HOW PARTICIPATION IN THE VARIABLE TRUST FUND AFFECTS YOUR WRS BENEFITS

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

ET-4930 (REV 8/13)

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HISTORY

Core and Variable Trust Funds for each of the state retirement systems (the former State Teachers Retirement System, Milwaukee Teachers Retirement Fund, and Wisconsin Retirement Fund) were established by Chapters 381 and 423, Laws of 1957 effective January 1, 1958. Effective January 1, 1982, these retirement systems were legally merged into one retirement system, the Wisconsin Retirement System (WRS), which is administered by the Department of Employee Trust Funds (ETF).

The Variable Trust Fund was created to establish a well balanced, broadly diversified investment program which would provide retirement benefits that would fluctuate as the value and earnings of investments vary, in proportion to changes in the general economy. When the Variable Trust Fund was established, it was anticipated that greater utilization of equity investments would result in the accumulation of larger deposit reserves during a participant's working years, tend to preserve the purchasing power of the deposits made and benefits provided, and provide better protection during periods of inflation. However, those who elect this option risk the possibility that unfavorable stock market performance will result in losses.

At the time the Variable Trust Fund was established, the Core Trust Fund, formerly called the Fixed Trust Fund, was invested entirely in bonds and other fixed income securities. A majority of the Core Fund is now invested in stock, but it also includes a mixture of other assets. As a result, it is considered a fully diversified and balanced fund.

Originally, all contributions were deposited into the Core Trust Fund. From 1957 to 1980 participants could elect to join the Variable Trust Fund. At that time, an election to join the Variable program was irrevocable. Once the election to join the Variable program was effective, 50% of employee contributions and an equal dollar amount of employer contributions were deposited into the Variable Trust Fund; the remaining 50% was deposited into the Core Trust Fund.

A law change closed the Variable Trust Fund to further enrollments effective April 29, 1980, and allowed existing Variable participants to cancel their Variable participation. The Variable Trust Fund was re-opened to new enrollments effective January 1, 2001. If you elect to participate in the Variable Trust Fund, 50% of all future contributions (employee, employer and additional) will be deposited in the Variable Trust Fund. The election applies to future contributions only; you cannot transfer existing balances into the Variable Trust Fund. To elect Variable Trust Fund participation, you must file an *Election to Participate in the Variable Trust Fund* form (ET-2356) with ETF.

Participants who elect to join the Variable Trust Fund remain in that program unless they elect to cancel their participation by filing a *Canceling Variable Participation* form (ET-2313) with ETF. Once you cancel Variable Trust Fund participation, there is no opportunity to rejoin unless you completely close your WRS account by withdrawing your account balance and later return to work for a WRS participating employer. By becoming a new participating employee, you have a new Variable election option.

HOW WRS RETIREMENT ANNUITIES ARE CALCULATED

There are two methods of calculating retirement benefits, the formula and money purchase methods. By law the WRS always pays the higher of these two calculations.

Formula Benefit

A formula retirement benefit is calculated by multiplying your final average monthly earnings, the formula factor(s) for your employment category(ies) in pre-2000, post-1999 and post-Act 10 years, years of creditable service, and any applicable age reduction factor if you are retiring below your normal retirement age. This calculation provides your monthly formula annuity option, before any adjustment based on Variable Trust Fund participation, based on the annuity option you select.

1999 Wisconsin Act 11 increased the formula multipliers for creditable service performed before 2000. The formula multiplier remains at the pre-Act 11 levels for WRS creditable service performed after 1999. To be eligible for this improved formula factor, a participant must be actively employed under the WRS after 1999. 2011 Wisconsin Act 10 decreased the formula multiplier for participants in the Executive/Elected Official category. Formula multipliers for other categories remain the same.

Employment Category	Pre-2000 Service	Post-1999 Service	Post-Act 10 Service
General Employees and Teachers	1.765%	1.6%	1.6%
Protectives with Social Security	2.165%	2.0%	2.0%
Protectives without Social Security	2.665%	2.5%	2.5%
Elected Officials & State Executive Retirement Plan Employees	2.165%	2.0%	1.6%

To calculate a formula retirement benefit for participants who have creditable service in different periods (pre-2000, post-1999 and post-Act 10), ETF will determine the amount of creditable service in each period and multiply each by the appropriate formula factor, the final average earnings and any age reduction factor. The pre-2000, post-1999 and post-Act 10 formula sums are added together for the total monthly formula annuity for the option *For Annuitant's Life Only*. If the participant has ever participated in the Variable Trust Fund, a Variable adjustment will be made.

Example A–Basic Formula-All Core: Participant is 65 years old and has a final average earnings of $2,150. Participant has 32 years of creditable service in the general category; 30 years of service earned prior to 2000 (pre-2000), and 2 earned after 1999 (post-1999). There is no applicable age reduction factor for this participant. This participant's all Core formula annuity is calculated as follows.

Final Average Earnings		Formula Factor		Years of Service			Formula Annuity
$2,150	X	.01765 (pre-2000)	X	30	=		$1,138.43
$2,150	X	.016 (post-1999)	X	2	=	+	$68.80
				Total Formula Annuity Option for *Annuitant's Life Only*			$1,207.22

Money Purchase Benefit

A money purchase retirement benefit is calculated by multiplying your money purchase balance in your WRS account (plus accrued interest) by a “money purchase factor” based on your age on your annuity effective date. You can find your money purchase balance on your annual Statement of Benefits. This calculation provides your monthly money purchase annuity option before any reduction based on the annuity option you select.

HOW VARIABLE TRUST FUND PARTICIPATION AFFECTS YOUR RETIREMENT ANNUITY

Variable Trust Fund participation affects your retirement benefit differently for formula and money purchase benefits. If your benefit is higher under the money purchase calculation method, the Core and Variable balances in your account are each multiplied by the money purchase factor for your age. This produces the Core and Variable portions of your *For Annuitant’s Life Only* annuity options. The amounts of your Core and Variable annuities will be in direct proportion to the amounts in your Core and Variable accounts.

If your benefit is higher under the formula calculation method, a “Variable adjustment” is made to your annuity based on the Variable excess or Variable deficiency as of January 1, in the year your annuity begins. This Variable excess or deficiency amount is based on a comparison of the actual balance of your account versus what your account balance would be if your contributions had been invested only in the Core Trust Fund. The actual dollar amount of the Variable excess or deficiency in your account will change each year, based on the investment experience of the Core and Variable Trust Funds. Your Variable excess or deficiency amount is shown on your annual *Statement of Benefits*.

The Variable adjustment to your formula annuity is calculated by multiplying the Variable excess or deficiency amount in your account times the money purchase factor based on your age on your annuity effective date. This produces a Variable adjustment (increase or decrease) to your formula annuity.

The Core and Variable portions of your monthly formula annuity will normally **not** be proportional to the amounts in your Core and Variable accounts. The Variable portion of your formula annuity is calculated the same as for a money purchase annuity, by multiplying the Variable portion of your account times the money purchase factor for your age on your annuity effective date.

When the formula calculation provides a larger monthly benefit than the money in the account (money purchase calculation), monies in addition to the amount in your account are necessary to fund your higher formula benefit. These funds are transferred from the Employer Reserve and are all allocated to the Core portion of your annuity. This means that the Core portion of your formula annuity may be higher than the Variable portion, even if your Variable account may have been larger than your Core account. The amounts of the Core versus Variable portions of annuities will vary greatly between individual accounts based on the Core and Variable investment experience during the years that each employee participates in the WRS.

The brochure entitled *Calculating Your Retirement Benefits* (ET-4107) provides additional information on how annuities are calculated.

Sample Calculation

The following example explains how money purchase and formula retirement annuities are calculated for a Variable fund participant.

Example B–Calculations for a Variable Account: Participant is 62 years old and has a final average earnings of $2,178. Participant has 32 years of creditable service in the general category, 25 years of service earned prior to 2000 (pre-2000), and seven years earned after 1999 (post-1999). Participant has a money-purchase balance of $45,500 in the Core Fund ($22,750 each from employee and employer contributions) and $65,000 in the Variable Fund ($32,500 each from employee and employer contributions). The Variable excess amount is $19,500. The money purchase factor for age 62 is .00621. There is no applicable age reduction factor for this participant.

Money purchase benefit calculation:

Core Account	**Variable Account**
$ 45,500	$ 65,000
x .00621	x .00621
$ 282.55 Core Annuity	$ 403.65 Variable Annuity

$282.55 + $403.65 = $686.20 *For Annuitant's Life Only* money purchase annuity

Formula annuity calculation:

Final Average Earnings		Formula Factor		Years of Service		Formula Annuity
$2,178	X	.016 (post-1999)	X	7	=	$243.94
$2,178	X	.01765 (pre-2000)	X	25	=	$961.04
				Formula Annuity	=	$1,204.98

To calculate the Variable adjustment to this annuity, multiply the Variable excess amount by the money purchase factor. Add it to the base formula annuity for the total formula benefit:

$19,500 Variable excess
x .00621
$121.10 Variable adjustment to formula annuity

$1,204.98 Formula annuity
+ 121.10 Variable adjustment
$1,326.08 Adjusted formula annuity in the *For Annuitant's Life Only* option

The Core and Variable portions of the annuity calculation:

$65,000 Variable account balance	$1,326.08 Total formula annuity
x .00621 Money purchase factor	- 403.65 Variable Annuity
$403.65 Variable portion of annuity	$ 922.43 Core portion of annuity

Example B –Funding for Benefit: The adjusted formula annuity is higher than the money purchase annuity, so the participant will receive a formula annuity. To determine the amount of money necessary to fund this annuity for the person's projected lifetime, the $1,326.08 is divided by the money purchase factor based on the participant's age:

$ 1,326.08	
÷ .00621	
$213,539.45	Amount needed to fund annuity for the participant's projected lifetime

When a participant begins a retirement annuity, the monies necessary to fund the annuity are transferred to the Annuity Reserve. The total balance (including employer contributions) in this participant's account which is available to fund this annuity is $110,500 ($45,500 in Core and $65,000 in Variable). The additional amount that must be transferred from the Employer Reserve to fund the annuity is the difference between the amount needed to fund the annuity and the total amount in the participant's account.

$213,539.45	Total cost of annuity
- 110,500.00	Participant's Money Purchase balance transferred
$103,039.45	Employer reserve monies transferred

The $45,500 from the participant's Core account, plus the $103,039.45 from the Employer reserve, would be transferred to the Core Annuity Reserve to fund the Core portion of this annuity. The $65,000 in the participant's Variable account would be transferred to the Variable Annuity Reserve to fund the Variable portion of this annuity. The investment earnings from these funds would be used to provide Core and Variable adjustments after the annuity begins.

VARIABLE TRUST FUND ADJUSTMENTS TO MONTHLY BENEFITS

When your annuity begins, sufficient funds are transferred to the Core and Variable Annuity Reserves to fund your monthly annuity for your projected lifetime. The law provides that in determining the amount transferred to the annuity reserve for a new retiree, it shall be assumed that future investment earnings will be 5%. Earnings in excess of this assumed 5% rate are considered when determining post-retirement adjustments in annuities. The relatively low 5% assumed rate is designed to provide benefit adjustments after retirement to help maintain retirees' standard of living during periods of rising prices.

Each year, annual Core and Variable effective rate interest based on investment earnings (the same rates credited to participants' accounts) is credited respectively to the Core and Variable portions of the annuity reserve. Core and Variable annuity increases can be granted when the respective assets in the Core and Variable annuity reserves are greater than the respective benefit liabilities of those reserves. However, if the respective benefit liabilities of the Core and/or Variable Annuity Reserve are greater than the assets, annuities must be decreased so there will be sufficient funds to pay the annuities for annuitants' lifetimes.

Core annuity adjustments can be granted if the annuity adjustment will be at least a .5% increase or decrease; if the adjustment would be less than .5%, by statute the gains or losses are carried over to the next year. Variable annuity adjustments can be granted if the annuity

adjustment will be at least a 2.0% increase or decrease; if the adjustment would be less than 2.0%, the Variable gains or losses are carried over to the next year.

Core annuity adjustments are prorated in the first year after the year in which an annuity begins, based on the number of complete months the annuity was in force during the year it began. For example, a Core annuity that begins on February 1, 2011, would receive 11/12 of the Core annuity adjustment on the May 1, 2012 annuity payment because the annuity was in force for 11 complete months in 2011. However, if the annuity began on February 2, 2011, only 10/12 of the Core annuity adjustment would apply in 2012 because the annuity was only in force for 10 complete months in 2011.

Unlike the first Core annuity adjustment, the first Variable adjustment is not prorated; the full Variable annuity increase or decrease is always applied to the Variable portion of an annuity in the year after the annuity began.

If there are negative Core and/or Variable annuity adjustment rates based on investment losses, a Core annuity can never be decreased below the finalized initial amount. However, there is no limit to how much a Variable annuity can be reduced.

Example C–Calculations for Annuity Adjustments: The following is an example of how Variable gains or losses would affect an annuitant's monthly annuity. The Annuitant's benefit began effective January 1, is $1,000 per month, of which $600 is a Core annuity and $400 is a Variable annuity. **The Core and Variable adjustments used in this example are completely hypothetical, and do not represent past or projected future investment experience.** The following Core adjustments and Variable gains or losses are used in the example.

	Core Adjustment Rates	**Variable Adjustment Rates**
2nd year of annuity	4.1%	7%
3rd year of annuity	5.0%	5%
4th year of annuity	3.2%	-4% (loss)

	Core Annuity		**Variable Annuity**		**New total Annuity**
Initial year amount	$600.00		$400.00		
2nd year	x 1.041	(+4.1%)	x 1.07	(+7%)	
New amounts	$624.60	+	$428.00	=	$1,052.60
Amount after 2nd year	624.60		$428.00		
3rd year	x 1.050	(+5.0%)	x 1.05	(+5%)	
New amounts	$655.83	+	$449.40	=	$1,105.23
Amount after 3rd year	$655.83		$449.40		
4th year	x 1.032	(+3.2%)	x .96	(-4%)	
New amounts	$676.82		$431.42	=	$1,108.24

As of the fourth year of annual adjustments, this participant's gross annuity has increased from $1,000.00 to $1,108.24 each month.

HOW TO ELECT VARIABLE TRUST FUND PARTICIPATION

As of January 1, 2001, WRS participants can elect to join the Variable Trust Fund. In addition, active WRS participants who cancelled their Variable Trust Fund participation before January 1, 1999, can re-elect to participate in the Variable Trust Fund.

To elect participation in the Variable Trust Fund, a participant must file an *Election to Participate in the Variable Trust Fund* form (ET-2356) with ETF. A copy of this form is included at the back of this brochure.

- Current WRS Participants

  The election to participate in the Variable Trust Fund is effective for future contributions on January 1 of the year following receipt of the form by ETF.

- New WRS Participants

  A person becoming a new WRS participant on or after January 1, 2001 may elect immediate participation in the Variable Trust Fund, providing that ETF receives the *Election to Participate in the Variable Trust Fund* form (ET-2356) no later than 30 calendar days after the start of the employee's participating employment. *Election to Participate in the Variable Trust Fund* forms received by ETF later than 30 days after the start of a new employee's participating employment will be effective on January 1 of the year following receipt of the form by ETF.

HOW TO CANCEL VARIABLE TRUST FUND PARTICIPATION

A participant must file an *a Canceling Variable Participation* form (ET-2313) to cancel participation in the Variable Trust Fund. Once ETF receives the cancellation form, it can only be rescinded if ETF receives your written request to rescind your cancellation by December 31 of the year in which ETF received your Variable cancellation. Once a Variable cancellation has become effective it can no longer be rescinded. The Variable cancellation becomes effective on the first of the year after it is received by ETF. The Variable gain or loss for the year in which ETF receives the form is applied to your account as of December 31.

A record of any residual Variable excess or deficiency amount is recorded on your account record, based on a comparison of your Variable account at the time of transfer versus what the account balance would be if you had not participated in the Variable program. This residual "Variable excess" or "Variable deficiency" amount is credited with a Core adjustment each year, so the excess or deficiency balance grows each year. The excess or deficiency balance in your account at retirement will be used to increase or decrease your formula retirement benefit.

The cancellation options available to non-annuitants (participants not receiving monthly WRS benefits) include:

- **Cancel participation in the Variable Trust Funds for future contributions only.** Past Variable contributions remain in the Variable Fund, but all future contributions go into the Core Trust Fund. You may file a conditional or unconditional election any time in the future.
- **Cancel future participation in the Variable Trust Fund but transfer past**

contributions conditionally. A *conditional* election means an election to cancel participation for all future contributions on the next January 1, but not to transfer past contributions until the January 1 after the Variable balance equals or exceeds the amount that would have accumulated had you been in the Core Trust Fund only. You may change to an unconditional election at any time. If the condition to transfer has not been met before you retire, the cancellation will apply to you as a retiree.

- **Cancel future participation in the Variable Trust Fund and transfer past contributions unconditionally.** With an *unconditional* election, past Variable contributions are transferred to the Core Trust Fund effective the next January 1.

The cancellation options available to retirees (persons receiving monthly WRS benefits) include:

- **Conditional Transfer.** A *conditional* election means to have the Variable portion of your annuity changed to a Core annuity only when the Variable amount equals or exceeds the amount that would be receiving if you had never participated in the Variable Trust Fund. You may file an unconditional election at any time, which would become effective on the following January 1. Any annual Variable gains or losses earned prior to January 1 on which the Variable cancellation becomes effective will be applied to your Variable annuity, and will be reflected beginning with each subsequent April 1 payment.
- **Unconditional Transfer.** You may elect that the Variable portion of your annuity be unconditionally changed to a Core annuity effective in the following year. However, any Variable gains or losses in the year in which ETF receives your form will be applied to the Variable annuity, and will be reflected beginning with the May 1 payment in the year after ETF receives your cancellation. Core annuity adjustments will be applied to your entire annuity in subsequent years.

If you were a member of two or more of the formerly separate retirement plans (see “HISTORY” section) and participate in the Variable Trust Fund, an election to cancel Variable participation will apply to all formerly separate Variable accounts since they are now legally merged into a single account.

Any election filed by you will apply to both your required and additional (if applicable) Variable contributions. The required and additional Variable contributions will be combined when applying the test to conditionally transfer your Variable contributions from the Variable to the Core Trust Fund.

The Variable cancellation you file with ETF will apply to all of your Variable accounts unless otherwise stated on your *Canceling Variable Participation* form. The separate accounts you may hold are your own account and/or those you may own as a beneficiary or an alternate payee established through a Qualified Domestic Relations Order (QDRO). If you want your election to apply only to specific Variable accounts, you must indicate on the form to which account(s) the election should apply.

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

ELECTION TO PARTICIPATE IN THE VARIABLE TRUST FUND

Wis. Stat. § 40.04(7) (a) and Wis. Adm. Code ETF 10.30

TERMS OF THE ELECTION TO PARTICIPATE IN THE VARIABLE TRUST FUND

PLEASE READ CAREFULLY

Please be aware that electing to participate in the Variable Trust Fund is a personal decision based on your tolerance for risk and your financial situation. Carefully read this information to help with this personal decision. To help determine your risk tolerance, refer to the "Important" section of the actual election form which describes the **risks** associated with participation in the Variable Trust Fund.

What happens when you elect Variable participation

If you make this election, 50% of **all** your future Wisconsin Retirement System (WRS) employee and employer required contributions and additional contributions will be deposited in the Variable Fund. The other 50% will be invested in the Core Fund. Existing contribution balances may not be transferred to the Variable Fund. Your election to participate in the Variable Fund is permanent and will continue as long as you are employed in a position covered by the WRS or until:

- You cancel participation in the Variable Fund by filing an *Election to Cancel Variable Participation* (ET-2313); or
- You close your WRS Account.

How to determine the effective date of your Variable participation election

The Department of Employee Trust Funds (ETF) will determine the effective date of your election to participate in the Variable Fund as follows:

- If you are a new WRS participant and your election form is received by ETF within 30 calendar days after your WRS coverage begin date, your Variable participation is effective on your first day of WRS-covered employment. For example, if you become covered under the WRS on January 15, 2013 and your election form is received on February 8, 2013, your Variable participation is effective on January 15, 2013. All contributions after that date will be split between the Core and Variable Trust Funds.*
- If you are a new WRS participant and your election form is received by ETF 31 or more calendar days after your WRS coverage begin date, your Variable participation becomes effective the January 1 of the year after the year ETF receives your election form. For example, if you begin WRS employment on January 15, 2013, and ETF receives your election form on March 15, 2013, your Variable participation becomes effective on January 1, 2014. All contributions after that date will be split between the Core and Variable Trust Funds.
- If you are an existing WRS participant, your Variable participation is effective the January 1 of the year after the year ETF receives your election form. For example, if ETF receives your election form on December 27, 2012, your Variable participation is effective January 1, 2013. If ETF receives your election form on February 9, 2013, your Variable participation becomes effective on January 1, 2014. All contributions after that date will be split between the Core and Variable Funds.

Note: Since the last day of the calendar year falls on a holiday when state offices are closed, if your election is received on the first working day in January, the election form shall be deemed to have been received during the preceding calendar year.

* ETF cannot accept elections to participate in the Variable Fund that are received more than 90 days before the date on which you become covered under the WRS. Elections received earlier than 90 days before your WRS coverage begin date will be rejected, and you will need to submit a new election if you wish to participate in the Variable Fund.

When interest is credited to your WRS account

Interest gains (or losses) for the year are credited to your prior January 1 account balance effective December 31 of each year. For example, effective December 31, 2012, interest gains or losses for 2012 will be applied to your January 1, 2013 account balance.

How Variable participation affects future monthly benefits

Your participation in the Variable Fund will affect your monthly WRS benefit. If you receive a Variable annuity, Variable annuity payments increase or decrease based on Variable investment results as of December 31 each year. Gains (or losses) are applied to the payment for April (paid May 1). The Variable portion of your annuity may decrease to less than the initial monthly Variable amount. **Core annuities can never decrease to less than the finalized initial monthly Core amount.**

- If your benefit is higher under the money purchase calculation method, the Core and Variable portions of your account each will be multiplied by the money purchase factor for your age to produce the Core and Variable portions of your annuity. The relative amounts of your Core and Variable portions will be in direct proportion to the amounts in your Core and Variable accounts.
- If your benefit is higher under the formula calculation method, it includes a "Variable adjustment" to your annuity. This is calculated by multiplying the prior January 1 Variable excess or deficiency balance in your account by the money purchase factor for your age at the time your benefit begins. The Variable excess or deficiency amount is based on a comparison of the actual balance in your account and what your account balance would be if you had invested only in the Core Fund. Until your annuity begins, the amount of the Variable excess or deficiency will change each year, based on the investment experience of the Core and Variable Trust Funds, and will be shown on your annual *Statement of Benefits* (ET-7365). The relative amounts of your Core and Variable annuities are normally **not** in direct proportion to the amounts in your Core and Variable accounts.

How to cancel Variable participation

The only way to cancel an election to participate in the Variable Fund is to file an *Election to Cancel Variable Participation* form (ET-2313). You can obtain an *Election To Cancel Variable Participation* (ET-2313) by calling or writing ETF or by visiting etf.wi.gov and downloading the form. The Variable cancellation becomes effective on the first of the year after the year in which it is received by ETF. The Variable gain or loss for the year in which the form is received will be applied to your January 1 account balance on December 31, after which the Variable funds are transferred to your Core account.

Note: Since the last day of the calendar year falls on a holiday when state offices are closed, if your election is received on the first working day in January, the election form shall be deemed to have been received during the preceding calendar year.

How cancellation of Variable participation in the past affects future participation rights

Active participants who cancelled their Variable Fund participation with an effective date of January 1, 1999 or earlier have an opportunity to re-elect to participate in the Variable Fund. Active participants who cancelled their Variable Fund participation with an effective date of January 1, 2000 or later, **cannot** re-enroll in the Variable Fund. If you cancelled participation on or after January 1, 2000, the only way you may re-enroll in the Variable Fund is by closing your WRS account (ending your WRS participation by withdrawing your account balance in a lump sum), then later returning to work for a WRS participating employer. By becoming a new participating employee, you would have a new Variable election option.

Additional information on how the Variable Trust Fund can affect your benefit is included in our online webcast and in the following publications at etf.wi.gov:

- *How Participation in the Variable Trust Fund Affects Your WRS Benefits* (ET-4930)
- *Calculating Your Retirement Benefits* (ET-4107)

If you have questions about this election, call toll free 1-877-533-5020 or (608) 266-3285 (local Madison) or write ETF at the address on the front of this form.

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

ELECTION TO PARTICIPATE IN THE VARIABLE TRUST FUND

Wis. Stat. § 40.04(7) (a) and Wis. Adm. Code ETF 10.30

				Employer Name
				Your Social Security Number
Last Name	First	Middle I.		Birthdate (MM/DD/CCYY)
Address	Street	City	State	Zip Code

Important: If you want to participate in the Wisconsin Retirement System (WRS) Variable Trust Fund, please carefully read the information on this page and the terms of the election explained on the cover pages. **If you submit this form to the Department of Employee Trust Funds (ETF), you acknowledge that you understand the terms of the Variable election as explained on this form and the cover pages.**

Effective January 1, 2001, any active WRS participant may elect to have 50% of future WRS employee and employer required contributions and additional contributions deposited in the Variable Fund. The Variable Fund is invested exclusively in common stocks. The WRS credits the Variable portion of participating active and inactive accounts with a rate of interest based on investment gains or losses posted to the Variable Fund. Likewise, annuitants participating in the Variable Fund receive adjustments credited to the Variable portion of their annuities based on Variable Fund investment returns. **While participation in the Variable Fund offers the possibility of gain, you must also be prepared to accept a loss. A Variable annuity can provide a smaller amount of monthly retirement income as well as a greater amount.** For example, Variable Fund annuitants experienced a 42% decrease in their Variable Fund annuities in 2008 and a 7% decrease in 2011. Unlike a Core annuity, which is guaranteed never to be less than the initial Core monthly amount, **a Variable annuity may decrease to less than the initial finalized monthly amount.**

ELECTION TO PARTICIPATE IN THE VARIABLE TRUST FUND

I elect to have 50% of all my future WRS employee and employer required contributions and additional contributions deposited in the Variable Fund. I understand that the effective date of my election to participate in the Variable Fund is determined by ETF based on the date this election form is received at ETF.

If I am currently actively employed, I understand that this Variable election will take effect the January 1 of the year following receipt of this election form by ETF. If I am a new WRS participant after 2000 and my election form is received by ETF within 30 calendar days after the start of my WRS coverage, I understand that participation in the Variable Fund is effective on the start of my WRS coverage. If I am a new WRS participant after 2000 and my election form is received by ETF 31 or more calendar days after the start of my WRS coverage, I understand that participation in the Variable Fund is effective January 1 of the year following receipt of the election form.

I acknowledge that unfavorable stock market performances may result in losses to my Variable Fund account just as much as positive stock market performances may result in gains to my Variable Fund account and that this experience will impact my WRS retirement benefits.

I have read and understand and agree to all of the terms of this election as stated above and on the cover pages of this election. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that to the best of my knowledge and belief, the information is true and correct.

Date (MM/DD/CCYY)	Signature	Daytime Telephone Number

Sign. Make a copy for your records. Submit original of this page to: *Department of Employee Trust Funds*
P.O. Box 7931
Madison, WI 53707-7931

ETF will mail you an acknowledgement letter.

Department of Employee Trust Funds (ETF)
P.O. Box 7931
Madison, WI 53707-7931

Non-Annuitants−Thinking About Canceling Variable Participation?

What You Should Know

Deciding whether to remain in the Variable Fund is a personal decision, and it should be based on factors such as: how much of your account is in the Variable Fund, how long it will be before you retire and your overall risk tolerance. The Department of Employee Trust Funds (ETF) cannot advise you on the best course of action because we do not know your personal situation and, like you, we cannot predict future stock market performance. However, below is some information you should understand when evaluating whether to remain in the Variable Fund.

Non-annuitants (non-retirees) have three options for canceling Variable participation:

1. ***Cancel Future Contributions Only –*** Your existing Variable contributions remain in the Variable Fund and continue to earn Variable rate interest, but all new contributions are deposited in the Core Fund. If you file a "cancel future contributions only" cancellation and later decide to cancel Variable participation completely for your existing variable account, you can then file a conditional or unconditional Variable cancellation.
2. ***Conditional Variable Cancellation –*** New contributions are deposited in the Core Fund, and your existing Variable balance transfers to the Core Fund only when you are at least "breaking even" (compared to what your account balance would be if you had never participated in the Variable Fund). If you file a conditional Variable cancellation and later decide to cancel Variable participation regardless of whether you are "ahead" or "behind," you can then file an unconditional Variable cancellation.
3. ***Unconditional Variable Cancellation –*** New contributions are deposited in the Core Fund and your existing Variable balance transfers to the Core Fund, regardless of whether your account is "ahead" or "behind." Once your unconditional cancellation has become effective, it is irrevocable.

You can consult the following resources for more detailed information about your Variable cancellation options: the *How Participation in the Variable Trust Affects Your WRS Benefits* brochure (ET-4930) and the online videos in ETF's video library at etf.wi.gov/webcasts.htm.

Things to Think About if You Are Considering Canceling Variable Participation

- An election to cancel Variable participation does not become effective until the January 1 after ETF receives your completed cancellation form. **This means that Variable effective rate interest will be credited to the Variable portion of your account for the year in which ETF receives your Variable cancellation form.** *Exception: If you receive a lump benefit before the end of the year in which ETF receives your Variable cancellation form, the Variable effective interest rate will not be applied to your account. However, if you begin an annuity with an effective date before the end of the current year, the full Variable annuity adjustment will be applied to the Variable portion of your annuity beginning with the annuity payment issued on the following May 1 of the following year. For example, if your annuity effective date is in 2010, the full Variable annuity adjustment based on 2010 Variable Fund investment returns will be reflected on your May 1, 2011, annuity payment.*

- If you cancel your Variable participation, once your Variable account balance has transferred to the Core Fund you will have a "residual" Variable excess or deficiency amount recorded on your WRS account. This is a record of the amount that your account is "ahead" (Variable excess) or "behind" (Variable deficiency) as a result of your past Variable Fund participation. **Your residual Variable excess or deficiency will subsequently be credited with annual Core Fund effective rate interest at the end of each year.** This means that the dollar amount of your excess or deficiency will grow to a larger amount each year after your Variable funds are transferred to the Core Fund. The higher the Core Fund interest rates and the more years it will be until you retire, the more that your Variable excess or deficiency will have grown.

- ETF calculates your formula retirement annuity, your Variable excess or deficiency balance is then used to adjust your formula retirement benefit. A Variable excess will increase your formula annuity, but a Variable deficiency will decrease your formula benefit. The excess or deficiency amount does not have any effect on your money purchase retirement benefit calculation, because the Core and Variable investment returns are already reflected in your money purchase balances. You will receive the higher of the formula benefit (after the Variable adjustment) or the money purchase calculation. For more information about formula and money purchase retirement benefit calculations, you can consult the *Calculating Your Retirement Benefit* brochure (ET-4107) or the online videos in ETF's video library at etf.wi.gov/webcasts.htm.

- Conditional vs. Unconditional Cancellation – If you unconditionally cancel Variable participation and you are "behind" after the annual Core and Variable interest rates are credited to your account for the year in which ETF receives your unconditional cancellation, you will have a residual Variable deficiency that will grow larger each year until your annuity begins. For example, if you file an unconditional cancellation in 2010 and have a Variable deficiency after Core and Variable interest for 2010 is credited to your account, as of January 1, 2011, you will have a residual Variable deficiency that will increase each year until you retire. However, if you file a conditional cancellation, your Variable monies will stay in the Variable Fund until you are at least "breaking even." Consequently, the advantage of filing a conditional cancellation is that you can never be left with a residual Variable deficiency in your account after your Variable monies transfer to the Core Fund.

- A potential disadvantage of filing a conditional Variable cancellation is that if the Variable Fund would experience prolonged years of losses, your Variable deficiency could continue to increase and you might never meet the "break-even" condition. In this situation your Variable Funds would never transfer to the Core Fund; they would remain in the Variable Fund unless at some point you file an "unconditional" Variable cancellation. Since there are no guarantees of how the Variable Fund will perform or any maximum amount by which your Variable account balance can be reduced, remaining in the Variable Fund always presents the risk of further losses.

- Your Variable excess or deficiency balance is only updated once a year, after annual interest is credited. To find out your current excess or deficiency balance, look in Section 8 of your last *Annual Statement of Benefits*. A **Variable Excess/Deficiency Update Calculator** is also available on ETF's Internet site, at etfonline.wi.gov/ETFCalculatorWeb/ExcDefCalcAnnualUpdateController, that you can use to project your future excess/deficiency balance.

Continued on next page

Retirees−Thinking About Canceling Variable Participation?

What You Should Know

Deciding whether to remain in the Variable Fund is a personal decision, and it should be based on factors such as: how much of your annuity is paid from the Variable Fund, your tolerance for risk and your personal financial situation. The Department of Employee Trust Funds (ETF) cannot advise you on the best course of action because we are not familiar with your personal situation and, like you, we cannot predict how the stock market will perform in the future. However, below is some information you should know when evaluating whether to remain in the Variable Fund.

Retirees have two options for canceling Variable participation:

1. ***Conditional Variable Cancellation –*** After the Variable annuity adjustment is applied to the Variable portion of your annuity on May 1 of the year after the year in which ETF receives your conditional Variable cancellation, we determine whether your new annuity amount is at least as much as it would be if you had never participated in the Variable Fund. If you are at least "breaking even," your Variable annuity is transferred to the Core Fund. However, if your annuity is less than the amount it would be if you had never participated in the Variable Fund, your Variable annuity remains in the Variable Fund for another year. At that time, we again compare your annuity against the amount it would be if you had never participated in the Variable Fund.

   If you file a conditional Variable cancellation and later decide that you want to cancel Variable participation unconditionally, you can file an unconditional Variable cancellation that will become effective on the January 1 after ETF receives your completed cancellation form.

2. ***Unconditional Variable Cancellation –*** After the Variable annuity adjustment is applied to your Variable annuity on May 1 after the year in which ETF receives your unconditional Variable cancellation, your Variable annuity is transferred to the Core Fund. This transfer occurs regardless of whether your annuity is "ahead" or "behind" the amount it would be if you had never participated in the Variable Fund.

Note: As a retiree you can also file a "Future Contributions Only" Variable cancellation. However, this would only apply to any new contributions you may make if you return to work for a WRS employer. Your Variable annuity would remain in the Variable Fund, and you would continue to receive the annual Variable annuity adjustments on the Variable portion of your annuity.

You can consult the following resources for more detailed information about your Variable cancellation options: the *How Participation in the Variable Trust Affects Your WRS Benefits* brochure (ET-4930) and the online videos in ETF's video library at etf.wi.gov/webcasts.htm.

Things to Think About if You Are Considering Canceling Variable Participation

- A Variable cancellation does not become effective until the January 1 after ETF receives your completed cancellation form. **This means that the Core and Variable annuity adjustments will always be applied to your annuity on May 1 after the year in which ETF receives your Variable cancellation form.**

- If you file a conditional Variable cancellation, your Variable annuity will not be transferred to the Core Fund until your annuity is at least as much as it would be if you had **never** participated in the Variable Fund. However, **this does not mean that the Variable portion of your annuity will only transfer to the Core Fund if the Variable portion is at least as much as it was when you first retired**. If you had a Variable excess when you retired, when your annuity began **it was already higher due to your past Variable Fund participation**. If your Variable annuity has subsequently decreased, **the amount of your Variable annuity can be less than it was when your annuity first began and still meet the "break even" condition for transfer**.

  If you file a conditional Variable cancellation, ETF will not be able to determine whether your annuity meets the "break even" condition for transfer until the Core and Variable annuity adjustment rates for the

current year are known. These calculations are normally done each March. For example, if you file a conditional Variable cancellation in 2010, in March 2011 we will do the calculations to determine whether your Variable annuity will transfer to the Core Fund after the May 1, 2011, annuity adjustments.

- If you file an unconditional Variable cancellation, after the Core and Variable annuity adjustments are applied to your annuity on the following May 1 annuity payment your Variable annuity will be transferred to the Core Fund regardless of whether you are "ahead" or "behind." For example, if you file an unconditional Variable cancellation in 2010, after the May 1, 2011, Core and Variable annuity adjustments are applied to your annuity, your Variable annuity will transfer to the Core Fund. In subsequent years the Core annuity adjustments will be applied to your entire annuity. This means that if you file an unconditional Variable cancellation form with ETF during a year in which there are significant Variable Fund losses, you are essentially "locking in" the annuity decrease that you will experience on the following May 1. Since your entire annuity will be subject to the Core annuity adjustment rates in future years, you would not be able to benefit if there is a quick rebound in the stock market (and therefore a quick rebound in the Variable rates).

- Core Fund investment results are smoothed over a five-year period. Consequently, interest crediting and annuity adjustments will be lower than the actual Core Fund investment results in years with high returns, and higher than the actual Core Fund investment results in years with lower returns. A recent example is the Core rate for 2008, a year in which there were significant Core Fund investment losses. The fact that there had been positive Core Fund investment returns during the previous five years helped offset the 2008 Core Fund losses, so there was no Core Fund annuity decrease in 2009. However, this smoothing also meant that the 2008 Core Fund losses are resulting in lower Core interest and annuity adjustment rates for 2009 through 2012, until the 2008 losses have been fully recognized**.**

  In other words, if you unconditionally cancel your Variable participation in a year with significant Variable and Core Fund losses, not only will your Variable annuity decrease on May 1 in the following year, since that year's Core Fund losses will be spread over five years those losses will adversely affect the Core annuity adjustment rates for an additional four years. Since the Core annuity adjustment rates will then be applied to your entire annuity, you could receive lower or even negative Core annuity adjustments to your entire annuity for several more years (depending on the Core Fund investment returns in those years).

- A potential disadvantage of filing a conditional Variable cancellation is that if the Variable Fund were to continue to experience losses each year, your Variable annuity would continue to decrease each year and you might never meet the "break-even" condition. In this situation your Variable annuity would never transfer to the Core Fund unless you later file an "unconditional" Variable cancellation.

- Minimum Core Annuity Amount – Even if there are Core annuity decreases due to prolonged years of poor investment returns, your Core annuity can never be reduced below the finalized annuity amount you received at retirement. However, there is no limit to the amount that your Variable annuity can be decreased. If you cancel Variable participation and your Variable annuity is transferred to the Core Fund, the new minimum amount below which your annuity cannot be decreased **is the combined total of the finalized amount of your Core annuity when it began, plus the amount of your Variable annuity at the time it transfers to the Core Fund.**

Department of Employee Trust Funds (ETF)
P.O. Box 7931
Madison, WI 53707-7931

CANCELING VARIABLE PARTICIPATION

Wis. Stat. § 40.04 (7) and Wis. Adm. Code ETF 10.30

Please be aware that electing to cancel participation in the Variable Trust Fund is a personal decision based on your tolerance to risk and your financial situation. Carefully read this information to help with this personal decision. The explanation regarding "Residual Variable Excess or Deficiency" at the top of the Page 6 may also help you determine if this is the right option for you at this time.

GENERAL INFORMATION ABOUT CANCELING PARTICIPATION IN THE VARIABLE TRUST FUND

Individuals who have a Variable account and/or annuity may cancel their participation in the Variable Trust Fund. Once a Variable cancellation becomes effective, new contributions will be deposited in the Core Fund only. Based on the cancellation option that you elect, your Variable Wisconsin Retirement System (WRS) account(s) and/or annuity(ies) will be transferred to the Core Fund. A Variable cancellation becomes effective on December 31 of the year in which it is received by the Department of Employee Trust Funds (ETF), after the year's Core and Variable interest is credited to your account. You will always receive the Variable interest rate on your current Variable balance, or Variable adjustment on your Variable annuity, for the year in which ETF receives your Variable cancellation form.

You will receive a written acknowledgment of your Variable cancellation form after ETF has received and reviewed it.

Once you have canceled participation in the Variable Trust Fund, you cannot re-elect to participate in the Variable Trust Fund at a later date. *Exception: If you completely close your WRS account by taking a lump sum benefit, and later return to covered employment with a WRS employer, you can elect to participate in the Variable Fund for your new WRS account.*

OPTIONS FOR CANCELING VARIABLE PARTICIPATION FOR YOUR WRS ACCOUNT (non-annuitants)

If you have a WRS Variable account and you are not receiving a benefit from this account, you may select one of the following options for canceling Variable participation:

- ***Cancel future contributions only.*** If you cancel Variable participation for future contributions only, all new contributions received after the Variable cancellation effective date will be deposited in the Core Fund. However, your current Variable contribution balances remain invested in the Variable Fund. You can later file a conditional or unconditional variable cancellation.

- ***Conditional Variable cancellation.*** Beginning on the January 1 after ETF receives your conditional cancellation, all new contributions to your WRS account will be deposited in the Core Fund. However, your existing Variable contribution balances remain invested in the Variable Fund until your Variable account balance equals or exceeds the amount that would be in that account if you had never participated in the Variable Fund. In other words, your account must be at least "breaking even" due to your Variable participation. Your Variable account balance will not be transferred to the Core Fund while your account balance is lower than it would be if you had never participated in the Variable Fund.

  The first possible date for your Variable balance to transfer to the Core Fund is January 1 after the year in which ETF receives your conditional Variable cancellation, *after* Variable interest for that year is credited to your Variable account. If the "condition" to transfer is not met (because your account is "behind"), your account would be reviewed each year to determine whether the condition for transfer has been met, and would only be transferred to the Core Fund once you are "breaking even." Your Variable contribution balances could remain in the Variable Fund for several years if the "condition" is not met. However, you may file an unconditional Variable cancellation at any time while your conditional cancellation is pending.

  If the "condition" to transfer has not been met before you begin a retirement annuity, your conditional cancellation will apply to your annuity. Please refer to the conditional Variable cancellation provisions for annuitants for information about how your conditional cancellation would apply to your annuity.

- ***Unconditional Variable cancellation.*** An unconditional cancellation means that once your cancellation becomes effective, all new contributions will be deposited in the Core Fund *and* your current Variable contribution balances will be transferred to the Core Fund after Variable interest is credited to your Variable balance for the year in which ETF receives your Variable cancellation. The transfer to the Core Fund will occur regardless of whether your Variable balance is less or greater than the amount that would be in your account if you had never participated in Variable Fund.

Note: *Before* selecting this option, make sure that you read **and** understand the following explanation of residual Variable excess or deficiency.

Residual Variable Excess or Deficiency. Once your Variable account balance has transferred to the Core Fund, you will have either a residual Variable excess or deficiency. This is the amount that your account is "ahead" (Variable excess) or "behind" (Variable deficiency) because of your participation in the Variable Fund. ***Your residual Variable excess or deficiency will be credited with Core effective rate interest each year. Therefore, the amount of your excess or deficiency will normally grow each year after your Variable funds are transferred to the Core Fund.*** The net effect of your Variable gains or losses (including the interest credited to the excess/deficiency) will be reflected in the calculation of the benefits paid from your account. **For example, depending on the Core effective rates and the number of years until you retire, a Variable deficiency of $2,000 on the cancellation effective date could potentially grow to a deficiency of $10,000 by the time your annuity begins. The Variable adjustment for a formula benefit would be a *decrease* to the annuity based on $10,000 residual deficiency.**

Note: If you file a conditional Variable cancellation, you could never have a residual Variable deficiency because your Variable funds would only be transferred to the Core Fund if you are "even" or "ahead."

Remaining in the Variable Fund with an active or inactive account. If you are not receiving a benefit from your account, and you do not file a Variable cancellation form, your Variable contributions will remain invested in the Variable Fund and 50% of any future WRS contributions will be deposited in the Variable Fund. You can file a cancellation form at any time.

CANCELING VARIABLE PARTICIPATION FOR ANNUITANTS (persons receiving monthly payments)
If you are receiving a monthly WRS Variable annuity, you may select one of the following options:

- ***Cancel for future contributions only.*** **This Variable cancellation would have no effect on your Variable annuity. The Variable portion of your annuity would continue to be paid from the Variable Fund and would continue to receive annual increases or decreases based on Variable Fund investments.** If you cancel participation in the Variable Fund "for future contributions only," once your Variable cancellation has become effective, any *new* contributions to your WRS account after your Variable cancellation effective date will be deposited in the Core Fund. You can only make new contributions if you return to work for a WRS-covered employer.

- ***Conditional Variable cancellation.*** A conditional cancellation means that you are electing to have the Variable portion of your annuity transferred to the Core Fund only when your annuity equals or exceeds the amount that would be payable if you had never participated in the Variable Fund. Your annuity will receive the Variable increase or decrease based on the Variable Fund investment results for the year in which ETF receives your Variable cancellation. Once that Variable increase or decrease is applied, your annuity is compared to the amount that would then be payable if you had never participated in the Variable Fund. Your annuity must be "even" or "ahead" due to your Variable participation. Your Variable annuity will not be transferred to the Core Fund if your annuity is "behind" due to Variable participation.

  If the "condition" to transfer is not met, your annuity would then be reviewed each year to determine whether the "condition" for transfer has been met. Once the "condition" to transfer is met, your annuity would be transferred to the Core Fund. Your entire annuity would then receive Core annuity adjustments every year thereafter. A conditional cancellation also means that you elect to have any new contributions to your WRS account deposited in the Core Fund after your cancellation becomes effective. At any time before the "condition" for transfer is met you may file an unconditional Variable cancellation, which would take effect on December 31 of the year in which ETF receives your completed cancellation form.

  If you have a Variable annuity and a Variable account from which no annuity is being paid, and you file a conditional Variable cancellation, your account and annuity will be evaluated separately to determine whether the "condition" is met for each to be transferred to the Core Fund. Consequently, your Variable annuity and Variable account balance could be transferred to the Core Fund in different years, depending on when each one meets the transfer "condition." (See multiple accounts below.)

- ***Unconditional Variable cancellation.*** An unconditional cancellation means that you are electing to have the Variable portion of your annuity transferred to the Core Fund regardless of whether your annuity equals or exceeds the amount that would be payable if you had never participated in the Variable Fund. Your annuity will receive the Variable increase or decrease based on the Variable Fund investment results for the year in which ETF receives your completed Variable cancellation form. Once that Variable increase or decrease is applied, your annuity will be transferred to the Core Fund, and your entire annuity will receive Core annuity adjustments every year thereafter. An unconditional cancellation also means that you elect to have any new contributions to your WRS account deposited in the Core Fund after your cancellation becomes effective.

Minimum guaranteed annuity amount after your Variable annuity is transferred to the Core Trust Fund. Your Core annuity is guaranteed never to go below the finalized original monthly amount. Even if there are negative Core adjustments that reduce your Core annuity, only previous Core increases can be repealed. Your Core annuity can never be decreased below the original amount. However, there is no minimum threshold below which a Variable annuity can be reduced. Variable annuities can continue to be reduced below the finalized original Variable annuity amount indefinitely if Variable investment losses would continue.

If your Variable annuity is transferred to the Core Fund, the amount of your Variable annuity at the time of the transfer (after the prior year Variable adjustment is applied) is added to the finalized original amount of your Core annuity. The total of these two amounts becomes your new total minimum Core annuity threshold, below which your Core annuity can never be reduced.

Remaining in the Variable Fund as an annuitant. If you do not file a Variable cancellation form, the Variable portion of your Variable annuity will continue to be paid from the Variable Fund, and will continue to receive annual increases or decreases based on Variable Fund investment returns. You can file a cancellation form at any time.

EFFECTIVE DATE OF VARIABLE CANCELLATIONS

A Variable cancellation becomes effective on December 31 of the year in which ETF receives your cancelation form. If you have a Variable account from which no benefit is being paid, Variable interest will be credited to your Variable account effective December 31 of the year in which ETF receives your completed Variable cancellation form. All new contributions to your account after that year will be deposited in the Core Fund. Whether or not your existing Variable balance is transferred to the Core Fund as of the January 1 after the Variable cancellation effective date will depend on the type of Variable cancellation you select (future contributions only, conditional or unconditional).

If you are receiving a Variable monthly annuity, the Variable portion of your annuity will receive the annual Variable increase or decrease that is distributed during the year after the year in which ETF receives your completed Variable cancellation form. Whether your Variable annuity is transferred to the Core Fund after that will depend on the type of Variable cancellation you elected (conditional or unconditional).

Note: A Variable cancellation received on the first working day of a calendar year is deemed to have been received in the year that has just ended. Therefore, if ETF receives a Variable cancellation on the first day of the year in which state offices are open for business, the Variable cancellation effective date is determined as though it was received during the previous year.

VOIDING A VARIABLE ELECTION

If you submitted an election to participate in the Variable Fund, but before it takes effect you change your mind and decide that you do not want to participate in the Variable Fund at this time, you may be eligible to void your election to participate in the Variable Fund by submitting this form to ETF. When a Variable election is voided before it becomes effective, you are eligible to re-elect participation in the Variable Fund at a later date.

Your election to participate in the Variable Fund will be considered null and void if we receive your completed C*anceling Variable Participation* form by one of the two following deadlines:

- Before your election to participate in the Variable Fund would otherwise become effective (normally the January 1 after it is received by ETF), OR
- You are a new WRS participant, and we receive your completed Variable cancellation form within 30 days after the date on which you became covered under the WRS.

However, if your completed *Canceling Variable Participation* form is received after your election to participate in the Variable Fund has already become effective, or received more than 30 days after your WRS coverage begins if you are a new WRS participant, it will be treated as a Variable cancellation rather than voiding your Variable election. This means you would not be eligible to elect to participate in the Variable Fund at a later date unless you completely close your WRS account by taking a lump sum benefit and subsequently return to covered employment with a WRS employer. You will receive a written acknowledgement explaining the effect of your Variable cancellation form.

MULTIPLE ACCOUNTS

An individual may have separate accounts and/or annuities as a participant, alternate payee, joint survivor and/or beneficiary. If you have multiple accounts, you may specify that a Variable cancellation applies only to a specific account. However, a cancellation must be applied to all portions of the account(s) or annuity(ies) that it governs.

Example: You have separate Variable accounts as a participant and as an alternate payee. You may specify that your Variable cancellation applies only to one of those accounts. However, it would apply to all portions of that

account, (e.g.: If your participant account includes both required and additional contributions, the Variable cancellation will be applied to both the required and additional contributions.)

If you have multiple Variable accounts and/or annuities and do not specify that your Variable cancellation should be applied only to a specific account, it will be applied to **all** of your Variable accounts and/or annuities. If you wish to specify that your Variable cancellation applies only to a specific account or annuity (which would include all portions), you may call ETF for special instructions or indicate in the "MULTIPLE ACCOUNTS" section of the cancellation form the account or annuity to which the cancellation should apply.

INCOMPLETE VARIABLE CANCELLATION FORMS
Complete all of the information requested on the Variable cancellation form. If your signature, birthdate and/or Social Security number are missing, ETF will return your form to you for correction. If ETF receives your corrected Variable cancellation form within 30 calendar days after the date that ETF returned the form to you, the original receipt date of your incomplete cancellation form will be used to determine the effective date of your Variable cancellation. If ETF does not receive your corrected Variable cancellation form within 30 days after the date on which the form was returned to you, the effective date of your Variable cancellation will be based on the date on which ETF receives either the corrected form or a new completed form. If ETF does not receive a correctly completed Variable cancellation form, your participation in the Variable Fund will not be canceled.

If ETF receives a Variable cancellation form that has been completed correctly except that you did not select a type of cancellation (future contributions only, conditional or unconditional), ETF will return your form to you for this information. If ETF receives your corrected Variable cancellation form within 30 calendar days after the date on which we returned the form to you, ETF will use the original receipt date of your incomplete cancellation form to determine the effective date of your Variable cancellation. However, if ETF does not receive your corrected Variable cancellation form within 30 days after the date on which the form was returned to you, **your Variable cancellation will be treated as an election to cancel your Variable participation unconditionally.**

MULTIPLE VARIABLE CANCELLATION FORMS
If ETF receives more than one Variable cancellation form from you during a single calendar year, and you have specified different cancellation options (e.g., future contributions only, conditional or unconditional) on the separate forms, the last Variable cancellation form received by ETF during that year will be honored.

RESCINDING A VARIABLE CANCELLATION FORM
If you file a Variable cancellation form and later decide that you do not wish to cancel your Variable participation, you may rescind your Variable cancellation. However, to rescind your Variable cancellation **ETF must receive your written request to rescind before the end of the year in which your Variable cancellation was received by ETF.** Your Variable cancellation becomes effective on December 31 of the year in which it is received. Once it becomes effective, it can no longer be rescinded.

You can only rescind a Variable cancellation in writing. There is no form to rescind a Variable cancellation form. If you wish to rescind your Variable cancellation, you can send a letter to ETF stating that you wish to rescind the Variable cancellation that you have submitted. Be sure to include your name, Social Security number and/or Member ID and date of birth in your letter to assure that we can identify your WRS account.

SUBMITTING YOUR COMPLETED VARIABLE CANCELLATION FORM. Submit your Variable cancellation to the address at the top of the Variable cancellation form. *Do not submit this form to your employer.*

FOR MORE INFORMATION

More detailed information about Variable participation is available in ETF's online webcast at etf.wi.gov and in the booklet entitled *How Participation in the Variable Trust Fund Affects Your WRS Benefits* (ET-4930). You may also obtain additional information by calling ETF at one of the following numbers:

Toll-Free: 1-877 533-5020 (toll free)
(608) 266-3285 (local Madison)

Wisconsin Relay Service (for hearing & speech impaired): 7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Department of Employee Trust Funds (ETF)
P. O. Box 7931
Madison, WI 53707-7931

CANCELING VARIABLE PARTICIPATION

Wis. Stat. § 40.04 (7) Wis. Adm. Code ETF 10.30

TYPE OR PRINT IN INK

YOUR NAME *Last* *First* *Middle I.* *Maiden*	Your Social Security Number
Address No. and Street	Your Birthdate (MM/DD/CCYY)
City State Zip Code	Your Weekday Telephone No. (*Include area code)*

Be sure to read the information about canceling your Variable participation on the previous pages *before* completing this form.

You may select one of the following options for canceling your participation in the Variable Trust Fund (check one box only):

☐ 1. I elect to cancel my participation in the Variable Trust Fund for all future contributions only. I understand that all past contributions (and my annuities, if applicable) will remain in the Variable Trust Fund.

☐ 2. I elect to cancel conditionally my participation in the Variable Trust Fund. I understand this election will cancel all future Variable contributions to my WRS account. Past Variable contributions will be transferred or future Variable annuity payments will become Core payments only when the value of the Variable portion equals or exceeds the amount I would have had if I had never participated in the Variable Trust Fund.

☐ 3. I elect to cancel unconditionally my participation in the Variable Trust Fund. I understand this election will cancel all future Variable contributions and transfer past Variable contributions from my active/inactive account(s) and/or transfer my future annuity payments to the Core Trust Fund *after* the current year Variable investment result is applied to my account and/or annuity. If I am not an annuitant and my account has a residual deficiency, I understand that this deficiency may grow and the deficiency amount when my annuity begins will decrease my formula benefit.

MULTIPLE ACCOUNTS

IF YOU HAVE MULTIPLE ACCOUNTS BUT ONLY WANT THIS VARIABLE CANCELLATION TO APPLY TO SPECIFIC ACCOUNT(S), use this space to specify the WRS account(s) to which you want this cancellation to apply. See "MULTIPLE ACCOUNTS" section on Page 7 before completing this section. If you do not specify the account (and/or annuity) to which this cancellation is to be applied, it will be applied to all of your Variable accounts and/or annuities.

_____

_____

I have read, understand and agree to all of the terms of this election as stated above and in Pages 1-8.

I understand that Wis. Stat. § 943.395 provide criminal penalties for making false or fraudulent claims on this form and hereby certify to the best of my knowledge and belief, the above information is true and correct. I have read and understand the information regarding the effects of canceling participation in the Variable Trust Fund.

Date (MM/DD/CCYY)	Signature	Daytime Telephone Number

Sign. Make a copy for your records.

Submit original form to: Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

ETF will mail you an acknowledgement letter.

The Department of Employee Trust Funds has made every effort to ensure that this brochure is current and accurate. However, changes in the law or processes since the last revision to this brochure may mean that some details are not current. Please contact ETF if you have any questions about a particular topic in this brochure.

ETF does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call toll free 1-877-533-5020 or (608) 266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

ALWAYS INCLUDE YOUR NAME, MEMBER ID AND DATE OF BIRTH ON ALL CORRESPONDENCE TO THIS ETF.

Contact the Department of Employee Trust Funds

Internet Site

etf.wi.gov

Find Wisconsin Retirement System and related benefit program information, as well as several ways to contact ETF by e-mail. Look for the red envelope at etf.wi.gov to sign up for free ETF E-mail Updates.

Self-Service Lines

1-877-383-1888 (toll free)
608-266-2323 (local Madison)

Request forms or brochures through the ETF self-service lines, available 24 hours a day, seven days a week. Annuitants may also call to change address information or tax withholding elections.

Main Telephone Lines

1-877-533-5020 (toll free)
608-266-3285 (local Madison)

Employees and employers can speak on the telephone with an ETF benefit specialist from 7 a.m. to 5 p.m. Monday through Friday (except holidays).

Wisconsin Relay Service (for hearing and speech impaired) 7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Mailing Address

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

Street Address

801 West Badger Road
Madison, WI 53713

Appointments

To register for a group appointment in your area, visit http://etf.wi.gov/members/presentation_map.html.

To schedule an individual appointment in Madison, call:
1-877-533-5020 (toll free)
(608) 266-3285 (local Madison)

etf

Wisconsin Department of Employee Trust Funds