

The Wisconsin Retirement System: How it works

We know that a provision of Governor Walker's 2011-2013 state budget calls for a study of the Wisconsin Retirement System, the pension system hundreds of thousands of Wisconsinites invest in and rely on for their retirement. What's important to know about the WRS is that the system is stable, that it is fully funded and that this is your investment for your future:

- **A stable system:** With more than 572,200 members (active workers and retirees), the WRS is the ninth-largest public pension in the country and 30th in the world. Its track record of successful management makes it well positioned to pay all of its benefit promises now and in the future.
- **Fully funded:** WRS is unique in that public employers, employees and retirees share in the risks and rewards of the investments. Taxpayers are not solely at risk if there are investment fluctuations. Unlike pensions in other states, WRS benefits earned by today's employees and retirees are fully funded – they will not be paid by future employees.
- **Your investment:** Defined benefit pension plans are delayed compensation. This is your salary invested to aid you during retirement. Your retirement benefit is paid out in the form of an annuity. Annuities provide monthly retirement benefits for your entire life, no matter how long you and your spouse live. A switch to defined contribution plans (which has been proposed in similar situations) such as 401(k)s would come with higher risks and higher costs for you and other public-sector workers. 401(k)s don't provide a guaranteed benefit for life.

Privatization: Wrong for schools, wrong for the WRS

Privatization doesn't work in our schools – and it won't work for our retirement investments. The same people behind an extreme agenda who put forth laws enacting anti-collective bargaining laws, Voter ID restrictions, privatization schemes, corporate tax cuts and more are

behind this latest attack on public workers. The potential for new fees and complex changes would cut into the retirement benefits you and your colleagues have earned – affecting educators now and into the future.