



BRIEFING SHEET

Report 17-16
September 2017

State Auditor

[Joe Chrisman](#)

Wisconsin Retirement System Calendar Year 2016

Background

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer, defined-benefit pension plan that provides post-retirement financial benefits to participating employees, as well as disability and death benefits to participants and their beneficiaries. The Department of Employee Trust Funds (ETF) is responsible for managing the operations of the WRS that interact with the almost 1,500 employers and over 622,000 participants as of December 31, 2016, including collecting contributions and paying retirement benefits.

As required by statutes, we conducted a financial audit of the WRS by auditing the financial statements in accordance with applicable government auditing standards, issuing our auditor's opinion, reviewing internal controls, and making recommendations for improvements.

Audit Results and Key Findings

We provided an unmodified opinion on the WRS financial statements for calendar year 2016. We provide an unmodified opinion when audit evidence supports the conclusion that the financial statements provide a fair view of an entity's financial activity in accordance with generally accepted accounting standards. Our audit report also includes the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. We also found:

- The WRS is funded through investment earnings and annual employer and employee contributions. From 2007 through 2016, investment income represented 70.4 percent of total funding for the WRS and contributions represented 29.6 percent of total funding for the WRS.
- The fiduciary net position of the WRS, which represents the value of the plan's assets that are currently available to make benefit payments, increased from \$88.5 billion as of December 31, 2015, to \$92.6 billion as of December 31, 2016, or by 4.6 percent.
- Net investment income increased from a loss of \$675.0 million in 2015 to a gain of \$7.3 billion in 2016, or by 1,177.3 percent.
- Contributions to the WRS remained relatively stable at \$1.9 billion in 2015 and 2016, while benefit payments increased from \$4.7 billion in 2015 to \$5.0 billion in 2016.
- The \$0.8 billion net pension liability of the WRS reported as of December 31, 2016, represents an improvement in the net pension liability, which was \$1.6 billion as of December 31, 2015.

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