620,633     | 0                             |
| North Central Tech College     | 25,366,952      | 1,775,558      | 1,775,815     | 3,551,373     | 0                             |
| Northeast Wisc Tech College    | 51,213,086      | 3,584,904      | 3,584,928     | 7,169,832     | 0                             |
| Southwest Wisc Tech College    | 12,149,964      | 850,640        | 850,355       | 1,700,995     | 0                             |
| Waukesha Co Technical College  | 41,492,596      | 2,904,482      | 2,904,481     | 5,808,963     | 0                             |
| Western Tech College           | 27,347,818      | 1,914,348      | 1,914,346     | 3,828,695     | 0                             |
| Wisconsin Indianhead Tech Coll | 25,616,447      | 1,797,526      | 1,788,777     | 3,586,303     | 0                             |
| Total Technical Colleges (16)  | 605,010,119     | 39,390,960     | 45,310,456    | 84,701,417    | 0                             |
| <b>CESAs</b>                   |                 |                |               |               |                               |
| CESA #1                        | 5,119,694       | 424,934        | 358,379       | 783,313       | 387,871                       |
| CESA #2                        | 6,117,576       | 428,230        | 428,231       | 856,461       | 0                             |
| CESA #3, Fennimore             | 1,700,450       | 119,031        | 119,032       | 238,063       | 0                             |
| CESA #4, Lacrosse              | 2,026,947       | 166,444        | 141,652       | 308,096       | 0                             |
| CESA #5, Portage               | 9,091,321       | 754,579        | 636,394       | 1,390,972     | 357,593                       |
| CESA #6, Oshkosh               | 8,765,315       | 727,698        | 613,395       | 1,341,093     | 2,166,976                     |
| CESA #7, Green Bay             | 7,525,312       | 525,340        | 528,204       | 1,053,544     | 0                             |
| CESA #8, Gillett               | 5,448,528       | 382,567        | 380,227       | 762,794       | 0                             |
| CESA #9, Tomahawk              | 1,896,084       | 132,726        | 132,726       | 265,452       | 0                             |
| CESA #10, Chippewa Falls       | 6,593,983       | 461,579        | 461,578       | 923,158       | 0                             |
| CESA #11                       | 6,515,666       | 455,942        | 456,251       | 912,193       | 0                             |
| CESA #12, Ashland              | 2,352,198       | 164,654        | 164,654       | 329,308       | 0                             |
| Total CESAs (12)               | 63,153,073      | 4,743,723      | 4,420,723     | 9,164,446     | 2,912,440                     |
| Total WRS (1,482)              | 13,219,104,559  | 1,086,722,019  | 891,852,244   | 1,978,574,263 | 31,749,855                    |

\* Includes contributons for WRS, Accumulated Sick Leave Conversion and Duty Disability



