



State of Wisconsin
 Department of Employee Trust Funds
 4822 Madison Yards Way
 Madison, WI 53705-9100

P. O. Box 7931
 Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

Consulting Actuary for Wisconsin
 Retirement System and Related Programs

Contract No.:

ETD0011 – Amendment #11 dated July 23, 2020

Authorized Board: Employee Trust Funds Board

Contract Period: January 1, 2020 through December 31, 2020

1. This Contract Amendment #11 is entered into by the State of Wisconsin Department of Employee Trust Funds (ETF), hereinafter referred to as the "Department," on behalf of the State of Wisconsin Employee Trust Funds Board, hereinafter referred to as the "Board," and Gabriel, Roeder, Smith & Company (GRS), hereinafter referred to as the "Contractor," whose address and principal officer appear on page 3 below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and the Contractor agrees to supply the Contract requirements cited herein in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal date February 17, 2014 hereby made a part of this contract by reference.
3. In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.266.2586, or via e-mail at ETFSMBProcurement@etf.wi.gov.
5. This initial contract period is for fifteen (15) months. Each contract period annually will be for twelve (12) months and extend unless and until either party gives the other 180 days' notice of their intent to cancel the contract.
6. The Contract Amendment #1 is dated January 7, 2016 and the costs are not to exceed \$231,750.
7. The Contract Amendment #2 is dated February 23, 2017 and the costs are not to exceed \$236,176.
8. The Contract Amendment #2 dated February 23, 2017 is to also add GRS additional services requested by ETF for: 1). Initial reduced retirement study, delivered on March 22, 2016 for \$5,000 from February 12, 2016 email; 2). Supplemental valuation, report dated August 9, 2016 for \$10,000 from June 2, 2016 fee letter; 3). Investigation of Cost Method, report dated September 1, 2016 for \$6,000 from August 19, 2016 fee letter; and 4). Dividend Reserve supplemental valuation, dated November 9 and December 14, 2016 for \$15,000 from August 19, 2016 fee letter. The total cost for these services are not to exceed \$36,000 and are not included in Section 7 above costs.
9. The Contract Amendment #3 is dated May 19, 2017 to add the April 19, 2017 fee letter for the Contemplated Cost Method Change for the Wisconsin Retirement System and the costs are not to exceed \$5,000.
10. The Contract Amendment #4 is dated December 21, 2017 for the consulting actuary related services, with the costs not to exceed \$241,301.

11. The Contract Amendment #5 dated January 19, 2018 adds additional GRS services requested by ETF for GASB Statement No.68 Employer Cost-sharing Allocations as described in the attached Scope of Work for this Amendment #5. Costs for this work are not to exceed \$25,000 for 2018. For 2019 and subsequent years, the costs associated with this work are not to exceed \$15,000 per year.
12. The Contract Amendment #6 dated September 12, 2018 adds additional GRS services requested by the Department regarding the impacts of implementing rollovers from the Wisconsin Deferred Compensation program into the Wisconsin Retirement System (at separation from service or retirement), treated and annuitized as additional contributions, per statutory authority under Section 40.05 of the Wisconsin Statutes as described in the attached Scope of Work for this Amendment #6. Costs for this work are not to exceed \$10,000 payable upon satisfactory receipt of report by the Department.
13. The Contract Amendment #7 dated January 16, 2019 for the consulting actuary related retainer services, with the costs not to exceed \$246,561 for calendar year 2019.
14. The Contract Amendment #8 dated January 14, 2020 is for:
 - consulting actuary related retainer services described in RFP ETD0011 with costs not to exceed \$251,615 for calendar year 2020;
 - adds the scope of work described in the attached January 7, 2020 letter Re: Update/Review and Testing of OGS Software Program with costs not to exceed \$5,000; and
 - adds additional GRS services for the MagVal Plus software update for calendar year 2020 and subsequent years, with costs not exceed \$12,000 per year.
15. The Contract Amendment #9 dated May 21, 2020 is for the statement of work described in the attached GRS letter dated May 14, 2020 with costs for this work not to exceed \$40,000.
16. The Contract Amendment #10 dated June 5, 2020 is for the calculation of a liability as of 12/31/2019 in accordance with Governmental Accounting Standards Board Statement Number 16 for the Accumulated Sick Leave Conversion Credit program. The Contractor will provide a report supporting this calculation, including the methods and assumptions used. Cost will not exceed \$3,000 for this work and includes discussion and follow-up to address questions of ETF staff and/or its auditors.
17. This Contract Amendment #11 dated July 23, 2020 is for calculations connected to the benefit limitation of Internal Revenue Code § 415(b) pursuant to the statement of work described in the attached July 22, 2020 letter. Contractor shall invoice the Department with an itemized listing of costs for work as described in the attached letter by listing the type of calculation and associated fee.

Type of Calculation	Associated Fee
Calculations made for the year of retirement	
Benefit Estimates (up to 5 options)	\$1500
Final Benefit Calculations (final selected option)	\$250 for previously reviewed estimate \$750 if not previously reviewed
Calculations made for subsequent years	
Routine cases	\$250 per person
Most non-routine cases	\$750 per person
All other cases	\$1500 per person

18. For purposes of administering this Contract, the order of precedence is:
 - A). The Contract with Gabriel, Roeder, Smith & Company (GRS);
 - B). This Contract Amendment #11 dated July 23, 2020;
 - C). The Contract Amendment #10 dated June 5, 2020;
 - D). The Contract Amendment #9 dated May 21, 2020;
 - E). The Contract Amendment #8 dated January 14, 2020;
 - F). The Contract Amendment #7 dated January 16, 2019;
 - G). The Contract Amendment #6 dated September 12, 2018
 - H). The Contract Amendment #5 dated January 19, 2018;
 - I). The Contract Amendment #4 dated December 21, 2017;
 - J). The Contract Amendment #3 dated May 19, 2017;
 - K). The Contract Amendment #2 dated February 23, 2017;
 - L). The Contract Amendment #1 dated January 7, 2016;
 - M). Questions from vendors and ETF Answers dated January 28, 2014;
 - N). The RFP dated January 6, 2014, and;

O). Contractor's proposal dated February 17, 2014.

Contract Number & Service: ETD0011-Amendment #11

Consulting Actuary for Wisconsin Retirement System and Related Programs

State of Wisconsin	
Department of Employee Trust Funds	
Signature	DocuSigned by: <i>Robert J. Conlin</i>
Name/Title	249598FF085F431...
Robert J. Conlin Secretary Department of Employee Trust Funds	
Phone	608.266.0301
Date (MM/DD/CCYY)	7/28/2020

Contractor	
Legal Company Name	Gabriel Roeder Smith & Company
Trade Name	
Taxpayer Identification Number	38-1691268
Company Address (City, State, Zip)	One Towne Square, Suite 800 Southfield, MI 48076
By (print Name)/ Title	Judith A. Kermans, President
Signature	DocuSigned by: <i>Judith A. Kermans</i>
Phone	CD0B0DB0C9064BB... 248.799.9000
Date (MM/DD/CCYY)	7/28/2020



July 22, 2020

Ms. Cindy Klimke-Armatoski
Chief Trust Financial Officer
WI Department of Employee Trust Funds
4822 Madison Yards Way
Madison, Wisconsin 53705

Re: IRC 415(b) Statement of Work

Dear Cindy:

In connection with the administration of the benefit limitation of Internal Revenue Code §415(b), GRS will do the following:

Calculations made for the year of retirement:

For benefit estimates: GRS will reproduce the calculations that ETF staff has prepared. It is understood that each estimate may include up to 5 different option election possibilities. GRS will provide a letter summarizing the results. The letter will include a narrative discussing potential special issues that either GRS or ETF staff have identified. GRS will be available to answer questions. The fee for these calculations is \$1,500.

For final benefit calculations: GRS will reproduce the calculation that ETF staff has prepared. It is understood that a final calculation will include only the final option election. The letter will include a narrative discussing potential special issues that either GRS or ETF staff have identified. GRS will be available to answer questions. If there is no change in circumstance between the estimate and final calculation, a final calculation may not be required. The fee for these calculations is \$250 if an estimate has already been reviewed and \$750 if not.

Calculations made for subsequent years:

For routine cases: A routine case is a case in which there is no change in circumstance other than the benefit changing in amount to the dividend/gain process or to the operation of the social security equated options. GRS will apply the safe harbor method described in Treas. Reg. §1.415(a)-1(d)(3)(v) and provide a report showing the maximum permitted amount to be payable to each person. It is anticipated that the report will be a single spreadsheet showing each person's basic data and the applicable §415(b) benefit limitation. The fee for this work will be \$250 per person.

Ms. Cindy Klimke-Armatoski

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For most non-routine cases: Examples of these cases include cases where a retiree or a beneficiary dies or a new beneficiary is elected after retirement. The fee for these cases will be \$750.

For all other cases: These cases would include return to work cases, where a person is retiring a second time with an additional layer of benefit, corrections of errors made in original calculations, etc. The fee for these cases will be \$1,500.

Data Requirements

Calculations made for initial year of retirement: GRS will need the benefit calculation worksheets showing the following items:

1. Dates of birth of retiree and beneficiary
2. An indication regarding whether or not the beneficiary is a spouse
3. Amounts payable under the benefit forms to be reviewed.
4. Option factors and early retirement factors used in the calculations.
5. Employee after tax and rollover contributions by plan year in which said contributions were made.
6. The amount of any lump sum distributions that will be paid from the plan.
7. An indication regarding whether or not the individual is eligible for the higher limits available for police and fire employees (typically 15 years of qualified service).
8. For people eligible for the TAMRA limit, GRS will need the amount of that limit, in other words the accrued benefit at retirement, determined without regard to any amendments made to the plan after October 14, 1987.

Calculations made for years following the initial year of retirement:

For routine cases: For each person, GRS will need the age at retirement, the prior year's limitation amount and the offset for employee contributions

For non-routine cases: GRS will need the original and proposed new benefit calculation worksheets showing the information described previously and a description of the specific non-routine issue.

Limitations: GRS will not verify the accuracy of benefit calculations that ETF staff provides. GRS will not verify that the requirements of 401(a)(17) have been satisfied. If GRS identifies errors in materials that ETF supplies, GRS will call them to the attention of ETF, but doing so in a particular case does not create an obligation on the Part of GRS to do so in other cases. GRS will use its best efforts to ensure that all calculations are done in conformance with the requirements of the Internal Revenue Code. If errors are found in GRS calculations, GRS will correct the errors, but has no obligation beyond that. All communications related to these matters will be between GRS staff and ETF staff. GRS will not communicate directly with any plan participant.

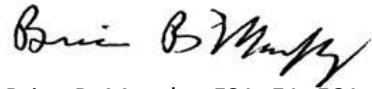


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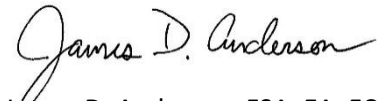
Sincerely,



Brian B. Murphy, FSA, EA, FCA, MAAA, PhD



Mark Buis, FSA, EA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

