AGENDA AND NOTICE OF MEETING
STATE OF WISCONSIN
TEACHERS RETIREMENT BOARD

Thursday, March 19, 2009
1:00 p.m.
Holiday Inn Hotel and Suites
1109 Fourier Drive
Madison, Wisconsin

Documents for this meeting are available on-line at:
http://etf.wi.gov/boards/board_tr.htm
To request a printed copy of any of the agenda items, please contact
Cindy Gilles at (608) 261-0736.

*Lon Mishler chairs meeting

- Denotes action item

1:00 p.m.  1. Consideration of Minutes of December 11, 2008, Meeting

1:05 p.m.  2. Announcements
- Teachers Retirement (TR) Board Election
- Election Committee Volunteers
- Reappointment of Daniel Nerad

1:10 p.m.  3. Election of Officers

1:20 p.m.  4. Educational Topic
- Role of TR Board

1:40 p.m.  5. Appointment to ETF Board
- Milwaukee Teachers Seat

1:50 p.m.  6. Operational Updates
- Disability Statistics Summaries
  - 2008 Annual Report
- Future Items for Discussion

1:55 p.m.  7. Discussion and Consideration
- Proposal for Single Day Quarterly Board Meetings

2:05 p.m.  8. Adjournment

Times shown are estimates only.

The meeting location is handicap accessible. If you need other special accommodations due to a disability, please contact Cindy Gilles, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Telephone: (608) 261-0736. Wisconsin Relay Service 7-1-1. E-mail: cindy.gilles@etf.state.wi.us
MINUTES OF MEETING

STATE OF WISCONSIN
TEACHERS RETIREMENT BOARD

Thursday, December 11, 2008

Holiday Inn Hotel and Suites
1109 Fourier Drive
Madison, Wisconsin

BOARD PRESENT: Lon Mishler, Chair
Dennis Panicucci, Vice-Chair
Robin Starck, Secretary
Mike Langyel
Wayne McCaffery
Dan Nerad
Tom Pedersen
Patrick Phair
Roberta Rasmus
Steve Scheible
Robert Shaw
David Wiltgen

PARTICIPATING ETF STAFF: Dave Stella, Secretary
Bob Conlin, Deputy Secretary
Cindy Gilles, Board Liaison
Sari King, Office of Legislative Affairs, Communications and
Quality Assurance

OTHERS PRESENT: Jean Gilding, Division of Retirement Services
Diane Poole, Division of Insurance Services
Sharon Walk, Office of the Secretary

Lon Mishler, Chair, Teachers Retirement Board (Board), called the meeting to order at 1:03 p.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

Motion: Ms. Rasmus moved approval of the minutes of the September 18, 2008, meeting as submitted by the Board Liaison. Mr. Wiltgen seconded the motion, which passed without objection on a voice vote.
ANNOUNCEMENTS

Teachers Retirement Board Election  Sari King encouraged Board members to speak with all active teachers interested in serving on the Board. An announcement will go out in the January Trust Fund News regarding the vacant Board positions with packets due February 27. Several Board members suggested that the Department utilize Uniserve and WEAC as resources for getting the word out about the Board vacancies.

National Education Association (NEA) Pension Trustee Workshop Update  David Wiltgen and Patrick Phair attended the NEA Pension Trustee Workshop Washington, D.C., in November. They updated the Board on the events and workshops they attended and encouraged Board members to take advantage of opportunities to attend meetings like this.

Departing Board Member Theodore Bratanow  Ms. King referred the Board members to the letter in their binder thanking Ted Bratanow for his service on the Board. She noted that the Department has been in contact with the Governor’s office regarding Mr. Bratanow’s replacement.

The Board members discussed concerns regarding representation on the Employee Trust Funds (ETF) Board. They asked that this item be added to the agenda of the March 2009 meeting. They also expressed interest in participating in discussions about the Variable Fund and expressed dismay at the fact they did not have more of a role in those discussions that might be taken by the ETF Board at its meeting on December 12, 2008.

OPERATIONAL UPDATES

Ms. King referred Board members to the information reports in their binders.

ADJOURNMENT

Motion:  Mr. Langyel moved to adjourn the meeting.  Mr. Shaw seconded the motion which passed without objection on a voice vote.

The meeting of the Teachers Retirement Board adjourned at 1:34 p.m.

Date Approved:  __________________________

Signed:  ________________________________

Robin Starck, Secretary
Teachers Retirement Board
DATE: March 4, 2009

TO: Teachers Retirement Board

FROM: Cindy Gilles, Board Liaison

SUBJECT: Candidates for Election to Teachers Retirement Board

This memo is for informational purposes only. No Board action is required.

The following active teacher participants from public school districts (excluding Milwaukee) have submitted nomination packets for two Teachers Retirement Board (TRB) seats:

Betsy M Kippers: Racine Unified School District

Mary Jo Meier: Waukesha School District

Janine Onsager: Belleville School District

Ballot distribution will take place in late April, with results announced at the June 2009 Retirement Board meetings. There will be one election to select two TRB members. The outcome of the election is determined by the two candidates who receive the greatest number of votes. The two successful candidates will serve five-year terms.
<table>
<thead>
<tr>
<th>MEMBER NAME</th>
<th>TERM BEGAN</th>
<th>TERM EXPIRES</th>
<th>MEMBERSHIP REQUIREMENTS</th>
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<tr>
<td>Langyel Michael</td>
<td>5/1/05</td>
<td>5/1/10</td>
<td>§ 15.165 (3)(a)7 Elected by Milwaukee public school teachers who are participants</td>
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<td></td>
<td></td>
<td></td>
<td>City of Milwaukee teacher who is a participant in WRS</td>
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<tr>
<td>McCaffery Wayne</td>
<td>5/1/04</td>
<td>5/1/09</td>
<td>§ 15.165 (3)(a)1 Elected by public school teachers</td>
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<td></td>
<td>(5/99-5/04)</td>
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<td>Public school teacher</td>
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<td>(5/94-5/09)</td>
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<td>(5/99-5/04)</td>
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<tr>
<td>Mishler Lon</td>
<td>5/1/08</td>
<td>5/1/13</td>
<td>§ 15.165 (3)(a)6 Elected by annuitants who were teacher participants</td>
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<td></td>
<td>(C)</td>
<td></td>
<td>Annuitant who was a teacher participant in WRS</td>
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<td>(5/03-5/08)</td>
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<tr>
<td>Nerad Dan</td>
<td>10/6/04</td>
<td>5/1/08</td>
<td>§ 15.165 (3)(a)3 Elected by Governor</td>
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<td></td>
<td></td>
<td></td>
<td>Public school administrator who is not a classroom teacher</td>
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<tr>
<td>Panicucci Dennis</td>
<td>5/1/04</td>
<td>5/1/09</td>
<td>§ 15.165 (3)(a)1 Elected by public school teachers</td>
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<td></td>
<td>(V)</td>
<td></td>
<td>Public school teacher</td>
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<tr>
<td>Pedersen R. Thomas</td>
<td>5/1/08</td>
<td>5/1/13</td>
<td>§ 15.165 (3)(a)2 Elected by participating Wisconsin Technical College teachers</td>
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<td>(5/03-5/08)</td>
<td></td>
<td>Public school teacher from a participating Wisconsin Technical College district and a</td>
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<td></td>
<td></td>
<td>participating employee in WRS</td>
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<td>Phair Patrick</td>
<td>5/1/06</td>
<td>5/1/11</td>
<td>§ 15.165 (3)(a)1 Elected by public school teachers</td>
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<td>Public school teacher</td>
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<tr>
<td>Rasmus Roberta</td>
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<td>5/1/13</td>
<td>§ 15.165 (3)(a)5 Elected by Governor</td>
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<td></td>
<td>(9/04-5/08)</td>
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<td>Member of a school board</td>
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<tr>
<td>Scheible Steven</td>
<td>5/1/07</td>
<td>5/1/12</td>
<td>§ 15.165(3)(a)1 Elected by public school teachers</td>
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<td>Public school teacher</td>
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<tr>
<td>Shaw Robert</td>
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<td>5/1/09</td>
<td>§ 15.165 (3)(a)4 Elected by Governor</td>
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<td>UW teacher participant in WRS (not from same campus as other UW teacher participant)</td>
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<tr>
<td>Starck Robin</td>
<td>5/1/06</td>
<td>5/1/11</td>
<td>§ 15.165 (3)(a)1 Elected by public school teachers</td>
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<td></td>
<td></td>
<td></td>
<td>Public school teacher</td>
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<tr>
<td>Vacant* (Bratanow)</td>
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<td>§ 15.165 (3)(a)4 Elected by Governor</td>
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<td>UW teacher participant in WRS (not from same campus as other UW teacher representative)</td>
</tr>
<tr>
<td>Wiltgen David</td>
<td>5/1/07</td>
<td>5/1/12</td>
<td>§ 15.165 (3)(a)1 Elected by public school teachers</td>
</tr>
<tr>
<td></td>
<td>(5/02-5/07)</td>
<td></td>
<td>Public school teacher</td>
</tr>
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</table>

* Ted Bratanow resigned from the Board March 2007. A replacement has not yet been appointed.

(C) - Chair  (V) - Vice-Chair  (S) - Secretary

MAILINGS FOR BOARD MEMBERS SHOULD BE SENT TO:

Teachers Retirement Board  
c/o Cindy Gilles, Board Liaison  
Department of Employee Trust Funds  
PO Box 7931  
Madison WI  53707-7931  
Phone (608) 261-0736

(Revised 12/5/08)
DATE: March 19, 2009

TO: Teachers Retirement Board

FROM: Cindy Gilles
Board Liaison

SUBJECT: Election of Officers

By statute, Wis. Stat. § 15.07 (2), the Teachers Retirement Board must elect new officers at the first meeting of each calendar year. The current officers and the expiration dates of their terms on the Board are shown below.

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Expiration Date</th>
</tr>
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<tbody>
<tr>
<td>Chair</td>
<td>Lon Mishler</td>
<td>05/01/2013</td>
</tr>
<tr>
<td>Vice-Chair</td>
<td>Dennis Panicucci</td>
<td>05/01/2009</td>
</tr>
<tr>
<td>Secretary</td>
<td>Robin Starck</td>
<td>05/01/2011</td>
</tr>
</tbody>
</table>

It has been past practice for new officers to assume their duties effective immediately following the meeting at which they are elected.

Enclosure/Roster
Teachers Retirement Board

Thursday, March 19, 2009
Bob Conlin, Deputy Secretary

<table>
<thead>
<tr>
<th>Board</th>
<th>Mtg Date</th>
<th>Item #</th>
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<tr>
<td>TR</td>
<td>3/19/09</td>
<td>4</td>
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</tbody>
</table>
History and General Structure

• Merger in 1982 of the State Teachers Retirement System, the Milwaukee Teachers Retirement Fund, and the Wisconsin Retirement Fund into the Wisconsin Retirement System (WRS).

• Three boards:
  Employee Trust Funds Board (13 members);
  Teachers Retirement Board (13 members);
  Wisconsin Retirement Board (9 members).
History and General Structure

• Employee Trust Funds Board: Policy, oversight and administrative functions.

• Teachers Retirement and Wisconsin Retirement Boards: Advisory, with some administrative and quasi-judicial functions.
ETF Board: Powers/Duties

• Shall authorize and terminate the payment of all annuities and death benefits, except disability annuities, in accordance with Chapter 40 of the Wisconsin Statutes.

• Shall ensure that the WRS complies with the Internal Revenue Code (IRC) as a qualified plan for income tax purposes and shall ensure that each benefit plan is administered in a manner consistent with all relevant IRC provisions.
ETF Board: Powers/Duties

• Shall approve the tables used for computing benefits under the WRS after certification of the tables in writing by the actuary.

• Shall appoint the Secretary of the Department and may employ or select any medical, legal and other independent contractors as are required for the administration of the fund.
ETF Board: Powers/Duties

• Shall select and retain an actuary or actuarial firm for the purpose of performing all actuarial services which are necessary for the operation and control of each of the insurance and benefit programs.

• Shall approve the contribution rates and actuarial assumptions determined by the actuary.

• Shall approve or reject all administrative rules proposed by the Secretary.
ETF Board: Powers/Duties

• Shall accept timely appeals from determinations made by the Department, other than disability determinations.

• May adjust the computation of the amount of an annuity as necessary to prevent any inequity which might otherwise exist if a participant has a combination of full-time and part-time service, a change in annual earnings period during the high years of earnings, or has previously received an annuity which was terminated.
ETF Board: Powers/Duties

• May compel witnesses to attend meetings and to testify upon any necessary matter concerning the Public Employee Trust Fund and authorize fees not in excess of the statutory provision for witnesses.

• May determine the length of creditable prior service from information available.

• May accept any gift, grant, or bequest of any money or property of any kind.
ETF Board: Powers/Duties

• May determine that some or all of the disability annuities and death benefits provided from the WRS shall instead be provided through the group insurance plans to be established by the Group Insurance Board.

• May require any employer to distribute to its employees any materials that are determined to be necessary for the efficient administration of the Public Employee Trust Fund.
ETF Board: Powers/Duties

• May delegate powers and duties as deemed necessary or desirable.

• May allow any separate retirement system for employees of one or more employers to deliver or send funds representing assets of that system to the Department.

• May, upon the recommendation of the actuary, transfer in whole or in part the assets and reserves held in any program account to another program account for the purpose of providing any group insurance benefit offered by the Group Insurance Board.
ETF Board: Powers/Duties

• By law, each member of the ETF Board shall be a trustee of the Public Employee Trust Fund.

• By law, the ETF Board shall meet quarterly and may meet at other times on the call of the chairperson or a majority of its members. The Board shall also meet no later than August 31 of each even-numbered year to consider and approve a proposed budget of the Department.
Teachers Retirement Board: Powers/Duties

• Shall appoint 4 members to the ETF Board.

• Shall study and recommend to the Secretary and the ETF Board alternative administrative policies and rules which will enhance the achievement of the objectives of the benefit programs for teacher participants.

• Shall appoint a teacher participant of the WRS to the State of Wisconsin Investment Board (SWIB).
Teachers Retirement Board: Powers/Duties

• Shall approve or reject all administrative rules proposed by the Secretary that relate to teacher participants, except for rules relating to interstate retirement reciprocity.

• Shall authorize and terminate the payment of disability annuity payments to teacher participants in accordance with the law.

• Shall accept timely appeals of determinations made by the Department regarding disability annuities for teacher participants in accordance with the law.
Teachers Retirement Board: Powers/Duties

• May amend any rule of the Department, the Milwaukee Teachers Retirement Board, the State Teachers Retirement Board and the Wisconsin Retirement Fund Board, which was in effect on January 1, 1982, in such a manner as to make it no longer applicable to teacher participants.

• By law, the Teachers Retirement Board shall meet annually, and may meet at other times on the call of the chairperson or a majority of its members.
Teachers Retirement Board Appointments to ETF Board

• 4 appointees to ETF Board and 1 to SWIB.

• Statutes place limitations on appointments.

• ETF Board Appointments (and current incumbents)
  – TR Board member who is a City of Milwaukee Teacher Participant (Irena Macek)
  – TR Board member who is a public school teacher or technical college teacher (Wayne McCaffery)
  – TR Board member who is a UW teacher (Robert Niendorf)
  – TR Board member who is a public school administrator or school board member (Nancy Thompson)
Teachers Retirement Board
Appointments to ETF Board

• TR Board appointments to the ETF Board are for 4-year terms – generally expiring on May 1 of odd-numbered years.

• Appointee must be a member of TR Board at time of appointment.

• Appointee holds office until a vacancy occurs (e.g., death, removal, resignation).

• TR Board retains the authority to remove an appointee at any time.
Teachers Retirement Board
Appointment to ETF Board

• Wayne McCaffery is the only TR Board appointee to the ETF Board serving an unexpired term and who is still a member of the TR Board. His ETF Board term expires May 1, 2011.

• The ETF Board terms of the other 3 TR Board appointees expired as follows:
  – Irena Macek: May 1, 2004
  – Robert Niendorf: May 1, 2004
  – Nancy Thompson: May 1, 2005
Questions?
CORRESPONDENCE MEMORANDUM

DATE: March 4, 2009
TO: Teachers Retirement Board
FROM: Cindy Gilles, Board Liaison
SUBJECT: Membership on the Employee Trust Funds Board

The Teachers Retirement (TR) Board is asked to consider its appointment to the Milwaukee Metropolitan School District seat on the Employee Trust Funds (ETF) Board.

The TR Board, by statute, appoints four members to serve on the ETF Board. These appointments are staggered, four-year terms. Terms end on May 1 so new appointments normally occur in March.

Irena Macek was appointed to ETF by the TR Board in 2000. Her term on the TR Board expired in 2004. She is currently up for consideration for replacement by a TR Board member who is elected by active teacher participants of the Milwaukee Metropolitan School District.

At this time, the Board may either choose to fill the position on the ETF Board with the TR Board member elected by Milwaukee Metropolitan School District teachers (Michael Langyel) or take no action.

If an appointment is made at this time, the appointment will begin at the March 20, 2009, ETF meeting. The appointee will serve a term ending May 1, 2013.

The current TR and ETF Board rosters are attached for your reference.

Attachments
<table>
<thead>
<tr>
<th>Member Name</th>
<th>Term Begun</th>
<th>Term Expires</th>
<th>Membership Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>David John</td>
<td>6/26/08</td>
<td>5/1/10</td>
<td>§ 15.16(1)(b)/Appointed by Wisconsin Retirement Board</td>
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<tr>
<td>Donnelly Jennifer</td>
<td>3/23/07</td>
<td>Ex Officio</td>
<td>§ 15.16 (1)(intro.)/Director of the Office of State Employment Relations or the Director’s designee</td>
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<td>Finora Rosemary</td>
<td>8/8/06</td>
<td>5/1/09</td>
<td>§ 15.16 (1)(c)/Appointed by Governor, with Senate confirmation</td>
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<td>Fisher Theron</td>
<td>5/1/07</td>
<td>5/1/11</td>
<td>§ 15.16 (1)(d)/Elected by WRS Annuitants</td>
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<td>Vacant * (Gale)</td>
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<td>§ 15.16 (1)(b)2/Appointed by Wisconsin Retirement Board</td>
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<tr>
<td>Koessl Wayne (V)</td>
<td>5/1/00</td>
<td>5/1/04</td>
<td>§ 15.16 (1)(b)1/Appointed by Wisconsin Retirement Board</td>
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<td>Kreul Kathleen</td>
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<td>5/1/11</td>
<td>§ 15.16 (1)(f)/Elected by educational support personnel</td>
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<td>Macek Irena</td>
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<td>5/1/04</td>
<td>§ 15.16 (1)(a)3/Appointed by Teachers Retirement Board</td>
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<td>McCaffery Wayne</td>
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<td>§ 15.16 (1)(a)1/Appointed by Teachers Retirement Board</td>
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<td>Niendorf Robert (S)</td>
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<td>5/1/04</td>
<td>§ 15.16 (1)(a)2/Appointed by Teachers Retirement Board</td>
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<tr>
<td>Sherman Gary</td>
<td>1/24/05</td>
<td>Ex Officio</td>
<td>§ 15.16 (1)(intro.)/Governor or the Governor’s designee on the Group Insurance Board</td>
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<td>Thompson Nancy</td>
<td>5/1/01</td>
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<td>§ 15.165 (3)(a)5/Appointed by Teachers Retirement Board</td>
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<td>Wigdahl Marilyn (C)</td>
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<td>5/1/03</td>
<td>§ 15.16 (1)(b)3/Appointed by Wisconsin Retirement Board</td>
</tr>
</tbody>
</table>

Membership Roster Requirements:

- 4-year term
- Ex Officio

Note: *Rick Gale resigned in December 2008. A replacement has not yet been appointed.

(C) - Chair   (V) - Vice-Chair   (S) - Secretary

Mailings for Board Members Should Be Sent To:
Employee Trust Funds Board
C/o Cindy Gilles, Board Liaison
Department of Employee Trust Funds
P.O. Box 7931
Madison WI 53707-7931
Phone (608) 261-0736

(Revised 12/5/08)
CORRESPONDENCE MEMORANDUM

DATE: March 2, 2009

TO: Teachers Retirement Board
Wisconsin Retirement Board

FROM: Diane Poole, Director
Disability Programs Bureau

SUBJECT: October – December 2008 Quarterly Disability Annuity Statistics

This memo is for informational purposes only. No Board action is required.

Attached is the Wisconsin Retirement System (WRS) Disability Benefit Annuity Statistical Report for October through December 2008. The report provides quarterly data on: number of annuities started, options selected, gender, determination, age, and disability type.

TRENDS

Overall, the trends when compared to the same quarter in the past five years, are as follows:

- The number of new disability annuities is down. The Teachers Retirement Board (TR) had 7 under its jurisdiction, compared to an average of 18; the Wisconsin Retirement Board (WR) had 26 under its jurisdiction, compared to an average of 52.
- The most selected TR annuity option is “100% Continued to Named Survivor (Joint Survivor).” The most selected WR annuity option is “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.”
- There was one more male than female user of the § 40.63 Disability Retirement Annuity benefit for the TR Board; females continue to be the predominant user of the § 40.63 Disability Retirement Annuity benefit for the WR Board.
- The majority of applications are approved; a very small number are denied.
- The predominant age group for both TR and WR is 51-55.
- The prevalent disability types for the TR Board for this quarter in the last five years are: Cancer, Mental Illness and Neurology. For the WR Board, the prevalent disability types are: Orthopedic, Neurology, and Multiple Medical Problems.

DISABILITY PROGRAMS BUREAU WORKLOAD/STAFFING

The Disability Programs Bureau is staffed by 5.5 trust funds specialists and 2.5 policy analysts. One policy analyst was hired in March 2007. One trust funds specialist began in September 2007 and one began in July 2008. A leadworker position was also filled in January 2008.
The trust funds specialists are responsible for the § 40.63 and § 40.65 programs. One of the experienced trust funds specialists is part-time. Currently, 55% of our trust funds specialists and 40% of our policy analysts are in training. It takes 1.5 to 2 years to fully train a trust funds specialist in our complex disability programs and approximately 2.5 years for a policy analyst to complete training.

PRIORITIES

The top priority for the Disability Programs Bureau is to approve disability benefits as quickly as possible so individuals are not without income. Approving a disability benefit requires extensive follow-up with the applicant, employer, and health care providers. An application can take up to a year to process because of this inherent dependency on outside sources to provide documentation. The second priority is to maintain existing disability accounts. This requires obtaining the necessary medical and income information, which again requires extensive follow-up with outside sources.
CORRESPONDENCE MEMORANDUM

DATE: March 2, 2009

TO: Teachers Retirement Board
Wisconsin Retirement Board

FROM: Diane Poole, Director
Disability Programs Bureau

SUBJECT: 2008 Benefit Annuity Statistics

This memo is for informational purposes only. No Board action is required.

Attached for your review are the 2008 Wisconsin Retirement System (WRS) disability annuity statistics. The report provides information on disability benefit annuity applications approved by the Boards throughout 2008.

2008 DISABILITY ANNUITY HIGHLIGHTS

• The Department completed disability benefit estimates for 771 participants.
• 40.63 Disability Retirement benefits were started for 176 participants.
• Duty Disability benefits were started for 37 participants.
• For the disability annuity benefits approved by both the Teachers Retirement Board and the Wisconsin Retirement Board, the two most popular benefit options were “Life with 180 Payments Guaranteed” and “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.”

TEACHERS RETIREMENT BOARD SPECIFICS

• 87.3% of the disability applications were approved. Only 11.1% were cancelled/void/withdrawn/invalid, and 1.6% were denied.
• 70% of disability annuities started were for females and 30% were for males.
• 28.6% of disability applications were for participants aged 51-55, 34.9% were for participants aged 56-60, and 23.8% were for participants aged 61-65.
• 74.6% of disability applications had one of three disabilities: Cancer (41.3%), Neurology (19.0%), or Orthopedic (14.3%).

WISCONSIN RETIREMENT BOARD SPECIFICS

• 83% of disability applications were approved. Only 8.8% were cancelled/void/withdrawn/invalid and 8.2% were denied.
• 59.6% of disability annuities started were for females and 40.4% were for males.
• 24.1% were for participants aged 46-50, 37.3% of disability applications were for participants aged 51-55, and 23.4% were for participants aged 56-60.
• 64.6% of the disability applications had one of four disabilities: Orthopedic (24.7%), Neurology (13.9%), Mental Illness (13.3%), or Cancer (12.7%).

Reviewed and approved by Tom Korpady, Division of Insurance Services.

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<thead>
<tr>
<th>Board</th>
<th>Mtg Date</th>
<th>Item #</th>
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<tr>
<td>TR</td>
<td>3/19/09</td>
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DATE: March 19, 2009

TO: Executive Committee
   Employee Trust Funds Board
   Teachers Retirement Board
   Wisconsin Retirement Board

FROM: Bob Conlin, Deputy Secretary
      Steve Hurley, Director, Office of Policy, Privacy and Compliance

SUBJECT: Proposal to Hold All Board Meetings on One Day Each Quarter

This memo is for Executive Committee and Board discussion and action by the Employee Trust Funds (ETF) Board.

Recommendation: Staff recommends that the Boards consider holding future meetings on one day each quarter, rather than spread business out over two days.

The three Wisconsin Retirement System (WRS) Boards currently meet quarterly over two days (usually Thursday and Friday). Typically, all three Boards meet Thursday morning for a "Joint Informational" session where general information is shared with all members. Early Thursday afternoon, the Teachers Retirement and Wisconsin Retirement Boards convene, primarily to hear appeals, approve administrative rules, and to study and recommend to the ETF Board alternative administrative policies regarding benefits for teachers and non-teachers in the WRS. Recently, due to a low number of appeals, these meetings have been concluding by 2:00 p.m. On Friday morning, the ETF Board meets and generally concludes its business by about noon. In all, the Boards only meet for about seven to eight hours over two consecutive days.

Several Board members have asked ETF about the rationale for the current Board schedule and about the possibility of reducing it from two days to a single day. Historically, it appears that the primary reason that Board meetings span two days is due to the large number of appeals that the Boards were regularly asked to hear. Because the volume of appeals has gone down significantly in the last few years, the Boards have been able to conduct shorter meetings.
Staff believes that with careful planning and disciplined adherence to agendas, it is possible to condense the two-day format into one day. Please see the attached sample Board agenda. There are significant advantages to completing all the meetings in one day:

- **Facilitates Information Flow to All Board Members.** One-day meetings would facilitate attendance at ETF Board meetings of Teacher and Wisconsin Retirement Board members. This also would make it easier for these members to monitor and stay abreast of ETF Board activities.

- **Efficiently Uses Board Members’ Time.** One-day meetings would reduce the amount of time Board members need to be away from their jobs or other activities. In the long-term, this may make service on the Boards more palatable to a broader range of people.

- **Reduces Meeting-Related Expenditures.** One-day meetings would reduce overall costs for ETF by cutting expenditures for meeting space, meals and lodging for Board members. Preliminary estimates suggest a savings of at least $700 per quarterly meeting ($2,800 annually).

- **Efficiently Uses ETF Staff Time.** One-day meetings would significantly reduce the amount of ETF staff time spent out of the office. The board liaisons, who also serve as administrative assistants within the Department, spend the equivalent of two full days out of the office arranging board space and equipment, and coordinating business needs with the hotel staff. Additionally, Department executive and program staff who are responsible for attending Board meetings spend the better part of two days out of the office.

The only potential barrier to concluding the Boards’ work in one day would be an increase in appeals. However, we believe that, absent an unexpected spike in appeals cases, we can accommodate the periodic appeals that we now have with ad hoc adjustments in the Board agendas. For example, we could shorten the Joint Informational portion of the meeting or make other adjustments to agendas so that the Boards have sufficient time to address the appeals. If appeals increase, we could schedule special meetings of the affected Boards just to hear the appeals. Finally, if appeals increase significantly, the Boards could go back to a two-day meeting format.

In conclusion, we believe that the advantages of going to a one-day meeting schedule outweigh the potential disadvantages and that those disadvantages can be addressed on an ad hoc basis.

Attachment
EXAMPLE OF
1-DAY RETIREMENT BOARD
MEETING AGENDA

7:30 a.m. – 9:15 a.m.  Executive Committee/Budget & Operations Committee/Audit Committee (1, or possibly 2, of the 3 meetings)

9:30 a.m. – 11:00 a.m.  Joint Informational Session

11:00 a.m. – 11:30 a.m.  Wisconsin Retirement Board

11:30 a.m. – 12:00 noon  Teachers Retirement Board

12:00 noon – 1:15 p.m.  Lunch

1:30 a.m. – 4:00 p.m.  Employee Trust Funds Board