

SEA RETIREMENT AND HEALTH ANNUAL REPORT – October 13, 2007

1. SWIB Performance for 2006 on December 31, 2006

Core Fund : +15.6%
Variable Fund: +17.6%

Real estate equity: +28.8%
Private equity: +25.5%

For details, review the SWIB article in the February 2007 SEA View. (Note Attachment.)

2. On February 26, 2007, the WRS dividends were reported in the Capital Times. (Note SWIB article in the March 2007 SEA View. Also note the national search for Dave Mills, Executive Director at SWIB, replacement who is retiring in June 2007.)
3. Sudan Divestment Bills, S.B. 5 & A.B. 124, were considered at a legislative hearing on March 28, 2007. (Note the WCOA article and SWIB article in the May 2007 SEA View for details.) S.B. 5 and A.B. 124 have never been acted on by the Legislative Committee.
4. SWIB named the new Executive Director. (Note the article in the May 2007 SEA View.) Keith Bozarth is to start at SWIB on June 25, 2007.
5. Somewhere in a closed session, the Group Insurance Board approved a change in the out-of-pocket co-pays for pharmacy services. It appears to be increased to the following for 2008 health plans: \$350 for single; \$700 for family.

This alternative was not discussed at the April 17, 2007 GIB meeting. (Note The May 2007 SEA View for what alternatives were considered by the GIB.)

6. ETF Annuitant Round Table held on August 7, 2007. Please note the second speaker, Liz Doss-Anderson, Manager of ETF's Ombudsperson Services Program. It is very important to contact them if you have any difficulty navigating the health insurance program or disability program, especially if you have a grievance or an appeal of a decision. (Note the Round Table article in the August/September 2007 SEA View.)

7. ETF GIB Meeting on August 28, 2007. (Note the October 2007 SEA View article for Dual Choice information for 2008.) The Dual Choice period is October 10th – October 26th.

I also provided all SEA Board members with copies of the data ETF used for the Dual Choice books.

8. Note ETF Retirement Board Meeting September 13 & 14, 2007 SEA View article in the October 2007 issue.

The ETF Board promoted Dave Stella to ETF Secretary and also appointed him to the vacant seat on the SWIB Board effective September 14, 2007.

9. SWIB Update – Performance: September 30, 2007:

Core Fund	+9.7%	83.408B
Variable Fund	+9.4%	7.814B
	TOTAL	91.222B

Meeting with Keith Bozarth was held on October 4, 2007 with key annuitant and active employee organizations to review legislative changes SWIB needs to function in the global investment markets currently and into the future years.

10. Any questions?

Melvin B. Sensenbrenner,
SEA Retirement & Health
Insurance Representative

1983 - 2006 WISCONSIN RETIREMENT SYSTEM
Credited Effective Rates and Corresponding Dividends/Adjustments

CORE TRUST FUND				VARIABLE TRUST FUND		
YEAR	SWIB TOTAL RATE OF RETURN	EFFECTIVE RATE (Credited to active employees)	DIVIDEND (Paid to retirees)	SWIB TOTAL RATE OF RETURN	EFFECTIVE RATE (Credited to active employees)	ADJUSTMENT (Impacts retirees' accounts)
2006	15.8%	9.8%	3.0%	17.6%	18.0%	10.0%
2005	8.6%	6.5%	0.8%	8.3%	9.0%	3.0%
2004	12.8%	8.5%	2.6%	12.7%	12.0%	7.0%
2003	24.2%	7.4%	1.4%	32.7%	34.0%	25.0%
2002	-8.8%	5.0%	0.0%	-21.9%	-23.0% (loss)	-27.0% (loss)
2001	-2.3%	8.4%	3.3%	-8.3%	-9.0% (loss)	-14.0% (loss)
2000	-0.8%	10.9%	5.7%	-7.2%	-7.0% (loss)	-11.0% (loss)
1999**	15.7%	24.1%	17.1%	27.8%	28.0%	21.0%
1998	14.6%	13.1%	7.2%	17.5%	18.0%	12.0%
1997	17.2%	12.8%	7.7%	21.6%	23.0%	18.0%
1996	14.4%	12.5%	6.6%	19.8%	20.0%	14.0%
1995	23.1%	11.3%	5.6%	25.6%	27.0%	19.0%
1994	-0.6%	7.7%	2.8%	0.8%	0.0%	-4.0% (loss)
1993	15.0%	11.0%	4.9%	16.5%	17.0%	11.0%
1992	9.7%	10.2%	4.4%	10.7%	11.0%	5.0%
1991	20.4%	12.1%	6.3%	27.1%	28.0%	18.0%
1990	-1.5%	8.6%	3.6%	-11.3%	-11.0% (loss)	-14.0% (loss)
1989*	19.2%	18.1%	11.3%	22.6%	24.0%	16.0%
1988	14.4%	10.2%	4.1%	21.7%	22.0%	14.0%
1987*	2.2%	14.0%	6.7%	-1.1%	-1.0% (loss)	-6.0% (loss)
1986	14.5%	12.7%	7.6%	11.5%	13.0%	8.0%
1985	27.5%	12.5%	7.2%	32.7%	33.0%	26.0%
1984	12.8%	11.4%	6.0%	5.8%	6.0%	0.0%
1983	12.5%	11.2%	5.0%	24.7%	26.0%	18.0%

Depending on the years you were covered under the WRS, the amount of interest credited to your **Core Fund** (formerly Fixed Fund) account may vary. Core Fund effective rates were capped by law at 5% for people who began employment between Jan. 1, 1982, and Dec. 31, 1999. A change in the law provided that Core Fund effective rates apply to all employees as of Dec. 31, 1999. Core Fund gains and losses are smoothed over 5 years. By law, no increases are applied to annuities unless the effective rate increases are in excess of at least 5%.

*Rates credited in 1987 & 1989 were distorted by one-time accounting changes.

** Results include a special one-time recognition of past earnings created by 1999 WI Act 11.