

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
PERMIT NO 7
CHEYENNE, WY
82009



6101 Yellowstone Road, Suite 500 • Cheyenne, WY 82002 • 307-777-7691 • retirement.wyo.gov

Director’s Report

Volunteer Board Recognition

Gene Diedtrich Day: Volunteer Firefighter EMT & SAR pension plan board chairman Gene Diedtrich of Newcastle was honored in both the Senate and the House during the 2022 Legislative Session. Gene is completing 60 years of service to the Newcastle Volunteer Fire Department. 60 years! The state has only been around for 132 years... Gene has been in public service for close to half of that! Governor Gordon made a presentation during the last week of February to Gene when the Governor was in Newcastle. March 8, 2022 was then designated as “Gene Diedtrich Day” in Wyoming, by proclamation of the Governor. Thanks Gene!

Investment:

The fund has suffered some losses in the rocky markets since the first of the year. Nonetheless, at the end of February, we’re down only about -3.85% Year To Date (YTD), which is ahead of our benchmark by about 15 bps. The fund is fairly diversified and some of the team’s “defensive” assets have buffered losses in the stock market. As always, the team is seeking “good assets at good prices” and that is sometimes easier in market downturns.

See Director’s Report page 3



WRS Volunteer Firefighter, EMT and SAR Pension Board and WRS Staff at the State Capitol. (L to R) Lanny Applegate - Board Vice Chair, David Swindell - Director, Gene Diedtrich - Board Chair, Mike Bleakley - Deputy Director

Legislative Updates

SF0039 (Fire A). Governor Gordon signed this important legislation on Monday, March 7, 2022. The bill provides a \$75 million appropriation and a \$2 million/year ongoing revenue stream to stabilize the finances of the Fire A pension fund. The Cost of Living Adjustment or 3% annual escalator ended effective April 1.

There are 255 pensioners remaining in this pension plan, previously faced with failure within 5 years. Effort now goes to execution of this legislation.

Elected Officials & Board Member Appointment Guidance

Election time is around the corner and for those of you currently employed by a WRS participating employer and thinking of running for public office such as a county, municipal or school district commission, or you are considering an appointment to a state council or a state board, being elected or appointed may affect your retirement benefit. For more information about this please visit the WRS website or call us to find out how serving in this capacity could potentially impact your retirement.

retirement.wyo.gov

Fee Holiday

WRS 457 plan implemented an administrative fee holiday for participants in the WRS 457 Deferred Compensation Plan. Administrative fees were suspended beginning in January 2022 for a period of one year. The administrative fee is charged quarterly, in arrears, and deducted from your account the month following the end of a calendar quarter.

All participants with account balances are currently charged an annual administrative fee of 0.20% (20 basis points). The administrative fees collected from participant accounts are necessary to offset internal and external expenses associated with managing and operating the Plan as it relates to activities such as daily recordkeeping, and administration, participant enrollment and education, and communication.

Is your home’s value part of your retirement income plan?

As anyone shopping for a new home has probably discovered, housing prices are high. And in many markets, they keep getting higher. In April 2021, U.S. housing prices jumped more than they had for 30 years.¹ The increase is discouraging for anyone looking to buy. For current homeowners, though, the recent nationwide increase in home values can raise a different issue: Whether to use home equity as a possible retirement income source. If you’re considering translating your home’s value into retirement income, you may want to keep in mind the following:



- You’ll always need a place to call home – You may want to sell your home to supplement your retirement income, but remember that you’ll still have housing expenses in retirement. In other words, you’ll be using part of the gains from selling your home to cover housing expenses. You’ll want to make sure the math works in your favor before you make any decisions.
- Homes aren’t liquid assets – It takes time to sell a home. You can’t tap into its value overnight. And if you’re planning to sell your home to help fund your retirement, keep in mind you may have to pay for repairs, real estate commissions and other expenses — not to mention any remaining principal on your mortgage — all of which can reduce the amount you’ll have for retirement income.

- Home values don’t always increase – Remember the 2008 financial crisis? Housing prices fell by 33% in the aftermath.² Anyone on the verge of retirement who was planning to use their home equity as retirement income faced a rude awakening. As with any financial asset, houses don’t always go up in value.

There’s no single answer to how — or whether — to use your home equity for retirement income. Everyone’s situation is different. Be sure to make an informed choice and do your research on the impact on your overall finances.

1 bloomberg.com, “The Fed Has a Real Estate Fight on Its Hands,” July 14, 2021.

2 washingtonpost.com, “10 years later: How the housing market has changed since the crash,”

³October 4, 2018.



Coming Soon: New Empower 457(b) Online Account Experience

How much time do you spend online each week? Are you always looking at your phone or picking up your tablet to check messages and read news updates? Soon you can use some of that time for a personalized look at your financial wellness — including your retirement readiness.

The new Empower online experience can help you track your current savings progress, estimate your future retirement income, and access a 360-degree view of all of your assets, spending and debt. Every time you log in to your account, you’ll see a personalized monthly retirement income forecast known as your Lifetime Income ScoreSM. Experiment with variables such

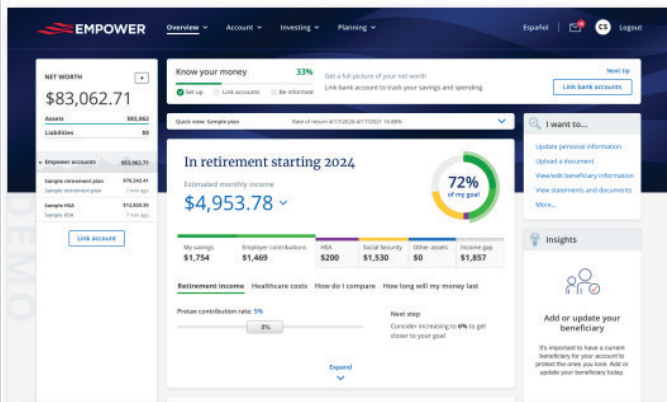
as your savings rate to see how a change can affect your retirement income.

You can also link your Empower account with other accounts for a comprehensive picture of your finances, including your overall net worth. And you can track your monthly budget and cashflow so you can stay on top of your spending and savings goals.

The new online experience can make it easy to stay in touch with the latest information from your plan and Empower through personalized messages. Best of all, it’s easy to make any changes you want, such as increasing your

contribution amount, changing your investment selections and updating your beneficiary information.

So next time you’re checking how many “likes” your latest social post has earned, take a few minutes to check out the newly updated Empower online experience — and get a preview of what the future may hold for you.



Board of Directors

Representing the Community at Large

- Tom Chapman, *Chair*
- Robert Leibrich
- John Lummis
- Paul O’Brien
- Tim Sullivan

Representing the Public Employees

- Michael Ceballos
- Eric Nelson, *Vice-Chair*

Representing Higher Education Employees

- Dr. Lesley Travers

Representing School District Employees

- Kay Watson

Representing Retirees

- Vicci Colgan

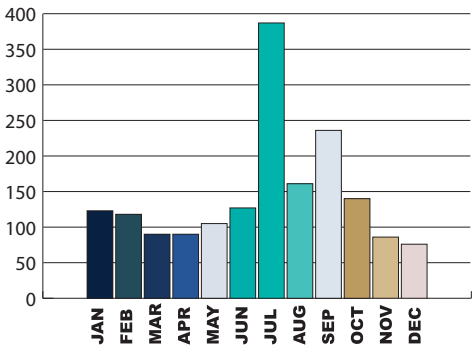
Wyoming State Treasurer

- The Honorable Curt Meier

Summer is WRS’s Busiest Season

School district employees make up the biggest population of WRS members, so it isn’t surprising that we process more retirements in the summer months than we do in any other season. This graph depicts the number of new retirements by month processed in 2021, with the total being 1,739.

Retirements by Month



Director’s Report continued

Russian Investment Exposure

There is a lot of talk in the investment markets about Russian exposure, given Russia’s invasion of Ukraine. As a global investor, WRS did have some exposure, but it was very small - about 1/10th of 1% (and probably smaller now). It’s equivalent to saying our 2021 result was only 17.1% instead of 17.2%. The assets are basically frozen right now, with no functioning markets for the securities. Most are held in commingled investments with other investors, so we don’t have unilateral decision authority. International markets are developing paths towards divestiture, which seems to be prudent on a number of grounds (legal, risk and moral). For now, know that our exposure is not material.

Did you Know?

Spousal Informed Consent
Chapter 19 of the WRS Administrative Rules specifies that if a member is married, a spouse’s written consent is required on any WRS form requesting a refund, a change of beneficiary or an election of a retirement benefit. If a member is not married, that member must furnish a signed affidavit verifying his or her unmarried status.

Contribution Rate Change for Fire B

The last of the 2020 legislated contribution rate increases for Paid Fire B will take effect July 1, 2022. Employee’s rate will increase from 10.745% to 11.245% and the employer’s rate will go from 15.000% to 16.000% for a contribution total of 27.450% of salary.

Education Corner

Are you planning on retiring soon? Do you have a 457 account?

Would you like quick access to your money in the 457 plan?

If you answer yes to all these questions then here is a suggestion for you log into your 457 account and enter your banking information. This will speed up any distribution requests you have in the future. You can also request a distribution right on your webpage. It will be quicker, easier, and avoid delays once you end employment and decide to start taking a distribution. If you have questions please contact the Education Department at 307-777-3314.



Protect Yourself

WRS strongly encourages all members to register and claim their RAIN account. By doing this, you can greatly reduce the risk to your account and stop potential fraudsters in their tracks. Keep your account, and your personal information out of the hands of bad actors. Learn more on how to register and claim your account Online at retirement.wyo.gov under Members Online Pension Account Help. If you need further assistance contact a Member Benefits Specialist by calling 307-777-7691.