

What Retirement Systems are Covered Under Reciprocity?

Wis. Stat. § 40.30, provides limited reciprocity between the Wisconsin Retirement System, City of Milwaukee Employees' Retirement System (ERS) and the Milwaukee County Employees' Retirement System. You may benefit from this law if you are not yet retired and you have a retirement account with at least two of these three public retirement systems in Wisconsin.

Who May Be Eligible for Reciprocity?

You may be a member of the WRS if:

- You are employed by the State of Wisconsin.
- You have retirement coverage as a teacher in a public school system (including Milwaukee Public Schools).
- You have retirement coverage as an employee of a participating local governmental unit (villages, cities, counties, school districts, etc.).

You may be covered by the City of Milwaukee ERS if you have retirement coverage as an employee of the City of Milwaukee, including non-teaching employees of Milwaukee Public Schools.

You may be covered by the Milwaukee County Employees' Retirement System if you have retirement coverage as an employee of Milwaukee County.

What Is Reciprocity?

Under reciprocity, the employee's separate retirement accounts from these systems are **not** combined into one account; the benefits from each system are calculated separately. However, under some circumstances, you may be able to increase your retirement benefits

payable from one or more of these systems by electing to have your benefits calculated under reciprocity.

Under reciprocity, each retirement system calculates your benefits using the benefit formula in effect on the date you terminate all employment covered by one of the three participating retirement systems. For WRS benefits calculated under reciprocity, this means that your benefits would be calculated using the formula factors and age reduction factors for early retirement that are in effect when you retire, even if you terminated covered WRS employment before those factors went into effect.

Eligibility

To qualify for reciprocity, you must meet several requirements:

- Employment from at least one of the three participating retirement systems must terminate on or after May 11, 1990.
- You must meet the vesting requirements in one of the three participating retirement systems and subsequently become employed in a position covered under one of the other participating systems.
- The retirement benefits from all applicable retirement systems **must be effective within a 60-day period**. This means that you generally cannot begin receiving any benefits until you have terminated all employment covered by the three retirement systems. You should consider whether it would be more beneficial to begin receiving benefits as early as possible from the system(s) in which you are inactive.
- If you have closed your account from one of the three participating retirement systems, that closed account cannot be

considered when determining eligibility for reciprocity.

- You must file your election with all of the participating retirement systems of which you are currently a member. If you elect to have your retirement benefits calculated under reciprocity, it will apply to the benefits from all of the eligible systems.

Benefits Under Reciprocity

If you qualify for reciprocity and elect to have your benefits calculated under these provisions, your benefits from each system are calculated separately under the laws of the respective systems. However, benefits from one or more of the retirement systems may be affected in the following ways:

- If you meet the vesting requirements in one of the three participating retirement systems, under reciprocity, your years of service under the vested system can be used to meet the vesting requirements for **subsequent** participating retirement systems. This could qualify you for a retirement benefit from a later system for which you might not otherwise be eligible.
- Under reciprocity, if the WRS is the earlier retirement system, your WRS benefit is calculated under the formulas in effect for the WRS the last date you terminate employment covered under any one of the participating retirement systems. This could allow you to take advantage of any WRS benefit improvements that have occurred since you terminated employment covered under an earlier retirement system. You must contact the City of Milwaukee ERS and/or the Milwaukee County Employees' Retirement System to determine what affect, if any, that reciprocity would have on those benefits.

- The final average earnings from each earlier system that is used to calculate the retirement benefit from that system is increased by the national salary index [under 42 USC 415 (b) (3) (A)], updated to the last day paid for the last employment covered under one of the three participating retirement systems.
- If you have military service that qualifies for credit under one or more of the participating retirement systems, you can only use your military service for credit in one of the systems. If you are eligible for military service credit in more than one system, it is very important that you identify how it would increase your benefit in each system before deciding which system would provide the greatest benefit for your military service. Be sure to consider potential future annuity increases when making this decision.
- Reciprocity applies only to the benefits under the system in which the employee is first vested and from subsequent systems; it does not retroactively vest you under previous system(s).
- Reciprocity applies only to retirement benefits; it cannot be used to qualify for disability benefits.

How to Proceed

If you believe that you qualify and that reciprocity may increase your retirement benefits, your first step is to have your earlier service verified by the appropriate retirement systems. To do this, you must request an *Employee Summary of Prior Employment Covered by a Wisconsin Public Employees Retirement System* form (ET-7356) from the Department of Employee Trust Funds and submit it to the previous retirement system with which you have an account. If you have inactive accounts with two participating retirement systems, you will need a separate form for each

previous system.

The previous system(s) must verify your service and account status and send a copy of the completed form to each of the other two systems. The completed form should be on file with the WRS, and/or City of Milwaukee ERS and/or the Milwaukee County Employees' Retirement System. This will provide each system with documentation of your potential eligibility for reciprocity when you request retirement benefit information from the systems you are a member.

We encourage you to have your past service verified at least a year before your anticipated retirement date. This will ensure adequate lead time to get all of the information you need, which is critical since the benefits from each system calculated under reciprocity must begin within 60 days of each other.

When you request retirement benefit estimates from each system (normally 6-12 months before your anticipated retirement date), it is very important that you request information about how reciprocity would affect your benefits from each system. You will need this information when deciding whether to elect to have your benefits calculated under reciprocity.

If you determine that it is to your advantage to have your benefits calculated under reciprocity, please call the Department of Employee Trust Funds to request the *Reciprocity Election* form (ET-7366). You must file the completed election form with the retirement system under which your most recent employment was covered; that system will be responsible for coordinating your reciprocity election with the other system(s). Once filed, the election can only be withdrawn or canceled under the rules governing retirement application withdrawals and cancellations for the system covering the most recent employment.

Who to Contact

City of Milwaukee Employees' Retirement System

789 N Water St Suite 300
Milwaukee, WI 53202
(414) 286-3557

Milwaukee County Employees' Retirement System

901 North 9th St Room 210 C
Milwaukee, WI 53233
(414) 278-4242

Wisconsin Retirement System

(see numbers and addresses on the next page)

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call toll free 1-877-533-5020 or (608) 266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

Contact ETF

Visit us online at etf.wi.gov

Find Wisconsin Retirement System benefits information, forms and publications, benefit calculators, educational offerings, email and other online resources.

Call us toll free at 1-877-533-5020 or 608-266-3285 (local Madison)

Benefit specialists are available
7:00 a.m. to 5:00 p.m. (CST) Monday-Friday

Self-Service: Order forms and brochures, change your address information or tax withholding 24 hours a day, 7 days a week.

Wisconsin Relay Service
for hearing and speech impaired: 7-1-1
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Write or Return Forms

P.O. Box 7931
Madison, WI 53707-7931

Visit by Appointment

801 West Badger Road
Madison, WI 53713
7:45 a.m. to 4:30 p.m.



Reciprocity

Between the:

- Wisconsin Retirement System
- City of Milwaukee Employees' Retirement System
- Milwaukee County Employees' Retirement System

Wisconsin Department of
Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931