

3/2/2022 (emailed to eligible employees)

Subject Line: Thinking of retiring in the next 3 years? [Important information]

Dear UW System employee;

If you are planning to **retire within the next three years**, you may wish to participate in the WRS-Single Payroll Transition Program, a program designed to smooth the transition to the biweekly payroll with how earnings were reported to the Wisconsin Retirement System (WRS). This program will be offered annually through May 1, 2024 (application due date).

#### **How do I know if I might be affected?**

You may be affected by the transition from the monthly payroll to the biweekly payroll if:

- You are separating from service with UW System during one the next three fiscal years (2022, 2023, or 2024);
- You are including fiscal year 2022 as one of your highest years of earnings for WRS purposes; and
- You are eligible for the WRS *formula benefit*\*.

**Note:** *For retirements taking place between June 15, 2022 and February 15, 2023 participation in this program requires action by May 1, 2022. Individuals contemplating retirement within the next 12 months should review this program information closely.*

*If you are employed on 9-month contract and do not have any earnings from summer session(s) and/or summer service(s) this program will not benefit you.*

#### **How does the WRS-Single Payroll Transition Program benefit me?**

The WRS-Single Payroll Transition Program allows eligible employees to apply for a one-time election to accelerate payment of wages for days worked at the end of their last full fiscal year of employment. This means wages will be paid in June for all days worked in June. This will result in higher reported earnings to the WRS for the last full fiscal year worked and address the timing difference of when earnings are paid and reported between June and July 2022.

#### **How did the transition to a biweekly payroll affect the timing of wages reported to the WRS?**

In July 2021 the UW System modified its payroll practices for employees paid monthly by transitioning them to the biweekly payroll cycle. Prior to July 2021, employees paid monthly were paid-to-date for all days worked within a month.

Employees paid biweekly receive a paycheck approximately two weeks after the end of the payroll period, which typically results in 26 paychecks during any given fiscal year (a fiscal year is July 1 to June 30). With the transition to a biweekly payroll cycle, for fiscal year 2022 (July 1, 2021 to June 30, 2022), employees will receive 25 paychecks instead of 26 because employees were paid for all days worked in June 2021 on their June 30, 2021 paycheck. This results in a reduction in earnings reported to the WRS for fiscal year 2022 because earnings are reported to the WRS on the date paid.

#### **Why is this program only offered for three years?**

Because the WRS formula benefit is based on your highest earnings for three fiscal years, this shift in the

timing of when wages are reported will not affect your final average earnings (under the WRS formula method calculation) once you are paid biweekly for more than three years or if 2022 is not one of your three highest earning fiscal years.

### **More Information & Questions**

To learn more about the WRS-Single Payroll Transition Program and access the application, review the following resources:

- [WRS-Single Payroll Transition Program web page](#)
- [Frequently Asked Questions](#)

If you have questions after reviewing the available information, contact your [institution's benefits contact](#).

*\*The final calculation, which is done after you separate from service, may change the method your benefit is calculated from money purchase to formula, so you may want to apply for this program even if your benefit may initially be money purchase.*

Sincerely,

UW System Human Resources