

Wisconsin Coalition of Annuitants

November 20, 2023, Minutes

www.wicoa.org

Meeting called to order by the Chair Diane Wilcenski at 9:31 AM

DIRECTORS & ALTERNATES PRESENT: Willie Backes, AFSCME24; Robert Beglinger, AFT-R; Barbara Bird, DOT; Jean Grosklaus, West Allis Retirees; Brian Holmes, Epsilon Sigma Phi; Bruce Johnson, SWIB Retiree; Rick Klemme, Epsilon Sigma Phi; Allen Knop, WEAC-Retired; Dick Kratz, WI Retired Corrections Personnel; Jack Lawton, ACE; Elaine Reiter, Kettle Moraine Retired; Robert Schaefer, WI Assoc of Retired Conservationists and State Engineering Association; Jeanne Stangl, Dodge County Area REA; Jim Thiel, Association of Career Employees; Diane Wilcenski, WREA; Rick Wojciak, DNR; Christopher Wren, Wisconsin State Attorneys Association; and **wicoa.org**

DIRECTORS & ALTERNATES NOT PRESENT: James Blank, Bay Lakes United Educators-R; Dave Bosanko, Retired Professional Fire Fighters of WI; Tom Broman, UW Madison Retirement Association; Robert Brooks, Central Wisconsin Center Retirees; Sandy Drew, SWIB Retiree; Ed Frank, WI Assoc of Retired Conservationists; Paul Haubrich, UW Milwaukee Retiree's Assoc.; Kathy Kreul, WFT/AFT Retirees; Tara Leithold, Kettle Moraine Retirees; Lucrecia Mattson, UW-Eau Claire Emeritus; Fred Nepple, OCI; Jim Palmer, WI Professional Police Association Retired; Dee Pettack, SAA; Tom Speranza, Retired Professional Fire Fighters of WI; Roger Springman, WFT/AFT Retirees; Joe Strohl, Retired Professional Fire Fighters of WI; and Clara Welch, Beloit Area REA

DIRECTORS & ALTERNATES EXCUSED: John Maydak, West Allis Retirees

Roll Call: Taken on Zoom by Rick

Approval of the October Minutes: Approved as printed

Guests: Chris Preisler, Senior Communications Specialist, SWIB
Tarna Hunter, Director of Budget and Management, ETF

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Performance Final Numbers as of September 31, 2023:

Core 4.08% Benchmark 3.63%

Variable 9.86% Benchmark 10.51%

Assets Under Management as of September 31, 2023

Core 115.6B

Variable 8.9B

For a total of 124.5B of retirement funds are under SWIB management.

Portfolio Performances

Equities 9.5%

Fixed Income 1.5%

Real Estate -5.0%

Private Equities 4.2%

Preliminary numbers as of October 31, 2023

Core 2.03% Benchmark 1.59%

Variable 6.56% Benchmark 7.08%

There has been some slight improvement during November. Preliminary numbers will be posted on the SWIB website sometime during the second week of December. These numbers are posted to help those considering retirement.

SWIB News:

Edwin has made some changes to his leadership team. Rochelle Klaskin will still retain her Deputy Executive Director title. Her Chief Administrative Officer title will be dropped and the title of Chief Operating Officer will be added. She will be responsible for Agency Business, Data Management and the Technology Group. SWIB is in the process of hiring a new Chief Technology Officer (CTO) who will report to Rochelle. Rochelle has been overseeing the technology group over the past seven months while SWIB has been searching for a new CTO. SWIB is hoping to hire one of the highly qualified candidates soon.

Beginning in January 2024, Sara Chandler, who is currently Chief Legal Counsel will have the new title of Chief of Staff and Strategy. She will report directly to Edwin. She is responsible for helping develop his strategic priorities and drive and create accountability with those priorities. She also will work cross functionally to anticipate problems and clear roadblocks for Edwin. This will help Edwin to become a more effective leader. With SWIB growing in size and combined responsibilities, Edwin reached out to several leaders who utilize a role like this. They were in agreement that a position like this had many benefits. SWIB is performing an internal search for the Chief Legal Counsel. Sara will continue to supervise the Communications Division which will provide closer access to Edwin and his strategy priorities and enable SWIB to communicate these to other groups.

Chris will send a chart of staff positions.

Edwin recently joined the International Center of Pension Management Board. It is an international group that works on fostering long term investing, strengthening the

governing of pension investments and improving design and governance of pensions. Edwin is very excited being part of this group as he now has access to pension leaders around the world. This group was started as a nonprofit organization in 2015. Forty-three pensions are part of this group which manage over \$6 trillion in assets.

PEW published a study brief that talked favorably about the Wisconsin Retirement System. It used it as an example of a public pension system that had policies in place that resulted in being able to be fully funded now and in the future. Here is the link to the Pew study: <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2023/11/public-retirement-systems-need-sustainable-policies-to-navigate-volatile-financial-markets>

The SWIB Board of Trustees will meet December 14-15 in Madison at the new offices. The meeting can be streamed or in person. Link for agendas and dates: <https://www.swib.state.wi.us/meetings>

The last podcast of the year was taped last week and is in the editing process. The podcast will deal with the Housing Market. Mike Shearer (Fixed Income Strategist) and Leo Kropywiansky (Senior Portfolio Manager on research team of asset and risk allocations group) discuss what is going on with the Housing Market. SWIB does not invest in single family homes but has a mortgage backed security portfolio. You can listen to this episode of the podcast as well as past episodes at www.swib.state.wi.us/podcasts.

You can get an email with information about the podcast by signing up here: <https://public.govdelivery.com/accounts/WIDETF/subscriber/new>

GUEST: Tarna Hunter, Director of Budget and Management, ETF

ETF reorganized its management services functions. The current structure is the Division of Technology, Security and Data Services, Office of Budget and Management, Office of Talent Management (HR), Office of Privacy, Policy, and Compliance, and Office of Communications.

Tarna was promoted to Director of Budget and Management. She is responsible for providing overall administration of the Department of Employee Trust Fund's budget and management programs and services, including governmental relations and legislative policy analysis; operating and biennial budget; procurement; contract administration; and facilities, supply, mail, and records services.

Legislative Update:

2023 Session – Proposed Legislation Retirement

[2023 SB 9](#) and [2023 AB 18](#) make the following changes to the return-to-work requirements for teachers:

- Eliminates the annuity suspension requirement for teachers of school districts who return-to-work as a substitute teacher for a school district and work more than two-thirds of full time;
- Reduces the break-in-service requirement for teachers of school districts from 75 days to 30 days; and
- Applies to retired teachers who are hired between the effective date of the bill and August 1, 2026.

2023 AB 227 and 2023 SB 224 eliminate sick leave credits for state representatives and state senators. Under the bill, the current accumulated sick leave balances of legislators would not be affected. The bill would not make any changes to the state's sick leave conversion credit programs.

2023 SB 273 and 2023 AB 278 allow an annuitant who was a law enforcement officer or fire fighter to return to work with an employer who participates in the WRS, work two thirds of full-time, and elect to not become a participating employee for purposes of the WRS, and instead continue to receive his or her annuity.

2023 SB 432 and 2023 AB 437 modify various insurance statutes that are administered by the Office of the Commissioner of Insurance (OCI). The following provision relates to the Wisconsin Retirement Board: Allows the commissioner of insurance to appoint the deputy commissioner, chief legal counsel, or chief financial regulator in OCI to serve as a member on the Wisconsin Retirement Board.

2023 SB 492 and 2023 AB 519 require municipal employers to offer a health insurance plan that is offered by the Group Insurance Board to eligible employees of a school district.

2023 SB 493 and 2023 AB 520 provide that DPI provide \$7,000 bonuses to teachers that have been employed by a school district for more than 5 years. The bonus is not considered earnings for the purposes of the Wisconsin Retirement System.

2023 SB 512 and 2023 AB 515 make the following changes to the return-to-work requirements for teachers:

- Eliminates the annuity suspension requirement for teachers of school districts who return to work for a school district and work more than two-thirds of full time;
- Reduces the break-in-service requirement for teachers of school districts from 75 days to 30 days; and

- Applies to teachers who terminate employment on the effective date of the bill.

Tarna provided verbal updates on co-sponsorship memos and other legislative happenings. She indicated she will provide more information at the next meeting.

Tarna and Jay Risch from SWIB finished their WRS 101 meetings with new legislators. Tarna felt that they had very good conversations with this group. ETF and SWIB are already planning for the next session, focusing on the value of the WRS and ETF's need for continued support and resources to modernize its antiquated legacy systems.

Last week, the Group Insurance Board discussed initiatives that would support program affordability for members, program innovation, and the overall sustainability of the State of Wisconsin Group Health Insurance Program. The Board also approved the release of several request for proposals (RFP) for services effective January 1, 2026, including:

- One or more vendors to provide Medicare Advantage and Medicare Plus options.
- One vendor to provide administrative services for the Pharmacy Benefits Program.
- One or more vendors to provide administrative services for the Pre-Tax Savings Account Program, including the Health Savings Account, Employee Reimbursement Account, and Commuter Fringe Benefit Accounts.

All three RFPs will be released in the spring of 2024.

The Insurance Administration System modernization initiative is moving along nicely.

ETF is making significant progress with its Data Management initiative creating a data lake (central repository of ETF data) that will pull data from nineteen silos and move it to one location. This is essential for modernization.

December 7, 2023 is the Deferred Compensation Board Meeting.

December 14, 2023 is the ETF Board Meeting.

Correspondence: None

Old Business:

Diane and Jack Lawton gave us an update on what the subcommittee has been working on dealing with Medicare and Medicare Advantage. You were emailed a link to the article [Our Payments Their Profits.](#) **Please read it before our December Meeting.**

[MA Overpayment Report \(pnhp.org\)](https://pnhp.org/MA-Overpayment-Report) Place your cursor over the link. Then hold down the ctrl key and click your mouse over the link to open.

Diane, Jack, Roger, Jim Blank, Ed and Chris met with Dr. Ed Weisbart on October 24. He talked about issues that were presented in the article. The group discussed what the next step to take concerning these issues. Letters have been written to Congress with concerns about the Medicare Advantage plans. Roger has started a draft letter in case we as a group decided to pursue that route. It has been noted that Medicare Advantage plans have been using AI to decide on criteria and denials. ETF replied to the questionnaire that was sent by this committee. More questions have come up. Diane is working with Rep. Mark Pocan concerning his stance that Medicare Advantage programs really are not Medicare.

WICOA will meet with Dr. Ed Weisbart on December 18 during our regular meeting.

New Business: Annual WICOA Conference

Diane asked us to start thinking about what our annual conference will look like next year. We have many things to consider... Zoom or in-person, If in person, where, date, committee, speakers. We will start discussions at our next meeting.

Treasurer Report:

There have not been any receipts or distributions since September.

As of October 31, 2023, the balance is \$7644.53

Next Meeting: Monday, December 18, 2023 at 9:30 AM

Stand Adjourned at 10:18 AM

Respectfully submitted by

Jeanne Stangl

WICOA Secretary