



WRS UPDATE

Partnering to Build Financial Security for Members and Their Families

SAVE THE DATE WRS RetireFest

Attention all Cheyenne area WRS members! We're thrilled to invite you to our inaugural RetireFest, a summer event designed to help you learn all about your retirement benefits. Prepare yourself for the 'longest vacation of your life' with help from representatives of WRS, Employee's Group Insurance, and Medicare!



What: WRS RetireFest
When: July 31, 11-2pm
Where: 107 E 25th St, Cheyenne WY
(The parking lot on the corner of 25th and Warren)

This is your chance to prepare and plan for the fulfilling retirement journey ahead. Don't miss out!

Legislature Approves Future Public Employee Plan Rate Adjustments Contribution rates to change July 1, 2026

In a decisive move toward securing the future of your retirement benefit, the Wyoming State Legislature approved a proposal aimed at implementing a "best practice" approach to managing contribution rates. 2024 House Enrolled Act 004 adopts a method based on actuarial analysis to ensure financial responsibility for FY 2027 and beyond.

Currently, WRS operates at an 18.62% contribution rate, nearly 2% lower than the recommended figure by actuaries. The approved legislation introduces a systematic approach to adjust rates every two years based on the most recent Actuarially Determined Contribution (ADC) calculations. Changing rates in small increments sooner, rather than larger increments later, improves plan funding and is more manageable for government budgets. This change ensures WRS' trajectory toward full funding within approximately 24 years.

Wyoming now joins several other states in implementing a recognized "best practice" in pension management!

What does this mean for WRS Public Employee Plan members?

- Contribution rates will now adjust once every two years, commencing on July 1st of even-numbered years.
- Your rates cannot increase by more than 0.50% in any given two year period.
- Rate adjustments are split evenly between you and your employer. Employers can pay all or part of your portion if they wish.
- The new contribution rate will be effective July 1, 2026.
- The rates will stay in effect until July 1, 2028. The rates moving forward will be informed by a similar process.



Governor Mark Gordon signs HB0083 during a ceremony on Friday, March 8, 2024.

The funding ratio—assets of the plan divided by liabilities—is one key measure of a pension plan's health. The WRS Public Employee Pension Plan is currently funded at 79%, projected to reach 100% in 2047.

Contribution Rate Changes

In addition to the Actuarial Defined Contributions bill, the 67th Wyoming Legislature passed three other pieces of legislation increasing WRS pension plan contribution rates. July 1, 2024, will bring changes to the Warden & Patrol Plan, Judicial Plan, and Law Enforcement Plan. Take a look at the charts below to learn about how each plan will be affected.

Warden, Patrol and DCI Pension Plan (2024 SEA 0014)

Employee contributions will increase from the current 14.56% to 18.92% (+ 4.36%). However, employees will only notice a 0.39% increase. The bill provides that the employer subsidy of the employer contribution will cover the remaining 3.97%. The portion of the total rate actually paid by the employee will increase from the current 2.64% to 3.03%.

Employee Contributions	Present	Future
Paid by Employer	11.92%	15.89%
Paid by Employee	2.64%	3.03%
Total Employee Rate	14.56%	18.92%

Judicial Pension Plan (2024 SEA 0013)

Employee contributions will increase by 2.25%. However, employees will only notice a 0.35% increase. The bill provides that the employer subsidy of the employee contribution will cover the remaining 1.90%. The portion of the total rate actually paid by the employee will increase from the current 3.65% to 4.00%.

Employee Contributions	Present	Future
Paid by Employer	5.57%	7.47%
Paid by Employee	3.65%	4.00%
Total Employee Rate	9.22%	11.47%

Law Enforcement Pension Plan - Three-year Program (2024 SEA 0050)

Employee and employer contributions increase by 1.8% each per year over three years (total of 5.4%). Starting July 1, 2024, to June 30, 2025, the employer's contribution remains at 8.60%, and the employee starts contributing 0.90%, totaling 9.50% from both parties. This pattern will continue with gradual increases in employee contributions, reaching 2.70% by July 1, 2026, while the employer's contribution remains at 8.60%. The total contribution will increase accordingly, maintaining a combined total contribution of 22.60% from both employee and employer for future periods.

Employee Contributions	Present	7/1/24 - 6/30/25	7/1/24 - 6/30/25	7/1/24 - 6/30/25
Paid by Employer	8.60%	8.60%	8.60%	8.60%
Paid by Employee		0.90%	1.80%	2.70%
Total Employee	8.60%	9.50%	10.40%	11.30%

Employers may fund some or all of the required employee contributions.

*8.60% "pickup" of employee contribution is for the State of Wyoming only. Local employers make their own decisions

Leaving Employment? Consider your Options

Leaving employment with a WRS participating employer doesn't mean your retirement assets must leave WRS. The decision to withdraw retirement assets when you terminate employment may impact your future retirement security. Whether you have a pension account, a 457 deferred compensation account, or both, you have three options when leaving service:

1. Leave your account on deposit with WRS;
2. Roll your account balance to a different eligible plan, such as an IRA or a new employer plan;
3. Take a refund or distribution of your account.

You should only make the decision to withdraw after careful consideration of all of your options. You are not required to make an immediate decision regarding your retirement assets with WRS.

Requesting a Refund? Keep This in Mind

A refund includes only the Employee Contributions, plus interest; **Employer Contributions are not refundable.**

Excluding the Volunteer Plan, if your initial date of hire is July 1, 2018, or later and you are not vested, a refund includes only the Employee Contributions you paid out-of-pocket, plus interest on those contributions. It does not include the Employee Contributions paid on your behalf by your employer, nor does it include Employer Contributions.

Your refund request will be processed within 90 days, but WRS must first have all completed paperwork from you and the final contributions and notice of termination from your employer. If your account has been inactive, we will make every attempt to process your refund on the next processing date.



Heading back to work? Here's what you should know

The “rehired retiree” provision of the Wyoming Retirement Act applies to retirees of the Public Employee; Paid Fire B; Law Enforcement; Warden, Patrol, and DCI; and Guard Firefighter plans only. It enables retired members who meet certain criteria to elect to either continue drawing a retirement benefit while working for a participating employer, or to discontinue their benefit and earn additional retirement credit.

If a member retires from one plan and returns to work in another plan, he or she would not be considered a rehired retiree; the member would be considered a new hire and would be treated as such.



Governor Gordon signed a law allowing retired firefighters in WRS' Paid Fire B Plan to be rehired while continuing to receive retirement benefits.

The decision to come out of retirement and return to work for a participating employer of WRS is complex and your decision once made is irrevocable. WRS recommends the retiree contact one of our representatives for one-on-one counseling prior to making all decisions relevant to retirement. For more information please see Chapter 12 of WRS rules.



WRS Volunteer Firefighter, EMT, and Search & Rescue Pension Board member Lanny Applegate speaks with Governor Mark Gordon at a bill signing event on Friday, March 8, 2024

Retiree Payroll

Payroll statements are posted to your Online Pension Account shortly after the payroll date each month. Additionally, a statement is mailed or an email notification sent for any month when a change is made to your account which impacts your payment.

The dates below reflect the dates that electronic fund transfers will occur or physical checks will be mailed depending on your payment election.

- Friday, May 31, 2024
 - Friday, June 28, 2024
 - Wednesday, July 31, 2024
 - Friday, August 30, 2024
 - Monday, September 30, 2024
 - Thursday, October 31, 2024
 - Friday, November 29, 2024
 - Tuesday, December 31, 2024
- Payroll dates are last working day of a given month.

Completing Your W-4P Form

Please contact a tax professional for any questions regarding any federal tax implications of your Wyoming Retirement System (WRS) monthly benefit. Since every person’s tax situation is unique, WRS cannot advise you on what specifically to enter on your form or provide advice. Specific instructions from the IRS can be found here: <https://www.irs.gov/pub/irs-pdf/fw4p.pdf> or use the estimator at www.irs.gov/W4App.

Reminder: If you do not submit a Form W-4P, or it is not complete, WRS is required to withhold at the default rate of “single with no adjustments”.

Did You Know...

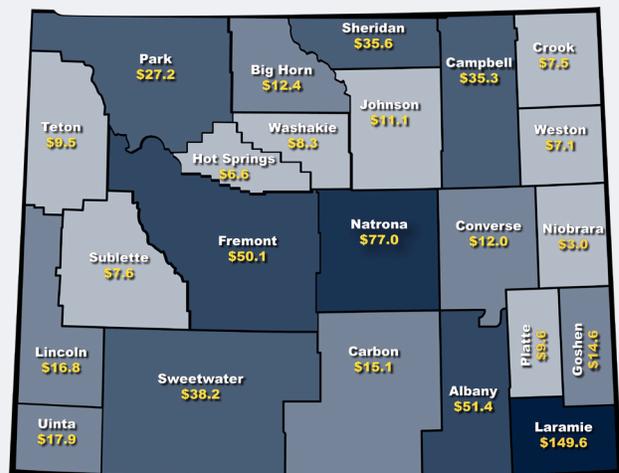
In 2023, WRS paid nearly \$780 million in regular benefits and another \$25 million in refunds and death benefits. About 79% of these payments remain in Wyoming.

The ripple effect of these payments helps to stimulate and stabilize both the state and local economies. Pension payments also offer excellent retirement security and reduce economic hardship among the elderly.

The average WRS Public Employee Plan Pension benefit paid to retirees in 2023 was \$21,780 annually or \$1,815 a month.

\$780 million
paid in 2023
by WRS

\$624 million paid to
pensioners living in
Wyoming



\$ in millions

WRS Legislative Snapshot 2024

During the 2024 legislative session, the Wyoming State Legislature passed several bills that benefit both WRS and our members. Here's a quick snapshot of the upcoming changes.

Legislation Tracker: Enrolled Acts

- Public Retirement - Actuarially Determined Contributions:** Adjusts rates every two years based on the most recent Actuarially Determined Contribution (ADC) calculations
- Rehiring Retired Firefighters:** Adds a rehired retiree rule to the Fire B pension plan
- Law Enforcement Pension Plan Contributions:** Raises the total contribution rate in the Law Enforcement Plan by 5.4% over a period of 3 years
- Warden/Patrol/DCI Plan Contributions:** Raises the total contribution rate in the Warden/Patrol plan by 4.36%
- Judicial Plan Contributions:** Raises the total contribution rate in the Judicial Plan by 2.25%

WRS to Launch New Member Portal

Exciting changes are on the horizon for the WRS member portal! We are thrilled to announce the launch of a new portal designed to modernize our services, enhance navigation, and significantly improve the overall user experience.

The user interface has been revamped for simplicity, making it more intuitive for you to access and manage your accounts. Now, you will be able to initiate the retirement or refund process, save your progress, generate estimates, upload necessary documents, update personal information, and submit your applications—all within a single, convenient location.

WRS remains committed to your security. That's why the portal will continue to feature multi-factor authentication (MFA), ensuring enhanced security by requiring multiple forms of verification during login to protect your accounts from unauthorized access.

Mark your calendars! The updated member portal will go live on May 20th, 2024. This exciting upgrade will be accessible to all Wyoming Retirement System members, offering you a streamlined and secure platform for managing your retirement plans and benefits.



A screenshot of the Home page of the new WRS Member Portal. The new portal will be operational beginning May 20, 2024.

Retire Minute

Public Employee Plan 'Rule of 85' Explained



The 'Rule of 85' is valuable because it enables you to receive an unreduced benefit sooner than the eligibility age that otherwise applies. The rule only applies to the Public Employee Pension Plan, which makes up 88% of the WRS membership.

You are eligible for retirement benefits without a reduction if your age plus your years of service in WRS equals 85 or more.

$$\text{Age} + \text{Years of Service} \geq 85$$

The 'Rule of 85' no longer applies once you reach retirement age.

Public Employee Plan

TIER 1 = Age 60

TIER 2 = Age 65

If you take a reduced retirement, your full retirement benefit is permanently reduced by 5% for each year you are under retirement age. Partial years are prorated monthly. Your benefit will only increase if the Legislature grants a cost-of-living adjustment (COLA) or you elect a self-funded COLA benefit option.

To see more retirement 'quick tips', head to our website or youtube page (<https://www.youtube.com/@wyomingretirementsystem1055>). View our 'Retire Minute' video series, 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.

Retirement Insecurity 2024: Americans' Views of Retirement

An Excerpt By Dan Doonan and Kelly Kenneally



The ground is shifting when it comes to retirement. Most Americans are experiencing increased financial pressures and low levels of retirement savings. Amid growing concerns about Americans' retirement readiness, policymakers recently enacted measures to help address the grave savings shortfall. On the federal level, Congress passed important retirement legislation in 2019 and again in 2022. Meanwhile, some 19 states have enacted legislation in recent years establishing new state-facilitated retirement plans for private sector workers who lack retirement plans through their employer.

And in late 2023, IBM shocked the retirement world by announcing the company would reopen its defined benefit (DB) pension plan and end its defined contribution (DC) 401(k) matching contributions, a trend that also is occurring in the public sector. Meanwhile, the 2023 Social Security Trustees Report indicated that the main trust fund's reserves will be depleted in 2033, one year earlier than estimated last year. The financial sustainability of Social Security is critically important because it provides a sizable portion of retirement income for a large share of Americans.

Against this backdrop, the National Institute on Retirement Security (NIRS) conducted a national public opinion poll of working age Americans to assess their views on key retirement issues.

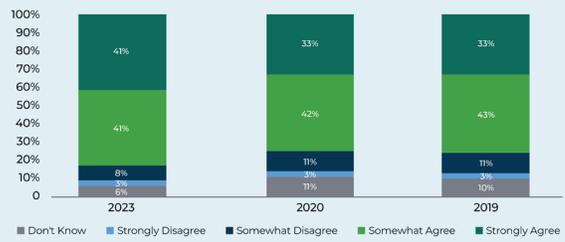
- **Americans express strong support for pensions.** Eighty-three percent of Americans say that all workers should have a pension so they can be independent and self-reliant in retirement.
- **High retirement anxiety continues among Americans.** More than half of Americans are concerned that they cannot achieve financial security in retirement.
- **Americans want policy leaders to give their retirement concerns a higher priority.** The vast majority of Americans say leaders in Washington don't understand how hard it is for workers to save for retirement. Also,

86% say Washington leaders need to focus more on retirement and give it a higher priority on the policy agenda.

- **Americans want action now to safeguard Social Security.** Eighty-seven percent of Americans say Congress should act now to shore up funding rather than waiting another ten years to find a solution.
- **Americans are worried about long-term care costs in retirement.** Eighty-seven percent are concerned generally about rising costs, while 80 percent are worried about the rising cost of long-term nursing care.

Figure 6: The vast majority of Americans say all workers should have a pension so they are independent and self-reliant in retirement.

To what extent do you agree or disagree: I believe that all workers should have access to a pension plan so they can be independent and self-reliant in retirement.



Eighty-three percent of respondents say that all workers should have a pension so they can be independent and self-reliant in retirement, and more than three-fourths of Americans agree that those with pensions are more likely to have a secure retirement.

A national opinion poll finds that working age Americans are increasingly worried about retirement, and they see a return to pensions as a way to restore the American Dream of retirement.