
WRS Annuitants Hired by Employers Participating in the WRS

Legislative Audit Bureau

January 22, 2013

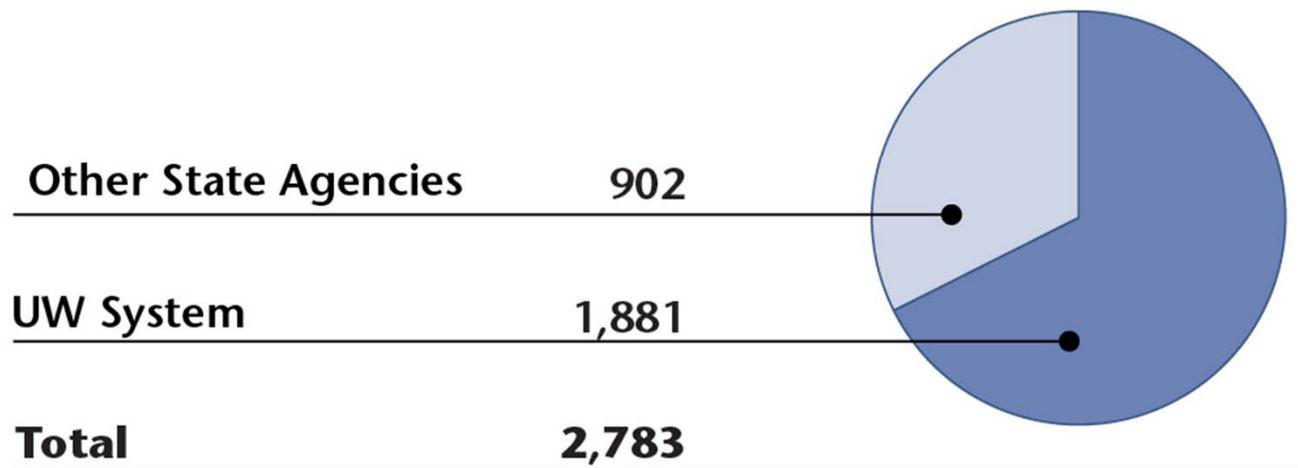
Legal Requirements

State law allows individuals to retire and return to work in WRS-eligible positions if:

- ◆ on the day they terminate employment, they have no rights to any future WRS-eligible employment; and
- ◆ they are separated from all WRS-eligible employment for at least 30 days.

Annuitants Hired by State Agencies

WRS Annuitants Hired by UW System and Other State Agencies
January 2007 through March 2012



Annuitants Hired by State Agencies

Of the 2,783 annuitants hired from
January 2007 through March 2012:

- ◆ 61.1 percent worked for 1 year or less; and
- ◆ 1.5 percent worked for more than 4 years.

Not all annuitants worked continuously.

Few annuitants suspended their annuities.

Annuitants Hired by State Agencies

Of the annuitants who worked continuously for the first six months of employment and for whom information was available:

- ◆ 91.7 percent had hourly wages the same as or lower than their hourly wages at retirement; and
- ◆ 8.3 percent had higher hourly wages.

Annuitants Hired by Local Agencies

The 1,169 respondents to our survey indicated that they hired 2,599 WRS annuitants from January 2011 through March 2012, including:

- ◆ 1,681 hired by school districts; and
- ◆ 918 hired by local governments.

Respondents indicated most annuitants were hired for their skills and experience.

Contracting with Annuitants

Amounts State Agencies Directly Paid to WRS Annuitants
Contracted to Provide Goods and Services

	Amount	Annuitants
2007	\$ 13,700	15
2008	109,500	42
2009	166,300	54
2010	265,300	72
2011	756,400	130
2012	339,100	77
Total	\$1,650,300	266

ETF Oversight

ETF investigates when it believes that good-faith terminations from employment may have not occurred.

From August 2009 through June 2012, ETF conducted 19 investigations, including 14 in which it determined there was insufficient information to conclude that good-faith terminations had not occurred.

ETF Oversight

It can be challenging for ETF to determine that a good-faith termination from employment did not occur.

Statutes provide few restrictions on the ability of annuitants to return to work for WRS-participating employers.

Legislative Considerations

The Legislature could modify statutes by:

- ◆ lengthening the separation period from the current 30 days to 60, 90, or 120 days or more; or
- ◆ limiting the length of time annuitants are allowed to work for WRS-participating employers.

Legislative Considerations

The Legislature could prohibit individuals who have not completed their separation periods from:

- ◆ working in positions ineligible for WRS participation;
- ◆ contracting with WRS-participating employers; or
- ◆ signing employment agreements.

Legislative Considerations

The Legislature could consider obtaining an actuarial opinion to determine the effects on the WRS of hiring annuitants or modifying statutes governing how annuitants may return to work.

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