

**STATE OF WISCONSIN  
DEPARTMENT OF EMPLOYEE TRUST FUNDS  
801 West Badger Road  
Madison, WI 53702**

**CORRESPONDENCE MEMORANDUM**

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**DATE:** May 29, 2002

**TO:** Employee Trust Funds Board  
Teachers Retirement Board  
Wisconsin Retirement Board

**FROM:** Julie Reneau, Administrator  
Division of Retirement Services

**SUBJECT:** Educational Topic – Projections of Future Fixed Effective Rates and Annuitant Dividends

Annually, the Department establishes the fixed effective rate that is credited to eligible member accounts and the actuary recommends the annual fixed dividend paid to our annuitants. The Wisconsin Retirement System's annual fixed effective rate and fixed annuitant dividends are affected by various economic factors. Funding changes with 1999 Wisconsin Act 11 and the current economic environment have caused the Department to look more closely at what impact these factors could have on future effective rates and annuitant dividends. Bob Willett, our Controller, did some modeling of potential scenarios to 2005. It is our intent to share these projections with you and to discuss potential changes that may help our annuitants in years of low dividends.

Attachment