



Partnering to Build Financial Security for Members and their Families

SUMMARY REPORT 2023



Overview and Introduction

Since 1953, the Wyoming Retirement System (WRS) has provided retirement benefits to public employees in Wyoming. Today, we're a \$10 billion fund with more than 82,000 active members and beneficiaries. The pension system is administered by an 11-member board that is legally required to act in the best interest of the members of WRS. This report provides an overview of the Wyoming Retirement System's membership, funding, economic impact, investments, and governance.

In 2022, WRS paid \$780 million in pension benefits, a pace of about \$65 million per month. While WRS has retirees across the globe, 79% of these payments go to Wyoming zip codes, stabilizing our members' families and communities. All this happens with a remarkable value to the taxpayer. Only 32% of the benefits paid come from contributions from the employee or the employer, while 68% comes from investment earnings.

The year 2022 presented numerous challenges to investment markets, including rapidly rising interest rates, the ongoing effects of the COVID-19 pandemic, supply chain disruptions, and geopolitical tensions, such as the war in Ukraine. WRS suffered a loss of -6.99% for the year. However, the investment team beat our strategic benchmark by 2.13% and rated in the top quarter of peer funds. When markets recover, the portfolio will be well positioned to participate.

WRS remains committed to ensuring we can deliver on the retirement promises made to our members. We hope this summary report is useful to our stakeholders. More information is available on our website located at retirement.wyo.gov.

Mission

The Wyoming Retirement System's mission is to provide expert administration and responsible investment of Wyoming's public retirement and supplemental savings programs.

Vision

Partnering to Build Financial Security for Members and their Families

Values

Integrity

The quality of being honest and having strong moral principles; moral uprightness.

Accountability

The fact or condition of being accountable; responsibility.

Commitment

The state or quality of being dedicated to a cause or activity.

Excellence

The quality of being very good, best of its kind, or eminently good.

Who We Serve

WRS administers eight pension plans and a 457(b) supplemental retirement savings plan. The majority of WRS members are in the Public Employee Pension Plan. Smaller plans serve Wyoming judges and public safety professionals, as those occupations necessitate a unique benefit structure.

WRS also administers a pension plan for volunteer firefighters, volunteer emergency medical technicians, and volunteer search and rescue personnel.

Because so many employers in Wyoming participate in our pension plans, members have some pension portability. For example, a member could move from employment with a school district to a state agency without interrupting the accumulation of pension benefits. Overall, WRS services 114,000+ accounts.

Employers

As of January 2023, WRS serves more than 660 employers and their 40,000+ current employees. The employers that participate in WRS range from small to large agencies. Wyoming school districts are the largest category of employers, followed by state government agencies.

A retirement benefit is an important tool employers use to recruit and retain a qualified workforce. About 84 percent of actively employed WRS members surveyed in 2022 said the pension is "Mostly Important" or "Very Important" in keeping them in their current employment.

A retirement benefit is a part of the total compensation determined by each employer. In addition to the required employer contribution, employers have the flexibility to pay for some of the contributions required for employees according to the employer's specific compensation arrangements. Disability and death benefits, also important for human resource management, are included within each pension plan.

Wherever you see public service in Wyoming, past or present, a WRS member is likely there.

790

Retirees over age 90

19

Retirees over age 100

1971

Retirement year of longest paid retiree

107

Age of oldest retiree

Members

WRS membership includes active members, retirees, and their surviving pensioners, as well as terminated members who have left their contributions on deposit. Nearly eighty-seven percent (86%) of the more than 40,000 active members are in the large Public Employee Plan. The remaining 14% are in one of the seven smaller judicial and public safety plans. Retiree and Pensioner membership reflects similar proportions.

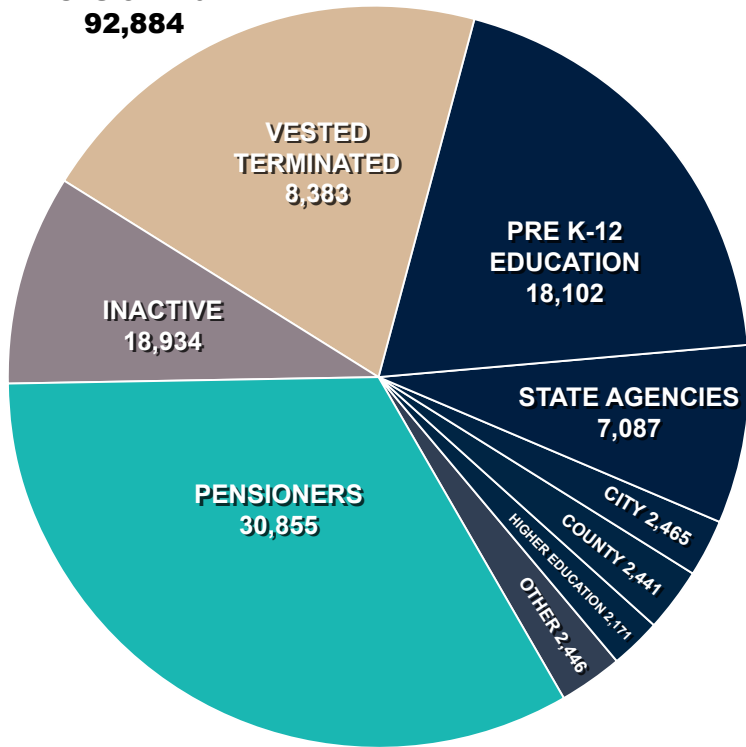
The largest member group in the Wyoming Retirement System is from the education field.

The State of Wyoming is the single largest employer, with about 20% of the active membership across all plans. However, pre-K-12 education is the single largest membership category, and their 18,102 active members are more than twice the number of state employees.

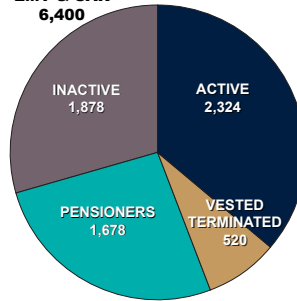
WRS members work in various public service occupations, including teachers, police officers, firefighters, public health professionals, game wardens, accountants, professors, and mechanics. WRS active members provide essential public services upon which we all depend. Retirees did the same while they were working and often still make important contributions to their communities.



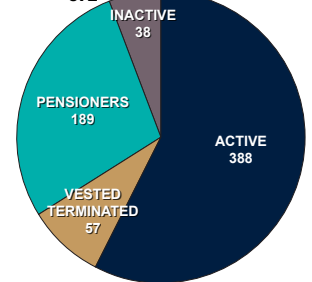
Public Employee Pension Plan
92,884



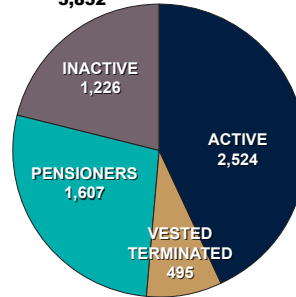
VOL. FIREFIGHTER, EMT & SAR
6,400



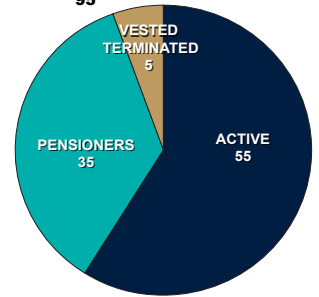
PAID FIREMEN'S B
672



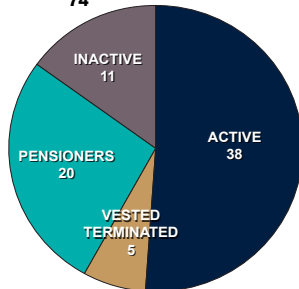
Law Enforcement
5,852



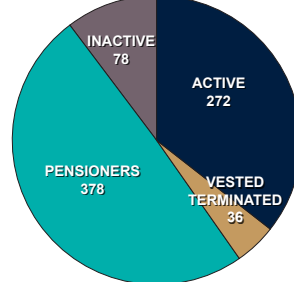
Judicial
95



Air Guard Fire Fighter
74



PATROL, WARDEN & DCI
764



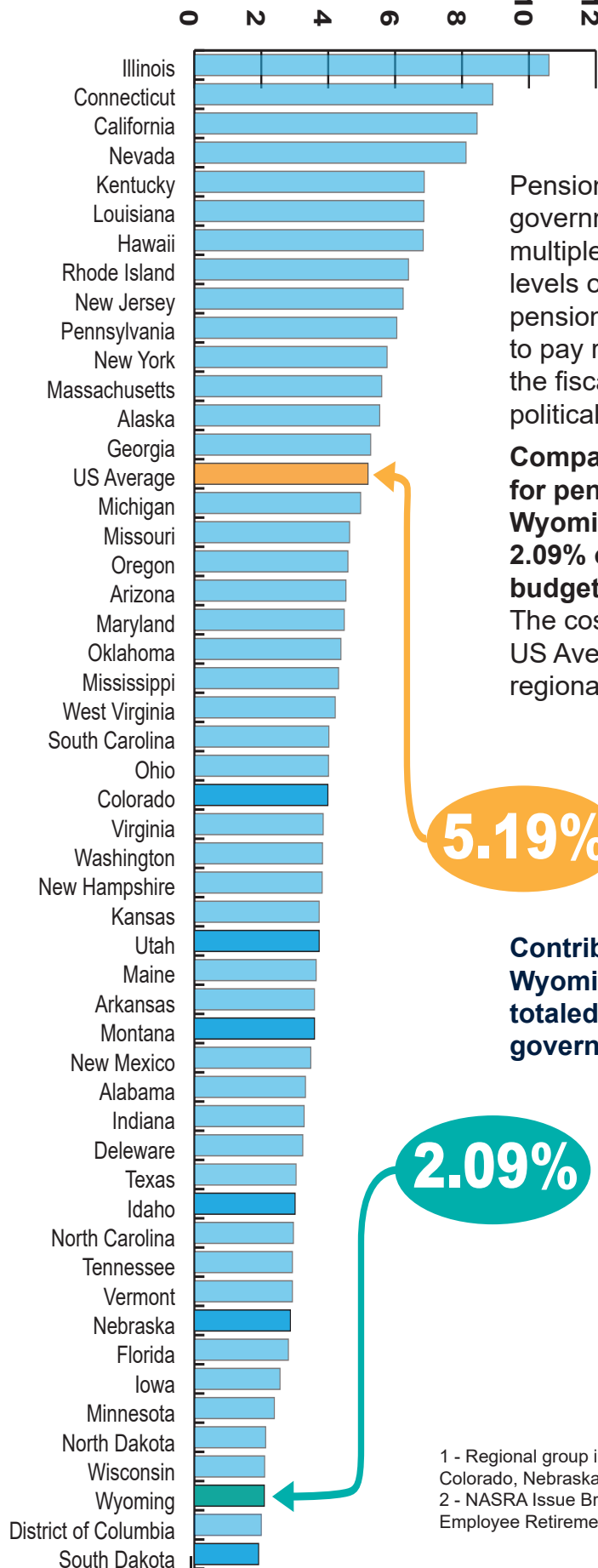
Paid Firemen's A
252



Cost Comparison

State	2020
Illinois	10.60
Connecticut	8.92
California	8.45
Nevada	8.12
Kentucky	6.87
Louisiana	6.86
Hawaii	6.84
Rhode Island	6.40
New Jersey	6.24
Pennsylvania	6.05
New York	5.76
Massachusetts	5.60
Alaska	5.54
Georgia	5.27
US Average	5.19
Michigan	4.97
Missouri	4.64
Oregon	4.59
Arizona	4.53
Maryland	4.48
Oklahoma	4.38
Mississippi	4.31
West Virginia	4.21
South Carolina	4.02
Ohio	4.01
Colorado	3.99
Virginia	3.85
Washington	3.83
New Hampshire	3.82
Kansas	3.73
Utah	3.73
Maine	3.64
Arkansas	3.59
Montana	3.59
New Mexico	3.48
Alabama	3.32
Indiana	3.28
Delaware	3.24
Texas	3.04
Idaho	3.01
North Carolina	2.96
Tennessee	2.93
Vermont	2.93
Nebraska	2.87
Florida	2.81
Iowa	2.56
Minnesota	2.39
North Dakota	2.13
Wisconsin	2.10
Wyoming	2.09
District of Columbia	2.00
South Dakota	1.92

National average for pension plan spending



Pension costs paid by state and local government employers vary and reflect multiple factors, including differing levels of public services, benefits, pension funding levels, employer effort to pay required contributions, and the fiscal condition of states and their political subdivisions.

Compared to the national average for pension plan spending of 5.19%, Wyoming's contribution rate is 2.09% of state and local government budget expenses.

The cost is less than half the current US Average and well below the regional average of 3.19%.¹

5.19%

Contributions to the Wyoming Retirement System totaled 2.09% of state and local government budget expenses.²

2.09%

1 - Regional group includes border states, Montana, Idaho, Utah, Colorado, Nebraska, and South Dakota.

2 - NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems Published 2/2023.

Funding Status

The WRS Board monitors funding status and has an actuarial study, or valuation report, done for each plan annually. The valuation report estimates the long-term liabilities based on assumptions about investment returns, inflation, future salary increases, member life spans, and other factors. An experience study examines these assumptions every three to five years, with the most recent in 2021.

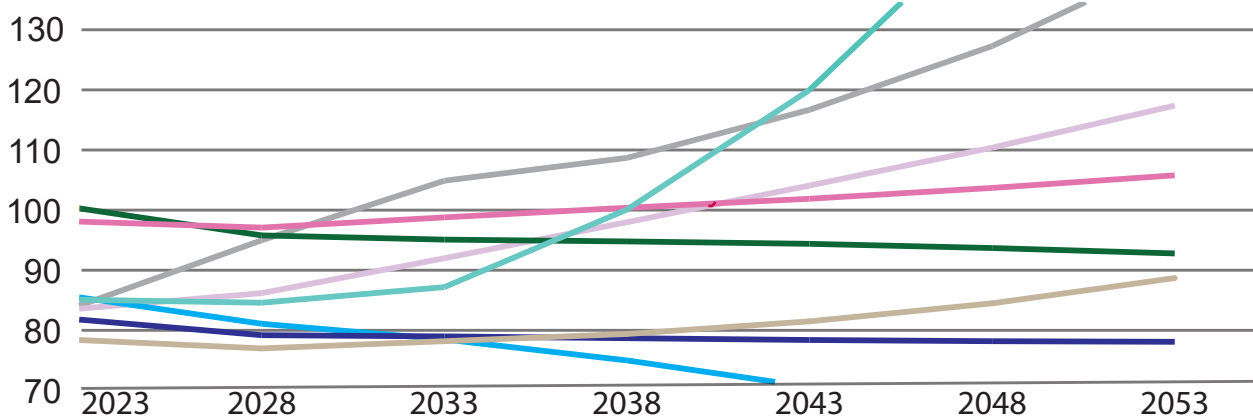
The funding ratio—assets of the plan divided by liabilities—is a key measure of a pension plan’s health. The funding ratio is most meaningful when viewed in the context of additional factors such as the adequacy of incoming contributions, the financial health of member employers, investment strategy, the projected trend in funding status, and the realized accuracy of actuarial assumptions.

A current ratio below 100 percent does not necessarily indicate a funding problem as long as incoming contributions are adequate to meet projected future benefit payments. Over the past few years, changes were made to assumptions, benefits, and contributions to ensure the long-term health of several plans.

During the 2023 Legislative Session, WRS worked with state lawmakers to accelerate the projected year of full funding for the Volunteer Fire, EMT & Search and Rescue Pension Plan. Governor Mark Gordon signed HB0118 on February 28, 2023. The bill appropriated \$9 million from the General Fund to the Volunteer Pension account to improve the Plan’s funding status and make it more robust in the event of adverse experience. With the one-time injection, projections indicate the Plan will reach a 100% funding ratio in 2033.

The Law Enforcement Plan, while currently funded at 84.70%, will need changes to the contribution rates, benefits, or a combination of both to correct the current projections.

30 Year Funding Projections



	Public Employee	Wardens, Patrol and DCI	Law Enforcement	Judicial	Fire B	Guard Fire	Volunteer Fire, EMT & SAR	Fire A (Closed Plan)
2023	77.2	80.6	84.3	99.1	96.9	82.4	82.9	83.9
2028	75.8	78.0	79.9	94.6	95.9	85.0	93.8	83.4
2033	76.7	77.8	77.3	93.9	97.6	90.8	103.7	86.0
2038	78.2	77.5	73.8	93.6	99.2	96.8	107.5	98.9
2043	80.3	77.2	69.4	93.2	100.7	102.9	115.5	118.8
2048	83.3	77.0	63.8	92.5	102.50	109.2	126.1	150.3
2053	87.5	76.9	57.0	91.6	104.6	116.2	140.4	268.8

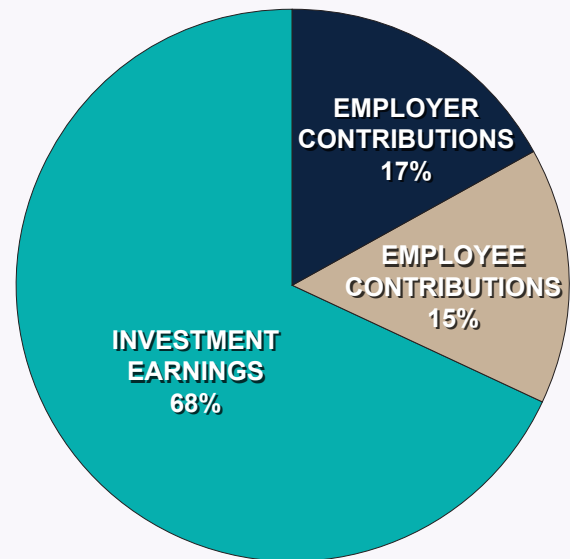
Current Contribution Rates as of July 1, 2023

Plan	Employer Rate	Employee Rate	Total Rate
Public Employee	9.37%	9.25%	18.62%
Warden, Patrol, & DCI	14.88%	14.56%	29.44%
Law Enforcement	8.60%	8.60%	17.20%
Judicial	14.50%	9.22%	23.72%
Guard Firefighter	7.12%	16.65%	23.77%
Paid Fireman's B	16.00%	11.245%	27.245%
Volunteer Firefighter & EMT		\$18.75	
Search and Rescue		\$37.50	
Paid Fireman's A (Closed Plan)	Contributions suspended April of 1997		

WRS Investments Pay 68% of the Cost of Plan Benefits

Funding a pension plan takes place over many years. It involves a combination of contributions from employers, employees, and compounded investment returns. WRS investment returns cover 68% of the plan's benefits. Contributions are invested with a long-run strategy to generate investment earnings within risk tolerances established by the Board.

Note: Pensionomics 2023, National Institute on Retirement Security between 1993 and 2020. Nirsonline.org State Snap Shot Wyoming.



2022 Financial Summary for All Pension Plans Combined

WRS receives statutorily required incoming contributions from both employers and employees to pre-fund future pension benefit payments. This allows WRS to invest the contributions and increase assets available to pay benefits over the long term.

Total 12/31/2022 Pension Fund Balance	\$9,864,778,687
Employee Contributions	\$197,212,909
Employer Contributions	\$220,650,855
Other Contributions	\$69,871,842
Investment Gain/(Loss)	\$(750,717,707)
Benefits Paid	\$779,711,622

Each plan has a different contribution rate based on what is needed to fund promised benefits.

In aggregate, the pension plans paid out more in benefits in 2022 than was received in contributions, which is typical for a mature pre-funded pension plan. A well-funded plan will have a higher percentage of benefits paid from investment earnings.

Economic Impact

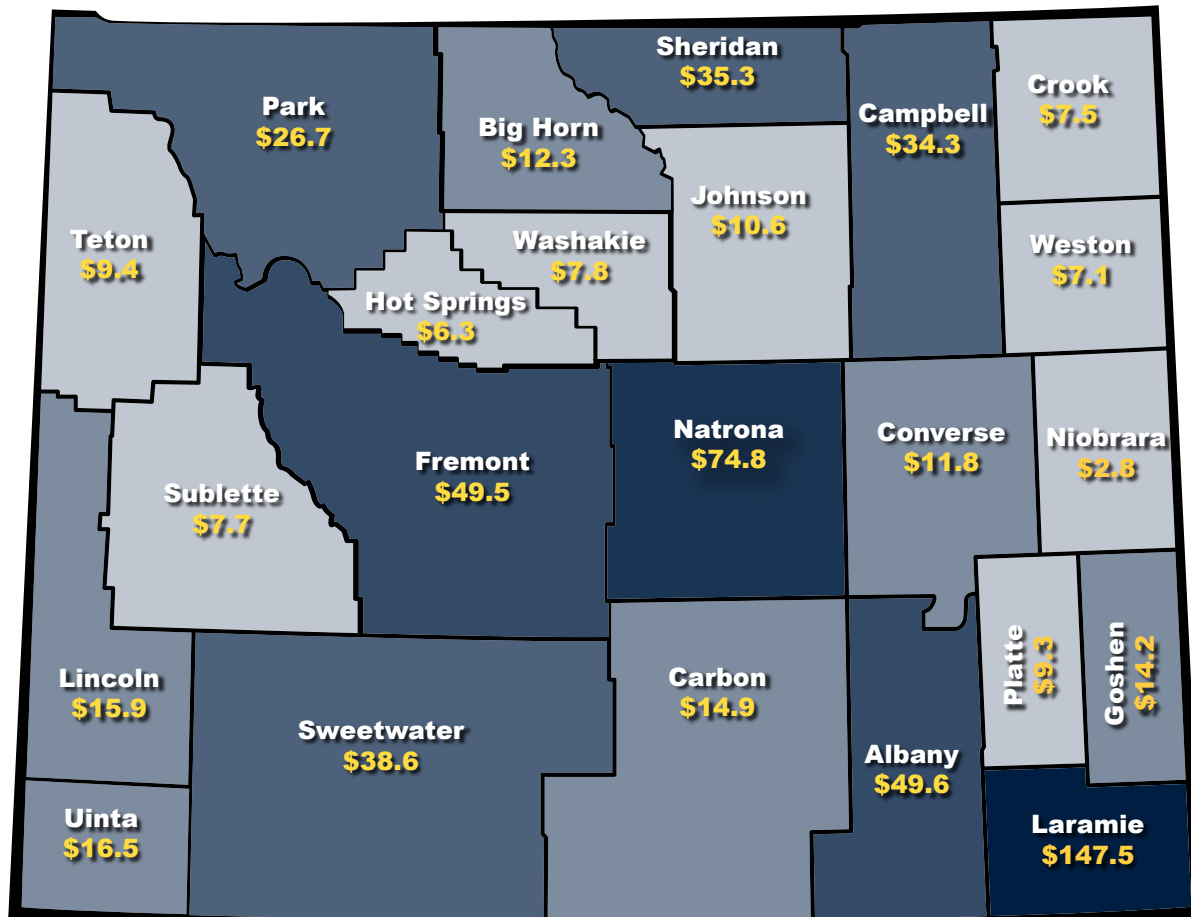
In 2022, WRS paid nearly \$750 million in regular benefits and another \$30 million in refunds and death benefits. About 79% of these payments remain in Wyoming.

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.

WRS Benefits Make an Economic Impact

**\$780 million
paid in 2022
by WRS**

**\$610 million paid to
pensioners living in
Wyoming**



\$ in Millions

One important aspect of a pension is that retirement payments are paid for life, ensuring the retiree will have a degree of financial security, even in the event of a long life span.

Public Employee Pension Plan Retirement Benefits

The average WRS Public Employee Plan Pension benefit paid to retirees in 2022 was \$22,159 annually or \$1,847 a month. The average service at retirement is 20.2 years. When combined with Social Security and personal savings, such as a 457 plan, the benefits of the Public Employee Pension Plan allow career members to maintain their pre-retirement standard of living at the time of retirement. Compared to a regional peer group, WRS Public Employee pension benefits are within the norm.

Average Annual Payment
\$20,179

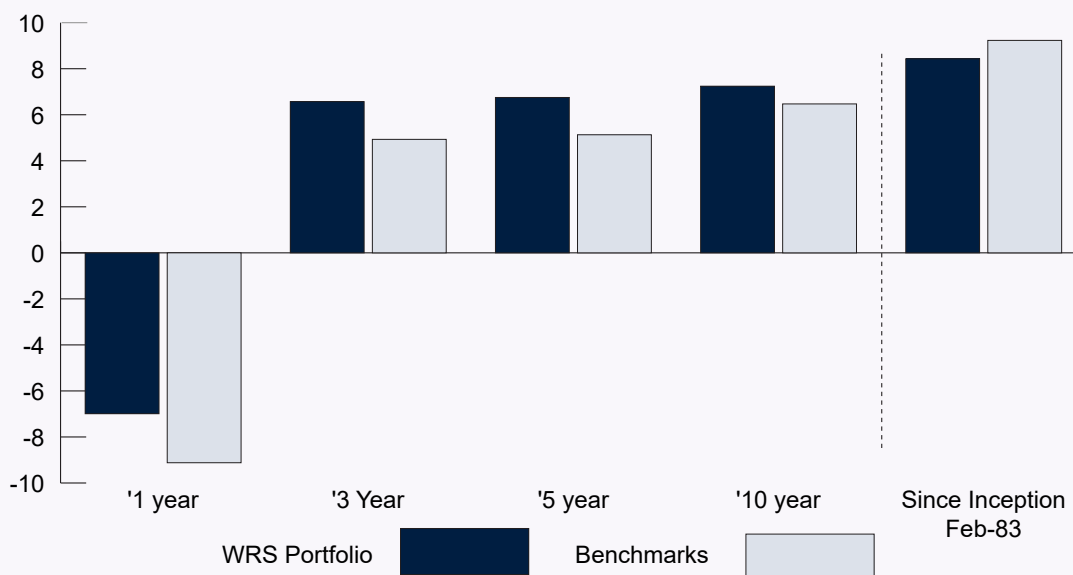
Average Service at Retirement
20.2 Years

Average Age of Pensioners
73

Investments

WRS invests approximately \$10.0 billion with a combined investment strategy for all plans. The Board establishes parameters for asset allocation and delegates investment manager selection and tactical allocation decisions to its Chief Investment Officer with Executive Director approval. The asset allocation is designed to achieve the Board's assumed rate of return over long periods. Currently, the assumed rate of return is 6.8%. The Board also measures performance relative to shorter-term benchmarks to evaluate investment policy implementation decisions.

Annualized Net Returns as of 12/31/2022



	1 YR	3 YR	5 YR	10 YR	S.I
WRS	-6.99%	6.57%	6.75%	7.24%	8.34%
Benchmark	-9.12%	4.93%	5.13%	6.47%	9.23%
Difference	2.13%	1.64%	1.62%	0.77%	-0.89%

Note: WRS added professional investment staff in 2008

Strategic Target Asset Allocation

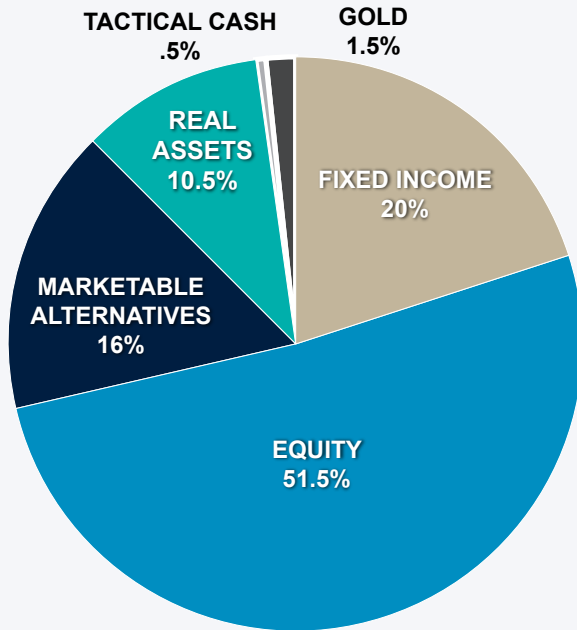
Asset allocation is neither static nor straightforward. To a significant degree, the decisions made by the Board dictate the amount of risk assumed by the portfolio and the associated investment return expected over many years.

Systematic approaches to asset allocation can be useful, but in the final analysis, asset allocation decisions reflect the institutional beliefs of the Board.

Asset allocation decisions are long-term and therefore give WRS the ability to hold a higher level of risk-bearing assets. By assuming more risk, long-term results are expected to be considerably higher than if the focus is strictly on short-term capital preservation.

Generating higher long-term returns enables WRS to reduce the amount of money needed from participant contributions to fund the System properly. The accompanying pie chart illustrates the Strategic Asset Allocation of the WRS investment portfolio as of December 31, 2022.

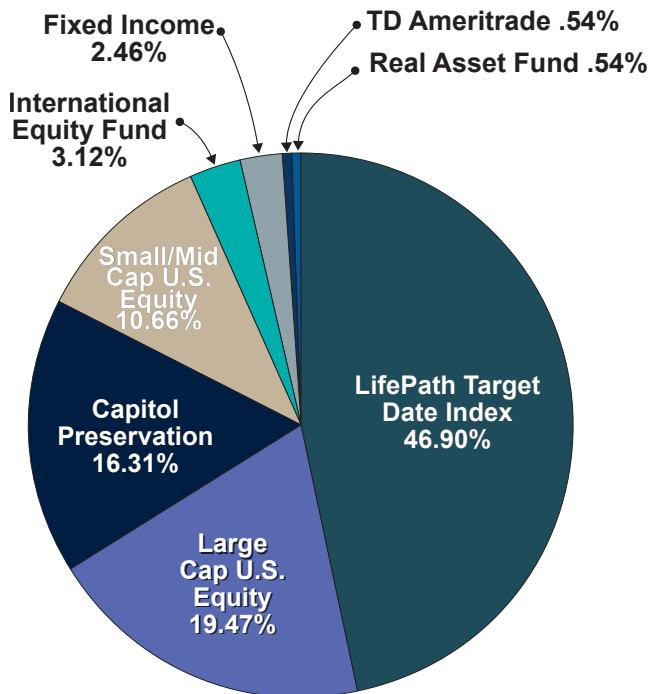
Strategic Asset Allocation Weight



Deferred Compensation Plan

WRS has administered the Deferred Compensation Plan or 457(b) Plan since 2001. Prior to 2001, the program was administered by the Wyoming Treasurer’s Office. The Plan is a non-qualified, tax-advantaged retirement savings plan available to governmental employers to offer as an additional benefit to their employees. As of December 31, 2022, plan assets totaled \$895.5 million.

Two hundred and ninety-six participating agencies have adopted the WRS 457(b) Plan. During 2022, eligible plan participants, including retirees, withdrew \$60.7 million as supplemental income from their WRS 457(b) Plan.



\$895M

457(b) Plan Assets

\$60M

Supplemental Income

296

Participating Agencies

Note: Distribution of investments based on member allocations.

Putting Your Retirement Together

Retirement preparation is a shared responsibility. WRS members and employers contribute to the WRS Pension throughout their careers. Most also contribute to Social Security and, in many cases, personal retirement savings such as the WRS 457(b) Deferred Compensation Plan. The WRS Board believes that a secure retirement is ideally composed of these three components that will provide a steady retirement income over a long life span.

457(b) Plan + Personal Savings

WRS administers the Wyoming Deferred Compensation Plan, an elective, supplemental savings plan. The Plan is a type of “defined contribution” plan, commonly understood as a 401(k) plan for the public sector. The Plan is a tax-advantaged structure that allows each individual to decide how much to invest in working years to supplement other retirement benefits.

Pension

WRS Pension Plans provide a member with a monthly payment for life once the member meets the age, vesting, and service qualifications. In general, the amount of this “defined benefit” is determined by a formula based on the member’s salary, length of service, and age at retirement.

Social Security

Except for paid firefighters and some police, most WRS members also participate in Social Security. Social Security provides a basic safety net for retirees and important death benefits to active workers. Learn more by visiting ssa.gov.

Your WRS Pension, WRS 457 Plan, and Social Security are a powerful combination. Put them all together, and there’s a great chance you will be ready for retirement on your own terms.

Policy Considerations

The WRS Board carefully manages its pension plans with the goal of keeping pension promises. This encompasses both sustainability and affordability. The Board diligently upholds its duty to act in the best interest of members. A strong non-partisan governance process has evolved with legislative liaisons and frequent reporting to the Governor and Joint Appropriations Committee. WRS believes retirement security is a shared responsibility between employers and employees and reaches thousands of members each year with education, equipping them to play their part.

Generally, a defined benefit pension plan can pay more retirement benefits than a defined contribution plan for the same contribution amount. Defined benefit plans can achieve cost-saving and superior returns as a result of professionally managing a large pool of assets. Defined benefit plans can base their investment strategy on a continuously long investment time horizon. Individuals would need to adjust their investments according to a decreasing time horizon to protect against retirement losses.

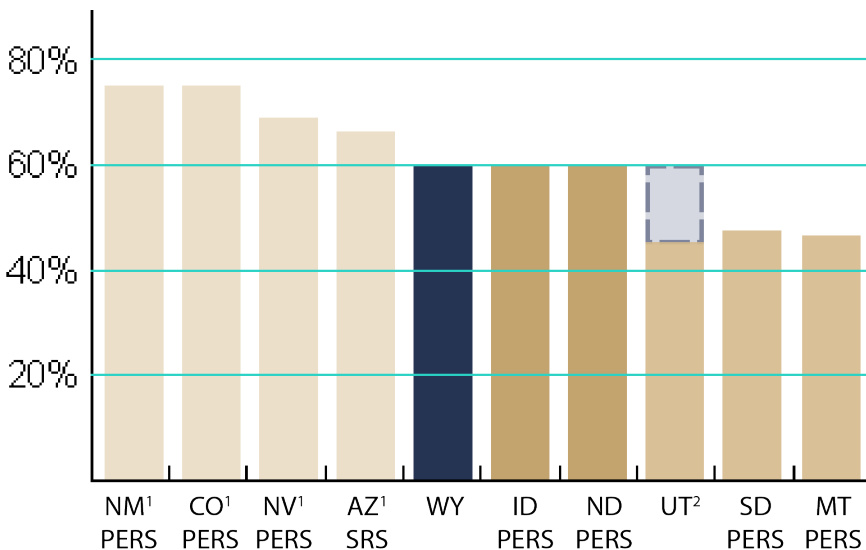
Because of the long-time horizons involved, careful management of a pension plan necessitates ongoing monitoring of actuarial assumptions, funding status, and contribution requirements, which could lead the Board to recommend incremental changes. Once changes are made, time is needed to determine the effect.

In contrast, members of a defined contribution plan make individual decisions about how much to contribute, how to invest, and how to withdraw. A defined contribution plan is usually more portable than a pension. However, short-term market conditions and uninformed investment decisions can have negative impacts on an individual's retirement income. When a defined contribution plan is the primary retirement plan, an individual may run out of money, particularly if they live long after retirement.

The WRS Board believes, and passed a resolution affirming, that a defined benefit plan supplemented by the 457(b) plan is the best way to provide retirement benefits for the public employees of Wyoming.

The Board continues to advocate for a Cost of Living Adjustment (COLA). While COLA suspension was necessary in the wake of the 2008 financial crisis, the Board is aware that the ongoing lack of a COLA imposes increasing hardship on many retirees.

WRS Public Employee Plan Versus Peer Group



The benefit a member of the retirement system would earn for 30 years of service would be up to 60% of their highest average five-year salary.

This chart compares the same benefit with other neighboring states plans.

Wyoming's benefit to members of the system is competitive with these states and national trends.

Based on a WRS Comparison of Public Employee Pension Plan tier 2 to Regional Peers assuming 30 years of service. 1 - These plans do not participate in Social Security. 2 - Since 2011 Utah offers a Hybrid Retirement shown here is the 45% provided by the DB component and a dashed boxed representing the uncertain amount provided by the DC component. Source: NASRA May 2022 Retirement System Benefits & Eligibility for General Employees & Teachers.

Wyoming Retirement System Board Members



Tom Chapman (Board Chair)
Jackson, WY
At Large
First Appointed: 2010
Current Term Expires: 2027



Eric Nelson (Vice Chair)
Casper, WY
Public Employees (City/County)
First Appointed: 2015
Current Term Expires: 2029



Robert Leibrich
Sheridan, WY
At Large
First Appointed: 2021
Current Term Expires: 2027



Vicci Colgan
Cheyenne, WY
Retiree
First Appointed: 2015
Current Term Expires: 2027



Jim Ruby
Cheyenne, WY
Public Employees (State)
First Appointed: 2022
Current Term Expires: 2029



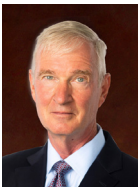
John Lummis
Jackson, WY
At Large
First Appointed: 2021
Current Term Expires: 2027



Jeremy Smith
Ranchester, WY
School Employees
First Appointed: 2022
Current Term Expires: 2025



Tim Sullivan
Laramie, WY
At Large
First Appointed: 2013
Current Term Expires: 2025



Paul O'Brien
Jackson, WY
At Large
First Appointed: 2020
Current Term Expires: 2029



Dr. Lesley Travers
Casper, WY
Higher Education
First Appointed: 2021
Current Term Expires: 2029



Curt Meier
(Board Member - State Treasurer)
Cheyenne/La Grange, WY
Elected Official

Our Legacy & Promise to You

Since 1953, the Wyoming Retirement System has endeavored to provide excellent administration of Wyoming's public pension and retirement savings programs. We've provided retirement security to generations of public servants. Today's system is a proud legacy of the 1953 Wyoming Retirement Act that has evolved over the years to serve the needs of members and employers and adapt to an ever-changing world. The WRS staff and Wyoming Retirement Board are committed to continuing the legacy and keeping the system strong.



WRS issued the First Retirement Check, in 1953 to Frank H. Allyn when he retired from the Wyoming Highway Department after working 30 years as a draftsman.

Wyoming Retirement System

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