

# WRS UPDATE

Partnering to Build Financial Security for Members and Their Families

## WRS IS MOVING!!

The Wyoming Retirement System (WRS) is on the move! After nearly 20 years on Yellowstone Road, we are moving our offices to downtown Cheyenne.

Our new home, the Hansen Building on the corner of Warren Ave and E 26th St., will offer a more central and convenient setting for our members and staff. The new building will also have enough space to house our entire agency on one floor!



We are thrilled about this exciting move and look forward to serving you from our new location this spring!

Our phone numbers, email and web addresses will remain the same. We will still be able to accept walk-ins or scheduled appointments in person. Please contact 307-777-7691 or [pension@wyo.gov](mailto:pension@wyo.gov) regarding any questions.

### New Address:

The Hansen Building  
4th Floor  
2515 Warren Ave, Suite 450  
Cheyenne, WY 82002

## DIRECTOR'S REPORT

As I write this, it is “spring break” in the local school system... and it is snowing pretty hard. Such is spring in the Rocky Mountains.

As sure as spring follows winter, prosperity and economic growth will follow recession. It’s been a difficult time in the financial markets over the past year. WRS posted a loss for only the second time since the Great Financial Crisis of 2008. But the WRS investment team is beating benchmarks and performing in the top quarter of peer funds. We continue to find “good assets at good prices,” and we’ll be well positioned when markets recover.

*“You make most of your money in a bear market, you just don’t realize it at the time”*  
– **Shelby Cullom Davis, investor and philanthropist**

The 2023 legislative session produced several bills of WRS interest, impacting state park rangers, state troopers & game wardens, and volunteer first responders. **But of more general interest was what didn’t pass.** The Governor’s budget proposals on a cost of living allowance for retirees and a contribution increase in the public employment pension plan failed to gain traction. Bills posturing against Environmental, Social and Governan-

ce (ESG) investing generated a lot of interest, but ultimately didn’t pass.

The legislature is aware that WRS has not paid a COLA to retirees since 2008. They are also aware that WRS pensions have not made a lot of progress in their “funding ratios” over the past decade. Investment results have been solid, but reductions in the assumed rate of return from 8% to now 6.8%



have stalled progress in reaching 100% funding (albeit now with a more conservative plan). The legislature will take up these topics with interim committee work, desiring a holistic review versus

an adhoc approach.

The anti-ESG debate arose from two bills that proposed to send a message to Wall Street about including ESG factors in investing. WRS is focused on achieving the best risk-adjusted investment returns for the sole benefit of WRS members. The anti-ESG bills contained broad language that could have reduced WRS investment returns. It was “not

## MEMBER NEWS

### What You Should Know: Secure Act 2.0

On December 23, Congress officially passed the SECURE 2.0 as part of a \$1.7 trillion omnibus spending package. The bill was signed into law by President Biden on December 29, 2022. The legislation is aimed at helping Americans better prepare for their financial future while strengthening the retirement system as a whole for both employers and employees.

The policy, which includes a provision to expand automatic enrollment in retirement plans, builds on the original SECURE Act — the Setting Every Community Up for Retirement Enhancement Act — from 2019.

Overall, SECURE 2.0 Act is designed to enhance the retirement savings experience for working Americans. Some of its key elements focus on incentivizing people to save more and prioritize long-term goals.

With so much to unpack, we'll keep everything high level and highlight some of the measure's most critical features.

#### Raising the RMD Age

SECURE 2.0 Act raised the required minimum distribution (RMD) age (which is when workers must begin taking withdrawals from their retirement account) from 72 to 73. And it even goes a few steps further: The RMD age will increase to 75 in 2033.

**You can now wait until 73 to begin taking withdrawals from your retirement account, and in 2033, that will change to 75.**

In addition, SECURE 2.0 Act also reduces the tax for failure to take an RMD from 50% to 25% (and potentially even 10% in certain instances) of a missed RMD.

#### Flexibility in your 457(b) Plan

For those in a 457(b) plan, SECURE 2.0 Act eliminates the "first day of the month" stipulation that obligates individuals to make a deferral election prior to the beginning of the month for it to become effective.

#### Don't Forget to Mark the Date

One important item to note relates to the effective dates. When the original SECURE Act was passed in late December 2019, many of the provisions became effective days later, at the beginning of 2020. Under SECURE 2.0, many effective dates for the more complex provisions are pushed out to 2024 or beyond.

#### The Bottom Line

Of course, SECURE 2.0 Act is a comprehensive bill and entails much more than what is listed and described above. For a more detailed analysis of SECURE 2.0 Act, visit [www.congress.gov](http://www.congress.gov).

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RAY SOBECZYK, EMPOWER'S 'THE CURRENCY'

### Close to retirement? When to start your application

Congratulations on your decision to retire! Before you apply, let's talk about the application process.

WRS cannot start your retirement process until we have all applicable information from your employer, such as your final contribution and last working day. For this reason, we ask that you submit your retirement application no more than 30 days prior to your retirement date.

Make sure to take the time to review important information about irreversible decisions you'll make when applying for retirement on our Approaching Retirement Page.

It will take roughly 90 days to receive your first payment. Our System pays retirees on the last working day of the month.

### 457 Plan Recipients: Fees Reduced!

WRS has updated the asset-based administrative fees to your 457 deferred compensation plan as part of our commitment to provide you with the best possible opportunity to save for retirement.

As of January 1, 2023, annual fees have been lowered to **0.19%** of your balance. The administrative fee cap has also been lowered to **\$100,000** for all accounts, meaning the fee will only be charged on the first \$100,000 of your account balance.

The fees will be automatically adjusted and will appear after the first quarter's fees are charged in April. If you have any questions or want more information about your Plan, visit [wrsdcp.com](http://wrsdcp.com) or call Empower at 800-701-8255.



Would you prefer a digital copy of this newsletter?  
Update your email address on the member portal today!

## New 2023 W-4P Form

As of January 1, 2023, the IRS requires pension recipients to use a new tax withholding form. The form is designed to help retirees determine the correct amount of federal income tax to withhold from their payments.

### Must I change to the new form? No.

- Retirees and beneficiaries receiving monthly benefit payments are not required to file the new form. You may change your withholding option by submitting the revised form. You can access the W-4P in the online portal or by calling WRS at 307-777-1988.

### What are the major changes with the new form?

- The new form no longer allows filers to adjust their withholding by selecting a specific number of allowances.

### Can I choose to have no federal income tax withheld? Yes.

- You may write “no withholding” under Step 4(c) on the new W-4P form.

More information and assistance about IRS form W-4P can be found in IRS Publication 15-T. WRS cannot assist with calculating estimated federal tax.

## Rehired Retirees: Navigate Your Return to Work!

The decision to come out of retirement and return to work for a participating employer of WRS is complex and may have significant implications for your overall tax and economic situation. WRS recommends you contact one of our representatives for one-on-one counseling prior to making all decisions relevant to retirement.

A member must actually be “retired” to be eligible to become a “rehired retiree.” Wyoming law and Internal Revenue Service code provisions require a “bona-fide” break in service of 30 days between your retirement date and the date of reemployment in the System. Additionally, you will not be considered retired until the System has received termination notice and final contributions from the employer. Therefore, it may take longer than 30 days for you to become eligible to be a “rehired retiree.” Importantly, you will not be considered “retired” if a pre-existing arrangement to return to work, or any promise of future employment, exists with a participating WRS employer at the time of the member’s retirement.

While WRS strives to have a broad policy, different situations arise for both employers and employees. WRS’ rehired retiree rule and policy are designed to address these different situations fairly and in accordance with both Wyoming and federal law.

## Coming Soon: Retiree Annual Statements

WRS is introducing a new annual statement created specifically for retirees. This statement will help you verify your records, keep track of your retirement finances, and confidently plan for the future!

With this document, you’ll be able to view a breakdown of your retirement benefit, including the total amount you’ve received to date, your contributions into the plan, and your benefit option selection. We will begin rolling out the statements this summer. Once notified, you will be able to access the document through your member portal.

## Protection & Detection from Fraud: Tips for Keeping Your Personal Information Safe

In today’s digital age, protecting your personal information is essential. Scams can happen through the internet, phone, text messages, social media, and email.

The sooner you can detect fraudulent activity, the lower the financial impact.

### Prevention Tips

1. Check your account activity frequently. Be careful when clicking on links and attachments in emails.
2. Avoid using free wi-fi for online banking.
3. Be cautious of emails that offer gifts,

prizes, or cheap health insurance.

4. Never allow anyone to log in to your computer or accounts remotely.
5. Beware of phishing messages. WRS does not send text messages inviting members to any sort of meetings.

### Detection Tips

1. Regularly review your credit report to ensure all the accounts listed belong to you.
2. Look out for missing bills or statements.
3. Check your bank statements regularly to ensure that all the transactions

are legitimate.

4. If you receive an unsolicited credit card, it could mean someone has opened an account in your name.
5. Receiving notifications about addresses, passwords, or information changes you did not make could be a sign of fraudulent activity.

At WRS, we take the protection of your personal information seriously. We require a written form with your signature for all bank and tax withholding changes. These changes may be made online between the 1st-15th of each month.

## 67th Wyoming Legislature: WRS Snapshot

During the 2023 legislative session, the Wyoming Retirement System (WRS) Board and staff diligently provided lawmakers with accurate actuarial, benefit, and investment information. As a result, the Wyoming State Legislature passed several bills that benefit both WRS and our members. Governor Mark Gordon signed several of these bills into law. Here's a brief overview of three relevant bills:



### HB0011: State park rangers-retirement

- This bill allows full-time state park rangers employed before July 1, 2023, as well as new park ranger hires, to enroll in WRS' Law Enforcement Pension Plan, which offers stronger duty-related disability and death benefits.

### HB0045: Peace officer retirement and rehiring

- This bill amends WRS' Warden/Patrol/DCI Pension Plan to allow an employer to rehire a retired member without suspending the member's pension benefit.

### SF0018: Benefits for spouses of law enforcement members

- This bill increases the duty-related spousal and surviving child death benefit for beneficiaries of WRS' Warden/Patrol/DCI and Law Enforcement Pension Plans.

Director's report continued...

worth risking our state's fiscal future just to send a message" (per Speaker of the House Albert Sommers).

Spring is a reminder of how refreshing change can be. One of the refreshing changes at WRS is that we are moving! After nearly two decades in our present offices, we're moving to be closer to the state capitol with enough space to have the whole agency together on one floor. Ultimately, the space will enable us to serve you better. We expect to move in May – our new address will be 2515 Warren Avenue, Suite 450, Cheyenne, WY 82002. Our phone numbers, emails and web address will remain the same.

We're all clearing out and sorting stuff. One of the items I came across in the director's office was an old file with the original act that established WRS back in 1953. It was on onion-skin paper and typewritten, with an impressive gold seal. It is a reminder of our purpose and long-standing commitment to you.

Regards from Cheyenne,  
Dave Swindell

## Multi-Factor Authentication Required for Portal Access

WRS is rolling out Multi-factor Authentication (MFA) requirements to enhance access to your online portal. If you haven't already experienced it, you will likely encounter it soon.

MFA is designed to bolster your password's security by requiring an additional layer of authentication to access your online accounts. Typically, users are prompted to enter a code, which is often sent via text message.

Using only one factor — say, something you know, like a password — to log in to your account is like having one lock on your front door. And not a very secure one.

Using two-factor authentication is like using two locks on your door — and is much more secure. Even if a hacker knows your username and password, they can't log in to your account without the second credential or authentication factor. By incorporating MFA, WRS strives to assist you in securing your passwords and safeguarding against potential cyber-attacks.



## Education Section

How do you know when it's time to retire? When should you claim social security? When will you receive your benefit?

Nearly everyone has questions about the future, and the WRS educators are here to provide you with answers! Check out our new video series, 'Retire-Minute,'

on our website and YouTube page, where we address relevant topics and answer frequently asked questions related to retirement.

Stay Tuned! We will continue to update our series throughout the year. Our educators are also available to speak with you individually.

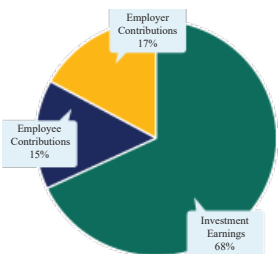
WRS also offers monthly New Hire Training virtually on the first Tuesday of each month at 10 a.m. on Zoom. This meeting is designed for new members, but everyone is welcome to attend. Head to [retirement.wyo.gov](http://retirement.wyo.gov) for more information and to access the login materials.

**Wyoming Pensionomics 2023:**  
*Measuring the Economic Impact of DB Pension Expenditures*



**Overview**

Expenditures made by retirees of state and local government provide a steady economic stimulus to Wyoming communities and the state economy. In 2020, 32,486 residents of Wyoming received a total of \$655.5 million in pension benefits from state and local pension plans. The average pension benefit received was \$1,682 per month or \$20,179 per year. These modest benefits provide retired teachers, public safety personnel, and others who served the public during their working careers income to meet basic needs in retirement.



**Between 1993 and 2020, 17% of Wyoming's pension fund receipts came from employer**

contributions, 15% from employee contributions, and 68% from investment earnings.\* **Earnings on investments and employee contributions—not taxpayer based contributions—have historically made up the bulk of pension fund receipts.**

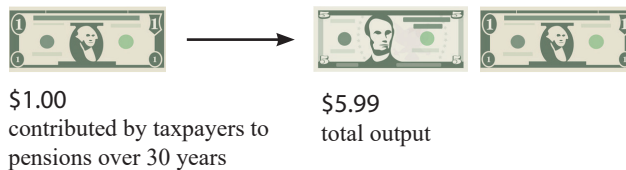
**Economic Multipliers**

Pension Benefit Multiplier



Each \$1 in state and local pension benefits paid to Wyoming residents ultimately supported \$1.04 in total output in the state.

Taxpayer Investment Factor



Each \$1 in taxpayer contributions to Wyoming's state and local pension plans supported \$5.99 in total output in the state.

\*Caution should be used in interpreting these numbers. See the full Pensionomics report at <https://www.nirsonline.org> for details.

**Key Findings**

Pension benefits received by retirees are spent in the local community. This spending ripples through the economy, as one person's spending from state and local pensions supported:

- 4,481 jobs that paid \$182.6 million in wages and salaries
- \$682.1 million in total economic output
- \$81.5 million in federal, state, and local tax revenues

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