

Week of 2/5/2024: Email to eligible employees

Subject Line: Retiring before February 15, 2025, consider the WRS-Single Payroll Transition Program [Important information]

Dear {{FIRSTNAME}},

If you are thinking about retiring before February 15, 2025, review this information about the WRS-Single Payroll Transition Program closely.

The WRS-Single Payroll Transition Program is a program designed to smooth the reporting of earnings to the Wisconsin Retirement System (WRS) because of the transition from the monthly payroll to the biweekly payroll. The 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.

If you plan to retire between June 15, 2024 and February 15, 2025, participation in this program requires action by **May 1, 2024**.

This is the last year the WRS-Single Payroll Transition Program will be offered.

#### **How do I know if my WRS retirement benefit might be affected?**

Your WRS retirement benefit may be affected by the transition to the biweekly payroll from the monthly payroll if:

- You are separating from service from the Universities of Wisconsin between June 15, 2024 and February 15, 2025;
- 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*\*.

*\*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 greater under the money purchase method.*

#### **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 2024.

*If you are employed on a 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 did the transition to a biweekly payroll affect the timing of wages reported to the WRS?**

In July 2021, the Universities of Wisconsin transitioned monthly paid employees 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, employees received 25 paychecks instead of 26 for fiscal year 2022 (July 1, 2021 to June 30, 2022) because employees were paid for all days worked in June 2021 on their June 30, 2021 paycheck. This resulted 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?**

The WRS formula benefit is based on your highest earnings for three fiscal years. Once you are paid biweekly for more than three years and 2022 is not one of your three highest earning 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.

### **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:  
<https://www.wisconsin.edu/ohrwd/benefits/ret/wrs/wrs-single-payroll-transition-program/>
- Frequently Asked Questions:  
<https://www.wisconsin.edu/ohrwd/benefits/download/WRS-SinglePayrollTransitionProgramFAQ.pdf>

Reach out to your benefits contact at <https://www.wisconsin.edu/ohrwd/benefits/contact/> if you have questions after reviewing the available information.

Sincerely,

Universities of Wisconsin Office of Human Resources

*For enhanced security, this email does not contain clickable links.*