



# Samantha J. Kerkman

State Representative • Serving the 66<sup>th</sup> Assembly District

NEWS RELEASE  
FOR IMMEDIATE RELEASE  
December 14, 2012

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## Audit Quantifies Rehired Annuitants in WRS

**MADISON** – This morning, the nonpartisan Legislative Audit Bureau (LAB) released a report on Wisconsin Retirement System (WRS) annuitants hired by employers participating in the WRS (report 12-17). In December 2011, the Joint Legislative Audit Committee directed LAB to conduct this audit in response to questions from legislators about the extent to which WRS-participating state and local employers have hired WRS annuitants. Rep. Samantha Kerkman (R-Randall) serves as the Assembly co-chair of the Committee.

The report found that from January 2007 through March 2012, the University of Wisconsin (UW) System and state agencies on Central Payroll hired 2,783 WRS annuitants who had ended employment from 2007 through 2011. UW System hired two-thirds of the total hired. Most annuitants rehired by the state worked as part-time employees for less than one year, and were paid either the same hourly wage or a lower hourly wage than they had been paid at retirement, while collecting their state annuities. A small number of annuitants worked for multiple years after retirement, for more hours per week than they had worked before retirement, or were paid a higher hourly wage than they received at retirement. Only 26 individuals out of 2,783 rehired annuitants chose to suspend their annuity payments when they returned to state service.

“This audit report provides invaluable information and transparency on the issue of rehiring annuitants,” said Rep. Kerkman. “These data give legislators a more complete understanding as we continue to consider this issue in our state government.”

In response to LAB’s survey of all school districts and local governments, 1,169 respondents indicated that they had hired 2,599 WRS annuitants from January 2011 through March 2012. Almost 80.0 percent of respondents indicated that annuitants were hired for their skills and experience.

The Department of Employee Trust Funds (ETF) administers the WRS and is statutorily responsible for ensuring that the WRS complies with federal and state pension laws. Statutes provide few restrictions on WRS annuitants who return to work. As a result, it can be challenging for ETF to determine that pension laws have been followed. LAB includes a recommendation for ETF to develop written procedures for conducting consistent and complete investigations about whether pension laws have been followed.

To request a copy of audit report 12-17, visit LAB’s website at <http://legis.wisconsin.gov/lab/> or call 608.266.2818.

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