

## DEPARTMENT OF EMPLOYEE TRUST FUNDS

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY25 Adjusted Base	FY26 Recommended	% Change Over FY25	FY27 Recommended	% Change Over FY26
GPR	12,900	12,200	-5.4	8,000	-34.4
SEG-O	64,117,200	78,950,800	23.1	79,060,700	0.1
TOTAL	64,130,100	78,963,000	23.1	79,068,700	0.1

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY25 Adjusted Base	FY26 Recommended	FTE Change Over FY25	FY27 Recommended	FTE Change Over FY26
SEG-O	287.20	291.20	4.00	291.20	0.00
TOTAL	287.20	291.20	4.00	291.20	0.00

### AGENCY DESCRIPTION

The department is headed by a secretary appointed by a 13-member Employee Trust Funds Board and is responsible for the state-administered retirement program; group insurance programs (health, life, income continuation, long-term disability and long-term care); employee reimbursement account program; commuter benefits program; deferred compensation program for state and local government employees; and state accumulated sick leave conversion credits program. The Group Insurance Board, Teachers Retirement Board, Wisconsin Retirement Board and Deferred Compensation Board are attached to the department.

The department is responsible for the implementation of retirement system policies and the day-to-day operations and management of the Wisconsin Retirement System (WRS). Either by Employee Trust Funds Board delegation or by statutory assignment, the department is charged with collecting and accounting for all monies due to the retirement trust funds, calculating and accurately disbursing all benefit payments, providing information and responding to inquiries from participating employers and employees, and accounting for all WRS benefit transactions.

The assets invested by the State of Wisconsin Investment Board are not assets of the state, but are held in trust pending disbursement to secure coverage for, or to pay benefits to, members or their beneficiaries.

### MISSION

The mission of the department is to develop and deliver quality benefits and services to customers while safeguarding the integrity of the trust.

## Employee Trust Funds

### PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been updated.

#### Program 1: Employee Benefit Plans

Goal: Create an effortless customer experience.

Objective: Increase employer competency for managing employee benefits.

Activity: Complete employer training initiative.

Objective: Determine the strategy, programs and organizational infrastructure needed to drive customer experience improvements.

Activity: Expand persona library to include completion of employer profile, and others (active members, survivors/beneficiaries, inactive members) as capacity permits.

Objective: Ensure insurance program sustainability.

Activity: Execute Group Insurance Board initiatives as capacity permits.

Goal: Implement outcomes-driven performance measurement and process management.

Objective: Optimize processes to leverage capabilities of modernization initiatives.

Activity: Define enterprise business intelligence building blocks to support customer experience goal and performance measurement.

Goal: Build a talented and agile workforce.

Objective: Attract, integrate and advance top talent.

Activity: Conduct Skills Assessment Framework pilot using Insurance Administration System (IAS)-impacted position changes.

Activity: Review end-to-end Office of Talent Management talent acquisition and hiring processes to reduce time to fill, increase transparency and tighten integration of processes and data.

Activity: Define framework and road map for implementation of Enterprise Risk Management.

Activity: Define and implement strategies to address delays in recruitment and selection.

Objective: Advance employee development through meaningful and intentional performance management approaches.

Activity: Analyze turnover trends and develop retention strategies.

Objective: Build the recruitment and retention practices and culture that will make the department an equitable and inclusive organization.

Activity: Implement strategies and action steps of the department's Equity and Inclusion Plan scheduled for this fiscal year, to include: finishing development and implementation of the mentoring program to assist underrepresented staff in achieving career goals and professional skills; and examination of the Stay Interview program data and evaluate for use as a retention tool and determine next steps.

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Goal: Implement modern, secure and resilient information technologies to support an effortless customer experience.

Objective: Develop and deploy solutions to support an effortless customer experience that enables accurate self-service and timely benefit administration services.

Activity: Implement insurance administration technologies providing administration capabilities for multiple insurance benefits to enable more efficient and consistent processes and enhance customer service including online access.

Activity: Identify and select a pension administration system. Tasks will include system requirements, vendor selection and budget request support.

Activity: Soft launch new member portal in front of IAS go-live providing Statement of Benefit reprints as a self-service option to drive traffic to the portal.

Objective: Integrate systems and data to support an effortless customer experience.

Activity: Implement a data storage and warehouse solution to support the creation of dashboards, reports and analytics providing transparency, increasing collaboration and ensuring accurate and current data.

Objective: Preserve the safety and security of all of the department's systems and data through standard practices, appropriate security controls, risk management and information security technologies.

Activity: Engineer and implement Security Operation Center Platform, which is capable of security orchestration, automation and response activities, and leveraging threat intelligence modeling.

Activity: Implement technology, tools and processes to mature the department's management of information risk, with a focus on compliance management and third-party risk management.

Activity: Develop a sustainability road map that outlines how to bring the department's applications and systems up to speed. The department will maintain current security standards as well as versions of the code libraries and infrastructure.

**Employee Trust Funds**

**PERFORMANCE MEASURES**

**2023 AND 2024 GOALS AND ACTUALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2023</b>	<b>Actual 2023</b>	<b>Goal 2024</b>	<b>Actual 2024</b>
1.	Average speed of call answered.	>70% calls answered in 3 minutes	59%	>70% calls answered in 3 minutes	80%
		>50% calls answered in 2 minutes	47%	>50% calls answered in 2 minutes	72%
1.	Percentage of customer calls that are abandoned.	<10%	12%	<10%	4%
1.	Percentage of beneficiary designations effective within 15 business days of receipt.	90%	98%	90%	99%
1.	Percentage of calls answered within three minutes; percentage of emails responded to within two business days.	70% for calls answered	59%	70% for calls answered	80%
		95% for email response	100%	95% for email response	100%
1.	Percentage of retirement estimates completed within 15 business days of request.	100%	99%	100%	97%
1.	Percentage of separation benefits paid within one week after employer submits necessary information.	100%	100%	100%	100%
1.	Average wait for available appointment session.	15 days	35 days	15 days	32 days
1.	Percentage of retiree benefits started by next payroll or desired effective date.	100%	100%	100%	100%
1.	Percentage of lump-sum death benefits paid within 30 days of beneficiary application.	80%	97%	80%	98%

Note: Based on fiscal year.

**Employee Trust Funds**

**2025, 2026 AND 2027 GOALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2025</b>	<b>Goal 2026</b>	<b>Goal 2027</b>
1.	Average speed of call answered.	>70% calls answered in 3 minutes  >50% calls answered in 2 minutes	>70% calls answered in 3 minutes  >50% calls answered in 2 minutes	>70% calls answered in 3 minutes  >50% calls answered in 2 minutes
1.	Percentage of customer calls that are abandoned.	<10%	<10%	<10%
1.	Percentage of beneficiary designations effective within 15 business days of receipt.	90%	90%	90%
1.	Percentage of calls answered within three minutes; percentage of emails responded to within two business days.	70% for calls answered  95% for email response	70% for calls answered  95% for email response	70% for calls answered  95% for email response
1.	Percentage of retirement estimates completed within 15 business days of request.	100%	100%	100%
1.	Percentage of separation benefits paid within one week after employer submits necessary information.	100%	100%	100%
1.	Average wait for available appointment session.	15 days	15 days	15 days
1.	Percentage of retiree benefits started by next payroll or desired effective date.	100%	100%	100%
1.	Percentage of lump-sum death benefits paid within 30 days of beneficiary application.	80%	80%	80%

Note: Based on fiscal year.

**DEPARTMENT OF EMPLOYEE TRUST FUNDS**

**GOVERNOR'S BUDGET RECOMMENDATIONS**

**RECOMMENDATIONS**

1. Pension Administration System Modernization
2. Additional Staffing and Transfer of Oversight Responsibilities
3. Infertility Coverage in Health Insurance Plans
4. Rehire of Retired Employees
5. Domestic Partnership Benefits for Employee Trust Funds Insurance Programs
6. Gender-Neutral Statutory References
7. Annuity Supplement Reestimate
8. Standard Budget Adjustments

**ITEMS NOT APPROVED**

9. Locating Missing WRS Participants
10. Increased Autonomy Toward Managing Personnel

## Employee Trust Funds

**Table 1**  
**Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY24	ADJUSTED BASE FY25	AGENCY REQUEST FY26	AGENCY REQUEST FY27	GOVERNOR'S RECOMMENDATION FY26	GOVERNOR'S RECOMMENDATION FY27
GENERAL PURPOSE REVENUE	\$23.8	\$12.9	\$12.2	\$8.0	\$12.2	\$8.0
Aids to Ind. & Org.	23.8	12.9	12.2	8.0	12.2	8.0
SEGREGATED REVENUE (3)	\$60,213.5	\$64,117.2	\$81,096.0	\$80,938.2	\$78,950.8	\$79,060.7
State Operations	60,213.5	64,117.2	81,096.0	80,938.2	78,950.8	79,060.7
TOTALS - ANNUAL	\$60,237.3	\$64,130.1	\$81,108.2	\$80,946.2	\$78,963.0	\$79,068.7
State Operations	60,213.5	64,117.2	81,096.0	80,938.2	78,950.8	79,060.7
Aids to Ind. & Org.	23.8	12.9	12.2	8.0	12.2	8.0

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2**  
**Department Position Summary by Funding Source (in FTE positions)**

	ADJUSTED BASE FY25	AGENCY REQUEST FY26	AGENCY REQUEST FY27	GOVERNOR'S RECOMMENDATION FY26	GOVERNOR'S RECOMMENDATION FY27
SEGREGATED REVENUE (3)	287.20	296.20	296.20	291.20	291.20
State Operations	287.20	296.20	296.20	291.20	291.20
TOTALS - ANNUAL	287.20	296.20	296.20	291.20	291.20
State Operations	287.20	296.20	296.20	291.20	291.20

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

## Employee Trust Funds

**Table 3**  
**Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY24	ADJUSTED BASE FY25	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY26	FY27	FY26	FY27
1. Employee benefit plans	\$60,237.3	\$64,130.1	\$81,108.2	\$80,946.2	\$78,963.0	\$79,068.7
TOTALS	\$60,237.3	\$64,130.1	\$81,108.2	\$80,946.2	\$78,963.0	\$79,068.7

**Table 4**  
**Department Position Summary by Program (in FTE positions)**

	ADJUSTED BASE FY25	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY26	FY27	FY26	FY27
1. Employee benefit plans	287.20	296.20	296.20	291.20	291.20
TOTALS	287.20	296.20	296.20	291.20	291.20

## Employee Trust Funds

### 1. Pension Administration System Modernization

Source of Funds	Agency Request				Governor's Recommendations			
	FY26		FY27		FY26		FY27	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	14,200,000	0.00	14,200,000	0.00	14,200,000	0.00	14,200,000	0.00
TOTAL	14,200,000	0.00	14,200,000	0.00	14,200,000	0.00	14,200,000	0.00

The Governor recommends increasing the department's base budget to support ongoing operational expenses associated with the modernization of the department's pension administration system. The Governor also recommends directing the department to include in its future biennial budget submissions a report detailing project expenditures and the condition of the project's funding appropriation.

### 2. Additional Staffing and Transfer of Oversight Responsibilities

Source of Funds	Agency Request				Governor's Recommendations			
	FY26		FY27		FY26		FY27	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	2,374,700	7.00	2,174,300	7.00	385,000	4.00	494,900	4.00
TOTAL	2,374,700	7.00	2,174,300	7.00	385,000	4.00	494,900	4.00

The Governor recommends providing position and expenditure authority to better support the department's customer service functions for members and public employers, and its compliance and reporting requirements. The Governor also recommends transferring oversight of the Office of Internal Audit from the Office of the Secretary to the Employee Trust Funds Board. The office would be headed by a classified position, which would report directly to the board. The Governor further recommends providing project position and expenditure authority to the Office of Internal Audit to better support the office's workload.

### 3. Infertility Coverage in Health Insurance Plans

The Governor recommends amending state statutes to require fully-insured health insurance policies and self-insured governmental health plans that cover medical or hospital expenses to cover diagnosis of and treatment for infertility and standard fertility preservation services. See Office of the Commissioner of Insurance, Item #10.

### 4. Rehire of Retired Employees

The Governor recommends allowing state agencies, local units of government and school districts participating in the Wisconsin Retirement System to rehire retired annuitant employees without requiring them to suspend their annuity if: (a) at least 30 days have passed since the employee left employment with a participating employer; (b) at the time of retirement, the employee does not have an agreement to return to work; and (c) upon returning to work, the employee elects to not again become a participating employee in the Wisconsin Retirement System.

## Employee Trust Funds

### 5. Domestic Partnership Benefits for Employee Trust Funds Insurance Programs

The Governor recommends reinstating domestic partnership benefits for all insurance programs administered by the department. These benefits were eliminated under 2017 Wisconsin Act 59, effective January 1, 2018.

### 6. Gender-Neutral Statutory References

The Governor recommends amending state statutes to make references to marriage, spouses and parentage gender-neutral, recognizing the legalization of same-sex marriage and providing greater flexibility and inclusion for all individuals, couples and families.

### 7. Annuity Supplement Reestimate

Source of Funds	Agency Request				Governor's Recommendations			
	FY26		FY27		FY26		FY27	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-700	0.00	-4,900	0.00	-700	0.00	-4,900	0.00
TOTAL	-700	0.00	-4,900	0.00	-700	0.00	-4,900	0.00

The Governor recommends adjusting the department's base budget to reflect a reestimate of annuity supplements.

### 8. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY26		FY27		FY26		FY27	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	248,600	0.00	248,600	0.00	248,600	0.00	248,600	0.00
TOTAL	248,600	0.00	248,600	0.00	248,600	0.00	248,600	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$718,400 in each year); (b) full funding of continuing position salaries and fringe benefits (\$1,390,700 in each year); (c) overtime (\$45,800 in each year); (d) night and weekend differential pay (\$72,500 in each year); and (e) full funding of lease and directed moves costs (-\$542,000 in each year).

## Employee Trust Funds

### ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Employee Trust Funds.

Decision Item	Source of Funds	FY26		FY27	
		Dollars	Positions	Dollars	Positions
9. Locating Missing WRS Participants	SEG-O	155,500	2.00	198,100	2.00
10. Increased Autonomy Toward Managing Personnel	GPR	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	SEG-O	155,500	2.00	198,100	2.00