



## Wisconsin Retirement System Reporting for Participating Employers Calendar Year 2014

### Background

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer, defined-benefit 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 nearly [1,500 employers](#) and [604,000 participants](#) as of December 31, 2014, including collecting contributions and paying retirement benefits to WRS participants.

As requested by ETF, we conducted an audit of the Schedule of Employer Allocations of the WRS and the Schedule of Pension Amounts by Employer of the WRS, and the related notes. We audited these two WRS employer schedules in accordance with applicable government auditing standards, issued our auditor's opinions, and reviewed internal controls.

ETF prepared the two employer schedules to provide information to assist participating WRS employers in preparing their own financial statements in accordance with new pension accounting standards that were first implemented by ETF for 2014.

### Audit Results and Key Findings

We provided unmodified opinions on the Schedule of Employer Allocations of the WRS and specified total amounts on the Schedule of Pension Amounts by Employer of the WRS, and the related notes, as of December 31, 2014. An unmodified opinion means that we have obtained sufficient audit evidence to support the conclusion that the schedules are fairly stated in accordance with generally accepted accounting principles (GAAP). Our audit report also includes the [Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters](#).

We found:

- ETF implemented the new pension accounting standards for its 2014 WRS financial statements and notes. We include information on our audit of the WRS financial statements and ETF's implementation of the new standards in [report 15-11](#).
- Under the new standards, ETF calculated a [net pension asset of \\$2.5 billion](#) for the WRS as of December 31, 2014.
- Participating WRS [employers will be responsible for reporting](#) their proportionate share of the net pension asset, as well as other amounts, in their own GAAP-based financial statements.
- The net pension asset is not available to employers to meet other obligations because the [WRS is an irrevocable trust](#).
- The [proportionate share of the net pension asset for all State of Wisconsin agencies](#) was \$686.9 million, of which \$330.2 million was related to the University of Wisconsin System.